



STATE BANK OF INDIA

TRANSFORMATION ON TRACK



ANNUAL REPORT 2018-19

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Notice

STATE BANK OF INDIA

(Constituted under the State Bank of India Act, 1955)

The 64th Annual General Meeting of Shareholders of the State Bank of India will be held at the “SBI Auditorium”, State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai-400021 (Maharashtra) on Thursday the 20th June, 2019, at 03.00 p.m. for transacting the following business:-

“To discuss and adopt the balance sheet and the profit and loss account of the State Bank of India made up to the 31st day of March 2019, the report of the Central Board on the working and activities of the State Bank of India for the period covered by the Accounts and the Auditor’s Report on the Balance Sheet and Accounts”.

Corporate Centre,
State Bank Bhavan,
Madame Cama Road,
Mumbai - 400 021
Date: 10th May, 2019

(RAJNISH KUMAR)
CHAIRMAN



VISION

Be the Bank of
Choice for
A Transforming
India



MISSION

Committed to
Providing Simple,
Responsive, and
Innovative Financial
Solutions



VALUES

Service
Transparency
Ethics
Politeness
Sustainability

About SBI

With a legacy of over 200 years, State Bank of India (SBI) traces its ancestry to the Bank of Calcutta founded in 1806 and is the oldest commercial bank in the Indian subcontinent. SBI is an Indian multinational, public sector banking and financial services statutory body, fostering the nation's 2.6 trillion-dollar economy and serving the hopes of its vast population.

For SBI, the interests of the common man have always remained at the core of its business. With a customer-centric approach, the Bank has designed products and services to meet the expectations of the financial life cycle of its valued clientele. Keeping pace with the transforming landscape of the Indian economy, SBI has broadened its digital base in the recent years. The Bank plays a fundamental role in making the Government of India's Digital India initiative a reality.

Headquartered in Mumbai, SBI provides a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies, and institutional customers through its various branches and outlets, joint ventures, subsidiaries, and associate companies. It has always been in the forefront to embrace changes without losing sight of its values such as Transparency, Sustainability, Social Responsibility, and Customer Service.

yono
by SBI



SBI's Journey Through Numbers

**Largest Bank in India
(Deposits, Advances,
Customers and
Banking Outlets)**

No.
(in crore)
Customers **43.51**

%
Market Share
Deposits **22.38**
Advances **20.09**

No.
Total Branches **22,010**

No.
Pan-India
ATMs, CDMs &
Recyclers **58,415**

No.
BC Outlets **57,467**

%
Share of
Transactions
on Alternate
Channels **88.1**

%
Market Share
in no. of POS **15.93**

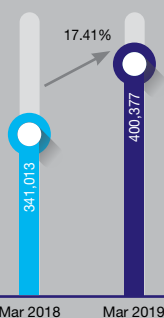
%
Market Share
in Debit Card
Spends **29.89**

No.
(in crore)
Financial
Inclusion
Accounts **14.25**

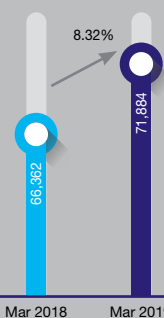
Amt.
(₹ in crore)
Financial
Inclusion **31,235**

No.
(in crore)
Financial
Inclusion
Transactions
Through BC
Channel **39.75**

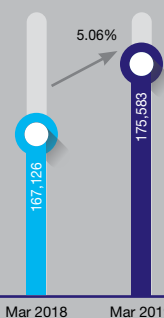
HOME LOANS
(₹ in crore)



AUTO LOANS
(₹ in crore)



OTHER P-SEGMENT LOANS
(₹ in crore)



Transformation on Track

Over the past few years, the predominant focus has been to enhance our Return on Assets as well as the Return on Equity. At every turn, we have addressed complex questions and benchmarked ourselves to the best in industry standards, so that we can enhance the Bank's performance across all parameters and in the process be completely self-reliant in the generation of capital.

FY2019 will be remembered as a major landmark in our journey of delivering quality growth across all our businesses. In this respect, we have reached an important inflection point. The hard work undertaken over the last 3-4 years is redefining us to "Be The Bank Of Choice For A Transforming India". Consequently, we are once again regaining the glory of a world class banking institution, with superior processes and practices. The values that define us are the ones that help us in consistently strengthening our market share, our sizeable balance sheet, our performance parameters and our ability to create sustainable value for our shareholders. We see ourselves once again firmly on this unending journey of leadership in all spheres of banking initiatives.

The challenges faced by your Bank over the recent years have led to revamping of our credit processes, reorganising Risk and creating strong underwriting practices for sanctioning quality loans; adding high quality values on the corporate loan book side; building a robust and growing retail business; strategically pursuing resolutions of stressed assets, with many cases seeing the light at the end of the tunnel; enhancing our branch experience and reach to serve India's vast population; rolling out of several IT initiatives and pathbreaking B2C platforms; maintaining a highly evolved treasury operations; maintaining our strong deposits franchise as a reliable liabilities foundation to fund credit growth; recalibrating our human resource skills through systematic improvements and innovations.

In addition to our sturdy domestic business, the Bank is having a very large footprint in international operations, for serving clients that are increasingly becoming global. With an array of industry-leading and synergetic businesses within our portfolio of subsidiaries, we aim to continuously look towards unlocking value in a carefully calibrated manner.

In the latter part of FY2019, we witnessed the early signs of the turnaround that we had diligently and systematically been working for and multi-pronged strategies yielded the desired results. Looking forward, we are well positioned on the back of a strong Business growth, Capital and liquidity and ability to charge spreads to be in leadership position, towards steadily improving our ROE to 15% and upwards, and an ROA of around 1% sustainably.

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TRANSFORMATION ON TRACK

Unlocking the Potential of Our Human Capital

Our employees are our partners. Their commitment towards our purpose allows us to efficiently deliver to our stakeholders viz. our customers, shareholders, and society. We are continuously investing in them so that they can develop and grow. At the same time, we are ensuring a diverse and inclusive workplace for them to thrive.

“ We believe that the seamless contributions of our employees drive responsible growth. Our commitment to them is demonstrated by our continued investment in making State Bank of India an excellent place to work. ”





Our Human Resource (HR) function has been instrumental in implementing our business strategies. During the year, we have further centralised our HR for greater control and quality. In addition to this, we have adopted a data driven model for manpower planning to achieve optimal utilisation of our human resources. We have implemented various initiatives to enhance the productivity of our employees.

Our robust Career Development System has brought in greater transparency, inclusiveness, accountability, and effectiveness into the management of employee performance. A structured feedback mechanism has also been introduced to drive the performance review process. Additionally, we



have formulated a succession planning policy to ensure the smooth transitioning of critical executive positions. We have also attracted new talent in the areas of Wealth management, Information Technology, Information Security, Risk, and Credit, among others.

We have consistently promoted a performance-driven culture, originated on ethically and financially sound business methods. We have developed an effective training system, which translates our vision into actionable plans by amplifying the strengths of our employees, bridging skill-gaps, and unleashing the potential of each employee. Additionally, every year, our training system caters to the multifaceted skill development requirements of a multigenerational and culturally



diverse workforce. Moreover, we have conceptualised initiatives for reskilling our employees and preparing them for the fast-changing business environment. Not surprisingly, we have been awarded the Business World Award for 'Excellence in Learning and Development'.

Gender sensitivity and inclusiveness have always been the cornerstone of State Bank of India. Today, 24.34% of our total workforce are women. Our commitment comes from the leaders who are responsible for upholding diversity and inclusive practices.



“ We have consistently promoted a performance-driven culture, originated on ethically and financially sound business methods.”

24.34% of our total workforce are women

Around **690** specialists hired in FY2019

Over **90** years of training culture

TRANSFORMATION ON TRACK

Zeroing in on our Retail & Digital Banking Business as a Key Growth Driver

At State Bank of India, we habitually strive to be a friendly and efficient bank for our customers to do business with. Holding a preeminent leadership position in the Retail, Agri and SME marketplaces, we are continuously investing and innovating to keep raising the bar for customer service and experience.

FY2019 was a year of strong performance for State Bank of India. With a portfolio exceeding ₹6.50 lakh crore in our Retail Personal Banking, we clearly led the pack within the financial marketplace. The Retail and Digital Banking Group consists of eight strategic business units and is the largest in India in terms of its branch network and human resources. Retail Banking is our most critical segment, both in terms of resource gathering through CASA and Term Deposits growth as well as extending customised credit for the basic requirements of customers. We continue to see a strong momentum in customer acquisition across the country, thereby ensuring a steady growth in retail deposits. Simultaneously, to meet the aspirations of this growing customer base, retail assets are being strategically positioned with a view to occupy a much larger proportion of total advances.

“With YONO, we have set a new benchmark for product accessibility and customer convenience. We believe that through modernisation and advancement from the judicious use of technology, we can partner with our customers and strengthen their loyalty to your Bank.”

The evolving digital landscape is a key driver that is changing the way in which customers interact with their banks. A steady stream of technology driven innovations, necessitated by changing customer preferences, is transforming our retail banking landscape.

At State Bank of India, we have an evolved multi-channel delivery model, which allows our customers to carry out transactions through any channel, at any time or place. In particular, we have made impressive progress in enhancing client convenience by making our offerings from your Bank and our subsidiaries available in one place. To this end, we have made significant progress with our flagship venture, YONO, which is India's fastest growing omni-channel. This venture offers Banking, Insurance, and Investment products, as well as unmatched service and shopping experience, in one place.

