

## State Bank of India

### Performance Highlights

Particulars (₹ cr)	4QFY15	3QFY15	% chg (qoq)	4QFY14	% chg (yoy)
NII	14,712	13,777	6.8	12,903	14.0
Pre-prov. profit*	12,409	9,294	33.5	10,628	16.8
PAT	3,742	2,910	28.6	3,041	23.1

Source: Company, Angel Research

State Bank of India (SBI) reported a good set of numbers for 4QFY2015 with PAT growth of 23.1% yoy to ₹3,742cr, mainly on account of 14% yoy growth in Net interest income and 29% yoy growth in other income.

#### Loan book grows at slow pace; Margins improves qoq

During 4QFY2015, the bank's advances grew at a tepid pace of 7.5% yoy with domestic advances growing at 6.8% yoy. The SME and Agri segments grew by 1% and 0.9%, respectively, while Mid-corporate de-grew by 0.3%. On the other hand, retail and large corporate continued to witness steady growth of 15% and 12%, respectively. Deposits outpaced advances with a growth of 13.1% yoy for the quarter, with retail Term deposits growing at 22.9% yoy. The Global NIM increased by 4bp qoq to 3.16% in 4QFY2015 with yield on advances increasing marginally to 10.58% for the quarter. Cost of deposit increased to 6.34%, with term deposits growing faster than CASA deposits. The Non-interest income (excl. treasury) for the bank grew by 10.9% yoy, with fee income growing by 9.7% yoy while 'others' segment grew by 32.8% yoy due to high recoveries from written-off accounts and earning of dividend.

On the asset quality front, slippages came down from ₹7,043cr (annualized ratio of 2.3%) in 3QFY2015 to ₹4,769cr (annualized ratio of 1.6%) in 4QFY2015. The Gross and Net NPA ratios went down by 65bp and 68bp yoy to 4.3% and 2.1%, respectively. Restructuring during the quarter was higher than expected at ₹11,885cr, on account of closure of restructuring window and not due to stress, according to the Management. The Reported Gross NPA + Restructured Std. to Gross advances stood at 8.43% for the quarter, as compared to 8.41% in 4QFY2014. Going ahead, the restructuring pipeline stands at ₹2,625cr. The PCR improved by 557bp qoq to 69.1% due to lower slippages.

**Outlook and valuation:** SBI's asset quality has been improving since the last few quarters. With expectation of improvement in economic growth in the medium term, asset quality woes would reduce, which is expected to improve return ratios. The bank's core strength has been its high CASA and fee income, which has supported its core profitability in challenging times. Its strong capital adequacy also provides comfort. In our view, its current valuation of 1.1x FY2017E ABV, after adjusting for subsidiaries, factors in the positives for the bank. **We recommend an Accumulate rating on the stock.**

#### Key financials (standalone)

Y/E March (₹ cr)	FY2014	FY2015E	FY2016E	FY2017E
NII	49,282	55,015	61,603	71,826
% chg	11.2	11.6	12.0	16.6
Net profit	10,891	14,550	18,270	21,494
% chg	(22.8)	33.6	25.6	17.7
NIM (%)	3.0	3.0	3.1	3.0
EPS (₹)	14.6	19.5	24.5	28.8
P/E (x)	18.6	16.7	12.6	9.8
P/ABV (x)	1.9	1.7	1.5	1.3
RoA (%)	0.6	0.7	0.8	0.8
RoE (%)	10.4	11.0	12.7	14.3

Source: Company, Angel Research; Note: CMP as of May 26, 2015

## ACCUMULATE

CMP	₹281
Target Price	₹320

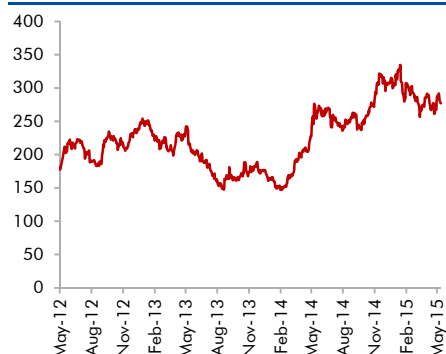
Investment Period	12 months
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Stock Info	
Sector	Banking
Market Cap (₹ cr)	2,09,773
Beta	1.4
52 Week High / Low	336/235
Avg. Daily Volume	18,57,583
Face Value (₹)	1
BSE Sensex	27,531
Nifty	8,339
Reuters Code	SBI.BO
Bloomberg Code	SBIN@IN

Shareholding Pattern (%)	
Promoters	58.6
MF / Banks / Indian Fls	18.7
FII / NRIs / OCBs	11.7
Indian Public / Others	11.0

Abs. (%)	3m	1yr	3yr
Sensex	(4.2)	11.4	69.8
SBI	(4.3)	2.7	38.3

#### 3-year price chart



Source: Company, Angel Research

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**Exhibit 1: 4QFY2015 performance (standalone)**

Particulars (₹ cr)	4QFY15	3QFY15	% chg (qoq)	4QFY14	% chg (yoy)	FY2015	FY2014	% chg
<b>Interest earned</b>	<b>40,101</b>	<b>38,546</b>	<b>4.0</b>	<b>35,858</b>	<b>11.8</b>	<b>1,52,397</b>	<b>1,36,351</b>	<b>11.8</b>
- on Advances / Bills	28,269	28,646	(1.3)	26,949	4.9	1,12,344	1,02,484	9.6
- on investments	9,983	9,485	5.3	8,228	21.3	37,088	31,942	16.1
- on balance with RBI & others	159	152	4.9	98	61.5	505	409	23.4
- on others	1,691	264	541.6	582	190.6	2,460	1,516	62.3
<b>Interest Expended</b>	<b>25,389</b>	<b>24,770</b>	<b>2.5</b>	<b>22,955</b>	<b>10.6</b>	<b>97,382</b>	<b>87,069</b>	<b>11.8</b>
<b>Net Interest Income</b>	<b>14,712</b>	<b>13,777</b>	<b>6.8</b>	<b>12,903</b>	<b>14.0</b>	<b>55,015</b>	<b>49,283</b>	<b>11.6</b>
<b>Other income</b>	<b>8,515</b>	<b>5,238</b>	<b>62.6</b>	<b>6,586</b>	<b>29.3</b>	<b>22,576</b>	<b>18,553</b>	<b>21.7</b>
Other income excl. treasury	6,856	4,318	58.8	6,185	10.9	18,957	16,477	15.1
- Fee Income	4,901	3,291	48.9	4,467	9.7	14,140	12,611	12.1
- Treasury Income*	1,659	920	80.3	401	313.7	3,619	2,076	74.3
- Forex Income	535	502	6.6	648	(17.4)	1,936	1,778	8.9
- Others	1,420	525	170.6	1,070	32.8	2,881	2,088	38.0
<b>Operating income</b>	<b>23,227</b>	<b>19,014</b>	<b>22.2</b>	<b>19,488</b>	<b>19.2</b>	<b>77,591</b>	<b>67,835</b>	<b>14.4</b>
<b>Operating expenses</b>	<b>10,818</b>	<b>9,720</b>	<b>11.3</b>	<b>8,861</b>	<b>22.1</b>	<b>38,678</b>	<b>35,726</b>	<b>8.3</b>
- Employee expenses	6,567	5,842	12.4	5,279	24.4	23,537	22,504	4.6
- Other Opex	4,251	3,878	9.6	3,581	18.7	15,141	13,222	14.5
<b>Pre-provision Profit</b>	<b>12,409</b>	<b>9,294</b>	<b>33.5</b>	<b>10,628</b>	<b>16.8</b>	<b>38,913</b>	<b>32,109</b>	<b>21.2</b>
<b>Provisions &amp; Contingencies</b>	<b>6,593</b>	<b>5,235</b>	<b>25.9</b>	<b>5,891</b>	<b>11.9</b>	<b>19,600</b>	<b>15,935</b>	<b>23.0</b>
- Provisions for NPAs	6,061	4,717	28.5	5,884	3.0	21,026	14,224	47.8
- Provisions for Investments	(84)	47	(278.7)	(597)	(85.9)	(635)	563	(212.8)
- Provisions for Std. Assets	404	370	9.2	529	(23.6)	1,126	1,261	(10.7)
- Other Provisions	212	100	110.9	75	181.2	(1,918)	(112)	1,609.1
<b>PBT</b>	<b>5,816</b>	<b>4,060</b>	<b>43.3</b>	<b>4,737</b>	<b>22.8</b>	<b>19,314</b>	<b>16,174</b>	<b>19.4</b>
<b>Provision for Tax</b>	<b>2,074</b>	<b>1,150</b>	<b>80.5</b>	<b>1,696</b>	<b>22.3</b>	<b>6,212</b>	<b>5,283</b>	<b>17.6</b>
<b>PAT</b>	<b>3,742</b>	<b>2,910</b>	<b>28.6</b>	<b>3,041</b>	<b>23.1</b>	<b>13,102</b>	<b>10,891</b>	<b>20.3</b>
Effective Tax Rate (%)	35.7	28.3	735bp	35.8	(14)bp	32.2	32.7	(50)bp

Source: Company, Angel Research;

**Exhibit 2: 4QFY2015 performance analysis (standalone)**

Particulars	4QFY15	3QFY15	%chg (qoq)	4QFY14	%chg (yoy)
<b>Balance sheet</b>					
Advances (₹ cr)	13,00,026	12,32,545	5.5	12,09,829	7.5
Deposits (₹ cr)	15,76,793	15,10,077	4.4	13,94,409	13.1
Credit-to-Deposit Ratio (%)	82.4	81.6	83bp	86.8	(432)bp
Current deposits (₹ cr)	1,23,855	94,363	31.3	1,10,935	11.6
Saving deposits (₹ cr)	5,13,905	5,09,274	0.9	4,69,262	9.5
CASA deposits (₹ cr)	6,37,760	6,03,637	5.7	5,80,197	9.9
CASA ratio (%)	40.4	40.0	47bp	44.4	(398)bp
CAR (%)*	12.0	12.0	(3)bp	12.4	(44)bp
Tier 1 CAR (%)*	9.6	10.0	(41)bp	9.7	(12)bp
<b>Profitability Ratios (%)</b>					
Cost of deposits	6.34	6.32	2bp	6.27	7bp
Yield on advances	10.58	10.57	1bp	10.47	11bp
Cost of funds	6.4	6.4	1bp	6.4	3bp
Reported NIM (global)	3.16	3.12	4bp	3.17	(1)bp
Cost-to-income ratio	46.6	51.1	(455)bp	45.5	111bp
<b>Asset quality</b>					
Gross NPAs (₹ cr)	56,725	61,991	(8.5)	61,605	(7.9)
Gross NPAs (%)	4.3	4.9	(65)bp	5.0	(70)bp
Net NPAs (₹ cr)	27,591	34,469	(20.0)	31,096	(11.3)
Net NPAs (%)	2.1	2.8	(68)bp	2.6	(45)bp
Provision Coverage Ratio (%)	69.1	63.6	557bp	62.9	627bp
Slippage ratio (%)	1.6	2.3	(75)bp	3.0	(146)bp
Loan loss prov. to avg assets (%)	1.3	1.0	25bp	1.4	(11)bp

Source: Company, Angel Research

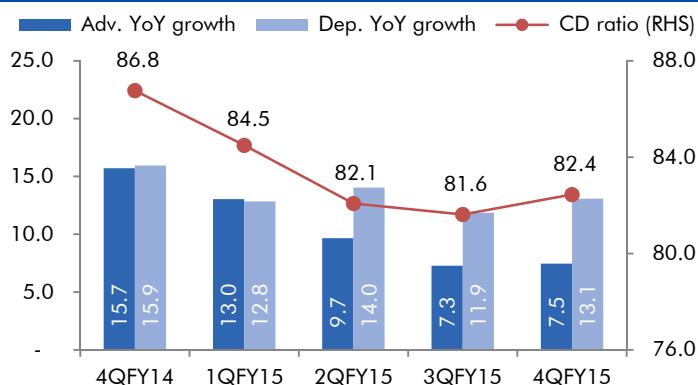
### Loan book grows at slower pace; Margins steady qoq

During 4QFY2015, the bank's advances grew at a slower pace of 7.5% yoy, as it continued to remain cautious lending to SME and Mid-corporate book. Domestic advances lagged the system growth with just 6.8% yoy growth. Retail and Large corporate segments grew by 15% and 12% yoy respectively. Within the Retail segment, Home loans grew at a healthy pace of 13.1% yoy. Contribution of Home loans above ₹30 lakhs to total home loans increased from 24% to 28% on a yoy basis with Gross NPA at 0.3% in this segment. The bank has tied up with 8,000 builders in the last 6-9 months, which should lead to better prospects in FY2016. The bank's lending to large corporates was mainly to better rated Infrastructure and Iron & Steel companies. The Management has guided at a loan book growth of 12-13% yoy for FY2017 with project pipeline seen in renewable and hydro carbon space, while home and car loan are expected to grow by 17-18%.

Deposits registered a growth of 13.1% yoy with CASA deposits growing by 9.9% yoy. The Domestic CASA ratio fell to 40.4% as of 4QFY2015 due to healthy growth in term deposits. The CASA+Retail Term deposits ratio stands at 86.7% as of 4QFY2015. The market share of deposits for SBI increased to 17% from 16.57% in March 2014.

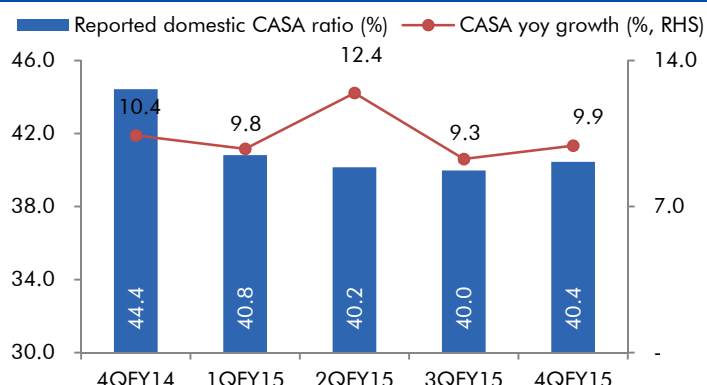
The NIM increased by 4bp qoq, mainly on account of a 4bp increase in the Domestic NIM. Improvement in NIM was also on account of ₹1,000cr of interest on income tax refund in 4QFY2015. The Domestic Cost of deposits grew by 2bp sequentially and 7bp yoy as term deposits outpaced CASA growth. The International NIM was steady qoq at 1.18%. The Management expects domestic NIM to be around 3.5% in FY2016, however any cut in the base rate will impact its margins going forward.

**Exhibit 3: Business grows at steady pace**

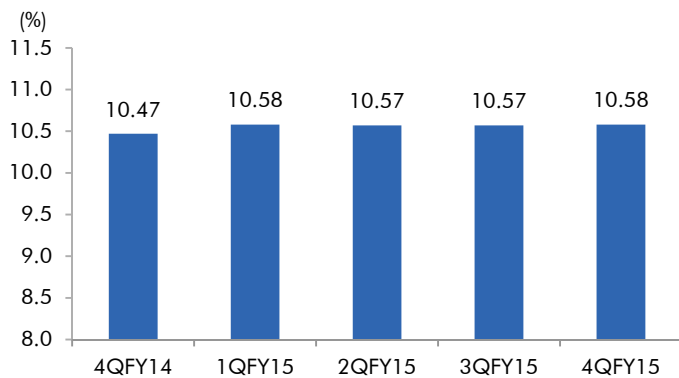


Source: Company, Angel Research

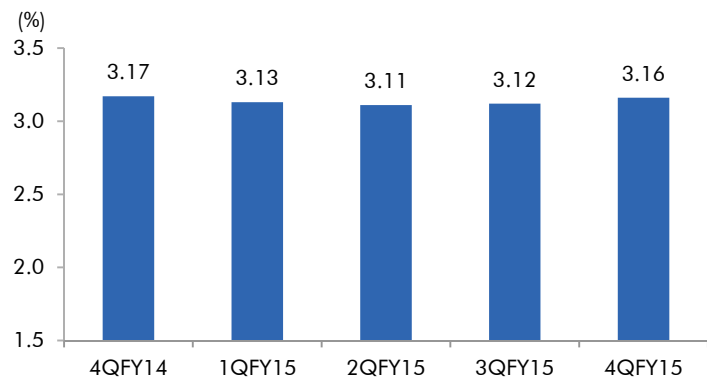
**Exhibit 4: CASA growth remains moderate**



Source: Company, Angel Research

**Exhibit 5: YoA steady qoq**


Source: Company, Angel Research

**Exhibit 6: Global NIM increases qoq**


Source: Company, Angel Research, \* Cumulative NIMs

### Steady growth in non-interest income (excl. treasury)

During the quarter, the non-interest income (excl. treasury) for the bank witnessed a steady growth of 10.9% yoy to ₹6,856cr. Fee income grew by 9.7% yoy with traction expected in quarters ahead with pick up in loan growth. Others segment grew by 32.8% due to strong recoveries from written off accounts and dividend. Treasury income grew by 314% yoy resulting in a growth of 29.3% yoy in total other income to ₹8,515cr.

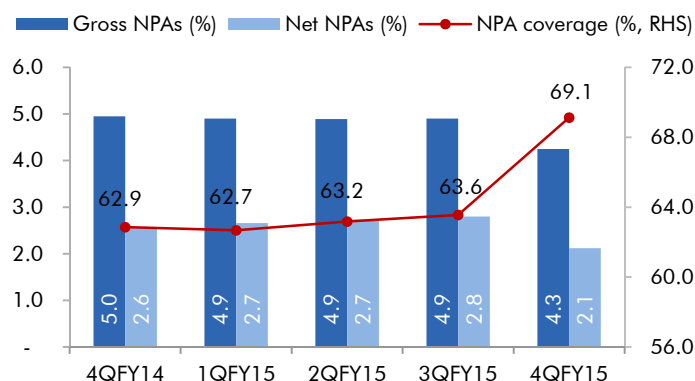
**Exhibit 7: Fee Income, Forex enable healthy non-int. income (excl treasury)**

Particulars (₹ cr)	4QFY15	3QFY15	% chg (qoq)	4QFY14	% chg (yoy)
Fee income	4,901	3,291	48.9	4,467	9.7
Treasury	1,659	920	80.3	401	313.7
Forex	535	502	6.6	648	(17.4)
Dividend	616	-	-	451	36.6
Others	804	525	53.2	619	29.9
<b>Other income</b>	<b>8,515</b>	<b>5,238</b>	<b>62.6</b>	<b>6,586</b>	<b>29.3</b>
Other income excl. treasury	6,856	4,318	58.8	6,185	10.8

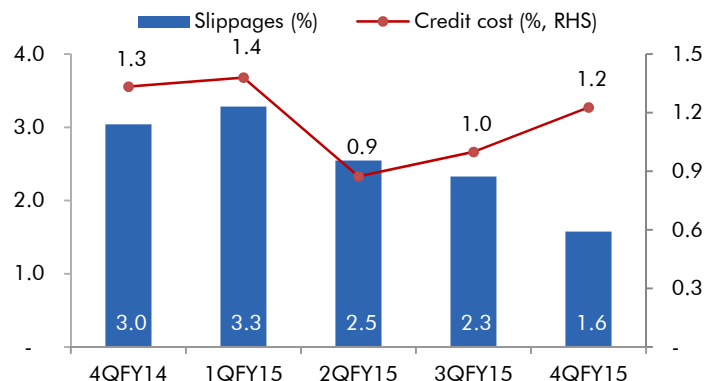
Source: Company, Angel Research

### Asset quality improves

On the asset quality front, slippages came down from ₹7,043cr (annualized ratio of 2.3%) in 3QFY2015 to ₹4,769cr (annualized ratio of 1.6%) in 4QFY2015. The Gross and Net NPA ratios went down by 65bp and 68bp qoq to 4.3% and 2.1% respectively. The bank sold 2 accounts to ARC with Gross value of ₹4,510cr for consideration of ~₹1,200cr, incurring a loss of ₹1,700cr. Restructuring during the quarter was higher than expected at ₹11,885cr on account of closure of restructuring window and not due to stress, according to the Management. The Reported Gross NPA + Restructured Std. to Gross advances stood at 8.43% for the quarter as compared to 8.41% in 4QFY2014. Going ahead, the restructuring pipeline stands at ₹2,625cr. The PCR improved by 557bp qoq to 69.1% due to lower slippages. Slippages in 1QFY2016 are expected to be higher than 4QFY2015 as stress from agriculture could be higher due to seasonality in 1QFY2016 according to the Management.

**Exhibit 8: NPA ratios under control...**


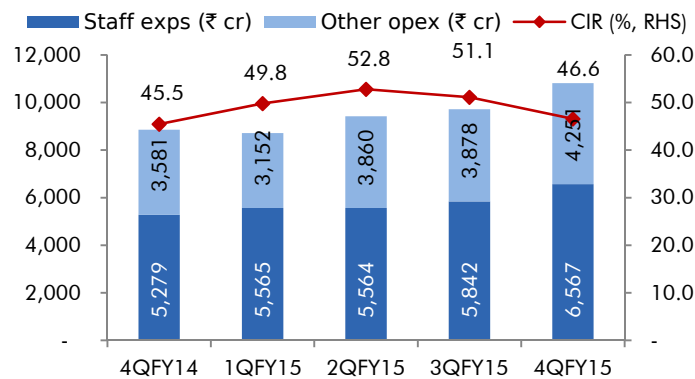
Source: Company, Angel Research

**Exhibit 9: ...with slippage ratio at 1.6%**


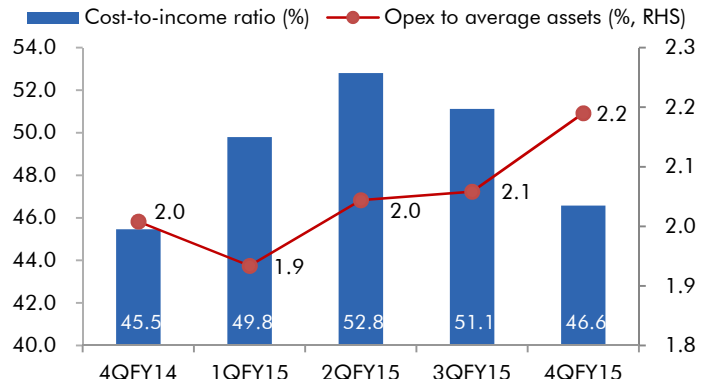
Source: Company, Angel Research

### Cost-to-income ratio improves yoy

During the quarter, other income increased at a healthy pace by 29.3% yoy to ₹8,515cr with traction in treasury income. Staff costs increased by 24.4% yoy with 38.5% yoy growth in provision for wage revision. Unbudgeted expense like expense due to amount paid to business correspondents and interchange charges on ATM led to 19% growth in other expense. As a result, the cost to income ratio increased by 111bp yoy to 46.6% in 4QFY2015.

**Exhibit 10: Opex growth trends**


Source: Company, Angel Research

**Exhibit 11: Cost-to-income ratio increases yoy**


Source: Company, Angel Research

### Performance overview of subsidiaries

- SBI Life reported a PAT of ₹820cr for FY2015, generating a RoE of 20.3%, as compared to ₹740cr in FY2014, with a RoE of 22.4%.
- SBI Cards and Payment Services posted a PAT of ₹267cr for FY2015 as against ₹293cr posted in FY2014, while SBI Funds Management recorded a PAT figure of ₹163cr for FY2015 as against ₹156cr for FY2014.
- SBI Capital Markets registered a PAT of ₹338cr during FY2015, as compared to a PAT of ₹263cr in FY2014.
- SBI's associate banks recorded earnings growth of 15.2% yoy to ₹3,201cr for FY2015.

**Outlook and valuation:** SBI's Asset quality has been improving since the last few quarters. With expectation of improvement on economic growth in medium term, asset quality woes would reduce, which is expected to improve return ratios. The bank's core strength has been its high CASA and fee income, which has supported its core profitability in challenging times. Its strong capital adequacy also provides comfort. In our view, its current valuation of 1.1x FY2017E ABV, after adjusting for subsidiaries, factors in the positives for the bank. **We recommend an Accumulate rating on the stock.**

### Exhibit 12: Recommendation summary

Company	Reco.	CMP (₹)	Tgt. Price (₹)	Upside (%)	FY2017E P/ABV (x)	FY2017E Tgt. P/ABV (x)	FY2017E P/E (x)	FY15-17E EPS CAGR (%)	FY2017E RoA (%)	FY2017E RoE (%)
HDFCBk	Accumulate	1,038	1,187	14.4	3.1	3.5	15.6	27.6	2.1	21.2
ICICIBk*	Buy	313	394	25.6	2.0	2.4	11.7	18.0	1.7	15.9
YesBk	Buy	870	1,024	17.6	2.2	2.6	11.3	26.4	1.8	21.3
AxisBk	Buy	578	672	16.2	2.3	2.7	12.7	20.9	1.8	19.6
<b>SBI*</b>	<b>Accumulate</b>	<b>281</b>	<b>320</b>	<b>13.9</b>	<b>1.4</b>	<b>1.3</b>	<b>9.7</b>	<b>21.5</b>	<b>0.8</b>	<b>14.3</b>
FedBk	Neutral	144	-	-	1.3	1.3	10.3	10.3	1.2	13.4
SIB	Accumulate	24	26	7.6	0.8	0.9	7.2	22.2	0.6	11.6
BOB	Neutral	161	-	-	0.8	0.8	10.7	(0.9)	0.4	7.7
PNB	Accumulate	153	175	14.6	0.7	0.8	6.2	22.0	0.6	10.8
BOI	Buy	204	250	22.3	0.4	1.3	4.0	20.7	0.4	10.4
IndBk	Buy	162	192	18.3	0.5	0.5	5.3	21.1	0.6	8.9
Vijaya Bank	Neutral	47	47	0.6	0.6	0.6	6.5	19.2	0.4	9.3
OBC	Buy	205	246	19.9	0.4	0.7	3.7	83.2	0.6	11.2
Allahabad Bank	Buy	103	121	17.1	0.4	0.5	3.4	47.0	0.6	12.3
UnionBk	Accumulate	169	194	14.7	0.5	0.6	4.1	19.7	0.6	12.3
CanBk	Buy	341	454	32.9	0.5	0.5	4.6	11.4	0.6	11.3
IDBI#	Buy	71	86	21.6	0.5	0.6	4.3	55.5	0.6	10.4
DenaBk	Buy	48	60	24.0	0.4	0.5	4.4	47.7	0.4	8.4

Source: Company, Angel Research; Note: \*Target multiples=SOTP Target Price/ABV (including subsidiaries), #Without adjusting for SASF

## Company background

State Bank of India is the largest bank in India, with an asset size of ~₹20lakh cr. The bank has the widest network of ~16,300 branches, with dominant presence across all regions of the country, with two-third of its branches in rural and semi-urban areas. It has subsidiaries in life insurance, asset management, credit cards and capital markets space, among others; and five regional subsidiary banks.



**Income statement (standalone)**

Y/E March (₹ cr)	FY12	FY13	FY14	FY15	FY16E	FY17E
<b>Net Interest Income</b>	<b>43,291</b>	<b>44,331</b>	<b>49,282</b>	<b>55,015</b>	<b>61,603</b>	<b>71,826</b>
- YoY Growth (%)	33.1	2.4	11.2	11.6	12.0	16.6
<b>Other Income</b>	<b>14,351</b>	<b>16,035</b>	<b>18,553</b>	<b>22,576</b>	<b>26,112</b>	<b>29,920</b>
- YoY Growth (%)	(9.3)	11.7	15.7	21.7	15.7	14.6
<b>Operating Income</b>	<b>57,643</b>	<b>60,366</b>	<b>67,835</b>	<b>78,063</b>	<b>89,656</b>	<b>1,01,829</b>
- YoY Growth (%)	19.2	4.7	12.4	14.4	13.0	16.0
<b>Operating Expenses</b>	<b>26,069</b>	<b>29,284</b>	<b>35,726</b>	<b>38,678</b>	<b>43,512</b>	<b>48,951</b>
- YoY Growth (%)	13.3	12.3	22.0	8.3	12.5	12.5
<b>Pre - Provision Profit</b>	<b>31,574</b>	<b>31,082</b>	<b>32,109</b>	<b>40,121</b>	<b>46,972</b>	<b>53,810</b>
- YoY Growth (%)	24.6	(1.6)	3.3	21.2	13.6	19.4
<b>Prov. &amp; Cont.</b>	<b>13,090</b>	<b>11,131</b>	<b>15,793</b>	<b>21,060</b>	<b>19,766</b>	<b>21,204</b>
- YoY Growth (%)	26.1	(15.0)	41.9	33.3	(6.1)	7.3
<b>Profit Before Tax</b>	<b>18,483</b>	<b>19,951</b>	<b>16,316</b>	<b>21,209</b>	<b>27,705</b>	<b>32,870</b>
- YoY Growth (%)	23.6	7.9	(18.2)	9.4	36.9	29.3
<b>Prov. for Taxation</b>	<b>6,776</b>	<b>5,846</b>	<b>5,425</b>	<b>5,733</b>	<b>8,304</b>	<b>10,933</b>
- as a % of PBT	36.7	29.3	33.2	32.1	34.0	34.6
<b>PAT</b>	<b>11,707</b>	<b>14,105</b>	<b>10,891</b>	<b>14,550</b>	<b>18,270</b>	<b>21,494</b>
- YoY Growth (%)	41.7	20.5	(22.8)	33.6	25.6	17.7

**Balance sheet (standalone)**

Y/E March (₹ cr)	FY12	FY13	FY14	FY15	FY16E	FY17E
Share Capital	671	684	747	747	747	747
Reserves & Surplus	83,280	98,200	1,17,536	1,27,692	1,40,187	1,56,022
Deposits	10,43,647	12,02,740	13,94,409	15,76,793	18,29,080	21,58,315
- Growth (%)	11.7	15.2	15.9	13.1	16.0	18.0
Borrowings	86,989	1,28,954	1,40,550	1,63,633	1,85,542	2,18,112
Tier 2 Capital	40,016	40,229	42,581	41,517	40,479	39,467
Other Liab & Prov.	80,915	94,826	96,413	1,37,698	1,25,522	1,45,618
<b>Total Liabilities</b>	<b>13,35,519</b>	<b>15,65,632</b>	<b>17,92,235</b>	<b>20,48,080</b>	<b>23,21,556</b>	<b>27,18,280</b>
Cash balances	54,076	65,830	84,956	1,15,884	91,454	1,07,916
Bank balances	43,087	48,990	47,594	58,978	66,874	78,613
Investments	3,12,198	3,50,927	3,98,308	4,95,027	5,66,885	6,48,822
Advances	8,67,579	10,45,617	12,09,829	13,00,026	15,08,031	17,79,476
- Growth (%)	14.7	20.5	15.7	7.5	16.0	18.0
Fixed Assets	5,467	7,005	8,002	9,329	10,261	11,700
Other Assets	53,113	47,263	43,546	68,836	78,052	91,753
<b>Total Assets</b>	<b>13,35,519</b>	<b>15,65,632</b>	<b>17,92,235</b>	<b>20,48,080</b>	<b>23,21,556</b>	<b>27,18,280</b>
- Growth (%)	9.1	17.3	14.5	14.3	13.4	17.6

**Ratio analysis (standalone)**

Y/E March	FY12	FY13	FY14	FY15	FY16E	FY17E
<b>Profitability Ratios (%)</b>						
NIMs	3.6	3.2	3.0	3.0	3.1	3.0
Cost to Income Ratio	45.2	48.5	52.7	49.8	49.6	48.1
RoA	0.9	0.9	0.6	0.7	0.8	0.8
RoE	16.5	16.2	10.4	11.0	12.7	14.3
<b>B/S ratios (%)</b>						
CASA Ratio	44.8	44.8	42.9	40.4	39.7	39.1
Credit/Deposit Ratio	83.1	86.9	86.8	82.4	82.4	82.4
CAR	13.9	12.9	12.4	11.6	10.9	10.0
- Tier I	9.8	9.5	9.6	9.2	8.8	8.2
<b>Asset Quality (%)</b>						
Gross NPAs	4.5	4.8	5.0	4.3	5.1	5.4
Net NPAs	1.8	2.1	2.6	2.1	2.1	1.9
Slippages	3.2	3.6	3.8	2.4	2.5	2.3
Loan Loss Prov./Avg. Assets	0.9	0.7	0.9	1.1	0.8	0.8
Provision Coverage	68.1	66.6	62.9	65.0	69.0	72.5
<b>Per Share Data (₹)</b>						
EPS	17.4	20.6	14.6	19.5	24.5	28.8
ABVPS	120.0	136.5	144.8	157.7	179.1	205.5
DPS	35.0	41.5	30.0	58.2	43.0	57.0
<b>Valuation Ratios</b>						
PER (x)	15.6	13.2	18.6	16.7	12.6	9.8
P/ABVPS (x)	2.3	2.0	1.9	1.7	1.5	1.3
Dividend Yield	12.9	15.3	11.0	21.4	15.8	21.0
<b>DuPont Analysis (%)</b>						
NII	3.4	3.1	2.9	2.9	3.0	3.0
(-) Prov. Exp.	1.0	0.8	0.9	1.0	0.9	0.9
Adj. NII	2.4	2.3	2.0	1.9	2.1	2.1
Treasury	(0.1)	0.1	0.1	0.1	0.1	0.1
Int. Sens. Inc.	2.3	2.4	2.1	2.0	2.2	2.2
Other Inc.	1.2	1.0	1.0	1.0	1.0	1.0
Op. Inc.	3.5	3.4	3.1	3.0	3.2	3.3
Opex	2.0	2.0	2.1	2.0	2.0	2.0
PBT	1.4	1.4	1.0	1.0	1.2	1.3
Taxes	0.5	0.4	0.3	0.3	0.4	0.4
<b>RoA</b>	<b>0.9</b>	<b>0.9</b>	<b>0.6</b>	<b>0.7</b>	<b>0.8</b>	<b>0.8</b>
Leverage (x)	18.8	17.1	16.6	16.3	16.7	16.9
<b>RoE</b>	<b>16.5</b>	<b>16.2</b>	<b>10.4</b>	<b>11.0</b>	<b>12.7</b>	<b>14.3</b>

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### Disclosure of Interest Statement

### State Bank of India

1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

*Note: We have not considered any Exposure below ₹ 1 lakh for Angel, its Group companies and Directors*

### Ratings (Based on expected returns over 12 months investment period):

Buy (&gt; 15%)

 Accumulate (5% to 15%)  
 Reduce (-5% to -15%)

 Neutral (-5 to 5%)  
 Sell (< -15%)