Prabhudas Lilladher
POWERING YOUR FINANCIAL GROWTH

State Bank of India (SBIN IN)

Rating: BUY | CMP: Rs848 | TP: Rs960

August 4, 2024

Q1FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
Rating	**BUY**		**BUY**	
Target Price	**960**		**910**	
NII (Rs. m)	17,26,932	19,35,857	17,25,279	19,47,441
% Chng.	*0.1*	*(0.6)*		
Op. Profit (Rs. m)	10,14,274	10,83,747	9,97,123	10,71,409
% Chng.	*1.7*	*1.2*		
EPS (Rs.)	73.0	75.5	72.3	74.5
% Chng.	*0.9*	*1.4*		

Key Financials - Standalone

Y/e Mar	FY23	FY24	FY25E	FY26E
NII (Rs bn)	1,448	1,599	1,727	1,936
Op. Profit (Rs bn)	837	938	1,014	1,084
PAT (Rs bn)	508	663	651	674
EPS (Rs.)	56.9	74.3	73.0	75.5
Gr. (%)	*60.4*	*30.5*	*(1.8)*	*3.5*
DPS (Rs.)	11.3	13.7	12.4	12.8
Yield (%)	*1.3*	*1.6*	*1.5*	*1.5*
NIM (%)	*3.0*	*3.0*	*2.9*	*2.9*
RoAE (%)	*18.3*	*20.4*	*17.2*	*15.4*
RoAA (%)	*1.0*	*1.1*	*1.0*	*0.9*
P/BV (x)	2.5	2.2	1.8	1.6
P/ABV (x)	2.7	2.3	1.9	1.7
PE (x)	14.9	11.4	11.6	11.2
CAR (%)	14.7	14.3	15.1	15.1

Key Data	SBI.BO | SBIN IN
52-W High / Low	Rs.912 / Rs.543
Sensex / Nifty	80,982 / 24,718
Market Cap	Rs.7,567bn/ $ 90,349m
Shares Outstanding	8,925m
3M Avg. Daily Value	Rs.18499m

Shareholding Pattern (%)

Promoter's	57.54
Foreign	11.16
Domestic Institution	23.61
Public & Others	7.69
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	2.6	30.5	41.7
Relative	0.7	16.2	15.1

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Balance sheet strength to protect NIM

Quick Pointers:

- Core PPoP beat led by lower staff cost; fees and provisions were a miss
- Multiple levers to cushion loan growth, while domestic LDR can increase

SBI reported a steady quarter as core PPoP beat PLe by 7.2% owing to lower opex, although fees and asset quality were a miss. Credit growth was largely in-line, while deposit growth was soft at 8.2% YoY due to focus on controlling high borrowing cost; strong balance sheet allows deposit accretion to remain muted. Hence, domestic LDR that touched 69% (65% in Q1FY24) can further increase to 70-72%. The bank can achieve 15% loan growth since surplus liquidity is Rs3.7trn and capital can support loan accretion of Rs6-7trn. LCR is strong at 129%, which can absorb the impact of draft RBI circular. Slippages were higher led by agri (seasonal) and unsecured; however, the bank has recovered a chunk of unsecured loans. We maintain multiple at 1.5x on core FY26 ABV but raise SOTP-based TP to Rs960 from Rs910 led by (1) Rs37bn accretion to equity due to new investment norms, (2) upgrade in core earnings by ~2% and (3) increase in subsidiary valuation. Retain 'BUY'.

- **Core PPoP beat led by lower opex; miss on fees and asset quality:** NII at Rs411bn was ahead (PLe Rs409bn) due to higher NIM as loan growth was largely in-line at 15.9% YoY (PLe 15.6%). Deposit growth was 8.2% YoY (PLe 9.3%). NIM was a slight beat at 3.06% (PLe 3.03%) due to better yields, which was partly offset by higher cost of funds. Other income was Rs111.6bn (PLe Rs110.4bn); treasury gains were higher, while fees at Rs69.2bn missed PLe by 5.9%. Opex was better at Rs258.4bn (PLe Rs275bn) led by lower staff cost. Core PPoP was a beat at Rs225.7bn (PLe Rs210.5bn); PPOP was Rs264.5bn. Asset quality was mixed as GNPA/NNPA at 2.21%/0.57% was lower, led by more write-offs. Gross slippages were Rs87.1bn (PLe Rs82.0bn) offset by stronger recoveries at Rs36.7bn (PLe Rs27.5bn). Higher write-offs at Rs50.9bn (PLe Rs30bn) partly led to more provisions at Rs34.5bn (PLe Rs27bn). Core PAT was Rs141.6bn (3.5% above PLe), while PAT was Rs170.35bn.

- **Sequential loan growth led by retail/SME:** Credit offtake at 1.2% QoQ was led by both overseas (2.6%) and domestic loans (1.0%) driven by retail (1.2%), SME (2.4%) and agri (1.4%); corporate was flat QoQ. 'Xpress' credit growth was muted owing to stress, which is expected to normalize from Q2FY25. The bank is targeting ~15% loan growth, which can be achieved as excess SLR is Rs3.7trn and current capital can support credit growth of Rs6-7trn. While deposit growth was muted at -0.3% QoQ, the bank is focusing on shoring up its CASA; SBI is adding 60,000 SA accounts daily, of which 60% are sourced through 'YONO'. Excess liquidity and low domestic LDR (69%) provide leeway for soft deposit growth as focus is on controlling high borrowing cost. Hence, we expect overall LDR to increase over FY24-26E from 75% to 79%.

- **Asset quality blip to normalize**: Of the fresh slippages of Rs79bn, 38% was from retail (incl. unsecured) and 34% from agri. Slippages were higher due to seasonality in agri and stress in personal loans as salary credit was delayed in some states. However, the bank has recovered a large portion of unsecured slippages. Due to higher slippages and more write-offs, provisions jumped QoQ from 19bps to 40bps. Loan loss provisions for Q1FY25 stood at Rs45.2bn, of which Rs24.7bn was ageing related and Rs20.5bn was due to fresh slippages. The bank targets to keep provisions under 50bps.

NII degrew at 1.3% QoQ .

Other income decreased by 35.7% QoQ driven by miss on fees

Opex fell by 14.7%QoQ due to lower staff cost

Provisions were higher at Rs345bn

Credit growth increased at 15.9% YoY, while deposit growth was at 8.2% YoY.

NIM declined by 6bps QoQ due to higher CoFs

GNPA/NNPA improved at 2.2%/0.6%

Exhibit 1: PAT beat at Rs170bn led by lower opex

Financial Statement (Rs m)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)
Interest income	11,15,260	9,59,755	*16.2*	11,10,426	*0.4*
Interest Expenses	7,04,005	5,70,705	*23.4*	6,93,874	*1.5*
Net interest income (NII)	**4,11,255**	**3,89,050**	***5.7***	**4,16,552**	***(1.3)***
- Treasury income	25,890	38,470	*(32.7)*	34,630	*(25.2)*
Other income	1,11,619	1,20,634	*(7.5)*	1,73,693	*(35.7)*
Total income	**5,22,873**	**5,09,683**	***2.6***	**5,90,244**	***(11.4)***
Operating expenses	2,58,387	2,56,714	*0.7*	3,02,769	*(14.7)*
-Staff expenses	1,54,660	1,66,007	*(6.8)*	1,63,481	*(5.4)*
-Other expenses	1,03,728	90,707	*14.4*	1,39,288	*(25.5)*
Operating profit	**2,64,486**	**2,52,969**	***4.6***	**2,87,476**	***(8.0)***
Core operating profit	2,25,697	2,01,446	*12.0*	2,03,273	*11.0*
Total provisions	34,494	25,013	*37.9*	16,098	*114.3*
Profit before tax	**2,29,992**	**2,27,956**	***0.9***	**2,71,378**	***(15.3)***
Tax	59,640	59,113	*0.9*	64,394	*(7.4)*
Profit after tax	**1,70,352**	**1,68,843**	***0.9***	**2,06,984**	***(17.7)***
Adjusted Profit	**1,41,621**	**1,30,680**	***8.4***	**1,42,761**	***(0.8)***
Balance Sheet (Rs bn)					
Deposits	4,90,17,259	4,53,12,367	*8.2*	4,91,60,768	*(0.3)*
Advances	3,74,91,389	3,23,50,227	*15.9*	3,70,39,709	*1.2*
Ratios (%)					
RoaA	1.2	1.3	*(12)*	1.4	*(25)*
RoaE	18.4	21.2	*(287)*	23.5	*(512)*
NIM	**3.2**	**3.3**	***(11)***	**3.3**	***(6)***
Yield on Advances	9.0	8.9	*14*	8.9	*7*
Cost of Funds	5.4	4.8	*58*	5.3	*8*
Asset Quality					
Gross NPL (Rs m)	8,42,260	9,13,278	*(7.8)*	8,42,763	*(0.1)*
Net NPL (Rs m)	2,15,547	2,29,954	*(6.3)*	2,10,511	*2.4*
Gross NPL ratio	**2.2**	**2.8**	***(56)***	**2.2**	***(3)***
Net NPL ratio	**0.6**	**0.7**	***(14)***	**0.6**	***0***
Coverage ratio	74.4	74.8	*(41)*	75.0	*(61)*
Business & Other Ratios					
Low-cost deposit mix	39.1	41.2	*(213)*	39.5	*(45)*
Cost-income ratio	49.4	50.4	*(95)*	51.3	*(188)*
Non int. inc / total income	21.3	23.7	*(232)*	29.4	*(808)*
Credit deposit ratio	76.5	71.4	*509*	75.3	*114*
CAR	13.9	14.6	*(70)*	14.3	*(42)*
Tier-I	11.8	12.0	*(19)*	11.9	*(15)*

Source: Company, PL

Q1FY25 Concall Highlights

Balance Sheet/Others

- Initiatives have been taken to address **deposits growth challenges**. 60,000 SA accounts are being opened daily, of which 60% are through YONO. To boost CA deposits, 500 relationship managers have been deployed.
- The bank is strengthening digital offerings in unsecured **Xpress Credit**. It is mindful of RWA consumption by this segment. ATS is Rs0.72mn. The bank has not seen overleveraging in this book.
- Loan book mix **by benchmark** is as follows: MCLR 36%, EBLR 27%, fixed rate 20%, and T-Bills 14%.
- SBI has guided for 15% growth in credit, **while domestic credit deposit ratio** is expected to increase to 70-72%.
- Current capital can support credit accretion of Rs6-7trn, while additional balance sheet liquidity is Rs3.7trn.
- In response to RBI's circular on **investments**, Rs36.7bn was transferred to reserves & surplus, impacting CET-1 by 10bps.
- Board approved **limit for capital raise:** Tier-I Rs100bn and Tier-II Rs150bn.
- The bank has no plans to **list** any of its subsidiaries.

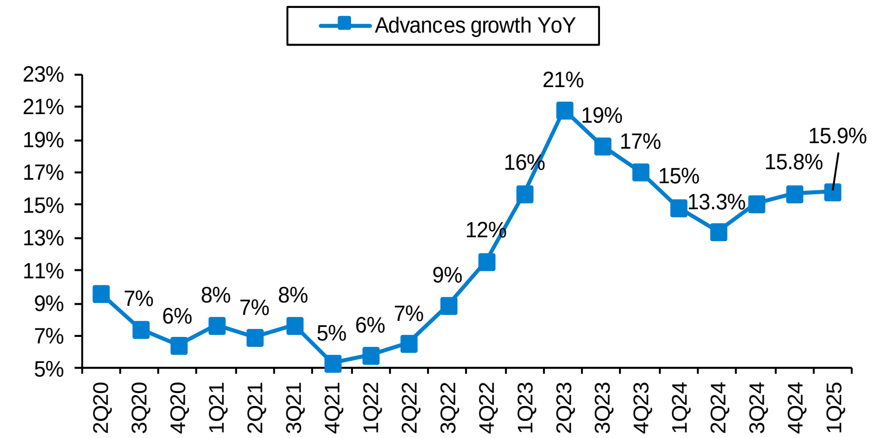
Profit & Loss

- SBI is mindful of cost at which deposits are being raised. To preserve brand value, the bank passed on a part of the rise **TD rates** in certain loan buckets.
- **NIMs** are guided to remain at current levels with variation of +/-10bps.
- The management has assured availability of opportunities to generate **MTM gains,** which will be reflected in profit & loss.
- **Operating expenses** are expected to moderate further as per guidance.
- The bank has **ploughed back** Rs1.14trn profit in the last 3 years.

Asset quality

- **Slippages** increased in Q1FY25 due to i) agri slippages owing to seasonality, and ii) delayed salary credit in certain states leading to stress in unsecured loans. However, Rs16bn has already been recovered from a balance of Rs70bn as on 30th June 2024.
- Slippages breakup: retail Rs30bn, agri Rs27bn, SME Rs20bn, & CCG Rs2bn.
- **NPA provisions** stood at Rs45.18bn, of which Rs24.73bn was ageing related and balance Rs20.45bn was related to slippages.
- **Credit costs** have been guided to be below 50bps.

Exhibit 2: Advances growth improved to 15.9% YoY



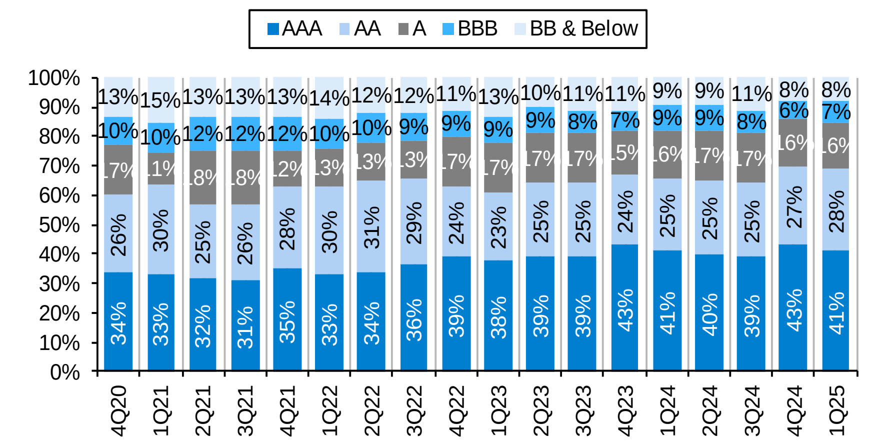
Source: Company, PL

Exhibit 3: Sequential growth of 1.2% led by SME (2.4%) & overseas (2.6%)

Loan break up (Rs bn)	Q1FY25	Q1FY24	*YoY gr. (%)*	Q4FY24	*QoQ gr. (%)*
Gross Advances	**38,121**	**32,692**	***16.6***	**37,675**	***1.2***
Large Corporates	11,386	9,798	*16.2*	11,382	*0.0*
SME	4,434	3,597	*23.3*	4,330	*2.4*
Agri	3,091	2,586	*19.5*	3,049	*1.4*
International	5,530	4,924	*12.3*	5,391	*2.6*
Retail	13,680	11,792	*16.0*	13,523	*1.2*
Home	7,396	6,407	*15.4*	7,258	*1.9*
Auto	1,176	975	*20.6*	1,165	*0.9*
Other Retail	5,108	4409	*15.8*	5,099	*0.2*

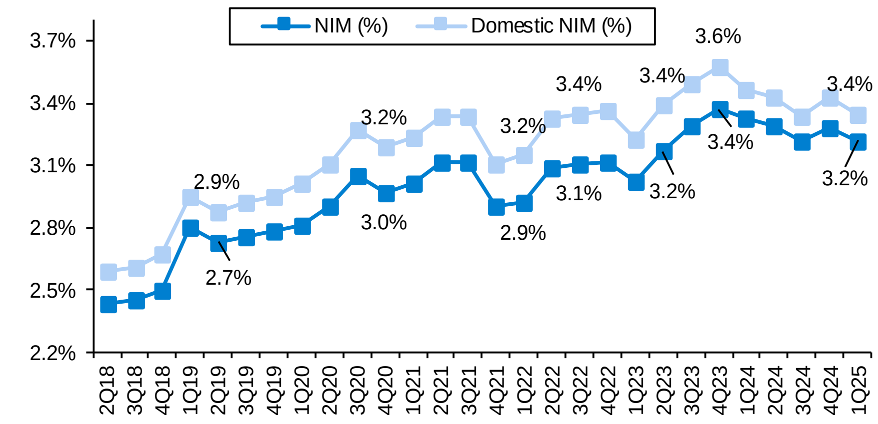
Source: Company, PL

Exhibit 4: Rating distribution of AAA & AA book steady at 69%



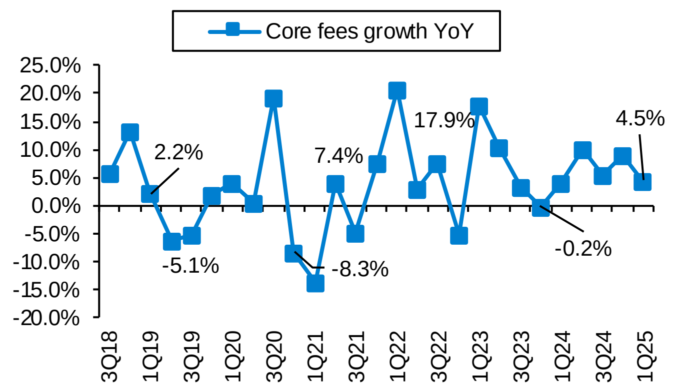
Source: PL, Company

Exhibit 5: Domestic NIM steady at 3.4%, while global NIM at 3.2%



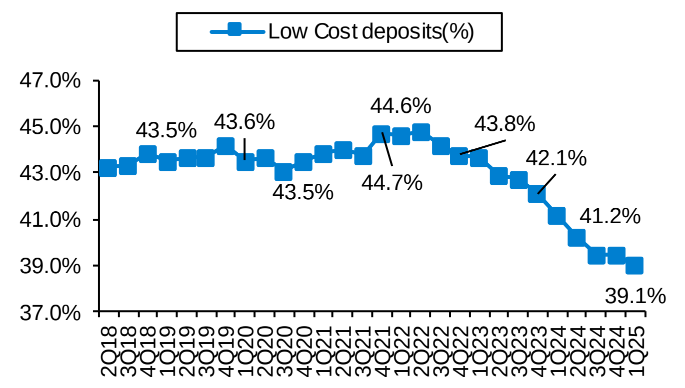
Source: Company, PL

Exhibit 6: Core fees grew 4.5%YoY



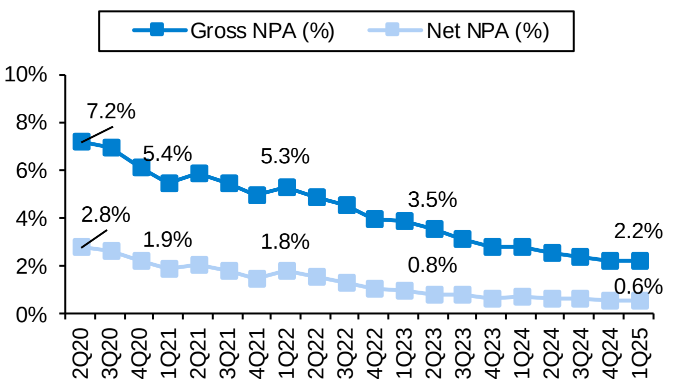
Source: Company, PL

Exhibit 7: CASA ratio declined at 39.1%



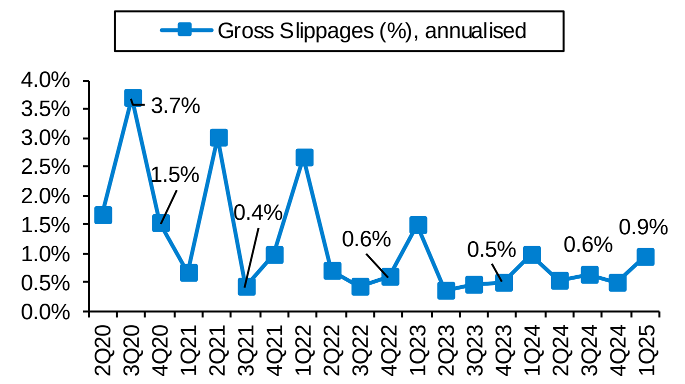
Source: Company, PL

Exhibit 8: GNPA/NNPA was largely stable at 2.2%/0.6%



Source: Company, PL

Exhibit 9: Gross slippage increased to 0.9%



Source: Company, PL

Exhibit 10: Slippages came in at Rs87bn, while overall stress book is quite manageable at sub <1%

(Rs mn)	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Additions	162,980	41,760	25,790	36,060	101,150	23,990	32,090	34,580	78,720	40,810	50,460	39,840	87,070
Slippages (%) - annualized	*2.66%*	*0.68%*	*0.42%*	*0.59%*	*1.48%*	*0.35%*	*0.47%*	*0.51%*	*1.15%*	*0.60%*	*0.74%*	*0.58%*	0.94%
Upgradation + Recovery	49,690	74,070	23,060	67,560	52,080	52,070	16,430	42,000	36,070	40,150	17,983	20,528	36,660
Write offs	34,590	72,020	41,870	48,554	36,587	36,596	100,236	66,767	38,649	44,198	34,730	44,037	50,913
Gross NPAs	**1,342,595**	**1,239,418**	**1,200,288**	**1,120,234**	**1,132,717**	**1,068,041**	**983,465**	**909,278**	**913,278**	**869,741**	**8,67,488**	**8,42,763**	**8,42,260**
Gross NPA Ratio	***5.32%***	***4.90%***	***4.51%***	***3.98%***	***3.91%***	***3.52%***	***3.14%***	***2.78%***	***2.76%***	***2.55%***	***2.42%***	***2.24%***	**2.21%**
Net NPAs	**431,525**	**371,186**	**345,397**	**279,657**	**282,579**	**235,722**	**234,843**	**214,666**	**229,954**	**213,524**	**216,873**	**210,511**	**2,15,547**
Net NPA Ratio	***1.77%***	***1.52%***	***1.34%***	***1.02%***	***1.00%***	***0.80%***	***0.77%***	***0.67%***	***0.71%***	***0.64%***	***0.62%***	***0.57%***	**0.57%**
Provision Coverage Ratio	67.9%	70.1%	71.2%	75.0%	75.1%	77.9%	76.1%	76.4%	74.8%	75.4%	75.0%	75.0%	74.4%
SMA 1 & SMA 2	**113,030**	**66,900**	**41,670**	**35,440**	**69,830**	**84,970**	**47,470**	**32,600**	**72,210**	**39,640**	**41,280**	**33,010**	**46,370**
% of loans	*0.52%*	*0.31%*	*0.18%*	*0.15%*	*0.28%*	*0.33%*	*0.18%*	*0.12%*	*0.26%*	*0.14%*	*0.14%*	*0.10%*	*0.14%*
Restructuring/Resolution													
Standard	202,970	303,120	328,950	309,600	287,850	273,360	260,350	243,020	226,660	208,540	1,88,800	1,72,790	1,60,150
% of Loans	*0.83%*	*1.24%*	*1.28%*	*1.13%*	*1.02%*	*0.93%*	*0.85%*	*0.76%*	*0.70%*	*0.62%*	*0.54%*	*0.47%*	*0.43%*
Net Stressed assets (% of loans)	***2.61%***	***2.76%***	***2.62%***	***2.16%***	***2.03%***	***1.72%***	***1.62%***	***1.43%***	***1.41%***	***1.26%***	***1.15%***	***1.03%***	***1.00%***

Source: Company, PL

Exhibit 11: Return ratios to remain at 15%-17%

RoA decomposition (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Net Interest Income/Assets	2.5	2.6	2.6	2.5	2.8	2.7	2.7	2.7
Other Income/Assets	1.0	1.2	1.0	0.9	0.7	0.9	0.7	0.7
Net revenues/Assets	3.5	3.8	3.6	3.4	3.5	3.6	3.3	3.4
Operating Expense/Assets	2.0	2.0	1.9	2.0	1.9	2.0	1.8	1.9
Provisions/Assets	1.5	1.1	1.0	0.5	0.3	0.1	0.2	0.2
Taxes/Assets	0.0	0.3	0.2	0.2	0.3	0.4	0.3	0.3
ROA	0.0	0.4	0.5	0.7	1.0	1.1	1.0	0.9
ROE	0.4	7.2	9.3	13.0	18.3	20.4	17.2	15.4

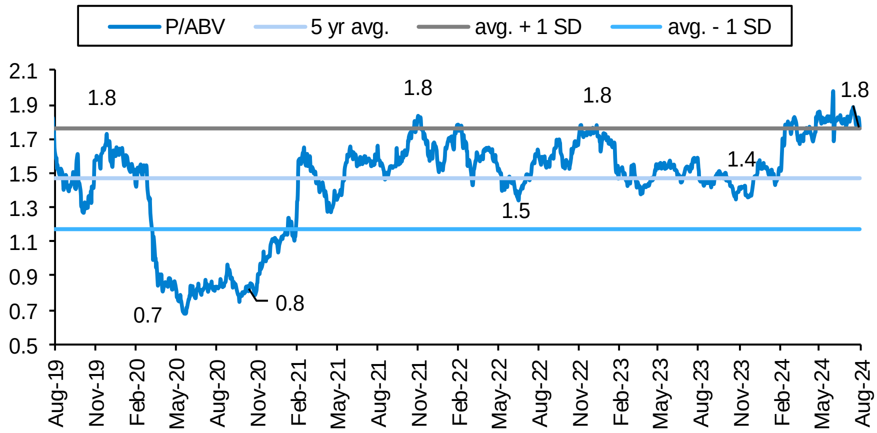
Source: Company Data, PL Research

Exhibit 12: SBIN's SOTP based TP at Rs960 with subs value at Rs239

Particulars	Stake (%)	Rs p.s.	% of total	Valuation (x)	Method
Bank	**100.0%**	**722**	**73.2**	**1.5**	**Mar'26 ABV**
SBI Life	55.4%	109	11.1	1.0	Mkt Cap
SBI Cards	68.6%	52	5.3	1.0	Mkt Cap
SBI MF	62.1%	51	5.2	32.0	on FY24 PAT
Yes Bank	24.0%	21	2.2	1.0	Mkt Cap
SBI Caps	100.0%	16	1.7	9.0	of Mar'24 PAT
SBI Gen. Ins.	69.1%	7	0.7	35.0	of Mar'24 PAT
UTI AMC	10.0%	8	0.8	17.6	on FY26 core PAT
Total		**986**			
Holdco disc. 10%		26			
Target Price		**960**			

Source: Company, PL

Exhibit 13: One-year forward P/ABV trades at 1.8x



Source: Company, PL

Income Statement (Rs. m)

Y/e Mar	FY23	FY24	FY25E	FY26E
Int. Earned from Adv.	22,14,006	28,80,382	33,45,393	37,40,282
Int. Earned from invt.	9,59,283	10,86,405	11,80,911	12,30,441
Others	1,12,831	1,33,617	1,40,242	1,40,242
Total Interest Income	33,21,031	41,51,307	47,11,363	51,58,327
Interest Expenses	18,72,626	25,52,548	29,84,431	32,22,470
Net Interest Income	**14,48,405**	**15,98,758**	**17,26,932**	**19,35,857**
Growth(%)	*12.5*	*16.6*	*2.6*	*11.7*
Non Interest Income	3,66,156	5,16,822	4,44,389	4,90,475
Net Total Income	18,14,561	21,15,580	21,71,321	24,26,332
Growth(%)	*16.7*	*26.6*	*10.4*	*9.6*
Employee Expenses	5,72,918	7,12,370	6,62,784	8,00,256
Other Expenses	3,71,540	4,31,719	4,94,262	5,42,330
Operating Expenses	9,77,431	11,77,608	11,57,047	13,42,585
Operating Profit	**8,37,130**	**9,37,972**	**10,14,274**	**10,83,747**
Growth(%)	*23.3*	*12.0*	*8.1*	*6.8*
NPA Provision	91,903	94,693	62,635	71,456
Total Provisions	1,65,073	49,142	1,39,494	1,80,000
PBT	**6,77,956**	**8,88,830**	**8,74,780**	**9,03,747**
Tax Provision	1,69,732	2,25,381	2,23,418	2,29,552
Effective tax rate (%)	*25.0*	*25.4*	*25.5*	*25.4*
PAT	**5,08,224**	**6,63,448**	**6,51,363**	**6,74,195**
Growth(%)	*99.8*	*30.5*	*(1.8)*	*3.5*

Balance Sheet (Rs. m)

Y/e Mar	FY23	FY24	FY25E	FY26E
Face value	1	1	1	1
No. of equity shares	8,925	8,925	8,925	8,925
Equity	8,925	8,925	8,925	8,925
Networth	32,76,084	37,72,465	43,71,849	49,31,431
Growth(%)	*17.0*	*15.2*	*15.9*	*12.8*
Adj. Networth to NNPAs	2,14,666	2,10,511	2,04,940	2,15,940
Deposits	4,42,37,778	4,91,60,768	5,41,11,818	6,03,43,284
Growth(%)	*9.2*	*11.1*	*10.1*	*11.5*
CASA Deposits	1,88,74,486	1,96,14,215	2,13,66,171	2,39,48,805
% of total deposits	*42.7*	*39.9*	*39.5*	*39.7*
Total Liabilities	**5,51,69,785**	**6,17,96,939**	**6,82,16,678**	**7,61,63,220**
Net Advances	3,19,92,693	3,70,39,709	4,19,29,137	4,73,61,090
Growth(%)	*17.0*	*15.8*	*13.2*	*13.0*
Investments	1,57,03,662	1,67,13,397	1,76,02,490	1,93,27,860
Total Assets	**5,51,69,785**	**6,17,96,939**	**6,82,16,678**	**7,61,63,220**
Growth (%)	*10.6*	*12.0*	*10.4*	*11.6*

Asset Quality

Y/e Mar	FY23	FY24	FY25E	FY26E
Gross NPAs (Rs m)	9,09,278	8,42,763	8,19,760	8,63,760
Net NPAs (Rs m)	2,14,666	2,10,511	2,04,940	2,15,940
Gr. NPAs to Gross Adv.(%)	*2.8*	*2.2*	*1.9*	*1.8*
Net NPAs to Net Adv. (%)	*0.7*	*0.6*	*0.5*	*0.5*
NPA Coverage %	*76.4*	*75.0*	*75.0*	*75.0*

Profitability (%)

Y/e Mar	FY23	FY24	FY25E	FY26E
NIM	3.0	3.0	2.9	2.9
RoAA	1.0	1.1	1.0	0.9
RoAE	18.3	20.4	17.2	15.4
Tier I	12.1	11.9	12.8	12.8
CRAR	14.7	14.3	15.1	15.1

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q2FY24	Q3FY24	Q4FY24	Q1FY25
Interest Income	10,13,788	10,67,337	11,10,426	11,15,260
Interest Expenses	6,18,788	6,69,181	6,93,874	7,04,005
Net Interest Income	**3,95,000**	**3,98,157**	**4,16,552**	**4,11,255**
YoY growth (%)	*12.3*	*4.6*	*3.1*	*5.7*
CEB	65,360	62,410	87,240	69,220
Treasury	-	-	-	-
Non Interest Income	1,07,906	1,14,589	1,73,693	1,11,619
Total Income	**11,21,694**	**11,81,926**	**12,84,119**	**12,26,879**
Employee Expenses	1,89,264	1,93,618	1,63,481	1,54,660
Other expenses	1,19,476	1,15,767	1,39,288	1,03,728
Operating Expenses	3,08,740	3,09,386	3,02,769	2,58,387
Operating Profit	**1,94,166**	**2,03,360**	**2,87,476**	**2,64,486**
YoY growth (%)	*(8.1)*	*(19.4)*	*16.8*	*4.6*
Core Operating Profits	1,73,956	1,78,310	2,52,846	2,38,596
NPA Provision	18,150	17,570	32,940	45,180
Others Provisions	1,153	6,879	16,098	34,494
Total Provisions	1,153	6,879	16,098	34,494
Profit Before Tax	**1,93,013**	**1,96,482**	**2,71,378**	**2,29,992**
Tax	49,713	52,161	64,394	59,640
PAT	**1,43,300**	**1,44,321**	**2,06,984**	**1,70,352**
YoY growth (%)	*8.0*	*1.6*	*24.0*	*0.9*
Deposits	**4,68,92,185**	**4,76,22,207**	**4,91,60,768**	**4,90,17,259**
YoY growth (%)	*11.9*	*13.0*	*11.1*	*8.2*
Advances	**3,34,51,673**	**3,51,95,143**	**3,70,39,709**	**3,74,91,389**
YoY growth (%)	*13.3*	*15.1*	*15.8*	*15.9*

Key Ratios

Y/e Mar	FY23	FY24	FY25E	FY26E
CMP (Rs)	848	848	848	848
EPS (Rs)	56.9	74.3	73.0	75.5
Book Value (Rs)	336	392	459	522
Adj. BV (70%)(Rs)	312	368	436	497
P/E (x)	14.9	11.4	11.6	11.2
P/BV (x)	2.5	2.2	1.8	1.6
P/ABV (x)	2.7	2.3	1.9	1.7
DPS (Rs)	11.3	13.7	12.4	12.8
Dividend Payout Ratio (%)	*19.8*	*18.4*	*17.0*	*17.0*
Dividend Yield (%)	*1.3*	*1.6*	*1.5*	*1.5*

Efficiency

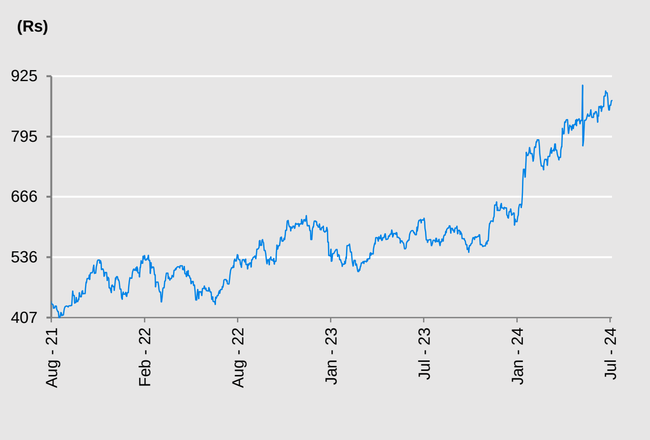
Y/e Mar	FY23	FY24	FY25E	FY26E
Cost-Income Ratio (%)	*53.9*	*55.7*	*53.3*	*55.3*
C-D Ratio (%)	*72.3*	*75.3*	*77.5*	*78.5*
Business per Emp. (Rs m)	323	371	420	478
Profit per Emp. (Rs lacs)	22	29	28	30
Business per Branch (Rs m)	3,367	3,784	4,193	4,678
Profit per Branch (Rs m)	22	29	28	29

Du-Pont

Y/e Mar	FY23	FY24	FY25E	FY26E
NII	2.76	2.73	2.66	2.68
Total Income	3.45	3.62	3.34	3.36
Operating Expenses	1.86	2.01	1.78	1.86
PPoP	1.59	1.60	1.56	1.50
Total provisions	0.31	0.08	0.21	0.25
RoAA	0.97	1.13	1.00	0.93
RoAE	19.98	18.15	17.04	15.21

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jul-24	BUY	910	860
2	10-May-24	BUY	910	820
3	09-Apr-24	BUY	770	768
4	04-Feb-24	BUY	770	650
5	08-Jan-24	BUY	770	642
6	05-Nov-23	BUY	770	578
7	07-Oct-23	BUY	770	594
8	05-Aug-23	BUY	770	573

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Accumulate	1,875	1,778
2	Axis Bank	BUY	1,425	1,239
3	Bank of Baroda	BUY	300	254
4	Can Fin Homes	BUY	930	845
5	City Union Bank	Accumulate	185	169
6	DCB Bank	BUY	180	137
7	Federal Bank	BUY	210	205
8	HDFC Asset Management Company	BUY	4,700	4,196
9	HDFC Bank	BUY	2,000	1,607
10	ICICI Bank	BUY	1,520	1,207
11	IndusInd Bank	BUY	1,404	1,750
12	Kotak Mahindra Bank	BUY	2,125	1,821
13	LIC Housing Finance	Hold	660	771
14	Nippon Life India Asset Management	BUY	700	636
15	State Bank of India	BUY	910	860
16	UTI Asset Management Company	BUY	1,050	1,049

PL's Recommendation Nomenclature (Absolute Performance)

Buy	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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