

- EMI
- Cash@POS
- Electronic Toll Collection on National Highways
- YONO Cash and Sale Facility

Your Bank continued the efforts to onboard merchants from premium segments such as OMCs, retail chains, lifestyle stores, and holiday resorts apart from consolidating the existing business. Your Bank has tied up with significant Corporates and Government Departments to migrate their operations from cash to digital mode. This involves the customisation and integration of its systems with those of corporate and Government departments, to ensure seamless flow of digital transactions.

Your Bank has also initiated the development of acceptance infrastructure for NCMC (National Common Mobility Card) on its PoS terminals to push the government initiative of 'One Nation One Card'.

## 8. CUSTOMER VALUE ENHANCEMENT

Your Bank is focused on enhancing the value for its customers and all stakeholders by delivering multiple financial solutions under one roof. As a financial superstore, your Bank offers financial products such as Mutual Funds, General Insurance, Life Insurance, Credit Cards, National Pension System and Demat Accounts through its branch network spread across the length and breadth of the country.

Your Bank has embarked on the path of Digital Journey for on-boarding of customers for the sale of third-party products. Digitalisation has strengthened need-based selling and improved customers stickiness. In the case of SBIMF and SBI Life 100% and 98% of the sales, respectively, are done digitally. The persistency level of Banca Assurance has improved from 81% in FY2019 to 83% in FY2020. Your Bank has increased its focus on the protection business and has seen improvement in protection share.

The most pivotal role of the insurance business is to provide financial sustainability to your Bank's customers

and their families in case of any unfortunate exigencies. State Bank of India takes pride that since the inception of its life insurance business, it has helped nearly 1.45 lakh families by honouring timely death claims. Similarly, SBI General has settled claims of ₹ 35 crore within a record time during Cyclone Fani in Odisha.

In light of changing investment preference of its customers, your Bank is offering need-based financial products of SBIMF such as Systematic Investment Plans, Systematic Withdrawal Plan, Debt, Equity and Liquid Funds, amongst others to all its customers across the country. Your Bank is maintaining the topmost position in terms of number of SIPs (22.5 lakh SIPs) and Book Value (₹ 417 crore).

With the increasing trend in the use of plastic money, your Bank is meeting the demand of the customers and making credit cards available to them at the remotest of the locations and sourced more than a million cards in FY2020. National Pension System (NPS) is a government scheme aimed at having a stable source of income post-retirement. Your Bank, through its widespread branch network, is opening NPS accounts and continues to be the number 1 player with a total of 2.23 lakh (excluding staff) NPS Accounts.

With a focus on better customer experience and need-based selling, your Bank continues to be a leader in the marketing of all these financial products and has earned revenue of ₹ 2,030.35 crore in FY2020. The revenue contribution of each subsidiary is as under:

(₹ in crore)			
JVs	FY2018-19	FY 2019-20	%Change YOY
SBI LIFE	951.9	1117.65	17%
SBI MF	502.61	376.45	-25%*
SBI GENERAL	270.86	314.53	16%
SBI CARDS	191.69	211.95	11%
SSL	6.7	4.74	-29%**
NPS	4.11	5.03	22%
<b>TOTAL</b>	<b>1926.87</b>	<b>2030.35</b>	<b>5%</b>

\* In respect to SBIMF: Negative YoY growth in revenue is on account of regulatory changes in the payment of brokerage.

\*\* Revenue for SBI Cap Sec Ltd. (SSL): Negative YoY growth in revenue is due to lukewarm demand with respect to Demat accounts.

## 9. INTERNET BANKING AND E-COMMERCE

Your Bank's flagship digital portal 'Onlinesbi' continues its forward journey with the current user base of over 735 lakhs is now available in 8 regional languages, apart from English and Hindi. The channel recorded a transaction volume of over 158 crore valued at ₹ 1,33,62,855 crore during the year. Your 'Onlinesbi' retains its premier position and wider acceptability amongst large corporate houses doing high value transactions. This channel is being continuously upgraded with state-of-art security features and functionalities to bring bank and shop both at your fingertips.

## C. SMALL AND MEDIUM ENTERPRISES

Your Bank is a pioneer and market leader in SME financing. With over 10 lakh customers, the SME portfolio of ₹ 2,67,614 crore, as on 31<sup>st</sup> March, 2020 accounts for nearly 11.05% of your Bank's total advances. State Bank of India has always held SMEs as an important segment, considering the role being played by them in the Indian economy in terms of their contribution to manufacturing output, exports and employment generation. Being committed to providing Simple and Innovative Financial Solutions, your Bank's approach in driving SME growth rests on the following three pillars:

- Customer Convenience,
- Risk Mitigation,
- Technology-based digital offerings and process improvements

## 1. CUSTOMER CONVENIENCE

To build and sustain the momentum for transforming India, your Bank has created the highest number of touchpoints in terms of branches and other modes. To enhance ease of business for the Small and Medium Enterprises, your Bank has modified its existing delivery model of Small and Medium Enterprises Centre (SMEC) and created Asset Management Teams (AMTs) to maintain an integrated relationship with the customers for loans up to ₹ 50 lakh. The SMECs have also been strengthened in terms of workforce, which has resulted in improvement in the service levels.

## 2. DIGITAL OFFERINGS

For ensuring Ease of Banking, your Bank is leveraging technology in every aspect of the value proposition from designing products and streamlining processes, to improving delivery and monitoring. Furthermore, it has taken several initiatives to build its SME portfolio in a risk mitigated manner.

### Loan Life-Cycle Management

Apply Loan Online and Online Lead Status: Your Bank is hosting an online loan application and tracking facility for MSME borrowers on the corporate website. A CRM ID is generated against the customer's loan application submitted online or offline by Customer Relationship Management (CRM) application, which will be sent to a customer's mobile number. The customer can track his or her loan application through their CRM ID and mobile number on the online portal, after a successful OTP validation.

Customer Relationship Management (CRM): Your Bank has introduced an integrated CRM platform to engage with customers throughout their lifecycle, to enhance understanding of customer's requirements and to strengthen the customer-centric approach of your Bank. The CRM portal has been designed to generate leads through various channels, improve lead cultivation at multiple stages and enhance business prospects by lowering TAT through a better customer connect.

Loan Origination Software (LOS-SME) and Loan Life Cycle Management System (LLMS): To adopt uniform standards of credit dispensation for ensuring quality and preserving corporate memory, loans

are processed through LOS and LLMS for loans of all sizes.

### Contactless Lending Platform

Your Bank is one of the stakeholder's of SIDBI led PSB consortium and your Bank's path-breaking initiative, psbloanin59minutes.com. This portal provides easy access for loans to SMEs registered on the GST and income tax filing platforms. Under this umbrella, your Bank is sourcing leads from ₹ 1,00,000 to ₹ 500 lakh. In FY2020, a total of 15,550 in-principle approved leads have been generated by the portal, out of which 10,243 leads for ₹ 3,837 has been sanctioned.

### e-Mudra:

Your Bank developed this web application to facilitate appraisals, sanctions, and disbursals of loans up to ₹ 50,000, while seamlessly complying with all norms of the Mudra loan (Shishu Category). It also reduces TAT, smoothen the loan process and enhances customer experience. For FY2020, 40,555 loans have been sanctioned and disbursed through e-Mudra with an aggregate amount of ₹ 194.24 crore as on 31<sup>st</sup> March, 2020.

### Digitalisation of Services for borrowers:

To facilitate hassle-free submission of financials and other statements, your Bank has made this service available through its Corporate Internet Banking Platform.

### Co-origination of Loans

The Reserve Bank of India issued guidelines for the co-origination of loans by banks and non-banking financial companies, or NBFCs, to priority sectors. Under the guidelines, your Bank has already entered into tie-ups with four NBFCs and started booking business.

### Project Vivek

Project Vivek heralded a paradigm shift in your Bank's appraisal system from traditional balance sheet based funding, to a more objective appraisal system using cash-flow healthiness and other information sources. It is a promising initiative launched by State Bank of India to implement a new Credit Underwriting Engine (CUE) for the SME segment, thereby bringing objectivity in better risk assessment. Moreover, it reduces TAT, resulting in better customer experience. In FY2020, a total of 33,618 proposals were processed under Project Vivek.

In line with the thrust on addressing the liquidity issues of MSMEs and to facilitate smooth operations, the following products were launched:

#### a) SLC for MSMEs:

Your Bank has launched a new product 'Standby Line of Credit' for MSMEs having Limits up to ₹ 5 crore to meet temporary liquidity mismatch arising out of the delayed realisation of receivables, receipts of GST Inputs tax credits (including for Exports) and other Business requirements.

#### b) SME Assist:

Your Bank has also restored 'SME Assist' product to address the issues of the units facing liquidity constraints, wherein WCDL loan is granted against the pending input tax credit claims (GST).

### Competitive Rates of Interest

Your Bank has linked all floating rate loans to Micro, Small and Medium Enterprises (MSMEs) to External Benchmark w.e.f 1st October, 2019.

### PAML (Pre-Approved Merchant Loan)

Your Bank has designed an end-to-end digital pre-approved loan offer for its Current Account customers, who have a linked SBI PoS terminal. The loan journey is through CINB (Corporate Internet Banking) platform. Through CINB, customers will be able to avail overdraft facility in their Current Accounts within a few clicks.

### SBI and QCI sign MoU on Zero Defect Zero Effect (ZED) Certification for MSMEs:

Your Bank is the first Bank to sign a Memorandum of Understanding (MoU) with Quality Council of India on the Zero Defect Zero Effect (ZED) Certification Scheme of Ministry of MSME. Under this MoU, your Bank is offering concessions in Pricing/processing charges for MSMEs having better ZED ratings.

### Trade Receivables Discounting System (TReDS)

State Bank of India was the first among all PSBs to register as a financier on the TReDS platform. The TReDS platforms are set up to facilitate finance to MSME Sellers who are registered in the TReDS platforms. Your Bank now has its presence on all the three TReDS platforms (RXIL, M1 Exchange and A. TReDS) in the country. Your Bank was actively participating in

the online bidding of the Bills/ Invoices of the MSME Sellers, which are accepted by the Corporate Buyers, on the platform and was offering very competitive rates for the benefit of MSMEs. In FY2020, Bills of MSMEs aggregating to ₹ 282.65 crore were discounted.

### Supply Chain Finance

Leveraging its state-of-the-art technology and branch network, your Bank continues to be a major player in Supply Chain Finance by strengthening its relationship with the corporate world, across various sectors. Your Bank has extended supply chain finance to over 27,500 dealers and more than 12,300 vendors with total sanctioned limits of over ₹ 40,130 crore.

During FY2020, your Bank has initiated 37 new tie-ups including corporates such as OPPO Mobile, Bosch Limited, Hero Electric, ITC Limited, Dabur Limited, International Tractors Limited, Ultra Tech Cement, Jindal Stainless Hisar Limited, amongst others. New e-DFS limits of ₹ 4,123 crore were sanctioned to 4,317 dealers up to 31<sup>st</sup> March, 2020. To ring-fence the supply chain portfolio, your Bank has put in place suitable risk mitigation measures and risk-based pricing for the Supply Chain Portfolio.

### 3. BUSINESS PARTNERSHIPS AND TIE-UPS

Your Bank is expanding its portfolio of Warehouse Receipt Finance and Supply Chain Finance through business partnerships and tie-ups with collateral managers and industry majors.

#### Warehouse Receipt Finance:

Your Bank has introduced the Warehouse Receipt Financing scheme (WHR) to extend finance to traders, owners of goods and manufacturers for processing. Financing is provided against Warehouse Receipts issued by collateral managers having a tie-up with the Bank. Further, WHR issued by Central Warehousing Corporation (CWC) and State Warehousing Corporation (SWC) would also be eligible for WHR finance. Your Bank has also tied up with repositories NERL and CCRL for financing against e-NWR and NEML (subsidiary of NCDEX) for e-auctioning of NPA and stresses accounts under the WHR financed.

**SBI** YONO

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\*T&C apply.

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- Post-shipment Finance
  - Negotiation / Purchase / Discounting of Bills (Rupee)
  - Export Bill Re-discounting (USD, GBP, EUR & JPY)
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- Hedging
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\*T&C apply.

### 4. RISK MITIGATION

Your Bank has increasingly been shifting its focus towards Risk Mitigated Products, which include Asset-Backed Loans, Bills Discounting facility, and CGTMSE/CGFMU covered loans, amongst others.

#### Pradhan Mantri Mudra Yojana:

In line with the initiatives of the Government of India, your Bank has laid considerable emphasis on extending credit facilities to eligible units under different variants

of Pradhan Mantri Mudra Yojana and has disbursed ₹ 34,977 crore as on 31<sup>st</sup> March, 2020 under PMMY, against a target of ₹ 35,700 crore.

#### Credit Flow to Micro and Small Enterprises under CGTMSE:

Your Bank was a pioneer in supporting MSMEs and Micro and Small business, by extending collateral-free lending up to ₹ 2 crore under the guarantee of CGTMSE. Your Bank has a portfolio of ₹ 9,115 crore under CGTMSE as on 31<sup>st</sup> March, 2020.