



## Annual results FY 08

### 1. SBI GROUP NET PROFIT AT RS 8,960 CRORE (USD 2.24 BN<sup>1</sup>)

### 2. SBI STAND ALONE NET PROFIT FOR FY 08 CROSSES RS 6,700 CRORE

- ¶ Net Profit for FY 08 at Rs 6,729 crore, up by 48.2% from Rs 4,541 crore in FY 07
- ¶ Net Profit for Q4 08 at Rs 1,883 crore, up by 26.1% from Rs 1,493 crore in Q4 07

### 3. TOTAL BUSINESS GROWTH OF OVER RS 1, 81,000 CRORE

- ¶ Deposits up by Rs 1,01,885 crore, a 23.4% growth from Rs 4,35,521 crore in FY 07 to Rs 5,37,406 crore in FY 08;
  - CASA ratio has remained stable at 43%
  - Market share in deposits has increased from 14.8% to 15.4% driven by low cost deposits where market share has increased from 13.9% to 17.4%
- ¶ Advances up by Rs 79,949 crore, a 23.4% growth from Rs 3,42,232 crore in FY 07 to Rs 4,22,181 crore in FY 08
  - Mid corporate advances grow by 24.4%
  - SME advances grow by 26.3%

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<sup>1</sup> Exchange rate 1 USD= Rs. 40.02



- Agriculture advances grow at 24.6%, bank achieves 18% benchmark
- Home loans grow by 18.7%, auto loans by 29.9% and education loans by 33.6%
- International advances up by 50.4% y-o-y; SBI largest non-rupee provider of corporate syndicate credit to Indian corporates

#### **4. OPERATING PROFIT INCREASED BY 31.1% TO RS 13,107 CRORE IN FY 08**

- ¶ NII increased by 13.0% for the financial year to Rs. 17,021 crore in FY 08
  - Advances interest increased by 41.8%, driven by growth and increase in yields
  - Income from investments increased by 7.9%
  - Interest expense increased by 43.9%; interest expense includes Rs 1,710 crore of interest on Tier 2 capital bonds which will be contained going forward as rights issue will create capital cushion in the short term
  - NIM at 3.07% for FY 08 vs. 3.09% (excluding one time items) for FY 07
- ¶ Other income increased by 28.5% to Rs. 8,695 crore; core fee income increased by Rs. 1,110 crore. FY 08 saw a decline in dividend income by Rs. 401 crore
- ¶ Operating costs increased by only 6.6% to Rs 12,609 crore, despite redesign of 2,000 metro and urban branches, addition of nearly 1,000 branches leading to branch network crossing the 10,000 mark, increase in number of ATMs by nearly 1,500 to a total of 5,842 and rollout of core banking system to cover 9,390 branches and 98.3% of business
  - Migration to new efficient operating architecture (redesigned branches to focus on sales and service, 400 central processing centers) is almost complete; customer service in branch and outside has improved even as productivity and efficiency have increased



- As a result, Cost/Income ratio has declined by 520 bps from 54.2% in FY 07 to 49.0% in FY 08

	Q4 07	Q4 08	Q-o-Q Growth	FY 07	FY 08	Y-o-Y Growth	Comment
Interest on advances	7057	9603	36.09%	24839	35228	41.82%	Advances growth of 23% coupled with increase in yields by 123 bps
Other Interest Income	3461	3974	14.79%	12403	13722	10.63%	FY 07 included a one time write back of Rs 1,372 crore on government security premium amortization No interest on CRR from April 1, 2008
<b>Total Interest Income</b>	<b>10518</b>	<b>13577</b>	<b>29.07%</b>	<b>37242</b>	<b>48950</b>	<b>31.44%</b>	
Total Interest Expense	5971	8776	46.98%	22184	31929	43.92%	Increase in deposits by 25%; Increase in Tier II bond interest by Rs 850 crore over previous year
<b>NII</b>	<b>4547</b>	<b>4801</b>	<b>5.58%</b>	<b>15058</b>	<b>17021</b>	<b>13.04%</b>	
<b>Non-Interest Income</b>	<b>2668</b>	<b>2817</b>	<b>5.60%</b>	<b>6765</b>	<b>8695</b>	<b>28.53%</b>	<b>Rs. 1,109 crore fee income increase; Lower dividend income of Rs 400 crore in FY 08</b>
<b>Total Income</b>	<b>7215</b>	<b>7618</b>	<b>5.59%</b>	<b>21823</b>	<b>25716</b>	<b>17.84%</b>	
Operating Expenses	3246	3245	-0.03%	11823	12609	6.65%	Higher Employee productivity helping keep costs under control;  Write-backs of gratuity and pension provisions of Rs 475 crore offset by wage hike provisions of Rs 200 crore;  Increased costs on branch redesign, branch + ATM network expansion and CBS roll-out, especially depreciation (Rs 208 crore in Q4 FY 08 vs. Rs 62 crore in Q4 FY 07)
<b>Operating Profit</b>	<b>3969</b>	<b>4373</b>	<b>10.18%</b>	<b>10000</b>	<b>13107</b>	<b>31.07%</b>	
Provisions	1413	1620	14.58%	2410	2668	10.71%	Loan loss provisions in line with increase in business;  Includes Rs 168 crore MTM loss on securities issued to Govt. of India in connection with the rights issue
<b>Profit before tax</b>	<b>2556</b>	<b>2753</b>	<b>7.75%</b>	<b>7590</b>	<b>10439</b>	<b>37.54%</b>	
Tax	1063	870	-18.1%	3049	3710	21.68%	
<b>Profit after Tax</b>	<b>1493</b>	<b>1883</b>	<b>26.12%</b>	<b>4541</b>	<b>6729</b>	<b>48.18%</b>	



## **5. PERFORMANCE OF ASSOCIATES AND SUBSIDIARIES HAS BEEN STRONG**

- ¶ Associate bank net profit increased 12.1% to Rs 2,277 crore
- ¶ SBI Life grew NBP by 108%, of which Rs 1,450 crore was through the SBI bancassurance channel. SBI Life was one of the few private sector companies to make profits- FY 08 profit of Rs. 34.3 crore
- ¶ SBI MF improved its position to 6<sup>th</sup> with a growth rate of 58% in AUMs; net profit of Rs. 69.7 crore in FY 08
- ¶ SBI CAPS increased profit by nearly 100% to Rs 142 crore; retained position as the largest rupee syndicator of Project Finance
- ¶ Post acquisition of GTF, SBI group has more than 70% share in factoring and net profits from the business in excess of Rs 100 crore
  - SBI Factors: net profit of Rs. 28.4 crore in FY 08
  - GTF: net profit of Rs. 73.6 crore in FY 08