

### III. CORE OPERATIONS

#### 1. RETAIL & DIGITAL BANKING GROUP

The Retail and Digital Banking Group is the largest business vertical of your Bank, constituting 94.31% of total Domestic Deposits and 58.14% of total Domestic Advances, as on 31<sup>st</sup> March, 2020. The Group comprises of eight strategic business units, which drive the largest branch network across the country. Your Bank is making continuous efforts in providing a pleasing ambience with clean and uncluttered surroundings, along with a courteous and smartly attired staff at all its branches. The ever-evolving customer preferences, especially of the younger population, coupled with an increased focus on enhanced customer convenience, are transforming the retail banking landscape.

Your Bank's customer base is steadily growing across the country, making Retail Banking the most prolific segment of your Bank, both in terms of deposit mobilisation as well as extending customised credit. Your Bank continues to be the largest Home Loan provider in the country and the largest dispenser of Education Loans, which demonstrates its unflinching commitment to serving society at large. Your Bank has now also started extending home loans, car loans and personal loans also through its 'PSB Loans in 59 Minutes' portal.

Your Bank continues to be at the forefront in digital banking domain with a steady stream of technology-driven innovations. It has a multi-channel delivery model, which offers its customers a wide choice to carry out these transactions, at any time and any place. In FY2020, your Bank has increased its offerings across various channels – digital, mobile, ATM, internet, social media and branches.

The flagship digital app for retail customers 'YONO' has crossed many milestones with 46+ million downloads and approximately 21+ million registrations till date. YONO provides a rich "LifeStyle & Banking" experience, with 31+ products and 40+ services, in conjunction with 5 JV partners.

Your Bank is committed to creating an environment of increased risk awareness at all levels. It also aims at constantly upgrading the appropriate security measures, including cybersecurity processes to ensure the mitigation of various risks. For example, to curb incidents of ATM-related frauds, your Bank has introduced an OTP-based ATM cash withdrawal facility.

#### A. PERSONAL BANKING

##### 1. HOME LOANS

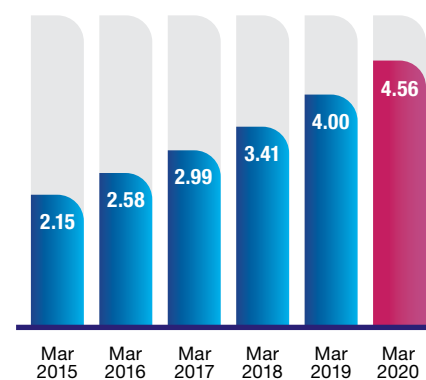
Your Bank has added one more feather into its cap by being the best and largest home loan provider in the country, which has been acknowledged by Honourable Union Minister of Finance, Smt. Nirmala Sitharaman, while awarding your Bank with prestigious 'FE India's Best Banks Awards' in home loan category during the year. Your Bank has also won the Best Home Loan provider trophy in the 'CNBC 13<sup>th</sup> Real Estate Awards 2018-19' event during the year. Undoubtedly, all your Bank's stakeholders are joint contributors behind these achievements and successes.

In home loans, your Bank has continued to lead the market, registering a market share of 30.62% as of 31<sup>st</sup> March 2020 amongst all ASCBs. The home loan business now forms an impressive 22.66% of your Bank's total domestic advances.

Your Bank's affordable housing segment enjoys 62.30% of its total home loan portfolio, while PSL (Priority Sector Lending) stood at a significant 35.03%. These important segments are anchored by its constant thrust and efforts on maintaining the quality of assets throughout the year, which has resulted in checking the gross NPAs to remain within planned levels.

#### Landmarks:

■ Levels in Lakh Crore



#### Home Loan Portfolio Over the Years

FY2020 has been an eventful year with many innovations and initiatives taken forward by your Bank to keep pace with changing market's sentiments in the real estate sector across the country (excepting March 2020 due to the

unprecedented COVID-19 pandemic and nation-wide stringent lockdown measures):

**Repo Rate Linked Home loan** - In a historic step towards enhancing trust of home loan customers, your Bank decided to link its home loan interest rates to RBI's Repo Rate from 1<sup>st</sup> July, 2019, which has generated a positive sentiment amongst all its stakeholders. Your Bank was the first bank to do so, and currently, it offers all its home loan products linked to Repo Rate under EBLR (External Benchmark Lending Rate) regime, both for new and existing customers.

**Appointment as CNA** - In another significant development during FY2020, your Bank was the only bank in the country to be entrusted with the task of CNA (Central Nodal Agency) by MoHUA (M/o Housing and Urban Affairs) for faster settlement of PMAY (Urban) subsidy for your Bank's borrowers. For all other banks, NHB and HUDCO act as CNA, your Bank processed ₹ 1,938 crore amount of PMAY-U subsidy during FY2020.

**Tie-ups** - During FY2020, your Bank tied-up with the India Mortgage Guarantee Corporation (IMGIC). The Corporation is a joint venture between NHB, Genworth Inc., International Finance Corporation (IFC) and Asian Development Bank (ADB). The tie-up is aimed at providing mortgage default guarantee to your Bank against default in repayment of the loan by a specific segment of customers.

**Digital Journey** - SBI's digital journey is ever-evolving. Your Bank has been instrumental in launching several digital initiatives for the convenience of its customers. YONO is one such ambitious project of your Bank, through which home loans are also being marketed aggressively. Your Bank has also explored various marketing opportunities for home loans on social media with the help of its official Facebook page, Twitter Handle, and other digital platforms, such as Instagram and LinkedIn. Besides, a big push has been given to digital marketing by entering into an arrangement with the financial aggregators and property search sites and search engines.

**Enhancing Customer Experience** - Your Bank's various activities are centred around improving customer experience

by ensuring the seamless delivery of products and services to make home loan journey for a customer a joyful one. For example, your Bank has launched the introduction of consolidated processing fee for home loan customers, vendor verification module, to on-board all empanelled advocates, valuers, and verification agencies in one digital platform, which helps in faster verification of documents and reports. This will help in further reducing the TAT and allow us to analyse customers' feedbacks within stipulated timelines. Your Bank has also introduced doorstep delivery, more FOS, and further strengthening of CPCs and Branches.

The home loan market is witnessing fierce competition. Therefore, all your Bank's endeavours are directed towards making State Bank of India the 'Choice of Customers' for home loans, with an emphasis on sustainable growth. Your Bank has 36 lakh happy home loan customers and accounts, and it is confident of adding many more every day.

## 2. AUTO LOANS

Your Bank helps in upgrading the living standards of its customers by providing auto loans at competitive rates, and by making owning a car an affordable proposition. While industry sales fell over 19% during the FY2020, your Bank took various initiatives to maintain volumes. To begin with, the vast product range covering all types of vehicles was made available to both existing and New to Bank (NTB) customers, through multiple channels, such as Branches, YONO, Dealers, and CLPs. State Bank of India's YONO car loan comes with benefits of 0.25% concession in rate of interest to customers, which is an additional feature provided by your Bank. These have helped your Bank to grow its loan portfolio to reach a level of ₹ 72,662 crore as of 31<sup>st</sup> March, 2020, as against ₹ 71,884 crore as on March, 2019. SBI's market-share in Auto Loans is at 32.93% as of 31<sup>st</sup> March 2020 as against 35.55% in FY2019, amongst All Scheduled Commercial Banks (ASCBs).

## 3. EDUCATION LOANS

Education is the key prerequisite for creating human capital, as it helps in developing skilled and productive human resources. The loans of up to ₹ 10 lakh

under Education Loans are considered as Priority Sector Advance. Your Bank takes pride in being the largest Education Loan provider in the country, with market share improved to 34.72% as of March, 2020, as against 30.55% as of March, 2019. Your Bank has helped 76,572 meritorious students to realise their dreams by providing financial assistance to the tune of ₹ 8,777 crore during the year. Out of this, 38% of the loans were extended to girl students (increased from 35% in March, 2019). To broaden the scope of Education Loans, book quality business and enhance customer satisfaction, your Bank has taken the following steps:

- Shortlisted a higher number of top-rated premier and reputed institutions taking total numbers to 187 for extending Education Loans under the Scholar Loan scheme at relaxed norms and concessional interest rates.
- Penetration through your Bank's Flagship product "Global Ed-vantage Education Loans" for studies abroad was improved through the extension of Door-step services at select cities.
- To ensure better tracking of the loan applications and faster sanctioning of loans, your Bank's Loan Origination System (LOS) was integrated with Vidya Lakshmi Portal (VLP) of the Government of India.

## 4. PERSONAL LOANS

Personal Loans, both secured and unsecured, are amongst the most popular products of your Bank, making it a leader in this market segment. Your Bank is aggressively catering to the needs of salaried class (both government and private), pensioners and self-employed and other customers. Your Bank is now extending loans to salaried customers of other banks through SBI Quick Personal Loans (CLP Platform) and Xpress Elite (Branch Channel) Products. As of March, 2020, your Banks' personal loans portfolio reached a level of ₹ 1,96,189 crore with a YTD growth of 27.65% (₹ 42,491 crore). The growth is contributed primarily by the flagship product Xpress Credit (₹ 36,508 crore - YTD 34.80%) and the traditional product Gold Loan (₹ 2,179 crore - YTD 142%), besides contribution of other products. Your Bank has provided loans to more than 20 lakh customers, amounting to

₹ 90,000 crore, during FY2020, improving its market share to around 33%. Your Bank has introduced new "Realty Gold Loan" product to cater to the needs of SBI's Home Loan customers with Income Tax benefit such as Home Loans. The Personal Loan products are now delivered through multiple channels such as Branches, OCAS (Bank's website) and YONO.

#### Consumer Durable Loans for e-Commerce Purchases:

- Online EMI: Your Bank provides EMI based loans for online shopping up to ₹ 1 lakh from Flipkart and Amazon portals to pre-selected customers on a real-time basis.
- POS EMI: Pre-selected group of SBI Debit cardholders are empowered to avail EMI based loans up to ₹ 1 lakh for purchase of consumer goods from the approved shops.
- Checking of EMI loan eligibility by sending SMS "DCEMI" to 567676 introduced.

## 5. LIABILITY AND INVESTMENT PRODUCTS

The overall P-Domestic CASA Deposits of your Bank has grown from ₹ 9,16,442 crore as of March, 2019 to ₹ 10,15,578 crore as of March, 2020, registering a growth of ₹ 99,136 crore (10.82% annualised). The CASA for P-Domestic portfolio is at 48.28% as of March, 2020, as compared to 48.49% as of March, 2019.

#### Doorstep Banking Services:

Your Bank introduced Doorstep Banking Services through its Contact Centre and Doorstep Banking Agents at 50 centres across India. To enhance the ease of banking for its customers, SBI expanded its doorstep services. This includes essential banking services such as Cash Pick-up for credit to own account Delivery of Cash withdrawn from own account; Pick up of Cheque Book Requisition Slip; Pick up of Cheques for Collection / Clearing; and delivery of Statement of Account and Term Deposit Advice to all individual customers. Introduction of these services are planned for 100 centres imminently.

## 6. CORPORATE AND INSTITUTIONAL TIE-UPS FOR SALARY PACKAGE

Your Bank has had a focused approach towards opening salary package accounts for Corporates, Defence, Railways and State Govt employees during FY2020 through KAMs (Key Accounts Managers). These managers provide a personalised doorstep service. The total Salary Account customer base as of March, 2020 reached a level of 154.22 lakh, with the addition of 5.44 lakh new Salary Package customers during FY2020.

## 7. DIGITAL PERSONAL LOAN OFFERINGS

While offering products on multiple platforms for portfolio growth with higher profit margins, your Bank has kept in mind the customer's convenience with Ease of Banking and offered the following variants through YONO,

- PAPL (Pre-Approved Personal Loan)
- PAXC (Pre-Approved Xpress Credit)
- PAPNL (Pre-Approved Pension Loan)
- INSTA Credit Top-up for Xpress Credit
- Insta Top-up for Pension Loan

Customers can avail the offerings on a 24X7 basis, without any physical documentation and branch visit.

- Checking of PAPL loan eligibility by sending SMS "PAPL" to 567676 introduced.
- Your Bank is using YONO as well as CLP (GOI) platforms for sourcing of proposals along with in-principle sanctions.

## 8. NRI BUSINESS

As on 31<sup>st</sup> March 2020, your Bank has around 37 lakh NRI Customers, who are being catered through 83 dedicated NRI branches in India, foreign offices in 32 countries, 227 Global Banks as Correspondent Banks and tie-ups with 55 exchange houses and six Banks (in the Middle-East) to facilitate remittances.

Your Bank is also the leader in the NRI Banking space of India, with a market share of 22.03% (as of March 2020). The Indian diaspora, spread across the globe, has always reposed immense trust on us. As of March 2020, the NRI deposit base stands at USD 28.77 billion.

Your Bank has launched the following products and services in FY2020 for NRIs:

- Near-real time outward remittance facility (from NRE accounts) to 209 overseas destinations through internet banking in five international currencies viz. USD, EUR, GBP, SGD and AUD with a daily ceiling of ₹ 10 lakh or equivalent.
- For better control and security in the account, customers can lock and unlock their INB access. OTPs for Internet Banking can be delivered through registered mail ID in addition to SMS on Registered Mobile Number.
- SBI Tax Savings Scheme for NRIs (NRO Deposits) up to ₹ 1.5 lakh per annum with 5-year maturity available on Internet Banking, which can be used by the customers to avail Tax benefits under section 80C of Income Tax Act.
- The minimum amount in FCNB Premium Deposit has been reduced to US\$ 10,000, and NRE Sukoon (Current Account) has been reduced to ₹ 3,000.
- The recharge limit has been increased to ₹ 1 lakh in NRI Family Card, which is the easiest and fastest way of sending money to your loved once in India, at anytime from anywhere in the world.

## 9. PRECIOUS METALS

### Sovereign Gold Bonds:

The Sovereign Gold Bond Scheme was introduced by the Government of India during FY2016 to promote Digital Gold instead of Physical Gold for the investors. During FY 2020, your Bank mobilised 647 kgs (₹ 243.91 crore) through SGB to bring the total Gold mobilised since inception to 5,098 kgs (value ₹ 1,561 crore).

### Gold Monetisation Scheme:

To mobilise gold lying idle with household and institutions, the Government of India introduced the Gold Monetisation Scheme (GMS) during FY2016. During FY2020, your Bank mobilised Gold amounting to 3,973 kgs, bringing the cumulative mobilisation to 13,212 kgs.

### Other Gold Business:

Your Bank is also a primary player in the field of Bullion Banking. It makes available Metal Gold Loan to jewellers engaged in manufacturing of gold ornaments for the domestic and export purposes. During FY2020, your Bank has extended Metal Gold Loan to Jewellers to the extent of 22,255 kgs. Your Bank is also engaged in selling Wholesale Gold to jewellers and traders. During FY2020, your Bank has sold 2,522 kgs under the "Sale of Gold" Scheme.

## 10. WEALTH MANAGEMENT BUSINESS

In FY2020, SBI Wealth made deep inroads into the premium market segment. Your Bank's Wealth Management Business has shown exponential growth in terms of Client Acquisition and Assets Under Management during the financial year. The number of clients increased by 2.4 times, from 55,502 in March, 2019 to 132,354 in March, 2020 while the AUM grew by 3.6 times, reaching ₹ 109,061 crore against ₹ 30,270 crore during the period.

Your Bank's Wealth Management Business services are delivered through 63 centres with 155 Wealth Hubs, including four e-Wealth Centres and a Global e-Wealth Centre. It added 19 new Centres and 29 new Wealth Hubs during the financial year under review. The Wealth Hubs are managed by a team of knowledgeable Relationship Managers

and Investment Officers, along with Wealth Service Managers and Customer Relationship Executives for operational roles.

Your Bank's Open Investment Platform, with state-of-the-art technology and right selling approach based on Risk Profiling, provides one of the best possible experience to clients. During the year, SBI Wealth strengthened the number of Relationship Managers at all its Wealth Hubs, e-Wealth Centres and Global e-Wealth Centre, to acquire and service more clients. The e-Wealth Centres, with extended banking hours, are equipped with transaction execution facilities over Voice and Video calls. This is in addition

to the 'SBI Wealth Mobile App' enabling investment transactions providing a best in class holistic experience to clients.

During FY2020, your Bank has conducted several 'Annual Investment Conclaves' at important centres. These conclaves are a well-attended and signature event, addressed by experts from the Financial Industry on prevalent market conditions and investment opportunities.

The financial year under review was focused on building the quality of your Bank's Client Engagement and Service Delivery. On the 14<sup>th</sup> January, it celebrated its anniversary day as 'SBI Wealth Day'.



Shri Rajnish Kumar, Chairman, SBI addressing the Elite SBI Wealth Clients at the Client Engagement Program held at Mumbai to Celebrate 'The Wealth of Relationships' on the occasion of 'SBI Wealth Day', commemorating the 4<sup>th</sup> Anniversary of SBI Wealth.

## B. ANYTIME CHANNELS

| C. As on                     | ATMs   | Kiosks | ADWMs  | Total  |
|------------------------------|--------|--------|--------|--------|
| 31 <sup>st</sup> March 2016  | 42,733 | 1,231  | 5,760  | 49,724 |
| 31 <sup>st</sup> March 2017  | 42,222 | 986    | 6,980  | 50,188 |
| 31 <sup>st</sup> March 2018* | 51,616 | #      | 7,925  | 59,541 |
| 31 <sup>st</sup> March 2019* | 50,757 | #      | 7,658  | 58,415 |
| 31 <sup>st</sup> March 2020* | 45,285 | #      | 13,270 | 58,555 |

# Kiosks are scrapped and not in use \* Merged