Q3FY25

ANALYST MEET

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MANAGEMENT:

MR. C S SETTY
CHAIRMAN, STATE BANK OF INDIA

MR. ASHWINI KUMAR TEWARI
MANAGING DIRECTOR (CORPORATE BANKING AND SUBSIDIARIES)

MR. VINAY M TONSE
MANAGING DIRECTOR (RETAIL BUSINESS & OPERATIONS)

MR. RANA ASHUTOSH KUMAR SINGH
MANAGING DIRECTOR (RISK, COMPLIANCE AND STRESSED ASSETS RESOLUTION GROUP)

MR. RAMA MOHAN RAO AMARA
MANAGING DIRECTOR (INTERNATIONAL BANKING, GLOBAL MARKETS & TECHNOLOGY)

MRS. SALONI NARAYAN
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 the State Bank of India, I'm delighted to welcome the analysts, investors, colleagues, and everyone present here today on the occasion of the declaration of the Q3FY'25 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. Shetty at the center. Our Managing Director, Corporate Banking and Subsidiaries, Shri Ashwini Kumar Tiwari. Our Managing Director, Retail Business and Operations, Shri Vinay M Tonse. Our Managing Director, Risk Compliance and SARG, Shri Rana Ashutosh Kumar Singh. Our Managing Director, International Banking Global Markets and Technology, Shri Ram Mohan Rao Amara. Our Deputy Managing Director, Finance, Smt. Saloni Narayan. 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, and business groups. To carry forward the proceedings, I request our Chairman Sir, to give a brief summary of the Bank's Q3FY25 performance and the strategic initiatives undertaken. We shall thereafter straightaway go to a Q & A session. However, before I hand it over to the Chairman Sir, I would like to read out the safe harbor 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, to make his opening remarks. Chairman Sir, please.

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

Thank you, Pawan! Good evening, ladies and gentlemen. Thank you for taking the time to join this Analyst Meet today post announcement of the Q3FY25 results of the Bank. The results for the third quarter of FY25 highlight continuity, consistency, and SBI's significant long-term strengths.

At the outset, I would like to thank all our stakeholders for their support and for helping us in creating sustainable value not only for the Bank but also for the economy as a whole. Over the years, SBI has remained focused on strengthening the key components that contribute to this sustainable value. We have prioritized our liability franchise, refined our processes, continued to improve our underwriting standards, and aim to deliver value to all stakeholders while positioning ourselves as a reliable financial services brand. I will first start with a brief description of the present global and domestic economic scenario and then discuss Banks's performance.

In 2025, the global economy is being driven by a strong US economy, offsetting the weak Euro area and China. As per its latest assessment, the IMF projects global growth at 3.3% both in 2025 and 2026, below the historical average of 3.7%. Global inflation has continued to soften and is expected to approach inflation targets for most of the central banks albeit with different speeds across geographies. However, on the downside, the impact of trade wars on global growth and in turn on inflation remains uncertain at this stage. While the new US administration's tariff decision is so far confined to North America and to some extent to China, the impression of full-scale tariff across all countries has so far not materialized.

At the domestic level, India's economic growth is poised to rebound as domestic demand regains strength post the budget announcements even as global uncertainties remain. CPI inflation has also eased to a four-month low of 5.2% in December 2024 and will continue to decline as per forecast. As per the latest data, bank credit grew YoY by 11.5% and deposits YoY by 10.8%. Coming to SBI, the results for the third quarter of FY25 demonstrate the Bank's ability to operate profitably at scale, due to our substantial long-term strengths. These advantages stem from our institutionalized framework, which is guided by structured processes and a commitment to fairness for all stakeholders. The net profit for the quarter was Rs. 16,891 crores, up 84% YoY. At the end of Q3FY25, our whole bank credit growth was 13.49% YoY with domestic credit growth at 14.06%, while the CD ratio (domestic) was 68.94%.

Importantly we maintained stellar asset quality with a slippage ratio of 0.39%, retail personal slippage ratio at 0.32%, and credit cost at 0.24%. PCR maintained at a robust level at 74.66%.

The total deposits have grown by 9.81% YoY to Rs. 52.29 trillion, I think this is the first time we crossed 52 trillion. Term Deposits have grown by 13.47% YoY. Our Current Account deposits have grown by 14.22% YoY and CASA have grown by 4.46% YoY with a CASA ratio of 39.20%. Importantly, the current account growth has continued to remain strong for the Bank over the last two quarters, despite a competitive market environment.

I am glad to share that the credit growth continues to be robust across all segments, with all the major segments registering double-digit growth. Our domestic advances have grown by 14.06% YoY driven by more than 18% growth in SME, 15% in Agri, 15% in Corporate and 11.6% in Retail personal segments. Our Foreign Offices advances have grown by 10.35% YoY. The domestic credit deposit ratio was at a healthy 68.94% at the end of Q3FY25, indicating sufficient headroom to address future growth requirements of the economy.

The Bank continues to demonstrate industry-leading asset quality at this scale The Slippage Ratio for Q3FY25 was 0.39% while the credit cost, as I mentioned earlier, stood at 0.24%. The Net NPA ratio improved by 11 bps YOY and stands at 0.53%. We have a well-provided NPA book with PCR at 75%. The asset quality of the Bank has continued to remain strong over the last five years, which demonstrates the quality of our loan portfolio, the robustness of our underwriting processes, and the leadership of the Bank across business lines.

Our Capital Adequacy Ratio is at 13.03%, without considering plough back of profits, and is well above the regulatory requirement. If we include the profits for 9 months, our CAR would be at 14.50%, while the CET-1 ratio will be 10.99%. Based on the current profitability and growth profile of the Bank, we believe we have sufficient headroom to take care of business growth requirements.

I am glad to share the progress we have made in digital banking, which is an ongoing journey. More than 8.5 crore customers have been registered on YONO with 64% of our regular savings bank accounts opened through YONO in Q3FY25.

Our subsidiaries are consistently performing well and continue to create significant value for all the stakeholders. We will continue to nurture these subsidiaries and maintain leadership positions in the respective businesses.

We are glad to advise that the Bank continues to report RoA and RoE greater than 1% and 20% respectively at the end of 9M FY25. A key point regarding these metrics is our operation at a substantial scale, I think in the last quarter also we did mention this. We reported total assets worth Rs. 66.21 lac crores total advances at Rs. 40.68 lac crores and total deposits amounting to Rs. 52.29 lac crores. When we mention scale, it indicates the Bank's extensive investments in workforce, training, procedures, and compliance to maintain this level. Sustaining our growth rates implies that our Bank's infrastructure and personnel are equipped to support continued growth at this magnitude .SBI continues to be the leader in all the risk-adjusted profitable lending and liability pools in India. Consequently, SBI's RoA, above 1%, is derived from the scalable fundamentals of banking - a stable NIM, controlled operating expenses, and maintaining credit quality.

While we are happy about the outcomes in Q3FY25, we are also mindful of areas for further improvement. On the liability side, we continue to focus on increasing our share in the current account, while maintaining our leadership position in savings deposits by further strengthening our customer outreach and branch network. Although the Bank's cost base is substantial, it highlights our commitment to compliance and establishment expenses. The Bank's RoE profile is currently higher than its credit growth, implying CET-1 accrual in the future. From this strong position, our goal is to consistently achieve an RoE over 15% through the business cycles.

Wrapping up my initial comments, I express my gratitude for your ongoing support to the Bank. As the Bank advances its objectives, it also plays a role in driving the progress and economic development of the surrounding ecosystem. We are dedicated to upholding your confidence in us by delivering superior, sustainable returns over the long run. My team and I are now open to taking your questions. Thank you.

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

Thank you, Chairman Sir, for the presentation. 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 of two at a time. Also, kindly restrict your question 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 Q&A session.

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

Sir, compliments to you for the overall performance of the bank on the many of these factors and most of it is as per the guidance given by you. We are very comfortable compared to some of the other banks on the business growth also as well as the profitability. Having said that I have got a few basic points, our operating profit has tremendously I mean has gone down substantially from 29,294 crore in the last quarter to 23,551 crore which I believe is mainly because of the loss on trading or revaluation of investments. 4000 forex loss together with about 4,610 crore. Equally, we also tried to set off some of this reduction in the profit by lesser provision and taking advantage of some of the buffer provision also using it here of about 1,100 crore. So going forward, now we have one more quarter left in this year FY25. What is your view and the plans and what can you say that yes, are we going to arrive at again the same kind of 29 – 30 thousand of operating profit in the remaining one quarter? Secondly, my second question is on the thought that we have done better than some of the other banks which are much smaller than our size. I mean, our bank is going to be soon, when we meet the next time, of 1 lakh lakh crore bank, business bank. So yes, hopefully, we'll see that immediately in the next quarter only. But then still, I mean, if you look at the say even credit figures, our growth in the nine months is only 6.73% sorry, credit is 7.97% and deposit is 6.73%. So that gap between the targeted numbers which are given of whatever 14% - 15% growth or even moderate 14% also, Are we in a position to do it in the remaining two and half months of the current quarter? How are we placed on that looking at our pipeline in the further sanctions, I mean, loans which are already sanctioned? And some of the proposals which are in the pipeline are we in a position to do it in March itself, February - March to achieve the targeted numbers? Yeah. This is the first.

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

Thank you. I think two, three questions are what you raised. Partly, I will answer, and I'll ask Ashwini to supplement me. One is a hundred lakh crore business. You said 1 lakh lakh crores. I would have been happy. Hundred lakh lakh crores.

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

No. No.

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

No. I'm just in the lighter vein; I think this bank has the potential to reach that number also Ajmera sahab as I've already mentioned. Yeah, but I think we will now restrict it to hundred lakh crores. I think we're eminently poised to reach that level.

This is what the scale we keep talking about. But at the outset, before I answer your specific questions, I would like to, you know, convey to you that our guidance in terms of the credit growth of 14% to 16% stands good. We will explain to you where and how confident we are about it. Partly I will explain and partly, my other MDs will explain. That is about the credit growth and the deposit side we had originally given 11% to 12% guidance but last quarter we modified that guidance you know, going by what is happening in the market.

We said that we would be happy if we reached 10%. I think we are almost there. And, as I mentioned, 52 lakh crores are something that we have crossed. So, we still are, you know, sticking to the guidance of credit growth and deposit growth of 10%. And this is eminently possible in the current quarter, also. And the rates which you mentioned are basically YTD rates, but the YoY rates, 14% to 10% will, 14% to 16%,10% will hold good. Operating profit, yes, I think it was impacted QoQ. YoY, I think we are okay. And, on a sequential basis, we got impacted by the MTM losses. And, it is also important to understand that the cost of resources has gone up.

We are trying to see how we moderate this cost of resources, but the behavioral shift of the depositors moving from the savings bank to fixed deposit. As I mentioned, our fixed deposit growth rate is more than 14%. So term deposits growing in the book, obviously, you know, alter the CASA ratio and also, you know, push the cost up. But we have a very strong franchise and the deposits when people want to move from savings to fixed deposits. And at the branch level, we would encourage the customer to get that benefit.

At the same time, now we have increased our customer outreach in terms of opening high-quality savings bank accounts, particularly focusing on salary accounts. In the last nine months, we have acquired 9.5 lakh salary customer accounts, which means that, you know, the CASA ratio would come back to 40%. That is our target, which would also bring down the cost of resources. And as far as visibility of corporate credit growth, I would ask, you know, Ashwini to supplement.

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

So while the growth of corporate credit, YOY is quite good as you noticed, but the overall growth in terms of year to date has been, less.

But we have a very healthy pipeline, almost 4,83,000 crores consisting of 2,22,000 crores, which is sanctioned, almost 800 proposals, and 2,61,000 crores under process. And we hope that substantial part of this will get disbursed. Last year also, last quarter saw a lot of growth, much more than this year. And, the better part is that this year, we have been disbursing through the year. So, we've been able to get the full interest income.

So, hopefully, the target which we had internally, of corporate credit, which is upwards of 10% - 12%, we'll be able to achieve that.

– **Mr. Vinay M Tonse – Managing Director (Retail Business and Operations), State Bank of India**

Good evening, everyone. That covers the corporate part. But on the retail part, if you look at our PER, which includes REHBU, we have been growing fairly strong as actually, I must say that we are on track. Whatever we had in mind is getting, and I do not see any reason why we should, actually go down in this, in the next coming, two months also. We have seen fairly good growth. Agriculture has been around 15 odd percent YoY. Even QoQ is good. SME is around almost touching 19% YoY. Good. REHBU is also in the vicinity of 14 to 15. I think we are on track.

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

Sir, when we are talking about SME, now recently in the budget, both the investment limit and turnover limit have been either two and a half times and two times. So now there is a lot of opportunity in the MSME sector will increase. Because some of the mid-corps, I mean, they will come under MSME and will get the benefit of MSME. At the same time, non-collateral CGTMSE has also increased from two to five crore, now five to 10 crore. Yes. So, there you see some major growth coming in?

– **Mr. Vinay M Tonse – Managing Director (Retail Business and Operations)**

What would actually happen is rather than new growth coming in, that may also happen. But then there would be a reclassification of some of what we already have as exposures. Some of the larger ones may get covered under this, but then definitely, this will benefit not only our clients but us also in a way in case we get the priority sector benefit out of this, that will be good for us.

– **Mr. Ashwini Kumar Tewari – Managing Director (Corporate Banking & Subsidiaries)**

But this is likely next year, not so much in the last four months.

– **Mr. Vinay M Tonse – Managing Director (Retail Business and Operations)**

Yeah. It starts in FY26 onwards.

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

But on the PSL front, what Vinay has mentioned, one is, the micro-enterprises definition is also modified. That means, you know, there is a subsector of microcredit that needs to be achieved and partly will be taken from there in our PSL category. And, as you mentioned, some of the mid corporations will move to medium enterprises, which have to be PSL.

But there are several other MSME levers which have been provided. One is the classification. The other is the CGTMSE cover increased. Export-oriented units investing 20 crores also will be covered by the CGTMSE guarantee. So, I think, this 18% growth rate and, just, I'll take two minutes on the SME front.

We have completely revamped the way the SME funding is done in the bank. We have introduced cash flow-based lending through our business rule engine today. We have extensively used our database, both internal as well as external, and, used the GST data, income tax data, balance sheet data, and the account data, and created this rule engine. Today, we are able to give a disbursement if it is guaranteed by CGTMSE in three days to four days. I think that turnaround time improvement has also contributed to improved performance on the SME.

This is what I want to do.

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

Sir, a small question on the SMA numbers. If you see last time SMA1 had increased to 11,891 crore and you said that at that time many of which have already recovered. So the SMA1 number is okay at 2,128 crore. I mean, it has come down substantially but the SMA2 numbers have gone up to 7,424 crore from 1,840 crore. Is it that some of those SMA1 have come to SMA2? Because though the overall figure is the same, SMA2 has increased substantially now.

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

No. I'll answer that. SMA2, there was only one major account, which became SMA2 on 31st December. Has it been fully rectified? And if you adjust that number, it is coming to 3,700 or something, SMA2 numbers. And this account has been regularized, you know, in fully in the sense that, you know, proactively they paid the advance payment also going forward. So the risk of that account again falling into the SMA2 category is not there. So that way I think SMA2 is not a big concern at all.

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

Thank you very much, Sir. I'll come back again in the second round. Permit on the international account I wanted to ask something but will ask later. Thank you, Sir.

- **Mr. Akshay – Autonomous**

Hi Sir, this is Akshay from Autonomous. So, Sir, I have two questions. One on your margins. So, your margins have dropped by around 13 bps sequentially. So, if you can, explain what is driving, these 13 bps. So your advances yield on advances have dropped by around 8 to 10 basis points. So, what's driving this? And on the cost of deposits front, on a calculated basis, it seems to have increased by around 7 - 8 bps, and around 20 bps in the last two quarters. So, while you have increased interest rates on the shorter tenure, buckets over the last few quarters. So, like, where do you see the cost of deposits stabilizing going ahead?

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

The yield on advances has not deteriorated. We held on to the yield on advances. If you see, I think, it is YoY, marginally, a basis point increase. So, we held on to the yield on advances.

The cost of resources definitely has gone up but majorly contributed to the cost of deposits. And, the cost of deposits, YoY has increased as well as sequentially marginally increased. The margin compression was a combination of this cost of resources going up and also the treasury gains not being there as much as they were there in the Q2. But our core focus on qualitative advances growth continues to be there. So, our guidance is that the NIM would be higher than 3%, and the ROE ROA will be 1% and more than 15% is the guidance we are sticking to.

So, I don't think, on the yield on advances, we are not compromising on that. In fact, in many cases, we are letting go of some of the loans where we feel that, you know, pricing is not acceptable. So let me tell you that. And, the SMEs generally are more profitable than the corporate advances, and our growth rate in SMEs is likely to give some yield pick up on the average yield on advances.

- **Mr. Akshay – Autonomous**

Sir, your borrowings have increased sharply, QoQ. Is it refinance?

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

The borrowings are basically market borrowings, and, that is, the liquidity adjustments, essentially, and the time mismatch of the cash flows. Normally, if you see, there is a huge amount of inflows into the banking system, particularly SBI, because the salary accounts with us have a large number in the last two days of the month and first two, three days of the month.

And then you have a greater outflow, starting from the fifteenth of the month because of the advanced payment of taxes, GST payments.

So, these cash flow mismatches will lead to, you know, some market borrowing. And also, you see the investments also happening at the same time. So, this is basically a treasury function.

- **Mr. Akshay – Autonomous**

And, lastly, on asset quality. So, your credit costs have been abnormally low in the range of 0.2,0.3, 0.4%, pick a number. When do you see them normalizing upwards like other banks are seeing? And specifically on Xpress credits, so your Xpress credit, GNPS have increased from 0.77% on March 24 to around 1.11% as of today. So, what's driving that?

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

So first, Xpress credit, I think, has a denominator effect, because the growth rate has come down in the Xpress credit. But there are no unusual, quality issues there. So, we are hopeful that this Xpress credit growth rate, which is now in the single digits, will come back to double digits going forward, including this quarter we are expecting. So, the gross NPA percentage will definitely come down. There's no great concern in terms of the asset quality. The concern is in terms of, you know, we have moved completely to a digital mode of lending. I think in the last quarter also, we did mention that we want to make this process more efficient in terms of the Xpress credit loan because it is a very substantial portfolio in retail personal loans other than home loans now. So that has now stabilized, and we hope to get the benefit of that stabilization of the digitalization that has happened in this segment. And there is definitely an impact of overall sentiment of the unsecured personal loans in the system. We are no exception, but we have the ability to come back to double-digit growth hopefully in the current quarter. If not, in the current quarter, definitely in the next quarter. And that is where you see the uptake in the GNPA, but it's not a great concern for us.

- **Ms. Saloni Narayan - Deputy Managing Director (Finance), State Bank of India**

The actual increase in terms of numbers is just 408 crores.

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

Yeah.

- **Mr. Akshay – Autonomous**

And on, credit cost? Overall bank credit cost?

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

Bank credit cost, yes. I think we are all riding a benevolent asset cycle now. Asset quality cycle. Hopefully, I think I'm a little confident that this asset quality will be maintained because we've focused heavily on process improvement. And as I said, some of the credit we do not underwrite. If you see one, this is not the first time we are talking about asset quality being good. In the last five years, we have consistently shown an improvement in asset quality. If you ask me if it is bottomed out, I think there's only so much we can bring down when you are operating at, 40 lakh crore advances level. But I feel that our guidance in credit cost of 50 bps holds good through the cycles.

- **Mr. Akshay – Autonomous**

Understood. And, Sir, lastly, on other provisions, there is a negative number of 800 -900 crores. So, what's that?

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

Which one?

- **Mr. Akshay – Autonomous**

Other provisions.

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

Yes. Saloni.

- **Ms. Saloni Narayan - Deputy Managing Director (Finance), State Bank of India**

Other provisions, I think, just one second, sir.

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

They will give you separate.

- **Ms. Saloni Narayan - Deputy Managing Director (Finance), State Bank of India**

Just one minute. I think that's one account if I remember.

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

I think then I just want to give you a standard asset provision that was made, and it was not required to be made now. So that has been reversed. But we'll give you the details later.

- **Ms. Mahrukh Adajania – Executive Director (Equity Research), Nuvama**

Sir, I had a couple of questions. Firstly, on your NIM outlook, you did give that, you know, you'll maintain NIMs at three. Now if rates are cut, of course, everyone's expecting a shallow rate cycle, but rate cut cycle. But if rates are cut for every 25 or, say, 50 bps rate cut, any sensitivity that you could give on your margins, say, on a whole year basis?

That's my first question. And then, I have a question on this forex income. It's a little low this time. Obviously, your fee income is very good, but your forex income is low.

So, is there any reclassification from forex to fees?

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

No. No. On the forex, I think there's MTM losses. Do you mean the growth rate in the forex?

- **Ms. Mahrukh Adajania – Executive Director (Equity Research), Nuvama**

Yeah, the absolute amount of Forex income.

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

Yes, Forex income is on account of MTM. Right?

- **Mr. Rama Mohan Rao Amara - Managing Director (IB, Global Markets and Technology), State Bank of India**

Can I submit, Sir? Sir referred to the MTM losses in the Forex exposures. I think in The US Dollar reference rates, where the US interest rates are modified MIBOR, we have experienced a kind of adverse movement as compared to the kind of positions that we have in derivatives that has resulted in a mark to market kind of losses in Q3 as compared to Q2. But we have also seen with the corrections in the rates, we have seen again recouping of those losses as well. So, these are more like a transitory. But, of course, we are hopeful that this trend will continue so that the contribution of the treasury will be better in Q4.

- **Ms. Mahrukh Adajania – Executive Director (Equity Research), Nuvama**

Got it. And Sir, on the NIM thing?

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

On the NIM, see, I think if it is a shallow rate cut as you are saying, Mahrukh, I don't think we will have a major impact because the repo link rates, loans are low in our book. I think it's about 28%. And, if it is a 25 bps rate cut, I think we will not have more than 2 -3 bps. And even assuming that, you know, some transmission will happen through the deposits also, which means that, you know, the impact on NIM is unlikely to be significant. So if there is any higher rate cut, I think, we may have to look at how we manage on the resources side. Yeah.

- **Ms. Mahrukh Adajania – Executive Director (Equity Research), Nuvama**

Got it. And sir on Opex, would you like to call out anything in terms of contribution to employees, because actuarial provisions have gone up, but that's just an interest rate function?

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

Yes. It is. There's nothing significant on that.

- **Ms. Mahrukh Adajania – Executive Director (Equity Research), Nuvama**

And, Sir, just one last question on life insurance. So, Madam FM had, you know, raised some concerns at your conclave only about the way life insurance is sold. So, is your bancassurance is impacted by that, or you are already compliant and there will be no impact from that? This time, of course, it's been good, the cross-sell revenues. But just what do you think on the outlook on bank assurance given the comments that FM has made recently?

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

I think the emphasis is more on right selling. And I think we have done quite a lot of work in terms of ensuring that the products which are sold from banca channels, are, you know, appropriately sold. The measures include both at our level as well as the SBI life level. For instance, life insurance companies are not required to have an internal ombudsman, but we have constituted an internal ombudsman in SBI Life to look at any of such complaints or cancellations which are happening to go deeper into it. And the free lookup period and, you know, cancellations, All these things are, looked into very seriously to see that are there any force selling or mis selling happening.

And, some of these complaints which come, our level of number of complaints is very limited in SBI, on the SBI life. And those complaints are also examined by the internal Ombudsman in SBI. So we put a lot of checks and balances to ensure that. And another thing I want to tell you, I think I must have told earlier also, every product, whether it is life insurance or any other JV product which is sold from SBI, that product appropriateness is approved by none other than MD in the bank. No product can be sold at the counters of SBI without approval of the MD who's responsible for the retail banking.

So I think we are making a lot of efforts to see that the right selling happens there. And, obviously, the concern is in terms of, you know, how do we increase the right selling part.

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

I'll just add that the complaint numbers as given by IRDA for us are the lowest in the industry. So therefore, while concerns are noted, but at the same time, I think we are doing what we can, both the company and us. And I don't see we have too much of a challenge in that sense.

- **Ms. Mahrukh Adajania – Executive Director (Equity Research), Nuvama**

Okay. Got it, sir. Just one last question. Basically, on loan growth, so you've given a corporate sanctions and dispersal pipeline. Would you have a very rough idea on how much of it is Capex and how much of it is general working capital?

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

I think we can put fifty-fifty. And, the Capex, is significant. I think the most pipeline, what he has spoken is essentially coming from Capex.

- **Ms. Mahrukh Adajania – Executive Director (Equity Research), Nuvama**

The entire pipeline or most of the pipeline?

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

Most of the pipeline is coming from the cap.

- **Ms. Mahrukh Adajania – Executive Director (Equity Research), Nuvama**

Okay, Sir. Thank you.

- **Mr. Manoj Alimchandani, Participant**

Yeah, Chairman, excellent performance on all parameters when we look at whether ROE or ROA or cost to income. Last quarter, we discussed about retail credit. Corporate credit, you have performed excellent. And, overall credit also near the lower end of the guidance, 14%. Retail, we have seen that there's a slight downtick 11.6%, mainly due to maybe lower growth in auto loans of 10%. Now there were certain reasons for that. Would like to know the strategy because, apparently, this Q4 should be the best quarter, for the auto loans where we can make up the growth in retail. Gold, you performed excellent. What is your strategy for that? And particularly, looking at, would like to have your observations on the multiplier of the post budget strategic, liquidity push given by the Finance Minister. What would be the impact on demand growth and retail? So once retail credit goes up, our NIMs automatically can improve substantially and also the profitability. So this is one. The second observation was, our valuations, when you look at, your slides with the consolidated financials, 22% plus operating profit growth, excellent performance from our AMC SBI Caps and General. It actually needs to be highlighted much more. It is there in the slides. When you look at it, we have never seen any bank in, Q3 give such reported numbers in terms of all parameters. So your observations particularly on the demand multiplier, how you see it kicking off in, overall credit demand whether retail or corporate and also the retail lending push where, there was a slight uptick, a downtick in the overall credit growth of 11.67%. And what is the potential of going to 15 to 20% or home loans are on track, and there's a further push also on the budget for the housing sector in a big way. And with this, I'll wish you all the best. **I'm Manoj Alimchandani.**

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

So let me just, disintegrate that and try to answer the individual questions. I think the first thing what you mentioned in terms of budget proposals definitely are value accretive to the banking industry, particularly for State Bank of India because much of these segments which are getting benefited out of, the budget announcement both on the tax cuts as well as on the, demand push, particularly on the SME and agriculture side, there are strong points. So we would definitely get benefit from that. And on the savings potential, if we did, it is estimated that 20% of the deposits are held by the senior citizens. And if a TDS benefit is given to them, we hope that most of their savings would come to the banking system.

And we hold a majority of that market share in the senior citizen category. The second point which you mentioned in terms of consumption, our economic research department estimates that the consumption multiplier is three times. So if there is a saving surplus because of the tax rebates or exemption of, tax up to certain income level, so definitely that would be having a consumption multiplier of three times, if any savings. A part of savings probably would go to consumption and some part will come to bank deposits. We'll get benefited out of that.

And a part, essentially, will go to the investment because the behaviour of the customers has changed. So, that is on the budget proposals both in terms of the credit side. The consumption demand is going to spur the personal loan segment. And our personal loan segment, today is at the lowest level, 2.84 credit growth rate because as I mentioned, we wanted to make systemic improvements which we have done. And the second thing is that the overall system impact on the unsecured personal loans also had affected us.

But, this, consumption demand is definitely going to result in growth in the Xpress credit. That is our unsecured personal loans. Auto loans, I beg to differ from you. I think we have done extremely well. 10% YoY growth rate.

And, today, the 1.24 lakh loan portfolio is the market leadership in auto loans. And Q3 has been a phenomenally good quarter. It normally happens that October because of the marriage festivals and all, has been a good quarter. I only hope that it gets repeated in the Q4 also because, as you said, Q4 is generally a good quarter, but we've had an excellent Q3 in the auto loans. Hopefully, we'll maintain that growth rate.

Home loans, yes, 14 to 15%, is a creditable one. And as we speak, we have reached a home loan portfolio of 8 trillion rupees. I think that is the largest home loan portfolio in the market. And, with the best asset quality, 76 bps is our NPA percentage here. And, which means that, you know, the segment is going to witness further growth, when the whole retail loans is based on what is called EMI to NMI ratio.

As the net monthly income grows, I think their ability to support higher EMI is there. And hopefully, the people borrow more, but more meaningfully. That is what we are trying to do. I think broadly I answered your questions, right?

- **Mr. Manoj Alimchandani, Participant**

Right. Thank you. Subsidiaries and intrinsic value. Yeah.

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

Yeah. I think, most of the time, you have to tell us why we are not getting the value.

- **Mr. Manoj Alimchandani, Participant**

That's why I shared some other ones. Yeah. Thank you.

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

Yeah. Thank you.

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

Thank you. We can move to the next, please.

– **Mr. Piran Engineer – Investment Analyst, CLSA India Private Limited**

Okay. If there's no one, can I ask one question? Just wanted to understand, does each department have its own P&L in the sense that when you're doing your corporate pricing, you'll be pricing in some credit costs. Now they're actually much lower than what you might have priced in. Would you use those benefits to maybe subsidize retail loans? Or corporate P&L is separate, retail is separate.

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

I don't call it P&L, but we have certain broad contours or guardrails that, you know, under-pricing does not happen across the product segments. In corporate credit, we have what is called risk adjusted return on capital and that's a benchmark 20%. And they have to really justify if they are not getting 20% on any of the exposure. On a portfolio basis, we are able to maintain that, 20% risk adjusted return on capital on the corporate side. As far as, retail is concerned, it's a little more complicated because you can't look at the pricing on a stand alone basis. The home loan customer brings me a CASA. He will borrow, you know, in other products.

So we look at what is the product per consumer and whether it is creating value. While some of these retail products, some of them are high ROE products, like home loans, and some of them are high ROA products, like Xpress credit. So we need to balance the portfolio in terms of, you know, what is our best outcome. And, in case of first gold loan for instance is a high ROE because it had no capital allocation at all. So, while the product level P&L is not there, businesses always have a business mix at the retail side, corporate side that what is that risk adjusted return on capital they're looking at? In fact, we have risk adjusted return on capital for each product also. Yeah.

– **Mr. Piran Engineer – Investment Analyst, CLSA India Private Limited**

But what if you exceed that? Let's say corporate banking is making 25% RAROC, hypothetically. That extra 5%, would you invest in retail? That's my question.

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

No, I think it's all a combination, but we are also trying to bring discipline among the business units by allocating what is called risk weighted assets. If they are exceeding that RWA, they have to take permission from one of the committees so that, you know, we have monitoring of the RWA allocation, and they have to justify why they are taking the RWA. And last time also, we made a presentation on return on risk weighted assets is something what we focus on the business unit level.

– **Mr. Piran Engineer – Investment Analyst, CLSA India Private Limited**

Fair enough. So, my second question is, just broadly for you all and PSU banks, have not really invested much in branch networks over the last 5 - 7 years. And over the last two years, you all have deployed excess liquidity to grow loans faster than deposits. Now LCRs are similar to private sector banks. Is there a case to be made that deposit growth for PSU banks can pick up to, let's say, 12 - 13% without a rate war?

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

We are not getting into a rate war. I think, earlier also I said that we have a big franchise of deposits, and deposit mobilization for SBI is a franchise activity.

And, obviously, you know, customers expect to be compensated properly. And that is how the rates are aligned to the market. A lot of times people ask me when you have such a CD ratio, why do you want to mobilize deposits? I think it should be understood from that context. So, and, the branch network, you mentioned something about branch network.

I think today we have the largest branch network, but it is not stopping us to grow in terms of the expansion. We have 500 to 600 branches every year to be opened, especially in areas where our presence is not there, particularly in the new colonies which are coming up, our new conglomerates, metro, agglomerations which are happening, but we don't have the presence. We are coming up there. So our branch network has not stopped. And we are also, you know, enhancing the branch ability to service the customers, both in terms of, you know, wherever the potential is there, give additional staff there.

And also do use our, feet on street, outsource feet on street to strengthen their ability to service the customers. I think a lot of effort is going on in terms of customer outreach. Yeah.

– **Mr. Piran Engineer – Investment Analyst, CLSA India Private Limited**

Thank you so much.

– **Mr. Vinay M Tonse – Managing Director (Retail Business and Operations), State Bank of India**

I will supplement that. We already have reached a figure as of yesterday, 22,800 branches. That means in this, this financial year, we have opened 277 as of now. And the plan is to touch 400 for sure and maybe around 425 to 430. We do not want, to open hole in the wall sort of branches. So we take some time to get. All the surveys are done, potential has been appraised. Now the premises, and that's taking a little bit of time.

– **Mr. Piran Engineer – Investment Analyst, CLSA India Private Limited**

Okay. Thank you, sir.

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

Due to the paucity of time, we'll be able to take one more question followed by a few questions coming in through the online webcast, which will be addressed by the Chairman, Sir.

- **Mr. Kunal Shah – Director, Citigroup Global Markets India Private Limited**

Good evening, sir. So the question was particularly on MCLR. So last time we indicated that, there is some repricing which is still left of the MCLR loans. So how much are we done with? And you mentioned, like, there is still room to increase the MCLR if there is a need to protect the margins. And we have seen that decline in margins coming through over the past, couple of quarters. So how much of repricing is left and any kind of a change in MCLR which we would look forward to? Definitely, there will be a rate cut, but still our stance on the overall MCLR rate.

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

So 35 bps still there is a room for increasing the MCLR. But as you mentioned, if there's a rate cut optically, you know, we cannot increase the MCLR. We will definitely look at the competitive environment which is emerging. But I think the rate cut also would help us in terms of reducing the cost of resources. Particularly, you know, the movement of interest rates. If not immediately, there should be some monetary transmission happening going forward.

So the margins will stabilize, as I mentioned, 3% above. We still are sticking to that. And you asked something else also.

- **Mr. Kunal Shah – Director, Citigroup Global Markets India Private Limited**

So I said, like, MCLR repricing is done. Whatever, rate hike has been affected since, past six months. Are we done or this will be towards, like, post December.

- **Ms. Saloni Narayan - Deputy Managing Director (Finance), State Bank of India**

No, next quarter will be see the impact.

- **Mr. Kunal Shah – Director, Citigroup Global Markets India Private Limited**

Okay. So the repricing benefit will be reflected in the last quarter.

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

Most of the repricing of loans happens on reset date. Reset dates are generally 6 months MCLR. So that means, you know, every 6 months it gets. And also people come, there are 12 months resetting also in case of working capital limits when they come for review. Yeah.

- **Mr. Kunal Shah – Director, Citigroup Global Markets India Private Limited**

Oh, got it. Thank you.

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

So, I think we'll take a couple of questions quickly and then we'll go to the online questions.

- **Mr. Sushil Choksey – Managing Director, Indus Equity**

So, on the margins, I think we need more debate. Like particularly on the margins front, the QoQ sequential drop that we have seen, is it also to be seen from that there were lower interest on recovery during the current quarter or there was some penal interest related impact which actually came through in the quarter or is it all explained by the higher cost of funds?

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

It’s predominantly explained by the cost of resources.

- **Mr. Sushil Choksey – Managing Director, Indus Equity**

In that case, how do we see the next quarter's margin? Because the cost of funds is not going down anytime. And if basically there's a rate cut, obviously, at least on the 28% of the portfolio, we'll pass it on if there is a rate.

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

So that 28% pass on will not really be impacting in a significant manner if it is a shallow rate cut. In terms of cost of resources, there is a conscious effort to increase the savings bank portfolio and increase the CASA. And, probably the deposit mix will be undergoing change. We're making a great effort in that direction. And, that is one way of bringing down the cost. You're right. I think, in terms of yield on advances, we are broadly maintaining this level. But we are also focusing on other income. See, if you see the margins also got impacted because of the treasury losses, which we are not accounting for, you know, things will be better now. But as MD mentioned, some of those losses have been reversed in the current quarter. So the combination of, focus on the low cost deposits, come combination, backed by, you know, some treasury, reversals of, no losses. But more importantly, I think, we'll be focusing on if you see the just show the other income slide where I think every lever of other income other than the treasury gains. You are not showing there.

Right? Okay. So, yeah, I think it's in the book. Slide number slide number 17, if you see, every noninterest income lever has been utilized. We are going to focus on that, and Q4 generally is good in terms of the other income.

- **Mr. Sushil Choksey – Managing Director, Indus Equity**

So how will the treasury gains impact your margins? Like, is it possible for you to explain that?

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

Yeah. Yeah. So, in terms of MTMs, you know, whatever we have booked in Q3, they are reversed. They're all in the FVTPL, HFT category. So they are all routed to the P&L only.

- **Mr. Sushil Choksey – Managing Director, Indus Equity**

No. No. I'm just talking about the margins. How is it basically?

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

No. Ultimately, if the P&L is not right. Net profit increases, So it will, I mean, in terms of NIMS, it will not. ROA definitely will improve.

- **Mr. Sushil Choksey – Managing Director, Indus Equity**

Yes. So second, my question is that on your Xpress credit. So there is a slowdown which basically has done. Is it all to do with the digital, shift that you're doing? Or is it that on the ground you are seeing some over leveraging concerns? Because a lot of channel checks suggest that even in the government employees account, you know, in the Northern States and all, there is a lot of over leveraging which has happened. And that be the case, is that a conscious call to slow down a growth a little bit now, accelerate later on once these over leveraging concerns are out, the delinquency levels. Is it possible for you to share because you don't put that into the SMA 1 and 2 buckets? Any early signs of, you know, the SMA1 SMA2 pool actually going up into the retail segment?

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

We are not seeing any significant lower leverage as we mentioned, you know.

At least in the, you know, information which is available, the over leverage is not seen. If you ask me, this slowdown is only an account of technology and digitalization. I mentioned that, you know, the overall softening of unsecured credit is also reflected in our books. But not definitely in terms of the concerns on the over leverage of the customers. We might have taken some conscious decision that, if the whole system is not growing so fast, we didn't want to grow the way we were growing earlier, 30%, 33% CAGR is unlikely to return.

But we have the potential to make it double digit. I can definitely say that.

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

So in this, we were kind of pre-empting the market. This slowdown has started happening recently in the last two quarters. We were seeing some deviations coming in the scheme where people were, like, salary somewhere around. And to check that, we kind of made it stricter. The deviations were to be approved by a higher authority. So a combination of those checks and other things slowed this down. And now as it shifts into digital, it will become much easier. That's why the chairman is saying it will be much better going forward.

- **Mr. Sushil Choksey – Managing Director, Indus Equity**

To pick it up, right? Because I mean, now that you have slowed down…

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

It's already picking up.

- **Mr. Sushil Choksey – Managing Director, Indus Equity**

Okay. And thing on your risk intensity, if you look at the RWA, intensity is actually is going up. Despite you growing a corporate book this quarter, any thoughts on the capital raising? There is a change in management, so we just want to hear all of this.

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

The change in management does not change the approach. So I think that is always on our radar. As I mentioned, a lot of people ask me, either you remove this line or raise the capital.

So, the timing, we are still working in terms of, you know, we are engaging at various levels. So let us see. Yeah.

- **Ms. Saloni Narayan - Deputy Managing Director (Finance), State Bank of India**

So the risk weight actually has increased primarily because of the investments in that category.

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

So the investment RWA has gone up, not the credit RWA. And investment is a conscious decision to, add, some growth in that segment and then take advantage of the moment.

- **Mr. Sushil Choksey – Managing Director, Indus Equity**

Yeah. Thanks a lot, sir. Best wishes.

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

So we'll take questions that came on the web.

- There was one question from Mr. Rakesh Kumar, what was the reason for the sharp fall in forex-related income? I think we have answered that question. And what are the reasons for writing back of standard asset provision also? I think, was answered. But I'll just repeat.

The sharp fall in forex-related income is due to MTM loss and derivative transactions, which was mainly because of appreciation in USD - INR rates. Write back of standard asset provision is due to a large corporate COVID restructure account exiting from the structured standard.

- And, question from Mr. Parvesh, what would be the Bank's approach towards AI?

I think our approach to AI is, essentially, we would like to have an enterprise level AI. There are quite a few use cases we have identified. And, these use cases range from personalization, hyper personalization to staff learning, staff knowledge base, and the risk management. I think the whole range of use cases have been identified. In fact, the day before yesterday we just launched ask SBI, which is the repository of information for all the staff members using the gen AI. And this is going to improve, you know, their ability to answer the customer queries on the counter. And also this, ask SBI what we've introduced. We'll also give them step by step. We are trying to give them the standard operating procedure for any question the customer has or any customer needs. So, we have a very strong analytics team, which is working on other user use cases. And, a road map for the adoption of Gen AI has been created, and the broader AI road map of the bank is there. And we probably were the first bank to introduce a policy on responsible AI even before the regulators have spoken about.

- Question from Mr. Gaurav Kumar Panda, even after expected good Q3 for SBI, is the low growth rate of low-cost deposit and slowdown in overall deposit a concern for the future?

I still feel that the overall deposit growth rate has been robust. 9.8% on a base of 45 - 50 lakh crore deposits. We have done fairly well on that. It's only the deposit mix which I mentioned that we would be concentrating on increasing the low cost profile of the deposits. And, so, just to answer, I think, the customers' preference to move and lock in their higher rate of interest in the term deposits has changed the composition. But if you notice, our current account has grown 14%. I think we have not got the market share numbers but I think we are still on the pole position in terms of the current accounts. Our effort on CASA will continue.

- Mr. Jatin Parashar, deposit attracting initiatives and schemes.

I think we have definitely spoken a lot on the deposit mobilization efforts. But I just would like to ask Vinay in terms of, you know, the focused efforts in terms of the deposit mobilization.

A couple of things which we are looking at, particularly, let me talk about CASA in terms of CA as well as SA first. CA, we had taken a lot of initiatives in the last, one, one and a half years, which was started by Mr. Rana. And, these initiatives, particularly with the sort of sniper attack, we were looking at some of the institutions, basically, which could give us more and more balances apart from, you know, so we also have variance in these current accounts, which give us more balances. And if you really look at it, when the efficiency in the financial system goes up, the current account balances go down. Right? And this is what we observe otherwise even in the industry, and this is what we are trying to tackle. And you see the result of those efforts in that 14% YoY. Now if you look at the savings bank, again, we would have allowed to be much higher in the YoY growth, but then it is actually not too bad if you look at the numbers which have, and there is also a behavioural shift pattern that is seen because of the higher interest rates which the term deposits offer. And it is observed that whenever there is a gap between the savings bank interest rate and the term deposits because of the higher interest rate scenario, naturally, there is a shift. There's a temptation for the balance holders to shift to the term deposits, and that is exactly what we're seeing. You also see that in the growth in the term deposits, right? So it's not actually the balances leaving the bank. It's actually shifting and across the industry. Apart from that, we are now also opening. The chairman recently had launched two products basically for the term deposits, but we want to increase the engagement with the existing clients and new clients, which would eventually get us more, savings bank and CASA deposits. I mean, I can list out a few more, but I think in the interest of time, I stop here.

- So next question is from Ms. Ruchi Jain, what is SBI doing to cater Gen Z?

I think one data point I would like to give you is that, contrary to what people believe, 36% of our customer base is less than 30 years old. And, apart from that, there's a lot of effort in terms of, hyper personalization which we are trying to do, and, increase the digital offerings. And we have a large number of digitally onboarded customers now digital natives what we call. And, and, I think sometime during July we will be launching our martech, marketing technology which would further enhance our ability to gamify the products and, you know, hyper personalize the offerings. So I'm sure, the Gen Z will continue to be there with us. I think we are attracting enough, and we need to make them more interactive with us.

- Mr. Ashutosh Mishra, the reason for the forex income drop.

I think we have already explained this.

- Mr. Deepak Gupta, SME loan growth of 9% QoQ and current quarter has been very strong. Is this sustainable?

We have been doing quite a few things on the SME. I think I mentioned the BRE, Business Rule Engine. In the last nine months of its launch, we have done more than 35,000 crores worth of loans disbursed to the BRE. And our TAT has improved and, we are the announcements which are made in the budget in terms of both export promotion, SME recategorization, and CGTMSE cover being increased. All these are, you know, we are confident that we'll be able to maintain this growth rate.

- Ms. Sunita Thakur, what are the reasons for the increase in credit costs and why YoY basis?

I think give us some break. Credit cost has increased for nine months on a basis from 0.25% to 0.37% in December 24, mainly on account of increase in aging provision. But I think the nine month credit cost 0.24% is one of the best in the industry.

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

Sir, some color on the international book. It's very big, almost the size of a smaller public sector bank. The international book itself.

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

I'll give you some initial remarks and then you can supplement. One is that the international book, as you mentioned, reached a stage. We have crossed 6 trillion in the customer credit. It's a fairly large book and 15% contribution to, advances size. But the portfolio is a very balanced portfolio. We have, equal proportion of, you know, local credit, ECBs and trade finance. And all these product segments which we operate in, we don't take very long term exposures in the international book. In the trade finance, while we primarily focus on our relationship back home in India, we have participated in the global supply chains across the globe.

So the supply chains, we'll have to see the trade finance. We will take a call on how these tariffs are going to shift this supply chain financing, which is primarily concentrated in the US. So, we'll have to see how it is going to play out. But our international operations are extremely flexible. If you have noticed in the last 4 - 5 quarters that if you want to ramp up, we are able to ramp up. If you want to reduce, we are able to reduce.

- **Mr. Rama Mohan Rao Amara - Managing Director (IB, Global Markets and Technology), State Bank of India**

Sir, just to supplement, chairman, sir. That is the ability of our international banking group to play a complementary role to the domestic. So that means we are aware of the margins, etc. It has improved. Generally, the margins in international banking groups also move in line with the trajectory, interest rate trajectory. But one advantage of IBG operations is like, just from the data, what was presented in the day, while the yields have come down by 32 bps over a quarter, the NIM has compressed only by 8 bps. So that basically shows our ability to raise resources at a competitive price, and also, we'll be locking into the margin. So only the lag effect can be there in future in terms of having a very marginal impact on the bottom line even when the rates come down, But it isn't it won't be very, very significant.

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

I trust all the questions have been addressed. We'll be happy to respond to other questions in offline mode. Let me end the evening with thanking the Chairman Sir, MD Sirs, DMD Madam, top management team, 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.

END OF TRANSCRIPT