

- Open Banking project for opening of Bank's customer/account information through API's to third party service providers as per PSD2 directives has been successfully implemented in four FO's namely UK, Germany, Antwerp & Bahrain during 2019-20.
- Automation of the Ind As Financial Statements has been taken up during the year. The gamut of work under the IFRS Ind AS project would include the automation of the Risk Model (For PD/LGD) developed by our Risk department and consolidation of IBG Balance sheets through OFSAA.
- A Centralized Back Office for Foreign Offices is being contemplated as a strategy for optimization of Capital and reducing costs through efficient deployment of Human Resources. The proposed model is to have a BPO in a premised owned/leased by SBI within Bank's network and directly under control of IBG. The BPO will handle the entire transaction life cycle associated with the transaction making/data entry to be handled by outsourced employees and checker/authorizer functions to be handled by Bank's Officials.

3. COMMERCIAL CLIENTS GROUP (CCG)

A. COMMERCIAL CLIENTS

The CCG vertical is headed by a MD and supported by two DMDs, five CGMs and nine CCG Regional offices (CCGROs) headed by GMs. The vertical services the credit needs of select large corporate clients. The very large ones are serviced by CAG. The mandate of the vertical is to cater to all needs of this segment of corporate clients, to manage associated risks and sustain growth. There are 48 CCG branches of which one of them caters to the needs of capital market participants such as brokerage houses and manages IPOs.

CGMs in the CCG are assigned as the group relationship owners in order to improve the quality of coverage and enable an integrated view on exposure, earnings amongst others, across the entire group. Your Bank has set up experienced team of 'Structuring Specialists' to support deal structuring for large proposals across lending, bonds, International Banking, and Structured / Mezzanine Finance.

CCG Mar'19 & Mar'20 Levels are as given below:

Levels	(₹ in crore)	
	FY 2019	FY 2020
Non-food Advances	400,909	409,589
CASA Deposit (%)	24.73	26.12
Avg Business per employee	146.69	153.56
Other Income (excluding income from AUCA recovery)	2,619	2,707
Pre -TPM Operating Profit	32,478	32,699

CCG has launched YONO for business customers. This is designed to provide a best in class, user-friendly digital platform for Corporates for transaction banking as well as Trade Finance Business.

The group continues to provide a robust platform to its customers for Trade Finance and Forex business. We are in the process of setting up centralized processing cells (CPCs) to process all trade finance transactions of the Bank. These CPCs will increase efficiencies in a) Delivery – better TAT, information flow and customer satisfaction – b) Regulatory compliance and c) Housekeeping.

Digital Interface on Pricing and Knowledge (DIPAK) a new pricing tool has been made available to Operating functionaries and Sanctioning Committees in order to enable data - driven pricing of our Corporate Loans. This has been rolled out in all the branches in CCG.

B. PROJECT FINANCE AND STRUCTURING SBU

Your Bank's Project Finance and Structuring Strategic Business Unit (PF&S SBU) deals with the appraisal and arrangement of funds for large capex-heavy infrastructural projects, such as in Power, Roads, Ports, Railways, and Airports. It also covers other non-infrastructure capex-heavy projects in industrial sectors such as Metals, Fertilisers, Cement, Oil and Gas, amongst others. PF&S SBU also provides support to other verticals in vetting their large ticket term-loan proposals. To strengthen the policy and regulatory framework for financing infrastructure, your Bank

shares its views as a lender with various Ministries of Government of India and the RBI, on subjects relating to new policies, Model Concession Agreements and broader issues faced within the infrastructure finance space.

Recently, there has been stepping up in investment in the infrastructure sector by the Government, along with various sectoral reforms and incentives, which has resulted in an inflow of new projects, particularly in industries such as City Gas Distribution, Roads, Power Renewables among other sectors. The infrastructure space is expected to experience a further fillip with the introduction of the National Infrastructure Pipeline (NIP) being created with an investment of ₹ 102 lakh crore to support around 6,500 infrastructure projects across sectors. The emergence of COVID-19 is undeniably a human tragedy and is expected to have an impact on all the sectors of the economy. Your Bank is closely monitoring all the projects under implementation and expects to tide over its impact in the short to medium term.

Marking a shift towards a 'Originate to Distribute' business model, a Structuring Team was set up at your Bank's Project Finance and Structuring Strategic Business Unit (PF&S SBU). This team is providing customised structuring solutions for financing of projects, while keeping the Return on Equity from the transaction a priority. Experienced professionals are being recruited from different industries to provide Structuring Solutions to your Bank's clients.



Kempegowda International Airport Bengaluru
Financed by your Bank



Hindustan Urvarak and Rasayan Ltd, Sindri Urea Project
Financed by your Bank



Metro Rail Project
Financed by your Bank



Wind Power Project
Financed by your Bank

4. STRESSED ASSETS MANAGEMENT

1. The movement of NPAs in the Bank and recovery in Written-off accounts during the last Four Financial years are furnished below:

	(₹ crore)			
	FY2017*	FY2018	FY2019	FY 2020
Gross NPA	1,77,866	2,23,427	1,72,750	1,49,092
Gross NPA%	9.11%	10.91%	7.53%	6.15%
Net NPA%	5.19%	5.73%	3.01%	2.23%
Fresh Slippages + Increase in O/s	1,15,932	1,00,287	39,740	54,510
Cash Recoveries / Up-gradations	32,283	14,530	31,512	25,781
Write-Offs	27,757	40,196	58,905	52,387
Recoveries in AUCA	3,963	5,333	8,345	9,250
PCR	61.53%	66.17%	78.73%	83.62%

*Post-Mergers

2. Over the last few years, there has been a significant rise in the Gross Non-Performing Assets (GNPA) in the Banking Industry. According to the Financial Stability Report of RBI for December 2019, in a sign of possible recovery from the impaired asset load, GNPA ratio of SCBs remained stable at 9.3% as on 30th September 2019 vis-a-vis 31st March 2019. It showed a substantial improvement over GNPA ratio of 10.8% in September 2018. Macro-stress tests for credit risk show that under the baseline scenario, SCBs' GNPA ratio may increase from 9.3 per cent in September 2019 to 9.9 per cent by September 2020 primarily due to change in macroeconomic scenario, marginal increase in slippages and