## PILLAR 3 DISCLOSURES (CONSOLIDATED) AS AT 30.09.2014

## 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 quarter ended 30.09.2014:

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 & 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 |
| 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 Consolidati |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | on |
| 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 |
| 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 |
| 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 | Deccan Grameena Bank | India | Yes | Consolidated as per AS 23 | No | Not applicable | Not applicable | Associate Entity:No under scope of Regulato Consolida on |
| 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 |
| 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 30.09.2014

| **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 30.09.2014

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

(Rs. 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 & Jaipur | India | Banking Services | 5,689.14 | 93,431.30 |
| 2 | State Bank of Hyderabad | India | Banking Services | 8,907.15 | 143,027.88 |
| 3 | State Bank of Mysore | India | Banking Services | 4,721.25 | 74,632.74 |
| 4 | State Bank of Patiala | India | Banking Services | 6,348.44 | 112,778.76 |
| 5 | State Bank of Travancore | India | Banking Services | 5,029.04 | 105,028.53 |
| 6 | SBI Capital Markets Ltd. | India | Merchant Banking and Advisory Services | 1,141.72 | 1,196.00 |
| 7 | SBICAP Securities Ltd. | India | Securities Broking & its allied services and third party distribution of financial products | 116.50 | 160.26 |
| 8 | SBICAP Ventures Ltd. | India | Asset Management Company for Venture Capital Fund | 5.00 | 5.81 |
| 9 | SBICAP Trustee Company Ltd. | India | Corporate Trusteeship Activities | 32.25 | 37.75 |
| 10 | SBICAP (UK) Ltd. | U.K. | Arrangement of corporate finance & providing advisory services | 24.61 | 24.88 |
| 11 | SBICAP (Singapore) Ltd. | Singapore | Business & management Consultancy Services | 25.34 | 25.47 |
| 12 | SBI DFHI Ltd. | India | Primary Dealer in Govt. Securities | 976.88 | 3,936.01 |

| | | | | | |
|---|---|---|---|---|---|
| 13 | SBI Payment Services Pvt. Ltd. | India | Payment Solution Services | 1.54 | 1.62 |
| 14 | SBI Global Factors Ltd. | India | Factoring Activities | 338.88 | 665.54 |
| 15 | SBI Pension Funds Pvt Ltd. | India | Management of Pension Fund under New Pension Scheme (NPS) | 33.28 | 35.28 |
| 16 | SBI –SG Global Securities Services Pvt. Ltd. | India | Custodial Services and Fund Accounting Services | 77.27 | 79.07 |
| 17 | SBI Mutual Fund Trustee Company Pvt Ltd. | India | Trusteeship Services to schemes floated by SBI Mutual Fund | 20.31 | 20.34 |
| 18 | SBI Funds Management Pvt. Ltd. | India | Asset Management Services to schemes floated by SBI Mutual Fund | 524.09 | 589.05 |
| 19 | SBI Funds Management (International) Private Ltd. | Mauritius | Investment Management Services | 1.62 | 1.80 |
| 20 | SBI Cards and Payment Services Pvt. Ltd. | India | Credit Cards Business | 940.17 | 5,424.75 |
| 21 | State Bank of India (California) | USA | Banking Services | 775.91 | 4,275.89 |
| 22 | State Bank of India (Canada) | Canada | Banking Services | 709.91 | 3,589.03 |
| 23 | Commercial Indo Bank Llc. , Moscow | Russia | Banking Services | 233.03 | 612.75 |
| 24 | SBI (Mauritius) Ltd. | Mauritius | Banking Services | 1,086.20 | 6,466.43 |
| 25 | PT Bank SBI Indonesia | Indonesia | Banking Services | 273.37 | 1,428.81 |
| 26 | Nepal SBI Bank Ltd. | Nepal | Banking Services | 287.33 | 3,909.60 |
| 27 | State Bank of India (Botswana) Ltd. | Botswana | Banking Services | 40.18 | 84.14 |

$ 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

| | |
|---|---|
| (a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities | • 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:<br>➢ Credit Risk<br>➢ Operational Risk<br>➢ Liquidity Risk<br>➢ Compliance Risk<br>➢ Pension Fund Obligation Risk<br>➢ Reputation Risk<br>➢ Residual Risk from Credit Risk Mitigants<br>➢ Settlement Risk<br>➢ Market Risk<br>➢ Credit Concentration Risk<br>➢ Interest Rate Risk in the Banking Book<br>➢ Country Risk<br>➢ New Businesses Risk<br>➢ Strategic Risk<br>➢ Model Risk<br>➢ Contagion Risk<br>➢ Securitization Risk<br><br>• 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.<br><br>• 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.<br><br>• 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). |

| **Quantitative Disclosures** | |
|---|---|
| (b) Capital requirements for credit risk:<br>▪ Portfolios subject to standardized approach<br>▪ Securitization exposures | →　Rs. 1,15,914.48crs.<br>→　Nil<br>…………………………….<br>**Total　Rs. 1,15,914.48crs** |
| (c) Capital requirements for market risk:<br>▪ Standardized duration approach;<br>- Interest Rate Risk<br>- Foreign Exchange Risk(including gold)<br>- Equity Risk | →　Rs. 5,616.98crs.<br>→　Rs.　160.76crs.<br>→　Rs. 1,799.02crs.<br>………………………..<br>**Total　Rs.7,576.76crs.** |
| (d) Capital requirements for operational risk:<br>•Basic Indicator Approach<br>•The Standardized Approach (if applicable) | →　Rs. 12,095.53crs.<br>…………………………..<br>**Total　Rs.12,095.53crs.** |

(e) Common Equity Tier 1, Tier 1 and Total Capital Ratios:
- For the top consolidated group; and
- For significant bank subsidiaries (stand alone or sub-consolidated depending on how the Framework is applied)

**CAPITAL ADEQUACY RATIOS AS ON 30.09.2014**

| | CET 1 (%) | Tier 1 (%) | Total (%) |
|---|---|---|---|
| SBI Group | **9.11** | **9.36** | **12.14** |
| State Bank of India | **9.53** | **9.62** | **12.33** |
| State Bank of Bikaner & Jaipur | **8.41** | **8.66** | **11.05** |
| State Bank of Hyderabad | **8.54** | **9.06** | **11.20** |
| State Bank of Mysore | **8.17** | **8.36** | **10.73** |
| State Bank of Patiala | **7.39** | **7.68** | **10.08** |
| State Bank of Travancore | **7.80** | **8.03** | **10.16** |
| SBI (Mauritius) Ltd. | **19.53** | **19.53** | **20.18** |
| State Bank of India (Canada) | **22.63** | **22.63** | **26.19** |
| State Bank of India (California) | **18.12** | **18.12** | **19.37** |
| Commercial Indo Bank LLC, Moscow | **52.48** | **84.64** | **84.64** |
| Bank SBI Indonesia | **24.76** | **24.76** | **25.37** |
| Nepal SBI Bank Ltd. | **10.98** | **10.98** | **14.29** |
| State Bank of India (Botswana) Ltd. | **253.26** | **253.26** | **253.26** |

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

**Qualitative Disclosures**

- **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 Rs. 10 cr. 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.

**Quantitative Disclosures**

| **General Disclosures:** | | **Amount - Rs. in Crs** | | |
|---|---|---|---|---|
| **Quantitative Disclosures** | | **Fund Based** | **Non Fund Based** | **Total** |
| b | Total Gross Credit Risk Exposures | 16,21,058.48 | 4,60,774.47 | 20,81,832.95 |
| c | Geographic Distribution of Exposures : FB / NFB | | | |
| | Overseas | 2,33,204.28 | 34,113.17 | 2,67,317.45 |
| | Domestic | 13,87,854.20 | 4,26,661.30 | 18,14,515.50 |
| 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) | | | 80,951.78 |
| | i. Substandard | | | 30,659.87 |
| | ii. Doubtful 1 | | | 22,851.92 |
| | iii. Doubtful 2 | | | 20,728.78 |
| | iv. Doubtful 3 | | | 3,377.64 |
| | v. Loss | | | 3,333.57 |
| g | Net NPAs | | | 44,652.44 |
| h | NPA Ratios | | | |
| | i) Gross NPAs to gross advances | | | 4.99% |
| | ii) Net NPAs to net advances | | | 2.83% |
| i | Movement of NPAs (Gross) | | | |
| | i) Opening balance | | | 80,737.02 |
| | ii) Additions | | | 28,241.68 |
| | iii) Reductions | | | 28,026.92 |
| | iv) Closing balance | | | 80,951.78 |
| j | Movement of provisions for NPAs | | | |
| | i) Opening balance | | | 38,532.22 |
| | ii) Provisions made during the period | | | 9,854.10 |
| | iii) Write-off | | | 12,124.72 |
| | iv) Write-back of excess provisions | | | 37.74 |
| | v) Closing balance | | | 36,299.34 |
| k | Amount of Non-Performing Investments | | | 1,032.54 |
| l | Amount of Provisions held for Non-Performing Investments | | | 980.48 |
| m | Movement of Provisions for Depreciation on Investments | | | |
| | i) Opening balance | | | 1,946.91 |
| | ii) Provisions made during the period | | | 90.06 |
| | iii) Less: Foreign Exchange Revaluation Adj. | | | |
| | iv) Write-off | | | 701.46 |
| | v) Write-back of excess provisions | | | 74.18 |
| | vi) Closing balance | | | 1,409.69 |

**Table- A: DF-3 (d) Industry Type Distribution of Exposures as on 30.09.2014**

**Amount - Rs. in Crs.**

| CODE | INDUSTRY | FUND BASED [Outstanding-O/s)] | | | NON-FUND BASED(O/s) |
|---|---|---|---|---|---|
| | | Standard | NPA | Total | |
| 1 | Coal | 3,432.95 | 473.65 | 3,906.61 | 3,661.32 |
| 2 | Mining | 8,888.34 | 574.99 | 9,463.33 | 2,998.96 |
| 3 | Iron & Steel | 111,686.43 | 7,305.38 | 118,991.81 | 27,905.26 |
| 4 | Metal Products | 37,487.39 | 1,800.71 | 39,288.10 | 7,209.60 |
| 5 | All Engineering | 35,602.25 | 4,390.81 | 39,993.06 | 69,521.44 |
| 51 | Of which Electronics | 11,259.53 | 1,000.26 | 12,259.79 | 31,385.65 |
| 6 | Electricity | 29,075.11 | 129.94 | 29,205.05 | 2,019.12 |
| 7 | Cotton Textiles | 35,232.49 | 2,361.20 | 37,593.69 | 4,172.39 |
| 8 | Jute Textiles | 492.72 | 142.46 | 635.18 | 170.36 |
| 9 | Other Textiles | 21,076.19 | 2,115.95 | 23,192.14 | 2,282.71 |
| 10 | Sugar | 7,310.50 | 162.40 | 7,472.90 | 690.48 |
| 11 | Tea | 794.07 | 31.40 | 825.47 | 75.08 |
| 12 | Food Processing | 41,490.41 | 3,847.71 | 45,338.12 | 2,409.88 |
| 13 | Vegetable Oils & Vanaspati | 8,717.32 | 1,533.01 | 10,250.33 | 6,221.06 |
| 14 | Tobacco / Tobacco Products | 609.89 | 9.24 | 619.13 | 290.89 |
| 15 | Paper / Paper Products | 5,744.99 | 1,768.37 | 7,513.35 | 901.36 |
| 16 | Rubber / Rubber Products | 8,553.67 | 214.02 | 8,767.69 | 2,004.82 |
| 17 | Chemicals / Dyes / Paints etc. | 60,187.67 | 4,296.37 | 64,484.04 | 60,827.28 |
| 171 | Of which Fertilizers | 19,119.14 | 53.80 | 19,172.94 | 4,803.10 |
| 172 | Of which Petrochemicals | 24,170.31 | 49.84 | 24,220.15 | 47,615.97 |
| 173 | Of which Drugs & Pharmaceuticals | 11,466.36 | 2,874.42 | 14,340.78 | 2,278.97 |
| 18 | Cement | 9,515.55 | 664.97 | 10,180.51 | 2,496.27 |
| 19 | Leather & Leather Products | 2,703.05 | 95.52 | 2,798.57 | 379.88 |
| 20 | Gems & Jewellery | 18,645.96 | 2,542.84 | 21,188.80 | 1,737.69 |
| 21 | Construction | 12,127.23 | 697.14 | 12,824.37 | 4,429.61 |
| 22 | Petroleum | 56,827.82 | 274.15 | 57,101.97 | 17,454.78 |
| 23 | Automobiles & Trucks | 14,323.31 | 417.64 | 14,740.95 | 7,393.51 |
| 24 | Computer Software | 2,777.18 | 924.84 | 3,702.02 | 4,499.71 |
| 25 | Infrastructure | 205,358.47 | 10,549.83 | 215,908.30 | 67,331.01 |
| 251 | Of which Power | 99,375.26 | 4,036.61 | 103,411.87 | 20,928.61 |
| 252 | Of which Telecommunication | 34,365.54 | 894.27 | 35,259.81 | 11,989.73 |
| 253 | Of which Roads & Ports | 33,025.68 | 2,802.85 | 35,828.53 | 12,333.23 |
| 26 | Other Industries | 98,507.14 | 2,031.58 | 100,538.72 | 47,833.57 |
| 27 | NBFCs & Trading | 97,981.45 | 3,953.99 | 101,935.44 | 45,061.81 |
| 28 | Res. Adv to bal. Gross Adv. | 6,04,956.12 | 27,641.69 | 632,597.81 | 68,794.61 |
| | **Total** | **1,540,106.73** | **80,951.75** | **1,621,058.48** | **460,774.46** |

## Table- B

### DF-3 (e) SBI (CONSOLIDATED) Residual contractual maturity breakdown of assets as on 30.09.2014*

**[Rs. in Crs.]**

| | | 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 | 15579.75 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | **15579.75** |
| 2 | Balances with RBI | 4822.10 | 1095.00 | 2547.91 | 3133.95 | 13153.50 | 17626.80 | 9528.71 | 25867.25 | **77775.22** |
| 3 | Balances with other Banks | 55410.23 | 10.81 | 287.61 | 619.40 | 641.14 | 4849.42 | 0.00 | 157.23 | **61975.84** |
| 4 | Investments | 19652.57 | 6748.87 | 28549.15 | 21923.09 | 34821.68 | 98036.76 | 104146.97 | 312155.33 | **626034.42** |
| 5 | Advances | 41041.58 | 26025.46 | 91590.06 | 64943.07 | 88068.97 | 726851.31 | 205621.43 | 333193.95 | **1577336.88** |
| 6 | Fixed Assets | 0.00 | 0.00 | 0.00 | 2.45 | 0.00 | 0.06 | 2.28 | 11399.03 | **11403.82** |
| 7 | Other Assets | 22337.10 | 2835.76 | 3643.81 | 3762.29 | 3044.99 | 4171.69 | 2725.22 | 21932.33 | **64453.19** |
| | **TOTAL** | **158843.33** | **36715.90** | **126618.54** | **94384.25** | **139730.28** | **851536.04** | **322024.61** | **705679.34** | **2435532.29** |

*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**
  - (i) 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.
  - (ii) 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 30.09.2014** **(Rs. in crs.)**

| | | **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 | 1291258.92 |
| | 100% Risk Weight | 503523.09 |
| | More than 100% Risk Weight | 283774.36 |
| | Deducted | 3276.58 |
| | **Total** | 2081832.95 |

## 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**<br>The Bank accepts the following entities as eligible guarantors, in line with RBI guidelines :<br>• 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.<br>• 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:**<br>The Bank has a well-dispersed portfolio of assets which are secured by various types of collaterals, such as:-<br>• Eligible financial collaterals listed above<br>• Guarantees by sovereigns and well-rated corporates,<br>• Fixed assets and current assets of the counterparty. |

| **Quantitative Disclosures** | **(Amount - Rs. in crs.)** |
|---|---|
| (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. | 158142.42 |
| (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) | 12168.41 |

## 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;<br>@ 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.<br># 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 processes in place to monitor changes in the credit and market risk of securitisation exposures (for example, how the behaviour of the underlying assets impacts securitisation exposures as defined in para 5.16.1 of the Master Circular on NCAF dated July 1, 2012). | 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*** | ***Rs. In Crores*** |
| ***(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:<br>➢ Bonds & Equity holdings under the Held for Trading (HFT) and Available for Sale (AFS) categories.<br>➢ Forex under HFT category and Mutual Fund under AFS category.<br>➢ 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)/Mid-Office have been put in place based on the approval accorded by the Board of 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:<br>(a) Market Risk Management Policy<br>(b) Investment Policy<br>(c) Policy for Trading in Interest Rate Securities and Equity<br>(d) Policy for Derivatives<br>(e) Forex Trading Policy<br>(f) Value- at- Risk Policy<br>(g) Stress Test Policy<br>(h) Model Validation Policy<br>(i) Valuation Policy |
| 5) | Risk monitoring is an ongoing process and risk positions are analysed and reported to Top Management, 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, Management Action Triggers, etc in line with global best practices. |
| 7) | Forex Open position limits (Daylight/Overnight), Stop Loss Limits, Aggregate Gap Limit (AGL), etc. are monitored and exception reporting is regularly carried out. |
| 8) | Stress Testing is carried out at quarterly intervals as a complement to Value at Risk. Back-Testing of VaR number is carried out on daily basis. Results are reported to Top Management and Risk Committees. |
| 9) | Respective Foreign Offices are responsible for risk monitoring of their investment portfolio as per the local regulatory requirements 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 (IMA) for calculating capital charge for market risk and submitted Letter of Intent (LoI) to RBI during the FY 2012-13. |

**Quantitative disclosures:**

(b) Bank maintains capital charge for Market Risk under the Standardised Measurement Method as under: [Rs. in Crs.]

| **Particulars** | **Amount** |
|---|---:|
| Interest Rate Risk (Including Derivatives) | 5616.98 |
| Equity position Risk | 160.76 |
| Foreign Exchange Risk | 1799.02 |
| **Total** | **7576.76** |

## 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
- Policy on Business Continuity Planning (BCP)
- Policy on Know Your Customer (KYC) Standards and Anti Money Laundering (AML) Measures
- Loss Data Management Policy
- Policy on Fraud Risk Management
- Outsourcing Policy
- Operational Risk Appetite Framework (SBI)
- Capital Computation Framework

Manuals

- Operational Risk Management Manual
- Loss Data Manual
- Business Continuity Planning (BCP) 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 Foreign Banking subsidiaries are in place. A few of the policies in place are – Disaster Recovery Plan/ Business Continuity Plan, Incident Reporting Mechanism, Outsourcing Policy, etc.

**C. Strategies and Processes**

**Domestic Banking entities (SBI & ABs)**

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, 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.
- The process of building a comprehensive database of losses due to Operational Risks has been initiated, to facilitate better risk management.
- An excel based template for collecting loss data, including Near Misses, from Branches has been developed to facilitate better risk management.
- 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 Staff 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.
- Excel based template for conducting Risk & Control Self Assessment (RCSA) exercise through workshops have 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. Top risks identified in the RCSA exercises along with their mitigation plan are being addressed.
- In SBI, in order to successfully embed the operational risk management system, Risk Management Committees at the Circle (RMCC) and also at the Business and Support Groups (RMC at NBG, IBG, GMU, CBG, MCG & IT) are in place in addition to ORMC and RMCB.
- 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 in place.
- Development of internal systems for quantifying and monitoring operational risk as required under Basel II defined Advanced Measurement Approach (AMA) is underway at SBI and ABs. The Bank (SBI) and ABs have already applied for migration to AMA to RBI.

**Domestic Non-Banking and Overseas Banking entities**

Adequate measures by way of systems and procedures and reporting has been put in place.

**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.

1.1 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.

1.2 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.

1.3 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.

1.4 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%** |

1.5 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

### A Earnings at Risk (EaR)

**(Rs.in Crs)**

| | Impact on NII |
|---|---|
| Impact of 100 bps parallel shift in interest rate on both assets & liability on Net Interest Income (NII) | **6460.07** |

### Market Value of Equity (MVE)

**(Rs in Crs)**

| | Impact on MVE |
|---|---|
| Impact of 100 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE) | **2149.10** |

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

### Qualitative Disclosures

(a) 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 limit for banks are assessed using internal models considering a number of financial parameters like networth, 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 does not recognize bilateral netting.

### Quantitative Disclosures

(b) Gross positive fair value of contracts, netting benefits, netted current credit exposure, collateral held, (including type e.g. cash, government securities etc), and net derivatives credit exposure. Also report measures for exposures at default or exposure amount, under CEM. The notional value of the credit derivatives hedges, and the distributions of current credit exposures by types of credit exposure.

**(Rs. in Crores)**

| **Particulars** | **Notional** | **Current Credit Exposure** |
|---|---|---|
| a) Interest rate Swaps | 119333.11 | 2313.18 |
| b) Cross Currency Swaps | 22698.00 | 1240.52 |
| c) Currency Options | 3835.56 | 260.16 |
| d) Foreign Exchange Contracts | 351428.11 | 3727.26 |
| e) Currency Futures | Nil | Nil |
| f) Forward Rate Agreements | Nil | Nil |
| a) Others (please specify product name) | Nil | Nil |
| **Total** | **497294.78** | **7541.12** |
| **Credit Derivative Transactions** | **Nil** | |

# 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 | 94031.40 | | B1 + B2 + B6 (#) |
| 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) | 3047.15 | | |
| 6 | Common Equity Tier 1 capital before regulatory adjustments | 139269.81 | | |
| **Common Equity Tier 1 capital before regulatory adjustments** | | | | |
| 7 | Prudential valuation adjustments | | | |
| 8 | Goodwill (net of related tax liability) | 379.08 | 568.61 | D * 40% |
| 9 | Intangibles other than mortgage-servicing rights (net of related tax liability) | | | |
| 10 | Deferred tax assets | 241.90 | 362.84 | C * 40% |
| 11 | Cash-flow hedge reserve | | | |
| 12 | Shortfall of the stock of provisions to expected losses | | | |
| 13 | Securitisation gain on sale | | | |
| 14 | Gains and losses due to changes in own credit risk on fair valued liabilities | | | |
| 15 | Defined-benefit pension fund net assets | 233.76 | | |
| 16 | Investments in own shares (if not already netted off paid-up capital on reported balance sheet) | 63.39 | | |
| 17 | Reciprocal cross-holdings in common equity | 158.94 | 238.41 | |
| 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**)** | 538.72 | | |
| 26a | *of which*: Investments in the equity capital of unconsolidated insurance subsidiaries | 538.72 | 808.08 | |
| 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 | | | |
| | Regulatory Adjustments applied to Common Equity Tier 1 in respect of Amounts subject to Pre-Basel III treatment | 372.94 | 559.40 | |
| | *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** | 2002.23 | | |
| 29 | **Common Equity Tier 1 capital (CET1)** | 137267.58 | | |
| **Additional Tier 1 capital (AT1) : instruments** | | | | |
| 30 | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus **(**31+32**)** | 0.00 | | |
| 31 | *of which*: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares) | | | |
| 32 | *of which*: classified as liabilities under applicable accounting standards (Perpetual Debt Instruments) | | | |
| 33 | *Directly issued capital instruments subject to phase out from Additional Tier 1* | 4042.11 | | |
| 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) | 1635.69 | | |
| 35 | *of which*: instruments issued by subsidiaries subject to phase out | 1396.00 | | |
| 36 | **Additional Tier 1 capital before regulatory adjustments** | 5677.80 | | |
| **Additional Tier 1 capital: regulatory adjustments** | | | | |
| 37 | Investments in own Additional Tier 1 instruments | | | |
| 38 | Reciprocal cross-holdings in Additional Tier 1 instruments | 109.35 | 164.03 | |
| 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 | 1894.90 | 1936.67 | |
| | *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** | 2004.25 | | |
| 44 | **Additional Tier 1 capital (AT1)** | 3673.55 | | |
| 44a | **Additional Tier 1 capital (AT1) reckoned for capital adequacy** | 3673.55 | | |
| 45 | **Tier 1 capital (T1 = CET1 + AT1) [29 + 44a]** | 140941.12 | | |
| | **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 | 25282.88 | | |
| 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) | 6075.28 | | |
| 49 | *of which*: instruments issued by subsidiaries subject to phase out | | | |
| 50 | Provisions | 8995.91 | | |
| 51 | **Tier 2 capital before regulatory adjustments** | 42354.07 | | |
| | **Tier 2 capital: regulatory adjustments** | | | |
| 52 | Investments in own Tier 2 instruments | | | |
| 53 | Reciprocal cross-holdings in Tier 2 instruments | 51.50 | 77.25 | |
| 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 | 404.04 | 942.76 | |
| | *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** | 455.54 | | |

| | | | | |
|---|---|---|---|---|
| 58 | **Tier 2 capital (T2)** | 41898.53 | | |
| 58a | **Tier 2 capital reckoned for capital adequacy** | 41898.53 | | |
| 58b | **Excess additional Tier 1 capital reckoned as Tier 2 capital** | 0 | | |
| 58c | **Total Tier 2 capital admissible for capital adequacy (58a+58b)** | 41898.53 | | |
| 59 | **Total capital (TC = T1 + T2) [45 + 58c]** | 182839.65 | | |
| | Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment | | | |
| | *of which*: [INSERT TYPE OF ADJUSTMENT] | | | |
| | *of which*: … | | | |
| 60 | **Total risk weighted assets (60a + 60b + 60c)** | 1506519.81 | | |
| 60a | *of which*: total credit risk weighted assets | 1287938.66 | | |
| 60b | *of which*: total market risk weighted assets | 84186.33 | | |
| 60c | *of which*: total operational risk weighted assets | 134394.82 | | |
| | **Capital Ratios** | | | |
| 61 | Common Equity Tier 1 (as a percentage of risk weighted assets) | 9.11% | | |
| 62 | Tier 1 (as a percentage of risk weighted assets) | 9.36% | | |
| 63 | Total capital (as a percentage of risk weighted assets) | 12.14% | | |
| 64 | Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets) | 0.00% | | |
| 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) | 5.00% | | |
| 70 | National Tier 1 minimum ratio (if different from Basel III minimum) | 6.50% | | |
| 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) | 8995.91 | | |
| 77 | Cap on inclusion of provisions in Tier 2 under standardised approach | 16099.23 | | |
| 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 instrumnets 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 instrumnets 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 instrumnets 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 (Rs. 5 Crores)

## DF-12: COMPOSITION OF CAPITAL-RECONCILIATION REQUIREMENTS

**STEP-1** (Rs. 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 | 155,762.38 | 151,803.81 |
| | Minority Interest | 5,262.76 | 4,032.93 |
| | **Total Capital** | **161,771.71** | **156,583.31** |
| ii | **Deposits** | **1,926,215.55** | **1,926,845.86** |
| | of which: Deposits from banks | 18,361.93 | 18,361.93 |
| | of which: Customer deposits | 1,907,853.62 | 1,908,483.93 |
| | of which: Other deposits (pl. specify) | - | - |
| iii | **Borrowings** | **225,135.42** | **225,265.01** |
| | of which: From RBI | 3,646.22 | 3,646.22 |
| | of which: From banks | 92,389.42 | 92,389.42 |
| | of which: From other institutions & agencies | 75,105.11 | 75,199.70 |
| | of which: Others (pl. specify) | - | - |
| | of which: Capital Instruments | 53,994.67 | 54,029.67 |
| iv | **Other liabilities & provisions** | 174,906.50 | 111,555.98 |
| | **Total** | **2,488,029.18** | **2,420,250.16** |
| | | | |
| **B** | **Assets** | | |
| i | **Cash and balances with Reserve Bank of India** | 93,105.74 | 93,080.28 |
| | **Balance with banks and money at call and short notice** | 60,680.02 | 58,685.04 |
| ii | **Investments** | **678,457.03** | **615,004.36** |
| | of which: Government securities | 532,790.72 | 509,120.28 |
| | of which: Other approved securities | 1,001.73 | - |
| | of which: Shares | 27,492.92 | 3,860.10 |
| | of which: Debentures & Bonds | 67,807.64 | 55,936.09 |
| | of which: Subsidiaries / Joint Ventures / Associates | 2,144.91 | 1,955.52 |
| | of which: Others (Commercial Papers, Mutual Funds etc.) | 47,219.11 | 44,132.37 |
| iii | **Loans and advances** | **1,577,336.88** | **1,577,335.84** |
| | of which: Loans and advances to banks | 41,042.77 | 41,042.77 |
| | of which: Loans and advances to customers | 1,536,294.11 | 1,536,293.07 |
| iv | **Fixed assets** | 11,236.61 | 10,834.45 |
| v | **Other assets** | 66,265.21 | 64,362.50 |
| | of which: Goodwill and intangible assets | 1,166.11 | 1,166.11 |
| | of which: Deferred tax assets | 610.55 | 604.74 |
| vi | **Goodwill on consolidation** | 947.69 | 947.69 |
| vii | **Debit balance in Profit & Loss account** | - | - |
| | **Total Assets** | **2,488,029.18** | **2,420,250.16** |

**STEP-2** (Rs. 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 |
| | *of which: Amount eligible for CET 1* | *746.57* | *746.57* |
| | *of which: Amount eligible for AT1* | - | - |
| | Reserves & Surplus | 155,762.38 | 151,803.81 |
| | *of which: Statutory Reserve* | 52,939.35 | 52,939.35 |
| | *of which: Capital Reserves* | 2,500.98 | 2,499.41 |
| | *of which: Share Premium* | 41,444.69 | 41,444.69 |
| | *of which: Investment Reserve* | 1,043.07 | 1,043.07 |
| | *of which: Foreign Currency Translation Reserve* | 7,313.89 | 7,311.75 |
| | *of which: Revenue and Other Reserve* | 40,357.83 | 38,597.64 |
| | *of which: Balance in Profit & Loss Account* | 10,162.57 | 7,967.90 |
| | Minority Interest | 5,262.76 | 4,032.93 |
| | **Total Capital** | **161,771.71** | **156,583.31** |
| ii | **Deposits** | **1,926,215.55** | **1,926,845.86** |
| | of which: Deposits from banks | 18,361.93 | 18,361.93 |
| | of which: Customer deposits | 1,907,853.62 | 1,908,483.93 |
| | of which: Other deposits (pl. specify) | | |
| iii | **Borrowings** | **225,135.42** | **225,265.01** |
| | of which: From RBI | 3,646.22 | 3,646.22 |
| | of which: From banks | 92,389.42 | 92,389.42 |
| | of which: From other institutions & agencies | 75,105.11 | 75,199.70 |
| | of which: Others (pl. specify) | | |
| | of which: Capital Instruments | 53,994.67 | 54,029.67 |
| iv | **Other liabilities & provisions** | **174,906.50** | **111,555.98** |
| | of which: DTLs related to goodwill | - | - |
| | of which: DTLs related to intangible assets | 39.03 | 39.03 |
| | **Total** | **2,488,029.18** | **2,420,250.16** |
| | | | |
| **B** | **Assets** | | |
| i | **Cash and balances with Reserve Bank of India** | **93,105.74** | **93,080.28** |
| | **Balance with banks and money at call and short notice** | **60,680.02** | **58,685.04** |
| ii | **Investments** | **678,457.03** | **615,004.36** |
| | of which: Government securities | 532,790.72 | 509,120.28 |
| | of which: Other approved securities | 1,001.73 | - |
| | of which: Shares | 27,492.92 | 3,860.10 |
| | of which: Debentures & Bonds | 67,807.64 | 55,936.09 |
| | of which: Subsidiaries / Joint Ventures / Associates | 2,144.91 | 1,955.52 |
| | of which: Others (Commercial Papers, Mutual Funds etc.) | 47,219.11 | 44,132.37 |

| | | | |
|---|---|---|---|
| iii | **Loans and advances** | **1,577,336.88** | **1,577,335.84** |
| | of which: Loans and advances to banks | 41,042.77 | 41,042.77 |
| | of which: Loans and advances to customers | 1,536,294.11 | 1,536,293.07 |
| iv | **Fixed assets** | **11,236.61** | **10,834.45** |
| v | **Other assets** | **66,265.21** | **64,362.50** |
| | *of which: Goodwill* | - | - |
| | *of which: Other intangibles (excluding MSRs)* | 1,166.11 | 1,166.11 |
| | of which: Deferred tax assets | 610.55 | 604.74 |
| vi | **Goodwill on consolidation** | **947.69** | **947.69** |
| vii | **Debit balance in Profit & Loss account** | - | - |
| | **Total Assets** | **2,488,029.18** | **2,420,250.16** |

### STEP 3

Rs. 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 | 94031.4 | B1 + B2 + B6 (#) |
| 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) | 3047.15 | |
| 6 | Common Equity Tier 1 capital before regulatory adjustments | 139269.81 | |
| 7 | Prudential valuation adjustments | 0 | |
| 8 | Goodwill (net of related tax liability) | 379.08 | D * 40% |

* B6: Revenue & Other Reserves is taken net of Integration & Development Fund (Rs. 5 Crores)