Disclaimer

This presentation is made purely for information. We have tried to give relevant information which we believe will help in knowing the Bank. The viewers may use their own judgment and are advised to make their own calculations before deciding on any matter based on the information given herein. While every care is taken to verify the accuracy of the information given in this presentation, neither the Bank nor its officials would in any way be liable for any action taken or not taken by the viewers or the users of this presentation or for any claims, losses etc.
SBI STRENGTHS

- FRANCHISE VALUE.
- RISK POSITIONING.
- REGULATORY ENVIRONMENT
- OPERATING ENVIRONMENT.
- PROFITABILITY
- LIQUIDITY
- CAPITAL ADEQUACY
- EFFICIENCY
- ASSET QUALITY
Q3FY09
Financial Results
Operating and Net Profit

Q3FY09 Over Q3FY08

- Operating Profit: 4483 (55.72% increase)
- Net Profit: 2478 (37.03% increase)

Q3FY08 Over Q3FY07

- Operating Profit: 3660 (22.49% increase)
- Net Profit: 1809 (69.82% increase)
**Deposits Level:**
- Dec 07: 510132
- Mar 08: 537405
- Dec 08: 692922

**DEPOSITS**

**Deposit Growth**
- **Q3 08:** 105780
- **Q3 09:** 182789

**Market Share (%)**
- **Dec 07:** 15.47
- **31-Dec:** 17.51

**YOY**: 35.83%

**204 bps**
### ADVANCES

**Advances Growth**

*Rs. In Crs*

- **Q3 08**: 81164
- **Q3 09**: 114265 (YOY 28.85%)

**Advances Level:**
- **Dec 07**: 396014
- **Mar 08**: 423071
- **Dec 08**: 510279

**Market Share (%)**

- **Dec 07**: 15.51
- **01-Dec**: 16.13 (62 bps)

**Advances Level:**
- **Dec 07**: 396014
- **Mar 08**: 423071
- **Dec 08**: 510279
Yield on Advances

- Dec 07: 9.93
- Dec 08: 10.42

Cost of Deposits

- Dec 07: 5.55
- Dec 08: 5.95

Expenses Ratio

- Dec 07: 51.74
- Dec 08: 47.35

**Changes:**
- Yield on Advances: 49bps
- Cost of Deposits: 40bps
- Expenses Ratio: -439bps
CORE FEE INCOME INCREASED BY 57% IN Q3 FY09

Rs crore

Q3 09 vs. Q3 08

Total Other income

Q3FY08: 2697 → +20% → Q3FY09: 3226

Core Fee Income

Q3 FY 08: 1024 → +57% → Q3 FY 09: 1609
Rs crore  

SEGMENTAL BREAK-UP OF ADVANCES GROWTH

Dec 08 Over Dec 07

**Large Corporate**

- +46.52%

- 44033 → 64518

- Focus on high fee income across relationships
- Largest syndication of rupee denominated project finance lending
- Yield on advances improved to 10.12% from 8.57% in Mar08

**Mid Corporate**

- +23.42%

- 93652 → 115588

- Mid corporate portfolio alone larger than most banks entire lending
- Simultaneous focus on CA, Forex and fee income
- Yield on advances improved to 11.77% from 9.73% in Mar 08

**SME**

- +27.50%

- 69619 → 88765

- Focus on true SME (Turnover of <Rs 50 crore)
- New business model in place to capture CA and fee income
- New products SME CARE” and Traders Bonanza Plus Scheme launched.
SEGMENTAL BREAK-UP OF ADVANCES GROWTH

Dec 08 Over Dec 07

- **International**
  - Dec 08: 54033
  - Dec 07: 72078
  - Increase: +33.39%
  - Highest provider of corporate syndicated credit
  - Capturing India related business in high potential countries

- **Home Loans**
  - Dec 08: 42827
  - Dec 07: 52062
  - Increase: +21.56%
  - Market Share increased to 18% from 17.25%.
  - Home loan portfolio is well distributed across all population groups

- **Education Loans**
  - Dec 08: 4176
  - Dec 07: 6152
  - Increase: +47.31%
  - Highest market share in the industry (24%)
  - In-principle approvals now available on the net
SEGMENTAL BREAK-UP OF ADVANCES GROWTH

Rs crore

**Dec 08 Over Dec 07**

**Auto Loans**

- Achieved 18% benchmark for agri-advances
- Three track model of branches, sales forces and BC/BF

<table>
<thead>
<tr>
<th>Dec 07</th>
<th>Dec 08</th>
<th>Change</th>
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<tbody>
<tr>
<td>6788</td>
<td>8970</td>
<td>+32.14%</td>
</tr>
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</table>

- First bank to introduce online approval of Auto loans
- Highest growth rates in Maruti & Hybundai Car

**Residual Retail Loans**

- Focus on existing customers and mass-affluent segment
- One of the highest growth rates in the industry

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<thead>
<tr>
<th>Dec 07</th>
<th>Dec 08</th>
<th>Change</th>
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<tbody>
<tr>
<td>28341</td>
<td>37077</td>
<td>+30.82%</td>
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**Agri Loans**

- Achieved 18% benchmark for agri-advances
- Three track model of branches, sales forces and BC/BF

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<th>Dec 07</th>
<th>Dec 08</th>
<th>Change</th>
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<tbody>
<tr>
<td>41365</td>
<td>52251</td>
<td>+26.31%</td>
</tr>
</tbody>
</table>
POPULATION GROUP WISE BREAK – UP OF HOME LOANS
as on 30.09.2008

- Metro: 36%
- Rural: 8%
- Semi Urban: 21%
- Urban: 35%

Average Ticket Size is Rs.17 Lakhs
Interest Income on
Advances

Q3FY08  |  Q3FY09
---|---
9271  |  12837

Total Interest
Expenses

Q3FY08  |  Q3FY09
---|---
8410  |  12272

Net Interest Income

Q3FY08  |  Q3FY09
---|---
4256  |  5758
MOVEMENT OF CASA

CASA | CA | SA

Dec-07 | 195796 | 146762 | 49034
Mar 08 | 218372 | 153660 | 54712
Dec 08 | 237307 | 185799 | 51508

YOY %:
CASA: 201.20
CA: 5.04
SA: 26.59

CASA Ratio:
Dec-07: 41.05%
Mar 08: 43.10%
Dec 08: 36.58%

Rs crore
NET INTEREST MARGIN

(Ind Percentages)

Dec 07: 3.01%
Mar 08: 3.07%
Dec 08: 3.15%

CD RATIO

Dec 07: 71.63%
Mar 08: 72.44%
Dec 08: 67.59%
Capital Adequacy Ratio – Basel I (In Percentages)

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<thead>
<tr>
<th></th>
<th>Mar 08</th>
<th>Sep 08</th>
<th>Dec 08</th>
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<tbody>
<tr>
<td>Tier I: Tier I</td>
<td>9.14%</td>
<td>8.67%</td>
<td>9.18%</td>
</tr>
<tr>
<td>Tier I: Tier I</td>
<td>13.54%</td>
<td>12.14%</td>
<td>13.35%</td>
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Capital Adequacy Ratio – Basel II

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<th>Sep 08</th>
<th>Dec 08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier I: Tier I</td>
<td>9.14%</td>
<td>8.22%</td>
<td>9.44%</td>
</tr>
<tr>
<td>Tier I: Tier I</td>
<td>12.64%</td>
<td>11.51%</td>
<td>13.72%</td>
</tr>
</tbody>
</table>
Asset Quality

Gross NPAs

Dec 07: 11183 (2.82%)
Mar 08: 13599 (3.21%)
Sep 08: 12552 (2.51%)
Dec 08: 13314 (2.61%)

Net NPAs

Dec 07: 5610 (1.44%)
Mar 08: 7424 (1.78%)
Sep 08: 6618 (1.34%)
Dec 08: 6864 (1.36%)

Rs crore
RECENT AWARDS / RANKINGS

✓ SBI is the only Indian Bank to find place in the Fortune Global 500 List (2008) (380th place, up from 495th last year).

✓ SBI is placed at 57th place in the Top 1000 Global Banks by Banker Magazine in July 2008 up from 70 last year. SBI is ranked 8th among Top 10 Banks in Asia.

✓ SBI has received “BEST BANK – National Level” award for financing Rural Employment Generation Programme (REGP) of Khadi & Village Industries Commission (KVIC) for 2007-08.

✓ CNBC-AWAAZ Consumer award –“Most preferred Bank award 2008” & “Most Preferred Home Loan provider award 2008”.

✓ Outlook Money-NDTV Profit award for “Best Home Loan provider” 2008 and “Best Bank award 2008”.

✓ First prize from Fidelity Funds Management for highest net sales mobilisation in 2007-08.

✓ Bank’s Core Banking Project was conferred the ‘Banker Technology Award’ in two categories
Awards Contd.

- Recently SBI bagged two Prestigious Award from Indian Banks Association and TFCI namely,
  
  **BEST IT ARCHITECTURE**
  
  **RURAL BANKING INITIATIVE**

- Awarded the Bank of Year 2008- India by the Banker Magazine London

- Wall Street Journal Asia –Survey India rated SBI as top brand in terms of financial reputation.

- SBI recently opened its 11111th Branch.

- SBI recently conferred with two awards by Banker Magazine namely, “Retail Core Banking and Overall Retail Technology Products”
KEY STRATEGIC INITIATIVES UNDERTAKEN

• Centralized operating architecture for all metro and urban branches completed
  – Over 500 Centralized Processing Centers established
  – Over 2,200 branches redesigned during the year, and are now focusing on sales and service; Total branches redesigned at the end of H1FY09 is over 2,200
  – Over 2,000-strong owned salesforce outside branches
  – Contact Centre established; Full set of services being rolled out
  – Active plan to migrate customers to alternative channels – ATM / Internet / Mobile
KEY STRATEGIC INITIATIVES UNDERTAKEN

• Significant business benefits have already begun flowing in
  – Better in-branch customer service (e.g. account opening in 10 minutes)
  – Standardized and best-in-class TAT for key processes (e.g. Home Loan TAT of 3 days for high value loans)
  – Increased employee productivity; Business per employee increased by over 2.5x in 5 years; Reduction in transaction costs

• BPR Project Implementation Phase II
  – Inward Remittance Cell (IRC)
  – Document Archival Centre (DAC)
  – Inter Office Instruments (IOI)
  – In-Branch Cash Handling (IBCH)
KEY STRATEGIC INITIATIVES UNDERTAKEN

• SME operating architecture firmly established
  – Ramping up in-branch / out-of-branch sales forces exclusively focused on SME; Over 300 on the ground already
  – Focus on profitable growth, fee income and new business models such as SCF
  – Project Uptech launched to catalyze technology up gradation in SME clusters
KEY STRATEGIC INITIATIVES UNDERTAKEN

- Major push on retail assets, especially housing loans leading to portfolio growth of 22%
  - Reverse Mortgage and SBI Home Plus schemes launched
  - CNBC-AWAAZ Consumer award – Most Preferred Home Loan provider 2008.
  - Outlook Money-NDTV Profit award for “Best Home Loan” 2008.
  - Home loan sales force strength above 1900
  - Over 1,200 financial advisors in place for wealth management and cross-sell of mutual funds and insurance products
  - E-invest product for investment under IPOs launched
KEY STRATEGIC INITIATIVES UNDERTAKEN

- New Rural strategy being rolled out aggressively
  - Largest owned agric/rural sales force in the country with over 3,000 people and 3,000 more being recruited in addition to staff in branches
  - Created third party channel (BC/BF) – 7660 already enrolled; Plan to reach 20,000 customer service point outlets by 2009
  - New operations backbone being rolled out in semi-urban/rural India to process loans sourced; Target of 100 RCPCs in FY09 – 75 already in place
  - Industry shaping alliance with India Post active in 6 states; Will be extended to all other states
  - All India alliance with ITC, Dhristee Foundation, IGS, Zero Mass
KEY STRATEGIC INITIATIVES UNDERTAKEN

- Opening new branches to cover high potential semi-urban locations; 576 already opened in FY 08 and 50% branches in FY 09 opened in Rural/Semi urban area.
- 126 Rural Credit Processing Centres under BPR established to speed up rural financing.
- SBI Tiny Card rolled out in 13 states/38 districts covering 52000 villages (29000 unbanked). Targets for FY09: 40 lac Cards/50000 unbanked villages.
- SHG-Bank credit link – market leader with 12.71 lac linking's with disbursement to the tune of Rs. 6254 crores.
- 100% Financial Inclusion under SLBC projects of RBI
- SBI Talent award scheme launched; Awards given to rank holders of schools in higher secondary examination.
KEY STRATEGIC INITIATIVES UNDERTAKEN

- **SBI remain on top for 2008 in Asia (Ex Japan) on the syndicated loans table.**
- **New international strategy in place**
  - Opened branches at Jurong East in Singapore and at Hithadooo in Maldives, REP office at Tianjin in China.
  - Initiatives underway to strengthen business in countries with strong India linkage (e.g. USA, UK, UAE)
  - Restructuring international organization to enable new business model
  - Plans in place to be the dominant foreign bank in select countries
  - 57% growth in inward remittances in Q3 09 over Q3 08.
KEY STRATEGIC INITIATIVES UNDERTAKEN

- Focus on fee income generation by providing value added services (100% growth target in fee income for large and mid-corporates respectively in FY 09)
- New thrust on wholesale banking and top corporates through customized products, state of the art e platform & specialized work force
- Thrust on increasing dominance in midcrop space (gold, wholesalers, broking, etc)
- 1800 account plans completed across CAG/ MCG.
- Leadership program undertaken for implementation of wholesale banking strategy.
Thank you