

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2927**

Answered on the 7<sup>th</sup> August, 2023/Sravana 16, 1945 (Saka)

**Raising of Long Term Bonds by SBI**

2927. DR. T.R. PAARIVENDHAR:

Will the Minister of FINANCE be pleased to state:

- (a) whether the State Bank of India (SBI) the largest lender in the country, recently got the approval of its Board to raise upto Rs. 50,000/- crore through long term bonds;
- (b) if so, the details thereof;
- (c) the reasons along with its purpose for raising such long term bonds;
- (d) the time by when the proposal will be completed; and
- (e) the total loan disbursed by SBI during the last three years?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE  
(DR. BHAGWAT KARAD)

(a) to (e): The Central Board of State Bank of India (SBI) in its meeting held on 9.6.2023 has accorded approval for raising up to an amount of Rs 50,000 crores which constitutes basel III compliant AT-1 bonds up to an amount of Rs 20,000 crore, Tier-2 bonds up to an amount of Rs 10,000 crore and infrastructure bonds up to an amount of Rs 20,000 crore by the bank during FY2023-24.

As per SBI, the purpose of raising capital bonds (AT-1 and Tier-2) is to replace the existing capital bonds which are due for call up during FY2023-24, further strengthen the capital base of the bank and support asset growth. Banks are exempted from maintaining Cash Reserve Ratio and Statutory Liquidity Ratio on long-term bonds for lending to infrastructure sector. The raising of long-term infrastructure bonds helps the bank in better asset liability management.

Further, the amount of total loan disbursed through domestic operations of SBI during the last three financial years is given below:

(Amount in Rs crore)

| FY     | FY21     | FY22     | FY23     |
|--------|----------|----------|----------|
| Amount | 6,35,919 | 7,55,999 | 9,04,395 |

Source: SBI

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