



**State Bank of India**

**Q2FY09 RESULTS**

**ANALYSTS MEET**

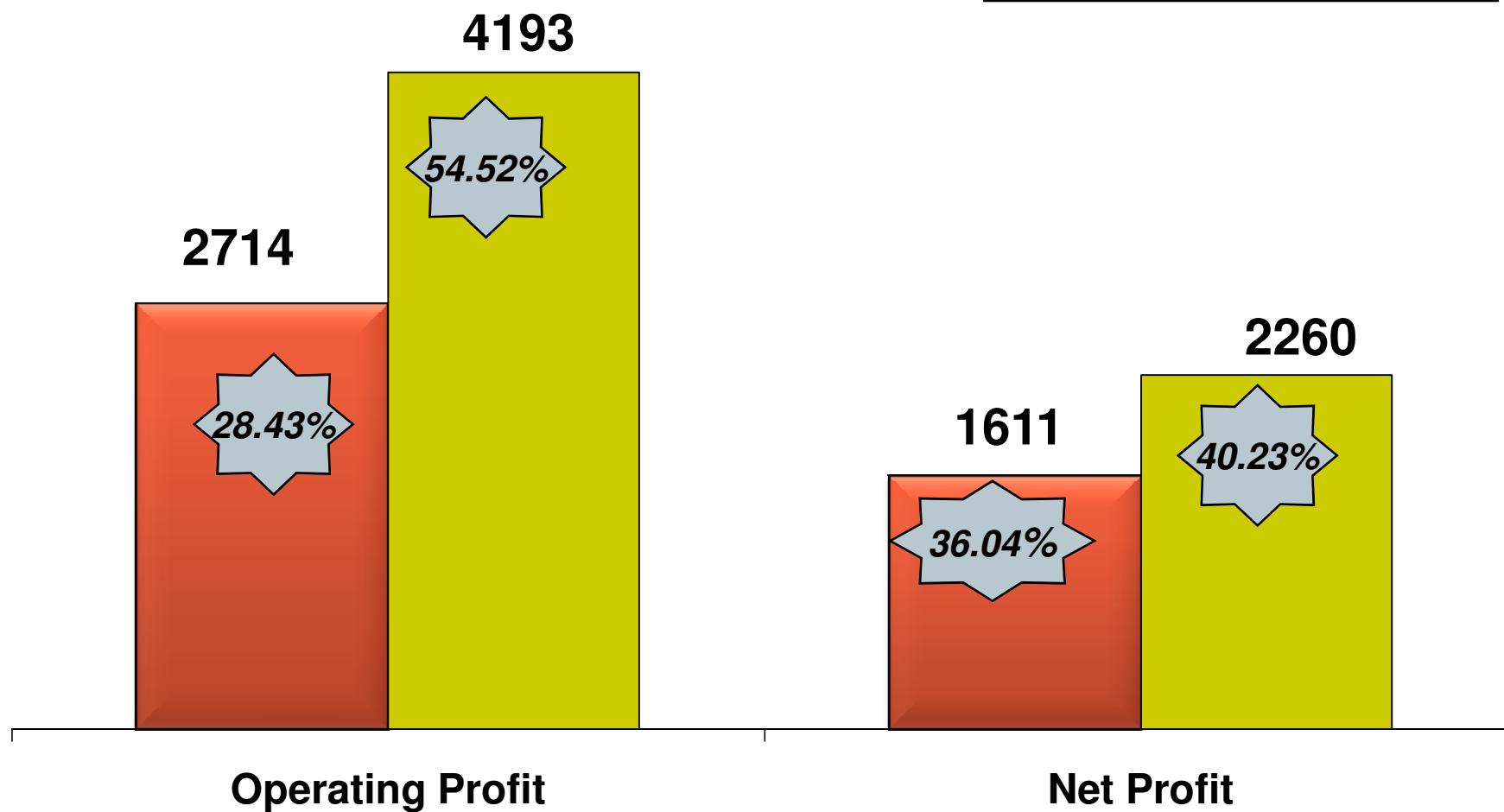
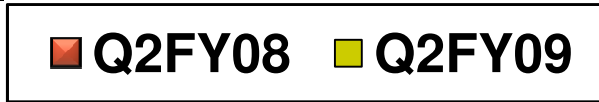
**27.10.2008**



**State Bank of India**  
*With you - all the way*

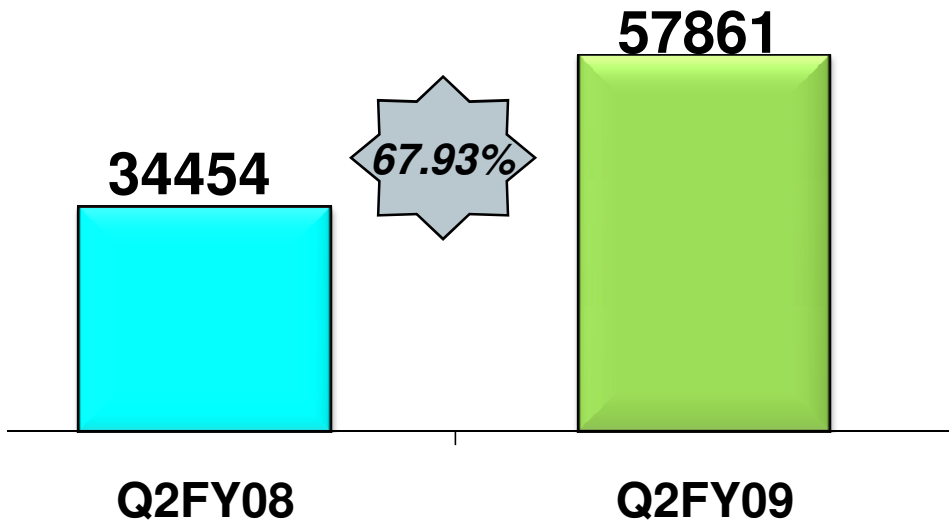
**Pure Banking.  
Nothing else.**

### Operating and Net Profit

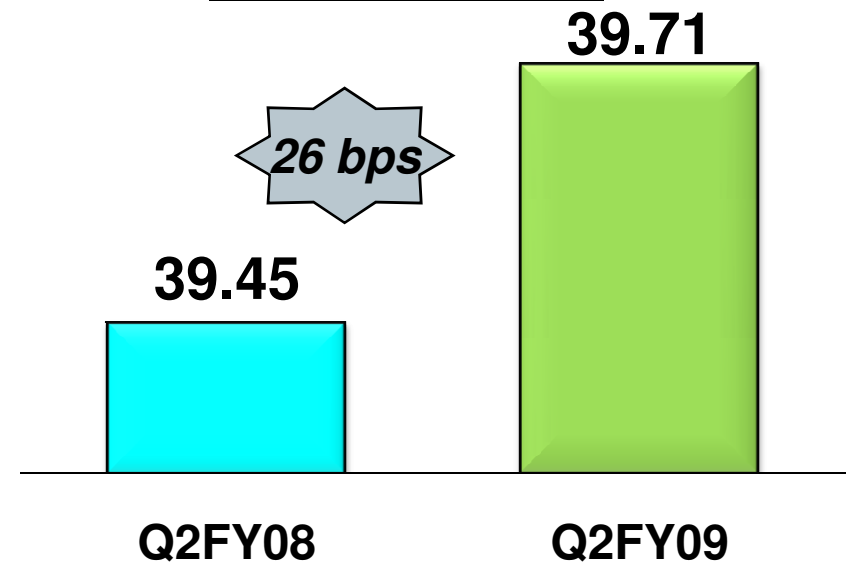


# DEPOSITS

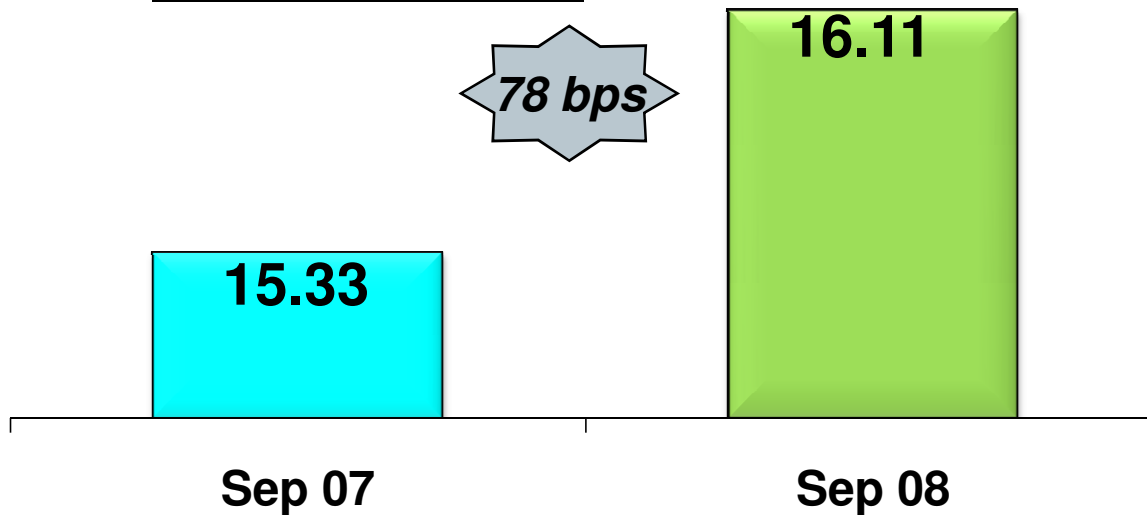
## Deposit Growth *Rs. In Crs*



## CASA Ratio (%)



## Market Share (%)



### Deposits Level:

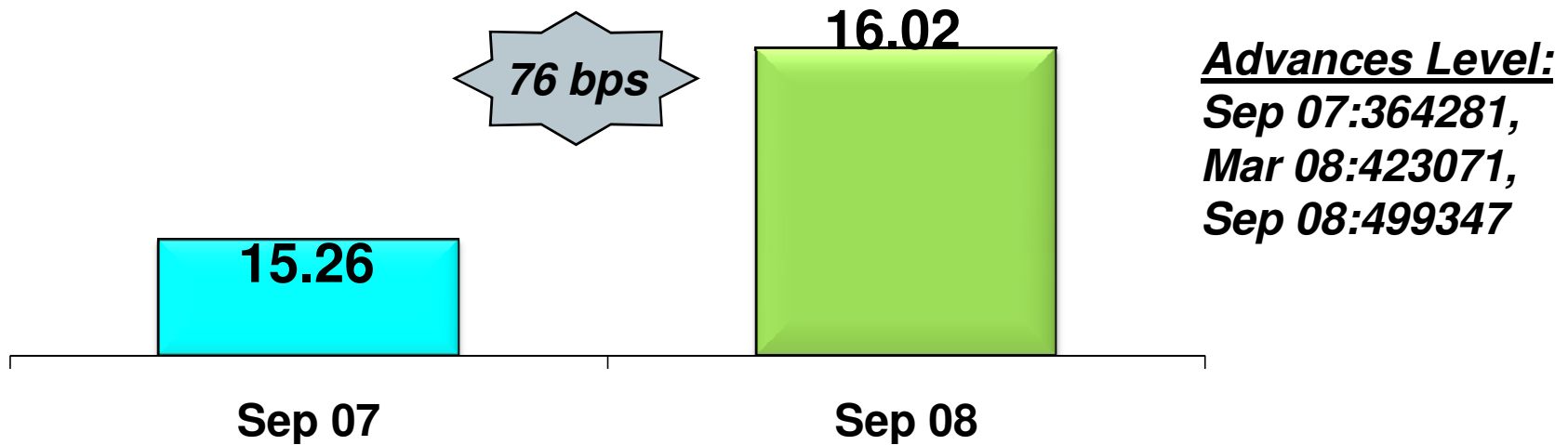
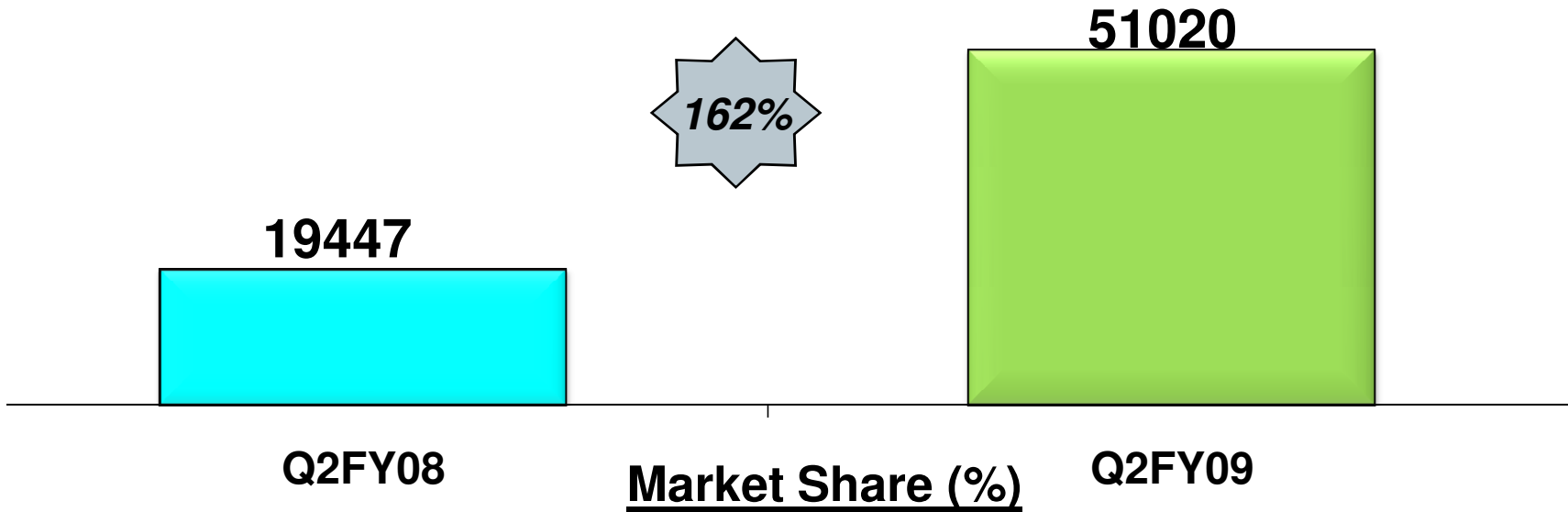
Sep 07:484114,

Mar 08:537405,

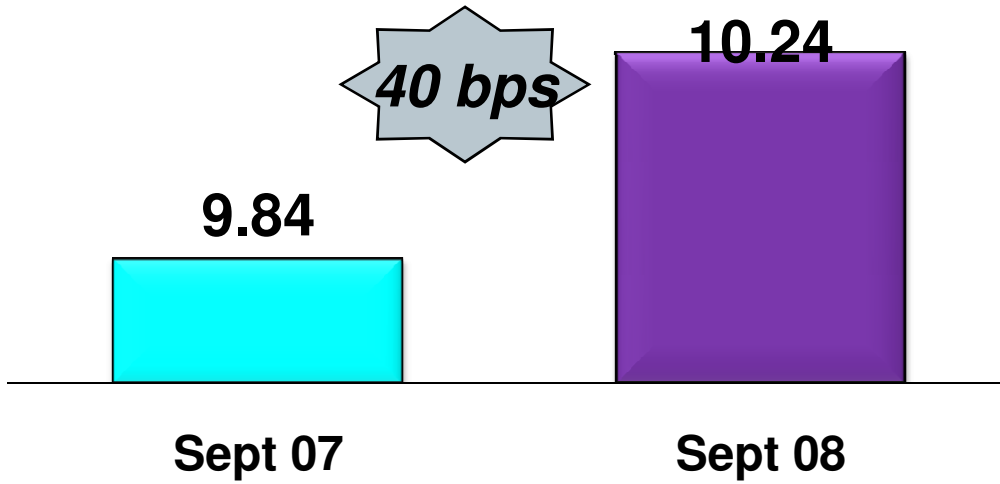
Sep 08:619718

# ADVANCES

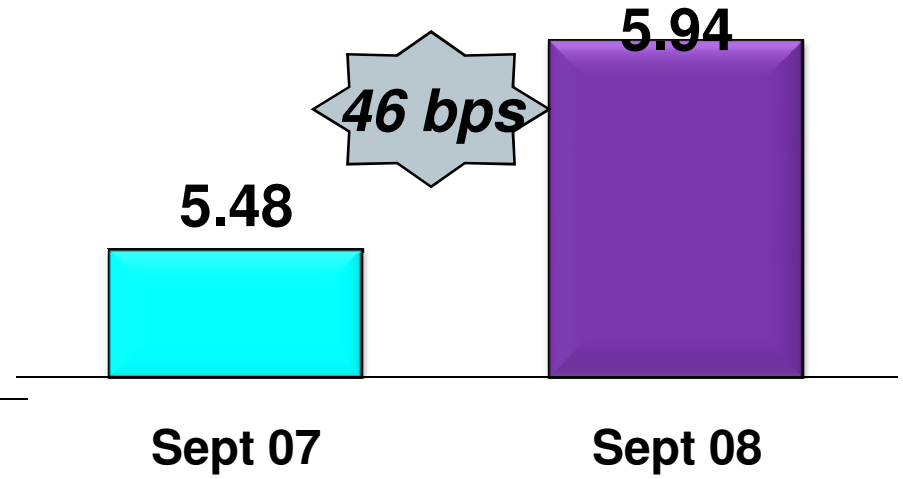
## Advances Growth *Rs. In Crs*



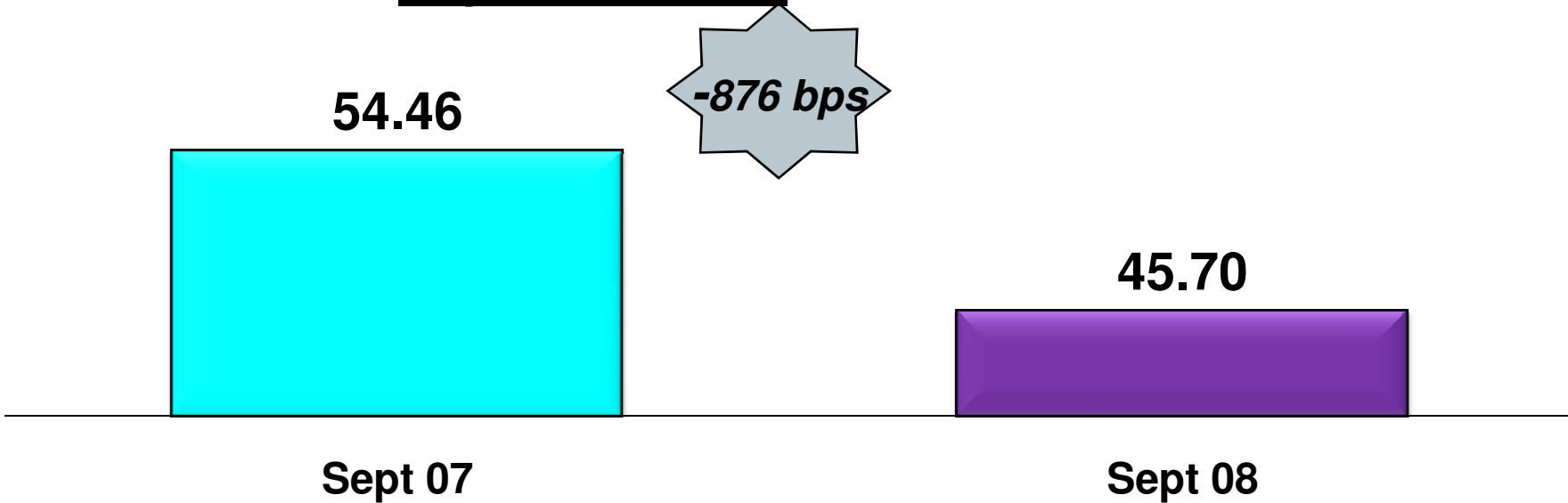
### Yield on Advances



### Cost of Deposits

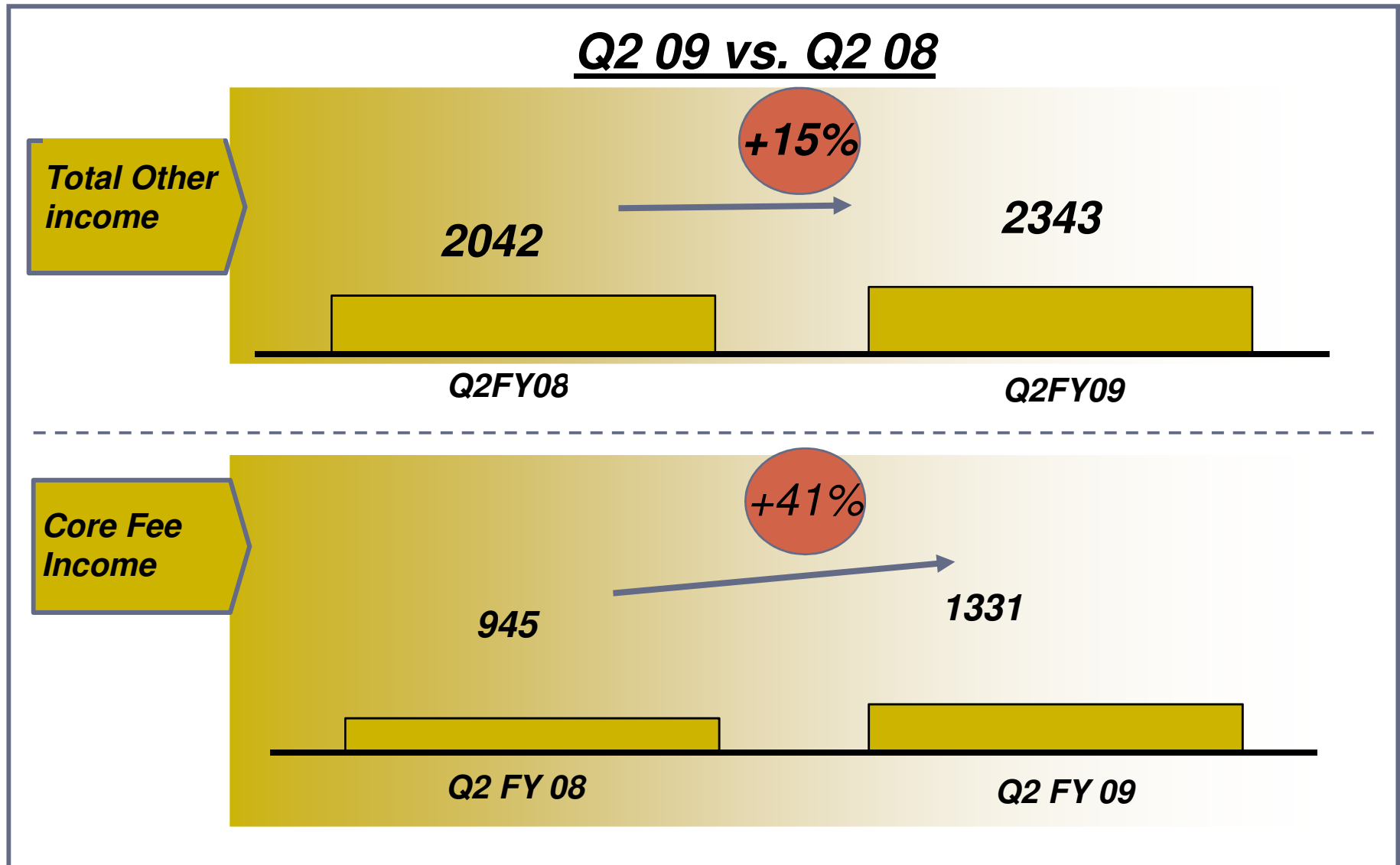


### Expenses Ratio



## CORE FEE INCOME INCREASED BY 41% IN Q2 FY09

Rs crore

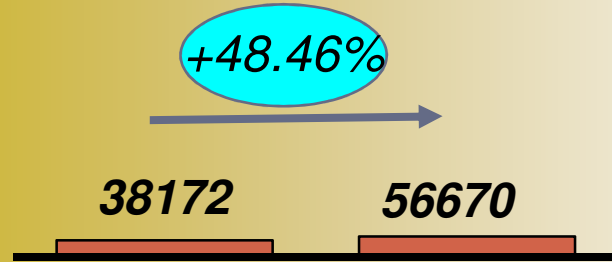


Rs crore

## SEGMENTAL BREAK-UP OF ADVANCES GROWTH

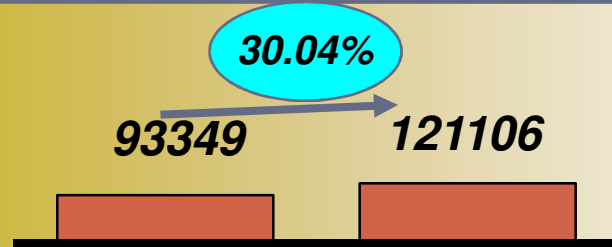
Sep 08 Over Sep 07

**Large  
Corporate**



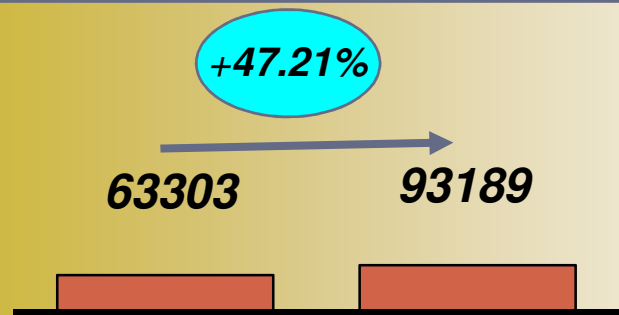
- Focus on high fee income across relationships
- Largest syndication of rupee denominated project finance lending
- Yield on advances improved to 9.11% from 7.92%

**Mid  
Corporate**



- Mid corporate portfolio alone larger than most banks entire lending
- Simultaneous focus on CA, Forex and fee income
- Yield on advances improved to 10.01% from 9.88%

**SME**

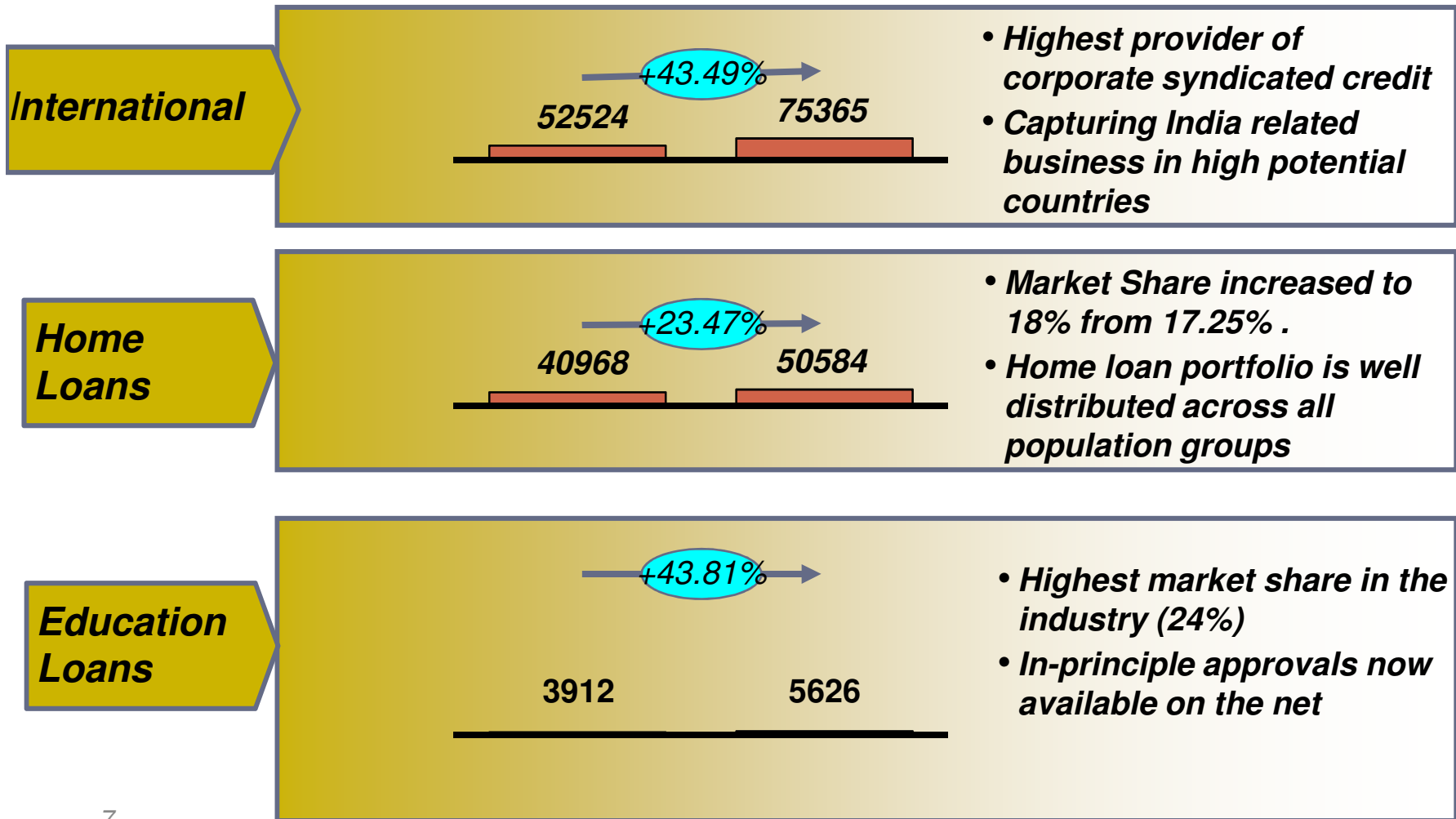


- Focus on true SME (Turnover of <Rs 50 crore)
- New business model in place to capture CA and fee income
- Yield on advances improved to 11.40% from 11.27%

# SEGMENTAL BREAK-UP OF ADVANCES GROWTH

Rs crore

Sep 08 Over Sep 07

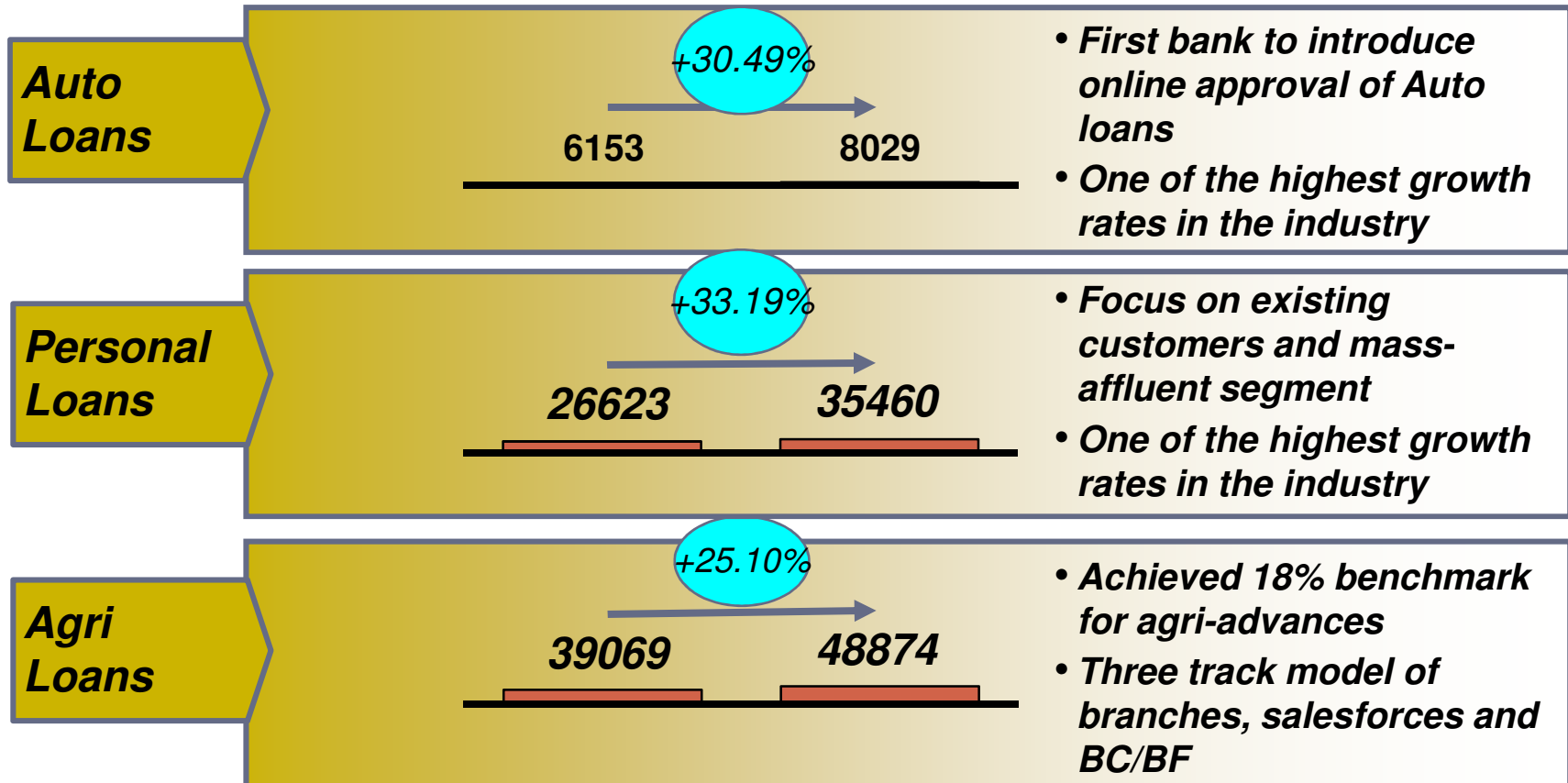




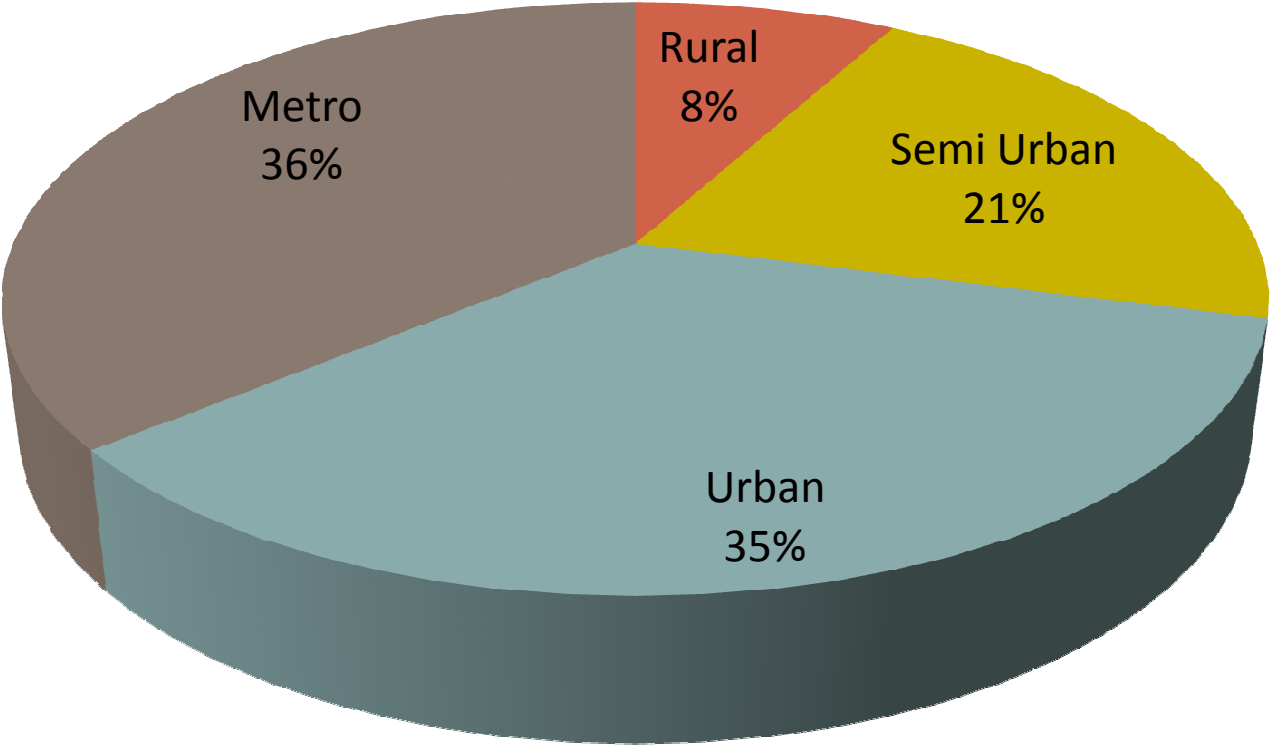
# SEGMENTAL BREAK-UP OF ADVANCES GROWTH

Rs crore

Sep 08 Over Sep 07

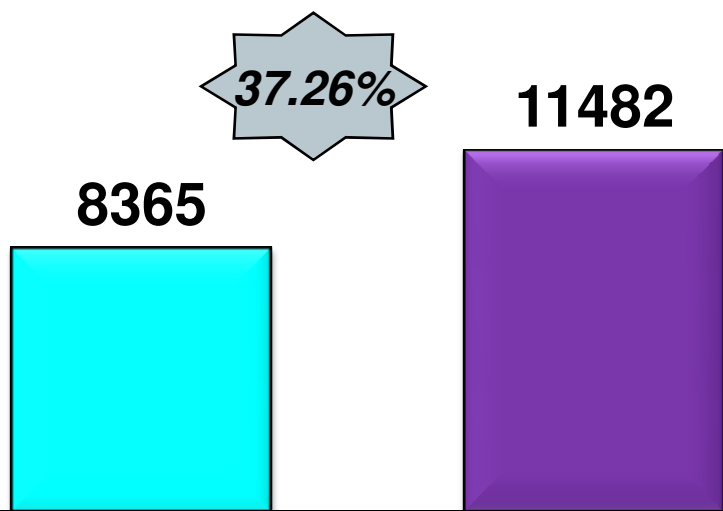


**POPULATION GROUP WISE BREAK – UP OF HOME LOANS**

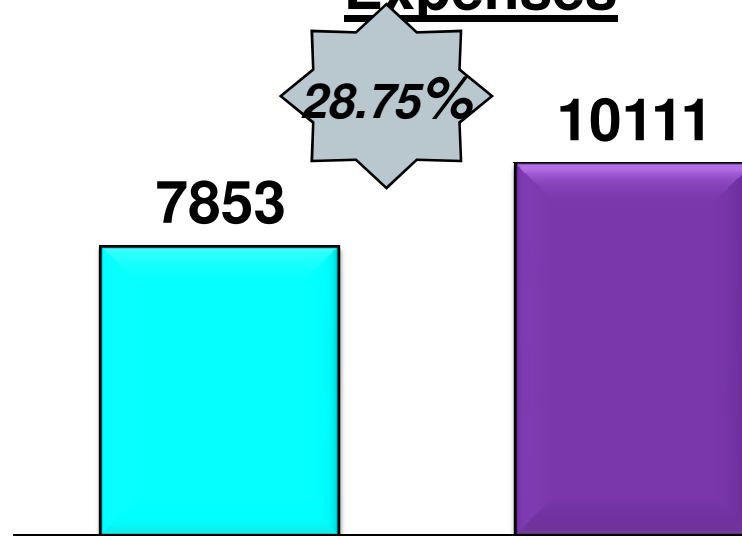


***Average Ticket Size is Rs.17 Lakhs***

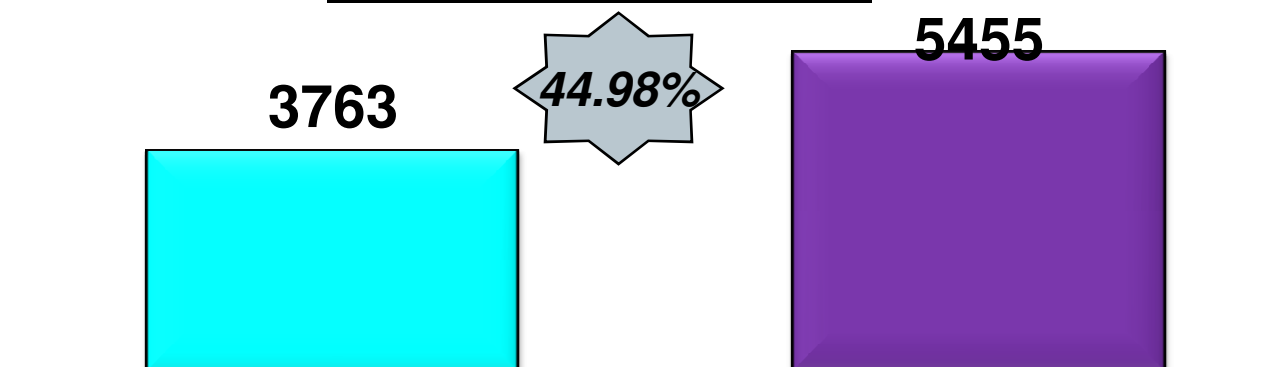
**Interest Income on Advances**



**Total Interest Expenses**



**Net Interest Income**



Q2FY08

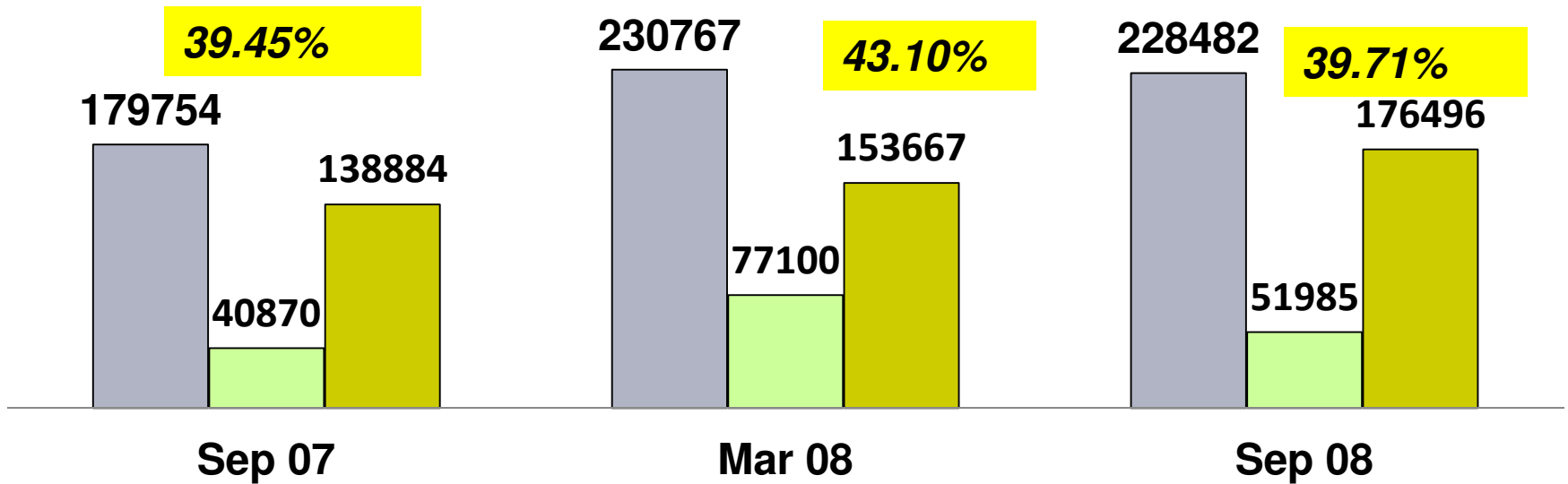
Q2FY09

# DEPOSIT GROWTH HAS KEPT PACE WITH ADVANCES, AND CASA RATIO HAS INCREASED

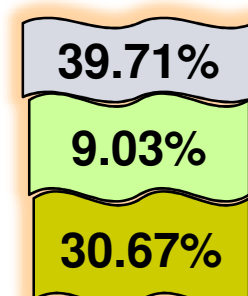
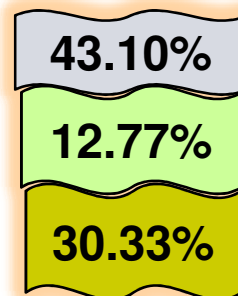
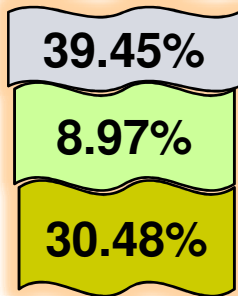
■ CASA ■ CA ■ SA

*Rs crore*

YOY %: 27.19    YOY %: 27.08    YOY %: 27.21

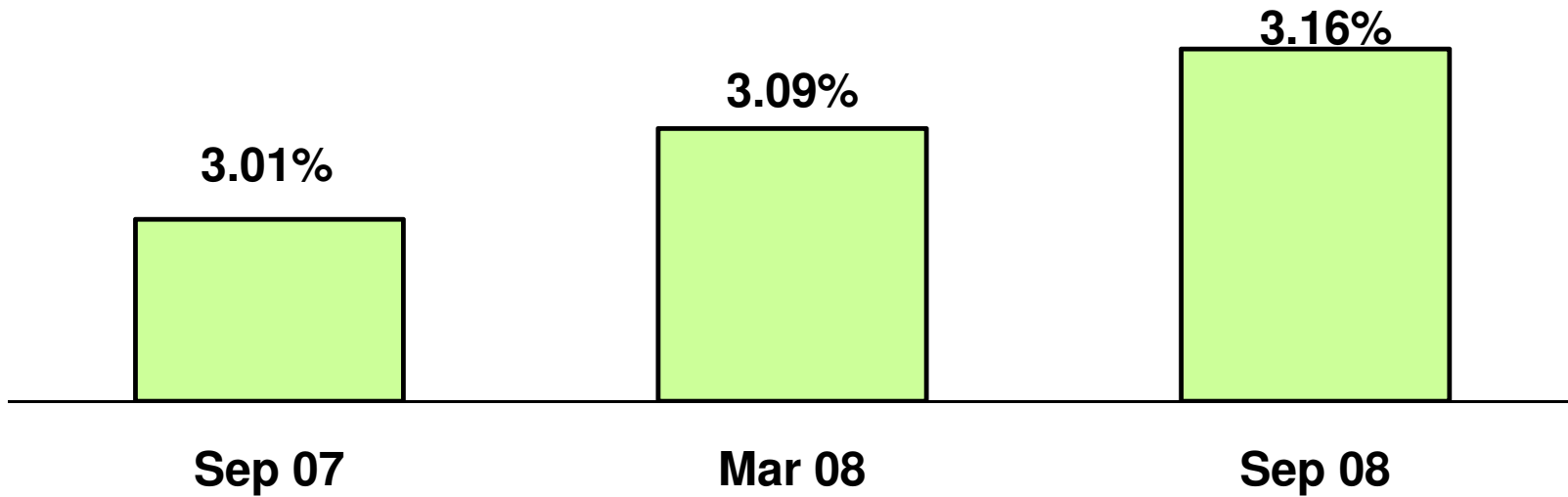


## CASA Ratio

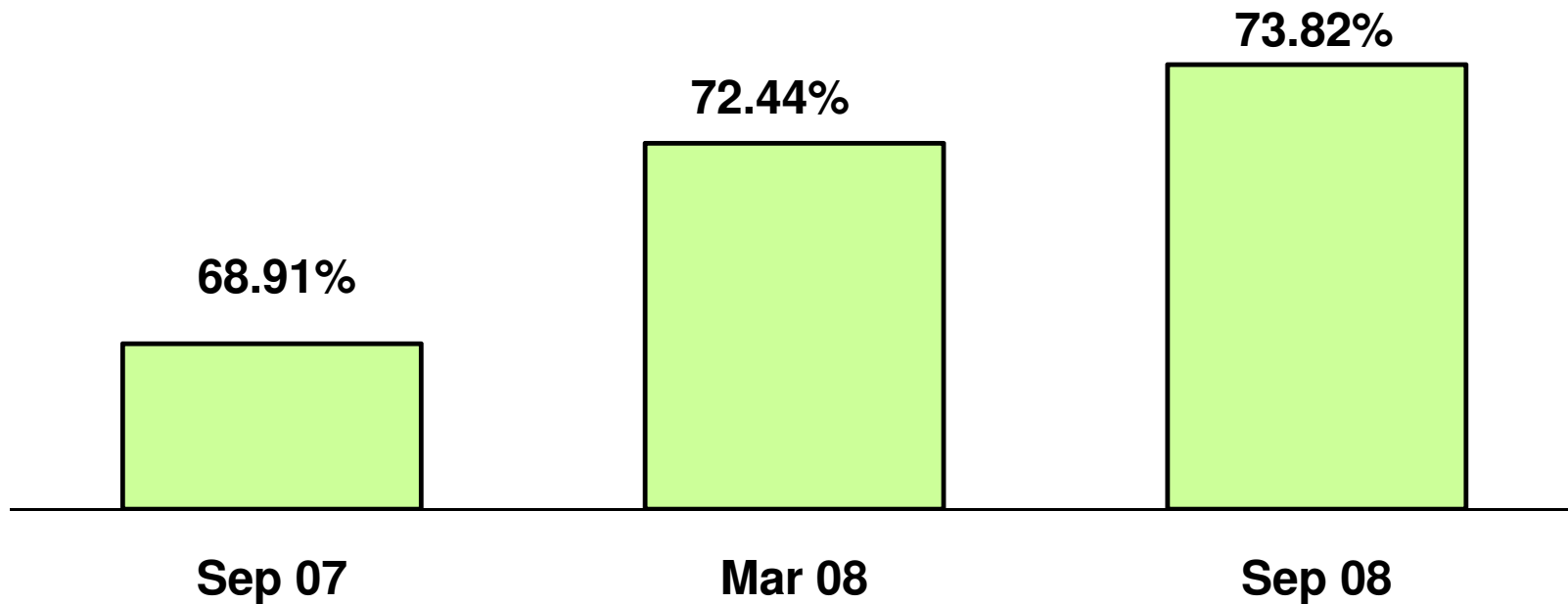


## NET INTEREST MARGIN

*(In Percentages)*

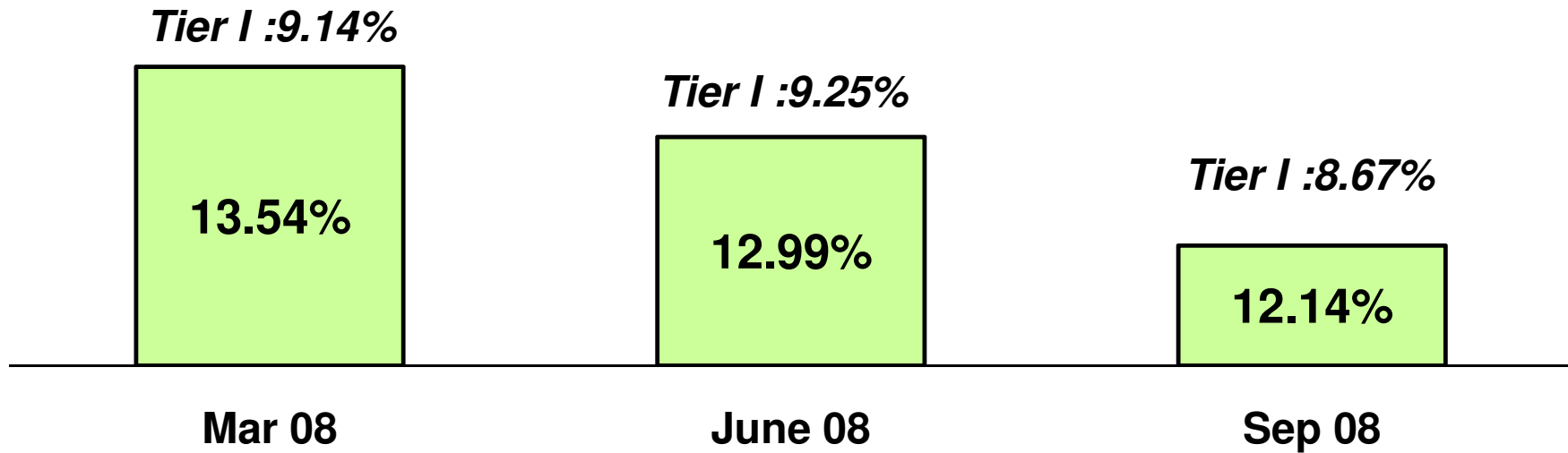


## CD RATIO

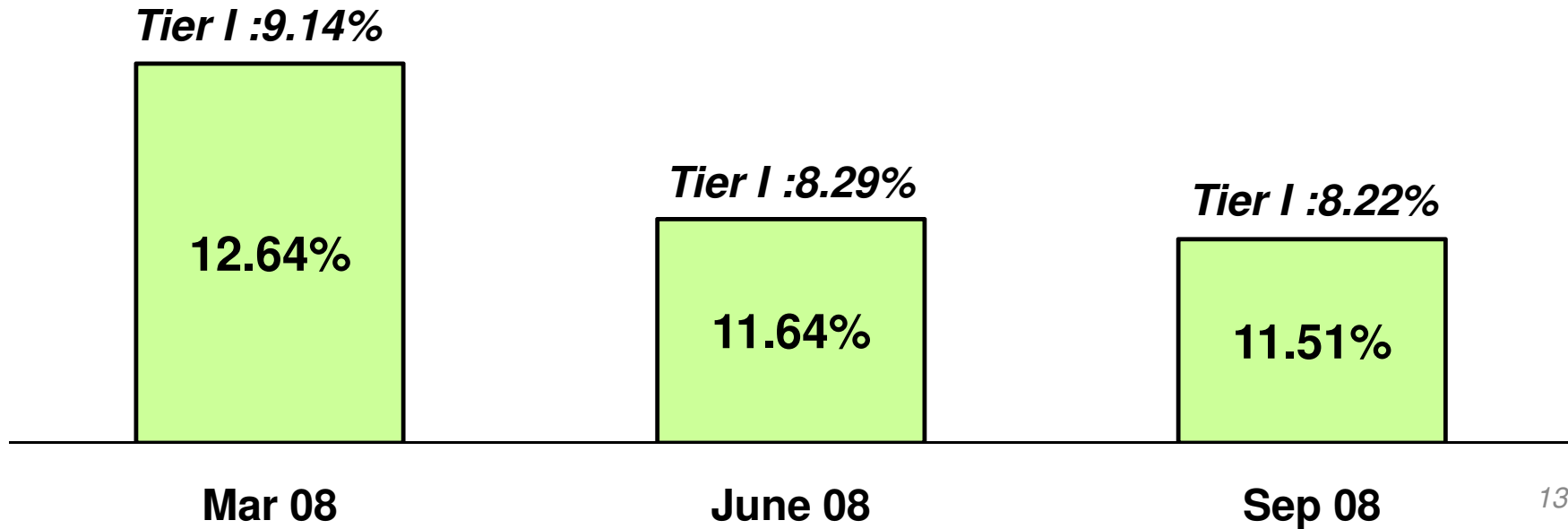


## Capital Adequacy Ratio – Basel I

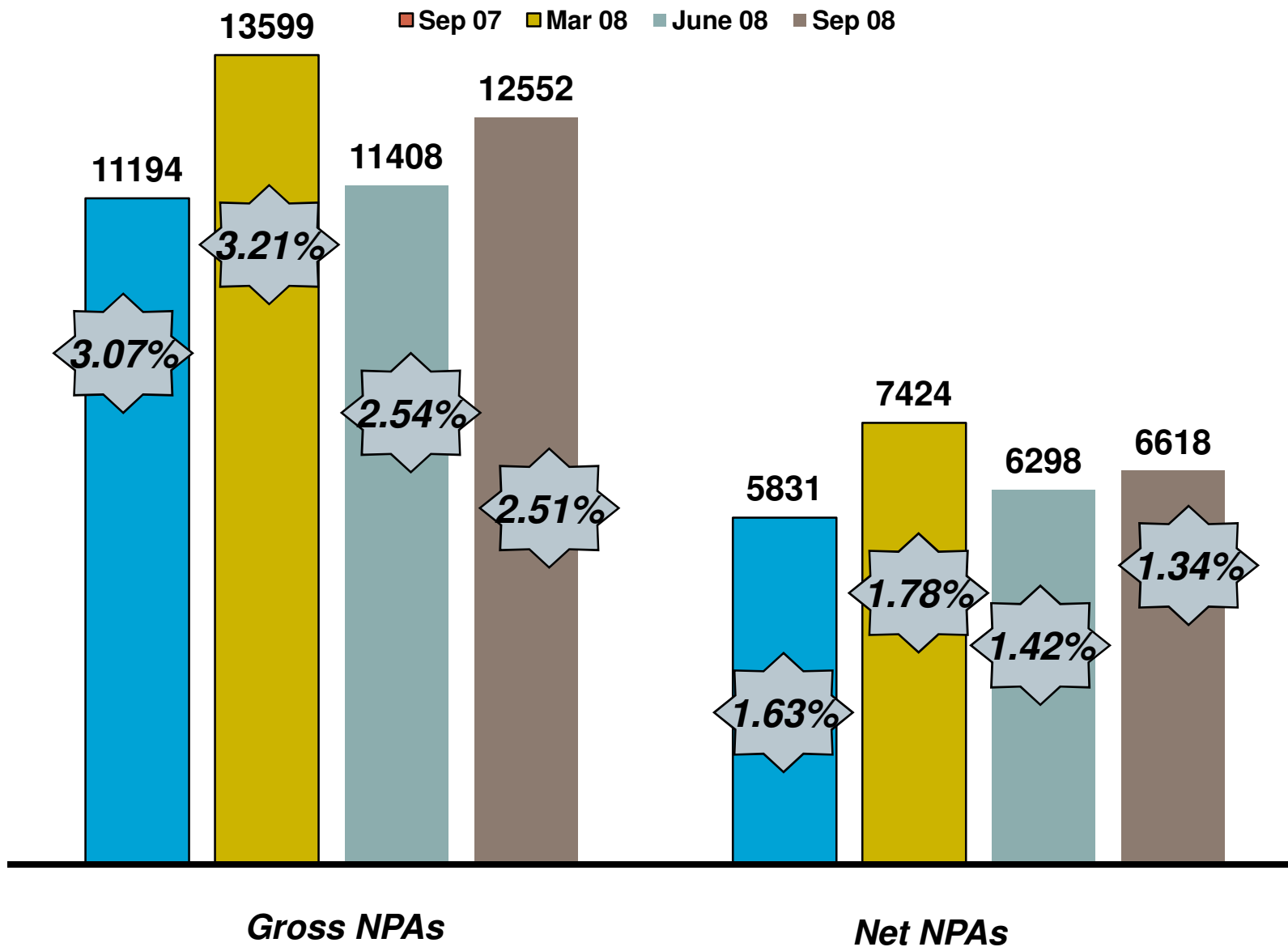
(In Percentages)



## Capital Adequacy Ratio – Basel II

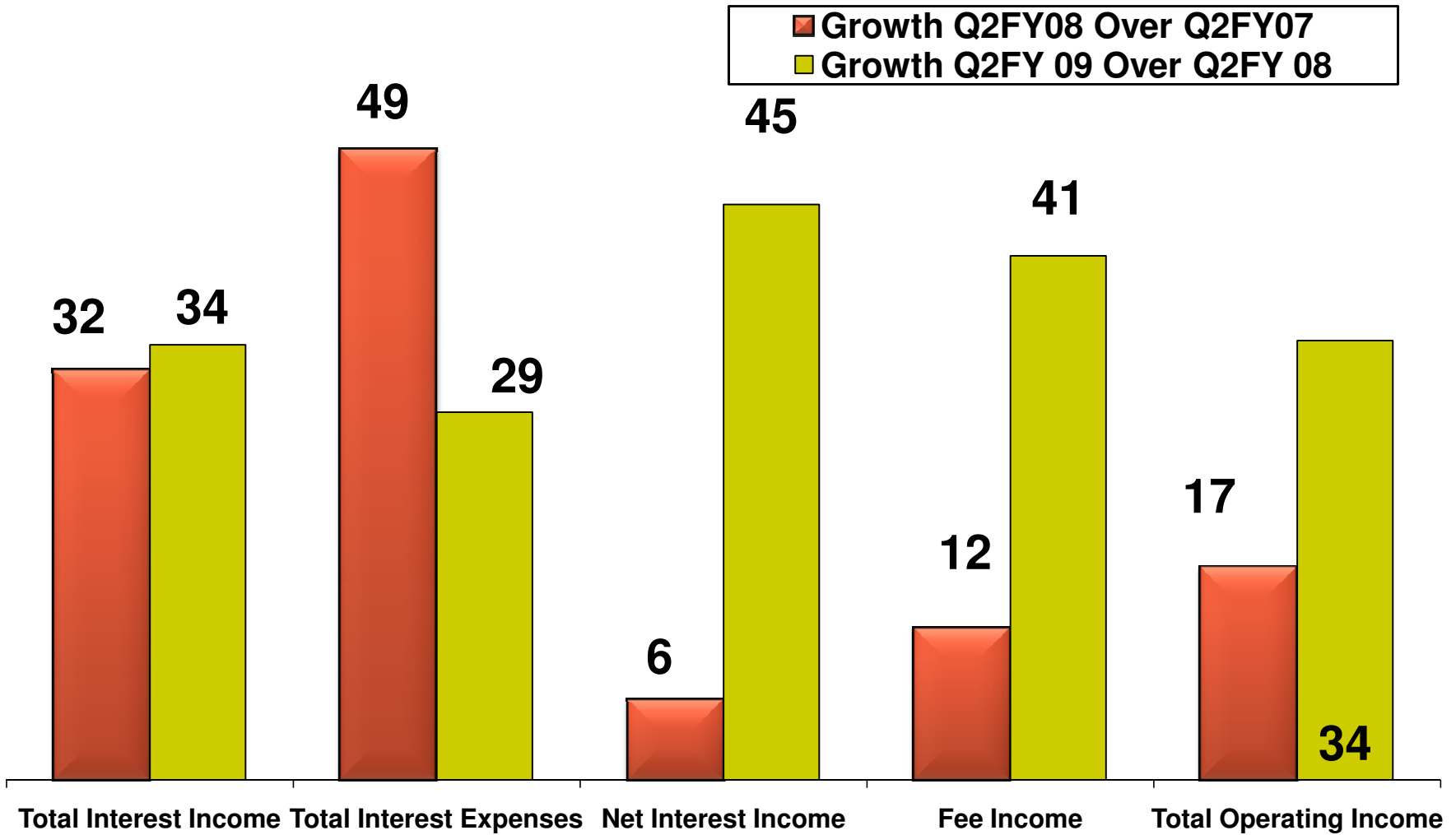


# Asset Quality



# Operating and Net Profit

*In Percentage*





## **RECENT AWARDS / RANKINGS**

- ✓ **SBI is the only Indian Bank to find place in the Fortune Global 500 List (2008) (380<sup>th</sup> place, up from 495<sup>th</sup> last year).**
- ✓ **SBI is placed at 57<sup>th</sup> place in the Top 1000 Global Banks by Banker Magazine in July 2008 up from 70 last year. SBI is ranked 8<sup>th</sup> 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**

# KEY STRATEGIC INITIATIVES UNDERTAKEN

BPR

- ***Centralized operating architecture for all metro and urban branches completed***
  - ***Over 400 Centralized Processing Centers established***
  - ***Over 2,000 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***
  - ***Call Center established; Full set of services being rolled out***
  - ***Active plan to migrate customers to alternative channels – ATM / Internet / Mobile***

# KEY STRATEGIC INITIATIVES UNDERTAKEN

**BPR  
(Contd)**

- ***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 salesforces exclusively focused on SME; Over 250 on the ground already***

- ***Focus on profitable growth, fee income and new business models such as SCF***

***SME***

## KEY STRATEGIC INITIATIVES UNDERTAKEN

**Retail**

- **Major push on retail assets, especially housing loans leading to portfolio growth of 20%**
  - **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.**
- **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

Rural

- ***New Rural strategy being rolled out aggressively***
  - ***Largest owned agri/rural salesforce 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

Rural

- Opening new branches to cover high potential semi-urban locations; 576 already opened in FY 08, with plans in place to open a further 1,000 in FY 2009**
- Rapidly implementing new technology for financial inclusion and covering unbanked villages**
- 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 11.82 lac linking's with disbursement to the tune of Rs. 6254 crores**
- Early results visible through increase in market share**
- SBI Talent award scheme launched; Awards given to rank holders of schools in higher secondary examination**

## KEY STRATEGIC INITIATIVES UNDERTAKEN

- ***Aggressively supporting Indian companies' overseas expansion; Total international advances grew by over 50% in FY 08***
- ***New international strategy in place***
  - ***Opened branches at Rangoon Road in Singapore and at Hithadoo 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***

***Inter-  
national***



## KEY STRATEGIC INITIATIVES UNDERTAKEN

Wholesale

- ***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 customised products, state of the art e platform & specialised work force***
- ***Further thrust on increasing dominance in mid-corp space (gold, wholesalers, broking, etc)***

***Thank you***