



State Bank of India
PRESS RELEASE

Q2FY19 RESULTS

Highlights:

- Healthy credit off-take across **retail & high rated corporates**
- Higher **credit growth** and **lower slippages** lead to improvement in **NIM**
- GNPA and Net NPA ratios improve; aided by **lower slippages** and **higher recoveries** while **PCR** is progressively **higher**
- Strategy on controlling **credit cost**, containing **overhead expenses** and focus on **credit quality** has enabled Bank to deliver **Net Profit** during Q2FY19

1. Financial Performance

Q2FY19 OVER Q2FY18

- The Bank registered a Net Profit of Rs.945 Cr which is largely attributable to:
 - Domestic Credit Growth of 11.11% YoY
 - Decline in Slippage ratio by 159 bps YoY.
 - Decline in Credit Cost by 68 bps YoY
 - Overhead Expenses having declined by 3.19% YoY
- **Operating Profit** declined by 30.47% from Rs. 19,999 Cr in Q2FY18 to Rs. 13,905 Cr in Q2FY19, mainly due to lower trading income in Q2FY19 and one-time income of Rs. 5,436 Cr on part stake sale in SBI Life during Q2FY18.
- **Net Interest Income** increased by 12.48% from Rs.18,586 Cr in Q2FY18 to Rs. 20,906 Cr in Q2FY19.
- **Interest Income on Loans** increased by 7.05% YoY from Rs. 35,801 Cr in Q2FY18 to Rs. 38,326 Cr in Q2FY19.
- Growth in **Interest Expenses on Deposits** contained at 2.81% YoY from Rs. 33,980 Cr in Q2FY18 to Rs. 34,934 Cr in Q2FY19 despite a growth in Deposits of 7.02% YoY.
- **Non-Interest Income** decreased by 41.46% from Rs. 16,017 Cr in Q2FY18 to Rs. 9,375 Cr in Q2FY19 mainly on account of YoY decline of 72.69% in trading income. Q2FY18 also included Rs. 5,436 Cr on account of part stake sale in SBI Life.
- **Recovery in Written-Off Accounts** registered a robust growth of 14.59% from Rs. 1,158 Cr in Q2FY18 to Rs. 1,327 Cr in Q2FY19.

- **Overhead Expenses** declined by 3.19% YoY from Rs. 6,900 Cr in Q2FY18 to Rs. 6,680 Cr in Q2FY19.

H1FY19 OVER H1FY18

- The Bank incurred a net loss of Rs. 3,931 Cr during the Half Year due 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 losses.
- **Operating Profit** declined by 18.81% from Rs. 31,873 Cr in H1FY18 to Rs. 25,878 Cr in H1FY19, mainly due to lower trading income in H1FY19 and higher exceptional items during H1FY18.
- **Net Interest Income** increased by 17.99% from Rs. 36,192 Cr in H1FY18 to Rs. 42,704 Cr in H1FY19.
- **Interest Income on Loans** increased by 7.30% YoY from Rs. 71,943 Cr in H1FY18 to Rs. 77,192 Cr in H1FY19.
- Increase in **Interest Expenses on Deposits** was contained at 0.32% YoY from Rs. 68,970 Cr in H1FY18 to Rs. 69,192 Cr in H1FY19 despite growth in Deposits of 7.02% YoY.
- **Non-Interest Income** declined by 33.17% from Rs. 24,022 Cr in H1FY18 to Rs. 16,055 Cr in H1FY19 mainly on account of higher trading income and higher exceptional items during H1FY18. Excluding treasury income and exceptional items, Non-Interest Income has shown a growth of 8.90% YoY.
- **Fee Income** declined by 2.30% YoY from Rs. 10,227 Cr in H1FY18 to Rs. 9,992 Cr in H1FY19, mainly on account of reduction in charges on Maintenance of Minimum Balances in SB Accounts. However, Commission on LC/BG, Cross Selling and Govt. Business has registered YoY growth of 43.96%, 28.80% and 21.53% respectively.
- **Recovery in Written-Off Accounts** registered a robust growth of 100.69% from Rs. 1,870 Cr in H1FY18 to Rs. 3,753 Cr in H1FY19.
- Increase in **Overheads Expenses** contained at 4.36% YoY from Rs. 12,913 Cr in H1FY18 to Rs. 13,476 Cr in H1FY19.

2. DEPOSITS

- **Deposits** of the Whole Bank grew by 7.02% YoY from Rs.26,23,180 Cr as on September 17 to Rs.28,07,420 Cr as on September 18
- **Domestic Savings Bank Deposits** grew by 8.55% YoY from Rs.9,69,833 Cr as on September 17 to Rs.10,52,728 Cr as on September 18

- **Domestic Current Account Deposits** grew by 6.05% YoY from Rs.1,64,149 Cr as on September 17 to Rs.1,74,076 Cr as on September 18
- **Domestic CASA Deposits** grew by 8.19% YoY from Rs.11,33,983 Cr as on September 17 to Rs.12,26,804 Cr as on September 18
- **Domestic CASA ratio** improved by 39 bps from 44.88% as on September 17 to 45.27% as on September 18.
- **Domestic Term Deposits** grew by 6.47% YoY from Rs.13,92,980 Cr as on September 17 to Rs.14,83,097 Cr as on September 18

3. ADVANCES

- **Domestic Advances** registered a growth of 11.11% from Rs.16,00,546 Cr as on September 17 to Rs. 17,78,321 Cr as on September 18.
- **Retail Advances** (including SME, Agri & Personal) grew by 8.91% YoY from Rs.9,48,479 Cr as on September 17 to Rs.10,33,022 Cr as on September 18.
- **Retail Personal loans** grew by 14.23% YoY from Rs.5,04,777 Cr as on September 17 to Rs. 5,76,594 Cr as on September 18. Home loans grew by 14.26% from Rs.3,14,775 Cr as on September 17 to Rs.3,59,651 Cr as on September 18. Auto loans and Express Credit increased by 8.27% and 32.79% respectively during the same period.
- **SME Advances** grew by 5.24% YoY from Rs.2,52,464 Cr as on September 17 to Rs.2,65,697 Cr as on September 18.
- **Corporate Advances** grew by 14.30% YoY from Rs.6,52,067 Cr as on September 17 to Rs.7,45,299 Cr as on September 18

4. ASSET QUALITY:

- **Gross NPAs** declined from Rs.2,12,840 Cr as on June 18 to Rs.2,05,864 Cr as on September 18, whereas **Net NPAs** declined from Rs.99,236 Cr to Rs.94,810 Cr during the same period.
- **Gross NPA Ratio** at 9.95% declined sequentially by 74 bps.
- **Net NPA Ratio** at 4.84% declined sequentially by 45 bps.
- **Provision Coverage Ratio** improved by 655 bps YoY from 47.40% as on September 17 to 53.95% as on September 18 and improved by 57 bps sequentially.
- **Provision Coverage Ratio (Including AUCA)** improved by 563 bps YoY from 65.11% as on September 17 to 70.74% as on September 18 and improved by 149 bps sequentially.
- Provision Coverage Ratio on NCLT List 1 and List 2 are at 64% and 78% respectively.

	Gross NPA (%)	Net NPA (%)	PCR (%)	PCR (Including AUCA) (%)
Mar 18	10.91	5.73	50.38	66.17
Jun 18	10.69	5.29	53.38	69.25
Sep 18	9.95	4.84	53.95	70.74

5. WE REMAIN WELL CAPITALIZED

- CET 1 at 9.65% as against regulatory requirement of 7.825%.
- Tier 1 at 10.36% as against regulatory requirement of 9.325%.
- Overall CAR at 12.61% is well above the regulatory threshold.

6. KEY FINANCIAL RATIOS

- **Average Cost of Deposits** declined by 32 bps from 5.42% as on September 17 to 5.10% as on September 18 and by 1 bps sequentially from 5.11% as on June 18.
- **Average Yield on Advances** declined marginally by 3 bps from 8.46% as on September 17 to 8.43% as on September 18. The Average Yield on Advances declined by 14 bps from 8.57% as on June 18 to 8.43% as on September 18, on account of interest income booked on NCLT resolutions in Q1FY19.
- **Net Interest Margin (Domestic)** increased by 29 bps YoY from 2.59% as on September 17 to 2.88% as on September 18. However, it declined by 7 bps sequentially due to interest income booked on NCLT resolutions in Q1FY19.
- **Cost to Income Ratio** declined sequentially by 200 bps from 57.96% as on June 18 to 55.96% as on September 18.

7. DOMINANCE IN DIGITAL

- Share of transactions through alternate channels increased by 502 bps YoY to reach 83.47% of the total transactions as on September 18 from 78.45% as on September 17.
- More than 20,000 SB accounts opened per day on YONO platform reaching a peak of more than 31 thousand accounts per day. More than 60K Preapproved Personal Loans worth Rs. 500 Cr disbursed on YONO platform.
- Leadership position in Debit Card spends with market share of 30.3%

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ANNEXURE***Rs. in Crores***

	Quarter ended			Half Year Ended		Growth (%)		
	Q2FY19	Q1FY19	Q2FY18	H1FY19	H1FY18	H1FY19 over H1FY18	Q2FY19 over Q1FY19	Q2FY19 over Q2FY18
Interest Income	58,793	58,813	54,850	1,17,607	1,09,755	7.15	-0.03	7.19
Interest Expenses	37,888	37,015	36,264	74,903	73,563	1.82	2.36	4.48
Net Interest Income	20,906	21,798	18,586	42,704	36,192	17.99	-4.10	12.48
Non-Interest Income	9,375	6,679	16,016	16,055	24,022	-33.17	40.36	-41.46
Operating Income	30,281	28,478	34,602	58,759	60,214	-2.42	6.33	-12.49
Operating Expenses	16,376	16,505	14,603	32,881	28,340	16.02	-0.78	12.14
Operating Profit	13,905	11,973	19,999	25,878	31,873	-18.81	16.13	-30.47
Total Provisions	12,960	16,849	18,418	29,809	28,286	5.38	-23.08	-29.63
Net Profit	945	-4,876	1,582	-3,931	3,587			