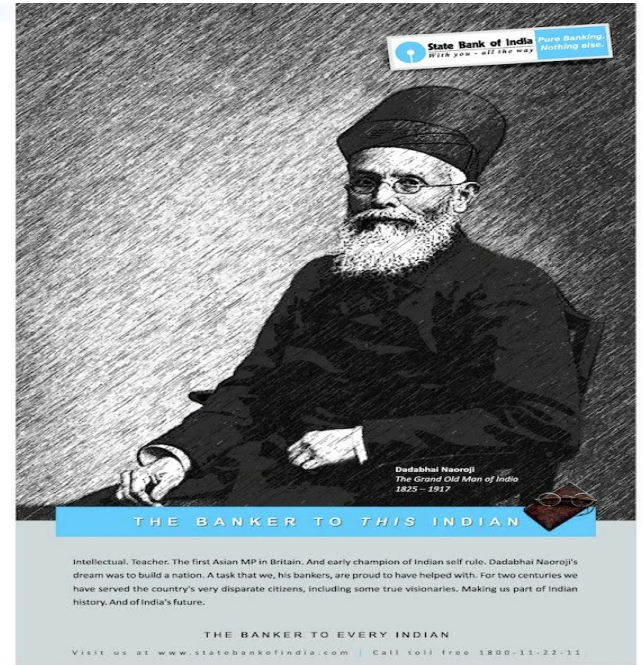




# Half Yearly Results H1FY 2011



## Acquisition of SB of Indore - Impact

- **Bank has acquired SB of Indore on 26<sup>th</sup> August 2010 and data merger (Integration of core banking operations of SBI and e-SB of Indore) has been completed at the close of business on 4<sup>th</sup> Sep 2010.**
- **Accordingly, figures/ratios/parameters relating to September 2010 include figures of SB of Indore whereas figures relating to earlier periods are without SB of Indore.**
- **Wherever possible, impact of SB Indore figures has been indicated in the respective slides.**

# Key highlights – H1FY11 & Q2FY11 (YOY)

## Income

- 1 Net Interest Income up 45% both in H1 and Q2
- 2 Fee Income up 35% in H1 and 40% in Q2

## Costs – H1FY11 (YOY)

- 3 Cost to income ratio down 604 bps from 52% to 45.96%
- 4 CASA ratio up by 683 bps to 47.79% (48.02% including interbank deposits).
- 5 CASA deposits growth at 28%
- 6 Cost of deposits down by 81 bps from 6.06% to 5.25%

## Profitability

- 1 Operating profit up 46.80% in H1 and 31.48% in Q2
- 2 Net Interest Margin up 87 bps from 2.43% to 3.30% YOY
- 3 ROA up 2 bps from 0.95% to 0.97%
- 4 PCR up by 364 bps YOY from 59.14% to 62.78%.

# Highlights

	Q2 FY 11	H1 FY 11
<b>NII</b>	44.68% ▲	45.00% ▲
<b>Fee Income</b>	40.04% ▲	35.05% ▲
<b>Profit on Sale on Investments</b>	-63.82% ▼	-70.44% ▼
<b>Remaining Other Income</b>	-1.59% ▼	5.08% ▲
<b>Overheads</b>	25.38% ▲	22.04% ▲
<b>Payment to Employees</b>	20.94% ▲	-19.14% ▼
<b>Contribution for Employees</b>	199.82% ▲	239.04% ▲
<b>Operating Profit</b>	31.48% ▲	46.80% ▲

## Operating Profit up despite

- Profit on sale of investments down by Rs.348 crs in Q2 & by Rs.883 crs in H1.
- Excl. Rs.92 crs & Rs.184 crs due to opening of 611 branches & 4206 ATMs would reduce OHs growth to 19.82% & 16.23% in Q2 & H1FY11 respectively.
- ATM Interchange fee of Rs.139 crs in Q2 and Rs.281 crs in H1FY11 paid to other Banks.
- Higher contribution for employees by Rs.547 crs in Q2 and by Rs.1724 crs in H1FY11. Of this gratuity prov. of Rs.300 crs in Q2 & Rs.1400 crs in H1FY11 is one time for current year.

# Highlights

	Q2 FY 11	H1 FY 11
Operating Profit	31.48% ▲	46.80% ▲
Income Tax Provisions	-7.13% ▼	16.13% ▲
Loan Loss Provisions	96.18% ▲	59.25% ▲
Investment Depreciation	974.44% ▲	110.68% ▲
Standard Assets Provisions	268.20% ▲	2156.49% ▲
Other Provisions	144.83% ▲	276.10% ▲
Net Profit	0.46% ▲	12.35% ▲

## Net Profit in Q2FY11 surpassed Q2FY10 and up in H1FY11 BY 12.35% Despite

- Higher Loan Loss Provisions by Rs.1060 crs in Q2 and by Rs.1449 crs in H1.
- Loan loss provision of Rs.2162 crs during Q2 includes Rs.449 crs made in excess of IRAC norms.
- Higher MTM depreciation by Rs.481 crs in Q2 and Rs.1383 crs in H1.

# Highlights – Profitability Parameters

Rs. In Crores

	Q2 FY 10	Q2FY 11	% growth		H1 FY 10	H1FY 11	% growth
<b>Net profit (standalone)</b>	<b>2490</b>	<b>2501</b>	<b>0.46%</b>	<b>Net profit (standalone)</b>	<b>4820</b>	<b>5416</b>	<b>12.35%</b>
<b>Net interest income</b>	<b>5609</b>	<b>8115</b>	<b>44.68%</b>	<b>Net interest income</b>	<b>10634</b>	<b>15419</b>	<b>45.00%</b>
<b>Other income</b>	<b>3525</b>	<b>4005</b>	<b>13.62%</b>	<b>Other income</b>	<b>7094</b>	<b>7695</b>	<b>8.48%</b>
<b>Fee income</b>	<b>2103</b>	<b>2945</b>	<b>40.04%</b>	<b>Fee income</b>	<b>3965</b>	<b>5355</b>	<b>35.05%</b>
<b>Operating income</b>	<b>9134</b>	<b>12120</b>	<b>32.69%</b>	<b>Operating income</b>	<b>17728</b>	<b>23114</b>	<b>30.38%</b>
<b>Operating cost</b>	<b>4299</b>	<b>5763</b>	<b>34.06%</b>	<b>Operating cost</b>	<b>9219</b>	<b>10622</b>	<b>15.23%</b>
<b>Operating profit</b>	<b>4835</b>	<b>6357</b>	<b>31.48%</b>	<b>Operating profit</b>	<b>8509</b>	<b>12491</b>	<b>46.80%</b>
<b>Loan loss provision (in crs)</b>	<b>1102</b>	<b>2162</b>	<b>96.18%</b>	<b>Loan loss provision</b>	<b>2446</b>	<b>3896</b>	<b>59.25%</b>

# Business Highlights – September 2010

	Sep-09	Mar-10	Sep-10		Sep-09	Mar-10	Sep-10
<b>Advances growth (YOY)</b>	<b>16.39%</b>	<b>16.94%</b>	<b>19.47%</b>	<b>CASA ratio</b>	<b>40.96%</b>	<b>46.67%</b>	<b>47.79%</b>
<b>Advances market share</b>	<b>16.57%</b>	<b>16.28%</b>	<b>17.03%</b>	<b>CA growth (YoY)</b>	<b>24.06%</b>	<b>18.98%</b>	<b>13.52%</b>
<b>Deposits growth (YOY)</b>	<b>25.16%</b>	<b>8.36%</b>	<b>10.67%</b>	<b>SB growth (YoY)</b>	<b>30.75%</b>	<b>29.75%</b>	<b>31.71%</b>
<b>Demand deposits market share</b>	<b>15.08%</b>	<b>17.51%</b>	<b>15.98%</b>	<b>Growth in CASA (YOY)</b>	<b>29.23%</b>	<b>26.76%</b>	<b>27.74%</b>
<b>Deposits market share</b>	<b>17.19%</b>	<b>16.29%</b>	<b>16.57%</b>				

1 Market Share figures are as on last reporting Fridays

# Highlights – Efficiency Parameters

Percentages

	Sep-09	Mar-10	Sep-10		Sep-09	Mar-10	Sep-10
<b>Net interest margin</b>	<b>2.43%</b>	<b>2.66%</b>	<b>3.30%</b>	<b>YOA</b>	<b>9.95%</b>	<b>9.66%</b>	<b>9.50%</b>
<b>Cost to income ratio</b>	<b>52.00%</b>	<b>52.59%</b>	<b>45.96%</b>	<b>ROA</b>	<b>0.95%</b>	<b>0.88%</b>	<b>0.97%</b>
<b>Other Income to operating Income ratio<sup>1</sup></b>	<b>40.02%</b>	<b>38.74%</b>	<b>33.29%</b>	<b>ROE</b>	<b>15.75%</b>	<b>14.04%</b>	<b>15.32%</b>
<b>COD</b>	<b>6.06%</b>	<b>5.80%</b>	<b>5.25%</b>	<b>PCR (incl. AUCA)</b>	<b>59.14%</b>	<b>59.23%</b>	<b>62.78%</b>
				<b>CAR</b>	<b>14.11%</b>	<b>13.39%</b>	<b>13.20%</b>

<sup>1</sup> Decline due to strong NII growth and negative growth in Profit on sale of investments

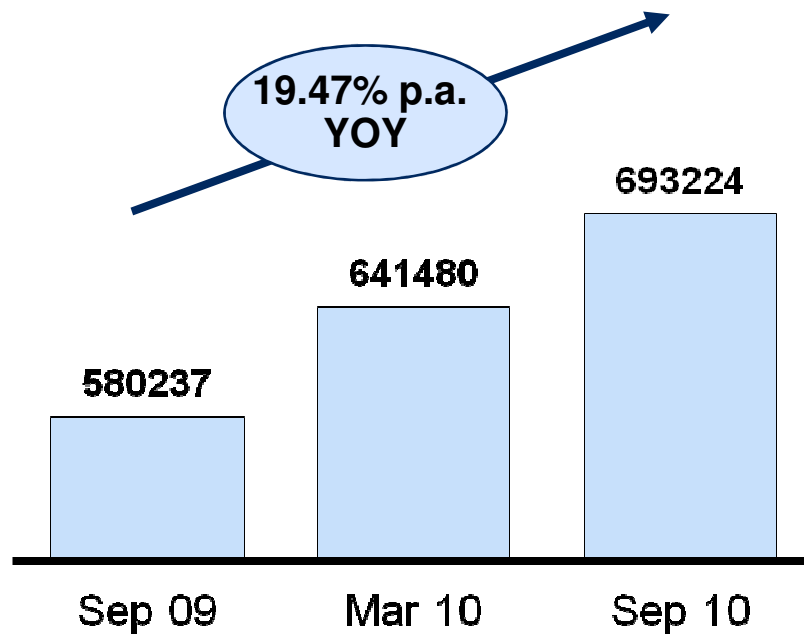


## Various factors have resulted in drag in Q2 profits by ~Rs.1,992 crs and H1 profits by Rs.4699 crs

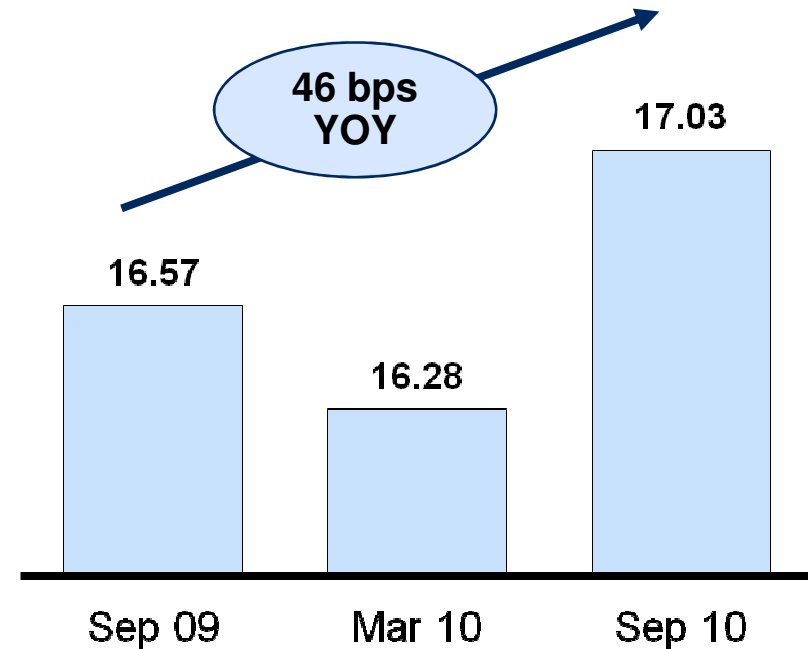
Drivers	Impact Q2FY11 Rs crore	Impact H1FY11 Rs crore
① Profit on sale of investments lower by	348	883
<hr style="border-top: 1px dashed #000;"/>		
② <u>Higher contribution for employees</u>		
• Higher provision for Gratuity	287	1375
• Higher Pension & Bonus contributions	260	349
<u>Overhead Expenses</u>		
• On new branches and ATMs	92	185
<hr style="border-top: 1px dashed #000;"/>		
③ <u>Loan loss provisions</u>		
Higher loan loss provisions above IRAC norms	449	449
Increase on account of higher loan loss provisions on e-SBIn NPAs	75	75
<hr style="border-top: 1px dashed #000;"/>		
④ Mark to Market losses	481	1383
	<b>1,992</b>	<b>4,699</b>

# Advances Growth and Market Share

Advances (prov.)  
Rs. In Crores



Market share (domestic)  
Percent

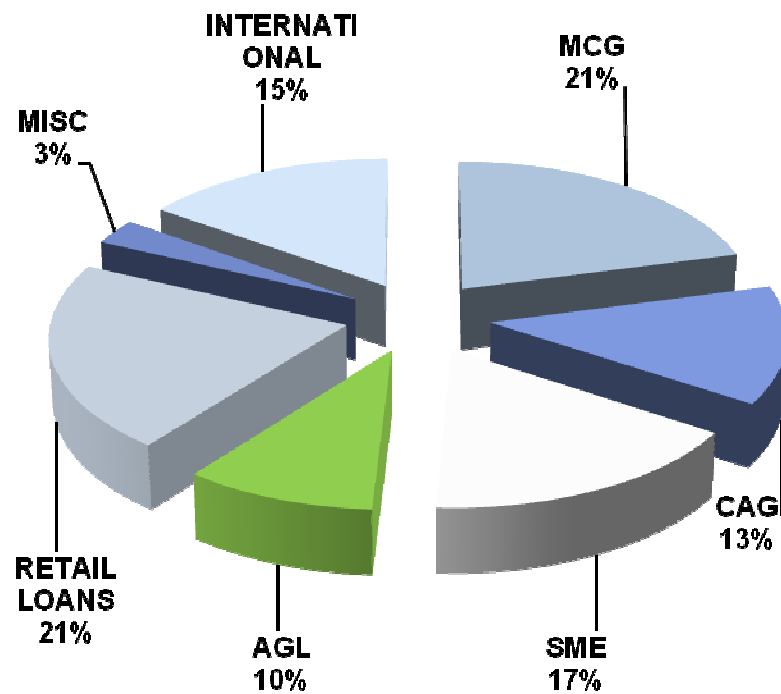


As on last reporting Friday of the quarter

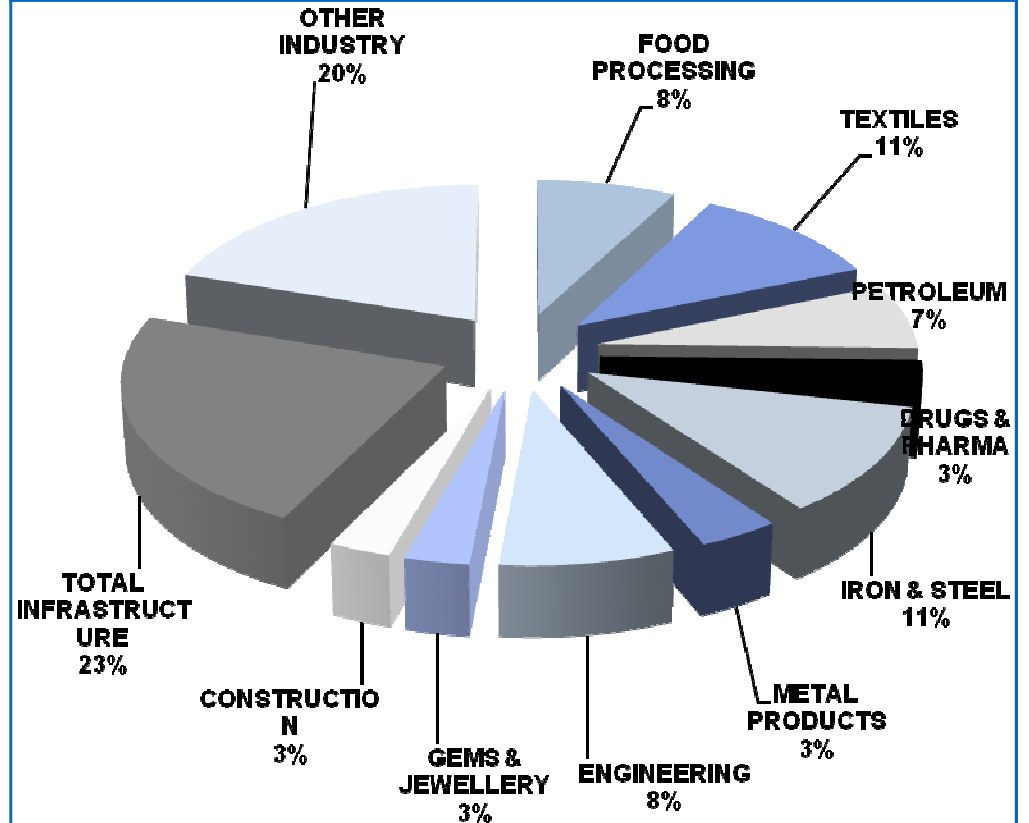
- September 10 figures include Rs.21,626 crores of SB of Indore advances as on merger date
- Non-fund based advances registered a growth of 28% YOY

# Loan Book is well diversified

## Across Segments



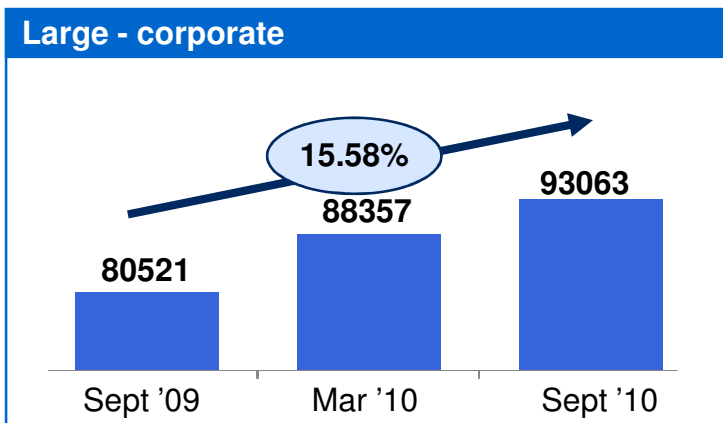
## Within Corporate Segment, advances are spread across many industries



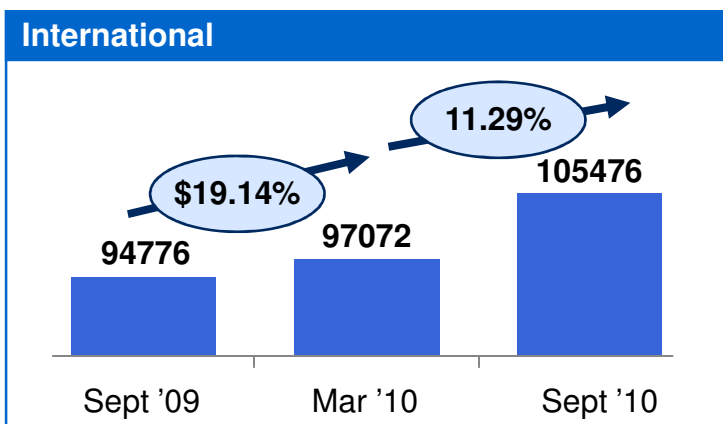
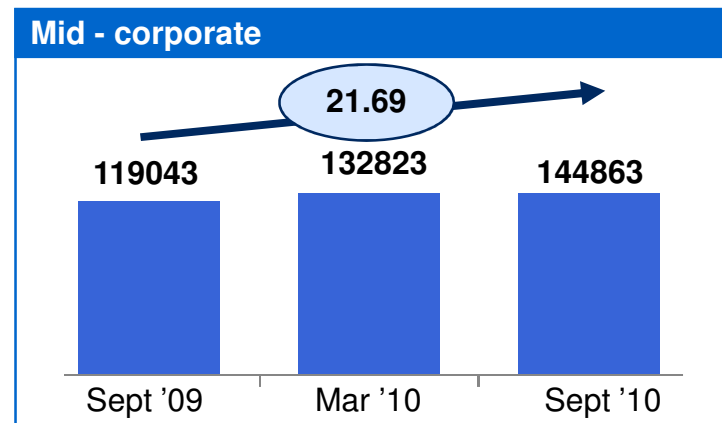
# Composition of advances growth (1/2)

Rs. In Crores

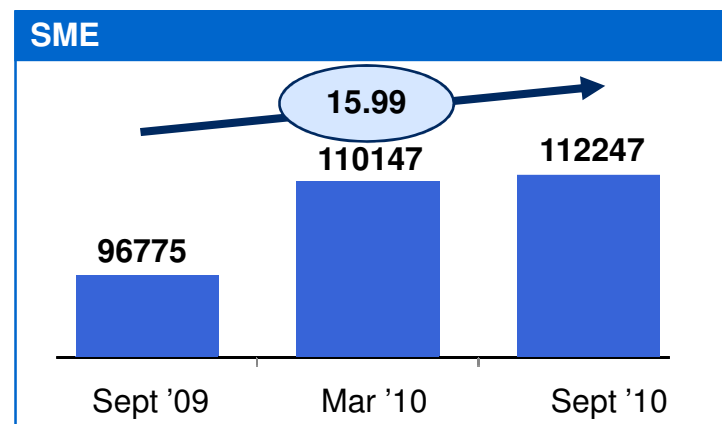
YOY%



Including CP Investments of Rs.6270 crs, YOY growth is 23.36%.



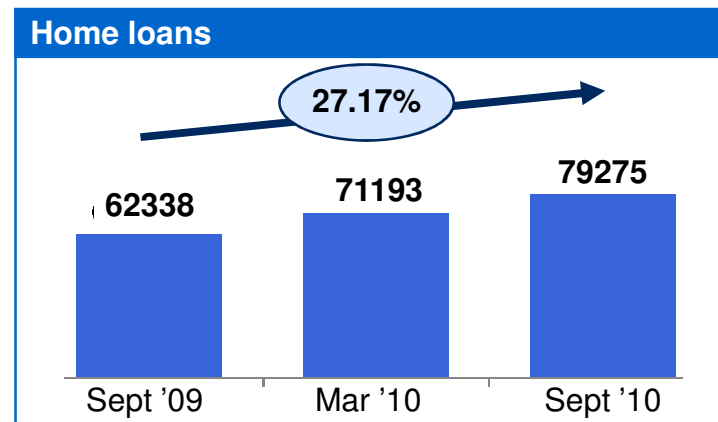
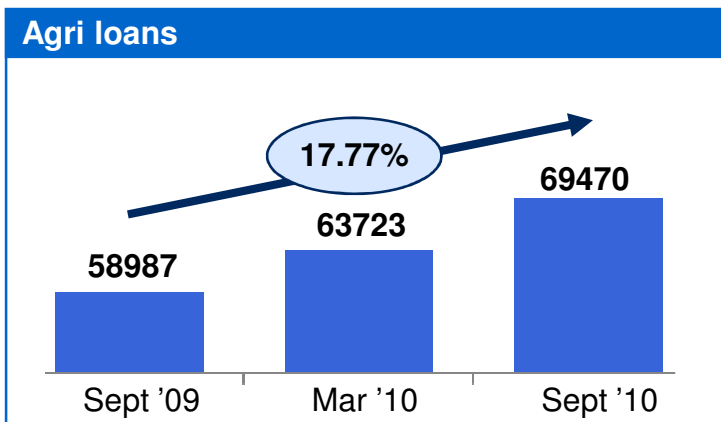
Growth understated due to hardening of rupee by 7%.



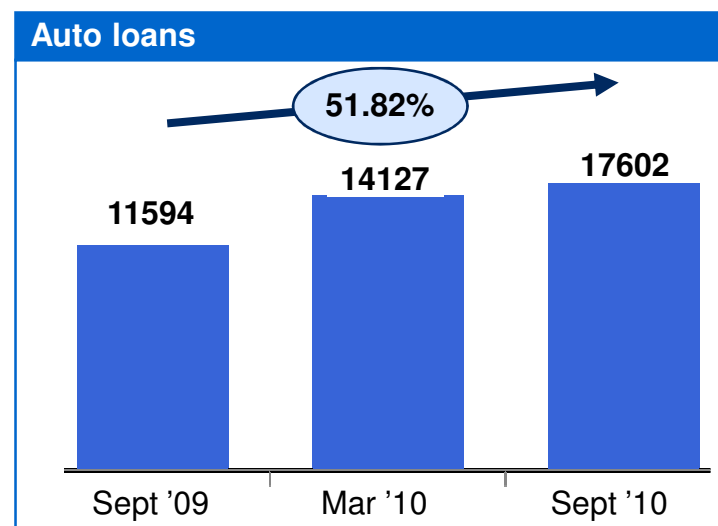
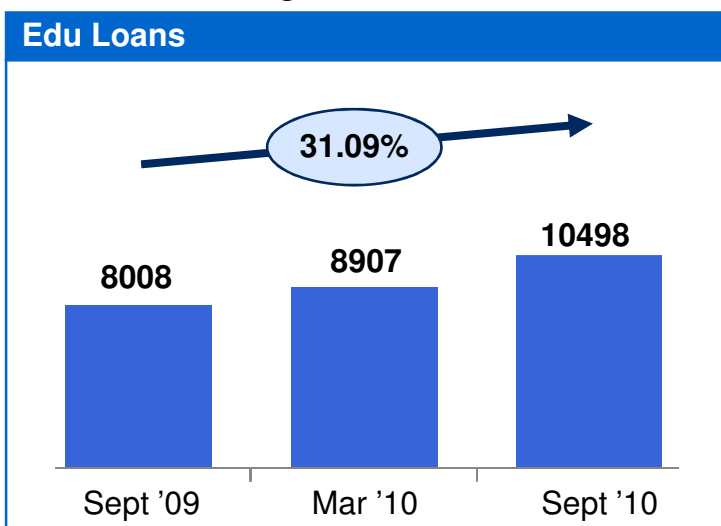
# Composition of advances growth (2/2)

Rs. In Crores

YOY%



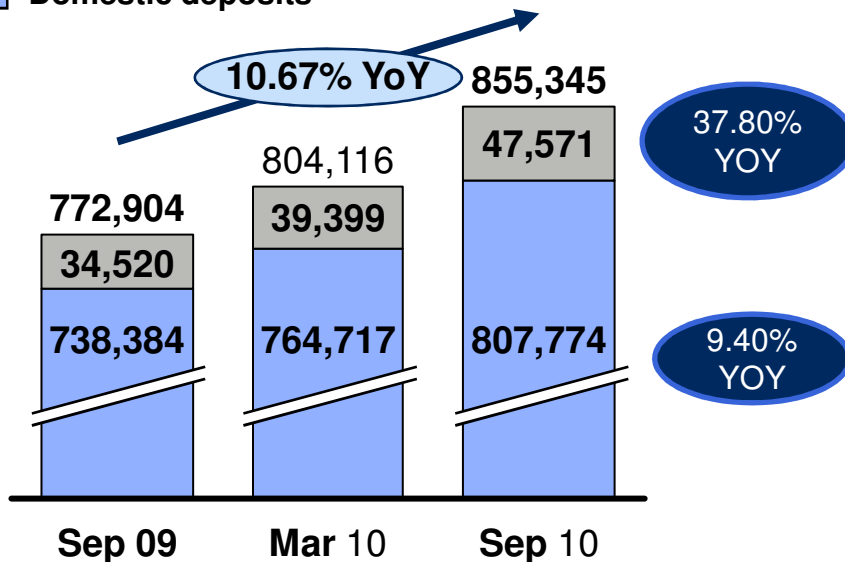
Incl. settlement of Debt Relief cases of Rs. 950 crs, YOY growth is 19.38%



# Domestic deposits growth driven by CASA growth of 28 %

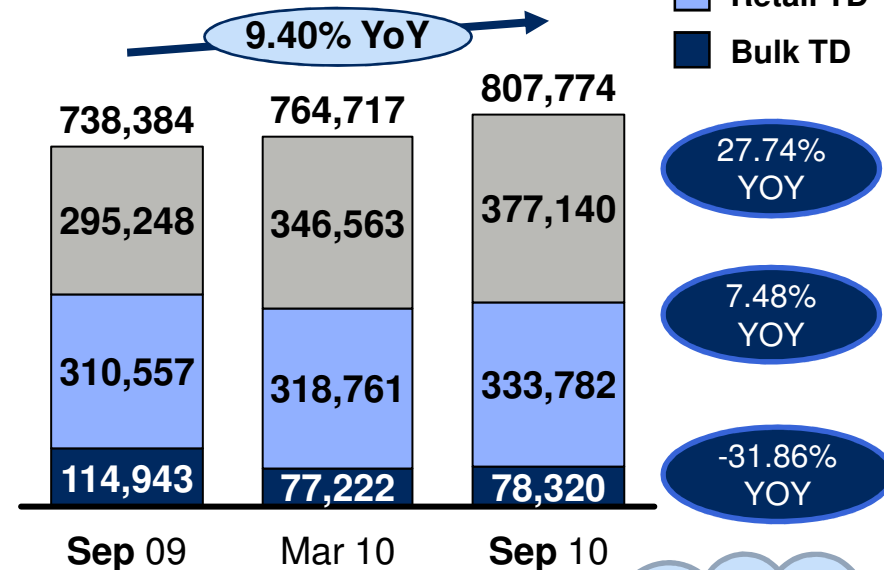
## Deposits Rs. In Crores

- Foreign deposits
- Domestic deposits



## Domestic Deposits Rs. In Crores

- CASA
- Retail TD
- Bulk TD



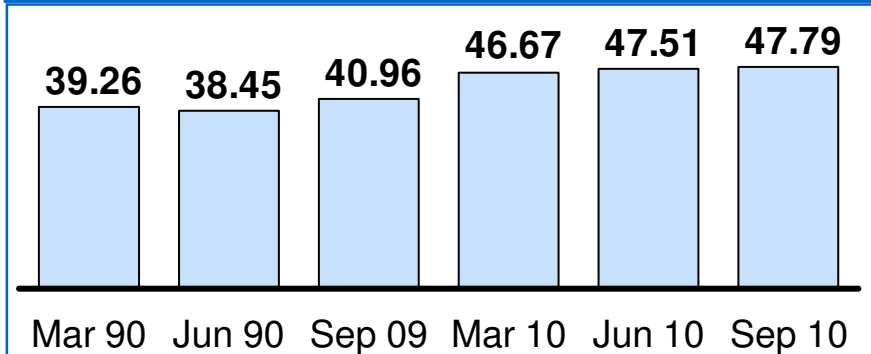
September '10 figures include Rs.27105 crs of SB of Indore deposits.

- SB Deposits have grown by 32% YOY in H1FY11 as against 31% during H1FY10.
- Absolute growth is Rs.73,173 crs YOY and Rs.47,686 crs in H1FY11.
- 91.67 lac SB accounts have been opened in Q2FY11 taking the total number to 12.26 crs.
- CA Deposits have grown by 14% YOY in H1FY11; absolute growth is Rs.8,719 crs YOY.
- 1.40 lac CA opened in Q2FY11 taking the total number to 22.99 lacs.

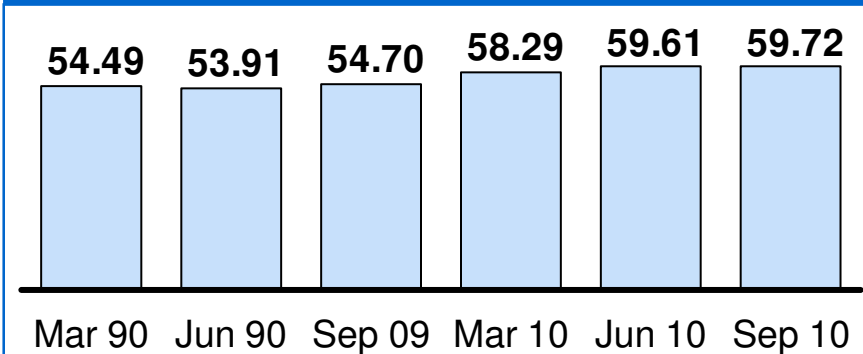
A new deposit scheme on floating rate of interest launched in Sep-10

# CASA and CD ratios remain strong

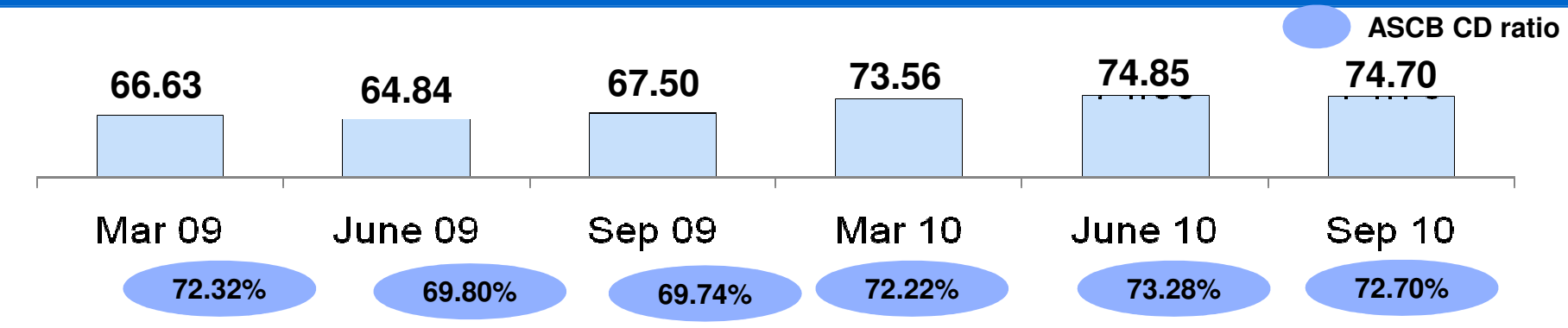
**CASA ratio**  
Percent



**RUSU CASA ratio**  
Percent



**CD ratio**  
Percent

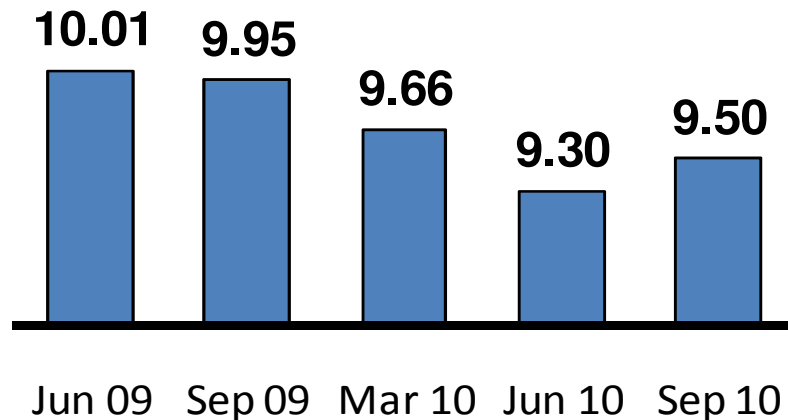


- Incremental CD ratio during H1FY11 was as high as 115%. In case of OSCB, it is 73% and ASCB 83%
- Excl. SB of Indore, CASA ratio would be 48.26%.

# Yield on advances has gone up from June 10 while cost of deposits is lower

## Yield on advances

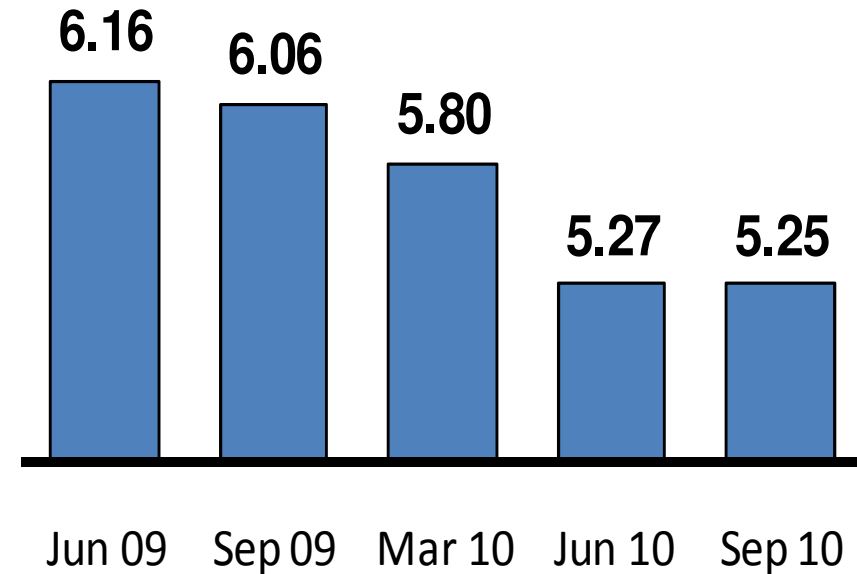
Percent



PLR 12.25% 11.75% 11.75% 11.75% 11.75% 12.25%

## Cost of deposits

Percent



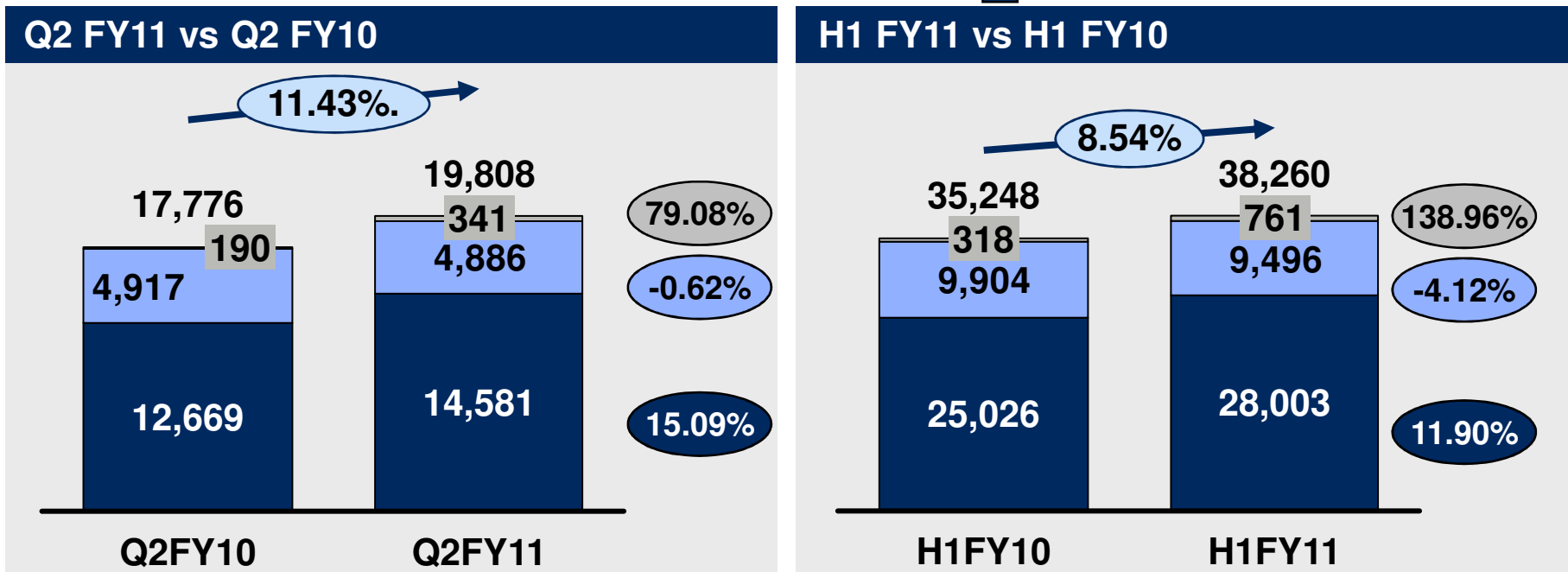
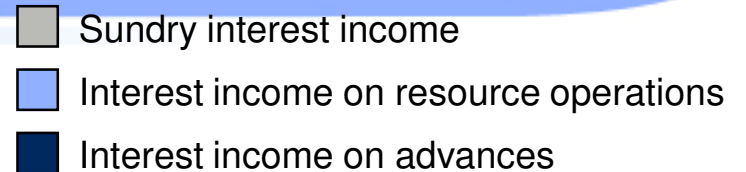
- PLR increased by 50 bps to 12.25% w.e.f. 17<sup>th</sup> August 2010
- PLR and Base Rate further increased to 12.50% and 7.60% respectively w.e.f. 21.10.2010

- Rates of interest on deposits increased w.e.f. 17.08.2010. (and again on 01.10.2010) However, cost of deposits is lower due to higher CASA growth.



# Interest Income growth driven mainly by interest income on advances

Rs. In crores



- Interest income from resource operations higher last year due to surplus liquidity being deployed in the money market. Interest earned on investments, however, is up by 6.48% in Q2FY11 and 4.81% in H1FY11
- YOY growth of interest income on advances at 15.09% for Q2FY11 up from 8.62% in Q1FY11.
- Average PLR is higher by 24 bps in Q2FY11 over Q2FY10 as well as sequentially over Q1FY11.
- However, average PLR is lower by 12 bps in H1FY11 over H1FY10

# Growth in Interest Expenses has been contained due to robust CASA growth

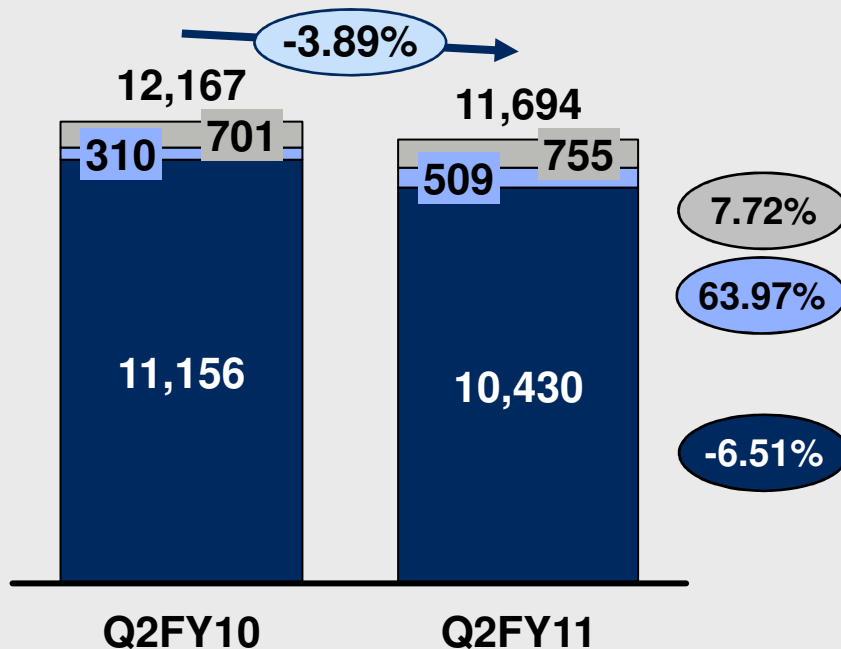
Rs.in crores

Sundry

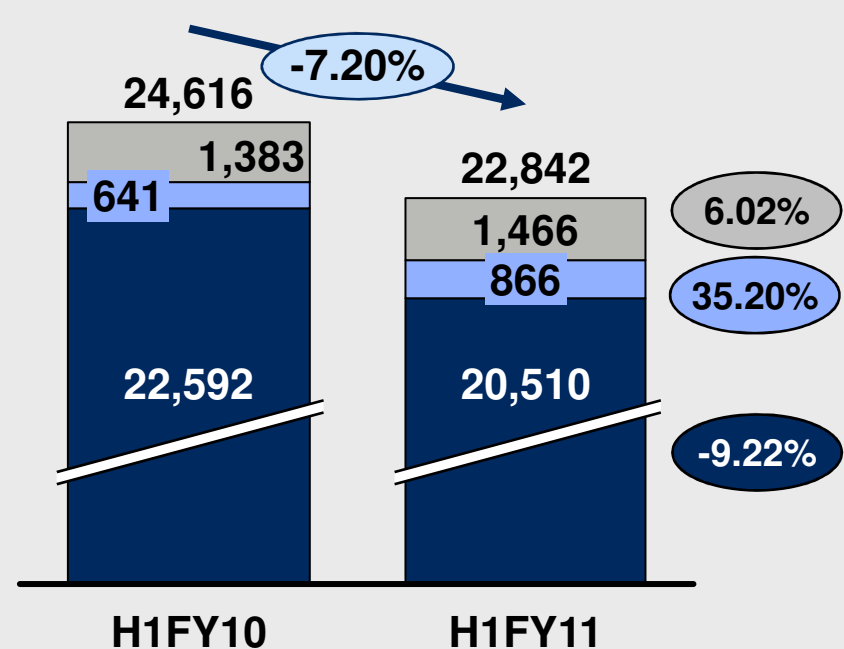
Intt. on Borr

Intt. on Dep

## Q2 FY11 vs Q2 FY10



## H1FY 11 vs H1FY 10

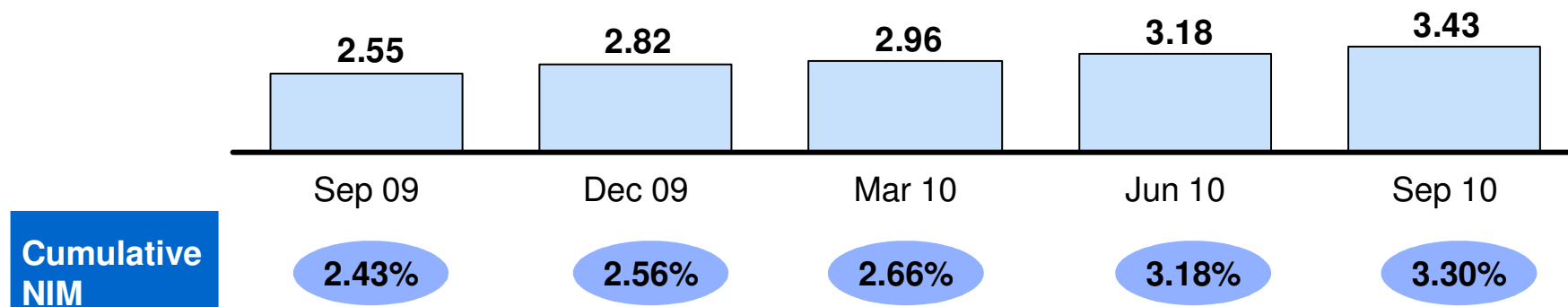


- H1FY11 interest paid on deposits lower than H1FY10 despite switch in calculation method of SB interest to daily product basis which has added around Rs.650 crores to the interest outgo during H1FY11.
- Interest paid on borrowings is higher as the Bank has maximised earnings through efficient cash management by strategically borrowing under the RBI's LAF window.

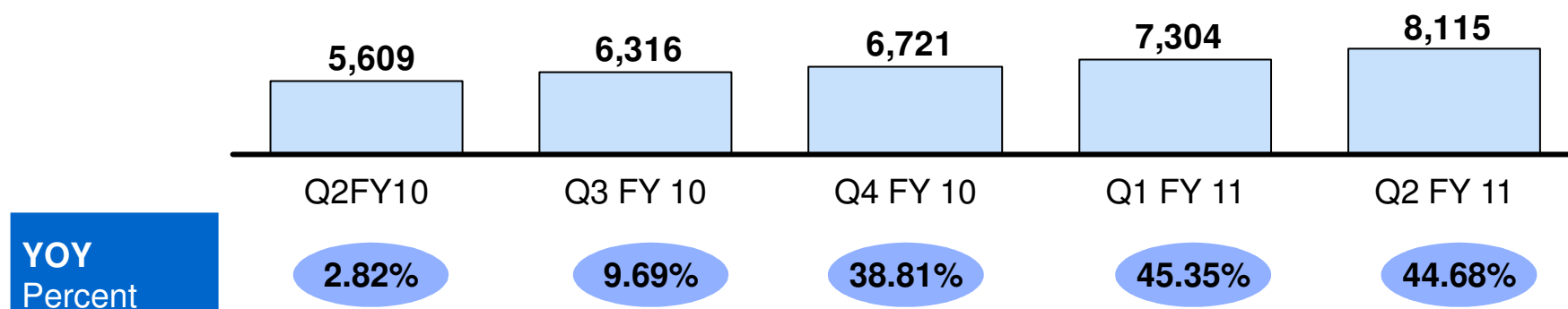
# NII and NIM continue to improve

Percent

## NIM (During the Quarter)



## NII



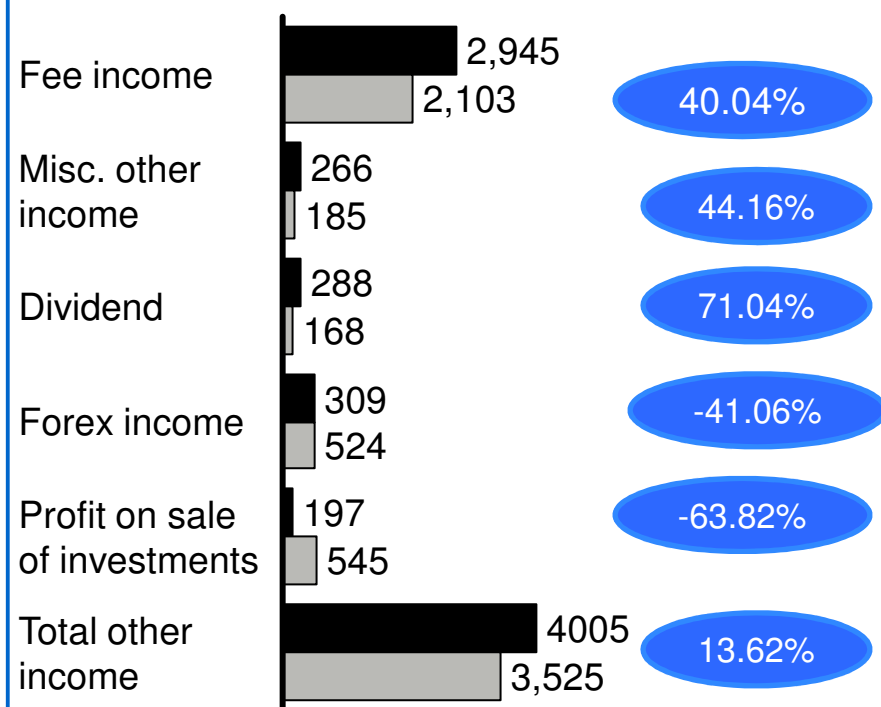
Both in absolute and % terms, growth in NII in Q1FY11 & Q2FY11 are among the highest in last ten quarters.

# Growth in Fee income is robust at 40% YOY

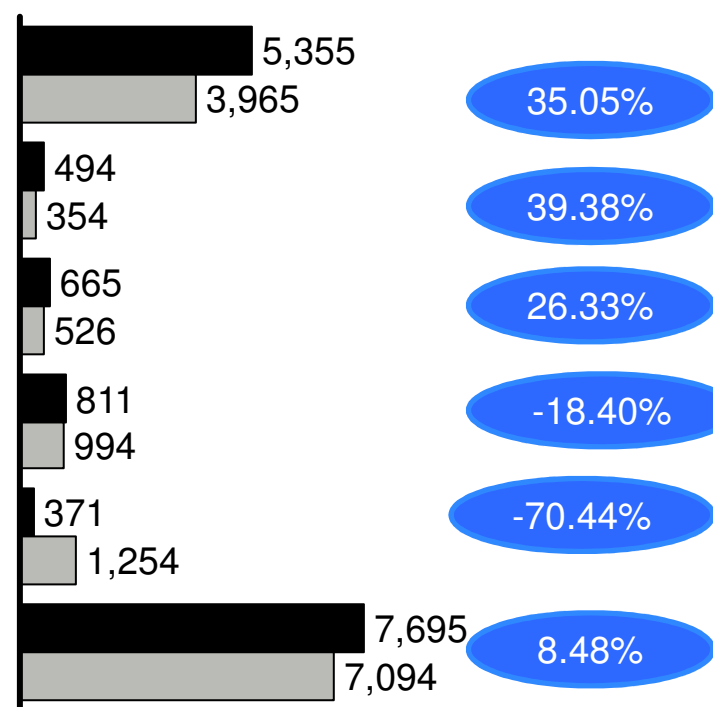
Rs. In crores

xx y-o-y growth

## Q2 FY11 vs. Q2 FY10



## H1FY11 vs H1 FY10

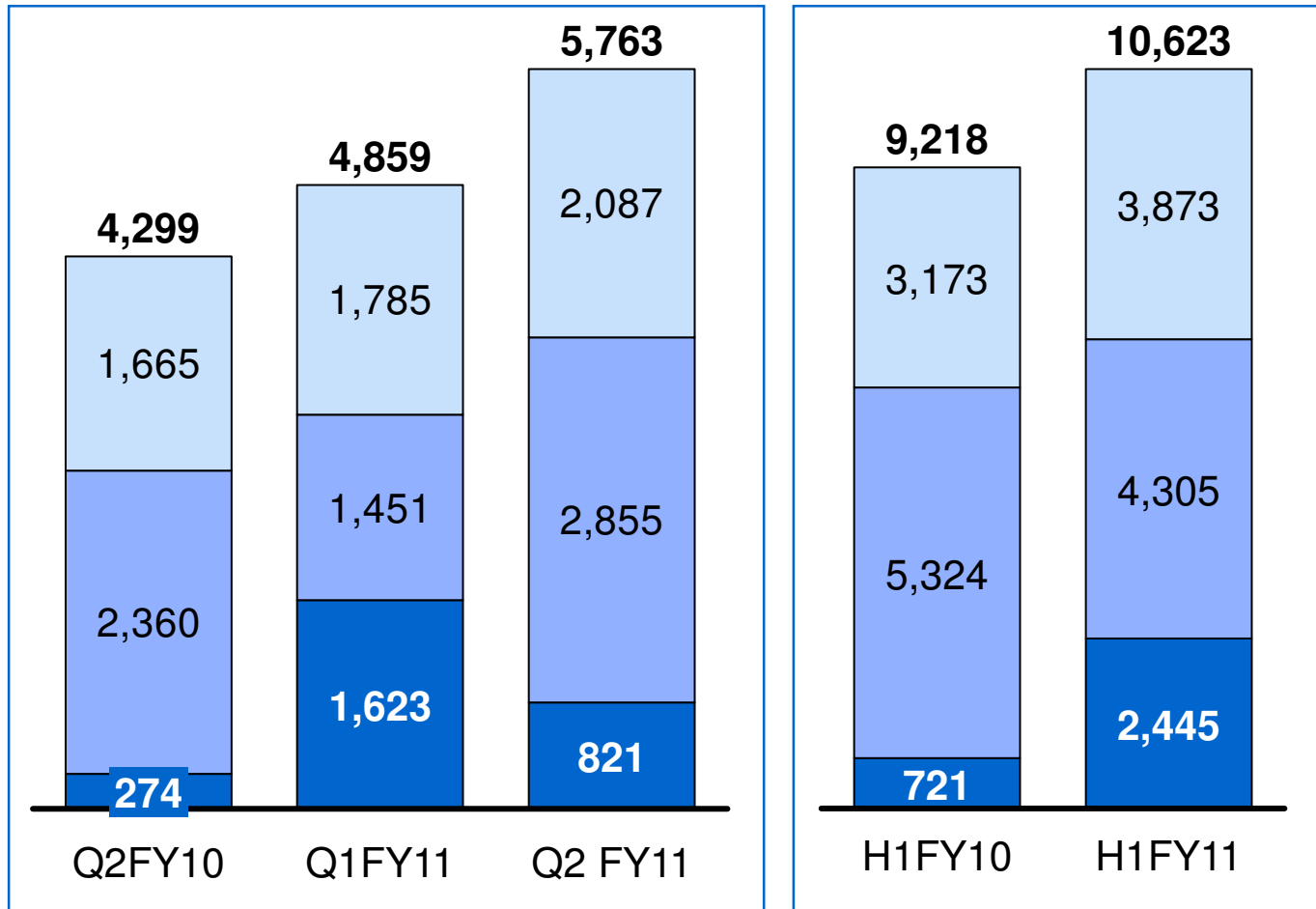


- Growth in fee income driven by growth in commission from govt. business; loan processing and upfront fees, LC/BG and cross selling.
- Growth in Misc. other income driven by 29% growth in recovery from written off accounts in Q2 FY11.

# Break up of Operating Costs (1/3)

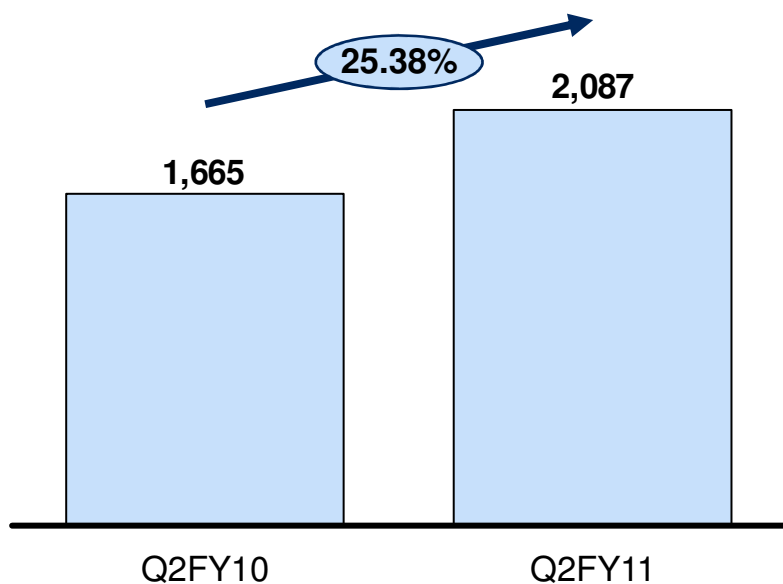
Rs. In crores

- Overheads
- Salary
- Contribution for Empl



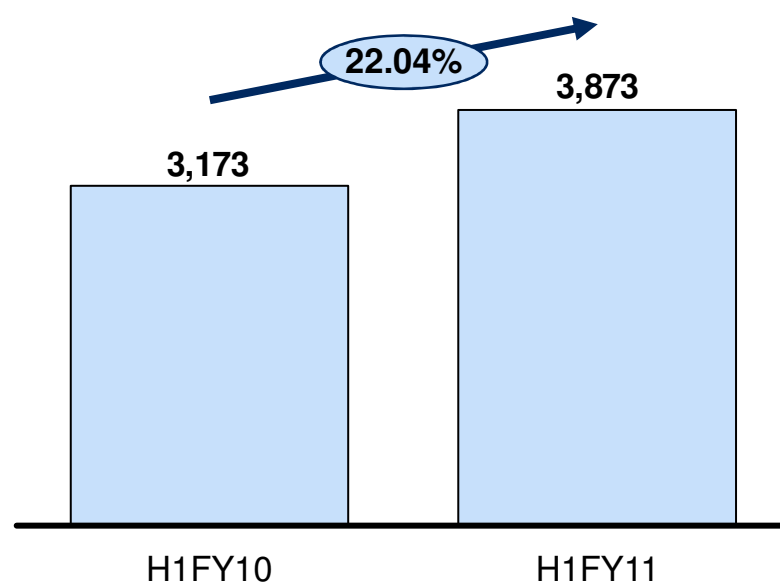
## Overheads (2/3) .....

### Overheads



- Excluding Rs.139 crores increase in ATM Interchange fees paid to other banks (nil in Q2FY10), growth is 17%.
- 26% of the increase is due to rentals and electricity:
- 611 new branches and 4206 new ATMs opened between 1.10.2009 to 30.9.2010.
- 19% due to increase in reimbursement of travelling & halting allowances for staff & increase in petrol prices.

### Overheads

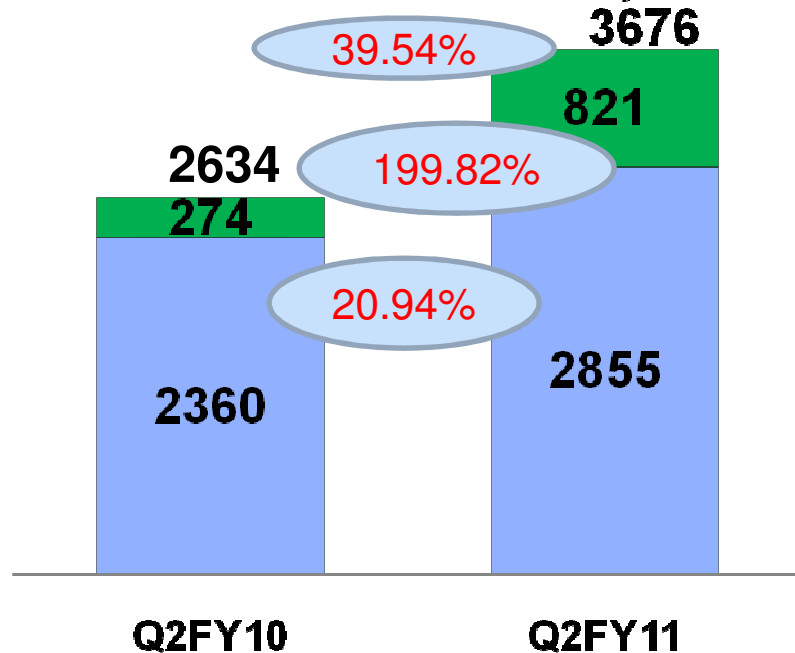


- Excluding Rs.281 crores increase in ATM Interchange fees paid to other banks (nil in H1FY10), growth is 13%.
- 17% of the increase is due to rentals and electricity.
- 21% due to increase in reimbursement of travelling & halting allowances and increase in petrol prices.

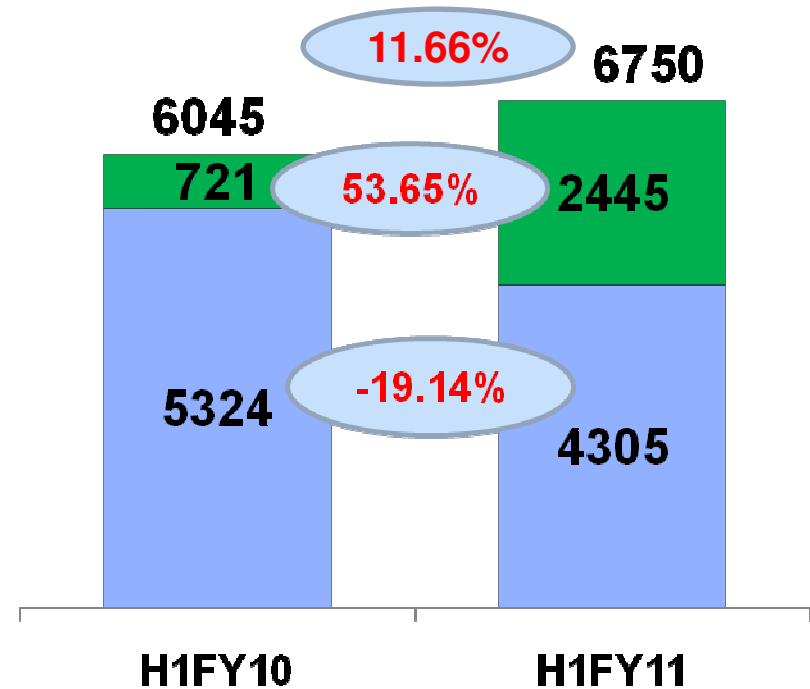
# Staff costs (3/3) .....

x Staff Expenses YOY growth Q2FY11

■ salaries ■ Pension & Gratuity



x Staff Expenses YOY growth H1FY11

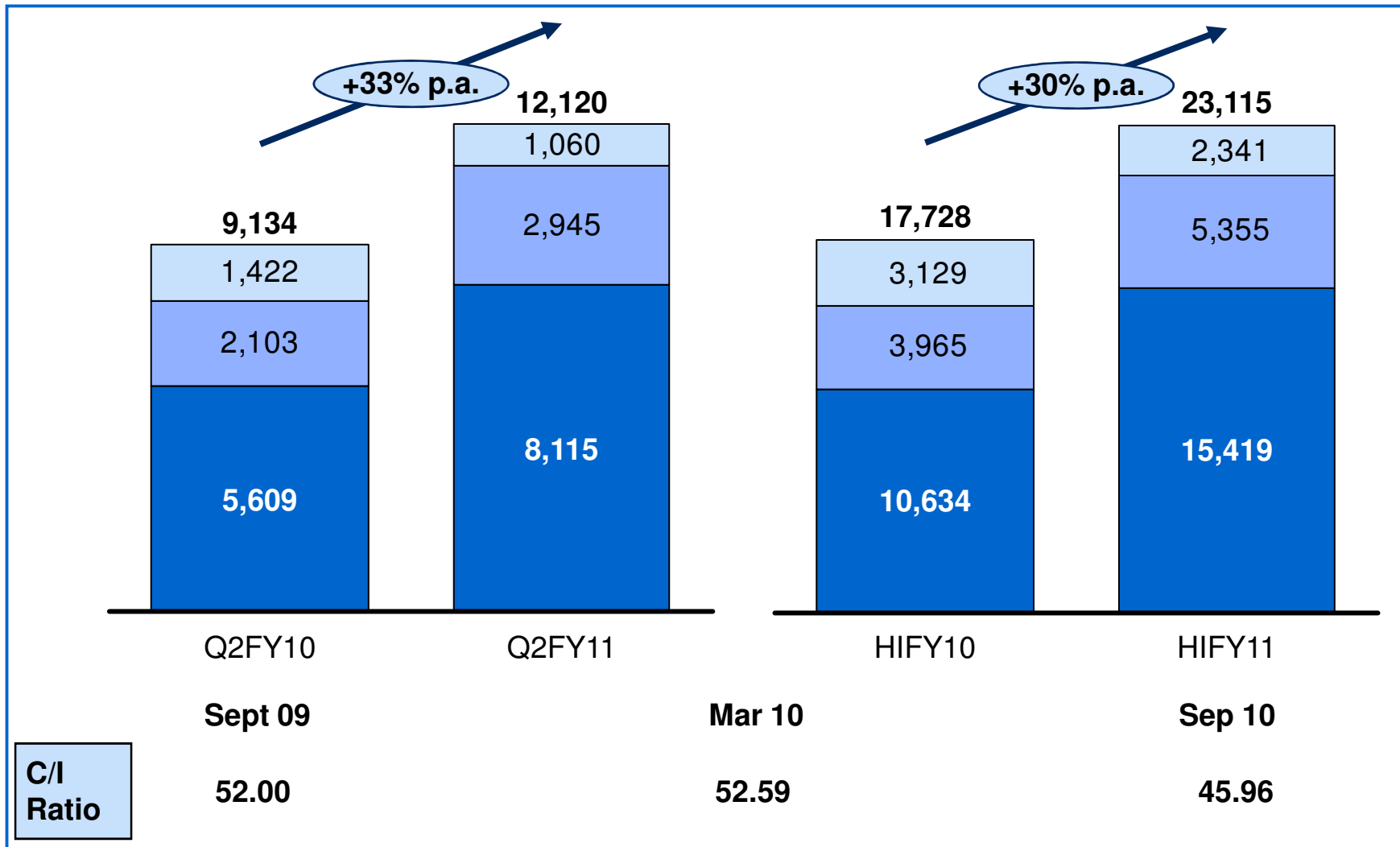


➤ Salaries higher due to Rs. 206 cr increase in DA and Rs.289 cr o/a of increase in provisions for leave encashment , LTC /HTC, Medical benefits for retired employees.  
 ➤ Higher contribution for employees by Rs.547 crs in Q2 prov. of Rs.300 crs is one time for current year.

➤ Salaries lower in H1FY11 mainly due to Rs.845 cr write back from wage revision provisions.  
 ➤ Higher contribution for employees by Rs.1724 crs in H1FY11. Of this gratuity prov. of Rs.1400 crs is one time. 64% of whole year requirement met.

# Operating income growth remains robust at 33% YOY

NII
  Fee income
  Other non-interest income

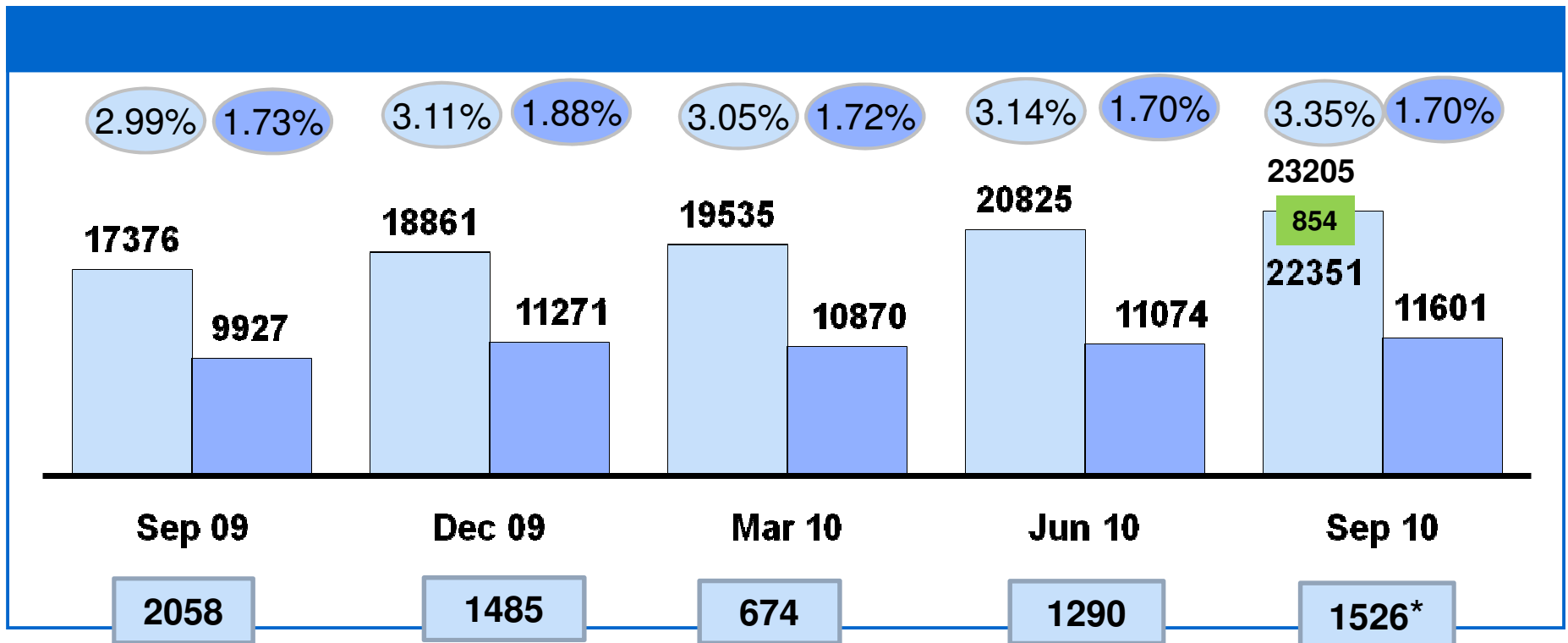




# Asset Quality

Rs. In crores

□ Gross NPA □ Net NPA



Growth in NPAs during the quarter

■ NPAs as on 30.09.2010 include Rs.854 crores of SB of Indore; Gross NPA Ratio of SB of Indore was 3.95%

\* Excluding SB of Indore

## Movement of NPAs during Q2FY11 (1/2)

Rs. In crores	Q1FY11	Q2FY11	Break-up of NPAs as on 30.09.10	
Opening stock of NPAs	19,535	20,825	Corporate	8350
Fresh slippage	+ 4,081	4412	International	1956
Addition from SB Indore	+ --	854	SME	4891
Up gradation + recovery	- 2,164	2087	Agriculture	3459
Write off	- 627	799	Retail	4549
Closing NPAs	20,825	23205	Total	23205

- Bulk of the Corporate slippages are from Mid Corporate restructured accounts belonging to industries like iron & steel, Textiles , real estate and agro based.
- Slippages in the international portfolio have come from 3-4 accounts mainly in the infrastructure and tourism sectors.

# Movement of NPAs during Q2FY11 (2/2)

Rs. In crores

Particulars	Corp.	IBG	SME	Agri	Retail	Total
Cash Recovery	14	59	494	47	315	929
Up gradation	357	113	317	105	266	1158
Write off	140	43	169	350	97	799
Gross Reduction	511	215	980	502	678	2886
Fresh Slippages	1903	515	1177	957	714	5266
Net Increase	1392	300	197	455	36	2380

	Net increase in NPAs in		
	Q1FY11	Q2FY11	
		Incl. SBIIn	Excl. SBIIn
Mid Corp	102	1392	926
Int'l	-43	300	300
SME	183	197	103
Agri	683	455	343
Retail	365	36	-146
Total	1290	2380	1526

## Details of Standard Assets Restructured

Rs. In crores

	<u>Under RBI scheme</u>
FY 08-09	10777
H1 FY10	6019
FY 09-10	6019
<b>Total</b>	<b>16796</b>
Slippages upto Mar 10	1616
Slippage in Q1FY 11	158
Slippage in Q2FY 11	661
Slippage upto Sept 10	2435
<b>% of slippages</b>	<b>14.50</b>

# Details of asset-wise provisioning

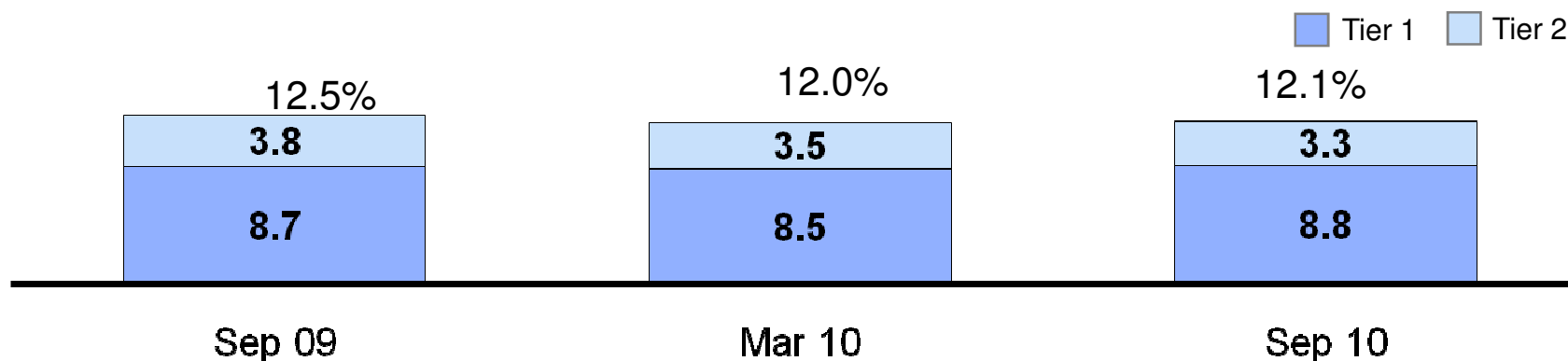
Rs. In crores

Asset Category	30-09-2010			31-03-2010			30-09-2010		
	NPAs	Provision	%	NPAs	Provision	%	NPAs	Provision	%
<b>Substandard</b>	8627	1609	18.65	8066	1251	15.51	9869	1359	13.77
<b>Doubtful</b>	6521	3612	55.39	8672	4617	53.24	10182	6641	65.22
<b>Loss</b>	2228	2228	100.00	2797	2797	100.00	3154	3154	100.00
<b>Excess over IRAC norms</b>								449	
<b>Whole Bank</b>	17376	7449	42.87	19535	8665	44.36	23205	11603	50.00
<b>AUCA</b>	6920	6920	100.00	7127	7127	100.00	7966	7966	100.00
<b>Prov.Cover (Incl.AUCA)</b>	24296	14369	59.14	26662	15792	59.23	31171	19569	62.78
<b>Prov.Cover (Excl.AUCA)</b>			42.87			44.36			50.00

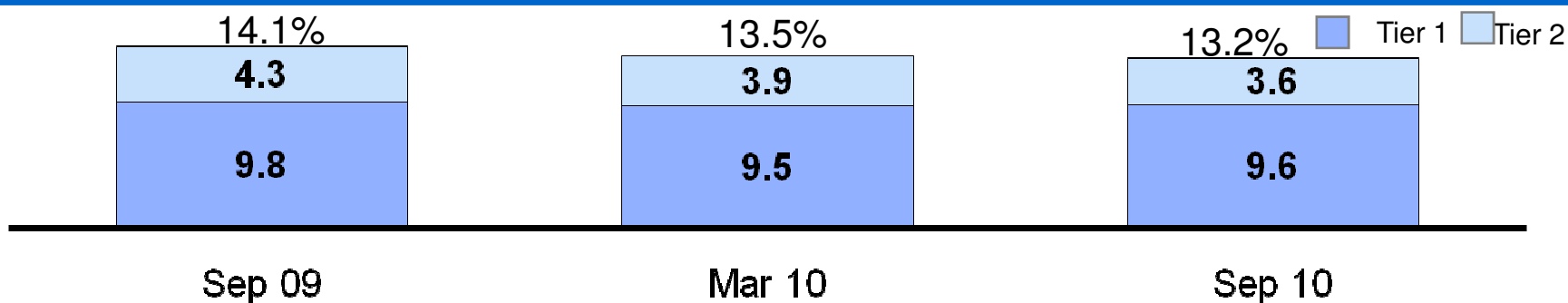
# The Bank continues to be remain well capitalized

Percent

## Capital adequacy ratio – Basel I



## Capital adequacy ratio – Basel II



- Public issue of SBI Capital Bonds in October 2010 for Rs.500 crs with a 100% Green Shoe option.
- Issue was a run away success with 19 times over subscription.

# Market Related Ratios



	FY 08-09	FY 09-10			FY 10-11	
Ratios	FY	Q1	H1	FY	Q1	H1
Market Price (Rs.)	1067	1742	2196	2079	2302	3233
Book Value (Rs)	981	925	964	1029	1075	1114
Market Capitalization (Rs. in Crs)	67713	110599	139401	131992	146156	205308
Price to Book Value	1.09	1.88	2.28	2.02	2.14	2.90
P/E Ratio (%)	7.42	11.87	13.72	14.40	12.54	18.96

*Closing price of SBI Share as on 5<sup>th</sup> November 2010 is Rs.3489*

## Performance Highlights of Associate Banks (1/3)

*Rs. in Crores*

Bank	OPERATING PROFIT					YOY Growth (%)
	During		YOY Growth (%)	Upto		
	Q2 FY10	Q2FY11		H1 FY10	H1FY11	
<b>SBBJ</b>	203	197	-2.84	418	488	16.60
<b>SBH</b>	323	453	40.23	639	939	46.97
<b>SBM</b>	206	283	37.40	380	553	45.54
<b>SBP</b>	242	440	82.20	435	824	89.47
<b>SBT</b>	226	262	15.98	463	532	14.85
<b>Total</b>	1199	1636	36.35	2335	3336	42.84

- ✓ Provision Coverage Ratio (including AUCA) is 65.78%.
- ✓ Due to addition of Rs.1,594 crores in Gross NPAs in H1FY11, Gross NPA Ratio has risen to 2.40% in Sep-10 from 1.71% in Mar-10 as well as in Sep-09. .
- ✓ Net NPA Ratio has increased to 1.13% in Sep-10 from 0.84% in Mar-10 and 0.86% in Sep-09.



## Performance Highlights of Associate Banks (2/3)

*Rs. in Crores*

Bank	NET PROFIT					YOY Growth (%)
	During		YOY Growth (%)	Upto		
	Q2 FY10	Q2FY11		H1 FY10	H1FY11	
<b>SBBJ</b>	90	128	41.48	237	231	-2.85
<b>SBH</b>	234	264	12.85	345	466	35.15
<b>SBM</b>	99	93	-5.35	181	205	13.23
<b>SBP</b>	116	156	34.29	206	255	23.83
<b>SBT</b>	122	164	33.56	302	313	3.75
<b>Total</b>	662	805	21.64	1271	1470	15.63

- ✓ NIM of Associate Banks has gone up to 3.28% as on Sep-10 as against 2.83% in Mar-10 and 2.47% in Sep-09.
- ✓ CAR as on Sep-10 is 13.49% with Tier I Capital at 8.64%.

## Performance Highlights of Associate Banks (3/3)

*Rs.in Crores*

Bank	DEPOSITS			ADVANCES		
	As on		YOY Growth (%)	As on		YOY Growth (%)
	Sept 09	Sept 10		Sept 09	Sept 10	
<b>SBBJ</b>	40675	48508	19.26	31361	36710	17.06
<b>SBH</b>	66389	77279	16.40	45069	55759	23.72
<b>SBM</b>	33821	39578	17.02	27053	31139	15.10
<b>SBP</b>	58805	64656	9.95	42888	47223	10.11
<b>SBT</b>	45235	53065	17.31	35324	41372	17.12
<b>Total</b>	244925	283087	15.58	181696	212203	16.79

- ✓ Cost of Deposits has come down to 5.69% in Sep-10 from 6.27% in Mar-10 and 6.72% in Sep-09..
- ✓ CASA deposits have grown by 24.38% from Rs.72,747 crores in Sep-09 to Rs.90,485 crores in Sep-10.
- ✓ CASA Ratio has increased from 29.70% in Sep-09 to 31.96% in Sep-10.
- ✓ NII has grown by 55.35% YOY in Sep-10

## Highlights of Some Non – Banking Subsidiaries (1/2)

### SBI Life

- SBI Life recorded a PAT of Rs.216.77 crores with YOY growth of 86.80%.
- Opened 129 new branches taking the total number of branches to 623.
- SBI life has a market share of 19% among the private insurers.
- Won the NDTV Profit Business Leadership 2010 Award.
- SBI Life ranked no. 1 globally in terms of million dollar round table members (MDRT)
- The company is ranked 1<sup>st</sup> amongst the private Insurance companies under New Business Premium with a collection of Rs.3173 crs.

### SBI Capital Markets Ltd

- The company has posted PAT of Rs.265.70 Crores as on 30.09.2010 registering a YOY growth of 184%.
- Loans aggregating around Rs.1,20,000 crs were syndicated up to September 2010.
- YOY growth in Fee based income is as high as 57%.
- **Ranked No. 1 Mandated Lead Arranger** – Global PF Loans by Dealogic with 10.90% market share for the 9 month period – September 2010.
- **Ranked 1st in Asia pacific ex-Japan Loans Mandated Arranger** by Bloomberg with 11.30% market share for first three quarters of CY - 2010.
- **Ranked No. 1 India Loans Mandated Arranger** (INR) with market share of 39% for the first three quarters of CY – 2010.

## Highlights of Some Non – Banking Subsidiaries (2/2)

### SBI DFHI

- Gross Trading Income was Rs.17.86 crs – highest in the last 3 years as against ₹ 14.49 crs as on September 2009.

### SBI Cards & Payment Services Pvt. Ltd.

- Recorded a net profit of Rs.7.6 crores as against a loss of Rs.90.80 crores as on September 2009.
- SBI Cards has won the Gold award at ‘Most Trusted Brand’ awards by Reader’s Digest for three years in a row.

### SBI Pension Fund Pvt Ltd

- AUM were Rs.3061.44 crores as on 30.09.2010, a growth of 34% over March 2010.
- Leading in all the schemes under unorganised sector in respect of AUM with a share of 69.68%.



---

THANK YOU

---

