

## **Q4FY18 / FY18 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.*

### **Financial Performance**

#### **1. Q4FY18 OVER Q4FY17**

- The Bank incurred a net loss of Rs. 7,718 Cr during the Quarter.
- Bank's net loss is attributable to:
  - Lower Trading Income and significant MTM losses due to hardening of bond yields
  - Incremental Provision during the quarter for NPAs.
  - Higher provisioning 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 8.24% from Rs. 17,309 Cr in Q4FY17 to Rs. 15,883 Cr in Q4FY18.
- **Net Interest Income** declined by 5.18% from Rs. 21,065 Cr in Q4FY17 to Rs. 19,974 Cr in Q4FY18, contributed mainly by reduction in MCLR & Base Rate and increase in NPAs.
- **Interest Expenses on Deposits** was down by 6.28% YoY from Rs. 35,431 Cr in Q4FY17 to Rs. 33,206 Cr in Q4FY18 despite a growth in Deposits by 4.68% YoY.
- **Non-Interest Income** improved by 2.23% from Rs. 12,222 Cr in Q4FY17 to Rs. 12,495 Cr in Q4FY18, driven mainly by higher fee income and recovery in written off accounts.
- **Fee Income** is up from Rs. 7,434 Cr in Q4FY17 to Rs. 8,430 Cr in Q4FY18, a YoY growth of 13.40% with significant contribution from Cross Sell income which registered a growth of 65.83% during the period.
- **Recovery in Written-Off Accounts** registered a robust growth of 21.18%.
- **Increase in Staff Expenses** was contained at 3.82% from Rs. 8,914 Cr in Q4FY17 to Rs. 9,254 Cr in Q4FY18, despite higher provisions for wage revisions and gratuity.
- **Increase in Overhead Expenses** was contained at 3.79% from Rs. 7,064 Cr in Q4FY17 to Rs. 7,332 Cr in Q4FY18.
- **Increase in Operating Expenses** was contained at 3.80% YoY.

#### **2. FY18 OVER FY17**

- **Operating Profit** remained flat with a growth of 0.08% from Rs. 59,461 Cr in FY17 to Rs. 59,511 Cr in FY18.

- **Net Interest Income** remained flat at Rs. 74,854 Cr in FY18 vis-à-vis Rs. 75,199 Cr in FY17.
- **Interest Expenses on Deposits** declined by 2.27% from Rs. 1,38,883 Cr in FY17 to Rs. 1,35,726 Cr in FY18, despite a growth in deposits by 4.68%.
- **Non-Interest Income** grew by 4.61% from Rs. 42,637 Cr in FY17 to Rs. 44,601 Cr in FY18.
- **Fee Income** was up by 10.51% from Rs. 21,389 Cr in FY17 to Rs. 23,636 Cr in FY18.
- **Staff Expenses** lower by 2.34% YoY from Rs. 33,975 Cr in FY17 to Rs. 33,179 Cr in FY18, mainly due to reduction in staff strength by 15,762.
- **Overheads** increased by 9.69% YoY, largely due to increase in DICGC insurance premium paid on deposits and expenses incurred on tech developments.
- **Increase in Operating Expenses** was thus contained at 2.69% from Rs. 58,375 Cr in FY17 to Rs. 59,943 Cr in FY18.
- Due to increase in provisions for NPAs and Mark to Market on investment portfolio, the Bank incurred a net loss of Rs. 6,547 Cr in FY18.

### 3. DEPOSITS

- **Deposits** at the whole Bank level registered a growth of 4.68% YoY from Rs. 25,85,320 Cr as on Mar 17 to Rs. 27,06,343 Cr as on Mar 18.
- **Domestic CASA Deposits** registered a growth of **7.21%** YoY from Rs. 11,07,434 Cr as on Mar 17 to Rs. 11,87,294 Cr as on Mar 18.
- **Domestic Term Deposits** grew by 1.84% YoY from Rs. 13,86,527 Cr as on Mar 17 to Rs. 14,12,099 Cr as on Mar 18.
- **CASA Ratio** further improved by 128 bps from 44.40% as on Mar 17 to 45.68% as on Mar 18.

### 4. ADVANCES

- **Gross Advances** at the whole Bank level registered a growth of 4.91% YoY from Rs. 19,52,507 Cr as on Mar 17 to Rs. 20,48,387 Cr as on Mar 18.
- **Personal Retail Advances** grew by 13.55% YoY from Rs. 4,81,386 Cr as on Mar 17 to Rs. 5,46,594 Cr as on Mar 18 with Home loans growing by 13.26% from Rs. 2,76,454 Cr as on Mar 17 to Rs. 3,13,106 Cr as on Mar 18.
- **Agri Advances** dipped by 1.58% YoY from Rs. 1,91,265 Cr as on Mar 17 to Rs. 1,88,251 Cr as on Mar 18.
- **Advances to Large and Mid-Corporates and SME** registered a growth of 1.80% YoY.
- **International Advances** grew by 5.51% YoY from Rs. 2,86,219 Cr as on Mar 17 to Rs. 3,01,998 Cr as on Mar 18.

## 5. Asset Quality

- Gross NPA Ratio at 10.91% increased sequentially by 56 bps in Q4FY18.
- Net NPA Ratio at 5.73% increased sequentially by 12 bps in Q4FY18.
- Provision Coverage Ratio improved by 464 bps YoY from 61.53% as on Mar 17 to 66.17% as on Mar 18. Sequentially the same has increased by 25 bps.
- Provision Coverage Ratio without AUCA improved by 490 bps YoY from 45.48% to 50.38%. Sequentially the same has increased from 48.59% as on Dec 17 to 50.38% as on Mar 18.
- Provision Coverage Ratio on NCLT List 1 and List 2 at 56% and 75% respectively. Overall Provision Coverage Ratio on NCLT accounts is 63%.

|        | Gross NPA (%) | Net NPA (%) | PCR (%) | PCR(%)<br>without AUCA |
|--------|---------------|-------------|---------|------------------------|
| Mar 17 | 9.11          | 5.19        | 61.53   | 45.48                  |
| Dec 17 | 10.35         | 5.61        | 65.92   | 48.59                  |
| Mar 18 | 10.91         | 5.73        | 66.17   | 50.38                  |

- **Gross NPAs** increased from Rs. 1,77,866 Cr as on Mar 17 to Rs. 2,23,427 Cr as on Mar 18, whereas **Net NPA** increased from Rs. 96,978 Cr to Rs. 1,10,855 Cr during the same period.

## 6. We remain well capitalized

- CET 1 Ratio improved by 27 bps YoY to 9.68% as on 31<sup>st</sup> March 18.
- Tier 1 Ratio improved by 31 bps YoY to 10.36% as on 31<sup>st</sup> March 18.
- Overall CAR remained at 12.60%, well above the regulatory requirements.
- During the year Rs. 15,000 Cr of equity raised through QIP and GOI infusion of Rs. 8,800 Cr. Rs. 2,000 Cr Tier 1 Capital raised by way of AT 1 bonds.

## 7. Strong Retail Franchise

- CASA deposits registered a sustained growth of 7.21% YoY in FY18.
- CASA Ratio up 128 bps YoY to 45.68% as on 31<sup>st</sup> Mar 18. Daily average CASA was at 44.29%.
- Retail Term Deposits grew by 3.15% YoY in FY18.
- Personal Retail Loan portfolio grew by 13.55% YoY driven mainly by 13.26% growth in Home Loans. Sequentially the portfolio grew by Rs 25,568 Cr during Q4FY18.

## 8. Dominance in Digital

- 80% of total transactions through alternate channels, up by 500 bps YoY.
- Leadership position in Debit Card spends with 30.40% Market-share which has improved by 107 bps YoY.
- Leadership position in Merchant Acquiring Business with over 6.10 lakh customer touch points (POS) and 20.20% Market-Share.
- **SBI Online** is the 5<sup>th</sup> most popular online global financial site.

- **YONO** downloads at 43.70 lakhs with 14.90 lakhs registered users.

## 9. **KEY FINANCIAL RATIOS**

- **CASA Ratio** was at a healthy 45.68% as on Mar 18, up from 44.40% as on Mar 17 with daily average CASA Ratio at 44.29% as on Mar 18.
- **Average Cost of Deposits** declined by 54 bps YOY from 5.84% as on Mar 17 to 5.30 % as on Mar 18 and by 4 bps sequentially from 5.34% as on Dec 17.
- **Average Yield on Advances** declined by 104 bps from 9.32% as on Mar 17 to 8.28% as on Mar 18 and by 10 bps sequentially from 8.38% as on Dec 17.
- **Net Interest Margin (Domestic) declined** by 26 bps from 2.93% as on Mar 17 to 2.67% as on Mar 18, while sequentially it went up by 6 bps from 2.61% as on Dec 17.
- **Cost to Income Ratio** slipped by 64 bps from 49.54% in FY17 to 50.18% in FY18, while sequentially it went up by 34 bps.

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**ANNEXURE-I**

Details of Profit and Loss account are as follows:

*Rs. in Crores*

|                            | Quarter ended |               | Year Ended      |                 | Growth (%)     |                    |
|----------------------------|---------------|---------------|-----------------|-----------------|----------------|--------------------|
|                            | Q4FY18        | Q4FY17        | FY18            | FY17            | FY18 over FY17 | Q4FY18 over Q4FY17 |
| Interest Income            | 55,941        | 58,968        | 2,20,499        | 2,23,982        | -1.55          | -5.13              |
| Other Income               | 12,495        | 12,222        | 44,601          | 42,637          | 4.61           | 2.23               |
| <b>Total Income</b>        | <b>68,436</b> | <b>71,190</b> | <b>2,65,100</b> | <b>2,66,619</b> | <b>-0.57</b>   | <b>-3.87</b>       |
| Interest Expenses          | 35,967        | 37,903        | 1,45,646        | 1,48,783        | -2.11          | -5.11              |
| <b>Net Interest Income</b> | <b>19,974</b> | <b>21,065</b> | <b>74,854</b>   | <b>75,199</b>   | <b>-0.46</b>   | <b>-5.18</b>       |
| Operating Expenses         | 16,586        | 15,978        | 59,943          | 58,375          | 2.69           | 3.80               |
| <b>Operating Profit</b>    | <b>15,883</b> | <b>17,309</b> | <b>59,511</b>   | <b>59,461</b>   | <b>0.08</b>    | <b>-8.24</b>       |
| <b>Total Provision</b>     | <b>23,601</b> | <b>20,751</b> | <b>66,058</b>   | <b>61,266</b>   | <b>7.82</b>    | <b>13.73</b>       |
| <b>Net Profit</b>          | <b>-7,718</b> | <b>-3,442</b> | <b>-6,547</b>   | <b>-1,805</b>   |                |                    |