

SBI

SBI is by far the largest player in the market.

History

The roots of the State Bank of India lie in the first decade of the 19th century, when the Bank of Calcutta, later renamed the Bank of Bengal, was established on 2 June 1806. The Bank of Bengal was one of three Presidency banks, the other two being the Bank of Bombay (incorporated on 15 April 1840) and the Bank of Madras (incorporated on 1 July 1843). All three Presidency banks were incorporated as joint stock companies and were the result of royal charters. These three banks received the exclusive right to issue paper currency till 1861 when, with the Paper Currency Act, the right was taken over by the Government of India. The Presidency banks amalgamated on 27 January 1921, and the re-organised banking entity took as its name Imperial Bank of India. The Imperial Bank of India remained a joint stock company but without Government participation.

Pursuant to the provisions of the State Bank of India Act of 1955, the Reserve Bank of India, which is India's central bank, acquired a controlling interest in the Imperial Bank of India. On 1 July 1955, the Imperial Bank of India became the State Bank of India. In 2008, the Government of India acquired the Reserve Bank of India's stake in SBI so as to remove any conflict of interest because the RBI is the country's banking regulatory authority.

In 1959, the government passed the State Bank of India (Subsidiary Banks) Act. This made SBI subsidiaries of eight that had belonged to princely states prior to their nationalization and operational takeover between September 1959 and October 1960, which made eight state banks associates of SBI. This went with the first Five Year Plan, which prioritised the development of rural India. The government integrated these banks into the State Bank of India system to expand its rural outreach. In 1963 SBI merged State Bank of Jaipur (est. 1943) and State Bank of Bikaner (est. 1944).

SBI has acquired local banks in rescues. The first was the Bank of Bihar (est. 1911), which SBI acquired in 1969, together with its 28 branches. The next year SBI acquired National Bank of Lahore (est. 1942), which had 24 branches. Five years later, in 1975, SBI acquired Krishnaram Baldeo Bank, which had been established in 1916 in Gwalior State, under the patronage of Maharaja Madho Rao Scindia. The bank had been the *Dukan Pichadi*, a small moneylender, owned by the Maharaja. The new bank's first manager was Jall N. Broacha, a Parsi. In 1985, SBI acquired the Bank of Cochin in Kerala, which had 120 branches. SBI was the acquirer as its affiliate, the State Bank of Travancore, already had an extensive network in Kerala.

There has been a proposal to merge all the associate banks into SBI to create a "mega bank" and streamline the group's operations.

The first step towards unification occurred on 13 August 2008 when State Bank of Saurashtra merged with SBI, reducing the number of associate state banks from seven to six.

On 19 June 2009, the SBI board approved the absorption of State Bank of Indore. SBI holds 98.3% in State Bank of Indore. (Individuals who held the shares prior to its takeover by the government hold the balance of 1.7%.)

The acquisition of State Bank of Indore added 470 branches to SBI's existing network of branches. Also, following the acquisition, SBI's total assets will approach ₹10 trillion. The total assets of SBI and the State Bank of Indore were ₹9,981,190 million as of March 2009. The process of merging of State Bank of Indore was completed by April 2010, and the SBI Indore branches started functioning as SBI branches on 26 August 2010.

On 7 October 2014, Arundhati Bhattacharya became the first woman to be appointed Chairperson of the bank. Mrs. Bhattacharya received an extension of two years of service to merge into SBI the five remaining associated banks.

Operations

SBI provides a range of banking products through its network of branches in India and overseas, including products aimed at non-resident Indians (NRIs). SBI has 14 regional hubs and 57 Zonal Offices that are located at important cities throughout India.

SBI has 18,354 branches in India. SBI is one of the largest employers in the country with 209,567 employees as on 31 March 2017, out of which there were 23% female employees and 3,179 (1.5%) employees with disabilities.

On 15 February 2017, the Union Cabinet approved the merger of five associate banks with SBI.

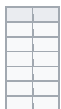
Apart from its five associate banks, SBI also has the following non-banking subsidiaries:

- SBI Capital Markets Ltd
- SBI Funds Management Pvt Ltd
- SBI Factors & Commercial Services Pvt Ltd
- SBI Cards & Payments Services Pvt. Ltd. (SBICPSL)
- SBI DFHI Ltd
- SBI Life Insurance Company Limited
- SBI General Insurance

Other SBI service points

As of 31 March 2017, SBI group (including associate banks) has 59,291 ATMs.

As on 31 March 2017, Government of India held around 61.23% equity shares in SBI. Life Insurance Corporation of India is the largest non-promoter shareholder in the company with 8.82% shareholding.



Recent awards and recognition

- SBI was ranked as the top bank in India based on tier 1 capital by The Banker magazine in a 2014 ranking.
- SBI was ranked 232nd in the Fortune Global 500 rankings of the world's biggest corporations for the year 2016.
- SBI was named the 29th most reputed company in the world according to *Forbes* 2009 rankings
- SBI was 50th Most Trusted brand in India as per the Brand Trust Report 2013,¹ an annual study conducted by Trust Research Advisory, a brand analytics company and subsequently, in the Brand Trust Report 2014, SBI finished as India's 19th Most Trusted Brand in India.