

State Bank of India

Balance Sheet as on 31st March, 2015

(000s omitted)

	Schedule No.	As on 31.03.2015 (Current Year) ₹	As on 31.03.2014 (Previous Year) ₹
CAPITAL AND LIABILITIES			
Capital	1	746,57,31	746,57,31
Reserves & Surplus	2	127691,65,34	117535,67,65
Deposits	3	1576793,24,50	1394408,50,48
Borrowings	4	205150,29,26	183130,88,26
Other Liabilities and Provisions	5	137698,03,57	96926,65,38
TOTAL		2048079,79,98	1792748,29,08
ASSETS			
Cash and Balances with Reserve Bank of India	6	115883,84,35	84955,66,05
Balances with Banks and money at call and short notice	7	58977,46,02	47593,97,22
Investments	8	495027,39,52	398799,57,13
Advances	9	1300026,39,29	1209828,71,92
Fixed Assets	10	9329,16,42	8002,15,51
Other Assets	11	68835,54,38	43568,21,25
TOTAL		2048079,79,98	1792748,29,08
Contingent Liabilities	12	1000627,25,78	1017329,95,45
Bills for Collection	-	92795,24,84	74028,41,81
Significant Accounting Policies	17		
Notes to Accounts	18		



Schedules

SCHEDULE 1 - CAPITAL

	(000s omitted)	
	As on 31.03.2015 (Current Year) ₹	As on 31.03.2014 (Previous Year) ₹
Authorised Capital : 5000,00,00,000 shares of ₹ 1* each (Previous Year 500,00,00,000 shares of ₹ 10 each)	5000,00,00	5000,00,00
Issued Capital : 746,65,61,670 Equity Shares of ₹ 1 each (Previous Year 74,66,56,167 Equity Shares of ₹ 10 each)	746,65,61	746,65,61
Subscribed and Paid-up Capital : 746,57,30,920 Equity Shares of ₹ 1 each (Previous Year 74,65,73,092 Equity Shares of ₹ 10 each) [The above includes 16,04,31,560 Equity Shares of ₹ 1 each (Previous Year 1,58,73,554 Equity Shares of ₹ 10 each) represented by 1,60,43,156 (Previous Year 79,36,777) Global Depository Receipts]**	746,57,31	746,57,31
TOTAL	746,57,31	746,57,31

* The face value of the equity shares of the Bank was reduced from ₹ 10 per share to ₹ 1 per share vide resolution dated September 24, 2014 w.e.f. November 22, 2014 (Record Date November 21, 2014).

** GDR/ Equity Share ratio was changed from 1:2 to 1:10 w.e.f. November 24, 2014.

SCHEDULE 2 - RESERVES & SURPLUS

	(000s omitted)	
	As on 31.03.2015 (Current Year) ₹	As on 31.03.2014 (Previous Year) ₹
I. Statutory Reserves		
Opening Balance	43810,33,00	40470,71,09
Additions during the year	4029,07,98	3339,61,91
Deductions during the year	-	-
	47839,40,98	43810,33,00
II. Capital Reserves		
Opening Balance	1744,01,05	1527,25,75
Additions during the year	105,50,44	216,75,30
Deductions during the year	-	-
	1849,51,49	1744,01,05
III. Share Premium		
Opening Balance	41444,68,60	31501,19,81
Additions during the year	-	9969,10,90
Deductions during the year	-	25,62,11
	41444,68,60	41444,68,60
IV Foreign Currency Translation Reserve		
Opening Balance	6040,01,00	3475,33,39
Additions during the year	158,29,42	2564,67,61
Deductions during the year	25,95,71	-
	6172,34,71	6040,01,00



Schedules

(000s omitted)

	As on 31.03.2015 (Current Year) ₹	As on 31.03.2014 (Previous Year) ₹
V. Revenue and Other Reserves*		
Opening Balance	24496,31,52	21224,81,17
Additions during the year	5889,05,56	4796,63,50
Deductions during the year	-	1525,13,15
	30385,37,08	24496,31,52
VI. Balance of Profit and Loss Account	32,48	32,48
*Note: Revenue and Other Reserves include (i) ₹ 5,00,00 thousand (Previous Year ₹ 5,00,00 thousand) of Integration and Development Fund (maintained under Section 36 of the State Bank of India Act, 1955) (ii) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 ₹ 6719,06,15 thousand (Previous Year ₹ 5544,98,43 thousand)		
TOTAL	127691,65,34	117535,67,65

SCHEDULE 3 - DEPOSITS

(000s omitted)

	As on 31.03.2015 (Current Year) ₹	As on 31.03.2014 (Previous Year) ₹
A. I. Demand Deposits		
(i) From Banks	5941,51,45	6041,38,80
(ii) From Others	118630,78,84	107191,08,49
II. Savings Bank Deposits	527332,81,84	485167,93,49
III. Term Deposits		
(i) From Banks	9179,86,77	34117,68,40
(ii) From Others	915708,25,60	761890,41,30
TOTAL	1576793,24,50	1394408,50,48
B. I. Deposits of Branches in India	1487236,32,78	1305983,94,89
II. Deposits of Branches outside India	89556,91,72	88424,55,59
TOTAL	1576793,24,50	1394408,50,48



Schedules

SCHEDULE 4 - BORROWINGS

(000s omitted)

	As on 31.03.2015 (Current Year) ₹	As on 31.03.2014 (Previous Year) ₹
I. Borrowings in India		
(i) Reserve Bank of India	2595,00,00	12200,00,00
(ii) Other Banks	674,52,05	1121,44,41
(iii) Other Institutions and Agencies	3490,55,76	8280,19,25
(iv) Capital Instruments :		
a. Innovative Perpetual Debt Instruments (IPDI)	2165,00,00	2165,00,00
b. Subordinated Debt	36471,39,60	36671,39,60
	38636,39,60	38836,39,60
TOTAL	45396,47,41	60438,03,26
II. Borrowings outside India		
(i) Borrowings and Refinance outside India	155847,56,85	118948,16,25
(ii) Capital Instruments :		
Innovative Perpetual Debt Instruments (IPDI)	3906,25,00	3744,68,75
TOTAL	159753,81,85	122692,85,00
GRAND TOTAL	205150,29,26	183130,88,26
Secured Borrowings included in I & II above	4581,96,92	3339,91,31

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(000s omitted)

	As on 31.03.2015 (Current Year) ₹	As on 31.03.2014 (Previous Year) ₹
I. Bills payable	20184,69,67	19165,70,27
II. Inter-office adjustments (Net)	39061,18,75	1502,58,08
III. Interest accrued	20560,45,58	15772,86,89
IV. Deferred Tax Liabilities (Net)	2353,11,87	3351,52,25
V. Others (including provisions)*	55538,57,70	57133,97,89
TOTAL	137698,03,57	96926,65,38

* includes Share application money of ₹ 2970,00,00 thousand received from the Government of India against preferential issue of equity shares.



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SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(000s omitted)

	As on 31.03.2015 (Current Year) ₹	As on 31.03.2014 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	14943,22,17	12456,56,04
II. Balance with Reserve Bank of India		
(i) In Current Account	100940,62,18	72499,10,01
(ii) In Other Accounts	-	-
TOTAL	115883,84,35	84955,66,05

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(000s omitted)

	As on 31.03.2015 (Current Year) ₹	As on 31.03.2014 (Previous Year) ₹
I. In India		
(i) Balances with banks		
(a) In Current Accounts	193,75,88	916,04,64
(b) In Other Deposit Accounts	20105,52,16	13292,53,15
(ii) Money at call and short notice		
(a) With banks	2240,00,00	3650,00,00
(b) With other institutions	-	-
TOTAL	22539,28,04	17858,57,79
II. Outside India		
(i) In Current Accounts	21059,05,65	9555,80,00
(ii) In Other Deposit Accounts	1946,13,70	2836,10,73
(iii) Money at call and short notice	13432,98,63	17343,48,70
TOTAL	36438,17,98	29735,39,43
GRAND TOTAL (I and II)	58977,46,02	47593,97,22



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SCHEDULE 8 - INVESTMENTS

	(000s omitted)	
	As on 31.03.2015 (Current Year) ₹	As on 31.03.2014 (Previous Year) ₹
I. Investments in India in :		
(i) Government Securities	377654,15,03	308394,62,24
(ii) Other approved securities	-	-
(iii) Shares	4336,48,56	3009,16,29
(iv) Debentures and Bonds	30527,76,51	26424,80,57
(v) Subsidiaries and/ or Joint Ventures (including Associates)	7596,50,49	6153,70,49
(vi) Others (Units of Mutual Funds, Commercial Papers, Priority Sector Deposits etc.)	44555,47,08	30557,63,96
TOTAL	464670,37,67	374539,93,55
II. Investments outside India in :		
(i) Government Securities (including local authorities)	5758,32,99	3465,14,10
(ii) Subsidiaries and/ or Joint Ventures abroad	2185,68,69	2183,71,39
(iii) Other Investments (Shares, Debentures etc.)	22413,00,17	18610,78,09
TOTAL	30357,01,85	24259,63,58
GRAND TOTAL (I and II)	495027,39,52	398799,57,13
III. Investments in India :		
(i) Gross Value of Investments	464903,63,14	375190,53,48
(ii) Less: Aggregate of Provisions / Depreciation	233,25,47	650,59,93
(iii) Net Investments (vide I above) TOTAL	464670,37,67	374539,93,55
IV. Investments outside India :		
(i) Gross Value of Investments	30603,67,21	25156,84,83
(ii) Less: Aggregate of Provisions / Depreciation	246,65,36	897,21,25
(iii) Net Investments (vide II above) TOTAL	30357,01,85	24259,63,58
GRAND TOTAL (III and IV)	495027,39,52	398799,57,13



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SCHEDULE 9 - ADVANCES

(000s omitted)

	As on 31.03.2015 (Current Year) ₹	As on 31.03.2014 (Previous Year) ₹
A. I. Bills purchased and discounted	95605,93,62	77755,08,56
II. Cash credits, overdrafts and loans repayable on demand	538576,40,18	522860,87,39
III. Term loans	665844,05,49	609212,75,97
TOTAL	1300026,39,29	1209828,71,92
B. I. Secured by tangible assets (includes advances against Book Debts)	988275,84,14	949116,35,89
II. Covered by Bank/ Government Guarantees	52640,93,65	61654,47,71
III. Unsecured	259109,61,50	199057,88,32
TOTAL	1300026,39,29	1209828,71,92
C. I. Advances in India		
(i) Priority Sector	288952,35,26	280819,50,12
(ii) Public Sector	99444,50,78	74172,44,97
(iii) Banks	261,94,79	99,98,62
(iv) Others	678592,56,54	642792,39,65
TOTAL	1067251,37,37	997884,33,36
II. Advances outside India		
(i) Due from banks	49656,27,37	47670,95,07
(ii) Due from others		
(a) Bills purchased and discounted	28459,86,93	11768,61,70
(b) Syndicated loans	73482,21,58	84589,24,23
(c) Others	81176,66,04	67915,57,56
TOTAL	232775,01,92	211944,38,56
GRAND TOTAL (C-I & C-II)	1300026,39,29	1209828,71,92



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SCHEDULE 10 - FIXED ASSETS

(000s omitted)

	As on 31.03.2015 (Current Year) ₹	As on 31.03.2014 (Previous Year) ₹
I. Premises		
At cost as on 31st March of the preceding year	3112,45,97	2816,74,52
Additions during the year	312,37,37	312,32,09
Deductions during the year	5,44,23	16,60,64
Depreciation to date	447,32,80	1021,60,07
	2972,06,31	2090,85,90
II. Other Fixed Assets (including furniture and fixtures)		
At cost as on 31st March of the preceding year	15573,29,35	13618,43,55
Additions during the year	2758,28,85	2750,04,30
Deductions during the year	789,22,75	795,18,50
Depreciation to date	11472,61,90	9947,69,74
	6069,73,55	5625,59,61
III. Leased Assets		
At cost as on 31st March of the preceding year	233,62,47	782,89,10
Additions during the year	-	-
Deductions during the year	24,92,27	549,26,63
Depreciation to date including provision	208,70,20	233,62,47
	-	-
IV. Assets under Construction (Including Premises)	287,36,56	285,70,00
TOTAL (I, II, III and IV)	9329,16,42	8002,15,51

SCHEDULE 11 - OTHER ASSETS

(000s omitted)

	As on 31.03.2015 (Current Year) ₹	As on 31.03.2014 (Previous Year) ₹
I. Inter-office adjustments (Net)	-	-
II. Interest accrued	15020,62,03	13416,73,64
III. Tax paid in advance / tax deducted at source	9257,46,09	11880,51,10
IV. Deferred Tax Assets (Net)	365,98,57	513,69,19
V. Stationery and stamps	104,48,23	116,21,78
VI. Non-banking assets acquired in satisfaction of claims	4,25,91	4,25,91
VII. Others	44082,73,55	17636,79,63
TOTAL	68835,54,38	43568,21,25



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SCHEDULE 12 - CONTINGENT LIABILITIES

(000s omitted)

	As on 31.03.2015 (Current Year) ₹	As on 31.03.2014 (Previous Year) ₹
I. Claims against the bank not acknowledged as debts	14132,87,81	13578,51,87
II. Liability for partly paid investments	463,08,37	519,40,99
III. Liability on account of outstanding forward exchange contracts	568894,47,16	573861,67,93
IV. Guarantees given on behalf of constituents		
(a) In India	123711,14,64	103663,00,11
(b) Outside India	63673,91,98	71539,24,21
V. Acceptances, endorsements and other obligations	97765,09,54	125106,49,61
VI. Other items for which the bank is contingently liable	131986,66,28	129061,60,73
TOTAL	1000627,25,78	1017329,95,45



State Bank of India

Profit and Loss Account for the year ended 31st March, 2015

(000s omitted)

	Schedule No.	Year ended 31.03.2015 (Current Year) ₹	Year ended 31.03.2014 (Previous Year) ₹
I. INCOME			
Interest earned	13	152397,07,42	136350,80,39
Other Income	14	22575,89,26	18552,91,64
TOTAL		174972,96,68	154903,72,03
II. EXPENDITURE			
Interest expended	15	97381,82,36	87068,63,25
Operating expenses	16	38677,64,14	35725,85,13
Provisions and contingencies		25811,92,98	21218,06,48
TOTAL		161871,39,48	144012,54,86
III. PROFIT			
Net Profit for the year		13101,57,20	10891,17,17
Profit brought forward		32,48	33,93
TOTAL		13101,89,68	10891,51,10
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		4029,07,98	3339,61,91
Transfer to Capital Reserve		105,50,44	216,75,30
Transfer to Revenue and other Reserves		5889,05,56	4796,63,50
Dividend for the previous year paid during the year (including Tax on Dividend)		-	1,45
Dividend for the current year			
(i) Interim Dividend		-	1119,85,96
(ii) Final Dividend Proposed		2648,17,28	1119,85,96
Tax on Dividend for the Current year		429,75,94	298,44,54
Balance carried over to Balance Sheet		32,48	32,48
TOTAL		13101,89,68	10891,51,10
Basic Earnings per Share		₹ 17.55	₹ 15.68
Diluted Earnings per Share		₹ 17.55	₹ 15.68
Significant Accounting Policies	17		
Notes to Accounts	18		



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SCHEDULE 13 - INTEREST EARNED

(000s omitted)

	Year ended 31.03.2015 (Current Year) ₹	Year ended 31.03.2014 (Previous Year) ₹
I. Interest / discount on advances / bills	112343,91,20	102484,10,37
II. Income on investments	37087,76,73	31941,87,36
III. Interest on balances with Reserve Bank of India and other inter-bank funds	505,12,35	409,30,71
IV. Others	2460,27,14	1515,51,95
TOTAL	152397,07,42	136350,80,39

SCHEDULE 14 - OTHER INCOME

(000s omitted)

	Year ended 31.03.2015 (Current Year) ₹	Year ended 31.03.2014 (Previous Year) ₹
I. Commission, exchange and brokerage	13172,83,13	12611,29,65
II. Profit / (Loss) on sale of investments (Net)	3618,04,99	2279,40,50
III. Profit/ (Loss) on revaluation of investments (Net)	-	(202,68,32)
IV. Profit / (Loss) on sale of land, buildings and other assets (Net)	(42,74,99)	(38,64,16)
V. Profit / (Loss) on exchange transactions (Net)	1935,95,56	1895,27,58
VI. Income earned by way of dividends, etc., from subsidiaries/ companies and/ or joint ventures abroad/ in India	677,03,43	496,85,99
VII. Income from financial lease	5,75	2,57,65
VIII. Miscellaneous Income	3214,71,39	1508,82,75
TOTAL	22575,89,26	18552,91,64

SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

	Year ended 31.03.2015 (Current Year) ₹	Year ended 31.03.2014 (Previous Year) ₹
I. Interest on deposits	89148,45,02	78123,35,62
II. Interest on Reserve Bank of India / Inter-bank borrowings	3972,04,27	5150,79,30
III. Others	4261,33,07	3794,48,33
TOTAL	97381,82,36	87068,63,25



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SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

	Year ended 31.03.2015 (Current Year) ₹	Year ended 31.03.2014 (Previous Year) ₹
I. Payments to and provisions for employees	23537,06,76	22504,27,73
II. Rent, taxes and lighting	3406,94,48	2958,82,55
III. Printing and stationery	373,50,46	344,84,96
IV. Advertisement and publicity	284,63,61	278,25,69
V. (a) Depreciation on Bank's property (other than Leased Assets)	1116,49,32	1333,93,66
(b) Depreciation on Leased Assets	-	-
VI. Directors' fees, allowances and expenses	60,71	1,08,57
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	178,99,93	168,34,19
VIII. Law charges	191,62,37	192,55,28
IX. Postages, Telegrams, Telephones, etc.	656,82,87	673,51,37
X. Repairs and maintenance	545,07,28	434,00,14
XI. Insurance	1594,35,89	1468,43,71
XII. Other expenditure	6791,50,46	5367,77,28
TOTAL	38677,64,14	35725,85,13



SCHEDULE 17- SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Preparation:

The Bank's financial statements are prepared under the historical cost convention, on the accrual basis of accounting on going concern basis, unless otherwise stated and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory norms/guidelines prescribed by the Reserve Bank of India (RBI), Banking Regulation Act 1949, Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and the practices prevalent in the banking industry in India.

B. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

C. Significant Accounting Policies:

1. Revenue recognition:

- 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated. As regards Bank's foreign offices, income and expenditure are recognised as per the local laws of the country in which the respective foreign office is located.
- 1.2 Interest income is recognised in the Profit and Loss Account as it accrues except: (i) income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted, (iii) Income on Rupee Derivatives designated as "Trading", which are accounted on realisation.
- 1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, the profit on sale of investments in the 'Held to Maturity' category is appropriated (net of applicable taxes and amount required to be transferred to statutory reserve), to 'Capital Reserve Account'.

- 1.4 Income from finance leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding in the lease, over the primary lease period. Leases effective from April 1, 2001 are accounted as advances at an amount equal to the net investment in the lease as per Accounting Standard 19 -Leases issued by ICAI. The lease rentals are apportioned between principal and finance income based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of finance leases. The principal amount is utilized for reduction in balance of net investment in lease and finance income is reported as interest income.
- 1.5 Income (other than interest) on investments in "Held to Maturity (HTM)" category acquired at a discount to the face value, is recognised as follows :
 - a. On Interest bearing securities, it is recognised only at the time of sale/ redemption.
 - b. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
- 1.6 Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- 1.7 All other commission and fee incomes are recognised on their realisation except for: (i) Guarantee commission on deferred payment guarantees, which is spread over the period of the guarantee; (ii) Commission on Government Business and ATM interchange fees, which are recognised as they accrue; and (iii) Upfront fees on restructured accounts, which is apportioned over the restructured period.
- 1.8 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over average loan period of 15 years.
- 1.9 Brokerage, Commission etc. Paid/ incurred in connection with issue of Bonds / Deposits are amortized over the tenure of the related Bonds / Deposits and the expenses incurred in connection with the issue are charged upfront.
- 1.10 The sale of NPA is accounted as per guidelines prescribed by RBI :-
 - i. When the bank sells its financial assets to Securitisation Company (SC)/Reconstruction Company (RC), the same is removed from the books.
 - ii. If the sale is at a price below the net book value (NBV) (i.e., book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.



- iii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.

2. Investments:

The transactions in Government Securities are recorded on "Settlement Date". Investments other than Government Securities are recorded on "Trade Date".

2.1 Classification

Investments are classified into three categories, viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) as per RBI Guidelines.

2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are classified as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".
- iii. Investments, which are not classified in the above two categories, are classified as "Available for Sale (AFS)".
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- v. Investments in subsidiaries, joint ventures and associates are classified as HTM.

2.3 Valuation:

- i. In determining the acquisition cost of an investment:
 - (a) Brokerage/commission received on subscriptions is reduced from the cost.
 - (b) Brokerage, Commission, Securities Transaction Tax (STT) etc., paid in connection with acquisition of investments are expensed upfront and excluded from cost.
 - (c) Broken period interest paid / received on debt instruments is treated as interest expense/ income and is excluded from cost/sale consideration.
 - (d) Cost is determined on the weighted average cost method for investments under AFS and HFT category and on FIFO basis (first in first out) for investments under HTM category.

- ii. Transfer of securities from HFT/AFS category to HTM category is carried out at the lower of acquisition cost/ book value/market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.

- iii. Treasury Bills and Commercial Papers are valued at carrying cost.

- iv. **Held to Maturity category:** a) Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "interest on investments". b) Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually. c) Investments in Regional Rural Banks are valued at carrying cost (i.e. book value).

- v. **Available for Sale and Held for Trading categories:** Investments held under AFS and HFT categories are individually revalued at the market price or fair value determined as per Regulatory guidelines, and only the net depreciation of each group for each category (viz., (i) Government securities (ii) Other Approved Securities (iii) Shares (iv) Bonds and Debentures (v) Subsidiaries and Joint Ventures; and (vi) others) is provided for and net appreciation, is ignored. On provision for depreciation, the book value of the individual security remains unchanged after marking to market.

- vi. In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of: (i) Net Book Value (NBV) (i.e., book value less provisions held) of the financial asset; and (ii) Redemption value of SR. SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the



concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.

vii. Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in the case of domestic offices and respective regulators in the case of foreign offices. Investments of domestic offices become non-performing where:

- (a) Interest/installment (including maturity proceeds) is due and remains unpaid for more than 90 days.
- (b) In the case of equity shares, in the event the investment in the shares of any company is valued at ₹ 1 per company on account of the non availability of the latest balance sheet, those equity shares would be reckoned as NPI.
- (c) If any credit facility availed by an entity is NPA in the books of the Bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa.
- (d) The above would apply mutatis-mutandis to Preference Shares where the fixed dividend is not paid.
- (e) The investments in debentures/bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.
- (f) In respect of foreign offices, provisions for NPIs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.

viii. Accounting for Repo/ Reverse Repo transactions (other than transactions under the Liquidity Adjustment Facility (LAF) with the RBI):

- (a) The securities sold and purchased under Repo/ Reverse Repo are accounted as Collateralized lending and borrowing transactions. However, securities are transferred as in the case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo Account is classified under schedule 4 (Borrowings) and balance in Reverse

Repo Account is classified under Schedule 7 (Balance with Banks and Money at Call & Short Notice).

- (b) Securities purchased/sold under LAF with RBI are debited/credited to Investment Account and reversed on maturity of the transaction. Interest expended/earned thereon is accounted for as expenditure/revenue.

3. Loans /Advances and Provisions thereon:

3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:

- i. In respect of term loans, interest and/or instalment of principal remains overdue for a period of more than 90 days;
- ii. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest debited during the same period;
- iii. In respect of bills purchased/discounted, the bill remains overdue for a period of more than 90 days;
- iv. In respect of agricultural advances: (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:



- Substandard Assets:
- i. A general provision of 15% on the total outstanding;
 - ii. Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio);
 - iii. Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available - 20%.

Doubtful Assets:

- Secured portion:
- i. Upto one year – 25%
 - ii. One to three years – 40%
 - iii. More than three years – 100%
- Unsecured portion 100%
- Loss Assets: 100%

- 3.4 In respect of foreign offices, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- 3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.
- 3.6 For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans / advances before and after restructuring is provided for, in addition to provision for the respective loans/advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.
- 3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- 3.8 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- 3.9 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.

4. Floating Provisions:

The Bank has a policy for creation and utilisation of floating provisions separately for advances, investments and general purposes. The quantum of floating provisions to be created is assessed at the end of the financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

5. Provision for Country Exposure:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the "Other liabilities & Provisions – Others".

6. Derivatives:

- 6.1 The Bank enters into derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, and cross currency interest rate swaps and forward rate agreements in order to hedge on-balance sheet/off-balance sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-balance sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.
- 6.2 Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying Assets/Liabilities are also marked to market. Effectiveness of hedge is established at the inception of Contracts and periodically thereafter.
- 6.3 Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account in the period of change. Any receivable under derivatives contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining



unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account - Positive MTM".

- 6.4 Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark-to-Market value for forex Over-the-Counter (OTC) options.
- 6.5 Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

7. Fixed Assets Depreciation and Amortisation:

- 7.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation.
- 7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure/s incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability.
- 7.3 The rates of depreciation and method of charging depreciation in respect of domestic operations are as under:

Sl. No.	Description of Fixed Assets	Method of charging depreciation	Depreciation/ amortisation rate
1	Computers & ATM	Straight Line Method	33.33% every year
2	Computer Software forming an integral part of the Computer hardware	Straight Line Method	33.33% every year
3	Computer Software which does not form an integral part of Computer hardware	-	100% depreciated in the year of purchase
4	Other fixed assets	Straight Line Method	On the basis of estimated useful life of the assets. Estimated useful life of major group of Fixed Assets are as under:

Premises	60 years
Vehicles	5 years
Safe Deposit Lockers	20 years
Furniture & Fixtures	10 years

- 7.4 In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.
- 7.5 Assets costing less than ₹ 1,000 each are charged off in the year of purchase.
- 7.6 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease and the lease rent is charged in the respective year(s).
- 7.7 In respect of assets given on lease by the Bank on or before 31st March 2001, the value of the assets given on lease is disclosed as Leased Assets under Fixed Assets, and the difference between the annual lease charge (capital recovery) and the depreciation is taken to Lease Equalisation Account.
- 7.8 In respect of fixed assets held at foreign offices, depreciation is provided as per the regulations / norms of the respective countries.

8. Leases:

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

9. Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

10. Effect of changes in the foreign exchange rate:

10.1 Foreign Currency Transactions

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.



- ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/forward) rates.
- iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.
- iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.
- v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss account.
- vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the Balance Sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.
- vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.
- viii. Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss Account.

10.2 Foreign Operations:

Foreign Branches of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

a. Non-integral Operations:

- i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.
- iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.

- iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country on the Balance Sheet date.

b. Integral Operations:

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/Forward) exchange rates notified by FEDAI at the Balance Sheet date and the resulting Profit/Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.
- iii. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

11. Employee Benefits:

11.1 Short Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits which are expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

11.2 Long Term Employee Benefits:

i. Defined Benefit Plan

- a. The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. The Bank recognizes such annual contributions as an expense in the year to which it relates. Shortfall, if any, is provided for on the basis of actuarial valuation.
- b. The Bank operates Gratuity and Pension schemes which are defined benefit plans.
 - i) The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or



on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to a maximum amount of ₹ 10 lacs. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.

- ii) The Bank provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Pension Fund Rules. The pension liability is reckoned based on an independent actuarial valuation carried out annually and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.
- c. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/losses are immediately recognised in the Profit and Loss Account and are not deferred.

ii. **Defined Contribution Plans:**

The Bank operates a New Pension Scheme (NPS) for all officers/ employees joining the Bank on or after 1st August, 2010, which is a defined contribution plan, such new joiners not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in the Bank and earn interest at the same rate as that of the current account of Provident Fund balance. The Bank recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

iii. **Other Long Term Employee benefits:**

- a. All eligible employees of the Bank are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the Bank.
- b. The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is immediately recognised in the Profit and Loss Account and is not deferred.

11.3 Employee benefits relating to employees employed at foreign offices are valued and accounted for as per the respective local laws/ regulations.

12. **Taxes on income:**

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - Accounting for Taxes on Income respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably/virtually certain.

13. **Earnings per Share:**

13.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 'Earnings per Share' issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.



13.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

14. Provisions, Contingent Liabilities and Contingent Assets:

14.1 In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognises provisions only when it has a present obligation as a result of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

14.2 No provision is recognised for:

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
- ii. any present obligation that arises from past events but is not recognised because:
 - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

14.3 Provision for reward points in relation to the debit card holders of the Bank is being provided for on actuarial estimates.

14.4 Contingent Assets are not recognised in the financial statements.

15. Bullion Transactions:

The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. The Bank earns a fee on such bullion transactions. The fee is classified under commission income. The Bank also accepts deposits and lends gold, which is treated as deposits/advances as the case may be with the interest paid / received classified as interest expense/income.

16. Special Reserves:

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of the Bank have passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

17. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.



SCHEDULE - 18:

NOTES TO ACCOUNTS

18.1 Capital

1. Capital Ratio

AS PER BASEL II

(Amount in ₹ Crores)

Sr. No.	Items	As at	
		31st March 2015	31st March 2014
(i)	Common Equity Tier 1 Capital Ratio (%)	N.A.	
(ii)	Tier 1 capital ratio (%)	10.10 %	9.98 %
(iii)	Tier 2 capital ratio (%)	2.69%	2.98 %
(iv)	Total Capital Ratio (%)	12.79%	12.96 %

AS PER BASEL III

Sr. No.	Items	As at	
		31st March 2015	31st March 2014
(i)	Common Equity Tier 1 Capital Ratio (%)	9.31%	9.59 %
(ii)	Tier 1 capital ratio (%)	9.60%	9.72 %
(iii)	Tier 2 capital ratio (%)	2.40%	2.72 %
(iv)	Total Capital Ratio (%)	12.00%	12.44 %
(v)	Percentage of the Shareholding of Government of India	58.60 %	58.60 %
(vi)	Number of Shares held by Government of India*	4,37,45,98,250	4,37,45,98,250
(vii)	Amount of Equity Capital raised	2,970.00**	10,031.65
(viii)	Amount of Additional Tier 1(AT 1) capital raised of which		
	a) PNCPS:	-	-
	b) PDI:	-	-
(ix)	Amount of Tier 2 capital raised of which		
	a) Debt Capital instruments:	-	2,000
	b) Preference Share Capital Instruments: {Perpetual Cumulative Preference Shares (PCPS)/ Redeemable Non-cumulative Preference Shares (RNCPS)/ Redeemable Cumulative Preference Shares (RCPS)}	-	-

* The face value of shares of the Bank was split from ₹ 10 per share to ₹ 1 per share w.e.f. 22.11.2014 (Record Dated 21.11.2014)

** Shares allotted on 1st April 2015 (presently considered under AT 1)

2. Share Capital

- During the year, the Bank received application money of ₹ 2,970.00 crores from Government of India against preferential issue of 10,04,77,012 equity shares of ₹ 1 each to Government of India, on 31.03.2015 including share premium of ₹ 2,959.95 crores. The equity shares were allotted on 01.04.2015.
- In terms of the provisions of Section 4 of the State Bank of India Act, 1955, the Central Board of the Bank at its meeting held on September 24, 2014 had considered and approved reduction of the face value of equity shares of the Bank from ₹ 10 per share to ₹ 1 per share and to increase the number of issued shares in proportion thereof. The share split was done on November 21, 2014.
- The Bank has kept in abeyance the allotment of 8,30,750 (Previous Year 83,075 Equity Shares of ₹ 10 each) Equity Shares of ₹ 1 each issued as a part of Rights issue - 2008, since they are subject to title disputes or are subjudice.
- Expenses in relation to the issue of shares: Nil (Previous Year ₹ 25.62 crores) debited to Share Premium Account.

3. Innovative Perpetual Debt Instruments (IPDI)

A. Foreign

The details of IPDI issued in foreign currency, which qualify for Hybrid Tier I Capital and outstanding are as under:

₹ In crores

Particulars	Date of Issue	Tenor	Amount	Equivalent ₹ as on 31st March 2015	Equivalent ₹ as on 31st March 2014
Bond issued under the MTN Programme - 12th series*	15.02.2007	Perpetual Non call 10.25 years	USD 400 million	2,500.00	2,396.60
Bond issued under the MTN Programme - 14th series#	26.06.2007	Perpetual Non call 10 yrs 1day	USD 225 million	1,406.25	1,348.09
Total			USD 625 million	3,906.25	3,744.69

* If the Bank does not exercise call option by 15th May 2017, the interest rate will be raised and fixed rate will be converted to floating rate.

If the Bank does not exercise call option by 27th June 2017, the interest rate will be raised and fixed rate will be converted to floating rate.



These bonds are unsecured bonds and are listed in Singapore stock exchange (SGX- Bonds Board).

B. Domestic

The details of outstanding domestic IPDIs are as under:-

		₹ In crores		
Sl. No.	Nature of Bonds	Principal Amount	Date of Issue	Rate of Interest % p.a.
1	SBI NON CONVERTIBLE PERPETUAL BONDS 2009-10 (Tier I) Series I	1,000.00	14.08.2009	9.10
2	SBI NON CONVERTIBLE PERPETUAL BONDS 2009-10 (Tier I) Series II	1,000.00	27.01.2010	9.05
3	SBI NON CONVERTIBLE PERPETUAL BONDS 2007-08 SBIN Series VI (Tier I)	165.00	28.09.2007	10.25
TOTAL		2,165.00*		

*Includes ₹ 2,000 crores raised during the F.Y. 2009-10, of which ₹ 550 crores invested by SBI Employee Pension Fund, not reckoned for the purpose of Tier I Capital as per RBI instructions.

4. Subordinated Debts

The bonds are unsecured, long term, non-convertible and are redeemable at par.

The details of outstanding subordinate debts are as under:-

		₹ In crores			
Sr. No.	Nature Of Bonds	Principal Amount	Date Of Issue /Date Of Redemption	Rate Of Interest % P.A.	Maturity Period In Months
1	SBI NON CONVERTIBLE (Private placement) Bonds 2005 (Lower Tier II)	3,283.00	05.12.2005 05.05.2015	7.45	113
2	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (Upper Tier II)	2,327.90	05.06.2006 05.06.2021	8.80	180
3	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (II) (Upper Tier II)	500.00	06.07.2006 06.07.2021	9.00	180
4	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (III) (Upper Tier II)	600.00	12.09.2006 12.09.2021	8.96	180
5	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (IV) (Upper Tier II)	615.00	13.09.2006 13.09.2021	8.97	180
6	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (V) (Upper Tier II)	1,500.00	15.09.2006 15.09.2021	8.98	180
7	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (VI) (Upper Tier II)	400.00	04.10.2006 04.10.2021	8.85	180
8	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (VII) (Upper Tier II)	1,000.00	16.10.2006 16.10.2021	8.88	180
9	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (VIII) (Upper Tier II)	1,000.00	17.02.2007 17.02.2022	9.37	180
10	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (IX) (Lower Tier II)	1,500.00	28.03.2007 27.06.2016	9.85	111
11	SBI NON CONVERTIBLE (Private placement) Bonds 2007-08 (I) (Upper Tier II)	2,523.50	07.06.2007 07.06.2022	10.20	180
12	SBI NON CONVERTIBLE (Private placement) Bonds 2007-08 (II) (Upper Tier II)	3,500.00	12.09.2007 12.09.2022	10.10	180
13	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 (I) (Upper Tier II)	2,500.00	19.12.2008 19.12.2023	8.90	180



₹ In crores

Sr. No.	Nature Of Bonds	Principal Amount	Date Of Issue /Date Of Redemption	Rate Of Interest % P.A.	Maturity Period In Months
14	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09(II) (Lower Tier II)	1,500.00	29.12.2008 29.06.2018	8.40	114
15	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 (III) (Upper Tier II)	2,000.00	02.03.2009 02.03.2024	9.15	180
16	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 (IV) (Lower Tier II)	1,000.00	06.03.2009 06.06.2018	8.95	111
17	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 (V) (Upper Tier II)	1,000.00	06.03.2009 06.03.2024	9.15	180
18	SBI NON CONVERTIBLE (Private placement) Bonds 2005-06 SBS (Series I)(Lower Tier II)	200.00	09.03.2006 09.06.2015	8.15	111
19	SBI NON CONVERTIBLE (Private placement) Bonds 2006-07 SBS (Series II)(Lower Tier II)	225.00	30.03.2007 30.06.2016	9.80	111
20	SBI NON CONVERTIBLE (Private placement) Bonds 2005-06 SBIN (Series II) (Lower Tier II)	140.00	29.09.2005 29.09.2015	7.45	120
21	SBI NON CONVERTIBLE (Private placement) Bonds 2005-06 SBIN (Series III) (Lower Tier II)	110.00	28.03.2006 28.03.2016	8.70	120
22	SBI NON CONVERTIBLE (Private placement) Bonds 2006-07 SBIN (Series IV) (Upper Tier II)	100.00	29.12.2006 29.12.2021	8.95	180
23	SBI NON CONVERTIBLE (Private placement) Bonds 2006-07 SBIN (Series V) (Upper Tier II)	200.00	22.03.2007 22.03.2022	10.25	180
24	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 SBIN (SERIES VII)(Upper Tier II)	250.00	24.03.2009 24.03.2024	9.17	180
25	SBI Public Issue of Lower Tier II Non-Convertible Bonds 2010 (Series I)	133.08	04.11.2010 04.11.2020	9.25	120
26	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2010 (Series II)	866.92	04.11.2010 04.11.2025	9.50	180
27	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2011 Retail (Series 3)	559.40	16.03.2011 16.03.2021	9.75	120
28	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2011 Non Retail (Series 3)	171.68	16.03.2011 16.03.2021	9.30	120
29	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2011 Retail (Series 4)	3,937.60	16.03.2011 16.03.2026	9.95	180
30	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2011 Non Retail (Series 4)	828.32	16.03.2011 16.03.2026	9.45	180
31	SBI NON CONVERTIBLE (Private Placement) Bonds 2013-14 (Tier II)	2,000.00	02.01.2014 02.01.2024	9.69	120
TOTAL		36,471.40			



18.2. Investments

1. The Details of investments and the movement of provisions held towards depreciation on investments of the Bank are given below:

₹ In crores

Particulars	As at 31st March 2015	As at 31st March 2014
1. Value of Investments		
i) Gross value of Investments		
(a) In India	4,64,903.63	3,75,190.53
(b) Outside India	30,603.67	25,156.85
ii) Provisions for Depreciation		
(a) In India	233.25	650.60
(b) Outside India	246.65	897.21
iii) Net value of Investments		
(a) In India	4,64,670.38	3,74,539.93
(b) Outside India	30,357.02	24,259.64
2. Movement of provisions held towards depreciation on investments		
i) Balance at the beginning of the year	1,547.81	1,098.44
ii) Add: Provisions made during the year	168.29	1,337.20
iii) Less: Provision utilised during the year	511.13	151.90
iv) Add: Foreign Exchange revaluation adjustment	33.29	38.02
v) Less: Write back of excess provision during the year.	758.36	773.95
vi) Balance at the end of the year	479.90	1,547.81

Notes:

- Investments in Government Securities is net of ₹ 36,761 crores (Previous Year ₹ 25,852 crores) utilised under Liquidity Adjustment Facility (LAF).
- Securities amounting to ₹ 13,779.33 crores (Previous Year ₹ 6,587.88 crores) are kept as margin with Clearing Corporation of India Limited/NSCCL/MCX/USEIL towards Securities Settlement.
- During the year, the Bank infused additional capital in its subsidiaries viz. i) State Bank of Travancore ₹ 385.00 crores (75.01% to 78.91%), ii) SBI General Insurance Company Limited ₹ 310.80 crores (remained at 74%), iii) State Bank of Patiala ₹ 752.00 crores (remained at 100%) and iv) SBI (Mauritius) Ltd ₹ 1.97 crores (96.60% to 96.36%)
- The Bank has invested a further sum of ₹ 379.26 crores in State Bank of Travancore against Rights Issue which is pending allotment on 31.03.2015.
- The Bank has invested a sum of ₹ 161.91 crores in PT Bank SBI Indonesia in December 2014 which is pending allotment as on 31st March 2015.



2. Repo Transactions [including Liquidity Adjustment Facility (LAF)]

The details of securities sold and purchased under repos and reverse repos including LAF during the year are given below:

₹ In crores

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as on 31st March 2015
Securities sold under repos				
i. Government Securities	- (-)	54,102.00 (60,000.00)	9,789.59 (19,082.92)	37,603.23 (54,102.00)
ii. Corporate Debt Securities	- (442.80)	516.56 (2,166.74)	258.28 (496.99)	- (795.82)
Securities purchased under reverse repos				
i. Government Securities	- (5.77)	22,010.12 (6,278.73)	2,434.51 (278.22)	- (-)
ii. Corporate Debt Securities	- (-)	- (-)	- (-)	- (-)

(Figures in brackets are for Previous Year)

3. Non-SLR Investment Portfolio

a) Issuer composition of Non SLR Investments

The issuer composition of Non-SLR investments of the Bank is given below:

₹ In crores

Sl. No.	Issuer	Amount	Extent of Private Placement	Extent of "Below Investment Grade" Securities *	Extent of "Unrated" Securities *	Extent of "Unlisted" Securities *
(i)	PSUs	14,751.97 (12,885.97)	3,445.03 (2,383.19)	419.01 (571.62)	418.76 (714.96)	719.01 (829.48)
(ii)	FIs	15,395.58 (11,488.61)	8,484.47 (2,377.99)	- (-)	- (-)	200.00 (200.00)
(iii)	Banks	22,060.06 (20,117.67)	9,963.70 (5,633.01)	798.34 (27.41)	- (-)	- (192.10)
(iv)	Private Corporates	30,846.04 (20,360.19)	16,654.33 (4,922.74)	1,594.50 (184.09)	933.07 (1,143.91)	238.39 (126.37)
(v)	Subsidiaries / Joint Ventures **	9,785.06 (8,340.29)	- (-)	- (-)	- (-)	- (-)
(vi)	Others	25,014.41 (18,760.03)	- (-)	719.38 (119.34)	852.70 (499.09)	749.36 (375.77)
(vii)	Provision held towards depreciation	479.90 (1547.81)	- (-)	6.05 (-)	93.72 (337.13)	62.67 (-)
	Total	1,17,373.22 (90,404.95)	38,547.53 (15,316.93)	3,525.18 (902.46)	2,110.81 (2,020.83)	1,844.09 (1,723.72)

(Figures in brackets are for Previous Year)

* Investment in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central Government Securities and ARCIL are not segregated under these categories as these are exempt from rating/listing guidelines.

** Investments in Subsidiaries/Joint Ventures have not been segregated into various categories as these are not covered under relevant RBI Guidelines.

Others include an amount of ₹ 10,680.55 crores (Previous Year ₹ 11,321.50 crores) under RIDF Scheme of NABARD and ₹ 2,588.09 crores (Previous Year ₹ 1,141.60 crores) under Urban & Rural Housing Fund of NABARD.



b) Non Performing Non-SLR Investments

₹ In crores

Particulars	Current Year	Previous Year
Opening Balance	935.24	1042.49
Additions during the year	48.11	206.11
Reductions during the year	581.63	313.36
Closing balance	401.72	935.24
Total provisions held	394.17	892.29

c) Sales And Transfers Of Securities To/From HTM Category

The value of sales and transfers of securities to/from HTM Category does not exceed 5% of the book value of investment held in HTM category at the beginning of the year.

18.3. Derivatives

A. Forward Rate Agreements / Interest Rate Swaps

₹ In crores

Particulars	As at 31st March 2015	As at 31st March 2014
i) The notional principal of swap agreements#	92,965.61	1,53,015.27
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	1,945.78	2,830.11
iii) Collateral required by the Bank upon entering into swaps	Nil	Nil
iv) Concentration of credit risk arising from the swaps	Not significant	Not significant
v) The fair value of the swap book	996.24	987.06

IRS/FRA amounting to ₹ 14,072.53 crores (Previous Year ₹ 12,926.36 crores) entered with the Bank's own foreign offices are not shown here as they are for hedging of FCNB corpus and hence not marked to market.

B. Exchange Traded Interest Rate Derivatives

₹ In crores

Sr. No.	Particulars	Current Year	Previous Year
1	Notional principal amount of exchange traded interest rate derivatives undertaken during the year		
A	Interest Rate Futures	Nil	Nil
B	10 Year Government of India Security	19,014.13	888.23
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2015		
A	Interest Rate Futures	Nil	Nil
B	10 Year Government of India Security	2.00	2.00
3	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	N.A.	N.A.
4	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective".	N.A.	N.A.



C. Risk Exposure in Derivatives

(A) Qualitative Risk Exposure

- i. The Bank currently deals in over-the-counter (OTC) interest rate and currency derivatives as also in Interest Rate. Interest Rate Derivatives dealt by the Bank are rupee interest rate swaps, foreign currency interest rate swaps and forward rate agreements. Currency derivatives dealt by the Bank are currency swaps, rupee dollar options and cross-currency options. The products are offered to the Bank's customers to hedge their exposures and the Bank enters into derivatives contracts to cover such exposures. Derivatives are used by the Bank both for trading as well as hedging on balance sheet items. The Bank also deals in a mix of these generic instruments. The Bank has done Option deals and Structured Products with customers. The Bank also runs option position in USD/INR, which is managed through various types of loss limits and Greek limits.
- ii. Derivative transactions carry market risk i.e. the probable loss the Bank may incur as a result of adverse movements in interest rates/exchange rates/equity prices and credit risk i.e. the probable loss the Bank may incur if the counterparties fail to meet their obligations. The Bank's "Policy for Derivatives" approved by the Board prescribes the market risk parameters (cut-loss triggers, open position limits, duration, modified duration, PV01 etc.) as well as customer eligibility criteria (credit rating, tenure of relationship, limits and customer appropriateness and suitability of policy (CAS) etc.) for entering into derivative transactions. The Bank is in the process of shifting towards VAR based limits, in line with RBI guidelines. Credit risk is controlled by entering into derivative transactions only with counterparties satisfying the criteria prescribed in the Policy. Appropriate limits are set for the counterparties taking into account their ability to honour obligations and the Bank enters into ISDA agreement with each counterparty.
- iii. The Asset Liability Management Committee (ALCO) of the Bank oversees efficient management of these risks. The Bank's Market Risk Management Department (MRMD) identifies, measures, monitors market risk associated with derivative transactions, assists ALCO in controlling and managing these risks and reports compliance with policy prescriptions to the Risk Management Committee of the Board (RMCB) at regular intervals.
- iv. The accounting policy for derivatives has been drawn-up in accordance with RBI guidelines, the details of which are presented under Schedule 17: Significant Accounting Policies (SAP) for the financial year 2014-15.
- v. Interest Rate Swaps are mainly used at Foreign Offices for hedging of the assets and liabilities.
- vi. Apart from hedging swaps, swaps at Foreign Offices consist of back to back swaps done at our Foreign Offices which are done mainly for hedging of FCNR deposits at Global Markets, Kolkata.
- vii. Majority of the swaps were done with First class counterparty banks.



(B) Quantitative Risk Exposure

₹ In crores

Particulars	Currency Derivatives		Interest Rate Derivatives	
	Current Year	Previous Year	Current Year	Previous Year
(I) Derivatives				
(Notional Principal Amount)				
(a) For hedging	4,450.61 @	9,989.90@	69,056.07 #	60,742.05#
(b) For trading*	2,42,870.49	4,85,254.19	62,128.01	92,273.20
(II) Marked to Market Positions				
(a) Asset	3,152.45	14,876.90	979.00	482.13
(b) Liability	2,280.85	18,761.24	667.47	256.11
(III) Credit Exposure	11,206.42	27,578.81	3,774.49	3,907.81
(IV) Likely impact of one percentage change in interest rate (100* PV01)				
(a) on hedging derivatives	0.02	0.05	(92.42)#	(128.55)
(b) on trading derivatives	2.88	10.53	24.44	1.02
(V) Maximum and Minimum of 100* PV 01 observed during the year				
(a) on hedging - Maximum	0	0.08	-79.11	49.11
- Minimum	-0.03	0.00	-88.24	(130.06)
(b) on trading - Maximum	6.22	16.49	0.38	59.00
- Minimum	0.039	(1.70)	0.2225	(22.16)

@ The swaps amounting to ₹ 8,486.92 crores (Previous Year ₹ 8,040.52 crores) entered with the Bank's own foreign offices are not shown here as they are for hedging of FCNB corpus and hence not marked to market.

IRS/FRA amounting to ₹ 14,072.53 crores (Previous Year ₹ 12,926.36 crores) entered with the Bank's own Foreign offices are not shown here as they are for hedging of FCNB corpus and hence not marked to market.

* The forward contract deals with our own Foreign Offices are not included. Currency Derivatives - ₹ 7,757.17 crores (Previous Year ₹ 531.58 crores) and Interest Rate Derivatives - ₹ 62.39 crores (Previous Year ₹ 53.99 crores)

1. The outstanding notional amount of derivatives done between Global Markets Unit and International Banking Group as on 31st March 2015 amounted to ₹ 30,379.01 crores (Previous Year ₹ 21,552.45 crores) and the derivatives done in-between SBI Foreign Offices as on 31st March 2015 amounted to ₹ 14,995.17 crores (Previous Year ₹ 29,754.93 crores).
2. The outstanding notional amount of interest rate derivatives which are not marked -to-market (MTM) where the underlying Assets/Liabilities are not marked to market as on 31st March 2015 amounted to ₹ 1,29,113.66 crores (Previous Year ₹ 74,877.22 crores).



18.4. Asset Quality

a) Non-Performing Assets

₹ In crores

Particulars	As at 31st March 2015	As at 31st March 2014
i) Net NPAs to Net Advances (%)	2.12%	2.57%
ii) Movement of NPAs (Gross)		
(a) Opening balance	61,605.35	51,189.39
(b) Additions (Fresh NPAs) during the year	29,435.02	41,216.67
Sub-total (I)	91,040.37	92,406.06
Less:		
(c) Reductions due to upgradations during the year	3,776.15	10,183.27
(d) Reductions due to recoveries (Excluding recoveries made from upgraded accounts)	9,235.42	7,734.94
(e) Technical/ Prudential Write-offs	Nil	Nil
(f) Reductions due to Write-offs during the year	21,303.46\$	12,882.50
Sub-total (II)	34,315.03	30,800.71
(f) Closing balance (I-II)	56,725.34	61,605.35
iii) Movement of Net NPAs		
(a) Opening balance	31,096.07	21,956.48
(b) Additions during the year	9,504.61	22,293.57
(c) Reductions during the year	13,010.10	13,153.98
(d) Closing balance	27,590.58	31,096.07
iv) Movement of provisions for NPAs		
(a) Opening balance	30,509.28	29,232.91
(b) Provisions made during the year	19,930.41	18,923.10
(c) Write-off / write-back of excess provisions	21,304.93	17,646.73
(d) Closing balance	29,134.76	30,509.28

Opening and closing balances provision for NPAs include ECGC claims received and held pending adjustment of ₹ 69.30 crores (Previous Year ₹ 71.12 crores) and ₹ 62.64 crores (Previous Year ₹ 69.30 crores) respectively.

\$ Includes NPAs of ₹ 10,852.55 crores sold to ARCs for an aggregate consideration of ₹ 4,294.60 crores.



b) Restructured Accounts

₹ In crores

Sl. No.	Type of Restructuring Asset Classification Particulars	Under CDR Mechanism (1)				Under SME Debt Restructuring Mechanism (2)						
		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1, 2014 (Opening position)	No. of Borrowers	110	13	40	3	166	483	35	78	9	605
		Amount outstanding	(105)	(10)	(30)	(-)	(145)	(326)	(51)	(127)	(3)	(507)
		Provision thereon	21,134.61	836.09	5,066.44	499.74	27,536.88	3,834.26	251.71	1,209.96	86.17	5,382.10
			(14914.32)	(586.44)	(2119.60)	(-)	(17620.36)	(2064.70)	(450.71)	(522.11)	(0.34)	(3037.86)
2	Fresh Restructuring during the current FY	No. of Borrowers	1,636.32	60.34	520.73	0.10	2,217.49	117.21	22.89	169.89	0.04	310.03
		Amount outstanding	(1384.65)	(39.78)	(82.90)	(-)	(1507.33)	(106.89)	(66.20)	(52.92)	(-)	(226.01)
		Provision thereon	47	4	8	(-)	59	97	29	20	1	147
			(48)	(6)	(7)	(1)	(62)	(254)	(24)	(62)	(-)	(340)
3	Upgradation to restructured standard category during current FY	No. of Borrowers	8,208.93	839.32	648.19	-	9,696.44	1,616.65	194.15	364.74	1.14	2,176.68
		Amount outstanding	(11870.52)	(691.25)	(867.57)	(57.43)	(13486.76)	(2656.82)	(207.91)	(703.13)	(48.70)	(3616.55)
		Provision thereon	664.08	90.44	14.81	-	769.33	82.76	6.98	2.67	-	92.40
			(944.21)	(26.58)	(286.56)	(57.43)	(1314.78)	(75.20)	(19.05)	(98.34)	(-2.74)	(189.85)
4	Restructured Advances which ceases to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	5	-2	-3	-	-	2	-	-2	-	-
		Amount outstanding	(1)	(2)	(-3)	(-)	(-)	(6)	(-4)	(-2)	(-)	(-)
		Provision thereon	699.09	-38.09	-660.99	-	-	3.87	0.00	-3.87	-	-
			(126.84)	(17.59)	(-144.43)	(-)	(-)	(50.25)	(-50.25)	(-)	(-)	(-)
5	Downgradations of restructured accounts during current FY	No. of Borrowers	29.74	-1.49	-28.26	-	-	-	-	-	-	-
		Amount outstanding	(0.58)	0.00	(-0.58)	(-)	(-)	(6.08)	(-6.08)	(-)	(-)	(-)
		Provision thereon	-20	-	-	-	-20	-68	-	-	-	-68
			(-9)	-	-	-	(-9)	(-10)	-	-	-	(-10)
6	Write-offs of restructured accounts during current FY	No. of Borrowers	-1,800.54	-	-	-	-1,800.54	-243.42	-	-	-	-243.42
		Amount outstanding	(-388.15)	(-441.39)	(4829.84)	(442.30)	(-388.15)	(-35.76)	(-73.51)	(454.73)	(37.15)	(-35.76)
		Provision thereon	-76.29	-12.37	87.62	47.66	-76.29	-3.12	-10.32	24.32	17.35	-
			(-15.61)	(-0.70)	(353.74)	(0.10)	(-15.61)	(-0.02)	(-8.99)	(55.28)	(2.78)	(-)
7	TOTAL Restructured Accounts as on 31st March, 2015 (Closing Position)	No. of Borrowers	-5	-4	17	-4	-	-90	39	43	8	-
		Amount outstanding	(-26)	(-)	(24)	(2)	(-)	(-23)	(-4)	(20)	(7)	(-)
		Provision thereon	-2,725.70	-268.98	2,517.19	477.49	-	-1,177.97	23.53	904.13	250.32	-
			(-4830.76)	(-441.39)	(4829.84)	(442.30)	(-)	(-418.37)	(-73.51)	(454.73)	(37.15)	(-)
8	TOTAL Restructured Accounts as on 31st March, 2015 (Closing Position)	No. of Borrowers	-122.91	-12.37	87.62	47.66	-	-31.35	-10.32	24.32	17.35	-
		Amount outstanding	(-353.14)	(-0.70)	(353.74)	(0.10)	(-)	(-49.08)	(-8.99)	(55.28)	(2.78)	(-)
		Provision thereon	5	-4	15	-4	-28	-109	-13	-7	-	-161
			(9)	(5)	(18)	(-)	(32)	(70)	(32)	(129)	(1)	(232)
9	TOTAL Restructured Accounts as on 31st March, 2015 (Closing Position)	No. of Borrowers	-437.08	-368.57	-2,534.90	-499.74	-3,840.28	-707.83	-100.36	-272.82	-252.35	-1,333.36
		Amount outstanding	(558.17)	(17.79)	(2606.14)	(-)	(3182.10)	(483.36)	(283.16)	(470.01)	(0.02)	(1236.55)
		Provision thereon	-283.90	-33.03	-411.51	-0.10	-728.53	-43.64	-9.59	-125.10	-17.39	-195.73
			(324.37)	(5.31)	(201.89)	(57.43)	(589.00)	(21.86)	(47.29)	(36.66)	(-)	(105.81)
10	TOTAL Restructured Accounts as on 31st March, 2015 (Closing Position)	No. of Borrowers	121	7	47	2	177	315	90	107	11	523
		Amount outstanding	(110)	(13)	(40)	(3)	(166)	(483)	(35)	(78)	(9)	(605)
		Provision thereon	25,079.31	999.76	5,035.94	477.49	31,592.49	3,325.56	369.03	2,202.13	85.28	5,982.00
			(21134.61)	(836.09)	(5066.44)	(499.74)	(27536.88)	(3834.26)	(251.71)	(1209.96)	(86.17)	(5382.10)
11	TOTAL Restructured Accounts as on 31st March, 2015 (Closing Position)	No. of Borrowers	1,847.05	103.90	183.40	47.66	2,182.00	121.85	9.95	71.77	0.00	203.58
		Amount outstanding	(1636.32)	(60.34)	(520.73)	(0.10)	(2217.49)	(117.21)	(22.89)	(169.89)	(0.04)	(310.03)
		Provision thereon										





Sl. No.	Type of Restructuring Asset Classification Particulars	Others						TOTAL					
		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total		
1	Restructured Accounts as on April 1, 2014 (Opening position)	No. of Borrowers	3,771 (5213)	1,088 (676)	750 (411)	77 (49)	5,686 (6349)	4,364 (5644)	1,136 (737)	868 (568)	89 (52)	6,457 (7001)	
		Amount outstanding	18,081.62 (15248.66)	1,829.00 (1914.98)	5,942.25 (5236.83)	165.81 (52.17)	26,018.68 (22452.63)	43,050.49 (32227.68)	2,916.80 (2952.13)	12,218.66 (7878.54)	751.72 (52.51)	58,937.66 (43110.86)	
		Provision thereon	662.79 (487.40)	173.87 (81.20)	283.00 (742.99)	3.66 (3.55)	1,123.32 (1315.13)	2,416.31 (1978.94)	257.10 (187.17)	973.62 (878.81)	3.81 (3.55)	3,650.84 (3048.47)	
		No. of Borrowers	364 (772)	288 (367)	580 (487)	119 (19)	1,351 (1645)	508 (1074)	321 (397)	608 (556)	120 (20)	1,557 (2047)	
2	Fresh Restructuring during the current FY	Amount outstanding	14,711.51 (10856.98)	3,74.93 (834.37)	1,343.34 (1270.04)	469.19 (64.97)	16,898.97 (13026.36)	24,537.09 (25384.32)	1,408.40 (1733.52)	2,356.27 (2840.73)	470.33 (171.10)	28,772.09 (30129.68)	
		Provision thereon	713.32 (464.39)	16.16 (168.76)	302.36 (378.88)	47.07 (1.17)	1,078.90 (1013.20)	1,460.15 (1483.81)	113.58 (214.39)	319.84 (763.78)	47.07 (55.86)	1,940.63 (2517.83)	
		No. of Borrowers	(66)	(57)	(9)	(-)	(-)	(73)	(59)	(-14)	(-)	(-)	
		Amount outstanding	273.81 (288.60)	-229.23 (-13.18)	-0.05 (-275.43)	-44.52 (-)	0.00 (-)	976.76 (465.69)	-267.32 (-45.84)	-664.92 (-419.86)	-44.52 (-)	(-)	
3	Upgradation to restructured standard category during current FY	Provision thereon	0.00 (26.23)	1.17 (0.15)	-1.17 (-26.08)	-	29.74 (-)	-0.32 (32.89)	-29.43 (-26.66)	0.00 (-)	(-)		
		No. of Borrowers	7	-3	-3	-1	-	14	-5	-8	-1	-	
		Amount outstanding	(66)	(57)	(9)	(-)	(-)	(73)	(59)	(-14)	(-)	(-)	
		Provision thereon	273.81 (288.60)	-229.23 (-13.18)	-0.05 (-275.43)	-44.52 (-)	0.00 (-)	976.76 (465.69)	-267.32 (-45.84)	-664.92 (-419.86)	-44.52 (-)	(-)	
4	Restructured Standard Advances which ceases to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	-385 (-74)				-385 (-74)	-473 (-93)				-473 (-93)	
		Amount outstanding	-1,301.54 (-3604.84)				-1,301.54 (-3604.84)	-3,345.50 (-4028.75)				-3,345.50 (-4028.75)	
		Provision thereon	-34.20 (-5.48)				-34.20 (-5.48)	-113.61 (-21.11)				-113.61 (-21.11)	
		No. of Borrowers	-1,112 (-950)	465 (583)	302 (351)	345 (16)	-	-1,218 (-999)	500 (579)	362 (395)	356 (25)	-	
5	Downgradations of restructured accounts during current FY	Amount outstanding	-2,429.70 (-2986.85)	-285.92 (188.84)	2,479.08 (2616.86)	236.53 (181.15)	-	-6,333.37 (-8235.98)	-531.37 (-326.06)	5,900.40 (7901.43)	964.34 (660.61)	-	
		Provision thereon	-58.40 (-88.79)	0.24 (-28.57)	54.22 (108.72)	3.94 (8.65)	-	-212.65 (-491.01)	-22.45 (-38.26)	166.16 (517.75)	68.95 (11.53)	-	
		No. of Borrowers	-1,969 (1256)	-565 (481)	-278 (490)	-77 (7)	-2,889 (2234)	-2,083 (1335)	-582 (518)	-325 (637)	-88 (8)	-3,078 (2498)	
		Amount outstanding	-1,897.74 (1720.94)	-917.96 (1096.01)	-4,624.50 (2906.05)	-521.74 (132.48)	-7,961.95 (5855.47)	-3,042.65 (2762.47)	-1,386.89 (1396.96)	-7,432.22 (5982.19)	-1,273.83 (132.50)	-13,135.59 (10274.12)	
6	Write-offs of restructured accounts during current FY	Provision thereon	-187.81 (195.76)	-178.86 (47.36)	-499.44 (946.72)	-48.93 (9.69)	-915.04 (1199.54)	-515.35 (541.99)	-221.48 (99.96)	-1,036.05 (1185.28)	-66.43 (67.12)	-1,839.30 (1894.36)	
		No. of Borrowers	676 (3771)	1,273 (1088)	1,351 (750)	463 (77)	3,763 (5686)	1,112 (4364)	1,370 (1136)	1,505 (868)	476 (89)	4,463 (6457)	
		Amount outstanding	27,437.97 (18081.62)	770.82 (1829.00)	5,140.13 (5942.25)	305.27 (165.81)	33,654.17 (26018.68)	55,842.83 (43050.49)	2,139.61 (2916.79)	12,378.20 (12218.66)	868.03 (751.72)	71,228.67 (58937.66)	
		Provision thereon	1,095.69 (688.00)	12.58 (173.87)	138.97 (257.78)	5.73 (3.66)	1,252.98 (1123.32)	3,064.59 (2441.53)	126.43 (257.10)	394.14 (948.40)	53.39 (3.81)	3,638.56 (3650.84)	

Note:

- ₹ 6,986.70 crores has been additionally sanctioned to existing restructured borrowers during the year.
- Increase in outstanding of ₹ 3,491.65 crores included in Fresh Additions
- Closure of ₹ 3,794.15 crores and decrease in Outstanding of ₹ 3,827.03 crores is included in Write off.
- Total Column does not include standard assets moved out of higher provisioning.

c) Details of Technical Write-offs and the recoveries made thereon:

₹ In crores

Particulars	Current Year	Previous Year
i) Opening balance of Technical/Prudential written-off accounts as at April 1	Nil	Nil
ii) Add: Technical/ Prudential write-offs	Nil	Nil
iii) Sub-total (A)	Nil	Nil
iv) Less: Recoveries made from previously technical/prudential written-off accounts during the year (B)	Nil	Nil
v) Closing balance as at March 31 (A-B)	Nil	Nil

d) Details of financial assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for Asset Reconstruction

₹ In crores

Particulars	Current Year	Previous Year
i) No. of Accounts	5,904	255
ii) Aggregate value (net of provisions) of accounts sold to SC/RC	6,981.42	1,487.52
iii) Aggregate consideration*	4,406.07	1,604.92
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / (loss) over net book value #	(2,575.35)	117.40

* SRs received as part of considerations have been recognised at lower of Net book Value/ Face Value price as per RBI Guidelines.

Includes interest recognised amounting to ₹ 7.52 crores.

e) Details of Investments in Security Receipts against NPAs sold to Securitisation Company (SC) / Reconstruction Company (RC)

₹ In crores

Particulars	Backed by NPAs sold by the bank as underlying		Backed by the NPAs sold by other banks/ financial institutions/ non-banking financial companies as underlying		Total	
	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
Book Value of Investments in Security Receipts as on 31st March 2015	1,427.26	4,703.28	29.37	30.07	1,456.63	4,733.35
Book Value of Investments in Security Receipts made during the year	1,311.90	3,337.48	0.98	2.05	1,312.88	3,339.53

f) Excess Provision reversed to Profit & Loss Account on account of Sale of NPAs to Securitisation Company (SC) / Reconstruction Company (RC)

₹ In crores

Particulars	As at 31st March 2015
Excess Provision reversed to P&L Account in case of Sale of NPAs	177.42



g) Details of non-performing financial assets purchased

₹ In crores

Particulars	Current Year	Previous Year
1) (a) No. of Accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2) (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

h) Details of non-performing financial assets sold

₹ In crores

Particulars	Current Year	Previous Year
1) No. of Accounts sold	1,825	236
2) Aggregate outstanding	10,852.55	3,725.90
3) Aggregate consideration received	4,294.60	1,672.98

i) Provision on Standard Assets

The Provision on Standard Assets held by the Bank as on 31st March 2015 is as under:

₹ In crores

Particulars	As at 31st March 2015	As at 31st March 2014
Provision towards Standard Assets	9,018.36	6,575.43

j) Business Ratios

Particulars	Current Year	Previous Year
i. Interest Income as a percentage to Working Funds	7.61%	7.57%
ii. Non-interest income as a percentage to Working Funds	1.13%	1.03%
iii. Operating Profit as a percentage to Working Funds	1.94%	1.78%
iv. Return on Assets*	0.68%	0.65%
v. Business (Deposits plus advances) per employee (₹ in crores)	12.34	10.64
vi. Profit per employee (₹ in thousands)	602.00	485.47

* (on net-assets basis)



k) Asset Liability Management: Maturity pattern of certain items of assets and liabilities as at 31st March 2015

₹ In crores

	Day 1	2 to 7 days	8 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	TOTAL
Deposits	57,851.81 (79,195.61)	26,454.56 (31,805.04)	18,078.37 (25,840.40)	26,277.89 (26,421.54)	93,336.98 (88,873.24)	1,39,455.40 (1,04,788.39)	2,28,347.53 (1,88,422.31)	3,74,749.76 (2,92,956.16)	1,68,526.42 (4,07,573.64)	4,43,714.53 (4,07,573.64)	15,76,793.25 (13,94,408.50)
Advances	93,953.48 (1,29,202.87)	6,324.43 (7,791.49)	11,181.43 (13,189.69)	16,981.77 (7,071.30)	68,614.55 (41,231.15)	73,835.91 (42,066.55)	85,919.15 (68,304.91)	6,42,058.59 (5,60,674.65)	1,27,338.29 (1,30,009.54)	1,73,818.79 (2,10,286.57)	13,00,026.39 (12,09,828.72)
Investments	0.00 (32.25)	829.89 (219.80)	3,679.12 (138.78)	6,646.84 (7,597.95)	17,213.44 (15,528.10)	15,488.30 (5,819.14)	22,612.72 (17,899.02)	69,509.35 (52,850.51)	82,072.36 (81,912.51)	2,76,975.38 (2,16,801.51)	4,95,027.40 (3,98,799.57)
Borrowings	11,052.35 (1,573.81)	14,325.60 (12,195.05)	3,967.91 (5,335.61)	14,275.11 (5,803.97)	43,859.71 (33,984.67)	24,441.00 (21,323.88)	19,666.56 (27,551.44)	20,958.59 (23,574.78)	16,620.43 (19,617.62)	35,983.03 (32,170.05)	2,05,150.29 (1,83,130.88)
Foreign Currency Assets #	81,569.01 (91,335.00)	1,910.62 (1,933.42)	2,541.70 (2,066.88)	7,449.89 (4,470.93)	17,120.90 (15,883.68)	28,290.16 (11,369.86)	21,562.61 (17,891.03)	49,095.23 (44,682.10)	44,185.46 (40,029.55)	39,850.95 (37,356.73)	2,93,576.53 (2,67,019.18)
Foreign Currency Liabilities \$	33,991.88 (27,799.57)	14,174.37 (13,613.23)	4,943.86 (3,956.01)	17,085.47 (9,385.88)	52,563.89 (47,340.79)	34,153.04 (20,377.06)	39,677.83 (46,983.85)	52,273.23 (49,453.36)	34,428.42 (32,992.43)	7,999.68 (2,274.94)	2,91,291.67 (254,177.12)

Foreign Currency Assets represent advances and investments (net of provision thereof)

\$ Foreign Currency Liabilities represent borrowings and deposits.

(Figures in brackets are as at 31st March 2014)



18.5. Exposures

The Bank is lending to sectors, which are sensitive to asset price fluctuations.

a) Real Estate Sector

₹ In crores

Particulars	As at 31st March 2015	As at 31st March 2014
(I) Direct exposure		
i) Residential Mortgages	1,83,082.23	1,56,145.83
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	1,83,082.23	1,56,145.83
Of which (i) Individual housing loans up to ₹ 25 lakh in Metropolitan centres (Population < 10 lacs) and ₹ 15 lakh in other centres for purchase/construction of dwelling unit per family.	94,330.55	69,270.80
ii) Commercial Real Estate		
Lending secured by mortgages on Commercial Real Estates (office building, retail space, multi purpose commercial premises, multi family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc. Exposures would also include non fund based (NFB) limits.	20,761.65	17,503.82
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:		
a) Residential	603.28	453.77
b) Commercial Real Estate	11.20	260.99
(II) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	18,930.16	16,799.84
Total	2,23,388.52	1,91,164.25

b) Capital Market

₹ In crores

Particulars	As at 31st March 2015	As at 31st March 2014
1) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	3,727.32	3,087.02
2) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds.	8.11	5.04
3) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	7,358.66	3,191.71
4) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/ units of equity oriented mutual funds does not fully cover the advances.	308.13	133.55
5) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	26.87	20.47



₹ In crores

Particulars	As at	As at
	31st March 2015	31st March 2014
6) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	285.76	420.77
7) Bridge loans to companies against expected equity flows/issues.	Nil	Nil
8) Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	Nil	Nil
9) Financing to stockbrokers for margin trading.	0.34	0.41
10) Exposures to Venture Capital Funds (both registered and unregistered)	1,873.05	1,172.90
Total Exposure to Capital Market	13,588.24	8,031.87

c) Risk Category wise Country Exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table. The country exposure (net funded) of the Bank for any country does not exceed 1% of its total assets except on USA, hence provision for the country exposure on USA has been made.

₹ In crores

Risk Category	Exposure (Net)		Provision held	
	As at	As at	As at	As at
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Insignificant	1.68	Nil	Nil	Nil
Very Low	52,107.06	38,952.89	56.89	Nil
Low	883.78	240.69	Nil	Nil
Low Medium	26,774.43	31,557.39	Nil	21.98
Medium	3,148.82	3,413.04	Nil	Nil
High	5,790.96	1,085.53	Nil	Nil
Very High	2,296.82	1,938.39	Nil	Nil
Restricted	3,390.41	2,397.95	Nil	Nil
Off-Credit	0	Nil	Nil	Nil
Total	94,393.96	79,585.88	56.89	21.98

d) Single Borrower and Group Borrower exposure limits exceeded by the Bank

The Bank had taken single borrower exposure in excess of prudential limit in the cases given below:

₹ In crores

Name of the Borrower	Exposure Ceiling	Exposure Sanctioned (Peak Level)	Period during which limit exceeded	Outstanding as on 31st March 2015
Indian Oil Corporation Limited (IOCL)\$	35,037.66	40,019.17	April 2014 to Sept. 2014	17,499.24
Bharat Heavy Electricals Limited (BHEL)	21,022.60	25,012.78	June 2014 to March 2015	20,694.75
Reliance Industries Limited	21,022.60	24,164.15	June 2014 to March 2015	17,404.42



Note :-

No breaches of Prudential Norms since Exposures on IOCL, BHEL and RIL are within the discretion given to Banks by RBI for taking additional 5% exposure over the prudential limits.

\$ RBI has exempted exposure of USD 1 Billion (₹ 6,250 crores) taken on IOCL from prudential exposure norms, which is included in above exposure. After excluding . ₹ 6,250 crores, exposure on IOCL is ₹ 34,325 crores, 24.49% of bank's capital fund.

Exposures on all the Borrower Groups were within the Prudential Norms during the year (2014-15)

e) Unsecured Advances

		₹ In crores	
Particulars	As at 31st March 2015	As at 31st March 2014	
a) Total Unsecured Advances of the bank	2,59,109.61	1,99,057.88	
i) Of which amount of advances outstanding against charge over intangible securities such as rights, licences, authority etc.	5,832.72	5,654.07	
ii) The estimated value of such intangible securities (as in (i) above).	6,005.01	24,391.94	

18.6. Miscellaneous

a) Disclosure of Penalties imposed by RBI

Nil (Previous year ₹ 3.00 crores)

The Authority of Prudential Control and Resolution, Paris, France has imposed a penalty of Euro 300,000 on SBI Paris branch.

b) Penalty for Bouncing of SGL forms

No penalty has been levied on the Bank for bouncing of SGL Forms.

18.7. Disclosure Requirements as per the Accounting Standards

a) Effect of Changes in Accounting Policies

Depreciation Policy on Fixed Assets

During the year the method of depreciation on Fixed Assets has been changed to straight line method (SLM), on the basis of useful life determined on technical evaluation, as against WDV method with Income Tax Rates being used hitherto. Consequent to the change, depreciation of prior period amounting to ₹ 465.22 crores has been found to be in excess and the depreciation charged for the year is higher by ₹ 44.46 crores. As a result the fixed assets and profit before tax are higher by ₹ 420.76 crores.

b) Employee Benefits

i. Defined Benefit Plans

1. (a) Employee's Pension Plan and Gratuity Plan

The following table sets out the status of the Defined Benefit Pension Plan and Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Bank:-



Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1st April 2014	45,236.99	39,564.21	6,838.07	7,050.57
Current Service Cost	897.53	872.37	108.88	151.79
Interest Cost	4,193.47	3,362.96	639.36	581.67
Past Service Cost (Vested Benefit)	-	-	-	-
Actuarial losses / (gains)	4,537.90	4,200.33	533.18	(135.41)
Benefits paid	(1,346.63)	(58.67)	(937.14)	(810.55)
Direct Payment by Bank	(1,903.22)	(2,704.21)	-	-
Closing defined benefit obligation at 31st March 2015	51,616.04	45,236.99	7,182.35	6,838.07
Change in Plan Assets				
Opening fair value of Plan Assets as at 1st April 2014	42,277.01	35,017.57	7,090.59	6,549.31
Expected Return on Plan Assets	3,678.10	3,011.51	616.88	569.79
Contributions by employer	2493.62	3,971.20	233.88	758.17
Benefits Paid	(1,346.63)	(58.67)	(937.14)	(810.55)
Actuarial Gains / (Loss) on plan Assets	2,285.87	335.40	106.04	23.87
Closing fair value of plan assets as at 31st March 2015	49,387.97	42,277.01	7,110.25	7,090.59
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of Funded obligation at 31st March 2015	51,616.04	45,236.99	7,182.35	6,838.07
Fair Value of Plan assets at 31st March 2015	49,387.97	42,277.01	7,110.25	7,090.59
Deficit/(Surplus)	2,228.07	2,959.98	72.10	(252.52)
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	2,228.07	2,959.98	72.10	(252.52)
Amount Recognised in the Balance Sheet				
Liabilities	51,616.04	45,236.99	7,182.35	6,838.07
Assets	49,387.97	42,277.01	7,110.25	7,090.59
Net Liability / (Asset) recognised in Balance Sheet	2,228.07	2,959.98	72.10	(252.52)
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	2,228.07	2,959.98	72.10	(252.52)
Net Cost recognised in the profit and loss account				
Current Service Cost	897.53	872.37	108.88	151.79
Interest Cost	4,193.47	3,362.96	639.36	581.67
Expected return on plan assets	(3,678.10)	(3,011.51)	(616.88)	(569.79)
Past Service Cost (Amortised) Recognised	-	-	-	200.00
Past Service Cost (Vested Benefit) Recognised	-	-	-	-
Net actuarial losses /(Gain) recognised during the year	2,252.03	3,864.93	427.14	(159.28)
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	3,664.93	5,088.75	558.50	204.39
Reconciliation of expected return and actual return on Plan Assets				
Expected Return on Plan Assets	3,678.10	3,011.51	616.88	569.79
Actuarial Gain/ (loss) on Plan Assets	2,285.87	335.40	106.04	23.87
Actual Return on Plan Assets	5,963.97	3,346.91	722.92	593.66
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet				
Opening Net Liability/ (Asset) as at 1st April 2014	2,959.98	4,546.64	(252.52)	301.26
Expenses as recognised in profit and loss account	3,664.93	5,088.75	558.50	204.39
Paid by Bank Directly	(1,903.22)	(2,704.21)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Employer's Contribution	(2,493.62)	(3,971.20)	(233.88)	(758.17)
Net liability/(Asset) recognised in Balance Sheet	2,228.07	2,959.98	72.10	(252.52)



Investments under Plan Assets of Pension Fund & Gratuity Fund as on 31st March 2015 are as follows:

	Pension Fund	Gratuity Fund
Category of Assets	% of Plan Assets	% of Plan Assets
Central Govt. Securities	32.53	24.34
State Govt. Securities	22.45	17.66
Debt Securities, Money Market Securities and Bank Deposits	41.15	32.54
Insurer Managed Funds	-	22.23
Others	3.87	3.23
Total	100.00	100.00

Principal actuarial assumptions

Particulars	Pension Plans		Gratuity Plans	
	Current year	Previous year	Current year	Previous year
Discount Rate	8.21%	9.27%	8.21%	9.35%
Expected Rate of return on Plan Asset	8.70%	8.70%	8.70%	8.70%
Salary Escalation	5.00%	5.00%	5.00%	5.00%

Surplus/ Deficit in the Plan

Gratuity Plan

Amount recognized in the Balance Sheet	Year ended 31-03-2010	Year ended 31-03-2011	Year ended 31-03-2012	Year ended 31-03-2013	Year ended 31-03-2014	Year ended 31-03-2015
Liability at the end of the year	3,889.14	5,817.19	6,462.82	7,050.57	6,838.07	7,182.35
Fair value of Plan Assets at the end of the year	3,811.28	4,102.25	5,251.79	6,549.31	7,090.59	7,110.25
Difference	77.86	1,714.94	1,211.03	501.26	(252.52)	72.10
Unrecognised Past Service Cost	-	400.00	300.00	200.00	-	-
Unrecognised Transition Liability	-	-	-	-	-	-
Amount Recognized in the Balance Sheet	77.86	1,314.94	911.03	301.26	(252.52)	72.10

Experience adjustment

Amount recognized in the Balance Sheet	Year ended 31-03-2010	Year ended 31-03-2011	Year ended 31-03-2012	Year ended 31-03-2013	Year ended 31-03-2014	Year ended 31-03-2015
On Plan Liability (Gain) /Loss	(0.40)	879.37	367.64	459.56	210.19	(24.69)
On Plan Asset (Loss) /Gain	7.89	1.94	32.58	62.46	23.87	106.04

Surplus/Deficit in the plan

Pension

Amount recognized in the Balance Sheet	Year ended 31-03-2010	Year ended 31-03-2011	Year ended 31-03-2012	Year ended 31-03-2013	Year ended 31-03-2014	Year ended 31-03-2015
Liability at the end of the year	21,715.61	33,879.30	36,525.68	39,564.21	45,236.99	51,616.04
Fair value of Plan Assets at the end of the year	14,714.83	16,800.10	27,205.57	35,017.57	42,277.01	49,387.97
Difference	7,000.78	17,079.20	9,320.11	4,546.64	2,959.98	2,228.07
Unrecognised Past Service Cost	-	-	-	-	-	-
Unrecognised Transition Liability	-	-	-	-	-	-
Amount Recognized in the Balance Sheet	7,000.78	17,079.20	9,320.11	4,546.64	2,959.98	2,228.07

Experience adjustment

Amount recognized in the Balance Sheet	Year ended 31-03-2010	Year ended 31-03-2011	Year ended 31-03-2012	Year ended 31-03-2013	Year ended 31-03-2014	Year ended 31-03-2015
On Plan Liability (Gain) /Loss	5,252.37	1,188.70	1,677.80	345.90	7,709.67	1,732.86
On Plan Asset (Loss) /Gain	233.12	282.65	130.16	419.58	335.40	2,285.87



- (b) The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible, which has been relied upon by the auditors.
- (c) During the year, the Bank has aligned its policy with regard to valuation of plan assets from Book Value to Fair Value in accordance with Accounting Standard 15 issued by ICAI. As a result of the change, the value of plan assets has increased by ₹ 2,069 crores in respect of Pension Fund and by ₹ 113.87 crores in respect of Gratuity Fund.

2. Employees' Provident Fund

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of the Bank, as per Deterministic Approach shows "Nil" liability, hence no provision is made in F.Y. 2014-15.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuary appointed by the Bank:-

₹ in crores

Particulars	Provident Fund	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April 2014	21,804.39	20,742.83
Current Service Cost	527.14	529.53
Interest Cost	1869.09	1,838.65
Employee Contribution (including VPF)	661.66	656.87
Actuarial losses/(gains)	-	-
Benefits paid	(2,363.77)	(1,963.49)
Closing defined benefit obligation at 31st March 2015	22,498.51	21,804.39
Change in Plan Assets		
Opening fair value of Plan Assets as at 1st April 2014	22,366.42	21,223.41
Expected Return on Plan Assets	1,869.09	1,838.65
Contributions	1,188.80	1,186.40
Benefits Paid	(2,363.77)	(1,963.49)
Actuarial Gains / (Loss) on plan Assets	137.28	81.45
Closing fair value of plan assets as at 31st March 2015	23,197.82	22,366.42
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31st March 2015	22,498.51	21,804.39
Fair Value of Plan assets at 31st March 2015	23,197.82	22,366.42
Deficit/(Surplus)	(699.31)	(562.03)
Net Asset not recognised in Balance Sheet	699.31	562.03
Net Cost recognised in the profit and loss account		
Current Service Cost	527.14	529.53
Interest Cost	1869.09	1,838.65
Expected return on plan assets	(1,869.09)	(1,838.65)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	527.14	529.53
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April 2014	-	-
Expense as above	527.14	529.53
Employer's Contribution	(527.14)	(529.53)
Net Liability/(Asset) Recognized In the Balance Sheet	-	-



Investments under Plan Assets of Provident Fund as on 31st March 2015 are as follows:

Category of Assets	Provident Fund % of Plan Assets
Central Govt. Securities	40.62
State Govt. Securities	18.88
Debt Securities, Money Market Securities and Bank Deposits	0.14
Public and Private Sector Bonds	36.05
Insurer Managed Funds	-
Others	4.31
Total	100.00

Principal actuarial assumptions

Particulars	Provident Fund	
	Current year	Previous year
Discount Rate	8.21%	9.35%
Guaranteed Return	8.75%	8.75%
Attrition Rate	2.00%	2.00%

ii. Defined Contribution Plan:

The Bank has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after August 1, 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2014-15, the Bank has contributed ₹ 145.51 crores (Previous Year ₹ 115.25 crores).

iii. Other Long Term Employee Benefits

Amount of ₹ 636.97 Crores (Previous Year (-) ₹ 164.29 Crores) is provided/ (written back) towards Long Term Employee Benefits as per the actuarial valuation by the independent Actuary appointed by the Bank and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account.

Details of Provisions made for various long Term Employee Benefits during the year:

₹ in crores

Sr. No.	Long Term Employee Benefits	Current Year	Previous Year
1	Privilege Leave (Encashment) incl. leave encashment at the time of retirement	677.02	366.46
2	Leave Travel and Home Travel Concession (Encashment/ Availment)	(51.00)	(33.11)
3	Sick Leave	-	(392.42)
4	Silver Jubilee Award	1.71	(22.99)
5	Resettlement Expenses on Superannuation	6.22	(2.07)
6	Casual Leave	-	(82.55)
7	Retirement Award	3.02	2.39
Total		636.97	(164.29)



c) Segment Reporting:

1. Segment Identification

I. Primary (Business Segment)

The following are the primary segments of the Bank:-

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Other Banking Business

The present accounting and information system of the Bank does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the primary segments have been computed as under:

- i. **Treasury** - The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.
- ii. **Corporate / Wholesale Banking** - The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Mid Corporate Accounts Group and Stressed Assets Management Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.
- iii. **Retail Banking** - The Retail Banking Segment comprises of branches in National Banking Group, which primarily includes Personal Banking activities including lending activities to

corporate customers having banking relations with branches in the National Banking Group. This segment also includes agency business and ATMs.

- iv. **Other Banking business** - Segments not classified under (i) to (iii) above are classified under this primary segment.

II. Secondary (Geographical Segment)

- i) **Domestic Operations** - Branches/Offices having operations in India
- ii) **Foreign Operations** - Branches/Offices having operations outside India and offshore Banking units having operations in India

III. Pricing of Inter-segmental Transfers

The Retail Banking segment is the primary resource mobilising unit. The Corporate/ Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

IV. Allocation of Expenses, Assets and Liabilities

Expenses incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ ratio of directly attributable expenses.

The Bank has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.



2. Segment Information

Part A: Primary (Business Segments)

₹ In crores

Business Segment	Treasury		Corporate / Wholesale Banking		Retail Banking	Other Banking Operations	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Current Year	Previous Year
Revenue #	41,095.95	(34,763.95)	61,445.90	(54,180.43)	71,248.38	-	1,73,790.23
Unallocated Revenue #					(65,543.48)	(-)	1,182.73
Total Revenue							(415.86)
							1,74,972.96
							(1,54,903.72)
Result #	7,554.38	(2800.61)	-308.47	(884.27)	14,758.80	-	22,004.71
Unallocated Income(+) / Expenses(-) - net #					(15,762.74)	(-)	(19,447.62)
Profit before tax #							-2,690.75
Tax #							(-3273.73)
Extraordinary Profit #							19313.96
Net Profit #							(16,173.89)
							6,212.39
							(5,282.72)
							-
							(-)
							13,101.57
							(10,891.17)
Other Information:							
Segment Assets *	5,12,933.07	(4,23,098.66)	7,83,222.15	(7,07,907.27)	7,35,200.07	-	20,31,355.29
Unallocated Assets *					(6,45,978.57)	(-)	(17,76,984.50)
Total Assets*							16,724.51
							(15,763.79)
							20,48,079.80
							(17,92,748.29)
Segment Liabilities *	3,08,334.71	(2,14,629.31)	6,88,172.53	(6,20,852.90)	8,68,722.52	-	18,65,229.76
Unallocated Liabilities*					(7,87,170.47)	(-)	(16,22,652.68)
Total Liabilities *							54,411.81
							(51,813.36)
							19,19,641.57
							(16,74,466.04)

(Figures in brackets are for previous year)

Part B: Secondary (Geographic Segments)

₹ In crores

	Domestic		Foreign		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue #	1,64,304.43	1,45,647.12	9,485.80	8,840.74	1,73,790.23	1,54,487.86
Result#	17,746.10	16,377.14	4,258.61	3,070.48	22,004.71	19,447.62
Assets *	17,47,311.56	15,25,258.51	3,00,768.24	2,67,489.78	20,48,079.80	17,92,748.29
Liabilities*	16,18,873.33	14,06,976.26	3,00,768.24	2,67,489.78	19,19,641.57	16,74,466.04

For the year ended 31st March 2015

* As at 31st March 2015



d) Related Party Disclosures:

1. Related Parties

A. SUBSIDIARIES

i. DOMESTIC BANKING SUBSIDIARIES

1. State Bank of Bikaner & Jaipur
2. State Bank of Hyderabad
3. State Bank of Mysore
4. State Bank of Patiala
5. State Bank of Travancore

ii. FOREIGN BANKING SUBSIDIARIES

1. SBI (Mauritius) Ltd.
2. State Bank of India (Canada)
3. State Bank of India (California)
4. Commercial Indo Bank Llc , Moscow
5. PT Bank SBI Indonesia
6. Nepal SBI Bank Ltd.
7. State Bank of India (Botswana) Ltd.

iii. DOMESTIC NON-BANKING SUBSIDIARIES

1. SBI Capital Markets Ltd.
2. SBI DFHI Ltd.
3. SBI Mutual Fund Trustee Company Pvt. Ltd.
4. SBICAP Securities Ltd.
5. SBICAP Ventures Ltd.
6. SBICAP Trustee Company Ltd.
7. SBI Cards and Payment Services Pvt. Ltd.
8. SBI Fund Management Pvt. Ltd.
9. SBI Life Insurance Company Ltd.
10. SBI Pension Funds Pvt. Ltd.
11. SBI – SG Global Securities Services Pvt. Ltd.
12. SBI Global Factors Ltd.
13. SBI General Insurance Company Ltd.
14. SBI Payment Services Pvt. Ltd.

iv. FOREIGN NON-BANKING SUBSIDIARIES

1. SBICAP (UK) Ltd.
2. SBI Funds Management (International) Pvt. Ltd.
3. SBICAP (Singapore) Ltd.

B. JOINTLY CONTROLLED ENTITIES

1. GE Capital Business Process Management Services Pvt. Ltd
2. C-Edge Technologies Ltd.
3. Macquarie SBI Infrastructure Management Pte. Ltd.
4. Macquarie SBI Infrastructure Trustee Ltd.

5. SBI Macquarie Infrastructure Management Pvt. Ltd.
6. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
7. Oman India Joint Investment Fund – Management Company Pvt. Ltd.
8. Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.

C. ASSOCIATES

i. Regional Rural Banks

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank
4. Ellaquai Dehati Bank
5. Meghalaya Rural Bank
6. Langpi Dehangi Rural Bank
7. Madhyanchal Gramin Bank
8. Mizoram Rural Bank
9. Nagaland Rural Bank
10. Purvanchal Bank
11. Saurashtra Gramin Bank
12. Utkal Grameen Bank
13. Uttarakhand Gramin Bank
14. Vananchal Gramin Bank
15. Marudhara Gramin Bank (upto 31.03.2014)
16. Rajasthan Marudhara Gramin Bank (formed on amalgamation of Marudhara Gramin Bank- sponsored by SBBJ and Mewar Aanchalik Gramin Bank sponsored by ICICI Bank limited w.e.f 1.4.2014)
17. Telangana Grameena Bank (erstwhile Deccan Grameena Bank) w.e.f. 20th Oct 2014
18. Kaveri Grameena Bank
19. Malwa Gramin Bank

ii. Others

1. SBI Home Finance Ltd.(under liquidation)
2. The Clearing Corporation of India Ltd.
3. Bank of Bhutan Ltd.



D. Key Management Personnel of the Bank

1. Smt. Arundhati Bhattacharya, Chairman
2. Shri Hemant G. Contractor, Managing Director & Group Executive (International Banking) (upto 30.04.2014)
3. Shri A. Krishna Kumar
 - Managing Director & Group Executive (National Banking) (upto 16.04.2014)
 - Managing Director & Group Executive (International Banking) (additional charge of Managing Director & Group Executive (National Banking) (from 01.05.2014 to 16.07.2014)
 - Managing Director & Group Executive (International Banking) (17.04.2014 to 30.11.2014)
4. Shri S. Vishvanathan, Managing Director & Group Executive (Associates & Subsidiaries) (upto 30.04.2014)

5. Shri P. Pradeep Kumar
 - Managing Director & Group Executive (International Banking) (additional charge of Managing Director & Group Executive (Associates & Subsidiaries) (from 01.05.2014 to 16.07.2014)
 - Managing Director & Group Executive (Corporate Banking)
6. Shri V.G. Kannan, Managing Director & Group Executive (Associates & Subsidiaries) (from 17.07.2014)
7. Shri B. Sriram, Managing Director & Group Executive (National Banking) (from 17.07.2014)

2. Parties with whom transactions were entered into during the year

No disclosure is required in respect of related parties, which are "State-controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

3. Transactions and Balances

₹ In crores

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
A. Outstanding as at 31st March			
Borrowings	-	-	-
	(-)	(-)	(-)
Deposit	35.80	-	35.80
	(95.32)	(-)	(95.32)
Other Liabilities	0.02	-	0.02
	(0.82)	(-)	(0.82)
Balance with Banks	2.12	-	2.12
	(-)	(-)	(-)
Advance	-	-	-
	(-)	(-)	(-)
Investment	41.55	-	41.55
	(41.55)	(-)	(41.55)
Non-fund commitments (LCs/BGs)	-	-	-
	(-)	(-)	(-)



Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
B. Maximum outstanding during the year			
Borrowings	-	-	-
	(-)	(-)	(-)
Deposit	57.06	-	57.06
	(100.75)	(-)	(100.75)
Other Liabilities	0.02	-	0.02
	(0.82)	(-)	(0.82)
Balance with Banks	5.94	-	5.94
	(-)	(-)	(-)
Advance	-	-	-
	(2.02)	(-)	(2.02)
Investment	41.55	-	41.55
	(41.55)	(-)	(41.55)
Non-fund commitments (LCs/BGs)	-	-	-
	(-)	(-)	(-)
C. During the year ended 31st March			
Interest Income	-	-	-
	(0.02)	(-)	(0.02)
Interest expenditure	2.78	-	2.78
	(4.00)	(-)	(4.00)
Income earned by way of dividend	33.82	-	33.82
	(12.24)	(-)	(12.24)
Other Income	-	-	-
	(-)	(-)	(-)
Other expenditure	3.09	-	3.09
	(-)	(-)	(-)
Profit/(loss) on sale of land/building and other assets	-	-	-
	(-)	(-)	(-)
Management contracts	-	1.03	1.03
	(-)	(1.08)	(1.08)

Figures in brackets are for Previous Year

There are no materially significant related party transactions during the year.



e) Liability for Operating Leases

Premises taken on operating lease are given below:

₹ In crores

Particulars	As at 31st March 2015	As at 31st March 2014
Not later than 1 year	191.05	135.06
Later than 1 year and not later than 5 years	674.79	434.85
Later than 5 years	178.17	109.27
Total*	1044.01	679.18
Amount of lease payments recognised in the P&L Account for the year.	1659.09	153.90

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the Bank.

* In respect of Non-Cancellable leases only.

f) Earnings per Share*

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - "Earnings per Share". "Basic earnings" per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

Particulars	Current Year	Previous Year
Basic and diluted		
Number of Equity Shares outstanding at the beginning of the year	746,57,30,920	684,03,39,710
Number of Equity Shares issued during the year	0	62,53,91,210
Number of Equity Shares outstanding at the end of the year	746,57,30,920	746,57,30,920
Weighted average number of equity shares used in computing basic earnings per share	746,57,30,920	6,94,78,39,100
Weighted average number of shares used in computing diluted earnings per share	7,46,60,06,199	6,94,78,39,100
Net profit (₹ In crores)	13,101.57	10,891.17
Basic earnings per share (₹)	17.55	15.68
Diluted earnings per share (₹)	17.55	15.68
Nominal value per share (₹)	1	1

* The face value of shares of the Bank was split from ₹ 10 per share to ₹ 1 per share w.e.f. 22.11.2014. All the shares and per share information reflect the effect of the split for each period presented.

Diluted earnings per share is computed taking into consideration the amount received for equity shares allotted on 1st April 2015.

g) Accounting for Taxes on Income

i. Current Tax :-

During the year the Bank has debited to Profit & Loss Account ₹ 6,719.11 crores (Previous Year ₹ 4,359.74 crores) on account of current tax. The Current Tax in India has been calculated in accordance with the provisions of Income Tax Act 1961 after taking appropriate relief for taxes paid in foreign jurisdictions.

ii. Deferred Tax :-

During the year, ₹ 477.56 crores has been credited to Profit and Loss Account (Previous Year ₹ 1,055.25 crores debited) on account of deferred tax.

iii. The Bank has a net Deferred Tax Liability (DTL) of ₹ 1,987.14 crores (Previous Year net DTL of ₹ 2,837.83 Crores), which comprises of DTL of ₹ 2,353.12 crores included under 'Other Liabilities and Provisions' and Deferred Tax Assets (DTA) of ₹ 365.98 crores included under 'Other Assets'. The major components of DTA and DTL is given below:

₹ In crores

Particulars	As at 31st March 2015	As at 31st March 2014
Deferred Tax Assets (DTA)		
Provision for Defined Benefit Schemes on account of Wage Revision	451.63	72.05
Provision for long term employee Benefits	1,831.55	1,235.19
Provision/ Additional Provision on specified Restructured Standard Assets/Standard Assets over the specified RBI Prudential Norms	1,132.65	516.43
Net DTAs on account of Foreign Offices	364.19	511.82
Total	3,780.02	2,335.49



Particulars	₹ In crores	
	As at 31st March 2015	As at 31st March 2014
Deferred Tax Liabilities (DTL)		
Depreciation on Fixed Assets	155.22	8.56
Interest on securities*	3,286.61	3,280.02
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	2,325.33	1,884.74
Total	5,767.16	5,173.32
Net Deferred Tax Assets/ (Liabilities)	(1,987.14)	(2,837.83)

* Includes ₹ 371.69 Crores transferred to Income Tax Account (Previous Year ₹ 336.62 Crores transferred to Income Tax Account).

\$ Includes ₹ 1,525.13 Crores transferred from Revenue and Other reserves in accordance with RBI circular.

h) Investments in Jointly Controlled Entities

Investments include ₹ 38.28 crores (Previous Year ₹ 38.28 crores) representing Bank's interest in the following jointly controlled entities

Sr. No	Name of the Company	Amount ₹ In crores	Country of Residence	Holding %
1	GE Capital Business Process Management Services Pvt. Ltd.	9.44 (9.44)	India	40%
2	C - Edge Technologies Ltd.	4.90 (4.90)	India	49%
3	Maquarie SBI Infrastructure Management Pte. Ltd.	2.25 (2.25)	Singapore	45%
4	SBI Macquarie Infrastructure Management Pvt. Ltd.	18.57 (18.57)	India	45%
5	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	0.03 (0.03)	India	45%
6	Maquarie SBI Infrastructure Trustee Ltd. #	0.78 (0.78)	Bermuda	45%
7	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	2.30 (2.30)	India	50%
8	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	0.01 (0.01)	India	50%

Indirect holding through Maquarie SBI Infra Management Pte. Ltd., against which the Company has made 100% provision, except additional investment made during the FY2013-14. (Figures in brackets relate to previous year)

As required by AS 27, the aggregate amount of the assets, liabilities, income, expenses, contingent liabilities and commitments related to the Bank's interests in jointly controlled entities are disclosed as under:

Particulars	₹ In crores	
	As at 31st March 2015	As at 31st March 2014
Liabilities		
Capital & Reserves	159.14	130.61
Deposits	-	-
Borrowings	8.15	10.91
Other Liabilities & Provisions	76.93	109.30
Total	244.22	250.82
Assets		
Cash and Balances with RBI	-	-
Balances with Banks and money at call and short notice	96.36	111.79
Investments	9.69	0.65



₹ In crores

Particulars	As at 31st March 2015	As at 31st March 2014
Advances	-	-
Fixed Assets	35.75	42.03
Other Assets	102.42	96.35
Total	244.22	250.82
Capital Commitments		
Other Contingent Liabilities	3.51	2.95
Income		
Interest earned	6.09	6.13
Other income	285.04	249.15
Total	291.13	255.28
Expenditure		
Interest expended	1.23	1.52
Operating expenses	223.70	198.54
Provisions & contingencies	18.73	13.97
Total	243.66	214.03
Profit	47.47	41.25

i) Impairment of Assets

In the opinion of the Bank's Management, there is no impairment to the assets during the year to which Accounting Standard 28 - "Impairment of Assets" applies.

j) Description of Contingent Liabilities (AS-29)

Sr. No.	Particulars	Brief Description
1	Claims against the Bank not acknowledged as debts	The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows. The Bank is also a party to various taxation matters in respect of which appeals are pending.
2	Liability on partly paid-up investments/ Venture Funds	This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.
3	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as Contingent Liabilities. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.



4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial Banking activities, the Bank issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.
5	Other items for which the Bank is contingently liable.	The Bank enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by the Bank on behalf of Associates & Subsidiaries, Bank's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities.

The Contingent Liabilities mentioned above are dependent upon the outcome of Court/ arbitration/ out of Court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

k) Movement of provisions against Contingent Liabilities

₹ In crores

Particulars	Current Year	Previous Year
Opening balance	327.31	256.21
Additions during the year	206.59	87.59
Reductions during the year	90.32	16.49
Closing balance	443.58	327.31

Particulars	Current Year	Previous Year
-Write Back of Income Tax	(39.16)	(142.28)
-Other Tax	10.00	10.00
Provision for Depreciation on Investments	(590.07)	563.25
Withdrawal from Counter Cyclical Buffer	(382.00)	(750.00)
Provision on Non-Performing Assets	16,863.64	14,478.45
Provision on Restructured Assets	802.65	495.12
Provision on Standard Assets	2,435.37	1,260.69
Other Provisions	469.95	(112.16)
Total	25,811.93	21,218.06

18.8. Additional Disclosures

1. Provisions and Contingencies

₹ In crores

Particulars	Current Year	Previous Year
Provision for Taxation		
-Current Tax	6,719.11	4,359.74
-Deferred Tax	(477.56)	1,055.25

2. Floating Provisions

₹ In crores

Particulars	Current Year	Previous Year
Opening Balance	25.14	25.14
Addition during the year	-	-
Draw down during the year	-	-
Closing Balance	25.14	25.14



3. Withdrawal from Reserves

During the year, the Bank has withdrawn following amount from the Reserves:

₹ In crores

Particulars	As at	As at
	31st March 2015	31st March 2014
For Creation of Deferred Tax Liability on Special Reserve created u/s 36(1)(viii) of Income Tax Act	-	1,525.13

4. Status of complaints

A. Customer complaints

Particulars	As at	As at
	31st March 2015	31st March 2014
No. of complaints pending at the beginning of the year	21,413	32,705
No. of complaints received during the year	16,34,042	15,03,638
No. of complaints redressed during the year	16,24,559	15,14,930
No. of complaints pending at the end of the year	30,896	21,413

B. Awards passed by the Banking Ombudsman

Particulars	Current Year	Previous Year
	No. of unimplemented Awards at the beginning of the year	9
No. of Awards passed by the Banking Ombudsman during the year	39	63
No. of Awards implemented during the year	33	82
No. of unimplemented Awards at the end of the year	15	9

5. Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006

As per the information available with the Bank, there has been no reported cases of delayed payments

of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.

6. Letter of Comfort issued for Subsidiaries

The Bank has issued letters of comfort on behalf of its subsidiaries. Outstanding letters of comfort as on 31st March 2015 aggregate to ₹ 715.16 Crores (Previous Year: ₹ 1,914.97 Crores). In the Bank's assessment no financial impact is likely to arise.

7. Provisioning Coverage Ratio (PCR):

The Provisioning to Gross Non-Performing Assets ratio of the Bank as on 31st March 2015 is 69.13% (Previous Year 62.86%).

8. Fees/remuneration received in respect of the bancassurance business

₹ In crores

Name of Company	Current Year	Previous Year
SBI Life Insurance Co. Ltd.	281.16	222.05
SBI General Insurance Co. Ltd.	62.86	48.41
Manu Life Financial Limited and NTUC	0.57	0.61
Tokio Marine, ACE	0.21	1.52
TOTAL	344.80	272.59

9. Concentration of Deposits, Advances Exposures & NPAs

a) Concentration of Deposits

₹ In crores

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	1,01,148.22	1,03,157.26
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	6.41%	7.40%

b) Concentration of Advances

₹ In crores

Particulars	Current Year	Previous Year
Total Advances to twenty largest borrowers	2,06,512.83	2,22,862.28
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	15.46%	17.90%



c) Concentration of Exposures

₹ In crores

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers/ customers	3,45,152.13	3,32,789.45
Percentage of Exposures to twenty largest borrowers/ customers to Total Exposure of the Bank on borrowers/customers	15.88%	16.88%

d) Concentration of NPAs

₹ In crores

Particulars	Current Year	Previous Year
Total Exposure to top four NPA accounts	1,839.51	4,782.78

10. Sector -wise NPAs

₹ In crores

Sr. Sector No.	Current Year			Previous year		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A Priority Sector						
1 Agriculture & allied activities	1,12,752.88	10,216.74	9.06	1,09,783.93	10,327.11	9.41
2 Industry (Micro & Small, Medium and Large)	65,699.72	7,087.13	10.79	65,688.11	4,174.09	6.35
3 Services	26,146.41	1,699.94	6.50	26,803.49	2,424.62	9.05
4 Personal Loans	90,352.32	1,202.51	1.33	80,907.18	1,659.29	2.05
Sub-total (A)	2,94,951.33	20,206.32	6.85	2,83,182.71	18,585.11	6.56
B Non Priority Sector						
1 Agriculture & allied activities	5,024.05	199.91	3.98	20,282.48	224.86	1.11
2 Industry (Micro & Small, Medium and Large)	7,54,514.38	31,167.29	4.13	9,36,507.69	34,566.58	3.69
3 Services	1,75,822.54	4,017.66	2.29	1,54,668.80	6,977.35	4.51
4 Personal Loans	1,93,469.42	1,152.20	0.60	1,74,799.43	1,679.34	0.96
Sub-total (B)	11,28,830.39	36,537.06	3.24	12,86,258.40	43,448.13	3.38
C Total (A+B)	14,23,781.72	56,743.38	3.99	15,69,441.11	62,033.24	3.95



11. Overseas Assets, NPAs and Revenue

₹ In crores

Sr. No.	Particulars	Current Year	Previous Year
1	Total Assets	3,00,768.24	2,67,489.78
2	Total NPAs (Gross)	2,618.65	3,786.64
3	Total Revenue	9,485.80	8,840.74

12. Off-balance Sheet SPVs sponsored

	Name of the SPV Sponsored	
	Domestic	Overseas
Current Year	NIL	NIL
Previous Year	NIL	NIL

13. Disclosure relating to Securitisation

₹ In crores

Sr. No.	Particulars	Number	Amount
1	No. of the SPVs sponsored by the Bank for securitization transactions	Nil	Nil
2	Total amount of securitized assets as per the books of the SPVs sponsored by the bank	Nil	Nil
3	Total amount of exposures retained by the bank to comply with MMR as on the date of balance sheet		
	a) Off-balance sheet exposures	Nil	Nil
	i. First Loss		
	ii. Others		
	b) On-balance sheet exposures	Nil	Nil
	i. First Loss		
	ii. Others		
4	Amount of exposures to securitisation transactions other than MMR		
	a) Off-balance sheet exposures		
	i. Exposures to own securitisations	Nil	Nil

₹ In crores

Sr. No.	Particulars	Number	Amount
	1. First Loss		
	2. Others		
	ii. Exposures to third party securitisations		
	1. First Loss		
	2. Others		
b)	On-balance sheet exposures	Nil	Nil
	i. Exposures to own securitisations		
	1. First Loss		
	2. Others		
	ii. Exposures to third party securitisations		
	1. First Loss		
	2. Others		

14. Credit Default Swaps

₹ In crores

Sr. No.	Particulars	Current Year		Previous Year	
		As Buyer	As Seller	As Buyer	As Seller
		Protection Buyer	Protection Seller	Protection Buyer	Protection Seller
1	No. of transactions during the year				
	a) of which transactions that are/may be physically settled	Nil	Nil	Nil	Nil
	b) cash settled	Nil	Nil	Nil	Nil
2	Amount of protection bought / sold during the year				
	a) of which transactions which are/ may be physically settled	Nil	Nil	Nil	Nil
	b) cash settled	Nil	Nil	Nil	Nil
3	No. of transactions where credit event payment was received / made during the year				
	a) pertaining to current year's transactions	Nil	Nil	Nil	Nil



₹ In crores

Sr. No.	Particulars	Current Year		Previous Year	
		As	As	As	As
		Protection Buyer	Protection Seller	Protection Buyer	Protection Seller
4	Net income/ profit (expenditure/ loss) in respect of CDS transactions during year-to-date:				
	a) premium paid / received	Nil	Nil	Nil	0.83
	b) Credit event payments:				
	• made (net of the value of assets realised)	Nil	Nil	Nil	Nil
	• received (net of value of deliverable obligation)	Nil	Nil	Nil	Nil
5	Outstanding transactions as on March 31:				
	a) No. of Transactions	Nil	Nil	Nil	Nil
	b) Amount of protection	Nil	Nil	Nil	Nil
6	Highest level of outstanding transactions during the year:				
	a) No. of Transactions (as on 1st April)	Nil	Nil	Nil	1
	b) Amount of protection (as on 1st April)	Nil	Nil	Nil	59.39

15. Intra-Group Exposures:

₹ In crores

Particulars		
i	Total amount of intra-group exposures	15,442.79
ii	Total amount of top-20 intra-group exposures	15,442.79
iii	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	0.71
iv	Details of breach of limits on intra-group exposures and regulatory action thereon	-

16. Unclaimed Liabilities transferred to Depositor Education and Awareness Fund (DEAF)

₹ In crores

Particulars	Current Year
Opening balance of amounts transferred to DEAF	-
Add : Amounts transferred to DEAF during the year	757.14
Less : Amounts reimbursed by DEAF towards claims	-
Closing balance of amounts transferred to DEAF	757.14

17. Unhedged Foreign Currency Exposure

The Bank in accordance with RBI Circular No. DBOD. No.BP.BC.85/21.06.200/2013-14 dated January 15, 2014 on 'Capital and Provisioning Requirements for Exposure to entities with Unhedged Foreign Currency Exposure' has provided for ₹ 293.08 crores towards Currency Induced Credit Risk and allocated incremental Capital for Currency Induced Credit Risk amounting to ₹ 408.44 crores.



18. Liquidity Coverage Ratio:

(a) Quantitative Disclosure

₹ In crores

	Month end Average for quarter ended 31-Mar-2015	
	Total Unweighted Value(Average)	Total Weighted Value(Average)
High Quality Liquid Assets		
1 Total High Quality Liquid Assets(HQLA)		2,13,955.16
Cash Outflows		
2 Retail Deposits and deposits from small business customers, of which:		
(i) Stable deposits	1,27,899.26	6,394.96
(ii) Less Stable Deposits	9,25,435.65	92,543.57
3 Unsecured wholesale funding, of which:		
(i) Operational deposits (all counterparties)	86,182.04	20,631.04
(ii) Non-operational deposits (all counterparties)	3,09,173.95	1,86,209.20
(iii) Unsecured debt	0.00	0.00
4 Secured wholesale funding	16,291.56	1,298.81
5 Additional requirements, of which		
(i) Outflows related to derivative exposures and other collateral requirements	1,48,530.11	1,48,530.11
(ii) Outflows related to loss of funding on debt products	0.00	0.00
(iii) Credit and liquidity facilities	1,26,665.91	19,134.19
6 Other contractual funding obligations	11,087.96	11,087.96
7 Other contingent funding obligations	3,33,646.81	16,682.33
8 TOTAL CASH OUTFLOWS	20,84,913.25	5,02,512.17
Cash Inflows		
9 Secured lending(eg. Reverse repos)	5,090.33	0.00
10 Inflows from fully performing exposures	2,13,473.88	1,94,324.78
11 Other cash inflows	44,652.23	44,652.23
12 Total Cash Inflows	2,63,216.44	2,38,977.01
13 TOTAL HQLA		2,13,955.16
14 TOTAL NET CASH OUTFLOWS		2,63,535.16
15 LIQUIDITY COVERAGE RATIO(%)		81.19%

(b) Qualitative Disclosure

Liquidity Coverage Ratio (LCR) standard has been introduced with the objective that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA)s that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. The stock of liquid assets should enable the bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken. Beginning January 2015, LCR has been mandated at 60% which is to rise in equal steps of 10% to reach 100% by January 2019.

LCR has been defined as Stock of high quality liquid assets (HQLAs).

Total net cash outflows over the next 30 calendar days.

Liquid assets comprise of high quality assets that can be readily sold or used as collateral to obtain funds in a range of stress scenarios. There are two categories of assets included in the stock of HQLAs, viz. Level 1 and Level 2 assets. Level 1 assets are with 0% haircut while Level 2A assets are with a minimum 15% haircut and Level 2B Assets, with a minimum 50% haircut.



The total net cash outflows is the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. Total expected cash inflows and outflows are calculated by multiplying the outstanding balances of various categories of contractual receivables and types of liabilities and off-balance sheet commitments by the rates at which they are expected to flow in or drawn down.

Liquidity management in the Bank is driven by the ALM Policy, approved by the Board. Domestic and International Banking Treasuries are reporting to the Asset Liability Management Committee (ALCO). The ALCO has been empowered by the Bank's Board to formulate the funding strategies to ensure that the funding sources are well diversified and is consistent with the requirements of the Bank. All major decisions of ALCO are being reported to the Board periodically. In addition to monthly LCR reporting, Bank prepares daily Structural Liquidity Statement to assess the liquidity needs of the Bank on an ongoing basis. Further, Dynamic Liquidity Reports are also being prepared to forecast liquidity requirements and strategise accordingly.

Bank's LCR of 81.19% is above the minimum 60% prescribed by RBI. The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, and as such, funding sources are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future short term requirements.

19. Inter Office Accounts

Inter Office Accounts between branches, controlling offices, local head offices and corporate centre establishments are being reconciled on an ongoing basis and no material effect is expected on the profit and loss account of the current year.

20. Pending Wage Agreement

The Ninth Bipartite Settlement entered into by the Indian Banks' Association on behalf of the member Banks with the All India Unions of Workmen expired on 31st October 2012. In accordance with the

understanding reached by IBA, pending the execution of agreement for wage revision, to be effective from 1st November 2012, a provision of ₹ 2,406 crores (previous year ₹ 1,814 crores) has been made during the year considering 15% increase in salary and allowances on salary slip component.

In addition to the above, the Bank on estimated basis, has made a provision of ₹ 540 crores (previous year ₹ 540 crores) towards Superannuation and other long term employee benefits.

The total provision held by the Bank on account of wage revision (including towards Superannuation and other long term employee benefits) as on 31st March 2015 is ₹ 6,245 crores (previous year ₹ 3,299 crores).

21. Sale of Assets to Reconstruction Companies

The shortfall on account of sale of assets to Reconstruction Companies amounting to ₹ 2803.19 crores is being amortized over a period of two years, in terms of RBI Circular DBOD.BP.BC. No.98/21.04.132/2013-14 dated February 26, 2014. Consequently, ₹ 623.78 crores has been charged to the Profit & Loss Account for the year ended March 31, 2015. The amount unamortised as at March 31, 2015 is ₹ 2179.42 crores.

22. Counter Cyclical Buffer

RBI vide Circular No. DBOD. No.BP.95/21.04.048/2013-14 dated February 7, 2014 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 33 per cent of Counter Cyclical Provisioning Buffer (CCPB) held by them as on March 31, 2013, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors. Accordingly, the Bank has utilized the CCPB of ₹ 382 crores (₹ 750 Crores utilised in the FY2013-14) for making specific provision for NPAs, in accordance with the board approved policy and approval of the Board.

23. Previous year figures have been regrouped/reclassified, wherever necessary, to conform to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines / Accounting Standards, previous year's figures have not been mentioned.



State Bank of India

Cash Flow Statement for the year ended 31st March, 2015

(₹ In 000)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxes	19313,96,20	16173,88,65
Adjustments for :		
Depreciation on Fixed Assets	1116,49,32	1333,93,66
(Profit)/ Loss on sale of Fixed Assets (Net)	42,74,99	38,64,16
(Profit)/ Loss on revaluation of Investments (Net)	-	202,68,32
Provision for Non Performing Assets	17284,28,50	14223,56,87
Provision on Standard Assets	2435,37,49	1260,68,85
Provision for Depreciation on Investments	(590,07,29)	563,25,29
Other Provisions	469,95,29	(112,16,01)
Dividends from Subsidiaries/Joint Ventures/Associates (Investing Activity)	(677,03,43)	(496,85,99)
Interest paid on Capital Instruments (Financing Activity)	3822,78,30	3686,48,24
	43218,49,37	36874,12,04
Adjustments for:		
Increase/ (Decrease) in Deposits	182384,74,02	191668,93,05
Increase/ (Decrease) in Borrowings other than Capital Instruments	22057,84,75	11596,29,40
(Increase)/ Decrease in Investments other than investments in Subsidiaries/Joint Ventures/Associates	(94192,97,80)	(47418,49,03)
(Increase)/ Decrease in Advances	(107481,95,87)	(178435,73,48)
Increase/ (Decrease) in Other Liabilities & Provisions	34275,79,04	(473,80,50)
(Increase)/ Decrease in Other Assets	(28436,59,97)	11433,09,86
	51825,33,54	25244,41,34
Taxes Paid	(4258,90,17)	(11136,99,51)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES (A)	47566,43,37	14107,41,83
CASH FLOW FROM INVESTING ACTIVITIES		
(Increase)/ Decrease in Investments in Subsidiaries/Joint Ventures/Associates	(1444,77,30)	(1269,51,21)
Dividend received from Subsidiaries/Joint Ventures/Associates	677,03,43	496,85,99
(Increase)/ Decrease in Fixed Assets (Net)	(2490,36,07)	(2333,01,64)
NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES (B)	(3258,09,94)	(3105,66,86)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	-	10006,02,70
Share Application money pending allotment received	2970,00,00	-
Issue/(Redemption) of Capital Instruments	(200,00,00)	2000,00,00
Interest on Capital Instruments	(3822,78,30)	(3686,48,24)
Dividends paid including tax thereon	(1236,33,43)	(4508,37,72)
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES (C)	(2289,11,73)	3811,16,74
EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE (D)	292,45,39	2916,55,11
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)	42311,67,09	17729,46,82
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	132549,63,27	114820,16,45
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	174861,30,36	132549,63,27

Signed by:

Directors

Shri M.D. Mallya
 Shri Sunil Mehta
 Shri Deepak I. Amin
 Shri S.K. Mukherjee
 Shri Harichandra Bahadur Singh
 Shri Tribhuvan Nath Chaturvedi

Shri V.G.Kannan Managing Director & Group Executive (A & S)
Shri B. Sriram Managing Director & Group Executive (NB)
Shri P. Pradeep Kumar Managing Director & Group Executive (CB)

Smt. Arundhati Bhattacharya
 Chairman



Independent Auditor's Report

To
The President of India,
Report on the Financial Statements

1. We have audited the accompanying financial statements of State Bank of India ("the Bank") as at 31st March 2015, which comprises the Balance Sheet as at March 31, 2015, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of

- i) The Central Offices, **14** Local Head Offices, Global Market Group, International Business Group, Corporate Accounts Group (Central), Mid-Corporate Group (Central), Stressed Assets Management Group (Central) and **42** branches audited by us;
- ii) **8928** Indian Branches audited by other auditors;
- iii) **52** Foreign Branches audited by the local auditors.

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from **8144** Indian Branches (including other accounting units) which have not been subjected to audit. These unaudited branches account for **4.19%** of advances, **17.54%** of deposits, **5.30%** of interest income and **16.26%** of interest expenses.

Management's Responsibility for the Financial Statements

2. The Bank's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the requirements of the Reserve Bank of India, the provisions of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and recognised accounting policies and practices, including the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI). This responsibility of the management includes the design, implementation and maintenance of internal

controls and risk management systems relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In making those risk assessments, the management has implemented such internal controls that are relevant to the preparation of the financial statements and designed procedures that are appropriate in the circumstances so that the internal control with regard to all the activities of the Bank is effective.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, as shown by books of the Bank, and to the best of our information and according to the explanations given to us:
 - (i) the Balance Sheet, read with the significant accounting policies and the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of state of affairs



of the Bank as at 31st March 2015 in conformity with accounting principles generally accepted in India;

- (ii) the Profit and Loss Account, read with the significant accounting policies and the notes thereon shows a true balance of profit, in conformity with accounting principles generally accepted in India, for the year covered by the account; and
- (iii) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Emphasis of Matter

- 7. We draw attention to Schedule 18: "Notes to Accounts" regarding:
 - i) Notes 18.7 - para [a]: change in method/rate of depreciation on Fixed Assets resulting in an increase in profit by ₹420.76 crores.
 - ii) Notes 18.7 - para [b(i)(1c)]: change in valuation of Plan Assets of long-term benefits from Book Value to Fair Value, resulting in increase in the value of Plan Assets by ₹2182.87 crores.
 - iii) Notes 18.8 - para 21: non-amortization of ₹2179.42 crores on account of loss on sale of assets to Reconstruction Companies.
 - iv) Notes 18.8 - para 22: utilization of Counter Cyclical Buffer of ₹382 crores during the year.

Our opinion is not qualified in respect of the above stated matters.

Report on Other Legal and Regulatory Requirements

- 8. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act 1949, and that these give information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations there under.
- 9. Subject to the limitations of the audit indicated in paragraphs 1 to 5 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required there in, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory.
 - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
 - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
- 10. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards.



For S. Venkatram & Co.
Chartered Accountants

G. Narayanaswamy
Partner : M.No.002161
Firm Regn.No.004656S

For S. Jaykishan
Chartered Accountants

Sunirmal Chatterjee
Partner: M.No.017361
Firm Regn.No.309005E

For Prakash & Santosh
Chartered Accountants

G. K. Mishra
Partner: M.No.074586
Firm Regn.No.000454C

For Mehra Goel & Co.
Chartered Accountants

R. K. Mehra
Partner: M.No.006102
Firm Regn.No.000517N

For S. N. Mukherji & Co.
Chartered Accountants

Sudip Kumar Mukherji
Partner, M.No.013321
Firm Regn.No.301079E

For V. P. Aditya & Co.
Chartered Accountants

Surendra Kakkar
Partner: M.No.071912
Firm Regn.No.000542C

For Dhamija Sukhija & Co.
Chartered Accountants

Prabhat Sukhija
Partner: M.No.514761
FirmRegn.No.000369N

For T. R. Chadha & Co.
Chartered Accountants

Vikas Kumar
Partner: M.No.075363
FirmRegn.No.006711N

For S.R.R.K. Sharma Associates
Chartered Accountants

G. S. Krishnamurthy
Partner: M.No.013841
Firm Regn.No.003790S

For V. Sankar Aiyar & Co.
Chartered Accountants

S. Venkatraman
Partner: M.No.034319
Firm Regn.No.109208W

For S. N. Nanda & Co.
Chartered Accountants

Gaurav Nanda
Partner: M.No.500417
Firm Regn.No.000685N

For Sriramamurthy & Co.
Chartered Accountants

J. Lalitha
Partner: M.No.201855
Firm Regn.No.003032S

For K. B. Sharma & Co.
Chartered Accountants

Hemant Sharma
Partner: M.No.503080
Firm Regn.No.002318N

For B. Chhawchharia & Co.
Chartered Accountants

Kshitiz Chhawchharia
Partner: M.No.061087
Firm Regn.305123E

Place: Kolkata
Date: 22 May 2015



State Bank of India

Consolidated Balance Sheet as on 31st March, 2015

(000s omitted)

	Schedule No.	As on 31st March 2015 (Current Year) ₹	As on 31st March 2014 (Previous Year) ₹
CAPITAL AND LIABILITIES			
Capital	1	746,57,31	746,57,31
Reserves & Surplus	2	160640,96,97	146623,96,30
Minority Interest		5497,11,75	4909,15,07
Deposits	3	2052960,78,88	1838852,35,65
Borrowings	4	244663,46,71	223759,70,95
Other Liabilities and Provisions	5	235601,10,84	181603,54,89
TOTAL		2700110,02,46	2396495,30,17
ASSETS			
Cash and Balances with Reserve Bank of India	6	144287,54,67	114095,60,38
Balance with banks and money at call & short notice	7	64299,02,29	53065,74,09
Investments	8	695691,75,26	579401,26,21
Advances	9	1692211,33,41	1578276,68,60
Fixed Assets	10	12379,29,52	10559,78,10
Other Assets	11	91241,07,31	61096,22,79
TOTAL		2700110,02,46	2396495,30,17
Contingent Liabilities	12	1190338,69,09	1172565,68,45
Bills for Collection		105970,51,47	90196,99,38
Significant Accounting Policies	17		
Notes to Accounts	18		

In term of our Report of even date
For **S. VENKATRAM & CO.**
Chartered Accountants

(ARUNDHATI BHATTACHARYA)
CHAIRMAN

(G. NARAYANASWAMY)
Partner

(V. G. KANNAN)
MD & GE (A&S)

(B. SRIRAM)
MD & GE (Nat. Bkg.)

(P. PRADEEP KUMAR)
MD & GE (Corp. Bkg.)

Mem. No. : 002161
Firm Regn. No. : 004656 S

KOLKATA
Dated 22nd May 2015



Schedules

SCHEDULE 1 - CAPITAL

(000s omitted)

	As on 31st March 2015 (Current Year) ₹	As on 31st March 2014 (Previous Year) ₹
Authorised Capital : 5000,00,00,000 equity shares of ₹ 1*/- each (Previous Year 500,00,00,000 equity shares of ₹ 10/- each)	5000,00,00	5000,00,00
Issued Capital : 746,65,61,670 equity shares of ₹ 1/- each (Previous Year 74,66,56,167 equity shares of ₹ 10/- each)	746,65,61	746,65,61
Subscribed and Paid-up Capital : 746,57,30,920 equity shares of ₹ 1/- each (Previous Year 74,65,73,092 equity shares of ₹ 10/- each)	746,57,31	746,57,31
[The above includes 16,04,31,560 equity shares of ₹ 1/- each (Previous Year 1,58,73,554 equity shares of ₹ 10/- each) represented by 1,60,43,156 (Previous Year 79,36,777) Global Depository Receipts**]		
TOTAL	746,57,31	746,57,31

* The face value of the equity shares of the SBI was reduced from ₹ 10 per share to ₹ 1 per share vide resolution dated September 24, 2014 w.e.f November 22, 2014 (Record Date November 21, 2014).

** GDR / Equity Share Ratio was changed from 1:2 to 1:10 w.e.f November 24, 2014.

SCHEDULE 2 - RESERVES & SURPLUS

(000s omitted)

	As on 31st March 2015 (Current Year) ₹	As on 31st March 2014 (Previous Year) ₹
I. Statutory Reserves		
Opening Balance	52885,09,44	48821,44,55
Additions during the year	4904,63,53	4097,28,24
Deductions during the year	- 57789,72,97	33,63,35 52885,09,44
II. Capital Reserves #		
Opening Balance	2500,48,95	2213,06,84
Additions during the year	315,51,31	292,76,10
Deductions during the year	- 2816,00,26	5,33,99 2500,48,95
III. Share Premium		
Opening Balance	41444,68,60	31501,19,81
Additions during the year	-	9969,10,90
Deductions during the year	- 41444,68,60	25,62,11 41444,68,60
IV. Foreign Currency Translation Reserves		
Opening Balance	6759,69,99	4014,33,11
Additions during the year	98,24,78	2745,36,88
Deductions during the year	92,23,84 6765,70,93	- 6759,69,99



Schedules

(000s omitted)

	As on 31st March 2015 (Current Year) ₹		As on 31st March 2014 (Previous Year) ₹	
V. Revenue and Other Reserves				
Opening Balance	41001,62,17		36376,40,52	
Additions during the year ##	8228,28,70		6713,92,18	
Deductions during the year	20,94,28	49208,96,59	2088,70,53	41001,62,17
VI. Balance in Profit and Loss Account		2615,87,62		2032,37,15
TOTAL		160640,96,97		146623,96,30

includes Capital Reserve on consolidation ₹ 237,49,80 thousand (Previous Year ₹ 139,10,45 thousand)

net of consolidation adjustments

SCHEDULE 3 - DEPOSITS

(000s omitted)

	As on 31st March 2015 (Current Year) ₹		As on 31st March 2014 (Previous Year) ₹	
A. I. Demand Deposits				
(i) From Banks	7247,03,57		6955,65,38	
(ii) From Others	145818,36,10		133990,18,85	
II. Savings Bank Deposits		656490,39,45		600847,75,93
III. Term Deposits				
(i) From Banks	11852,80,26		35590,60,70	
(ii) From Others	1231552,19,50		1061468,14,79	
TOTAL		2052960,78,88		1838852,35,65
B. I. Deposits of Branches in India		1948918,04,67		1737448,77,50
II. Deposits of Branches outside India		104042,74,21		101403,58,15
TOTAL		2052960,78,88		1838852,35,65



Schedules

SCHEDULE 4 - BORROWINGS

(000s omitted)

	As on 31st March 2015 (Current Year) ₹		As on 31st March 2014 (Previous Year) ₹	
I. Borrowings in India				
(i) Reserve Bank of India		5798,75,00		17292,63,00
(ii) Other Banks		3579,39,47		2662,80,15
(iii) Other Institutions and Agencies		18761,45,07		26481,13,18
(iv) Capital Instruments :				
a. Innovative Perpetual Debt Instruments (IPDI)	3890,00,00		3890,00,00	
b. Subordinated Debts and Bonds	47929,81,20	51819,81,20	46961,61,20	50851,61,20
TOTAL		79959,40,74		97288,17,53
II. Borrowings outside India				
(i) Borrowings and Refinance outside India		160735,38,97		122676,84,67
(ii) Capital Instruments				
a. Innovative Perpetual Debt Instruments (IPDI)	3906,25,00		3744,68,75	
b. Subordinated Debts and Bonds	62,42,00	3968,67,00	50,00,00	3794,68,75
TOTAL		164704,05,97		126471,53,42
GRAND TOTAL (I+II)		244663,46,71		223759,70,95
Secured Borrowings included in I & II above		13595,79,97		11613,32,53

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(000s omitted)

	As on 31st March 2015 (Current Year) ₹		As on 31st March 2014 (Previous Year) ₹	
I. Bills payable		24904,60,85		23548,35,60
II. Inter Bank Adjustments (net)		321,30,21		466,14,52
III. Inter Office adjustments (net)		39770,62,75		2290,42,65
IV. Interest accrued		25563,20,50		20597,45,39
V. Deferred Tax Liabilities (net)		2667,22,18		3912,67,15
VI. Liabilities relating to Policyholders in Insurance Business		70098,11,58		56846,15,54
VII. Others (including provisions)*		72276,02,77		73942,34,04
TOTAL		235601,10,84		181603,54,89

* includes share application money of ₹ 2970,00,00 thousands received from Government of India against preferential issue of equity shares of SBI.



Schedules

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(000s omitted)

	As on 31st March 2015 (Current Year) ₹	As on 31st March 2014 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	17753,63,55	14849,14,48
II. Balance with Reserve Bank of India		
(i) In Current Account	126533,91,12	99246,45,90
(ii) In Other Accounts	-	-
TOTAL	144287,54,67	114095,60,38

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(000s omitted)

	As on 31st March 2015 (Current Year) ₹	As on 31st March 2014 (Previous Year) ₹
I. In India		
(i) Balances with banks		
(a) In Current Accounts	247,81,87	1026,89,51
(b) In Other Deposit Accounts	22349,75,06	15630,13,06
(ii) Money at call and short notice		
(a) With banks	3799,23,66	4135,31,12
(b) With other institutions	-	100,48,66
TOTAL	26396,80,59	20892,82,35
II. Outside India		
(i) In Current Accounts	22355,46,00	11324,56,64
(ii) In Other Deposit Accounts	2631,23,59	3927,18,74
(iii) Money at call and short notice	12915,52,11	16921,16,36
TOTAL	37902,21,70	32172,91,74
GRAND TOTAL (I and II)	64299,02,29	53065,74,09



Schedules

SCHEDULE 8 - INVESTMENTS

(000s omitted)

	As on 31st March 2015 (Current Year) ₹	As on 31st March 2014 (Previous Year) ₹
I. Investments in India in :		
(i) Government Securities	517554,20,64	436532,69,44
(ii) Other approved securities	3516,13,23	3759,91,70
(iii) Shares	27460,41,25	26319,05,18
(iv) Debentures and Bonds	49626,98,14	40790,35,74
(v) Associates	2283,02,14	1967,24,65
(vi) Others (Units of Mutual Funds, Commercial Papers, Priority Sector Deposits etc.)	64138,93,78	45179,10,92
TOTAL	664579,69,18	554548,37,63
II. Investments outside India in :		
(i) Government Securities (including local authorities)	7937,53,43	5690,15,04
(ii) Associates	76,18,20	78,88,78
(iii) Other Investments (Shares, Debentures etc.)	23098,34,45	19083,84,76
TOTAL	31112,06,08	24852,88,58
GRAND TOTAL (I and II)	695691,75,26	579401,26,21
III. Investments in India :		
(i) Gross Value of Investments	665042,15,06	555622,50,80
(ii) Less: Aggregate of Provisions / Depreciation	462,45,88	1074,13,17
(iii) Net Investments (vide I above)	664579,69,18	554548,37,63
IV. Investments outside India :		
(i) Gross Value of Investments	31448,21,49	25766,10,47
(ii) Less: Aggregate of Provisions / Depreciation	336,15,41	913,21,89
(iii) Net Investments (vide II above)	31112,06,08	24852,88,58
GRAND TOTAL (III and IV)	695691,75,26	579401,26,21



Schedules

SCHEDULE 9 - ADVANCES

(000s omitted)

	As on 31st March 2015 (Current Year) ₹	As on 31st March 2014 (Previous Year) ₹
A. I. Bills purchased and discounted	108753,54,27	91517,31,35
II. Cash credits, overdrafts and loans repayable on demand	715170,45,86	683760,56,46
III. Term loans	868287,33,28	802998,80,79
TOTAL	1692211,33,41	1578276,68,60
B. I. Secured by tangible assets (includes advances against Book Debts)	1338415,24,90	1280360,65,69
II. Covered by Bank/ Government Guarantees	54987,35,00	63952,71,71
III. Unsecured	298808,73,51	233963,31,20
TOTAL	1692211,33,41	1578276,68,60
C. I. Advances in India		
(i) Priority Sector	425714,33,30	406748,82,39
(ii) Public Sector	121196,09,53	93966,45,02
(iii) Banks	1263,17,82	2357,09,12
(iv) Others	899895,18,92	853186,41,69
TOTAL	1448068,79,57	1356258,78,22
II. Advances outside India		
(i) Due from banks	49750,01,71	47709,25,29
(ii) Due from others		
(a) Bills purchased and discounted	28523,86,79	11805,57,98
(b) Syndicated loans	76503,24,02	86829,50,40
(c) Others	89365,41,32	75673,56,71
TOTAL	244142,53,84	222017,90,38
GRAND TOTAL [C (I) and C (II)]	1692211,33,41	1578276,68,60



Schedules

SCHEDULE 10 - FIXED ASSETS

(000s omitted)

	As on 31st March 2015 (Current Year) ₹		As on 31st March 2014 (Previous Year) ₹	
I. Premises				
At cost as on 31st March of the preceding year	4323,51,56		3789,40,33	
Additions during the year	355,12,36		584,40,50	
Deductions during the year	6,47,27		50,29,27	
Depreciation to date	572,01,06	4100,15,59	1300,32,24	3023,19,32
II. Other Fixed Assets (including furniture and fixtures)				
At cost as on 31st March of the preceding year	20473,94,21		17796,63,21	
Additions during the year	3704,14,33		3603,58,04	
Deductions during the year	985,87,89		926,27,04	
Depreciation to date	15332,15,26	7860,05,39	13286,87,16	7187,07,05
III. Leased Assets				
At cost as on 31st March of the preceding year	343,55,90		891,71,73	
Additions during the year	11,85,99		1,78,47	
Deductions during the year	25,44,92		549,94,30	
Depreciation to date (including provisions)	306,49,84		326,61,01	
	23,47,13		16,94,89	
Less : Lease Adjustment Account	47,045	18,76,68	4,70,45	12,24,44
IV. Assets under Construction (Including Premises)		400,31,86		337,27,29
TOTAL (I, II, III and IV)		12379,29,52		10559,78,10



Schedules

SCHEDULE 11 - OTHER ASSETS

(000s omitted)

	As on 31st March 2015 (Current Year) ₹	As on 31st March 2014 (Previous Year) ₹
I. Inter Office adjustments (net)	2625,04,07	1349,05,72
II. Interest accrued	20948,92,59	18839,02,93
III. Tax paid in advance / tax deducted at source	11790,89,06	13857,90,18
IV. Stationery and Stamps	137,51,42	148,07,48
V. Non-banking assets acquired in satisfaction of claims	24,17,35	25,86,21
VI. Deferred tax assets (net)	949,49,97	939,28,29
VII. Others #	54765,02,85	25937,01,98
TOTAL	91241,07,31	61096,22,79

Includes Goodwill on consolidation ₹ 945,21,86 thousand (P.Y. ₹ 948,35,01 thousand)

SCHEDULE 12 - CONTINGENT LIABILITIES

(000s omitted)

	As on 31st March 2015 (Current Year) ₹	As on 31st March 2014 (Previous Year) ₹
I. Claims against the group not acknowledged as debts	16967,68,59	15997,87,74
II. Liability for partly paid investments	464,57,92	520,90,54
III. Liability on account of outstanding forward exchange contracts	695217,28,45	669552,27,69
IV. Guarantees given on behalf of constituents		
(a) In India	151058,82,39	129416,15,78
(b) Outside India	67589,77,46	75524,66,13
V. Acceptances, endorsements and other obligations	125913,03,37	149365,05,83
VI. Other items for which the group is contingently liable	133127,50,91	132188,74,74
TOTAL	1190338,69,09	1172565,68,45
Bills for collection	105970,51,47	90196,99,38



State Bank of India

Consolidated Profit and Loss Account for the year ended 31st March, 2015

(000s omitted)

	Schedule No.	Year ended 31st March 2015 (Current Year) ₹	Year ended 31st March 2014 (Pervious Year) ₹
I. INCOME			
Interest earned	13	207974,33,97	189062,44,04
Other Income	14	49315,16,86	37882,12,60
TOTAL		257289,50,83	226944,56,64
II. EXPENDITURE			
Interest expended	15	133178,64,45	121479,04,34
Operating expenses	16	73848,01,22	63368,73,77
Provisions and contingencies		32745,48,66	27607,31,21
TOTAL		239772,14,33	212455,09,32
III. PROFIT			
Net Profit for the year (before adjustment for Share in Profit of Associates and Minority Interest)		17517,36,50	14489,47,32
Add: Share in Profit of Associates		314,44,18	317,73,35
Less: Minority Interest		837,50,76	633,43,17
Net Profit for the Group		16994,29,92	14173,77,50
Balance Brought forward		2032,37,15	1422,53,94
TOTAL		19026,67,07	15596,31,44
IV. APPROPRIATIONS			
Transfer to Statutory Reserves		4904,63,53	4097,28,24
Transfer to Other Reserves		8301,62,00	6849,72,56
Dividend for the previous year paid during the year (including Tax on Dividend)		-	145
Dividend for the current year:			
(i) Interim Dividend		-	1119,85,96
(ii) Final Dividend Proposed		2648,17,28	1119,85,96
Tax on Dividend		556,36,64	377,20,12
Balance carried over to Balance Sheet		2615,87,62	2032,37,15
TOTAL		19026,67,07	15596,31,44
Basic Earnings per Share		₹ 22.76	₹ 20.40
Diluted Earnings per Share		₹ 22.76	₹ 20.40
Significant Accounting Policies	17		
Notes to Accounts	18		

In term of our Report of even date
For **S. VENKATRAM & CO.**
Chartered Accountants

(ARUNDHATI BHATTACHARYA)
CHAIRMAN

(G. NARAYANASWAMY)
Partner

(V. G. KANNAN)
MD & GE (A&S)

(B. SRIRAM)
MD & GE (Nat. Bkg.)

(P. PRADEEP KUMAR)
MD & GE (Corp. Bkg.)

Mem. No. : 002161
Firm Regn. No. : 004656 S

KOLKATA
Dated 22nd May 2015



Schedules

SCHEDULE 13 - INTEREST EARNED

(000s omitted)

	Year ended 31st March 2015 (Current Year) ₹	Year ended 31st March 2014 (Pervious Year) ₹
I. Interest / discount on advances / bills	153144,59,00	141382,60,20
II. Income on investments	51002,01,99	44855,68,41
III. Interest on balances with Reserve Bank of India and other inter-bank funds	1159,93,96	1144,71,07
IV. Others	2667,79,02	1679,44,36
TOTAL	207974,33,97	189062,44,04

SCHEDULE 14 - OTHER INCOME

(000s omitted)

	Year ended 31st March 2015 (Current Year) ₹	Year ended 31st March 2014 (Pervious Year) ₹
I. Commission, exchange and brokerage	15841,75,18	15086,59,59
II. Profit / (Loss) on sale of investments (Net)	9671,95,41	4254,27,38
III. Profit / (Loss) on revaluation of investments (Net)	1786,05,64	1882,38,03
IV. Profit / (Loss) on sale of land, building and other assets including leased assets (net)	(51,28,58)	(46,23,72)
V. Profit / (Loss) on exchange transactions (Net)	2385,78,18	2297,23,02
VI. Dividends from Associates in India/ abroad	17,38,47	2,28,75
VII. Income from Finance Lease	5,05	2,57,65
VIII. Credit Card membership/ service fees	750,80,67	575,22,01
IX. Insurance Premium Income (net)	13628,73,49	10672,75,58
X. Miscellaneous Income	5283,93,35	3155,04,31
TOTAL	49315,16,86	37882,12,60



Schedules

SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

	Year ended 31st March 2015 (Current Year) ₹	Year ended 31st March 2014 (Pervious Year) ₹
I. Interest on deposits	121588,38,03	109350,74,15
II. Interest on Reserve Bank of India / Inter-bank borrowings	5218,58,00	6126,95,06
III. Others	6371,68,42	6001,35,13
TOTAL	133178,64,45	121479,04,34

SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

	Year ended 31st March 2015 (Current Year) ₹	Year ended 31st March 2014 (Pervious Year) ₹
I. Payments to and provisions for employees	31117,61,37	29868,35,94
II. Rent, taxes and lighting	4506,67,55	3940,37,28
III. Printing & Stationery	510,09,33	471,13,20
IV. Advertisement and publicity	796,87,12	609,53,95
V. (a) Depreciation on Leased Assets	5,19,68	4,10,41
(b) Depreciation on Fixed Assets (other than Leased Assets)	1576,29,70	1938,32,12
VI. Directors' fees, allowances and expenses	5,59,20	6,55,27
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	262,91,23	253,76,30
VIII. Law charges	322,29,26	315,85,95
IX. Postages, Telegrams, Telephones, etc.	854,98,57	869,16,22
X. Repairs and maintenance	730,45,95	591,75,80
XI. Insurance	2080,02,62	1981,23,84
XII. Other Operating Expenses relating to Credit Card Operations	551,21,23	381,79,64
XIII. Other Operating Expenses relating to Insurance Business	21972,48,10	15839,61,53
XIV. Other Expenditure	8555,30,31	6297,16,32
TOTAL	73848,01,22	63368,73,77



SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation:

The accompanying financial statements have been prepared under the historical cost convention, on the accrual basis of accounting on going concern basis, unless otherwise stated and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory norms/guidelines prescribed by the Reserve Bank of India (RBI), Banking Regulation Act, 1949, Insurance Regulatory and Development Authority (IRDA), Pension Fund Regulatory and Development Authority (PFRDA), SEBI (Mutual Funds) Regulations, 1996, Companies Act 2013, Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and the prevalent accounting practices in India. In case of foreign entities, Generally Accepted Accounting Principles as applicable to the foreign entities are followed.

B. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

C. Basis of Consolidation:

1. Consolidated financial statements of the Group **(comprising of 29 subsidiaries, 8 Joint Ventures and 21 Associates)** have been prepared on the basis of:
 - a. Audited accounts of State Bank of India (Parent).
 - b. Line by line aggregation of each item of asset/liability/income/expense of the subsidiaries with the respective item of the Parent, and after eliminating all material intra-group balances/transactions, unrealised profit/loss, and making necessary adjustments wherever required for non-uniform accounting policies as per AS 21 "Consolidated Financial Statements" issued by the ICAI.
 - c. Consolidation of Joint Ventures – 'Proportionate Consolidation' as per AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI.

- d. Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI.
2. The difference between cost to the group of its investment in the subsidiary entities and the group's portion of the equity of the subsidiaries is recognised in the financial statements as goodwill / capital reserve.
3. Minority interest in the net assets of the consolidated subsidiaries consists of:
 - a. The amount of equity attributable to the minority at the date on which investment in a subsidiary is made, and
 - b. The minority share of movements in revenue reserves/loss (equity) since the date the parent-subsidiary relationship came into existence.

D. Significant Accounting Policies

1. Revenue recognition:

- 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated. As regards, foreign offices/entities, income and expenditure are recognised as per the local laws of the country in which the respective foreign offices/entities are located.
- 1.2 Interest income is recognised in the Profit and Loss Account as it accrues except (i) income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices/entities (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted, (iii) Income on Rupee Derivatives designated as "Trading", which are accounted on realisation.
- 1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, the profit on sale of investments in the 'Held to Maturity' category is appropriated (net of applicable taxes and amount required to be transferred to statutory reserve) to 'Capital Reserve Account'.
- 1.4 Income from finance leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding in the lease,



over the primary lease period. Leases effective from April 1, 2001 are accounted as advances at an amount equal to the net investment in the lease as per Accounting Standard 19 – Leases, issued by ICAI. The lease rentals are apportioned between principal and finance income based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of finance leases. The principal amount is utilized for reduction in balance of net investment in lease and finance income is reported as interest income.

1.5 Income (other than interest) on investments in “Held to Maturity” (HTM) category acquired at a discount to the face value, is recognised as follows:

- i. On Interest bearing securities, it is recognised only at the time of sale/ redemption.
- ii. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

1.6 Dividend is accounted on an accrual basis where the right to receive the dividend is established.

1.7 All other commission and fee incomes are recognised on their realisation except for (i) Guarantee commission on deferred payment guarantees, which is spread over the period of the guarantee; (ii) Commission on Government Business and ATM interchange fees, which are recognised as they accrue; and (iii) Upfront fees on restructured accounts, which is apportioned over the restructured period.

1.8 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over average loan period of 15 years.

1.9 Brokerage, Commission etc. paid/incurred in connection with issue of Bonds/Deposits are amortized over the tenure of the related Bonds/Deposits and the expenses incurred in connection with the issue are charged upfront.

1.10 The sale of NPA is accounted as per guidelines prescribed by RBI :-

- i. When the bank sells its financial assets to Securitisation Company (SC)/Reconstruction Company (RC), the same is removed from the books.

- ii. If the sale is at a price below the net book value (NBV) (i.e., book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.
- iii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.

1.11 Non-banking entities:

Merchant Banking:

- a. Issue management and advisory fees are recognised as per the terms of the agreement with the client, net of pass-through.
- b. Fees for private placement are recognised on completion of assignment.
- c. Brokerage income in relation to stock broking activity is recognized on the trade date of transaction and includes stamp duty, transaction charges and is net of scheme incentives paid.
- d. Commission relating to public issues is accounted for on finalisation of allotment of the public issue/receipt of information from intermediary.
- e. Brokerage income relating to public issues/ mutual fund/other securities is accounted for based on mobilisation and intimation received from clients/intermediaries.
- f. Depository income – Annual Maintenance Charges are recognised on accrual basis and transaction charges are recognised on trade date of transaction.

Asset Management:

- a. Management fee is recognised at specific rates agreed with the relevant schemes, applied on the average daily net assets of each scheme (excluding inter-scheme investments, wherever applicable, investments made by the company in the respective scheme and deposits with Banks), and are in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.
- b. Portfolio Advisory Services and Portfolio Management Services income is recognised on accrual basis as per the terms of the contract.



- c. Recovery, if any, on realisation of devolved investments of schemes acquired by the company, in terms of the right of subrogation, is accounted on the basis of receipts.
- d. Recovery from funded guarantee schemes is recognised as income in the year of receipt.
- e. Expenses of schemes in excess of the stipulated rates and expenses relating to new fund offer are charged to the Profit and Loss Account in the year in which they are incurred in accordance with the requirements of SEBI (Mutual Funds) Regulations, 1996.
- f. Brokerage and/or incentive paid on investments in open-ended Equity Linked Tax Saving Schemes and Systematic Investment Plans (SIPs) are amortised over a period of 36 months and in case of other schemes, over the claw back period. In case of close-ended schemes, brokerage is amortised over the tenure of schemes.

Credit Card Operations:

- a. Joining membership fee confers only joining rights and not any other right/privilege and therefore recognised on accrual basis.
- b. Interchange income is recognised on accrual basis.
- c. All other service income/fees are recorded at the time of occurrence of the respective events.

Factoring:

Factoring charges are accrued on factoring of debts at the applicable rates as decided by the company. Processing fees are recognised as income only when there is reasonable certainty of its receipt after execution of documents. Facility Continuation fees (FCF) are calculated and charged in the month of May for the entire next financial year on all live standard accounts. 1st of May is deemed as date for accrual of the FCF.

Life Insurance:

- a. Premium of non-linked business is recognised as income (net of service tax) when due from policyholders. In respect of linked business, premium income is recognised when the associated units are allotted. In case of Variable Insurance Products (VIPs), premium income is recognised on the date

when the Policy Account Value is credited. Uncollected premium from lapsed policies is not recognised as income until such policies are revived.

- b. Top-up premiums are considered as single premium.
- c. Income from linked funds which includes fund management charges, policy administration charges, mortality charges, etc. are recovered from linked fund in accordance with terms and conditions of policy and recognised when recovered.
- d. Premium ceded on reinsurance is accounted in accordance with the terms of the re-insurance treaty or in-principle arrangement with the re-insurer.
- e. Benefits paid:
 - Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable.
 - Claims by death and rider are accounted when intimated. Intimations up to the end of the period are considered for accounting of such claims.
 - Claims by maturity are accounted on the policy maturity date.
 - Survival and Annuity benefits claims are accounted when due.
 - Surrenders are accounted as and when intimated. Benefits paid also includes amount payable on lapsed policies which are accounted for as and when due. Surrenders and lapsation are disclosed at net of charges recoverable.
 - Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.
 - Amounts recoverable from re-insurers are accounted for in the same period as the related claims and are reduced from claims.
- f. Acquisition costs such as commission, medical fees, etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts and are expensed as and when incurred.



- g. Liability for life policies:** The actuarial liability of all the life insurance policies has been calculated by the Appointed Actuary in accordance with the Insurance Act 1938, and as per the rules and regulations and circulars issued by IRDA and the relevant Guidance Notes and/or Actuarial Practice Standards (APS) issued by the Institute of Actuaries of India.

Non-linked business is reserved using a prospective gross premium valuation method. Mathematical reserves are calculated based on future assumptions having regard to current and future experience. The unit liability in respect of linked business has been taken as the value of the units standing to the credit of the policy holders, using the Net Asset Value (NAV) as on the valuation date. The variable insurance policies (VIPs) have also been valued in a manner similar to the ULIP business by considering liability as the policy account standing to the credit of the policy holders plus additional provisions for adequacy of charges to meet expenses.

General Insurance:

- a. Premium is recorded in the books at the commencement of risk. In case the premium is recovered in instalments, amount to the extent of instalment due is recorded on the due date of the instalment. Premium (net of service tax), including reinstatement premium, on direct business and reinsurance accepted, is recognized as income over the contract period or the period of risk, whichever is appropriate, on a gross basis under 1/365 method. Any subsequent revision to premium is recognized over the remaining period of risk or contract period. Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled.
- b. Commission received on reinsurance ceded is recognised as income in the period in which reinsurance risk is ceded. Profit commission under re-insurance treaties, wherever applicable, is recognized as income in the year of final determination of the profits as intimated by Reinsurer and combined with commission on reinsurance ceded.

- c. In respect of proportional reinsurance ceded, the cost of reinsurance ceded is accrued at the commencement of risk. Non-proportional reinsurance cost is recognized when due. Non-proportional reinsurance cost is accounted as per the terms of the reinsurance arrangements. Any subsequent revision to, refunds or cancellations of premiums is recognized in the period in which they occur.
- d. Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.
- e. Acquisition costs are expensed in the period in which they are incurred. Acquisition costs are defined as costs that vary with, and are primarily related to the acquisition of new and renewal insurance contracts viz. commission, policy issue expenses etc. The primary test for determination as acquisition cost is the obligatory relationship between the costs and the execution of the insurance contracts (i.e. commencement of risk).
- f. Claim is recognized as and when a loss occurrence is reported. Provision for claims outstanding payable as on the date of Balance Sheet is net of reinsurance, salvage value and other recoveries as estimated by the management.
- g. Provision in respect of claim liabilities that may have been incurred during an accounting period but not reported or claimed (IBNR) or not enough reported (i.e. reported with information insufficient for making a reasonable estimate of likely claim amount) (IBNER) before the end of the accounting period, is the amount determined by the Appointed Actuary/Consulting Actuary based on actuarial principles in accordance with the Guidance Notes issued by the Institute of Actuaries of India with the concurrence of the IRDA and any directions issued by IRDA in this respect.

Custody & Fund accounting services:

The revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.



Pension Fund Operation:

Management fee is recognized at specific rates agreed with the relevant schemes, applied on daily net assets of each scheme, and is in conformity with the regulatory guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA). The Company presents revenues net of Service Tax.

Trustee Operations:

Mutual Fund Trusteeship fee is recognised at specific rates agreed with relevant schemes, applied on average daily Net Assets of each scheme (excluding inter-scheme investment, investment in fixed deposits, investments made by the Asset Management Company and deferred revenue expenses, wherever applicable), and is in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.

Corporate Trusteeship Acceptance fees are recognised on the acceptance or execution of trusteeship assignment whichever is earlier. Corporate Trusteeship service charges are recognised/accrued on the basis of terms of trusteeship contracts/agreements entered into with clients.

2. Investments:

The transactions in Government Securities are recorded on "Settlement Date". Investments other than Government Securities are recorded on "Trade Date".

2.1 Classification:

Investments are classified into three categories, viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) as per RBI Guidelines.

2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are classified as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".
- iii. Investments, which are not classified in the above two categories, are classified as "Available for Sale (AFS)".
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting

amongst categories is done in conformity with regulatory guidelines.

2.3 Valuation:

A. Banking Business:

- i. In determining the acquisition cost of an investment:
 - a. Brokerage/commission received on subscriptions is reduced from the cost.
 - b. Brokerage, commission, securities transaction tax, etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
 - c. Broken period interest paid / received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.
 - d. Cost of investment under AFS and HFT category is determined at the weighted average cost method by the group entities and cost of investments under HTM category is determined on FIFO basis (first in first out) by SBI and weighted average cost method by other group entities.
- ii. Transfer of securities from HFT/AFS category to HTM category is carried out at the lower of acquisition cost/book value/market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.
- iii. Treasury Bills and Commercial Papers are valued at carrying cost.
- iv. Held to Maturity category: Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "interest on investments". A provision is made for diminution, other than temporary, for each investment individually. Investments in Regional Rural Banks (RRBs) are valued at equity cost determined in accordance with AS 23 of the ICAI.



v. Available for Sale and Held for Trading categories:

Investments held under AFS and HFT categories are individually revalued at the market price or fair value **determined as per Regulatory guidelines**, and only the net depreciation of each group for each category (viz., (i) Government securities (ii) Other Approved Securities (iii) Shares (iv) Bonds and Debentures (v) Subsidiaries and Joint Ventures; and (vi) others) is provided for and net appreciation, is ignored. On provision for depreciation, the book value of the individual security remains unchanged after marking to market.

vi. In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of (i) Net Book Value (NBV) (i.e., book value less provisions held) of the financial asset and (ii) Redemption value of SR. SRs issued by an SC/ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ARC, is reckoned for valuation of such investments.

vii. Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in the case of domestic offices/entities and respective regulators in the case of foreign offices/entities. Investments of domestic offices become non-performing where:

- a. Interest/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.
- b. In the case of equity shares, in the event the investment in the shares of any company is valued at Re. 1 per company on account of the non availability of the latest balance sheet, those equity shares would be reckoned as NPI.
- c. If any credit facility availed by an entity is NPA in the books of the bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa.

d. The above would apply mutatis-mutandis to Preference Shares where the fixed dividend is not paid.

e. The investments in debentures/bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.

f. In respect of foreign offices, provisions for NPIs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.

viii. Accounting for Repo/Reverse Repo transactions (other than transactions under the Liquidity Adjustment Facility (LAF) with the RBI)

a. The securities sold and purchased under Repo/ Reverse Repo are accounted as Collateralized lending and borrowing transactions. However securities are transferred as in the case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/ income, as the case may be. Balance in Repo A/c is classified under schedule 4 (Borrowings) and balance in Reverse Repo A/c is classified under schedule 7 (Balance with Banks and Money at Call & Short Notice).

b. Securities purchased / sold under LAF with RBI are debited / credited to Investment Account and reversed on maturity of the transaction. Interest expended / earned thereon is accounted for as expenditure / revenue.

B. Insurance Business:

In case of life and general insurance subsidiaries, investments are made in accordance with the Insurance Act, 1938, the IRDA (Investment) Regulations, 2000, as amended by circulars or notifications issued by IRDA from time to time.

(i) Valuation of investment pertaining to non-linked life insurance business and general insurance business: -

➤ All debt securities, including government securities are stated at historical cost, subject to amortisation of premium or accretion of discount.



- Listed equity securities are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. National Stock Exchange of India Limited ('NSE') is considered. If NSE price is not available on a particular valuation day, the closing price of the secondary exchange i.e. BSE Limited ('BSE') is considered.
- Unlisted equity securities are measured at historical cost.
- Investments in mutual fund units are valued at the Net Asset Value (NAV) of previous day in life insurance and of balance sheet date in general insurance.
- Investment in Alternative Investment Funds (AIFs) are valued at latest available NAV.

Unrealized gains or losses arising due to change in the fair value of listed equity shares, mutual fund units and AIFs pertaining to shareholders' investments and non-linked policyholders investments are taken to "Revenue & Other Reserves (Schedule 2)" and "Liabilities relating to Policyholders in Insurance Business (Schedule 5)" respectively, in the Balance Sheet.

(ii) Valuation of investment pertaining to linked business: -

- Government securities with remaining maturity of more than one year are valued at prices obtained from Credit Rating Information Services of India Limited ('CRISIL') except Government of India scrips which are valued at prices obtained from FIMMDA. Debt securities other than Government securities with remaining maturity of more than one year are valued on the basis of CRISIL Bond Valuer. The amortised or average cost of Government and other debt securities with remaining maturity of less than one year are amortised over the remaining life of the securities. Unrealised gains or losses arising on such valuation are recognized in the Profit & Loss Account.
- Listed equity securities are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. NSE is considered. If NSE price is not available on a particular valuation day, closing price of the secondary exchange i.e. BSE is considered.

- In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- Investments in mutual fund units are valued at the previous day's Net Asset Value (NAV).
Unrealized gains or losses arising due to changes in the fair value of equity securities and mutual fund units are recognized in the Profit & Loss Account.
- Unlisted equity securities are measured at historical cost.

3. Loans /Advances and Provisions thereon:

3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:

- i. In respect of term loans, interest and/or instalment of principal remains overdue for a period of more than 90 days;
- ii. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest debited during the same period;
- iii. In respect of bills purchased/discounted, the bill remains overdue for a period of more than 90 days;
- iv. In respect of agricultural advances (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.



iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

- Substandard Assets:
- i. A general provision of 15% on the total outstanding;
 - ii. Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio);
 - iii. Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available - 20%.

Doubtful Assets:

- Secured portion:
- i. Upto one year - 25%
 - ii. One to three years - 40%
 - iii. More than three years - 100%

-Unsecured portion 100%

Loss Assets: 100%

3.4 In respect of foreign offices, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.

3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.

3.6 For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loan/advances before and after restructuring is provided for, in addition to provision for the respective loans/advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.

3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing

asset if it conforms to the guidelines prescribed by the regulators.

3.8 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.

3.9 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions - Others" and are not considered for arriving at the Net NPAs.

4. Floating Provisions:

The Bank has a policy for creation and utilisation of floating provisions separately for advances, investments and general purposes. The quantum of floating provisions to be created is assessed at the end of the financial year. The floating provisions are utilised only for contingencies under extra ordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

5. Provision for Country Exposure for Banking Entities:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the "Other liabilities & Provisions - Others".

6. Derivatives:

6.1 The Bank enters into derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, and cross currency interest rate swaps and forward rate agreements in order to hedge on-balance sheet/off-balance sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-balance sheet assets and liabilities are structured in such a way that they bear an opposite



and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.

6.2 Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying Assets / Liabilities are also marked to market. Effectiveness of hedge is established at the inception of Contracts and periodically thereafter.

6.3 Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account in the period of change. Any receivable under derivatives contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account - Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account - Positive MTM".

6.4 Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark to Market value for forex Over the Counter (OTC) options.

6.5 Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

7. Fixed Assets Depreciation and Amortisation:

7.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation.

7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure/s incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability.

7.3 In case of SBI, the rates of depreciation and method of charging depreciation in respect of domestic operations are as under:

Sr. No.	Description of Fixed Assets	Method of charging depreciation	Depreciation/ amortisation rate
1	Computers & ATM	Straight Line Method	33.33% every year
2	Computer Software forming an integral part of the Computer hardware	Straight Line Method	33.33% every year
3	Computer Software which does not form an integral part of Computer hardware	-	100% depreciated in the year of purchase
4	Assets given on financial lease upto 31st March 2001	Straight Line Method	At the rates prescribed for the specific asset under the Companies Act, 1956..
5	Other fixed assets	Straight Line Method	On the basis of estimated useful life of the assets
		Estimated useful life of major group of Fixed Assets are as under: Premises 60 years Vehicles 5 years Safe Deposit Lockers 20 years Furniture & Fixtures 10 years	

7.4 In respect of assets acquired during the year for (domestic operations), depreciation is charged on proportionate basis for the number of days assets have been put to use during the year.

7.5 Assets costing less than ₹ 1,000 each are charged off in the year of purchase.



7.6 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease and the lease rent is charged in the respective year (s).

7.7 In respect of assets given on lease by the Bank on or before 31st March 2001, the value of the assets given on lease is disclosed as Leased Assets under Fixed Assets, and the difference between the annual lease charge (capital recovery) and the depreciation is taken to Lease Equalisation Account.

7.8 In respect of fixed assets held at foreign offices/entities, depreciation is provided as per the regulations /norms of the respective countries.

8. Leases:

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

9. Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

10. Effect of changes in the foreign exchange rate:

10.1 Foreign Currency Transactions

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/forward) rates.
- iii. Foreign currency non-monetary items, which are carried at historical cost, are reported

using the exchange rate on the date of the transaction.

- iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.
- v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss account.
- vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the Balance Sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.
- vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.
- viii. Gains / Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss Account.

10.2 Foreign Operations:

Foreign Branches/Subsidiaries / Joint Ventures of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

a. Non-integral Operations:

- i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- ii. Income and expenditure of non-integral foreign operations are translated at



quarterly average closing rates notified by FEDAI.

- iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.
- iv. The Assets and Liabilities of foreign offices/subsidiaries /joint ventures in foreign currency (other than local currency of the foreign offices/subsidiaries/joint ventures) are translated into local currency using spot rates applicable to that country on the Balance Sheet date.

b. Integral Operations:

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/Forward) exchange rates notified by FEDAI at the Balance Sheet date and the resulting Profit/Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.
- iii. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

11. Employee Benefits:

11.1 Short Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits, which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

11.2 Long Term Employee Benefits:

i. Defined Benefit Plan

- a. The Bank operates a Provident Fund scheme. All eligible employees are

entitled to receive benefits under the Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. The Bank recognizes such annual contributions as an expense in the year to which it relates, Shortfall, if any, is provided for on the basis of actuarial valuation.

- b. The group entities operate separate Gratuity and Pension schemes, which are defined benefit plans.
- c. The group entities provide for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to a maximum amount of ₹ 10 Lacs. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.
- d. Some group entities provide for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The entities make contributions to funds administered by trustees based on an independent external actuarial valuation carried out annually.
- e. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/losses are immediately recognised in the Profit and Loss and are not deferred.



ii. Defined Contribution Plans:

The Bank operates a New Pension Scheme (NPS) for all officers/ employees joining the Bank on or after 1st August, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in the Bank and earn interest at the same rate as that of the current account of Provident Fund balance. The Bank recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

iii. Other Long Term Employee benefits:

- a. All eligible employees of the Group are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the group entities.
- b. The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is immediately recognised in the Profit and Loss and is not deferred.

11.3 Employee benefits relating to employees employed at foreign offices/ entities are valued and accounted for as per the respective local laws/regulations.

12. Taxes on income

Income tax expense is the aggregate amount of current tax, deferred tax and fringe benefit tax expense incurred by the Group. The current tax expense and deferred tax expense are determined in accordance with the provisions of

the Income Tax Act, 1961 and as per Accounting Standard 22 – Accounting for Taxes on Income respectively after taking into account taxes paid at the foreign offices/entities, which are based on the tax laws of respective jurisdiction. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgement as to whether their realisation is considered as reasonably/virtually certain.

In Consolidated Financial Statement, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries/ joint ventures, as per their applicable laws.

13. Earnings per Share:

13.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 'Earnings per Share' issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders (other than minority) by the weighted average number of equity shares outstanding for the year.

13.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

14. Provisions, Contingent Liabilities and Contingent Assets:

14.1 In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognises provisions only when it has a present obligation as a result of a past event and



would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

14.2 No provision is recognised for

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group entities ; or
- ii. any present obligation that arises from past events but is not recognised because
 - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

14.3 Provision for reward points in relation to the debit card holders of the Bank is being provided for on actuarial estimates.

14.4 Contingent Assets are not recognised in the financial statements.

15. Bullion Transactions:

The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. The Bank earns a fee on such bullion transactions. The fee is classified under commission income. The Bank also accepts deposits and lends gold, which is treated as deposits/advances as the case may be with the interest paid/received classified as interest expense / income.

16. Special Reserves:

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors have passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

17. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.



Schedule 18 :

Notes to Accounts

1. List of Subsidiaries/Joint Ventures/Associates considered for preparation of consolidated financial statements:

1.1 The 29 Subsidiaries, 8 Joint Ventures and 21 Associates including 18 Regional Rural Banks from/upto respective dates of merger during the year (which along with State Bank of India, the parent, constitute the Group), considered in the preparation of the consolidated financial statements, are

A) Subsidiaries:

S. No.	Name of the Subsidiary	Country of incorporation	Group's Stake (%)	
			Current Year	Previous Year
1)	State Bank of Bikaner and Jaipur	India	75.07	75.07
2)	State Bank of Hyderabad	India	100.00	100.00
3)	State Bank of Mysore	India	90.00	90.00
4)	State Bank of Patiala	India	100.00	100.00
5)	State Bank of Travancore	India	78.91	75.01
6)	SBI Capital Markets Ltd.	India	100.00	100.00
7)	SBICAP Securities Ltd.	India	100.00	100.00
8)	SBICAP Trustee Company Ltd.	India	100.00	100.00
9)	SBICAP Ventures Ltd.	India	100.00	100.00
10)	SBI DFHI Ltd.	India	71.58	71.54
11)	SBI Mutual Fund Trustee Company Pvt Ltd.	India	100.00	100.00
12)	SBI Global Factors Ltd.	India	86.18	86.18
13)	SBI Pension Funds Pvt Ltd.	India	92.60	92.60
14)	SBI -SG Global Securities Services Pvt. Ltd. @	India	65.00	65.00
15)	SBI General Insurance Company Ltd. @	India	74.00	74.00
16)	SBI Payment Services Pvt. Ltd.	India	100.00	100.00
17)	State Bank of India (Canada)	Canada	100.00	100.00
18)	State Bank of India (California)	USA	100.00	100.00
19)	SBI (Mauritius) Ltd.	Mauritius	96.60	96.36
20)	PT Bank SBI Indonesia	Indonesia	99.00	99.00
21)	State Bank of India (Botswana) Ltd.	Botswana	100.00	100.00
22)	SBICAP (UK) Ltd.	U.K.	100.00	100.00
23)	SBI Cards and Payment Services Pvt. Ltd. @	India	60.00	60.00
24)	SBI Funds Management Pvt. Ltd. @	India	63.00	63.00
25)	SBI Life Insurance Company Ltd. @	India	74.00	74.00
26)	Commercial Indo Bank Llc , Moscow @	Russia	60.00	60.00
27)	Nepal SBI Bank Ltd.	Nepal	55.10	55.28
28)	SBI Funds Management (International) Private Ltd. @	Mauritius	63.00	63.00
29)	SBICAP (Singapore) Ltd.	Singapore	100.00	100.00

@ Represents companies which are jointly controlled entities in terms of the shareholders' agreement. However, the same are consolidated as subsidiaries in accordance with AS 21 "Consolidated Financial Statements" as SBI is holding in these companies in excess of 50%.



B) Joint Ventures:

S. No.	Name of the Joint Venture	Country of Incorporation	Group's Stake (%)	
			Current Year	Previous Year
1)	C - Edge Technologies Ltd.	India	49.00	49.00
2)	GE Capital Business Process Management Services Pvt Ltd.	India	40.00	40.00
3)	SBI Macquarie Infrastructure Management Pvt. Ltd.	India	45.00	45.00
4)	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	India	45.00	45.00
5)	Macquarie SBI Infrastructure Management Pte. Ltd.	Singapore	45.00	45.00
6)	Macquarie SBI Infrastructure Trustee Ltd.	Bermuda	45.00	45.00
7)	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	India	50.00	50.00
8)	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	India	50.00	50.00

C) Associates:

S. No.	Name of the Associate	Country of Incorporation	Group's Stake (%)	
			Current Year	Previous Year
1)	Andhra Pradesh Grameena Vikas Bank	India	35.00	35.00
2)	Arunachal Pradesh Rural Bank	India	35.00	35.00
3)	Chhattisgarh Rajya Gramin Bank	India	35.00	35.00
4)	Ellaquai Dehati Bank	India	35.00	35.00
5)	Meghalaya Rural Bank	India	35.00	35.00
6)	Langpi Dehangi Rural Bank	India	35.00	35.00
7)	Madhyanchal Gramin Bank	India	35.00	35.00
8)	Mizoram Rural Bank	India	35.00	35.00
9)	Nagaland Rural Bank	India	35.00	35.00
10)	Purvanchal Bank	India	35.00	35.00
11)	Utkal Grameen Bank	India	35.00	35.00
12)	Uttarakhand Gramin Bank	India	35.00	35.00
13)	Vananchal Gramin Bank	India	35.00	35.00
14)	Saurashtra Gramin Bank	India	35.00	35.00
15)	Rajasthan Marudhara Gramin Bank	India	26.27	26.27
16)	Telangana Grameena Bank	India	35.00	35.00
17)	Kaveri Grameena Bank	India	31.50	31.50
18)	Malwa Gramin Bank	India	35.00	35.00
19)	The Clearing Corporation of India Ltd.	India	29.22	29.22
20)	Bank of Bhutan Ltd.	Bhutan	20.00	20.00
21)	SBI Home Finance Ltd. (under winding up)	India	25.05	25.05

- a. State Bank of Travancore (SBT), a Domestic Banking Subsidiary (DBS) of SBI has made a preferential allotment of 92,53,473 shares to SBI in April, 2014 at a price of ₹ 416.06 per share, amounting to ₹ 385.00 crores, after which SBI's stake has increased from 75.01% to 78.91%. As a result, the Group's stake in SBI DFHI Ltd. has also been increased from 71.54% to 71.58% due to indirect method.
- b. SBT has further offered 1,18,50,694 Equity Shares of ₹ 10 each at a premium of ₹ 390 per share to its existing shareholders as Right Issue during the period March 17, 2015 to March 31, 2015. The entire share application money has been disclosed by SBT as share application money pending allotment in its Balance Sheet as on March 31, 2015. On April 13, 2015, SBT has allotted 94,81,518 equity shares to SBI and 23,69,176 equity shares to others against the share application money. As a result, the stake of SBI has increased from 78.91% to 79.09%.



- c. SBI has infused an additional capital of ₹ 752 crores in State Bank of Patiala, its wholly owned DBS.
- d. SBI has acquired an additional stake of 0.24% in its Overseas Subsidiary, SBI (Mauritius) Ltd., in July 2014, by investing ₹ 1.97 crores, after which the stake of SBI has been increased to 96.60%.
- e. Nepal SBI Bank Ltd. (an Overseas Subsidiary of SBI) has issued an additional 89,763.96 shares from its unsubscribed portion to the minority share holders through public quota in December 2014 due to which SBI's stake has reduced from 55.28% to 55.10%.
- f. SBI has remitted ₹ 161.91 crores to PT Bank SBI Indonesia (an Overseas Subsidiary of SBI) in December 2014 towards Share Application Money for augmentation of the latter's capital. Allotment of shares is pending as on March 31, 2015.
- g. SBI General Insurance Co. Ltd., a Domestic Non-banking Subsidiary of SBI has raised funds from its shareholders i.e. SBI and IAG Australia, by allotment of 2.80 crore equity shares of ₹ 10 each in July 2014 at a price of ₹ 150 per share amounting to ₹ 420 crores. By such allotment, SBI has infused ₹ 310.80 crores in proportionate to the existing stake, which is 74%.
- h. SBI Capital Markets Ltd. (a wholly owned Subsidiary of SBI) has infused an additional capital of ₹ 25 crores in its wholly owned Subsidiary, SBICAP Securities Ltd.
- i. SBI Capital Markets Ltd. (a wholly owned Subsidiary of SBI) has infused an additional capital of ₹ 38.23 crores in its wholly owned Subsidiary, SBICAP (Singapore) Ltd.
- j. The name of "Deccan Grameena Bank", a RRB sponsored by State Bank of Hyderabad has been changed to "Telangana Grameena Bank" w. e. f. October 20, 2014 as notified in the Gazette of India.
- k. In accordance with notification issued by Govt. of India, the following amalgamation has taken place in between the Regional Rural Bank (RRB) sponsored by State Bank of Bikaner and Jaipur and RRB sponsored by other bank:-

Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRB	Effective Date of Amalgamation
Marudhara Gramin Bank	State Bank of Bikaner and Jaipur	Rajasthan Marudhara Gramin Bank	State Bank of Bikaner and Jaipur	April 1, 2014
Mewar Aanchalik Gramin Bank	ICICI Bank			

1.2 The consolidated financial statements for the financial year 2014-15 of the Group includes unaudited financial statements of State Bank of India (Canada), a subsidiary and Bank of Bhutan Ltd., an associate.

2. Share capital:

- 2.1 During the year, SBI received application money of ₹ 2,970.00 crores from Government of India against preferential issue of 10,04,77,012 equity shares of ₹ 1 each to Government of India, on March 31, 2015 including share premium of ₹ 2,959.95 crores. The equity shares were allotted on April 1, 2015.
- 2.2 In terms of the provisions of Section 4 of the State Bank of India Act, 1955, the Central Board of the Bank at its meeting held on September 24, 2014 had considered and approved reduction of face value of equity shares of SBI from ₹ 10 per share to ₹ 1 per share and to increase the number of issued shares in proportion thereof. The share split was done on November 21, 2014.
- 2.3 SBI has kept in abeyance the allotment of 8,30,750 (Previous Year 83,075 Equity Shares of ₹ 10/- each) Equity Shares of ₹ 1/- each issued as a part of Rights issue - 2008, since they are subject to title disputes or are subjudice.
- 2.4 Expenses in relation to the issue of shares: Nil (Previous Year ₹ 25.62 crores) debited to Share Premium Account.

3. Disclosures as per Accounting Standards

3.1 Changes in Accounting Policies - Depreciation Policy on Fixed Assets

During the year, the method of depreciation on Fixed Assets has been changed to straight line method (SLM) on the basis of useful life determined on technical evaluation, as against WDV method with Income Tax Rates being used hitherto. Consequent to the change, depreciation of prior period amounting to ₹ 741.77 crores has been found to be in excess and the depreciation charged for the year is higher by ₹ 125.66 crores. As a result the fixed assets and profit before tax are higher by ₹ 616.11 crores.



3.2 Employee Benefits:

3.2.1 Defined Benefit Plans

3.2.1.1 Employee's Pension Plans and Gratuity Plans

The following table sets out the status of the Defined Benefit Pension Plans and Gratuity Plan as required under AS 15 (Revised 2005) :-

₹ in crores

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1st April 2014	56,863.05	50,109.94	9,176.98	9,287.23
Current Service Cost	1,561.91	1,377.26	219.45	269.73
Interest Cost	5,070.61	4,300.42	833.14	780.71
Past Service Cost (Vested Benefit)	Nil	Nil	(0.02)	0.06
Actuarial losses /(gains)	5,083.47	4,498.58	529.94	(117.85)
Benefits paid	(2,146.26)	(718.94)	(1,216.39)	(1,042.90)
Direct Payment by SBI	(1,903.22)	(2,704.21)	Nil	Nil
Closing defined benefit obligation at 31st March 2015	64,529.56	56,863.05	9,543.10	9,176.98
Change in Plan Assets				
Opening fair value of plan assets at 1st April 2014	53,143.82	44,715.33	9,206.33	8,595.25
Expected Return on Plan assets	4,719.23	3,903.23	794.11	703.92
Contributions by employer	3,731.53	5,079.95	471.60	942.51
Benefits Paid	(2,146.26)	(718.94)	(1,216.39)	(1,042.90)
Actuarial Gains / (Losses) on plan assets	2,437.82	164.25	107.29	7.55
Closing fair value of plan assets at 31st March 2015	61,886.14	53,143.82	9,362.94	9,206.33
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of funded obligation at 31st March 2015	64,529.56	56,863.05	9,543.10	9,176.98
Fair Value of plan assets at 31st March 2015	61,886.14	53,143.82	9,362.94	9,206.33
Deficit/(Surplus)	2,643.42	3,719.23	180.16	(29.35)
Unrecognised Past Service Cost (Vested) Closing Balance	Nil	187.10	Nil	51.59
Net Liability/(Asset)	2,643.42	3,532.13	180.16	(80.94)
Amount Recognised in the Balance Sheet				
Liabilities	64,529.56	56,863.05	9,543.10	9,176.98
Assets	61,886.14	53,143.82	9,362.94	9,206.33
Net Liability / (Asset) recognised in Balance Sheet	2,643.42	3,719.23	180.16	(29.35)
Unrecognised Past Service Cost (Vested) Closing Balance	Nil	187.10	Nil	51.59
Net Liability/ (Asset)	2,643.42	3,532.13	180.16	(80.94)
Net Cost recognised in the profit and loss account				
Current Service Cost	1,561.91	1,377.26	219.45	269.73
Interest Cost	5,070.61	4,300.42	833.14	780.71
Expected return on plan assets	(4,719.23)	(3,903.23)	(794.11)	(703.92)
Past Service Cost (Amortised) Recognised	187.10	187.09	51.57	251.59
Past Service Cost (Vested Benefits) Recognised	Nil	Nil	Nil	Nil
Net Actuarial Losses / (Gains) recognised during the year	2,645.65	4,334.33	422.65	(125.40)
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	4,746.04	6,295.87	732.70	472.71



Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Reconciliation of expected return and actual return on Plan Assets				
Expected Return on Plan Assets	4,719.23	3,903.23	794.11	703.92
Actuarial Gains/ (Losses) on Plan Assets	2,437.82	164.25	107.29	7.55
Actual Return on Plan Assets	7,157.05	4,067.48	901.40	711.47
Reconciliation of opening and closing net liability/(asset) recognised in Balance Sheet				
Opening Net Liability as at 1st April 2014	3,532.13	5,020.42	(80.94)	388.80
Expenses as recognised in profit and loss account	4,746.04	6,295.87	732.70	472.71
Paid by SBI Directly	(1,903.22)	(2,704.21)	Nil	Nil
Employer's Contribution	(3,731.53)	(5,079.95)	(471.60)	(942.51)
Past Service Cost	Nil	Nil	Nil	0.06
Net liability/(Asset) recognised in Balance Sheet	2,643.42	3,532.13	180.16	(80.94)

Investments under Plan Assets of Gratuity Fund & Pension Fund as on March 31, 2015 are as follows:

Category of Assets	Pension Fund	Gratuity Fund
	% of Plan Assets	% of Plan Assets
Central Govt. Securities	31.29%	23.90%
State Govt. Securities	22.12%	16.42%
Debt Securities, Money Market Securities and Bank Deposits	42.19%	32.93%
Insurer Managed Funds	0.23%	23.68%
Others	4.17%	3.07%
Total	100.00 %	100.00 %

Principal actuarial assumptions:

Particulars	Pension Plans		Gratuity Plans	
	Current year	Previous year	Current year	Previous year
Discount Rate	8.21% to 8.21%	8.75% to 9.27%	8.21% to 8.21%	8.75% to 9.31%
Expected Rate of return on Plan Asset	8.21% to 9.00%	8.75% to 9.27%	8.00% to 9.00%	8.75% to 9.31%
Salary Escalation	5.00% to 5.00%	5.00% to 5.00%	5.00% to 5.00%	5.00% to 5.00%

The estimates of future salary growth, factored in actuarial valuation, taking account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in the very long term, consistent high salary growth rates are not possible, which has been relied upon by the auditors.

During the year, SBI has aligned its policy with regard to valuation of plan assets from Book Value to Fair Value in accordance with Accounting Standard 15 issued by ICAI. As a result of the change, the value of plan assets has increased by ₹ 2,069.00 crores in respect of Pension Fund and by ₹ 113.87 crores in respect of Gratuity Fund.

3.2.1.2 Employees Provident Fund

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of SBI, as per Deterministic Approach shows "Nil" liability, hence no provision is made in F.Y. 2014-15.



The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuary appointed by the Bank:-

₹ in crores

Particulars	Provident Fund	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April 2014	21,804.39	20,742.83
Current Service Cost	527.14	529.53
Interest Cost	1869.09	1,838.65
Employee Contribution (including VPF)	661.66	656.87
Actuarial losses/(gains)	-	-
Benefits paid	(2,363.77)	(1,963.49)
Closing defined benefit obligation at 31st March 2015	22,498.51	21,804.39
Change in Plan Assets		
Opening fair value of Plan Assets as at		
1st April 2014	22,366.42	21,223.41
Expected Return on Plan Assets	1,869.09	1,838.65
Contributions	1,188.80	1,186.40
Benefits Paid	(2,363.77)	(1,963.49)
Actuarial Gains / (Loss) on Plan Assets	137.28	81.45
Closing fair value of plan assets as at 31st March 2015	23,197.82	22,366.42
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31st March 2015	22,498.51	21,804.39
Fair Value of Plan assets at 31st March 2015	23,197.82	22,366.42
Deficit/(Surplus)	(699.31)	(562.03)
Net Asset not recognised in Balance Sheet	699.31	562.03
Net Cost recognised in the profit and loss account		
Current Service Cost	527.14	529.53
Interest Cost	1869.09	1,838.65
Expected return on plan assets	(1,869.09)	(1,838.65)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	527.14	529.53
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April 2014	-	-
Expense as above	527.14	529.53
Employer's Contribution	(527.14)	(529.53)
Net Liability/(Asset) Recognized in the Balance Sheet	-	-



Investments under Plan Assets of Provident Fund as on March 31, 2015 are as follows:

Category of Assets	Provident Fund
	% of Plan Assets
Central Govt. Securities	40.62%
State Govt. Securities	18.88%
Debt Securities, Money Market Securities and Bank Deposits	0.14%
Public and Private Sector Bonds	36.05%
Insurer Managed Funds	-
Others	4.31%
Total	100.00%

Principal actuarial assumptions:

Particulars	Provident Fund	
	Current year	Previous year
Discount Rate	8.21%	9.35%
Guaranteed Return	8.75%	8.75%
Attrition Rate	2.00%	2.00%

3.2.2 Defined Contribution Plans

3.2.2.1 Employees Provident Fund

An amount of ₹ 33.30 crores (Previous Year ₹ 31.29 crores) is recognised as an expense towards the Provident Fund Scheme by the group (excluding SBI) and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

3.2.2.2 Defined Contribution Pension Scheme

The Defined Contribution Pension Scheme (DCPS) is applicable to all categories of officers and employees joining the SBI on or after August 01, 2010 and for Domestic Banking Subsidiaries, the scheme is applicable to all categories of officers and employees who join on or after April 01, 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During the year, an amount of ₹ 200.10 crores (Previous Year ₹ 160.16 crores) has been contributed in the scheme.

3.2.3 Other Long term Employee Benefits

Amount of ₹ 813.83 crores (Previous Year ₹ (-) 19.56 crores) is provided towards Long Term Employee Benefits and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

Details of Provisions made for various long Term Employees' Benefits during the year;

		₹ in crores	
Sl. No.	Long Term Employees' Benefits	Current Year	Previous Year
1	Privilege Leave (Encashment) incl. leave encashment at the time of retirement	801.28	448.98
2	Leave Travel and Home Travel Concession (Encashment/Availment)	(21.66)	7.00
3	Sick Leave	6.46	(385.64)
4	Silver Jubilee/Long Term Service Award	11.15	(11.14)
5	Resettlement Expenses on Superannuation	13.23	1.07
6	Casual Leave	Nil	(82.55)
7	Retirement Award	3.37	2.72
Total		813.83	(19.56)



3.2.4 The employee benefits listed above are in respect of the employees of the Group based in India. The employees of the foreign operations are not covered in the above schemes.

3.3 Segment Reporting:

3.3.1 Segment identification

A) Primary (Business Segment)

The following are the Primary Segments of the Group:

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Insurance Business
- Other Banking Business

The present accounting and information system of the Bank does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the Primary Segments have been computed as under:

- a) Treasury:** The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.
- b) Corporate / Wholesale Banking:** The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Mid Corporate Accounts Group and Stressed Assets Management Group. These include providing loans and transaction services to corporate and institutional clients and further include non treasury operations of foreign offices/entities.
- c) Retail Banking:** The Retail Banking Segment comprises of branches in National Banking Group, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with branches in the National Banking Group. This segment also includes agency business and ATMs.

d) Insurance Business: The Insurance Business Segment comprises of the results of SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd.

e) Other Banking business: Segments not classified under (a) to (d) above are classified under this primary segment. This segment also includes the operations of all the Non-Banking Subsidiaries/Joint Ventures other than SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd. of the group.

B) Secondary (Geographical Segment):

a) Domestic Operations - Branches, Subsidiaries and Joint Ventures having operations in India.

b) Foreign Operations - Branches, Subsidiaries and Joint Ventures having operations outside India and offshore Banking units having operations in India.

C) Pricing of Inter-segmental Transfers

The Retail Banking segment is the primary resource mobilising unit. The Corporate/ Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

D) Allocation of Revenue, Expenses, Assets and Liabilities

Expenses of parent incurred at Corporate Centre establishments directly attributable either to Corporate/ Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

Revenue, expenses, assets and liabilities which relate to the enterprise as a whole and are not allocable to any segment on a reasonable basis, have been reported as Unallocated.



3.3.2 SEGMENT INFORMATION

PART A: PRIMARY (BUSINESS) SEGMENTS:

₹ in crores

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Insurance Business	Other Banking Operations	Elimination	TOTAL
Revenue	51,867.83 (42,418.29)	85,230.94 (73,300.30)	90,340.03 (89,329.62)	24,476.88 (18,066.15)	4,144.11 (3,388.22)		2,56,059.79 (2,26,502.58)
Unallocated Revenue							1,229.72 (441.98)
Total Revenue							2,57,289.51 (2,26,944.56)
Result	7,331.87 (2,139.86)	1,945.87 (3,653.51)	17,914.50 (18,007.47)	843.39 (718.43)	1,361.91 (948.79)		29,397.54 (25,468.06)
Unallocated Income(+)/ Expenses(-) net							-3,542.97 (-4,142.52)
Operating Profit (PBT)							25,854.57 (21,325.54)
Taxes							8,337.20 (6,836.07)
Extraordinary Profit/Loss							- (-)
Net Profit before share in profit in Associates and Minority Interest							17,517.37 (14,489.47)
Add: Share in Profit in Associates							314.44 (317.73)
Less: Minority Interest							837.51 (633.43)
Net Profit for the Group							16,994.30 (14,173.77)
Other Information:							
Segment Assets	6,44,061.54 (5,45,105.61)	10,35,488.78 (9,44,851.52)	9,07,679.97 (8,12,863.85)	76,948.47 (62,451.99)	13,468.53 (10,975.68)		26,77,647.29 (23,76,248.65)
Unallocated Assets							22,462.73 (20,246.65)
Total Assets							27,00,110.02 (23,96,495.38)
Segment Liabilities	3,66,954.63 (264,556.11)	9,58,490.64 (8,16,172.78)	10,59,909.52 (10,33,771.53)	72,072.91 (58,592.60)	9,110.23 (7,239.78)		24,66,537.93 (21,80,332.80)
Unallocated Liabilities							72,184.55 (68,791.97)
Total Liabilities							25,38,722.48 (22,49,124.77)

PART B: SECONDARY (GEOGRAPHIC) SEGMENTS

₹ in crores

	Domestic Operations	Foreign Operations	TOTAL
Revenue	2,46,689.00 (2,16,975.27)	10,600.51 (9,969.29)	2,57,289.51 (2,26,944.56)
Results	24,854.59 (22,136.04)	4,542.95 (3,332.02)	29,397.54 (25,468.06)
Assets	23,78,661.71 (21,09,119.12)	3,21,448.31 (2,87,376.18)	27,00,110.02 (23,96,495.30)
Liabilities	22,20,650.02 (19,65,113.49)	3,18,072.46 (2,84,011.28)	25,38,722.48 (22,49,124.77)

(i) Income/Expenses are for the whole year. Assets/Liabilities are as at March 31, 2015.

(ii) Figures within brackets are for previous year



3.4 Related Party Disclosures:

3.4.1 Related Parties to the Group:

A) JOINT VENTURES:

1. C - Edge Technologies Ltd.
2. GE Capital Business Process Management Services Private Ltd.
3. SBI Macquarie Infrastructure Management Pvt. Ltd.
4. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
5. Macquarie SBI Infrastructure Management Pte. Ltd.
6. Macquarie SBI Infrastructure Trustee Ltd.
7. Oman India Joint Investment Fund – Management Company Pvt. Ltd.
8. Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.

B) ASSOCIATES:

i) Regional Rural Banks

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank
4. Ellaquai Dehati Bank
5. Kaveri Grameena Bank
6. Langpi Dehangi Rural Bank
7. Madhyanchal Gramin Bank
8. Malwa Gramin Bank
9. Meghalaya Rural Bank
10. Mizoram Rural Bank
11. Nagaland Rural Bank
12. Purvanchal Bank
13. Rajasthan Marudhara Gramin Bank
14. Saurashtra Gramin Bank

15. Telangana Grameena Bank
16. Utkal Grameen Bank
17. Uttarakhand Gramin Bank
18. Vananchal Gramin Bank

ii) Others

19. The Clearing Corporation of India Ltd.
20. Bank of Bhutan Ltd.
21. SBI Home Finance Ltd. (under winding up)

C) Key Management Personnel of the Bank:

1. Smt. Arundhati Bhattacharya, Chairman
2. Shri Hemant G. Contractor, Managing Director & Group Executive (International Banking) (upto 30.04.2014)
3. Shri A. Krishna Kumar
 - Managing Director & Group Executive (National Banking) (upto 16.04.2014)
 - Managing Director & Group Executive (International Banking) (17.04.2014 to 30.11.2014)
 - Managing Director & Group Executive (International Banking) (additional charge of Managing Director & Group Executive (National Banking) (from 01.05.2014 to 16.07.2014)
4. Shri S. Vishvanathan, Managing Director & Group Executive (Associates & Subsidiaries) (upto 30.04.2014)
5. Shri P. Pradeep Kumar
 - Managing Director & Group Executive (Corporate Banking)
 - Managing Director & Group Executive (International Banking) (additional charge of Managing Director & Group Executive (Associates & Subsidiaries) (from 01.05.2014 to 16.07.2014)



6. Shri V.G. Kannan, Managing Director & Group Executive (Associates & Subsidiaries) (from 17.07.2014)
7. Shri B. Sriram, Managing Director & Group Executive (National Banking) (from 17.07.2014)

3.4.2 Related Parties with whom transactions were entered into during the year:

No disclosure is required in respect of related parties, which are "State

Controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship are not required to be disclosed in respect of Key Management Personnel and relatives of Key Management Personnel.

3.4.3 Transactions and Balances:

₹ in crores

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Transactions during the year 2014-15			
Interest Income	-	-	-
	(0.02)	(-)	(0.02)
Interest Expenditure	2.78	-	2.78
	(4.00)	(-)	(4.00)
Income earned by way of Dividend	33.82	-	33.82
	(12.24)	(-)	(12.24)
Other Income	-	-	-
	(3.50)	(-)	(3.50)
Other Expenditure	9.01	-	9.01
	(9.01)	(-)	(9.01)
Management Contract	308.94	1.03	309.97
	(267.08)	(1.08)	(268.16)
Outstanding as on 31st March 2015			
Payables			
Deposit	36.06	-	36.06
	(95.40)	(-)	(95.40)
Other Liabilities	29.45	-	29.45
	(16.32)	(-)	(16.32)
Receivables			
Balances with Banks	2.12	-	2.12
	(-)	(-)	(-)
Investments	41.55	-	41.55
	(41.55)	(-)	(41.55)
Advances	0.24	-	0.24
	(-)	(-)	(-)
Other Assets	0.34	-	0.34
	(0.30)	(-)	(0.30)
Maximum outstanding during the year			
Borrowings	-	-	-
	(-)	(-)	(-)
Deposit	57.32	-	57.32
	(100.87)	(-)	(100.87)
Other Liabilities	87.46	-	87.46
	(64.80)	(-)	(64.80)
Balance with Banks	5.94	-	5.94
	(-)	(-)	(-)
Advances	0.52	-	0.52
	(2.02)	(-)	(2.02)



Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Investment	41.55 (41.55)	- (-)	41.55 (41.55)
Other Assets	0.34 (0.30)	- (-)	0.34 (0.30)
Non-fund commitments (LCs/BGs)	- (-)	- (-)	- (-)

(Figures in brackets pertain to previous year)

There are no material significant related party transactions during the year.

3.5 Leases:

3.5.1 Finance Leases

Assets taken on Financial Leases on or after April 01, 2001: The details of financial leases are given below:

₹ in crores

Particulars	Current Year	Previous Year
Total Minimum lease payments outstanding		
Less than 1 year	5.12	5.68
1 to 5 years	5.43	9.11
5 years and above	-	-
Total	10.55	14.79
Interest Cost payable		
Less than 1 year	0.89	1.49
1 to 5 years	0.51	1.09
5 years and above	-	-
Total	1.40	2.58
Present value of minimum lease payments payable		
Less than 1 year	4.23	4.19
1 to 5 years	4.92	8.02
5 years and above	-	-
Total	9.15	12.21

3.5.2 Operating Lease*

Premises taken on operating lease are given below:

₹ in crores

Particulars	Current Year	Previous Year
Not later than 1 year	262.05	209.55
Later than 1 year and not later than 5 years	836.60	608.53
Later than 5 years	222.21	157.73
Total	1,320.86	975.81
Amount of lease payments recognised in the P&L Account for the year.	1,744.10	235.15

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the group entities.

* In respect of Non-Cancellable leases only.

3.6 Earnings per Share:

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - "Earnings per Share". "Basic earnings" per share is computed by dividing consolidated net profit after tax (other than minority) by the weighted average number of equity shares outstanding during the year.

Particulars	Current Year	Previous Year
Basic and diluted		
Number of Equity Shares outstanding at the beginning of the year	7,46,57,30,920	6,84,03,39,710
Number of Equity Shares issued during the year	-	62,53,91,210
Number of Equity Shares outstanding at the end of the year	7,46,57,30,920	7,46,57,30,920
Weighted average number of equity shares used in computing basic earning per share	7,46,57,30,920	6,94,78,39,100
Weighted average number of shares used in computing diluted earning per share	7,46,60,06,199	6,94,78,39,100
Net profit (Other than minority) (₹ in crores)	16,994.30	14,173.77
Basic earnings per share (₹)	22.76	20.40
Diluted earnings per share (₹)	22.76	20.40
Nominal value per share (₹)	1.00	1.00

* The face value of shares of the Bank was split from ₹ 10 per share to ₹ 1 per share w.e.f. November 22, 2014. All the shares and per share information reflect the effect of the split for each period presented.



Diluted earnings per share is computed taking into consideration the amount received for equity shares allotted on April 1, 2015.

3.7 Accounting for Taxes on Income:

- i) During the year, ₹ 1,049.64 crores has been credited to Profit and Loss Account [Previous Year ₹ 1,173.66 crores debited] on account of deferred tax.
- ii) The break up of deferred tax assets and liabilities into major items is given below:

₹ in crores

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Deferred Tax Assets		
Provision for Defined Benefit Schemes on account of Wage Revision	954.34	364.66
Provision for long term Employee Benefits	2,235.65	1,632.72
Provision/Additional Provision on Specified Restructured Standard/ Standard Assets over the specified RBI Prudential Norms	1,745.05	837.07
Depreciation on Fixed Assets	(0.23)	14.37
Provision for non performing assets	195.67	205.78
Others	690.95	845.85
Total	5,821.43	3,900.45
Deferred Tax Liabilities		
Depreciation on Fixed Assets	210.79	28.02
Interest on securities	3,660.78	3,441.43
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	3,196.64	2,541.06 \$
Others	470.94	863.33
Total	7,539.15	6,873.84
Net Deferred Tax Assets/(Liabilities)	(1,717.72)	(2,973.39)

\$ Includes ₹ 2,052.76 crores transferred from Revenue and Other reserves in accordance with RBI circular.

3.8 Impairment of assets:

In the opinion of the Management, there is no impairment to the assets during the year to which Accounting Standard 28 – “Impairment of Assets” applies.

3.9 Provisions, Contingent Liabilities & Contingent Assets:

➤ Break up of provisions:

₹ in crores

Particulars	Current Year	Previous Year
a) Provision for Taxation		
- Current Tax	9375.30	5,650.56
- Deferred Tax	(1,049.64)	1,173.66
- Other Taxes	11.54	11.85
b) Provision on Non-Performing Assets	20,010.91	17,465.50
c) Provision on Restructured Assets	1,563.63	871.80
d) Provision on Standard Assets	2,918.48	1,568.87
e) Provision for Depreciation on Investments	(663.07)	876.27
f) Other Provisions	578.34	(11.20)
Total	32,745.49	27,607.31

(Figures in brackets indicate credit)

➤ Floating provisions:

₹ in crores

Particulars	Current Year	Previous Year
a) Opening Balance	362.37	479.22
b) Addition during the year	-	-
c) Draw down during the year	140.32	116.85
d) Closing balance	222.05	362.37



➤ **Description of contingent liabilities (AS-29):**

Sr. No	Particulars	Brief Description
1	Claims against the Group not acknowledged as debts	The parent and its constituents are parties to various proceedings in the normal course of business. It does not expect the outcome of these proceedings to have a material adverse effect on the Group's financial conditions, results of operations or cash flows. The Group is a party to various taxation matters in respect of which appeals are pending.
2	Liability on partly paid-up investments/ Venture Funds	This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.
3	Liability on account of outstanding forward exchange contracts	The Group enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as contingent liabilities. With respect to the transactions entered into with its customers, SBI generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.
4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities, the Group issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Group. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.
5	Other items for which the Group is contingently liable	The Group enters into currency options, forward rate agreements, currency swaps and interest rate swaps with Inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by SBI on behalf of Associates & Subsidiaries, SBI's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities.

The contingent liabilities mentioned above are dependent upon the outcome of court/arbitration/out of court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

➤ **Movement of provisions against contingent liabilities:**

₹ in crores

Particulars	Current Year	Previous Year
a) Opening Balance	790.46	557.97
b) Additions during the year	378.00	260.68
c) Reductions during the year	90.55	28.19
d) Closing balance	1,077.91	790.46



- 4 In respect of SBI Life Insurance Company Ltd., IRDA has issued directions under Section 34(1) of the Insurance Act, 1938 to distribute the administrative charges paid to Master policy holders vide order no. IRDA/Life/ORD/Misc/228/10/2012 dated October 5, 2012 amounting to ₹ 84.32 crores and to refund the excess commission paid to corporate agent vide order no. IRDA/Life/ORD/Misc/083/03/2014 dated March 11, 2014 amounting to ₹ 275.29 crores respectively to the members or the beneficiaries. The company has filed appeals against the said directions/orders with the Appellate Authorities (i.e. Ministry of Finance, Govt. Of India) and Securities Appellate Tribunal (SAT). As the final orders are pending, the aforesaid amounts have been disclosed as contingent liability.
- 5 The investments of life and general insurance subsidiaries have been accounted in accordance with the IRDA (Investment Regulations) 2000 instead of restating the same in accordance with the accounting policy followed by the banks. The investments of insurance subsidiaries constitute approximate 9.97% (Previous Year 9.69%) of the total investments as on March 31, 2015.
- 6 In accordance with RBI circular DBOD NO.BP. BC.42/21.01.02/2007-08, redeemable preference shares (if any) are treated as liabilities and the coupon payable thereon is treated as interest.
- 7 Additional statutory information disclosed in separate financial statements of the parent and the subsidiaries having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements in view of the general clarifications issued by ICAI.

8 Pending Wage Agreement

The Ninth Bipartite Settlement entered into by the Indian Banks' Association on behalf of the member Banks with the All India Unions of Workmen expired on October 31, 2012. In accordance with the understanding reached by IBA, pending the execution of agreement for wage revision, to be effective from November 01, 2012, SBI and its domestic banking subsidiaries have made a provision of ₹ 3,019.28 crores (Previous year ₹ 2,353.27 crores) during the year considering 15% increase in salary and allowances on salary slip component. In addition

to the above, SBI and its Domestic Banking Subsidiaries (excluding State Bank of Mysore), on estimated basis have made a provision of ₹ 694.59 crores (Previous year ₹ 652.30 crores) towards Superannuation and other long term employee benefits.

The total provision held by the Group on account of wage revision (including towards Superannuation and other long term employee benefits) as on March 31, 2015 is ₹ 8,757.90 crores (previous year ₹ 5,044.03 crores)

9 Unhedged Foreign Currency Exposure

SBI and its Domestic Banking Subsidiaries, in accordance with RBI Circular No. DBOD. No.BP.85/21.06.200/2013-14 dated January 15, 2014 on 'Capital and Provisioning Requirements for Exposure to entities with Unhedged Foreign Currency Exposure' has provided for ₹ 354.12 crores.

10 Sale of Assets to Reconstruction Companies

The shortfall on account of sale of assets to Reconstruction Companies amounting to ₹ 3,897.04 crores is being amortized over a period of two years, in terms of RBI Circular DBOD. BP.BC.No.98/21.04.132/ 2013-14 dated February 26, 2014. Consequently, ₹ 887.13 crores has been charged to the Profit & Loss Account for the year ended March 31, 2015. The amount unamortised as at March 31, 2015 is ₹ 3,009.91 crores.

11 Counter Cyclical Buffer

RBI vide Circular No. DBOD. No.BP.95/21.04.048/2013-14 dated February 7, 2014 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 33 per cent of Counter Cyclical Provisioning Buffer (CCPB) held by them as on March 31, 2013, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors. Accordingly, SBI has utilized the CCPB of ₹382 crores (₹750 Crores utilised in the FY 2013-14) for making specific provision for NPAs, in accordance with the board approved policy and approval of the Board.

Further, RBI vide Circular No. DBR.No.BP. BC.79/21.04.048/2014-15 dated March 30, 2015 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 50 per cent of CCPB held by them as on 31st December 2014, for



making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors. Accordingly, Domestic Banking Subsidiaries have utilized the CCPB of ₹ 79.19 crores for making specific provision for NPAs, in accordance with the board approved policy and approval of the Board.

- 12 Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines/Accounting Standards, previous year's figures have not been mentioned.

In term of our Report of even date
For **S. VENKATRAM & CO.**
Chartered Accountants

(ARUNDHATI BHATTACHARYA)
CHAIRMAN

(G. NARAYANASWAMY)
Partner

(V. G. KANNAN)
MD & GE (A&S)

(B. SRIRAM)
MD & GE (Nat. Bkg.)

(P. PRADEEP KUMAR)
MD & GE (Corp. Bkg.)

Mem. No. : 002161
Firm Regn. No. : 004656 S

KOLKATA
Dated 22nd May 2015



State Bank of India

Consolidated Cash flow statement for the year ended 31st March, 2015

(000s omitted)

PARTICULARS	Year ended 31.03.2015 ₹	Year ended 31.03.2014 ₹
Cash flow from operating activities		
Net Profit before taxes	25331,49,77	21009,84,23
<u>Adjustments for :</u>		
Depreciation on Fixed Assets	1581,49,38	1942,42,53
(Profit)/Loss on sale of Fixed Assets (Net)	51,28,58	46,23,72
(Profit)/Loss on sale of Investments (Net) (Investing Activity)	-	55,13,96
(Profit)/Loss on revaluation of Investments (Net)	(1786,05,64)	(1882,38,03)
Provision on Non Performing Assets	21574,53,58	18337,29,64
Provision on Standard Assets	2918,47,70	1568,87,36
Provision for depreciation on Investments	(663,06,38)	876,27,38
Other Provisions	578,33,91	(11,19,91)
Share in Profit of Associates (Investing Activity)	(314,44,18)	(317,73,35)
Dividend from Associates (Investing Activity)	(17,38,47)	(2,28,75)
Interest on Capital Instruments (Financing Activity)	4894,70,92	4776,41,04
SUB TOTAL	54149,39,17	46398,89,82
<u>Adjustments for :</u>		
Increase/(Decrease) in Deposits	214108,43,23	211449,74,46
Increase/(Decrease) in Borrowings other than Capital Instruments	19761,57,51	17745,47,76
(Increase)/Decrease in Investments other than Investment in Associates	(113528,30,12)	(58648,67,47)
(Increase)/Decrease in Advances	(135509,18,39)	(204005,94,91)
Increase/(Decrease) in Other Liabilities & Provisions	45919,41,32	6851,94,41
(Increase)/Decrease in Other Assets	(30981,06,60)	11951,54,81
SUB TOTAL	53920,26,12	31742,98,88
Taxes Paid	(7517,36,65)	(12601,31,18)
Net cash generated from / (used in) operating activities (A)	46402,89,47	19141,67,70



PARTICULARS	Year ended 31.03.2015 ₹	Year ended 31.03.2014 ₹
Cash flow from investing activities		
(Increase)/Decrease in Investments in Associates	1,37,27	(140,46,31)
Dividend received from Associates	17,38,47	2,28,75
(Increase)/Decrease in Fixed Assets	(3452,29,40)	(3178,51,79)
(Increase)/Decrease in Goodwill on Consolidation	3,13,15	(219,79,75)
Net Cash generated from / (used in) investing activities	(B) (3430,40,51)	(3536,49,10)
Cash flow from financing activities		
Proceeds from issue of equity share capital	-	10006,02,70
Share Application Money pending allotment received	2970,00,00	-
Increase/(Decrease) in Capital Instruments	1142,18,25	2291,03,50
Interest on Capital Instruments	(4894,70,92)	(4776,41,04)
Dividends paid including tax thereon	(1236,33,43)	(4508,37,72)
Dividends tax paid by subsidiaries/jvs	(122,38,00)	(84,50,02)
Increase/(Decrease) in Minority Interest	587,96,68	655,28,97
Net Cash generated from / (used in) financing activities	(C) (1553,27,42)	3583,06,39
Effect of exchange fluctuation on translation reserve	(D) 6,00,95	2745,36,88
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)+(D)	41425,22,49	21933,61,87
Cash and Cash equivalents at the beginning of the year	167161,34,47	145227,72,60
Cash and Cash equivalents at the end of the year	208586,56,96	167161,34,47

In term of our Report of even date
For **S. VENKATRAM & CO.**
Chartered Accountants

(ARUNDHATI BHATTACHARYA)
CHAIRMAN

(G. NARAYANASWAMY)
Partner

(V. G. KANNAN)
MD & GE (A&S)

(B. SRIRAM)
MD & GE (Nat. Bkg.)

(P. PRADEEP KUMAR)
MD & GE (Corp. Bkg.)

Mem. No. : 002161
Firm Regn. No. : 004656 S

KOLKATA
Dated 22nd May 2015



Independent Auditor's Report

To,
The Board of Directors,
State Bank of India,
Corporate Centre,
State Bank Bhavan,
Mumbai

1. We have audited the accompanying Consolidated Financial Statements of State Bank of India (the "Bank") and its Subsidiaries, Joint Ventures and Associates (the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. Incorporated in these consolidated financial statements are the: (i) audited accounts of the Bank audited by 14 (fourteen) Joint Auditors including us which reflect total assets of ₹ 20,48,079.80 crores as at March 31, 2015, total revenue of ₹ 1,74,972.97 crores, profits of ₹. 13,101.57 crores and net cash inflows amounting to ₹ 42,311.67 crores for the year then ended; (b) Audited accounts of 28 (twenty eight) Subsidiaries, 8 (eight) Joint Ventures and 20 (twenty) Associates audited by other auditors whose financial statements reflects the Group's share in total assets of ₹. 6,66,304.71 crores as at March 31, 2015, the Group's share in total revenue of ₹. 84,232.41 crores, the Group's share in net cash inflows amounting to ₹ 578.75 crores, and the Group's share in profit from associates of ₹ 317.15 crores for the year then ended; (c) Unaudited accounts of 1 (one) Subsidiary and 1 (one) Associate whose financial statements reflect total assets of ₹ 3,432.20 crores as at March 31, 2015, total revenue of ₹ 138.76 crores, net cash outflows amounting to ₹ 792.40 crores and the Group's share in loss from associates of ₹ 2.71 crores for the year then ended. The entities of the Group whose Financial Statements are included in the Consolidated Financial Statements are listed in Schedule 18 - Notes to Accounts - which forms part of the Consolidated Financial Statements of the Group.
3. We did not audit the financial statements of its Subsidiaries, Joint Ventures and Associates. These financial statements have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of other entities, is based solely on the report of the other auditors.

4. We have relied on the unaudited financial statements of 1 (one) subsidiary and 1 (one) associate, which have been consolidated on the basis of management certified financial statements.

Management's Responsibility for the Financial Statements

5. The Management of State Bank of India is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the requirements of the Accounting Standard 21 - "Consolidated Financial Statements", Accounting Standard 23 - "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standard 27 - "Financial Reporting of Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India, the requirements of Reserve Bank of India, the State Bank of India Act, 1955 and other accounting principles generally accepted in India. This responsibility of the management of State Bank of India includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements of the Group that give a true and fair view and are free from material misstatement, whether due to fraud or error. In making those risk assessments, the managements of the individual entities of the Group have implemented such internal controls that are relevant to the preparation of the financial statements and designed procedures that are appropriate in the circumstances so that the internal control with regard to all the activities of the Group are effective.

Auditor's Responsibility

6. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement



of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management of the entities of the Group, as well as evaluating the overall presentation of the financial statements.

8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
9. The Audit Reports/Management Certifications on the financial statements of the Subsidiaries/Joint Ventures/Associates of State Bank of India have been forwarded to us and dealt with in preparing our report in the manner considered by us and our opinion is based solely on the reports of the other auditors/management certificates.

Opinion

10. Subject to the limitations as indicated in Para 1 to 9 hereinabove, based on our audit and on consideration of the reports of other auditors on separate financial statements of Subsidiaries, Joint Ventures and Associates, the unaudited financial statements and the other financial information of a subsidiary and an associate, in our opinion and to the best of our information and according to the explanations given to us, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2015;
- (b) in the case of the Consolidated Profit and Loss Account, of the consolidated profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

11. Without qualifying our opinion, we draw attention to schedule 18: 'Notes to Accounts' regarding:
 - i) Note no. 3.1: change in method/rate of depreciation on Fixed Assets resulting in an increase in profit by ₹ 616.11 crores.
 - ii) Note no. 3.2.1.1: change in valuation of Plan Assets of long-term benefits from Book Value to Fair Value, resulting in increase in the value of Plan Assets by ₹ 2,182.87 crores.
 - iii) Note no. 10: amortization of ₹ 3,009.91 crores on account of loss on sale of assets to Reconstruction Companies.
 - iv) Note no. 11: utilization of Counter Cyclical Buffer of ₹ 461.19 crores during the year.

Our opinion is not qualified in respect of the above stated matters.

For S. VENKATRAM & Co.,
Chartered Accountants
Firm Regn. No. 004656 S

(G. Narayanaswamy)

Place: Kolkata
Dated: 22nd May, 2015

Partner
M. No. 002161



Pillar 3 Disclosures (Consolidated) as at 31st March, 2015

DF-1: SCOPE OF APPLICATION

State Bank of India is the parent company to which the Basel III Framework applies. The consolidated financial statements of the group conform to Generally Accepted Accounting Principles (GAAP) in India, which comprise the statutory provisions, Regulatory / Reserve Bank of India (RBI) guidelines, Accounting Standards / guidance notes issued by the ICAI.

(i) Qualitative Disclosures:

a. List of group entities considered for consolidation for the period ended 31.03.2015

The following subsidiaries, joint ventures and associates are considered for the preparation of consolidated financial statements of SBI Group.

Sr. No.	Name of the entity	Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
1	State Bank of Bikaner and Jaipur	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
2	State Bank of Hyderabad	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
3	State Bank of Mysore	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
4	State Bank of Patiala	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
5	State Bank of Travancore	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
6	SBI Capital Markets Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
7	SBICAP Securities Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
8	SBICAP Ventures Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
9	SBICAP Trustee Company Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
10	SBICAP (UK) Ltd.	U.K.	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
11	SBICAP (Singapore) Ltd.	Singapore	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
12	SBI DFHI Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
13	SBI Payment Services Pvt. Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
14	SBI Global Factors Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
15	SBI Pension Funds Pvt Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable



Sr. No.	Name of the entity	Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
16	SBI –SG Global Securities Services Pvt. Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
17	SBI Mutual Fund Trustee Company Pvt Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
18	SBI Funds Management Pvt. Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
19	SBI Funds Management (International) Private Ltd.	Mauritius	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
20	SBI Cards and Payment Services Pvt. Ltd.	India	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
21	State Bank of India (California)	USA	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
22	State Bank of India (Canada)	Canada	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
23	Commercial Indo Bank Llc, Moscow	Russia	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
24	SBI (Mauritius) Ltd.	Mauritius	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
25	PT Bank SBI Indonesia	Indonesia	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
26	Nepal SBI Bank Ltd.	Nepal	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
27	State Bank of India (Botswana) Ltd.	Botswana	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
28	SBI Life Insurance Company Ltd.	India	Yes	Consolidated as per AS 21	No	Not applicable	Not applicable	Insurance Entity:Not under scope of Regulatory Consolidation
29	SBI General Insurance Company Ltd.	India	Yes	Consolidated as per AS 21	No	Not applicable	Not applicable	Insurance Entity:Not under scope of Regulatory Consolidation
30	C - Edge Technologies Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	JV Entity:Not under scope of Regulatory Consolidation
31	GE Capital Business Process Management Services Pvt Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	JV Entity:Not under scope of Regulatory Consolidation
32	SBI Macquarie Infrastructure Management Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	JV Entity:Not under scope of Regulatory Consolidation



Sr. No.	Name of the entity	Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
33	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	JV Entity:Not under scope of Regulatory Consolidation
34	Macquarie SBI Infrastructure Management Pte. Ltd.	Singapore	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	JV Entity:Not under scope of Regulatory Consolidation
35	Macquarie SBI Infrastructure Trustee Ltd.	Bermuda	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	JV Entity:Not under scope of Regulatory Consolidation
36	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	JV Entity:Not under scope of Regulatory Consolidation
37	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	India	Yes	Consolidated as per AS 27	No	Not applicable	Not applicable	JV Entity:Not under scope of Regulatory Consolidation
38	Andhra Pradesh Grameena Vikas Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
39	Arunachal Pradesh Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
40	Chhattisgarh Rajya Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
41	Ellaquai Dehati Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
42	Meghalaya Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
43	Langpi Dehangi Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
44	Madhyanchal Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation



Sr. No.	Name of the entity	Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
45	Mizoram Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
46	Nagaland Rural Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
47	Purvanchal Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
48	Utkal Grameen Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
49	Uttarakhand Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
50	Vananchal Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
51	Saurashtra Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
52	Rajasthan Marudhara Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
53	Telangana Grameena Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
54	Kaveri Grameena Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation
55	Malwa Gramin Bank	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity:Not under scope of Regulatory Consolidation



Sr. No.	Name of the entity	Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
56	The Clearing Corporation of India Ltd.	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity: Not under scope of Regulatory Consolidation
57	Bank of Bhutan Ltd.	Bhutan	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity: Not under scope of Regulatory Consolidation
58	SBI Home Finance Ltd.	India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate Entity: Not under scope of Regulatory Consolidation

b. List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation as on 31.03.2015

Sr. No.	Name of the entity	Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
NIL							

(ii) Quantitative Disclosures:

c. List of group entities considered for regulatory consolidation as on 31.03.2015

Following is the list of group entities considered under regulatory scope of consolidation:

(₹ in crores)

Sr. No.	Name of the entity	Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) \$	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
1	State Bank of Bikaner and Jaipur	India	Banking Services	6,012.68	102,301.54
2	State Bank of Hyderabad	India	Banking Services	9,596.56	154,502.78
3	State Bank of Mysore	India	Banking Services	4,932.37	79,468.93
4	State Bank of Patiala	India	Banking Services	7,244.26	116,709.10
5	State Bank of Travancore	India	Banking Services	5,252.35	105,595.43
6	SBI Capital Markets Ltd.	India	Merchant Banking and Advisory Services	1,018.77	1,137.37
7	SBICAP Securities Ltd.	India	Securities Broking & its allied services and third party distribution of financial products	130.98	180.52



(₹ in crores)

Sr. No.	Name of the entity	Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) \$	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
8	SBICAP Ventures Ltd.	India	Asset Management Company for Venture Capital Fund	3.49	3.56
9	SBICAP Trustee Company Ltd.	India	Corporate Trusteeship Activities	39.32	41.30
10	SBICAP (UK) Ltd.	U.K.	Arrangement of corporate finance & providing advisory services	20.44	20.70
11	SBICAP (Singapore) Ltd.	Singapore	Business & management Consultancy Services	59.66	60.37
12	SBI DFHI Ltd.	India	Primary Dealer in Govt. Securities	981.60	4,108.58
13	SBI Payment Services Pvt. Ltd.	India	Merchant Acquiring Business related services	1.82	1.92
14	SBI Global Factors Ltd.	India	Factoring Activities	321.95	786.98
15	SBI Pension Funds Pvt Ltd.	India	Management of assets of NPS Trust allocated to them	33.59	34.26
16	SBI –SG Global Securities Services Pvt. Ltd.	India	Custody and Fund Accounting Services	79.02	82.07
17	SBI Mutual Fund Trustee Company Pvt Ltd.	India	Trusteeship Services to schemes floated by SBI Mutual Fund	20.45	20.46
18	SBI Funds Management Pvt. Ltd.	India	Asset Management Services to schemes floated by SBI Mutual Fund	537.77	675.12
19	SBI Funds Management (International) Private Ltd.	Mauritius	Investment Management Services	1.46	1.66
20	SBI Cards and Payment Services Pvt. Ltd.	India	Credit Cards Business	965.63	6,148.09
21	State Bank of India (California)	USA	Banking Services	772.43	4,576.93
22	State Bank of India (Canada)	Canada	Banking Services	630.29	3,432.20
23	Commercial Indo Bank Llc., Moscow	Russia	Banking Services	118.59	571.53
24	SBI (Mauritius) Ltd.	Mauritius	Banking Services	1,145.08	6,365.81
25	PT Bank SBI Indonesia	Indonesia	Banking Services	260.74	1,601.59
26	Nepal SBI Bank Ltd.	Nepal	Banking Services	316.95	3,898.95
27	State Bank of India (Botswana) Ltd.	Botswana	Banking Services	37.04	127.32

\$ Comprises of Equity Capital and Reserve & Surplus



(d) The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:

Name of the Subsidiaries/ Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of Bank's holding in the total equity	Capital Deficiency
NIL				

(e) The aggregate amount (e.g. current book value) of the Bank's total interests in Insurance entities, which are risk-weighted:

Name of the Insurance entities/Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of Bank's holding in the total equity	Quantitative impact on regulatory capital of using risk weighting method Vs using the full deduction method
NIL				

(f) Any restrictions or impediments on transfer of funds or regulatory capital within the banking group: NIL

DF-2: CAPITAL ADEQUACY

Qualitative Disclosures

<p>(a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities</p>	<p>▶ The Bank and its Banking Subsidiaries undertake the Internal Capital Adequacy Assessment Process (ICAAP) on an annual basis in line with the New Capital Adequacy Framework (NCAF) Guidelines of RBI. The ICAAP details the capital planning process and carries out an assessment covering measurement, monitoring, internal controls, reporting, capital requirement and stress testing of the following Risks:</p>		
	<table style="width: 100%; border: none;"> <tbody> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> ▶ Credit Risk ▶ Operational Risk ▶ Liquidity Risk ▶ Compliance Risk ▶ Pension Fund Obligation Risk ▶ Reputation Risk ▶ Residual Risk from Credit Risk Mitigants ▶ Settlement Risk </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> ▶ Market Risk ▶ Credit Concentration Risk ▶ Interest Rate Risk in the Banking Book ▶ Country Risk ▶ New Businesses Risk ▶ Strategic Risk ▶ Model Risk ▶ Contagion Risk ▶ Securitization Risk </td> </tr> </tbody> </table>	<ul style="list-style-type: none"> ▶ Credit Risk ▶ Operational Risk ▶ Liquidity Risk ▶ Compliance Risk ▶ Pension Fund Obligation Risk ▶ Reputation Risk ▶ Residual Risk from Credit Risk Mitigants ▶ Settlement Risk 	<ul style="list-style-type: none"> ▶ Market Risk ▶ Credit Concentration Risk ▶ Interest Rate Risk in the Banking Book ▶ Country Risk ▶ New Businesses Risk ▶ Strategic Risk ▶ Model Risk ▶ Contagion Risk ▶ Securitization Risk
<ul style="list-style-type: none"> ▶ Credit Risk ▶ Operational Risk ▶ Liquidity Risk ▶ Compliance Risk ▶ Pension Fund Obligation Risk ▶ Reputation Risk ▶ Residual Risk from Credit Risk Mitigants ▶ Settlement Risk 	<ul style="list-style-type: none"> ▶ Market Risk ▶ Credit Concentration Risk ▶ Interest Rate Risk in the Banking Book ▶ Country Risk ▶ New Businesses Risk ▶ Strategic Risk ▶ Model Risk ▶ Contagion Risk ▶ Securitization Risk 		
	<p>▶ Sensitivity Analysis is conducted annually or more frequently as required, on the movement of Capital Adequacy Ratio (CAR) in the medium horizon of 3 to 5 years, considering the projected investment in Subsidiaries / Joint Ventures by SBI and growth in Advances by SBI and its Subsidiaries (Domestic/Foreign). This analysis is done for the SBI and SBI Group separately.</p>		
	<p>▶ CRAR of the Bank and for the Group as a whole is estimated to be well above the Regulatory CAR of 9% in the medium horizon of 3 to 5 years. However, to maintain adequate capital, the Bank has options to augment its capital resources by raising Subordinated Debt and Perpetual Debt Instruments, besides Equity as and when required.</p>		
	<p>▶ Strategic Capital Plan for the Foreign Subsidiaries covers an assessment of capital requirement for growth of assets and the capital required complying with various local regulatory requirements and prudential norms. The growth plan is approved by the parent bank after satisfying itself about the capacity of the individual subsidiaries to raise CET I / AT I / Tier II Capital to support the increased level of assets and at the same time maintaining the Capital Adequacy Ratio (CAR).</p>		



Quantitative Disclosures

(b) Capital requirements for Credit Risk:

▶ Portfolios subject to standardized approach	₹ 1,22,801.41 crores
▶ Securitization exposures	Nil
Total	₹ 1,22,801.41 crores

(c) Capital requirements for Market Risk:

▶ Standardized duration approach;	
• Interest Rate Risk	₹ 8363.48 crores
• Foreign Exchange Risk (including gold)	₹158.03 crores
• Equity Risk	₹2594.80 crores
Total	₹11,116.31 crores

(d) Capital requirements for Operational Risk:

▶ Basic Indicator Approach	₹12,113.96 crores
▶ The Standardized Approach (if applicable)	
Total	₹12,113.96 crores

(e) Common Equity Tier 1, Tier 1 and Total Capital Ratios:

CAPITAL ADEQUACY RATIOS AS ON 31.03.2015

	CET 1 (%)	Tier 1 (%)	Total (%)
▶ For the top consolidated group; and			
▶ For significant bank subsidiaries (stand alone or sub-consolidated depending on how the Framework is applied)			
SBI Group	9.13	9.49	12.00
State Bank of India	9.31	9.60	12.00
State Bank of Bikaner & Jaipur	8.81	9.01	11.57
State Bank of Hyderabad	8.86	9.18	11.26
State Bank of Mysore	8.21	8.36	11.42
State Bank of Patiala	8.41	8.66	12.06
State Bank of Travancore	8.61	8.90	10.89
SBI (Mauritius) Ltd.	23.66	23.66	24.42
State Bank of India (Canada)	19.23	19.23	22.26
State Bank of India (California)	16.54	16.54	17.69
Commercial Indo Bank LLC, Moscow	29.40	29.40	29.40
Bank SBI Indonesia	22.12	22.12	22.71
Nepal SBI Bank Ltd.	11.52	11.52	14.70
State Bank of India (Botswana) Ltd.	122.13	122.13	122.13



DF-3: CREDIT RISK: GENERAL DISCLOSURES FOR ALL BANKS

Qualitative Disclosures

(a) The general qualitative disclosure requirement with respect to credit risk

Definitions of past due and impaired assets (for accounting purposes)

Non-performing assets

An asset becomes non-performing when it ceases to generate income for the Bank. As from 31st March 2006, a non-performing Asset (NPA) is an advance where

- (i) Interest and/or instalment of principal remain 'overdue' for a period of more than 90 days in respect of a Term Loan
- (ii) The account remains 'out of order' for a period of more than 90 days, in respect of an Overdraft/Cash Credit (OD/CC)
- (iii) The bill remains 'overdue' for a period of more than 90 days in the case of bills purchased and discounted
- (iv) Any amount to be received remains 'overdue' for a period of more than 90 days in respect of other accounts
- (v) A loan granted for short duration crops is treated as NPA, if the instalment of principal or interest thereon remains overdue for two crop seasons and a loan granted for long duration crops is treated as NPA, if instalment of principal or interest thereon remains overdue for one crop season
- (vi) An account would be classified as NPA only if the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter.

'Out of Order' status

An account is treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power.

In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Bank's Balance Sheet, or where

credits are not enough to cover the interest debited during the same period, such accounts are treated as 'out of order'.

'Overdue'

Any amount due to the Bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the Bank.

Discussion of the Bank's Credit Risk Management Policy

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Over the years, the policy & procedures in this regard have been refined as a result of evolving concepts and actual experience. The policy and procedures have been aligned to the approach laid down in Basel-II and RBI guidelines.

Credit Risk Management encompasses identification, assessment, measurement, monitoring and control of the credit risk in exposures.

In the processes of identification and assessment of Credit Risk, the following functions are undertaken :

- (i) Developing and refining the Credit Risk Assessment (CRA) Models/Scoring Models to assess the Counterparty Risk, by taking into account the various risks categorized broadly into Financial, Business, Industrial and Management Risks, each of which is scored separately.
- (ii) Conducting industry research to give specific policy prescriptions and setting quantitative exposure parameters for handling portfolio in large / important industries, by issuing advisories on the general outlook for the Industries / Sectors, from time to time.

The measurement of Credit Risk involves computation of Credit Risk Components viz Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD).

The monitoring and control of Credit Risk includes setting up exposure limits to achieve a well-diversified portfolio across dimensions such as single borrower, group borrower and industries. For better risk management and avoidance of concentration of Credit Risks, internal guidelines on prudential exposure norms in respect of individual companies, group companies, Banks, individual borrowers, non-corporate entities, sensitive sectors such as capital market, real estate, sensitive commodities, etc.,



are in place. Credit Risk Stress Tests are conducted at half yearly interval to identify vulnerable areas for initiating corrective action, where necessary.

The Bank has also a Loan Policy which aims at ensuring that there is no undue deterioration in quality of individual assets within the portfolio. Simultaneously, it also aims at continued improvement of the overall quality of assets at the portfolio level, by establishing a commonality of approach regarding credit basics, appraisal skills, documentation standards and awareness of institutional concerns and strategies, while leaving enough room for flexibility and innovation

The Bank has processes and controls in place in regard to various aspects of Credit Risk Management such as appraisal, pricing, credit approval authority, documentation, reporting and monitoring, review and renewal of credit facilities, management of problem loans, credit monitoring, etc. The Bank also have a system of Credit Audit with the aims of achieving continuous improvement in the quality of the Commercial Credit portfolio with exposure of ₹10 crores and above. Credit Audit covers audit of credit sanction decisions at various levels. Both the pre-sanction process and post-sanction position are examined as a part of the Credit Audit System. Credit Audit also examines identified Risks and suggests Risk Mitigation Measures.

DF-3: Quantitative Disclosures

General Disclosures:		Amount - ₹in crores		
Quantitative Disclosures		Fund Based	Non Fund Based	Total
b	Total Gross Credit Risk Exposures	1737896.30	496900.73	2234797.03
c	Geographic Distribution of Exposures : FB / NFB			
	Overseas	243767.95	34149.38	277917.33
	Domestic	1494128.35	462751.35	1956879.70
d	Industry Type Distribution of Exposures Fund based / Non Fund Based separately	Please refer to Table "A"		
e	Residual Contractual Maturity Breakdown of Assets	Please refer to Table "B"		
f	Amount of NPAs (Gross) i.e. Sum of (i to v)			74626.63
	i. Substandard			23611.17
	ii. Doubtful 1			16657.96
	iii. Doubtful 2			26814.26
	iv. Doubtful 3			4329.58
	v. Loss			3213.66
g	Net NPAs			37813.96
h	NPA Ratios			
	i) Gross NPAs to gross advances			4.29%
	ii) Net NPAs to net advances			2.24%
i	Movement of NPAs (Gross)			
	i) Opening balance			80641.81
	ii) Additions			45810.39
	iii) Reductions			51825.57
	iv) Closing balance			74626.63
j	Movement of provisions for NPAs			
	i) Opening balance			38425.88
	ii) Provisions made during the period			23581.83
	iii) Write-off			25113.13
	iv) Write-back of excess provisions			81.91
	v) Closing balance			36812.67
k	Amount of Non-Performing Investments			584.41
l	Amount of Provisions held for Non-Performing Investments			574.33



General Disclosures:		Amount - ₹ in crores		
Quantitative Disclosures		Fund Based	Non Fund Based	Total
m	Movement of Provisions for Depreciation on Investments			
	i) Opening balance			1946.92
	ii) Provisions made during the period			171.55
	iii) Add: Foreign Exchange Revaluation Adj.			33.29
	iv) Write-off			588.95
	v) Write-back of excess provisions			884.53
	vi) Closing balance			678.28

Table- A: DF-3 (d) Industry Type Distribution of Exposures as on 31.03.2015

		Amount - ₹ in crores.			
CODE	INDUSTRY	FUND BASED [Outstanding-O/s]			NON-FUND BASED(O/s)
		Standard	NPA	Total	
1	Coal	3,776.83	406.38	4,183.21	2954.70
2	Mining	6,947.44	648.84	7,596.28	3629.59
3	Iron & Steel	122,160.37	6,846.85	129,007.22	31648.73
4	Metal Products	39,208.31	1,814.42	41,022.73	8713.47
5	All Engineering	38,354.11	3,156.20	41,510.31	72050.01
51	Of which Electronics	12,427.02	1,097.70	13,524.72	10831.81
6	Electricity	28,292.87	83.88	28,376.75	2012.58
7	Cotton Textiles	37,236.49	2,667.18	39,927.06	4999.81
8	Jute Textiles	427.92	179.82	607.74	59.89
9	Other Textiles	21,625.68	2,087.67	23,713.35	2054.68
10	Sugar	9,163.14	307.05	9,470.19	694.21
11	Tea	761.38	29.62	791.00	58.32
12	Food Processing	34,863.78	4,222.68	39,104.05	2381.03
13	Vegetable Oils & Vanaspati	7,787.00	1,474.39	9,253.29	5853.73
14	Tobacco / Tobacco Products	698.65	10.83	594.33	292.33
15	Paper / Paper Products	5,703.05	1,346.58	6,984.05	949.68
16	Rubber / Rubber Products	7,180.37	312.41	7,426.61	1668.63
17	Chemicals / Dyes / Paints etc.	78,263.34	4,185.67	82,487.23	47765.13
171	Of which Fertilizers	14,851.23	52.55	14,903.78	5352.27
172	Of which Petrochemicals	41,061.02	719.75	41,757.38	32362.22
173	Of which Drugs & Pharmaceuticals	10,797.70	2,593.45	13,420.87	2038.23
18	Cement	10,264.88	423.88	10,688.76	2546.25
19	Leather & Leather Products	2,696.29	99.16	2,795.45	422.37
20	Gems & Jewellery	18,401.60	2,558.42	20,960.02	1990.37
21	Construction	12,769.57	153.71	12,907.14	3616.80
22	Petroleum	53,782.01	457.69	54,242.92	16519.63
23	Automobiles & Trucks	12,692.08	95.61	12,796.28	5853.97
24	Computer Software	2,588.43	1,110.60	3,718.27	5963.43
25	Infrastructure	249,417.80	9,007.16	258,574.06	74491.84
251	Of which Power	132,655.59	2,646.99	135,302.58	21966.08
252	Of which Telecommunication	38,320.99	1,036.29	39,357.28	20210.96
253	Of which Roads & Ports	30,618.05	2,636.63	33,254.68	13937.46
26	Other Industries	110,366.50	2,264.97	112,631.47	42422.39
27	NBFCs & Trading	153,456.47	6,836.57	160,293.04	53461.29
28	Residual Advances	594,395.10	21,838.39	616,233.49	101825.87
	Total	1,663,269.67	74,626.63	1,737,896.30	496900.73



Table- B DF-3 (e) SBI (CONSOLIDATED) Residual contractual maturity breakdown of assets as on 31.03.2015*

[₹ in crores.]

		1-14 days	15-28 days	29 days & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	TOTAL
1	Cash	17572.50	0.27	0.92	0.96	8.21	9.44	0	0	17592.30
2	Balances with RBI	49542.65	1097.57	2955.35	3823.59	13940.17	18696.05	9723.81	26754.70	126533.89
3	Balances with other Banks	23652.92	1854.19	6889.18	5106.09	9230.77	10723.70	4920.15	2010.92	64387.92
4	Investments	10558.31	7722.86	23054.22	20503.62	30442.02	97501.37	105348.01	341627.76	636758.17
5	Advances	127511.62	23122.78	101226.00	98494.40	123524.58	807432.64	163011.19	249952.76	1694275.98
6	Fixed Assets	0	0	0.01	2.49	0	2.31	32.45	12559.81	12597.07
7	Other Assets	40057.26	4149.91	9101.45	7453.10	2495.85	11183.31	1688.93	12284.18	88413.99
	TOTAL	268895.26	37947.58	143227.14	135384.25	179641.60	945548.83	284724.53	645190.13	2640559.32

*Insurance entities, Non-financial entities, Special Purpose Vehicles & Intra-group Adjustments are excluded

DF-4: CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

Qualitative Disclosures

(a) For portfolios under the standardized approach:

- Names of Credit Rating Agencies used, plus reasons for any changes

As per RBI Guidelines, the Bank has identified CARE, CRISIL, ICRA, India Rating, SMERA and Brickwork (Domestic Credit Rating Agencies) and FITCH, Moody's and S&P (International Rating Agencies) as approved Rating Agencies, for the purpose of rating Domestic and Overseas Exposures, respectively, whose ratings are used for the purpose of computing Risk-weighted Assets and Capital Charge.

- Types of exposures for which each Agency is used

- For Exposures with a contractual maturity of less than or equal to one year (except Cash Credit, Overdraft and other Revolving Credits), Short-term Ratings given by approved Rating Agencies are used.

- For Cash Credit, Overdraft and other Revolving Credits (irrespective of the period) and for Term Loan exposures of over 1 year, Long Term Ratings are used.

- Description of the process used to transfer Public Issue Ratings onto comparable assets in the Banking Book Long-term Issue Specific Ratings (For the Bank's own exposures or other issuance of debt by the same borrower-constituent/counter-party) or Issuer (borrower-constituents/counter-party) Ratings are applied to other unrated exposures of the same borrower-constituent/counter-party in the following cases :

- If the Issue Specific Rating or Issuer Rating maps to Risk Weight equal to or higher than the unrated exposures, any other unrated exposure on the same counter-party is assigned the same Risk Weight, if the exposure ranks pari passu or junior to the rated exposure in all respects.
- In cases where the borrower-constituent/counter-party has issued a debt (which is not a borrowing from the Bank), the rating given to that debt is applied to the Bank's unrated exposures, if the Bank's exposure ranks pari passu or senior to the specific rated debt in all respects and the maturity of unrated Bank's exposure is not later than the maturity of the rated debt.

Quantitative Disclosures as on 31.03.2015

(₹ in crores)

	Amount
(b) For exposure amounts after risk mitigation subject to the Standardized Approach, amount of group's outstanding (rated and unrated) in each risk bucket as well as those that are deducted.	
	Below 100% Risk Weight
	1394384.78
	100% Risk Weight
	519929.48
	More than 100% Risk Weight
	317243.03
	Deducted
	3239.74
	Total
	2234797.03



DF-5: CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

Qualitative Disclosures

(a) The general qualitative disclosure requirement with respect to credit risk mitigation including

- ▶ Policies and processes for, and an indication of the extent to which the bank makes use of, on- and off-balance sheet netting

On-balance sheet netting is confined to loans/advances and deposits, where the Bank have legally enforceable netting arrangements, involving specific lien with proof of documentation. The Bank calculates capital requirements on the basis of net credit exposures subject to the following conditions:

Where bank,

- a. has a well-founded legal basis for concluding that the netting or offsetting agreement is enforceable in each relevant jurisdiction regardless of whether the counterparty is insolvent or bankrupt;
- b. is able at any time to determine the loans/advances and deposits with the same counterparty that are subject to the netting agreement; and
- c. monitors and controls the relevant exposures on a net basis, it may use the net exposure of loans/advances and deposits as the basis for its capital adequacy calculation. Loans/advances are treated as exposure and deposits as collateral.

- ▶ Policies and Processes for Collateral Valuation and Management

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Part B of this policy deals with Credit Risk Mitigation and Collateral Management, addressing the Bank's approach towards the credit risk mitigants used for capital calculation.

The objective of this Policy is to enable classification and valuation of credit risk mitigants in a manner that allows regulatory capital adjustment to reflect them.

The Policy adopts the Comprehensive Approach, which allows full offset of collateral (after appropriate haircuts), wherever applicable against exposures, by effectively reducing the exposure amount by the

value ascribed to the collateral. The following issues are addressed in the Policy :

- (i) Classification of credit risk-mitigants
- (ii) Acceptable credit risk-mitigants
- (iii) Documentation and legal process requirements for credit risk-mitigants
- (iv) Valuation of collateral
- (v) Margin and Haircut requirements
- (vi) External ratings
- (vii) Custody of collateral
- (viii) Insurance
- (ix) Monitoring of credit risk mitigants
- (x) General guidelines.

- ▶ Description of the main types of collateral taken by the Bank

The following collaterals are usually recognised as Credit Risk Mitigants under the Standardised Approach :

- Cash or Cash equivalent (Bank Deposits/NSCs/ KVP/LIC Policy, etc.)
- Gold
- Securities issued by Central / State Governments
- Debt Securities rated BBB- or better/ PR3/P3/F3/ A3 for Short-Term Debt Instruments

- ▶ Main types of Guarantor Counterparty and their creditworthiness

The Bank accepts the following entities as eligible guarantors, in line with RBI guidelines:

- Sovereign, Sovereign entities [including Bank for International Settlements (BIS), International Monetary Fund (IMF), European Central Bank and European Community as well as Multilateral Development Banks, Export Credit & Guarantee Corporation (ECGC) and Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)], Public Sector Enterprises (PSEs), Banks and Primary Dealers with a lower risk weight than the counterparty.
- Other guarantors having an external rating of AA or better. In case the guarantor is a parent company, affiliate or subsidiary, they should enjoy a risk weight lower than the obligor for the guarantee to be recognised by the Bank. The rating of the guarantor should be an entity rating which has factored in all the liabilities and commitments (including guarantees) of the entity.



- Information about (Market or Credit) risk concentrations within the mitigation taken:
The Bank has a well-dispersed portfolio of assets which are secured by various types of collaterals, such as:-
- Eligible financial collaterals listed above
 - Guarantees by sovereigns and well-rated corporates,
 - Fixed assets and current assets of the counterparty.

Quantitative Disclosures

	(Amount - ₹in crores)
(b) For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on- or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts.	1,87,582.45
(c) For each separately disclosed portfolio the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees/credit derivatives (whenever specifically permitted by RBI)	12,459.00

DF-6: SECURITISATION EXPOSURES: DISCLOSURE FOR STANDARDISED APPROACH

Qualitative Disclosures

(a) The general qualitative disclosure requirement with respect to securitisation including a discussion of:	
The bank's objectives in relation to securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the bank to other entities.	Nil
The nature of other risks (e.g. liquidity risk) inherent in securitised assets;	Not Applicable
The various roles played by the bank in the securitisation process (For example: originator, investor, servicer, provider of credit enhancement, liquidity provider, swap provider@, protection provider#) and an indication of the extent of the bank's involvement in each of them; @ A bank may have provided support to a securitisation structure in the form of an interest rate swap or currency swap to mitigate the interest rate/currency risk of the underlying assets, if permitted as per regulatory rules. # A bank may provide credit protection to a securitisation transaction through guarantees, credit derivatives or any other similar product, if permitted as per regulatory rules.	Not Applicable
A description of the bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation exposures;	Not Applicable
(b) Summary of the bank's accounting policies for securitization activities, including:	
Whether the transactions are treated as sales or financings;	Not Applicable
Methods and key assumptions (including inputs) applied in valuing positions retained or purchased	Not Applicable
Changes in methods and key assumptions from the previous period and impact of the changes;	Not Applicable
Policies for recognising liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitised assets.	Not Applicable
(c) In the banking book, the names of ECAIs used for securitisations and the types of securitisation exposure for which each agency is used.	Not Applicable
Quantitative Disclosures: Banking Book	
(d) The total amount of exposures securitised by the bank.	Nil
(e) For exposures securitised losses recognised by the bank during the current period broken by the exposure type (e.g. Credit cards, housing loans, auto loans etc. detailed by underlying security)	Nil
(f) Amount of assets intended to be securitised within a year	Nil
(g) Of (f), amount of assets originated within a year before securitisation.	Not Applicable



(h) The total amount of exposures securitised (by exposure type) and unrecognised gain or losses on sale by exposure type.	Nil
(i) Aggregate amount of:	
On-balance sheet securitisation exposures retained or purchased broken down by exposure type and	Nil
Off-balance sheet securitisation exposures broken down by exposure type	Nil
(j) Aggregate amount of securitisation exposures retained or purchased and the associated capital charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach	Nil
Exposures that have been deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type).	Nil
Quantitative Disclosures: Trading Book	
(k) Aggregate amount of exposures securitised by the bank for which the bank has retained some exposures and which is subject to the market risk approach, by exposure type.	Nil
(l) Aggregate amount of:	
On-balance sheet securitisation exposures retained or purchased broken down by exposure type; and	Nil
Off-balance sheet securitisation exposures broken down by exposure type.	Nil
(m) Aggregate amount of securitisation exposures retained or purchased separately for:	Nil
Securitisation exposures retained or purchased subject to Comprehensive Risk Measure for specific risk; and	Nil
Securitisation exposures subject to the securitisation framework for specific risk broken down into different risk weight bands.	Nil
(n) Aggregate amount of:	
The capital requirements for the securitisation exposures, subject to the securitisation framework broken down into different risk weight bands.	Nil
Securitization exposures that are deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type).	Nil

DF- 7: MARKET RISK IN TRADING BOOK

Qualitative disclosures

- (a)** The general qualitative disclosure requirement for market risk including the portfolios covered by the standardized approach
- 1 The following portfolios are covered by the Standardised Measurement Method (SMM) for computing capital requirement for Market Risk:
 - ▶ Bonds & Equity holdings under the Held for Trading (HFT) and Available for Sale (AFS) categories.
 - ▶ Forex under HFT category and Mutual Fund under AFS category.
 - ▶ All derivatives positions, except those which are used for hedging Banking Book and meet the Hedge Effectiveness test as mandated by RBI.
 - 2 Market Risk Management Department (MRMD) is functioning as part of Risk Management Department of the Bank, in terms of Governance structure approved by the Board of the Bank.
- 3 MRMD is responsible for identification, assessment, monitoring and reporting of market risk associated with Treasury Operations.
 - 4 The following Board approved policies with defined Market Risk Management parameters for each asset class are in place:
 - (a) Market Risk Management Policy
 - (b) Limit Management Framework & Market Risk Appetite statement
 - (c) Investment Policy
 - (d) Policy for Trading in Interest Rate Securities and Equity
 - (e) Policy for Derivatives
 - (f) Forex Trading Policy
 - (g) Value- at- Risk Policy
 - (h) Stress Test Policy
 - (i) Model Validation Policy
 - (j) Valuation Policy
 - 5) Risk monitoring is an ongoing process and risk positions are analysed and reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.



- 6) Risk management and reporting is based on parameters such as Modified Duration, PV01, Option Greeks, Maximum permissible exposures, Value at Risk Limits, Concentration Risk Limits, Cut Loss Trigger and Management Action Triggers, in line with global best practices.
- 7) Forex Open position limit (Daylight/Overnight), Stop Loss Limit, Aggregate Gap Limit (AGL), Individual Gap Limit (IGL) as approved by the Board is monitored and exceptions, if any, is reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- 8) Value at Risk (VaR) is computed on a daily basis. Back-Testing of VaR number is carried out on daily basis. Stress Testing is carried out at quarterly intervals as a complement to Value at Risk. Results are reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- 9) Respective Foreign offices monitor risk of their investment portfolio, as per the local regulatory and RBI stipulations. Stop Loss limit for individual investments and exposure limits for certain portfolios have been prescribed.
- 10) Bank has decided to migrate to advanced approach i.e. Internal Models Approach for calculating capital charge for market risk and submitted Letter of Intent (LOI) to RBI.

Quantitative disclosures:

- (a) Minimum Regulatory Capital requirements for Market Risk as on 31.03.2015 is as under:

Particulars	Amount
Interest Rate Risk (Including derivatives)	8363.48
Equity Position Risk	2594.80
Foreign Exchange Risk	158.03
Total	11116.31

DF-8: OPERATIONAL RISK

Qualitative disclosures

A. The structure and organization of Operational Risk Management function

- ▶ The Operational Risk Management Department is functioning in SBI as well as Associate Banks as part of the Integrated Risk Governance Structure under the control of respective Chief Risk Officer.

- ▶ The operational risk related issues in other Group entities are being dealt with as per the requirements of the business model and their regulators under the overall control of Chief Risk Officers of respective entities.

B. Policies for control and mitigation of Operational Risk

Domestic Banking Entities (SBI and ABs)

The following Policies, Framework Documents and Manuals are in place in SBI and Associate Banks:

Policies and Framework Documents

- ▶ Operational Risk Management policy, seeking to establish explicit and consistent Operational Risk Management Framework for systematic and proactive identification, assessment, measurement, monitoring, mitigation and reporting of the Operational Risks
- ▶ Loss Data Management Policy
- ▶ External Loss Data Management Policy
- ▶ IS Policy
- ▶ IT Policy
- ▶ Business Continuity Planning (BCP) Policy
- ▶ Business Continuity Management System (BCMS) Policy
- ▶ Policy on Know Your Customer (KYC) Standards and Anti Money Laundering (AML)/ Combating of Financing of Terrorism Measures
- ▶ Policy on Fraud Risk Management
- ▶ Bank's Outsourcing Policy
- ▶ Operational Risk Appetite Framework (SBI) Document
- ▶ Change Management Framework Document
- ▶ Capital Computation Framework Document

Manuals

- ▶ Operational Risk Management Manual
- ▶ Loss Data Manual
- ▶ Business Continuity Planning (BCP) Manual
- ▶ Business Continuity Management System (BCMS) Manual

Domestic Non-Banking and Overseas Banking entities

Policies and Manuals, as relevant to the business model of Non-Banking entities and as per the requirements of the overseas regulators in respect of Overseas Banking subsidiaries are in place. A few of the policies in place are – Disaster Recovery



Plan/ Business Continuity Plan, Incident Reporting Mechanism, Near Miss Events Reporting Mechanism, Outsourcing Policy, etc.

C. Strategies and Processes

Domestic Banking entities (SBI & ABs)

Advanced Measurement Approach

- ▶ In SBI, in order to successfully embed the risk culture and operational risk management, Risk Management Committees (RMCs) at the Circle (RMCC) and also at the Business and Support Groups (RNC-NBG, RMC-IBG, RMC-GMU, RMC-CBG, RMC-MCG, RMC-SAMG & RMC-IT) are in place in addition to the Operational Risk Management Committee (ORMC) and the Risk Management Committee of the Board (RMCB).
- ▶ The process of building a comprehensive database of internal and external losses due to Operational Risks as per Basel defined 8 Business Lines and 7 Loss Event Types has been initiated, as part of AMA process. An excel based template for collecting loss data, including Near Misses, from Branches, Processing Centres and Offices, has been developed to facilitate better risk management.
- ▶ Excel based template for conducting Risk & Control Self Assessment (RCSA) exercise through workshops has been introduced with the provision of inherent Risk and Residual Risk, control element to arrive at and assess the effectiveness of the current control environment and heat maps to describe the Risk Levels. During the year, about 1700 branches/processing centres were part of the RCSA exercise process. Top risks identified in the RCSA exercises along with their mitigation plan are being addressed on an ongoing basis.
- ▶ Key Risk Indicators (KRIs) have been identified across the Business and Support Groups with threshold and monitoring mechanism. KRIs are being monitored at quarterly intervals by the RMCs, the ORMC and the RMCB.
- ▶ Bank also periodically undertakes the process of AMA Use Test.
- ▶ Development of internal systems for quantifying and monitoring operational risk as required under Basel II defined Advanced Measurement Approach (AMA) is in place at SBI and ABs.
- ▶ The Bank (SBI) has already submitted its application for migration to AMA to RBI while ABs have submitted their Lol.

Others

The following measures are being used to control and mitigate Operational Risks in the Domestic Banking entities:

- ▶ "Book of Instructions" (Manual on General Instructions, Manual on Loans & Advances) which contains detailed procedural guidelines for processing various banking transactions. Amendments and modifications to update these guidelines are being carried out regularly through e-circulars. Guidelines and instructions are also propagated through Job Cards, e-Circulars, E-Learning Lessons, Mobile nuggets, Training Programs, etc.
- ▶ Manuals and operating instructions relating to Business Process Re-engineering (BPR) units.
- ▶ Delegation of Financial powers, which details sanctioning powers of various levels of officials for different types of financial and non-financial transactions.
- ▶ Training of staff-Inputs on Operational Risk is included as a part of Risk Management modules in the trainings conducted for various categories of staff at Bank's Apex Training Institutes and State Bank Learning Centers.
- ▶ Insurance cover is obtained for most of the potential operational risks excluding frauds.
- ▶ Internal Auditors are responsible for the examination and evaluation of the adequacy and effectiveness of the control systems and the functioning of specific control procedures. They also conduct review of the existing systems to ensure compliance with legal and regulatory requirements, codes of conduct and the implementation of policies and procedures.
- ▶ In order to ensure business continuity, resumption and recovery of critical business process after a disaster, the Bank (SBI) and ABs have robust Business Continuity Management Policy and Manuals are in place.

Domestic Non-Banking and Overseas Banking entities

Adequate measures by way of systems and procedures and reporting has been put in place in the Domestic Non-Banking and Overseas Banking entities.

D. The scope and nature of Risk Reporting and Measurement Systems

- ▶ A system of prompt submission of reports on Frauds is in place in all the Group entities.



- ▶ A comprehensive system of Preventive Vigilance has been established in all the Group entities.
- ▶ Significant risks thrown up in RCSA exercise and loss data are reported to Top Management at regular intervals.
- ▶ Basic Indicator Approach with capital charge of 15% of average gross income for previous 3 years is applied for Operational Risk, except Insurance Companies, for the year ended 31st March, 2015.

DF-9: INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

1. Qualitative Disclosures

INTEREST RATE RISK:

Interest rate risk refers to impact on Bank's Net Interest Income and the value of its assets and liabilities arising from fluctuations in interest rate due to internal and external factors. Internal factors include the composition of the Bank's assets and liabilities, quality, maturity, existing rates and re-pricing period of deposits, borrowings, loans and investments. External factors cover general economic conditions. Rising or falling interest rates impact the Bank depending on whether the Balance Sheet is asset sensitive or liability sensitive.

The Asset - Liability Management Committee (ALCO) is responsible for evolving appropriate systems and procedures for ongoing identification and analysis of Balance Sheet risks and laying down parameters for efficient management of these risks through Asset Liability Management Policy of the Bank. ALCO, therefore, periodically monitors and controls the risks and returns, funding and deployment, setting Bank's lending and deposit rates, and directing the investment activities of the Bank. ALCO also develops the market risk strategy by clearly articulating the acceptable levels of exposure to specific risk types (i.e. interest rate, liquidity etc). The Risk Management Committee of the Board of Directors (RMCB) oversees the implementation of the system for ALM and reviews its functioning periodically and provides direction. It reviews various decisions taken by Asset - Liability Management Committee (ALCO) for managing interest risk.

1.1 RBI has stipulated monitoring of interest rate risk through a Statement of Interest Rate Sensitivity (Repricing Gaps) to be prepared on a monthly basis. Accordingly, ALCO reviews Interest Rate Sensitivity statement on monthly basis and monitors the Earning at Risk (EaR) which measures the change

in Net Interest Income of the Bank due to parallel change in interest rate on both the assets & liabilities.

1.2 RBI has also stipulated to estimate the impact of change in interest rates on economic value of bank's assets and liabilities through Interest rate sensitivity under Duration gap analysis (IRSD). Bank also carries out Duration Gap analysis as stipulated by RBI on monthly basis. The impact of interest rate changes on the Market Value of Equity is monitored through Duration Gap analysis by recognising the changes in the value of assets and liabilities by a given change in the market interest rate. The change in value of equity (including reserves) with 2% parallel shift in interest rates for both assets and liabilities is estimated.

1.3 The following prudential limits have been fixed for monitoring of various interest risks:

Changes on account of Interest rate volatility	Maximum Impact (as % of capital and reserve)
Changes in Net Interest Income (with 1% change in interest rates for both assets and liabilities)	5%
Change in Market value of Equity (with 2% change in interest rates for assets and liabilities)	20%

The prudential limit aims to restrict the overall adverse impact on account of interest rate risk to the extent of 20% of capital and reserves, while part of the remaining capital and reserves serves as cushion for other risks.

2. Quantitative Disclosures (for State Bank Group) (March 2015)

Earnings at Risk (EaR)

	(₹in crores)
	Impact on NII
Impact of 100 bps parallel shift in interest rate on both assets & liability on Net Interest Income (NII)	6882.34

Market Value of Equity (MVE)

	(Rs in crores)
	Impact on MVE
Impact of 200 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE)	4043.66
Impact of 100 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE)	2021.83



DF-10: GENERAL DISCLOSURE FOR EXPOSURE RELATED TO COUNTERPARTY CREDIT RISK

Qualitative Disclosures

Counterparty Credit Risk is the risk that the counterparty to a derivative transaction can default before the final settlement of the transaction's cash flow. To mitigate this risk, derivative transactions are undertaken only with those counterparties where approved counterparty limits are in place. Counterparty limits for banks are assessed using internal models considering a number of financial parameters like net worth, capital adequacy ratio, rating etc. For corporates the Derivatives limits are assessed and sanctioned in conjunction with regular credit limit as part of regular appraisal.

Bank has not entered into any collateral agreement (Credit Support Annex or equivalent) with any of the bank, which require maintenance of collateral. Bank, also does not recognize bilateral netting.

DF-11: COMPOSITION OF CAPITAL

Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)		Amounts Subject to Pre-Basel III Treatment	Ref No. (with respect to DF - 12: Step 2)
Common Equity Tier 1 capital (CET1): instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	42191.26	A1 + B3
2	Retained earnings	106751.51	B1 + B2 + B6 (#) + B7
3	Accumulated other comprehensive income (and other reserves)		
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies) Public sector capital injections grandfathered until January 1, 2018		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	3280.71	
6	Common Equity Tier 1 capital before regulatory adjustments	152223.48	
Common Equity Tier 1 capital before regulatory adjustments			
7	Prudential valuation adjustments		
8	Goodwill (net of related tax liability)	567.13	378.09
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	1867.85	124523.60
10	Deferred tax assets	566.49	377.66
11	Cash-flow hedge reserve		
12	Shortfall of the stock of provisions to expected losses		
13	Securitisation gain on sale		

Quantitative Disclosures

Particulars	(₹ in crores)	
	Notional	Current Credit Exposure
a) Interest rate Swaps	112302.29	3595.76
b) Cross Currency Swaps	19896.56	3049.10
c) Currency Options	9243.88	309.16
d) Foreign Exchange Contracts	390183.51	12159.10
e) Currency Futures	Nil	Nil
f) Forward Rate Agreements	4.76	4.76
g) Others (Foreign Swaps)	1644.68	33.42
Total	533275.68	19151.30

- (c) Credit derivatives transactions that create exposures to CCR (notional value), segregated between use for the institutions own credit portfolio, as well as in its intermediation activities, including the distribution of the credit derivatives products used, broken down further by protection bought and sold within each product group.
- Nil -



Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)		Amounts Subject to Pre-Basel III Treatment	Ref No. (with respect to DF - 12: Step 2)
14	Gains and losses due to changes in own credit risk on fair valued liabilities		
15	Defined-benefit pension fund net assets	7.94	
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	26.38	
17	Reciprocal cross-holdings in common equity	151.59	101.06
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	7.50	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	6.01	
20	Mortgage servicing rights (amount above 10% threshold)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		
22	Amount exceeding the 15% threshold		
23	of which: significant investments in the common stock of financial entities		
24	of which: mortgage servicing rights		
25	of which: deferred tax assets arising from temporary differences		
26	National specific regulatory adjustments (26a+26b+26c+26d)	808.62	
26a	of which: Investments in the equity capital of unconsolidated insurance subsidiaries	808.08	538.72
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries		
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank		
26d	of which: Unamortised pension funds expenditures	0.54	0
	Regulatory Adjustments applied to Common Equity Tier 1 in respect of Amounts subject to Pre-Basel III treatment		
	of which: [INSERT TYPE OF ADJUSTMENT]		
	For example: filtering out of unrealised losses on AFS debt securities (not relevant in Indian context)		
	of which: [INSERT TYPE OF ADJUSTMENT]		
	of which: [INSERT TYPE OF ADJUSTMENT]		
27	Regulatory Adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		
28	Total regulatory adjustments to Common equity Tier 1	4009.51	
29	Common Equity Tier 1 capital (CET1)	148213.98	
Additional Tier 1 capital (AT1) : instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	2970.00	
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)		



Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)		Amounts Subject to Pre-Basel III Treatment	Ref No. (with respect to DF - 12: Step 2)
32	of which: classified as liabilities under applicable accounting standards (Perpetual Debt Instruments)	2970.00	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	3536.85	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	1622.80	
35	of which: instruments issued by subsidiaries subject to phase out	1221.50	
36	Additional Tier 1 capital before regulatory adjustments	8129.65	
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments		
38	Reciprocal cross-holdings in Additional Tier 1 instruments	54.51	36.34
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
41	National specific regulatory adjustments (41a+41b)		
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries		
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank		
	Regulatory adjustments applied to Additional Tier 1 in respect of amounts subject to Pre-Basel III treatment	2287.95	4149.32
	of which: [INSERT TYPE OF ADJUSTMENT e.g. DTAs]		
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 1 at 50%]		
	of which: [INSERT TYPE OF ADJUSTMENT]		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		
43	Total regulatory adjustments to Additional Tier 1 capital	2342.46	
44	Additional Tier 1 capital (AT1)	5787.19	
44a	Additional Tier 1 capital (AT1) reckoned for capital adequacy	5787.19	
45	Tier 1 capital (T1 = CET1 + AT1) [29 + 44a]	154001.17	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	2000.00	
47	Directly issued capital instruments subject to phase out from Tier 2	22122.52	



Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)		Amounts Subject to Pre-Basel III Treatment	Ref No. (with respect to DF - 12: Step 2)
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	7080.56	
49	of which: instruments issued by subsidiaries subject to phase out		
50	Provisions	9849.25	
51	Tier 2 capital before regulatory adjustments	41052.33	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments	4.33	2.89
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)		
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
56	National specific regulatory adjustments (56a+56b)		
56a	of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries		
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank		
	Regulatory adjustments applied to Tier 2 capital in respect of amounts subject to Pre-Basel III treatment	269.36	1077.44
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]		
of which: [INSERT TYPE OF ADJUSTMENT]			
57	Total regulatory adjustments to Tier 2 capital	273.69	
58	Tier 2 capital (T2)	40778.64	
58a	Tier 2 capital reckoned for capital adequacy	40778.64	
58b	Excess additional Tier 1 capital reckoned as Tier 2 capital	0	
58c	Total Tier 2 capital admissible for capital adequacy (58a+58b)	40778.64	
59	Total capital (TC = T1 + T2) [45 + 58c] Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment	194779.81	
	of which: [INSERT TYPE OF ADJUSTMENT]		
	of which: ...		
60	Total risk weighted assets (60a + 60b + 60c)	1622574.33	
60a	of which: total credit risk weighted assets	1364460.13	
60b	of which: total market risk weighted assets	123514.61	
60c	of which: total operational risk weighted assets	134599.59	
Capital Ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	9.13%	
62	Tier 1 (as a percentage of risk weighted assets)	9.49%	
63	Total capital (as a percentage of risk weighted assets)	12.00%	



Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)		Amounts Subject to Pre-Basel III Treatment	Ref No. (with respect to DF - 12: Step 2)
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	0%	
65	of which: capital conservation buffer requirement	0%	
66	of which: bank specific countercyclical buffer requirement	0%	
67	of which: G-SIB buffer requirement	0%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)		
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities		
73	Significant investments in the common stock of financial entities		
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)		
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	9849.25	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	17055.75	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	0	
79	Cap for inclusion of provisions of Tier 2 under internal ratings-based approach	0	
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

B6: Revenue & Other Reserves is taken net of Integration & Development Fund (₹5 crores)



DF-12: COMPOSITION OF CAPITAL-RECONCILIATION REQUIREMENTS

Consolidated Balance Sheet of SBI Group as per Basel III as on 31.03.2015

STEP-1

(₹in crores)

	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
	As on reporting date	As on reporting date
A Capital & Liabilities		
i Paid-up Capital	746.57	746.57
Reserves & Surplus	160,640.97	156,346.70
Minority Interest	5,497.12	4,229.47
Total Capital	166,884.66	161,322.74
ii Deposits	2,052,960.79	2,053,955.13
of which: Deposits from banks	19,099.84	19,099.84
of which: Customer deposits	2,033,860.95	2,034,855.29
of which: Other deposits (pl. specify)	-	-
iii Borrowings	244,663.46	244,786.20
of which: From RBI	5,798.75	5,798.75
of which: From banks	113,320.42	113,320.09
of which: From other institutions & agencies	69,755.81	69,748.00
of which: Others (pl. specify)	-	-
of which: Capital Instruments	55,788.48	55,919.36
iv Other liabilities & provisions	235,601.11	163,682.60
Total	2,700,110.02	2,623,746.67
B Assets		
i Cash and balances with Reserve Bank of India	144,287.55	144,102.28
Balance with banks and money at call and short notice	64,299.02	61,971.13
ii Investments	695,691.75	624,746.95
of which: Government securities	525,491.74	501,796.43
of which: Other approved securities	3,538.46	22.33
of which: Shares	27,464.02	5,023.47
of which: Debentures & Bonds	72,532.97	58,790.25
of which: Subsidiaries / Joint Ventures / Associates	2,359.20	1,955.52
of which: Others (Commercial Papers, Mutual Funds etc.)	64,305.36	57,158.95
iii Loans and advances	1,692,211.33	1,692,209.56
of which: Loans and advances to banks	51,013.20	51,013.20
of which: Loans and advances to customers	1,641,198.13	1,641,196.36
iv Fixed assets	12,379.30	12,004.54
v Other assets	90,295.85	87,766.99
of which: Goodwill and intangible assets	3,113.09	3,113.09
of which: Deferred tax assets	949.50	944.15
vi Goodwill on consolidation	945.22	945.22
vii Debit balance in Profit & Loss account	-	-
Total Assets	2,700,110.02	2,623,746.67



STEP-2

			(₹ in crores)
	Balance sheet as in financial statements	Balance Sheet under regulatory scope of consolidation	Reference Number
	As on reporting date	As on reporting date	
A Capital & Liabilities			
Paid-up Capital	746.57	746.57	A
of which: Amount eligible for CET 1	746.57	746.57	A1
of which: Amount eligible for AT1	-	-	A2
Reserves & Surplus	160,640.97	156,346.70	B
of which: Statutory Reserve	57,789.73	57,789.73	B1
of which: Capital Reserves	2,816.00	2,814.40	B2
of which: Share Premium	41,444.69	41,444.69	B3
of which: Investment Reserve	1,381.85	1,381.85	B4
of which: Foreign Currency Translation Reserve	6,765.71	6,763.65	B5
of which: Revenue and Other Reserve	47,827.11	45,454.91	B6
of which: Balance in Profit & Loss Account	2,615.88	697.47	B7
Minority Interest	5,497.12	4,229.47	
Total Capital	166,884.66	161,322.74	
ii Deposits	2,052,960.79	2,053,955.13	
of which: Deposits from banks	19,099.84	19,099.84	
of which: Customer deposits	2,033,860.95	2,034,855.29	
of which: Other deposits (pl. specify)	-	-	
iii Borrowings	244,663.46	244,786.20	
of which: From RBI	5,798.75	5,798.75	
of which: From banks	113,320.42	113,320.09	
of which: From other institutions & agencies	69,755.81	69,748.00	
of which: Others (pl. specify)	-	-	
of which: Capital Instruments	55,788.48	55,919.36	
iv Other liabilities & provisions	235,601.11	163,682.60	
of which: DTLs related to goodwill	-	-	
of which: DTLs related to intangible assets	-	-	
Total	2,700,110.02	2,623,746.67	
B Assets			
i Cash and balances with Reserve Bank of India	144,287.55	144,102.28	
Balance with banks and money at call and short notice	64,299.02	61,971.13	
ii Investments	695,691.75	624,746.95	
of which: Government securities	525,491.74	501,796.43	
of which: Other approved securities	3,538.46	22.33	
of which: Shares	27,464.02	5,023.47	
of which: Debentures & Bonds	72,532.97	58,790.25	
of which: Subsidiaries / Joint Ventures / Associates	2,359.20	1,955.52	
of which: Others (Commercial Papers, Mutual Funds etc.)	64,305.36	57,158.95	
iii Loans and advances	1,692,211.33	1,692,209.56	
of which: Loans and advances to banks	51,013.20	51,013.20	
of which: Loans and advances to customers	1,641,198.13	1,641,196.36	
iv Fixed assets	12,379.30	12,004.54	
v Other assets	90,295.85	87,766.99	
of which: Goodwill	-	-	
of which: Other intangibles (excluding MSRs)	3,113.09	3,113.09	
of which: Deferred tax assets	949.50	944.15	C
vi Goodwill on consolidation	945.22	945.22	D
vii Debit balance in Profit & Loss account	-	-	
Total Assets	2,700,110.02	2,623,746.67	



STEP-3

(₹ in crores)

Common Equity Tier 1 capital (CET1): instruments and reserves

		Component of regulatory capital reported by bank	Ref No. (with respect to DF - 12: Step 2)
1	Directly issued qualifying common share (and equivalent for non - joint stock companies) capital plus related stock surplus	42191.26	A1 + B3
2	Retained earnings	106751.51	B1 + B2 + B6 (#) + B7
3	Accumulated other comprehensive income (and other reserves)	0	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	0	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	3280.71	
6	Common Equity Tier 1 capital before regulatory adjustments	152223.48	
7	Prudential valuation adjustments	0	
8	Goodwill (net of related tax liability)	567.13	D * 60%

* B6: Revenue & Other Reserves is taken net of Integration & Development Fund (₹ 5 crores)

TABLE DF- GR: ADDITIONAL DISCLOSURES ON GROUP RISK**Qualitative Disclosure****In respect of Group entities * [Overseas Banking entities, Domestic Banking and Non-Banking entities]****General Description on**

Corporate Governance Practices	All Group entities adhere to good Corporate Governance practices.
Disclosure Practices	All Group entities adhere to / follow good disclosure practices.
Arm's Length Policy in respect of Intra Group Transactions	All Intra-Group transactions within the State Bank Group have been effected on Arm's Length basis, both as to their commercial terms and as to matters such as provision of security.
Common marketing, branding and use of SBI's Symbol	No Group entity has made use of SBI symbol in a manner that may indicate to public that common marketing, branding implies implicit support of SBI to the Group entity.
Details of Financial Support,# if any	No Group entity has provided / received Financial Support from any other entity in the Group.
Adherence to all other covenants of Group Risk Management policy	All covenants of the Group Risk Management Policy have meticulously been complied with by the Group entities.

Intra-group transactions which may lead to the following have been broadly treated as 'Financial Support':

- inappropriate transfer of capital or income from one entity to the other in the Group;
- violation of the Arm's Length Policy within which the Group entities are expected to operate;
- adverse impact on the solvency, liquidity and profitability of the individual entities within the Group;
- evasion of capital or other regulatory requirements;
- operation of 'Cross Default Clauses' whereby a default by a related entity on an obligation (whether financial or otherwise) is deemed to trigger a default on itself.

* Entities covered:



BANKING – DOMESTIC	BANKING - OVERSEAS	NON - BANKING
State Bank of India	State Bank of India (California)	SBI Capital Markets Ltd.
State Bank of Bikaner & Jaipur	State Bank of India (Canada)	SBI Cards & Payment Services Pvt. Ltd.
State Bank of Hyderabad	SBI (Mauritius) Ltd.	SBI DFHI Ltd.
State Bank of Mysore	Commercial Indo Bank LLC, Moscow	SBI Funds Management Pvt. Ltd.
State Bank of Patiala	Nepal SBI Bank Ltd.	SBI General Insurance Company Ltd.
State Bank of Travancore	PT Bank SBI Indonesia	SBI Global Factors Ltd.
	State Bank of India (Botswana) Ltd.	SBI Life Insurance Co. Ltd.
		SBI Pension Funds Pvt. Ltd.
		SBI-SG Global Securities Services Pvt. Ltd.
		SBI Payment Services Pvt. Ltd.

Disclosures pertaining to key Features of regulatory capital instruments (DF-13) and the full terms and conditions of regulatory capital instruments (DF-14) have been disclosed separately on the Bank's website-www.sbi.co.in/www.statebankofindia.com under the link Corporate Governance - 'Basel - 3 Disclosures' section.

Disclosure on indicators for identification of Global Systemically Important Banks (G-SIBs) as on end March 2015

S. No.	Indicator	Sub- indicator	INR (billions)
1.	Cross-jurisdictional activity	Cross-jurisdictional claims	3163.80
		Cross-jurisdictional liabilities	4110.40
2.	Size	Total exposure as defined for use in Basel III	32687.77
		Leverage Ratio	
3.	Interconnectedness	Intra-financial system assets	1229.61
		Intra-financial system liabilities	202.49
		Securities outstanding	1088.75
4.	Substitutability/financial institution infrastructure	Assets Under custody	1522.50
		Payments Activity	94184.87
		Underwritten transactions in debt and equity markets	0.86
5.	Complexity	Notional amount of OTC Derivatives	7123.47
		Level 3 assets	111.78
		Trading and available-for-sale securities	416.51

