

05.11.2018  
CC/S&B/SA/1237

The Executive Director  
National Stock Exchange of India Ltd.  
Exchange Plaza,  
Plot No.C/1, G- Block,  
Bandra Kurla Complex,  
Bandra – East,  
Mumbai – 400051.

The Executive Director  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001

Dear Sir/Madam,

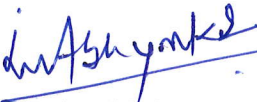
**Sub: LISTING REGULATIONS 2015: PRESS RELEASE AND PRESENTATION MADE FOR ANALYSTS/ INVESTORS.**

In compliance with the provisions of Regulation 30 read with Schedule III Part A of SEBI (LODR) Regulations, 2015, we enclose herewith the press release and a copy of presentation made for Analysts/Investors on Financial Results of the Bank for the quarter/half year ended September 30, 2018.

Kindly take the same on your record.

Thanking You,

Yours faithfully,



Sanjay M Abhyankar  
Vice President Compliance- Company Secretary



Encl: as above



**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.

	<b>Gross NPA (%)</b>	<b>Net NPA (%)</b>	<b>PCR (%)</b>	<b>PCR (Including AUCA) (%)</b>
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
<b>Net Interest Income</b>	<b>20,906</b>	<b>21,798</b>	<b>18,586</b>	<b>42,704</b>	<b>36,192</b>	<b>17.99</b>	<b>-4.10</b>	<b>12.48</b>
Non-Interest Income	9,375	6,679	16,016	16,055	24,022	-33.17	40.36	-41.46
<b>Operating Income</b>	<b>30,281</b>	<b>28,478</b>	<b>34,602</b>	<b>58,759</b>	<b>60,214</b>	<b>-2.42</b>	<b>6.33</b>	<b>-12.49</b>
Operating Expenses	16,376	16,505	14,603	32,881	28,340	16.02	-0.78	12.14
<b>Operating Profit</b>	<b>13,905</b>	<b>11,973</b>	<b>19,999</b>	<b>25,878</b>	<b>31,873</b>	<b>-18.81</b>	<b>16.13</b>	<b>-30.47</b>
Total Provisions	12,960	16,849	18,418	29,809	28,286	5.38	-23.08	-29.63
<b>Net Profit</b>	<b>945</b>	<b>-4,876</b>	<b>1,582</b>	<b>-3,931</b>	<b>3,587</b>			



Quarterly Results Q2FY19

**Analyst Presentation**

05.11.2018

## Safe Harbor

*Certain statements in these slides are forward-looking statements. These statements are based on Management's current expectations and are subject to uncertainty and changes in circumstances. Actual outcomes may differ materially from those included in these statements due to a variety of factors.*



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# Performance Highlights (1/2)

**Credit Growth**  
(Domestic YoY)

Healthy credit off-take across **retail & high rated corporates**



	In %
Q4FY18	4.81
Q1FY19	7.21
Q2FY19	11.11

**NIM**  
(Domestic)

Higher **credit growth** and **lower slippages** lead to improvement in NIMs



	In %	In %*
Q4FY18	2.67	2.67
Q1FY19	2.95	2.71
Q2FY19	2.88	2.76

**Slippage**

Slippages **contained** and **corporate slippages** largely from **watchlist**

*(Includes increase in O/S on existing NPAs)*



	In Rs. Crs
Q4FY18	32,821
Q1FY19	14,349
Q2FY19	10,888

**NPA & PCR**

NPA ratios improve; aided by **lower slippages** and **higher recoveries** while **PCR** is progressively **higher**



	In %	GNPA	NNPA	PCR
Q4FY18	10.91	5.73	50.38	
Q1FY19	10.69	5.29	53.38	
Q2FY19	9.95	4.84	53.95	

**Net Profit**

Strategy on controlling **credit cost** and focus on **credit quality** has enabled Bank to deliver profits despite Mark to Market Provision of Rs.1,749 crs



	In Rs. Crs
Q4FY18	-7,718
Q1FY19	-4,876
Q2FY19	945

\*Excluding interest income booked on NCLT resolutions

# Performance Highlights (2/2)

Financial institutions with high liquidity stand to gain; comfortable LCR around 144%, SLR at 29.45%,

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Well placed to leverage credit growth momentum; CD ratio at 66%

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Tight control on overheads, down 3.19% YoY and 1.72% QoQ

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Benefit of RBI dispensation with regard to amortization of MTM loss has not been availed

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High visibility of Resolutions in H2FY19; expect GNPA at below 8% by Q4FY19 & Net NPA at below 4%

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On track to meet Slippage Ratio and Credit Cost guidance for FY19E & FY20E

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Digital leadership – Share of Alternate Channel transactions > 83%

# SBI: Leadership position in the Indian Banking System

## Key Value Drivers

### Business Leadership

- CASA deposits 3.5x of the next competitor
- Market Leadership in Retail loans. Portfolio 2x of the next competitor
- Home Loan portfolio 2x of the next competitor
- Customer base at ~43 cr

### Technology

- **YONO**
  - Omni-channel market place
  - ~ 20K SB accts opened per day with a peak of 31K.
  - 38% of total SB accts opened during Q2FY19.
  - ~ 60K Pre Approved Personal Loan of Rs.500 Crs disbursed

### Group Synergies

- **SBI Life** - #2 private life insurer
- **SBI Card** - #2 credit card co. in no. of Cards & Spends
- **SBI Funds** - #4 in AUM
- **SBI General** - #3 among pvt. insurers in personal Accidents
- “Merchant Acquiring Business” - valued at ~Rs. 6K cr; JV agreement signed with Hitachi for 26% stake sale
- Potential for unlocking value in subsidiaries

# Financial Performance

# Financials – At a Glance

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
<b>Net Interest Income</b>	<b>20,906</b>	<b>21,798</b>	<b>18,586</b>	<b>42,704</b>	<b>36,192</b>	<b>17.99</b>	<b>-4.10</b>	<b>12.48</b>
Non Interest Income	9,375 <sup>#</sup>	6,679	16,016 <sup>*</sup>	16,055 <sup>#</sup>	24,022 <sup>*</sup>	-33.17	40.36	-41.46
<b>Operating Income</b>	<b>30,281</b>	<b>28,478</b>	<b>34,602</b>	<b>58,759</b>	<b>60,214</b>	<b>-2.42</b>	<b>6.33</b>	<b>-12.49</b>
Operating Expenses	16,376	16,505	14,603	32,881	28,340	16.02	-0.78	12.14
<b>Operating Profit</b>	<b>13,905</b>	<b>11,973</b>	<b>19,999</b>	<b>25,878</b>	<b>31,873</b>	<b>-18.81</b>	<b>16.13</b>	<b>-30.47</b>
Total Provisions	12,960	16,849	18,418	29,809	28,286	5.38	-23.08	-29.63
<b>Net Profit</b>	<b>945</b>	<b>-4,876</b>	<b>1,582</b>	<b>-3,931</b>	<b>3,587</b>	<b>-209.59</b>	<b>119.38</b>	<b>-40.26</b>
NIM (Domestic-Cumulative)	2.88	2.95	2.59	2.88	2.59	29 bps	-7 bps	29 bps
Cost to Income Ratio	55.96	57.96	47.07	55.96	47.07	889 bps	-200 bps	889 bps

<sup>\*</sup>Includes exceptional item of Rs.5,436 Crores on account of stake sale in SBI Life

<sup>#</sup>Includes exceptional item of Rs.1,087 Crores on account of sale of MAB & Rs.473 Crores on account of stake sale in SBI General

# Total Income

Rs. in Crores

	Quarter ended			Half Year Ended		Growth (%)		
	Q2FY19	Q1FY19	Q2FY18	H1FY19	H1FY18	H1FY19 over H1FY18	Q2FY19 over Q1FY19	Q2FY19 over Q2FY18
Interest on Loans	38,326	38,865	35,801	77,192	71,943	7.30	-1.39	7.05
Interest on Resources	19,310	18,832	18,088	38,142	35,631	7.05	2.54	6.75
Other Interest income	1,157	1,116	961	2,273	2,181	4.22	3.74	20.48
<b>Total Interest Income</b>	<b>58,793</b>	<b>58,813</b>	<b>54,850</b>	<b>1,17,607</b>	<b>1,09,755</b>	<b>7.15</b>	<b>-0.03</b>	<b>7.19</b>
Fee Income	5,015	4,976	5,357	9,992	10,227	-2.30	0.78	-6.39
Profit/Loss on Sale of Investments	1,328	-1,264	8,566	64	10,336	-99.38	205.05	-84.50
Forex Income	493	427	675	921	1,341	-31.37	15.50	-26.87
Misc. Income	2,539	2,540	1,418	5,078	2,118	139.81	-0.04	78.98
<i>of which: Recovery in w/o accounts</i>	<i>1,327</i>	<i>2,426</i>	<i>1,158</i>	<i>3,753</i>	<i>1,870</i>	<i>100.69</i>	<i>-45.30</i>	<i>14.59</i>
<b>Total Non Interest Income</b>	<b>9,375</b>	<b>6,679</b>	<b>16,016</b>	<b>16,055</b>	<b>24,022</b>	<b>-33.17</b>	<b>40.36</b>	<b>-41.46</b>
<b>Total Income</b>	<b>68,169</b>	<b>65,493</b>	<b>70,866</b>	<b>1,33,661</b>	<b>1,33,777</b>	<b>-0.09</b>	<b>4.09</b>	<b>-3.81</b>

# Fee Income Break Up

Rs. in Crores

	Quarter ended			Half Year Ended		Growth (%)		
	Q2FY19	Q1FY19	Q2FY18	H1FY19	H1FY18	H1FY19 over H1FY18	Q2FY19 over Q1FY18	Q2FY19 over Q2FY18
<b>Fee Income</b>	<b>5,015</b>	<b>4,976</b>	<b>5,357</b>	<b>9,992</b>	<b>10,227</b>	<b>-2.30</b>	<b>0.78</b>	<b>-6.39</b>
<i>of which:</i>								
<i>Loan Processing Charges</i>	641	641	637	1,282	1,291	-0.69	-0.08	0.64
<i>Commission on Govt. Business</i>	973	931	785	1,904	1,566	21.53	4.44	23.85
<i>Commission on LC/BG</i>	637	592	446	1,229	853	43.96	7.55	42.69
<i>Cross Selling</i>	482	376	378	858	666	28.80	28.38	27.55
<i>Remittance , Collection, Transaction Fees etc.</i>	1,523	1,482	2,662	3,005	4,094	-26.61	2.72	-42.80
<i>Locker Rent, POS, CMP, etc.</i>	470	812	418	1,282	1,262	1.51	-42.14	12.26
<i>Misc. Fee Income</i>	291	143	31	433	494	-12.21	103.95	835.51



# Total Expenses

Rs. in Crores

	Quarter ended			Half Year Ended		Growth (%)		
	Q2FY19	Q1FY19	Q2FY18	H1FY19	H1FY18	H1FY19 over H1FY18	Q2FY19 over Q1FY19	Q2FY19 over Q2FY18
Interest on Deposits	34,934	34,258	33,980	69,192	68,970	0.32	1.97	2.81
Interest on Borrowings	1,929	1,706	1,107	3,635	2,125	71.05	13.11	74.35
Other Interest paid	1,025	1,051	1,177	2,076	2,468	-15.90	-2.53	-12.96
<b>Total Interest Expenses</b>	<b>37,888</b>	<b>37,015</b>	<b>36,264</b>	<b>74,903</b>	<b>73,563</b>	<b>1.82</b>	<b>2.36</b>	<b>4.48</b>
<b>Staff Expenses</b>	<b>9,696</b>	<b>9,708</b>	<b>7,703</b>	<b>19,405</b>	<b>15,428</b>	<b>25.78</b>	<b>-0.12</b>	<b>25.87</b>
Salary	6,541	6,565	6,298	13,106	12,727	2.98	-0.37	3.86
Provisions for Employees	3,156	3,143	1,406	6,299	2,701	133.22	0.39	124.49
<b>Overheads</b>	<b>6,680</b>	<b>6,796</b>	<b>6,900</b>	<b>13,476</b>	<b>12,913</b>	<b>4.36</b>	<b>-1.72</b>	<b>-3.19</b>
Depreciation	787	798	864	1,585	1,642	-3.50	-1.30	-8.86
Others	5,892	5,999	6,036	11,891	11,271	5.51	-1.77	-2.38
<b>Operating Expenses</b>	<b>16,376</b>	<b>16,505</b>	<b>14,603</b>	<b>32,881</b>	<b>28,340</b>	<b>16.02</b>	<b>-0.78</b>	<b>12.14</b>
<b>Total Expenses</b>	<b>54,264</b>	<b>53,520</b>	<b>50,867</b>	<b>1,07,783</b>	<b>1,01,904</b>	<b>5.77</b>	<b>1.39</b>	<b>6.68</b>

# Contained Overhead Expenses

Rs. in Crores

	Quarter ended			Half Year Ended		Growth (%)		
	Q2FY19	Q1FY19	Q2FY18	H1FY19	H1FY18	H1FY19 over H1FY18	Q2FY19 over Q1FY18	Q2FY19 over Q2FY18
<b>Overheads</b>	<b>6,680</b>	<b>6,796</b>	<b>6,900</b>	<b>13,476</b>	<b>12,913</b>	<b>4.36</b>	<b>-1.72</b>	<b>-3.19</b>
<i>Of which:</i>								
<i>Rent, Taxes and Lighting</i>	1,328	1,173	1,270	2,502	2,468	1.36	13.21	4.56
<i>Depreciation</i>	787	798	864	1,585	1,642	-3.50	-1.30	-8.86
<i>Printing and Stationery</i>	106	103	127	209	229	-8.61	2.44	-16.66
<i>Postage &amp; Telecommunications</i>	89	85	276	174	437	-60.13	5.44	-67.64
<i>Repairs and Maintenance to Bank's Property</i>	208	196	210	404	392	3.20	5.96	-0.95
<i>Travelling &amp; Halting</i>	284	254	274	537	504	6.48	11.82	3.34
<i>Insurance</i>	682	712	688	1,394	1,419	-1.79	-4.31	-0.87
<i>Business Acquisitions &amp; Development Expenses</i>	551	443	471	994	815	21.95	24.45	17.02
<i>ATM /CDM/POS/Debit Card /Other Tech Expenses</i>	2,108	1,807	1,845	3,915	3,302	18.57	16.65	14.28
<i>Misc. Expenses</i>	536	1,225	874	1,761	1,704	3.38	-56.23	-38.67
<b>Operating Expenses</b>	<b>16,376</b>	<b>16,505</b>	<b>14,603</b>	<b>32,881</b>	<b>28,340</b>	<b>16.02</b>	<b>-0.78</b>	<b>12.14</b>

# Provisions & Profit

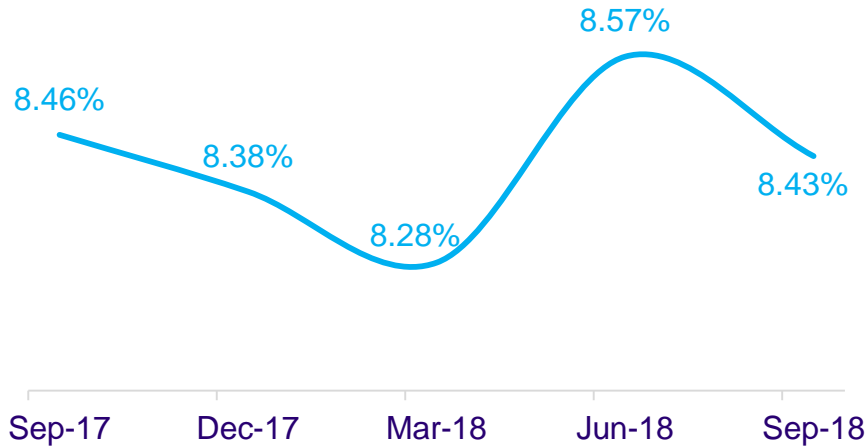
Rs. in Crores

	Quarter ended			Half Year Ended		Growth (%)		
	Q2FY19	Q1FY19	Q2FY18	H1FY19	H1FY18	H1FY19 over H1FY18	Q2FY19 over Q1FY19	Q2FY19 over Q2FY18
<b>Operating Profit</b>	<b>13,905</b>	<b>11,973</b>	<b>19,999</b>	<b>25,878</b>	<b>31,873</b>	<b>-18.81</b>	<b>16.13</b>	<b>-30.47</b>
<b>Total Provisions</b>	<b>12,960</b>	<b>16,849</b>	<b>18,418</b>	<b>29,809</b>	<b>28,286</b>	<b>5.38</b>	<b>-23.08</b>	<b>-29.63</b>
Loan Loss	10,185	13,038	16,715	23,222	28,840	-19.48	-21.89	-39.07
Standard Assets	98	-919	2,276	-820	238			
Investment Depreciation	1,749	7,098	37	8,846	-718			
Other Provisions	61	11	109	72	-293			
Income Tax	868	-2,379	-720	-1,511	219			
<b>Net Profit</b>	<b>945</b>	<b>-4,876</b>	<b>1,582</b>	<b>-3,931</b>	<b>3,587</b>			

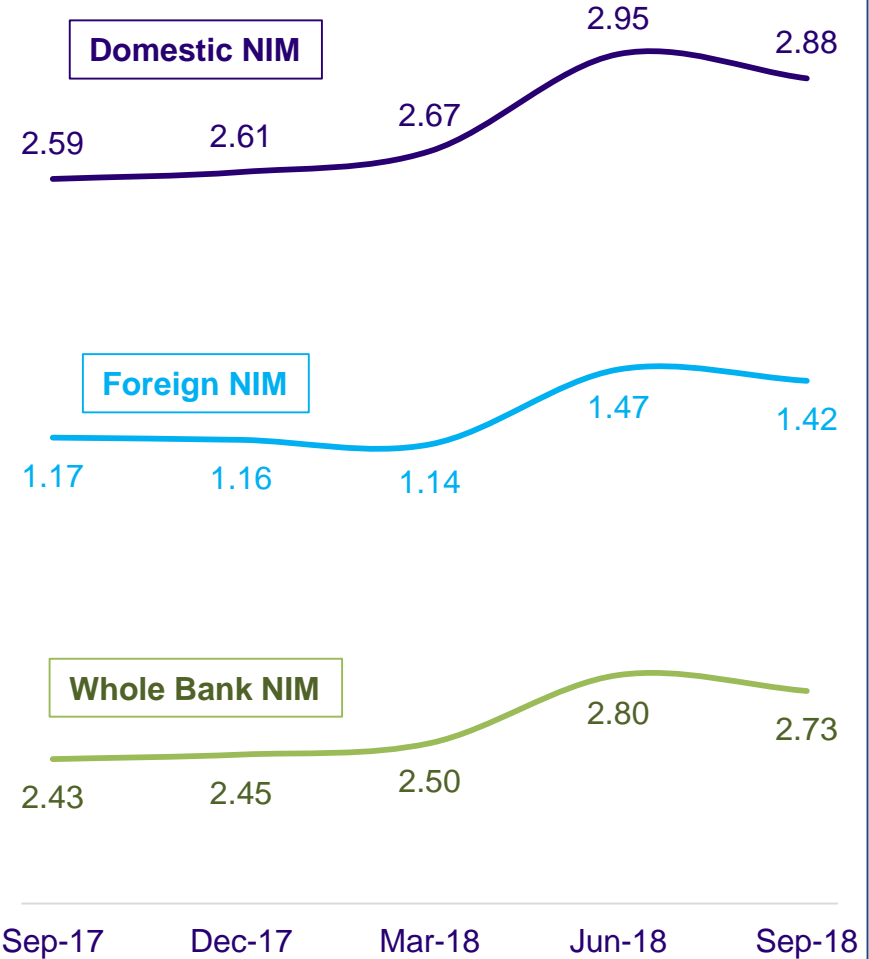
<b>ROA</b>	<b>0.11</b>	<b>-0.57</b>	<b>0.20</b>	<b>-0.23</b>	<b>0.22</b>
<b>ROE</b>		<b>-11.01</b>		<b>-4.44</b>	<b>4.23</b>
<b>Earning Per Share</b>	<b>4.20</b>	<b>-21.91</b>	<b>7.32</b>	<b>-8.79</b>	<b>8.49</b>

# Costs, Yields and Margins

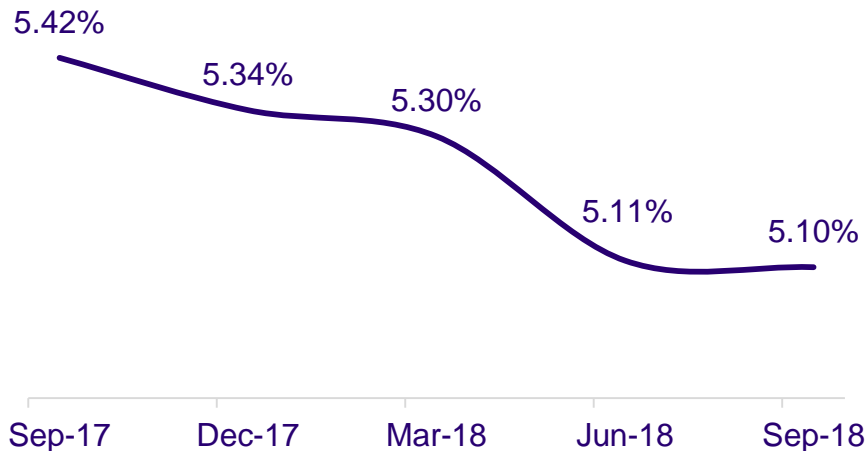
## Yield on Advances (%)



## Net Interest Margin (%)



## Cost of Deposits (%)





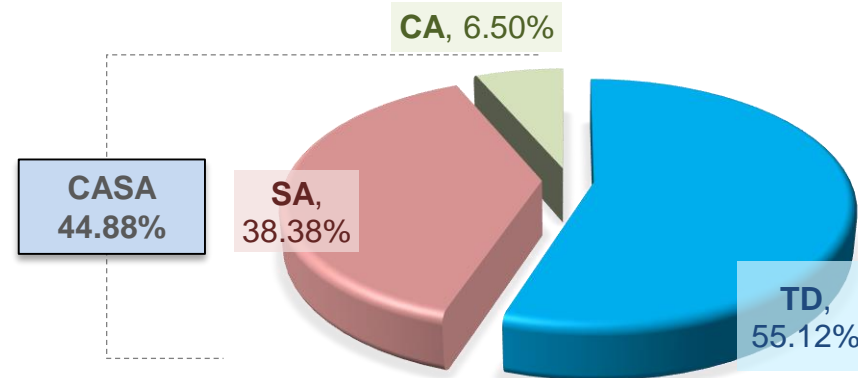
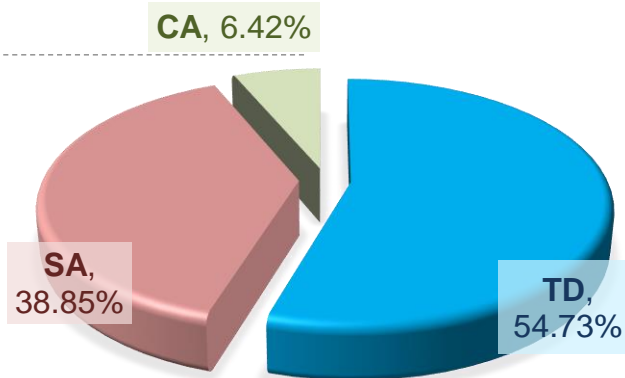
**Business**

# Strong Liability Franchise

## Domestic Deposits

SEP 18

SEP 17



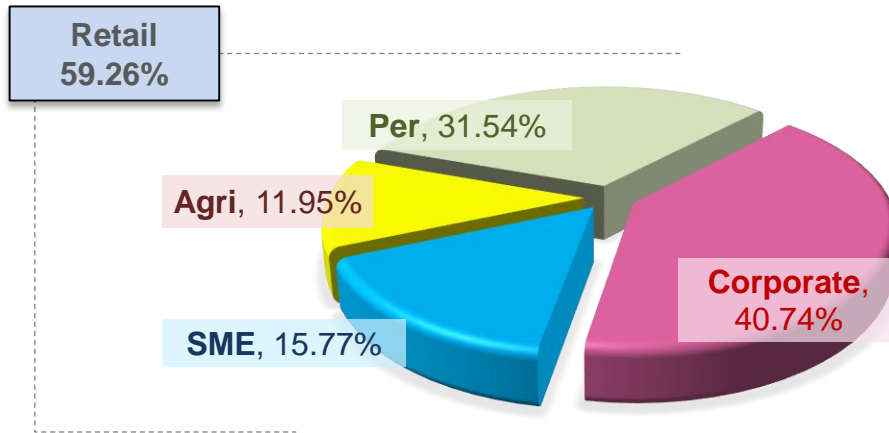
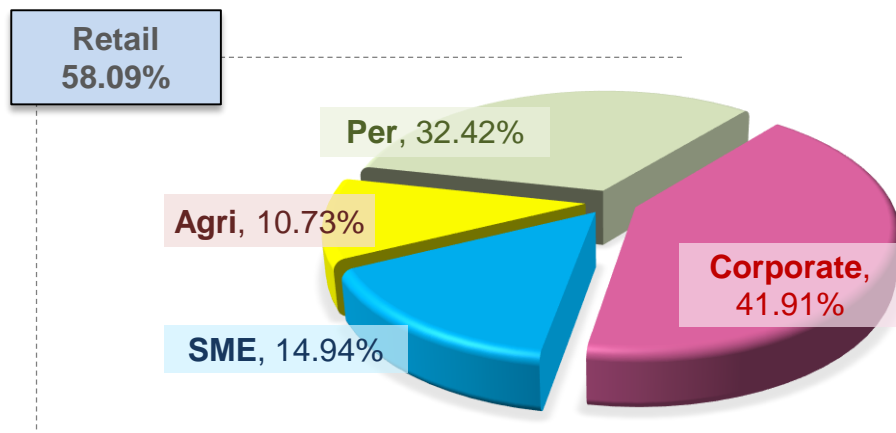
<i>Rs. in Crores</i>	Sep 18	Sep 17	YoY Growth
Current Account Deposits (CA)	1,74,076	1,64,149	6.05
Saving Bank Deposits (SA)	10,52,728	9,69,833	8.55
<b>CASA Deposits</b>	<b>12,26,804</b>	<b>11,33,983</b>	<b>8.19</b>
Term Deposits (TD)	14,83,097	13,92,980	6.47
<b>Domestic Deposits</b>	<b>27,09,901</b>	<b>25,26,963</b>	<b>7.24</b>
Foreign Offices Deposits	97,519	96,217	1.35
<b>Total Deposits</b>	<b>28,07,420</b>	<b>26,23,180</b>	<b>7.02</b>

# Diversified Loan Portfolio (1/2)

## Domestic Advances

SEP 18

SEP 17



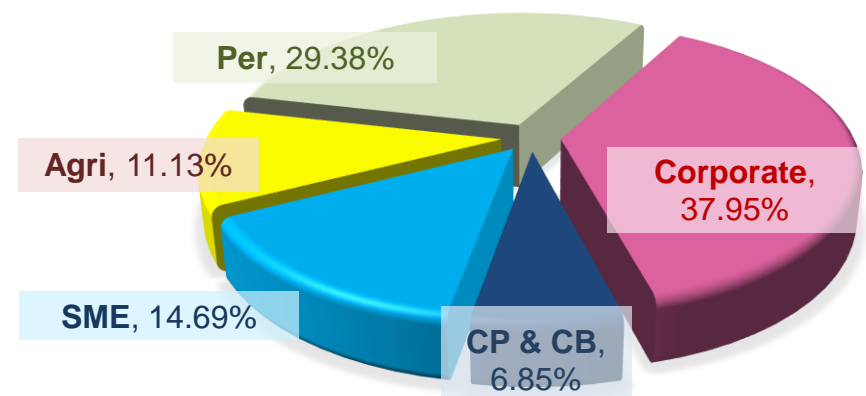
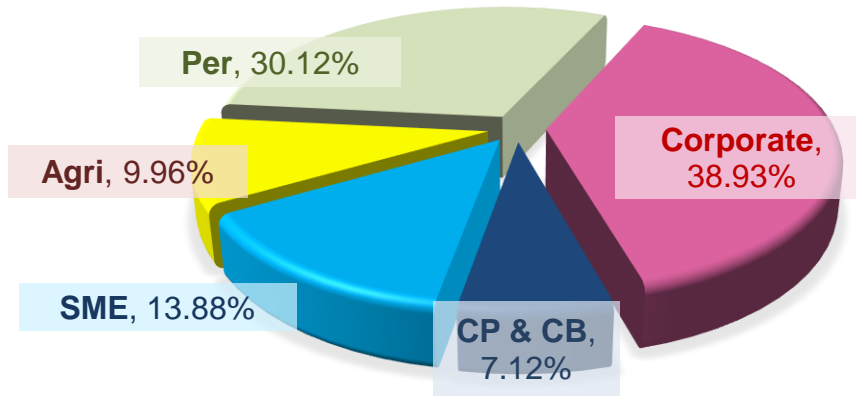
<i>Rs. in Crores</i>	Sep 18	Sep 17	YoY Growth (%)
Retail (SME, Agri, Per Seg)	10,33,022	9,48,479	8.91
SME	2,65,697	2,52,464	5.24
Agri	1,90,731	1,91,238	-0.27
Per Seg.	5,76,594	5,04,777	14.23
Corporate	7,45,299	6,52,067	14.30
<b>Domestic Advances</b>	<b>17,78,321</b>	<b>16,00,546</b>	<b>11.11</b>
Foreign Offices Advances	2,90,913	2,91,894	-0.34
<b>Total Advances</b>	<b>20,69,234</b>	<b>18,92,440</b>	<b>9.34</b>

# Diversified Loan Portfolio (2/2)

SEP 18

Adj. Domestic Advances

SEP 17



<i>Rs. In Crores</i>	Sep 18	Sep 17	YOY Gr %
<b>Domestic Advances</b>	<b>17,78,321</b>	<b>16,00,546</b>	<b>11.11</b>
Comm. Paper (CP)	60,106	54,129	11.04
Corp. Bonds (CB)	76,140	63,494	19.92
<b>Adjusted Domestic Advances</b>	<b>19,14,567</b>	<b>17,18,169</b>	<b>11.43</b>
<b>Foreign Offices Advances</b>	<b>2,90,913</b>	<b>2,91,894</b>	<b>-0.34</b>
Impact of "Withdrawal of LOU/LOC" & "Migration of business to UK Subs".	46,803		
<b>Adjusted Foreign Offices Advances</b>	<b>3,37,716</b>	<b>2,91,894</b>	<b>15.70</b>
<b>Adjusted Whole Bank Advances</b>	<b>22,52,283</b>	<b>20,10,063</b>	<b>12.05</b>



# Retail Banking - Leadership across all segments

As on Sept 2018

**Market leader- Retail Personal Portfolio of Rs 5.77 lakh crore  
NPA ratio at 1.20%**

% of Dom. Adv.

32.42

**Home\*  
Loans**

**Auto Loans**

**Xpress  
Credit**

**Other P  
segment Loans**

O/S,  
In Rs cr

3,59,651

66,973

84,933

65,037

YoY  
Growth, %

14.26

8.27

32.79

1.32

Market share %

34.28

34.27

N.A.

N.A.

GNPA, %

1.00

1.18

0.58

3.16

\* Includes Top Up Loans

# Diversified Industry Portfolio

## Domestic Fund Based Outstanding

Rs. in Crores

	Sep 18		Jun 18		Sep 17		Sep 18
	Level	% Share	Level	% Share	Level	% Share	YOY Gr %
Infrastructure	2,85,986	16.08	2,60,633	15.12	2,52,764	15.79	13.14
<i>of which: Power</i>	1,78,988	10.06	1,76,760	10.26	1,66,893	10.43	7.25
<i>Telecommunication</i>	23,084	1.30	18,226	1.06	24,002	1.50	-3.83
<i>Roads &amp; Ports</i>	40,988	2.30	28,407	1.65	30,538	1.91	34.22
<i>Other Infrastructure</i>	42,926	2.41	37,240	2.16	31,331	1.96	37.01
Services	2,41,725	13.59	2,08,938	12.12	1,58,557	9.91	52.45
Iron & Steel	86,387	4.86	90,740	5.27	1,02,215	6.39	-15.49
Trade	93,985	5.29	96,222	5.58	89,958	5.62	4.48
Textiles	46,874	2.64	49,390	2.87	49,403	3.09	-5.12
Petroleum & Petrochemicals	39,715	2.23	37,709	2.19	36,678	2.29	8.28
Engineering	26,455	1.49	27,079	1.57	27,845	1.74	-4.99
Comm. Real Estate	30,358	1.71	30,846	1.79	32,077	2.00	-5.36
Other Industries	1,59,511	8.97	1,74,643	10.13	1,55,032	9.69	2.89
Home Loans	3,28,248	18.46	3,20,205	18.58	2,90,450	18.15	13.01
Auto Loans	66,973	3.77	66,872	3.88	61,855	3.86	8.27
Other Per Segment Loans	1,81,373	10.20	1,72,057	9.98	1,52,472	9.53	18.95
Agriculture	1,90,731	10.73	1,88,110	10.91	1,91,238	11.95	-0.27
<b>Total Domestic Advances</b>	<b>17,78,321</b>	<b>100</b>	<b>17,23,443</b>	<b>100</b>	<b>16,00,546</b>	<b>100</b>	<b>11.11</b>

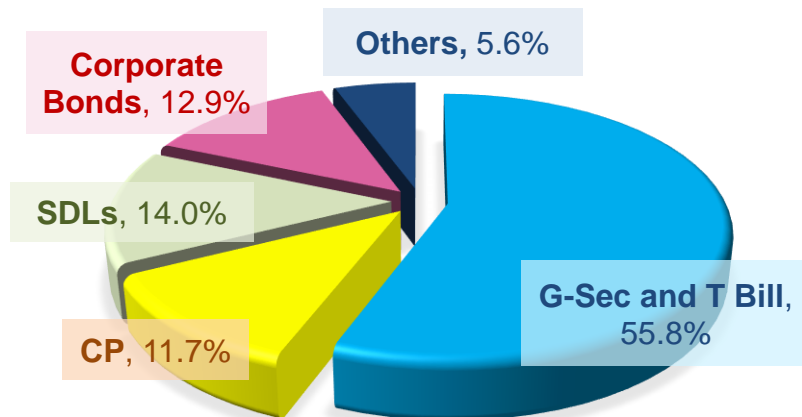
# Treasury Operations

Rs. In crores

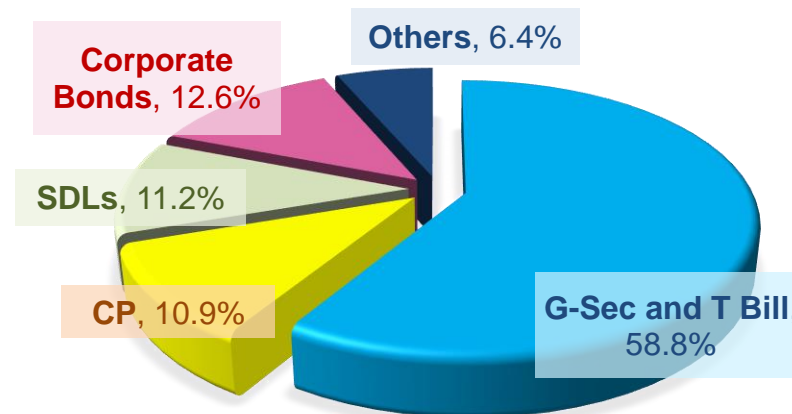
SEP 18

AFS Book

SEP 17



Modified Duration: 2.44

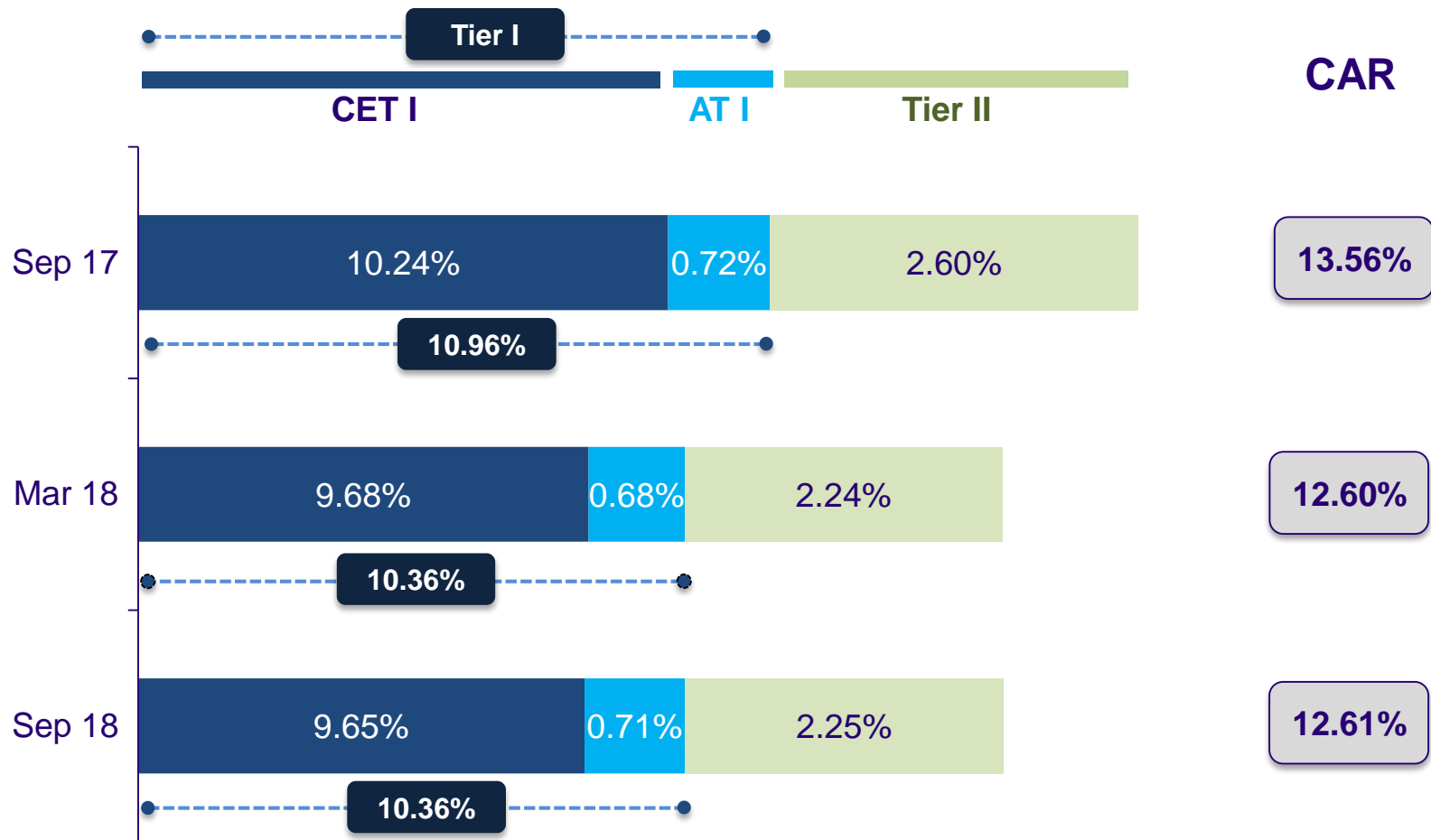


Modified Duration: 3.48

Total Investments Book	Sep 18	Mar 18	Sep 17
Domestic Investments	10,50,702	10,26,438	9,85,674
- of which- SLR	8,79,997	8,54,476	8,31,673
- of which- Held To Maturity	5,36,250	4,64,726	4,89,782
Available For Sale	5,13,582	5,61,798	4,95,448
Held For Trading	869	-86	444
Foreign Offices Investments	52,790	46,659	40,215
Whole Bank Investments	11,03,491	10,73,098	10,25,889

# Capital Adequacy & Asset Quality

# Capital Adequacy

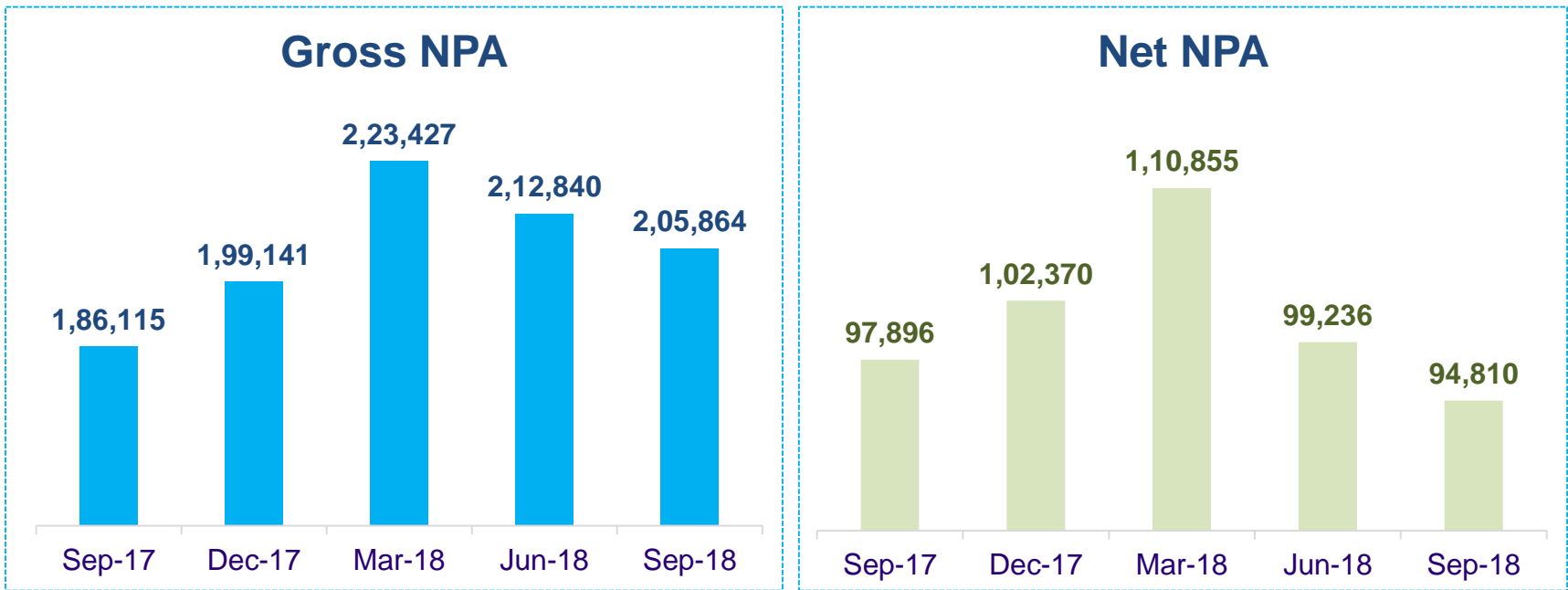


- “CRWAs on Advances to Total Advances” Ratio improved to 58.21% as on Sep 18 from 64.16% as on Sep 17
- “TRWAs to Total Assets” Ratio improved to 52.94% as on Sep 18 from 58.30% as on Sep 17

Bank raised Tier II Bonds of Rs. 4,116 Crs during Q3FY19

# Asset Quality (1/3)

Rs. in Crores



	Sep 18	Jun 18	Mar 18	Dec 17	Sep 17
Gross NPA Ratio (%)	9.95	10.69	10.91	10.35	9.83
Net NPA Ratio (%)	4.84	5.29	5.73	5.61	5.43
Provision Coverage Ratio (Including AUCA) (%)	70.74	69.25	66.17	65.92	65.11
Provision Coverage Ratio (Excluding AUCA) (%)	53.95	53.38	50.38	48.59	47.40
Slippage Ratio (%)	2.02	1.95	4.85	4.17	3.61
Credit cost (%)	2.27	2.55	3.62	3.18	2.95

# Asset Quality (2/3)

Rs. in Crores

## Movement of NPAs:

	Q2FY19	Q1FY19	FY18	Q4FY18	Q3FY18	Q2FY18
<b>Opening Level of Gross NPAs</b>	<b>2,12,840</b>	<b>2,23,427</b>	<b>1,77,866</b>	<b>1,99,141</b>	<b>1,86,115</b>	<b>1,88,068</b>
Total Reductions	17,865	24,936	54,726	8,535	13,754	12,581
<i>Of which: Recovery + Upgradation</i>	<i>4,327</i>	<i>14,856</i>	<i>14,530</i>	<i>85</i>	<i>4,442</i>	<i>3,323</i>
Increase in O/s	163	4,365	5,506	-849	944	1,601
Fresh Slippages	10,725	9,984	94,781	33,670	25,836	9,026
Gross Addition (Increase in O/s + Slippages)	10,888	14,349	1,00,287	32,821	26,780	10,627
Net Increase	-6,976	-10,587	45,561	24,286	13,026	-1,954
<b>Closing Level of Gross NPAs</b>	<b>2,05,864</b>	<b>2,12,840</b>	<b>2,23,427</b>	<b>2,23,427</b>	<b>1,99,141</b>	<b>1,86,115</b>

## Segmental NPAs:

Sector	Sep 18		Jun 18		Sep 17	
	NPA	Ratio %	NPA	Ratio %	NPA	Ratio %
Agri	21,796	11.43	21,830	11.60	18,982	9.93
Per Segment	6,925	1.20	7,345	1.31	7,096	1.41
SME	27,124	10.21	25,059	9.11	27,540	10.91
Corporates	1,46,334	19.63	1,54,828	22.08	1,25,011	19.17
International	3,685	1.27	3,778	1.42	7,486	2.56
<b>Total</b>	<b>2,05,864</b>	<b>9.95</b>	<b>2,12,840</b>	<b>10.69</b>	<b>1,86,115</b>	<b>9.83</b>

# Asset Quality- Corporate Watchlist (3/3)

## Corporate Slippages coming off

During Q2FY19

Watchlist is 0.98% of Advances

Rs. in Crores

### Break-up

### Sectorwise Break-up

## Watchlist Break- up

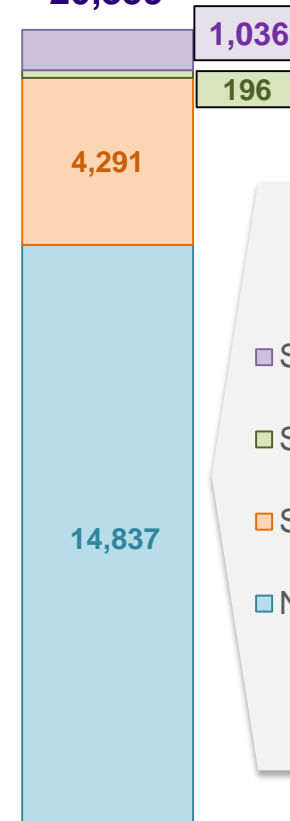
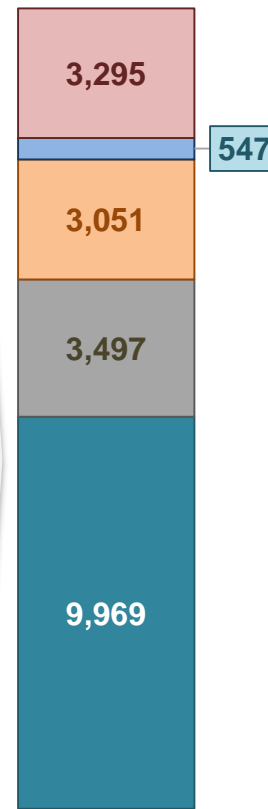
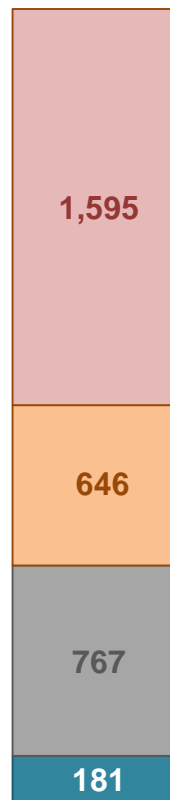
As on Sep 2018

3,189

3,189

20,359

20,359



Others  
Watchlist

Others  
Textile  
Iron & Steel  
Roads & EPC  
Power

SMA 2  
SMA 1  
SMA 0  
No Default



# Power Sector – Stress mostly recognized

Particulars	Fund based O/S, in Rs cr	
	Sept 2018	June 2018
NPA	32,676	32,289
Standard	1,46,312	1,44,471
In watchlist	9,969	10,081
Not in watchlist	1,36,343	1,34,390
Public (in %)	60%	63%
Private (in %)	40%	37%
A- and above	66%	69%
BBB+, BBB, BBB-	15%	22%
BB+ and below	19%	9%
PCR on Power NPA (%)	~41%	~40%
<b>Grand Total</b>	<b>1,78,988</b>	<b>1,76,760</b>

# NBFC – Exposure to High Quality Private Sector and PSUs

Particulars	Fund based O/S, in Rs cr	
	Sept 2018	June 2018
Housing Finance Companies	50,698	52,988
Public	23%	13%
Private	77%	87%
Other NBFCs	99,312	107,655
Public	48%	53%
Private	52%	47%
<b>Grand Total</b>	<b>1,50,010</b>	<b>1,60,653</b>

# Status of NCLT accounts

As on Sept 2018, Rs. in Crores

List 1 Fund Based o/s\*  
Rs. 31,066 cr



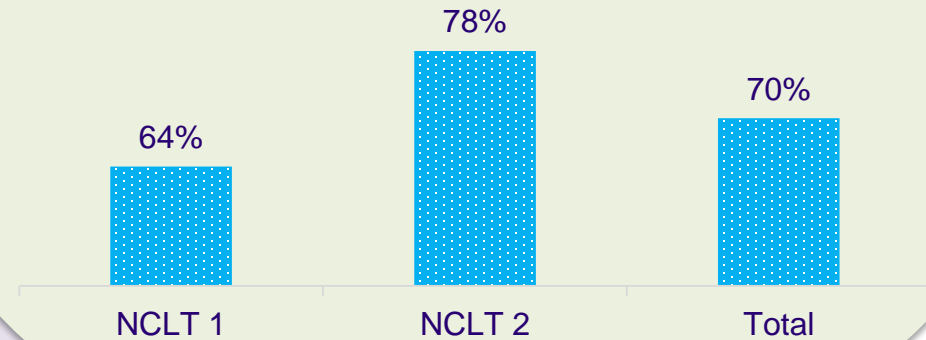
List 2 Fund Based o/s\*  
Rs. 22,309 cr



Total  
Rs. 53,375 cr

Total (Incl.AUCA)  
Rs. 61,652 cr

## PCR on NCLT accounts



PCR with AUCA

66%

81%

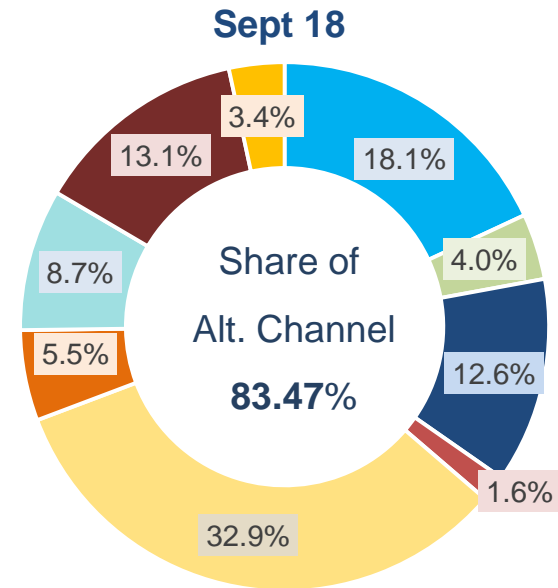
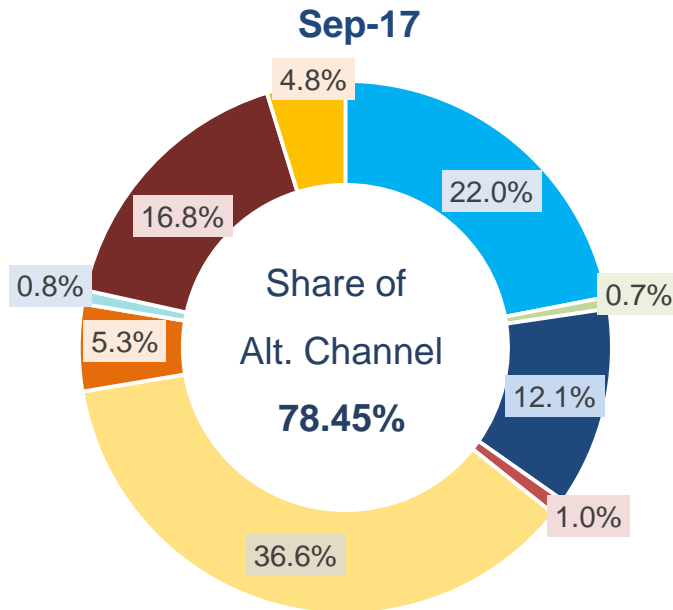
73%

- Three accounts resolved from NCLT 1, with recovery > 64%;
- Strong visibility for resolution of 93% of outstanding in NCLT 1 through H2FY19
- Expected haircut on entire NCLT List 1 is 39%, surplus to be utilized for other resolutions
- Resolution of NCLT accounts to lead to lower GNPA's, in addition to better margins

# Digital Banking / Financial Inclusion

# Technology and Innovation (1/2)

Share of Alternate Channels ↑ 502 bps YoY



- Internet Banking
- Cash @ POS
- POS & e-Commerce
- Mobile Banking
- ATM/ CDM
- BC Channel
- UPI & YONO
- Branch
- GCC

- Cost effective digitization of Financial Inclusion program through Hand Held Portable device, Kiosk banking, FI Channel etc.
- State Bank Intelligent Voice Assistant (SIVA) (Chatbot/ Voicebot) to facilitate enhanced transaction convenience to customers
- The Networking platform –State Bank Connect is on MPLS architecture for ensuring higher uptime, better connectivity and dynamic upgrade of bandwidth
- Meghdoot 2.0, the biggest private cloud in APAC, with a futuristic cloud architecture for scale and performance
- Blockchain: PoCs being conducted for exploring various use cases such as cross border remittances, trade finance, etc.

# Technology and Innovation (2/2)

## Technology Enablers

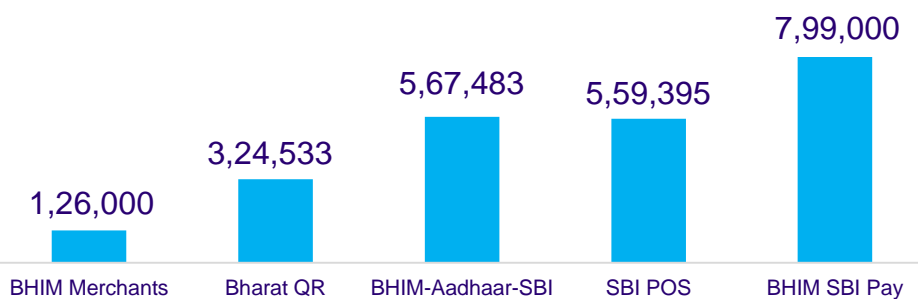
Integrated Payments Hub

CRM and Data Analytics

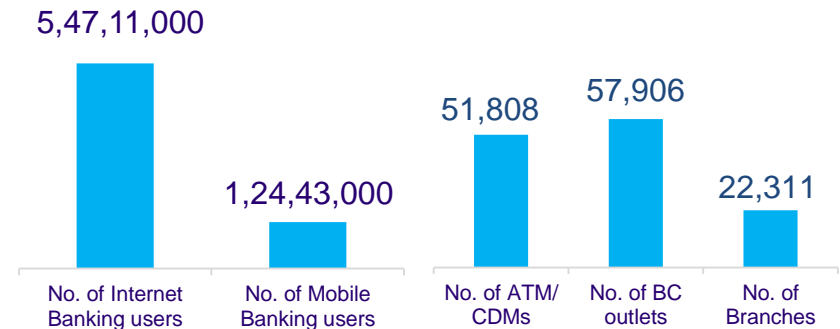
Digitization of Credit Processes

- Centralized Payments platform will combine all existing and emerging payment products
- Processed more than 10mn transaction on UPI platform on Nov 1, 2018
- Predictive models to identify prospective customers using Machine Learning algorithms
- Online Customer Acquisition System integrated with CRM receiving strong response
- Loan lifecycle Management System- automating all products in SME and Corporate handling 70% of the Bank's credit portfolio
- Loan Origination and Loan Collection systems for workflow automation

### 23.8 lakh Merchant Payment Acceptance Touch Points



### Customer Touch Points



Asian Banker Business Achievement Award for 2018

Risk Data and Analytics Technology Implementation



Asian Banker Award in 2018

Best lending initiative



Mobile Banking Initiative of the year – India for YONO

At Asian Banking and Finance Retail Banking Awards, Singapore



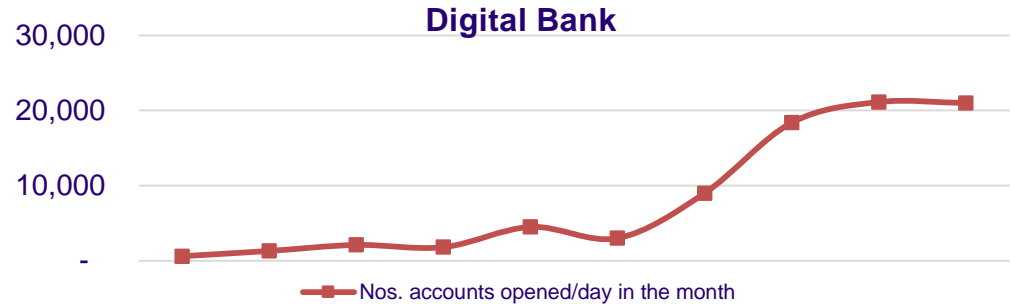
# YONO- our flagship venture- powerful engine for future growth

## Gaining Momentum

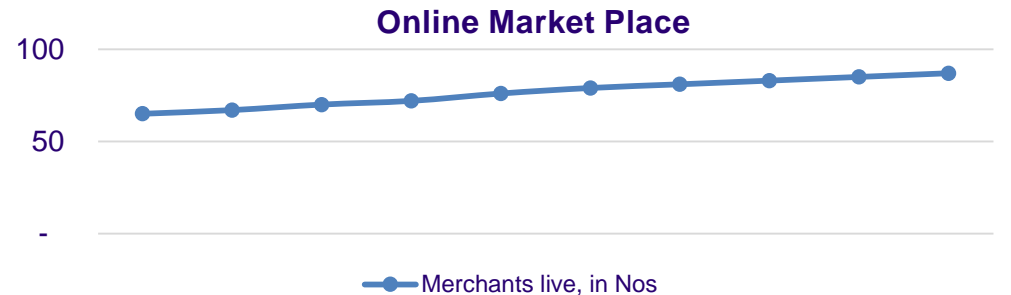


- Run rate of 20,000 accts opened/ day, peak of 31,000 on 27<sup>th</sup> Sept;
- 61% customers in the age 18 – 30 years age bracket. 38% of total SB accts opened during Q2FY19.
- Pre-approved personal loan book size of Rs 500 cr, ~ 60,000 customers

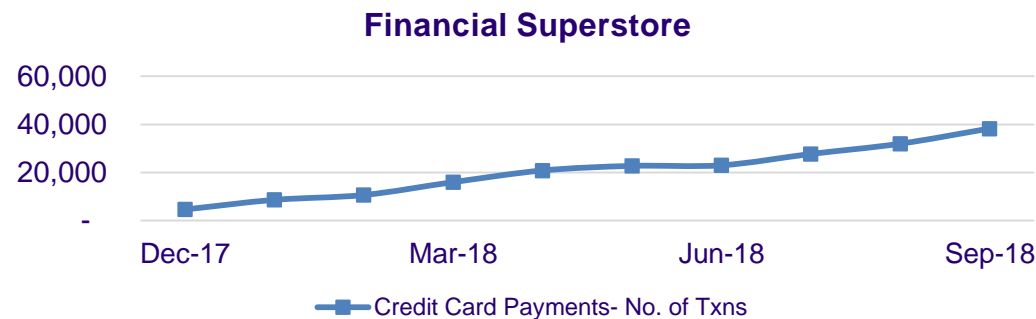
Digital Bank



Online Market Place

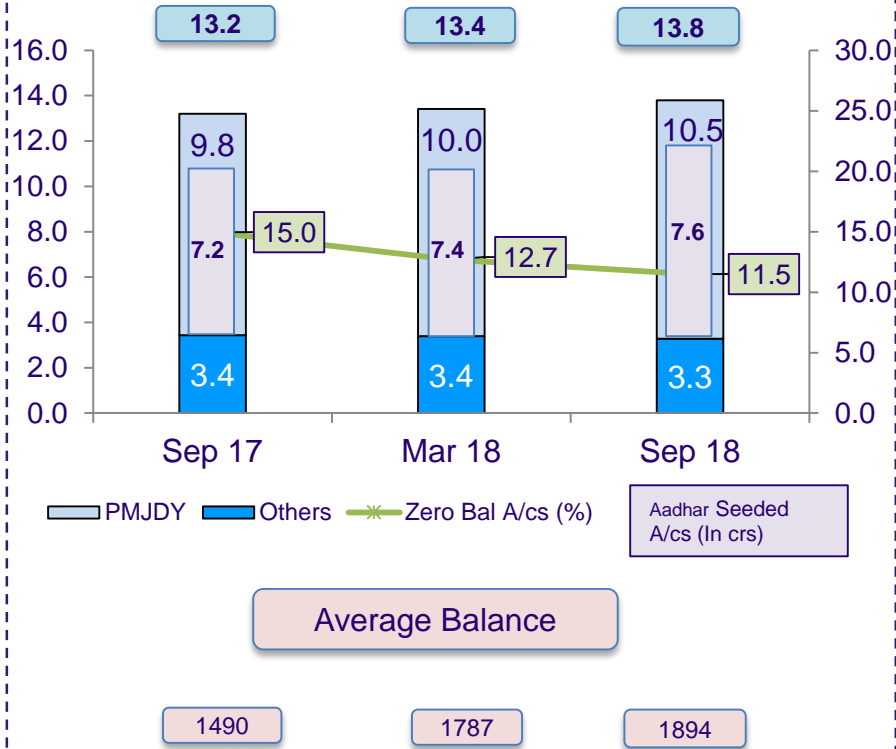


Financial Super Store

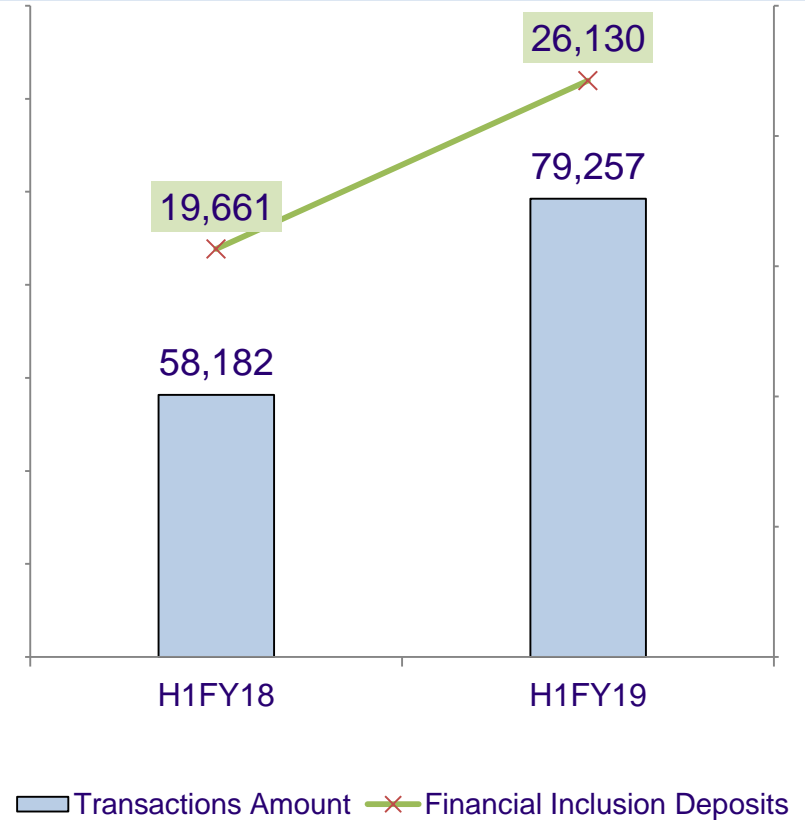


# Financial Inclusion

**Accounts  
(No. in Crores)**



**Transactions Amount and Deposits Level  
(Rs. in Crores)**



OD facility for PMJDY accounts - Eligible accounts 20.46 lakh; Sanctioned 10.26 lakh accounts (50.15%)

RSETI: Total Number:151; No. of Training Programmes held: 24,669 Youth Trained 6,58,821 Youths settled :44,1290

PM Suraksha Bima Yojana: 178.78 Lakh; PM Jeevan Jyoti Bima Yojana: 45.62 Lakh; Atal Pension Yojana: 15.45 Lakh (In Nos.)

No. of BC Channels: 57,906; Financial Literacy Centers (FLC) : 338



**Subsidiaries,  
Group Financials &  
Balance Sheet**

# SBI Subsidiaries- Significant Value Creation



- New Business Premium increased by 30%
- Strong financial performance: VoNB Margin : 17%
- AUM up by 20% at Rs.126K crs.

	H1FY19	H1FY18
PAT (in Rs. cr)	605	539
ROE (in %)	17.77	18.37



- 2<sup>nd</sup> highest base in Industry in terms of Cards & Spends with a card base of 7 mn+
- Market Share of ~17% in retail spends for the period April 2017 to Aug 2018.

	H1FY19*	H1FY18*
PAT (in Rs. cr)	331	281
ROE (in %)	27.4	35.5

\*(As per IND AS)



- Rank No. 4 with Market Share of 10.44% in AUM.
- SBIFM recognized for the Best Innovation of the Year and Best Equity Fund House
- AUM at Rs 2.5 lakh crs, up by 35% YoY

	H1FY19*	H1FY18*
PAT (in Rs. cr)	200	156
ROE (in %)	31.70	32.36

\*(As per IND AS)



- 3<sup>rd</sup> position in Personal Accident, 4<sup>th</sup> in Fire, and 5<sup>th</sup> in Crop Insurance and 11<sup>th</sup> in Health Insurance business amongst Pvt. & Standalone Health Insurances.
- Awarded "Best Gen Ins Comp" & "Best Growth in Gen Ins." at the Emerging Asia Insurance Awards 2018 organized by ICC.
- Subsidiary was recently valued at Rs.12,000 cr

	H1FY19	H1FY18
PAT (in Rs. cr)	217	301 <sup>#</sup>
ROE (in %)	27.10	19.70

<sup>#</sup>Excluding the impact of one time LTH cedings, PAT is at 132 crores which translates into a growth of ~65% for the current period

# SBI Group Financials – H1FY19

	Year Ended		Growth (%)
	H1FY19	H1FY18	YoY
Interest Earned	1,22,627	1,13,746	7.81
Non-Interest Income	32,135 <sup>#</sup>	37,015*	-13.18
<b>Total Income</b>	<b>1,54,763</b>	<b>1,50,761</b>	<b>2.65</b>
Interest Expended	75,541	73,972	2.12
<b>Operating Expenses (i+ii)</b>	<b>51,566</b>	<b>42,623</b>	<b>20.98</b>
<i>(i) Employee Cost</i>	20,693	16,443	25.84
<i>(ii) Other Operating Expenses</i>	30,873	26,179	17.93
<b>Total Expenditure</b>	<b>1,27,107</b>	<b>1,16,594</b>	<b>9.02</b>
<b>Operating Profit</b>	<b>27,655</b>	<b>34,167</b>	<b>-19.06</b>
Provisions (other than Tax)	31,770	28,383	11.93
<i>Add: Share profit of associates</i>	146	192	-24.03
<i>Less: Minority Interest</i>	496	378	31.16
Tax Expenses	-810	726	
<b>Net Profit after Minority Interest</b>	<b>-3,654</b>	<b>4,872</b>	

*Rs. In crores*

	Year Ended	
	H1FY19	H1FY18
ROA (%)	-0.20	0.29
ROE (%)	-3.94	5.71
Earning Per Share (Rs.)	-8.17	11.53
Expenses Ratio (%)	55.84	47.05
NIM (%)	2.82	2.27
Gross NPA Ratio (%)	9.83	9.75
Net NPA Ratio (%)	4.76	5.39

<sup>#</sup> Includes Rs.466 Crores on account of stake sale in SBI General

\* Includes exceptional item of Rs.5,036 Crores on account of stake sale in SBI Life

# Balance Sheet

Rs. in Crores

Liabilities						
	SBI SOLO			SBI GROUP		
	Sep 18	Sep 17	YOY Growth (%)	Sep 18	Sep 17	YOY Growth (%)
Capital	892	863	3.39	892	863	3.39
Reserves and Surplus	2,17,109	2,30,428	-5.78	2,28,670	2,41,107	-5.16
Minority Interest				5,270	4,526	16.44
Deposits	28,07,420	26,23,180	7.02	28,39,115	26,40,032	7.54
Borrowings	3,34,696	2,47,766	35.09	3,39,815	2,54,906	33.31
Other Liabilities & Provisions	1,25,455	1,33,275	-5.87	2,56,418	2,42,581	5.70
<b>Total Liabilities</b>	<b>34,85,572</b>	<b>32,35,512</b>	<b>7.73</b>	<b>36,70,181</b>	<b>33,84,015</b>	<b>8.46</b>
Assets						
	SBI SOLO			SBI GROUP		
	Sep 18	Sep 17	YOY Growth (%)	Sep 18	Sep 17	YOY Growth (%)
Cash & balances with RBI	1,29,963	1,29,410	0.43	1,30,221	1,29,639	0.45
Bal with Banks & Money at Call and Short Notice	43,163	48,502	-11.01	45,265	50,716	-10.75
Investments	10,82,612	10,22,909	5.84	12,18,855	11,28,439	8.01
Net Advances	19,57,340	18,02,609	8.58	19,94,971	18,34,761	8.73
Fixed Assets	39,509	50,432	-21.66	40,985	51,507	-20.43
Other Assets	2,32,985	1,81,650	28.26	2,39,883	1,88,954	26.95
<b>Total Assets</b>	<b>34,85,572</b>	<b>32,35,512</b>	<b>7.73</b>	<b>36,70,181</b>	<b>33,84,015</b>	<b>8.46</b>

**Thank You**