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CC/S&B/AND/2026-27/516

07.11.2026

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 to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit the transcript of the Q2FY27 post results Analyst Meet held on 03.11.2026.

Yours faithfully,

ARUNA N DAK

Digitally signed by ARUNA N DAK
Date: 2026.11.07 18:01:20 +05'30'

भारतीय स्टेट बैंक/S.B.I. शेयर एवं बाण्ड विभाग Shares & Bonds Dept. कारपोरेट केंद्र/CORPORATE CENTRE

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

Q2FY27

ANALYST MEET

TRANSCRIPT

03.11.2026

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 AND 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 extend a warm welcome to our analysts, investors, colleagues, and everyone gathered here following the declaration of bank's Q2 FY2027 results. I also welcome all the participants joining us through the LIVE webcast.

It is my privilege to extend a respectful welcome to our Chairman, Shri. C.S. Setty, and our top management on the dais.

- 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 Banking and Operations, Shri Rama Mohan Rao Amara.
- Our Managing Director, Risk, Compliance and SARG, Shri Ravi Ranjan.
- Our Deputy Managing Director, Finance, Shri A.S. Paul.

Seated in the front rows are our Deputy Managing Directors heading various verticals and the Managing Director of our subsidiaries.

We also welcome the CGMs representing various verticals and business groups, as well as other senior functionaries from the circles and various officers joining us through our LIVE webcast.

Our chairman will present an overview of the Bank's Q2 FY2027 performance and the strategic initiatives undertaken during the period. His address will be followed by a question-and-answer session.

Before inviting Chairman Sir to address the gathering, I will read out the safe harbor statement. Certain statements in today's presentation may be forward-looking statements. These statements are based on the 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.

May I now invite Chairman Sir to deliver his opening remarks. Chairman Sir, please.

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

Thank you. Good evening, ladies and gentlemen. It is a pleasure to welcome you to SBI's Analyst Meet following the announcement of our second quarter results. Thank you for joining us in this Analyst Meet.

The quarter went by reflects the continued resilience of the Indian economy and the underlying strength of SBI's franchise. While our financial results provide an immediate measure of performance, I would like to use this opportunity to focus also on the drivers that will determine the quality, efficiency, and sustainability of our growth over the medium term. The global environment remains uncertain with the geopolitical developments, shifts in trade policy, energy prices, and financial market volatility continuing to influence the outlook.

India, however, remains on a strong growth trajectory. Domestic demand, investment, and sustained activity across manufacturing and services continue to support economic momentum. The RBI's October assessment places FY2027 real GDP growth at 7.1%.

For the banking sector, this provides a supportive environment for credit growth and the productive deployment of capital. At the same time, evolving liquidity conditions, funding costs, inflation, and currency movements call for a continued financial discipline. We see significant opportunities ahead, but our approach remains firmly anchored in the quality of growth, prudent underwriting, and strong risk management.

At SBI, our objective is to build on the strength of our franchise, while continuously improving the way we serve customers and deploy our resources. A key priority is to enhance productivity across our extensive branch network by progressively shifting routine banking transactions to digital and self-service channels. This allows our branches and employees to devote greater attention to customer engagement, relationship building, and business generation.

I had mentioned some of the initiative under Project SARAL. Two major initiatives which have undertaken –

- Re-KYC Program and
- Seva Sarathi.

I would like to share a few thoughts on that. Our Re-KYC program illustrates the progress we are making on simplification of journeys. Since its launch in June, more than 1.2 crore, Re-KYC updates have been completed digitally reducing branch intervention by more than 50%, translating into 50,000 man-hours saved every day. These are meaningful productivity gains that can be redirected towards higher value customer engagement and business activities.

We are seeing similar benefits from our Seva Sarathi initiative. More than 9,500 Seva Sarathis are now deployed across high footfall branches, helping customers access routine services and migrate progressively towards digital and self-service channels. This is reducing branch-based servicing of routine transactions while delivering meaningful savings in servicing costs.

Importantly, these initiatives are being implemented at scale, and their impact is being measured through tangible operating outcomes. This gives us a replicable framework for driving productivity and efficiency across other areas of the bank.

Cyber resilience is another area where we are investing for the future. The recently inaugurated SBI CyRIS, our Cyber Resilience, Integrity, and Security Center of Excellence, will strengthen our capabilities while facilitating greater collaboration and knowledge sharing across the BFSI ecosystem. Collectively, these initiatives are aimed at building a more productive, technology-led, and scalable operating model for SBI.

Let me now turn to our business and financial performance.

- Net Profit for the quarter was at ₹23,038 crore.
- Operating Profit was ₹34,226 crore, registering a year-on-year change of 7.28%.
- Domestic Net Interest Margin improved to 3.11% for the quarter.

For the half year-

- Return on Assets remained healthy at 1.14% and
- Return on Equity stood at 18.68%, sustaining performance comfortably above our long-term guidance.
- Total business aggregated ₹115 trillion, with the deposits amounting to ₹63 trillion and advances crossing ₹52 trillion.
- Credit growth remained well-diversified, with the Retail, Agriculture, MSME, and corporate advances all recording double-digit growth.

- Our overseas operations also recorded healthy growth in both deposits and advances.
- Our liability franchise remains a core strength and a key competitive advantage.
- Deposits grew by 12.27% year-on-year, with the term deposits growing by 14.26%.
- Our strong CASA franchise provides a stable funding base and positions us well to support further Balance Sheet growth.
- Asset quality remains strong, supported by disciplined underwriting, closer credit monitoring, and improved recovery mechanisms.
- At 1.39%, the Gross NPA ratio is at its lowest level in more than two decades, while the Provision Coverage Ratio remained robust at 74%.

Our capital position provides additional strength. Capital Adequacy stood at 16.09%, improving by 147 basis points year-on-year, and is comfortably above regulatory requirements. This provides us with adequate capacity to support growth while preserving appropriate capital buffers.

Technology is increasingly becoming integral to the way we serve our customers and run the bank. YONO continues to deepen our digital relationship with customers, with total registration now exceeding 11 crores. We are also developing YONO Bharat, a device-neutral mobile banking platform designed to extend secure digital banking to financial inclusion customers, feature phone users, and customers using devices across the variants.

Alongside customer-facing technology, we are deploying analytics, Artificial Intelligence, and process automation to strengthen decision-making, enhance productivity, and improve service delivery. Our focus is not technology adoption for its own sake, but its measurable impact on customer experience, operating efficiency, risk management, and productivity. Over time, we expect these investments to contribute increasingly to the efficiency and scalability of the franchise.

Our group businesses also continue to perform strongly. The listing of SBI Funds Management Limited during the quarter is an important milestone and underscores the value being created across the SBI Group.

Going forward, we see a strong runway for SBI to participate in India's continued economic expansion. Our focus will remain on delivering sustainable and profitable growth while steadily improving productivity, efficiency, and the quality of our

franchise. We remain confident in SBI's ability to build on its strengths and create sustainable value for all our stakeholders.

My colleagues and I will now be happy to take your questions. Thank you.

Question and Answer Session:

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

Thank you, Chairman Sir. We will now take questions from the audience. For the benefit of all participants, please state your name and company before asking your questions. To accommodate as many participants as possible, we request you to limit yourself to 2 questions at a time. Kindly confine your questions to the bank's financial results and refrain from queries relating to specific accounts. Any additional questions may be raised at the end of the session, if time permits. Let us now proceed with the question-and-answer session, please.

Mr. Ashok Ajmera - Chairman, AjconGlobal:

I am Ashok Ajmera, Chairman, AjconGlobal. Good evening to all of you. And, yes, congratulations to you, Sir, for the good set of numbers, especially in this quarter. Good business growth, credit growth and, I think, the Net Profit is a real benchmark of ₹23,038 crore.

Having said that, as usual, I have a couple of observations and some questions, Sir. Our credit growth for the half year, if you look at, I mean, this quarter it is 3.19% but, overall, if you look, it is ₹2,76,000 crore, higher than the year end 2026. So, in order to attain the target of 15% or so, we will have to have the credit growth of ₹4,60,000 crore, more in the remaining 6months or 5.5 months. So, how do you look to achieve that, looking at the pipelines in the sanction or the projects which are in the sanctioning stage? And from which sector and industries this kind of growth will come? Because the first half overall, the credit growth has not been so encouraging overall, if you look at it.

Now, my other thing on the profitability of this quarter, which has a couple of other items also. There is an exceptional profit of SBI Funds, part of the 6.35% stake sale, which is ₹7,288 crore, because of that, the Operating Profit has still been shown as

₹34,226 crore, whereas in the results it is some ₹26,000 odd crore, But, yeah, in the presentation, this exceptional item also has been added into Operating Profit.

My second observation, Sir, is on the Other Income side in the financial results which are published. For this quarter is ₹11,077 crore, as against ₹15,922 crore. Now, here it seems that in the Other Income in this quarter, the Treasury income like profit, loss, sale, and revaluation of investment has not been included in the results in Other Income. So, I do not know the reason. I do not think there is any such directive from anywhere but maybe a presentation or accounting representation. So, if you can elaborate where that ₹6,011 crore of profit on revaluation has been otherwise put into. It is in the regular operations, it means it has gone.

Another one is, Sir, on the NSE stakes, that small portion of sale of shares, which has gone to the capital reserves of ₹2,500 crore, whereas some of the other banks, they have taken it straight away into the bottom line, the Profit and Loss.

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

Which one?

Mr. Ashok Ajmera - Chairman, AjconGlobal:

National Stock Exchange (NSE). NSE stake sale. So, that is another thing that RBI directive which has been quoted for this, I think November'25, because of that it has been taken in capital reserves. But why then in that case the other bank could take it to their P&L?

And, similarly, in the Operating Expenses also in this quarter have gone up substantially to ₹15,531 crore, as against ₹11,962 crore, in the last quarter, which has a miscellaneous item of ₹6,697 crore, ₹2,000 crore, higher than the last quarter. Because these are all big numbers, big figures, and that is why it needs some details and explanations on that, if it can be given.

Similarly, the acquisition cost and the cost of the Other Businesses and other thing have gone up substantially by ₹600-₹700 crore, higher to ₹2,004 crore, because of that, the other operating expenses have gone up by almost about, I think, ₹3,700-₹3,800 crore.

So, these are few points on the Profit and Loss account, and this is on the business front, if you can.

And if I add one more thing is on this YES Bank episode or I will say that final decision which has come. We have still this substantial holding, like we have taken last year a good profit on YES Bank stake sale of, I think, 13% odd. I mean, how are we treating it? How are we looking at it, this stake?

These are some couple of points and observations, if you can give in this round, Sir. Thank you.

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

Yeah. First thing, I think the question about NSE and SBI Mutual Fund divestment, let me clarify so that we can keep that question addressed for all the people. The treatment of any such divestment depends on where we are holding that investment in our books. NSE, we have classified under Available For Sale category. If it is AFS, the divestment will go to AFS reserve. It is not routed through the P&L. In case of mutual fund, it is shown under Associates & Subsidiaries, FVTPL basically. So, which means that it is booked through the P&L.

There is another difference which we must understand. The rest of the portion of NSE is also mark-to-market. That is also helping us to strengthen our capital. In fact, the mark-to-market gain on post-listing, the current valuation of the remaining portion of holding is ₹11,000 crore, which gets augmented in our AFS reserve.

As far as SBI Mutual Fund is concerned, whatever has been sold is being routed through the P&L. And why you don't see that ₹6,000 crore post-tax here, is essentially because of the Treasury losses. We didn't have any Treasury gains because of the significant movement in the bond yields. We not only have, not had the similar gains of the previous quarter, but we had also almost ₹1,300 crore, loss.

Mr. Anindya - Deputy Managing Director, Finance, State Bank of India:

Yes, 1275.

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

1275; almost ₹1,300 crore, MTM loss.

Mr. Ashok Ajmera - Chairman, Ajcon Global:

MTM? Okay.

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

MTM. So, that is the reason why you don't see the Treasury income. It is very much part of the Other Income, Non-Interest Income. It is shown. But it is combined with the sale of AMC, the gain on the AMC sale and the loss on the Treasury portfolio. That is how it is not appearing here.

And NSE, as I mentioned, is not routed through the P&L, it has gone directly into the AFS reserve. Probably that is also why people got confused. In fact, if we did not have the Treasury losses, the way we had this quarter, our profit would have been much higher. So, I think this need to be understood. Even if you, account for the one-offs, you must also realize that there has been a similar one-off in the Q2 of FY 2026 because of the YES Bank sale.

So, in all, the core parameters have done very well, as you mentioned, in terms of the Net Interest Margin, Net Interest Income, credit growth. All of those core parameters, I believe, we have done extremely well. I think we have to look beyond the bottom-line number.

On the half-yearly growth, rest of the year, generally, I beg to differ, Ajmera Sahab, I think we have had one of the best first half year in the credit growth because normally the Q1 and Q2 are tepid. The whole banking system is seeing a good, robust credit growth in the Q1, Q2. And I believe that H2, generally, which is a busy season, we will be able to have that 14%-15% guidance for the full year easily achieved. There is no doubt on the credit growth side.

On the expenses, I will ask the DMD Finance to respond.

And on the YES Bank stake sale, we do not have any plans to exit at this moment. On the Operating Costs, some of the costs we have booked upfront. If you have seen over the years, we used to have a bump-up of expenses in the Q4 and suddenly Cost-to-Income ratio will go up. So, we wanted to smoothen this Cost-to-Income ratio. Some of the expenses which would have otherwise booked in the Q4 have been booked in the Q2. And we will be doing a similar thing in the Q3 also.

Mr. Anindya - Deputy Managing Director, Finance, State Bank of India:

Operating expenses, it consists of staff expenses and overheads. Staff expenses, if you see, Q2, ₹17,452 crore as against ₹16,606 crore in Q2 of last year. Overheads, as Sir rightly said, ₹16,531 crore as against ₹14,393 crore in Q2 of last year. In this ₹16,531 crore, ₹850 crore, approximately, expenses are what we have upfronted. So, if we exclude that, our Q2 YoY growth actually comes down to 9%.

But, as Sir already said, instead of booking everything in Q4, we are trying to book some of those eligible expenses in Q2, Q3, and then Q4.

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

And also, to account for the seasonality, the best way to compare is not sequentially but year-on-year. Expenses vary from one quarter to another.

Anything, Ajmera Sahab, we left out?

Mr. Ashok Ajmera - Chairman, AjconGlobal:

No, Sir, only on this credit growth, because all the banks, public sector banks especially, and even private banks, they have announced already their results. So, first half and the second half, the differentiation is not so much. And, secondly, in the first half because of this FCNR(B) and that special window which was opened, everybody has made very good deposits, and they were lent also against that. So, the book of everyone is good and, comparatively, their growth for the remaining half six months is not, I mean, that much differential of, say, 60-40 or 65-35, which is our case. That is why I pointed that, I made that point.

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

No, no, you don’t worry. I think our 14%-15% guidance is based on our calculation in terms of what is the visibility and in terms of the pipeline, which you asked, we have about almost ₹7 lakh crore pipeline on the corporate side and we are seeing robust growth in across the segments whether it is gold loan, home loans, auto loans and I'm sure that a lot of people asked me to increase the guidance. I said 14 to 15% is a good guidance for me and with a book what we have. As far as FCNR(B) leverage is concerned we have not played too large on that. We mobilized around $10.9 billion, and the leverage is 8.83 billion dollars net, which is there. So that also one of the reasons why you don't see the significant 20% or 21% growth rate.

Mr. Ashok Ajmera - Chairman, AjconGlobal:

Yeah, some of these smaller banks, you know, 26% …..

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

And our base is also fairly large.

Mr. Ashok Ajmera - Chairman, AjconGlobal:

Thank you.

Mr. Manoj Alimchandani - Analyst:

Chairman, Board Members, SBI Team. Exceptional set of numbers for last 2 years and for the last quarter. So many things, FCNR, you mentioned $10 billion, wonderful risk-free liabilities coming in with good huge opportunities, Yes Bank transaction last year, excellent timing, the way, you know, visionary, the way you book profits at the right price and holding the balance and also SBI AMC listing NSE, excellent set coming, credit growth, ROE, ROA everything so far so good.

Now couple of points, our results seem to be actually much better than they have been optically seen by the market. I would like you to clearly walk us through, I will refer to couple of slides, slide number 24 read along with slide number 19. Looking at the optics, if you can walk us through the operating profit numbers, how do you read the number? How do we see the operating profit growth for the year when we look at the year end? And the way the swings can take place, looking at our benchmarks and record performance, obviously operating profit growth should be far better than the guidance we talk about nominal GDP growth plus 4%. Treasury is apart, we know the geopolitical issues, in spite of challenges you have done really well.

If you can also besides that let us know how the current situation you foresee and particularly the current festive season? GDP numbers have been very good and now current festive season how it has taken off and how do we see it panning out?

And next is Yes Bank, the best time we talk about being a technology savvy bank and MDR coming, the growth in that should be far, far better. It has been deferred by the government mainly because of the festive season benefit to the whole consumers of India and that should also come. But what has happened, I would like you to share your thoughts. We talked about Yes Bank briefly. Now Yes Bank, our team, our previous CFO Prashant Kumar, as an administrator and as a CEO of Yes Bank, he did an exceptionally wonderful job. But apparently from what perceptions have been created in the last few weeks, it is becoming a governance issue. And if you can highlight and clarify if SMBC is a great partner, one of the best banks in the world and also, they are very, very bullish on India. What are the thought process we had when we brought SMBC to India and we got them as a great partner for long

term and what are the agreements, covenants with them and how do we foresee the future relationship and it should become a large bank and we can continue holding and see the value of Yes Bank grow. If you can share your thoughts on that would be very nice.

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

Thank you.

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

SBI numbers have to be seen from a different perspective in terms of what we have done. I believe, phenomenally well, in terms of margin improvement, containing the cost of deposits, ensuring that yield on advances is improved and more importantly we have managed to maintain our risk weighted asset density. That means we are not acquiring too much risk to show the profits. A Bank which has got ₹18 lakh crore, treasury portfolio, the swings are inevitable. We move with the market.

But what is important to realize, you keep aside this treasury gains, losses for a moment. We are focusing on the core operating parameters. And core operating parameters is that you use your franchise to book good quality advances across the segments, whether it is retail, SME, agriculture or corporate and I think we have done very well. You can't have a book of ₹52 lakh crore and have a credit cost of 22 basis points. And that doesn't come naturally. It has to be worked on. We have improved our underwriting process, monitoring and the use of analytics, data. So, these are very important strengths which we need to recognize while quarter to quarter performance is important.

So, I stick to my guidance, an annual guidance of return on assets of 1%, net interest margin not less than 3% and ROE of 15%, through the cycles you are assured of. And these numbers what you look at from a spectrum, that some costs have gone up, some income has come down, I think it is important to discuss those points, but at the upfront, want to say that these guidance's have not changed. We have done our homework, and we are confident that all three important guidance parameters what we have given, we are sticking to that. And we are also sticking to our guidance on credit growth 14 to 15% and a quality credit growth. We will not compromise on the asset quality to earn more. And I think, to run through the operating profit, it is while a good set of numbers are there in NIM and NII, to the extent what is impacted by the global market or the treasury losses, it is impacting the operating profit.

But if you see the overall, the core parameters, I believe we have done extremely well. And as Yes Bank thing, Manoj ji you have asked many things which I cannot comment. One thing what I definitely would say that on the legal process we cannot comment because it is sub judice. The strategic partner, I don't think we can have

any better partner than SMBC coming in there. So, I think from a customer point of view as you mentioned it is a technologically robust bank and I am sure that it is a good franchise. This part of the issue of AT1, we will have to wait for the finality of the case. Beyond that it is very difficult for me to say. Anything I missed out Manoj.

Mr. Manoj Alimchandani - Analyst:

No…..

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

Okay, thank you.

Mr. Manoj Alimchandani - Analyst:

I think you answered very well. I would just like to say, now a proper communication is going on, and we need to do about a very conservative accounting we have had. Because normally one would look at a number and initially it went over 1000 plus. Then there was a knee jerk reaction and now suddenly people say buy private sector banks, sell PSU bank. It is not the case. But people look at optics and then you say in spite of whether this number includes the abnormal we have had, NSE etc. It is still not seen and neither it came out very clearly in the press release. Now since we know the matter deep dive then it is coming out. I think it is essential because if it comes out clearly there would be stronger buy ratings and higher targets. So, wish you all the best.

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

No, I note your point, but I think we always refrain from talking about our accounting treatments. If you have noticed, I think over the years we never spell out accounting treatments unless asked for, and we stick to our accounting integrity. I think that is very important to realize.

Mr. Manoj Alimchandani - Analyst:

Right. Wish you all the best for the coming year.

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

Thank you.

Mr. Manoj Alimchandani - Analyst:

Thanks.

Ms. Mahrukh Adajania – Tara Capital:

Good evening, sir. I have a couple of questions. First is on margins.

So, your guidance for margins I believe is domestic. You are already higher than your guidance. That's why if you could clarify. Means we are already at 3.11, and your guidance is 3 or at least 3. So where will we actually land up?

And then on OpEx, what was the cost that was upfronted? I mean of course business acquisition expenses have gone up a lot. So, what was the cost that was upfronted and how much of FCNR related costs are also included in OpEx, if any? But what cost was upfronted if you could quantify? I mean what kind of cost was upfronted?

And if you could give us the breakup of your EBLR loans, that is repo linked separately, T-Bill separately and then also if you could give MCLR?

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

Okay. On the NIM guidance, I am refraining from changing my guidance. It could be even higher than 3% obviously, because we have some tailwinds, 25 basis point EBLR and 15 basis point MCLR, obviously, that also going to further augment our NIM. And if there is any repo action in the December quarter, again that will get added. But if there is any significant movement in the credit growth and if we have to increase the deposit rates, how it plays out, we are not very sure at this juncture.

So, I am going by what is the conservative estimate. So, if you have noticed, I think we have been conservative in our guidance and sticking to achieving that guidance. But I can tell you that it not less than 3% is an important guidance which I am giving to you. So as far as business expenses is concerned, Anindya, you would like to come in there in the expenses?

Mr. Anindya Sunder Paul - Deputy Managing Director (Finance), State Bank of India:

Yeah. Basically, we have upfronted approximately ₹850 crore. Some of the major heads are like IT services, the eligible bills which we can pay now without waiting for quarter 3 or quarter 4, somewhere around ₹250 crore. Others including some vendor payments around ₹150 crore, and one major payment to the map services that we do is around ₹450 crore. So, the total is approximately ₹850 crore. This trend will continue in the next quarter as well so that the bump up in quarter 4 in the overheads, is minimized.

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

But we can give the detailed breakup separately also.

Ms. Mahrukh Adajania – Tara Capital:

So, sir, what is the run rate of operating expenses in terms of year-on-year growth that you could expect from now on?

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

So, our target is, overheads not to go beyond 10%. So, the other expenses, see the business acquisition expenses are basically PSLC (Priority Sector Loans Certificates) which we buy, and we used to buy that in the second half of the year. We realized that if you buy later part of the year, you get only average of PSLC only for that period. If you buy early on, the PSLC average is available for 3 quarters or 4 quarters. So that is the reason some of this PSLC is purchased both in Q1 and Q2. That is adding to the business expenses apart from the upfronting what he has spoken about.

Ms. Mahrukh Adajania – Tara Capital:

Got it sir.

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

And the EBLR and …you can mention?

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

Yeah. So, we have MCLR linked loans of 27%, EBLR is 32%, T-Bill is 17% and fixed rate is 21%, these are the major heads.

Ms. Mahrukh Adajania – Tara Capital:

Okay, sir. Thanks a lot. Thank you.

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

Thank you.

Mr. Sushil Choksey - Indus Equity:

Congratulations, team SBI.

Mr. Sushil Choksey - Indus Equity:

Sir, you have answered many questions to previous questioners about repo rate, G-Sec, the treatment which you have done for subsidiary and others. You also indicated that you have a pipeline for ₹7 lakh crore of credit. Today, the globe is

transforming led by war and many other challenges and India needs to transform also because of the situation which is prevailing in the world. Now this ₹7 lakh crore, pipeline, I am sure that you say Data Centre, Renewable, Hydrogen, all these are mix of your ongoing expansion growth plans. How do you see this, if you give up the top 10 industrial houses, how is India visible from the 100th to the 1,000th rated companies from the credit pipeline or expansion because the capital market is indicating that it is not the top 10 which is driving the India market but the total credit portfolio also is getting lot of support from there?

In a similar way, the middle-income consumer group, be it SBI cards or mutual fund, how is that participation visible? Is that segment showing an accelerated growth? Is India really transforming from besides that upper layer, if you have some indication from that?

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

It is a very philosophical question. But anyway, see obviously the major capital expenditure programs are by the larger groups. We are seeing, credit growth coming from mid corporate and SME may not necessarily be the capital expenditure. It is actually happening in the working capital loans and a bit of brownfield expansion what they are undertaking. The migration that we have to see is that small becoming medium, medium becoming larger. And that transformation is slightly slowed down, but I think it is happening. And whenever we talk about capital expenditure, we seem to be talking only about infrastructure. I think beyond infrastructure, we have seen a significant amount of investment happening in the non-infra, whether it is hydrocarbons or in terms of Data Centre, which is still not classified as infra, but it is still an important infrastructure which is happening. As far as participation of insurance and mutual fund companies, in the overall CapEx programme is still not there yet. I think we have spoken enough on that. The robust bond programme has to develop and bond programme participation by insurance and mutual fund companies is still a little away.

So, one of the things what I have been suggesting is that whether banks who have visibility of infrastructure funding and managing the escrow accounts, Trust & Retention accounts can give the cash flow visibility to these insurance and mutual funds and say that we are sure of this cash being available to you, structure your bond programme accordingly. The corporates have to structure, and the insurance and mutual funds can participate without worrying about what is the assessment, whether the cash will come, who is managing the Trust & Retention Account. These are some of the things which we are working, but the short answer is that I think the participation from these insurance and mutual fund companies is still a long way to go on this.

Mr. Sushil Choksey - Indus Equity:

I think you had explained in the previous quarter about down selling and securitization of this paper to mutual fund and pension funds. I think that it is a long-term story which India still needs to figure out because G-Sec market also retail is yet to participate.

Sir, second thing is our house view on the weekend on the bond market was indicating that G-Sec can get to 6.75. I am not elaborating; you must be aware of the paper which is written by SBI economist. Do you have any view on that and repo both?

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

So, definitely we have our house views on this. I think we believe that the 50 base point hike in December is something we not only expect, but we also recommend, and whatever end rate on the repo should be achieved in December itself without having overhang in the Q4 of the current financial year. This is one thing what our house views, which is well published.

The second thing in terms of G-Sec yields, again it has low, so many variants and influences of geopolitical developments and what happens to the US treasury yields, what happens to the midterm elections, many other dimensions are there and oil prices. But our view is that by the end of the financial year, the yield should come below 7.

Any of you would like to say, Shamsher?

Mr. Shamsher Singh – DMD (Global Markets), State Bank of India:

So, we feel that 50 basis hike which is probably expected in the December, as rightly sir said, is already more or less built into the yields and it is not something which we will be seeing any further hikes by yields going up. So, more probably towards 7, lesser than 7. So, that is our view as well, sir.

Mr. Sushil Choksey - Indus Equity:

Thank you for answering all my questions and good luck for the year.

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

Thank you.

Mr. Jai Mundhra - ICICI Securities:

Sir, hi, this is Jai Mundra from ICICI Securities. Congratulations on a steady quarter, sir. If you can explain on ECLGS, sir, how much have you disbursed? And it looks

like that ECLGS 5.0 has been fully utilized at ₹2.5 lakh crore. Is that a sign of a worry or how do you see that, you know, that this entire scheme has been utilized by the system? Is that a sign of worry or there is some interest rate arbitrage that is why it has been fully subscribed?

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

You would like to take Ram?

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

Yes. ECLGS accounts for around ₹28,800 crore, as on date, almost like 50% of our SME growth is contributed by ECLGS. I think the sensitization among the participants is much higher as compared to the previous schemes, because it provides capital relief and, I mean, of course, we are providing to the performing accounts, etc. It was perceived as a good opportunity to lend.

And from a risk angle, if you look at, initially, despite disbursing most of it almost 2, 3 months back, it did not result in corresponding increase in the growth as well. That means customers were conservative, they were using it for reducing their borrowing, which is at high cost, and as and when they saw the demand, then they started using it. So, that way, it does not connote any additional risk or anything.

And the participation was overwhelming, that was the reason that entire kitty was exhausted. And now, some of the industry lobbies are also demanding further extension and maybe further enhancement, etc. That is a different story.

Mr. Jai Mundhra - ICICI Securities:

Is there any interest rate arbitrage, like you charge less than 9% or is it a standard rate or higher rate?

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

It is a standard rate, 9% we charge. I think to answer your question whether it is indicative of any stress, definitely ECLGS is aimed at prevention of stress. So, some of them are pre-empted that by borrowing and creating the liquidity pool which is available. Most of them have drawn the facility and put in their working capital. So, while it is definitely a proactive measure, we need not be seen as a stress.

Mr. Jai Mundhra - ICICI Securities:

All right. And sir, I think in your media interview, you have given some disclosure on ECL, what could be the transition impact and maybe the recurring. If you can sort of

elaborate what could be the transition impact and is that a gross number or net number, net of whatever standard assets provisioning that the bank is holding on?

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

So, first of all, the number which I have mentioned ₹19,500 crore, is ECL impact on the loans net of taxes. There is a tax, DTA adjustment which is there and this is after adjusting all the existing provisions. There is a gross amount of expected credit loss provision and then you adjust for the existing provisions and also adjust for the DTA and that is how this number has come.

But let me also give a caveat that there are a few things in the master direction which have not been finalized yet. For example, HTM portfolio being fair valued, crop loans to be brought under ECL. So, a lot of discussion is happening. But if you take only my loan portfolio on a standalone basis, this is the impact of ECL. And as we have indicated earlier, we would like to use the regulatory dispensation of transitioning this provision. Even assuming that there are other elements which will be finalized and there is an increase, because of the transition impact, I don't think we should really worry about having any growth capital issues.

Mr. Jai Mundhra - ICICI Securities:

No, capital is sorted, sir. And any, let's say standard assets provisioning, your loan loss provision is 25 basis point thereabout.

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

Correct.

Mr. Jai Mundhra – ICICI Securities:

Your loan loss provision is 25 basis points thereabout, that is subject to or that is dependent on the slippages, right, but is there any bump up expected in the standard assets provision?

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

No, we will have to see, Jai, I think how it plays out, we need to, because there is a parallel run for almost nine months in the next financial year, so we will see how it plays out. There could be, as I mentioned earlier also, there could be some volatility in earnings, whether it is positive, negative, we will have to see as we go forward. We are now currently focusing on what would be the impact on the date of implementation and the impact on the capital.

There could be a volatility, I am not able to put a number, because it is a fairly large book and very diversified book, how it is going to play out, we will watch for a

quarter, because 01/04/2027 is implemented, but the numbers will be measured only on the 30th of June, that is what the dispensation has been given. So, 30th June 2027 probably will give some idea how the earnings are playing out on the go, while the stock is fairly known to us and as you mentioned is not a worry, because it is going to the capital.

The P&L impact of ECL on implementation from 1st April, we need to be seeing for a couple of quarters before we give a guidance on the earnings.

Mr. Jai Mundhra – ICICI Securities:

Sure, sir. Lastly, sir, on Agri stress, have you started seeing restructuring requests, at least in the states which have been impacted by drought by SLBC, or even if you have started receiving, what could be the quantum of let's say restructuring in Agri, if any? And if you have said the Agri gold loan also?

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

Agri gold loan, to begin with, we have a very conservative LTV, just around 60-61%, so the portion exceeding the regulatory LTV 85% is very low. NPAs anyway we have disclosed, the quality continues to be good.

With regard to the three states which have declared a drought, I think SLBCs have passed necessary resolutions, so we have assessed something around ₹10,000 crore, as a potential portfolio for restructuring. But it all depends upon the farmers coming forward and then, of course, taking a consent from them, etc. But the process will happen over a period of time.

Mr. Jai Mundhra – ICICI Securities:

₹10,000 crore, across the portfolios?

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

Across the portfolios involved, but see, our past experience shows that not many come for the restructuring. State Level Bankers Committees generally give that dispensation of restructuring because that is mandatory to give. The moment it is declared as natural calamity, drought, flood, the SLBC is required to give what is a restructuring package, which is available to everyone who are impacted. So, many people may come, may not come, we will have to see how it is, but our past experience is that, not many people avail the restructuring.

Mr. Nitin Agarwal – Motilal Oswal:

Hi, sir, Nitin Agarwal from Motilal.

Sir, few questions, one is on margins again, while you have talked about that you do not want to change the guidance, but when you look forward, do you feel more comfortable about margins over 2H ex of rate hike versus the 1H. And if you can also share some details about the margin drivers for this quarter, like we have seen 11 basis points expansion in domestic margins, so what has actually driven that?

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

So first let me answer on the NIM front. NIM expansion has come both on improved yield on advances, as well also mainly from the reduction in the cost of resources, particularly deposits. The impact of cost of deposits is that we have primarily used the FCNR(B) flows to reduce our wholesale deposits, which has been an important driver. And the other one is overall focus on the Daily Average Balances (DAB) in the savings bank; it is not a month end or quarter end balance. The DAB both in the current account and savings account have been robust, which has helped us in reducing the cost of deposits. So, the uptick which you see in the NIM has come primarily focusing on the management of liabilities, which we have been doing quarter after quarter.

On the yield on advances, yes, we did miss out on certain working capital loans, T-Bill linked loans, because we have mentioned last quarter also, if pricing is not acceptable, probably we will slow down on that. In fact, our working capital utilization on the corporates has come down, because we have not been participating in some of the finer priced loans. So that is the reason why the NIM expansion has happened. And in whatever manner you ask, Mr. Agarwal, I am not going to give any guidance beyond 3% what you mentioned, but I would like to say that there are definitely tailwinds to make NIM better than 3% guidance. The tailwinds are mainly coming because as I mentioned 25 basis points EBLR which has already happened, and the full benefit will be available in the half year, and 15 basis points MCLR which we have increased, that also is going to contribute as the loans get repriced. And if what Shamsher mentioned in terms of 50 basis points hike, it will immediately benefit the repricing of the loans, so these are some of the tailwinds.

Headwinds could be in terms of what happens on the deposit side, will we be forced to increase our deposit rates, I do not see a greater pressure for us, because as we speak, we have excess SLR, almost ₹3.5 lakh to ₹3.7 lakh crore, as on date, and as on September we had ₹4.8 lakh crore, excess SLR. That provides enough liquidity for us without really competing for the deposits.

Mr. Nitin Agarwal – Motilal Oswal:

Right. And, sir, second question on the corporate growth, we are talking about 14 to 15% growth, and some other banks have reported stronger growth on the corporate side also. But if I look for SBI, the 1H growth is by and large flat in that segment. So,

how are you looking at the overall corporate demand and participation of this segment in growth as you are looking for a bigger trajectory going ahead?

Mr. C.S. Setty – Chairman, State Bank of India: So, we had a 16% corporate loan growth this quarter, right.

Mr. Nitin Agarwal – Motilal Oswal:

Sorry sir, I am talking about mainly from the March level till September, so we have seen a 1% growth in the portfolio.

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

Oh, YTD growth?

Mr. Nitin Agarwal – Motilal Oswal:

Yeah, YTD growth.

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

YTD growth generally is slower. In fact, if you see the YTD growth of previous year, we had almost negative growth in corporate loan. We had first quarter negative and second quarter 7% year-on-year growth. When compared to that, I think we had a very robust second half last year. So, from that angle, YTD will always look slower growth. But I believe we should continue to have 16% growth rate in the rest of the half year also in the corporate loan, we have a good visibility of the pipeline, which we mentioned about ₹7.8 lakh crore. All of them may not immediately materialize, but the withdrawals-disbursement gives us visibility of 16% corporate credit growth.

Mr. Ashwini Kumar Tewari – Managing Director (Corporate Banking & Subsidiaries), State Bank of India:

Actually, sir, I will just add, that we have let go of quite a few, like sir was mentioning, of deals or refinances where the yields are very low to protect the overall yield on advances. So had we taken up all those opportunities, we would have seen a much higher growth. We are not looking just growth for the sake of growth; it is also profitable growth.

Mr. Nitin Agarwal – Motilal Oswal:

Sir, last question is on FCNR deposits that we have raised, while we indicated about the number that we are targeting in the 1Q results in August when we had the Analyst Meet, and we came close to that, but system has seen a massive pickup after that. So, how do you look at what SBI did versus what the other banks did? Should we have done more? Some thoughts on that. And what do you feel about the

leverage also that we have provided for those deposits versus how some of the other peer banks have done?

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

So, we have set out a $10 billion target, I think we have exceeded the target, 10.9 was the final number, and we are fine with that. Because various people had various reasons to mobilize higher FCNR(B) deposits, and for us, this is a commitment which we have given to ourselves and to the government that we will do FCNR(B) - 10 billion dollars, and I think that was a good number to have.

On the leverage, we have not overdone anything. I think much of the leverage is also provided through our foreign offices. We have about $8.83 billion leveraged loans from our foreign offices out of 10.9 billion dollars. Some of them have not even taken leverage, and some of them have taken very low leverage. So, while it is not appropriate to say that how much leverage has been given, I can tell you that it is a moderate leverage what we have provided. And provided through our foreign offices, because we had significant lines of credit available to us, and our ability to raise the funds has been good. If you see, it did not impact our NIM at all. Our foreign offices NIM, despite $8.83 billion funding, just came down by 2 basis points. That is not required to be attributed to FCNR(B). There are other reasons why that 2 basis points has come down. So, we played, I believe, very carefully on FCNR(B), we have not taken additional liability but significantly contributed our might to the FCNR(B) mobilization. Anything else on that?

Mr. Nitin Agarwal – Motilal Oswal:

No, that's it, sir. Thank you so much.

Mr. Anand – Nuvama:

Sir, Anand from Nuvama.

Sir, taking your question again from what Nitin asked, so second half you expect very strong corporate credit growth as such. In that case, 14-15% growth is a base case growth that we should assume, similar to your 3% margin guidance as such, and possibly you should overshoot the overall credit growth.

Secondly, how should we look at the growth from next year perspective? Next year we will not have as much of FCNR deposits, possibly we will deploy, the system will largely deploy the FCNR deposits maybe by June or so. Then next year also we should have a similar kind of a growth of about 14-15%, or it could be lower than that?

Secondly, on the retail front, when we look at, I think the mortgage growth this quarter again was relatively lower for you. Any thoughts over there, whether you expect any acceleration over there? I know that the interest rate cycle doesn't favour us, but particularly that's a floating rate book, right. So there, with the growth you can also get better margins as basically the repo rate hikes happen. So, your thoughts over there, that will be helpful.

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

First on the home loans, I think there is some slowdown in the overall market, and despite our lower growth, we have acquired the market share. That means others are going even lower. So, there could be several reasons, not necessarily interest rate alone. I think there have been like some new projects have not come in some areas, inventory build-up in certain areas. So overall, I think it will take some time. But what I have seen is that they are not extremely sensitive to rate, while lower rates will favor the mortgages, higher rate doesn't stop that mortgage completely. And there are a lot of first-time home buyers who would like to own a house. And incidentally, in this month, we have crossed ₹10 lakh crore, home and home-related portfolio. So, this is a very significant portfolio we built.

Just to answer your concern that yes, it is an EBLR linked in an increasing rate of interest scenario, I think we get benefited, and it is a capital efficient product also. We will continue to focus on home loans, we build the infrastructure, we believe that we continue to be market leader on the home loans. But it cannot be outpacing the industry growth anyway.

On the 14 to 15% credit growth, I would like to stick to this guidance for the current year. Let us see how it plays out as we generally give guidance in the first quarter for the full year. And that practice will continue. But 14 to 15% growth rate can be easily funded, there is no problem, we have enough liquidity I mentioned earlier also. We have excess SLR, and I am sure that with a ₹63 lakh crore, base, even if I go grow at 10%, it gives me ₹6.3 lakh crore deposit, even adjusted for CRR and SLR, is not really to be adjusted. We have enough deployable funds going forward. Is there anything I missed out?

Mr. Anand – Nuvama:

So, I was asking for next year growth guidance, I think it should be similar

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

Yeah, that anyway I said I will give next year.

Mr. Anand – Nuvama:

Yeah, okay. And secondly, one of the public sector banks said that because of the yield movements, they had an increase in the ECL. If you can just tell us like this ₹19,500 crore, that you have...

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

No, this does not include, as I mentioned, the fair valuation of HTM. And when we take up probably it will, the overall allocation of the capital may go up.

Mr. Anand – Nuvama:

Okay, so that could basically have some upside risk.

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

It is.

Mr. Anand – Nuvama:

Okay.

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

But as I mentioned, the loan portfolio, ECL anyway is permitted to be spread over four years. To that extent, I think overall impact on the capital availability may not be a concern.

Mr. Anand – Nuvama:

Obviously, I mean, ₹19,500 crore, does not matter as much, but I think analyzed credit cost is what we are more concerned about, whether that can bring down your ROA below 1%, because I think you keep giving guidance about 1%, but if 10 to 15 basis points credit cost goes up, and margins do not inch up as much, then how do you offset that and sustain your...

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

See, our 1% guidance is through the cycles. And we have factored in the ECL impact, unless of course there is a violent movement in the asset quality itself, which we have not foreseen, not foreseeing. So, that 1% guidance on the ROA is through the cycles.

Mr. Anand – Nuvama:

Thanks, sir. That's assuring.

Mr. Mahesh – Kotak:

Good afternoon, sir. Mahesh from Kotak.

A couple of questions on the NSE stake sale and revaluation. You indicated that ₹11,000 crore, has gone through the net worth, right.

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

Yes.

Mr. Mahesh – Kotak:

See, the net worth change for the quarter has been about 9,700. 7,000 odd you have indicated through the gains.

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

There are some MTM losses also which go through the AFS Reserve.

Mr. Mahesh – Kotak:

Correct. So, there was an MTM loss for the quarter.

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

Correct, which has gone accounted into AFS Reserve.

Mr. Mahesh – Kotak:

And if I were to go to the next quarter, and assuming Yes Bank remains at where it is today, do you also have to book a loss in the...

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

Yes Bank is not marked-to-market. It's A&S. It is similar to SBI Mutual Fund. We don't mark-to-market both of them.

Mr. Mahesh – Kotak:

Okay. Second question on the provisioning line. There's about ₹1250 crore of provisions which is sitting in the P&L on the provisioning line. Last quarter, you indicated that you had made some adjustments for the staff costs. How does the ₹1250 crore, for this quarter look like?

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

You have the number? There is a PLI provision. I think it's ₹940 crore, or something. That out of ₹1250 crore, ₹940 crore is for the PLI.

Mr. Mahesh – Kotak:

For the quarter. And this continues for the next quarter?

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

Four quarters. We make every quarter.

Mr. Mahesh – Kotak:

Okay. Last question, sir.

You've kind of indicated that the slowdown in retail growth is more from the supply side, which is developers not building projects.

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

Not retail, home loans.

Mr. Mahesh – Kotak:

Yeah, the retail side. You don't attribute this from the consumer side, the confidence not being there. Is that the way you want to look at this problem? Because it's not like your auto loans has grown faster. Your PL is also not growing that faster. So, across the segment, there seems to be some weakness in the retail products.

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

No, each of them has a different reason. If you come to auto loans, this earlier quarter also I mentioned, we have been a little cautious on the pricing front. Let me answer that easy question first, the auto loans, we have tweaked the pricing. We realized that auto loan is a hook product. Even on a standalone basis, it may not make a profitable one. But it's a hook product. I can get a customer relationship. We also have seen a lot of new to bank customers come through the auto loans. So, we can sell other products. That's the reason we have tweaked our interest rate. We have seen very robust growth in October month. So, I believe that we are back in the game in the auto loans. As far as personal loan is concerned, we would have loved to have double digit growth. But this 7.48% itself is a good growth when compared to what we have done in the gold loan. Some momentum is happening from Xpress credit to gold loans. And this is a very high churning product. We get paid very fast. Xpress credit doesn't run more than 3-3.5 years. That means the net growth of 7.48%, if we take to double digit, is really good. But we are moving progressively there. There must be some movement from Xpress credit to gold loan, you have to see them together. As far as home loans is concerned, I did not say that this is not about consumer not buying. I think it's a combination of, particularly in some sectors like Bangalore, we have seen that some slowdown in the purchases also, apart from inventory build-up.

Mr. Mahesh – Kotak:

Just a clarification on this. If you look at your corporate salaried side, the credits that are happening on the corporate salaried side continues to remain unchanged.

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

Continues to remain?

Mr. Mahesh – Kotak:

Unchanged. Let's say if it's growing at about X%, let's say 12 to 14%. That has changed or even you are seeing a slowdown in corporate salary credits?

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

No, corporate salary credit means, loan given to corporate salary package.

Mr. Mahesh – Kotak:

Corporate is giving salaries to their employees. Have you started seeing any slowdown on that side?

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

No, we have not seen it.

Mr. Mahesh – Kotak:

That's also not happening. Okay, thank you.

Mr. Pawan Kumar – General Manager, Performance Planning & Review Department, State Bank of India:

Due to paucity of time, we'll now take up a few questions coming in through the online webcast, which will be addressed by Chairman sir.

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

Q) The question is on how much PSLC cost has been taken in Q1 and Q2.

A) It is ₹118 crore, and ₹583 crore.

Q) What would explain the positive NIM movement sequentially?

A) I think we have spoken enough on the NIM. This was, as I said, driven by higher yield on advances and lower deposit costs. NII growth of 4.65%, also outpaced our average domestic earning asset growth of 1.03%. This also has contributed to the NIM trajectory.

Q) Dhaval Motilal Gala from Aditya Birla Capital: What is the breakup of EBLR-MCLR book mix?

A) We have given that, but I can repeat the answer again. EBLR loan book is 32%, and MCLR loan book is 27% of domestic advances. We also have T-Bill linked loan in the portfolio.

Q) Excluding one-off gains, how does core treasury income compare with past year?

A) Treasury revenue income stood at ₹6,000 crore, in Q2 FY27 compared with ₹7,470 crore. Excluding one-off items in both periods due to adverse market movement, Q2 FY27 recorded a loss of ₹1,277 crore, as I mentioned, compared with a gain of ₹ 2,877 crore in the previous quarter.

Q) Whether our Bank is having plans to list out more subsidiaries in FY28?

A) I think recently we have launched one. Let us wait for some time to comment on this, but for the next couple of years, nothing on the cards.

Q) What is your ROA without SBI funds management stake sale?

A) ROA without SBI funds stake sale would come to approximately 0.98% for the half year.

Q) How do you see the NIM outlook going forward with squeezing liquidity?

A) We assume that the liquidity will be made available adequately as promised by the RBI from time to time. Assuming that that liquidity is available, system liquidity improves as we go forward. So, our NIM trajectory, as I mentioned, will continue to be more than 3%.

Q) Comment on the muted growth in operating profit.

A) Operating profit grew by 7% year on year, as operating expenses increased by 9%, outpacing operating income growth of 8.44%. I think, again, we have talked about, essentially on the treasury losses as well as a bit of higher overheads which we have provided upfront.

Q) SMA1 and SMA2 have gone up by 15%, quarter-on-quarter, driven by SMA1.

A) So, out of this SMA1, more than half of that has been pulled back, moved to standard asset category. And we hope that the one, except small ₹50 crore, loan which has slipped, all others are standard as we speak.

Thank you very much.

Mr. Pawan Kumar – General Manager, Performance Planning & Review Department, State Bank of India:

I trust all the questions have been addressed. We would be pleased to respond to any other further queries offline.

As we conclude this evening's proceedings, I express my sincere gratitude to Chairman Sir, our Managing Directors, Deputy Managing Directors, and the senior leadership.

I also thank the officials from the circles and various officers joining us through the webcast and our analysts and investors and all esteemed invitees present here. Thank you for your time and participation.

We now invite everyone present here to join us for high tea, arranged just outside the hall.

Thank you. Thank you so much.

End of Transcript