



**State Bank of India**  
**PRESS RELEASE**

**Q3FY19 RESULTS**

**Highlights:**

- The Bank registered a **Net Profit** of Rs. 3,955 Cr during Q3FY19 as against Net Loss of Rs. 2,416 Cr in corresponding period last year. Sequential growth is 318.56%
- Robust Domestic **credit off-take, mainly across Per. Retail & high rated Corporates**, registering 15.65% YoY growth.
- **Net Interest Income** grew by 21.42% YoY
- **Interest Income on Loans** grew by 18.86% YoY attributable mainly to growth in **domestic credit** and **lower slippages**
- Higher **credit growth, better spreads** and **lower slippages** lead to Domestic **Net Interest Margins** increasing to 2.97% during Q3FY19.
- Improvement in **Slippage Ratio** and **Credit Cost** by 459 bps and 105 bps YoY respectively.
- Sustained improvement in **Asset Quality** with **GNPA, Net NPA** and **PCR** improving at 8.71%, 3.95% and 74.63% respectively.

**1. Financial Performance**

**Q3FY19 OVER Q3FY18**

- The Bank registered a Net Profit of Rs.3,955 Cr which is largely attributable to:
  - Domestic Credit Growth of 15.65% YoY.
  - Better NIMs due to higher Yields on Advances, while Cost of Funds is flat.
  - Improvement in Slippage ratio by 459 bps YoY.
  - Improvement in Credit Cost by 105 bps YoY.
  - Lower Overhead Expenses growth at 6.27% YoY.
  - Write-back of MTM due to softening of bond yields.
- **Operating Profit** increased by 7.40% YoY from Rs. 11,755 Cr in Q3FY18 to Rs. 12,625 Cr in Q3FY19 driven by healthy growth in Net Interest Income and lower growth in Overhead Expenses
- **Net Interest Income** registered a healthy growth of 21.42% YoY from Rs.18,688 Cr in Q3FY18 to Rs. 22,691 Cr in Q3FY19.
- **Interest Income on Loans** increased by 18.86% YoY from Rs. 35,185 Cr in Q3FY18 to Rs. 41,821 Cr in Q3FY19 attributable mainly to growth in domestic credit and lower slippages.

- Growth in **Interest Expenses on Deposits** was contained at 5.73% YoY from Rs. 33,549 Cr in Q3FY18 to Rs. 35,473 Cr in Q3FY19 despite a growth in deposits by 6.76% YoY.
- **Non-Interest Income** declined by 0.61% YoY from Rs. 8,084 Cr in Q3FY18 to Rs. 8,035 Cr in Q3FY19 mainly on account of decline in trading income by 58.56% YoY.
- **Recovery in Written-Off Accounts** registered a robust growth of 55.98% YoY from Rs. 1,351 Cr in Q3FY18 to Rs. 2,107 Cr in Q3FY19.
- **Overhead Expenses** growth was contained at 6.27% YoY from Rs. 6,520 Cr in Q3FY18 to Rs. 6,929 Cr in Q3FY19.

### **9MFY19 OVER 9MFY18**

- The Bank registered a Net Profit of Rs. 24 Cr during the 9MFY19 mainly due to:
  - Higher growth in Net Interest Income by 19.16%.
  - Domestic Credit Growth of 15.65% YoY.
  - Lower Overhead Expenses growth at 5.00% YoY.

This is despite higher provision on account of Wage Revision, enhancement in Gratuity ceiling and additional Pension Provisions.

- **Operating Profit** declined by 11.75% YoY from Rs. 43,628 Cr in 9MFY18 to Rs. 38,503 Cr in 9MFY19, mainly due to lower trading income in 9MFY19 and higher exceptional items during 9MFY18.
- **Net Interest Income** increased by 19.16% YoY from Rs. 54,879 Cr in 9MFY18 to Rs. 65,395 Cr in 9MFY19.
- **Interest Income on Loans** increased by 11.09% YoY from Rs. 1,07,128 Cr in 9MFY18 to Rs. 1,19,012 Cr in 9MFY19 mainly due to robust credit growth across both retail and corporates.
- Increase in **Interest Expenses on Deposits** was contained at 2.09% YoY from Rs. 1,02,519 Cr in 9MFY18 to Rs. 1,04,665 Cr in 9MFY19. This was despite a growth of 6.76% YoY in Deposits.
- **Non-Interest Income** declined by 24.97% YoY from Rs. 32,106 Cr in 9MFY18 to Rs. 24,090 Cr in 9MFY19 mainly on account of higher trading income and higher exceptional items in 9MFY18. Excluding treasury income and exceptional items, Non-Interest Income has grown by 8.53% YoY.
- **Fee Income** declined by 3.23% YoY from Rs. 15,206 Cr in 9MFY18 to Rs. 14,715 Cr in 9MFY19, 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 registered a robust YoY growth of 24.24%, 25.07% and 18.70% respectively.
- **Recovery in Written-Off Accounts** registered a very robust growth of 81.94% YoY from Rs. 3,221 Cr in 9MFY18 to Rs. 5,860 Cr in 9MFY19.

- Increase in **Overheads Expenses** was contained at 5.00% YoY from Rs. 19,433 Cr in 9MFY18 to Rs. 20,405 Cr in 9MFY19.

## 2. **DEPOSITS**

- **Deposits** at the Whole Bank level grew by 6.76% YoY from Rs.26,51,240 Cr as on December 17 to Rs.28,30,538 Cr as on December 18
- **Domestic Savings Bank Deposits** grew by 9.44% YoY from Rs.9,72,696 Cr as on December 17 to Rs.10,64,497 Cr as on December 18
- **Domestic CASA Deposits** grew by 7.79% YoY from Rs.11,48,138 Cr as on December 17 to Rs.12,37,578 Cr as on December 18
- **Domestic CASA ratio** improved by 10 bps from 45.13% as on December 17 to 45.23% as on December 18.
- **Domestic Term Deposits** grew by 7.36% YoY from Rs.13,96,019 Cr as on December 17 to Rs.14,98,725 Cr as on December 18.

## 3. **ADVANCES**

- **Whole Bank Advances** registered a growth of 11.99% YoY from Rs. 19,24,578 Cr as on December 17 to Rs. 21,55,316 Cr as on December 18. The Domestic Advances registered a growth of 15.65% YoY from Rs.16,24,804 Cr as on December 17 to Rs. 18,79,053 Cr as on December 18
- **Corporate Advances** grew by 20.67% YoY from Rs.6,42,035 Cr as on December 17 to Rs.7,74,715 Cr as on December 18 led by growth in loans to PSUs and High Rated Corporates.
- **Retail Personal loans** registered a growth of 17.57% YoY from Rs.5,21,026 Cr as on December 17 to Rs. 6,12,595 Cr as on December 18. Home loans grew by 15.33% from Rs.3,01,087 Cr as on December 17 to Rs.3,47,255 Cr as on December 18. Auto loans and Express Credit increased by 8.88% and 36.04% respectively during the same period.
- **SME Advances** grew by 9.48 % YoY from Rs.2,67,688 Cr as on December 17 to Rs.2,93,060 Cr as on December 18.

## 4. **ASSET QUALITY:**

- **Gross NPAs** of the Bank declined from Rs.2,05,864 Cr as on September 18 to Rs.1,87,765 Cr as on December 18, whereas **Net NPAs** declined from Rs.94,810 Cr to Rs. 80,944 Cr during the same period.
- **Gross NPA Ratio** at 8.71% improved by 164 bps YoY and 124 bps sequentially.
- **Net NPA Ratio** at 3.95% improved by 166 bps YoY and 89 bps sequentially.
- **Provision Coverage Ratio** improved by 871 bps YoY from 65.92% as on December 17 to 74.63% as on December 18, whereas the same improved by 389 bps sequentially.

- **Provision Coverage Ratio (Excluding AUCA)** improved by 830 bps YoY from 48.59% as on December 17 to 56.89% as on December 18 and by 294 bps sequentially.
- Provision Coverage Ratio on NCLT List-I & II were at 66% and 86% respectively, with 20 accounts having been fully provided for.

	<b>Gross NPA (%)</b>	<b>Net NPA (%)</b>	<b>PCR%</b>	<b>PCR (excluding AUCA) (%)</b>
Dec 17	10.35	5.61	65.92	48.59
Mar 18	10.91	5.73	66.17	50.38
Jun 18	10.69	5.29	69.25	53.38
Sep 18	9.95	4.84	70.74	53.95
Dec 18	8.71	3.95	74.63	56.89

## **5. Capital Adequacy**

The Bank remained well capitalized with

- CET 1 at 9.57% as against regulatory requirement of 7.825%.
- Tier 1 at 10.54% as against regulatory requirement of 9.325%.
- Overall CAR at 12.77%, as against regulatory requirement of 11.325%.

## **6. KEY FINANCIAL RATIOS**

- **Average Cost of Deposits** declined by 25 bps YoY from 5.34% as on December 17 to 5.09% as on December 18 and by 1 bps sequentially to 5.09%.
- **Average Yield on Advances** increased 10 bps YoY from 8.38% as on December 17 to 8.48% as on December 18. The sequential increase was 5 bps.
- **Net Interest Margin (Domestic)** increased by 31 bps YoY from 2.61% as on December 17 to 2.92% as on December 18. However, NIM for Q3FY19 was healthy at 2.97%, 17 bps higher than the previous quarter.
- **Cost to Income Ratio** was higher as on December 18 mainly due to higher provision towards Wage Revision and enhancement in Gratuity ceiling.

## **7. DOMINANCE IN DIGITAL**

- Share of transactions through alternate channels registered an increase of 395 bps YoY to reach a level of 87.75% as on December 18 from 83.80% as on December 17.
- The Leadership position of the Bank in Debit Card spends continues with a market share of 30.16% as on December 18.

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**ANNEXURE*****Rs. in Crores***

	Quarter ended			Nine months Ended		Growth (%)		
	Q3FY19	Q2FY19	Q3FY18	9MFY19	9MFY18	9MFY19 over 9MFY18	Q3FY19 over Q2FY19	Q3FY19 over Q3FY18
Interest Income	62,277	58,793	54,803	1,79,883	1,64,558	9.31	5.92	13.64
Interest Expenses	39,586	37,888	36,115	1,14,488	1,09,679	4.39	4.48	9.61
<b>Net Interest Income</b>	<b>22,691</b>	<b>20,906</b>	<b>18,688</b>	<b>65,395</b>	<b>54,879</b>	<b>19.16</b>	<b>8.54</b>	<b>21.42</b>
Non-Interest Income	8,035	9,375	8,084	24,090	32,106	-24.97	-14.29	-0.61
<b>Operating Income</b>	<b>30,726</b>	<b>30,281</b>	<b>26,772</b>	<b>89,485</b>	<b>86,985</b>	<b>2.87</b>	<b>1.47</b>	<b>14.77</b>
Operating Expenses	18,101	16,376	15,017	50,982	43,358	17.58	10.54	20.54
<b>Operating Profit</b>	<b>12,625</b>	<b>13,905</b>	<b>11,755</b>	<b>38,503</b>	<b>43,628</b>	<b>-11.75</b>	<b>-9.20</b>	<b>7.40</b>
Total Provisions	8,670	12,960	14,171	38,479	42,457	-9.37	-33.10	-38.82
<b>Net Profit</b>	<b>3,955</b>	<b>945</b>	<b>-2416</b>	<b>24</b>	<b>1,171</b>	<b>-97.96</b>	<b>318.56</b>	