

State Bank of India

No. 16, Sir Baron Jayatilake Mawatha, Colombo 01.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

INCOME STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

In Rupees Million	Bank (Audited)		Group (Audited) (INR in Crores)	
	Current Period	Previous Period	Current Period	Previous Period
	From 01-Apr-21 To 31-Mar-22	From 01-Apr-20 To 31-Mar-21	From 01-Apr-21 To 31-Mar-22	From 01-Apr-20 To 31-Mar-21
Interest income	1,350.99	1,335.16	275,457.29	265,150.63
Less: Interest expense	(275.45)	(313.59)	(313.59)	(154,749.70)
Net interest income	1,075.54	1,021.57	120,707.59	110,710.00
Fee and commission income	236.38	138.67	24,565.21	23,517.51
Fee and commission expense	-	-	-	-
Net fee and commission income	236.38	138.67	24,565.21	23,517.51
Net gains(losses) from trading	-	-	3,479.04	2,409.64
Net fair value gains(losses) on financial instruments	-	-	-	-
at fair value through profit or loss	-	-	-	-
Net gain/loss on derecognition of financial assets:	-	-	3,485.08	6,030.93
Net other operating income	353.42	163.53	9,034.58	11,538.29
Total operating income	1,665.34	1,323.78	161,271.50	154,206.38
Impairment charges	(24.11)	18.85	(36,198.00)	(51,143.68)
Net operating income	1,641.23	1,342.63	125,073.50	103,062.69
Personnel expenses	(171.08)	(141.23)	(57,561.99)	(60,936.00)
Depreciation and amortization expenses	(51.60)	(64.24)	(3,248.59)	(3,317.55)
Other expenses	(178.14)	(124.33)	(20,841.07)	(21,268.02)
Operating profit/(loss) before VAT & NBT on financial services	1,240.41	1,012.82	43,421.85	27,541.12
Value Added Tax (VAT) on financial services	(218.47)	(154.29)	-	-
Nation Building Tax (NBT) on financial services	-	-	-	-
Debt repayment levy (DRL) on financial services	-	-	-	-
Operating profit/(loss) after VAT & NBT on financial services	1,021.94	858.53	43,421.85	27,541.12
Profit/(Loss) brought forward	-	-	(3,600.84)	(10,498.30)
Share of profits of associates and joint ventures	-	-	-	-
Profit/(loss) before tax	1,021.94	858.53	39,821.01	17,042.82
Income tax expenses	(378.83)	(146.57)	(11,745.87)	(7,130.65)
Profit/(loss) for the year	643.11	711.96	28,075.14	9,912.17
Profit attributable to:				
Equity holders of the Parent	-	-	28,075.14	9,912.17
Non-controlling interests	-	-	-	-
Earnings per share on profit			28,075.14	9,912.17
Basic earnings per ordinary share	-	-	35.49	22.87
Diluted earnings per ordinary share	-	-	35.49	22.87

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2022

In Rupees Million	Bank (Audited)		Group (Audited) (INR in Crores)	
	Current Period	Previous Period	Current Period	Previous Period
	From 01-Apr-21 To 31-Mar-22	From 01-Apr-20 To 31-Mar-21	From 01-Apr-21 To 31-Mar-22	From 01-Apr-20 To 31-Mar-21
Profit/(loss) for the year	643.11	711.96	28,075.14	9,912.17
Items that will be reclassified to income statement				
Exchange differences on translation of foreign operations	2,711.49	297.73	-	-
Net gains/(losses) on cash flow hedges	-	-	-	-
Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income	(7.23)	0.06	-	-
Share of profits of associates and joint ventures	-	-	-	-
Debt instruments at fair value through other comprehensive income	-	-	-	-
Others (specify)	-	-	-	-
Less: Tax expense relating to items that will be reclassified to income statement	-	-	-	-
Items that will not be reclassified to income statement				
Changes in fair value on investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-
Change in fair value attributable to change in the Bank's own credit risk on financial liabilities designated at fair value through profit or loss	-	-	-	-
Re-measurement of post-employment benefit obligations	69.95	(36.98)	-	-
Changes in revaluation surplus	-	-	-	-
Share of profits of associates and joint ventures	-	-	-	-
Others	-	-	-	-
Less: Tax expense relating to items that will not be reclassified to income statement	-	-	-	-
Other Comprehensive Income (OCI) for the year, net of taxes	2,774.22	260.80	-	-
Total comprehensive income for the period	3,417.33	972.77	28,075.14	9,912.17
Attributable to:				
Equity holders of the parent	-	-	28,075.14	9,912.17
Non-controlling interests	-	-	-	-
Total comprehensive income for the period	3,417.33	972.77	28,075.14	9,912.17

SELECTED PERFORMANCE INDICATORS AS AT 31.03.2022

ITEM	Bank	
	31-Mar-22	31-Mar-21
Regulatory Capital Adequacy (LKR in Millions)		
Common Equity Tier 1	12,049	11,681
Core (Tier 1) Capital	12,049	11,681
Total Capital Base	12,154	11,800
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital (%) (Minimum Requirement 6.5%)	32.41%	46.52%
Tier 1 Capital Ratio (%) (Minimum Requirement 8%)	32.41%	46.52%
Total Capital Ratio (%) (Minimum Requirement 12%)	32.69%	47.00%
Leverage Ratio (Minimum Requirement - 3%)	18.96%	26.10%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)	14,840.64	7,982.47
Statutory Liquid Assets (USD in Millions)	67.74	58.79
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	114.89%	117.87%
Off Shore Banking Unit (%)	103.93%	78.04%
Total Stock of High Quality Liquid Assets (LKR in Millions)	10,717	5,208
Liquidity Coverage Ratio (%) (Minimum Requirement-100%)		
Rupee (%)	2058.61%	5099.75%
All Currency (%)	313.00%	410.69%
Net Stable Funding Ratio (%) (Minimum Requirement 100%)	116.08%	109.96%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio (%) (net of interest in suspense)	0.003%	0.003%
Net-Non Performing Advances (%) (net of interest in suspense and provision)	0.00%	0.003%
Impaired Loans (Stage 3) Ratio (%)	0.003%	0.003%
Impairment (Stage3) to Stage 3 Loans Ratio (%)	100.00%	0.000%
Profitability		
Interest Margin (%)	2.88%	3.38%
Return on Assets (before Tax) (%)	1.95%	2.24%
Return on Equity (%)	4.15%	5.90%

CORPORATE GOVERNANCE

THE BANK'S PHILOSOPHY ON CODE OF GOVERNANCE

State Bank of India is committed to the best practices in the area of Corporate Governance, in letter and in spirit. The Bank believes that good Corporate Governance is much more than complying with legal and regulatory requirements. Good governance facilitates effective management and control of business, enables the Bank to maintain a high level of business ethics and to optimize the value for all its stakeholders. The objectives can be summarized as:

- To protect and enhance shareholder value.
- To protect the interest of all other stakeholders such as customers, employees and society at large.
- To ensure transparency and integrity in communication and to make available full, accurate and clear information to all stakeholders.
- To ensure accountability for performance and customer service and to achieve excellence at all levels.
- To provide corporate leadership of highest standard for others to emulate.

THE BANK IS COMMITTED TO:

- Ensuring that the Bank's Board of Directors meets regularly, provides effective leadership and insights in business and functional matters and monitors the Bank's performance.
- Establishing a framework of strategic control and continuously reviewing its efficacy.
- Establishing clearly documented and transparent management processes for policy development, implementation and review, decision-making, monitoring, control and reporting.
- Providing free access to the Board to all relevant information, advice and resources as are necessary to enable it to carry out its duties effectively.
- Ensuring that the Chairman has the responsibility for all aspects of executive management and is accountable to the Board for the ultimate performance of the Bank and implementation of the policies laid down by the Board. The role of the Chairman and the Board of Directors are also guided by the SBI Act, 1955 with all relevant amendments.
- Ensuring that a senior executive is made responsible in respect of compliance issues with all applicable statutes, regulations and other procedures, policies as laid down by the GOI/RBI and other regulators and the Board, and reports deviations, if any.

The Bank has complied with the provisions of Corporate Governance as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 Stock Exchanges except where the provisions of these regulations are not in conformity with SBI Act and SBI General Regulations, 1955 and the directives issued by RBI/COI. A report on the implementation of these provisions of Corporate Governance in the Bank is furnished below:

CENTRAL BOARD: ROLE AND COMPOSITION

The Central Board of Directors was formed in 1955 by an Act of the Parliament, i.e., The State Bank of India Act, 1955 (Act). A Central Board of Directors was constituted according to the Act. The Bank's Central Board draws its powers from and carries out its functions in compliance with the provisions of SBI Act & Regulations 1955. Its major roles include, among others,

- Overseeing the risk profile of the Bank.
 - Monitoring the integrity of its business and control mechanisms;
 - Ensuring expert management, and
 - Maximising the interests of its stakeholders.
- The Central Board is headed by the Chairman, appointed under section 19(a) of SBI Act; four Managing Directors are also appointed members of the Board under section 19(b) of SBI Act. The Chairman and Managing Directors are Whole Time Directors. As on 31st March 2022, there were eight other directors on the Board who are eminent professionals representing Technology, Accountancy, Finance and Economics. The composition of the Central Board, as on 31st March 2022, was as under:
- Chairman appointed by the Central Government in consultation with the RBI u/s 19(a)
 - Four Managing Directors, appointed by the Central Government in consultation with the RBI u/s 19(b)
 - Four directors, elected by the Shareholders under Section 19(c).
 - Two directors, nominated by the Central Government under Section 19(d).
 - One director nominated by the Central Government under Section 19(e), and
 - One director nominated by the Central Government on the recommendations of the RBI under Section 19(f).

The composition of the Board complies with provisions laid down in Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. There is no inter-se relationship between Directors.

EXECUTIVE COMMITTEE OF THE CENTRAL BOARD

The Executive Committee of the Central Board (ECCB) is constituted in terms of Section 30 of the SBI Act, 1955. The State Bank of India General Regulations (46 & 47) provide that, subject to the general or special directions of the Central Board, ECCB may deal with any matter within the competence of the Central Board. ECCB consists of the Chairman, the Managing Directors, the Director nominated under Section 19(g) of the SBI Act and all or any of the other Directors who are normally residents, or pay, for the time being, be present at any place within India where the meeting is held. The ECCB meetings are held once every week. During the year 2021-22, 52 ECCB meetings were held.

OTHER BOARD LEVEL COMMITTEES:

In terms of the provisions of SBI Act and General Regulations, 1955 and Govt./RBI/SEBI guidelines, the Central Board has constituted other nine Board Level Committees viz. Audit Committee of the Board, Risk Management Committee of the Board, Stakeholders Relationship Committee, Customer Service Committee of the Board, Special Committee of the Board for Monitoring of Large Value Frauds, IT Strategy Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee of the Board, Board Committee to Monitor Recovery, Committee to Review the Identification of Willful Defaulters/Non-Co-operative Borrowers. These Committees provide effective professional support in Board Oversight in key areas like Audit & Accounts, Risk Management, resolution of Shareholders/Investors' grievances, Fraud Review and Control, Review of customer service and redressal of customer grievances, Technology Management, Corporate Social Responsibilities, Oversight on recovery of Loans and Advances, Review of identification of Willful Defaulters/Non-Co-operative Borrowers and arrive at the 'fit and proper' status of candidates filing nominations for election as Directors.

While the Nomination & Remuneration Committee meets at least once a year the other Committees meet periodically, once in a quarter generally, to deliberate on policy issues and/or review domain performance, as per the calendar of reviews approved by the Central Board. The Committees also call external specialists, besides drawing upon the services of top executives from the Bank, as and when needed. The Nomination & Remuneration Committee is constituted, to carry out necessary due diligence and arrive at the 'fit and proper' status of candidates filing nominations for election as Directors by shareholders and required. The minutes and proceedings of the Committees are placed before the Central Board.

AUDIT COMMITTEE OF THE BOARD
The Audit Committee of the Board (ACB) was constituted on 27th July 1994 and last re-constituted on the 23rd March 2022. The ACB functions as per RBI guidelines and complies with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and LODR Amendment Regulation 2018 to the extent that they do not violate the directives/guidelines issued by RBI.

Disclosure
FUNCTIONS OF ACB

- ACB provides direction as also oversees the operation of the total audit function in the Bank. Total audit function implies the organisation, operationalization and quality control of internal audit and inspection within the Bank and follow-up on the statutory/external audit, compliance of RBI inspection. It also appoints Statutory Auditor of the Bank and reviews their performance from time to time.
- ACB reviews the Bank's financial, Risk Management, IS Audit Policies and Accounting Policies/Systems of the Bank to ensure greater transparency.
- ACB reviews the internal inspection/audit plan and functions in the Bank-the systems, its quality and effectiveness in terms of follow-up. It also, especially, focuses on the follow up of KYC-AM, guidelines.
- Major areas of focus include:
 - Compliance of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015
- It obtains and reviews reports from the Compliance Department in the Bank.
- ACB follows up on all the issues raised in RBI's Risk Based Supervision under Section 35 of Banking Regulation Act, 1949 and Long Form Audit Reports of the Statutory Auditors and other Internal Audit Reports. It interacts with the external auditors, before the finalisation of the annual/quarterly financial accounts and reports. A formal 'Audit Charter' or 'Terms of Reference' of the Audit Committee has been approved by the Central Board and a calendar of Reviews to be submitted to the Audit Committee is also in place, which is updated periodically.

MEANS OF COMMUNICATION
The Bank strongly believes that all stakeholders should have access to complete information on its activities, performance and product initiatives. Annual, half-yearly and quarterly results of the Bank for the year 2021-22 were published in the leading newspapers of the country. The results were also displayed on the Bank's website www.sbi.co.in or <https://bank.sbi>. The Annual Report is sent to all shareholders of the Bank. The Bank's website displays, inter alia, official news releases of the Bank, the Bank's Annual Reports, Half-yearly and quarterly results and details of various product offerings. Every year, after the annual / half-yearly / quarterly results are declared, a Press-meet is held on the same day, in which the Chairman makes a presentation and answers the queries of the media. This is followed by another meeting to which a number of investment analysts are invited. Details of the Bank's performance are discussed with the analysts in the meeting. After declaring quarterly results, press notifications are issued.

RISK MANAGEMENT COMMITTEE OF THE BOARD
The Risk Management Committee of the Board (RMCB) was constituted on the 23rd March 2004, to oversee the policy and strategy for integrated risk management relating to credit risk, market risk and operational risk. The Committee was last reconstituted on the 23rd March 2022 and has, eight members. The Non-executive Director is the Chairman of the Committee. RMCB meets a minimum of four times a year, once in each quarter. During 2021-22, seven meetings of the RMCB were held.

STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2022

In Rupees Million	Bank (Audited)		Group (Audited) (INR in Crores)	
	Current Period	Previous Period	Current Period	Previous Period
	as at 31-Mar-22	as at 31-Mar-21	as at 31-Mar-22	as at 31-Mar-21
Assets				
Cash and cash equivalents	2,013.94	2,520.73	83,284.27	86,730.00
Balances with central banks	9,283.30	4,832.31	236,116.28	189,798.12
Placements with banks	17,091.11	3,215.03	75,151.78	66,510.59
Derivative financial instruments	-	-	-	-
Financial assets recognized through profit or loss measured at fair value designated at fair value	-	-	-	-
Financial assets at amortised cost	-	-	-	-
loans and advances	21,364.05	24,447.46	2,733,966.59	2,449,497.79
debt and other instruments	280.00	2,284.27	-	-
Financial assets measured at fair value through other comprehensive income	1,688.71	298.55	1,481,445.47	1,351,705.21
Investment in subsidiaries	-	-	-	-
Investment in associates and joint ventures	-	-	-	-
Property, plant and equipment	612.06	659.85	37,708.16	38,419.24
Investment properties	-	-	-	-
Goodwill and intangible assets	-	-	-	-
Deferred tax assets	34.27	54.39	-	-
Other assets	59.24	74.87	339,924.86	351,768.68
Total assets	52,386.67	38,387.47	4,987,597.41	4,534,429.63
Liabilities				
Due to banks	15,682.64	17,554.85	224,431.78	206,240.97
Derivative financial instruments	-	-	-	-
Financial liabilities recognized through profit or loss measured at fair value designated at fair value	-	-	-	-
Financial liabilities at amortised cost	-	-	-	-
due to depositors	20,484.87	8,229.16	4,037,072.78	3,669,876.21
due to debt securities holders	-	-	71,999.60	68,318.90
due to other borrowers	-	-	144,073.34	154,138.70
Debt securities issued	-	-	-	-
Retirement benefit obligations	214.28	276.17	-	-
Current tax liabilities	178.40	78.47	-	-
Deferred tax liabilities	-	-	2.56	2.46
Other provisions	-	-	-	-
Other liabilities	339.33	178.99	229,929.29	181,977.20
Due to subsidiaries	-	-	-	-
Total liabilities	36,899.52	26,317.65	4,707,509.35	4,280,554.44
Equity				
Stated capital/Assigned capital	2,442.83	2,442.83	892.46	892.46
Statutory reserve fund	450.95	402.04	85,568.02	76,065.23
Retained earnings	7,965.22	7,301.07	162,553.76	150,292.08
OCI Reserve	(6.67)	0.56	-	-
Other reserves	4,634.82	1,923.33	31,073.81	26,625.43
Total shareholders' equity	15,487.15	12,069.82	280,088.06	253,875.19
Non-controlling interests	-	-	-	-
Total equity	15,487.15	12,069.82	280,088.06	253,875.19
Total equity and liabilities	52,386.67	38,387.47	4,987,597.41	4,534,429.63
Contingent liabilities and commitments	45,335.07	33,155.76	2,084,813.56	1,763,466.03
Memorandum Information				
Number of Employees	69	74	244,250	245,652
Number of Branches	3	3	22,266	22,219

Note: Amounts stated are net of impairment and depreciation

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31.03.2022

In Rupees Millions	Bank (Audited)	
	31/03/2022	31/03/2021
Cash flows from operating activities		
Interest receipts	1,350.99	1,335.16
Interest payments	(275.45)	