



State Bank of India
Australia

REMUNERATION DISCLOSURE
FY 2023-2024

September 2024

State Bank of India, Australia (ABN 95 082 610 008; AFSL 238340)

STATE BANK OF INDIA AUSTRALIA ANNUAL REMUNERATION DISCLOSURE

The remuneration disclosure adheres to the Australian Prudential Regulatory Authority's (APRA) remuneration requirements as specified in the prudential standard CPS 511 Remuneration, in line with the remuneration policy of State Bank of India, Australia (SBIA).

SBIA is obligated to disclose annually the remuneration details of its senior managers and key risk takers, as delineated in the APRA Prudential Standard CPS 511 Remuneration. These disclosures must provide both qualitative and quantitative information about the Bank's remuneration practices, ensuring transparency and compliance with the minimal public disclosure standards required by Foreign ADIs.

REMUNERATION GOVERNANCE STRUCTURES: SENIOR OFFICER OUTSIDE AUSTRALIA (SOOA) AND BRANCH MANAGEMENT COMMITTEE (BMC)

The Branch Management Committee (BMC), approved by SOOA, is tasked with assisting the Management in its duties related to remuneration, employee matters, and compliance with employment laws and regulations. The BMC ensures the bank maintains suitable remuneration and personnel systems and regularly assesses their effectiveness.

The BMC consists of five members and is convened monthly. Other issues were addressed through Circular Resolutions.

The Board has endorsed a Remuneration Policy that covers all employees of SBIA, including:

- Individuals classified as 'Fit and Proper' persons and 'Senior Managers' as per Prudential Standard CPS 520 Fit and Proper.
- Persons accountable under the Banking Executive Accountability Regime (BEAR), currently replaced by Financial Accountability Regime (FAR).
- Personnel in risk and financial control roles.

Under CPS 520, a 'Senior Manager' is defined as someone (excluding directors) who:

- Makes or participates in decisions significantly impacting the bank's operations or a major portion thereof;
- Has the potential to substantially affect the bank's financial health; or
- Could materially influence the bank's operations or financial stability through their role in:
 - Enforcing or implementing strategies approved by the Board (SOOA);
 - Developing and implementing systems for risk identification, assessment, management, or monitoring;
 - Ensuring the effectiveness, adequacy, and appropriateness of risk management systems.

During the fiscal year 2023-24, 12 employees were recognised as Senior Managers.

'Material risk takers' are defined in the ADI's Remuneration Policy under paragraph 57(c) of CPS 510 Governance as individuals whose performance-based remuneration is significant and whose actions, whether individually or collectively, could impact the financial stability of the institution. For the 2023-24 period, no new material risk takers were identified beyond those already classified as Senior Managers.

REMUNERATION POLICY OVERVIEW

The Remuneration Policy of the SBIA is crafted to attract, retain, and motivate employees, aligning their contributions with the strategic goals of SBIA within its established risk appetite, management frameworks, and regulatory guidelines.

The policy ensures that remuneration is appropriately aligned with specific performance metrics and risk management objectives, including penalties for not meeting risk standards. SBIA's remuneration framework is based on a fixed remuneration structure. SBIA does not provide any short- or long-term incentives, equity or equity linked forms of remuneration for any current employees.

Furthermore, the policy outlines that the BMC will provide recommendations to the Board/SOOA regarding the pay of individuals who might impact the financial stability of SBIA, drawing on both internal and external expertise to guide these decisions. Given SBIA's emphasis on fixed remuneration, the compensation for risk and financial control personnel is not influenced by the performance outcomes of the business units they supervise.

The policy review process mandates an annual review of the Remuneration Policy, which was last conducted in September 2023. Key updates from this review include:

- A reference to the prudential standard CPS 511 Remuneration.
- The integration of non-financial performance factors into performance assessments.

REMUNERATION & PERFORMANCE MANAGEMENT

During the reporting period, SBIA identified an overall percentage increase for employee remuneration. The majority of employees received an annual wage revision. Roles that were identified as at risk of turnover were also assessed against market and adjusted accordingly.

QUANTITATIVE DISCLOSURE

The following quantitative disclosures have been prepared in accordance with the requirements for CPS 511 for the 2023-24 financial year. The table below presents the number of Senior Managers* and Material Risk-Takers who were employed in 2023-24.

* IBOs are officers from State Bank of India posted at SBIA for pre-determined periods and usually three to five years.

Responsible Persons during the Reporting Period	Number
Senior Officer Outside Australia (IBO)	1
Chief Executive Officer (IBO)	1
Chief Risk and Compliance Officer	1
Chief Information and Security Officer & IT Manager	1
Head of Trade (IBO)	2
Head of Operation (IBO)	2
Head of Treasury (IBO)	1
Head of Credit (IBO)	1
Risk and Compliance Managers	2

Disclosure	2023-24 '000
Total annual remuneration paid to the BMC members (5 members)	A\$1,252
Number of variable remuneration payments made to Senior Managers	Nil

Total variable remuneration payments made to Senior Managers	nil
Number of guaranteed bonuses paid	nil
Number of sign on payments made	nil
Number of termination payments made to Senior Managers	nil
Total termination payment amounts for Senior Managers	nil
Outstanding deferred remuneration	nil
Deferred remuneration	nil

Remuneration for Senior Managers and Material Risk-Takers	Unrestricted \$'000	Deferred \$'000
Fixed Remuneration		
Cash based	A\$1,799	None
Shares and share-linked instruments	None	None
Other	None	None
Variable remuneration		
Cash based	None	None
Shares and share-linked instruments	None	None