

February 06, 2023



भारतीय स्टेट बैंक
State Bank of India

Current Price: ₹ 544.45

STOCK DATA

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

VALUE PARAMETERS

52 W H/L(Rs)	629.65/425.00
Mkt. Cap.(Rs Cr)	485900.50
Latest Equity(Subscribed)	892.46
Latest Reserve (cons.)	326706.41
Latest EPS (cons.) -Unit Curr.	52.78
Latest P/E Ratio -cons	10.32
Latest Bookvalue (cons.) -Unit Curr.	367.07
Latest P/BV - cons	1.48
Dividend Yield -%	1.3
Face Value	1.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2022
Foreign	11.27
Institutions	25.10
Govt Holding	0.03
Non Promoter Corp. Hold.	0.57
Promoters	56.92
Public & Others	6.11

Consolidated Financial Results

Particulars	Qtr Ending		In Cr. VAR %
	Dec. 22	Dec. 21	
Interest Earned	91517.66	73376.04	25
Interest Expended	49365.99	39363.25	25
Net Interest Income	42151.67	34012.79	24
Other Income	35701.31	31152.18	15
Net Total Income	77852.98	65164.97	19
Operating Expenses	50301.28	44573.38	13
Operating Profits	27551.70	20591.59	34
Provisions & Contingencies	6196.30	7441.83	-17
PBT	21355.40	13149.76	62
P&L of Associate Company	218.53	255.78	-15
PBT	21573.93	13405.54	61
Provisions for tax	5685.75	3457.80	64
Net Profit before minority interest	15888.18	9947.74	60
Minority Interest	410.96	392.74	5
Net profit	15477.22	9555.00	62
EPS*(Rs)	17.34	10.71	

SBI Q3FY23 Results: Strong shows continues, above estimates

Consolidated quarterly performance:

On the consolidated front, the bank has posted 62% increase in the net profit at Rs 15477.22 crore over 24% rise in NII at Rs 42151.67 crore. The other income increased 15% to Rs 35701.31 crore, leading to 19% rise in net total income to Rs 77852.98 crore. The operating expenses rose 13% to Rs 50301.28 crore, allowing the operating profit to increase 34% to Rs 27551.70 crore in the quarter ended December 2022. The provisions declined 17% to Rs 6196.30 crore. PBT jumped 62% to Rs 21355.40 crore in Q3FY2023. The effective tax rate rose to 26.4% in Q3FY2023 from 25.8% in Q3FY2022. Net profit moved up 60% to Rs 15888.18 crore before minority interest and share of associates. The Minority interest increased 5% to Rs 410.96 crore, while the profit from associate companies declined 15% to Rs 218.53 crore. Net Profit increased 62% to Rs 15477.22 crore for quarter ended December 2022.

Standalone quarterly performance

State Bank of India on standalone basis has recorded strong 68% growth in the Net Profit to Rs 14205.34 crore for the quarter ended December 2022 (Q3FY2023), 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) to 3.29% helping Net Interest Income (NII) growth to accelerate to 24% in Q3FY2023. Bank has recorded business growth of 13% along with rise in credit deposit ratio to 74.4% at end December 2022. Bank has also improved maintained stable CASA deposits ratio to 44.5% at end December 2022.

Asset quality improves: Bank has improved the asset quality on sequential as well as year-on-year basis in Q3FY2023.

Asset Quality Indicators: State Bank of India

In Cr.

	Qtr Ending	Qtr Ending	Qtr Ending	Qtr Ending	Qtr Ending	Variation		
	22-Dec	22-Sep	22-Jun	22-Mar	21-Dec	QoQ	YTD	YoY
Gross NPA (Rs Crore)	98346.50	106804.14	113271.72	112023.37	120028.77	-8	-12	-18
Net NPA (Rs Crore)	23484.31	23572.19	28257.92	27965.71	34539.68	0	-16	-32
% of GNPA	3.14	3.52	3.91	3.97	4.50	-38bps	-83bps	-136bps
% of NNPA	0.77	0.80	1.00	1.02	1.34	-3bps	-25bps	-57bps
Provision coverage ratio %	91.52	91.54	90.14	90.20	88.32	-2bps	132bps	320bps
CRAR Basel III %	13.27	13.51	13.43	13.83	13.23	-24bps	-56bps	4bps
Tier I - Basel III %	10.80	11.12	11.15	11.42	10.91	-32bps	-62bps	-11bps

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

Fresh slippages of advances was at Rs 3098 crore (annualized 0.7% of advances in Q3FY2023) compared with Rs 2399 crore (0.9%) in the previous quarter.

Recoveries, upgradations and write-offs together were healthy at Rs 11666.64 crore in Q3FY2023.

Segment wise GNPA ratio for retail segment stood at 3.24%, corporate 4.37% and international 0.41% end December 2022. Within retail, the GNPA ratio for agriculture stood at 12.03%, personal 0.7%, SME 5.2% etc. The SMA 1 loan book stood at Rs 3059 crore and SMA 2 to Rs 1688 crore end December 2022.

The bank has improved provision coverage ratio to 91.5% at end of December 2022 from 88.3% end December 2021. The Capital adequacy ratio stood at 13.27% with Tier I ratio at 10.8%. The ratio of risk weighted assets to total assets stood at 50.6% end December 2022.

Business Highlights:

Double digit business growth: Business of the bank rose at double digit pace of 13% yoy to Rs 7347122 crore at end December 2022. Deposits increased 10% at Rs 4213557 crore, while advances growth was robust at 18% at Rs 3133565 crore at end December 2022.

Domestic advances rose at strong pace of 17% to Rs 2647205 crore, while international advances increased 21% yoy to Rs 486360 crore at end December 2022.

The credit-deposit ratio of the bank increased to 74.4% at end December 2022 from 72.4% a quarter ago.

Retail and large corporate credit driving loans growth: Of the domestic advances, large corporate credit increased 18% yoy to Rs 925038 crore, while retail credit improved at higher pace of 18% to Rs 1124519 crore. The SME credit also increased 14% to Rs 350649 crore at end December 2022 and the agriculture credit rose 12% to Rs 246999 crore at end December 2022.

Steady CASA ratio: Deposits grew 10% yoy to Rs 4213557 crore in the quarter under review. Domestic deposits increased 9% yoy to Rs 4048149 crore of which CASA deposits grew 6% yoy to Rs 1800677 crore. Domestic CASA ratio was steady on sequential basis at 44.5% end December 2022. Overseas deposits moved up 28% to Rs 165408 crore at end December 2022.

Network expansion: Bank has added 72 branches in the quarter under review, taking the total branch count up to 22381 at end December 2022. ATMs count of the bank has increased to 65650 ATMs end December 2022.

Book Value per share stood at Rs 333.7 per share at end December 2022, while the adjusted book value (net of NNPA and 25% of restructured assets) stood at Rs 300.1 per share at end of December 2022.

Quarterly Performance:

NII growth accelerate, as NIM improves and credit-deposit rise: Bank has posted 24% rise in NII at Rs 38068.62 crore for quarter ended December 2022. Interest earned moved up 24% to Rs 86616.04 crore. Meanwhile, the interest expended rose 25% to Rs 48547.42 crore. NIM of the bank improved to 3.29% in Q3FY2023 from 3.17% in the previous quarter. The credit-deposit ratio gained to 74.4% at end December 2022 supporting NII growth.

Treasury income and exchange gains boost other income: Non-interest income of the bank increased 32% to Rs 11467.73 crore in Q3FY2023, driven by healthy growth in profit on sale of investment at 472% to Rs 2938.00 crore. Further, the forex income rose 187% to Rs 1388 crore. However, the core fee income of the bank rose at moderate pace of 3% to Rs 5928 crore in Q3FY2023.

Expense ratio improves: Net total income of the bank increased 26% to Rs 49536 crore in Q3FY2023, while the operating expenses rose at lower pace of 17% to Rs 24317 crore, leading to an improvement in expense ratio to 49.1% in Q3FY2023 from 52.9% in Q3FY2022. The employee expenses rose 18% to Rs 14756.65 crore, while other operating expenses increased 14% to Rs 9560.42 crore in Q3FY2023.

The operating profit galloped 36% to Rs 25219.28 crore in Q3FY2023.

Provisions declines on lower NPA provisions: The provisions and contingencies declined 17% to Rs 5760.57 crore in Q3FY2023 over Q3FY2022, led by 49% dip in NPA provisions to Rs 1586 crore, while standard assets provisions jumped 92% to Rs 4230 crore in Q3FY2023. With the surge provisions, the PBT surged 69% to Rs 19458.71 crore in the quarter ended December 2022.

Tax rate steady: The effective tax rate was steady at to 27.0% in Q3FY2023 from 27.0% in Q3FY2022, allowing the net profit to rise 68% to Rs 14205.34 crore for quarter ended December 2022.

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