

## State Bank of India

Buy

Choice

PAT beats estimates; KPIs Outperformance Continues.

State Bank reported a PAT of Rs.183 bn in Q2FY25, growing by 27.9% YoY driven by trading gains and lower employee contributions translating into C/I ratio improvement of 1288bps YoY and 91 bps QoQ. Positive surprise in other income, Rs.25 bn, was attributable to Trading gains due to increased volatility in Yield curve in Q2FY25. Advances, Deposits and NII continues their steady momentum growing 14.9%,9.1% and 5.4% YoY respectively. NIM was reported at 3.18%, contracting by 13 bps YoY as cost of deposits inches upwards, although marginally on QoQ basis indicating a peak. The bank also reported significant improvement in asset quality due to higher base effect and lower fresh slippages. GNPA was reported at 2.13%, improving by 42 bps YoY and 8 bps. Credit cost remains contained at 0.38% but PCR improves by 21 bps. Unexpectedly, a Rs 900 bn government entity account was reported in SMA 1 which is expected to reverse in upcoming quarter.

- **Robust Business Growth** – The bank reported mid-teen advance growth rate of 14.9% YoY driven by its Corporate book 18.1%, Agri Book 17.7% and SME loan book, 17.4% compensating for sluggish demand in Auto loans and Express credit. Although, retail demand is expected to pickup in Q3FY25 on account of festive season. The deposit growth rebounds towards 9.1% supported by TDs and CA deposits, however traction in SB deposits continues to remain poor. Domestic C/D ratio was at 67 which indicates SBI's ability and desire of sustained momentum gap in advances vs deposits. The Bank also reported a Rs 6000 bn of corporate loan pipeline in the quarter.
- **Improving Profitability and operating leverage**- The Bank's NII grew by 5.4% YoY to Rs.416 bn in Q2FY25. NIM (reported) plunges 13 bps to 3.18% in the quarter, slightly lower than estimates. PPOP grew by 50.9% YoY to Rs.293 bn driven by other income which saw a robust growth of 41.5% YoY and 21.8% QoQ. Cost to income ratio declined to 48.51% in Q2FY25 on account of lower OPEX led by lower contributions for employees as bank books some actuarial gains in the quarter. SBI delivers a ROA of 1.17 and RoE of 21.78%
- **Consistent improvement in Asset Quality** – GNPA came in at 2.13%, improving by 42 bps YoY and 8 bps QoQ. It was also better than our estimates. Slippages came in at Rs.50 bn while recoveries, upgrade and write off were around Rs.58 bn in the quarter. SBI maintained PCR of 75.66% and NNPA of 0.53%.
- **View & Valuation:** SBI delivered a strong Q2FY25 performance, marked by significant improvements in asset quality and profitability. The upward trend in cost of deposits seems to peak out and NIM stability is expected going forward. As 40% loan book is MCLR linked, NIM is likely to remain stable in anticipated falling interest rate scenario. A low CD ratio of 67 underpins the banks ability to pursuit a positive momentum gap between advances and deposits, contrasting with the industry trend of a narrowing gap. This advantage allows SBI to sustain above-industry credit growth while maintaining a focus on enhancing its quality deposit base and expanding digital initiatives to reduce long-term operating costs. With a robust RoE of 21.8% and RoA of 1.17%, SBI demonstrates strong profitability and efficient capital utilization, reinforcing its position as a market leader. We assign a **'BUY'** rating on the stock with a target price of **INR 1,102** per share, valuing SBI's core banking business at **INR 895**, based on a **1.62x FY26E Adjusted Book Value (ABV)**. The net value of SBI's subsidiaries, after a 25% holding company discount, contributes an additional **INR 207 per share**.

## Financial Snapshot (Rs bn)

Year end: March	FY22	FY23	FY24	FY25E	FY26E
NII	1,207	1,448	1,599	1,714	1,946
Gr. (%)	9.0	20.0	10.4	7.2	13.5
NIM (%)	3.12	3.37	3.28	3.01	3.09
PPOP	753	837	938	1,119	1,275
A.PAT	317	502	610	699	792
Eq./As. (%)	5.6	5.9	6.1	6.5	6.6
RoE (%)	10.9	15.1	15.8	17.0	16.5
CASA(%)	45.3	43.8	41.1	38.5	36.8
GNPA (%)	4.0	2.8	2.2	1.92	1.60
P/ABV (x)	3.0	2.5	2.2	1.8	1.6

Source: Company, CEBPL (CIER)

Nov 11, 2024	
CMP (Rs)	843
Target Price (Rs)	1102
Potential Upside	21.2

\*CMP as on 8<sup>th</sup> Nov 2024

## Company Info

BB Code	SBIN IN EQUITY
ISIN	INE062A01020
Face Value (Rs)	1
52 Week High (Rs)	912
52 Week Low (Rs)	555
Mkt Cap (Rs bn)	7526
Mkt Cap (\$ bn)	89
Shares o/s (bn)	8.9
FY25E ABVPS (Rs)	477
FY26E ABVPS (Rs)	551

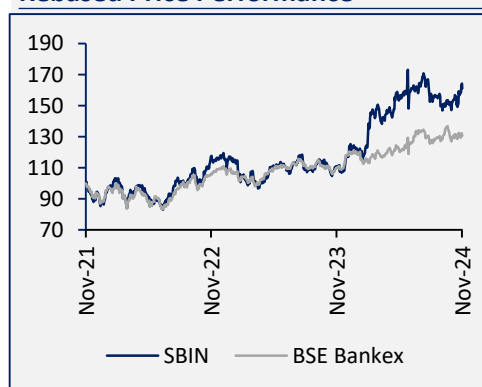
## Shareholding Pattern (%)

	Sep-24	Jun-24	Mar-24
Promoter	57.5	57.5	57.5
FII	10.7	11.2	11.1
DII	24.1	23.6	24
Public	7.7	7.7	7.4

## Relative Performance (%)

YTD	1Y	2Y	3Y
SBIN IN	45.3	37.3	61.2
BSE Bankex	19.1	23.2	30.6

## Rebased Price Performance



## Quarterly Snapshot (Q2 FY25)

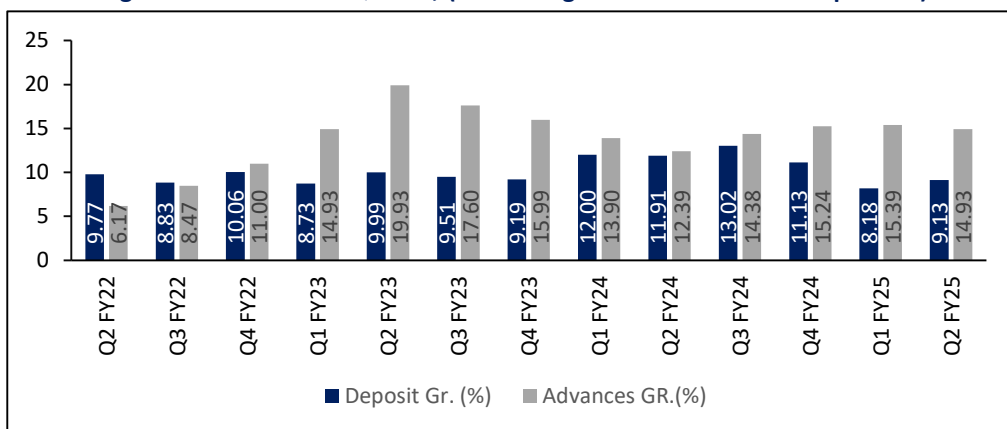
Particulars	(Rs bn)	YoY (%)	QoQ (%)
NII	416	5.4	1.2
NIM (%)	3.18	-13 bps	-4 bps
Fee income	68	4.6	-1.3
Opex	276	-10.6	6.8
PPOP	293	50.9	10.8
PAT	183	27.9	7.6
Advances	39207	14.9	2.8
Deposits	51173	9.1	4.4
GNPA	834	-4.1	-1.0
NNPA	203	-5.0	-5.8

## Associate- Arshay Agarwal

Email: [Arshay.agarwal@choiceindia.com](mailto:Arshay.agarwal@choiceindia.com)

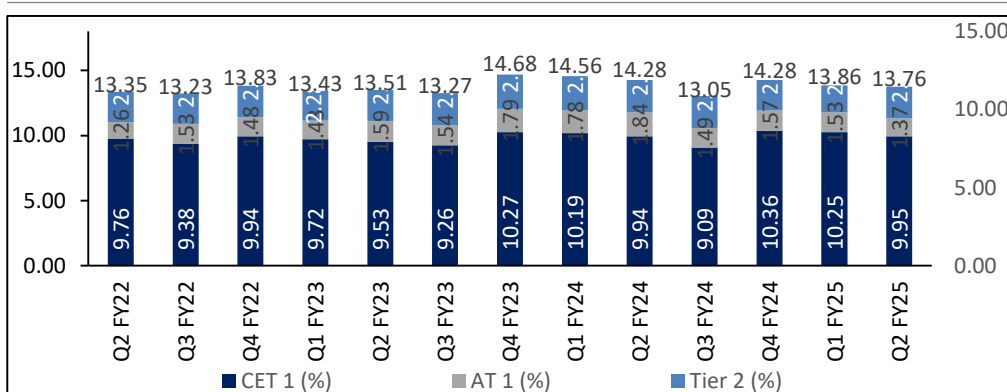
Ph: +91 22 6707 9913

**Advances growth at 14.93% in Q2FY25, (mid-teen growth sustains since 3 quarters)**



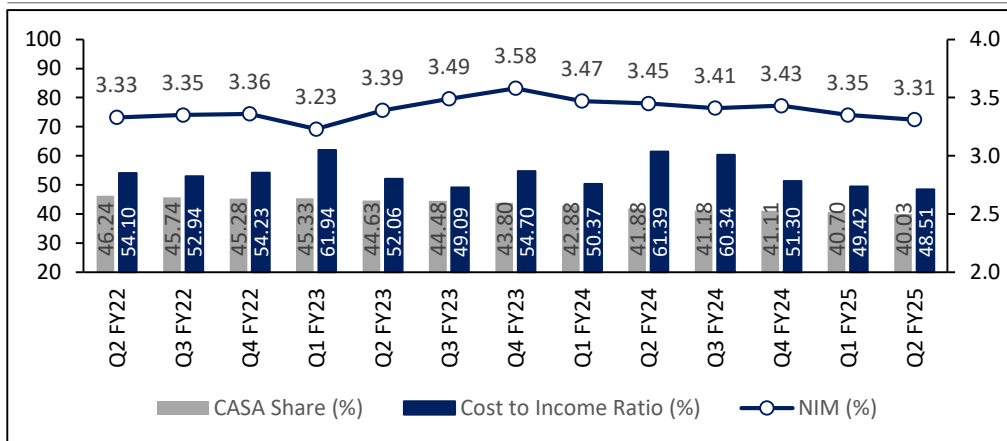
Graphs Source: Company, CEBPL

**Trend In CRAR**



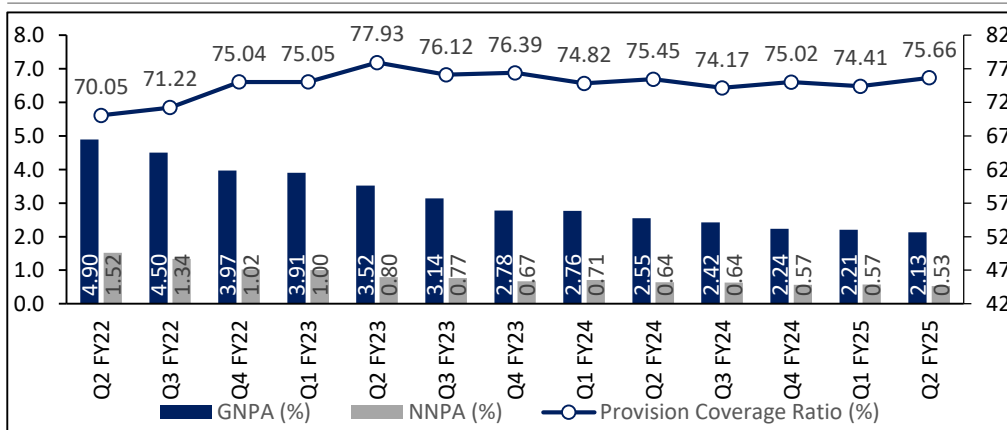
Graphs Source: Company, CEBPL

**Trend in CASA, C/I and NIM –**



Graphs Source: Company, CEBPL

**Assets Quality trend – Consistent improvement in Asset Quality**



Graphs Source: Company, CEBPL

## Sequential Operating Performance

Particulars (Rs bn)	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	YoY (%)	QoQ (%)
Interest Earned	1,014	1,067	1,110	1,115	1,139	12.3	2.1
Interest Expended	619	669	694	704	723	16.8	2.6
<b>NII</b>	<b>395</b>	<b>398</b>	<b>417</b>	<b>411</b>	<b>416</b>	<b>5.4</b>	<b>1.2</b>
Other Income	108	115	174	112	153	41.5	36.8
Fees & commissions	65	62	87	69	68	4.6	-1.3
Total Income	1,122	1,182	1,284	1,227	1,291	15.1	5.3
OPEX	309	309	303	258	276	-10.6	6.8
<b>PPOP</b>	<b>194</b>	<b>203</b>	<b>287</b>	<b>264</b>	<b>293</b>	<b>50.9</b>	<b>10.8</b>
P&C (incl NPA)	1	7	16	34	45	3808.5	30.6
PBT	193	125	271	230	248	28.4	7.8
Tax	50	34	64	60	65	29.9	8.3
<b>Net Profit</b>	<b>143</b>	<b>92</b>	<b>207</b>	<b>170</b>	<b>183</b>	<b>27.9</b>	<b>7.6</b>
Outstanding Shares	9	9	9	9	9	0.0	0.0
Dil. EPS (Rs)	16	10	23	19	21	27.9	7.6
<b>Balance Sheet items/ratios (Rs bn)</b>							
Deposits	46,892	47,622	49,161	49,017	51,173	9.1	4.4
CA Deposits	2,530	2,495	2,870	2,462	2,784	10.0	13.1
SB Deposits	16,330	16,318	16,550	16,683	16,875	3.3	1.2
CASA	18,860	18,813	19,420	19,144	19,659	4.2	2.7
Term Deposits	26,173	26,866	27,823	27,895	29,446	12.5	5.6
Advances	34,113	35,843	37,675	38,121	39,207	14.9	2.8
CD (%)	72.7	75.3	76.6	77.8	76.6	387 bps	-115 bps
CASA Share (%)	41.9	41.2	41.1	40.7	40.0	-185 bps	-66 bps
CAR(%)	14.3	13.1	14.3	13.9	13.8	-52 bps	-10 bps
Tier 1 (%)	11.8	10.6	11.9	11.8	11.3	-46 bps	-46 bps
CET 1 (%)	9.9	9.1	10.4	10.3	10.0	1 bps	-30 bps
<b>Operating ratios (%)</b>							
Credit cost (Annualized)	0.01	0.05	0.12	0.25	0.32	31 bps	7 bps
CoD (Dom.)	4.65	4.75	4.81	5.00	5.03	38 bps	3 bps
YoA (Dom.)	8.86	8.88	8.91	8.83	8.87	1 bps	4 bps
NIM	3.31	3.28	3.28	3.22	3.18	-13 bps	-4 bps
NIM(Domestic)	3.45	3.41	3.43	3.35	3.31	-14 bps	-4 bps
YoI	6.90	6.95	7.00	7.20	7.21	31 bps	1 bps
Cost-Income (C/I) Ratio	61.39	60.34	51.30	49.42	48.51	-1288 bps	-91 bps
<b>Assets Quality</b>							
Gross NPAs	870	867	843	842	834	-4.1	-1.0
Net NPAs	214	224	211	216	203	-5.0	-5.8
GNPA (%)	2.55	2.42	2.24	2.21	2.13	-42 bps	-8 bps
NNPA (%)	0.64	0.64	0.57	0.57	0.53	-11 bps	-5 bps
Coverage Ratio(%)	75.45	74.17	75.02	74.41	75.66	21 bps	125 bps
RoA(%) (average) - annualized	0.98	0.61	1.33	1.09	1.13	16 bps	4 bps
<b>Slippages</b>							
Restructured book (RA)	209	189	173	160	148	-28.9	-7.4
RA % of loan book	0.61	0.53	0.46	0.42	0.38	-23 bps	-4 bps
Gross slippages	38	50	39	79	49	27.1	-38.4
R&U	40	18	21	37	26	-35.2	-29.1
Write-offs	44	35	44	51	32	-27.4	-37.0
Slippages (Net Addition to GNPA)	41	50	40	87	50	21.3	-43.1
Slippages (%)	0.59	0.15	0.11	0.24	0.13	-0.46	-0.10
<b>Advances Break-Out</b>							
Gross Advances	34,113	35,843	37,675	38,121	39,207	14.9	2.8
Domestic Advances	28,840	30,303	32,284	32,591	33,325	15.6	2.3
Corporate Credit	13,667	14,422	15,712	15,820	16,137	18.1	2.0
SME	3,890	4,181	4,330	4,434	4,565	17.4	2.9
Agriculture Advances	2,739	2,917	3,049	3,091	3,222	17.7	4.3
International	5,272	5,540	5,391	5,530	5,882	11.6	6.4
Retail Advances	12,434	12,963	13,523	13,680	13,966	12.3	2.1
Home	6,723	6,939	7,258	7,396	7,641	13.7	3.3
Auto	1,049	1,131	1,165	1,176	1,174	12.0	-0.2
Other Retail	4,663	4,893	5,099	5,108	5,151	10.5	0.8
<b>Domestic Advances segments (% wise)</b>							
Corporate Credit	47.4	47.6	48.7	48.5	48.4		
SME	13.5	13.8	13.4	13.6	13.7		
Agriculture Advances	9.5	9.6	9.4	9.5	9.7		
Retail Advances	43.1	44.9	46.9	47.4	48.4		
<b>Network (in num)</b>							
Branches	22,455	22,494	22,542	22,580	22,640		

Source: Company, CEBPL

## Key Highlights – Q2FY25

*NII grew at 5.4% YoY in the quarter driven by growth momentum in advances*

*Other income grew by 41.5% YoY and 36.8% QoQ driven by trading and forex gains.*

*P&C at Rs45bn higher from Rs.34bn in Q1FY25*

*Net profit at Rs.183 bn driven by PPOP growth.*

*Net advances grew by 14.9% YoY led by SME & Corporate credit*

*CASA share dropped to 40% as poor traction in savings deposits continues. Trend of Chasing high return asset class continues.*

*GNPA reduced to 2.13% due to lower slippages and higher base effect*

*Stress book continues to run down*

*Robust growth in Corporate Credit, beating the industry. Although the express credit and auto loans witness subdued growth in the quarter*

## CEBPL Estimates vs Actual for Q2FY25

## India-Banking : SBIN IN

Result Snapshot (Rs bn)	Q2 FY25	Q2 FY24	YoY (%)	Q1 FY25	QoQ (%)	EST.	Dev. (%)
NII	416	395	5.37	411	1.20	413	0.8
NIM (%)	3.18	3.31	-13 bps	3.22	-4 bps	3.15	3 bps
Other Income	153	108	41.52	112	36.81	118	29.3
Total Income	1291	1122	15.13	1227	5.26	1268	1.9
OPEX	276	309	-10.62	258	6.80	289	-4.4
PPOP	293	194	50.87	264	10.76	242	20.8
P&C	45	1	3808.51	34	30.62	49	-8.3
PAT	183	143	27.92	170	7.61	153	19.6
Deposits	51173	46892	9.13	49017	4.40	51554	-0.7
Advances	39207	34113	14.93	38121	2.85	39288	-0.2
GNPA	834	870	-4.14	842	-1.02	850	-1.9

Source: Company, CEBPL

## Change in estimates

(Rs bn)	Old		Revised		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
NII	1,691	1,936	1,714	1,946	1.4	0.5
Other Income	517	495	517	528	0.0	6.8
OPEX	1,182	1,321	1,123	1,227	-5.0	-7.1
P&C	156	184	184	224	17.6	21.9
PAT	637	744	699	792	9.8	6.4
Adj. BVPS (Rs/sh)	465	534	478	552	2.8	3.2
Deposits	55,475	62,849	55,188	62,094	-0.5	-1.2
Advances	41,347	45,435	41,800	46,126	1.1	1.5
GNPA	745	623	828	712	11.1	14.2

Source: Company, CEBPL

## Management Call - Highlights

### Business Growth

- **Loan Growth Across Segments:** SBI's gross advances increased to ₹3,921 billion, reflecting a 14.93% YoY growth. Domestic advances grew 15.55% YoY, driven by:
  - **Corporate Loans:** Up by 18.35% YoY to ₹1,157 billion. ₹6 trillion loans in pipeline.
  - **Agricultural Loans:** Increased by 17.67% YoY to ₹322 billion.
  - **SME Loans:** Grew by 17.36% YoY to ₹456 billion.
  - **Retail Personal Loans:** Registered a growth of 12.32% YoY, reaching ₹1,396 billion, with home loans contributing ₹764 billion, up 13.66% YoY.
  - **Market Share:** Market share at 19% in Q2FY25
- **Strengthened Deposit Base:** SBI's deposits rose by 9.13% YoY to ₹5,117 billion. SBI aims to pursue deposit growth of 10%-11%.
  - **CASA Deposits:** Grew by 4.24% YoY to ₹1,966 billion, maintaining a CASA ratio of 40.03%.
  - **Market share:** Market share in SB deposits at 26.51%. SBI want to maintain 22-23% market share in overall deposits.
  - **Term Deposits:** Increased 12.51% YoY to ₹2,945 billion, indicating a strategic push towards long-term, stable deposit growth.

### Profitability

- **Net Profit and Operating Profit Growth:**
  - **Net Profit:** Rose to ₹183.3 billion in Q2 FY25, up 27.92% YoY from ₹143.3 billion in Q2 FY24, supported by strong operating performance.
  - **Operating Profit:** Recorded a significant YoY increase of 50.87%, reaching ₹292.9 billion, driven by revenue growth and cost optimization.
- **Net Interest Income (NII):** NII grew by 5.37% YoY to ₹416.2 billion, supported by controlled funding costs and disciplined asset growth.
- **Net Interest Margin (NIM):** For the whole bank, NIM stood at 3.14% for Q2 FY25, while domestic NIM was slightly higher at 3.27%, reflecting effective yield management across segments.
- **Other Income:** Recovery in written off accounts, run rate will continue. Bank wants to maintain this new level of other income, although trading gains will moderate but Fee income should increase as bank wants to increase loan processing fees.
- **Return Metrics:**
  - **Return on Assets (ROA)** improved to 1.17% for Q2, up by 16 basis points YoY.
  - **Return on Equity (ROE)** for the half-year stood at 21.78%, demonstrating strong profitability and shareholder returns. SBI endeavours to maintain 15% ROE throughout the business cycles

### Asset Quality

- **Improvement in NPA Ratios:**
  - **Gross NPA** ratio decreased to 2.13%, a 42 basis points improvement YoY, indicating strengthened credit quality. Gross NPAs now stand at ₹833.7 billion, down from ₹869.7 billion a year ago.
  - **Net NPA** ratio fell to 0.53%, down 11 basis points YoY, with net NPAs totalling ₹202.9 billion, showing disciplined risk management.
- **Provision Coverage Ratio (PCR):** PCR, including AUCA, improved to 92.21%, up by 28 basis points YoY, offering a cushion against potential credit risks. Excluding AUCA, PCR stood at 75.66%, reflecting a well-provisioned balance sheet.
- **Credit Cost and Slippage Ratio:**
  - **Credit Cost** for the quarter was at 0.38%, reflecting prudent credit management.
  - **Slippage Ratio** increased slightly to 0.51% for Q2 FY25, up by 5 basis points YoY, attributed to specific sectoral exposures.

### Capital Adequacy

- **Capital Position:** SBI maintained a strong capital position with a Capital Adequacy Ratio (CAR) of 13.76%.
  - **CET-1 Ratio:** At 9.95%, indicating a robust capital buffer that supports future growth and regulatory compliance.
  - **Tier-1 Ratio:** Recorded at 11.32%, with adequate capital to absorb unexpected losses.

### Special Mention Accounts (SMA)

- **SMA-1 and SMA-2 Increases:**
  - The quarter witnessed a rise in SMA-1 and SMA-2 accounts, primarily due to a significant exposure to a long-term government sector customer.
  - While the SMA balance has been subsequently addressed, this increase indicates a need for ongoing monitoring in specific exposures.

### Operational Efficiency

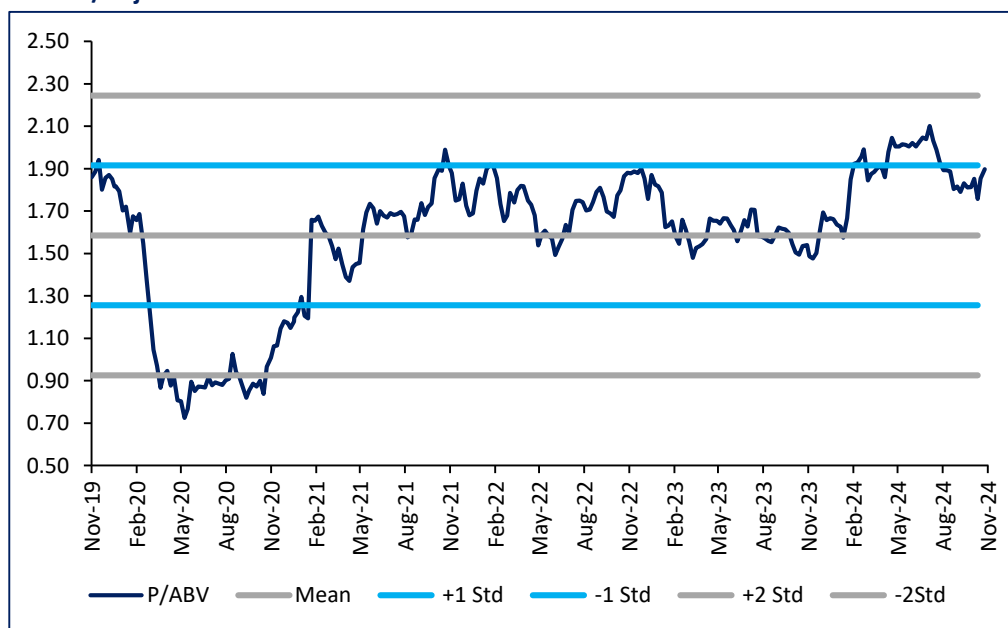
- **Improved Cost-to-Income Ratio:** The cost-to-income ratio for the half-year was 48.94%, improving due to continued cost optimization efforts.
- **Operational Cost Management:** Focus on controlling operational expenses has contributed to a reduction in the cost-to-assets ratio as well.

- **View & Valuation:** SBI delivered a strong Q2FY25 performance, marked by significant improvements in asset quality and profitability. The upward trend in cost of deposits seems to peak out and NIM stability is expected going forward. As 40% loan book is MCLR linked, NIM is likely to remain stable in anticipated falling interest rate scenario. A low CD ratio of 67 underpins the banks ability to pursue a positive momentum gap between advances and deposits, contrasting with the industry trend of a narrowing gap. This advantage allows SBI to sustain above-industry credit growth while maintaining a focus on enhancing its quality deposit base and expanding digital initiatives to reduce long-term operating costs. With a robust RoE of 21.8% and RoA of 1.17%, SBI demonstrates strong profitability and efficient capital utilization, reinforcing its position as a market leader. We assign a **'BUY'** rating on the stock with a target price of **INR 1,102** per share, valuing SBI's core banking business at **INR 895**, based on a **1.62x FY26E Adjusted Book Value (ABV)**. The net value of SBI's subsidiaries, after a 25% holding company discount, contributes an additional **INR 207 per share**.

SOTP	Holding (%)	Value/Share (Rs/Sh)	Basis	Value (Rs bn)
<b>SBIN IN</b>	<b>100%</b>	<b>896</b>	<b>1.62x FY26E ABV</b>	<b>7,292</b>
SBI Life Insurance	55%	98	CMC	1,572
SBI Cards & Payment	69%	51	CMC	665
SBI AMC	63%	54	7% of AUM	769
SBI General Insurance	70%	16	25 P/E x FY25E	207
SBI Capital	100%	37	25 P/E x FY25E	334
Yes Bank	26%	18	CMC	631
<b>Value of subsidiaries</b>		<b>275</b>		
Less: Holding company discount		25%		
Value of subsidiaries after holding discount		207		
<b>SOTP Value per Share</b>		<b>1102</b>		

Source: Company, CEBPL

### 12MF P/Adjusted Book Value



Source: Company, CEBPL



## Financial Summary (Standalone in INR Bn.)

Income Statement	FY22	FY23	FY24	FY25E	FY26E
Interest Earned	2,755	3,321	4,151	4,705	5,091
Growth (%)	34.6	38.9	36.5	13.3	8.2
Interest Expended	1,547	1,873	2,553	2,991	3,145
Growth (%)	34.3	39.0	37.3	17.2	5.1
<b>Net Interest Income</b>	<b>1207</b>	<b>1448</b>	<b>1599</b>	<b>1,714</b>	<b>1,946</b>
Net Interest Margin (%)	3.12	3.37	3.28	3.01	3.09
Other Income	406	366	517	528	557
% of Interest Income	12.8	9.9	11.1	11.2	10.9
Total Income	3,160	3,687	4,668	5,234	5,647
Growth (%)	35.4	40.8	37.9	12.1	7.9
Operating & Other expenses	860	977	1,178	1,123	1,227
<b>PPOP</b>	<b>753</b>	<b>837</b>	<b>938</b>	<b>1,119</b>	<b>1,275</b>
P&C	245	165	49	184	224
P&C % of Advances	0.9	0.5	0.1	0.4	0.5
Operating Profit before Tax	434	672	818	936	1,051
Growth (%)	40.3	46.4	49.7	14.4	12.3
Pre-tax Margin %	13.7	18.2	17.5	17.9	18.6
Tax	117	170	207	237	259
% of PBT	27.1	25.3	25.4	25.3	24.6
Reported PAT	317	502	610	699	792
Net Profit Margin %	10.0	13.6	13.1	13.3	14.0
Extraordinary Income	0	0	0	0	0
<b>Adjusted PAT</b>	<b>317</b>	<b>502</b>	<b>610</b>	<b>699</b>	<b>792</b>
Growth (%)	55.2	58.6	21.5	14.5	13.4

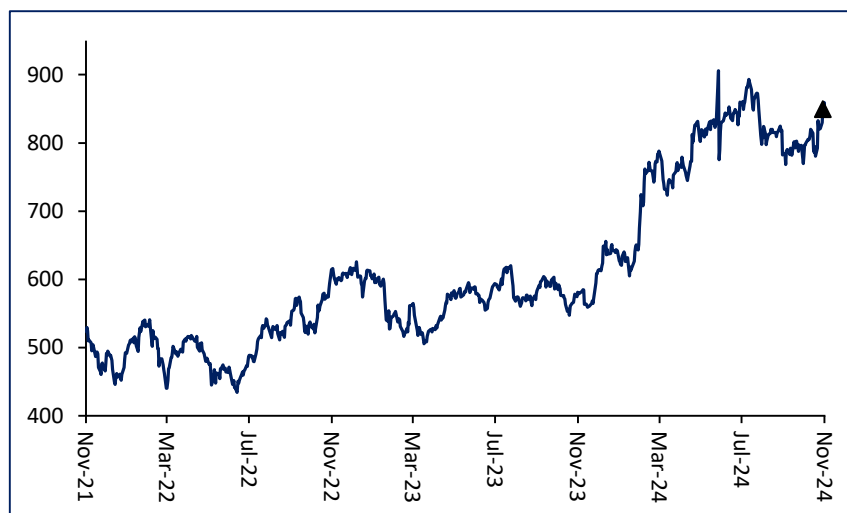
Balance Sheet	FY22	FY23	FY24	FY25E	FY26E
Cash with RBI and Banks	3,183	2,471	2,251	2,828	5,016
Investments	14,814	15,704	16,713	18,342	19,751
Advances	27,340	31,993	37,040	41,800	46,126
Fixed assets	377.08	423.82	426.17	421	423
Other assets	3,399	3,971	4,510	5,426	6,060
<b>TOTAL ASSETS</b>	<b>49,876</b>	<b>55,170</b>	<b>61,797</b>	<b>68,817</b>	<b>77,377</b>

Capital	9	9	9	9	9
Reserves and Surplus	2,792	3,267	3,764	4,463	5,096
Deposits	40,515	44,238	49,161	55,188	62,094
Borrowings	4,260	4,931	5,976	5,985	6,601
Other liabilities and provisions	2,299	2,725	2,888	3,173	3,576
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>49,876</b>	<b>55,170</b>	<b>61,797</b>	<b>68,817</b>	<b>77,377</b>

Source: Company, CEBPL

Financial Ratios	FY22	FY23	FY24	FY25E	FY26E
<b>Return / Profitability Ratios (%)</b>					
Net interest margin (NIM)	3.1	3.4	3.3	3.0	3.1
Yield on Advances	7.5	7.8	8.9	8.8	8.7
Yield on Investments	6.1	6.5	7.0	6.8	6.4
EPS (Diluted) (Rs)	35.5	56.3	68.4	78.3	88.8
RoA	0.7	1.0	1.0	1.1	1.1
RoE	11.9	16.5	17.3	17.0	16.5
Cost of Deposits	3.8	4.0	4.8	4.9	4.4
<b>Operating ratios (%)</b>					
Credit to Deposit (C/D)	67.5	72.3	75.3	75.7	74.3
Cost to Income (C/I)	53.3	53.9	55.7	50.1	49.0
CASA Share	45.3	43.8	41.1	38.5	36.8
Investment / Deposit	36.6	35.5	34.0	33.2	31.8
Non Interest Income / Total Income	12.8	9.9	11.1	10.1	9.9
<b>Capital adequacy (%)</b>					
Tier-1	9.9	10.3	10.4	10.1	10.5
Tier-2	11.4	12.1	11.9	11.7	12.2
CAR (BASEL III)	13.8	14.7	14.3	14.2	14.8
Equity / Assets	5.6	5.9	6.1	6.5	6.6
Loans / Assets	54.8	58.0	59.9	60.7	59.6
Investments / Assets	29.7	28.5	27.0	26.7	25.5
Dividend pay-out	20.0	20.1	20.0	20.0	20.0
<b>Asset Quality ratios (%)</b>					
Gross NPA	4.0	2.8	2.2	1.9	1.6
Net NPA	1.0	0.7	0.6	0.5	0.4
Coverage Ratio	75.0	76.4	75.0	74.2	75.8
Slippage Ratio	1.0	0.6	0.6	0.9	1.2
Credit cost	0.9	0.5	0.1	0.4	0.5
<b>Per Share Data (Rs)</b>					
EPS (Diluted)	35.5	56.3	68.4	78.3	88.8
DPS	7.1	11.3	13.7	15.7	17.8
BVPS	314.0	367.3	422.9	501.0	572.0
Adjusted BVPS	282.6	343.2	399.3	477.5	551.8
<b>Valuation ratios (x)</b>					
P/E (x)	23.7	15.0	12.3	10.8	9.5
P/BV (x)	2.7	2.3	2.0	1.7	1.5
P/ABV (x)	3.0	2.5	2.1	1.8	1.5
<b>Growth ratios (%)</b>					
Advances	11.6	17.0	15.8	12.9	10.3
Deposits	10.1	9.2	11.1	12.3	12.5
Net Interest Income (NII)	9.0	20.0	10.4	7.2	13.5
Interest Earned	3.9	20.6	25.0	13.3	8.2
PAT	55.2	58.6	21.5	14.5	13.4

## Historical recommendations and target price: SBIN IN



### SBIN IN

Date	Rating	CMP	Target Price
11-Nov-24	BUY	843	1102
10-May-24	BUY	820	993
07-Aug-23	OUTPERFORM	573	755
20-May-23	OUTPERFORM	575	755
05-Feb-23	OUTPERFORM	544	720
07-Nov-22	OUTPERFORM	594	720
08-Aug-22	OUTPERFORM	531	640
16-May-22	OUTPERFORM	445	605
09-Mar-22	OUTPERFORM	440	595
27-Sep-21	OUTPERFORM	441	535
25-May-21	OUTPERFORM	412	500
09-Feb-21	OUTPERFORM	397	470

### Institutional Research Team

Jathin kaithavalappil	AVP – Automobile /Real Estate	jathin.jayan@choiceindia.coM	+91 22 6707 9994
Deepika Murarka	Analyst - Pharmaceuticals / Healthcare	deepika.murarka@choiceindia.com	+91 22 6707 9513
Ashutosh Murarka	Analyst – Cement / Building Material	ashutosh.murarka@choiceindia.com	+91 22 6707 9442
Putta Ravi Kumar	Analyst – Defence	ravi.putta@choiceindia.com	+91 22 6707 9908
Aayush saboo	Associate – Real Estate	aayush.saboo@choiceindia.com	+91 22 6707 9811
Maitri Sheth	Analyst – Pharmaceuticals / Healthcare	maitri.sheth@choiceindia.com	+91 22 6707 9811
Bharat Kumar Kudikyala	Associate – Cement / Building Material	bharat.kudikyala@choiceindia.com	+91 22 6707 9798
Arshay Agarwal	Associate – BFSI	arshay.agarwal@choiceindia.com	+91 22 6707 9811
Heet Chheda	Associate – Automobile	heet.chheda@choiceindia.com	+91 22 6707 9422
Rushil Katiyar	Associate - Information Technology	Rushil.katiyar@choiceindia.com	+91 22 6707 9811
CA Sheetal Murarka	Vice President - Institutional Sales	sheetal.murarka@choiceindia.com	+91 22 6707 9857
Nitesh Jalan	AVP – Institutional Sales	nitesh.jalan@choiceindia.com	+91 22 6707 9877 /878 /879

### CHOICE RATING DISTRIBUTION & METHODOLOGY

<b>BUY</b>	The security is expected to generate greater than or = 15% over the next 24 months
<b>HOLD</b>	The security expected to show upside or downside returns by 14% to -5% overhead 24 months
<b>SELL</b>	The security expected to show Below -5% next 24 months

### Disclaimer

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Choice Equity Broking Private Limited-Research Analyst - INH000000222. (CIN. NO.: U65999MH2010PTC198714). Reg. Add.: Sunil Patodia Tower, J B Nagar, Andheri(East), Mumbai 400099. Tel. No. 022-6707 9999

Compliance Officer--Prashant Salian, Email Id – Prashant.salain@choiceindia.com Contact no. 022- 67079999- Ext-2310

Grievance officer-Deepika Singhvi Tel.022-67079999- Ext-834. Email- [ig@choiceindia.com](mailto:ig@choiceindia.com)

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

This Research Report (hereinafter referred as “Report”) has been prepared by Choice Equity Broking Private Limited as a Research Entity (hereinafter referred as “CEBPL RE” Limited. The Research Analysts, strategists are principally responsible for the preparation of “CEBPL RE” research. The research analysts have received compensation based upon various factors, which may include quality of research, investor client feedback, stock picking, competitive factors and firm revenues etc.

Whilst CEBPL has taken all reasonable steps to ensure that this information is correct, CEBPL does not offer any warranty as to the accuracy or completeness of such information. Any person

placing reliance on the report to undertake trading does so entirely at his or her own risk and CEBPL does not accept any liability as a result. Securities and Derivatives markets may be subject to rapid and unexpected price movements and past performance is not necessarily an indication of future performance.

**General Disclaimer:** This ‘Report’ is strictly meant for use by the recipient and is not for circulation. This Report does not take into account particular investment objectives, financial situations or specific needs of individual clients nor does it constitute a personal recommendation. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through CEBPL nor any solicitation or offering of any investment

/trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide

for the readers. No action is solicited based upon the information provided herein. Recipients of this “Report” should rely on information/data arising out of their own study/investigations. It is advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments.

This ‘Report’ has been prepared on the basis of publicly available information, internally developed data and other sources believed by CEBPL to be reliable. CEBPL or its directors, employees, affiliates or representatives shall not be responsible for, or warrant for the accuracy, completeness, adequacy and reliability of such information / opinions / views. Though due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of CEBPL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report.

The price and value of the investments referred to in this Report and the income from them may tend to go down as well as up, and investors may incur losses on any investments. Yester performance shall not be a guide for future performance. CEBPL does not provide tax advice to its clients, and all investors are strongly advised to take advice of their tax advisers regarding

taxation aspects of any potential investment. Opinions are based on the current scenario as of the date appearing on this ‘Report’ only. CEBPL does not undertake to advise you as to any change of our views expressed in this “Report’ may differ on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold CEBPL, its employees and associates responsible for any losses, damages of any type whatsoever.



**Disclaimers in respect of jurisdiction:** This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject “CEBPL RE” to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by “CEBPL RE” in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this ‘Report’ shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. “CEBPL” requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to “CEBPL”. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in Mumbai (India).

Statements on ownership and material conflicts of interest, compensation - CEBPL and Associates reciprocates to the best of the knowledge and belief of CEBPL/ its Associates/ research Analyst who is preparing this report.

**Disclosures of Interest (Additional):**

1. “CEBPL”, its research Analyst(s), or its associates or relatives of the Research Analyst does not have any financial interest in the company(ies) covered in this report.
2. “CEBPL” its research Analyst, or its associates or relatives of the research analyst
3. affiliates collectively do not hold more than 1 of the securities of the company(ies) covered in this report as of the end of the month immediately preceding the distribution of the research report.
4. “CEBPL”, its research analyst, his/her associate, his/her relative, do not have any other material conflict of interest at the time of publication of this research report.
5. “CEBPL”, its research analyst, and its associates have not received compensation for investment banking or merchant banking or brokerage services or for any other products or services from the company(ies) covered in this report, in the past twelve months.
6. “CEBPL”, its research analyst, or its associates have not managed or co-managed in the previous twelve months, a private or public offering of securities for the company (ies) covered in this report.
7. “CEBPL”, or its associates have not received compensation or other benefits from the company(ies) covered in this report or from any third party, in connection with the research report.
8. CEBPL research analyst has not served as an Officer, Director, or employee of the company (ies) covered in the Research report.
9. “CEBPL”, its research analyst has not been engaged in market making activity for the company(ies) covered in the Research report.

Details of Associates of CEBPL and Brief History of Disciplinary action by regulatory authorities are available on our website i.e. [www. https://choiceindia.com/research-listing](https://choiceindia.com/research-listing)

The details of CEBPL, its research analyst and its associates pertaining to the companies covered in the Research report are given below

Sr. No.	Particulars	Yes / No
1.	Whether compensation has been received from the company(ies) covered in the Research report in the past 12 months for investment banking transaction by CEBPL	No
2.	Whether Research Analyst, CEBPL or its associates or relatives of the Research Analyst affiliates collectively hold more than 1 of the company(ies) covered in the Research report	No
3.	Whether compensation has been received by CEBPL or its associates from the company(ies) covered in the Research report	No
4.	CEBPL or its affiliates have managed or co-managed in the previous twelve months a private or public offering of securities for the company(ies) covered in the Research report	No
5.	CEBPL, its research analyst, his associate, or its associates have received compensation for investment banking or merchant banking or brokerage services or for any other products or services from the company(ies) covered in the Research report, in the last twelve months	No

**Copyright:** The copyright in this research report belongs exclusively to CEBPL. All rights are reserved. Any unauthorized use or disclosure is prohibited. No reprinting or reproduction, in whole or in part, is permitted without the CEBPL’s prior consent, except that a recipient may reprint it for internal circulation only and only if it is reprinted in its entirety.

This “Report” is for distribution only under such circumstances as may be permitted by applicable law. This “Report” has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This “Report” is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither CEBPL nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this “report” or lack of care in this report’s preparation or publication, or any losses or damages which may arise from the use of this research report.

Information barriers may be relied upon by CEBPL, such as “Chinese Walls” to control the flow of information within the areas, units, divisions, groups, or affiliates of CEBPL.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States. The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by CEBPL with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior written consent of CEBPL and CEBPL accepts no liability whatsoever for the actions of third parties in this respect.

The details of CEBPL, its research analyst and its associates pertaining to the companies covered in the Research report are given below

ARSHAY  
AGARW  
AL

Digitally signed  
by ARSHAY  
AGARWAL  
Date: 2024.11.11  
09:15:36 +05'30'