



“State Bank of India  
Q4 FY2020 Results Conference Call”

June 05, 2020



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**Moderator:** Ladies and gentlemen, good day and welcome to the Q4 FY2020 Results Conference Call of State Bank of India. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Please note participation in this conference call is by invitation only. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Ravi Singh from HSBC Securities. Thank you, and over to you, Sir!

**Ravi Singh:** Thank you Janice. Hello everyone to all who have joined us on this call today to discuss Q4 FY2020 results of State Bank of India. To discuss results and address questions from investor and analysts on this call, we have entire top management team of SBI led by Chairman Mr. Rajnish Kumar. Thank you Sir for this opportunity. I will now hand over this call to Mr. Pawan Kumar Kedia, General Manager, Performance Planning and Review for further proceedings. Over to you Mr. Kedia!

**Pawan Kumar Kedia:** Good evening, ladies and gentlemen, I am Pawan Kedia, General Manager Performance Planning and Review. On behalf of the top management of SBI, I extend a warm welcome to all joining us today on SBI Q4 FY2020 Results Conference Call. On the call today we have with us our Chairman, Mr. Rajnish Kumar, Mr. Dinesh Kumar Khara, Managing Director, Global Banking & Subsidiaries, Mr. Arijit Basu, Managing Director, Commercial Clients Group & IT, Mr. C. S Setty, Managing Director, Retail & Digital Banking with additional charge of Stressed Assets and Mr. Venkat Nageshwar, Deputy Managing Director and Chief Financial Officer. Our Deputy Managing Director heading various verticals are also on the call with us.

Before I request our Chairman Sir to give a brief summary of the bank Q4 FY2020 performance and strategic initiatives undertaken, I would like to read out the safe harbor statement. Certain statements in these slides are forward-looking statements. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual outcome 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.

**Rajnish Kumar:** Good evening to all of you. This concall, of course is taking place in very unusual circumstances and an audio call is not the same as when we speak face to face. I realize that but cannot help it. We have announced our annual results as well as the quarterly results.



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I will give you a few highlights of the performance and a little bit on how do we see the situation unfolding and on numbers because all the numbers are with you and anything which has not been covered or if you have any questions so that questions definitely we will take. So the first is that this is the highest ever annual profit recorded by State Bank of India Rs.14488 Crores and this has come in I would say not so easy circumstances because COVID-19 is what is target sometimes in March, but otherwise also because of the slower growth in Indian economy. The circumstances were not very easy.

Our net interest income has gone up by 11%. Our NIM has gone up by 24 basis point, operating profit is up by 23%, PBT and net profit in any case in 2019, they were not very good so percentage terms it does not make much sense anyway, then credit cost down by 79 basis point and net NPA also down by 78 basis point.

Our provision coverage ratio including AUCA or Advances under Collection Account it has gone up by 489 basis points and now it stands at 83.62%. Capital adequacy ratio is 13.06%, advances growth is 5.6% and total deposit is 11.34 %. Deposit growth and advances growth, advances may look that the growth has not been high but still we have been able to improve slightly our market share and in deposits we have been able to improve our market share quite significantly and that trend is continuing even post March and currently our deposit growth is around 16.5% Y-o-Y basis.

The advances growth remains around the same on Y-o-Y basis and the COVID period it was a learning period for everyone and our business continued and I will come to asset quality earnings other things later on but during this period where first time the bank's business continuity plan has been tested in a very unique way. Earlier we were always prepared something happens in our GITC, Navi Mumbai and we will operate out of Hyderabad or will operate out of Chennai, but this all was of the stepping, no use what was under test was the human BCP and where I would say that hats off to people in State Bank of India.

We have been able to provide uninterrupted service at all channels in the same manner it was in the pre-COVID period and in fact some of the channels the performance is better than what it was in the past and whether it was branch channel whether it is our business partners, what we call Bank Mitra, ATM channel, Internet Banking, Mobile Banking, YONO, all were up and running and there has been no grievance from any corner for any of the customers or the government or the local authorities that we are finding any difficulty as far as functioning of State Bank of India is concerned. So that is the first point, which I wanted to highlight. We are learning new way of working also and learning from the past. We have prepared a plan that how are, we going to reshape State Bank of India so that is one.



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The other issue of course, which always would come to be mind is about the asset quality so which is always a major area of concern and there have been a lot of reports going around what will happen so one is that we are very mindful of the fact that if there is a stress in the real economy the banking system cannot be not impacted and State Bank of India is also no exception so we cannot ignore the hard reality on the ground but I and my management team we sincerely believe that we are much better placed than any other banks as far as dealing with the situation is concerned.

On operations side, we have demonstrated that, on the business side we will be able to demonstrate that, on managing the stress in the book or managing the earnings that also I am very confident that we will demonstrate that and on what basis I am making that statement is very important. One is if I look back the numbers in March 2018, our core pre-provision operating profit was Rs.51000 Crores and our net NPA was in excess of Rs.1 lakh Crores. It was around I think Rs.105000 Crores around that number.

In three years we have a situation our pre-provision operating profit is 61000 Crores, my total net NPA 51,000 Crores so that means that as far as asset quality in terms of legacy is concerned we are on the top of the situation. Even if I look at this slippages in 2020 our normal circumstances best case scenario the guidance has been that we should be able to manage within 1.5% or 1.6% of our book but we have higher at 2.16% and three major reasons; one is of course one HFC, a chunky account which slipped and they have been in the past it can happen in future also, cannot rule out and one company in the power sector restructured and because it is restructuring the state of account goes to D3 and it is again a chunky account and third was the elevated NPAs in our agriculture loan book for the various reasons.

These three were outliers in my view and that itself the performance in 2020 is a pointer in the sense that our slippages but for this chunky accounts, they have consistently been coming out as far as the corporate book is concerned. On these segments home loans that is steady. SME also more or less steady, agriculture was only one, which was elevated or a portfolio basis so that itself leaves a cushion that if things otherwise we were expecting that if it is not COVID then we were on track to deliver superior performance in this current financial year, but now we have to give of that upside probably because of the COVID and our best-case scenario is that we should be able to repeat our performance of March 2020 with slightly better number on the net earnings.

Our PBT is Rs.250 billion in March 2020 and the taxes 42% and all DT on account of loan losses that has been absorbed we have moved to the new tax regime so that itself like some impact will be there by 10% of the net profit after tax. Now if things turn out to be like it was then what it is then we have still sufficient cushion in our earnings and we are looking



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at that what happens in the next three quarters you are not talking about what happens in June. In June there will be fresh slippages because of moratorium. Legacy account as I said that our book is at Rs.510 billion in two years we provide Rs.50 billion every quarter and that takes care of Rs.400 billion and that takes care of entire net NPA in corporate book, which is Rs.170 billion, entirely taken care of and then we have a good amount sitting in D3 and loss 100% provided likes of Bhushan Power and Steel, all those chunky recoveries will also come in.

In such a scenario, I am expecting that in eight quarters of earning would be around Rs.1.4 trillion that is what I am expecting over a two-year period Rs.400 billion will keep aside for the legacy, provision so that leaves us with Rs.1 trillion straight to take care of all the credit costs which may arise in this two quarters then we have our subsidiaries which are performing exceedingly well. There is a lot of value sitting in our D3 and loss accounts so in such a scenario, even if they some of the problems of the real economy get reflected the bank's balance sheet in my view and in our assessment as we speak, but this situation is dynamic and we will keep on reviewing the situation.

Current situation we have reviewed in fact each and every account as far as the corporate book goes. As of now, I do not see any major concern. As I said that it is not that it is 100% stress free book, but this stress is definitely manageable and we are capable of managing that stress.

There are certain steps and that is where I think the presentation will be available to most of you. So I am not going into the numbers. I am going into that how are we dealing with the COVID-19 situation and I am not using the word post because nobody knows today when that post will be. So it is COVID-19 and our slide #17 of the presentation which shows that how as a very responsible corporate citizen State Bank people have responded to the situation and have delivered both in terms of the quality service as well as what we call the commitment to the society and first time State Bank employees have contributed their salary to the PM CARES fund. We have already committed that 1% of our net profit it goes to our CSR activities 25% of that means 0.25% will be available for our foundation and who are doing tremendous work to help out. Operation resilience I have already spoken about. Moratorium already I gave numbers that 82% of our customers in retail they have paid two or more installments, incorporated is hardly any number 13% or 14% people in terms of amount insignificant who have availed the moratorium and in the corporate book people are keeping it more as a reserve rather than anything else.

Even if they have the capability of pay just keeping some money for the rainy day. So I do not foresee any problem that our corporate will not be able to service their accounts and now COVID-19 how are we going to deal with this situation and they are on slide 18. I put



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six points. Very strong liability franchise with a customer base of 49 Crores which is more than the population of couple of continents and the kind of capability to State Bank has in terms of its IT we have created capacity for serving two billion customers so that is the kind of capability we have today. Distribution network I doubt that any bank in the globe can match SBI's distribution network. We have branches, we have digital channels, we have ATMs, we have 62000 banking Mitra. So even the physical presence 62000 plus 22000 almost 84,000 physical touch points and let me tell you during this period when we had to transfer money to almost Rs.9 Crores to Rs.10 Crores customers PM Jan Dhan Bank account, women accounts, Kisan beneficiaries and everything has gone so effortlessly smoothly because of the fact that bank Mitra Channel, we utilized their capability to the full extent that they delivered, excellent service and variegated help and going forward we are going to use them more effectively as far as our collection activities are concerned.

I mentioned that our core PPOP and I am just not mentioning whatever we get from some strategic investments sales or something like that that is growing at 10% and that itself will give us in two years about Rs.1.4 trillion pre-provision operating profit and that is a big shock absorber against any elevation in future credit cost.

Legacy stress I have already spoken and all those numbers are there so we are at just Rs.510 billion and that is whatever net NPA is. We are well capitalized well about the regulatory provisions required. We have large value sitting in subsidiaries and I have not mentioned but our D3 and loss book also gives us a lot of money by way of recoveries. Today, I can say with confidence and pride that what we have created in terms of platform no other bank can match it and we are serving across retail, krishi, YONO business, global one and corporate internet, internet banking which is about now Rs.7 Crores users and even COVID period of our YONO registrations are going on.

We introduced personal gold loan in 10-12 minutes people can get personal gold loan using YONO, then special pre-approved personal loan so we are doing Rs.1 billion a day minimum. Sometimes it is exceeding and the selling of insurance products, credit cards, car loans, home loans and it is not the end of the story, it is still work in progress and within six months the YONO business platform which we are building for the corporate it will be state-of-the-art one of its kind and whatever functionalities are today the business users are really very pleased with its design and the performance. The productivity gain it has started happening and it will be speeded up.

We are now reducing our staff strength at administrative offices by 20%. Financial inclusion and micro market vertical has been launched and there has been launched on June 1, 2020. 35 RBOs/Regional business offices have been closed, 20 administrative offices have been closed and as I said that we are redeploying people in a big way in the field and



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the new model where the partnership with the BC Channel or Bank Mithras reliance on the people who have retired from the bank so it is a very differentiated HR strategy to run this channel. Its contribution in branch network is high at 38%. Its contribution in business is just 12% and even improved it by 50% from 12% to 18%, 20% it will be huge productivity gain for the bank so this is around the FRBM vertical and our cost income to ratio at 52% it is improved by 3.5% but other only issue is that the payment or provisions for the retirement benefits because of the fact that yields have gone down to some extent that is impacting us and when we do any comparison with the private sector banks, this is the legacy of we have 12% to 13% of our income is going for these provisions which is inevitable and which is the cost to which we have to realize. We cannot accept it but if we just for a moment keep it aside then our cost to income ratio is best and it is best in class, best in the industry but as I said that I cannot avoid it I would take into account I have to provide for it but for comparison purposes only I wanted to make this point and further productivity gain will be there.

We are having a very tight control overheads that is like the past two years performance in terms of what is the growth rate in overheads that is very much for everyone to see and other than the cost component if I exclude that then hardly 4% CAGR. For the bank of our size is very good and it is going to come down that is what I believe. Asset quality on slide #19 we have given some flavor about why we believe that we will be able to maintain the asset quality.

Other income definitely there is going to be some impact. Our forex income will be impacted because the foreign trade of India has come down. The NRI remittance will also come down, recoveries also, we are expecting that there will be an impact, government business also, but whatever impact is there on the other income, we will be able to make it by NII. I am not talking about NIM. NIM I do not think that it is going to improve any further. It is 3.19 and we should be able to maintain 3.19 or around but NII because of the balance sheet growth that will happen and I think easily we will cross 1 trillion this year itself so in such a scenario the pre-provision operating profit we should be able to maintain it for core PPOP.

This year of our sales is Rs.680 billion so we may be without even the strategic sales we may be able to Rs.36 billion and if there are any investment sale that maybe something. External solution cushion is there and definitely I will can see that next slide which is 20 so the agriculture I feel that there may be some opportunities coming in now with all the agri reforms. MSME end-to-end digitization has happened for so many products and we are using advanced analytics for underwriting and that is where again we may get some good quality growth and without compromising or underwriting standards. So no way our bank is going to dilute it underwriting standards and we have been prudent in lending, we will



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continue to be prudent in lending but at the same time if there are opportunities in the market, so we are not going to miss it and retail I have already told that we are growing at 17% Y-o-Y currently so even if there is some slow down, but it is still we will be able to maintain. So I have already spoken about slide 21 how is strong is the liability franchise, distribution network and transaction banking unit of the bank.

Slide #22 again I have spoken about that how we are going to maintain our core PPOP and DTA on the account of loan losses fully now taken care of and we have moved to the new tax regime.

Slide #23 again about the loan portfolio and the last point about that we are moving to cash flow based lending. We are using advanced analytics for the underwriting of the loan and that is how what enables us to give loans on a digital platform. Then collection is something we are still very much under focus this year and it will be through partnership model particularly with our BCs. We have tested it successfully in Maharashtra and all India all the rollout has happened. They are partnerships like Skymet in MP which has worked very successfully in renewal and underwriting of KCC loans. On YONO also we are bringing KCC review, which will be just a five-minute exercise. Again, huge productivity gain. EWS system is very advanced in the bank and if specialized agencies, which were appointed for monitoring of large exposure so many of them are in fact bringing lot of technological capabilities, even for monitoring of the account.

Page 25, I have again spoken about a very strong capital position and what are the levers available to us. I have again spoken about slide #26 which is all about the digital platform and I can share that it has got huge recognition not only in India, but globally and all over international partners of repute like IBM and Mackenzie. So this is their marketing tool know that they showcase, YONO everywhere.

We have a plan and we are working on it and I think within two years we are going to create a very large B2B platform called Bharat Craft, which will be in association with the MSME Ministry and State Bank in India is today best placed and we are creating capability and architecture in such a way that YONO becomes the platform and it will have capability to integrate job to other platforms which are emerging in a big way. So SBI you can imagine that what the future of SBI is. One as far as digital is concerned it will be a platform, YONO will be the brand name and that is vision what we started. It is now coming to sort of we are coming to near maturity I would not say that there is near majority lot of work still needs to be done and Flexi SBI which will be capable of delivering not the doorstep banking, bank at doorstep, work from anywhere is the new norm, new moto, and our teams are working. They already have some prototypes and I have no doubt that in a very safe secured manner our people will be able to deliver services from anywhere and





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even the building in which we are sitting so we are now going to reduce the staff strength by 50%. My CDO is confirming that we are going to reduce staff strength by 50% in the corporate center. It is not that we will not be using that people but some of the department's what they are finding that working from home is proving to be more productive, even for me when I work from home I am more productive than coming to the office and that is true for all the offices.

Again these slide #28 and #29 are more or less what I have spoken about that how are we going to deal with the asset quality or how we going to protect our pre-provision operating profit, digital capability, HR and moto is change the bank, run the bank fix to flexi.

So that is all from my side and now whatever questions you have, please ask one by one.

**Moderator:** Thank you very much. Ladies and gentlemen we will now begin the question and answer session. We take the first question from the line of Amit Kumar Premchandani from UTI. Please go ahead.

**Amit Kumar P:** Good evening. I hope all of you are doing fine. I just had a question on the moratorium if you can just give us absolute number of loans, which are in the moratorium either in percentage terms and also, how are you approaching the second moratorium?

**Rajnish Kumar:** One is that from our side we gave moratorium to 100% and only thing what we did is that wherever there are standing instructions we did check from the customers that what would they like to do with their mandate and which was I think the right thing to do and if I look at we are tracking the numbers what in terms of the portfolio size. 82% people have paid to EMIs in this moratorium period and if I look at that second time when we went and checked from people about their moratorium there is no significant difference so this 82% maybe in September it will improve but right now we are expecting that there may not be any major change in the period because now the unlocking has started happening and they will you more cash in the hands of the people.

**Amit Kumar P:** Sir shall we assume that the second moratorium also is available for all the customer on a blanket basis?

**Rajnish Kumar:** Yes other than NBFC where we are doing case to case basis and in case of NBFCs only 16 out of 117 have so far opted for the moratorium.

**Amit Kumar P:** The 16 account for what percentage of the NBFC book?

**Rajnish Kumar:** Less than 5%.



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- Amit Kumar P:** Sir this 82% have paid this number is as of April end or May end? So basically we should assume that 18% of the portfolio is under moratorium as on May?
- Rajnish Kumar:** Yes, May-end. From my side 100% is under moratorium, but from customer's side it is 18%.
- Amit Kumar:** Okay Sir. Thank you Sir. That is it from my side.
- Moderator:** Thank you. We take the next question is from the line of Deepak Agarwal from Axis AMC. Please go ahead.
- Deepak Agarwal:** Good evening. Sir wanted to understand your views on recent Supreme Court hearing to waver off interest during moratorium period so wanted to understand your views is it possible or not possible? How should we look of it?
- Rajnish Kumar:** On a subjudice matter it is not appropriate for me to make any comment, but only one statistics, which I shared on one of the channels also is that State Bank has 2.5 Crores borrowers and it has 49 Crores depositors. In Bank in its statutory capacity is what it does take money for the depositors give it to the borrower's. Borrower paid back to the depositors so wherever it has happened that borrowers have not paid back so those people found it difficult to give money back to their depositors more than that I would not say anything else.
- Deepak Agarwal:** Sir second question relating to moratorium you did mention that about 18% of the people have asked but when we look at obviously other state-owned banks are yet to report numbers but even if you see for large private banks those numbers are closer to 30% to 35% in many cases how should we understand like is it why are the numbers much lower it is a good thing it is lower but how do we reconcile it?
- Rajnish Kumar:** Because one simple thing that our segment from the beginning has been more towards the salaried class and within the second clause also employed by the government or their undertakings, public sector undertakings the customer profile was always different and we have always been in very careful about the loan-to-value ratio as well as to their capability to pay which is EMI and EMI ratios that we are not gone overboard in the last whenever we are just started building up our portfolio and for the pre-approved personal loans or personal loans again, it is all against healthy so the absence of what we call self-employed, professionals or self employed people so that percentage in State Bank's case is very low and I think that is only possible reason that why the number in case of State Bank of India is different than other banks.



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- Deepak Agarwal:** Sir if you have to say further on this SME because if we talk to others said this SME almost 70%- 80% of people have availed moratorium in at least other banks and NBFCs so what will be a similar number because SMEs roughly 280,000 Crores book for us.
- Rajnish Kumar:** It is not 2,80,000 Crores, it is 1,89,000 Crores and out of which performing would be about 165 or 170? 57000 Crores. So that comes to about I would say there is also number will come out to less than 25%.
- CS Setty:** In this we have about 47% people.
- Rajnish Kumar:** In MSME the number is higher and in line with other banks.
- Deepak Agarwal:** Got it. Sir just last one thing from my side Sir so your tenure with the bank is I think around September, anything you are hearing from market because we keep on hearing that there could be extension this time around January for the sector?
- Rajnish Kumar:** That you have to ask RBI. I am not aware.
- Deepak Agarwal:** Thank you so much Sir.
- Moderator:** Thank you. We take the next question is from the line of Mahrukh Adajania from Elara. Please go ahead.
- Mahrukh Adajania:** Sir I have few questions firstly just a clarification again on moratorium if we were to include moratorium offered on working capital? What would moratorium number be against 23% on just term loan?
- Rajnish Kumar:** We are not tracking that it the way. We are tracking is that what is the interest amount on a monthly basis which we are setting aside and is not pay so that number is coming to an average of 1500 Crores per month.
- Mahrukh Adajania:** Sir correct me if I am wrong so what you said is that the people or the amount of loans and the moratorium that you have disclosed is all those who have not paid two installments like that?
- Rajnish Kumar:** 82% have paid two or more installments.
- Mahrukh Adajania:** When you say someone is under moratorium or 23% is under moratorium it means that the person has paid one installment or two installments or no installments?



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- Rajnish Kumar:** Very clear we are not taking one installment payment, when we say that two or more installments out of 3, these numbers 82%. One installment you had another 10% so that becomes 92% those who have not paid any installment that is 8%.
- Mahrukh Adajania:** Okay so the moratorium is?
- Rajnish Kumar:** From my side 100% we have given moratorium as per RBI guidelines. It is your choice. I have given to you. You do not want to pay do not pay but even want to pay I am not stopping you from paying.
- Mahrukh Adajania:** But 23% includes those who are not paid one and those who have paid two also right?
- Rajnish Kumar:** 23% includes I am saying 8% who have not paid any installment. 7% is one EMI and rest all upgrade, decimals some difference happen so ultimately it is coming to 17% also. So that way like one is that even if those who have not paid it is not pointer to the fact that they will default. So this is one. In housing loans because the portfolio quality loan-to-value ratios are so good. I have seen in the past that even if there is some delay or arrear condition but over a period of time it gets adjusted because 92% of our home loan is to those few who live in those offices so they do not easily default.
- Mahrukh Adajania:** Got it Sir and Sir my other question is on your margins so there has been decline in yield in the quarter on sequential basis that is driven by what actually, one is agri reversals?
- Rajnish Kumar:** Interest reversal on agri NPA and Essar Steel.
- Mahrukh Adajania:** But this agri NPL it just during the quarter, there has been some change in policy?
- Rajnish Kumar:** During the quarter.
- Mahrukh Adajania:** So whatever became NPL during the quarter reversal on that right? Not any change in policy or any such things?
- Rajnish Kumar:** Because you have to go back three years.
- Mahrukh Adajania:** Okay so it is three year reversal?
- Rajnish Kumar:** So Rs.5000 Crores represents agri so obviously there is a reversal of interest on this Rs.5000 Crores that is itself will be fairly substantial amount almost 30%.
- Moderator:** Thank you. We take the next question from the line of Roshan Chutkey from ICICI Prudential Mutual Fund. Please go ahead.



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- Roshan Chutkey:** Thank you for taking my question. Sir wanted to understand thought process behind how you go about doing the deposit rate cut while we did cut rates last month 5.5 on TD just wanted to understand is there any quant approach that we follow just your thoughts on this?
- Rajnish Kumar:** The thought is we should protect our NIM and if RBI cuts so we also cut the rate. Usually when RBI cuts the rate transmission has to happen so we have to pass on the rate cut benefit to the borrower's and I cannot do that without doing the transmission on the liability side. So we do transmission on both sides.
- Roshan Chutkey:** So in January it were around 6.1 now you were at around 5.5 in the interim RBI has cut a lot more than that?
- Rajnish Kumar:** That is function of ALM. So, on asset side also it is not just completely we have passed on. There is something called external benchmarking loan, there we pass on the full but MCLR it does not happen in full, because the formula in MCLR is different so ultimately.
- Roshan Chutkey:** MCLR is linked to a deposit rates right, marginal deposit rates?
- Rajnish Kumar:** Yes, MCLR marginal cost of lending rate that is linked to your cost of funding, your external benchmark link rates, it is not linked to your cost of funding, it is straightaway linked to your REPO rate movement.
- Roshan Chutkey:** My point is when you are borrowing that 5.5% and parking in RBI' reverse repo window?
- Rajnish Kumar:** I am getting money at 2.7% also, I am getting money at 2.9% it is not the entire 5.5%, and we have to take care of our retail franchise then in what maturity it is, so this is a temporary phenomenon, it is not a permanent phenomenon so I cannot cut to the interest rate of fixed deposits beyond a point. There are several considerations in the whole exercise but as far as repo rates are concerned so we take care by cutting down the interest rates that our NIM remains perfect.
- Roshan Chutkey:** Sure and just one other question on the moratorium I was not clear when you answered Mahrukh, if you can just repeat yourself there, Sir 23% is the moratorium that is considered based on the how about the approach that you follow you said?
- Rajnish Kumar:** We are taking the approaches that we have provided moratorium from our side to 100% of the people other than NBFC but what we are finding that 83% people they have paid to our more installments.
- Roshan Chutkey:** 83% of this 27% pool?



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- Rajnish Kumar:** No total.
- Roshan Chutkey:** Sir Total. You go ahead please.
- Venkat Nageshwar:** Just to give some broad numbers if you take our term loan customers is about.
- Rajnish Kumar:** Rs. 94 lakh term loan accounts and out of which the people who have not paid even a single installment is 9 lakhs.
- Venkat Nageshwar:** 7 lakh people have paid one installment.
- Rajnish Kumar:** 7 lakh people have paid one installment, rest all have paid two installments or more, many of them have paid even more than three installments.
- Roshan Chutkey:** Okay and so what is 24% then?
- Rajnish Kumar:** 24% book, 23% is other 17%. The people who have paid zero or one installment that number is 17%.
- Moderator:** Thank you. We take the next question from the line Manish Karwa from Axis Capital. Please go ahead.
- Manish Karwa:** On the cost front, I wanted to check what are the levers that we have to cut down on cost? Can we say that next year which is fiscal 2021 our absolute cost will be lower than fiscal 2020?
- Rajnish Kumar:** It is not lower but our plan is rated it will in absolute number other than the cost on account of retirement benefit that would all depend upon how the yields play out but if you exclude that then our aim as of now is that there could not be any increase.
- Manish Karwa:** Where do you see you will have some savings coming like most of the private sector banks have cut down significantly on rentals, work from home is helping them reduce cost are we also working on many such initiatives?
- Rajnish Kumar:** Yes and that is we are I said that our FI vertical initiatives, it is big initiative to cut down the cost because they take 38% of our branch network and continue 10% of the business so that is one, we are cutting down from administrative offices so there will be savings, there is a fairly big savings possible and then we are making it a flexi SBI that is also very much on the radar. Travels, training there are lot of things which are happening, so overall staff costs all are expected to come down.



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- Manish Karwa:** If I may ask many of the private banks are also not giving any pay raise this year, no bonus this year can as a public sector we can do that?
- Rajnish Kumar:** We will have to come to the road and stay. Salaries are lessened and wherein we can cut.
- Manish Karwa:** Sir second question is on the second round of moratorium how are we doing, will be give it to all customers or do we have a different approach this time?
- Rajnish Kumar:** Same approach and same trend.
- Manish Karwa:** Thank you.
- Moderator:** Thank you. We have the next question from the line Kunal Shah from ICICI Securities. Please go ahead.
- Kunal Shah:** Thank you for taking my questions. Firstly on NBFCs we are now 8% to 9% of the book so how comfortable we would be further lending to now the NBFC as a sector and even within the corporate are we seeing that more funding is done to the existing relationship from the undrawn line and that could be one of the reasons where in the moratorium is still on the lower side?
- Arijit Basu:** That is also not the case. Just to give you sense in the COVID line which you are aware that the State Bank had given that additional 10% initially in that about Rs.5000 Crores we were able to sanction and the drawing is only Rs.2000 Crores, so they have taken sanctioned but they are not drawing because as of March 31, 2020 most of our corporate had sufficient cash before COVID and going forward as the lockdown unfolds they will then take a call and go forward. I think it is a reflection also of the quality of the book that we had before COVID had set in. So while there is little bit of uncertainty suddenly about the impact of COVID it is the quality of the overall asset book which is holding on for State Bank and that is why you see that these are numbers are significantly lower.
- Rajnish Kumar:** NBFC we are doing it on case to case basis and what is our share in the lending and we are since borrow from multiple sources and that requirement so far which has come is not huge, they are all smaller exposures, we are making use and we will make use of partial credit guarantee scheme which government is giving and we will be able to support the sector there is no doubt about it but we will be able to manage the risk also.
- Moderator:** Thank you. We have the next question from the line of Anand Ladha from HDFC Mutual Fund. Please go ahead.



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**Anand Ladha:** Sir just on the agri slippages you indicated this quarter we could see we have a reversal 1500 Crores of interest income if I look at for the full year as a whole we had Rs.15000 Crores slippages from the agri would that be fair to say almost 20%-30% of interest reversal would have happened?

**Rajnish Kumar:** Yes 20% you can say because we apply 9% so  $9 \times 3 = 27\%$  so free of interest will come to around that.

**Anand Ladha:** Okay so it is effectively 4%, 4.5% sort of interest reversal could have happened this year?

**Rajnish Kumar:** In the agriculture.

**Anand Ladha:** Do you still believe Sir since now agriculture that favor is behind as agriculture slippages come down, where do you see this number for FY2021?

**Rajnish Kumar:** It is normal which was like whatever 2019 was or 2018 number so our slippage would be in that rate only 2020 it was elevated so I think we have additional NP of about Rs.9000 to Rs.8000 Crores it just doubled, Rs.8978 to Rs.15000 in FY2020. This year like the crops have been good, Rabi is good, Kharif sowing I am told is going to be good that will like even in COVID-19 agriculture is one segment which are less impacted. That will like in 2020 that is what I said when we are doing all of this stressed asset analysis, this Rs.7000, Rs.8000 Crores which we did extra in agri so that we are not expecting it will be there so other sectors can contribute like you are housing or personal loan or SME so we have that cushion. Agri and gold loan there is a big component.

**Moderator:** Thank you. We take the next question from the line of Dhaval Gada from DSP Investment. Please go ahead.

**Dhaval Gada:** Sir thanks for the opportunity. Just couple of questions first is on the fee income Sir how would thinking of fee growth next year and the second bit is in terms of the profits from the sale of subsidiaries still about Rs.6000 Crores in FY2020 how do you sort of intent to monetize those stakes in FY2021 in terms of any thought process on that front? Those were the two questions.

**Rajnish Kumar:** FY2021, SBI Life, 2.1% we will necessarily do and we have time for that and other than that we had AMC on the radar. We will think but otherwise about the other incomes so including all this income from sale of investments and everything we are at Rs.450 billion there may be like it will be difficult because one is strategic investment sale is here then some pressure of forex income and that is what I said there will be some pressure on the other income this year but compensating would come from the NIM.





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- Dhaval Gada:** I understood. Thanks.
- Moderator:** Thank you. We take the next question from the line of Jai Mundra from B&K Securities. Please go ahead.
- Jai Mundra:** Thanks for the opportunity. Sir once again on moratorium just you can share what is the loan and term loan so were given 23% by value on terms loan component what is the total term loan of the bank?
- Rajnish Kumar:** We have not given it by value. We have given it by number. We said that Rs.94 lakh term loan accounts are there, nine lakhs have not paid any installment and Rs.7 lakh have paid one installment and rest all have paid two installments.
- Jai Mundra:** I think Sir you mentioned in your presentation that 23% of the term loans?
- Rajnish Kumar:** It is not about number, no value added.
- Jai Mundra:** Okay so by value what are the loans under moratoriums Sir for the entire bank?
- Rajnish Kumar:** We have not done that analysis but it will be lower because it will be the smaller value loans where people will find it difficult to survey but that analysis also we can do, but currently we have not done.
- Jai Mundra:** We can do, but currently we have not done. We have estimate in the corporate book?
- Rajnish Kumar:** Corporate book we have, it hardly 7%-8% in terms of value and in terms of number it is 13%. So corporate book we have that number. For the retail we have not done but what happens that these are generally the small value accounts where we have this situation, the mid value, high value they do not afford, this is the pay.
- Moderator:** Thank you. We take the next question from the line of Prakash Sharma from Jefferies. Please go ahead.
- Prakash Sharma:** Sir could you clarify like on the working capital side you have mentioned that about Rs.15000 Crores of interest income only has taken on moratorium per month basis so at the bank level what is the size of working capital loan out of like 23 lakh Crores?
- Rajnish Kumar:** Forget about the IBG book so our domestic book is 20.5 lakh Crores and it think it would be about 9 lakh Crores. I will just tell you what our working capital outstanding is. I will tell you number but it will be about 9 lakh Crores, all type of working capital loan our total book is 9 lakh Crores, again that number would come to same even if you take an average



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yield of 9% on 9 lakhs so Rs.81000 Crores means Rs.7500 Crores or so that would be the interest apply to these accounts, again if you come to the same 15%-20%.

**Prakash Sharma:** Sir would it be fair to assume to assume that just a reverse calculation as you rightly said that Rs.1500 Crores on a full year basis works out to Rs.18000 Crores and it is not a full year adjustment I am just basically trying to understand?

**Rajnish Kumar:** In six months period you will have 9000 Crores of interest to be recovered within seven installment starting from September that is all.

**Prakash Sharma:** Broadly by value would it be fair to assume that right now approximately 20% of the working capital borrowers are also taking moratorium from interest servicing?

**Rajnish Kumar:** Maybe, yes.

**Prakash Sharma:** Thank you Sir.

**Moderator:** Thank you. We take the next question from the line of Gaurav from GEPL Capital. Please go ahead.

**Gaurav:** Thank you for taking my question. I just wanted some color on advances going forward especially to the MSME sector given the guarantee under the new scheme so how are you seeing that pan out, can you throw some color on that?

**Rajnish Kumar:** GCL we have eight lakh eligible borrowers and Rs.29000 Crores that is what it comes about to be 20% right so what is my five times so Rs.150000 Crores for the portfolio is eligible and then we have given offer to everyone and let us see that how many people avail that offer but we are open to giving it to everyone.

**Gaurav:** What has been the response so far?

**Rajnish Kumar:** So far good about 10% we have in terms of number and 30% or 35% in terms of value so that has already done.

**Gaurav:** All right. Thank you.

**Moderator:** Thank you. We take the next question from the line of Rahul Jain from Goldman Sachs. Please go ahead.

**Rahul Jain:** Thank you. Sir just one clarification so the moratorium number that you have disclosed. We have already checked does it cover all the portfolios including agriculture etc?



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- Rajnish Kumar:** It is your PB, agri and corporate. Agri now the government have given time to August 31, 2020 in any case agri because it is aligned to the crop season so there is no relevance of monthly moratorium or EMI. This is all crop season. I think May and November that is right so in any case the payments would have become due in May 31, 2020 so which will get extended by 90 days, it is aligned to crop season.
- Rahul Jain:** Basically outset of these sectors it covers all the category of customers including?
- Rajnish Kumar:** Everybody, other than agri everything.
- Rahul Jain:** Yes, just one small clarification further is it possible to get some color as to the customers who have paid no installments which is 9 lakhs and those have paid one installments that is 7 lakhs can you give us some split or some colors as to which sector, which segment is, which category is?
- Rajnish Kumar:** That analysis we will do but as I said that there would be smaller accounts not the bigger ones.
- Rahul Jain:** Yes because the worry is in seven months, we know how easy it would be to cover the rest of the installments?
- Rajnish Kumar:** A large chunk of it would be housing loans and housing loans as I said that it is a function of two things, one is that even if there is some arrear condition but we will pay and why do they pay because 90% of them live in those houses so that is why the recovery percentage I am not worried about either in housing or PE segment.
- Venkat Nageshwar:** Even PB segment unsecured personal loan these are 20% is an overall, overall but if you take only the unsecured personal loan the people who availed moratorium is 5%.
- Rajnish Kumar:** SME because of all these leverages which have been given by RBI so that is why we will be able to manage so we are not overtly worried about what will happen in September and let me tell you that our soft calls, not the recovery call but our customer engagement during this period has increased because when people are working from home so all of them, they have been told to do soft calls on the customers and explain the implications and all so but that is going in a very soft manner.
- Venkat Nageshwar:** Many of the customers have said in PB segment and home loans they are not paying because they just want to conserve cash for the time being not as soon as possible they will pay it.



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- Moderator:** Thank you. We take the next question from the line of Mahrukh Adajania from Elara. Please go ahead.
- Mahrukh Adajania:** Sir I just wanted to check on NBFC. In April, May how much would you have fresh loans or fresh debt, would you have extended to NBFCs and HFCs collectively in April because there were TLTRO, a lot of NBFCs have said on call that they borrowed from PSUs including SBI?
- Rajnish Kumar:** So sanctions we are working on about 50 proposals most of them are to the smaller companies, the smaller NBFCs and roughly it would be totaling around Rs.15000 to Rs.18000 Crores of proposals of which I think by now 20% would have been sanctioned but disbursals will now happen as you rightly said it is a mixture of investments and loans, so and in no case just to give a color, in no case have they asked for anything more than maybe 15%, the average is around 15%-20% of their existing exposures.
- Mahrukh Adajania:** How much of this is under TLTRO 1 and 2?
- Rajnish Kumar:** TLTRO 1 and 2 will have to split NBFC but TLTRO 2 was only for NBFC.
- Venkat Nageshwar:** Rs.1000 Crores we have already given to NBFCs.
- Rajnish Kumar:** TLTRO 2 was for NBFCs so Rs.3000 Crores is what we took from RBI out of which Rs.1000 Crores is already given.
- Venkat Nageshwar:** The remaining Rs.2000 Crores is also lined up.
- Rajnish Kumar:** Yes Rs.2000 also should be happening very soon.
- Mahrukh Adajania:** Okay Sir, thank you.
- Moderator:** Thank you. We take the next question from the line of Nilanjan Karfa from IDFC Securities. Please go ahead.
- Nilanjan Karfa:** Sir going back to SME I mean I could not follow what do you explain about the GSCL, which is Rs.29000 Crores would you explain that please?
- Rajnish Kumar:** GSCL is 20%?
- Venkat Nageshwar:** Total eligible amount for this GSCL loan is Rs.150000 Crores so 20% of that would be around Rs.30000 Crores it can be disbursed, 8.1 lakh SME borrowers.



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- Nilanjan Dutta:** Is it like a blanket approval for all of us?
- Venkat Nageshwar:** We have given offer letter to everyone who is eligible so the people have to opt in. That means if they want they have to sign off if they do not want, they do not have to come so, so far around 60000 approvals we have given aggregating to around Rs.10000 Crores. So one-third by value and around 10% by number so far have been given the sanctions, they may take money over a period of time, because we have allowed the disbursement total of three to four tranches.
- Nilanjan Dutta:** Right and just on the same question are you doing a fresh underwriting when you are giving this extra money irrespective of in spite of this being a guarantee?
- Rajnish Kumar:** This is, as you did this is a guaranteed loan and it is also a pre-approved loan, so as long the customer is fulfilling the requirements of the guarantee requirements we are offering to everyone, there is no additional assessment involved in this and the guarantee guidelines also says that there is no additional assessment required.
- Nilanjan Dutta:** Related question Sir what is the outstanding ICA that we are sitting on at this point?
- Rajnish Kumar:** Number or amount?
- Nilanjan Dutta:** Amount.
- Rajnish Kumar:** We can provide it to you separately.
- Nilanjan Dutta:** Sure Sir. Thank you very much.
- Moderator:** Thank you. We take the next question from the line of Srinath V from Bellwether Capital. Please go ahead.
- Srinath V:** Sir I just want to know what is the home loan moratorium?
- Rajnish Kumar:** Home loan is around 20%, 20% of our customers of home loans have availed the moratorium.
- Srinath V:** At this end, the value wise Sir, how much that would be?
- Rajnish Kumar:** We do not have the value wise because we have not done that kind of analysis we actually went by a number of accounts, number of customers who are seeking this.
- Srinath V:** In unsecured it is 5% of the customers have taken moratorium?



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- Rajnish Kumar:** When we are actually saying who has availed moratorium in these three months if they have paid two and more installments we considered that they have not availed the moratorium so by that standard it is 5.1% in the unsecured personal loans and 20% in the home loans.
- Srinath V:** Thank you.
- Moderator:** Thank you. We take the next question from the line of Bhavik Dave from Nippon India. Please go ahead.
- Bhavik Dave:** Good evening Sir. Couple of questions, one just to continue the previous participant what could be the number of gold loan customers that we have?
- Rajnish Kumar:** We have total 38 lakh home loan customers.
- Bhavik Dave:** Out of which 20% of roughly getting moratorium? Secondly on the IBC front where we were expecting a lot of resolution and unfortunately due to COVID with IBC we suspended for year how does the recovery pipeline and especially within the power project and some of the ICAs that we have signed how do you see recovery on the quarter for FY2021 that is my question?
- Venkat Nageshwar:** I think Chairman has also mentioned on earlier occasion the suspension we have to wait the ordinance anyway but the suspension will not be applicable to the earlier defaults so many of our power assets are under that category and we have wherever it is required we have initiated the IBC process, I mean I think 90% of our power assets is under ICC and two, three cases where we were negotiating outside the IBC we are hopeful that that will get done in the Q2 that is quarter.
- Bhavik Dave:** That quantum was maybe around 70000 Crores if I am not wrong, correct?
- Venkat Nageshwar:** The total our remaining power portfolio is around 24000, so out of that 24000 I think it is only four cases which are outside IBC.
- Bhavik Dave:** What will be a quantum on that on these 4 cases?
- Rajnish Kumar:** I can give you a little later, just only. We cannot give you that number we can share it, but ICC our exposure whatever left is nothing significant.
- Bhavik Dave:** Now incremental resolution will happen outside IBC right?
- Rajnish Kumar:** Some of them are they are already in process and that is in any case we were not planning to take them to NCLT, the issue is that whatever where the cases which was in June, July



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when the revised resolution framework came. So all those cases either they have been referred to NCLT or whatever was remaining six cases, so there we had no plans to take them to NCLT, we would have either provided 100% or if it is not 100% we would have provided whatever RBI says in terms of June 7, 2020 circular and so those accounts have been taken for and it really does not matter that now we cannot take them IBC because that was not the plan.

**Venkat Nageshwar:** We have 73% PCR on the power assets.

**Rajnish Kumar:** That is another piece of information that on power sector NPAs 73% PCR.

**Bhavik Dave:** Right, okay Sir. Thank you.

**Moderator:** Thank you. We take the next question from the line of Adarsh from CLSA. Please go ahead.

**Adarsh:** Sir I just repeat one of the questions we had on margins, our yields have come off pretty sharply one of the things that was mentioned was on the agri reversal that was the other reason that you mentioned?

**Rajnish Kumar:** In December we had Essar Steel resolution out of it whatever came part of it went to the interest income.

**Adarsh:** Right Sir even if I track our NII that I understand is the movement from the Q3 to 4Q right that is the drop but even if I go and track our NII from Q2 and Q1 level or even Q4 last year in spite of the balance sheet growth our NII still down so still not because even last year we would have agri reversal so our NII was down still Y-o-Y?

**Rajnish Kumar:** No not to this extent because agri as I said that instead of Rs.7000 Crores if we have Rs.15000 Crores and 30%-35% would be NII reversal impact so NII and quarter-to-quarter variation is all because of one account which is Essar Steel so our NII overall we have got Rs.98000 Crores during the four quarters and which is up by 11% so I think that is a fairly good number and balance sheet growth obviously like more on the deposit side and loan growth has been 5% low even if you look at this analysis of how the interest income has grown and how the interest expenses have grow, this is one slide on that, that would explain the whole thing.

**Adarsh:** Sir no it is pretty clear to that we have done a good job in the year just that as you exit the year right? Which was the third quarter and then the fourth quarter performance there seems

to be some shave off in the margin if you exclude that Essar Steel so since that there is some pressure so if you can just give?

**Rajnish Kumar:** No it will be like as I said that this year, we are talking about 2021 in last year we had NII of Rs.98000 Crores and this year we will let us see one trillion, Rs.8000 lakh Crores.

**Adarsh:** I understood, perfect I will take it offline, thanks.

**Moderator:** Thank you. We have the next question from the line of Anand Ladha from HDFC Mutual Fund. Please go ahead.

**Anand Ladha:** Sir on the pension negotiation that if you can give some negotiation completed? At what level it is happening and what sort of provision we have made? And on the pension side if you can give till what level rate of interest the discount we have taken and next year onwards what should be the run rate for provision?

**Rajnish Kumar:** One is that wage revision we have been providing at 10% and this year we have made a provision of Rs.3000 Crores. Last year we made a provision of Rs.4000 Crores and this year the provision for wage revision there are two components to wage revision we have to understand, one is your normal what we call the pay slip component and second is on account of pay slip component the impact on the pension. So pension because we are now in the normal course enhancing the escalation rate, both the salary and pension escalation rates which has gone up from 0.4% to 0.8% now so that is why in the wage revision, your pension provision has come down. That is where we stand and about the negotiation I think everybody was lockdown so our union leaders so now I think talks should restart and about the pension as I said there to in pension when you do actuarial valuation there are couple of assumptions so the yields have come down by 100 basis points almost so that is why your pension liability as the provisions have gone up from Rs.7000 Crores to Rs.13000 Crores, so that is impact of, one the yield has come down, second progressively we are increasing what we call the pension escalation rate and that will go on for three years more, we have to take it to 2%. That is our understanding with the Reserve Bank of India. Pension I think what I feel that we are more than adequately provided. We are little bit overprovided but that is all right and wage revision whatever is required we can absorb but in any case large chunk of it we are providing.

**Moderator:** Thank you. We take the next question from the line of Abhishek Murarka from IIFL. Please go ahead.

**Abhishek Murarka:** Sir my questions have been answered. Thank you and all the best.





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**Moderator:** Thank you. We will take the next question from the line of Anirban Sarkar from Principal AMC. Please go ahead.

**Anirban Sarkar:** Thank you Sir. Sir just one question I see a sharp increase in your exposure to commercial real estate and to petrochemical sector so could you explain that?

**Rajnish Kumar:** Commercial real sector is all LRD, lease rental discounting and that would be one lot of it is to the very large points which are operating in India and they have acquired some of the commercial real estate, so that is one, qualitatively both the owners as well as the tenants. This is a very high quality portfolio and as far as petrochemical sector is concerned it is mostly government owned OMCs and that is where our exposure is so this is the one of the best quality portfolios in our kitty.

**Anirban Sarkar:** Sir my next question is that regarding capital raise so we already have an approval so have we rethought the amount in the light of the recent event?

**Rajnish Kumar:** As of now I do not think we will need to raise capital either from the government or from the market.

**Anirban Sarkar:** Our CET1 is 9.77%

**Anirban Sarkar:** 9.77 is around CET1 so likely our comfort level is around 10 so it will happen in this year hopefully.

**Moderator:** Thank you. We take the next question from the line of Kajal Gandhi from ICICI Securities. Please go ahead

**Kajal Gandhi:** Sir I just wanted to know you are seeing extremely high level of deposits growth because the flow is coming to aside so what will be a strategy now on the liability side because we are sitting on excess liquidity?

**Rajnish Kumar:** As I said you that of course the level lowest interest fear in the market the differential is anywhere between 30 and 100-basis point but we have a huge customer base Rs.49 Crores customers so only thing is that we want to keep it the cost, we have to keep under control and that is what we have been able to do and all the deployment side we are looking for good opportunities in two months our high quality bond portfolio has gone by almost one trillion rupees and they all are AAAs Rs.32000 Crores we got from RBI so everything is very high quality deployment. So some expansion in the bond portfolio has happened and we are hoping that going forward the deposit growth will slow down because right now what is happening that the money is flowing in and it is not going out that much. In savings



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bank I am seeing that the rate of withdrawal on a monthly basis for last two months it has come down because the opportunity to expand is not there, people are not travelling, people are not going to shopping malls some for basic needs only people are using money so I think this will change.

**Ravi Singh:** Given you have such large market share in corporate salary accounts, what trends have you witnessed in salaries being credited for employees of corporate across India for non PSUs?

**Rajnish Kumar:** Non-PSU portfolio is not as huge as the government but if I go we have not done that honestly that portfolio analysis in that sense but most of the money comes to the savings bank account and savings bank account our YTD growth is almost Rs.90000 Crores so the saving bank gets Rs.90000 Crores, previous year was Rs.15000 Crores, Rs.16000 Crores so it means that the salaries are being paid.

**Moderator:** We take the next question from the line of Pankaj Agarwal from Ambit. Please go ahead

**Pankaj Agarwal:** Sir in case of capital raising, will we go to the market or we would sell stake in a subsidiary?

**Rajnish Kumar:** Capital raise one is that our profits and earnings should be sufficient so first is we are relying on our surplus from the earnings and subsidy of course this is only one compulsion which is to sell 2.11% of SBI Life that is what we have to legally true, rest is all our choice and whenever the time is right, we will do it.

**Pankaj Agarwal:** Sir what would be the choice given where the stock prices, can you take subsidiaries or ranging from the market rate cost?

**Rajnish Kumar:** We will decide. We are not going by the price. We will just see that whenever the time is right for listing our AMC and the SBI General so that is the call we will take. We are in no hurry I would say.

**T Pankaj Agarwal:** Thank you.

**Moderator:** Thank you. We take the last question from the line of Rahul from Goldman Sachs. Please go ahead

**Rahul Jain:** Thanks a lot for giving me that opportunity and just the last question even one of talk of possible restructuring of loan that could be allowed by the Reserve Bank of India should that we allowed? What do you think how much of the loan portfolio could potentially be restructured just a rough guess Sir?



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**Rajnish Kumar:** If you ask me that in my portfolio it is not more than 0.5% or 0.75% of my loan book. One is that this six months moratorium on term loan installments in a way it is a mini restructuring where like this six months installments one can choose to pay at the end of the term loan whenever the term loan ends other than that MSME because there is support available by way of this guaranteed emergency credit line, banks own credit line and these dispensation given by RBI for reassessment of working capital. So there are tools available now the deep restructuring if you ask me about we required only for those accounts are corporate which are really in deep trouble so that we will know only when this unlocking happens and we come to know but as of now our discussion with all the midsized and large corporate we do not have any request as on date for any restructuring. I think RBI would also and this is my view would like to wait and recalibrate or calibrate their response depending upon how things unfold.

**Rahul Jain:** So essentially it should not really lead to a large build up of the restructuring pipeline that would be allowed?

**Rajnish Kumar:** I do not think.

**Rahul Jain:** That is very comforting Sir. Thank you so much.

**Moderator:** I would now like to hand the conference back to the management for their closing comments. You may please give your closing comments Sir!

**Pawan Kumar Kedia:** Thank you very much to all analysts. We really enjoyed the question and answer session. We hope we have replied to all the questions, whatever is left on we will provide separately.

**Ravi Singh:** Thank you the management. Thank you everyone.

**Moderator:** Thank you. On behalf of HSBC that concludes today's conference. Thank you for joining us. You may now disconnect your lines.