



Press Release

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SIDBI net profit rose 40 % in 9 months of FY19 vs same period in FY18

Mumbai/New Delhi: Financial performance highlights for Small Industries Development Bank of India (SIDBI), the all India financial institution engaged in creating an integrated credit and development support ecosystem for Indian Micro and Small Enterprises (MSEs).

Nine months (April – December 2018) FY19 vs nine months (April – December 2017) FY18

- ✓ Total advances (net of provisions) recorded a growth of 61.3% YoY to Rs. 1,32,517.01 cr as on December 2018 from Rs. 82,150.40 cr as on December 2017.
- ✓ Operating profit (before provision) recorded a Year-on-Year (YoY) growth of 22.8% in 9MFY19 over 9MFY18.
- ✓ Net profit is higher by 39.9% in 9MFY19 over 9MFY18 mainly due to higher income from increased portfolio.
- ✓ Net Interest Income (NII) growth at 20.8% to Rs. 1,857.92 cr in 9MFY19 from Rs. 1,537.76 cr in 9MFY18.
- ✓ Non-interest income increased by 13.6% YoY to Rs. 355.25 cr in 9MFY19 from Rs. 312.81 cr in 9MFY18.

Asset Quality

- ✓ Gross Non-Performing Assets ratio decreased by 36 bps from 1.09% to 0.73% and Net NPA ratio decreased by 26 bps from 0.49% to 0.23% as on December 2018.
- ✓ Provision Coverage Ratio (PCR) was at 86% as on December 2018, an increase of 400 bps from December 2017 level.

Asset Quality - Table

	Gross NPA (%)	Net NPA (%)	PCR (%)
December 2017	1.09	0.49	82
December 2018	0.73	0.23	86

Gross NPA increased from Rs. 897.31 cr as on December 2017 to Rs. 968.33 cr as on December 2018, while Net NPA decreased from Rs. 406.06 cr to Rs. 309.45 cr during the same period.

Third quarter (October – December 2018) FY19 vs third quarter (October – December 2017) FY18

- ✓ Operating income increased by 71.1% to Rs. 2,609.34 cr in Q3FY19 from Rs. 1,525.01 cr in Q3FY18.
- ✓ NII improved by 40.3% to Rs. 725.59 cr in Q3FY19 from Rs. 517.15 cr in Q3FY18.
- ✓ Non-interest income decreased by 19.41% to Rs. 137.99 cr in Q3FY19 from Rs. 171.22 cr in Q3FY18
- ✓ Gross profit increased by 31.4% to Rs. 737.61 cr in Q3FY19 from Rs. 561.32 cr in Q3FY18.

Key Financial Ratios

- ✓ Average yield declined by 29 bps to 5.3% as on December 2018 from 5.6% as on December 2017.
- ✓ Net interest margin (annualised) went down by 64 bps to 1.86% as on December 2018 from 2.50% as on December 2017 due to focus on low risk assets and increased cost of funding.
- ✓ Cost to income ratio improved by 216 bps to 16.8% during 9MFY19 from 18.9% during 9MFY18.

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Details of Profit and Loss account

Rs. in crore

	Quarter ended		Nine months ended		Growth (%)	
	Q3FY19	Q3FY18	9MFY19	9MFY18	Q3FY19 over Q3FY18	9MFY19 over 9MFY18
Interest income	2,482.83	1,413.91	6,650.90	4,164.12	75.6	59.7
Other income	126.51	111.10	198.23	266.09	13.9	-25.5
Total income	2,609.34	1,525.01	6,849.13	4,430.21	71.1	54.6
Interest expenses	1,883.75	1,007.86	4,991.21	2,892.45	86.9	72.6
Net interest income	725.59	517.15	1,857.92	1,537.76	40.3	20.8
Operating expenses	2,009.72	1,134.91	5,362.39	3,242.72	77.1	65.4
Operating profit (before provision)	737.61	561.32	1,841.99	1,500.30	31.4	22.8
Total provisions (net) and taxes	197.28	158.14	409.14	476.15	24.7	-14.1
Net profit	540.33	403.18	1,432.85	1,024.15	34.0	39.9

Quote of Shri Mohammad Mustafa, IAS, Chairman & Managing Director, SIDBI

“In a scenario when the banking sector is reeling under pressure, we have achieved encouraging growth in our financial performance. Credit demand to the MSEs sector continues to be strong. We expect to maintain the growth momentum as we continue to move forward with our SIDBI Vision 2.0 which aims to promote inclusive growth driven by deeper engagement with MSEs.”

About SIDBI: Since its formation in 1990, SIDBI has been impacting the lives of citizens across various strata of society through its integrated, innovative and inclusive approach. Be it traditional domestic industry, small units, bottom-of-the-pyramid entrepreneurs, medium enterprises to high-end knowledge-based industries and export promotions, SIDBI has directly or indirectly touched the lives of more than 360 lakh people in the MSEs sector, through various credit and developmental measures.

For more information, please visit: www.sidbi.in

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