



State Bank of India
PRESS RELEASE

Q1FY19 RESULTS

Financial Performance

1. Q1FY19 OVER Q1FY18

- The Bank incurred a net loss of Rs. 4,876 Cr during the Quarter.
- Bank's net loss is largely attributable to:
 - Lower Trading Income and significant MTM losses due to hardening of bond yields.
 - Higher provision on account of Wage Revision and enhancement in Gratuity ceiling.
- Bank has not availed the benefit of RBI dispensation with regard to amortization of MTM loss.
- **Operating Profit** increased by 0.83% from Rs. 11,874 Cr in Q1FY18 to Rs. 11,973 Cr in Q1FY19.
- **Net Interest Income** increased by 23.81% from Rs. 17,606 Cr in Q1FY18 to Rs. 21,798 Cr in Q1FY19.
- **Interest Income on Loans** increased by 7.54% YoY from Rs. 36,142 Cr in Q1FY18 to Rs. 38,865 Cr in Q1FY19.
- **Interest Expenses on Deposits** was down by 2.09% YoY from Rs. 34,990 Cr in Q1FY18 to Rs. 34,258 Cr in Q1FY19 despite a growth in Deposits of 5.58% YoY.
- **Non-Interest Income** decreased by 16.57% from Rs. 8,006 Cr in Q1FY18 to Rs. 6,679 Cr in Q1FY19 mainly on account of lower trading income. Excluding treasury income, YoY growth in Non-Interest income was 27.39%.
- **Fee Income** increased from Rs. 4,870 Cr in Q1FY18 to Rs. 4,976 Cr in Q1FY19, a YoY growth of 2.19% with significant contribution from Commission on Govt. Business, LC/BG and Cross Sell income which registered a growth of 19.20%, 45.34% and 30.45% respectively during the period.
- **Recovery in Written-Off Accounts** registered a robust growth of 240.74% from Rs. 712 Cr in Q1FY18 to Rs. 2,426 Cr in Q1FY19 with major contribution coming from one large resolution. Even after excluding the impact of such resolution, the YoY growth in Recovery in Written Off accounts is 49.72%.
- **Operating Income** increased during the Quarter by 11.19% from Rs. 25,612 Cr in Q1FY18 to Rs. 28,478 Cr in Q1FY19.

- **Staff Expenses** increased by 25.68% on YoY basis during the quarter mainly on account of provision for Wage Revision and enhancement in Gratuity ceiling, excluding which the increase was 1.1% YoY.
- **Overheads** increased by 13.02% from Rs. 6,013 Cr in Q1FY18 to Rs. 6,796 Cr in Q1FY19 mainly on account of expenses connected with technology and business development.

2. DEPOSITS

- **Deposits** of the Bank increased by 5.58% from Rs.26,02,534 Cr as on June 17 to Rs.27,47,813 Cr as on June 18.
- **Domestic CASA Deposits** increased by Rs 82,740 Cr from Rs.11,13,455 Cr as on June 17 to Rs.11,96,195 Cr as on June 18 (7.43% YoY).
- **Domestic Savings Bank Deposits** increased by 8.99% from Rs.9,45,040 Cr as on June 17 to Rs.10,30,040 Cr as on June 18.
- **Domestic Term Deposits** increased by 4.46% from Rs.13,95,563 Cr as on June 17 to Rs.14,57,775 Cr as on June 18.
- **CASA Ratio** improved by 69 bps from 44.38% as on June 17 to 45.07% as on June 18, whereas daily average CASA improved by 103 bps to 44.84%.

3. ADVANCES

- **Domestic Advances** registered a growth of 7.21% from Rs. 16,07,583 Cr as on June 17 to Rs. 17,23,443 Cr as on June 18, while **Gross Advances** at the Whole Bank level registered a growth of 5.49% from Rs.18,86,666 Cr as on June 17 to Rs.19,90,172 Cr as on June 18.
- **Retail Advances** increased by 14.11% from Rs.4,90,005 Cr as on June 17 to Rs.5,59,134 Cr as on June 18 with Home loans growing by 13.01% from Rs.2,83,331 Cr as on June 17 to Rs.3,20,205 Cr as on June 18. Auto loans and Express Credit increased by 12.42% and 30.93% respectively during the same period.
- **Advances to Large and Mid-Corporates and SME** together increased by 5.14 % from Rs.9,28,479 Cr as on June 17 to Rs,9,76,199 Cr as on June 18.
- **Agri Advances** dipped by 0.52% YoY from Rs.1,89,100 Cr as on June 17 to Rs. 1,88,110 Cr as on June 18.
- **International Advances** declined by 4.43% YoY from Rs. 2,79,082 Cr as on June 17 to Rs. 2,66,728 Cr as on June 18.

4. ASSET QUALITY

- **Gross NPAs** declined from Rs. 2,23,427 Cr as on Mar 18 to Rs. 2,12,840 Cr as on June 18, whereas **Net NPA** declined from Rs. 1,10,855 Cr to Rs. 99,236 Cr during the same period.
- Gross NPA Ratio at 10.69% declined sequentially by 22 bps, while it increased by 72 bps YoY.
- Net NPA Ratio declined by 68 bps YoY from 5.97% as on June 17 to 5.29% as on June 18. Sequentially the same has declined by 44 bps.
- Provision Coverage Ratio improved by 846 bps YoY from 60.79% as on June 17 to 69.25% as on June 18 and improved by 308 bps sequentially.
- Provision Coverage Ratio without AUCA improved by 1068 bps YoY from 42.70% to 53.38% and by 300 bps sequentially.
- Provision Coverage Ratio on NCLT List 1 and List 2 are at 65% and 79% respectively whereas the same on both NCLT lists is 71%.

	Gross NPA (%)	Net NPA (%)	PCR (%)	PCR (%) without AUCA
Mar 17	9.11	5.19	61.53	45.48
Jun 17	9.97	5.97	60.79	42.70
Mar 18	10.91	5.73	66.17	50.38
Jun 18	10.69	5.29	69.25	53.38

5. We remain well capitalized

- CET 1 Ratio improved by 12 bps sequentially from 9.68% to 9.80%. However, the same declined by 26 bps YoY.
- Tier 1 Ratio improved by 17 bps sequentially from 10.36% to 10.53%. However, the same declined by 14 bps YoY.
- Overall CAR remained at 12.83%, well above the regulatory threshold.

6. DOMINANCE IN DIGITAL

- Share of transactions through alternate channels increased by 500 bps YoY to reach 82% of the total transactions as on June 18 from 77% as on June 17.
- **YONO** downloads as on June 18 were at 83.3 lakhs with more than 2.5 lakh logins per day. More than 1 million SB accounts opened reaching a peak of more than 27 thousand accounts per day.
- Leadership position in Debit Card spends with 30.51% market share.
- Leadership position in Merchant Acquiring Business with over 6.23 lakh customer touch points (POS) with a market share of 19.05%.

7. KEY FINANCIAL RATIOS

- **Average Cost of Deposits** declined by 43 bps from 5.54% as on June 17 to 5.11% as on June 18 and by 19 bps sequentially from 5.30% as on March 18 to 5.11% as on June 2018.
- **Average Yield on Advances** increased by 8 bps from 8.49% as on June 17 to 8.57% as on June 18 and by 29 bps sequentially from 8.28% as on March 18 to 8.57% as on June 2018.
- **Net Interest Margin (Domestic)** increased by 45 bps YoY from 2.50% as on June 17 to 2.95% as on June 18 and by 28 bps sequentially from 2.67% as on Mar 18 to 2.95% as on June 18. NIM (Foreign Offices) increased by 31 bps YoY from 1.16 % as on Mar 18 to 1.47% as on June 18.
- **Cost to Income Ratio** increased by 432 bps YoY from 53.64% as on June 17 to 57.96% as on June 18.

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ANNEXURE I

Details of Profit and Loss account are as follows:

Rs. in Crores

	Q1FY19	Q1FY18	Growth (%)	Q4FY18	Growth (%)
			Q1FY19 over Q1FY18		Q1FY19 over Q4FY18
Interest Income	58,813	54,905	7.12	55,941	5.13
Other Income	6,679	8,006	-16.57	12,495	-46.54
Total Income	65,493	62,911	4.10	68,436	-4.30
Interest Expenses	37,015	37,299	-0.76	35,967	2.91
Net Interest Income	21,798	17,606	23.81	19,974	9.13
Operating Expenses	16,505	13,738	20.14	16,586	-0.49
Operating Profit	11,973	11,874	0.83	15,883	-24.62
Total Provisions	16,849	9,869	70.73	23,601	-28.61
Net Profit	-4,876	2,006	-343.12	-7,718	36.83