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Madam / Sir,

**Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015  
Transcript of Analyst Meet**

Pursuant to Regulation 30 read with Para A Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit the transcript of the Q4FY26 post results Analyst Meet held on 08.05.2026.

Yours faithfully,



**(Aruna N Dak)**  
**DGM (Compliance & Company Secretary)**  
Encl: A/a

# Q4FY26

# ANALYST MEET

# TRANSCRIPT

08.05.2026

## MANAGEMENT

**MR. C S SETTY**

CHAIRMAN, STATE BANK OF INDIA

**MR. ASHWINI KUMAR TEWARI**

MANAGING DIRECTOR (CORPORATE BANKING AND SUBSIDIARIES)

**MR. RANA ASHUTOSH KUMAR SINGH**

MANAGING DIRECTOR (INTERNATIONAL BANKING, GLOBAL MARKETS & TECHNOLOGY)

**MR. RAMA MOHAN RAO AMARA**

MANAGING DIRECTOR (RETAIL BUSINESS & OPERATIONS)

**MR. RAVI RANJAN**

MANAGING DIRECTOR (RISK, COMPLIANCE AND STRESSED ASSETS RESOLUTION GROUP)

**MR. ANINDYA SUNDER PAUL**

DEPUTY MANAGING DIRECTOR (FINANCE)

**MR. A RAVI SHANKAR**

CHIEF GENERAL MANAGER (FINANCIAL CONTROL)

**MR. PAWAN KUMAR**

GENERAL MANAGER (PERFORMANCE, PLANNING & REVIEW)

**Mr. Pawan Kumar - General Manager (Performance, Planning and Review), State Bank of India**

Good evening, ladies and gentlemen. I am Pawan Kumar, General Manager, Performance Planning and Review Department of the Bank. On behalf of State Bank of India, I am delighted to welcome the analysts, investors, colleagues and everyone present here today on the occasion of declaration of the Financial Year 26 results of the Bank. I also extend a very warm welcome to all the people who are accessing the event through our live webcast. We have with us on the stage our Chairman sir, Shri C. S. Setty, our Managing Director Corporate Banking and Subsidiaries, Shri Ashwini Kumar Tewari, our Managing Director, International Banking, Global Markets and Technology, Shri Rana Ashutosh Kumar Singh, our Managing Director, Retail Business and Operations, Shri Rama Mohan Rao Amara, our Managing Director, Risk Compliance and Strategy, Shri Ravi Ranjan, our Deputy Managing Director, Finance, Shri Anindya Sunder Paul, our Deputy Managing Directors, heading various verticals and Managing Directors of our subsidiaries are seated in the front rows of this hall. We are also joined by Chief General Managers of different verticals, business groups, Chief General Managers and other senior officials of the circles and various officers are connected through our live webcast.

To carry forward the proceedings, I request our Chairman sir to give a summary of the bank's Financial Year 26 performance and the strategic initiatives undertaken. We shall thereafter straight away go to questions and answer session. However, before I request Chairman sir, I would like to read out the safe harbour statement.

Certain statements in today's presentation may be forward looking statements. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual outcomes may differ materially from those included in these statements due to a variety of factors. Thank you. Now, I would request Chairman sir for his opening remarks. Chairman sir, please.

**Mr. C.S. Setty – Chairman, State Bank of India**

Good evening, ladies and gentlemen. Thank you for joining us for today's Analysts' Meet following our Q4 and FY26 results. At the outset, I would like to state that our FY26 performance reflects a consistency born out of a calibrated multi-year shift in how we run the bank. We have focused on strengthening our core fundamentals of asset quality, capital, operating efficiency and franchise depth. The result is a balance sheet that is performing robust and resilient.

Let me briefly touch upon the environment we are operating in. The global economy remains in a phase of elevated uncertainty with growth projected by the IMF at 3.1% in 2026 and 3.2% in 2027. India, however, continues to outperform with FY27 growth projected at 6.9% by the RBI supported by domestic demand and macro stability. That said, geopolitical developments and climate related disruptions remain key risks. Inflation is expected at 3.8% in the near term with a full year estimate of 4.6% with some upward bias on account of energy price movements and weather-related uncertainties.

From a banking system perspective, credit growth for the scheduled commercial banks accelerated to 16% in FY26 while deposits grew at 13.6%. The momentum is continuing in the current financial year, and we expect credit growth at 13% to 14% and deposits at 11% to 12% for FY27 for the system. Asset quality continues to remain strong and capital buffer is comfortable. However, beyond these metrics, the operating landscape is being reshaped by deeper structural shifts. Technology risk is now becoming a systemic risk. The emergence of advanced AI models capable of identifying and exploiting vulnerabilities at scale has fundamentally changed the cybersecurity paradigm. The industry is therefore moving towards coordinated, system-wide resilience frameworks in partnership with the regulators, the government and other key stakeholders. At the same time, the regulatory approach to risk is becoming more forward looking. The transition to expected credit loss based provisioning from April 2027 is a significant step in that direction and we are confident of a smooth transition.

In this environment, our approach is focused not merely on growth but on improving the quality of our growth by making it more durable, capital efficient and more resilient across cycles. This is being executed through a set of aligned actions. We are simplifying the bank at scale through Project Saral which I mentioned earlier with you, our operations process re-engineering initiative. The larger objective is to simplify the customer journey and release capacity within the system to focus more on relationship building and business growth.

Second, we are building a more digital native intelligence-led organization through analytics 2.0. Data and AI are becoming central to decision-making across credit, risk and customer engagement.

Third, we are strengthening our liability franchise. As savings increasingly shift towards market-linked instruments, we are deepening customer engagement through YONO, expanding ecosystem partnerships and creating relevant offerings for diverse segments. Our balance sheet strategy is moving from volume-led expansion to a value-accretive growth with a sharper focus on granularity, product competitiveness and risk-adjusted returns. We are also expanding into new growth areas including startups, alternative investments, ecosystems and global trade to keep our portfolio diversified and future ready.

Against this backdrop, let me now highlight the bank's Q4 FY26 performance. Driven by strong operating profitability and improved asset quality, I am glad to share that the bank has surpassed key milestones this financial year. Net profit reached a record high at Rs 80,032 crores, up 12.88% year-on-year, supported by 11.25% year-on-year growth in operating profit with a domestic NIM at 3.03%, supporting our guidance to maintain NIM above 3%. As total business crosses the Rs 109 trillion mark, this performance showcases our strengthening market position and sustained customer trust. Our domestic business has grown by more than Rs 11 trillion on year-on-year basis. Our balance sheet size has crossed Rs 76 trillion. We achieved resilient deposit growth of 11.03% year-on-year by about Rs 6 trillion driven by strong inflows in retail term deposits which grew by 14.77% and a double-digit savings account growth at 10.6%. Despite competitive environment, a 39.46% CASA ratio, which is an improvement of 33 basis points quarter-on-quarter, sustains our low-cost funding advantage, reinforced by 12.7% growth in foreign deposits. The credit growth has been robust and was up 16.87% year-on-year as on March 26, which was driven by all the segments registering double-digit

growth. The domestic credit deposit ratio was 73.08% at the end of FY26, an improvement of 337 basis points year-on-year. All the components of RAM have witnessed sound growth.

The corporate credit growth momentum continues and grew by 14.83%. Our foreign offices have continued to perform well with growth in advances at 20% year-on-year. In dollar terms, it is 8%. The asset quality continues to be industry leading with gross NPAs at 1.49%, improving by 33 basis points and net NPA at 0.39%, further improving by 8 basis points on year-on-year basis. The PCR was at 74.36%. The sustained two-decade low in NPAs validates our rigorous underwriting capability, disciplined credit practices and effective credit risk management. Strengthening our capital position, our CAR has improved by 115 basis points year-on-year and stands at 15.4%, which is well above the regulatory requirements. The bank has enough headroom to address future credit growth requirements. Further, our subsidiaries are demonstrating consistent performance and are driving stakeholder value through digital expansion, product innovation and improved customer experience. We will continue to nurture these subsidiaries and see them creating value for their own shareholders as well as the shareholders of SBI.

At SBI, digital transformation remains a continuous journey where YONO is central to our strategy. The strong adoption of a new YONO, crossing 4 crore registration within three months of launch and bringing total users above 10 crores confirms that digital-first banking is now deeply embedded in customer behaviour. 66% of new savings accounts originating on YONO platform in FY26 demonstrates our successful transition to a digital-first institution.

Our FY26 performance reflects both a strong foundation and the strategic repositioning. In an environment of intensifying liability competition, evolving customer expectations and rapid technological change, we are reshaping our balance sheet, strengthening liabilities, embedding AI and analytics into our operating model and diversifying funding sources and growth ecosystems.

Our focus remains firmly on delivering consistent risk-adjusted returns supported by disciplined underwriting, strong asset quality and robust internal capital generation. Our emphasis has always been on efficiency and return matrix, with ROA consistently greater than 1% and ROE at 18.5% at the end of Q4 FY26. Our ability to maintain an ROA greater than 1% at scale puts us in a top league of global financial institutions with an advance book of more than Rs. 49 trillion, investments about Rs. 18 trillion, deposits of more than Rs. 59 trillion and a balance sheet size of nearly Rs. 76 trillion.

Most importantly, we are empowering our people with continuous training and inclusive culture to build a motivated, future-ready workforce in this dynamic environment.

To conclude, we see SBI's journey as closely aligned with India's long-term economic transformation. As the country progresses towards the vision of Viksit Bharat 2047, we believe SBI has a unique role to play as a key enabler.

Thank you once again for your continued engagement and support. My team and I will now be happy to take your questions.

**Mr. Pawan Kumar - General Manager (Performance, Planning and Review), State Bank of India**

Thank you Chairman Sir. We now invite questions from the audience. For the benefit of all, we request you to kindly mention your name and company before asking the questions. To accommodate all the questions, we request you to restrict your questions to maximum two at a time. Also kindly restrict your questions to the financial results only and no questions be asked about specific accounts, please. In case you have additional questions, the same can be asked at the end. We now proceed with the question and answer session, please.

**Mr. Ashok Ajmera – Chairman, Ajcon Global**

Sir, definitely compliments to you, for such a robust business growth, very good asset quality and if you see on year on year, the highest operating profit and the net profit, net profit going beyond Rs. 80,000 crores. There is only a few concerns looking at the result on the face of it, of this quarter, where our operating profit also has gone down and the net profit also has gone down as compared to the last quarter and mainly dragged the profitability, dragged by the treasury operation, the loss in the trading, may be a trading loss or a loss on the valuations of the treasury book. I think which is about Rs. 3,500 crores and little bit increase in the overhead expenses in this quarter, which may be because of the last quarter, it has gone up by about Rs. 1,500, Rs. 1,700 crores, the overheads. So having said that, our slippage has also gone up little bit in this quarter, may be Rs. 1,000, Rs. 1,200 crores up in this quarter.

So, in this scenario, now with the treasury outlook looking little better in the coming quarters and overhead may be one time, because of the last quarter of the financial year. Can we have some idea of going forward, where do we stand on the profitability front? While the loan book is growing very well, but you yourself said that we can look at still about 14-16% growth in the credit book. So looking at this scenario, now coming forward, can we have the comfort of having, if not good income from treasury, at least the losses are not there, so that the overall profitability increases and coupled with that, now with the ECL guidelines getting finalized, how are we prepared with that? Is the impact is going to be taken up in the coming quarters, whether the numbers have been drawn and what is our plans to take care of those provisions? Whether we now, as far as the business growth is concerned, with the emergency line of credit guarantee scheme 5 coming up with Rs. 2,50,000 crores, Rs. 5,000 is for airlines separately. So even business growth, you yourself have said in some of the interviews that Rs. 70,000, Rs. 80,000 crores of prospects are there only through this line of credit, looking at your customer base.

So, in all, can you just give your views on the few points which I have raised, sir, in this case.

**Mr. C.S. Setty – Chairman, State Bank of India**

Ajmera Saab, you said few points, is it? But very comprehensive assessment what you have done. First of all, I think a few questions which are in your mind, let me first answer them. There seems to be some amount of, maybe we were not communicated enough

in our Q3. I believe, I have gone through my transcript again in Q3 analyst call. We made it very clear that our exit NIM is going to be 3% and we also mentioned that in the Q3, December 15 repo rate cut will be having full impact in the Q4, these things are something what we stated up front.

What has not been known to all of us is the yield movement which had definitely impacted the treasury income. But even then, what we realized that, despite the sharp movement in the bond yields, because of our very low exposure to fair value portfolio, our hit has not been very significant. But you are comparing with the Q4 of the previous year, for instance, we have had Rs. 3,800 crores one-time gain on the security receipts. Apart from that, we had positive treasury gains in that quarter. I think overall, we all believe that we have given a good set of numbers for Q4 as well as full year. We stuck to our guidance in terms of 1% ROA and 3% exit NIM. I do not think there was any surprise to us, but I think there is some assessment in terms of what analysts like you have done on the NII part.

There are two reasons why the net interest income has got impacted. As I mentioned, one is, the impact of 25 basis point rate cut which is reflected in the EBLR portfolio and 5 basis point cut which we have done in the MCLR is fully factored in the Q4. EBLR book also has gone up. In fact, the composition of the floating rate loans slightly has increased. That also is a combination of factors which we had known and that is the reason we always gave a guidance that when we talk about NIM, we are not talking about the quarterly NIM numbers. It is a full year exit NIM which we have given the guidance, and I hope that we broadly fulfilled that. I think this is something what I wanted to clarify.

And as for the treasury going forward, I think 3-4 questions which you asked, let me answer in the seriatim. One is slippages. Q4 slippages is not a matter of concern and from these slippages, we have pulled back almost 850 crores as we speak. That means there is no structural issue in terms of asset quality. Let me assure you on that.

**Mr. Ashok Ajmera – Chairman, Ajcon Global**

West Asian problem.....

**Mr. C.S. Setty – Chairman, State Bank of India**

So, there is no impact of West Asia so far and these slippages have nothing to do with any stress in the system. It is seasonal. Most of the slippages have come from agriculture and some from SME. I will give further guidance as we speak in terms of slippages, but we are sticking to our credit cost guidance of 50 basis points even despite whatever happens on the West Asian conflict. We are confident that the asset quality is holding up unless of course there is something dramatically happens in the system and macros will further get disturbed. As things stand now, we are sticking to our credit cost guidance of 50 basis points, our credit growth guidance of 13-15%. You mentioned about treasury income, and we believe that the yields will not create much pain going forward, even if assuming that the yield movement will be there. Our internal guidance which has gone wrong earlier, we felt that the bond yields probably would be moving up to 6.75. There has been a sharp movement, but now also our treasury holds a view that

it would be in the range of 6.75 to 6.9, not beyond that, unless the West Asian conflict or any other fiscal imbalances create a problem.

Before ECL guidelines, let me also talk about ECLGS which is a proactive and pre-emptive measure in my view. A lot of people ask me, are there any customers who are coming and asking for ECLGS, not yet. It will take about 8-10 days for us to operationalize these guidelines and we are reaching out to customers, in case of any need they have this facility available. My assessment of 70,000 to 80,000 crores is the full limit which is available to MSMEs and other non-MSME customers. Our assessment also indicates that not more than 30%, in the worst case 30-40% people will be utilizing it. It could be more as the conflict goes further, but it is an excellent step from the Government of India side to make this available in a proactive measure. ECL guidelines, we have made the models ready based on the draft guidelines. We have made further tweaking the models based on the final guidelines. It would not be appropriate for me to give a number at this juncture. I think probably after the end of June-Quarter we will have much clarity in terms of, what is the stock which is required to be taken care of.

**Mr. Ashok Ajmera – Chairman, Ajcon Global**

You have about 29,000-30,000 crore buffer....

**Mr. C.S. Setty – Chairman, State Bank of India**

Ajmera Saab, I don't want to hazard a guess at this juncture, let us stick to that. We are not going to give any number at this time. But one thing I want to make it very clear as I made earlier also, that this transition is going to be smooth. It is not going to impact our ability to fund credit growth. It will not be impacting our capital ratios as much and I hope we will be smoothly transitioning in the next four years in terms of the ECL guidelines implementation. I hope I answered all your questions.

**Mr. Ashok Ajmera – Chairman, Ajcon Global**

Yes, sir. Thank you, sir.

**Ms. Mahrukh Adajania – Tara Capital**

Hello, sir. Good evening! I have a couple of questions. Firstly, just one clarification in NII. We do not have any impact whatsoever of any forex translation or any forex laws because I remember, years ago in a COVID quarter, we had some NII issues relating to forex as well. Just wanted to clarify.

**Mr. C.S. Setty – Chairman, State Bank of India**

No, it is a core NII except that the usual interest on tax refund which has come around 1000 crores which is added in NII. But it is partially offset because some of the penal interest which used to be booked in part of interest has moved to penal charges. But that is just about 600 crores. It is purely the impact of EBLR and some of the floating rate loans on the corporate side.

**Ms. Mahrukh Adajania – Tara Capital**

So basically the interest on tax refund is 10 billion versus around 7 billion last quarter.

**Mr. C.S. Setty – Chairman, State Bank of India**

I think it was 800 crores.

**Ms. Mahrukh Adajania – Tara Capital**

Yes, 7.7 billion.

**Mr. A. S. Paul - Deputy Managing Director (Finance), State Bank of India**

760...

**Mr. C.S. Setty – Chairman, State Bank of India**

Correct.

**Ms. Mahrukh Adajania – Tara Capital**

Sir, just in terms of margins, what is your outlook on margins near term and longer term as well? Because this quarter we did see that NIMs, global NIM in the quarter declined around 18 bps. So, what is the outlook going ahead? Maybe first half and then longer term also.

**Mr. C.S. Setty – Chairman, State Bank of India**

But I would like to give guidance for the full year, Mahrukh, and as I promised, I said that I will give first quarter itself the full year guidance. We do not want to create confusion in terms of quarterly guidance. Because the quarterly, in a large book like ours, there is a seasonality, there is a momentum of credit growth. It is very difficult to give a guidance on the quarterly basis. We are still giving a guidance on an annual basis. We are sticking to our NIM of more than 3% for the full year, for the full year.

**Ms. Mahrukh Adajania – Tara Capital**

For FY27.

**Mr. C.S. Setty – Chairman, State Bank of India**

For the full year.

**Ms. Mahrukh Adajania – Tara Capital**

Okay, sir. And if you could give the breakup of gross slippage for Q4-26 and Q3-26. So that is one question. And the other question I had is that what is your total Middle East portfolio? What is the India linked Middle East portfolio? Like some Indians working abroad may have taken home loans, etc. So, both, if you could give some sense of that.

**Mr. C.S. Setty – Chairman, State Bank of India**

So, I will answer the second question first. I think that is on many people's minds, you know, what is happening on the Middle East. The Middle East, we have two large offices, Bahrain and DIFC, Dubai. But the other operations are very small Bahrain retail operations and Dubai, we do not have any retail operations at all. So primarily, it is a wholesale book. And out of this, it is predominantly either a bank exposure or a sovereign exposure. In both these cases, we do not see any concern on that. We don't have any much direct exposure either to the medium enterprises or even corporates. So, I don't see a great impact coming from the corporate side, wholesale book side. And the retail side where the people working in the GCC taking the housing loans, it is predominantly in Kerala. The rest of the country is not concentrated. But we have not seen any impact on the asset quality, particularly on the housing loans. They normally take housing loan. A lot of people, what we have realized that, they have not come back to Kerala. They are still staying put in the place where they are working, and there is no asset quality concern at this juncture, because most of the GCC countries are coming to a normalcy. We had moved our people from the GCC countries to India to work from Mumbai. But all of them have gone back now, barring a few, one or two. So, which means that the things are stabilizing. It will take some time. But I don't think it will lead to any concerns on the asset quality. The first question on the?

**Ms. Mahrukh Adajania – Tara Capital**

Sir, I wanted the slippage breakdown, gross slippages.

**Mr. C.S. Setty – Chairman, State Bank of India**

Gross slippages anyway we don't ever give. It is always first quarter which gives gross slippages and subsequently dissolved net slippages. But there is absolutely no predominant movement of any concern in the slippages.

**Ms. Mahrukh Adajania – Tara Capital**

And sir, what will be that India linked proportion of portfolio, the Kerala home loans?

**Mr. C.S. Setty – Chairman, State Bank of India**

Very small.

**Ms. Mahrukh Adajania – Tara Capital**

Thank you, sir. Thanks a lot.

**Mr. C.S. Setty – Chairman, State Bank of India**

You want to add anything Ashutosh?

**Mr. Rana Ashutosh Kumar Singh, Managing Director (International Banking, Global Markets & Technology), State Bank of India:**

What you said is right. So absolutely no concern as of now for us. The branches we have in Dubai and Bahrain, like the Chairman said, is wholesale banking business mostly we do. And Tel Aviv is mostly non-funded business, guarantee to be issued for Indian, essentially the defence kind of. So, the corporate book, what we have is 98% plus, is either sovereign, banks or sovereign-related exposures. We are not concerned about any corporate exposure in Middle East for these three branches. Globally also in exposure we have, India's total exposure will be 10-12 billion, including trade finance and all. But we are not seeing any concern on that side.

**Mr. Jai Mundhra – ICICI Securities**

Sir, hi. Jai Mundra from ICICI Securities. Sir, on your FY27, 3% plus NIM guidance, that is domestic or the global one, just to clarify.

**Mr. C.S. Setty – Chairman, State Bank of India**

So, our guidance is generally domestic. We are not giving wholesale, full bank NIM ever. Because the overseas book is a different creature altogether. We are talking about domestic NIMs.

**Mr. Jai Mundhra – ICICI Securities**

And sir, within this, so let's say there are two parts. One is yield and one is cost of funding or cost of deposit. If I calculate this quarter, yield on interest on advances, they have been flat, 0.4% increase, whereas advances have grown by 5% QoQ. In last quarter also they were 5%. So average basis also they should be around 5%. So, what explains the decline if I calculate this way, the yield on advances, they have declined by around 30 basis points. One is of course the repo rate movement. But apart from that, is there anything else which could linger? Because hopefully the repo rate movement ends here, right?

**Mr. C.S. Setty – Chairman, State Bank of India**

Correct.

**Mr. Jai Mundhra – ICICI Securities**

So, what is your thought process on yield on advances going ahead? Would they be similar, stable.

**Mr. C.S. Setty – Chairman, State Bank of India**

Yield on advances probably would have some uptick. What happened in the Q4, apart from the EBLR movement, see your EBLR plus floating rate loans other than MCLR in corporate book was 43% previous year. It has moved to 49%. That movement also actually creates. So, assuming that, our house view is that the repo rate cut is unlikely

this year. Repo rate movement is going to be stable, which means that whatever we see on the spreads will remain.

And on the corporate side, we are seeing how we can change the asset mix and reduce the floating link to T-bill essentially and bring back the yields to normalcy. Much of the loans, we have already started moving to MCLR in the corporate side. All loans which are getting repriced or refinanced are renewed today are predominantly moving to MCLR and reduce the floating T-bill rate linked loans. That gives us confidence. One is the repo rate being stable. That is no movement on the EBLR and the corporate book, which moved significantly towards T-bill, probably will be brought back to MCLR. Even without considering them also, we are confident that we will be achieving the 3% NIM because of the stability of whatever currently achieved.

**Mr. Jai Mundhra – ICICI Securities**

MCLR will not reprice downward, right?

**Mr. C.S. Setty – Chairman, State Bank of India**

It will not be repriced, because we are not adjusting the interest rates on the deposits, either repriced lower or repriced higher is unlikely.

**Mr. Jai Mundhra – ICICI Securities**

So, Sir, assuming there is no change in the card rate of the deposits, the cost of deposit should still decline right, in at least in the near term.

**Mr. C.S. Setty – Chairman, State Bank of India**

So, there are two reasons why they will decline. One is, I think, we are focusing more on the CASA. CASA component will contribute to the reduction. If you see, even in Q4, we have contained the cost of resources. The other thing is that we, we have cut down significantly on our wholesale deposits, which are expensive. We will further be cutting down on the wholesale deposits, which gives us some relief on the cost of resources.

**Mr. Jai Mundhra – ICICI Securities**

Right! and secondly sir, on LCR, if you can highlight what was the LCR during the quarter, Q4 and, you know, after these guidelines, which have come in from April 1st, how does that changes?

**Mr. C.S. Setty – Chairman, State Bank of India**

What is the LCR number you have?

**Mr. A. S. Paul - Deputy Managing Director (Finance), State Bank of India**

For the quarter, it was 124 point something, 124 approximately.

**Mr. C.S. Setty – Chairman, State Bank of India**

That was average?

**Mr. A. S. Paul - Deputy Managing Director (Finance), State Bank of India**

That was the average for the quarter.

**Mr. Jai Mundhra – ICICI Securities**

Because last quarter it was, I think it was one thirty...

**Mr. A. S. Paul - Deputy Managing Director (Finance), State Bank of India**

One thirty fivish..

**Mr. C.S. Setty – Chairman, State Bank of India**

That the liquidity is being consumed, you are growing at 17%. But the current guidelines will give us around 3 to 4% improvement in LCR.

**Mr. Jai Mundhra – ICICI Securities**

And what would I mean this, let's say 120, 124 becomes 127, 128. What would be your, floor and maybe the upper limit for LCR to operate in?

**Mr. C.S. Setty – Chairman, State Bank of India**

See, for a bank of our size, we would like to have at least 10% to 15% over the regulatory minimum. Regulatory minimum is 100% so, 115%, I think, is a good ratio to have. Today we have, as we entered the year, around 125%. And in this quarter, again, it will move up further. If the credit growth continues, some moderation will happen in the LCR. We would be comfortable around 115 to 120%.

**Mr. Jai Mundhra – ICICI Securities**

Sure. And lastly, sir, if you have the number for AFS reserves, I mean, what was the movement in this quarter? What was in Q3 December and what is it at the March end?

**Mr. C.S. Setty – Chairman, State Bank of India**

You have the numbers? We will give you that number separately.

**Mr. Jai Mundhra – ICICI Securities**

Thank you sir.

**Mr. Pritesh Bumb – DAM Capital:**

Hi sir. Pritesh here from DAM Capital. Just few questions.

**Mr. C.S. Setty – Chairman, State Bank of India**

Yes.

**Mr. Pritesh Bumb – DAM Capital:**

Sir, one is on the loan processing fees. It has been quite strong this quarter, almost double, I think. What has been the reason for that because loan growth has been strong throughout the year. But suddenly this quarter we saw that growth.

**Mr. C.S. Setty – Chairman, State Bank of India**

What's your name, you said?

**Mr. Pritesh Bumb – DAM Capital:**

Pritesh from DAM Capital.

**Mr. C.S. Setty – Chairman, State Bank of India**

Pritesh, thank you very much for asking this question. I was just waiting for someone to ask this. Everybody is worried about NII. See, I think, I mean, rightfully, I'm not undermining that. The overall construct, which we mentioned right in the beginning, I don't know, it sounded more English to you, but we really mean every word, what we mentioned there. We are focusing on the relationship value. For instance, this processing fee is not only coming from retail operations. Retail operations, of course, have given a significant uptick in the processing fee. We have seen both in the large corporate, small corporate, MSMEs, everywhere we have readjusted our processing fee. It is not only readjusting the processing fee, not by way of increasing but reducing the concessions. We have promised them the good quality service, and we started charging processing for that process efficiency. And today, we have almost in the retail operations, we have had a growth of 50% in processing fee and the corporate book, almost 30-35%. So, I think, we are increasing our field staff to be more proactive in terms of negotiating on that.

**Mr. Pritesh Bumb – DAM Capital:**

Sure. Second question was on basically the G-sec yields have moved up, but our investment yields are slightly lower. One would have expected that the yields for us also would have tandemly moved up in the quarter. Is that we have moved some of the securities and booked some gains? And that's why the losses are slightly lower or any other?

**Mr. C.S. Setty – Chairman, State Bank of India**

Yes, some trading has been done. If you see our trading profits have been good this this quarter also. So that means, that some of the switches we have participated in that, which also had portfolio yield moderation.

**Mr. Pritesh Bumb – DAM Capital:**

So basically, the profitable securities have been sold.

**Mr. C.S. Setty – Chairman, State Bank of India**

Yes.

**Mr. Pritesh Bumb – DAM Capital:**

And that's why.....

**Mr. C.S. Setty – Chairman, State Bank of India**

I mean, it depends on what securities are asked by the RBI. Right.? Samsher, anything you want to add?

**Mr. Shamsheer Singh - DMD (Global Markets), State Bank of India**

Yes sir. Of course we did sell some amount, over and above 5% allowed. So, if you want, we can give the figures.

**Mr. Pritesh Bumb – DAM Capital**

Sure, so last question was on this. Basically, there were news articles that, RBI has asked oil companies to move, they're buying dollar buying and selling through our bank and also, you know, related FX related transactions to our bank. What is, how is that going to benefit us? Any outlook on that?

**Mr. C.S. Setty – Chairman, State Bank of India**

I'm not aware of this.

**Mr. Pritesh Bumb – DAM Capital**

Okay. Thanks.

**Mr. Manoj Alimchandani**

Excellent annual numbers and record numbers and excellent very high payment of income tax over 25000 crores. You are doing great service to the nation.

**Mr. C.S. Setty – Chairman, State Bank of India**

It's a backhand compliment, is it?

**Mr. Manoj Alimchandani**

It's a challenging year and despite of that, over 25,000 crores in this type of environment is really wonderful, and a couple of important points. Now everybody is looking at value unlocking, and we have over 10% in National Stock Exchange. SEBI chairman has said it should get listed soon. So, what's the thought process on value unlocking? I see page number 55 which talks about total reserve and surplus INR 5,95,000 crores. Now we'll get valuation, fair market valuation on the balance sheet. Apparently, this number will also go up. But in terms of business generation, I would like to know what is the thought process if we can use some of the capital or value generated in core banking business, in short term or long term ideally? So that would be very nice if you can share in detail.

Second point is on market share of SBI. Today we are talking about 20 to 22.5%. There has been some thought process and talks going on if one can increase market share gradually. So, what is the thought process of the Bank's board of increasing market share? Whether through rural banking or through district banking or branches and aligning with the government's objective, if in how many years we can come to 25% market share? And what is our core strategy on that also including globalization? I think it could be a great opportunity.

That's it, I found the results better than expected because I have been present and looking at the transcript, saw it as a knee jerk reaction but with your clarification and lot of value unlocking hopefully your direction towards that should help in creating greater value year to year. All the best to the board and the team.

**Mr. C.S. Setty – Chairman, State Bank of India**

Thank you for the compliments.

**Mr. Manoj Alimchandani**

My name is Manoj Alimchandani.

**Mr. C.S. Setty – Chairman, State Bank of India**

Yes, of course, I know you. But I wish I own 10% of NSE, unfortunately we don't. Within the group we have around 7.3% holding. But Bank itself would be keen on participating in the OFS. We have given our in-principal consent to them. What kind of participation will happen, the board will determine. But as you mentioned, I think the moment NSE gets listed, the whole shareholding by SBI will be available as reserve to us to mark to market. Currently, it is not marked to market in our books. Yes, I think several times you yourself have mentioned the hidden reserves what SBI has in terms of strategic investments and this year I think if NSE gets listed, that unlocking will happen. We are also seriously, as you are aware, we have embarked on listing SBI AMC and hopefully in this financial year we will be able to complete, which will result in capital augmentation, CET-1. That's what I think it gives us confidence that going forward two things which are required for supporting the credit growth, in terms of capital we are fully convinced that we have the capability. Even with the current position we can fund almost 12 trillion credit growth. Further augmentation will help us going forward and enough liquidity in the system. And a large bank which has got 59 lakh crores, which will probably in this month be crossing 60 lakh crore deposits, growing at 11% to 12%.

As I mentioned in my inaugural speech, it is a bank which is adding 11 lakh crore business every year, which is equivalent to several other banks. But we want to do it efficiently. The scale is kind of given, when you have 109 lakh crore business, the normal growth rate itself will add to your scale. So, we want to use this capital efficiently, efficiently where it is required and efficiently in terms of giving the return to the investors, shareholders. So, we are sticking to our guidance. Through the cycles we would like to ensure 15% return on equity to our investor's minimum.

So, your second question, I think is a very important question, that when you have such scale and such dominant market share, how do you grow further? And this is something what we deliberate very seriously in the board. We have now embarked, I think I must have mentioned last quarter also, that we want to increase the market share in every district. Today, fortunately, the market share data is available at the district level. So, our strategy is that even if in a district you have a dominant market share of 60%, there are districts where SBI has a market share of 60%, but our guidance is that 1% increase in market share, whichever is that, whether you have 10% market share or 60% market share. Every district we would like to grow 1%. I am very glad whenever I travel in the field, the lowest officer in the bank also is aware of market share. So, we are trying to improve the market share in each district. I think this is a great strategic shift which is happening. 25% is a little farther, but we would like to move 1% every year, that means 4 to 5 years. As I mentioned several times, we would like to be 25% in terms of the GDP of the country.

**Mr. Manoj Alimchandani**

Thanks for an elaborate answer. If you can permit me, particularly on segments, I found gold loans, it was a focus area. Now we have precise 100% growth, we have a good critical mass of over 1 lakh crores. Xpress Credit also now, initiative since a few years, we have a good base now. Auto sector, we found growth a little muted at 8.5%, but hopefully with this peace-making efforts, mediation, prices coming down, oil prices, hopefully you can tell us the growth can improve. So can we look at also gold loans, why don't we use the opportunity to increase our NIMs through that, because other gold loan players, NBFCs are really having usurious rates and we seem to be doing a service, but with the entry made, if we can increase market share and increase NIMs. And also your thoughts on this increasing the growth rate in advances further through this verticals which we mentioned and your priority areas. That would be nice.

**Mr. C.S. Setty – Chairman, State Bank of India**

You want to respond before I respond?

**Mr. Rana Ashutosh Kumar Singh, Managing Director (International Banking, Global Markets & Technology), State Bank of India:**

Yes. So AFS Reserve, somebody has asked, this 31st March number is 5,136 crores, AFS Reserve.

**Mr. C.S. Setty – Chairman, State Bank of India**

They want to see the movement.

**Mr. Rana Ashutosh Kumar Singh, Managing Director (International Banking, Global Markets & Technology), State Bank of India:**

Movement in December quarter is 8,151, so roughly 3,000 crore decline.

**Mr. C.S. Setty – Chairman, State Bank of India**

Reserve has gone down.

**Mr. Rana Ashutosh Kumar Singh, Managing Director (International Banking, Global Markets & Technology), State Bank of India:**

Yes.

**Mr. C.S. Setty – Chairman, State Bank of India**

But it did not have much impact on the CET -1 ratio. Your question in terms of the gold loans, the gold loan market is highly diversified. The ticket size what we look, for example, average ticket size of gold loan in our books is about 2.5 lakhs. These are price sensitive segment. They are not Rs. 20,000, Rs. 30,000 loan amount people who are willing to pay anything, any rate of interest. These are price sensitive and gold loan also you must realize there is a very efficient equity product, ROE product because there is zero risk weight on that. So, we would like to have a very strong growth but with very qualitative growth.

For instance, our overall LTV is 52%. That means you have very safe lending there and yield is also not bad. I think 8.5 to 8.75 is something what we get on this. 9% is a good yield for a product which does not require any capital allocation at all and with almost zero NPA.

**Mr. Manoj Alimchandani**

Thanks.

**Mr. Piran Engineer - CLSA:**

Hi sir. This is Piran Engineer from CLSA. Just firstly, sorry to harp on the NIM question again, but we exited with NIMs of 2.9%. Our road map to 3% NIM would be driven by deposits.

**Mr. C.S. Setty – Chairman, State Bank of India**

No, we exited 3% domestic NIM and our guidance always has been on the domestic NIM.

**Mr. Piran Engineer - CLSA:**

Okay, 3 was the full year NIM?

**Mr. C.S. Setty – Chairman, State Bank of India**

Yes, full year NIM.

**Mr. Piran Engineer - CLSA:**

The last quarter's NIM was 2.93.

**Mr. C.S. Setty – Chairman, State Bank of India**

No.

**Mr. Piran Engineer - CLSA:**

It's in your PPT, 2.93.

**Mr. C.S. Setty – Chairman, State Bank of India**

Yes, 2.93. Domestic NIM is 2.93.

**Mr. Piran Engineer - CLSA:**

So, for that to improve, is it going to be a yield-driven thing or a cost-of-deposits-driven thing?

**Mr. C.S. Setty – Chairman, State Bank of India**

So, as I mentioned, you have 60% of fixed deposits and fixed deposit growth is significant for us, 14%, 15% on the retail term deposit. We would like to have both levers used. One is reduce further cost of resources, it may not be very significant, but reduction of cost of resources will happen in two ways.

- One is whether we can further augment our CASA in terms of absolute amount.
- And number two, reduce the wholesale deposits, which are expensive.

But that movement will be very limited. I do not think there will be any significant pickup on that. You are right. I think it will be more in terms of the yield and advances management, we would be looking at asset mix and also increasing spreads wherever it is feasible, both on the corporate side as well as retail sides.

**Mr. Piran Engineer - CLSA:**

Thank you, sir. Just secondly, what percentage of our MCLR book is yet to reprice?

**Mr. C.S. Setty – Chairman, State Bank of India**

MCLR book, I think the 5-basis point, which is done in December is reduced, right. That will take about 3 to 4 months, but that is not much great impact.

**Mr. Piran Engineer - CLSA:**

But the ones done in October, a lot of them would still be left, right because since 1 year.

**Mr. C.S. Setty – Chairman, State Bank of India**

Yes, you see, 6 months MCLR is predominant. So, we have about 40%, which is one-year MCLR. Some part of that probably is left out, otherwise mostly it is priced.

**Mr. Piran Engineer - CLSA:**

Understood. And sir lastly, just on current account deposit growth, we were doing pretty well growing 20-25% until two, three quarters back, now it has come down to single digits. Anything to read into it or is it just a period end number?

**Mr. C.S. Setty – Chairman, State Bank of India**

No, period end number of the previous year, which has impacted. We had a period end movement in FY25, March 25. We had a significant current account movement because of the government funds release. Those things were not there. And it was a very large amount, almost 50,000 crores, which has come in the last few days of March '25. Despite that fund not being available, I think we have done phenomenally well in the current account.

And as I mentioned somewhere earlier, we have had 21% decline in the government current account deposits in the last year, whereas we completely pivoted towards non-governmental current account, where we had 23% growth rate in the current account. That is, the number which you see, the yearend number for March '26, in my view is the best number ever could achieve by SBI, because we had a double impact of the last minute flows which were not available this year. And the overall current account deposits from the government have fallen about 21%. Despite that, because of our strategies and current account business account being open, 23% growth rate was there in the non-governmental account. I think this is a very good current account story for us.

**Mr. Rana Ashutosh Kumar Singh, Managing Director (International Banking, Global Markets & Technology), State Bank of India:**

Just to add, sir, with your permission. One is the current new customer acquisition and more balances in current account. Apart from this, retail current account customer or business current account customer, they are also giving us opportunity to sell other transactional banking products to them. Maybe you are a prospective SME borrower also. So, this is the value which is essentially hidden. You can say we have yet to unlock or in the process of unlocking. So, this is giving us deposit on the one side, focusing on retail or business customer for current account and also creating opportunity for other fee income plus maybe lending also in future.

**Mr. Piran Engineer - CLSA:**

Understood. Thank you. And sir, just lastly, one suggestion. Your slide 15 is pretty useful. Can you also include quarterly data points, maybe put a slide 16 with the same information but quarterly? It will be really useful for all analysts. That's it.

**Mr. C.S. Setty – Chairman, State Bank of India**

We will see. We didn't want to change the slides mid-year.

**Mr. Piran Engineer - CLSA:**

Yes, so now that we are entering a fresh new year.

**Mr. C.S. Setty – Chairman, State Bank of India**

Q1 onwards we will try to improve on.

**Mr. Piran Engineer - CLSA:**

It will be very useful.

**Mr. C.S. Setty – Chairman, State Bank of India**

Yes.

**Mr. Piran Engineer - CLSA:**

Thank you.

**Mr. Anand Dama- Emkay Global**

Sir, Anand from Emkay. Sir, other Opex seems to be on a higher side on a quarter-on-quarter basis. There is a lot of bunching up of other Opex which happens in the 4<sup>th</sup> quarter. This happened last year as well. Is there a way apart from any business acquisition cost to spread out the Opex one?

And how do you see the cost-income ratio shaping up in FY27? Any efforts that you are taking to improve that because that is certainly on a higher side given that we have a sizable corporate book but still our cost-income ratio at about more than 50% is slightly on a higher side. What are the efforts that you are going to take on that front?

**Mr. C.S. Setty – Chairman, State Bank of India**

See, our effort is to keep cost-to-income ratio contained below 50. I think this is the guidance which we have given. And we would have had probably ended the year with 48-47%, but for the treasury income not supportive. Otherwise, the costs have been contained both in terms, bunching happens because of the payment cycle which comes through. It is not intentional, but I think by design much of the overheads are booked during the last quarter. So, most of the expenses and income for Q4 has to be compared

with Q4 only. Any other comparison will not work. But we will definitely have a look whether any of the expenses can be spread over the 4 quarters so that we will not have that bunching issue.

**Mr. Anand Dama- Emkay Global**

Sir, on the forex open positions, which were basically asked to unwind, so that impact we have largely taken in the fourth quarter itself or that will happen in first quarter?

**Mr. C.S. Setty – Chairman, State Bank of India**

Yes. I did mention I think, we said that the Q4 MTM impact what you see is about 100 crores and complete unwinding had happened on the 10th of April which resulted in a net loss of 57 crores.

**Mr. Anand Dama- Emkay Global**

Okay, that is very small. And you have guided for a credit growth of about 13-15% for FY27.

**Mr. C.S. Setty – Chairman, State Bank of India**

Yes.

**Mr. Anand Dama- Emkay Global**

That is on a lower side versus what we had in this year.

**Mr. C.S. Setty – Chairman, State Bank of India**

Yes.

**Mr. Anand Dama- Emkay Global**

So, 13-15% chances probability of that we hitting the higher end of the guidance still is going to be strong?

**Mr. C.S. Setty – Chairman, State Bank of India**

I think as it stands, it looks good. Except that how this West Asia conflict, how much it lingers and if we do not factor in that at this moment, I think 13-15% seems to be a feasible option. See, at the same time, as I keep mentioning, the credit growth is a function of macros. We don't want to grow significantly higher than what macros can support. So, if we have 6.5-6.9% GDP growth with 4% inflation and nominal GDP of around 10.5-11%, we built around 3% over that, 3-4% max. If any of these numbers don't realize, then we do not want to grow as much.

**Mr. Anand Dama- Emkay Global**

Sir, what is the broader outlook on the MSME space because that is the one which has been impacted the most because of the West Asia conflict? Any stress pool that we have identified, do we know that basically we are going to do lot of ECLGS but that again will be construed as that we are supporting that customer. So, any stress pool that we have identified, any incremental provisions they are going to make and that is why you are guiding for a 50 basis point credit cost in FY27?

**Mr. C.S. Setty – Chairman, State Bank of India**

No, 50 basis point credit cost is something what we have been guiding for the last three years. We continue to do that. It is nothing to do with the West Asian conflict but even if some movement is there, we still are sticking to that guidance. Broad-based stress is not visible yet. There are clusters which are impacted definitely. For example, Morbi cluster which is being talked about because gas is not being affordable by them, so they are not producing. Small and Medium enterprises, they are affected. We are working with them, what kind of support they need. In fact, last month we have asked them to take annual maintenance. That period is also over now. They have to come back to production, but they have not come yet. But overall credit exposure to the whole cluster is very minimal. They definitely need some support going forward. We will have to see what support we can give. Other than that, hydrocarbons, obviously the oil companies are impacted but they are all very strong balance sheets. I think there are no credit related issues with them. They may have their own P&L issues, but it will not translate to a credit issue.

**Mr. Rama Mohan Rao Amara, Managing Director (Retail Business & Operations), State Bank of India**

I would like to just add a couple of points just around, the way we have been mitigating the risk in the MSME portfolio. We have launched BRE, I think we announced in several quarters back as well. This is giving good results. In fact, when we look at the delinquencies in the BRE versus non-BRE portfolio, in the BRE portfolio the delinquencies are lower. That means underwriting models are much more robust.

Second data point is in terms of CGTMSE eligible loans, like which can be covered under CGTMSE. In the absence of that, partly it used to be collateralized. We have shifted to predominantly CGTMSE. So, coverage is almost 58% of the universe which is eligible for CGTMSE. Obviously our mitigation is much higher and recourse to the CGTMSE is much higher. I think these are helping us to get a better handle on the quality of the portfolio.

**Mr. Param Subramanian – Investec**

Hi, sir. Param here from Investec. Sir, question on your term deposit repricing. Term deposit repricing lower. Is it largely done or is there any?

**Mr. C.S. Setty – Chairman, State Bank of India**

Some residual tail end, that's all, but mostly done.

**Mr. Param Subramanian – Investec**

Okay. Sir, secondly on your salary cost in this quarter, generally Q3 to Q4 we see an uptick, there is the PLI related payout, but this time it's not there. Is there some?

**Mr. C.S. Setty – Chairman, State Bank of India**

Yes, there is, I think, classification change because the PLI which is to be given on the basis of the government PLI, it is still being debated. So, we have not booked in the staff expenses what you see in your presentation. It is in other provisions. So, if you add, I think it's broadly in the similar way.

**Mr. Param Subramanian – Investec**

So, it's accounted for.

**Mr. C.S. Setty – Chairman, State Bank of India**

Accounted for.

**Mr. Param Subramanian – Investec**

Okay. And, sir, lastly, you will be saving on DICGC premium next year, right?

**Mr. C.S. Setty – Chairman, State Bank of India**

Don't ask me the number. I will lose my job.

**Mr. Param Subramanian- Investec**

What you paid this year, we can calculate the rest.

**Mr. C.S. Setty – Chairman, State Bank of India**

Sorry, as per the regulation, we are not supposed to disclose that. We will get benefited definitely, but this is not a disclosable item.

**Mr. Param Subramanian- Investec**

Okay, fair enough. Thank you so much, sir.

**Mr. Sushil Choksey – Indus Equity Advisors**

Sir, congratulations to team SBI for multiple milestones.

**Mr. C.S. Setty – Chairman, State Bank of India**

Thank you.

**Mr. Sushil Choksey – Indus Equity Advisors**

Global transformation is a necessity for India led by war. Maybe business mixes are changing. I personally sense there is going to be a big Capex boom in India led by energy. So, we need renewable, we need nuclear, Data centre needs lot of energy. The Middle East attacks on Amazon may divert lot of data centres to India. The transmission line expansion needs big growth. Any kind of indication or lead time which you are already sensing because these ticket sizes will not touch base with a bank which is not of a size. And they will have to participate along with SBI to disburse the money. And SBICAPS will have a big role because I see lot of reports generated by them to be it hydrogen renewable in multiple sectors.

**Mr. C.S. Setty – Chairman, State Bank of India**

So, I will answer that and I will also ask Ashwini to respond on that. Transmission, yes, I think is going to be one of the most important infrastructures which is going to be developed. Some of the projects are fairly large as you mentioned. We have been having discussion with them. What kind of structures they will come out is not very clear yet. Whether there will be an SPV or it will be done by their own companies. But there is a good opportunity coming up there.

And apart from transmission, we also see lot of emerging sector. I think last time also I mentioned we have started an initiative called CHAKRA. This is to support all sunrise sectors, whether it is green hydrogen or whether it is data centres, whether it is new renewable energy models which are emerging. Or even small modular reactors which government has been talking about, semiconductors. These are all the activities and sectors probably which have greater potential for investment. But they need a separate kind of structure. It is not a pure vanilla loan which they require. They may require a mezzanine funding, they may require equity funding. So, we want to handle that kind of composite structures through our CHAKRA. As far as transmission, Ashwini, do you want to add something?

**Mr. Ashwini Kumar Tewari, Managing Director (Corporate Banking and Subsidiaries), State Bank of India**

Two or three things. Transmission of course, what sir has said there is a lot of potential. But I would also point out to battery energy storage systems. We have got a large number of proposals which we are processing. We also have the data centre is another activity where we have got a large number of cases we are looking at. Some we have already done. And then there are others like pump storage hydro, which is something, these are starting to come to us. Only one or two are live currently. But now a large number of people are coming because the latest tenders, for round-the-clock power. It is not the plain vanilla solar or hydro, etc. So, with that combination, either BESS or pump storage hydro, combination along with solar wind is the new flavour. So, we are seeing a lot of activity and transmission clearly is one thing which is the need of the hour because without adequate transmission, the curtailment in solar is quite high. So, I think we are supporting all of that as it goes forward. And lastly, smart metering. We have done quite a bit already but still there are a lot of opportunities there.

**Mr. Sushil Choksey – Indus Equity Advisors**

Sir, when you highlighted a data centre, are we funding GPUs or we will only do infrastructure?

**Mr. C.S. Setty – Chairman, State Bank of India**

Both.

**Mr. Ashwini Kumar Tewari, Managing Director (Corporate Banking and Subsidiaries), State Bank of India**

Yes, both. So, we look at the....

**Mr. C.S. Setty – Chairman, State Bank of India**

It comes as a package.

**Mr. Ashwini Kumar Tewari, Managing Director (Corporate Banking and Subsidiaries), State Bank of India**

We look at the clients which are there. The way it is being presented here is more like a developer story because the developer creates the shell and ultimately the fit-out is done by the ultimate user. And we are focusing largely on the hyperscaler model because that's where the demand is assured and the client quality is assured. So, we've got quite a few of them and Mumbai especially has a lot of data centers coming up. We see a lot of potential in this area.

**Mr. Sushil Choksey – Indus Equity Advisors**

Sir, this means that hyperscaler means your LRD business, ticket size, maybe 15-20 years kind of tickets and competitive. How is that visibility, sir?

**Mr. C.S. Setty – Chairman, State Bank of India**

So as far as the greenfield project is concerned, our ability to price is better.

**Mr. Sushil Choksey – Indus Equity Advisors**

Sir, my last question. SBI has YONO 2.0, multiple retail salary accounts. With touchpoints to customer concern on wallet share, how many products are we currently doing and what will we target?

**Mr. C.S. Setty – Chairman, State Bank of India**

Do you have any PPC number? But the last number I know is about 2.5 to 3. Around 3 products.

**Mr. Rana Ashutosh Kumar Singh, Managing Director (International Banking, Global Markets & Technology), State Bank of India:**

Financial products.

**Mr. C.S. Setty – Chairman, State Bank of India**

Financial products. So, 3 is okay, but our idea is to take it to 5. And there are customers who tell me that they take about 8 to 10 different products from SBI. So that means there is a potential to go to 8 to 10. But we would be okay if we reach a PPC of 5. And the auto loans, what you asked, essentially is a hook product. You can't make money on the auto loan itself. The dealer commissions and other things. But it brings many other product engagements.

**Mr. Sushil Choksey – Indus Equity Advisors**

But to reach 5, I suppose we need a lot of transformation where human resources are concerned specifically on retail. Where branches are concerned, connectivity. So, everything can't be digital. So how are we building up that capability?

**Mr. C.S. Setty – Chairman, State Bank of India**

Yes. So, this is something we mentioned that how do we use our manpower at the branches when a large number of transactions have moved to alternate channels. We are redeploying some of the workforce into sales, and train our workforce in the branches for upselling. So, this is something what is happening overall. And that is how you see that for a large bank, diversified customer base, we have an average of 3 is a good number.

**Mr. Sushil Choksey – Indus Equity Advisors**

So, this mutual fund and insurance business, are we tracking at each district level?

**Mr. C.S. Setty – Chairman, State Bank of India**

At branch level also.

**Mr. Rana Ashutosh Kumar Singh, Managing Director (International Banking, Global Markets & Technology), State Bank of India:**

YONO also have a deep integration with subsidiary production.

**Mr. Ashwini Kumar Tewari - Managing Director, Corporate Banking & Subsidiaries, State Bank of India**

Insurance and all, we always face this charge of mis-selling and although we are the lowest. So, I think all of that is being attempted in the right suitability manner.

**Mr. Sushil Choksey – Indus Equity Advisors**

Good luck for the year and thank you for answering all the questions.

**Mr. C.S. Setty – Chairman, State Bank of India**

Thank you, thank you, Choksey.

**Mr. M B Mahesh – Kotak Equities**

Sir, this is Mahesh from Kotak. So, one question around the margins again. What is so different about this quarter in terms of the margins changing direction so sharply? Whereas if you look at the last two rate cuts which happened in March and June, the impact on the P&L was not that high. Whereas this time around you seem to be attributing the entire decline to that one particular variable.

**Mr. C.S. Setty – Chairman, State Bank of India**

No, I am not attributing only for that. I said that the way the composition moved; it is not only EBLR.

**Mr. M B Mahesh – Kotak Equities**

But the mix was not that high, right?

**Mr. C.S. Setty – Chairman, State Bank of India**

Sorry?

**Mr. M B Mahesh – Kotak Equities**

If you look at the.

**Mr. C.S. Setty – Chairman, State Bank of India**

No. The overall EBLR and T-bill link pricing has to be looked at. This is what I said, the corporate book has moved to a floating rate. Whatever growth has happened in the last quarter also predominantly came from the T-bill, which gives us confidence that we can do the asset mix change going forward and we are trying to move every T-bill link loan to an MCLR based loan.

**Mr. M B Mahesh – Kotak Equities**

Just to clarify that one point, the T-bill increase last quarter in terms of the price at which it was versus where it is today, that would have had a positive impact?

**Mr. C.S. Setty – Chairman, State Bank of India**

No. T-bill portfolio has increased.

**Mr. M B Mahesh – Kotak Equities**

But that portfolio would have had a natural upward repricing during the quarter or in the last months?

**Mr. C.S. Setty – Chairman, State Bank of India**

No, you have to compare with MCLR versus T-bill, not the T-bill versus T-bill. The one which is MCLR linked earlier has moved to T-bill and bring down the yield.

**Mr. Ashwini Kumar Tewari, Managing Director (Corporate Banking and Subsidiaries), State Bank of India**

T-bill there is an uptick.

**Mr. C.S. Setty – Chairman, State Bank of India**

Overall T-bill portfolio has had a good yield pickup. But if something is moving from MCLR to T-bill, then there is a dip in the earnings.

**Mr. M B Mahesh – Kotak Equities**

But this was a choice you took in advance despite going?

**Mr. C.S. Setty – Chairman, State Bank of India**

It is not only a choice. I think it is a choice. See, it is also the composition of the users of the facilities. If you have seen, since you have asked that question, a little deep dive probably is required. Lot of large well rated corporates were accessing the market has moved to banks. And most of their facilities were linked to T-bill. They were not utilizing it all. They were not using at all. They were accessing the market, CP and all. That has moved to the bank. And this is the relationship value we have. While you all are looking at the NII part, we are looking at the overall value of the relationship with the corporate, which is not evident in the NIM.

**Mr. M B Mahesh – Kotak Equities**

True.

**Mr. C.S. Setty – Chairman, State Bank of India**

It is evident in our ROA. Where do I get the ROA? Where do I get the fee-based income what you are seeing, and the other income? It is because of the relationship with the corporate. When they come back to us, I cannot say that I will not give a committed T-bill rate. Even if it means that there will be some softening of deals on that. This is what I was trying to explain. It is not purely on the 25 bps EBLR, which anyway we have announced. What we have not factored in for a significant movement from the market to a bank.

**Mr. M B Mahesh – Kotak Equities**

So, if I were to simply draw the difference in the corporate sector and assume a large part of it was T-bill, I should be able to understand which portfolio took the T-bill portfolio?

**Mr. C.S. Setty – Chairman, State Bank of India**

Meaning?

**Mr. M B Mahesh – Kotak Equities**

If I were to just kind of, we are just trying to understand as to how long this impact will be?

**Mr. C.S. Setty – Chairman, State Bank of India**

These are all short-term impacts only. Predominant book has been in the short term. There could be some medium-term loans also which are T-bill priced. But in the current financial year itself, we would be able to move as large chunk into MCLR based.

**Mr. M B Mahesh – Kotak Equities**

Perfect.

**Mr. C.S. Setty – Chairman, State Bank of India**

There are two ways of handling this on the corporate side, particularly where we have very strong relationship, it is not only purely a small working capital being drawn by them. Either you increase the spread over T-bill and say that, you know, this is what the spread I am looking for. If they are getting a better price, they move on or move them to MCLR. So, these are the two strategies which we will be following this year.

**Mr. M B Mahesh – Kotak Equities**

Perfect. And one last question. When we do the calculated yield on advances, the decline has been fairly sharp. Now one of the reasons could be that the book was grown towards the end of the quarter.

**Mr. C.S. Setty – Chairman, State Bank of India**

Yes.

**Mr. M B Mahesh – Kotak Equities**

If I were to just move into 1Q and 2Q, I know that you don't want to give quarterly guidance. We're just trying to understand does it dip first and then starts moving higher? Or do you have a visibility of how this traction will look like?

**Mr. C.S. Setty – Chairman, State Bank of India**

I don't want I don't want to hazard a guess.

**Mr. M B Mahesh – Kotak Equities**

I understand.

**Mr. C.S. Setty – Chairman, State Bank of India**

I'm still sticking to my 3% annual NIM. But if you really ask me, I don't think there will be any further dip.

**Mr. M B Mahesh – Kotak Equities**

Okay.

**Mr. C.S. Setty – Chairman, State Bank of India**

If it satisfies you.

**Mr. M B Mahesh – Kotak Equities**

We wanted that answer, sir. Thank you.

**Mr. Nitin Agarwal – Motilal Oswal**

Hi, sir.

**Mr. C.S. Setty – Chairman, State Bank of India**

I think we have to go.

**Mr. Nitin Agarwal – Motilal Oswal**

Hi, sir, this is Nitin Agarwal from Motilal. So, one question again around the corporate loan growth. If I look like last two quarters, we have reported almost 15% growth in the corporate loan book. While you talked about that, you are looking at things in totality in respect to ROA and ROE. But does this growth momentum will, do you think this will continue in the next coming quarters because it will continue to have a bearing on the margins also, wherein we are expecting things to move up from here.

**Mr. C.S. Setty – Chairman, State Bank of India**

So, the part moment also, as I mentioned, from market to bank, if the market improves, probably the reversal will happen. So, that's the reason our corporate guidance is 12 to 13% is what we are looking at. And our 13 to 15% will be primarily driven by the RAM. RAM growth.

**Mr. Pawan Kumar - General Manager (Performance, Planning and Review), State Bank of India**

Yes. Due to paucity of time, we will now take up a few questions.

**Mr. C.S. Setty – Chairman, State Bank of India**

No. You want to ask something.

**Mr. Nitin Agarwal – Motilal Oswal**

Just one clarification on the ROA. When we talked about 1% plus ROA that we look to maintain.

**Mr. C.S. Setty – Chairman, State Bank of India**

Yes.

**Mr. Nitin Agarwal – Motilal Oswal**

As we now start providing for ECL, you talked about a 3, 4 year transition journey. Will that guidance stay unchanged over those 3, 4 years or you see some impact?

**Mr. C.S. Setty – Chairman, State Bank of India**

We are still saying that 1% through the cycles.

**Mr. Nitin Agarwal – Motilal Oswal**

Thank you so much, sir.

**Mr. Pawan Kumar - General Manager (Performance, Planning and Review), State Bank of India**

We have a few questions coming in through the online webcast now. This will be addressed by the Chairman, sir now.

**Mr. C.S. Setty – Chairman, State Bank of India**

I think there's one question why Q3 profit is more than Q4. - I think it is other way around why the Q4 is having less profit than Q3, mainly because of the MTM loss of 4520 crores in Q4 as against loss of 143 crores only in Q3. This is question from **Venkateshwar Rao**.

And question from **Tamarish Sinha** from of Business. What is the guidance on Net Interest Margin and NII for FY 27? - NII guidance we do not give. But NIM, as I said, our guidance for domestic NIM is to remain above 3%.

And **Vikas Bertiya**. Why was Q4 NIM so much lower? - I think we have had enough discussion on this. If any further clarifications are required, we can have separately.

**Sunil Melwani**. What are the steps Bank is planning to take increase market share in CASA? -This is what I mentioned in terms of focusing on the district level improvement and the market share, as well as a very strong campaign which we launched. I have seen good impact of that campaign is, 'ABCD - All branches to contribute to deposits.' I think this is also helping us in terms of mobilizing. And as I mentioned, savings Bank,

we have witnessed a good growth of almost double digit, 10% growth on a very large base of savings bank.

**Mridul** from Senora Asset Management. What was MTM loss provided for Treasury losses? Was the same passed by NII? - There is an MTM loss of 4520 crores in Q4 as against 143 crores in Q3. The MTM is routed through other income, noninterest income.

**Rohan Mandora** from Equirus. Your cumulative domestic yield in advances for 12 months is down 11 basis point. So, what is the domestic yield for Q4 and what explains the sharp decline? - I think again this also we have explained at length, what led to this yield on decline in yield. But essentially, as I mentioned, repo rate cut of 25 basis point and also shift in corporate bank corporate credit composition.

**Siddharth Rajpurohit**. Our EBLR share is only 35%, so there should have been only some seven-base point. - I think we need to add both the EBLR book as well as the T-bill linked advances. So that is about 50, currently we have E-bill and T-bill about 49%.

Whether the bank has made any amount of provision based on ECL? - No not yet.

**Siddharth** again, share of triple A in in corporate mix has risen by 400 basis point. Does it have an impact on yield? Guidance on the share of triple A going forward? - As I mentioned, some of the best well rated companies have moved from the market to bank. While it had dramatically altered the composition of double A and triple A, it had impact on the yields, as I mentioned earlier.

**Jeet** from Ambit. Please clarify off balance sheet exposure like financial guarantee not required provisioning. Can we now assume that Non-funded credit exposure disclosed in Basel 3 will require provisioning in initial norms? - Provisioning a Non-Fund credit exposure shall be completed as per RBI guidelines, effective from 1/04/27. I think they also attract provision.

So, I think broadly we have answered the questions. We can go ahead now for closure.

**Mr. Pawan Kumar - General Manager (Performance, Planning and Review), State Bank of India**

I trust all the questions have been addressed. We will be happy to respond to other questions in offline mode. Let me end the evening with thanking Chairman Sir, MD sirs, DMD sir, top management team, senior officials of the circle and various offices connected through webcast, analysts, investors, ladies and gentlemen. We thank you all for taking time out of your schedule and joining us for this event to round off this evening we request you all present here to join us for high tea, which is arranged just outside this hall. Thank you. Thank you so much, sir.

**END OF TRANSCRIPT**