

August 18, 2025

State Bank of India: Ratings reaffirmed and withdrawn for matured instruments

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Basel III Tier I bonds	23,500.00	23,500.00	[ICRA]AA+ (Stable); reaffirmed
Basel III Tier I bonds	6,918.40	0.00	[ICRA]AA+ (Stable); reaffirmed and withdrawn
Basel III Tier II bonds	24,700.00	24,700.00	[ICRA]AAA (Stable); reaffirmed
Basel III Tier II bonds	1,543.00	0.00	[ICRA]AAA (Stable); reaffirmed and withdrawn
Infrastructure bonds	40,000.00	40,000.00	[ICRA]AAA (Stable); reaffirmed
Long-term bonds [^]	10,000.00	10,000.00	[ICRA]AAA (Stable); reaffirmed
Fixed deposits	-	-	[ICRA]AAA (Stable); reaffirmed
Total	1,06,661.40	98,200.00	

* Instrument details are provided in Annexure I

[^] Infrastructure bonds

Rationale

The ratings continue to factor in State Bank of India's (SBI) majority sovereign ownership and its status as a domestic systemically important bank (D-SIB), given its dominant position in the Indian banking system. As on March 31, 2025, SBI had a market share of 22.8% in advances and 23.7% in deposits¹, which remain the highest in the banking system. The ratings continue to reflect the bank's strong resource profile, driven by the high share of current and savings account (CASA) deposits, resulting in a competitive cost of funds and a granular deposit base. Given its strong resource profile, SBI's liquidity position remains superior.

The ratings also consider SBI's healthy capital profile and operating profitability, which could help it absorb any unforeseen asset quality pressures. While internal capital accretion remains healthy, the bank raised Rs. 25,000 crore of equity in July 2025 through a qualified institutional placement (QIP) to further shore up the capitalisation cushions. ICRA believes SBI's incremental capital requirements remain limited for the targeted growth, while maintaining a buffer of at least 100 basis points (bps) over the regulatory ratios. Moreover, its ability to raise capital from the markets remains strong.

While the headline asset quality indicators have improved, the ratings take note of the monitorable vulnerable book, comprising overdue and standard restructured advances. However, the additional provisions held against the restructured book remain a source of comfort. Given the high provision cover for the legacy stressed assets, ICRA expects SBI's asset quality and solvency position to remain strong. Although the bank has witnessed a sustained improvement in its profitability in the past 2-3 years, the same is expected to moderate slightly amid the likely decline in the net interest margin (NIM) due to the repo rate cuts. The rating for the Tier I (Additional Tier I; AT-I) bonds factors in the healthy level of distributable reserves² (DRs), which can be used to service the coupon on these bonds in the unforeseeable event of a loss.

The Stable outlook on the ratings factors in ICRA's expectation that SBI remains well-placed to absorb any unanticipated asset quality shocks through its operating profit. Further, ICRA continues to expect that SBI will benefit from its dominant position in the Indian banking industry, strong ability to raise capital, robust resource profile and sovereign ownership.

¹ As per ICRA's estimates, including overseas advances

² DRs consist of reserves created through appropriation of profits (including statutory reserve)

ICRA has reaffirmed and withdrawn the ratings assigned to the Rs. 6,918.40-crore Basel III Tier I bonds and Rs. 1,543.00-crore Basel III Tier II bonds as these have been fully redeemed with no amount outstanding against the same. The ratings were withdrawn in accordance with ICRA's withdrawal policy (click [here](#) for the policy).

Key rating drivers and their description

Credit strengths

Systemically important bank with majority sovereign ownership – The Government of India (GoI) remains the bank's largest shareholder, accounting for a 55.03% equity stake as on July 21, 2025, after the recent QIP. SBI received significant equity capital support from the GoI, amounting to Rs. 19,874 crore during FY2016-FY2018, of which Rs. 8,800 crore was infused in FY2018.

Further, SBI holds a dominant position in the Indian banking landscape and is required to maintain additional capital of 0.8% (from April 01, 2025) of the risk-weighted assets (RWAs) over the minimum capital requirements, given its classification as a D-SIB by the Reserve Bank of India (RBI). ICRA expects internal capital generation to remain strong, thereby providing the requisite growth capital.

Strong market position across retail and corporate segments – SBI's net advances grew by 11.9% year-on-year (YoY) to Rs. 42.0 lakh crore as on June 30, 2025 from Rs. 37.5 lakh crore as on June 30, 2024. The increase was driven by the healthy credit offtake across segments such as retail personal, agriculture, small and medium enterprise (SME) and the corporate sector. SBI holds a dominant position in the home loan and auto loan segments with a market share of over 27% and 19%, respectively, as on June 30, 2025, and an overall market share of 22.8% in the advances of the Indian banking sector as on March 31, 2025.

As on June 30, 2025, SBI's domestic loan book was dominated by retail personal advances, which constituted 42.5% of its gross domestic advances, followed by corporate advances (excluding SME) at 33.3%, SME advances at 14.6% and agriculture advances at 9.6%. The international loan book constituted 14.9% of its gross advances as on June 30, 2025.

Strong resource profile and competitive cost of funds – SBI maintains its dominant position in the Indian banking system with a 23.7% market share in deposits as on March 31, 2025. The bank's deposits grew by 11.7% YoY as on June 30, 2025. This was supported by its large network and well-developed customer franchise. Driven by its extensive branch network, the share of the top 20 depositors in the overall deposits was low at 5.2% as on March 31, 2025 (4.7% as on March 31, 2024), remaining one of the lowest among all public sector banks (PSBs).

Further, the bank's domestic CASA deposits stood at 39.4% of its total domestic deposits as on June 30, 2025. This is in comparison to the PSB average of 36.7% as on March 31, 2025. As a result, SBI's cost of interest-bearing funds of 5.16% in FY2025 remained better than the PSB average. Given SBI's strong branch network and steady core deposit base and retail franchise, ICRA believes that the resource profile will remain a strong driver of its credit growth ambitions while supporting its liquidity and profitability.

Healthy capital profile with sizeable value-unlocking opportunities from non-core businesses – The bank's standalone capitalisation profile remained comfortable (CET I of 11.10%³ and Tier I of 12.45%³), as on June 30, 2025, against the regulatory requirement⁴ of 8.80% and 10.30%, respectively. Notwithstanding the sufficient internal accruals and capital position for growth, the RBI's implementation of the expected credit loss (ECL) framework for credit exposures remains monitorable from a capitalisation perspective.

The bank raised equity capital of Rs. 25,000 crore in July 2025 via a QIP, which would augment the CET-I to 11.80% and to 12.33% including profit of Q1 FY2026. ICRA believes that SBI's capital requirement for the targeted growth, while maintaining a buffer of at least 100 bps over the regulatory ratios, remains limited, given its internal accruals as well as its market capitalisation. It is well-positioned to raise the requisite capital from the divestment of non-core assets or the market if needed.

³ Excluding interim profits for the period

⁴ Including capital conservation buffer of 2.5% of RWAs and 0.80% of RWAs as it is a D-SIB

SBI's solvency⁵ level remained comfortable at 6.1% as on March 31, 2025 (6.4% as on March 31, 2024). Going forward, the solvency profile is expected to stay steady at this level.

Through its various subsidiaries, associates and joint ventures, SBI offers a gamut of financial services like asset management, life insurance, general insurance, credit cards, and capital markets among others, including stakes in several regional rural banks. It also has banking operations in other countries through its overseas subsidiaries. Some of these businesses have scaled up fairly and are among the leading players in their industry segments. In ICRA's view, SBI has the flexibility to unlock the value of its subsidiaries, which will also help its profit and capital requirements, if any.

Earnings profile likely to remain healthy – While the NIMs moderated to 2.61% of average total assets (ATA) in FY2025 from 2.82% in FY2024, the operating profitability improved to 1.49% of ATA from 1.29% during this period on account of lower operating expenses. The annualised operating profit stood at 1.45% of ATA in Q1 FY2026. Further, despite the increase in credit costs to 0.28% of ATA (annualised) in Q1 FY2026 (0.24% in FY2025 and 0.08% in FY2024), the bank's return on assets improved to 1.15% (annualised) in Q1 FY2026 and 1.11% in FY2025 (1.04% in FY2024) on account of the steady operating performance and trading profits on the bond portfolio. Going forward, the profitability margins may witness some pressure because of the expected compression in interest spreads and hence NIMs due to policy rate cuts. However, SBI's return metrics are expected to be sufficient for its growth requirements. Moreover, the ability to control fresh slippages and maintain lower credit provisions will be key for healthy profitability in the near future.

Credit challenges

Asset quality improved but remains monitorable – SBI's annualised gross fresh non-performing advances (NPA) generation rate stood at manageable levels of 0.8% of standard advances in Q1 FY2026 and 0.6% in FY2025 (0.7% in FY2024), significantly below the elevated levels seen in the past (3-11% during FY2017-FY2020). Healthy recoveries and upgrades also supported the headline asset quality metrics with the gross NPA (GNPA) and net NPA (NNPA) moderating to 1.83% and 0.47%, respectively, as on June 30, 2025 (2.21% and 0.57%, respectively, as on June 30, 2024).

SBI had a limited standard restructured book of 0.31% of standard advances and the SMA⁶-1 and SMA-2 loan book (ticket size of more than Rs. 5 crore) stood low at 0.12% of standard advances as on March 31, 2025. Moreover, it has an additional provision of 35% on standard restructured advances as on March 31, 2025, which is expected to mitigate any incremental stress that could emanate from this book. Additionally, geopolitical issues, the impact of macroeconomic shocks on borrowers {especially micro, small and medium enterprises (MSMEs)} and concerns around overleveraging among retail borrowers could affect the asset quality metrics.

Environmental and social risks

While banks like SBI do not face material physical climate risks, they are exposed to environmental risks indirectly through their portfolio of assets. If the entities or businesses, to which banks and financial institutions have an exposure, face business disruptions because of physical climate adversities or if such businesses face climate transition risks because of technological, regulatory or customer behaviour changes, it could translate into credit risks for banks. However, such risk is not material for SBI as it benefits from adequate portfolio diversification. Further, the bank can adapt and take incremental exposure to businesses that face relatively fewer downside environmental risks.

With regard to social risks, data security and customer privacy are among the key sources of vulnerability for banks as material lapses could be detrimental to their reputation and invite regulatory censure. SBI has not faced material lapses over the years. Customer preferences are increasingly shifting towards digital banking, which provides an opportunity to reduce the operating costs. SBI has been making the requisite investments to enhance its digital interface with its customers. While it contributes to promoting financial inclusion by lending to the underserved segments, its lending practices remain prudent as reflected in the healthy asset quality numbers in this segment compared with its peers.

⁵ Solvency defined as (NNPAs + Net security receipts + Net non-performing investments)/Core capital)

⁶ Special mention accounts; SMA-1 is overdue by 31-60 days and SMA-2 is overdue by 61-90 days

Liquidity position: Superior

SBI's liquidity profile is superior, supported by its strong retail liability franchise, the liquidity coverage ratio of 136.67% and net stable funding ratio of 129.55%, for the quarter ended June 30, 2025, against the regulatory requirement of 100%. ICRA expects SBI to maintain its liquidity profile, given the large proportion of retail deposits and the high portfolio of liquid investments. The bank can also avail liquidity support from the RBI (through repo against excess statutory liquidity ratio (SLR) investments and marginal standing facility mechanism) in case of urgent liquidity needs.

Rating sensitivities

Positive factors – Not applicable as all the ratings are at the highest level for the respective instruments

Negative factors – Given SBI's dominant position in the Indian financial sector and its sovereign ownership, ICRA expects it to continue maintaining sufficient capitalisation over the regulatory levels. A decline in the capital cushions over the regulatory levels to less than 100 bps on a sustained basis will remain a negative trigger. ICRA expects continued extraordinary support from the GoI, if required, given SBI's systemic importance, and any dilution in this stance will also be a credit negative. A sharp deterioration in the profitability, leading to a weakening in the DRs eligible for the coupon payment on the AT-I bonds, will be a negative trigger for the rating for these bonds.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	ICRA's Rating Methodology for Banks and Financial Institutions ICRA's Policy on Withdrawal of Credit Ratings
Parent/Group support	The ratings factor in SBI's sovereign ownership and the demonstrated track record of capital infusions by the GoI. ICRA expects the GoI to support the bank with capital infusions if required.
Consolidation/Standalone	To arrive at the ratings, ICRA has considered the standalone financials of SBI. However, in line with ICRA's consolidation approach, the standalone assessment of the bank factors in the ordinary and extraordinary support that it is expected to extend to its subsidiary. Refer to Annexure II for the list of entities.

About the company

The origin of State Bank of India goes back to the 19th century with the establishment of the Bank of Calcutta in 1806 (redesigned as the Bank of Bengal in 1809), the Bank of Bombay (1840) and the Bank of Madras (1843). These three banks were amalgamated as the Imperial Bank of India in 1921. In 1951, when the country's first Five Year Plan was launched, the Imperial Bank of India was integrated with other state-owned and state-associated banks. An act was passed accordingly in the Parliament in May 1955 and State Bank of India (SBI) was constituted in July 1955. Later, the State Bank of India (Subsidiary Banks) Act was passed in 1959, enabling SBI to take over seven former state-associated banks as its subsidiaries. Further, State Bank of Saurashtra was merged with SBI in 2008 and State Bank of Indore in 2010. On April 1, 2017, SBI was merged with five of its associate banks (State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore) and Bharatiya Mahila Bank. The GoI held a 55.03% stake (post QIP) in the bank as on July 21, 2025. SBI has the largest network of 22,980 branches in India (as on June 30, 2025) and a significant overseas presence.

Key financial indicators – Standalone

State Bank of India	FY2024	FY2025	Q1 FY2026
Total income [^]	1,99,722	2,13,345	52,092
Profit after tax	61,077	70,901	19,160
Total assets* (Rs. lakh crore)	61.52	66.49	67.41
CET I	10.36%	10.81%	11.10% [#]
CRAR	14.28%	14.25%	14.63% [#]
PAT/ATA	1.04%	1.11%	1.15%
Gross NPAs	2.24%	1.82%	1.83%
Net NPAs	0.57%	0.47%	0.47%

*Total assets exclude revaluation reserves; [^]Total income = Net interest income + Non-interest income (excluding trading gains)

[#]Excludes profits for the interim period; All calculations as per ICRA Research

Source: SBI, ICRA Research; Amount in Rs. crore unless mentioned otherwise

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sl No	Instrument	Type	Current rating (FY2026)		Chronology of rating history for the past 3 years					
			Amount rated (Rs crore)	Aug-18-2025	FY2025		FY2024		FY2023	
					Date	Rating	Date	Rating	Date	Rating
1	Basel III Tier I Bonds	Long Term	6,500.00	[ICRA]AA+ (Stable)	21-Jun-24	[ICRA]AA+ (Stable)	10-Jul-23	[ICRA]AA+ (Stable)	31-May-22	[ICRA]AA+ (Stable)
					20-Aug-24	[ICRA]AA+ (Stable)	19-Jul-23	[ICRA]AA+ (Stable)	23-Aug-22	[ICRA]AA+ (Stable)
					-	-	8-Aug-23	[ICRA]AA+ (Stable)	14-Sep-22	[ICRA]AA+ (Stable)
									29-Nov-22	[ICRA]AA+ (Stable)
									12-Jan-23	[ICRA]AA+ (Stable)
			6,918.40	[ICRA]AA+ (Stable); withdrawn	21-Jun-24	[ICRA]AA+ (Stable)	10-Jul-23	[ICRA]AA+ (Stable)	31-May-22	[ICRA]AA+ (Stable)
					20-Aug-24	[ICRA]AA+ (Stable)	19-Jul-23	[ICRA]AA+ (Stable)	23-Aug-22	[ICRA]AA+ (Stable)
					-	-	8-Aug-23	[ICRA]AA+ (Stable)	14-Sep-22	[ICRA]AA+ (Stable)
									29-Nov-22	[ICRA]AA+ (Stable)
									12-Jan-23	[ICRA]AA+ (Stable)
			-	-	21-Jun-24	[ICRA]AA+ (Stable); withdrawn	10-Jul-23	[ICRA]AA+ (Stable)	31-May-22	[ICRA]AA+ (Stable)
							19-Jul-23	[ICRA]AA+ (Stable)	23-Aug-22	[ICRA]AA+ (Stable)
					-	-	8-Aug-23	[ICRA]AA+ (Stable)	14-Sep-22	[ICRA]AA+ (Stable)
									29-Nov-22	[ICRA]AA+ (Stable)
									12-Jan-23	[ICRA]AA+ (Stable)
			7,000.00	[ICRA]AA+ (Stable)	21-Jun-24	[ICRA]AA+ (Stable)	10-Jul-23	[ICRA]AA+ (Stable)	23-Aug-22	[ICRA]AA+ (Stable)
					20-Aug-24	[ICRA]AA+ (Stable)	19-Jul-23	[ICRA]AA+ (Stable)	14-Sep-22	[ICRA]AA+ (Stable)
					-	-	8-Aug-23	[ICRA]AA+ (Stable)	29-Nov-22	[ICRA]AA+ (Stable)
									12-Jan-23	[ICRA]AA+ (Stable)
2	Basel III Tier II Bonds	Long Term	10,000.00	[ICRA]AA+ (Stable)	21-Jun-24	[ICRA]AA+ (Stable)	10-Jul-23	[ICRA]AA+ (Stable)		
					20-Aug-24	[ICRA]AA+ (Stable)	19-Jul-23	[ICRA]AA+ (Stable)		
					-	-	8-Aug-23	[ICRA]AA+ (Stable)		
			13,200.00	[ICRA]AAA (Stable)	21-Jun-24	[ICRA]AAA (Stable)	10-Jul-23	[ICRA]AAA (Stable)	31-May-22	[ICRA]AAA (Stable)
					20-Aug-24	[ICRA]AAA (Stable)	19-Jul-23	[ICRA]AAA (Stable)	23-Aug-22	[ICRA]AAA (Stable)
							8-Aug-23	[ICRA]AAA (Stable)	14-Sep-22	[ICRA]AAA (Stable)
					-	-	-	-	29-Nov-22	[ICRA]AAA (Stable)
					-	-	-	-	12-Jan-23	[ICRA]AAA (Stable)
			1,543.00	[ICRA]AAA (Stable); withdrawn	21-Jun-24	[ICRA]AAA (Stable)	10-Jul-23	[ICRA]AAA (Stable)	31-May-22	[ICRA]AAA (Stable)
					20-Aug-24	[ICRA]AAA (Stable)	19-Jul-23	[ICRA]AAA (Stable)	23-Aug-22	[ICRA]AAA (Stable)
							8-Aug-23	[ICRA]AAA (Stable)	14-Sep-22	[ICRA]AAA (Stable)
					-	-	-	-	29-Nov-22	[ICRA]AAA (Stable)

Sl No	Instrument	Type	Current rating (FY2026)		Chronology of rating history for the past 3 years					
			Amount rated (Rs crore)	Aug-18-2025	FY2025		FY2024		FY2023	
					Date	Rating	Date	Rating	Date	Rating
					-	-	-	-	12-Jan-23	[ICRA]AAA (Stable)
			7,500.00	[ICRA]AAA (Stable)	20-Aug-24	[ICRA]AAA (Stable)				
			-						31-May-22	[ICRA]AAA (Stable)
									23-Aug-22	[ICRA]AAA (Stable); withdrawn
					21-Jun-24	[ICRA]AAA (Stable); withdrawn	10-Jul-23	[ICRA]AAA (Stable)	31-May-22	[ICRA]AAA (Stable)
							19-Jul-23	[ICRA]AAA (Stable)	23-Aug-22	[ICRA]AAA (Stable)
							8-Aug-23	[ICRA]AAA (Stable)	14-Sep-22	[ICRA]AAA (Stable)
					-	-	-	-	29-Nov-22	[ICRA]AAA (Stable)
					-	-	-	-	12-Jan-23	[ICRA]AAA (Stable)
			4,000.00	[ICRA]AAA (Stable)	21-Jun-24	[ICRA]AAA (Stable)	10-Jul-23	[ICRA]AAA (Stable)	14-Sep-22	[ICRA]AAA (Stable)
3	Basel II lower Tier II bonds	Long Term			20-Aug-24	[ICRA]AAA (Stable)	19-Jul-23	[ICRA]AAA (Stable)	29-Nov-22	[ICRA]AAA (Stable)
							8-Aug-23	[ICRA]AAA (Stable)	12-Jan-23	[ICRA]AAA (Stable)
4	Fixed Deposit	Long Term							31-May-22	[ICRA]AAA (Stable)
									23-Aug-22	[ICRA]AAA (Stable); withdrawn
			-	[ICRA]AAA (Stable)	21-Jun-24	[ICRA]AAA (Stable)	10-Jul-23	[ICRA]AAA (Stable)	31-May-22	[ICRA]AAA (Stable)
					20-Aug-24	[ICRA]AAA (Stable)	19-Jul-23	[ICRA]AAA (Stable)	23-Aug-22	[ICRA]AAA (Stable)
					-	-	8-Aug-23	[ICRA]AAA (Stable)	14-Sep-22	[ICRA]AAA (Stable)
5	Long-term bonds	Long Term			-	-	-	-	29-Nov-22	[ICRA]AAA (Stable)
					-	-	-	-	12-Jan-23	[ICRA]AAA (Stable)
			10,000.00	[ICRA]AAA (Stable)	21-Jun-24	[ICRA]AAA (Stable)				
6	Infrastructure Bonds	Long Term			20-Aug-24	[ICRA]AAA (Stable)				
			10,000.00	[ICRA]AAA (Stable)	21-Jun-24	[ICRA]AAA (Stable)	10-Jul-23	[ICRA]AAA (Stable)	29-Nov-22	[ICRA]AAA (Stable)
					20-Aug-24	[ICRA]AAA (Stable)	19-Jul-23	[ICRA]AAA (Stable)	12-Jan-23	[ICRA]AAA (Stable)
					-	-	8-Aug-23	[ICRA]AAA (Stable)		
			10,000.00	[ICRA]AAA (Stable)	21-Jun-24	[ICRA]AAA (Stable)	10-Jul-23	[ICRA]AAA (Stable)	12-Jan-23	[ICRA]AAA (Stable)
					20-Aug-24	[ICRA]AAA (Stable)	19-Jul-23	[ICRA]AAA (Stable)		
					-	-	8-Aug-23	[ICRA]AAA (Stable)		
			10,000.00	[ICRA]AAA (Stable)	21-Jun-24	[ICRA]AAA (Stable)	19-Jul-23	[ICRA]AAA (Stable)		
					20-Aug-24	[ICRA]AAA (Stable)	8-Aug-23	[ICRA]AAA (Stable)		
					21-Jun-24	[ICRA]AAA (Stable)	8-Aug-23	[ICRA]AAA (Stable)		
					20-Aug-24	[ICRA]AAA (Stable)				

Source: SBI; LT – Long term; # Infrastructure bonds

Complexity level of the rated instrument

Instrument	Complexity indicator
Basel III Tier II bonds	Highly Complex
Basel III Tier I bonds	Highly Complex
Fixed deposits	Very Simple
Infrastructure bonds	Very Simple
Long-term bonds [^]	Very Simple

[^] Infrastructure bonds

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Issuing bank	Date of issuance/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
INE062A08249	Basel III Tier I bonds	SBI	Sep-09-2020	7.74%	Sep-09-2025 [#]	4,000.00	[ICRA]AA+ (Stable)
INE062A08223		SBI	Nov-22-2019	8.50%	Nov-22-2024 [§]	3,813.60	[ICRA]AA+ (Stable); withdrawn
INE062A08215		SBI	Aug-30-2019	8.75%	Aug-30-2024 [§]	3,104.80	[ICRA]AA+ (Stable); withdrawn
INE062A08272		SBI	Nov-24-2020	7.73%	Nov-24-2025 [#]	2,500.00	[ICRA]AA+ (Stable)
INE062A08314		SBI	Sep-09-2022	7.75%	Sep-09-2027 [#]	6,872.00	[ICRA]AA+ (Stable)
INE062A08371		SBI	Jul-14-2023	8.10%	Jul-14-2033 [#]	3,101.00	[ICRA]AA+ (Stable)
INE062A08413		SBI	Jan-19-2024	8.34%	Jan-19-2034 [#]	5,000.00	[ICRA]AA+ (Stable)
Unplaced		SBI	-	-	-	2,027.00	[ICRA]AA+ (Stable)
INE062A08264	Basel III Tier II bonds	SBI	Oct-26-2020	5.83%	Oct-26-2025 [#]	5,000.00	[ICRA]AAA (Stable)
INE062A08256		SBI	Sep-21-2020	6.24%	Sep-21-2025 [#]	7,000.00	[ICRA]AAA (Stable)
INE652A08015		SBoP	Jan-22-2015	8.29%	Jan-22-2025	950.00	[ICRA]AAA (Stable); withdrawn
INE648A08013		SBBJ	Mar-20-2015	8.30%	Mar-20-2025	200.00	[ICRA]AAA (Stable); withdrawn
INE649A08029		SBH	Dec-30-2015	8.40%	Dec-30-2025	500.00	[ICRA]AAA (Stable)
INE649A08037		SBH	Feb-08-2016	8.45%	Feb-08-2026	200.00	[ICRA]AAA (Stable)
INE649A09126		SBH	Mar-31-2015	8.32%	Mar-31-2025	393.00	[ICRA]AAA (Stable); withdrawn
INE651A08041		SBM	Dec-31-2015	8.40%	Dec-31-2025	300.00	[ICRA]AAA (Stable)
INE651A08058		SBM	Jan-18-2016	8.45%	Jan-18-2026	200.00	[ICRA]AAA (Stable)
INE062A08322		SBI	Sep-23-2022	7.57%	Sep-23-2032 [#]	4,000.00	[ICRA]AAA (Stable)
INE062A08447		SBI	Aug-29-2024	7.42%	Aug-29-2034 [#]	7,500.00	[ICRA]AAA (Stable)
NA	Fixed deposits	SBI	-	-	-	-	[ICRA]AAA (Stable)
INE062A08330	Infrastructure bonds	SBI	Dec-06-2022	7.51%	Dec-06-2032	10,000.00	[ICRA]AAA (Stable)
INE062A08348		SBI	Jan-19-2023	7.70%	Jan-19-2038	9,718.00	[ICRA]AAA (Stable)
INE062A08389		SBI	Aug-01-2023	7.54%	Aug-01-2038	10,000.00	[ICRA]AAA (Stable)
INE062A08397		SBI	Sep-26-2023	7.49%	Sep-24-2038	10,000.00	[ICRA]AAA (Stable)
Unplaced		SBI	-	-	-	282.00	[ICRA]AAA (Stable)
INE062A08421	Long-term bonds [^]	SBI	Jun-27-2024	7.36%	Jun-27-2039	10,000.00	[ICRA]AAA (Stable)

Source: SBI; [#] First call option date; [^] Infrastructure bonds; [§] Redeemed upon exercise of call option

SBoP – State Bank of Patiala; SBBJ – State Bank of Bikaner and Jaipur; SBM – State Bank of Mysore; SBH – State Bank of Hyderabad

Key features of rated debt instruments

The servicing of the Basel III Tier II bonds is not subject to any capital ratios and profitability. However, the Basel III Tier II bonds and Basel III Tier I bonds (AT-I bonds) are expected to absorb losses once the point of non-viability (PONV) trigger is invoked.

Further, the exercise of the call option on the Basel III Tier II and Tier I bonds is contingent upon the prior approval of the RBI. Moreover, the bank will need to demonstrate that the capital position is well above the minimum regulatory requirement after the said call option is exercised.

The rated Tier I bonds have the following loss-absorption features that make them riskier:

- Coupon payments are non-cumulative and discretionary, and the bank has full discretion at all times to cancel coupon payments. Cancellation of discretionary payments shall not be an event of default.
- Coupons can be paid out of the current year's profits. If the current year's profit is not sufficient or if the payment of the coupon is likely to result in a loss, the coupon payment can be made through the reserves and surpluses⁷ created via the appropriation of profits (including statutory reserves). However, the coupon payment is subject to the bank meeting the minimum regulatory requirements for CET I, Tier I and total capital ratios (including capital conservation buffer, CCB) at all times as prescribed by the RBI under the Basel III regulations.

These Tier I bonds are expected to absorb losses through the write-down mechanism at the objective prespecified trigger point fixed at the bank's CET I ratio as prescribed by the RBI, i.e. 6.125% of the total RWAs or when the PONV trigger is breached in the RBI's opinion.

Given the above distinguishing features of the Tier I bonds, ICRA has assigned a one notch lower rating to these than the rating for the Tier II instruments. The DRs that can be used for servicing the coupon in a situation of inadequate profit or a loss during the year stood at a comfortable 8.40% of RWAs as on June 30, 2025.

The rating for the Tier I bonds continues to be supported by the bank's capital profile, which is likely to remain comfortable, given the outlook on its profitability. However, the transition to the ECL framework and its impact on the capital and DRs remain monitorable.

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
SBI Canada Bank	100%	Full consolidation
State Bank of India (California)	100%	Full consolidation
State Bank of India (UK) Limited	100%	Full consolidation
State Bank of India Servicos Limitada, Brazil	100%	Full consolidation
SBI MF Trustee Co.	100%	Full consolidation
SBICAP Ventures Ltd.	100%	Full consolidation
SBI Capital Markets Ltd.	100%	Full consolidation
SBICAP Trustee Co. Ltd.	100%	Full consolidation
SBICAP Securities Ltd.	100%	Full consolidation
SBI Global Factors Ltd.	100%	Full consolidation
State Bank Operations Support Services Pvt. Ltd.	100%	Full consolidation
Commercial Indo Bank LLC, Moscow	100%	Full consolidation
PT Bank SBI Indonesia	99%	Full consolidation
SBI CDMDF Trustee Private Limited (w.e.f. July 25, 2023)	100%	Full consolidation
SBI (Mauritius) Ltd.	97%	Full consolidation
SBI Pension Funds	92%	Full consolidation
SBI Payment Services	74%	Full consolidation
SBI DFHI Ltd.	72%	Full consolidation

⁷ Calculated as per the amendment in Basel III capital regulations for Tier I bonds by the RBI, vide its circular dated February 2, 2017. As per the amended definition, DRs include all reserves created through appropriations from the profit and loss account

Company name	Ownership	Consolidation approach
SBI General Insurance Co.	69%	Full consolidation
SBI Cards & Payment Services Ltd.	69%	Full consolidation
SBI SG – Global Securities Pvt. Ltd.	65%	Full consolidation
SBI Funds Management Pvt. Ltd.	62%	Full consolidation
SBI Funds Management (Intl.)	62%	Full consolidation
SBI Funds International (IFSC) Limited	62%	Full consolidation
SBI Life Insurance Co.	55%	Full consolidation
Nepal SBI Bank Ltd.	55%	Full consolidation
Nepal SBI Merchant Banking	55%	Full consolidation
Oman India JIF Mgt.	50%	Full consolidation
Oman India JIF Trustee	50%	Full consolidation
C-Edge Technologies Ltd.	49%	Full consolidation
SBI Macquarie Infra Mgt.	45%	Full consolidation
SBI Macquarie Infra Trustee	45%	Full consolidation
Macquarie SBI Infra Mgt.	45%	Full consolidation
Macquarie SBI Infra Trustee	45%	Full consolidation
Arunachal Pradesh Rural Bank	35%	Limited consolidation
Chhattisgarh Rajya Gramin Bank	35%	Limited consolidation
Jharkhand Rajya Gramin Bank	35%	Limited consolidation
Meghalaya Rural Bank	35%	Limited consolidation
Mizoram Rural Bank	35%	Limited consolidation
Nagaland Rural Bank	35%	Limited consolidation
Rajasthan Gramin Bank	35%	Limited consolidation
Telangana Grameena Bank	35%	Limited consolidation
Uttarakhand Gramin Bank	35%	Limited consolidation
Yes Bank Ltd.	24%	Equity method

Stake as on June 30, 2025

Source: SBI and ICRA Research

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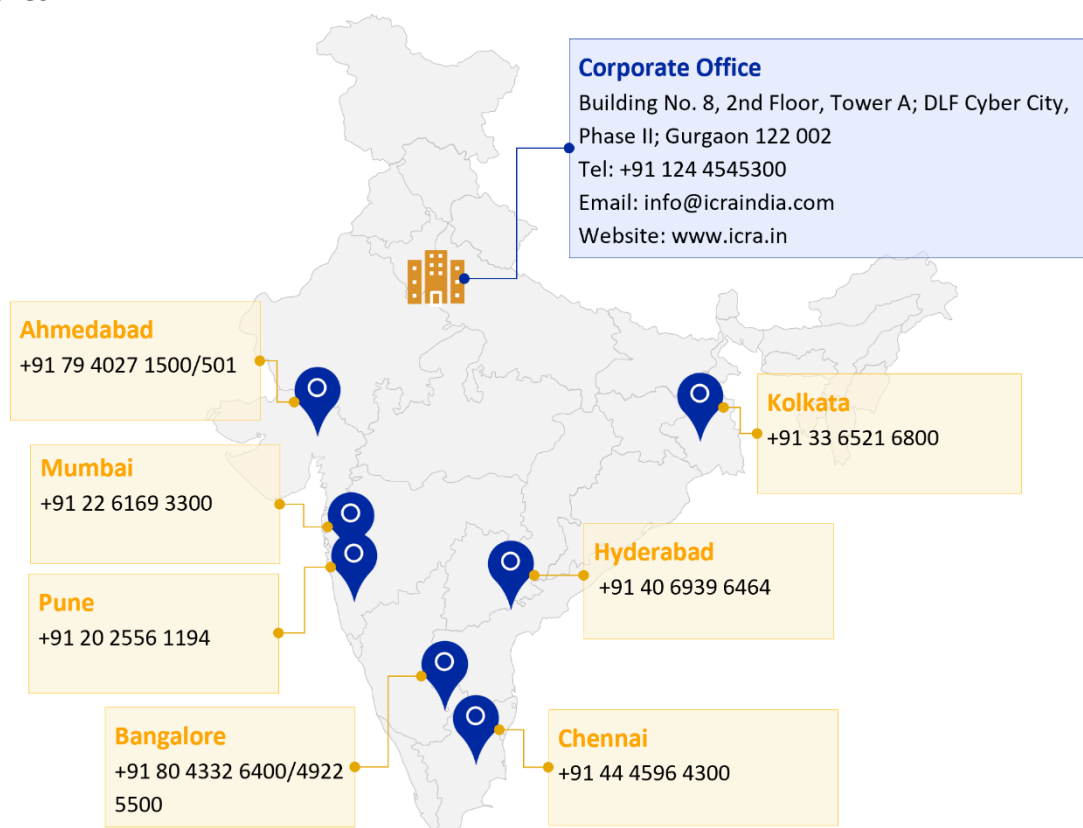


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