

Returning to normalised earnings path...

SBI's asset quality picture within guidance is a positive surprise. Q3 slippages around ₹ 2073 crore and new restructuring in Q3 were at ₹ 18125 crore. This brings **stressed assets status as on December 2020 at ₹ 41000 crore within the guided ₹ 60000 crore i.e. 2.5% of loans as total stress** including slippages. Total provisioning for the quarter was at ₹ 103420 crore, which includes Covid-19 provisioning of ₹ 5885 crore. Overall Covid provision now is at ₹ 12976 crore.

Though reported GNPA saw a decline of 51 bps QoQ to 4.77 % from 5.28%, while NNPA ratio declined 36 bps QoQ to 1.23%, **actual proforma GNPA ratio would have been 5.44% and NNPA ratio would be 1.81% if Supreme Court standstill was unavailable. This is down from 5.88% and 2.08% proforma NPA, respectively in the previous quarter. Overall PCR ratio rose QoQ to 90.21% from 88.19%. The bank has made Covid provisions worth ₹ 5885 crore in the quarter and the cumulative figure is at ₹ 12976 crore.**

Net interest income grew 3.75% YoY and 2.27% QoQ to ₹ 28820 crore. Domestic NIM was stable at 3.34% QoQ. Lower interest reversal arising from lower slippages would have enabled elevated margins to sustain. Loan growth came in at 6.7% YoY to ₹ 24.56 lakh crore. However, including CP, corporate bonds, etc, credit growth was 8.2% YoY. Retail (personal) advances grew 15.4% YoY, SME advances increased by 5.6% YoY and corporate book grew 2.3%. In retail, home loan, which constitutes 23% of bank's domestic advances, has grown 10% YoY. Deposits grew 13.6% YoY to ₹ 35.35 lakh crore; boosted by savings deposit. Saving deposits grew 16% YoY. CASA ratio dipped 24 bps QoQ to 45.15%.

Non-interest income (excluding one off) improved YoY and QoQ to ₹ 9246 crore. Recovery boosted other income QoQ to ₹ 2142 crore and fee income improved further QoQ to ₹ 5349 crore. Employee cost during the quarter was slightly higher during the quarter owing to wage related provisions. Overall PPP grew 5% QoQ to ₹ 17333 crore and PAT came in at ₹ 5196 crore, up 13.6% QoQ and declining 6.9% YoY. 45.13% to 45.39% YoY.

Valuation & Outlook

Overall stress being contained at 2.5% of loans as indicated earlier provides comfort reassuring investor confidence in SBI. Covid provisions at ₹ 12976 crore may be raised further in Q4FY21. With retail customers comprising government employees/salaried, the portfolio in this segment appears more resilient in these challenging times. Budget's growth push provides visibility on capex and thereby credit growth pickup. NII growth and moderating provisions augur well for the bank's earnings. We roll over to FY23E and upgrade our PAT estimates marginally for FY21E to ₹ 178 billion. We expect RoA of 0.6% and RoE at 9.5% by FY22E and scope to improve gradually. We, therefore, revise our rating from HOLD to **BUY** with a revised target price of ₹ 410 (earlier ₹290), valuing the stock at ~1x FY23E ABV for standalone bank and subsidiaries valued at ₹ 132 post holding company discount.



Particulars

| Particulars | Amount |
|-----------------------|----------------|
| Market Capitalisation | ₹ 316912 Crore |
| GNPA (Q3FY21) | ₹ 117244 Crore |
| NNPA (Q3FY21) | ₹ 29031 crore |
| NIM (Q3FY21) | 3.09% |
| 52 week H/L | 358/150 |
| Networth | ₹ 251242 Crore |
| Face value | ₹ 1 |
| DII Holding (%) | 24.9 |
| FII Holding (%) | 9.8 |

Key Highlights

- Proforma GNPA declined from 5.88% to 5.44% QoQ
- Overall asset quality performance within guidance
- Upgrade from HOLD to BUY with revised TP of 410

Risk to our call

- Increased stress from Agri book could impact asset quality
- Higher credit cost next year could delay earnings revival

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Key Financial Summary

| ₹ Bn | FY18 | FY19 | FY20 | FY21E | FY22E | FY23E | CAGR (FY21E-23E) |
|---------|-------|-------|-------|-------|-------|-------|------------------|
| NII | 749 | 883 | 981 | 1114 | 1152 | 1231 | 5% |
| PPP | 595 | 539 | 681 | 714 | 745 | 804 | 6% |
| PAT | (65) | 9 | 145 | 179 | 250 | 272 | 23% |
| ABV (₹) | 121.4 | 174.0 | 203.2 | 223.5 | 250.1 | 277.6 | |
| P/E | (49) | 379 | 22 | 18 | 13 | 12 | |
| P/ABV | 2.9 | 2.1 | 1.8 | 1.6 | 1.4 | 1.3 | |
| RoA | -0.2 | 0.0 | 0.4 | 0.4 | 0.6 | 0.6 | |
| RoE | -3.0 | 0.5 | 6.4 | 7.4 | 9.6 | 9.5 | |

Exhibit 1: Variance Analysis

| | Q3FY21 | Q3FY21E | Q3FY20 | YoY (%) | Q2FY20 | QoQ (%) | Comments |
|--------------------|----------|----------|----------|---------|------------|---------|--|
| NII | 28,820 | 27,727 | 27,780 | 3.7 | 28,182 | 2.3 | Modest growth with stable margins |
| NIM (%) | 3.1 | 2.7 | 3.1 | 4 bps | 3.1 | 2 bps | Margins supported by lower interest reversals and lower funding cost due to healthy CASA |
| Other Income | 9,246 | 7,700 | 9,106 | 1.5 | 8,528 | 8.4 | |
| Net Total Income | 38,066 | 35,427 | 36,886 | 3.2 | 36,709 | 3.7 | |
| Operating expense | 20,733 | 19,106 | 18,662 | 11.1 | 20,249 | 2.4 | Staff expense increase slightly due to wage related provisions on increased salary |
| PPP | 17,333 | 16,321 | 18,224 | -4.9 | 16,460 | 5.3 | |
| Provision | 10,342 | 9,957 | 7,253 | 42.6 | 10,118 | 2.2 | Elevated levels as covid provisions continue |
| PBT | 6,991 | 6,364 | 10,971 | -36.3 | 6,342 | 10.2 | |
| Tax Outgo | 1,795 | 1,623 | 5,385 | -66.7 | 1,768 | 1.5 | |
| PAT | 5,196 | 4,741 | 5,586 | -7.0 | 4,574 | 13.6 | Stable operating parameters help sequential rise in PAT |
| Key Metrics | | | | | | | |
| GNPA | 1,17,244 | 1,20,860 | 1,59,660 | -26.6 | 1,25,863 | -6.8 | Proforma GNPA decline from 5.88% to 5.44% |
| NNPA | 29,032 | 36,651 | 58,248 | -50.2 | 36,451 | -20.4 | |
| Advances | 2368139 | 2316840 | 2199900 | 7.6 | 2293901.23 | 3.2 | Mainly driven by retail growth |
| Deposits | 3535753 | 3422352 | 3111229 | 13.6 | 3470462 | 1.9 | Driven By CASA growth of 15.3% |

Source: Company, ICICI Direct Research

Exhibit 2: Change in Estimates

| ₹ crore | FY21E | | | FY22E | | | FY23E |
|-----------------------|--------|--------|------------|--------|--------|------------|------------|
| | Old | New | Change (%) | Old | New | Change (%) | Introduced |
| Net Interest Income | 103595 | 111374 | 7.5 | 110540 | 115215 | 4.2 | 123124 |
| Pre Provisions Profit | 68095 | 71421 | 4.9 | 75468 | 74489 | -1.3 | 80431 |
| NIM (%) | 2.8 | 3.0 | 21 | 2.8 | 2.9 | 11 | 2.8 |
| PAT | 17027 | 17878 | 5.0 | 25818 | 25045 | -3.0 | 27204 |
| ABV per share (₹) | 220 | 223 | 1.6 | 245 | 250 | 2.2 | 278 |

Source: Company, ICICI Direct Research

Exhibit 1: Change in Assumption

| | Current | | | | Earlier | | |
|--------------------------|---------|------|-------|-------|---------|-------|-------|
| | FY19 | FY20 | FY21E | FY22E | FY23E | FY21E | FY22E |
| Credit growth (%) | 13.0 | 6.4 | 5.7 | 9.9 | 11.3 | 4.6 | 10.4 |
| Deposit Growth (%) | 7.6 | 11.3 | 7.6 | 9.2 | 9.2 | 7.5 | 9.2 |
| Cost to income ratio (%) | 55.7 | 52.4 | 52.4 | 52.4 | 52.0 | 55.0 | 53.7 |
| GNPA ratio (%) | 7.5 | 6.2 | 5.2 | 4.3 | 3.6 | 6.2 | 6.0 |
| NNPA ratio (%) | 3.0 | 1.9 | 2.1 | 1.9 | 1.7 | 2.0 | 1.9 |
| Credit cost (%) | 2.5 | 1.9 | 1.9 | 1.5 | 1.5 | 1.8 | 1.4 |

Source: Company, ICICI Direct Research

Conference call highlights

Asset quality

- Of restructuring request for retail segment ~60% comes from home loans
- Proforma related slippage till Q2 was ₹ 14388 crore and ₹ 16461 crore for 9MFY21
- The bank has proforma provisions worth ₹ 5265 crore and Covid restructuring provisions of ₹ 1464 crore
- Some challenges in agri segment pertaining to asset quality
- Credit cost for FY21E is guided to be sub 2% levels

Business

- Disbursement under ECLGS (1 +2) is ~₹ 23000 crore of total sanctions of ₹ 26000 crore
- Average tenor of express credit is three to five years, and GNPA is below 0.5% in this book
- Credit growth for full year FY21E to be 7%
- Of the total retail loans 41% come from digital
- MCLR book is 75% of book and 15% is repo rate linked

Others

- Going forward, ₹ 1000 crore salary rise can be expected per quarter
- Incrementally provisions related to wage hike to be around ₹ 3000 crore per quarter
- Outstanding SR book is at ₹ 8500 crore and provisions against it is to the tune of ₹ 2900 crore
- Total ₹ 400 crore were added to treasury from stake sale in UTI

Outlook & Valuation

Overall stress to be contained at 2.5% of loans is comforting guidance and walling the path has reassured investor confidence in SBI. Covid-19 provisions at ₹ 12976 crore may be raised further in Q4FY21. Customers (retail loans) being government employees/ salaried its retail portfolio appears more resilient in these challenging times. Budget's growth push provides visibility on capex and thereby credit growth pickup. NII growth and moderating provisions augur well for the bank's earnings. We rollover to FY23E and upgrade our PAT estimates marginally for FY21E to ₹ 178 billion. We expect RoA of 0.6% and RoE at 9.5% by FY22E and scope to improve gradually. Therefore we revise our rating from HOLD to **BUY** with a revised target price of ₹ 410, valuing the stock at ~1x FY23E ABV for standalone bank and subsidiaries valued at ₹ 132 post holding company discount.

Exhibit 2: SoTP valuation

| | FY23E / Share |
|--|---------------|
| SBI (merged banks) | 278 |
| SBI AMC | 25 |
| SBI Life | 76 |
| SBI cards | 43 |
| SBI General Insurance | 13 |
| Value per share | 435 |
| Holding company discount for subsidiaries @15% | 26 |
| Value per share post discount | 410 |

Source: Company, ICICI Direct Research

Story in Charts

Exhibit 3: Slippage ratio including restructuring 2.5% of advances- guided in Q2FY21

| | ₹ crore |
|--|---------|
| Reported Slippages in H1FY21 | 6,393 |
| Additional proforma slippage in Q2 | 14,388 |
| Restructuring request till Oct20 | 6,495 |
| Additional restructuring expected by Dec20 | 13,000 |
| Estimated Slippage in H2FY21 | 20,000 |
| Total Slip + Restructuring by FY21 end | ~60000 |

Source: Company, ICICI Direct Research

Exhibit 4: Stress scenario as on Q3FY21

| | ₹ crore |
|---|---------------|
| Slippage in H1FY21 | 6,393 |
| Slippage in Q3FY21 | 237 |
| Proforma Slippage for 9MFY21 | 16,461 |
| Restructuring request by Dec20 | 18,125 |
| Total Slip + Restructuring upto Q3FY21 | 41,216 |

Source: Company, ICICI Direct Research

Exhibit 5: Restructuring application segment wise

| | ₹ crore |
|--------------|---------------|
| Retail | 3,865 |
| SME | 2,553 |
| Corporate | 11,707 |
| Total | 18,125 |

Source: Company, ICICI Direct Research

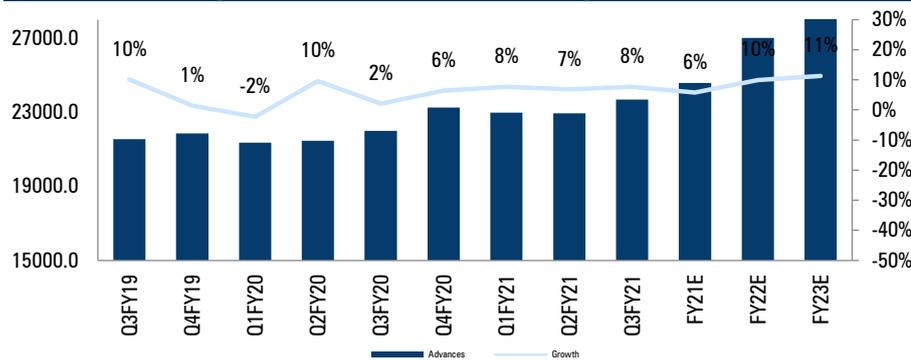
Exhibit 6: GNPA and stressed asset book of SBI (₹. Bn)

| Break-up of stressed assets | Q3FY21 | | Q2FY21 | | Q1FY21 | | Q4FY20 | |
|---------------------------------|----------|---------------|----------|---------------|----------|---------------|----------|---------------|
| | Absolute | % of advances |
| GNPA | 1,172 | 4.84 | 1,259 | 5.19 | 1,297 | 5.35 | 1,491 | 6.15 |
| NNPA | 290 | 1.20 | 365 | 1.50 | 427 | 1.76 | 519 | 2.14 |
| a. Standard restructured | 340.24 | 1.51 | - | - | - | - | - | - |
| b. Watchlist | - | - | - | - | - | - | - | - |
| c. SMA1 & SMA2 | 73 | 0.30 | 120 | 0.49 | 18 | 0.07 | 73 | 0.30 |
| Stressed assets (a+b+c) | 413 | 1.70 | 120 | 0.49 | 226 | 0.93 | 442 | 1.82 |
| Total stressed assets incl GNPA | 1,585 | 6.54 | 1,378 | 5.69 | 1,523 | 6.28 | 1,933 | 7.98 |
| Loan loss provision | 882 | 3.92 | 1,126 | 5.01 | - | - | - | - |
| Std provision | 79 | 0.35 | 46 | 0.20 | - | - | - | - |
| Counter cyclical provision | 13 | 0.06 | 13 | 0.06 | - | - | - | - |
| Total provision | 974 | 4.33 | 1,185 | 5.27 | - | - | - | - |
| Net stressed assets | 612 | 2.52 | 194 | 0.80 | 1,523 | 6.28 | 1,933 | 7.98 |
| Advances | 24,566 | 101.39 | 23,836 | 98.38 | 23,856 | 98.46 | 24,228 | 100.00 |

Source: Company, ICICI Direct Research

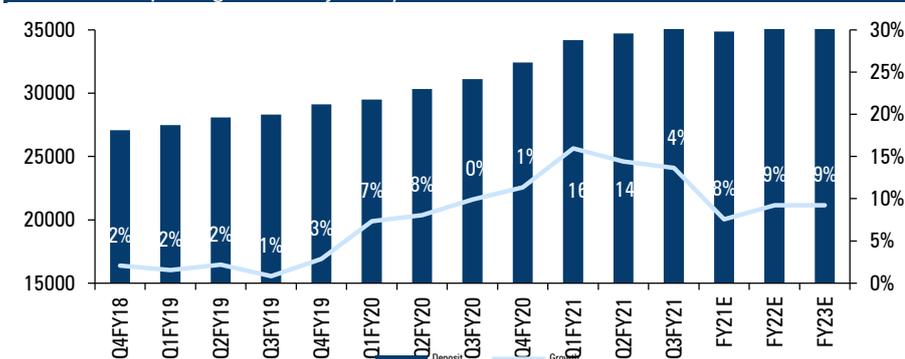
PCR (excluding write-off) at 67.07% from 65.2% QoQ.

Exhibit 7: Retail segment to contribute to advances growth



Source: Company, ICICI Direct Research

Exhibit 8: Deposit growth trajectory



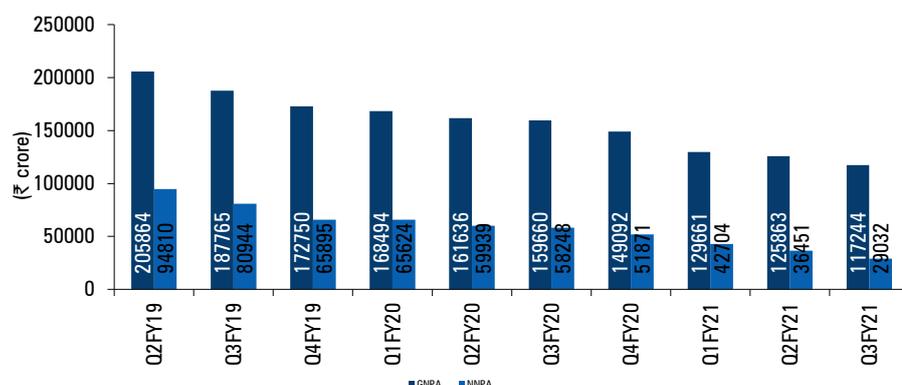
Source: Company, ICICI Direct Research

Exhibit 9: Healthy CASA levels

| Break-up of deposit | Q1FY20 | Q2FY20 | Q3FY20 | Q4FY20 | Q1FY21 | Q2FY21 | Q3FY21 |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Saving deposit | 11,035 | 11,308 | 11,517 | 11,936 | 12,944 | 13,150 | 13,359 |
| Current deposit | 1,809 | 1,953 | 1,891 | 2,174 | 2,043 | 2,121 | 2,106 |
| Term deposit | 15,662 | 16,126 | 16,574 | 17,136 | 18,068 | 18,371 | 18,784 |
| International | 982 | 946 | 1,130 | 1,170 | 1,138 | 1,063 | 1,109 |
| Total Deposits | 29,488 | 30,334 | 31,112 | 32,416 | 34,194 | 34,705 | 35,358 |

Source: Company, ICICI Direct Research

Exhibit 10: Asset quality trend



Source: Company, ICICI Direct Research

Exhibit 11: Advances growth in line with industry

| ₹ crore | Q3FY20 | Q4FY20 | Q1FY21 | Q2FY21 | Q3FY21 | YoY Growth |
|------------------|----------------|----------------|----------------|----------------|----------------|-------------|
| Corporates | 771000 | 844215 | 809322 | 787559 | 778208 | 2.82 |
| Agriculture | 209997 | 206067 | 204288 | 210945 | 213668 | 4.19 |
| SME | 278035 | 267614 | 278711 | 277248 | 293654 | 1.13 |
| Retail | 719766 | 747589 | 748800 | 785345 | 831134 | 14.55 |
| Home Loans | 440448 | 455865 | 455443 | 468382 | 484453 | 10.34 |
| Auto Loans | 73,462 | 72,662 | 70,151 | 71,631 | 75,937 | 1.28 |
| Other personal | 205856 | 219062 | 223206 | 245332 | 270744 | 28.88 |
| Foreign Advances | 322870 | 357360 | 344519 | 322526 | 329943 | 0.74 |
| Total | 2301668 | 2422845 | 2385640 | 2383623 | 2446607 | 6.02 |

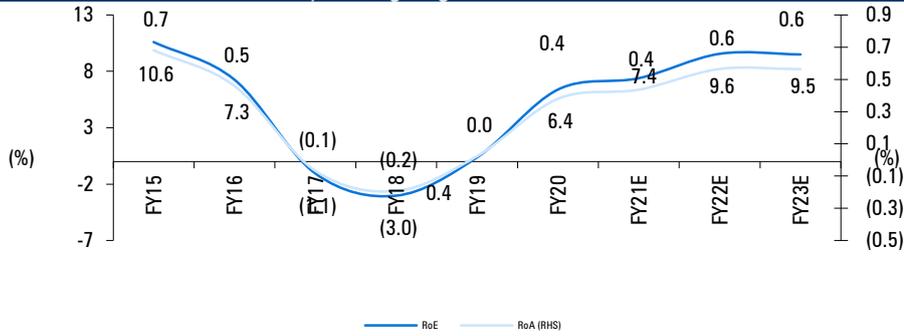
Source: Company, ICICI Direct Research

Exhibit 12: Sector wise GNPA

| Sector-wise NPA | Q2FY20 | Q3FY20 | Q4FY20 | Q1FY21 | Q2FY21 | Q3FY21 |
|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Corporate | 99838 | 93743 | 81628 | 62581 | 62168 | 59400 |
| Mid Corp & SME | 25,205 | 26,054 | 25,230 | 25,262 | 22,711 | 20,117 |
| Agri | 27,577 | 28,932 | 32,670 | 31,402 | 31,234 | 29,296 |
| Retail | 7,142 | 7,521 | 7,914 | 8,261 | 60,430 | 55,290 |
| International | 1,874 | 3,411 | 1,650 | 2,154 | 3,265 | 2,554 |
| Total | 161636 | 159661 | 149092 | 129660 | 179808 | 166657 |

Source: Company, ICICI Direct Research

Exhibit 13: Return ratio to improve, going ahead



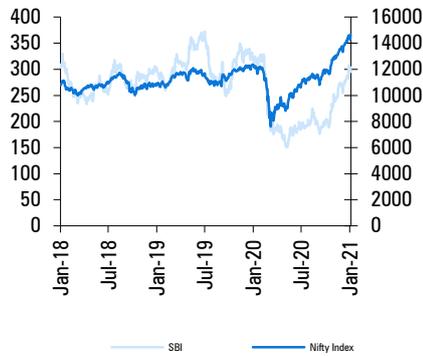
Source: Company, ICICI Direct Research

Exhibit 14: Shareholding Pattern (%)

| | Dec 19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 |
|----------|--------|--------|--------|--------|--------|
| Promoter | 57.9 | 57.6 | 57.6 | 57.6 | 57.6 |
| FII | 11.0 | 9.6 | 7.9 | 7.8 | 9.8 |
| DII | 24.5 | 24.6 | 24.7 | 25.5 | 24.9 |
| Others | 6.6 | 8.2 | 9.8 | 9.1 | 7.7 |

Source: Company, ICICI Direct Research

Exhibit 15: Price Chart



Source: Company, ICICI Direct Research

Financial summary

| Exhibit 16: Profit and loss statement | | | | | |
|---------------------------------------|-------|-------|-------|-------|-------|
| | ₹ Bn | | | | |
| (Year-end March) | FY19 | FY20 | FY21E | FY22E | FY23E |
| Interest Earned | 2,429 | 2,573 | 2,684 | 2,877 | 3,160 |
| Interest Expended | 1,545 | 1,592 | 1,570 | 1,725 | 1,929 |
| Net Interest Income | 883 | 981 | 1,114 | 1,152 | 1,231 |
| % growth | 18.0 | 11.0 | 13.6 | 3.4 | 6.9 |
| Non Interest Income | 352 | 452 | 387 | 413 | 443 |
| Fees and advisory | 233 | 237 | 223 | 245 | 270 |
| Treasury Income and sale of Invnt. | 20 | 65 | 69 | 75 | 83 |
| Other income | 114 | 150 | 95 | 93 | 90 |
| Net Income | 1236 | 1433 | 1500 | 1565 | 1674 |
| Employee cost | 411 | 457 | 483 | 502 | 523 |
| Other operating Exp. | 286 | 294 | 303 | 318 | 348 |
| Operating Income | 539 | 681 | 714 | 745 | 804 |
| Provisions | 538 | 431 | 473 | 409 | 439 |
| PBT | 0 | 251 | 242 | 336 | 365 |
| Exceptional Items | 16 | -152 | 0 | 0 | 0 |
| Taxes | 7 | 106 | 63 | 86 | 93 |
| Net Profit | 9 | 145 | 179 | 250 | 272 |
| % growth | -113 | 1625 | 23 | 40 | 9 |
| EPS | 0.9 | 16.3 | 20.0 | 28.1 | 30.5 |

Source: Company, ICICI Direct Research

| Exhibit 17: Key Ratios | | | | | |
|-----------------------------------|-------|-------|-------|-------|-------|
| | ₹ Bn | | | | |
| (Year-end March) | FY19 | FY20 | FY21E | FY22E | FY23E |
| Valuation | | | | | |
| No. of Equity Shares (Crore) | 892.0 | 892.0 | 892.0 | 892.0 | 892.0 |
| EPS (₹) | 1.0 | 16.3 | 20.0 | 28.1 | 30.5 |
| BV (₹) | 247.9 | 261.3 | 280.8 | 306.9 | 335.4 |
| ABV (₹) | 174.0 | 203.2 | 223.5 | 250.1 | 277.6 |
| P/E | 379.2 | 22.0 | 17.8 | 12.7 | 11.7 |
| P/BV | 1.4 | 1.4 | 1.3 | 1.2 | 1.1 |
| P/ABV | 2.1 | 1.8 | 1.6 | 1.4 | 1.3 |
| Yields & Margins (%) | | | | | |
| Net Interest Margins (calculated) | 2.9 | 2.82 | 2.99 | 2.87 | 2.82 |
| Yield on avg earning assets | 7.4 | 7.4 | 7.2 | 7.2 | 7.2 |
| Avg. cost on funds | 4.8 | 4.6 | 4.2 | 4.3 | 4.4 |
| Avg. cost of Deposits | 5.0 | 4.8 | 4.4 | 4.6 | 4.7 |
| Yield on average advances | 7.8 | 8.0 | 7.7 | 7.7 | 7.8 |
| Quality and Efficiency (%) | | | | | |
| Cost / Total net income | 55.7 | 52.4 | 52.4 | 52.4 | 52.0 |
| Credit/Deposit ratio | 75.1 | 71.7 | 70.5 | 70.9 | 72.3 |
| GNPA | 7.5 | 6.2 | 5.2 | 4.3 | 3.6 |
| NNPA | 3.0 | 1.9 | 2.1 | 1.9 | 1.7 |
| RoE | 0.5 | 6.4 | 7.4 | 9.6 | 9.5 |
| ROA | 0.0 | 0.4 | 0.4 | 0.6 | 0.6 |

Source: Company, ICICI Direct Research

| Exhibit 18: Balance sheet | | | | | |
|--------------------------------|-------|-------|-------|-------|-------|
| | ₹ Bn | | | | |
| (Year-end March) | FY19 | FY20 | FY21E | FY22E | FY23E |
| Sources of Funds | | | | | |
| Capital | 9 | 9 | 9 | 9 | 9 |
| Reserves and Surplus | 2200 | 2322 | 2496 | 2729 | 2983 |
| Networth | 2209 | 2331 | 2505 | 2738 | 2992 |
| Deposits | 29114 | 32416 | 34866 | 38082 | 41598 |
| Borrowings | 4030 | 3147 | 3307 | 3481 | 3670 |
| Other Liabilities & Provisions | 1456 | 1631 | 1773 | 1934 | 2117 |
| Total | 36809 | 39525 | 42452 | 46235 | 50377 |
| Application of Funds | | | | | |
| Fixed Assets | 392 | 384 | 402 | 421 | 440 |
| Investments | 9670 | 10470 | 11320 | 11867 | 12465 |
| Advances | 21859 | 23253 | 24584 | 27018 | 30062 |
| Other Assets | 2663 | 2907 | 3352 | 3815 | 3937 |
| Cash with RBI & call money | 2225 | 2511 | 2794 | 3114 | 3474 |
| Total | 36809 | 39525 | 42452 | 46235 | 50377 |

Source: Company, ICICI Direct Research

| Exhibit 19: Key ratios | | | | | |
|------------------------|---------|--------|-------|-------|-------|
| | % | | | | |
| (Year-end March) | FY19 | FY20 | FY21E | FY22E | FY23E |
| Total assets | 6.6 | 7.4 | 7.4 | 8.9 | 9.0 |
| Advances | 13.0 | 6.4 | 5.7 | 9.9 | 11.3 |
| Deposits | 7.6 | 11.3 | 7.6 | 9.2 | 9.2 |
| Total Income | 5.5 | 8.2 | 1.5 | 7.2 | 9.5 |
| Net interest income | 18.0 | 11.0 | 13.6 | 3.4 | 6.9 |
| Operating expenses | 1.6 | 0.8 | 0.5 | 0.4 | 0.6 |
| Operating profit | -6.8 | 22.9 | 4.8 | 4.3 | 8.0 |
| Net profit | -112.9 | 1626.6 | 23.3 | 40.1 | 8.6 |
| Book value | 0.9 | 5.4 | 7.5 | 9.3 | 9.3 |
| EPS | (112.9) | 1,627 | 23.3 | 40.1 | 8.6 |

Source: Company, ICICI Direct Research

Exhibit 20: ICICI Direct coverage universe (BFSI)

| Sector / Company | CMP | | M Cap (₹ Bn) | EPS (₹) | | | P/E (x) | | | P/ABV (x) | | | RoA (%) | | | RoE (%) | | | |
|-----------------------|-------|-------|-----------------|---------|-------|-------|---------|------|-------|-----------|------|-------|---------|------|-------|---------|-------|-------|-------|
| | (₹) | TP(₹) | | Rating | FY20 | FY21E | FY22E | FY20 | FY21E | FY22E | FY20 | FY21E | FY22E | FY20 | FY21E | FY22E | FY20 | FY21E | FY22E |
| BoB (BANBAR) | 67 | 70 | Hold | 311 | 1.6 | 1.2 | 6.2 | 41.0 | 56.7 | 10.8 | 0.8 | 0.6 | 0.6 | 0.4 | 0.1 | 0.2 | 0.9 | 0.9 | 3.9 |
| SBI (STABAN) | 357 | 410 | Buy | 3169 | 16.3 | 20.0 | 28.1 | 22.0 | 18 | 12.7 | 1.8 | 1.6 | 1.4 | 0.4 | 0.4 | 0.6 | 6.4 | 7.4 | 9.6 |
| Indian Bank (INDIBA) | 90 | 88 | Hold | 99 | 22.6 | 33.7 | 33.2 | 4.0 | 2.7 | 2.7 | 0.4 | 0.3 | 0.3 | 0.4 | 0.5 | 0.4 | 5.5 | 7.8 | 7.3 |
| Axis Bank (AXIBAN) | 645 | 800 | Buy | 2042 | 5.8 | 25.2 | 47.7 | 112 | 25.6 | 13.5 | 2.4 | 2.3 | 1.9 | 0.2 | 0.8 | 1.3 | 2.1 | 8.1 | 13.8 |
| City Union (CITUNI) | 174 | 130 | Hold | 136 | 8.4 | 10.0 | 10.0 | 20.7 | 17.4 | 17.4 | 3.0 | 2.6 | 2.2 | 1.0 | 1.2 | 1.3 | 9.4 | 11.2 | 11.9 |
| DCB Bank (DCB) | 116 | 130 | Buy | 36 | 10.9 | 11.0 | 14.0 | 10.7 | 10.5 | 8.3 | 1.2 | 1.2 | 1.0 | 0.9 | 0.9 | 1.1 | 11.3 | 10.4 | 11.8 |
| Federal Bank (FEDBAN) | 78 | 90 | Buy | 154 | 6.3 | 7.7 | 7.9 | 12.4 | 10.1 | 9.9 | 1.3 | 1.2 | 1.1 | 0.8 | 0.9 | 0.8 | 9.8 | 11.1 | 10.4 |
| HDFC Bank (HDFBAN) | 1,466 | 1,700 | Buy | 8076 | 47.9 | 55.9 | 65.6 | 30.6 | 26.2 | 22.3 | 4.8 | 4.2 | 3.6 | 1.9 | 1.9 | 1.9 | 16.4 | 16.7 | 17.1 |
| IndusInd Bank (INDBA) | 842 | 1,050 | Buy | 641 | 63.7 | 36.8 | 56.5 | 13.2 | 22.9 | 14.9 | 1.8 | 1.7 | 1.6 | 1.5 | 0.8 | 1.1 | 14.4 | 7.4 | 10.3 |
| J&K (JAMKAS) | 29 | 25 | Hold | 19 | -16.0 | 7.5 | 10.4 | -1.8 | 3.9 | 2.8 | 0.5 | 0.4 | 0.3 | -1.1 | 0.5 | 0.6 | -17.5 | 8.1 | 10.6 |
| Kotak Bank (KOTMAH) | 1,760 | 2,040 | Buy | 3527 | 20.4 | 23.5 | 27.2 | 86.2 | 75.0 | 64.6 | 10.8 | 8.8 | 7.8 | 1.8 | 1.8 | 1.9 | 12.9 | 12.4 | 12.0 |
| Bandhan (BANBAN) | 341 | 370 | Hold | 549 | 18.1 | 14.7 | 24.7 | 18.8 | 23.2 | 13.8 | 3.7 | 3.9 | 3.1 | 3.9 | 2.3 | 3.2 | 22.1 | 15.0 | 21.9 |
| IDFC First (IDFBAN) | 45 | 52 | Buy | 251 | 46.5 | NA | 100.5 | 1.0 | NA | 0.4 | 1.5 | 1.6 | 1.5 | -1.9 | 0.3 | 0.5 | -18.7 | 2.7 | 4.8 |

Source: Company, ICICI Direct Research

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Buy: > 15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: < -15%



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