

The Listing Department,
BSE Limited,
Phiroje Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai – 400001.

The Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor,
Plot No.: C / 1, 'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051.

CC/S&B/SD/2023/571

26.10.2023

Madam / Dear Sir,

Sub: Reporting under Regulation 30, 51 and other applicable Regulations of SEBI (LODR) Regulations, 2015- India Ratings & Research Private Limited

In terms of Regulation 30, 51 and other applicable Regulations of SEBI (LODR) Regulations, 2015, we enclose copy of the detailed rating rationale / Press Release issued by India Ratings & Research Private Limited on 26.10.2023.

Thanking You,
Yours faithfully,

(Shima Devi)
Assistant General Manager (Company Secretary)

Encl.: A/a



 bank.sbi

+91 22 2274 0841 / 49
+91 22 2274 1476 / 74 / 31
+91 22 2274 2842
+91 22 2285 5348
+91 22 2274 0527

शेयर एवं बॉन्ड विभाग,
कॉर्पोरेट केन्द्र,
14वां माला, स्टेट बैंक भवन,
मादाम कामा रोड,
मुंबई – ४०००२१, भारत

शेयर आणि बॉन्ड विभाग,
कारपोरेट केन्द्र,
14वां तल, स्टेट बैंक भवन,
मादाम कामा रोड,
मुंबई – ४०००२१, भारत

Shares & Bonds Dept,
Corporate Centre,
14thFloor, State Bank Bhavan,
Madame Cama Road,
Mumbai - 400021, India

India Ratings Assigns State Bank of India's Additional Tier II Bonds at IND AAA/Stable; Affirms Existing Ratings

Oct 26, 2023 | Public Sector Bank

India Ratings and Research (Ind-Ra) has taken the following rating actions on State Bank of India (SBI):

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Long-term issuer rating	-	-	-	-	IND AAA/Stable	Affirmed
Basel III tier II bonds ^{^*}	-	-	-	INR100	IND AAA/Stable	Assigned
Basel III tier II bonds [*]	-	-	-	INR141.16	IND AAA/Stable	Affirmed
Basel III AT1 bonds [*]	-	-	-	INR204.74	IND AA+/Stable	Affirmed
Infrastructure bond [*]	-	-	-	INR400	IND AAA/Stable	Affirmed
Certificates of deposit (CDs)	-	-	1-365 days	INR300	IND A1+	Affirmed

*Details in Annexure

[^] Yet to be issued

The rating of the infrastructure bonds is equated to the bank's Long-Term Issuer Rating. The ratings continue to reflect SBI's strong franchise with a dominant market share in the Indian banking system, making it high in systemic importance, and giving it a strong competitive position, experienced and deep management strength, solid funding, adequate capitalisation with robust access to capital markets.

The rating of AT1 bonds reflects the bank's ability to service coupons and manage principal write-down risk on its debt capital instruments. Ind-Ra has considered the discretionary component, coupon omission risk and the write-down/conversion risk as key parameters. The agency recognises the unique going-concern loss absorption features that these bonds carry and differentiates them from the bank's senior debt, factoring in a higher probability of an ultimate loss for investors in these bonds. Ind-Ra envisages coupon deferrals and principal write-down risk as a remote possibility in view of the bank's adequate revenue reserve buffers.

Key Rating Drivers

For the detailed rationale, click [here](#).

Rating Sensitivities

Negative: SBI's long-term ratings are at its support floor and are unlikely to change unless there is a change in the government of India's support stance.

The rating of the AT1 bonds could be downgraded in case of a substantial deterioration in the credit profile of the bank which, among other factors, could reflect in a material decline in SBI's market share, loss of deposit franchise or a large spike in delinquencies that could result in substantial losses. The rating could also undergo a review in case of CET1 capital buffers continue to decline below 8.5%, given the bank's ability to service coupons could be impacted in Ind-Ra's opinion. This could be important in case the bank incurs losses, causing the capital ratios to fall below the minimum regulatory requirement, thereby impairing its ability to service coupons.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on SBI, either due to their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

Company Profile

SBI is India's largest bank in terms of assets, deposits, operating profit and number of branches. The bank has one of the largest branch networks in the world (22,405 branches at end-March 2023). The branches are located across the country, with around 65% being in rural and semi-urban locations, furthering the Government of India's initiative to increase banking footprint in the less banked regions of the country.

FINANCIAL SUMMARY

Particulars (INR billion)	FY23	FY22
---------------------------	------	------

Total assets	55,170.0	49,876.0
Total equity*	3,276.0	2,800.1
Net income	502.3	316.8
Return on assets (%)	0.98	0.69
CET1 (%)	10.3	9.9
Capital adequacy ratio (%)	14.7	13.8
Source: SBI		
*Total equity is capital + reserves		

Non-Cooperation with previous rating agency

Not applicable

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook					
	Rating Type	Rated Limits (billion)	Rating	4 August 2023	20 July 2023	10 January 2023	29 November 2022	23 March 2022	3 December 2021
Issuer rating	Long-term	-	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
Basel III Tier II bonds	Long-term	INR241.16	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
Basel III AT1 bonds	Long-term	IN204.74	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable
CDs	Short Term	IND 300	IND A1+	IND A1+	IND A1+	IND A1+	IND A1+	IND A1+	-
Infrastructure Bonds	Long-term	IND 400	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable		

Annexure

Instrument Type	ISIN	Date of Issuance	Coupon Rate/Interest Rate (%)	Maturity Date	Rated Amount (billion)	Rating/Outlook
Basel III Tier II bonds	INE062A08165	2 November 2018	8.9	2 November 2028	INR41.16	IND AAA/Stable
Basel III Tier II bonds	INE062A08207	28 June 2019	7.99	28 June 2029	INR50	IND AAA/Stable
Basel III AT1 bonds	INE062A08249	9 September 2020	7.74	Perpetual	INR40	IND AA+/Stable
Basel III Tier II bonds	INE062A08264	26 October 2020	5.83	26 October 2030	INR50	IND AAA/Stable
Basel III AT1 bonds	INE062A08272	24 November 2020	7.73	Perpetual	INR25	IND AA+/Stable
Basel III AT1 bonds	INE062A08280	3 September 2021	7.72	Perpetual	INR40	IND AA+/Stable

Basel III AT1 bonds	INE062A08298	18 October 2021	7.72	Perpetual	INR60	IND AA+/Stable
Basel III AT1 bonds	INE062A08306	14 December 2021	7.55	Perpetual	INR39.74	IND AA+/Stable
Infrastructure bonds	INE062A08330	6 December 2022	7.51	6 December 2032	INR100	IND AAA/Stable
Infrastructure bonds	INE062A08348	19 January 2023	7.70	19 January 2038	INR97.18	IND AAA/Stable
Infrastructure bonds	INE062A08389	1 August 2023	7.54	1 August 2038	INR100	IND AAA/Stable
Infrastructure Bonds	INE062A08397	26 September 2023	7.49	24 September 2038	INR100	IND AAA/Stable
Utilised limits (Tier 2)					INR141.16	
Utilised AT1 limits					INR204.74	
Utilised (Infrastructure Bonds)					INR397.18	
Utilised Limits (Infrastructure Bonds)					INR2.82	
Unutilised limits (Tier 2)					INR100	
Total limits					INR845.9	
Total Unutilised Limits					INR102.82	

Bank wise Facilities Details

Click here to see the details

Complexity Level of Instruments

Instrument Type	Complexity Indicator
Base III AT1 bonds	High
Basel III Tier II bonds	Moderate
CDs	Low
Infrastructure bonds	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

Contact

Primary Analyst

Aishwary Khandelwal

Senior Analyst

India Ratings and Research Pvt Ltd

Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai - 400051

+91 22 40001700

For queries, please contact: infogrp@indiaratings.co.in

Secondary Analyst

Jinay Gala

Associate Director

+91 22 40356138

Chairperson

Karan Gupta

Director

+91 22 40001744

Media Relation

Ameya Bodkhe

Marketing Manager

+91 22 40356121

APPLICABLE CRITERIA

Rating Bank Subordinated and Hybrid Securities

Financial Institutions Rating Criteria

Evaluating Corporate Governance

The Rating Process

DISCLAIMER

All credit ratings assigned by india ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.indiaratings.co.in/rating-definitions>. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website www.indiaratings.co.in. Published ratings, criteria, and methodologies are available from this site at all times. India ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.