

**TABLE DF-2**  
**CAPITAL ADEQUACY**

**Qualitative Disclosures**

<p>(a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities</p>	<ul style="list-style-type: none"> <li>• 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:             <ul style="list-style-type: none"> <li>➤ Credit Risk</li> <li>➤ Operational Risk</li> <li>➤ Liquidity Risk</li> <li>➤ Compliance Risk</li> <li>➤ Pension Fund Obligation Risk</li> <li>➤ Reputation Risk</li> <li>➤ Residual Risk from Credit Risk Mitigants</li> <li>➤ Talent Risk</li> <li>➤ Risks related to Insurance Business</li> <li>➤ Market Risk</li> <li>➤ Credit Concentration Risk</li> <li>➤ Interest Rate Risk in the Banking Book</li> <li>➤ Country Risk</li> <li>➤ Strategic Risk</li> <li>➤ Model Risk</li> <li>➤ Contagion Risk</li> <li>➤ Cyber Risk</li> <li>➤ Underwriting Risk</li> </ul> </li> <li>• 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.</li> <li>• CRAR of the Bank and for the Group as a whole is estimated to be well above the Regulatory CAR 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, Perpetual Cumulative Preference Shares (PCPS), Redeemable Non-Cumulative Preference Shares (RNCPS), Redeemable Cumulative Preference Shares (RCPS), Perpetual Debt Instruments (PDIs) and Perpetual Non-Cumulative Preference Shares (PNCPS) besides Equity as and when required.</li> <li>• 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 1 / AT 1 / Tier 2 Capital to support the increased level of assets and at the same time maintaining the Capital Adequacy Ratio (CAR).</li> </ul>
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<p><b>Quantitative Disclosures</b> (b) Capital requirements for credit risk:</p> <ul style="list-style-type: none"> <li>▪ Portfolios subject to standardized approach</li> <li>▪ Securitization exposures</li> </ul>	<p>→ Rs. 1,45,930.41 crs.</p> <p>→ Nil</p> <p>.....</p> <p><b>Total Rs. 1,45,930.41 crs</b></p>
<p>(c) Capital requirements for market risk:</p> <ul style="list-style-type: none"> <li>▪ Standardized duration approach; <ul style="list-style-type: none"> <li>- Interest Rate Risk</li> <li>- Foreign Exchange Risk(including gold)</li> <li>- Equity Risk</li> </ul> </li> </ul>	<p>→ Rs.10,620.69 crs.</p> <p>→ Rs. 190.33 crs.</p> <p>→ Rs. 4,651.03 crs.</p> <p>.....</p> <p><b>Total Rs. 15,462.05 crs.</b></p>
<p>(d) Capital requirements for operational risk:</p> <ul style="list-style-type: none"> <li>•Basic Indicator Approach</li> <li>•The Standardized Approach (if applicable)</li> </ul>	<p>→ Rs. 20,072.02 crs.</p> <p>.....</p> <p><b>Total Rs. 20,072.02 crs.</b></p>

<p>(e) Common Equity Tier 1, Tier 1 and Total Capital Ratios:</p> <ul style="list-style-type: none"> <li>• For the top consolidated group; and</li> <li>• For significant bank subsidiaries (stand alone or sub-consolidated depending on how the Framework is applied)</li> </ul>	<b>CAPITAL ADEQUACY RATIOS AS ON 30.06.2019</b>			
		CET 1 (%)	Tier 1 (%)	Total (%)
	SBI Group	9.88	10.88	13.08
	State Bank of India	9.61	10.65	12.89
	SBI (Mauritius) Ltd.	19.16	19.16	19.97
	State Bank of India (Canada)	14.06	14.06	15.90
	State Bank of India (California)	15.41	15.41	16.41
	Commercial Indo Bank LLC, Moscow	48.56	48.56	48.56
	Bank SBI Indonesia	27.96	27.96	28.75
	Nepal SBI Bank Ltd.	13.14	13.14	14.51
	Bank SBI Botswana Ltd.	25.15	25.15	25.71
SBI (UK) Ltd.	13.93	13.93	17.88	

## **DF-3: CREDIT RISK: GENERAL DISCLOSURES**

**As on 30.06.2019**

### **General Disclosures**

#### **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.
- (vii) The amount of a liquidity facility remains outstanding for more than 90 days, in respect of securitization transactions undertaken in accordance with the RBI guidelines on securitization dated February 1, 2006.
- (viii) In respect of derivative transactions, the overdue receivables representing the positive mark to market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment.

#### **'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.

▪ **Resolution of Stressed Assets**

Early identification and reporting of stress:

Identification of incipient stress in loan accounts, immediately on default\*, by classifying stressed assets as special mention accounts (SMA) as per the following categories:

SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue between
SMA-0	1-30 days
SMA-1	31-60 days
SMA-2	61-90 days

\* Default' means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the corporate debtor. For revolving facilities like cash credit, default would also mean, without prejudice to the above, the outstanding balance remaining continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than 30 days.

▪ **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 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 has a system of Credit Audit with the aims of achieving continuous improvement in the quality of the 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.

**DF-3: Quantitative Disclosures as on 30.06.2019****(Insurance entities, JVs & Non-financial entities excluded)**

General Disclosures:		Amount - Rs. in Crs.		
Quantitative Disclosures		Fund Based	Non-Fund Based	Total
b	Total Gross Credit Risk Exposures	2283335.99	421006.32	2704342.31
c	Geographic Distribution of Exposures: FB / NFB			
	Overseas	325625.64	53624.68	379250.32
	Domestic	1957710.35	367381.64	2325091.99
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)			169346.64
	i. Substandard			30839.08
	ii. Doubtful 1			30541.48
	iii. Doubtful 2			65515.50
	iv. Doubtful 3			32531.28
	v. Loss			9919.30
g	Net NPAs			65770.33
h	NPA Ratios			
	i) Gross NPAs to gross advances			7.42%
	ii) Net NPAs to net advances			3.02%
i	Movement of NPAs (Gross)			
	i) Opening balance			173589.59
	ii) Additions			17069.25
	iii) Reductions			21312.20
	iv) Closing balance			169346.64
j	Movement of provisions for NPAs			
	i) Opening balance			107541.73
	ii) Provisions made during the period			11878.43
	iii) Write-off			15841.50
	iv) Write-back of excess provisions			2.35
	v) Closing balance			103576.31
k	Amount of Non-Performing Investments			6316.97
l	Amount of Provisions held for Non-Performing Investments			4284.92
m	Movement of Provisions for Depreciation on Investments			
	Opening balance			9252.41
	Provisions made during the period			585.77
	Add: Foreign Exchange Revaluation Adj.			-
	Write-off			-
	Write-back of excess provisions			1679.81
	Closing balance			8158.37
n	By major industry or counter party type			
	Amt. of NPA and if available, past due loans, provided separately			118302.16
	Specific & general provisions; and			-
	Specific provisions and write-offs during the current period			-
o	Amt. of NPAs and past due loans provided separately by significant geographical areas including specific and general provisions			-
	Provisions			-

**Table- A: DF-3 (d) Industry Type Distribution of Exposures as on 30.06.2019****(Amount - Rs. In Crs.)**

Code	Industry	Fund Based [Outstanding-O/s]			Non-Fund Based(O/s)
		Standard	NPA	Total	
1	Coal	7236.90	338.08	7574.98	3133.61
2	Mining	5158.14	110.52	5268.66	1507.06
3	Iron & Steel	64303.82	25061.82	89365.64	26578.03
4	Metal Products	28686.03	1190.34	29876.37	11111.26
5	All Engineering	32601.45	10414.39	43015.84	71350.16
5.1	Of which Electronics	5672.86	4336.56	10009.42	2753.29
6	Electricity	4658.47	0.00	4658.47	0.00
7	Cotton Textiles	20525.59	5893.50	26419.09	1732.72
8	Jute Textiles	447.90	42.81	490.71	33.12
9	Other Textiles	11531.38	2195.39	13729.77	1894.43
10	Sugar	7933.18	1065.32	8998.50	884.64
11	Tea	620.99	149.13	770.12	24.01
12	Food Processing	48524.29	6342.66	54866.95	2683.67
13	Vegetable Oils & Vanaspati	2864.97	2359.83	5224.80	2572.70
14	Tobacco / Tobacco Products	205.90	114.90	320.80	146.80
15	Paper / Paper Products	4284.51	767.38	5051.89	1149.36
16	Rubber / Rubber Products	7088.01	584.32	7672.33	2670.09
17	Chemicals / Dyes / Paints etc.	82960.10	3809.48	86769.58	64097.89
17.1	Of which Fertilizers	14363.10	1087.06	15450.16	8461.68
17.2	Of which Petrochemicals	46129.21	281.33	46410.54	48131.24
17.3	Of which Drugs & Pharma	12121.34	888.03	13009.37	2429.08
18	Cement	13795.78	917.07	14712.85	4082.70
19	Leather & Leather Products	2052.88	402.81	2455.69	300.54
20	Gems & Jewellery	12286.37	854.40	13140.77	1127.33
21	Construction	31609.03	1299.13	32908.16	13830.19
22	Petroleum	30023.16	2850.73	32873.89	20809.00
23	Automobiles & Trucks	11962.20	3590.75	15552.95	6835.47
24	Computer Software	5358.68	29.32	5388.00	1148.46
25	Infrastructure	310312.12	49550.96	359863.08	81053.63
25.1	Of which Power	181736.00	27280.91	209016.91	25170.95
25.2	Of which Telecommunication	24589.15	7545.18	32134.33	10251.63
25.3	Of which Roads & Ports	45753.47	7122.52	52875.99	25628.76
26	Other Industries	252685.59	14295.73	266981.32	57489.16
27	NBFCs & Trading	327054.28	12700.70	339754.97	19389.74
28	Residual Advances	787217.64	22415.17	809632.78	23370.55
	<b>Total</b>	<b>2113989.35</b>	<b>169346.64</b>	<b>2283335.99</b>	<b>421006.32</b>

**Table- B****DF-3 (e) SBI (CONSOLIDATED) Residual contractual maturity breakdown of assets as on 30.06.2019\***

(Rs. In crores)

	<b>INFLOW S</b>	<b>1 days</b>	<b>2-7 days</b>	<b>8-14 days</b>	<b>15-30 days</b>	<b>31 days &amp; upto 2 months</b>	<b>More than 2 months &amp; upto 3 months</b>	<b>Over 3 months &amp; upto 6 months</b>	<b>Over 6 months &amp; upto 1 year</b>	<b>Over 1 year &amp; upto 3 years</b>	<b>Over 3 years &amp; upto 5 years</b>	<b>Over 5 years</b>	<b>TOTAL</b>
1	<b>Cash</b>	19950.29	3.84	0.00	5.14	0.00	6.12	13.65	152.07	66.50	44.06	0.00	<b>20241.67</b>
2	<b>Balances with RBI</b>	903.58	2030.85	1194.98	1612.60	2198.22	1750.28	4079.11	24274.42	28995.78	12351.07	34778.86	<b>114169.75</b>
3	<b>Balances with other Banks</b>	58107.22	3682.71	2974.57	2058.43	5663.85	2340.84	1289.04	283.01	922.25	598.11	91.89	<b>78011.92</b>
4	<b>Investments</b>	7389.82	4218.40	4544.64	12529.67	14878.95	19487.88	18186.21	71366.84	138667.48	191704.90	479720.12	<b>962694.91</b>
5	<b>Advances</b>	41405.39	31335.76	31476.40	47612.11	50694.68	50080.68	68461.38	173949.25	827471.53	343857.45	520203.57	<b>2186548.20</b>
6	<b>Fixed Assets</b>	31.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.34	6.92	39341.83	<b>39398.68</b>
7	<b>Other Assets</b>	12625.57	30514.92	32647.58	24634.12	13933.07	15407.74	27469.76	21920.24	21581.53	21249.68	37504.49	<b>259488.70</b>
	<b>TOTAL</b>	<b>140413.46</b>	<b>71786.48</b>	<b>72838.17</b>	<b>88452.07</b>	<b>87368.77</b>	<b>89073.54</b>	<b>119499.15</b>	<b>291945.83</b>	<b>1017723.41</b>	<b>569812.19</b>	<b>1111640.76</b>	<b>3660553.83</b>

\*Notes:

- i) Insurance entities, Non-financial entities, JVs, Special Purpose Vehicles & Intra-group Adjustments are excluded.
- ii) Investments include Non-Performing Investments and Advances includes Non-Performing Advances.
- iii) The Bucketing structure has been revised based on the RBI guidelines dated March 23, 2016.

**DF-4: CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE  
STANDARDISED APPROACH**

**As on 30.06.2019**

**Disclosures for Portfolios subject to Standardised Approach**

**Qualitative Disclosures**

▪ **Names of Credit Rating Agencies used, plus reasons for any changes**

(a) As per RBI Guidelines, the Bank has identified CARE, CRISIL, ICRA, India Rating, Brickwork, ACUITE Ratings and Research and INFOMERICs (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**

The key aspects of the Bank's external ratings application framework are as follows:

- All long term and short term ratings assigned by the credit rating agencies specifically to the Bank's long term and short term exposures respectively are considered by the Bank as issue specific ratings.
- Foreign sovereign and foreign bank exposures are risk-weighted based on issuer ratings assigned to them.
- The Bank ensures that the external rating of the facility/borrower has been reviewed at least once by the ECAI during the previous 15 months and is in force on the date of its application.
- Where multiple issuer ratings are assigned to an entity by various credit rating agencies, In this context, the lower rating, where there are two ratings and the second-lowest rating where there are three or more ratings are used for a given facility.

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 30.06.2019**

(Rs. in crs.)

(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.		<b>Amount</b>
	Below 100% Risk Weight	1857278.63
	100% Risk Weight	378894.02
	More than 100% Risk Weight	468169.66
	Deducted	0
<b>Total</b>	<b>2704342.31</b>	

**DF-17: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE  
RATIO EXPOSURE MEASURE**

**AS ON 30.06.2019**

	<b>ITEM</b>	<b>Rs. (In millions)</b>
<b>1</b>	Total consolidated assets as per published financial statements	37998354.20
<b>2</b>	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-1592884.90
<b>3</b>	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0
<b>4</b>	Adjustments for derivative financial instruments	375565.20
<b>5</b>	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	24745.87
<b>6</b>	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	4168149.55
<b>7</b>	Other adjustments	-136470.01
<b>8</b>	<b>Leverage ratio exposure</b>	<b>40837459.91</b>

**DF-18: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE****As on 30.06.2019**

	<b>ITEM</b>	<b>(Rs. in Millions)</b>
	<b>On balance sheet exposures</b>	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	36405469.30
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-136470.01
3	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)</b>	<b>36268999.29</b>
	<b>Derivatives exposures</b>	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	133110.00
5	Add-on amounts for PFE associated with all derivatives transactions	242455.20
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0
8	(Exempted CCP leg of client-cleared trade exposures)	0
9	Adjusted effective notional amount of written credit derivatives	0
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0
11	<b>Total derivative exposures (sum of lines 4 to 10)</b>	<b>375565.20</b>
	<b>Securities financing transaction exposure</b>	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	24745.87
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0
14	CCR exposure for SFT assets	0
15	Agent transaction exposures	0
16	<b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>24745.87</b>
	<b>Other off balance sheet exposures</b>	
17	Off-balance sheet exposure at gross notional amount	15906811.35
18	(Adjustments for conversion to credit equivalent amounts)	-11738661.80
19	<b>Off-balance sheet items (sum of lines 17 and 18)</b>	<b>4168149.55</b>
	<b>Capital and total exposures</b>	
20	<b>Tier 1 capital</b>	<b>2217076.44</b>
21	<b>Total exposures (sum of lines 3,11,16 and 19)</b>	<b>40837459.91</b>
	<b>Leverage ratio</b>	
22	<b>Basel III leverage ratio (%)</b>	<b>5.43</b>