



STATE BANK OF INDIA

Abridged version of the Financial Statements for the year ended 31 March 2017

## Independent Auditor's Report

To,  
The Board of Directors,  
State Bank of India,  
Corporate Centre,  
State Bank Bhavan, Mumbai

### Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of State Bank of India (the "Bank") and its Subsidiaries, Joint Ventures and Associates (the "Group") (The entities of the Group whose Financial Statements are included in the Consolidated Financial Statements are listed in Schedule 18 - Notes to Accounts - which forms part of the Consolidated Financial Statements of the Group) which comprise the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

2. The Management of State Bank of India is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the requirements of the Accounting Standard 21 - "Consolidated Financial Statements", Accounting Standard 23 - "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standard 27 - "Financial Reporting of Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India, the requirements of Reserve Bank of India, the State Bank of India Act, 1955 and other accounting principles generally accepted in India. This responsibility of the management of State Bank of India includes the design, implementation and maintenance of internal controls and risk management systems relevant to the preparation and presentation of the consolidated financial statements of the SBI Group that give a true and fair view and are free from material misstatement, whether due to fraud or error. We are informed that the management of the individual entities of the group have implemented such internal controls and risk management systems that are relevant to the preparation of the financial statements and the designed procedures that are appropriate in the circumstances so that the internal controls with regard to all the activities of the SBI Group are effective. These statements have been prepared on the basis of separate financial statements and other financial information regarding components.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan

Group's share in total assets of INR 7,62,739 Crores as at March 31, 2017, the Group's share in total revenue of INR 90,993 Crores, the Group's share in net cash inflows amounting to INR 65,231 Crores, and the Group's share in profit from associates of INR 274 Crores for the year then ended;

(c) Unaudited accounts of 1 (one) Subsidiary and 1 (one) Associates whose financial statements reflect total assets of INR 165 Crores, net cash outflows amounting to INR 130 Crores and the Group's share in profit from associates of INR 19 Crores for the year then ended.

These financial statements and other financial information have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries, joint ventures and associates, is based solely on the report of the other auditors and unaudited financial statements referred to above.

8. The auditors of SBI Life Insurance Company Ltd., a subsidiary of the Group have reported that the actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for

and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management of the entities of the Group, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, and based on our consideration of the reports of other auditors on separate financial statements of Subsidiaries, Joint Ventures and Associates, the unaudited financial statements and the other financial information of a subsidiary and certain associates as furnished by the Management, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2017;
- (b) in the case of the Consolidated Profit and Loss Account, of the consolidated profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### Other Matters

7. Incorporated in these consolidated financial statements are the:

(a) Audited accounts of the Bank audited by 14 (fourteen) Joint Auditors including us which reflect total assets of INR 27,05,787 crores as at March 31, 2017, total revenue of INR 210,979 crores, and net cash inflows amounting to INR 4,504 Crores for the year then ended;

(b) Audited accounts of 31 (thirty one) Subsidiaries, 9 (nine) Joint Ventures and 19 (nineteen) Associates audited by other auditors whose financial statements reflects the policies in respect of which the premium has been discontinued but liability exists as at 31 March 2017 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI" / "Authority") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists on standalone financial statements of the Company.

Our opinion is not modified in respect of these matters.

## AUDITORS

## State Bank of India

Consolidated Profit and Loss Account for the year ended 31st March 2017

	Schedule No.	Year ended 31.03.2017 (Current Year) US\$	Year ended 31.03.2016 (Previous Year) US\$
(000s omitted)			
<b>I. INCOME</b>			
Interest earned	13	35,535,465	33,300,543
Other Income	14	10,515,491	7,973,494
<b>TOTAL</b>		<b>46,050,956</b>	<b>41,274,037</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	22,993,782	21,590,424
Operating expenses	16	13,460,304	11,215,330
<b>Provisions and contingencies</b>		<b>9,657,114</b>	<b>6,544,912</b>
<b>TOTAL</b>		<b>46,111,200</b>	<b>39,350,666</b>
<b>III. PROFIT</b>			
Net Profit for the year (before adjustment for Share in Profit of Associates and Minority Interest)		(60,244)	1,923,371
Add: Share in Profit of Associates		45,226	41,629
Less: Minority Interest		(52,216)	119,917
Net Profit for the Group		37,198	1,845,083
Profit Brought forward		505,757	394,819
<b>TOTAL</b>		<b>542,955</b>	<b>2,239,902</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserves		501,828	559,872.00
Transfer to Other Reserves		325,399	813,324.00
Dividend for the previous year paid during the year (including Tax on Dividend)		0	1.00
Final Dividend for the year		325,145	304,630.00
Tax on Dividend		59,826	67,043.00
Balance carried over to Balance Sheet		(669,243)	495,032.00
<b>TOTAL</b>		<b>542,955</b>	<b>2,239,902.00</b>
Basic Earnings per Share		0.005	0.24
Diluted Earnings per Share		0.005	0.24
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Profit & Loss Account

## State Bank of India

Consolidated Balance Sheet as on 31st March 2017

	Schedule No.	As on 31.03.2017 (Current Year) ₹	As on 31.03.2016 (Previous Year) ₹
(000s omitted)			
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	797,35,04	776,27,77
Reserves & Surplus	2	216,394,79,86	179,816,08,85
Minority Interest		6,480,64,58	6,267,40,44
Deposits	3	25,998,10,66,19	22,538,57,56,44
Borrowings	4	3,363,65,66,48	3,613,99,39,05
Other Liabilities and Provisions	5	2,85,27,43,87	2,71,36,6,42,27
<b>TOTAL</b>		<b>344,512,15,62</b>	<b>307,348,3,14,82</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	1,61,01,81,07	1,60,42,4,56,91
Balances with Banks and Money at Call & Short Notice	7	1,12,17,8,54,46	4,41,34,89,64
Investments	8	1,02,72,80,86,90	80,73,74,58,30
Advances	9	1,89,68,86,82,01	1,87,02,60,89,28
Fixed Assets	10	50,940,73,77	1,52,55,68,28
Other Assets	11	1,96,815,97,81	1,76,032,52,41
<b>TOTAL</b>		<b>344,512,15,62</b>	<b>307,348,3,14,82</b>
Contingent Liabilities	12	1,18,49,07,81,79	1,18,42,01,34,24
Bills for Collection		7,77,27,05,90	10,66,11,67,61
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Balance Sheet

Interested parties may obtain a complete copy of the consolidated statements from the Local Office of the entity at State Bank of India, Saffrey square, Suite-201, Nassau, The Bahamas.

## FROM PAGE 1B

desire to ensure vacation rentals were properly regulated, and that the sector contribute its fair share in taxation on a 'level playing field' with the hotel industry.

"I do understand the need for regulation, and to maintain the quality of the current tourism industry, and I understand the need for taxation so we don't bastardise the current tourism product," Mr Aubry told Tribune Business.

"But I would like to see legislation as part of a wider strategy, as we don't want to make anything prohibitive.... This is a perfect vehicle for Bahamian ownership of the tourism product, and I think we want to incentivise that, and drive more local products and manufactured products into the sector."

Mr Aubry continued: "We don't understand what the long-term plan is. I'd have liked to see this legislation come in as a package; how we ensure certain standards are maintained, where the responsibility for the taxation lies, and how people can utilise second homes left for them by their families in islands like Andros.

"We want to incentivise it, and not make it difficult for local and foreign investors."

Dionisio D'Aguiar, minister of tourism, in unveiling the Airbnb MoU pledged that legislation was being developed to address what he described as the "murky issues" affecting the vacation rental sector.

"The regulation will define the parameters of vacation home rentals," he added. "It will set the standards and best practices to facilitate the reputation of our destination brand. The new legislation will put in place a modern regulatory framework within which vacation home rentals can operate as an integral part of our tourism sector."

The Airbnb MoU will see the vacation rental website assist the Government's efforts to properly tax vacation properties on their rental income, although this will not involve the imposition of Value-Added Tax (VAT) due to difficulties in assessing whether landlords have crossed the \$100,000 registration threshold.

While Mr D'Aguiar argued that "the great take away from this is not the tax" but

# TAXATION FOCUS 'COULD SCARE' VACATION RENTALS

the entrepreneurial opportunities for Bahamians, Mr Aubry said this was unlikely to be the impression gained from the Airbnb MoU.

"The first thing you hear about Airbnb is they're going to tax it," Mr Aubry told Tribune Business. "That could scare a number of people moving forward into this."

Concerns that the Government could 'throw the baby out with the bath water' over its vacation rental taxation plans have already been voiced by several Bahamas-based Airbnb hosts.

One, Bruce Raine, International Private Banking Systems' (IPBS) principal, earlier this week warned that it could "kill" the industry if it failed to adopt a 'light touch' approach due to the price sensitivities of international travellers.

Mr Aubry acknowledged that the Bahamas was following other jurisdictions, such as Antigua and the US Virgin Islands, in sealing agreements with Airbnb, but warned that this nation needed to maintain its competitiveness.

"I think these are destinations also looking at it to see how they can drive more tourism," he said. "We have to be conscious we are competing in a broader market. We have to create more experiences."

Mr Aubry said vacation rentals should be viewed as an innovative product for attracting tourists to the Bahamas who were not interested in a cruise vacation or staying at a destination resort/hotel with its various attractions.

As a result, he argued that the Bahamas needed to balance taxation with incentives for the vacation rental sector. Mr Aubry suggested that incentives, for example, could be provided to encourage landlords and hosts to register their properties with the Government's Hotel Licensing Department.

"It's a very valuable product and we have to be careful how we move it forward," he said. "If we can get into a place where the licensing policy is clear, and where you can get concessions for using local products, and move it to an island where this tourism

product is needed, it's not so hard to put together.

"How do we take advantage of this, and push forward into a new and exciting model of tourism?"

The vacation rental market has increasingly been viewed as an opportunity to better diversify the Bahamian tourist market, and attract a different type of longer-stay visitor wishing to stay in non-hotel accommodation.

Seen as holding great promise for Family Island development, the sector also provides avenues to develop Bahamian entrepreneurship and diversify tourist spending directly into businesses and communities away from the main hotel/casino strips.

An ORG-commissioned study by Oxford Economics, the research consultancy, recently identified the vacation rental market as a potential growth opportunity that could boost Bahamian ownership and entrepreneurship in the tourism industry, plus aid economic diversification.

However, it found that the Bahamas' ability to make further inroads into this market was already being impeded by old, impractical laws and regulations that treated vacation rentals like mega resorts.

Apart from the International Persons Landholding Act imposing "especially strict rules" on foreign home owners, the study said all vacation-based properties have to be approved by the Bahamas Investment Authority (BIA).

"While vacation home owners and foreign owners can overcome these hurdles, this comes at a cost in terms of time and money," the report's author, the Oxford Economics consultancy, said.

"In the view of interviewees, most of the complexity reflects laws that are designed with mega-resorts in mind. For example, if the owner is not the primary occupant, then the applicant must present detailed business plans that addresses issues such as how many people will be employed, traffic issues, etc. For the vacation home rental market, this is not a practical approach."



## CONSOLIDATED WATER

Consolidated Water (Bahamas) Ltd. (CWBAH) is seeking a Construction Site Supervisor.

The position offers a dynamic working environment and a competitive compensation and benefits package. This is a temporary contract position which is expected to commence in Q3 2017 and complete in Q3 2018.

### Responsibilities:

General responsibilities include: site related schedule and budget reporting; subcontractor management; assisting with importation and delivery of parts and equipment to site; overseeing and directing management of parts, equipment, and tools on site; advisement on errors, concerns and project related issues; providing technical assistance to crews on site; and keeping track of CWBAH time reporting and site safety, as per generally accepted practices in The Bahamas.

### Essential Job Functions:

- Assess project specifications and report on areas of potential risk and/or budget constraints.
- Satisfy project design requirements related to Construction of the works while maintaining control of budgets associated with this work.
- Maintain project schedules as determined by the Project Management team.
- Provide reports on project progress, status of schedules and sub-contractor deliverables.
- Liaise with Owner, Engineer and Site Contractors.
- Interpret and manage site engineering drawings.
- Manage installation of equipment, parts organization, handling and inventory control.
- Anticipate upcoming work and provide scheduling support and personnel management.
- Manage drawings on site, including releases and request drawings as needed.
- Document meetings, correspondence.
- Any other tasks as deemed necessary by the Director of Projects.

### Qualifications, Experience and Skill Requirements

Qualified candidates shall have a minimum of 10 years' experience in industrial and commercial Construction and site supervision and a minimum of 15 years' experience in general Construction works. A degree in Construction Management or Engineering is a plus.

The applicant must be a proven team player, possess excellent written and verbal communications skills, and possess superior organizational and multi-tasking skills.

Please forward résumé to [cmorley@cwco.com](mailto:cmorley@cwco.com)