

November 09, 2022



भारतीय स्टेट बैंक  
State Bank of India

**Current Price:** ₹ 614.20

### STOCK DATA

BSE Code	500112
NSE Symbol	SBIN
Reuters	SBI.BO
Bloomberg	SBIN IN

### VALUE PARAMETERS

52 W H/L(Rs)	622.90/425.00
Mkt. Cap.(Rs Cr)	548149.63
Latest Equity(Subscribed)	892.46
Latest Reserve (cons.)	280642.41
Latest EPS (cons.) -Unit Curr.	41.32
Latest P/E Ratio -cons	14.86
Latest Bookvalue (cons.) -Unit Curr.	315.46
Latest P/BV - cons	1.95
Dividend Yield -%	1.16
Face Value	1.00

### SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/09/2022
Foreign	11.16
Institutions	25.13
Govt Holding	0.03
Non Promoter Corp. Hold.	0.57
Promoters	56.92
Public & Others	6.19

### Standalone Financial Results

Particulars	Qtr Ending		In Cr. VAR %
	Sept. 22	Sept. 21	
Interest Earned	79859.59	69481.49	15
Interest Expended	44676.15	38297.59	17
Net Interest Income	35183.44	31183.90	13
Other Income	8874.27	8207.60	8
Net Total Income	44057.71	39391.50	12
Operating Expenses	22937.69	21312.42	8
Operating Profits	21120.02	18079.08	17
Provisions & Contingencies	3038.67	188.75	
PBT	18081.35	17890.33	1
Provisions for Tax	4816.83	2845.37	69
Net Profit	13264.52	7626.57	74
EPS	14.86	14.60	

### SBI Q2FY23 Results: Strong improvement in loan growth, margins and asset quality, above estimates

State Bank of India on standalone basis for merged entity has recorded strong 74% growth in the Net Profit to Rs 13264.52 crore for the quarter ended September 2022 (Q2FY2023), driven healthy performance across all parameters. Bank has posted robust improvement in asset quality on sequential basis as well as over a year earlier level. Bank has improved Net Interest Margin (NIM) on sequential basis to 3.17% helping Net Interest Income (NII) growth to accelerate in Q2FY2023. Bank has improved business growth at 14% along with rise in credit deposit ratio to 72.4% at end September 2022. Bank has witnessed decline in CASA deposits ratio at 44.6% at end September 2022.

**Asset quality improves:** Bank has improved the asset quality on sequential as well as year-on-year basis in Q2FY2023.

Fresh slippages of advances dipped to Rs 2399 crore (annualized 0.9% of advances in Q2FY2023) compared with Rs 9740 crore (1.4%) in the previous quarter and Rs 4176 crore in the corresponding quarter last year.

Recoveries, upgradations and write-offs together were healthy at Rs 8909 crore in Q2FY2023.

The bank has improved provision coverage ratio to 91.5% at end of September 2022 from 87.7% end September 2021.

### Business Highlights:

**Business growth improves:** Business of the bank rose at improved pace of 14% yoy to Rs 7225326 crore at end September 2022. Deposits increased at higher pace of 10% at Rs 4190255 crore, while advances growth accelerated to 20% at Rs 3035071 crore at end September 2022.

Domestic advances rose at improved pace of 18% to Rs 2547390 crore, while international advances growth also accelerated to 30% yoy to Rs 487681 crore at end September 2022.

The credit-deposit ratio of the bank increased to 72.4% at end September 2022 from 71.7% a quarter ago.

**Retail and large corporate credit driving loans growth:** Of the domestic advances, large

## Asset Quality Indicators: State Bank of India

In Cr.

	Qtr Ending	Qtr Ending	Qtr Ending	Qtr Ending	Qtr Ending	Variation		
	Sept-22	Jun-22	Mar-22	Dec-21	Sept-21	QoQ	YTD	YoY
Gross NPA (Rs Crore)	106804.14	113271.72	112023.37	120028.77	123941.77	-6	-5	-14
Net NPA (Rs Crore)	23572.19	28257.92	27965.71	34539.68	37118.61	-17	-16	-36
% of GNPA	3.52	3.91	3.97	4.50	4.90	-39	-45	-138
% of NNPA	0.80	1.00	1.02	1.34	1.52	-20	-22	-72
Provision coverage ratio %	77.93	75.05	75.04	88.32	87.68	288	289	-975
CRAR Basel III %	13.51	13.43	13.83	13.23	13.35	8	-32	16
Tier I - Basel III %	11.12	11.15	11.42	10.91	11.02	-3	-30	10

Variation in basis points for figures given in percentages and in % for figures in Rs crore

corporate credit increased 21% yoy to Rs 917016 crore, while retail credit improved at higher pace of 19% to Rs 1074853 crore. The SME credit also increased 13% to Rs 316878 crore and agriculture credit rose 11% to Rs 238643 crore at end September 2022.

**CASA ratio eases:** Deposits grew 10% yoy to Rs 4190255 crore in the quarter under review. Domestic deposits grew 9% yoy to Rs 4028012 crore of which CASA deposits grew 5% yoy to Rs 1797751 crore. Domestic CASA ratio declined 161 bps yoy to 44.6% at end September 2022. Overseas deposits moved up 36% to Rs 162243 crore at end September 2022.

**NIM** of the bank improved to 3.17% in Q2FY2023 from 3.02% in the previous quarter, as credit-deposit ratio gained to 72.4% at end September 2022.

**Network expansion:** Bank has added 15 branches in the quarter under review, taking the total branch count up to 22309 at end September 2022. ATMs count of the bank has increased to 65796 ATMs end September 2022.

**Book Value** per share stood at Rs 315.5 per share at end September 2022, while the adjusted book value (net of NNPA and 25% of restructured assets) stood at Rs 281.4 per share at end of September 2022.

### Quarterly Performance:

**Healthy NII growth on better NIMs and credit-deposit ratio:** Bank has posted 13% rise in NII at Rs 35183.44 crore for quarter ended September 2022. Interest earned moved up 15% to Rs 79859.59 crore, while the interest expenses increased 17% to Rs 44676.15 crore.

**Core fee income and exchange gains boost other income:** Non-interest income of the bank increased 8% to Rs 8874.27 crore in Q2FY2023, driven by healthy growth in profit on sale of investment at 7% to Rs 457.00 crore. Further, the forex income surged 263% to Rs 1911 crore, while the core fee income of the bank rose 10% to Rs 5942 crore in Q2FY2023.

**Expense ratio improves:** Net total income of the bank increased 12% to Rs 44058 crore in Q2FY2023, while the operating expenses rose at moderate pace of 8% to Rs 22938 crore, leading to an improvement in expense ratio to 52.1% in Q2FY2023 from 54.1% in Q2FY2022. The employee expenses rose 2% to Rs 12867.35 crore, while other operating expenses declined 38% to Rs 10070.34 crore in Q2FY2023.

The operating profit galloped 17% to Rs 21120.02 crore in Q2FY2023.

**Provisions jumps on low base:** The provisions and contingencies increased 1510% to Rs 3038.67 crore in Q2FY2023 over Q2FY2022. The NPA provisions declined 25% to Rs 2011 crore, while standard assets provisions also dipped 74% to Rs 125 crore in Q2FY2023. However, the investment provisions rebounded to Rs 5 crore and other provisions to Rs 898 crore in Q2FY2023 from hefty write backs of Rs 626 crore and Rs 2363 crore in Q2FY2022.

With the surge provisions, the PBT rose 1% to Rs 18081.35 crore in the quarter ended September 2022. However, after EO expense item of Rs 7418.39 crore, PBT increased 73% to

Rs 18081.35 crore in Q2FY2023.

**Tax rate eases:** The effective tax rate eased to 26.6% in Q2FY2023 from 27.2%, in Q2FY2022, allowing 74% jump in the net profit to Rs 13264.52 crore for quarter ended September 2022.

### Consolidated quarterly performance:

On the consolidated front, the bank has posted 66% increase in the net profit at Rs 14752.00 crore over 14% rise in NII at Rs 39230.68 crore. The other income increased 8% to Rs 30319.61 crore, leading to 11% rise in net total income to Rs 69550.29 crore. The operating expenses rose 9% to Rs 45776.84 crore, allowing the operating profit to increase 16% to Rs 23773.45 crore in the quarter ended September 2022. The provisions zoomed 457% to Rs 3430.97 crore, PBT rose 3% to Rs 20342.48 crore in Q2FY2023. The effective tax rate eased to 25.8% in Q2FY2023 from 26.0% in Q2FY2022, allowing the net profit to move up 64% to Rs 15296.71 crore before minority interest and share of associates. The Minority interest increased 21% to Rs 544.71 crore, while the profit from associate companies moved up 33% to Rs 279.43 crore. Net Profit increased 66% to Rs 14752.00 crore for quarter ended September 2022.

Net profit of non-banking subsidiaries increased 17% to Rs 1260 crore in Q2FY2023, driven by SBI Life 53% to Rs 377 crore, SBI Funds Management 47% to Rs 380 crore and SBI Cards & Payment Services 52% to Rs 526 crore. SBI General Insurance recorded net loss of Rs 23 crore in Q2FY2023,

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