



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

**Q2FY18 / H1FY18 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 & Capital Adequacy**

- ✓ Net Profit at Rs.1,582 Cr in Q2FY18 and Rs.3,587 Cr in H1FY18 up by 383.83% and 2061% YoY respectively.
- ✓ Operating Profit excluding exceptional & one-time items up by 11.40% YoY in Q2FY18
- ✓ Operating Expenses increase contained at 2.28% YoY in Q2FY18 and 2.97% YoY in H1FY18
- ✓ Domestic NIM at 2.59% shows improvement of 9 bps over Q1FY18
- ✓ Capital Adequacy at 13.56% up by 25 bps over June 17

**Retail Franchise**

- ✓ Sustained CASA growth with improvement of 21.15% YoY
- ✓ CASA Ratio up 398 bps YoY to 44.88%
- ✓ Retail Term Deposits grew by 10% YoY
- ✓ Retail Loans grew by 13.05% YoY driven by 12.71% growth in Home Loans

**Asset Quality**

- ✓ Gross NPA declines by 14 bps to 9.83% and Net NPA declines by 54 bps to 5.43% in Q2FY18 from Q1FY18
- ✓ Slippage Ratio declines to 1.85% in Q2FY18 from 5.38% in Q1FY18
- ✓ Provision Coverage Ratio with AUCA at 65.10% and without AUCA at 47.40%, an increase of 431 and 470 bps respectively from June 2017

**Digital**

- ✓ 78% of total transactions through alternate channels. Share of Digital Transactions up over 1000 bps as on Sep 17 from Sep 16
- ✓ Leadership position in Debit Card spends with 31% Market-share
- ✓ Leadership position in Merchant Payment Business with over 10,89,000 touch points which includes Bharat QR and Bhim-Adhar-SBI

## **Q2FY18 OVER Q2FY17**

- **Net Profit** of Rs.1,582 Cr in Q2FY18 up 383.83% YoY
- **Operating Profit** (excluding exceptional and one-time items) up by 11.40% from Rs.13,073 Cr in Q2FY17 to Rs.14,563 Cr in Q2FY18.
- **Net Interest Income** up by 2.58% from Rs.18,119 Cr in Q2FY17 to Rs.18,586 Cr in Q2FY18.
- **Non-Interest Income** up by 57.85% from Rs.10,146 Cr in Q2FY17 to Rs.16,016 Cr in Q2FY18. Fee Income up by 5.99%, Forex Income up by 5.71%, Recovery in Written-Off Accounts up by 51.31% and Profit on Sale of Investments up by 161.46% YoY
- **Fee Income** up from Rs.5,054 Cr in Q2FY17 to Rs.5,357 Cr in Q2FY18, a YoY growth of 5.99 %
- **Operating Income** up by 22.42% from Rs,28,265 Cr in Q2FY17 to Rs.34,602 Cr in Q2FY18
- **Increase in Operating Expenses** contained at 2.28% YoY.

## **PROFITABILITY**

- **Total Interest Income** remained flat at Rs.54,850 Cr in Q2FY18 against Rs.54,820 Cr in Q2FY17
- **Total Interest Expenses** down by 1.19% YoY from Rs.36,701 Cr in Q2FY17 to Rs.36,264 Cr in Q2FY18.
- **Interest Expenses on Deposits** down by 1.28% YoY from Rs.34,421 Cr in Q2FY17 to Rs.33,980 Cr in Q2FY18 despite a growth of 10.27% in Deposits.
- **Increase in Operating Expenses** contained at 2.28% YoY from Rs.14,277 Cr in Q2FY17 to Rs.14,603 Cr in Q2FY18.
- **Staff Expenses** down by 7.19% YoY from Rs.8,300 Cr in Q2FY17 to Rs.7,703 Cr in Q2FY18.
- **Overheads** up by 15.43% YoY from Rs.5,977 Cr in Q2FY17 to Rs.6,900 Cr in Q2FY18 mainly due to 26.09% increase in Tech-related expenses and 44.80% increase in Depreciation.

## **H1FY18 OVER H1FY17**

- **Net Profit** of Rs.3,587 Cr in H1FY18 up by 2061% YoY
- **Operating Profit** (excluding exceptional and one-time items) up by 1.96% from Rs.25,928 Cr in H1FY17 to Rs.26,437 Cr in H1FY18
- **Interest Expenses on Deposits** up by 1.35% YoY from Rs.68,052 Cr in H1FY17 to Rs.68,970 Cr in H1FY18 despite a growth of 10.27% in Deposits.

- **Non Interest Income** up by 27.05% YoY from Rs.18,908 Cr in H1FY17 to Rs.24,022 Cr in H1FY18.
- **Fee Income** up by 10.62% from Rs.9,245 Cr in H1FY17 to Rs.10,227 Cr in H1FY18
- **Staff Expenses** down by 4.07% YoY from Rs.16,082 Cr in H1FY17 to Rs. 15,428 Cr in H1FY18
- **Increase in Operating Expenses** contained at 2.97% YoY from Rs.27,522 Cr in H1FY17 to Rs.28,340 Cr in H1FY18.

## **DEPOSITS**

- **Deposits** of the Bank grew by 10.27% YoY from Rs.23,78,956 Cr as on September 16 to Rs.26,23,180 Cr as on September 17
- **Savings Bank Deposits** grew by 22.07% YoY from Rs.7,94,515 Cr as on September 16 to Rs.9,69,833 Cr as on September 17
- **Current Account Deposits** grew by 16.02% YoY from Rs.1,41,481 Cr as on September 16 to Rs.1,64,149 Cr as on September 17
- **CASA Deposits** grew by 21.15% YoY from Rs.9,35,996 Cr as on September 16 to Rs.11,33,983 Cr as on September 17
- **Retail Term Deposits** grew by 10% YoY from Rs.11,09,148 Cr as on September 2016 to Rs.12,20,115 Cr as on September 2017
- **Market Share in Domestic Deposits** up by 28 bps from 22.78% as on September 16 to 23.06% as on September 17.

## **ADVANCES**

- **Gross Advances** grew by **0.95% YoY** from Rs.18,74,715 Cr as on September 16 to Rs.18,92,440 Cr as on September 17 .
- **Retail Advances** grew by 13.05% YoY from Rs.4,46,517 Cr as on September 16 to Rs.5,04,777 Cr as on September 17. Home loans grew by 12.71% from Rs.2,57,699 Cr as on September 16 to Rs.2,90,450 Cr as on September 17.
- **Agri Advances** grew by 2.37% YoY from Rs.1,86,806 Cr as on September 16 to Rs.1,91,238 Cr as on September 17
- **International Advances** grew by 4.22% YoY from Rs.2,80,082 Cr as on September 16 to Rs.2,91,894 Cr as on September 17.

## **ASSET QUALITY:**

	<b>Gross NPA (%)</b>	<b>Net NPA (%)</b>	<b>PCR(%)</b>
September 16	8.52	5.12	58.57
June 17	9.97	5.97	60.79
September 17	9.83	5.43	65.10

- **Gross NPAs** declined from Rs.1,88,068 Cr as on June 2017 to Rs.1,86,115 Cr as on September 2017, while it increased from Rs.1,59,806 Cr as on September 16

### **KEY FINANCIAL RATIOS**

- **Return on Equity** improved to 4.23% as on September 2017 against -0.22% as on September 16.
- **Return on Assets** improved to 0.22% as on September 2017 against -0.01% as on September 16.
- **Average Cost of Deposits** declined by 65 bps from 6.07% as on September 16 to 5.42% as on September 17 and by 12 bps sequentially from 5.54% as on June 17.
- **Average Yield on Advances** declined by 108 bps from 9.54% as on September 16 to 8.46% as on September 17 and by 3 bps sequentially from 8.49 % as on June 17.
- **Cost to Income Ratio** (excluding exceptional and one-time items) remained flat at 51%
- **CASA Ratio** was healthy at 44.88% as on September 17, up from 40.90% as on September 16, a growth of 398 bps YoY. The daily average CASA Ratio was at 43.93% as on September 17.
- **Net Interest Margin (Domestic)** up by 9 bps sequentially from 2.50% as on June 2017 to 2.59% as on September 2017 while it declined by 39 bps YoY from 2.98% as on September 16

### **Performance of SBI Group:**

- **Return on Equity** up by 444 bps from 1.27% as on September 16 to 5.71% as on September 17 while it declined by 140 bps from 7.11% sequentially.
- **Return on Assets** up by 22 bps from 0.07% as on September 16 to 0.29% as on September 17 while it declined by 7 bps from 0.36% sequentially
- **Gross NPA Ratio** for SBI Group up from 8.49% as on September 16 to 9.75% as on September 17, while Net NPA Ratio is up from 5.10% as on September 16 to 5.39% as on September 17.
- **Net Profit** (after minority interest) of **SBI Group increased** from Rs.1067 Cr in H1FY17 to Rs.4872 Cr in H1FY18 (357% YoY).

The Operating Profit and Cost to Income Ratio as above have been adjusted for exceptional and one-time items. However, Non-Interest Income, Fee Income, Operating Income and Profit on Sale of Investments are given inclusive of exceptional and one-time items.

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**ANNEXURE**

Details of Profit and Loss account are as follows:

*Rs. in Crores*

	Quarter Ended		Half Year Ended		YoY Growth (%)	
	Q2FY18	Q2FY17	H1FY18	H1FY17	H1FY18 over H1FY17	Q2FY18 over Q2FY17
Interest Income	54,850	54,820	1,09,755	1,09,314	0.40	0.05
Other Income	16,016	10,146	24,022	18,908	27.05	57.85
<b>Total Income</b>	<b>70,866</b>	<b>64,967</b>	<b>1,33,777</b>	<b>1,28,222</b>	<b>4.33</b>	<b>9.08</b>
Interest Expenses	36,264	36,701	73,563	72,949	0.84	-1.19
<b>Net Interest Income</b>	<b>18,586</b>	<b>18,119</b>	<b>36,192</b>	<b>36,365</b>	<b>-0.48</b>	<b>2.58</b>
Operating Expenses	14,603	14,277	28,340	27,522	2.97	2.28
<b>Operating Profit + Exceptional Item &amp; one-time items</b>	<b>19,999</b>	<b>13,989</b>	<b>31,873</b>	<b>27,751</b>	<b>14.86</b>	<b>42.97</b>
Less: Exceptional Item & one-time items	5,436	916	5,436	1823		
<b>Operating Profit Excl. Exceptional Item &amp; one-time items</b>	<b>14,563</b>	<b>13,073</b>	<b>26,437</b>	<b>25,928</b>	<b>1.96</b>	<b>11.4</b>
<b>Operating Profit</b>	<b>19,999</b>	<b>13,989</b>	<b>31,873</b>	<b>27,751</b>	<b>14.86</b>	<b>42.97</b>
<b>Total Provisions</b>	<b>18,418</b>	<b>14,546</b>	<b>28,286</b>	<b>27,934</b>	<b>1.26</b>	<b>26.62</b>
<b>Net Profit</b>	<b>1,582</b>	<b>-557</b>	<b>3,587</b>	<b>-183</b>		