

February 05, 2024



भारतीय स्टेट बैंक  
State Bank of India

**Current Price:** ₹ 650.40

## STOCK DATA

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

## VALUE PARAMETERS

52 W H/L(Rs)	660.40/501.85
Mkt. Cap.(Rs Cr)	580456.75
Latest Equity(Subscribed)	892.46
Latest Reserve (cons.)	330578.63
Latest EPS (cons.) -Unit Curr.	69.60
Latest P/E Ratio -cons	9.34
Latest Bookvalue (cons.) -Unit Curr.	371.41
Latest P/BV - cons	1.75
Dividend Yield -%	1.74
Face Value	1.00

## SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2023
Foreign	11.12
Institutions	23.92
Govt Holding	0.03
Non Promoter Corp. Hold.	0.56
Promoters	56.92
Public & Others	7.45

## Consolidated Financial Results

Particulars	Qtr Ending		In Cr. VAR %
	Dec. 23	Dec. 22	
Interest Earned	106733.78	86616.04	23
Interest Expended	66918.05	48547.42	38
Net Interest Income	39815.73	38068.62	5
Other Income	11458.9	11467.73	0
Net Total Income	51274.63	49536.35	4
Operating Expenses	30938.55	24317.07	27
Operating Profits	20336.08	25219.28	-19
Provisions & Contingencies	687.85	5760.57	-88
Profit Before Tax	19648.23	19458.71	1
EO	-7100	0	-
PBT after EO	12548.23	19458.71	-36
Provision for tax	3384.27	5253.37	-36
PAT	9163.96	14205.34	-35
EPS (Rs.)	10.27	15.92	

### State Bank Of India Q3 Results, Bottomline dips on hefty employee provisions and NIM declined; below estimates

State Bank of India has reported 35% dip in the net profit at Rs 9163.96 crore for the quarter ended December 2023 (Q3FY2024) on account of provisions for wage revisions and employee pension benefits. The bank has posted 5% growth in net interest income (NII), while the core fee income of the bank improved 5% in Q3FY2024. The Net Interest Margin (NIM) of the bank eased to 3.22% in Q3FY2024 compared to 3.50% in the corresponding quarter of previous year.

On business front, the bank as has posted 14% growth in business with strong 14% surge in loan book. The asset quality of the bank has continued to improve in Q3FY2024. Bank has improved the credit to deposit ratio to 75.3% at end December 2023 from 74.4% at end December 2022. The CASA ratio of the bank has declined to 39.5% at end December 2023 from 42.7% at end December 2022.

**Asset quality improves:** The bank has continued to improve asset quality in Q3FY2024.

- The fresh slippages of loans stood at Rs 5046 crore in Q3FY2024 compared with 4081 crore in previous quarter and Rs 3209 crore in the corresponding quarter last year.
- The recoveries of NPAs stood at Rs 1798 crore, upgradations at Rs 3473 crore and the write-off of loans was at Rs 0 crore in Q3FY2024.
- The standard restructured loan book of the bank declined to Rs 18880 crore end December 2023 compared to Rs 20854 crore a quarter ago.
- Provision coverage ratio was steady at 91.49% at end December 2023 compared to 91.93% a quarter ago and 91.52% a year ago.
- The capital adequacy ratio of the bank stood at 13.1% with Tier I ratio at 10.6% at end December 2023.
- The risk weighted assets of the bank has increased 16% YoY to Rs 3135528 crore end December 2023.

## Asset Quality Indicators: State Bank of India

In Cr.

	Qtr Ending	Qtr Ending	Qtr Ending	Qtr Ending	Qtr Ending	Variation		
	23-Dec	23-Sep	23-Jun	23-Mar	22-Dec	QoQ	YTD	YoY
Gross NPA (Rs Crore)	86748.81	86974.08	91327.84	90927.78	98346.5	0	-5	-12
Net NPA (Rs Crore)	22408.38	21352.4	22995.37	21466.64	23484.31	5	4	-5
% Gross NPA	2.42	2.55	2.76	2.78	3.14	-13	-36	-72
% Net NPA	0.64	0.64	0.71	0.67	0.77	0	-3	-13
% PCR	91.49	91.93	91.41	91.91	91.52	-44	-42	-3
% CRAR - Basel III	13.05	14.28	14.56	14.68	13.27	-123	-163	-22
% CRAR - Tier I - Basel III	10.58	11.78	11.97	12.06	10.8	-120	-148	-22

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

### Business Highlights:

**Healthy business growth:** The business of the bank has increased 14% YoY to Rs 8346473 crore end December 2023, driven by 14% surge in advances to Rs 3584252 crore. Deposits rose 13% to Rs 4762221 crore at end December 2023.

**CASA deposits ratio declines:** The CASA deposits of the bank increased 4% YoY to Rs 1881297 crore at end December 2023. The current account deposits increased 10% to Rs 249538 crore, while saving account deposits rose 4% to Rs 1631759 crore end December 2023. The CASA ratio eased to 39.5% at end December 2023 compared to 42.7% at end December 2022, while fell from 40.2% a quarter ago.

The term deposits have increased 11% to Rs 2686630 crore end December 2023. Overseas deposits jumped 17% to Rs 194294 crore end December 2023.

**Strong loan growth:** Advances growth was driven by retail loans rising 15% YoY to Rs 1296310 crore at end December 2023, while credit to agriculture increased 18% to Rs 291748 crore and MSME 19% to Rs 418121 crore at end December 2023. The corporate credit moved up 11% to Rs 1024094 crore end December 2023. The overseas credit has jumped 14% to Rs 553980 crore end December 2023.

**Investment book** of the bank rose 7% YoY to Rs 1634271 crore at end December 2023. The AFS book fell 4% to Rs 559084 crore, while HTM book rose 14% to Rs 1072572 crore at end December 2023. The duration of the AFS investment portfolio stood at 1.92 years end December 2023 compared with 1.92 years at end December 2022. Within the domestic book, the SLR book moved up 9% to Rs 1350837 crore, while non SLR book declined 3% to Rs 283434 crore at end December 2023.

**Book value** of the bank stood at Rs 382.3 per share at end December 2023, while the adjusted book value (net of NNPA and 10% of restructured advances) was Rs 351.9 per share at end December 2023.

### Quarterly Performance

**NII growth eases as NIM declines:** Bank has recorded 23% increase in the interest earned at Rs 106733.78 crore, while interest expenses jumped 38% to Rs 66918.05 crore in Q3FY2024. NII improved 5% to Rs 39815.73 crore in the quarter ended December 2023.

**Moderate growth in the core fee income:** Bank has posted strong 5% growth in core fee income to Rs 6241 crore, while recoveries and other income rose 8% to Rs 1807 crore in Q3FY2024. However, the forex income declined 2% to Rs 907 crore and the treasury income dipped 15% to Rs 2505 crore. The overall non-interest income was flat yoy at Rs 11458.90 crore

in the quarter ended December 2023.

**Expenses ratio jumps:** The operating expenses of the bank increased 27% to Rs 30938.55 crore, as other expenses moved up 21% to Rs 11576.73 crore and employee expenses increased 31% to Rs 19361.82 crore in Q3FY2024. Cost to income ratio galloped to 60.3% in Q3FY2024 compared with 49.1% in Q3FY2023, causing 19% decline in the Operating Profit to Rs 20336.08 crore.

**Provisions and contingencies decline:** The bank has showed 88% decline in provisions to Rs 687.85 crore. The standard asset provisions dipped 96% to Rs 181 crore, while the bank has written back investment provisions of Rs 599 crore and other provisions of Rs 652 crore. The loan loss provisions rose 11% to Rs 1757 crore.

PBT rose 1% to Rs 61745.2 crore. However, the bank has created provisions of Rs 7,100 crore on account of one-time increase in pension liabilities at uniform rate of 50% and Dearness Relief (DR) Neutralization. Thus the PBT after this exceptional expense item declined 36% to Rs 12548.23 crore.

**Effective tax rate** declined to 17.2% in Q3FY2024 from 27.0% in Q3FY2023. Net Profit declined 35% YoY to Rs 9163.96 crore during quarter ended December 2023.

### **Consolidated quarterly performance:**

On the consolidated front, the bank has posted 29% decline in the net profit at Rs 11064.14 crore over 6% rise in NII at Rs 44776.40 crore. The other income increased 13% to Rs 40203.30 crore, leading to 9% rise in net total income to Rs 84979.70 crore. The operating expenses surged 22% to Rs 61189.62 crore, causing 14% decline in the operating profit to Rs 23790.08 crore in the quarter ended September 2023.

The provisions dipped 77% to Rs 1445.25 crore, PBT rose 5% to Rs 22344.83 crore in Q2FY2024. PBT after exceptional expense item of Rs 7100 crore declined 28% to Rs 15560.63 crore. The effective tax rate eased to 25.5% in Q2FY2024 from 26.4% in Q2FY2023. Net profit declined 27% to Rs 11598.46 crore before minority interest and share of associates. The Minority interest increased 30% to Rs 534.32 crore, while the profit from associate companies moved up 45% to Rs 315.80 crore. Net Profit declined 29% to Rs 11064.14 crore for quarter ended September 2023.

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