

# State Bank of India (SBIN)

Banking | Annual Report Analysis

**BUY**

**CMP: Rs844 | Target Price (TP): Rs1,003 | Upside: 18.8%**

**June 14, 2024**

## A look beyond the numbers

### Key Points

- SBI is in the process of launching YONO 2.0 technology platform in order to take digitalization at the bank to the next level. It is also engaging with fintechs and start-ups to further fortify its digital capabilities.
- The bank continues to have leadership position across retail and wholesale segments with market share of 21-63% across key business verticals. As per its strategy document for FY25-FY29, the focus is on: (1) Strengthening customer relationships and engagements (2) Reducing the cost of deposits (3) Increasing profitability and (4) Strengthening risk management and governance.
- The bank's ESG unit targets to facilitate minimum of 7.5% of the bank's loan portfolio - to be directed towards Renewables/Other Green initiatives by 2030.
- The bank received the highest score of 82.6 among PSBs in 3QFY24 in EASE 6.0 reform index of IBA, which measures and monitors the performance of PSBs. Employee attrition rate is among the lowest in the industry at 4.07%, with majority of separation coming from retirement.
- We expect SBI's PAT to clock a CAGR of 16.6% over FY24-FY26E, which will be supported by 15.2% CAGR in loan growth, stable margins, improved cost ratios and credit cost of 50bps. This will lead to RoA/RoE of 1.1%/17.8% in FY26E.
- We have valued SBI at 1.6x March 2026E ABV + subsidiary value per share of Rs237.9, thus deriving a target price (TP) of Rs1,003. We are positive on SBI for the long term considering the bank's leadership position in Corporate and Retail lending (which enables it to choose best quality credit), ample liquidity on the balance sheet (providing stability to its margins) and pristine asset quality. We maintain BUY on SBI.

**Maintaining market share leadership position across key products:** SBI continues to maintain its leadership position across key product segments such as Housing Loan (at 26.5% among ASCB's-Mar'24 and 20.48% in whole industry-Dec'23), Education Loan (at 32.37%-Feb'24), Personal Gold Loan (at 30.57%-Feb'24), Govt. Business (~63% in Central Government Turnover), Auto Loan (at 19.8%-Mar'24). The bank also commands strong market leadership in FCNR (B) Deposit (at 25.19%- Jan'24), Debit Card Spends (at 25.04%), NPS Registrations (at 21%), NRLM (national rural livelihood mission) loans (at 29%-Mar'24) etc.

**Retailization of both sides of balance sheet leading to lower concentration risk:** Over last couple of years, SBI has been able to increase the share of retail advances (from 30.9% in FY20 to 35.9% in FY24) as a percentage of total advances which has helped it lower the concentration and exposure risk across top 20 borrowers/customers. The bank's percentage of concentration of advances (top 20 largest borrowers to total gross advances) has improved from 12.82% in FY20 to 11.08% in FY24 while percentage of exposure (top 20 largest borrowers//customers to total exposure of the Bank on borrowers/customers) has improved from 13.93% in FY20 to 10.31% in FY24.

Est Change	-
TP Change	-
Rating	Maintain

### Company Data and Valuation Summary

Reuters	SBI.BO
Bloomberg	SBIN IN Equity
Mkt Cap (Rsbn/US\$bn)	7,531.5 / 90.2
52 Wk H / L (Rs)	912 / 543
ADTV-3M (mn) (Rs/US\$)	17,960.4 / 215.5
Stock performance (%) 1M/6M/1yr	4.3 / 36.1 / 46.4
Nifty 50 performance (%) 1M/6M/1yr	5.9 / 6.4 / 24.8

Shareholding	2QFY24	3QFY24	4QFY24
Promoters	57.5	57.5	57.5
DII's	24.4	24.2	24.0
FII's	10.7	10.9	11.1
Others	7.4	7.4	7.4
Pro pledge	0.0	0.0	0.0

### Financial and Valuation Summary

Particulars (Rsmn)	FY23	FY24	FY25E	FY26E
NII	1,448,405	1,598,758	1,817,858	2,130,009
% growth	20.0	10.4	13.7	17.2
NIM %	3.0	3.0	3.0	3.1
C/I Ratio %	53.9	59.0	51.0	49.9
Operating Profit	837,130	866,972	1,128,683	1,331,655
% growth	23.3	3.6	30.2	18.0
Adjusted PAT	502,324	610,766	704,045	830,973
% growth	58.6	21.6	15.3	18.0
ABVPS (INR /share)	347	403	465	538
P/ABV	2.4	2.1	1.8	1.6
RoA (%)	1.0	1.0	1.1	1.1
Leverage (x)	17.3	16.6	16.2	16.0
RoE (%)	16.5	17.3	17.4	17.8

Source: Bloomberg, Company, Nirmal Bang Institutional Equities Research

**Key Links - [4QFY24 Result Review Note](#)**

Please refer to the disclaimer towards the end of the document.

Further, the bank's concentration to top 20 depositors (as a % of total deposits) stood low at 4.74% in FY24 (vs. 2.94% in FY20).

**Digitalization at the heart of business; YONO 2.0 in progress:** In order to cement its leadership position in the digital banking space, SBI has been continuously focusing on being customer-focused, digital, competitive and agile, combining the convenience of digital banking with a human touch. All the investments made by the bank in the digital & technology space over the past several years have now started yielding benefits in terms of driving financial inclusion, enhancing customer experience, optimizing resource efficiency and promoting sustainability. Further, to keep pace with the evolving digital banking ecosystem, the bank is in the process of developing the next generation technology platform 'Only YONO - The New Digital Bank' (YONO 2.0) with certain key capabilities such as a consistent omni channel experience across all digital channels, hyper-personalized customer experience, AI-based models for business, preventive risk management, etc. The bank is also actively engaging with Fintechs/Start-ups with unique strength of focused product, solution and segment depth in niche areas to build key customer journeys, shore up digital capabilities and to offer the best digital experience to customers with faster time-to-market.

**Strategy document (FY25-FY29):** The bank has developed a strategy document for FY25-FY29, which lays down the bank's outlook on key performance indicators for the next five years (see Exhibit 19). Key areas of focus over the next five years include: (a) Leveraging the enhanced infrastructure to **strengthen customer relationships & engagements**, (b) Focusing on reducing the **cost of deposits** by increasing the share of CASA deposits, reducing TAT by simplifying processes besides activating stagnant/attrite and inoperative customers and increasing engagements with customers (c) **Increasing profitability** by improving fee income and rationalizing operating expenses (d) **Strengthening the assurance functions**.

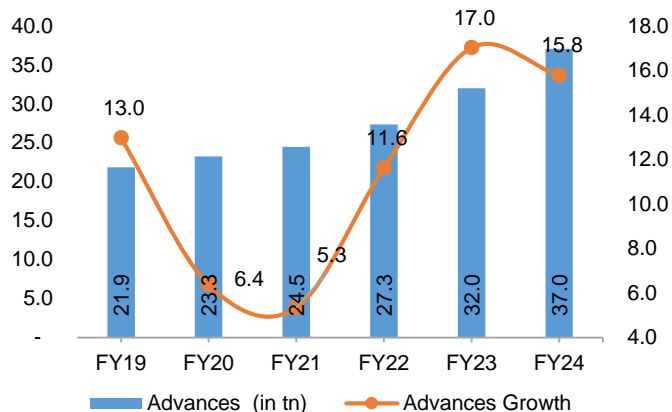
**Building products & services to capture upcoming growth opportunities:** Given the focus of the Govt. on Renewables and Green Power over the coming years, the bank has introduced an innovative range of products & services (see Exhibit 20) to capture upcoming growth opportunities. The bank has committed to ensure that a **minimum of 7.5% of its loan portfolio is 'green' by 2030**. Further, it has introduced **SBI Green Term Deposit** for funding eligible green activities, including loans for the installation of solar rooftop systems for house owners as well as to businesses, green car loans for purchase of EVs, schemes for ensuring financial inclusion and focus on Govt schemes. SBI has also **partnered with multilateral and other global DFIs for Green/ESG lines of credit** mainly for renewable energy projects, affordable housing loans, priority sector loans on portfolio basis and MSME projects to promote responsible financing activities.

**Highest ranked PSB in EASE 6.0 ranking:** SBI has been ranked No 1 (**consolidated score of 82.6**) **among all PSBs in the EASE 6.0 ranking** (see Exhibit 25). The bank has been ranked first in two of the four themes in the EASE 6.0 reform index, which includes: (a) **delivering excellence in customer service with digital enablement** and (b) **developing manpower strength and enhancing HR operations**. Some of the key initiatives undertaken by the bank include: (a) employment of analytics-driven scorecards and digitized documentation, enabling the expansion of product/service delivery through digital channels and partnerships (b) improvement in customer acquisition, engagement & retention and complaint feedback systems (c) increasing the availability and promotion of internet/mobile banking as well as the adoption of self-services and digital banking and (d) fostering gender diversity within the workplace, particularly emphasizing the augmentation of female representation in senior management positions.

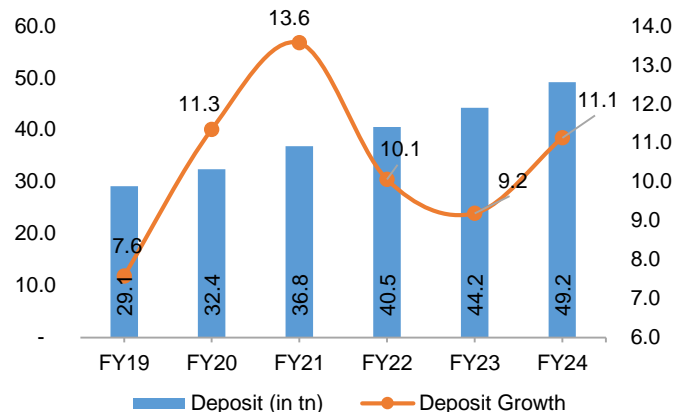
**Encouraging excellence in human capital; lowest employee turnover rate:** The bank strives to attract, nurture and retain the brightest talent and has accordingly developed & adopted comprehensive human resource practices which have helped it to encourage excellence in employees, thereby improving their productivity (see Exhibit 10) and lowering the employee turnover rate (see Exhibit 22). The overall **employee turnover rate for SBI for FY24 stood at 4.07% (vs. 4.72% in FY23 and 5.96% in FY22)**, with majority of separation coming from employee retirement. During FY24, the bank conducted Abhyuday - an annual employee engagement survey to gauge the engagement levels of its employees and assess employee metrics related to job satisfaction, stress levels etc. and compared the responses so gathered with Global, Indian and BFSI industry's average engagement

levels. As per an analysis of the responses received, **66% of the bank's employees are 'engaged' employees, surpassing the industry average of 65% within the BFSI sector.**

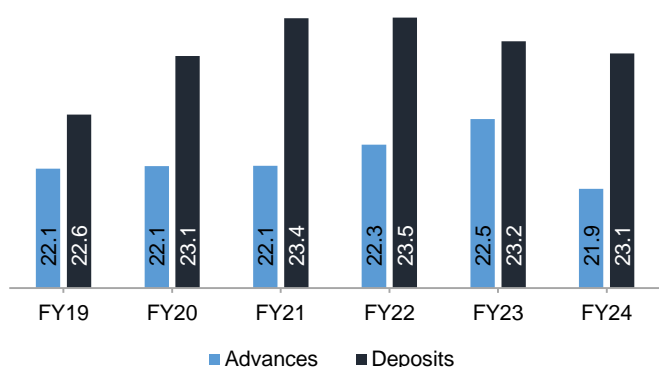
**Customer centricity driving business to newer heights:** The bank has undertaken various initiatives for enhancing its customer experience, which include: (a) **door step banking** (achieved 1<sup>st</sup> rank in promotion of Doorstep Banking Services launched by PSB Alliance Pvt Ltd) (b) **adopting the BC/CSP model to provide banking services for financial inclusion** (currently providing 32 financial services) (c) **organizing town hall meeting with customers** (d) **complaints closure feedback** (e) **colour coding concept** (leveraging high potential branches) as well as (e) **Digital Vimarsha** (brainstorming session focusing on IT-related complaints). The bank's overall performance across various metrics of CSAT/NPS/CES stood at 3.47 (out of 4), 90.4% and 6.79 (out of 7). Further, the bank has **formed committees at different levels to oversee customer service standards starting from the branch up to the Corporate Centre level.**

**Exhibit 1: Advances (Rstn), growth (YoY, %)**


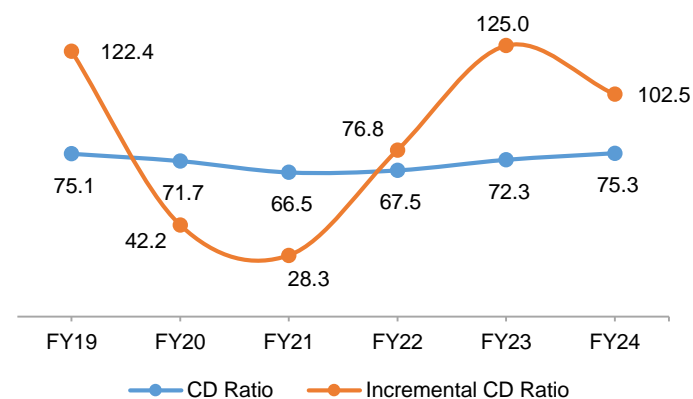
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 2: Deposits (Rstn), growth (YoY %)**


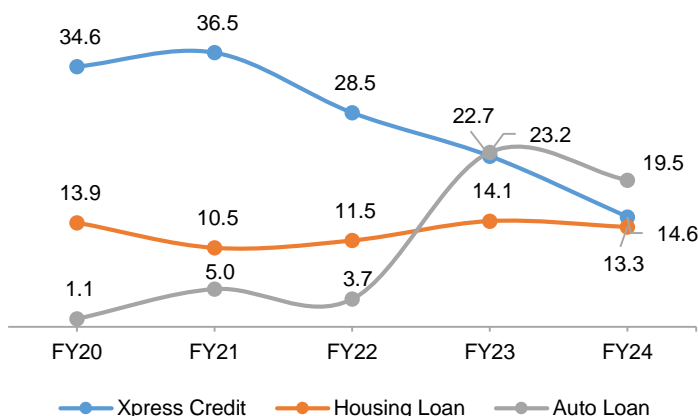
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 3: Market share: Advances & Deposits**


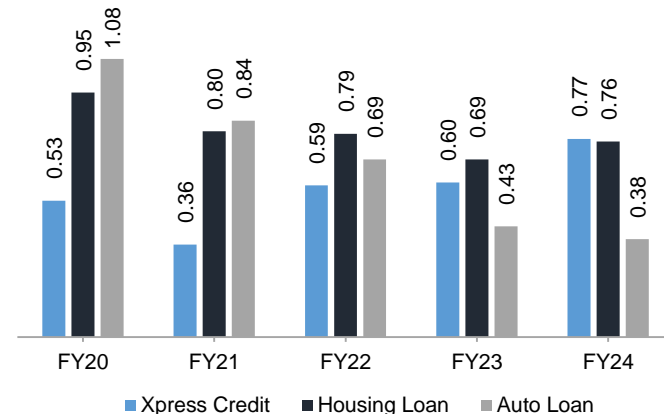
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 4: C/D ratio & Incremental C/D ratio**


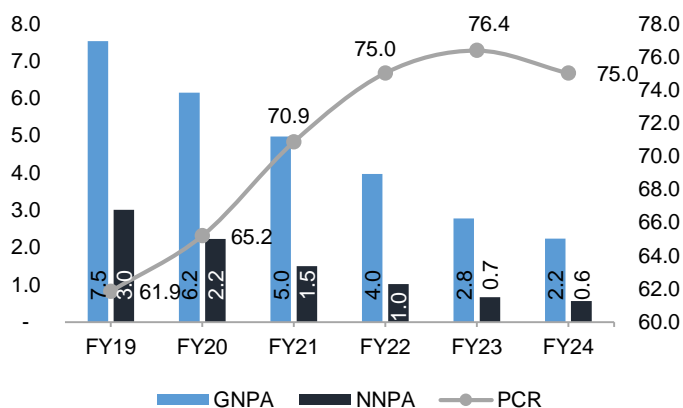
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 5: Segment-wise retail credit growth (YoY)**


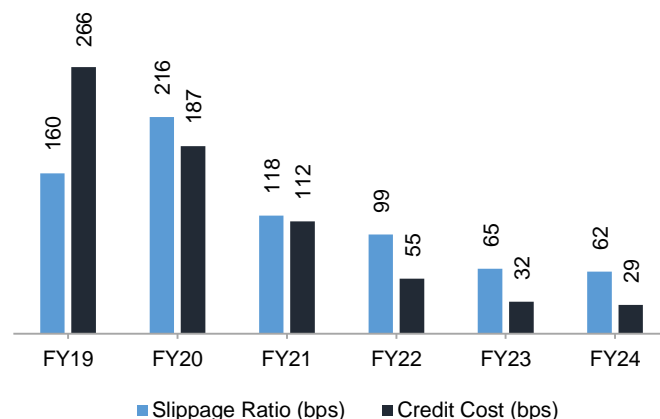
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 6: Segment-wise GNPA across retail credit**


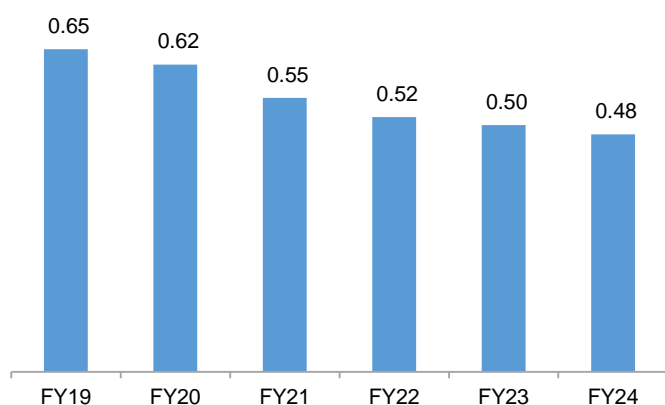
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 7: Improvement in asset quality ...**


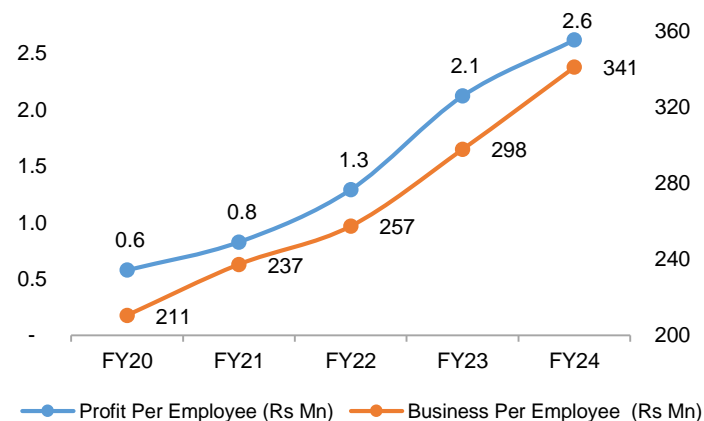
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 8: .... led by lower slippages and credit cost**


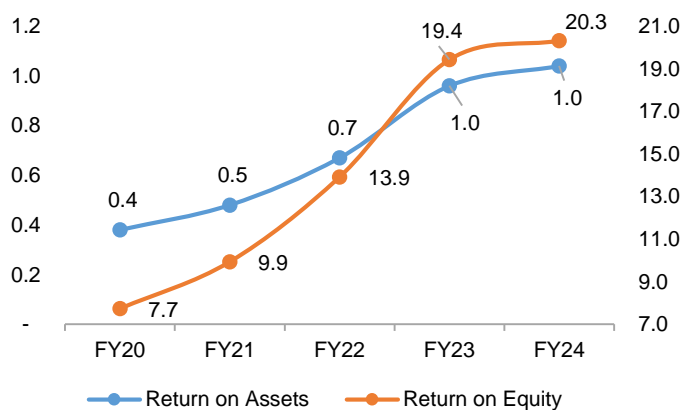
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 9: Fee income (as a % of average assets)**


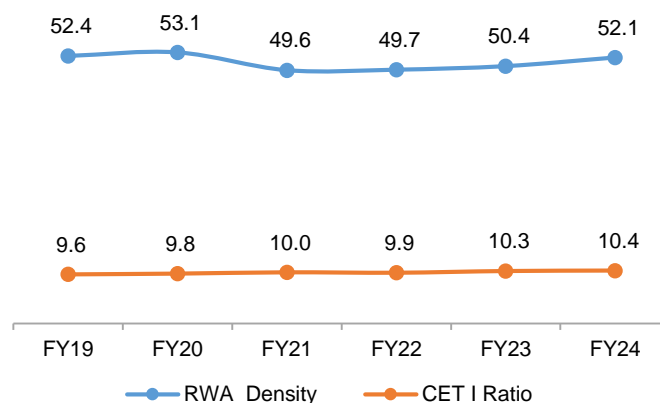
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 10: Improving employee productivity**


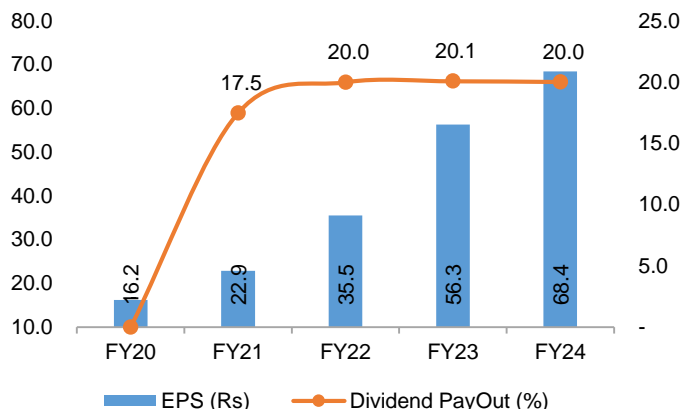
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 11: Return ratios (%)**


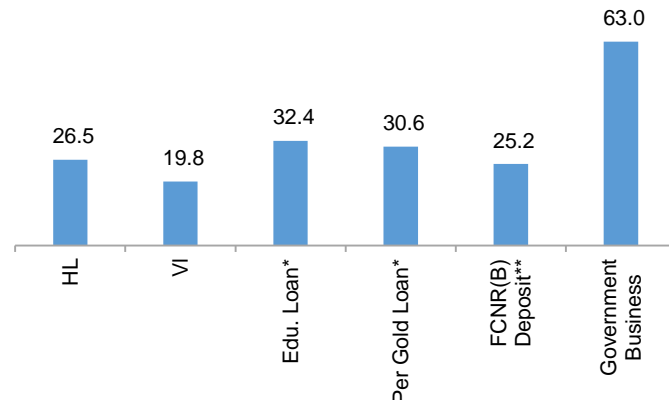
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 12: Judicious utilization of capital**


Source: Company, Nirmal Bang Institutional Equities Research

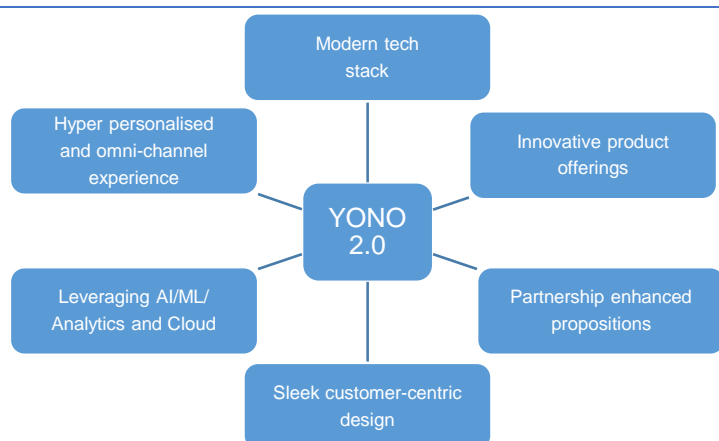
**Exhibit 13: EPS and dividend payout trend**


Source: Company, Nirmal Bang Institutional Equities Research

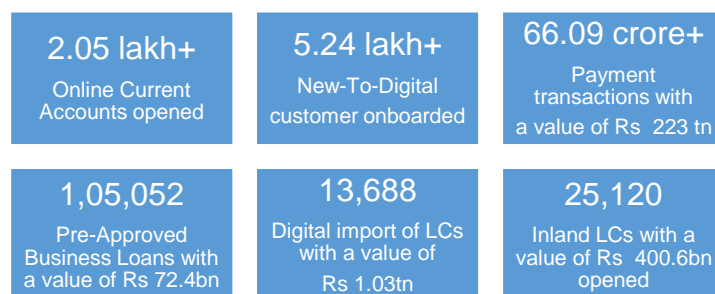
**Exhibit 14: Market share across product segments**


Source: Company, Nirmal Bang Institutional Equities Research

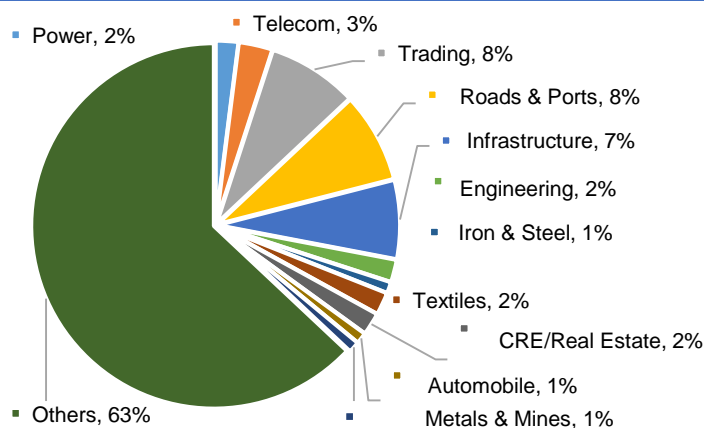
Note: \*- Feb '24; \*\*-Jan '24

**Exhibit 15: Features of YONO 2.0**


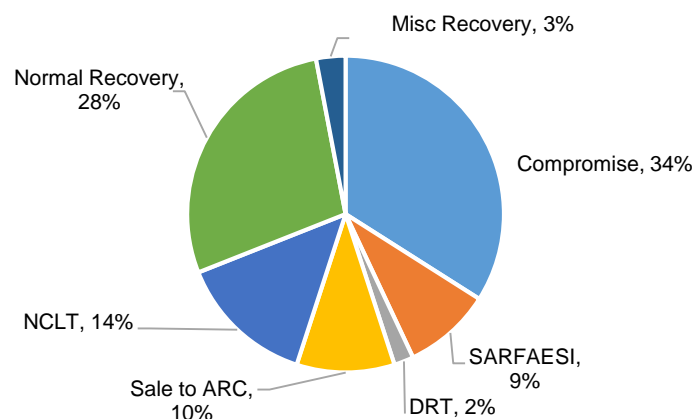
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 16: Key metrics of YONO business (FY24)**


Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 17: Industry-wise distribution of the NPA portfolio (as on 31.03.2024)**


Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 18: Recovery made through various modes (NPA+AUCA) as a % of total recovery (31.03.2024)**


Source: Company, Nirmal Bang Institutional Equities Research

## Exhibit 19: Bank's Strategy Document 2025-2029

Strategic Focus Areas	Central Areas	Strategy
Channels and Customer Experience	Physical and Digital Channel	<ul style="list-style-type: none"> <li>Revitalizing existing branch model while offering best-in-class branch experience to all customers as well as further expanding digital footprint and offerings.</li> </ul>
	Contact Centre	<ul style="list-style-type: none"> <li>Leveraging revamped contact center to strengthen service through enhancement of existing services, addition of new inbound services, leads generation &amp; conversion and use of Generative AI for improving Contact Centre efficiency and customer experience.</li> </ul>
	Customer Centricity	<ul style="list-style-type: none"> <li>Enhancing customer engagement, digitalization of processes and enhancement of capabilities to ensure customer delight.</li> </ul>
Financial Performance	Deposits	<ul style="list-style-type: none"> <li>Focusing on reducing the cost of deposits by: (a) increasing share of CASA deposits (b) improving value proposition of CA products (c) simplifying processes to reduce TAT (d) focusing on major micro markets (e) opening liability hubs at high business potential centers (f) activating stagnant / attrite and inoperative customers etc.</li> </ul>
	Advances	<ul style="list-style-type: none"> <li>Strengthening leadership position/book quality of advances in Retail as well as Corporate segments through acquisition of new customers, retention of existing customers and customer delight.</li> </ul>
	Profitability	<ul style="list-style-type: none"> <li>Increasing profitability by utilizing all avenues to grow fee income, rationalizing operating expenses and raising employee productivity.</li> </ul>
Internal Organization	Using Technology as Business Enabler	<ul style="list-style-type: none"> <li>By modernizing existing infrastructure and implementing cutting edge tech initiatives to enable business and improve operational efficiency, making live the Analytics &amp; Big Data use cases and supporting channels via a world class contact center.</li> </ul>
	Strengthening the Assurance Functions	<ul style="list-style-type: none"> <li>Via robust risk framework, governance &amp; management, promoting zero-tolerance compliance culture across the organization and by re-engineering and improving audit functions.</li> </ul>
	Ensuring sustainability	<ul style="list-style-type: none"> <li>By creating pathway for Net Zero Scope 1, 2 and 3 emissions, facilitating green advances and promoting ethical behavior &amp; culture.</li> </ul>
Human Capital and Learning	Redesigning	<ul style="list-style-type: none"> <li>Job family and increasing employee productivity through learning based on job family and role-based skillsets.</li> </ul>
	Strengthening	<ul style="list-style-type: none"> <li>Strengthening succession planning and continuation of digitization of HR processes.</li> </ul>

Source: Company, Nirmal Bang Institutional Equities Research



**Exhibit 20: Green Energy initiative products offered by SBI**

Green Energy Initiatives and Products	
Surya Shakti Solar Finance	<ul style="list-style-type: none"> <li>Launched to provide finance to existing and prospective SME units having requirement for installation of solar rooftop /ground mounted grid connected systems.</li> </ul>
Finance to Biofuel Projects	<ul style="list-style-type: none"> <li>Financing various biofuels mentioned in the 'National Policy of biofuels 2018', along with financing for biomass suppliers and aggregators for setting up of bio-fuels extraction plant (including biomass suppliers / aggregators), including their storage and distribution infrastructure.</li> </ul>
Compressed Biogas under the SATAT	<ul style="list-style-type: none"> <li>Financing to the units that aim to set up manufacturing facilities for compressed Biogas.</li> </ul>
SBI Surya Ghar – Loan for Solar Roof Top	<ul style="list-style-type: none"> <li>Extending finance for installation of solar roof top up to 10 KW.</li> </ul>
SBI Green Car Loan	<ul style="list-style-type: none"> <li>Financing purchase of electric vehicles with concession of 25 bps in applicable rate of interest for normal car loan and extended repayment period of 8 years.</li> </ul>
PM – KUSUM Scheme (Component A)	<ul style="list-style-type: none"> <li>Scheme for financing installation of solar power or other Renewable Energy based Power Plants (REPP) on barren/ fallow land, pasture lands and marshlands or in stilt fashion on agriculture land owned by farmer.</li> </ul>
PM – KUSUM Scheme (Component B)	<ul style="list-style-type: none"> <li>Finance for installation of stand-alone solar agriculture pumps.</li> </ul>
PM – KUSUM Scheme (Component C)	<ul style="list-style-type: none"> <li>Solarisation of 10 lakh grid-connected agriculture pumps and on pilot mode for one lakh grid connected agriculture pumps. It should be scaled up with necessary modifications based on the learning from the pilot phase.</li> </ul>

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 21: Renewable Energy project financing as on 31st March, 2024**

Detail of RE Projects Financed	Amount Sanctioned (Rs bn)	Capacity (MW)	Detail of Sustainable Projects financed	Amount Sanctioned (Rs bn)
Solar Power (rooftop and ground-mounted)	289.00	14,654	Sustainable Transportation	71.89
Wind	60.24	2,630	Flue Gas Desulphurization	5.72
Small Hydro/Hydro	90.78	11,752	Energy Efficiency Processes/Products	0.32
Biomass	2.73	1	Water and Pollution Control	6.14
Others	31.43	2,750	Others	17.04
<b>Total</b>	<b>474.18</b>	<b>31,787</b>	<b>Total</b>	<b>101.13</b>

Source: Company, Nirmal Bang Institutional Equities Research



## Exhibit 22: Employee turnover rate

Particulars	FY22	FY23	FY24
Total employee turnover rate	5.96	4.72	4.07
Voluntary employee turnover rate	1.54	1.90	1.47

Source: Company, Nirmal Bang Institutional Equities Research

## Exhibit 23: Classification of total employee turnover in terms of management level

Particulars	FY22	FY23	FY24
Officers	5.56	5.19	3.71
Associates	5.40	5.38	3.21
Subordinate and other staff	8.76	8.75	5.63
Contractual	21.10	75.13	48.60
<b>Total</b>	<b>5.96</b>	<b>4.72</b>	<b>4.07</b>

Source: Company, Nirmal Bang Institutional Equities Research

## Exhibit 24: SBI's performance on various metrics to record customer satisfaction

Metrics	Branch Channel (Scores)	Digital Channel (Scores)	Bank Level (Scores)
Customer Satisfaction Score (CSAT)	3.90/4	3.44/4	3.47/4
Net Promoter Score (NPS)	93.01%	87.59%	90.40%
Customer Effort Score (CES)	6.87/7	6.70/7	6.79/7

Source: Company, Nirmal Bang Institutional Equities Research

## Exhibit 25: Bank-wise ranking under the EASE Index for 3QFY24

Banks	EASE 6.0 3QFY24 (Score out of 100)
State Bank of India	82.6
Punjab National Bank	81.2
Union Bank of India	80.7
Canara Bank	75.2
Bank of Baroda	74.8
Indian Bank	69.4
Bank of Maharashtra	59.2
Bank of India	51.5
Central Bank of India	46.9
UCO Bank	45.0
Indian Overseas Bank	44.6
Punjab & Sind Bank	30.9

Source: Company, Nirmal Bang Institutional Equities Research

## Exhibit 26: SOTP valuation

### Calculation of March 2026E ABV

March 2026E Network (Rs mn)	5000479.3
Revaluation Reserves (Rs mn)	277562.6
March 2026E NNPA (Rs mn)	235480.0
Cost of investment in subsidiaries	140502.3
March 2026E Adj. Networth	4346934.4
<b>March 2026E ABV (Rs)</b>	<b>487.1</b>

Entity	Valuation Methodology	Holding	Value per share (INR)
Standalone Bank	1.6x March 2026E ABV		764.7
SBI Life Insurance	2.2x FY26E P/EV (x)	55.4%	112.1
SBI Cards	Current Mcap	68.6%	52.0
SBI General Insurance	2.5x Latest BV	69.1%	6.4
SBI Capital Markets	15.0x Latest PAT	100.0%	27.4
SBI AMC	10% AUM	62.2%	63.7
Yes Bank	Current Mcap	25.0%	18.3
Holding co. discount (%)			15%
Value of key subsidiaries (INR per share)			237.9
Target Price (Rs)			1,002.6

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 27: Financial summary**

Y/E March (Rsmn)	FY22	FY23	FY24	FY25E	FY26E
Net interest income	1,207,076	1,448,405	1,598,758	1,817,858	2,130,009
Operating profit	678,740	837,130	866,972	1,128,683	1,331,655
PAT	316,760	502,324	610,766	704,045	830,973
EPS (Rs)	35	56	68	79	93
BV (Rs)	314	367	423	486	560
P/E (x)	23.8	15.0	12.3	10.7	9.1
P/BV (x)	2.7	2.3	2.0	1.7	1.5
GNPAs (%)	4.0	2.8	2.2	2.1	2.1
NNPAs (%)	1.0	0.7	0.6	0.5	0.5
RoA (%)	0.7	1.0	1.0	1.1	1.1
RoE (%)	11.9	16.5	17.3	17.4	17.8

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 28: One-year forward P/ABV**


Source: Company, Nirmal Bang Institutional Equities Research

## Financials

### Exhibit 29: Income statement

Y/E March (Rsmn)	FY22	FY23	FY24	FY25E	FY26E
Interest Income	2,754,573	3,321,031	4,151,307	4,651,236	5,298,130
Interest expense	1,547,497	1,872,626	2,552,548	2,833,378	3,168,121
<b>Net interest income</b>	<b>1,207,076</b>	<b>1,448,405</b>	<b>1,598,758</b>	<b>1,817,858</b>	<b>2,130,009</b>
Non-interest income	405,639	366,156	516,822	487,381	527,515
<b>Net Revenue</b>	<b>1,612,715</b>	<b>1,814,561</b>	<b>2,115,580</b>	<b>2,305,240</b>	<b>2,657,523</b>
Operating Expense	933,975	977,431	1,248,608	1,176,557	1,325,869
-Employee Exp	575,620	572,918	783,370	673,802	767,466
-Other Exp	358,355	404,513	465,238	502,755	558,402
<b>Operating profit</b>	<b>678,740</b>	<b>837,130</b>	<b>866,972</b>	<b>1,128,683</b>	<b>1,331,655</b>
Provisions	244,521	165,073	49,142	189,957	223,691
<b>PBT</b>	<b>434,219</b>	<b>672,056</b>	<b>817,830</b>	<b>938,726</b>	<b>1,107,964</b>
Taxes	117,459	169,732	207,063	234,682	276,991
<b>PAT</b>	<b>316,760</b>	<b>502,324</b>	<b>610,766</b>	<b>704,045</b>	<b>830,973</b>

Source: Company, Nirmal Bang Institutional Equities Research

### Exhibit 31: Balance sheet

Y/E March (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Share capital	8,925	8,925	8,925	8,925	8,925
Reserves & Surplus	2,791,956	3,267,160	3,763,541	4,326,776	4,991,555
<b>Shareholder's Funds</b>	<b>2,800,881</b>	<b>3,276,084</b>	<b>3,772,465</b>	<b>4,335,701</b>	<b>5,000,479</b>
<b>Deposits</b>	<b>40,515,341</b>	<b>44,237,778</b>	<b>49,160,768</b>	<b>55,321,788</b>	<b>62,241,683</b>
Borrowings	4,260,434	4,931,352	5,975,609	6,594,385	7,277,235
Other liabilities	2,299,318	2,724,571	2,888,097	3,672,064	4,620,546
<b>Total liabilities</b>	<b>49,875,974</b>	<b>55,169,785</b>	<b>61,796,939</b>	<b>69,923,938</b>	<b>79,139,943</b>
Cash/Equivalent	3,945,523	3,078,996	3,108,020	3,497,529	3,935,016
<b>Advances</b>	<b>27,339,666</b>	<b>31,992,693</b>	<b>37,039,709</b>	<b>42,678,384</b>	<b>49,175,453</b>
Investments	14,814,455	15,703,662	16,713,397	18,254,767	19,915,738
Fixed Assets	377,082	423,818	426,173	468,790	515,669
Other assets	3,399,249	3,970,616	4,509,642	5,024,468	5,598,068
<b>Total assets</b>	<b>49,875,974</b>	<b>55,169,785</b>	<b>61,796,939</b>	<b>69,923,938</b>	<b>79,139,943</b>

Source: Company, Nirmal Bang Institutional Equities Research

### Exhibit 30: Key ratios

Y/E March	FY22	FY23	FY24	FY25E	FY26E
<b>Growth (%)</b>					
NII growth	9.0	20.0	10.4	13.7	17.2
Pre-provision profit growth	-5.1	23.3	3.6	30.2	18.0
PAT growth	55.2	58.6	21.6	15.3	18.0
<b>Business (%)</b>					
Deposit growth	10.1	9.2	11.1	12.5	12.5
Advance growth	11.6	17.0	15.8	15.2	15.2
CD	67.5	72.3	75.3	77.1	79.0
CASA	44.5	42.7	39.9	40.5	41.5
<b>Operating efficiency (%)</b>					
Cost-to-income	57.9	53.9	59.0	51.0	49.9
Cost-to-assets	2.0	1.9	2.1	1.8	1.8
<b>Spreads (%)</b>					
Yield on advances	6.6	7.5	8.3	8.3	8.3
Yield on investments	6.0	6.3	6.7	6.6	6.6
Cost of deposits	3.7	3.8	4.7	4.6	4.6
Yield on assets	6.3	6.9	7.7	7.7	7.7
Cost of funds	3.6	4.0	4.9	4.8	4.8
NIMs	2.8	3.0	3.0	3.0	3.1
<b>Capital adequacy (%)</b>					
Tier I	11.4	12.1	11.9	11.9	12.1
Tier II	2.4	2.6	2.4	2.7	2.3
Total CAR	13.8	14.7	14.3	14.6	14.4
<b>Asset Quality (%)</b>					
Gross NPA	4.0	2.8	2.2	2.1	2.1
Net NPA	1.0	0.7	0.6	0.5	0.5
Provision coverage	75.0	76.4	75.0	76.0	77.0
Slippage	0.9	0.6	0.5	0.8	0.8
Credit-cost	0.9	0.6	0.1	0.5	0.5
<b>Return (%)</b>					
ROE	11.9	16.5	17.3	17.4	17.8
ROA	0.7	1.0	1.0	1.1	1.1
RORWA	1.3	1.9	2.0	2.1	2.1
<b>Per share</b>					
EPS	35	56	68	79	93
BV	314	367	423	486	560
ABV	287	347	403	465	538
<b>Valuation</b>					
P/E	23.8	15.0	12.3	10.7	9.1
P/BV	2.7	2.3	2.0	1.7	1.5
P/ABV	2.9	2.4	2.1	1.8	1.6

Source: Company, Nirmal Bang Institutional Equities Research

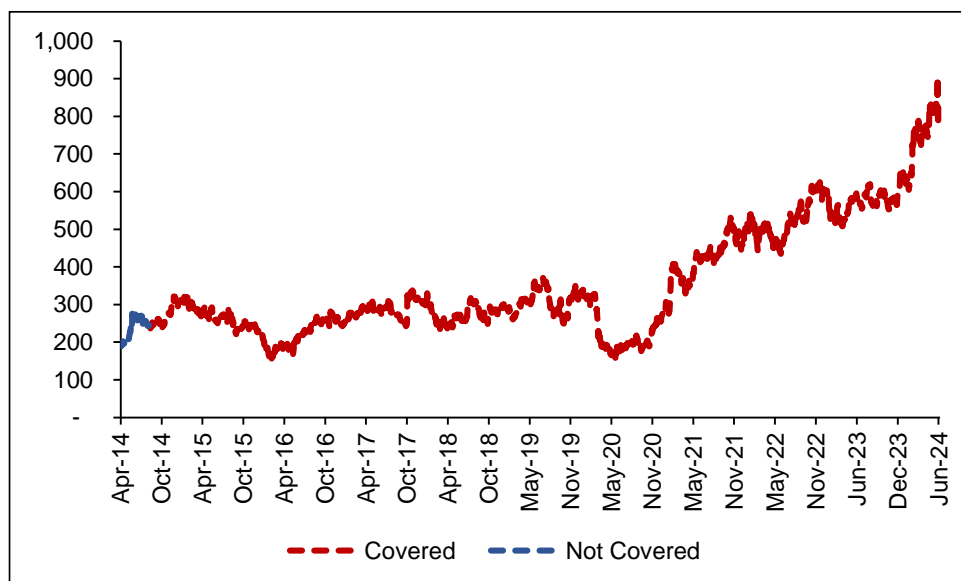
## Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
14 August 2014	Buy	2,418	2,915
8 October 2014	Buy	2,411	2,915
17 November 2014	Buy	2,785	3,200
22 December 2014	Buy	304	363
8 January 2015	Buy	301	363
16 February 2015	Buy	308	375
25 May 2015	Buy	282	375
12 August 2015	Buy	268	375
9 November 2015	Buy	244	375
12 February 2016	Buy	155	220
30 May 2016	Buy	201	240
16 August 2016	Buy	244	280
15 November 2016	Buy	272	315
13 February 2017	Buy	275	315
14 February 2017	Buy	272	335
22 May 2017	Buy	309	355
14 August 2017	Buy	280	325
13 November 2017	Buy	333	386
12 February 2018	Buy	296	364
23 May 2018	Buy	254	331
13 August 2018	Buy	304	353
9 October 2018	Buy	266	329
6 November 2018	Buy	295	347
13 December 2018	Buy	285	344
4 February 2019	Buy	284	347
8 April 2019	Buy	317	366
13 May 2019	Buy	308	373
8 July 2019	Buy	371	430
5 August 2019	Buy	308	370
7 October 2019	Buy	250	354
29 October 2019	Buy	282	365
8 January 2020	Buy	320	377
1 February 2020	Buy	318	377
27 March 2020	Buy	192	315
9 April 2020	Buy	183	315
8 June 2020	Buy	189	274
9 July 2020	Buy	192	227
3 August 2020	Buy	196	326
23 September 2020	Buy	186	328
7 October 2020	Buy	192	324
5 November 2020	Buy	206	323
26 November 2020	Buy	243	348

08 January 2021	Buy	288	384
5 February 2021	Buy	355	423
21 February 2021	Buy	399	495
23 May 2021	Buy	404	519
05 August 2021	Buy	457	536
26 September 2021	Buy	441	574
03 November 2021	Buy	531	617
06 February 2022	Buy	529	639
15 May 2022	Buy	441	626
07 August 2022	Buy	532	678
19 September 2022	Buy	562	723
06 November 2022	Buy	594	718
05 February 2023	Buy	545	667
22 March 2023	Buy	523	680
19 May 2023	Buy	576	664
06 August 2023	Buy	573	698
06 November 2023	Buy	578	714
29 November 2023	Buy	560	709
05 February 2024	Buy	650	791
21 February 2024	Buy	760	862
10 May 2024	Buy	820	1,003
14 June 2024	Buy	844	1,003

Coverage was transferred to Rati J Pandit with effect from August 6, 2023

## Rating track graph



## DISCLOSURES

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### Stock Ratings Absolute Returns

BUY > 15%

ACCUMULATE -5% to 15%

SELL < -5%

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