

## **Q3FY18 / 9MFY18 RESULTS**

*Note: Historical Data has been arrived at by aggregating the audited numbers of the erstwhile Associate Banks, Bharatiya Mahila Bank and SBI for comparison purposes.*

### **Highlights**

#### **Financial Performance**

- ✓ Operating Profit recorded a YoY growth of 3.50% in 9MFY18 over 9MFY17
- ✓ Net Profit is lower by 28.48% in 9MFY18 over 9MFY17 mainly due to higher Loan Loss Provision and Investment Depreciation
- ✓ Growth in Operating Expenses contained at 0.96% in Q3FY18 over Q3FY17 and 2.27% in 9MFY18 over 9MFY17
- ✓ Improving NII growth at 5.17% from Rs.17,769 Cr in Q3FY17 to Rs.18,688 Cr in Q3FY18
- ✓ Domestic NIM as on 9MFY18 at 2.61% shows an improvement of 2 bps over H1FY18

#### **Retail Franchise**

- ✓ Sustained CASA growth with an improvement of 1.18% YoY
- ✓ CASA Ratio up 25 bps sequentially to 45.13%
- ✓ Retail Term Deposits grew by 7.05% YoY
- ✓ Retail Loan portfolio grew by 13.59% YoY driven by 13.56% growth in Home Loans
- ✓ SME loans grew by Rs.15,224 Cr at 6.03% sequentially during Q3FY18

#### **Asset Quality**

- ✓ Gross NPA Ratio increased sequentially by 52 bps to 10.35% as on Dec 17 and Net NPA Ratio by 18 bps to 5.61% as on Dec 17
- ✓ Provision Coverage Ratio was at 65.92% as on Dec 17, an increase of 82 bps from Sep 17 level
- ✓ Provision Coverage Ratio without AUCA improved from 41.04% as on Dec 16 to 48.59% as on Dec 17

#### **Digital**

- ✓ 79% of total transactions through alternate channels. Share of Digital Transactions up over 800 bps YoY
- ✓ Leadership position in Debit Card spends with 30.60% Market-share
- ✓ Leadership position in Merchant Acquiring Business with over 6.34 lakh customer touch points (POS)

### **Q3 FY18 OVER Q3FY17**

- **Bank's net loss is due to:**
  - Lower Trading Income due to hardening of bond yields
  - Higher Corporate Slippages leading to higher Loan Loss Provisions
  - Significant Investment depreciation hit
- **Operating Profit** declined by 18.38% from Rs.14,401 Cr in Q3FY17 to Rs.11,755 Cr in Q3FY18
- **Interest Expenses on Deposits** was down by 5.23% YoY from Rs.35,399 Cr in Q3FY17 to Rs.33,549 Cr in Q3FY18 despite a growth of 1.86% in Deposits
- **Net Interest Income** improved by 5.17% from Rs.17,769 Cr in Q3FY17 to Rs.18,688 Cr in Q3FY18
- **Non-Interest Income** declined by 29.75% from Rs.11,507 Cr in Q3FY17 to Rs.8,084 Cr in Q3FY18 mainly due to lower Profit on Sale of Investments. Excluding Profit on Sale of investments, Non-Interest Income grew by 6.82%.
- **Fee Income** is up from Rs. 4,710 Cr in Q3FY17 to Rs.4,979 Cr in Q3FY18, a YoY growth of 5.71%
- **Recovery in Written-Off Accounts** registered a robust growth of 57.46%
- **Staff Expenses** were contained with decline of 5.36% YoY from Rs.8,978 Cr in Q3FY17 to Rs.8,497 Cr in Q3FY18.
- **Overheads Expenses** up by 10.58% YoY from Rs.5,897 Cr in Q3FY17 to Rs.6,520 Cr in Q3FY18 mainly due to 44.24% increase in Tech-related expenses
- **Increase in Operating Expenses** contained at 0.96% YoY from Rs.14,875 Cr in Q3FY17 to Rs.15,017 Cr in Q3FY18.
- **Operating Income** declined by 8.55% from Rs.29,276 Cr in Q3FY17 to Rs.26,772 Cr in Q3FY18

### **9MFY18 OVER 9MFY17**

- **Net Profit** at Rs.1,171 Cr in 9MFY18 was down by 28.48% YoY.
- **Operating Profit** up by 3.50% from Rs.42,152 Cr in 9MFY17 to Rs.43,628 Cr in 9MFY18.
- **Interest Expenses on Deposits** down by 0.90% YoY from Rs.1,03,452 Cr in 9MFY17 to Rs.1,02,519 Cr in 9MFY18 despite a growth in deposits by 1.86%.
- **Non-Interest Income** up by 5.56% YoY from Rs.30,415 Cr in 9MFY17 to Rs.32,106 Cr in 9MFY18. Excluding Profit on Sale of investments, Non-Interest Income grew by 10.33%.
- **Fee Income** up by 8.97% from Rs.13,955 Cr in 9MFY17 to Rs.15,206 Cr in 9MFY18.
- **Staff Expenses** down by 4.53% YoY from Rs.25,061 Cr in 9MFY17 to Rs.23,925 Cr in 9MFY18.
- **Increase in Operating Expenses** contained at 2.27% YoY from Rs.42,397 Cr in 9MFY17 to Rs.43,358 Cr in 9MFY18.

## DEPOSITS

- **Growth in Deposits** remained muted at 1.86% YoY from Rs.26,02,757 Cr as on Dec 16 to Rs.26,51,240 Cr as on Dec 17 due to base effect on account of demonetization
- **CASA Deposits** grew by 1.18% YoY from Rs.11,34,715 Cr as on Dec 16 to Rs.11,48,138 Cr as on Dec 17
- **Retail Term Deposits** grew by 7.05% YoY from Rs.11,43,802 Cr as on Dec 2016 to Rs.12,24,386 Cr as on Dec 17
- **CASA Ratio** remained robust at 45.13%

## ADVANCES

- **Gross Advances** registered a growth of 2.52% YoY from Rs.18,77,278 Cr as on Dec 16 to Rs.19,24,578 Cr as on Dec 17 .
- **Retail Advances** grew by 13.59% YoY from Rs.4,58,670 Cr as on Dec 16 to Rs.5,21,026 Cr as on Dec 17 with Home loans growing by 13.56% from Rs.2,65,145 Cr as on Dec 16 to Rs.3,01,087 Cr as on Dec 17.
- **Agri Advances** grew by 5.88% YoY from Rs.1,83,284 Cr as on Dec 16 to Rs.1,94,055 Cr as on Dec 17. Excluding inflows due to debt waiver, growth would have been higher at 10.27% YoY
- **SME Advances** registered a sequential growth of 6.03% from Rs.2,52,464 Cr as on Sep 17 to Rs.2,67,688 Cr as on Dec 17
- **International Advances** grew by 4.99% YoY from Rs.2,85,536 Cr as on Dec 16 to Rs.2,99,774 Cr as on Dec 17.

## ASSET QUALITY:

	<b>Gross NPA (%)</b>	<b>Net NPA (%)</b>	<b>PCR(%)</b>	<b>PCR(%) without AUCA</b>
Dec 16	8.70	5.33	58.96	41.04
Sep 17	9.83	5.43	65.10	47.40
Dec 17	10.35	5.61	65.92	48.59

- **Gross NPAs** increased from Rs.1,86,115 Cr as on Sep 17 to Rs.1,99,141 Cr as on Dec 17, whereas **Net NPA** increased from Rs. 97,896 cr to Rs. 102370 cr during the same period.

**KEY FINANCIAL RATIOS**

- **CASA Ratio** was at a healthy 45.13% as on Dec 17, up sequentially from 44.88% as on Sep 17 with daily average CASA Ratio at 44.07% as on Dec 17
- **Average Cost of Deposits** declined by 56 bps YOY from 5.90% as on Dec 16 to 5.34% as on Dec 17 and by 8 bps sequentially from 5.42% as on Sep 17
- **Average Yield on Advances** declined by 103 bps from 9.41% as on Dec 16 to 8.38% as on Dec 17 and by 8 bps sequentially from 8.46% as on Sep 17
- **Net Interest Margin (Domestic)** went up by 2 bps sequentially from 2.59% as on Sep 17 to 2.61% as on Dec 17 while it declined by 28 bps YoY from 2.89% as on Dec 16
- **Cost to Income Ratio** improved by 30 bps from 50.14% during 9MFY17 to 49.84% during 9MFY18

**Performance of SBI Group:**

- **Return on Equity** was at 2.33% as on Dec 17 as compared to 2.55% as on Dec 16
- **Return on Assets** was at 0.12% as on Dec 17 as compared to 0.13% as on Dec 16
- **Gross NPA Ratio** for SBI Group up from 8.65% as on Dec 16 to 10.27% as on Dec 17, while Net NPA Ratio is up from 5.30% as on Dec 16 to 5.57% as on Dec 17.
- **Net Profit** (after minority interest) of **SBI Group declined** from Rs.3,219 Cr in 9MFY17 to Rs.2,986 Cr in 9MFY18.

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**ANNEXURE-I**

Details of Profit and Loss account are as follows:

*Rs. in Crores*

	Quarter ended		Nine Month Ended		Growth (%)	
	Q3FY18	Q3FY17	9MFY18	9MFY17	9MFY18 over 9MFY17	Q3FY18 over Q3FY17
Interest Income	54,803	55,700	1,64,558	1,65,014	-0.28	-1.61
Other Income	8,084	11,507	32,106	30,415	5.56	-29.75
<b>Total Income</b>	<b>62,887</b>	<b>67,207</b>	<b>1,96,664</b>	<b>1,95,429</b>	<b>0.63</b>	<b>-6.43</b>
Interest Expenses	36,115	37,931	1,09,679	1,10,880	-1.08	-4.79
<b>Net Interest Income</b>	<b>18,688</b>	<b>17,769</b>	<b>54,879</b>	<b>54,134</b>	<b>1.38</b>	<b>5.17</b>
Operating Expenses	15,017	14,875	43,358	42,397	2.27	0.96
<b>Operating Profit</b>	<b>11,755</b>	<b>14,401</b>	<b>43,628</b>	<b>42,152</b>	<b>3.50</b>	<b>-18.38</b>
<b>Total Provisions</b>	<b>14,171</b>	<b>12,581</b>	<b>42,457</b>	<b>40,515</b>	<b>4.79</b>	<b>12.64</b>
<b>Net Profit</b>	<b>-2,416</b>	<b>1,820</b>	<b>1,171</b>	<b>1,637</b>		