



## INVESTOR DAY

### BUSINESS STRATEGY AND FUTURE ROADMAP

30.10.2019

yono  
SBI

Lifestyle &  
banking, dono.



**SBI Life**  
**INSURANCE**  
With us, You're sure  
(A State Bank Group Company)



**SBI MUTUAL FUND**  
A PARTNER FOR LIFE

**SBI Card**  
Make life simple



**SBI General**  
INSURANCE



## Safe Harbor

*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 outcomes may differ materially from those included in these statements due to a variety of factors.*

# Key Financial Indicators – Going Forward

	FY19	H1FY20	FY20E	FY21E
Credit Growth	11.96%	8.65%	> 10.00%	> 12.00%
NII Growth	18.03%	11.32%	> 17.00%	> 14.00%
NIM (domestic)	2.95%	3.11%	> 3.15%	> 3.20%
Non Interest Income Growth	-17.55%	24.81%	> 15.00%	> 15.00%
Opex Growth	16.26%	9.89%	< 10.00%	< 10.00%
PPOP (excl. one off) (in Rs. crore)	53,557	27,961	> 65,000	> 75,000

# Key Financial Indicators – Going Forward

	FY19	H1FY20	FY20E	FY21E
<b>Slippage Ratio</b>	<b>1.60%</b>	<b>2.18%</b>	<b>&lt; 2.00%</b>	<b>&lt; 1.30%</b>
Corporate Slippages (in Rs cr)	10,244	9,128	< 22,000	< 12,000
Retail Slippages (in Rs cr)	22,494	15,889	< 24,000	< 20,000
<b>Credit Cost</b>	<b>2.66%</b>	<b>1.98%</b>	<b>&lt; 1.80%</b>	<b>&lt; 1.00%</b>
<b>PCR</b> (with AUCA)	<b>78.73%</b>	<b>81.23%</b>	<b>&gt; 84.00%</b>	<b>&gt; 88.00%</b>
<b>ROA</b>	<b>0.02%</b>	<b>0.29%</b>	<b>0.4 – 0.5%</b>	<b>0.9 – 1.0%</b>

# Drivers of Core Operating Profitability

## PPoP Drivers

### 1 Credit Growth

Growth being driven by retail and high rated corporates/ govt. entities

### 2 Liability Franchise

Liability franchise; a key value driver for Bank; focus on CA growth- have addressed product gaps, strengthening sales force, pilots underway

Dominance in Savings accounts- 43.9 cr savings account at end of H1FY20, 24.99 lakh accounts opened in Q2FY20, of which 41.9% are through digital channel

### 3 NIM

NIMs driven by pricing based on risk reward matrix across product lines, lower GNPA's and lower cost of funds

### 4 Non Interest Income

Expect significant growth in recovery from written off accounts, major initiatives underway to optimize fee income across products, increase fee income from Cross sell, Transaction banking including CMP

### 5 Operating Expenses

Digitization of asset side delivery platform to significantly reduce operating costs; Controllable overheads contained at 3.2% YoY growth in H1FY20

Prudent manpower planning; Digitization leading to redeployment of employees to sales roles

# Drivers of Core Profitability

## Asset Quality & Credit Costs

1

### Asset Quality

Retail portfolio strong; market leading growth, with low NPA ratios in key product lines

Corporate loan growth majorly from PSUs/ Highly rated corporates

ICA proving to be an effective tool for maintaining asset quality; expect meaningful improvement in accounts to be regularized based on recent experience

2

### Slippages

Corporate Slippages from identified pools; personal retail continues to be strong – SME, Agri slippages to trend lower in H2FY20E

Stress including SMA 1 & 2, loans where ICA signed/ in process aggregate to less than 1.10% of aggregate advances

3

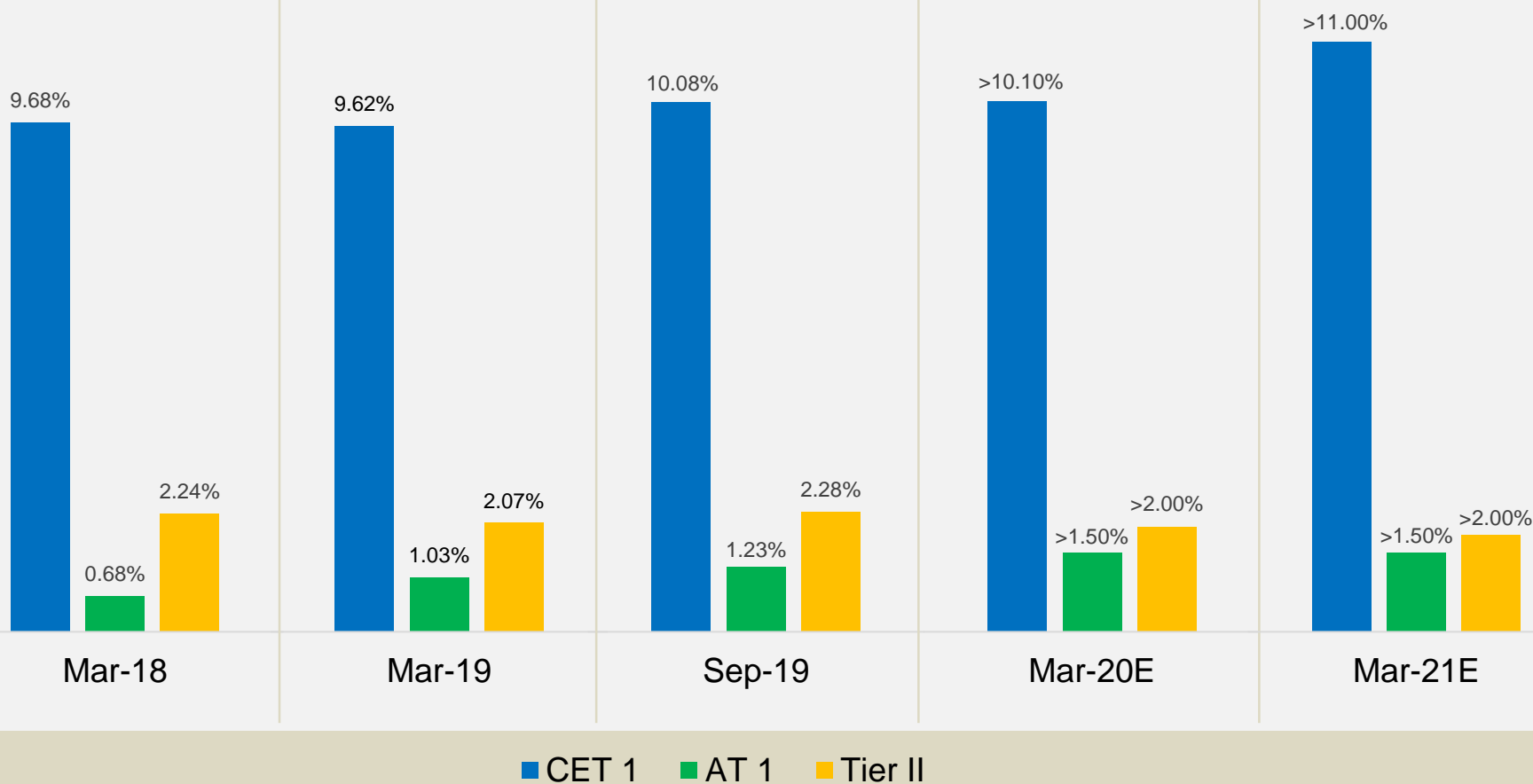
### Credit Costs

Current level of provisions higher than LGD ratios; Corporate accounts PCR at ~74%

In addition to above, standard asset provisions Rs 2,872 crs at end of H1FY20

High PCR to result in decline of aging provisions going forward

# Capital Adequacy



- “Credit Risk Weighted Assets on Advances to Gross Advances” - Sep 18: 58.21%, Sep 19: 55.31%.
- “TRWAs to Total Asset” Ratio - Sep 18: 52.94% Sep 19: 51.52%.
- Bank is well capitalized; CET 1 expected to further improve

# Key Financial Indicators – Scenario Analysis

	Base Case – FY21E	Stress Case – FY21E
Credit Growth	> 12.0%	> 10.0%
NII Growth	> 14.00%	< 10.0%
NIM (domestic)	> 3.20%	> 3.0%
Non Interest Income Growth	> 15.0%	> 10.0%
Opex Growth	< 10.0%	<12.0%
PPOP (in Rs. crore)	> 75,000	< 70,000

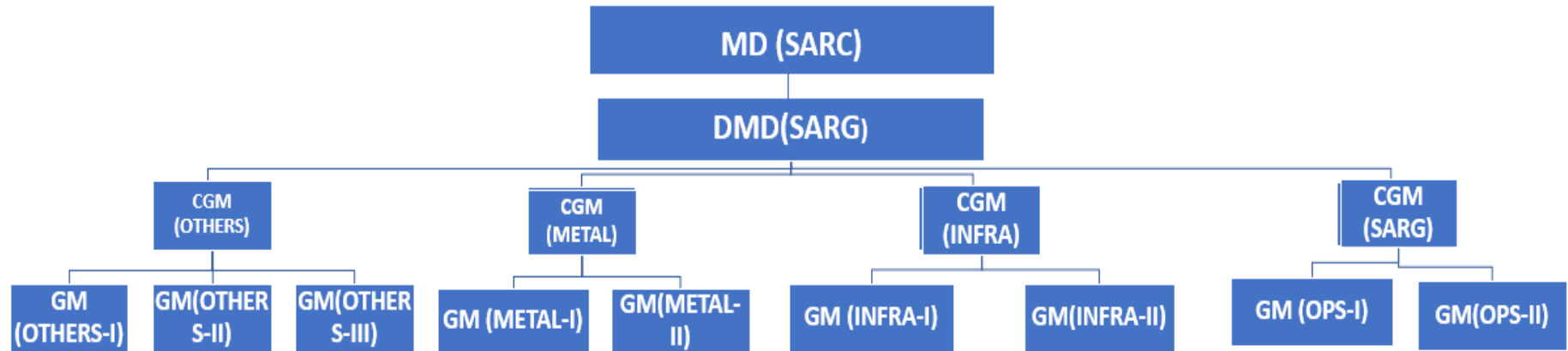


# Key Financial Indicators – Scenario Analysis

	Base Case – FY21E	Stress Case – FY21E
Slippage Ratio	< 1.30%	< 1.50%
Corporate Slippages	< 12,000	< 15,000
Retail Slippages	< 20,000	< 25,000
Credit Cost	< 1.00%	< 1.10%
PCR (with AUCA)	> 88.00%	> 85.00%
ROA	0.90 – 1.00%	0.75 – 0.85%

# Resolutions – The Way Forward

# SARG - STRUCTURE



<b>Major Industries:</b>	<b>Major Industries:</b>	<b>Major Industries:</b>	<b>Major Industries:</b>	<b>Major Industries:</b>	<b>Major Industries:</b>	<b>Major Industries:</b>	<b>Area of Operations:</b>	<b>Area of Operations:</b>
<ul style="list-style-type: none"> <li>- Edible Oils</li> <li>- Gems &amp; Jewellery</li> <li>- Chemicals</li> </ul>	<ul style="list-style-type: none"> <li>- Engineering</li> <li>- Electronic</li> <li>- Auto Ancillary</li> </ul>	<ul style="list-style-type: none"> <li>- Telecom</li> <li>- Food Agro Products</li> </ul>	<ul style="list-style-type: none"> <li>- Steel</li> <li>- Ferro Alloys</li> </ul>	<ul style="list-style-type: none"> <li>- Textiles</li> </ul>	<ul style="list-style-type: none"> <li>- Power</li> <li>- Real Estate</li> </ul>	<ul style="list-style-type: none"> <li>- Roads</li> <li>- EPC</li> </ul>	<ul style="list-style-type: none"> <li>- Vigilance</li> <li>- Fraud Monitoring</li> <li>- Risk &amp; Compliance</li> <li>- ARCs</li> <li>- SAMBs</li> </ul>	<ul style="list-style-type: none"> <li>- NCLT</li> <li>- MIS</li> <li>- Policy</li> <li>- Human Resources</li> <li>- SARBs</li> </ul>

# IMPACT OF REORGANISATION

*Jump in the aggregate recovery from Rs. 7800 Crs in FY 17-18 to approx. Rs. 20000 Crs in last FY 2018-19. During HY2019-20 aggregate recovery is Rs. 9734 Crs*

**Jump in Aggregate Recovery**

**Bringing Down GNPA**

*GNPA reduced from 10.9% (March 2018) to 8.7% (March 2019). GNPA HY 2019-20 stood at 7.19%*

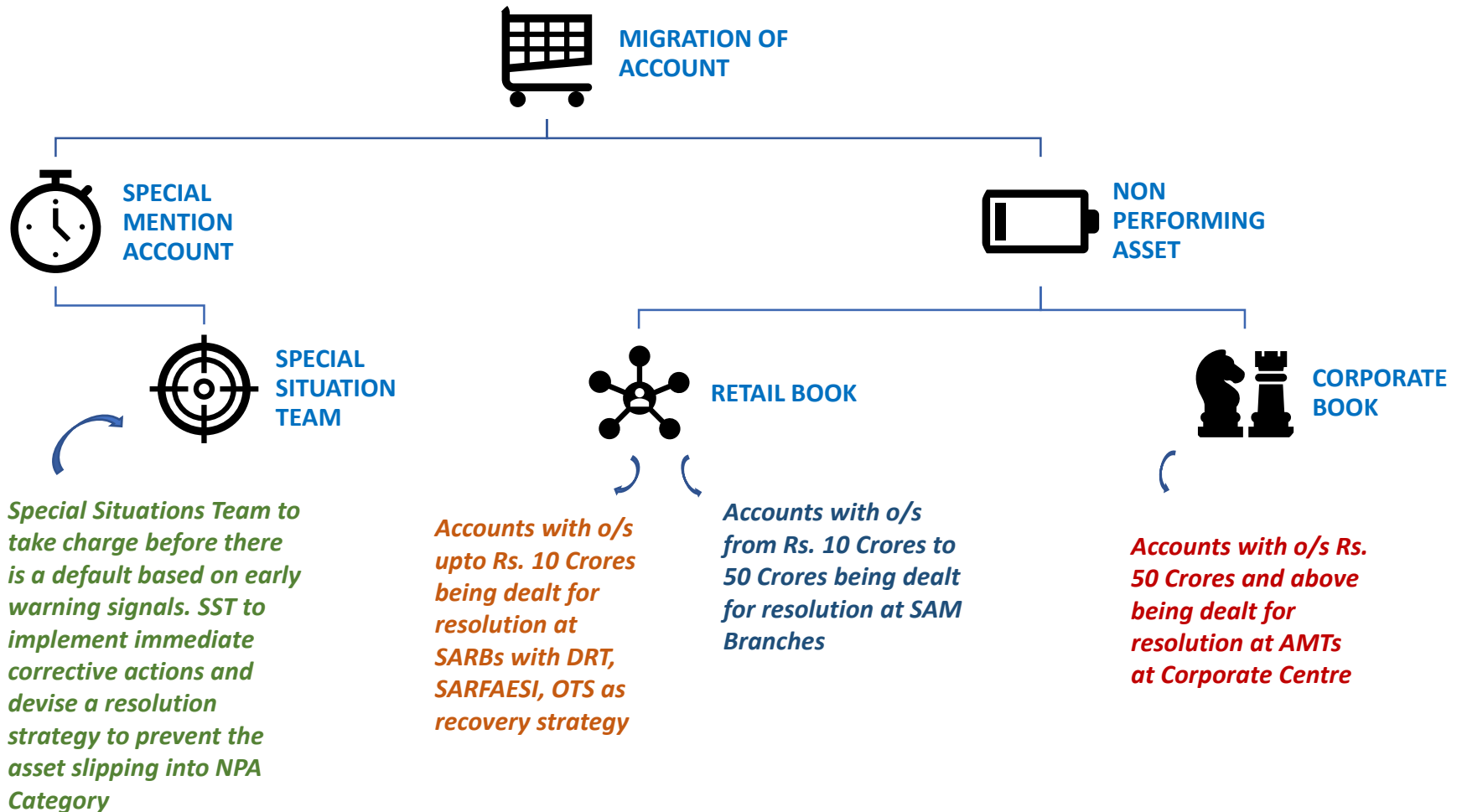
*SARG Vertical is making significant contribution to the Bank's Profit through recovery in AUCA. During HY2019-20 AUCA recovery stood at Rs. 3222 Cr*

**Recovery in AUCA**

**Proactive Approach of Detection & Recognition of Distress**

*Bank is adopting a proactive approach of detection and recognition of distress at the earliest stage*

# APPROACH TO MIGRATED ACCOUNTS

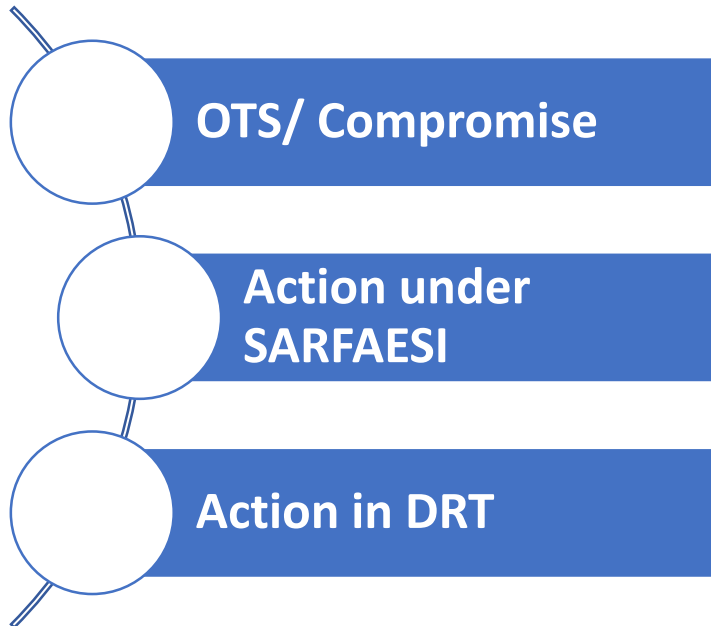


# APPROACH TO RESOLUTION

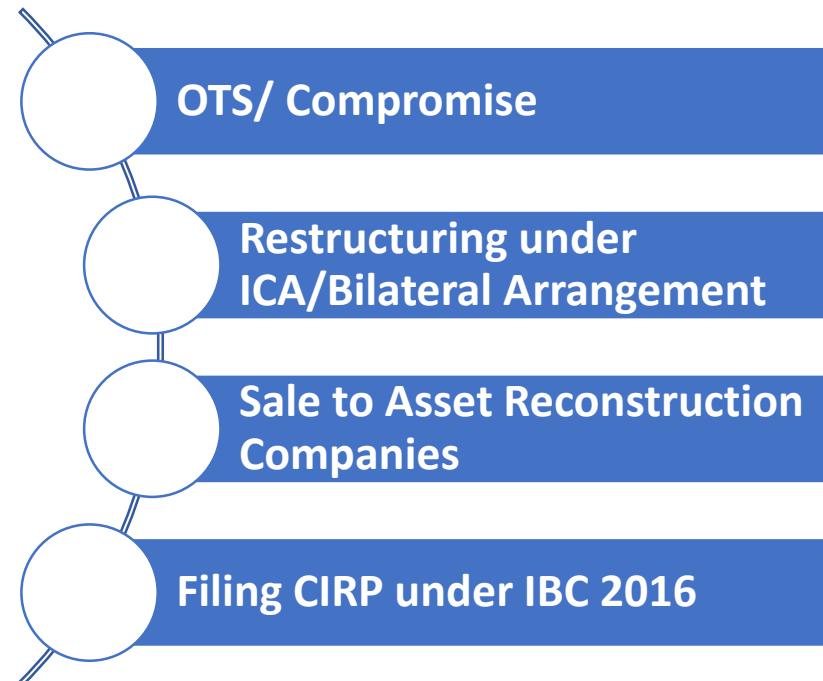
## NON PERFORMING ASSETS



### RETAIL BOOK

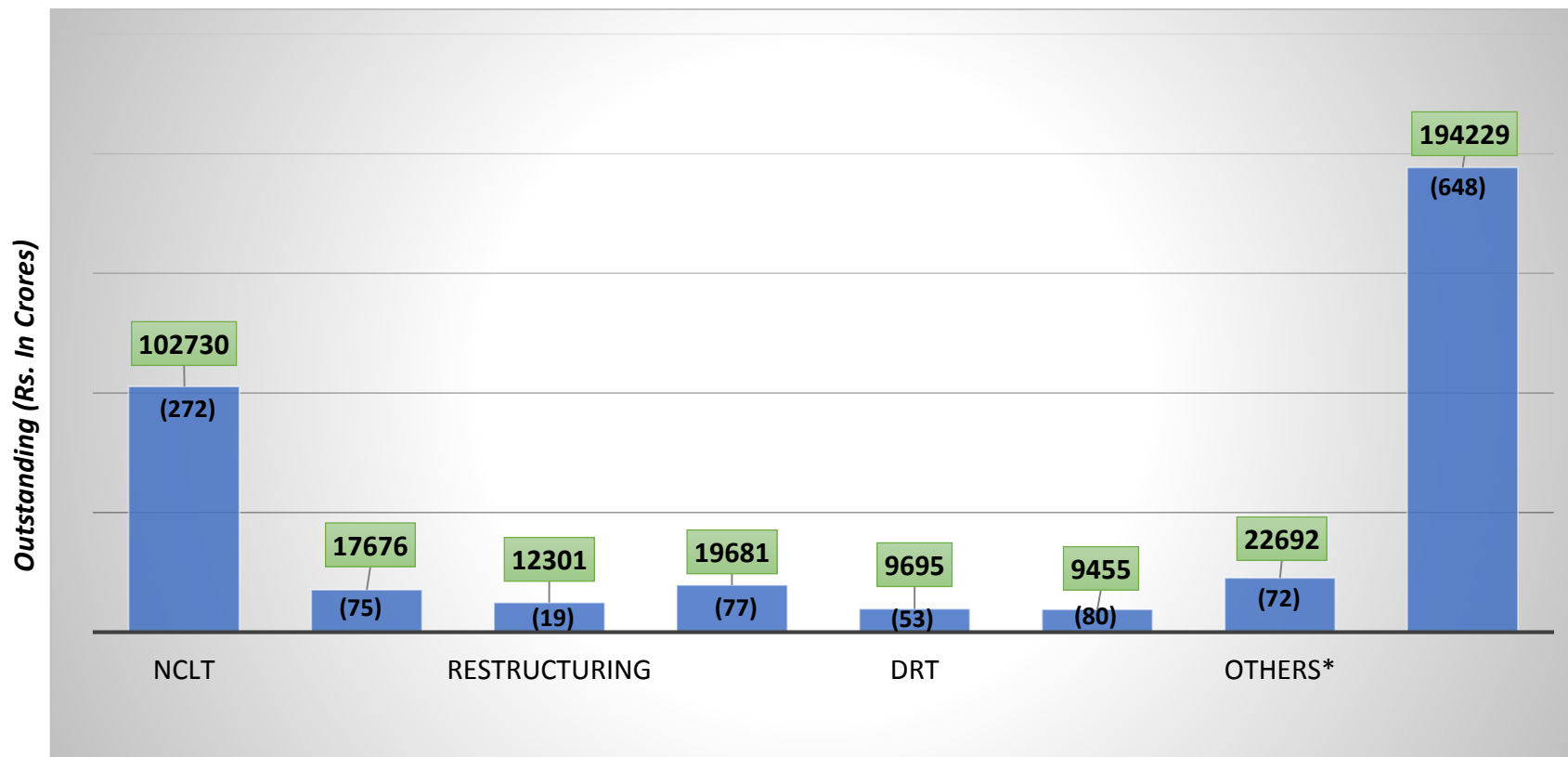


### CORPORATE BOOK



# SARG – RESOLUTION STRATEGY OF NPA & AUCA > Rs. 50 Crores

(as on 30.09.2019)

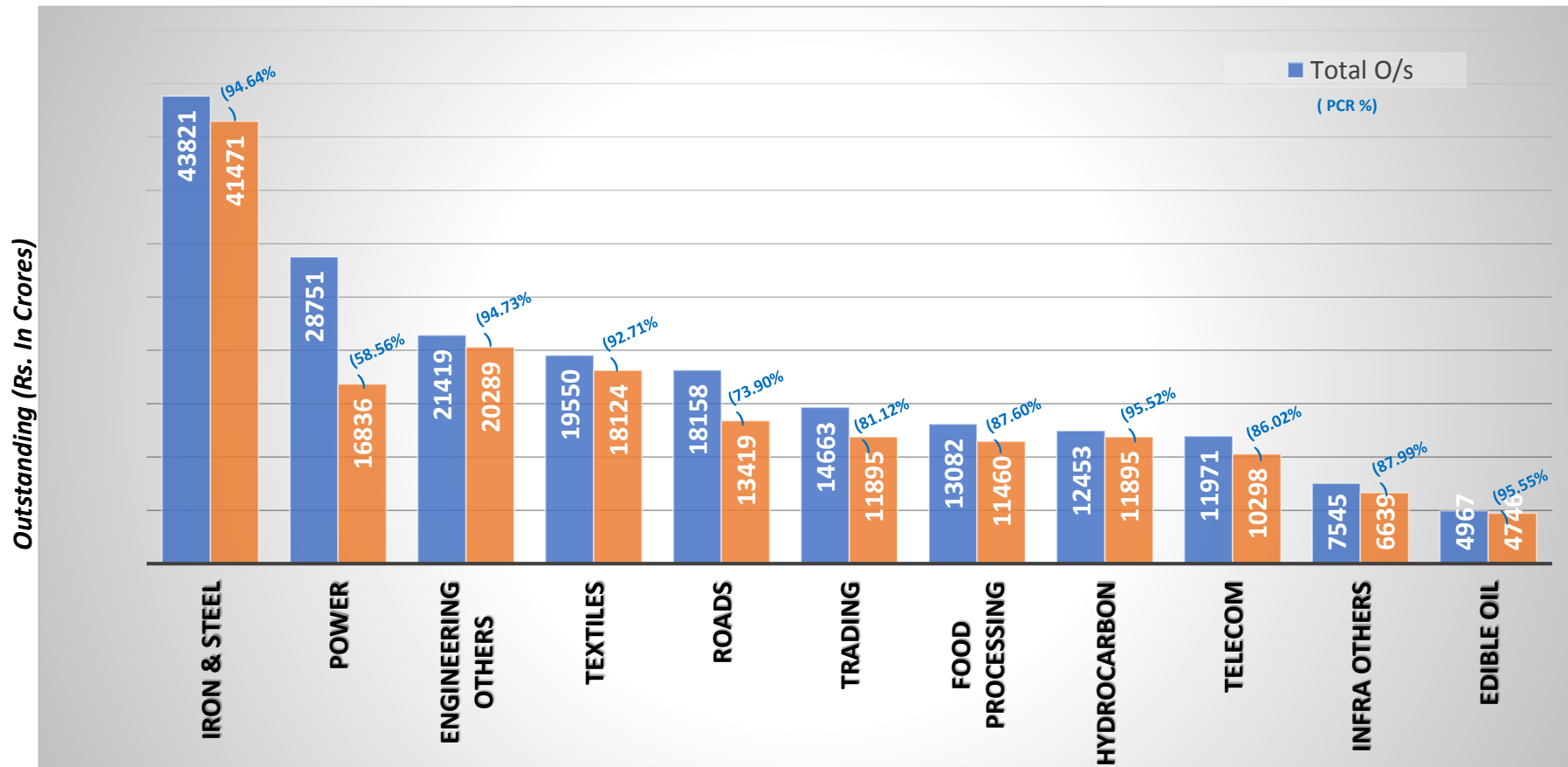


\* Resolution Strategy in 'Others' includes Liquidation under High Court, Liquidation under NCLT, Change in Management, Holding On Operations etc.

Figures in brackets '(')' denotes number of accounts

# WHOLE BANK MAJOR SECTOR WISE PCR

(as on 30.09.2019)



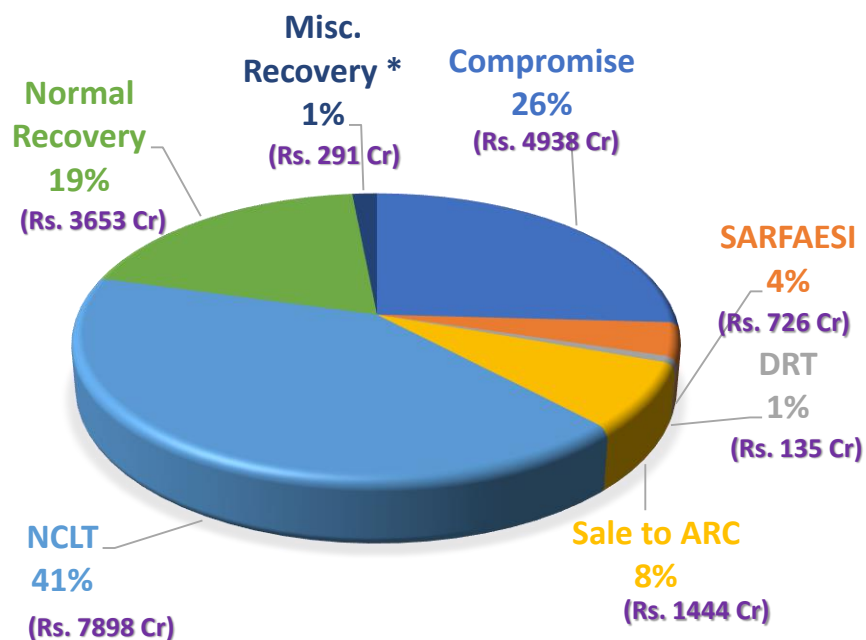
Figures in brackets '(')' denotes PCR



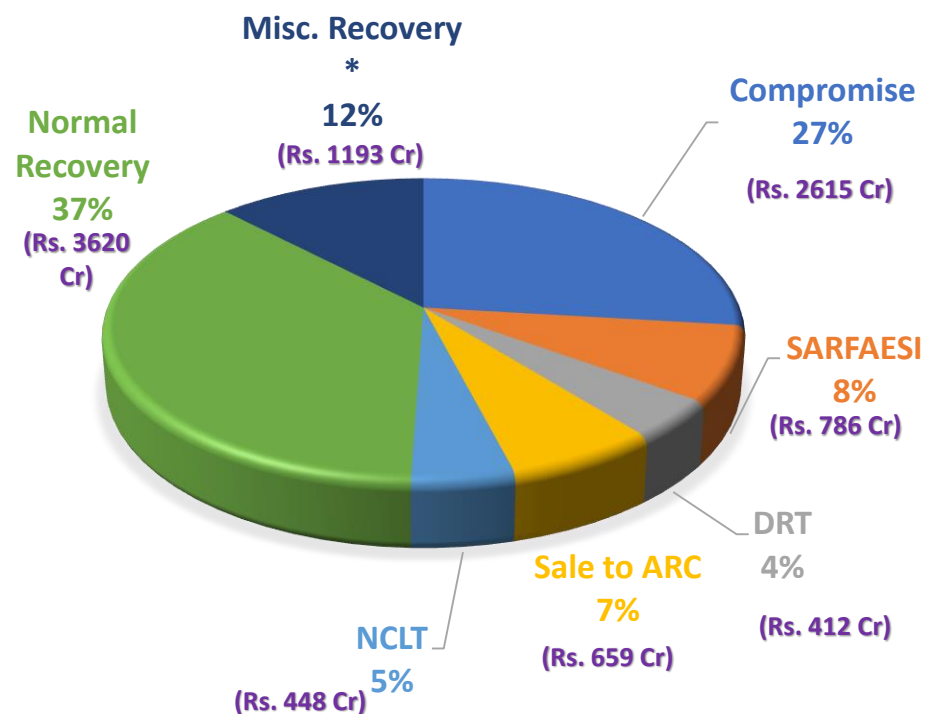
# WHOLE BANK – RECOVERY THROUGH VARIOUS MODES

(Rs. In Crores)

Upto Sept '18



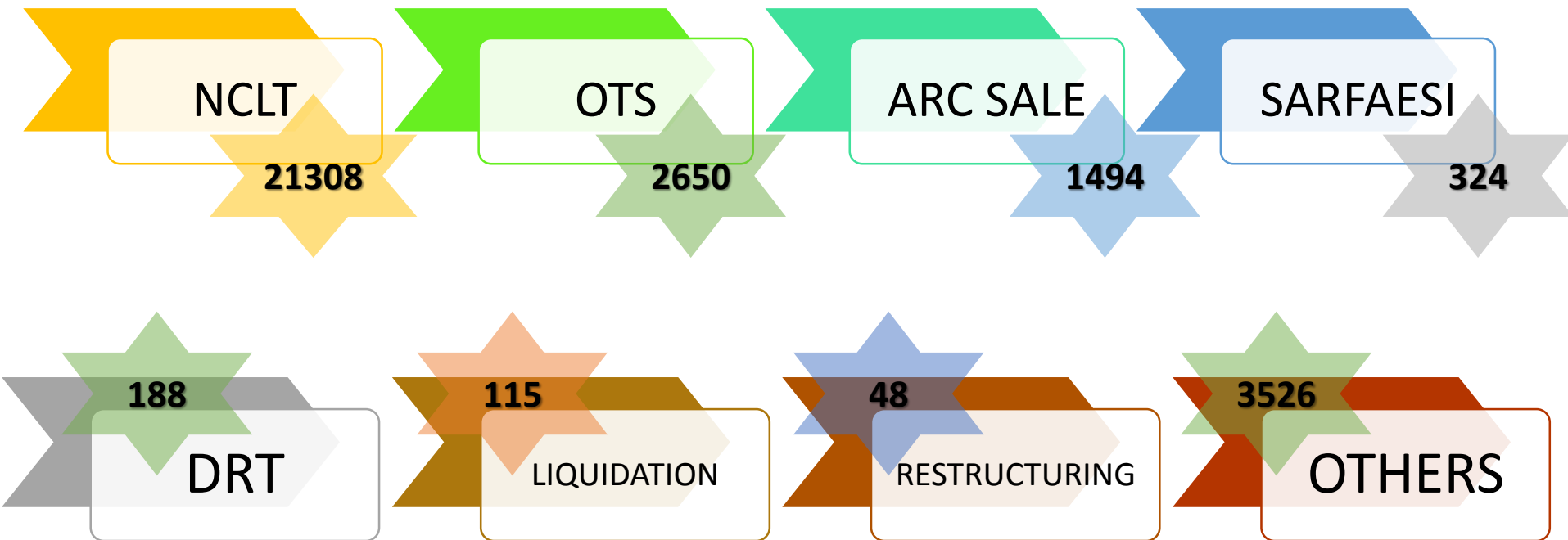
Upto Sept '19



\*Misc recovery includes margin money appropriated, cut back, right of set off, holding on operations, change of management, subsidy etc.

# PROSPECTIVE RECOVERIES BY MARCH 2020

(Rs. In Crores)



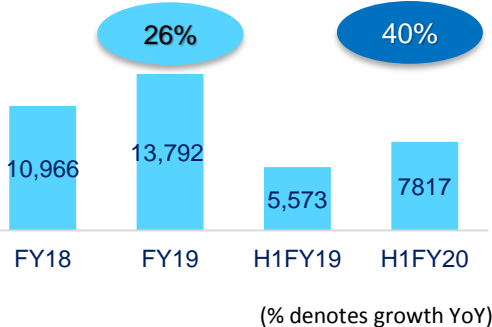
# Subsidiaries & IBG

# Strong performance by our Subsidiaries

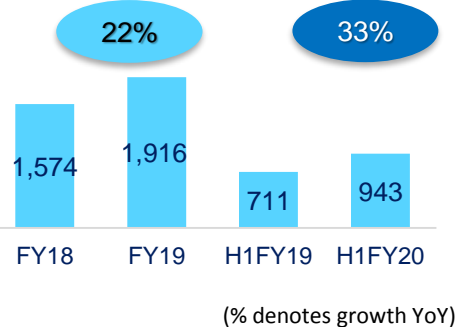
## SBI Life Insurance

(Serving 25 million customers)

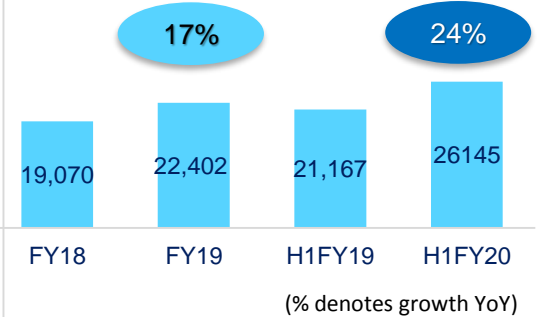
### New Business Premium (in crores)



### Value of New Business (VoNB) (in crores)



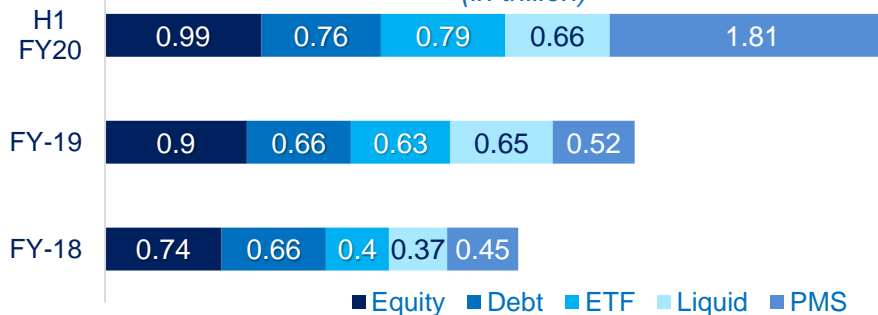
### Indian Embedded Value (in crores)



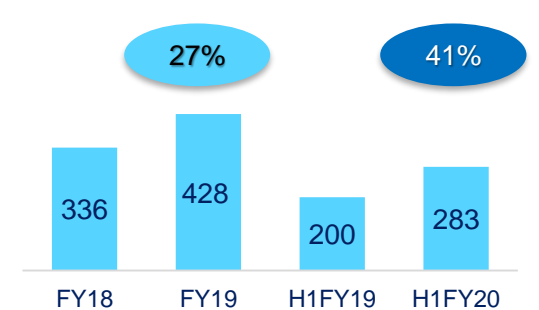
## SBI Funds Management

(10.7 million Investors)

### Asset Mix (in trillion)



### Profit After Tax (in crores)



As on Sep,19

5.01 Tn  
Total AUM (Rs)

10,855 Mn  
SIP Book (Rs)

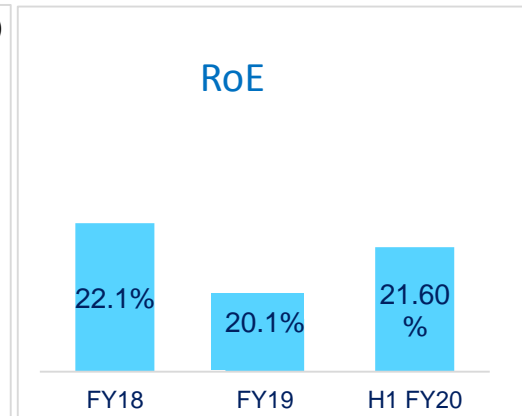
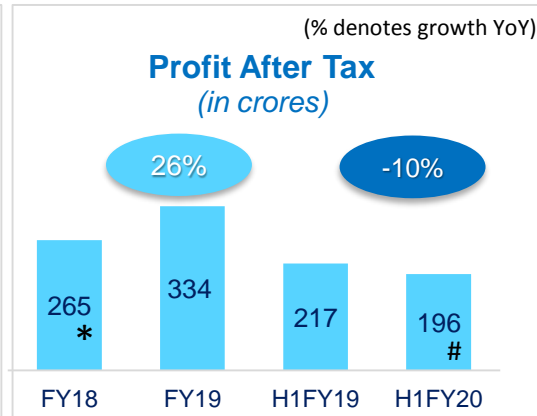
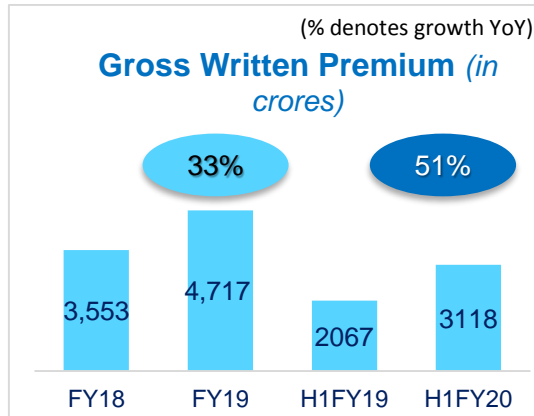
12.48%  
Market Share

3<sup>rd</sup>  
Rank

# Strong performance by our Subsidiaries

## SBI General Insurance

(Serving 24 million customers)



\* Excluding one time impact, PAT @396 CRs. # PBT grew by 9% YOY. However, there was a YOY drop of 10% in PAT during the current year owing to a higher rate of tax. Lower tax charge last year was on account of a MAT credit impact.

SBI General has outperformed Industry growth : Industry CAGR

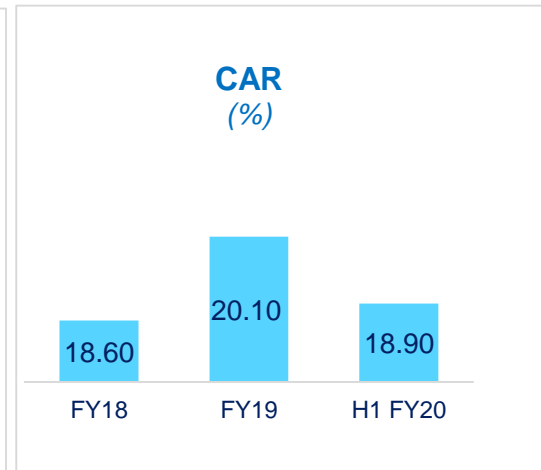
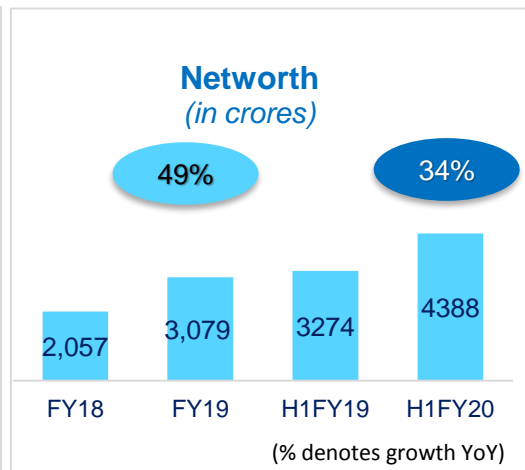
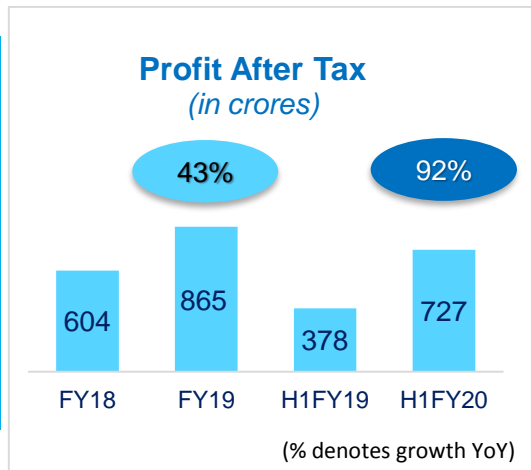
18%

SBI GEN CAGR

78%

## SBI Cards

(9.5 million Cards-in-force base)

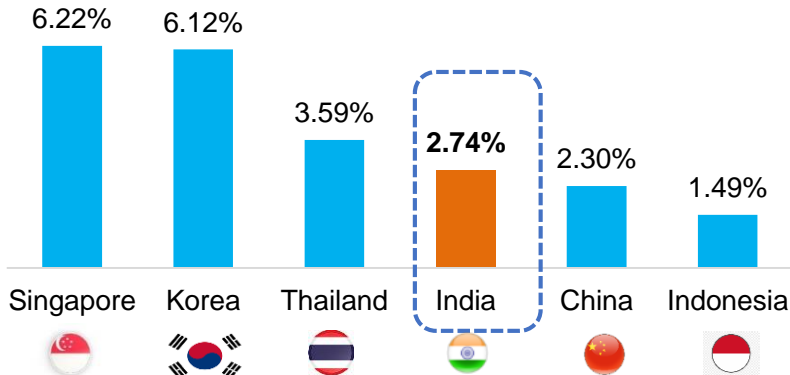


# Significant underpenetrated market in terms of GDP

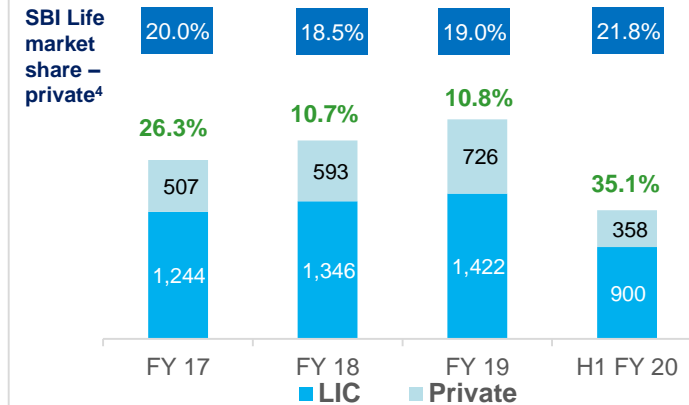
## Life Insurance Premium as % of GDP

**SBI Life Insurance**

(Serving 25 million customers)



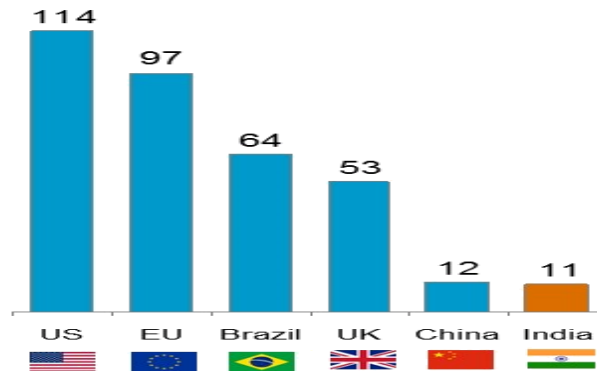
Consistent industry growth – Private sector growing at rapid pace with specific focus on individual products



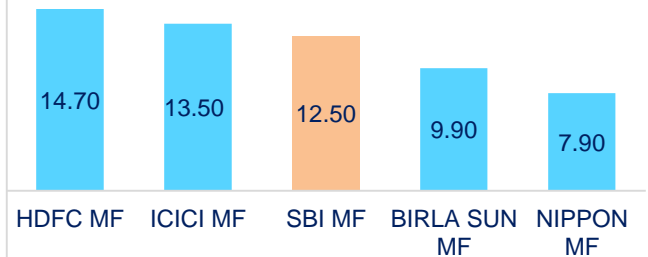
## AUM as % of GDP

**SBI Funds Management**

(10.7 million Investors)



## Market Share (%)

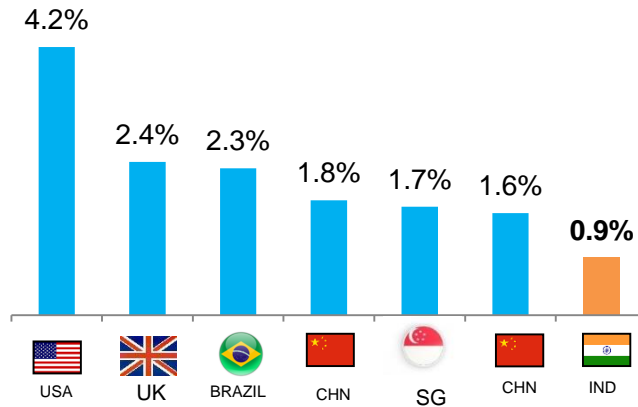


# Significant underpenetrated market in terms of GDP

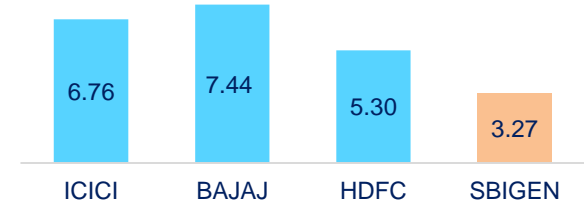
## SBI General Insurance

(Serving 24 million customers)

General Insurance Premium as % of GDP



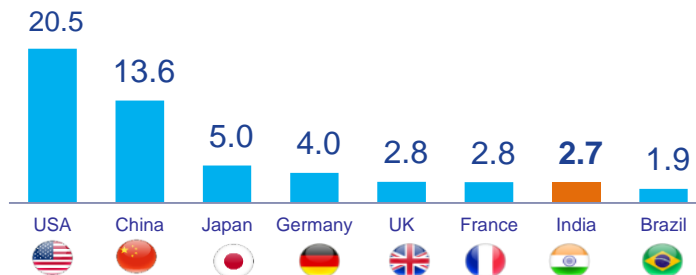
Market Share (%)



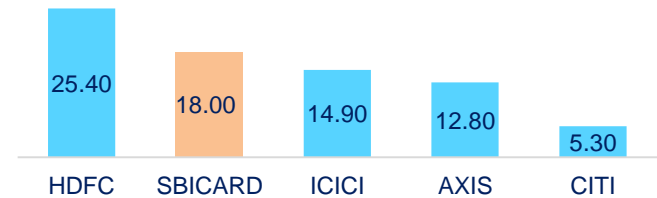
## SBI Cards

(9.5 million Cards-in-force base)

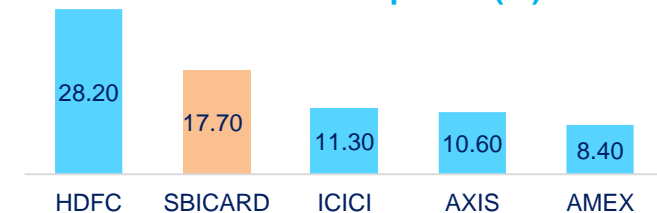
Credit card spends as % of GDP



Market Share Cards in Force (%)



Market Share Spends (%)



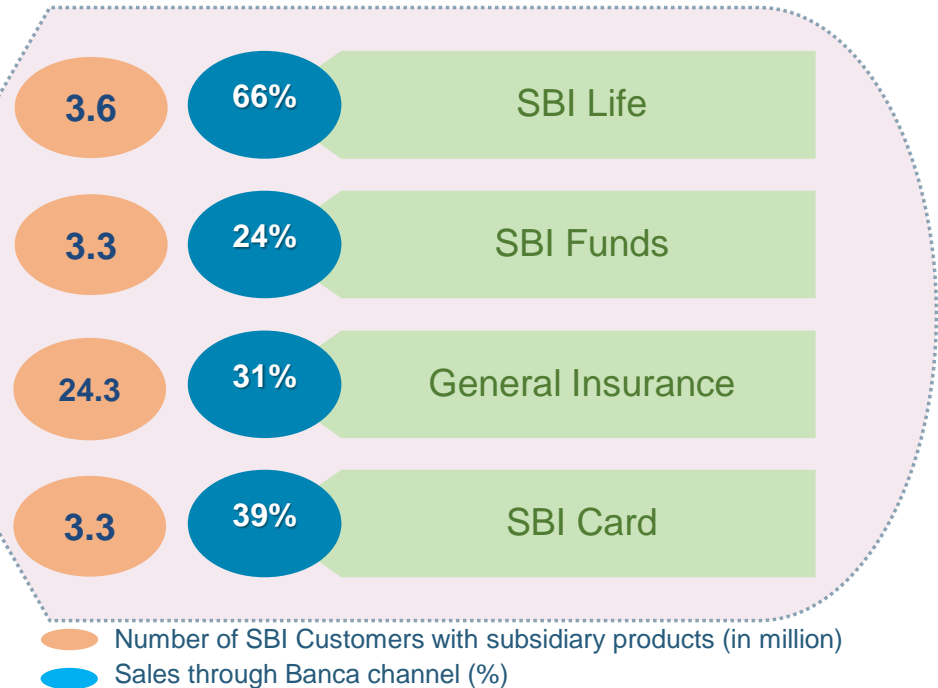
# SBI and its Subsidiaries – leveraging synergies

As on June-2019

**SBI Total Customers  
(In million)**

437.8

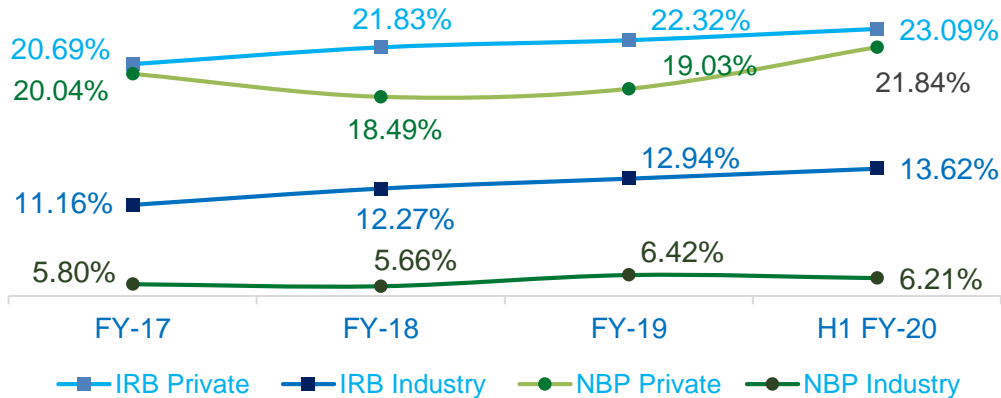
SBI customers  
holding products  
of subsidiaries



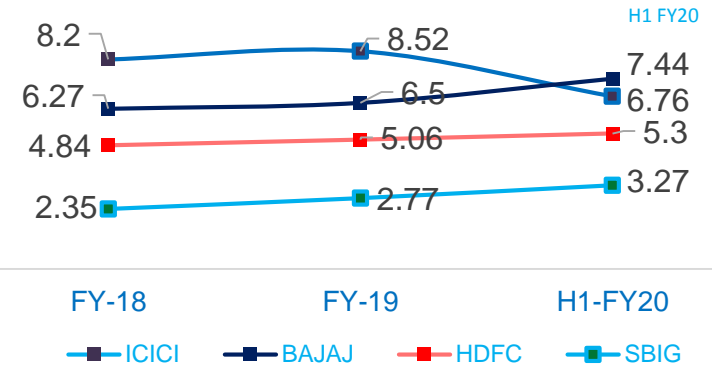


# Dominant market positions of our Subsidiaries

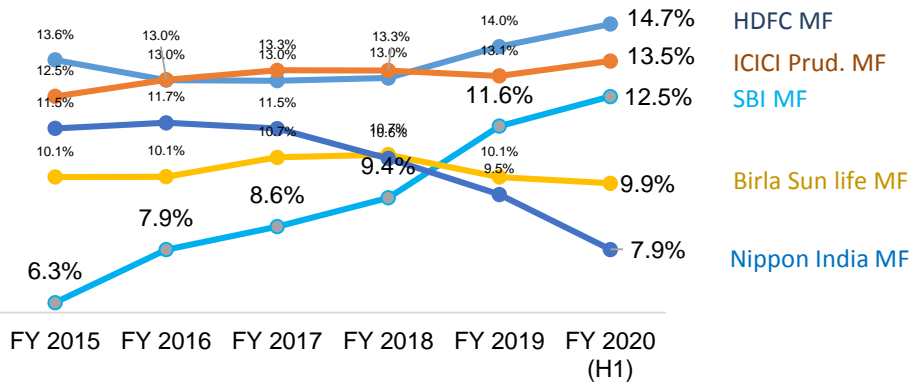
## SBI Life Market Share



## SBI General Insurance Market Share among Pvt. players

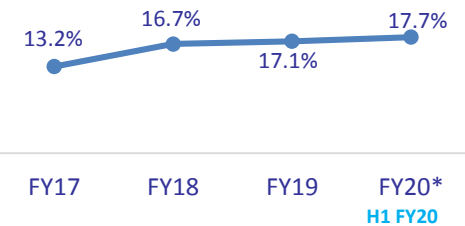


## Mutual Fund Market Share

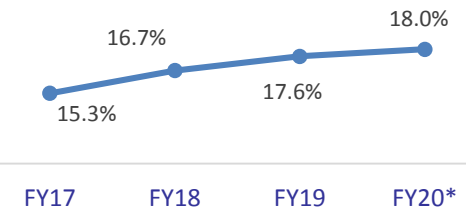


## SBI Cards Market Share

**Spends Market Share**



**CIF Market Share**



\* Source: RBI data

# Distribution Channels

## SBI Life Insurance

**22,000+ SBI Branches**  
**50,000+ CIFs**

**1,21,600+ Individual Agents**

**65 Corporate Agents**

**99 Brokers**

**12,000+ Branches of Banking partners (other than SBI)**

## SBI Funds Management

**22,000+ SBI Branches**

**24157 AMFI Certified (ACE -SBI)**

**160 National Distributors**

**50,000 Individual Fin. Advisor (IFA)**

**Major Indian Banks**  
(HDFC, ICICI, AXIS, KOTAK, etc)

**Global Banks**  
(CITI, Standard C, Deutsche, Barclays Bank)

## SBI General Insurance

**Tie-up with Auto Manufacture Dealers**

**22,000+ SBI Branches**

**114 Branches**

**21500+ IRDAI certified-SPs**

**10000+ Agents**

**15 RRBs sponsored by SBI**

## SBI Cards

**SBI**  
(Branches/ Yono)

**Open Market**  
( Malls, metro stations, airports)

**Co-Brand**  
(Co-brand Partner Stores, fuel stations, railway stations)

**Tele-sales**  
(tele-calling centres)

**E-apply**  
(web/digital)

# Digital Focus

## SBI Life Insurance



**60K**

**New Policies issued**  
H1 FY 20

**9K**

**Renewal of Policies**  
H1 FY20

- 71% Renewal Premium collected through digital mode
- 7lac+ queries resolved through Chatboat
- 1 lac+ lives covered since launch of YONO.
- 360 degree overview of business partners through Saarthi app

## SBI Funds Management



**129K**

*YONO purchase transactions*  
H1 FY 20

**10,258**

*Branches mobilizing business through YONO*

**41,758**

*customers onboarded for YONO MF*  
H1 FY 20

**1,820**

*ACEs mobilizing business through YONO*

- 17 digital assets catering to investors, distributors, employees and other partners
- 42% YoY jump in Digital Sales in H1FY20.
- 40% YoY increase in Direct Digital Sales.
- 73% of overall SIP through Digital assets.
- 57% YoY increase in Digital Sales through SBG instalInvest.

# Digital Focus

## SBI General Insurance



**97 K**  
**Policies sold**  
H1 FY 20

**5 cr**  
**Premium**  
H1 FY 20

- Partnership with Policy Bazar for Travel product on its web
- Tie-ups with other web aggregators : Coverfox, Easypolicy, Wishpolicy, etc.
- GPA (Group Personal Accident) policy on Mobikwik portal.
- Comprehensive integration for sourcing business from SBI Subsidiaries.

## SBI Cards



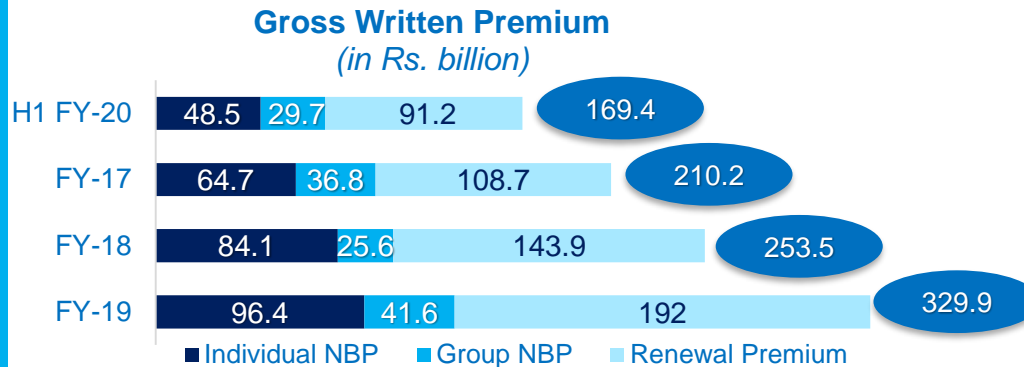
**25 K**  
**Cards Issued**  
H1 FY 20

**Bill pay Txn**  
**No: 7 lacs**  
**Rs.821 cr**  
H1 FY 20

1. Digital sales platform available 24X7
2. AI Powered Chatbot ILA, Drishti and RPA
3. Insta E Card with green PIN
4. Digital servicing and collection through Mobile App, integrated Voice Response System, Workforce Management Solution, CRM

# Business Model of our Subsidiaries

## SBI Life Insurance



- Focus on individual premium – regular premium grew by 21% & renewal premium by 36%
- Growth in IRP by 22% - private industry grew by 16% & industry grew by 11%
- Well diversified across geography – Top 3 states contribute <26% of individual premium

## SBI Funds Management

### KEY PRODUCTS

#### Mutual Funds

Equity–18  
Fixed Inc–13  
Hybrid–6  
ETF & oth–11  
Solution Oriented–1

#### PMS (Domestic)

Domestic  
Mandates – 35  
International  
Mandates – 11  
Retail PMS – 1

#### India Dedicated Funds

Amundi India  
Dedicated  
India Equity  
Funds – 3

#### Alternative Investment Funds

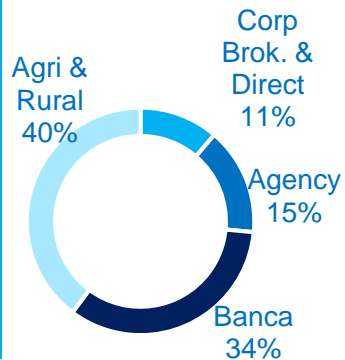
Equity Sch–2  
Special Situations  
Fund–1

- Over 212 branches already open, further plans to open 19 more branches this financial year.
- Over 50% market share in retail products akin to fixed deposits (closed ended debt hybrid)
- With 5 million unique investors, SBIMF has over 30% unique investors base of the MF industry.

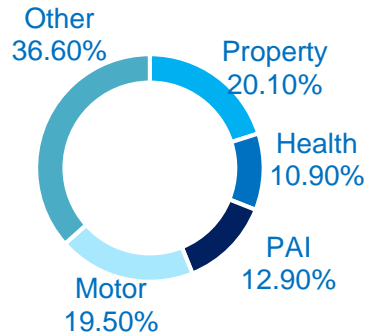
# Business Model of our Subsidiaries

## SBI General Insurance

### Channel Mix



### Key Revenue generating Products



- Balanced distribution across all lines of business
- Agri & Bancassurance continues to be dominant channel, other channels have shown strong contribution
- Participation in Terrorism and Nuclear Liability Pool
- Highest Rural Premium (24% of total GWP in H1 FY 20) amongst large private sector insurers
- Product-specific arrangements, with Reinsurers rated A- and above

### Co-Branded Cards

*Diversified Product launches, in the recent past across the following categories:*

- Health & Wellness
- Fuel
- Banking Cobrand
- Air travel
- Cab aggregator

## SBI Cards

### Open Market Channels

#### D2C

- Large open market acquisitions
- Sourcing across malls, airports, railway stations, petrol pumps, metro stations.

#### Co-brand

- Fast growing cobrand acquisitions
- Sourcing from partner spaces

#### Tele-sales

- Large tele-calling capability across 12 call centers
- Solicitation through procured and partner database

#### E-apply

- Digital acquisition across SBI Card, websites & apps
- Solicitation through online partners, emails, social media.

# Long Term Plans of our Subsidiaries

## SBI Funds Management

Target AUM-  
Rs. 6.25 lac cr

Target Market  
Share-14.25%  
Target Rank-1st

Sustain  
Growth in  
Core Business  
Segments

Incubate New/  
Nascent  
Business  
Lines

Invest in Long  
Term  
Capabilities

## SBI General Insurance

31% GWP YoY  
growth over the  
next 5 yrs

Profitable growth  
over next 5 yrs  
to reach 29%  
ROE

Focus on 5Ps-  
Presence,  
Productivity,  
Profitability, People,  
Processes

Focus on Digital  
segment by  
expanding Web  
Aggregators,  
CSC, POS

## SBI Cards

Increase  
new  
customer  
acquisitions

Tap into new  
customer  
segments

Grow  
transaction  
volumes

Optimize risk  
management

Enhance  
customer  
experience

Leverage  
Technology



# International Banking Group





# SBI's International Footprint

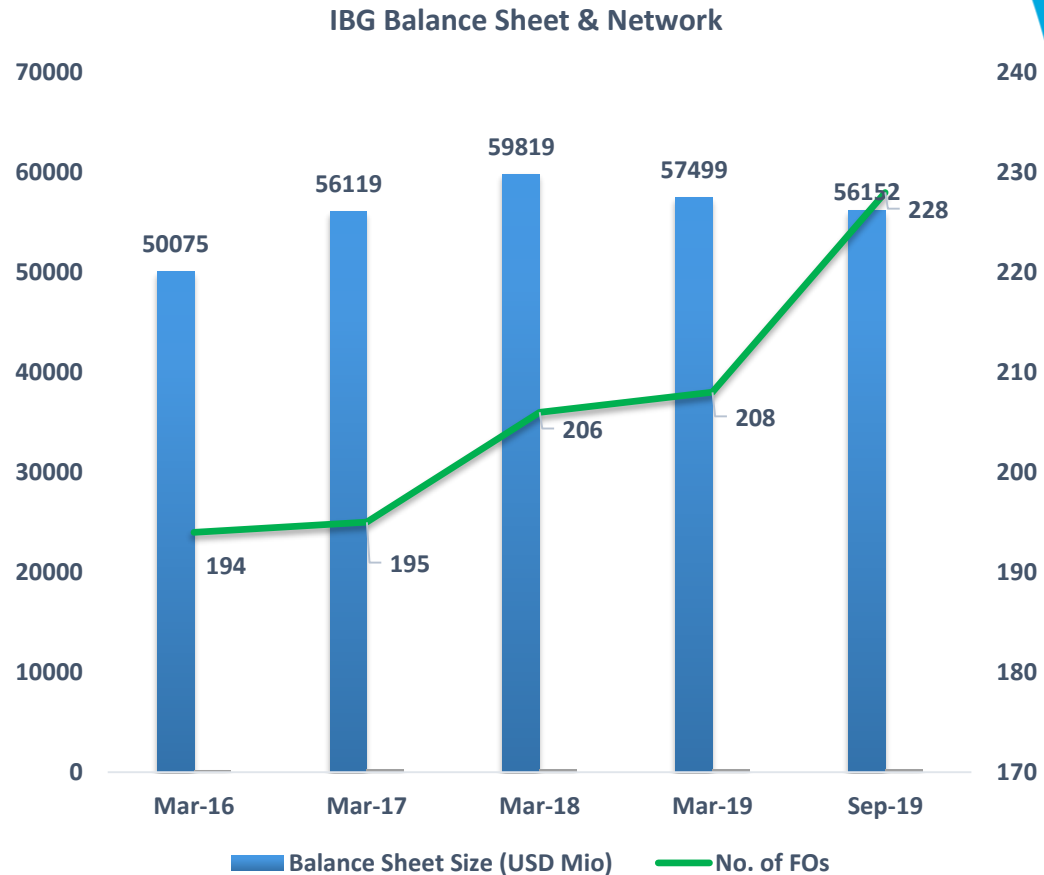
- 6 Continents- 32 countries- 228 Offices

- 36 SBI Branches

- 136 Branches of 8 Overseas Subsidiaries

- 8 Representative Offices

- 48 Other Points of Presence



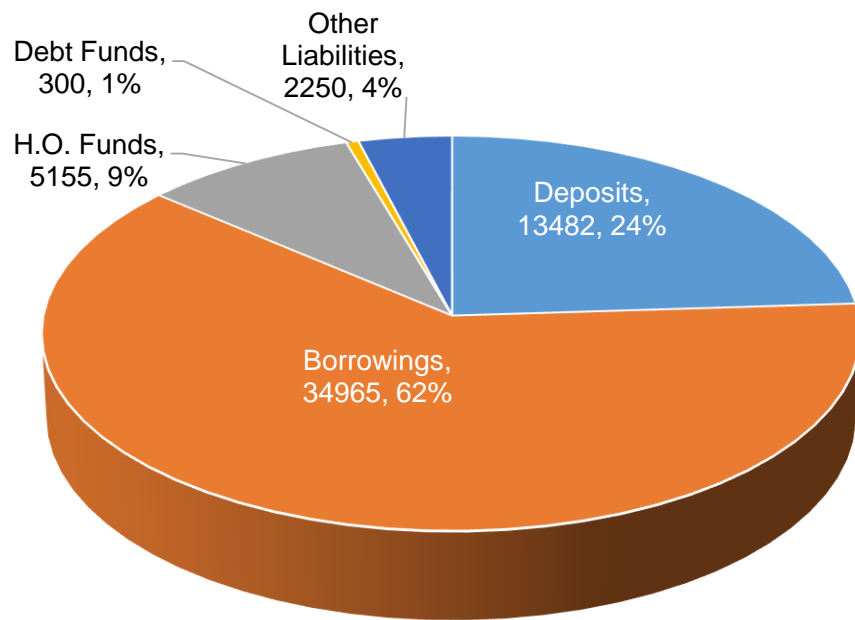
# IBG Business Model

## Meeting the needs of Indian corporates

- **ECBs:** Loans in foreign currency
- **Trade finance:** Support trade-related requirements of Indian corporates involved in export/import e.g., international LC, BG requirements
- **Acquisition finance:** Support acquisition by Indian corporates through foreign currency funding
- **India-linked local corporate lending:** Support to subsidiaries of Indian corporate in international location
- **Increasing our local business portfolio in different geographies**
- **Retail Operations**

## Business Mix (Liabilities)

### Liability Mix

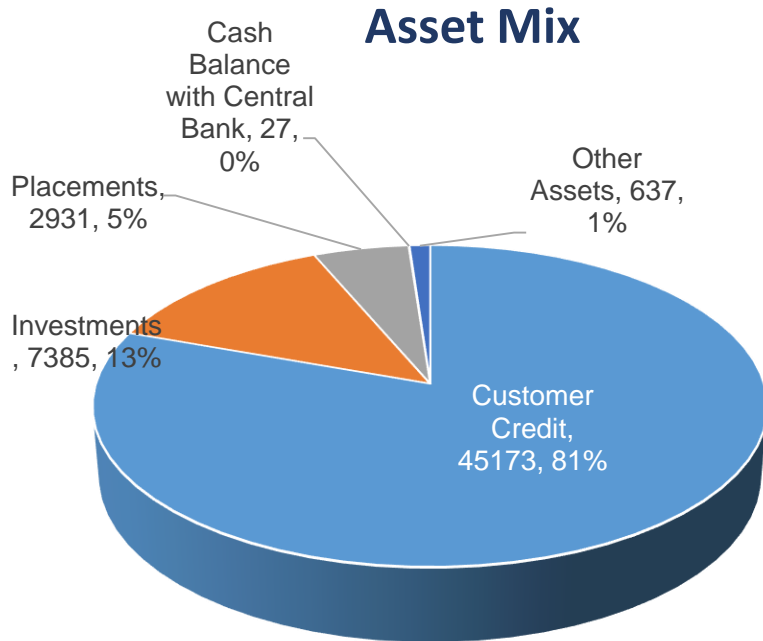


- Deposits
- Borrowings
- H.O. Funds
- Debt Funds
- Other Liabilities

### Borrowing Mix

Source	Amount (USD Mio)	%
Money Market	13488	39%
MTN	5230	15%
Syndicated Loan	3900	11%
RBI Fund	3300	9%
Multilateral Loans	2790	8%
Bankers Acceptance	2700	8%
Bilateral Loans	1810	5%
Others	1747	5%
<b>Grand Total</b>	<b>34965</b>	<b>100%</b>

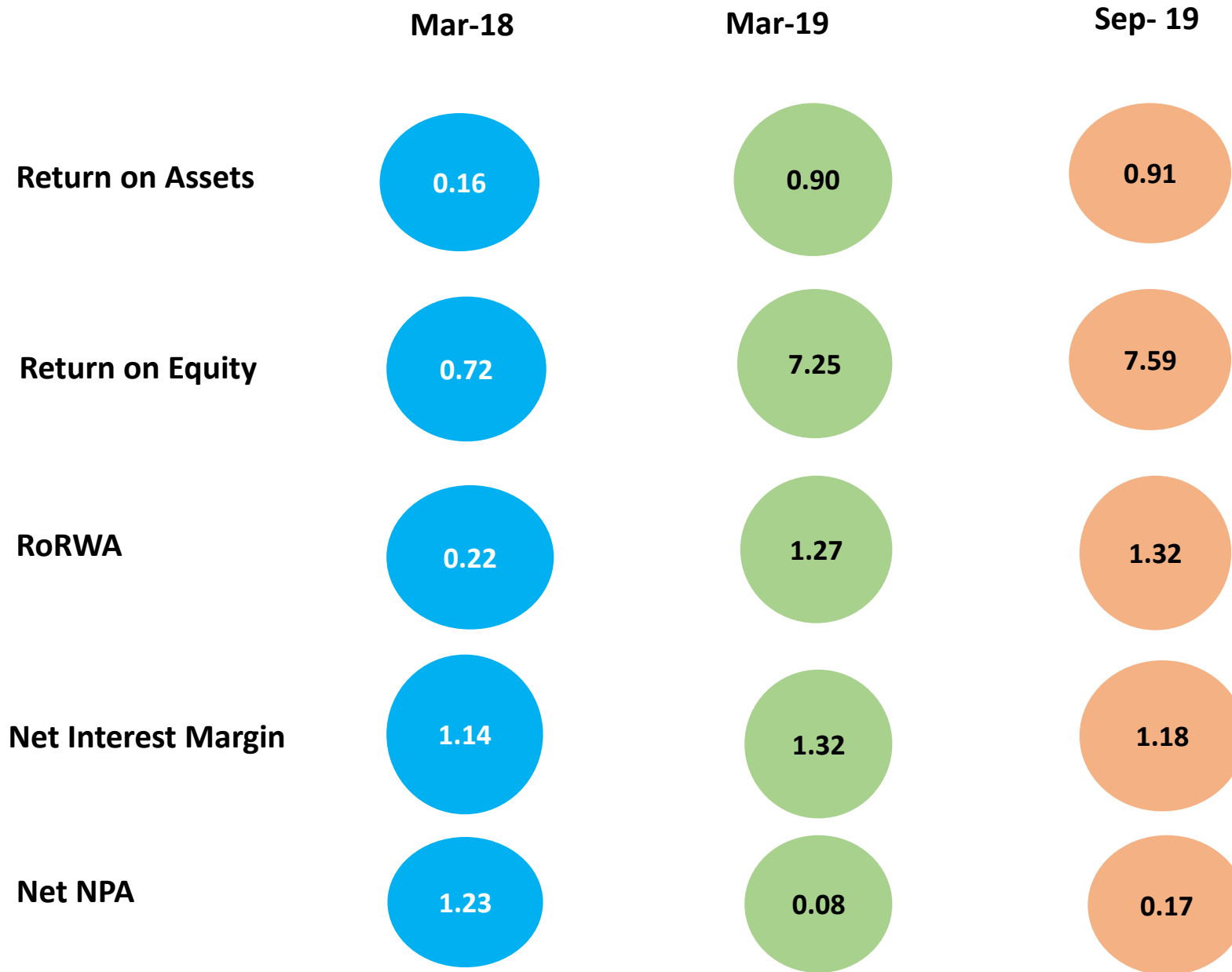
# Business Mix (Assets)



Asset Type	Amount (USD Mio)	%
India Related	16922	38%
Local Syndications	15582	34%
Trade Finance	12669	28%
Total	45173	100%

- Customer Credit
- Investments
- Placements
- Cash Balance with Central Bank
- Other Assets

# Efficiency Parameters



# Strategies for:

## Resource Optimization

- Shift towards non-traditional sources for low cost resources: Repos, Refinance from EXIM Banks / Multilateral agencies, Bankers Acceptance, Reciprocal lines

- Optimizing through low cost deposits, CDs

- Leveraging low cost centres

- Optimum mix of Bilateral Loans, MTNs.

## Asset Buildup

- Originate to distribute, credit enhancements, securitization, churning of assets

- Increasing share of Trade Finance business-leveraging Correspondent Relations and domestic Banks

- Participating in Syndication of High rated assets- optimum mix

- Leveraging domestic synergies & ODI data for Asset build-up

## Other Income

- Forex Income- optimal trading, focus on forex conversion and hedging business from overseas subsidiaries of Indian Corporates

- Churning of Assets- Loans, Trade Finance Assets, Investments

- Leveraging technology (MTP) for LC/BG volumes

# IBG Aspirations



- Indian Foreign Bank  Global Bank From India



- No. 1 Correspondent Bank for India Globally



- Major partner of trade finance between India & the world



- At par with peers in Retail products & service suite- Digitally Loaded



- Robust IT platforms for Expansion through virtual banking

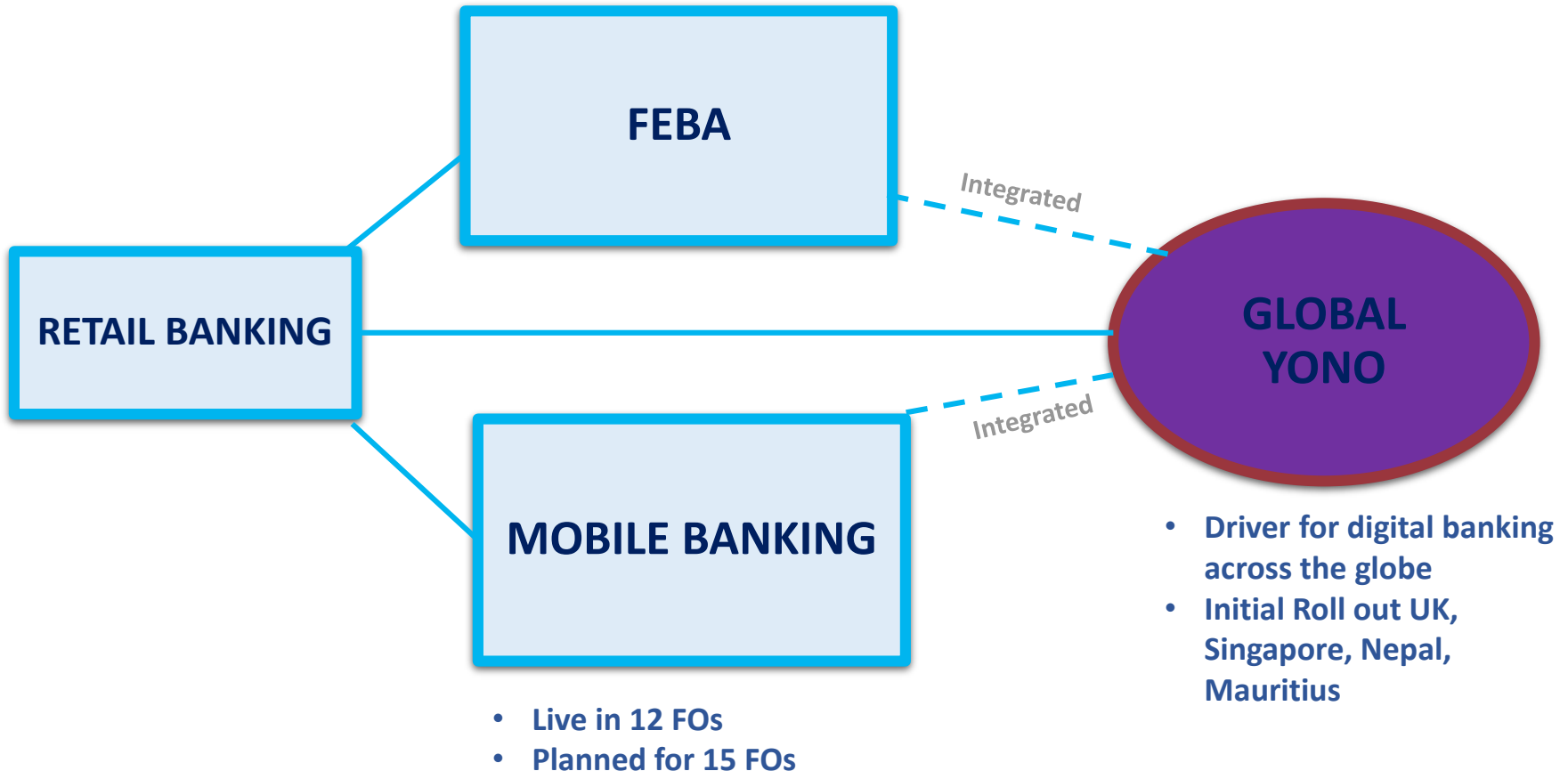


- Global Bank with Compliance culture to emulate

# Digital Strategies

Reducing the cost of acquiring new business through technology products-SBI YONO to be our driver for digital banking across the globe (especially to broad base retail liabilities)

- Rolled out in all FOs except US Ops



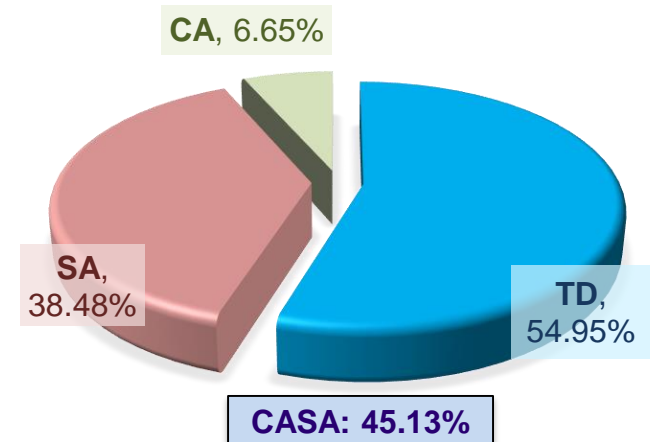


# Retail Banking Strategy & Digital Banking

# Strong Liability Franchise

<i>Rs. in Crores</i>	<b>Sep 19</b>	<b>YoY Growth</b>
Current Account	1,95,349	12.22
Saving Bank	11,30,822	7.42
<b>CASA</b>	<b>13,26,171</b>	<b>8.10</b>
Term Deposits (TD)	16,12,583	8.73
<b>Domestic Deposits</b>	<b>29,38,754</b>	<b>8.45</b>

## Domestic Deposits



## Strengths

- Corporate tie-ups with Institutions, Government Dept and major Corporates for Salary Accounts
- 2.40 Lakh Salary A/c opened during H1FY20
- 1.47 Crore Salary A/c opened till date with total Cash Deposits of 1,31,418 Crores
- Average Balance in Salary Package A/c improved to Rs.89,436 Crores

## Strategies

- Focus on CA/SB growth
- Generating leads through Credit Lite and FIG Departments
- Leveraging CMP for mobilizing Corporate A/cs
- Leveraging PoS business for increasing no of A/c as well as Average balance
- Setting up of dedicated CA Sourcing teams

# Strong Retail Housing Portfolio

**Home Loan Portfolio of Rs 4,24,487 crore**

*As on Sep 2019, Rs. in Crores*

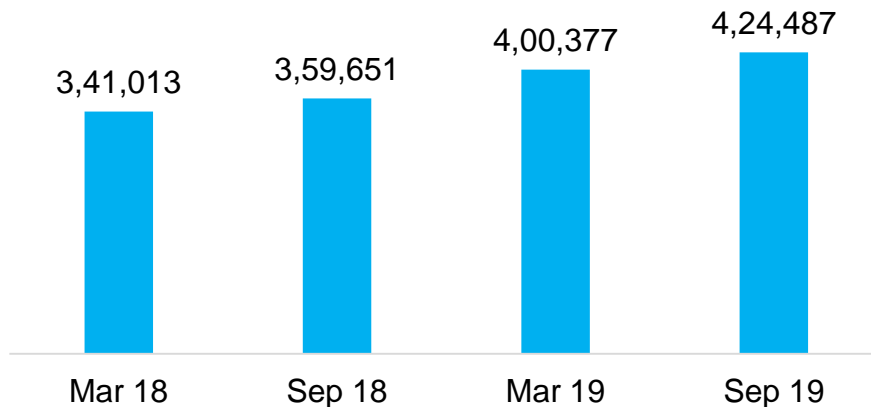
% of Dom. Adv. **22.02%**

Market Share **35%**

YoY Growth **18.03%**

GNPA Ratio **0.93%**

**CAGR of 16.13% over last 2 years**



## Our Strengths

<b>Corporate Tie-ups</b>	1.47 Crore Salary A/c Holders provide huge potential for growth.
<b>Interest Rates</b>	Interest Rates are most competitive in the Country
<b>Delivery</b>	Robust Delivery Mechanism ensure TAT of 12 Days
<b>Customer Profile</b>	Huge Potential for Secondary Sales as- - 91% of HL Customers are first time buyers - 57% of Buyers upto 40 years of age

## Strategies

Digital Marketing	Sourcing of proposals through YONO; for those not tech savvy, "SMS Home" facility also; generate leads through Social Media Platforms
Society Connect Program	Being held on Weekends to meet HL Customers of other Banks for Switching over
Tie-ups / Strategic Alliances	Strategic alliance with third party lead aggregators, Realty firms, Developers, financial aggregators, property sites, etc.
Other Initiatives	'Cleared Project' Process

# Xpress Credit – Major Growth Driver

As on Sep 2019, Rs. in Crores

**Xpress Credit Portfolio of Rs 1,20,660 crore**

% of Dom. Adv.

**6.26%**

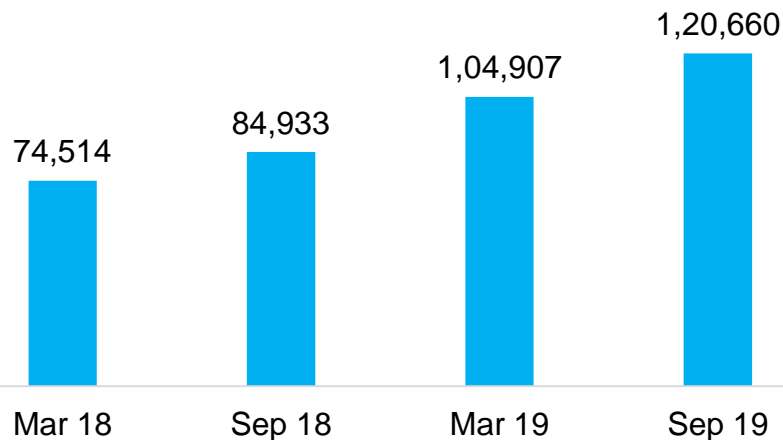
YoY Growth

**42.06%**

GNPA Ratio

**0.56%**

**CAGR of 37.35% over last 2 years**



## Our Strengths

### Corporate Tie-ups

1.47 Crore Salary package A/c Holders provide huge potential for growth

### Low Delinquency

Loans mostly given to Govt. Employees and employees of high rated Corporates having salary account with us

### Delivery Mechanism

Robust Delivery Mechanism ensures quick delivery  
TAT reduced to 4 days.  
Digitization to lower TAT further

## Strategies

- Expansion in number of Salary Package customers through focus on Tie-ups.
- Digitization of Sourcing and Delivery through YONO is the way forward.
- Targeting to have more customers who are New To Credit (NTC) in our loan book through data mining of Liabilities and financial behavioral analysis

# SME : Growth through Digital Origination

As on Sep 2019, Rs. in Crores

**SME Portfolio of Rs 2,74,141 crore**

% of Dom. Adv.

**14.22**

**RISK MITIGATED PORTFOLIO AT 28.02% OF SME PORTFOLIO AS ON  
30.09.2019**

## Strategies Going Forward

- Pre-Approved Merchant loans for CA holders having SBI POS Devices.
- Leveraging e-MUDRA (end to end digital solution) for loans upto Rs.50,000
- EASY Loan & Secured Loan products for Co-origination with NBFCs.
- Active participation on TReDS platform for discounting of MSME Bills.
- Contactless Lending Platform for loans Upto Rs. 5 Cr.
- Credit delivery through 368 SME Intensive branches backed by around 1,750 Relationship Managers and 400 (AMTs).
- Digital on-boarding and processing of proposals, including e-Signing of documents

# Agri : Focus on Risk Mitigated Products

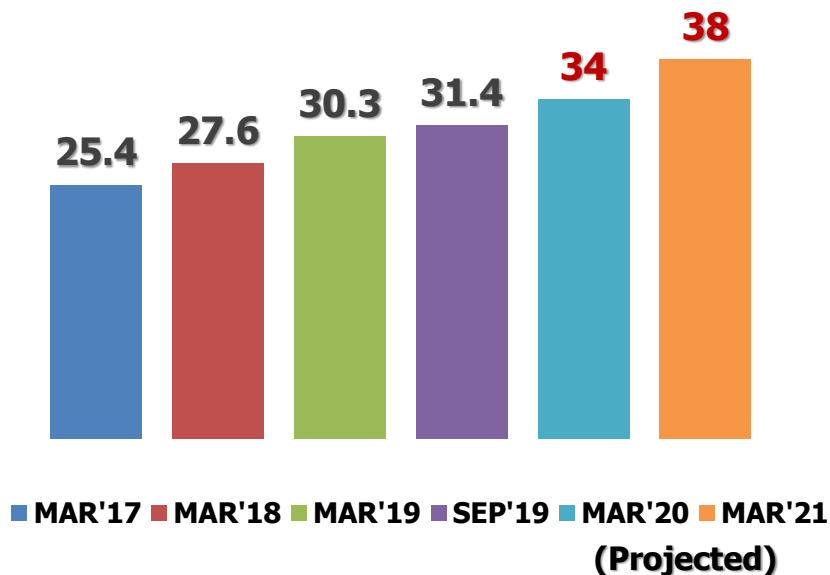
As on Sep 2019, Rs. in Crores

**Agri Portfolio of Rs 202,462 crore**

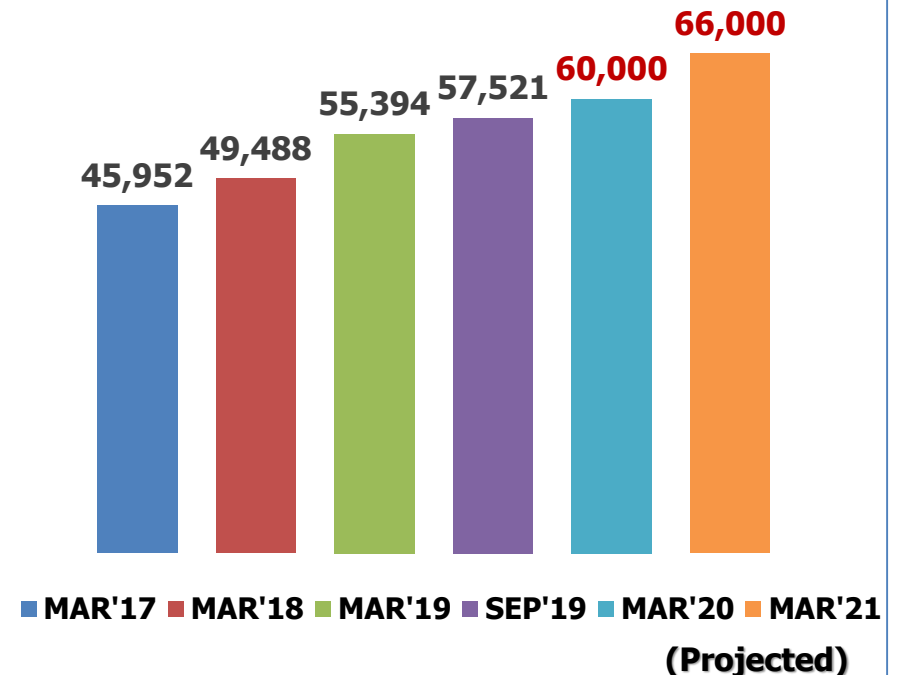
% of Dom. Adv. **10.50**

- There has been a conscious shift towards Risk Mitigated Products in our portfolio
- Gold loan have zero risk weightage under Basel norms
- Loan against SARFAESI-compliant property (Asset Backed Agri Loans) and portfolio purchases have also exhibited very low credit cost

**% SHARE OF RISK MITIGATED PRODUCTS TO PORTFOLIO (GOLD LOAN, ABAL, PORTFOLIO PURCHASE)**



**AGRI GOLD LOAN ADVANCES LEVEL (Rs. in Cr)**



# Corporate Credit

# Corporate Sector – Market Leadership across segments

As on Sep 2019, Rs. in Crores

**Corporate Portfolio of Rs 7,65,986 crore**

% of Dom. Adv. **39.73**

Streamlined coverage and delivery model, and reduced number of branches  
(Revamping in CAG / CCG)

## Corporate Accounts Group

- Consolidated coverage of highest priority corporates/group relationships
- Widen universe with dedicated coverage for Financial Institution Group (FIG) & Credit Light Corporates
- Focus on fund to fee income

## Commercial Clients Group

- Focus on enhancing Risk Adjusted Return from customers with higher credit needs- RAROC threshold of 20%
- Focused account management plans tailored to address specific client needs for this segment



# Corporate Sector – Market Leadership across segments

Set up of Credit Review Department (CRD)

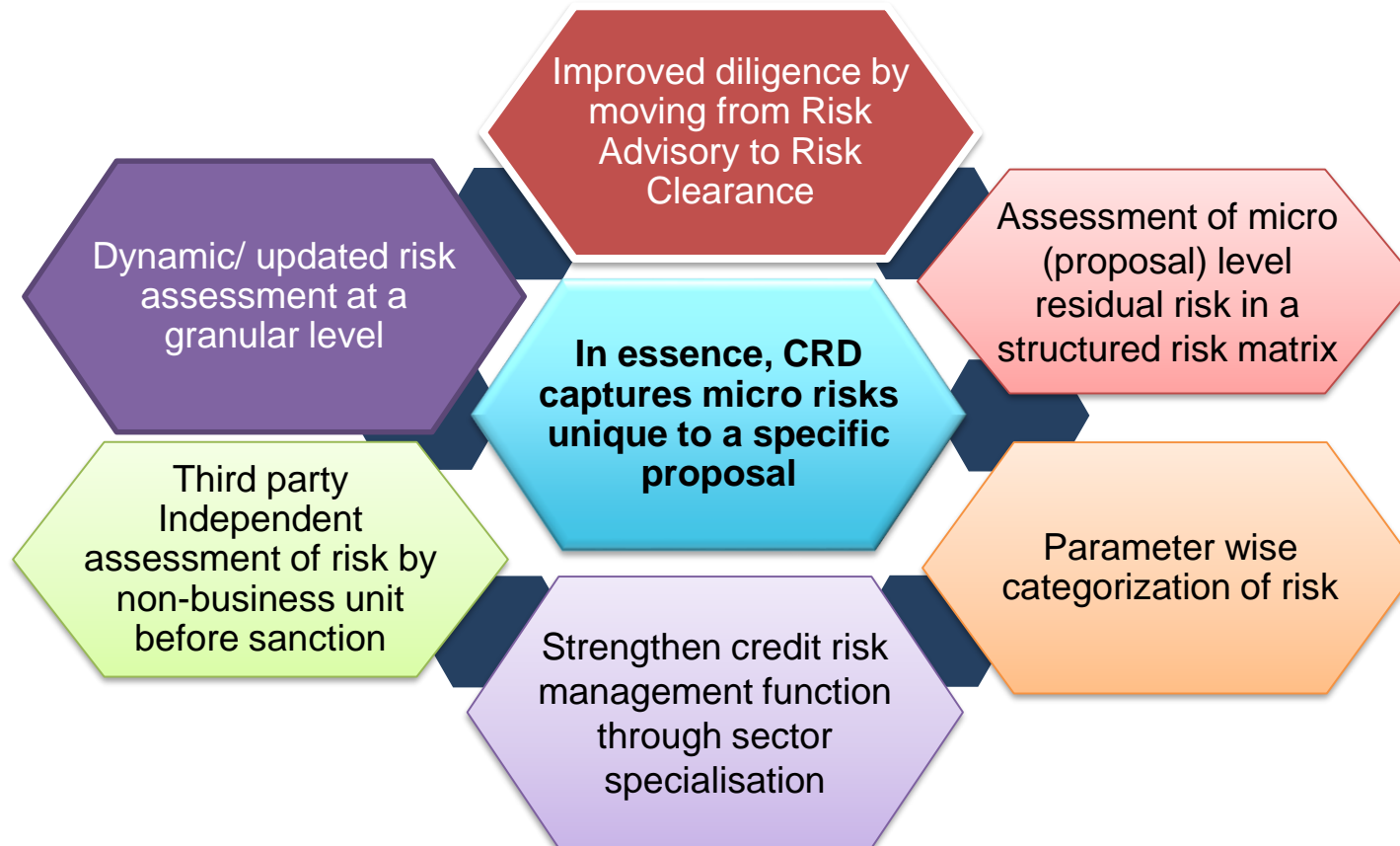
Follows a two stage sanctioning process:

- A) Internal risk advisory (industry issues, due diligence on company, track record of promoters) classifying a proposal as Low, Medium, High risk in addition to internal and external rating.
- B) Proposal presented before the sanctioning committee

**Quality of underwriting is further strengthened**

# Corporate Sector – Market Leadership across segments

## Credit Review Department (CRD)



# Corporate Sector – Market Leadership across segments

## Credit Portfolio (ECR)

ECR	Mar'18	Sept'18	Mar'19	Sept'19
AAA	21.12%	23.54%	38.79%	35.72%
AA	22.09%	26.14%	24.85%	25.39%
A	16.30%	20.89%	14.11%	18.19%
<b>Total A &amp; above</b>	<b>59.51%</b>	<b>70.57%</b>	<b>77.75%</b>	<b>79.30%</b>
BBB	10.47%	13.3%	9.85%	8.97%
<b>INVESTMENT GRADE</b>	<b>69.98%</b>	<b>83.87%</b>	<b>87.60%</b>	<b>88.27%</b>
BB & Below	17.50%	8.69%	6.04%	7.32%
Unrated	12.52%	7.43%	6.36%	4.74%

# Corporate Sector – Market Leadership across segments

## Drivers of Corporate Credit Growth

**Total Corporate Advances as on 30.09.2019 : Rs 7,65,986 Cr (3% Growth)**

## Project Finance

### New Sanctions

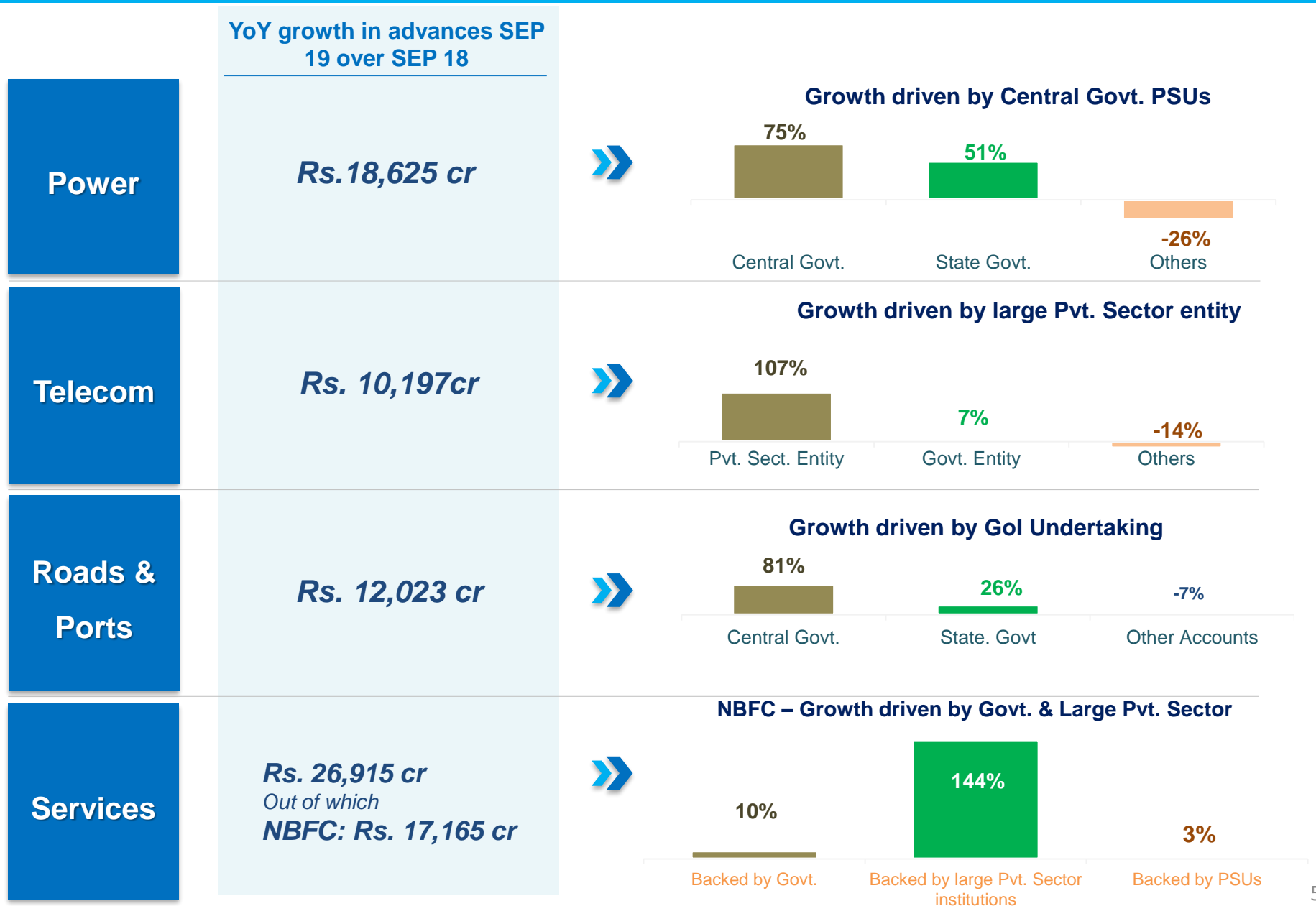
Infrastructure	No	Amount (Rs in Cr)
Infrastructure	8	5937
Non Infrastructure	1	1988
Total	9	7925

### Proposals in Pipeline

Infrastructure	No	Amount (Rs in Cr)
Infrastructure	36	29500
Non Infrastructure	4	6300
Total	9	35800

**Disbursements – April to September 2019 : Rs 5916 Cr (28 Accounts)**

# Drivers of Corporate Growth



# Corporate Sector – Market Leadership across segments

## Approach to new business

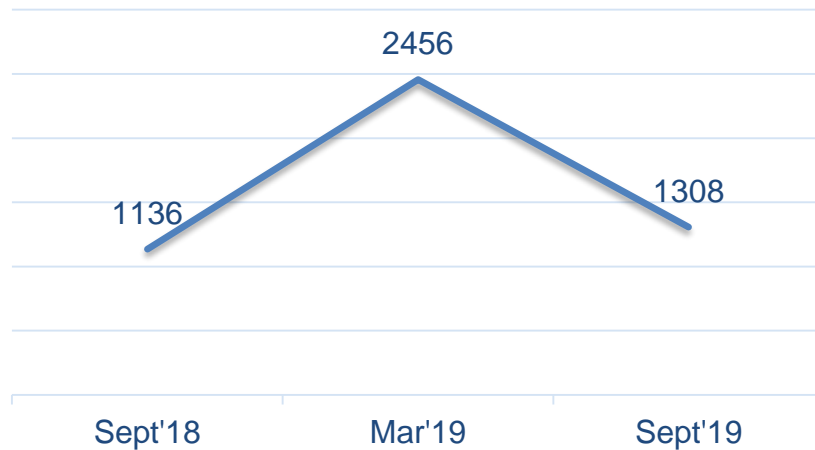
**Corporate credit growth in a risk mitigated manner**

- **PSU undertakings**
- **Investment Grade companies with viable projects**
- **Strong focus on cash flows of the companies**

# Corporate Sector – Market Leadership across segments

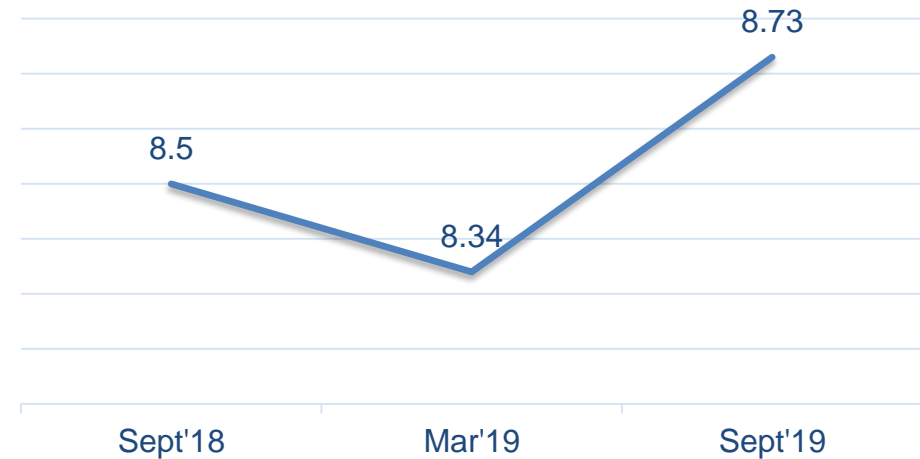
## Other Income

In Cr.



## Yield on Advances

In %



Improving yield and focus on other income to grow ROA

# Corporate Sector – Market Leadership across segments

## Identification of Weak accounts and measures to prevent slippage

- Early Warning System effectively implemented for Identification of weaknesses in the account.
- Close monitoring of all SMA accounts  
(As on 30<sup>th</sup> Sept 2019, 47 Accounts - Rs.12568 Cr)
- Quick action and Exit of accounts.

No. of relationships Exited without haircut	Exposure (Rs. In crores)
6	6,251





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**THANK YOU**