

- i. The above results have been reviewed by the Audit Committee of the Board at their meeting held on May 22, 2014 and approved by the Board of Directors at their meeting held on May 23, 2014.
- ii. The financial results for the year ended March 31, 2014 have been arrived at after considering necessary provisions for NPAs, Standard Assets, Standard Derivative Exposures, and depreciation on Investment on the basis of prudential norms issued by RBI. Provisions for contingencies, Employee Benefits, Income Tax (after adjustment for deferred tax), Wealth Tax and for other items/assets are on estimated basis.
- iii. There is no material change in the accounting policies adopted during the year ending March 31, except (a) change in the rate of depreciation on software forming integral part of hardware which has been aligned with the rate of depreciation charged on hardware and (b) change in the method of assessment of liability on account of reward points on Debit Cards to actuarial method. The impact of change in the year being ₹ 20.41 crores and ₹.55.48 crores increase in profit respectively. The information presented above is extracted from the audited financial statements of the Bank.
- iv. The figures for the quarter ended March 31, 2014 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the year to date figures up to the end of the third quarter of the relevant financial year.
- v. Banks are required to disclose Capital Adequacy Ratio under Basel – III capital regulations from the current year only. Hence, comparative details for previous periods are not disclosed. Pillar 3 (Market Discipline) disclosures (unaudited) as per RBI guidelines on Composition of Capital Disclosure Requirements as at March 31, 2014 for the Group can be accessed at the Bank's website <http://www.sbi.co.in>.
- vi. The Central Board has declared a dividend of ₹ 30.00 per share (@300%) for the year ended March 31, 2014 inclusive of an interim dividend already paid of ₹15.00 per share (@150%).
- vii. In accordance with RBI Circular No. DBOD.BP.BC.80/21.04.018/2010-11 dated February 9, 2011 the Bank had opted to amortise the additional liability on account of enhancement in Gratuity limit over a period of 5 years beginning with the financial year ended March 31, 2011. However, the Bank in the current year has decided to provide in full the balance un-recognised liability and accordingly, the Bank has charged a sum of ₹ 200 crores to the Profit and Loss Account for the financial year ended March 31, 2014.
- viii. On January 2, 2014, the Bank has issued and allotted 1,12,18,685 equity shares, ranking pari-passu with the existing equity shares of the Bank in all respects, including dividend, on preferential basis to Government of India, at an Issue Price of ₹1782.74 per share (face value of ₹10/- each and premium of ₹1772.74 per equity share) aggregating ₹1,999.99 crores. On February 3, 2014, the Bank issued and allotted 5,13,20,436 equity shares at a price of ₹1,565 per equity share (face value of ₹10/- each and a premium of ₹1,555/- per equity share) aggregating ₹ 8,031.65 crores to Qualified Institutional Buyers in terms of Chapter VIII of the ICDR Regulations. These shares shall rank pari-passu with the existing equity shares of the Bank and shall be entitled to such dividends and corporate benefits, if any, declared by the Bank.
- ix. On January 2, 2014 the Bank issued Basel III compliant Tier 2 bonds of ₹2,000 crores with a tenor of 120 months (10 year bullet), at an annually payable coupon of 9.69% by way of private placement.

- x. During the year, the Bank has utilized the specific provisions of ₹ 2056.26 crores made during previous years (2011-12 and 2012-13) against certain non performing domestic advances to provide for estimated loss in the collectible amounts of such advances.
- xi. The Ninth Bipartite Settlement entered into by the Indian Banks' Association on behalf of the member Banks with the All India Unions of Workmen expired on 31st October 2012. Pending execution of agreement for wage revision, to be effective from 1st November 2012, a provision of ₹ 1814 Crores (previous year ₹720 crores) has been made during the year. Considering the above the Bank, on estimated basis, has made a provision of ₹ 540 crores (previous year ₹ 225 crores) towards Superannuation and other long term employee benefits.
- xii. The provision towards Sick Leave and Casual Leave has been assessed based on the actuarial valuation considering the past behavioural pattern as on 31<sup>st</sup> March 2014 as ₹ Nil. Accordingly, the existing provision of ₹ 474.97 crores has been reversed during the year.
- xiii. RBI vide Circular No DBOD.No.BP.BC.77/21.04.018/2013-14 dated December 20, 2013 on 'Deferred Tax Liability on Special Reserve created under Section 36(1)(viii) of the Income Tax Act, 1961', has advised that , as a matter of prudence, Deferred Tax Liability (DTL) should be created on Special Reserve. Further, RBI has allowed the banks to adjust the provision for DTL on Special Reserve as at 31<sup>st</sup> March 2013 against the Reserves and the provision for DTL on Special Reserve created from the year 2013-14 should be charged to the profit and loss account. Accordingly, an amount of ₹ 1,525.13 crores has been adjusted from the reserves for creation of DTL on Special Reserve of ₹ 4,487 crores as on 31<sup>st</sup> March 2013. Further, an amount of ₹ 359.61 crores has been charged to Profit and Loss Account for creation of DTL on Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 for the year.
- xiv. RBI vide Circular No. DBOD.No.BP.95/21.04.048/2013-14 dated February 7, 2014 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 33 per cent of Counter Cyclical Provisioning Buffer (CCPB) held by them as on March 31, 2013, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors'. Accordingly, the Bank has utilized the CCPB of ₹ 750 crores (as against the maximum permissible limit of ₹ 1,132 crores i.e. 33% of ₹ 3,430 crores the balance as on 31.03.2013) for making specific provision for NPAs.
- xv. Provision Coverage Ratio as on March 31, 2014 works out to 62.86% (Previous Year 66.58%).
- xvi. The Bank has received 53 Investors' complaints during the quarter ended March 31, 2014 which have been disposed off. There were no pending Investors' Complaints either at the beginning or end of the quarter. Previous period figures have been regrouped/reclassified, wherever necessary, to conform to current period classification.

**P Pradeep Kumar**  
**MD & GE (CB)**

**A Krishna Kumar**  
**MD & GE (IB)**

**Arundhati Bhattacharya**  
**CHAIRMAN**

**Place : Kolkata**

**Date : 23.05.2014**