

CC/S&B/SA/910
27.09.2018

The Executive Director
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001.

The Executive Director
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot No. C/1, G- Block,
Bandra Kurla Complex, Bandra – East,
Mumbai – 400051.

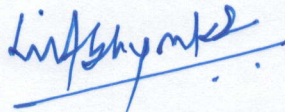
Dear Sir/Madam,

**LISTING REGULATIONS 2015: PRESENTATION MADE FOR ANALYSTS/
INVESTORS ON SUBSIDIARIES DAY.**

Pursuant to Regulation 30 of SEBI (LODR) Regulations 2015, we submit herewith a copy of presentation given to investors in the recent Subsidiaries Day at Singapore and London for your information and necessary dissemination.

Thanking you,

Yours faithfully,
For State Bank of India



(Sanjay M. Abhyankar)
Vice President Compliance &
Company Secretary





SUBSIDIARIES DAY

LONDON – HONG KONG – SINGAPORE

September 2018



The “Crown Jewels” of SBI



- ◆ SBI's subsidiaries are at the forefront in driving cross sell products through their parent's large branch presence
- ◆ Subsidiaries have leading market shares in their respective products and services
- ◆ Attractive solvency and persistency ratios in the insurance (Life & General) businesses
- ◆ Consistently growing AUM of the Asset Management business with superior ROEs
- ◆ Unique proposition of a separate entity model for the cards business

SBI Subsidiaries - Significant Scale and Value Creation (1/2)



- Market capitalization of Rs 70,000 cr
- #2 private life insurer in terms of Individual New Business Premium
- Strong financial performance: VNB Margin : 17%

	Q1FY19	Q1FY18
PAT (<i>in Rs. cr</i>)	354	313
ROE (<i>in %</i>)	21.2	21.9



- 2nd largest credit card company in India with a card base of 6.5 mn+
- Very high retail spend, accounting for a market share of 17% for the period April 2017 to May 2018

	Q1FY19	Q1FY18
PAT (<i>in Rs. cr</i>)	162	132
ROE (<i>in %</i>)	36.8	36.5



- #5 in India with market share of 9.96% in AUM
- Faster Y-o-Y growth of 38% as against Industry growth of 20%

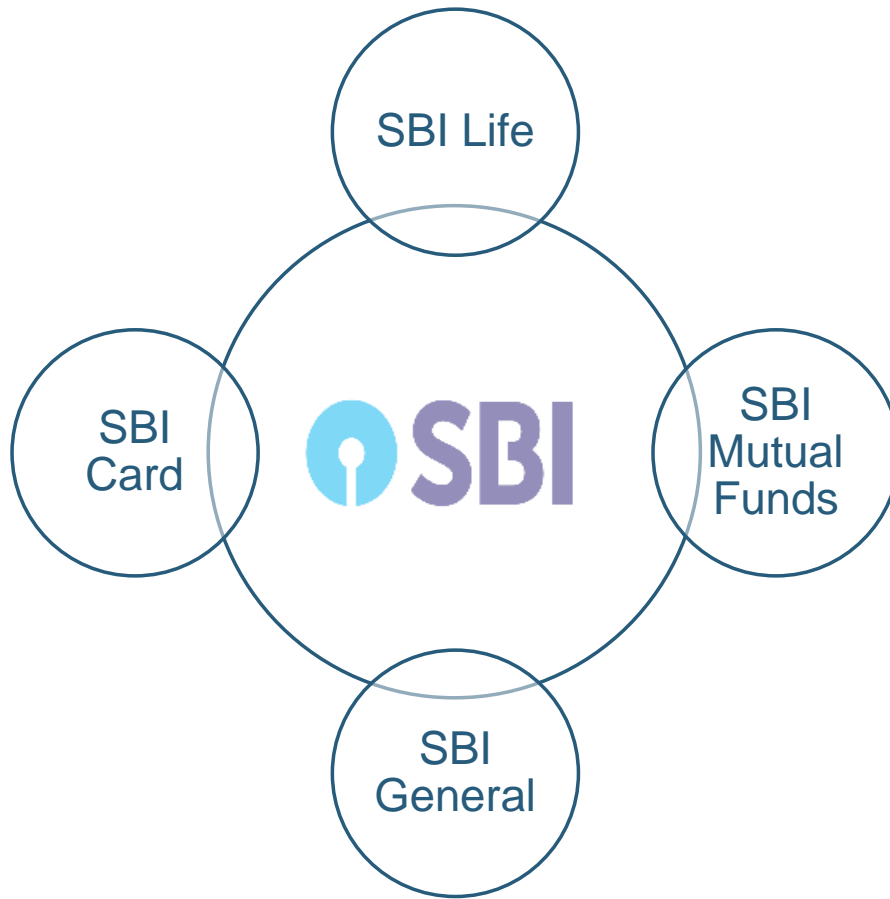
	Q1FY19	Q1FY18
PAT (<i>in Rs. cr</i>)	92	69
ROE (<i>in %</i>)	31.86	34.35
AUM (<i>in Rs. cr</i>)	2,33,114	1,68,816



- 3rd position in Personal Accident, 5th in Fire, and 3rd in Crop line of business amongst pvt. gen insurers
- Market share of 5.66% in current year among pvt gen insurers

	Q1FY19	Q1FY18
PAT (<i>in Rs. cr</i>)	113	50
ROE (<i>in %</i>)	32.56	19.04

SBI Subsidiaries - Significant Scale and Value Creation (2/2)



Cross sell Income in FY18
(in million)

SBI Life: Rs. 7,148 million

SBI Funds: Rs. 5,605 million

SBI General: Rs. 2,126 million

SBI Cards: Rs. 1,358 million

- The subsidiaries provide a 'One Stop Shop' experience to the huge customer base of SBI
- SBI distribution reach to enable rapid scale up of subsidiaries

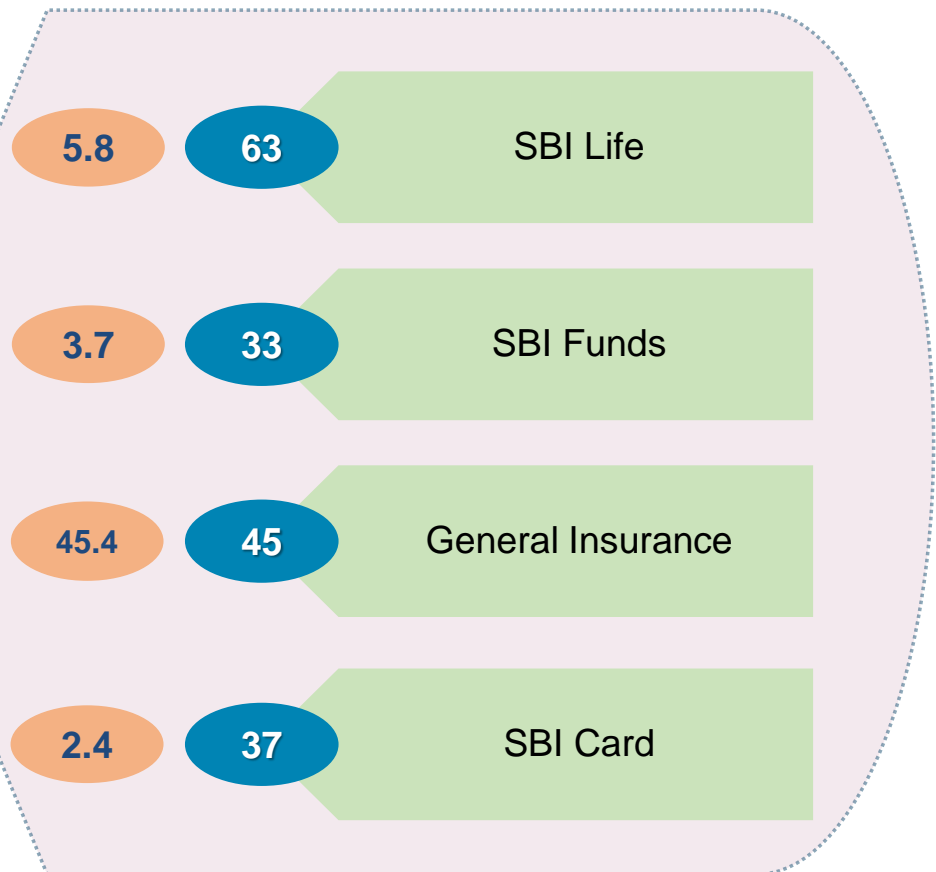
Significant room to increase penetration

As on June-2018

**SBI Total Customers
(In million)**

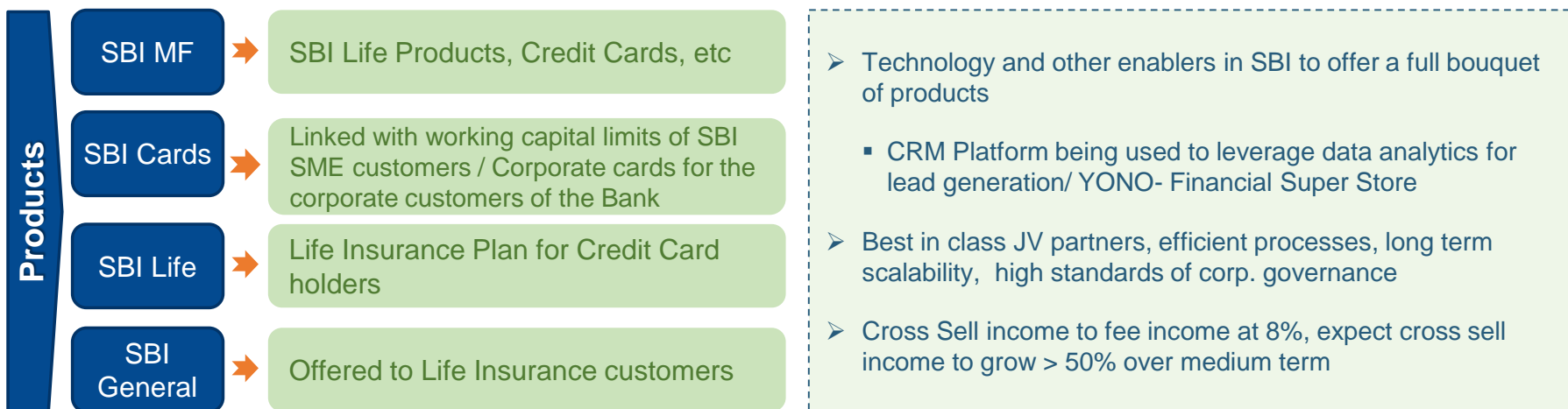
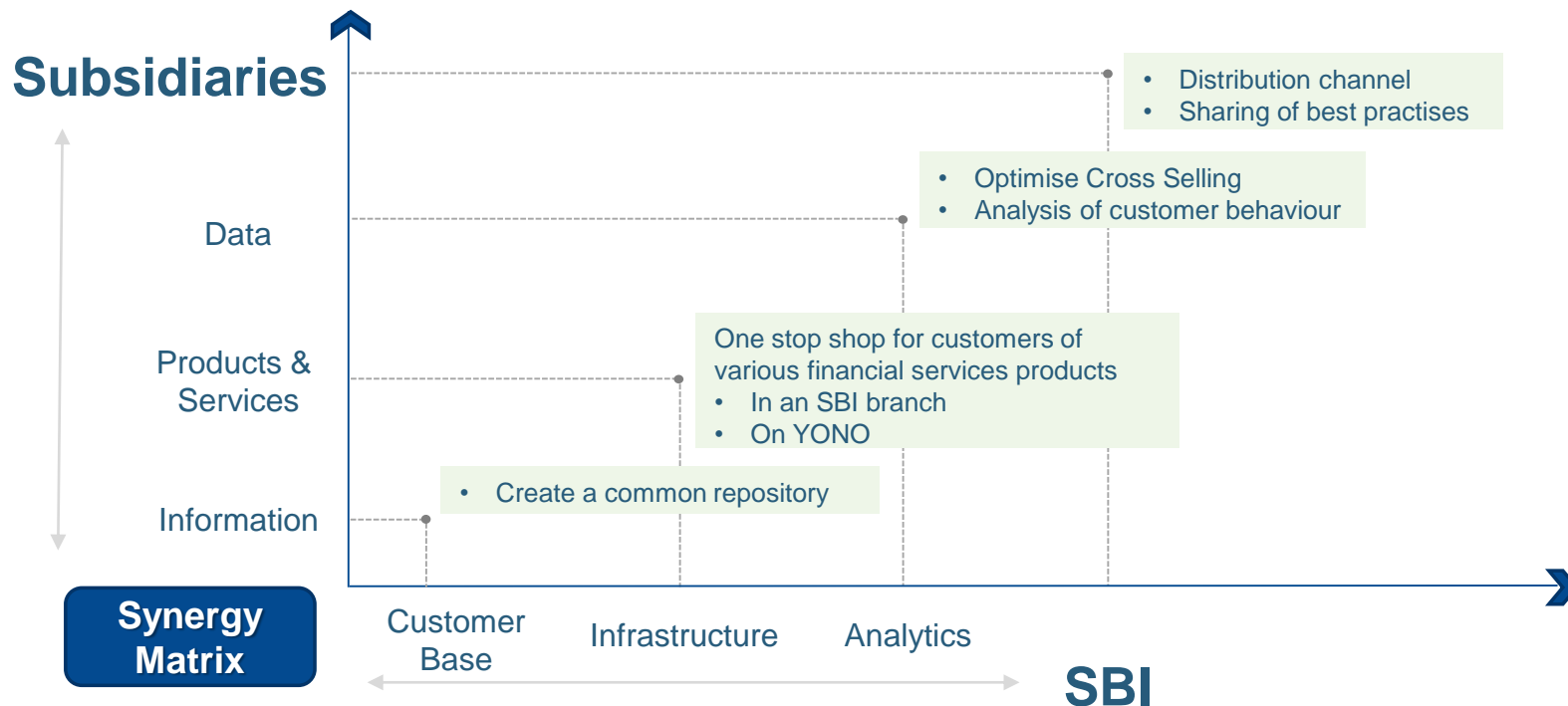
425.5

**SBI
customers
holding
products of
subsidiaries**

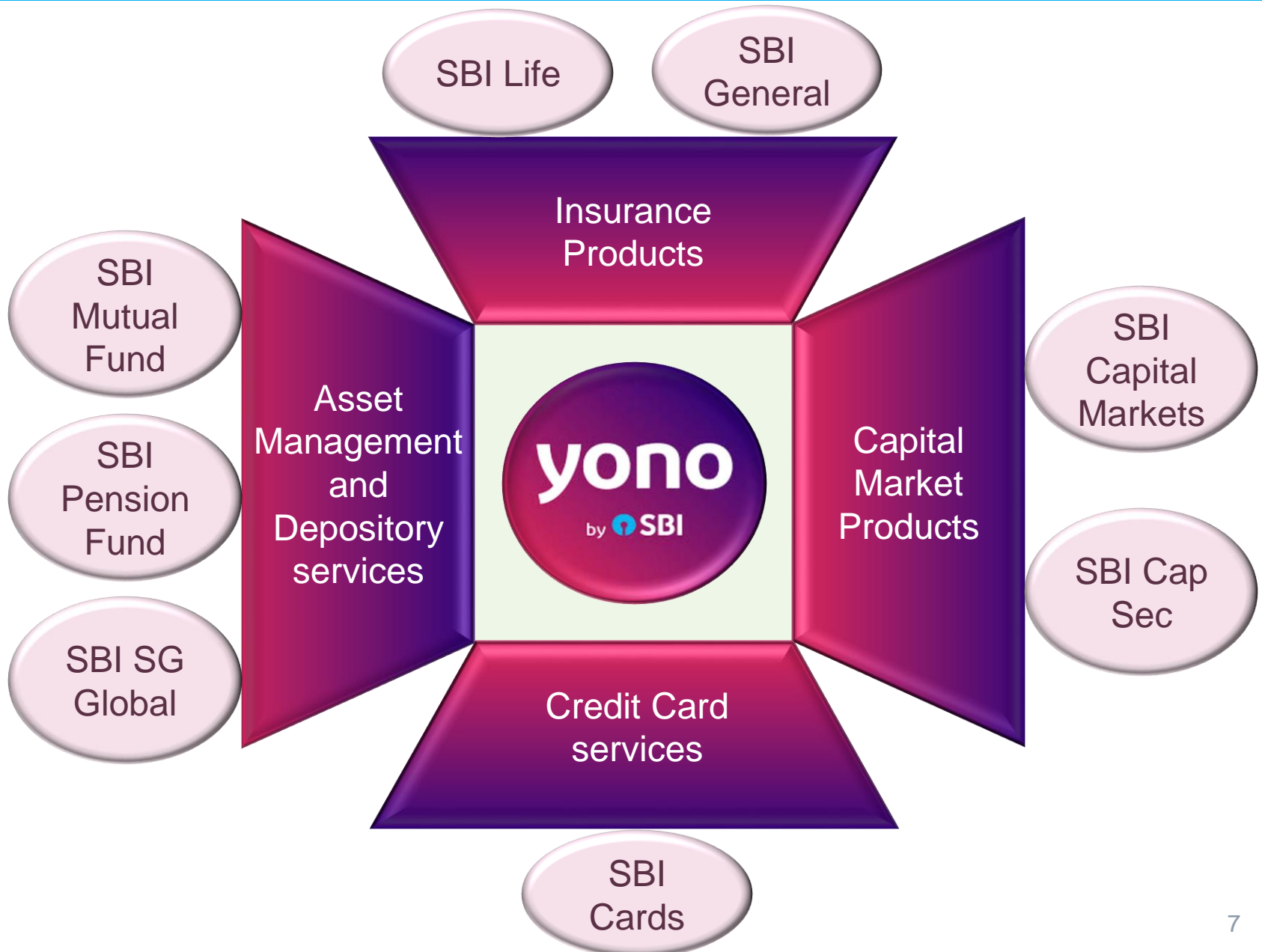


- Number of SBI Customers with subsidiary products (in million)
- Sales through Banca channel (%)

Strategy in place to leverage synergies



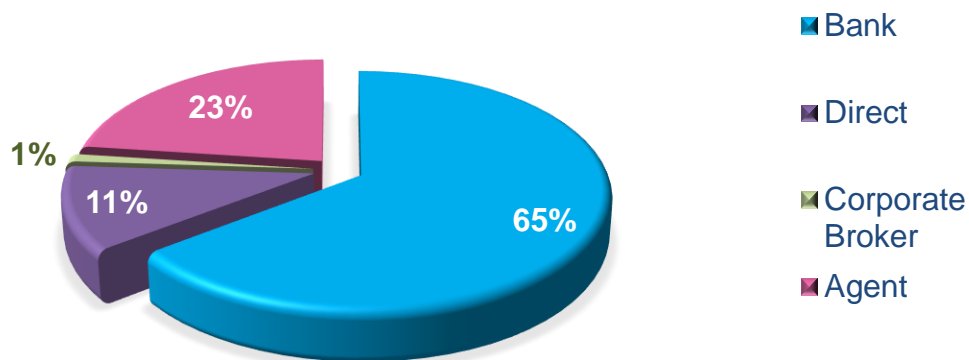
Strong technology platform supports cross selling



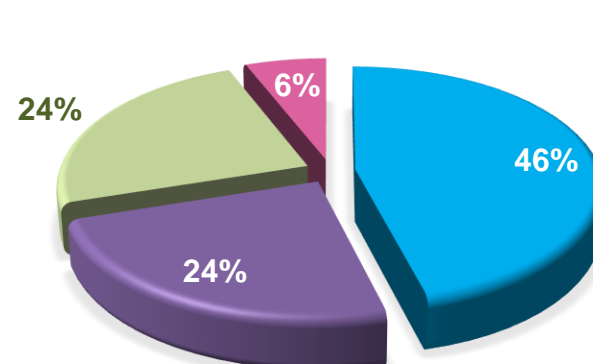
SBI Distribution - Enhancing reach of Subsidiaries Products

As on March 31, 2018

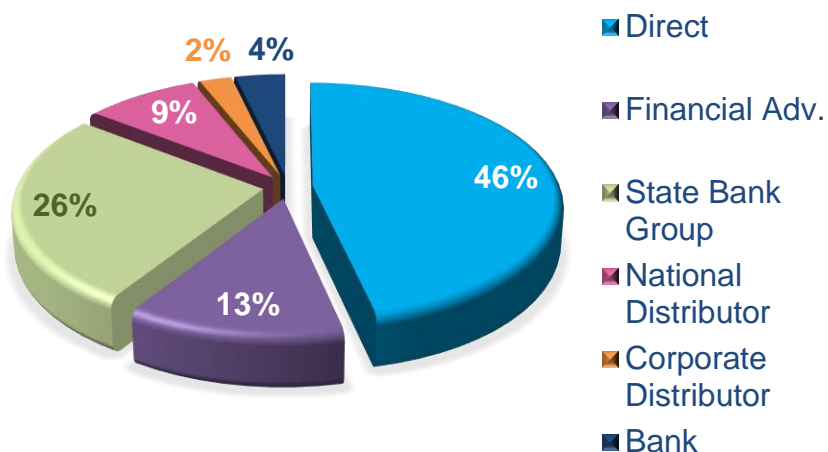
SBI LIFE



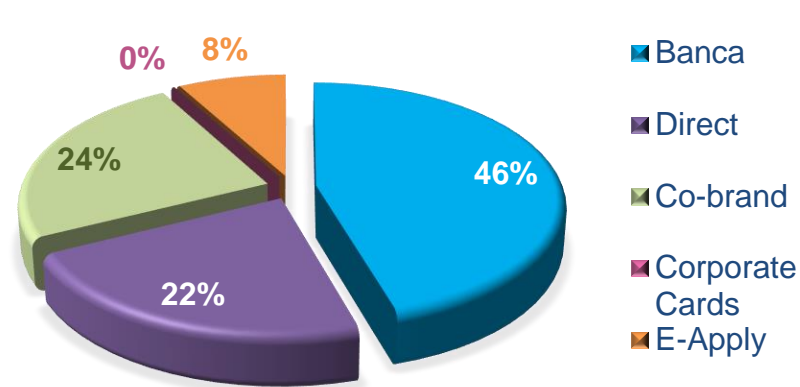
SBI GENERAL



SBI FUNDS MANAGEMENT



SBI CARDS



Roadmap to unlock value from Subsidiaries

- **SBI General** → 4% share sell planned for price discovery
- **SBI Funds Management** → Plan for private placement for value discovery
- **SBI Cards** → Merger of both front end and back end companies to eliminate redundancies, lower Cost to Income ratio and increase Capital Adequacy.

FY19

- **SBI General** → Plan for IPO
- **SBI Cards** → Plan for IPO

FY20

SBI Cards

- Investment in technology & infrastructure to support scale & reduction in cost
- Focus on long term customer loyalty through value added services & diversification of products

SBI Funds

- Focus on robust investment capabilities, extensive coverage of market with innovative products & solutions

SBI General

- Creating value & enhancing profitability by focussing on multichannel distribution network covering urban as well as rural areas

A Compelling Strategy for Value Creation



Control → Board members of all subsidiaries include executives from the senior management of SBI. In addition Board of the Subsidiaries have professionals having domain expertise.



Parent an operating entity → Subsidiaries can benefit largely from the huge customer base and branch network of SBI. In addition State Bank brand is synonymous to trust.



Synergy → The major products of our subsidiaries are marketed widely through SBI's ubiquitous branch network



Wide product offerings → Subsidiaries' products can create greater delight to customers of SBI with myriad options



Profitability → All the major subsidiaries are very profitable and offers handsome Return on Equities.



Minimal cost of holding → All the investments done at inception and hence carry low cost of holding.



Thank you





SBI Subsidiary Day

Investor Presentation | September 2018

Agenda



Journey and performance update



Strategy and initiatives



Growth drivers and industry overview

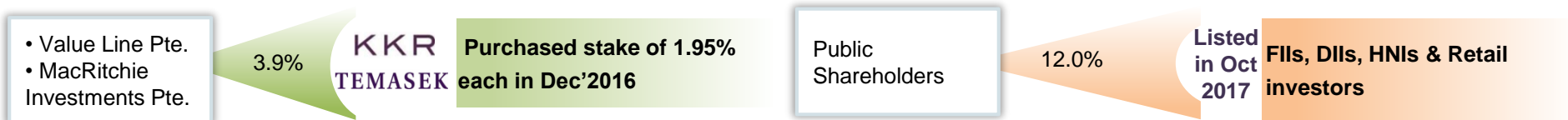
Journey so far

Distinguished Parentage ...Led by Global Financial Services Behemoths

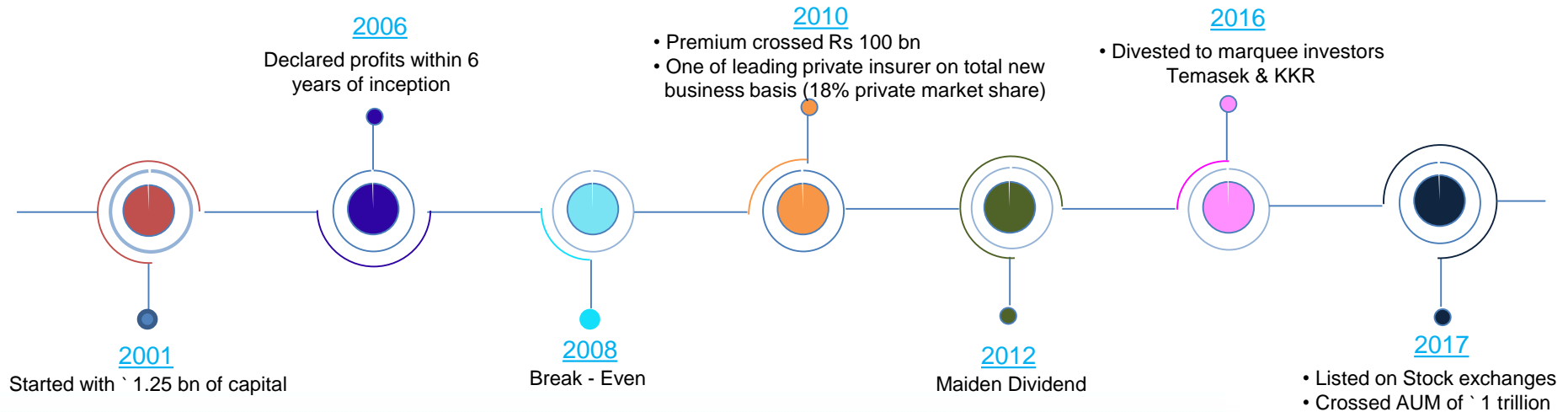
Best in class parentage



Other shareholders - Leading Marquee Global Financial Investors



Path travelled



Year mentioned denotes respective calendar year

Performance Snapshot

							in billion
		FY16	FY17	FY18	3 Yr CAGR	Q1 FY19	Growth - Q1 FY19
Scale and Growth	New Business Premium	71.1	101.4	109.7	26%	20.8	15%
	New Business APE	50.5	67.3	85.4	33%	13.1	2%
	Individual Rated Premium	42.8	59.4	77.9	36%	12.1	9%
	Renewal Premium	87.2	108.7	143.9	25%	26.8	35%
	Gross Written Premium	158.3	210.2	253.5	25%	47.6	26%
Profitability and Return	Profit after tax	8.6	9.5	11.5	12%	3.5	13%
	Indian Embedded Value ¹	125.5	165.4	190.7	-	NA	-
	Value of New Business ²	7.0	10.4	13.9	-	2.2	-
	New Business Margin ²	14.2%	15.4%	16.2%	-	17.0%	-
	Solvency	2.12	2.04	2.06	-	2.14	-
IEV & VoNB with effective tax rate ³	Indian Embedded Value	NA	NA	201.7	-	NA	-
	Value of New Business	NA	NA	15.7	-	2.5	-
	New Business Margin	NA	NA	18.4%	-	19.0%	-

- Growth in Individual Business Premium continues – Profitable growth for all the stakeholders
- VoNB margin increased to 17.0% and on effective tax rate basis is at 19.0%

1.Embedded Value and related numbers for FY18, FY17 and FY16 have been reviewed by Independent Actuary

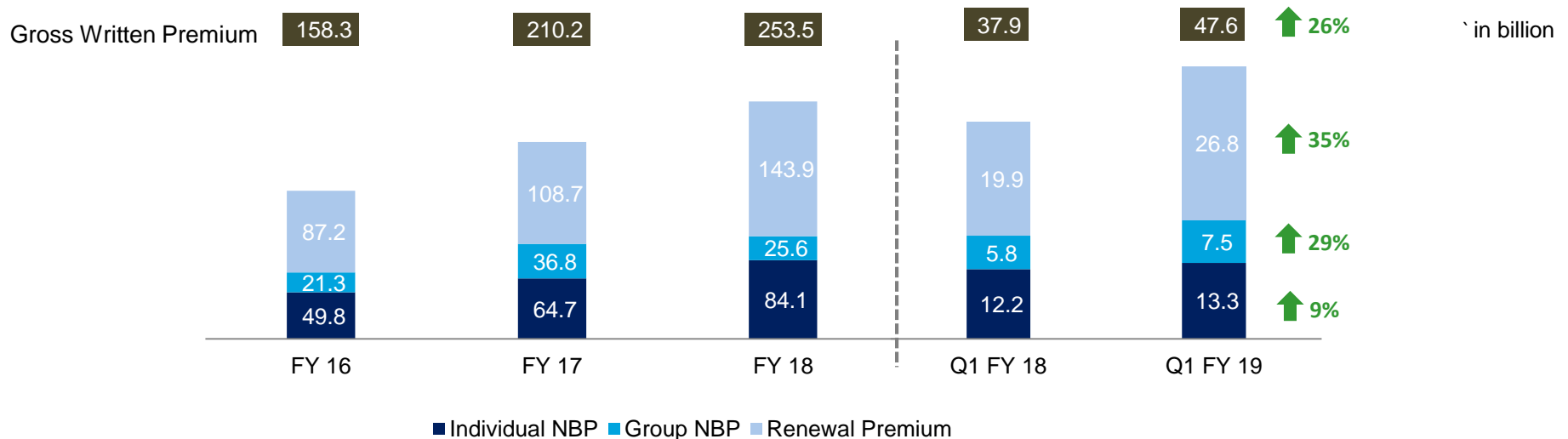
2. FY 16 numbers are calculated internally based on MCEV methodology

3. Effective tax rate assumes that a proportion of the projected profits are tax exempt on account of tax deductions available on income from dividends and tax free bonds. NA – IEV & VoNB with effective tax rate are calculated FY18 onwards.

Numbers and Percentages are rounded off to nearest one decimal

Market Share

Continued Growth in New Business Premium Backed by Strong Growth in Individual Renewal Premium



Individual regular premium contributes 90% of individual new business premium

Particulars	FY 16	FY 17	FY 18	Q1 FY 18	Q1 FY 19
New Business Premium / Ranking ¹	71.1 / 1	101.4 / 1	109.7 / 2	18.0 / 2	20.8 / 2
Individual Rated Premium / Ranking ¹	42.8 / 2	59.4 / 2	77.9 / 1	11.1 / 2	12.1 / 2
Market Share %					
- NBP Private/ Industry	17.3 / 5.1	20.0 / 5.8	18.5 / 5.7	18.2 / 5.4	17.3 / 5.6
- IRP Private/ Industry	18.8 / 9.7	20.7 / 11.2	21.8 / 12.3	19.0 / 10.3	19.7 / 10.6

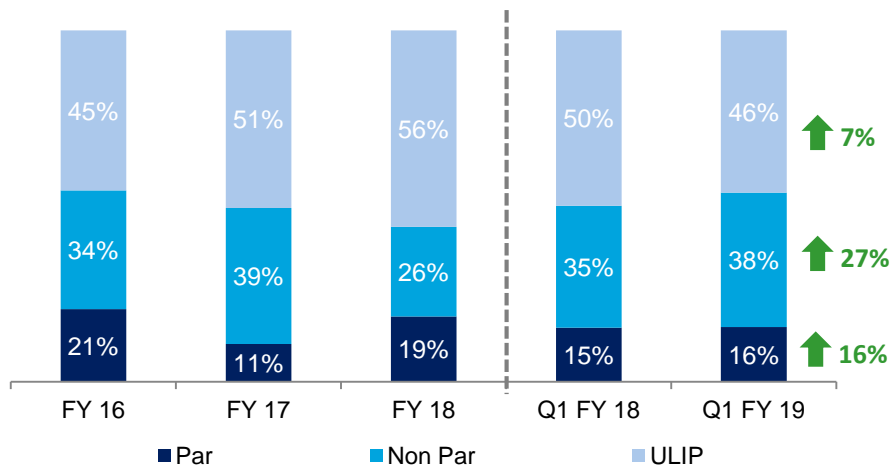
Growth in IRP by 9% while the private industry has grown by 5% and total industry has grown by 6%

1. Based on Life Insurance Council data for private insurers
Components may not add up to total due to rounding-off

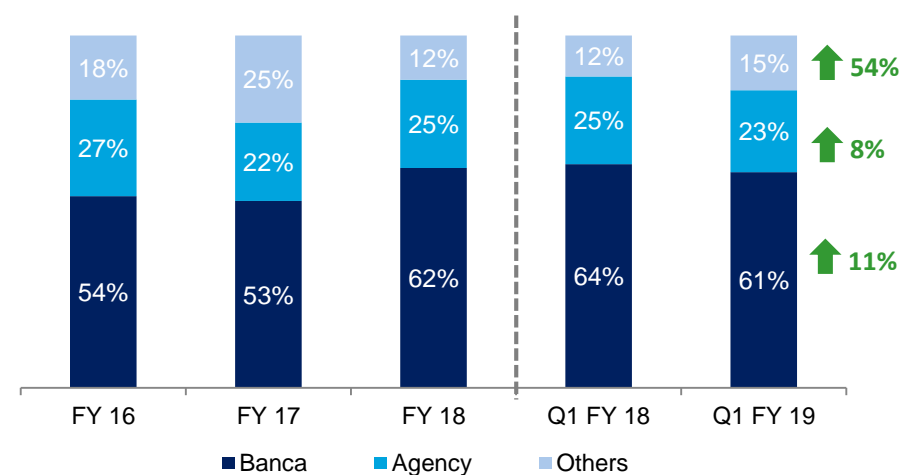
Balanced Product and Distribution Mix

Even Spread Ensures Stability Across Cycles; Additionally Ensures Consistency/ Longevity of Future Revenues

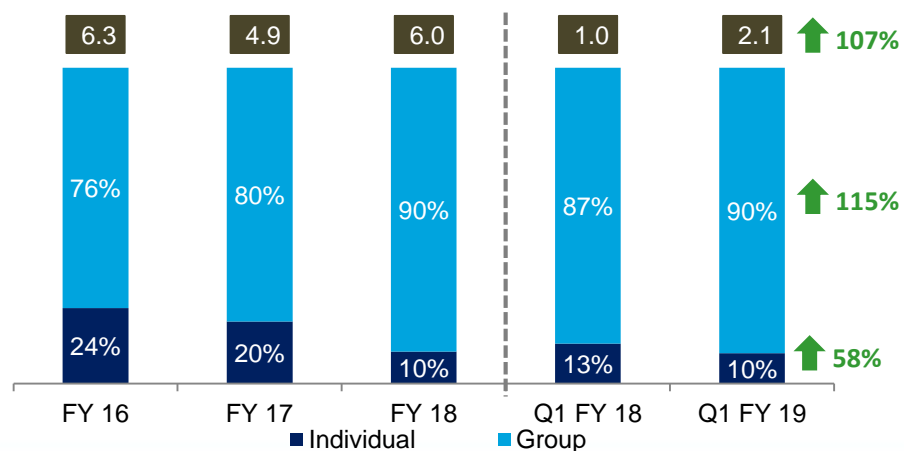
Diversified & well balanced product portfolio¹



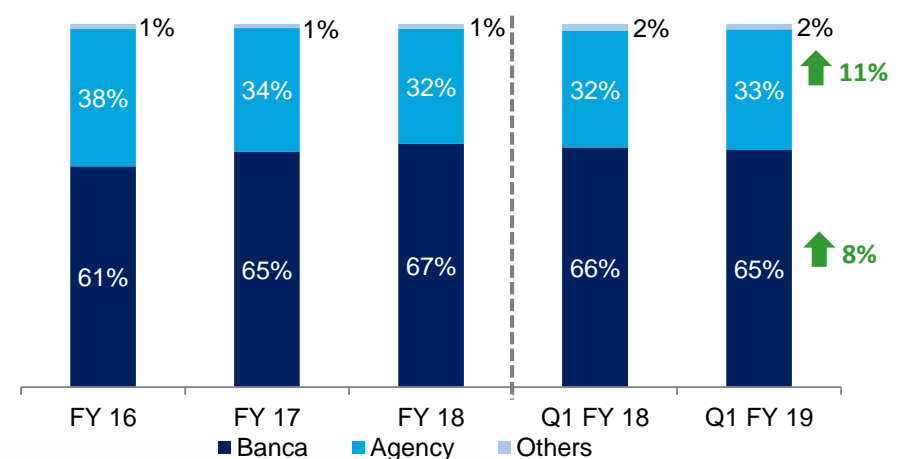
Balanced channel mix on the back of efficient Banca & productive Agency¹



Increase in protection business¹



Channel focus on individual business allowing stickiness & better returns²



1. New business premium basis
 2. Individual new business premium basis
 ` in billions
 Components may not add up to total due to rounding-off

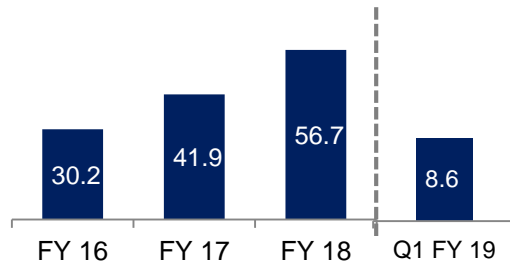
Unmatched Multi-Channel Distribution Franchise

Focused Distribution Approach Ensured Superior Premium Growth and Continuity of Performance

Bancassurance distribution backed by India's largest bank with the biggest pan-India bank branch network

Robust Banca growth...still significant under penetration

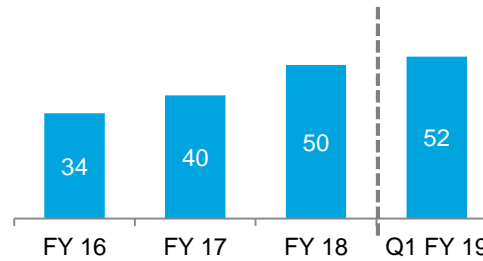
Individual NBP (₹ billion)



Number of active branches¹ improved from 42% in FY 16 to 66% in FY 18

Trained insurance facilitators across branches

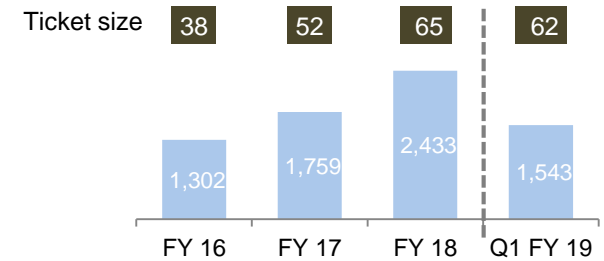
Number of CIFs ('000)



Employee strength of 3,420 to support CIFs

Leveraging platform to improve productivity & ticket size

Individual NBP per Branch ('000)

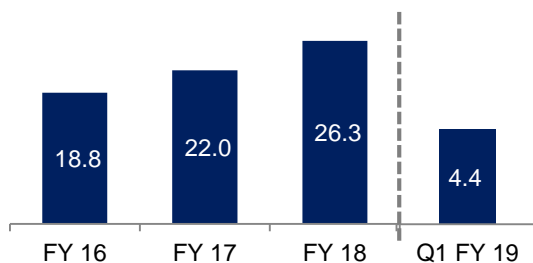


Span of Control: 1 employee :: 8 bank branch

Agency - one of the core distribution channel with strong team of high quality and most productive agents

Consistent and strong growth in agency channel

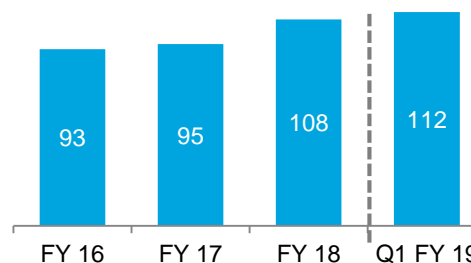
Individual NBP (₹ billion)



Consistent growth in number of policies as well as improvement in ticket size

Expanded scale and strength of agents

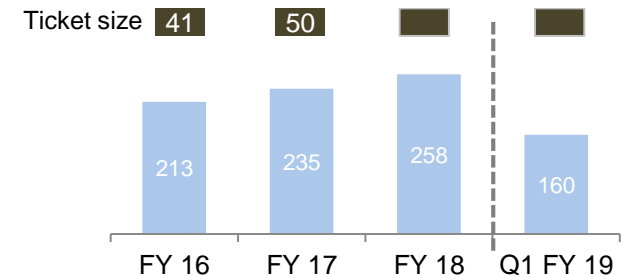
Number of agents ('000)



Frontline agency sales force of 4,681

One of the most productive agency team²

Individual NBP per agent ('000)



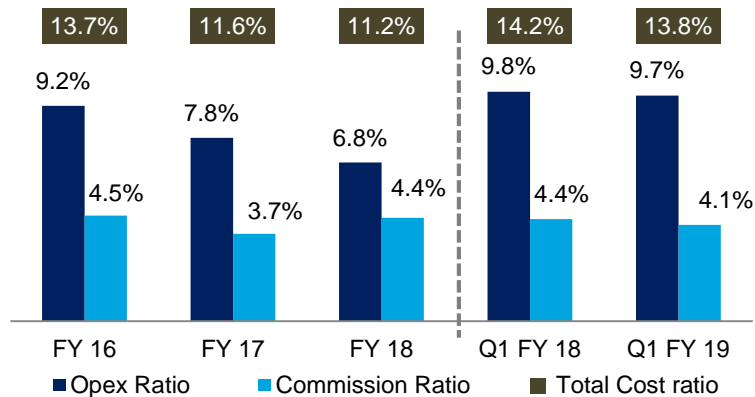
Span of Control: 1 employee :: 24 agents

1. Bank branch is considered active on sourcing minimum premium of Rs 25,000 per month
 2. Agent Productivity is calculated as the Individual NBP of Agency Channel divided by the average number of agents (annualised)
 3. Ticket size is calculated as the Individual NBP of Channel divided by the number of individual policies
- Components may not add up to total due to rounding-off

Cost Efficiency, Profitability and Asset under Management

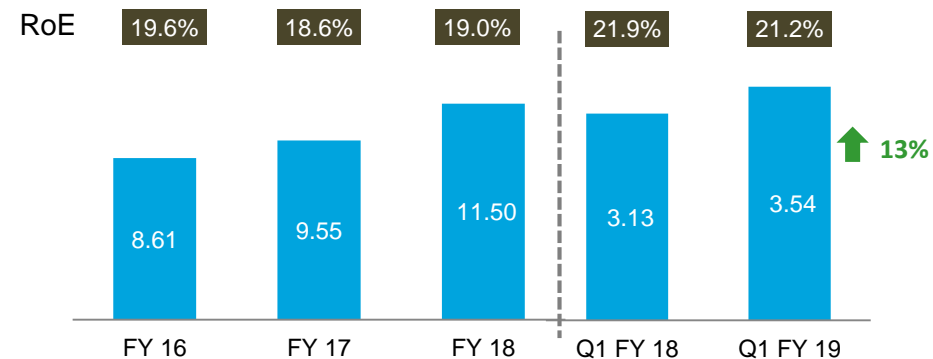
Best in Class Efficiency Allowing Better Profitability, Margins and Quality Fund Management

Cost ratios¹



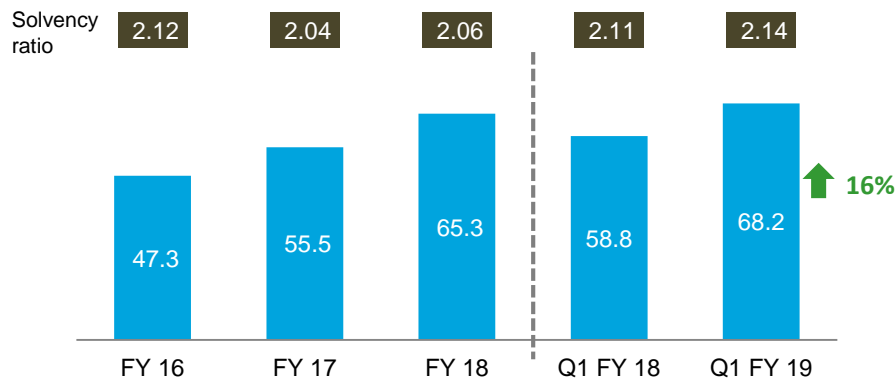
Maintaining cost leadership through operational efficiency

Profit after tax



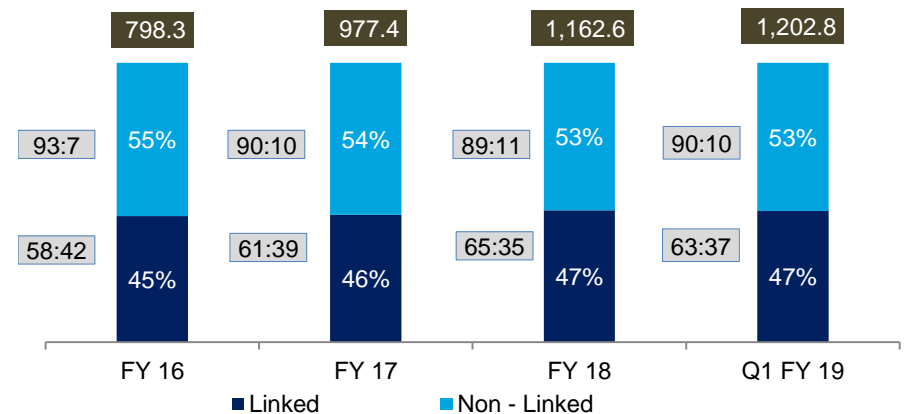
Robust growth of 13% in profits

Network & Solvency (%)



Consistent increase in network & strong solvency position

Asset under Management



AUM grown by 19% as compared to June 30, 2017

1. Opex ratio is operating expenses (excluding commission) divided by Gross Written Premium; Commission ratio is commission expenses divided by Gross Written Premium; Total cost ratio is operating expenses including commission, provision for doubtful debts and bad debts written off divided by Gross Written Premium;

Debt:Equity

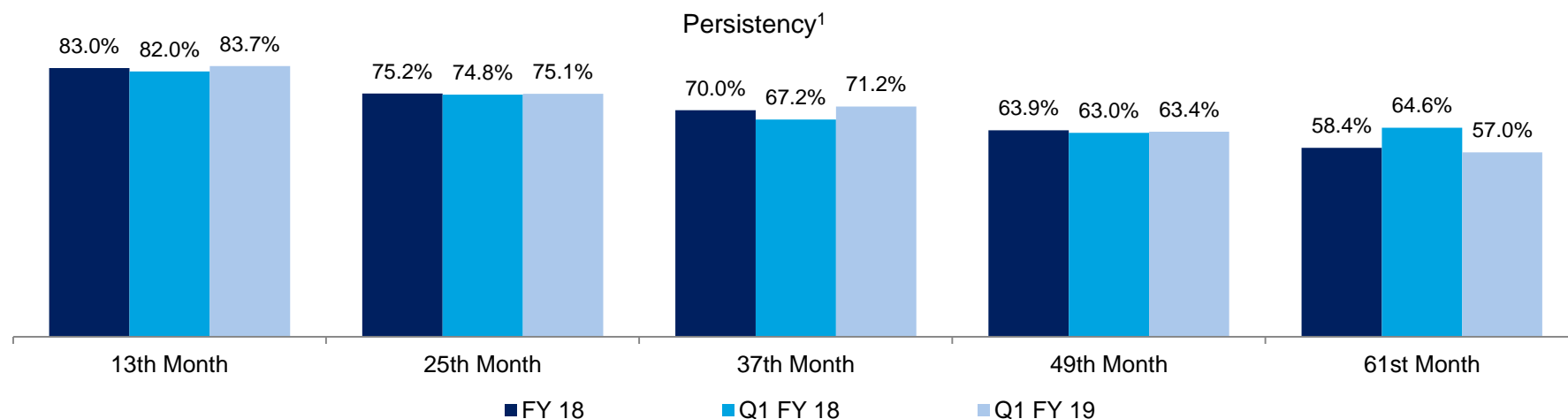
* in billion

Components may not add up to total due to rounding-off;

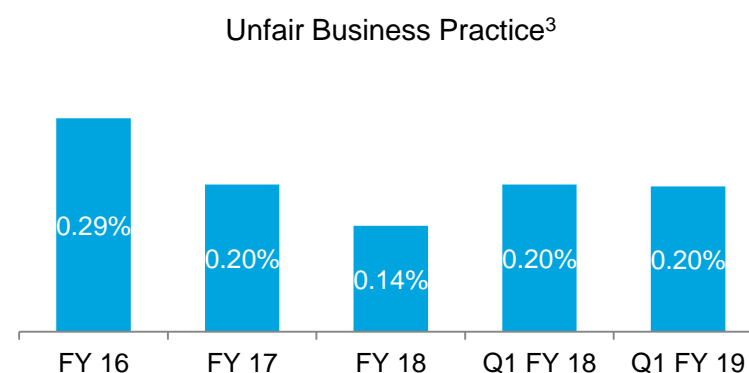
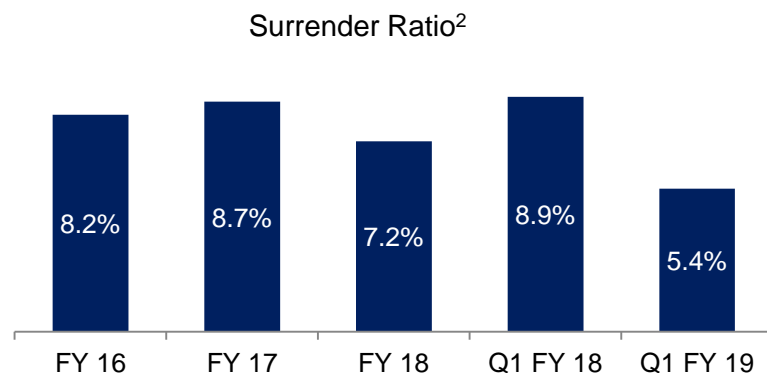
Customer Retention and Satisfaction

Efficiency and Operating Excellence Driving Customer Value

Customer retention through quality underwriting



Customer satisfaction metrics



- Strong customer service ethos to promote ethical sales and ensure an improved overall customer experience
- Continuous customer engagement and awareness campaigns

1. The persistency ratios are calculated as per IRDAI circular dated 23rd January 2014. Single premium and fully paid-up policies are considered. Ratios are calculated based on premium.
 2. Surrender ratio-individual linked products (Surrender/average AuM).
 3. Number of grievances with respect to unfair business practice that are reported to the Company divided by policies issued by the Company in the same period.

Agenda

I

Journey and performance update

II

Strategy and initiatives

III

Growth drivers and industry overview

Strategy

Growth Drivers



Under-penetration of Life Insurance



Increase in Affluent Class with rise in Savings



Protection Gap



Rising Healthcare Spending



Driving Digitisation

1

Leverage insurance industry growth through deeper penetration

- Number of lives covered ~ 23 millions
- Individual New Business Sum Assured increased by 24% to ` 169 billion
- Geographical spread – Individual new business premium well distributed across geographies
- Data Analytics for Cross-Sell and Up-Sell

2

Diversified product offerings

- Diversified product portfolio to suit customer segments like HNI, affluent, mass, millennial etc.
- Rising share of high-margin protection products – Individual Protection policies increased by 36% and Sum Assured by 96%

3

Expansive distribution network

- Strong distribution network of 165,540 trained insurance professional
- Widespread operation with 837 offices across country
- Digital platforms for increasing customer reach—50% increase in policies through Web Aggregators and Web Sales

4

Customer satisfaction and engagement

- Grievances under 61 policies per 10,000 policies
- Average TAT for mortality claim settlement of 4.5 days
- 63% of premium collection through online mode

5

Profitable growth

- Maintain cost leadership – Decrease in Opex ratio to 9.7%
- Rising share of protection products
- Risk score based underwriting model using predictive analytics
- Improving persistency ratio

Digital Initiatives

Distribution Strength

Experienced and professional leaders

All growth/drop numbers are with respect to Q1 FY 19 over Q1 FY 18

Pro-Digi Life

Tapping the Growth Opportunity in Protection Segment Along with Digital Inclusion and Transformation

Digital platform to distribute simple products - protection, annuity, wealth creation

- 10x increase in number of digitally sourced individual protection policies compared to June 30, 2017



Digitized end-to-end customer on-boarding processes & use of Data analytics to improve risk selection, underwriting process, lapse reduction

- Launched 'Mconnect' mobile-based application for seamless & flawless sourcing of insurance proposals digitally



Customer self-service tool for basic needs; Advisors equipped with digital tools to deliver advice seamlessly & raise sales productivity

- Web portal/mobile app to provide policy information, premium payment & others services to customers
- Online tool for distributors on product literatures and data - 1,30,000 + download
- Activity management for front line sales employees



Innovative protection products – Life stage rebalancing and medical second opinion

- 76% growth in individual protection business on APE basis compared to June 30, 2017

Tapping the opportunity in protection business and digital transformation



Group Credit Life (RinN Raksha) - Comprehensive life insurance coverage for loan

- Group credit life portfolio for the quarter ended June 30, 2018 comprises of 55% Home Loan, 38% Personal Loan, 5% Education Loan and 2% Vehicle Loan in terms of lives covered
- 31 partners tied up for loan protection business



Sampoorn Suraksha – Group Term Insurance plan; PMJJBY – Social security scheme

- 367,625 lives covered under other group term plans for the quarter ended June 30, 2018



Key Takeaways

Creating Sustainable Shareholder Value



- Comprehensive product portfolio and product innovation addressing the needs of the customers at various life stages



- Digital inclusion and transformation across value chain



- Significant and sustainable competitive advantage - Pan India multi channel distribution network - Access to India's largest bank and one of best in class Agency team



- Proven track record of robust financial position supported by high operational efficiency with focus on customer centricity



- Long term growth opportunity – Significant under penetration, Growing emerging economy with significant scale and favorable growth drivers

Agenda

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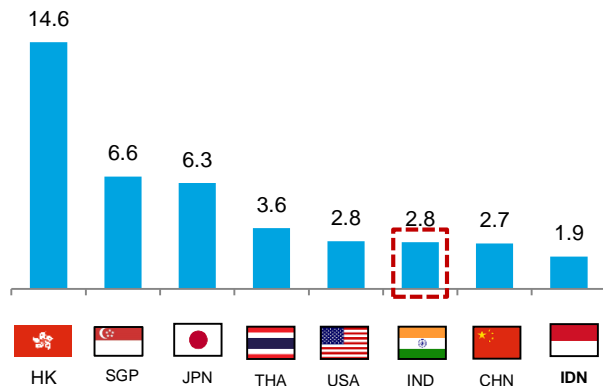
Growth drivers and industry overview

Life Insurance – Significant Under Penetration versus other Markets

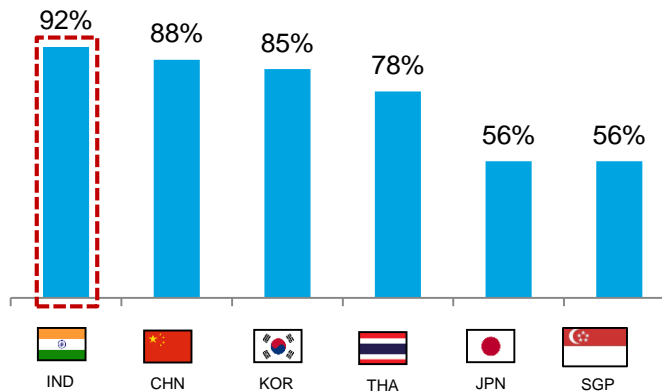
Strong Demographic Tailwinds Supporting India Growth Story

Underpenetrated Insurance Market¹

Premium as % of GDP – 2017

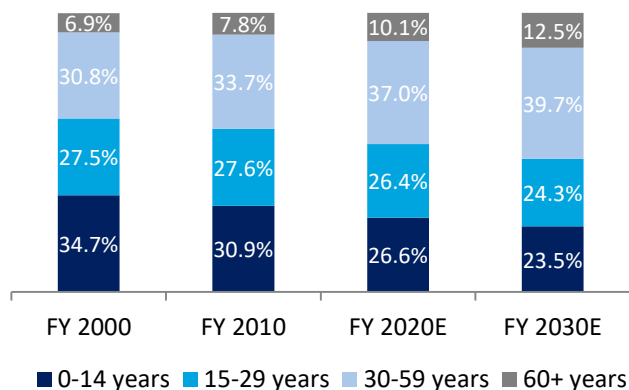


Protection margin highest amongst peers

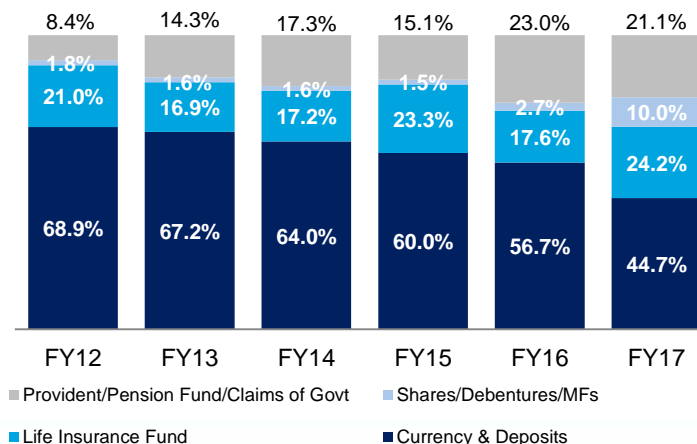


- 10th largest life insurance market worldwide and 5th largest in Asia with ₹4.6 trillion in total premium business
- Total premium grew at CAGR of 17% between FY01– FY18
- India continues to be under penetrated as compared to countries like Hong Kong, Japan, Thailand and Singapore

High Share of Working Population²



Rising share of Insurance in Financial Savings³

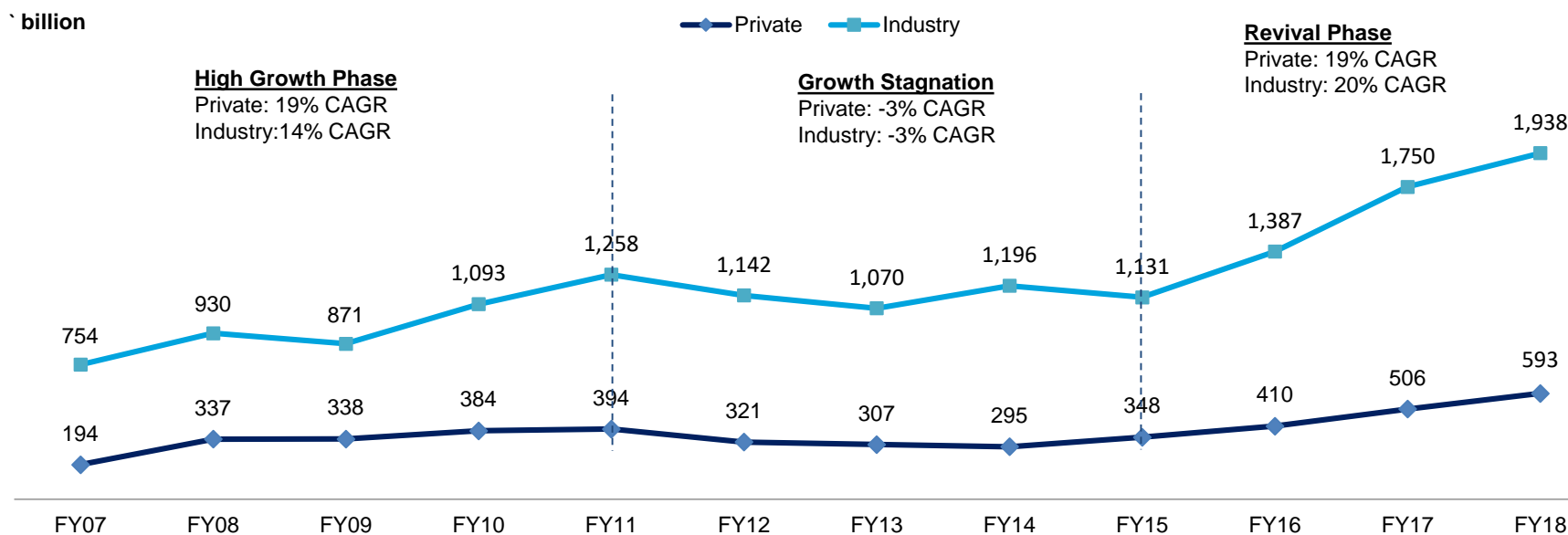


- Increase in working population gives opportunity for growth in long term savings
- Growth in financial savings and increasing preference towards life insurance
- Young demographic profile will raise demand of health products and family protection

1. Swiss Re
2. United Nations World Urbanisation Prospects
3. Reserve Bank of India

Indian Life Insurance Industry

Private Life Insurers on Growth Path; Recalibrated the Business Model



Particulars	FY 11	FY 15	FY 17	FY 18
No. of Private players	22	23	23	23
Total Industry Premium (₹ billion)	2,916	3,281	4,181	4,583
Penetration ¹ as % of GDP	4.2%	2.6%	2.8%	NA
Insurance Density ² (USD)	55.7	44.0	48.7	NA
Average individual policy ticket size – Total Industry (₹)	17,176	21,403	29,419	32,716
Average individual policy ticket size – Private Industry (₹)	27,411	39,394	50,787	58,900
No. of individual agents – Total Industry (lakhs)	26.39	20.68	20.88	20.83
No. of individual agents – Private Industry (lakhs)	13.02	9.04	9.57	9.34

Source: IRDAI, Life Council, IMF, RBI, CSO

1. Insurance Premium as % of GDP

2. Premium per capita

Disclaimer

Except for the historical information contained herein, statements in this presentation which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements.

These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion in business, the impact of any acquisitions, technological implementation and changes, the actual growth in demand for insurance products and services, investment income, cash flow projections, our exposure to market risks, policies and actions of regulatory authorities; impact of competition; experience with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the impact of changes in capital, solvency or accounting standards, tax and other legislations and regulations in the jurisdictions as well as other risks detailed in the reports filed by State Bank of India, our holding company. We undertake no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

The assumptions, estimates and judgments used in the calculations are evaluated internally where applicable and have been externally reviewed. They represent the best estimate based on the company's experience and knowledge of relevant facts and circumstances. While the management believes that such assumptions, estimates and judgments to be reasonable; the actual experience could differ from those assumed whereby the results may be materially different from those shown herein.

Thank you

SBI Card
Make life simple



BUSINESS HIGHLIGHTS

SBI Subsidiaries Day Presentation, Sep 2018



SBI Card . . . an overview

Shareholders



Holding 74% Stake

India's largest bank and a Fortune 500 company

Market share 23% Deposits, 20% Advances

24K branches, 424 Mio customers



Holding 26% Stake

World's largest and most successful investment firm, presence in 24 countries

\$210 Billion AUM through 335 investment vehicles worldwide

\$1.5+ Billion investments in India

Structure

Operating out of two Companies

Planned merger in FY19

SBICPSL (SBI Cards & Payment Services Pvt Ltd)
Sales, Risk, Product and Marketing

SBIBPMSL (SBI Business Process Management Services Pvt Ltd)
Operations, Services, Collections and IT

Strengths

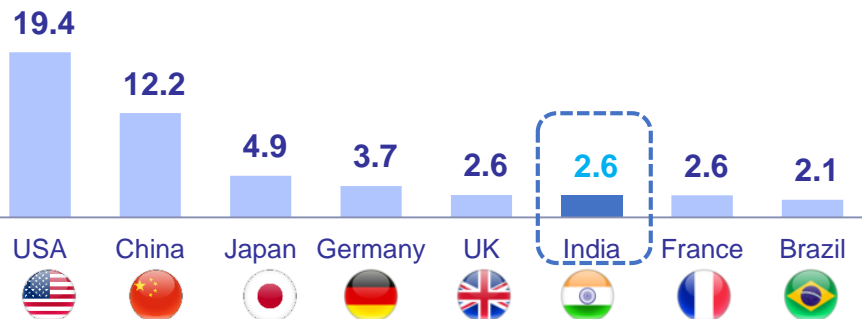
- ✓ Legacy of 20 Years, founded in '98, led by a highly experienced and professional management team
- ✓ 2nd largest credit card issuer in India
16%+ market share in cards & spends
- ✓ Leader in open market sourcing, started leveraging huge SBI customer base
- ✓ Fastest growing credit card loan book
(3Y CAGR of 36% vs 32% for industry)
- ✓ Strong technology backbone with scalable platforms capable of servicing entire card life cycle
- ✓ Rated AAA and A+ (indicates highest safety)

Growing industry . . . Leading player

India 6th largest economy growing fast

Source: World Bank (2017-18)

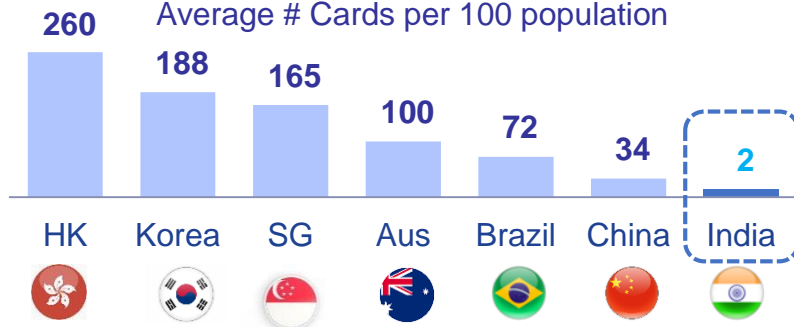
GDP in USD trillion



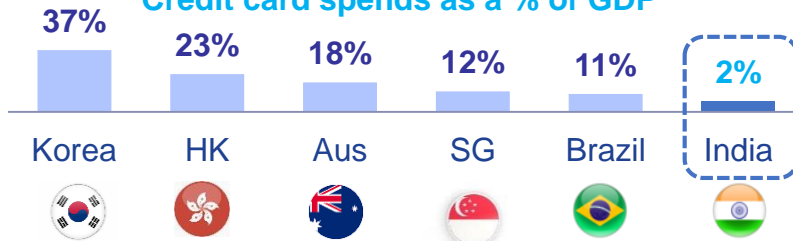
Underpenetrated credit card market

Credit card penetration

Average # Cards per 100 population

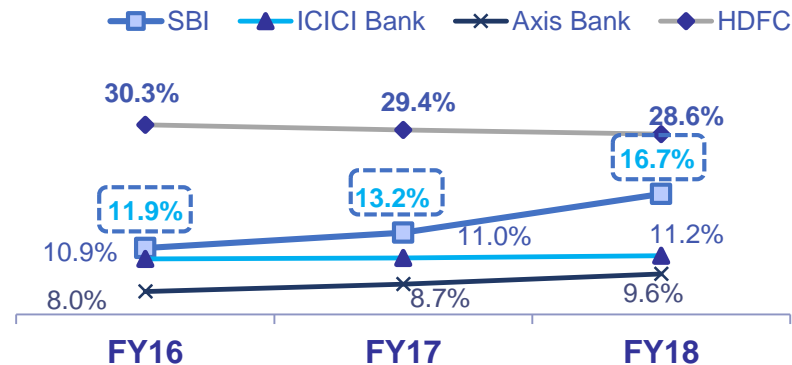


Credit card spends as a % of GDP



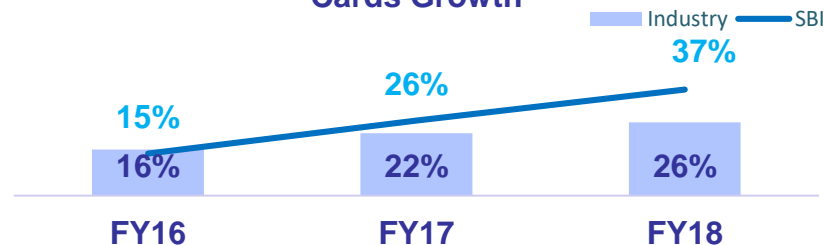
32 Source: Bank of International Settlement (2016-17)

Spends Market Share

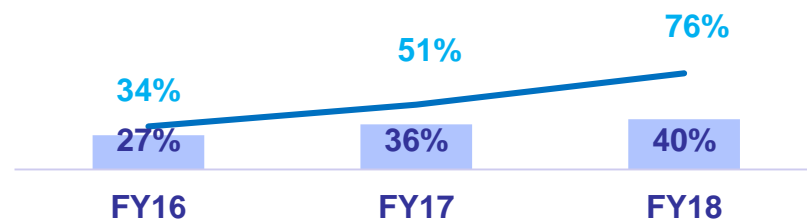


SBI Card growing strong | 2nd largest issuer with 16%+ market share

Cards Growth



Spends Growth

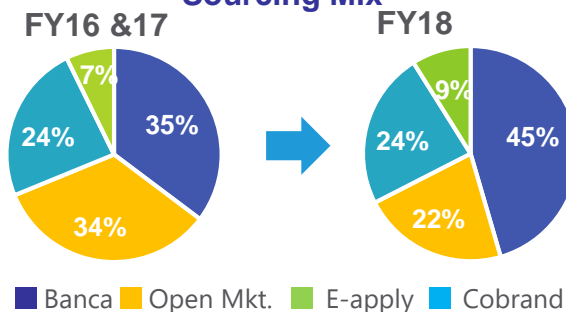


Focus on growth

Acquire Customer

- Widest distribution network across Open Market, Banca, Tele Calling, E-apply & Cobrands
- No 1 in open market acquisition . . . competitors rely on own database
- Fastest growing cobrand acquisitions
- Large untapped SBI customer base. pre-approved program since FY18 to accelerate SBI sourcing
- Fee based sourcing for profitable acquisition. Industry offering free cards
- Pan India presence: sourcing from 132 locations
- Leveraging technology and digital efficiencies : instant screening with credit bureau and mobile tablets

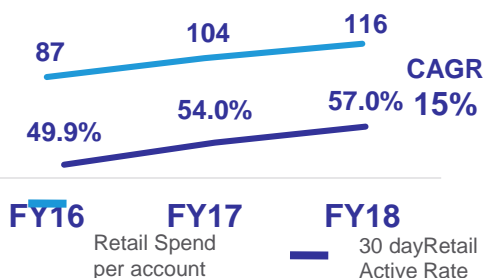
Sourcing Mix



Engage & Grow

- Product covering diverse lifestyle segments (Mass, affluent and HNI) and spend categories (travel, rewards, online)
- Efficient customer management across activation, card usage, retention
- Strong product & program based tie-ups and partnerships (One+, Reliance, Future, Amazon, Flipkart, Samsung)
- Strong cross sell (Rs. 87 Billion annual spends) in FY18
- Lifecycle management through card upgrade program 127K in FY18; 121K in FY17
- Going Mobile : Host card emulation, QR app, contact less cards

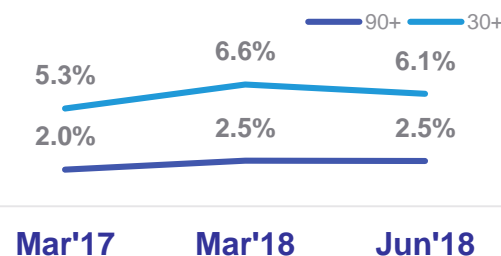
Retail Spend/Account (Rs'000)



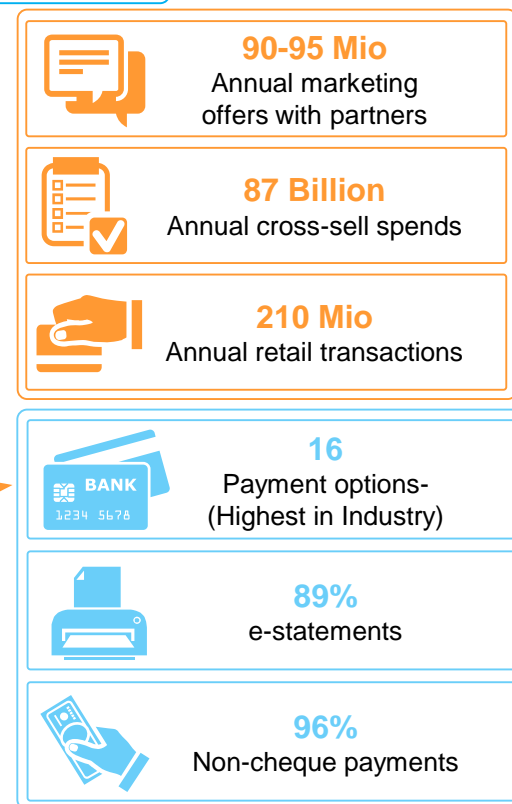
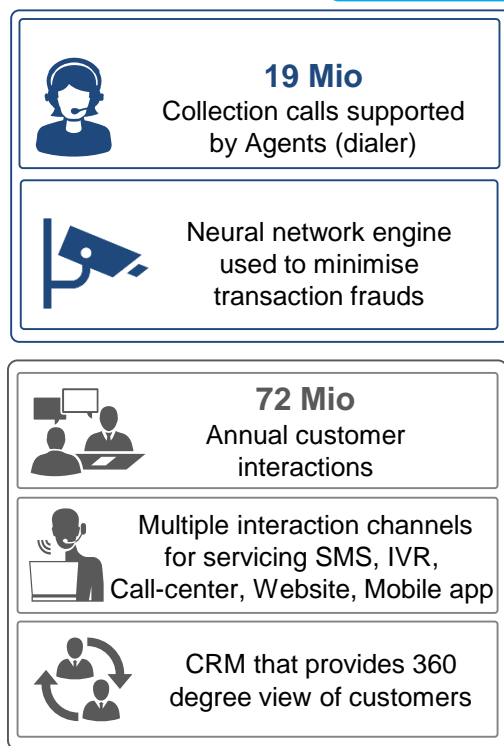
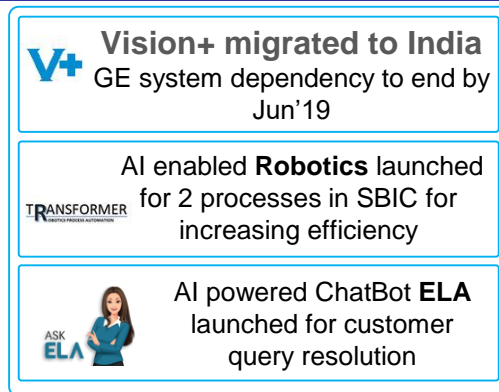
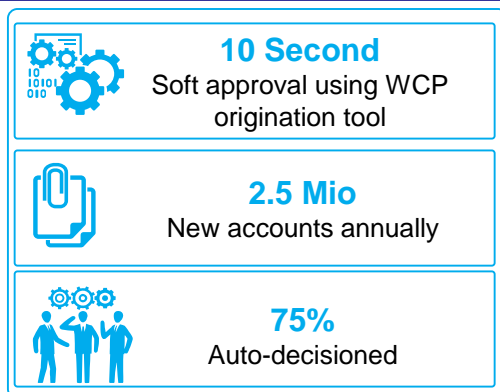
Manage Risks

- In-house capabilities for building scorecards and risk management
- Risk models at every life-stage (origination, portfolio management, collections efficiency & fraud control)
- Profitability based credit line assignment strategies to optimise usage & control exposure
- Preventive, detective & corrective framework to mitigate risk
- Robust stress testing frameworks
- Predictive analytics infrastructure and talent to manage and mitigate risk
- Risk systems integrated for automated application decisioning, portfolio management & risk analytics

Delinquency

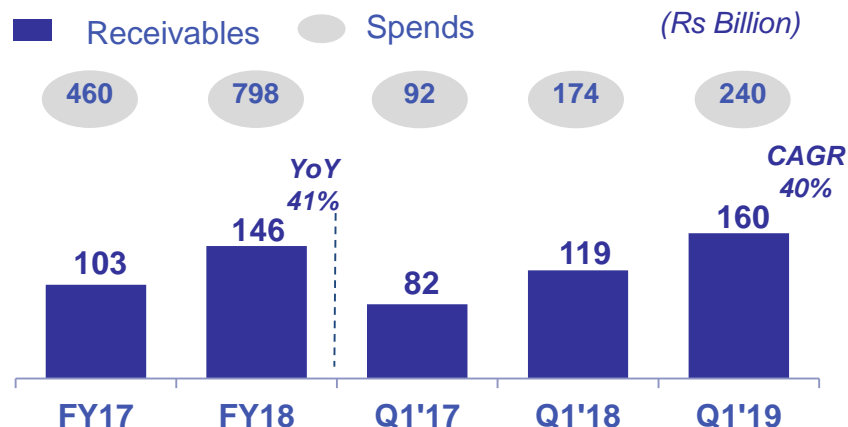


Robust processes . . . Enabling growth

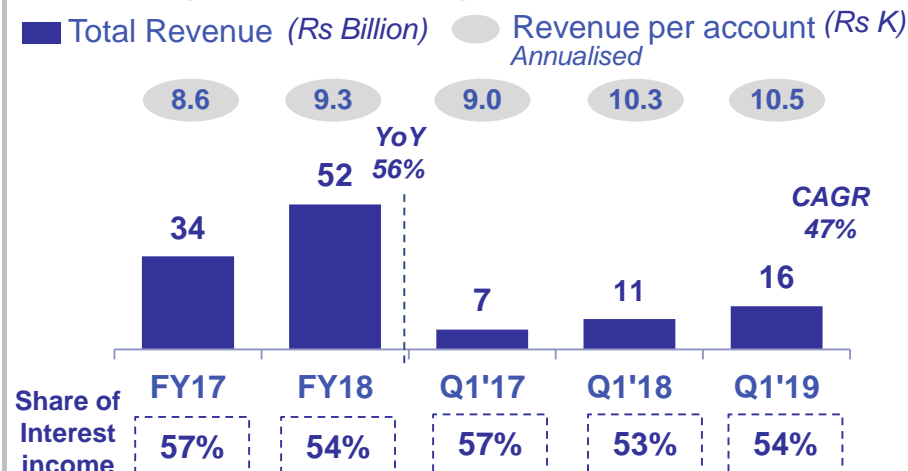


Demonstrated ability to drive results

1. Consistently growing Spends & Receivables

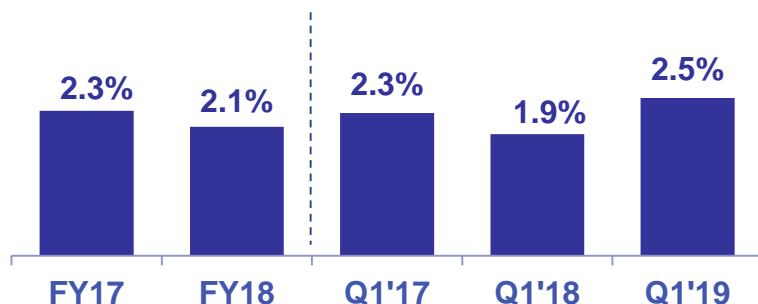


2. Leading to consistent growth in Revenues



3. Write-offs in control

Principal Write-off (%)

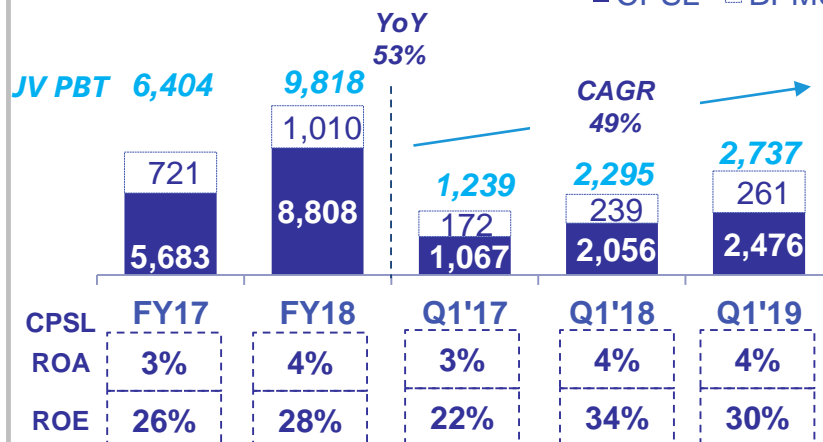


4. Resulting in Strong Returns

Profit Before Tax

(Rs Mio)

■ CPSL □ BPMSL



Growth strategy

Growth initiatives

- a) Expand sourcing:
 - Leverage SBI customer base for higher penetration
 - Cross sell opportunities with SBI subsidiaries
 - Broaden distribution for Retail
- b) Products for premium segment and new cobrand tie-ups
- c) Continue activation, merchant tie-ups & EMI programs to drive spends & grow assets.

Digital & Technology

- a) Go digital ... prefer mobile for sourcing, service delivery, new products
- b) Leverage new technology: Robotics & automation for efficiencies, Analytics & Artificial intelligence to drive business growth

Strategic

- a) Invest in technology and infra to support scale and to stay relevant
- b) Merger of 2 entities . . . ↓ cost / income ratio & ↑ capital adequacy
- c) Plan to list the entity 12-24 months subject to market conditions at material part of time.

Key Metrics . . .

	Today	Goal
👉 Cards Mkt share	16%+	Increase
👉 Spends Mkt share	16%+	Increase
👉 Principal Write off	2.5%	Maintain/ Reduce
👉 Return (ROE)	25%+	Maintain/ Increase

Key takeaways

1

- ✓ India ~ fastest growing economy . . . GDP to grow at 7%+, affluent population increasing, credit card market underpenetrated

2

- ✓ SBI Card ~ leading player in India, growing faster than Industry, only significant player with independent operations in this sector

3

- ✓ Focused strategy for fee based profitable sourcing . . . Market leader in open market, leveraging SBI customer base

4

- ✓ Proven track of record of profitability with strong business fundamentals . . .backed by largest bank in India

5

- ✓ Highly profitable company with 25%+ ROE and ~ 4.0% ROA

Thank you

SBI Subsidiaries Day Presentation, Sep 2018

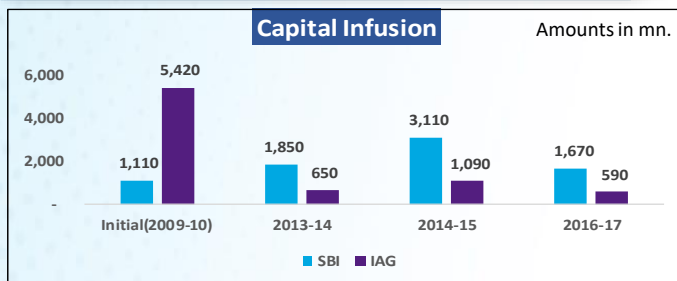




SBI General Insurance is a JV between the State Bank of India and Insurance Australia Group (IAG). SBI owns **74%** of the total capital and IAG the remaining **26%**.

The **Total Capital** invested as on date is **Rs.15,480 million** with a **Book Value Per Share** of **Rs.74.60** and a **Net Worth** of **Rs.16,080 million**

SBI General follows a robust **multi-channel distribution model** encompassing **Agency, Auto Manufacturing, Bancassurance, Broking, Digital, Corporate and Retail Direct Channels**



State Bank of India is country's largest retail banker and a premier financial services company.

SBI Group has the unrivalled strength of over **24,000 branches** across the country as well as overseas branches in **36 countries**.



Insurance Australia Group (IAG) is a general insurance group with operations in **Australia, New Zealand and Asia**.

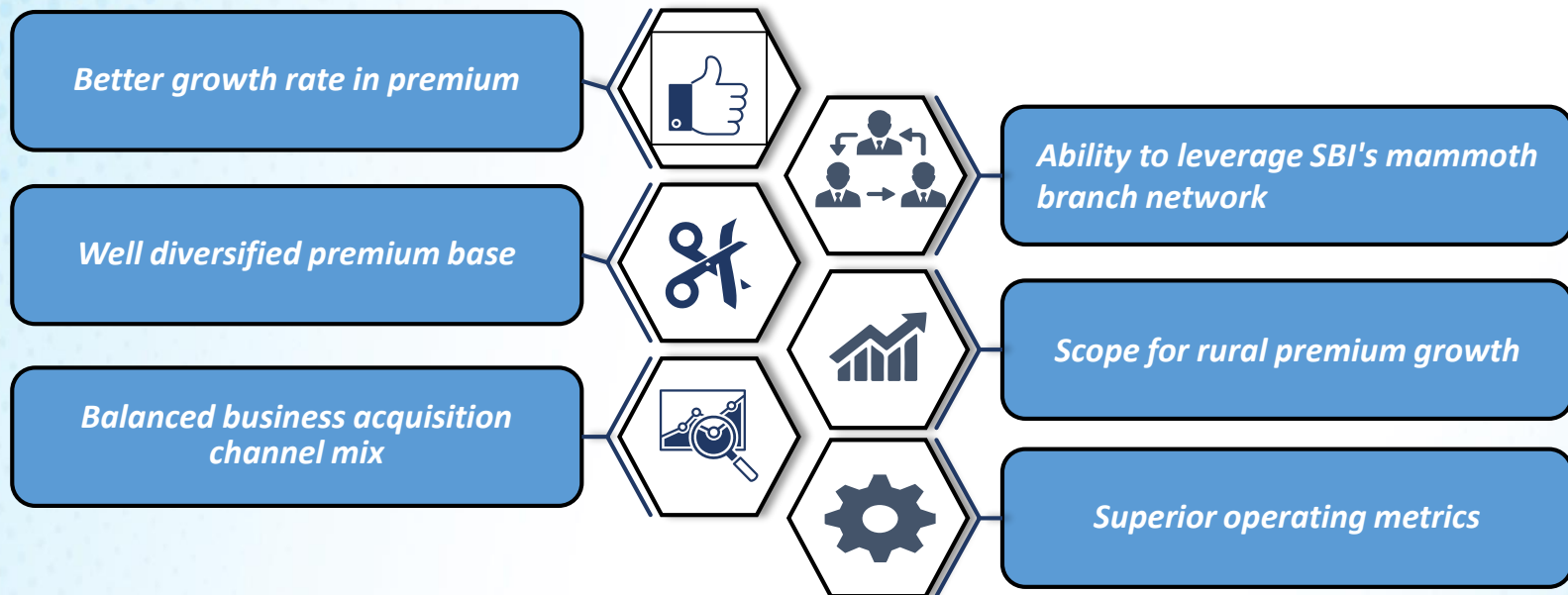
IAG's businesses underwrite over **A\$ 11 billion (Rs.550000 million)** of premium per annum and employ over **15,000 people**.

Full bouquet of non life products

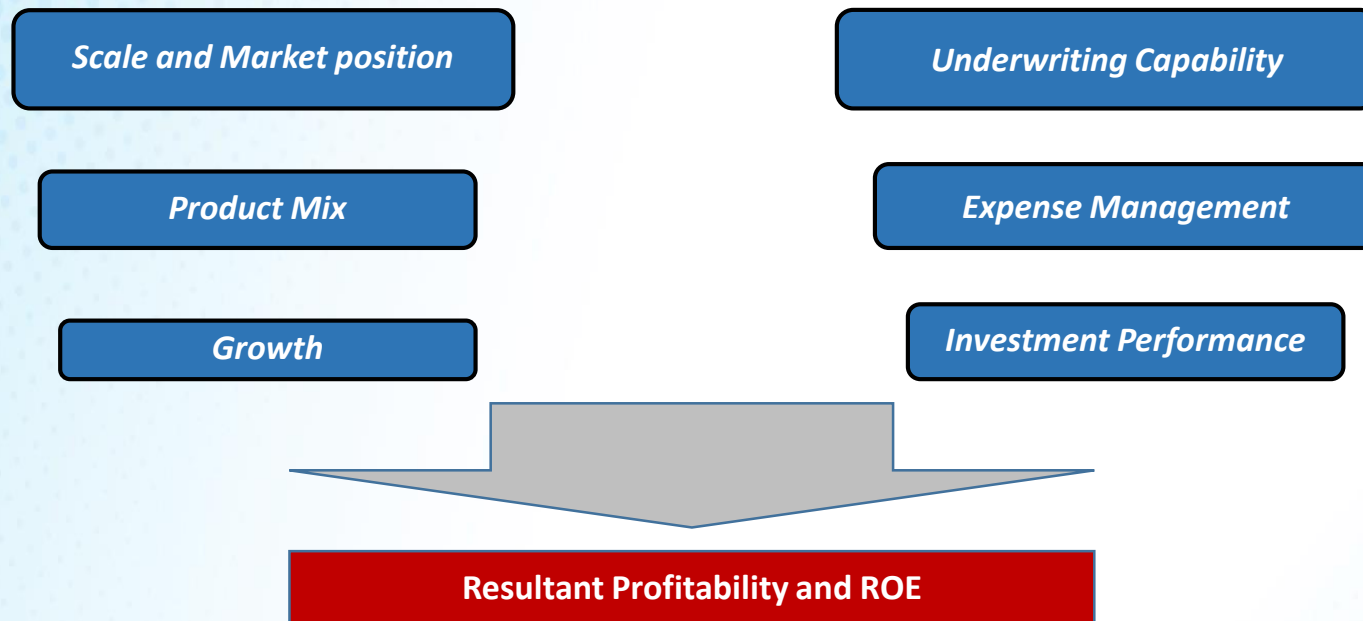
Retail	Corporate	Rural
Personal Accident	Property & Engineering	Crop
Health	Trade Credit	Cattle
Motor	Liability	Micro
Fire	Marine	Pumpsets
Loan Insurance	Group Medical	
Home Contents	Contractors All Risk	

**AND
MANY
MORE**

What sets us apart

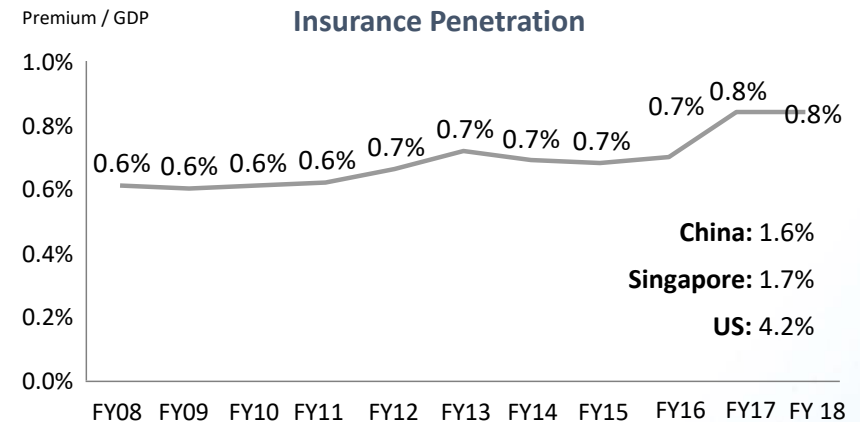
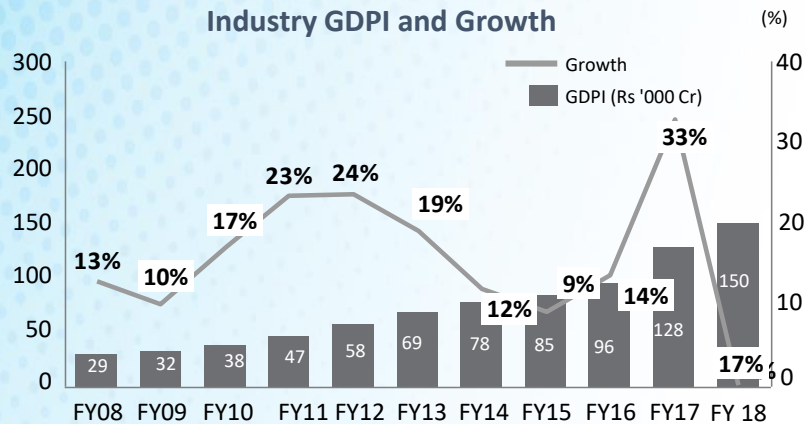


Continual dedicated efforts on the below factors holds company's strength and a firm positioning



- SBI General is well positioned vis-à-vis its peers across various business performance metrics.

Indian General Insurance industry has observed robust growth; market still very underpenetrated – significant opportunity for further growth



- **Underpenetrated Market** with rising **Insurance Density** make the Industry a **Stable Growth Story**



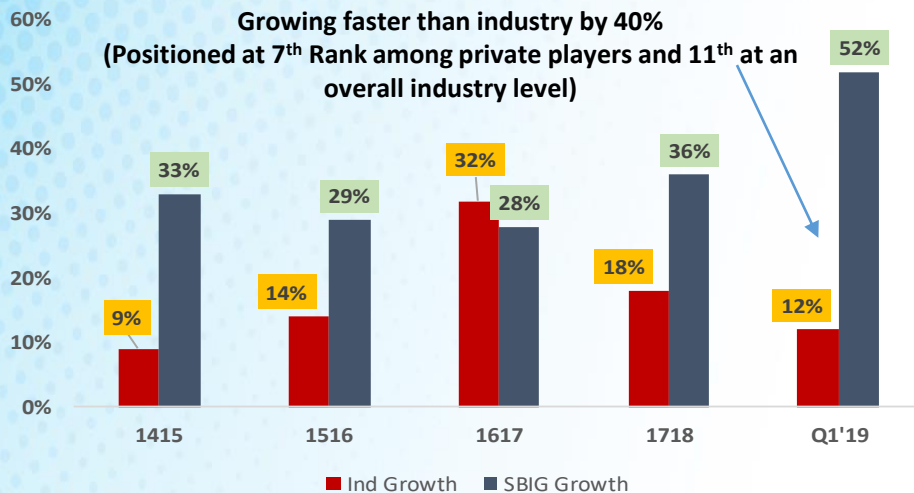
- **Robust growth** seen across all Product Segments and will continue with:

- **Increase in healthcare costs** and announcement of **National Health Protection Scheme** will give impetus to Health Insurance segment
- **Crop Insurance market**, already covering 30 million farmers, has **tremendous potential**, driven by Government schemes
- New guidelines and proposed regulations expected to make **Motor Insurance** profitable
- Current low levels of **Property Insurance** penetration providing **significant opportunity** in retail - ~ 3 % of houses only in India are insured

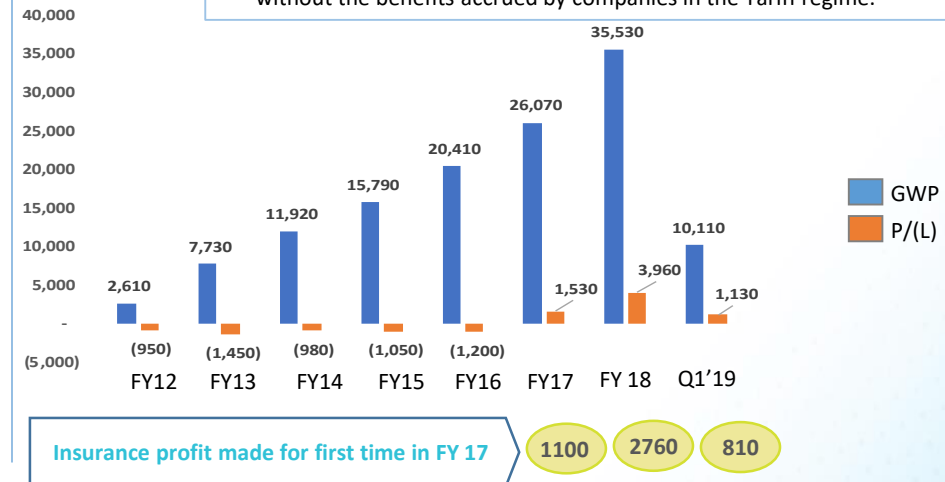


- **Digitization** has started **impacting the market** significantly

SBI General has outperformed growth over industry and has improved profitability as well



- Among the **Private Insurers** who entered the Indian GI Industry **post de-tariffication** in January 2007, **SBI General** holds the **top position** without the benefits accrued by companies in the Tariff regime.



Key drivers of the performance trajectory



- Wide distribution reach** with over **110 branches**, access to the largest banking distribution franchise (**SBI**), RRB's sponsored by SBI, network of **SBI Cards** and **SBI SSL**, **19000+** IRDAI certified specified persons including **8000 Agents**, presence through **major Brokers** and tie ups with **top 3 Auto Manufacturers**



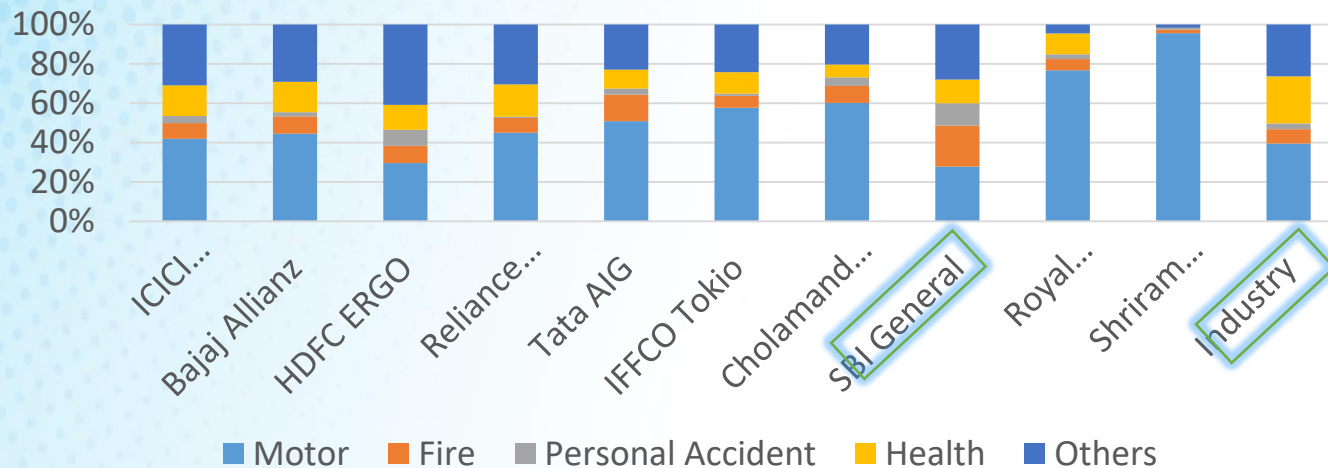
- Diversified product bouquet** meeting needs of customers in every segment



- Amongst **top Bancassurance** Insurers in the country

Focus on Profitable Segments & Channels

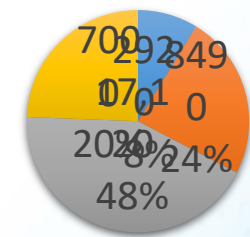
Segment Wise Mix



- **Balanced distribution** across all lines of business as compared to Industry and top Private Insurers
- **Bancassurance** continues to be **dominant channel**, **other channels** have shown **strong contribution**
- Participation in **Terrorism** and **Nuclear Liability Pool**
- Highest **Rural Premium (37% of total GWP in FY 18)** amongst large private sector insurers
- Product-specific arrangements, with **Reinsurers rated A- and above** helping us to grow new lines, provide **better spread** and **adequate protection**

LoB	Industry Rank
Motor	16
Health	15
Fire	7
PA	4
Crop	12

Channel Wise Mix



- Corporate, Broking, & Direct
- Agency & Alternate
- Banca
- Agri & Rural

Industry Key Indicator (Ratios) FY 17-18

Sr. No.	Performance Ratio	ICICI Lombard	TATA AIG	IFFCO Tokio	Reliance General	SBI General	HDFC Ergo	Bajaj Allianz	Cholamandalam	New India
1	Gross Premium growth rate	15.00%	30.00%	1.23%	28.80%	36.08%	17.80%	24.00%	30.94%	16.49%
2	Growth rate of Net Worth	22.00%	30.00%	11.23%	12.60%	36.02%	18.61%	26.00%	20.56%	39.82%
3	Net Retention ratio	62.00%	70.50%	64.00%	61.80%	48.60%	46.69%	71.00%	77.59%	78.92%
4	Net Commission ratio	-4.00%	4.00%	3.10%	-1.80%	-8.15%	-7.77%	5.00%	1.33%	8.70%
5	Operating Expenses to GWP ratio	16.76%	19.51%	12.49%	17.36%	16.09%	14.25%	14.81%	20.89%	13.31%
6	Net incurred Claims to Net Earned Premium	77.00%	71.00%	82.89%	91.50%	71.47%	74.36%	67.00%	72.54%	85.66%
7	Combined ratio	103.34%	108.41%	108.42%	113.84%	98.00%	100.61%	95.17%	104.46%	112.83%
8	Technical Reserves to Net Premium ratio	2.59	1.24	1.55	1.93	2.03	1.50	1.42	1.64	1.42
9	Underwriting balance ratio	(0.03)	(8.00)	(8.44)	(0.14)	0.05	(0.01)	0.05	(0.04)	(0.13)
10	Operating profit ratio	13.00%	3.00%	3.83%	4.30%	20.48%	15.73%	19.00%	10.99%	5.09%
11	Return on Net worth	19.00%	10.00%	10.10%	11.70%	26.48%	22.92%	21.00%	18.72%	16.09%
12	Motor TP Reserves to Motor TP NEP	75.39%	59.77%	48.80%	80.10%	92.20%	105.75%	69.03%	NA	68.06%
13	Solvency Margin	2.05	1.69	1.62	1.68	2.54	2.06	2.76	1.61	2.58

CoR(IRDA basis) = (NIC/NEP)+(Net comm + Opex/NWP)

- Out of the 13 ratios as stated above, SBIG features amongst the top three in 11 ratios amongst the major players in the GI market.

	Rank 1
	Rank 2
	Rank 3

Source: GI Council

Risk Management Framework

- The Company has a robust enterprise wide risk management framework in place which governs the overall risk management strategy focusing on :

Underwriting

- Analytical platform for risk selection based on predictive ultimate loss model
- Well spread & diversified exposure across products and geographies
- Historically lower proportion of losses from catastrophic events

Reinsurance

- Adequate catastrophic (CAT) risk protecting in line with the market practice
- Quality reinsurers on panel – 85%+ reinsurers with 'A-' or above rating
- Regular review and monitoring of accumulation

Investments

- Investment strategy in compliance with regulatory requirement
- Defined internal limits for extended control over & above regulatory control
- Invest high proportion of Debt portfolio in sovereign or AAA rated securities

Reserving

- Optimal utilization of IBNR reserves with improving trends over a period

Key Financial Highlights

Operational Performance	FY14		FY15		FY16		FY17		FY18		Q1'19	
	INR	USD	INR	USD	INR	USD	INR	USD	INR	USD	INR	USD
Gross Written Premium	12,110	169	16,070	224	20,430	284	25,950	361	35,530	494	10,110	141
Investment Income	1,250	17	2,080	29	2,630	37	3,420	48	3,900	54	1,060	15
Insurance Profit/(Loss)	(1,410)	(20)	(1,690)	(24)	(1,870)	(26)	1,100	15	3,770	52	810	11
Underwriting Profit/(Loss)	(2,000)	(28)	(2,970)	(41)	(3,750)	(52)	(1,970)	(27)	320	4	70	1
Profit/(Loss) before tax	(980)	(14)	(1,050)	(15)	(1,200)	(17)	1,530	21	4,220	59	1,130	16

Financial Performance	FY14		FY15		FY16		FY17		FY18		Q1'19	
	INR	USD	INR	USD	INR	USD	INR	USD	INR	USD	INR	USD
Investment Book	16,550	230	26,680	371	33,010	459	43,620	607	52,920	736	56,210	782
Networth	5,260	73	8,410	117	7,210	100	10,990	153	14,940	208	16,080	224
Return on Equity	-19%	-19%	-12%	-12%	-17%	-17%	14%	14%	28%	28%	*33%	*33%
Book Value per share	30.12	0.42	41.44	0.58	35.32	0.49	50.98	0.71	69.34	0.96	74.60	1.04

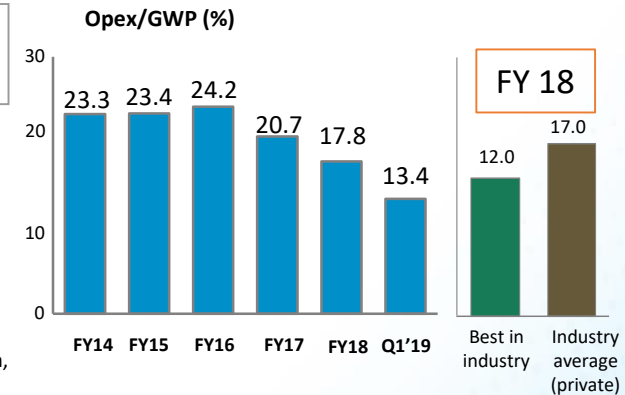
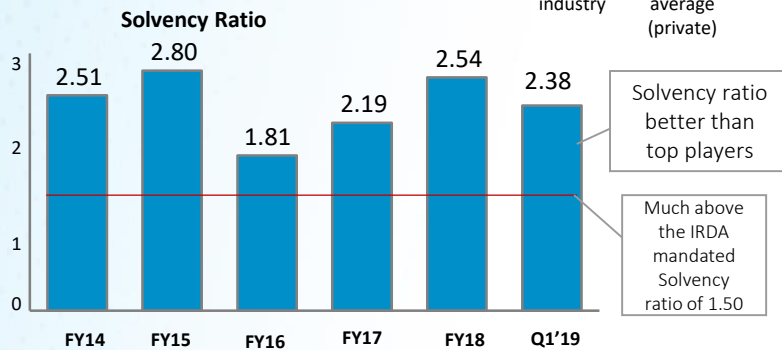
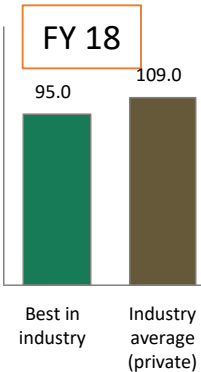
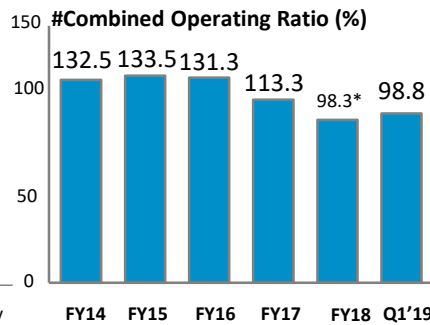
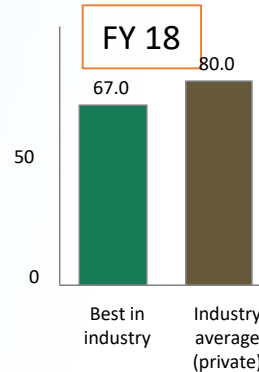
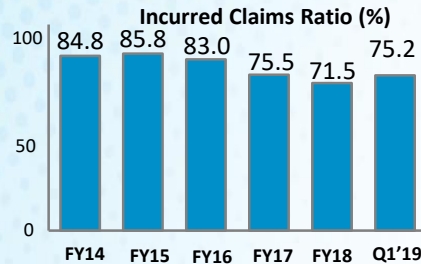
* Annualised returns

Excluding the impact of extraordinary items, PBT for FY'18 would be INR 2,910 mn (US\$ 40 mn), yielding ROE of 19%



Amounts in million 1 USD = 71.86 INR

Consistent improvement observed across key profitability metrics



* Combined Operating Ratio under 100%, driven by higher one time RI commission, 106% excluding one time benefit

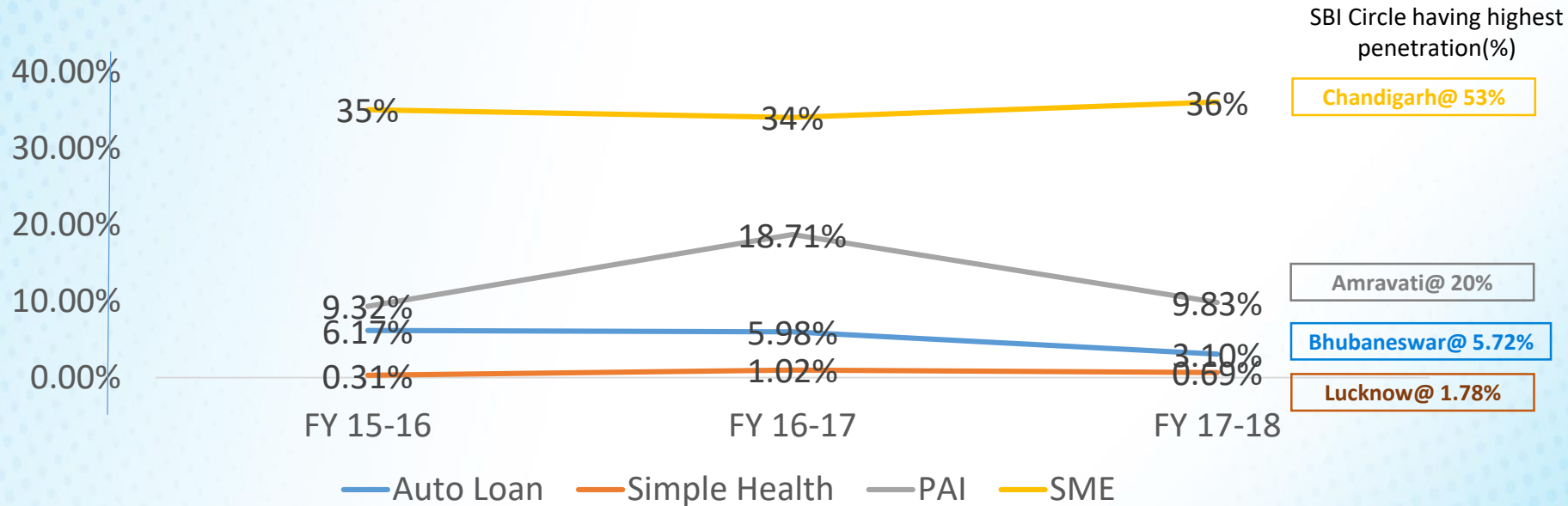
COR = NIC/NEP + (Net comm+Opex)/NEP

Improvement in penetration in Bancassurance

- Consistency maintained in SME and Health.
- Health and PAI offer tremendous potential for growth.



Out of the total SBI customer base of around 42.55 crs, around 10%(4.54 crs) of them holds SBI GIC policies which constitutes around 50% of our sales.



Multiple levers to achieve company ambition

Key priorities



Distribution excellence

- Invest in multi channel distribution network with Focus on tier 2 and tier 3 markets
- Leverage strong brand value and access to India's largest distribution network
- Improved sales rhythm and digitally enabled salesforce
- Improved digital sales and services through third party Integrations including the bank



Product and channel mix

- Focus on SME and corporate segments by leveraging reinsurance programs
- Continuing focus on profitable segments
- Leveraging Banking Correspondents to further strengthen the rural reach



Operational excellence

- Invest in technology innovations and automation to ensure scalability of operations and to improve efficiency and customer experience



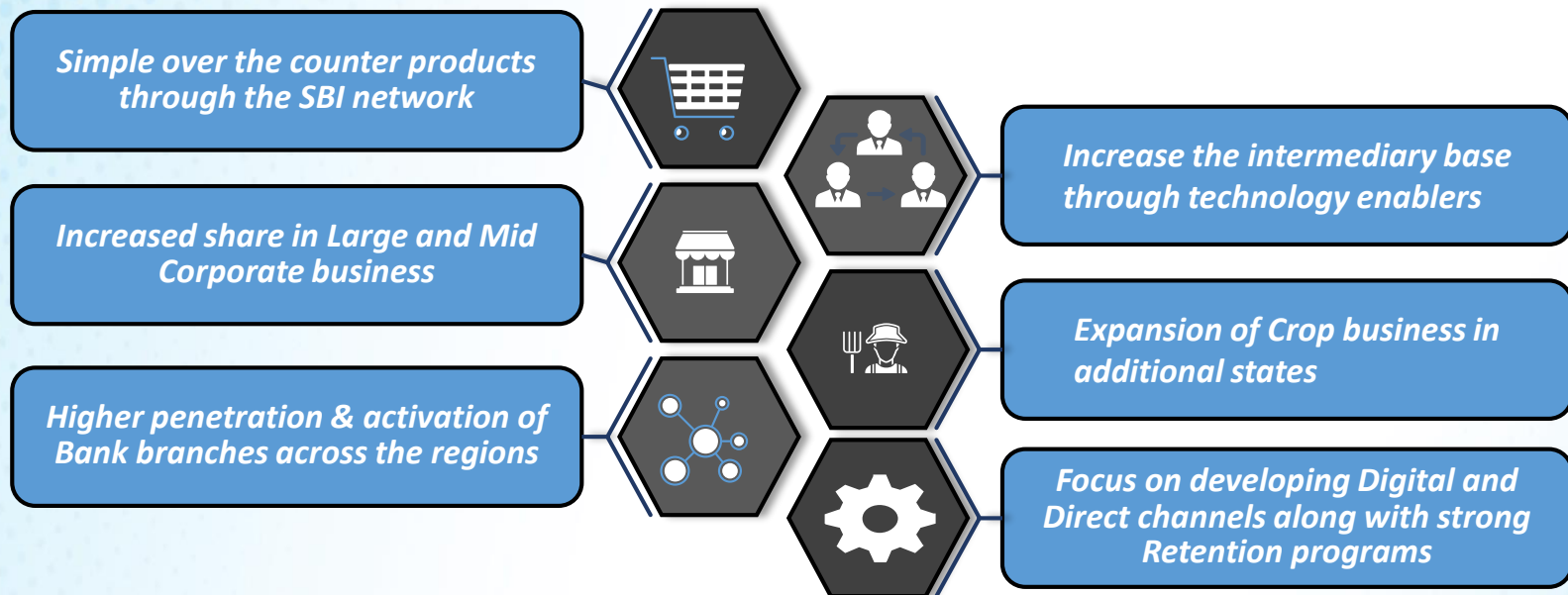
People strategy

- Industry benchmarked people practices in terms of performance management and talent development

Ambitions for 2020



Growth Drivers for 50% growth



Key Takeaways



SBI General – recognized brand with extensive reach



Excellent geographical, channel and product mix



Highest growth amongst peers with focus on risk based pricing



Products and services aligned to the Customer



Strong partnerships across channels



Solid technology backbone with process oriented functioning



Amongst the few top players to strike U/W Profit

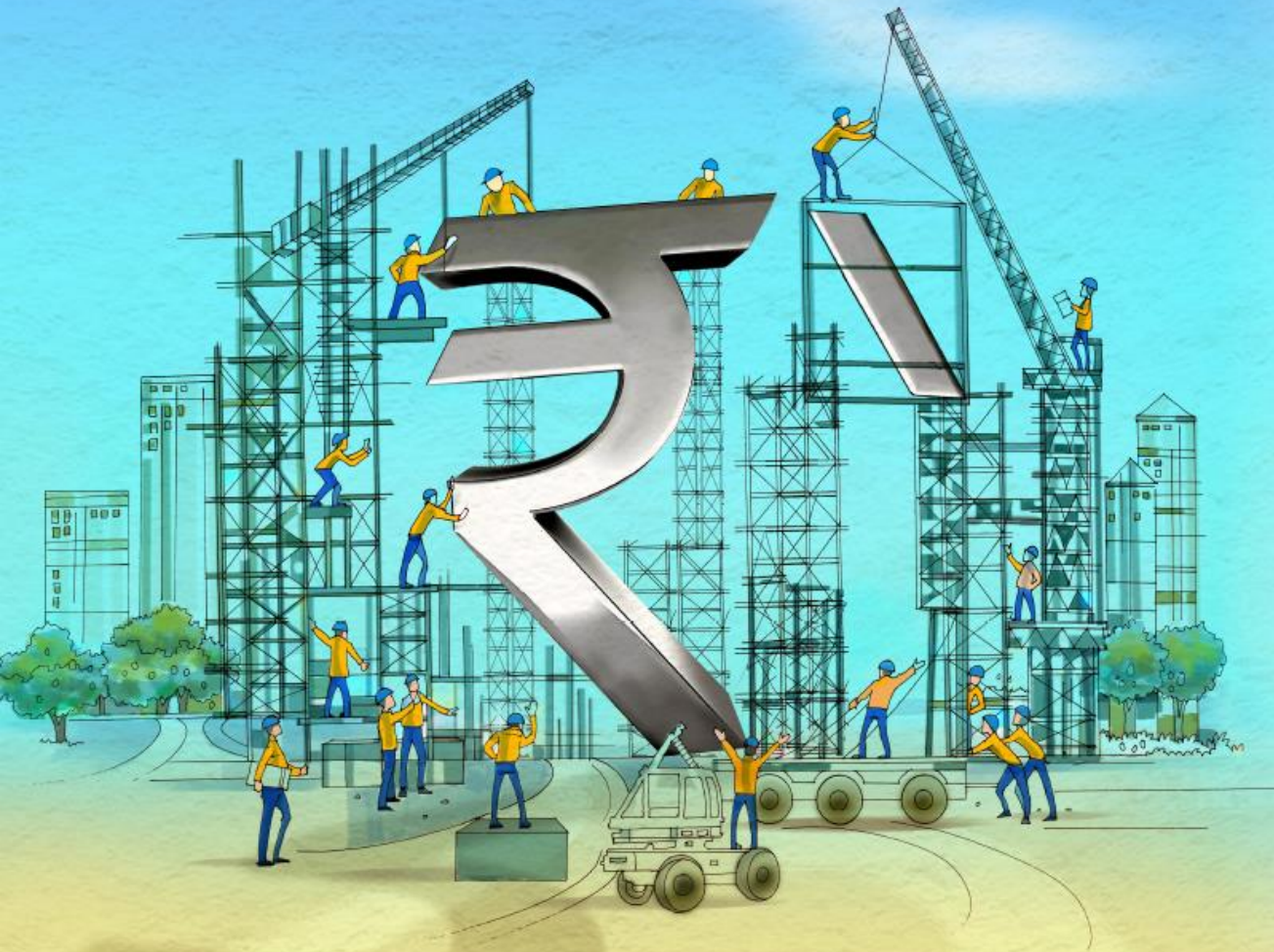


Profitable company with best performance indicators like ROE at 30%+ and Solvency @ 2.54

THANK YOU

SBI SUBSIDIARIES DAY

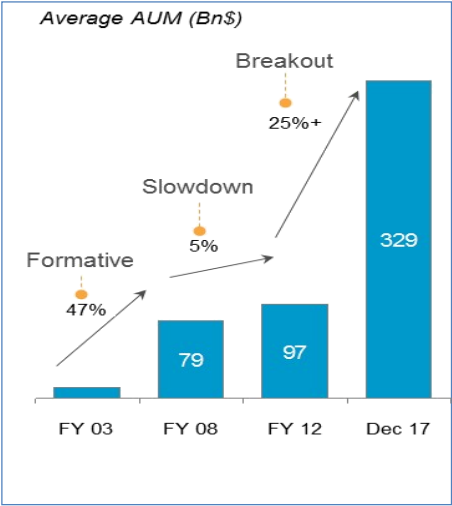
Sep 2018



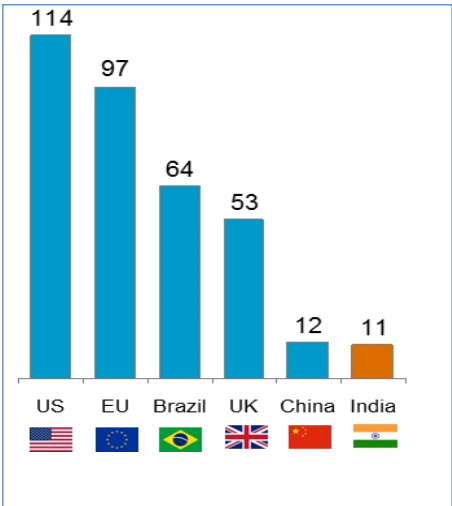
HELPING CREATE WEALTH

Asset Management Industry Landscape

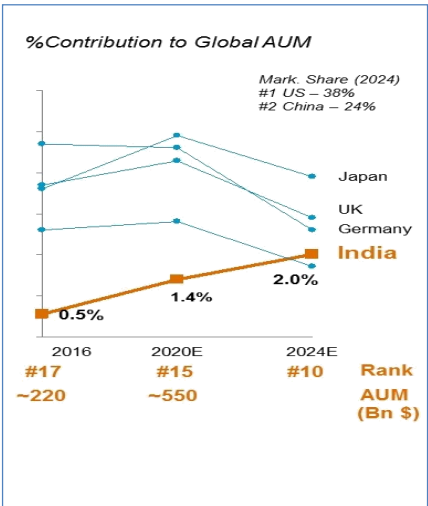
Indian AM industry in break-out phase...



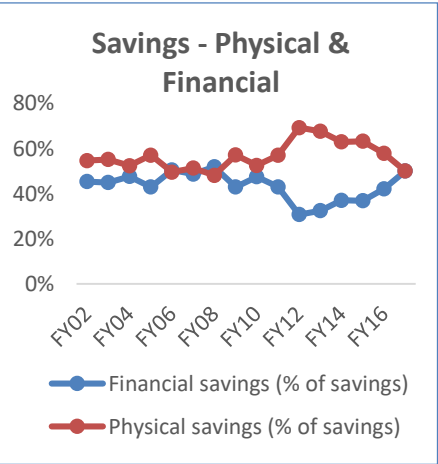
..yet continues to be under-penetrated..



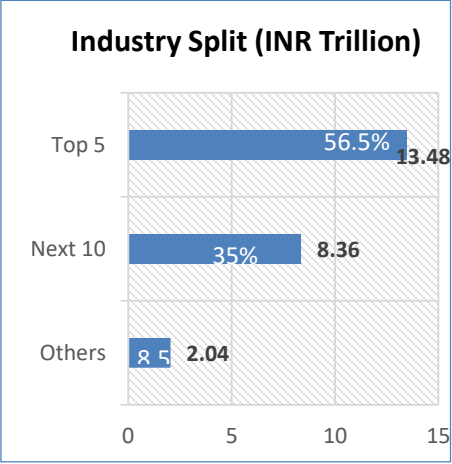
..with potential to be among top 10 by FY24



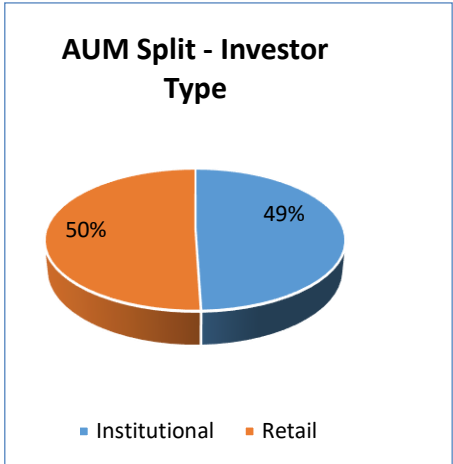
- ✓ In the global context, India is still in nascent stages, leaving a huge room for growth.
- ✓ Initial growth of AUM has come predominately via institutional flows, Retail allocation for MF has gained momentum.
- ✓ India is expected to contribute over 2% to the global AUM by 2024.



Source :Nomura, SBIFM Internal

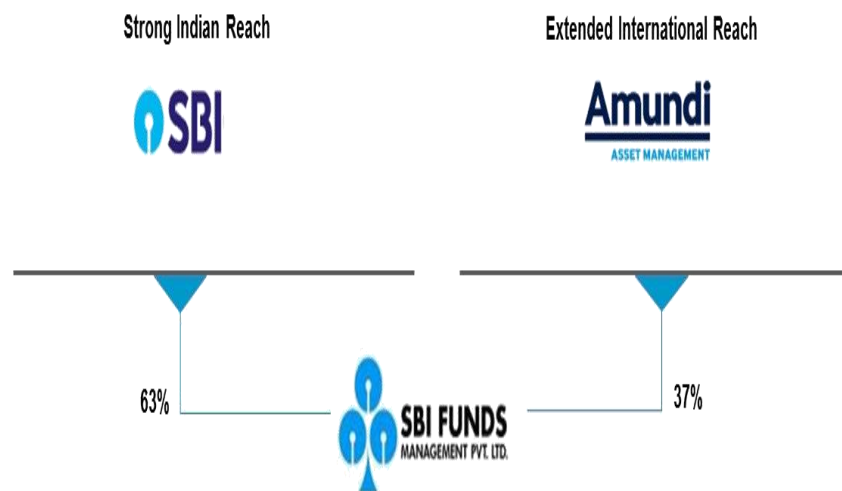


Source :MFIE, SBIFM Internal



- ✓ Initiatives on several structural changes in the economy has provided an incremental buoyance to financialization of savings.
- ✓ The Indian Asset Management Industry is also rapidly evolving and is now focused heavily on creating investor awareness & education.
- ✓ As an industry, while there are over 42 AMCs, the market share is fairly lopsided with over 56% market share with the Top 5 AMCs

Key Stakeholders



About Amundi Asset Management

- € 1.452 trillion in Assets under Management
- N°1 in Europe by AuM and in the Top 10 worldwide
- Over 100 million retail, institutional and corporate clients worldwide
- N°1 publicly traded asset manager in Europe in terms of market capitalization

Company Overview

- Launched with share capital of INR 50 million in 1993. Share capital increased to INR 250 Million in 1995 and to INR 500 million in 1997
- Net worth over INR 10 Billion (March 2018)
- Quarterly average AUM – INR 2.33 Trillion
- MF AUM Industry Rank – 5th*
- Largest Equity AUM in the industry (as of July 2018)
- SBIFM Network – 167 Branches with over 1000 employees (48 in Investment team)
- Over 7 million investors with 1.1 million direct investors.
- Over 7000 institutional investors including 1070 retirement funds
- 5 SBIFM International cross border funds with Amundi and other mandates crossing INR 145 billion (USD 2.1 billion).

* As of June 2018

Note: Total cash infusion is INR 300 million, cumulatively 200 million bonus has been recapitalized as share capital (Rs 50 million in 1995 and Rs 150 million in 1996)



First AMC in India to comply with CFA Institute's "Asset Manager Code of Conduct."



Closing AUM

- Total Assets Under Management – **3.11 Trillion**
- MF AUM – **2.42 Trillion**
- MF QAAUM₁ – **2.33 Trillion**

Market Share for MF

10.12%*

As per QAAUM -- **9.97%#**

Industry Position for MF

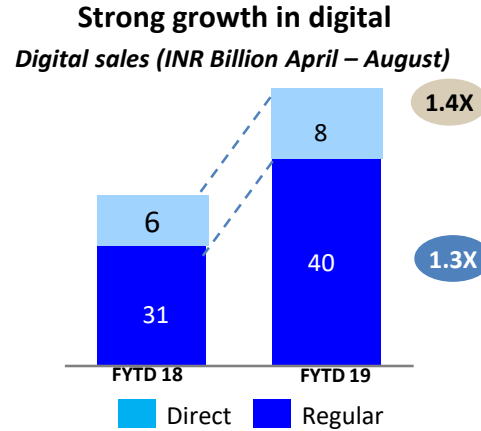
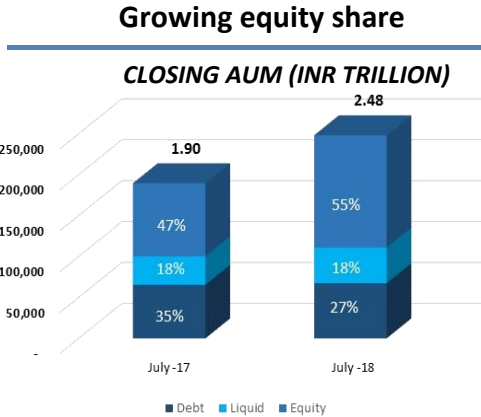
5th

Bridging gap with Reliance Nippon MF (4th) & Aditya Birla MF (3rd)

Moved up to 4th rank as on July closing numbers as per ICRA MFIE data

SIP book per Month

INR 9050 Million



Healthy Financials

PAT (2017-18) : INR 3.3 Billion

- 1 yr. Growth – 48%
- 3 yr. CAGR Growth – 26%

Net Worth (2017 – 18)

INR 10 Bln

Return on Net Worth: 32.51%

Stable team with strong processes

Investment Team

- Stable team of 48 professionals with average experience of 14 years in the industry.
- Portfolio Managers have experience of about 20 years in Indian markets.
- Research supporting strict investment process and monitoring of portfolio holdings.

Robust Processes & Risk Management

- Large and dedicated risk management team, closely working with the Investment team on managing ex-ante risk through robust processes .
- Use of world-class risk management tools

Globally recognition for Investment Management capabilities



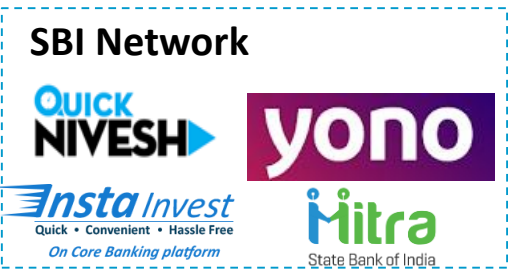
2018
THOMSON REUTERS
LIPPER FUND AWARDS



*As on August 2018
Average Quarterly AUM
(April – June, 2018)

Digital Assets

For Investors



Digital Sales

FY '17-18 Actual	FY '18-19 Estimated
₹ 134 Billion cr	₹ 200 Billion
₹ 39.48 Billion (Apr – Aug)	₹ 66.27 Billion (Apr – Aug)

Unique Characteristics

Internet Traffic peaked to 1.1 million unique visitors/month, a 19% share of the industry on Google. 60% of traffic via Organic sources

Number of active Digital SIPs are 0.87 million; 23% of total live SIPs

Number of Digital purchase transactions for SBIMF increased from 34% in FY'17-18 to 51% in FY'18-19

Gross Revenue from Digital Sales in FY'17-18 was estimated at ₹ 875 Million and is estimated to cross ₹ 1.30 Billion in FY '18-19

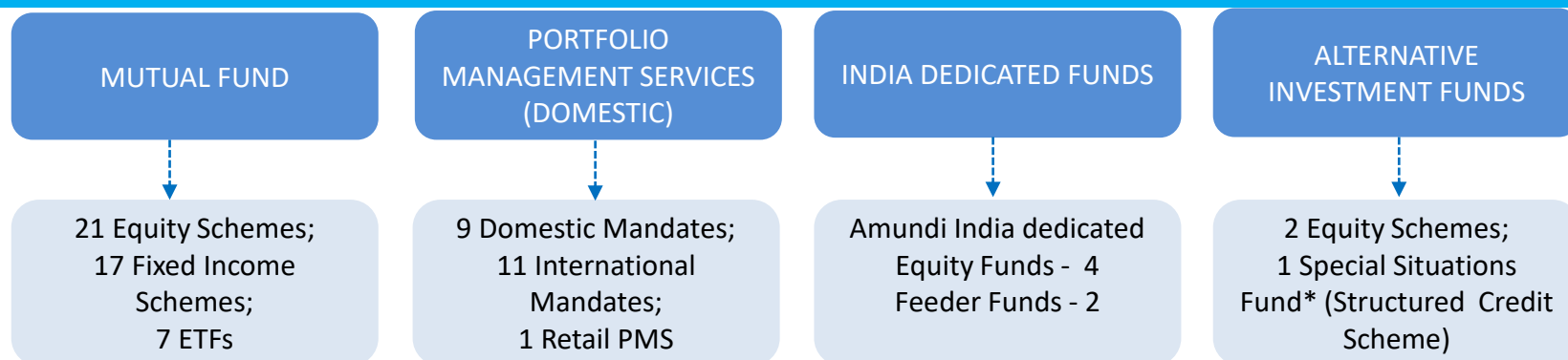
**150%
Targeted growth**

Current Growth at 170%

Digital Distribution



Diverse And Unique Business Model



Promoted SBI Pension Funds, along with SBI to manage National Pension Scheme (NPS)

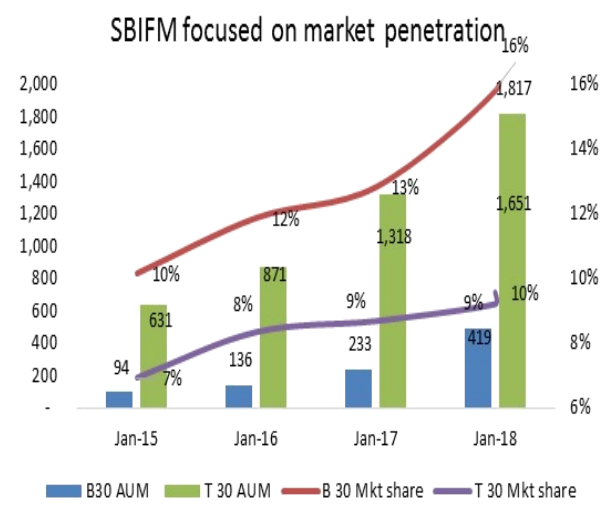
- Strategic evolution from mutual funds to diversified asset management business and asset classes.
- Strong expertise in managing dedicated mandates for Indian and international clients.
- Significant growth in India dedicated Funds crossing AUM of USD 1 billion and overall International mandates crossing USD 2.1 billion including investments from Latin American Pension funds, Insurance companies and Japanese asset managers.
- Long standing mandates from large Indian institutional investors, including pension funds, insurance companies and government bodies.

UNIQUE BUSINESS MODEL

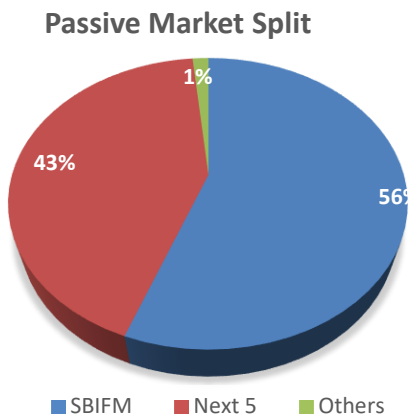
- Large investment in market expansion activities, 167 branches already open, further plans to open 64 more branches this financial year.
- Over 50% market share in retails products akin to fixed deposits (closed ended debt hybrid).
- Relatively higher holding period, compared to industry.
- With 5 million unique investors, SBIMF has 30% share of unique investors of the MF industry.
- Ample opportunities for cross-sell and upsell.

* Currently in fund raising phase

Future Growth



Source SBIFM Internal



Source :MFIE, SBIFM Internal

GO PAPERLESS!



- ✓ Achieve Rank 3 by FY 19-20 and aim for Top rank by 2023.
- ✓ SBIFM is a market leader in passives with an AUM of over INR 500 billion. We aim to continue the leadership position in passives by focusing on innovation such as smart beta.
- ✓ Sustain growth in core business segments through continued higher penetration in fast growing Beyond Top 30 markets.
- ✓ Incubate new business lines with higher margins. (Alternative Investment Funds and Portfolio Management Services)
- ✓ Enhance customer experience through digital innovation.

Synopsis

- ✓ Indian fund management industry is in its nascent stage with immense scope for growth. On an average Industry is likely to **grow at 20%** for the **next 3 years**.
- ✓ SBI Funds has been out growing industry and peer group across asset classes and investor segment. Plans to be the **largest asset manager** with **INR 10 trillion AUM by 2023**.
- ✓ SBI Funds has demonstrated its capabilities in market making & expansion and has been growing market share by adding new investors to the industry, SBI MF has **30%** of MF industry's **unique investor base**.
- ✓ SBI Funds has **proven sustainable investment track record** in **Active and Passive** portfolio management capabilities including **Alternatives**. We will continue to invest in **expansion of our investment capabilities**. This should help in **diversifying and hedging** our revenue streams.
- ✓ SBI is now the **largest distributor** for MF on incremental flows. Currently has only **2% of deposits base** covered for MF distribution, plans to move this to **4 % by 2020**.
- ✓ SBI Funds has expanded its IFA distribution and branch network and has tie-up's across regional and national distributors. SBI MF schemes are on the recommendation list of most banks and wealth managers.
- ✓ SBI Funds has evolved a **profitable mix of retail and institutional investor** and has shown **significant growth**; both in **Top line and Bottom line** numbers.
- ✓ SBI Funds is **currently in an investment phase** for market expansion.
- ✓ The investment is helping SBI FM **built scale**, resulting in best in class **efficiency in 2-3 years**.

Annexure



2018
THOMSON REUTERS
LIPPER FUND AWARDS

- **Lipper Group Awards:**
SBIFM won three Group Awards at Lipper Award Ceremony, namely:
 - **Mixed Asset Classes**
 - **Bond**
 - **Overall**
- **Lipper Fund Awards:**
 - **3 Years:** SBI Magnum Gilt Fund-Short Term-Growth in **Bond Indian Rupee – Government**
 - **3 & 5 Years :** SBI Small & Midcap – Growth in **Equity India**
 - **3 & 5 Years:** SBI Magnum Children's Benefit Plan- Growth in **Mixed Asset INR Conservative**
 - **5 Years:** SBI Magnum Gilt Fund-LongTerm-Growth in **Bond Indian Rupee – Government**



- SBI Small and Midcap Fund is the winner in the **Best Small/Mid-Cap Equity Fund Category**,



- SBIFM has been awarded the “**Fund House of the Year for India**”



- SBIFM has been awarded as the “**Best Fund House**” and “**Best Debt Fund House**”



- SBIFM recognized for the **Best Innovation of the Year** and **Best Equity Fund House**



- SBIFM was honoured as the **Most Investor-Friendly House of the Year Award** and **Best ETF of the Year**.



- SBIFM bagged the “**Mutual Funds House of the Year**” and “**Most Investor Friendly House of the Year**”



- SBIFM won Bronze at **IAMAI's 8th India Digital Awards**

DISCLAIMER

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Mutual Funds investments are subject to market risks, read all scheme related documents carefully

Asset Management Company- SBI Funds Management Private Limited (A joint venture with SBI and AMUNDI)

Trustee Company: SBI Mutual Fund Trustee Company Private Limited