

**BUY**

TP: Rs 1,013 | ▲ 26%

**STATE BANK OF INDIA**

| Banking

| 10 August 2025

## Return profile remains steady with healthy business growth

- PPOP beats our estimates mainly aided by non-interest income; return ratios stay steady with RoA/RoE of 1.1/19.7% in Q1FY26
- Credit growth remains healthy and asset quality metrics stay stable, with non-NPA provision at 152% of NNPA providing a cushion
- We maintain BUY on healthy growth and steady return profile, and revise TP to Rs 1,013 (Rs 989 earlier), set at 1.3x Jun'27E ABV

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**PPoP beats our estimates mainly aided by non-interest income:** Despite NII being 2.1% below our estimates, PPoP at Rs 305bn (+15% YoY) was 12.6% above estimates, largely driven by higher non-interest income (+55% YoY). Non-interest income was mainly aided by higher profit on the sale of investments of Rs 63.3bn (Q1FY26) vs Rs 25.9bn (Q1FY25). NIMs declined to 2.9% (-19bps QoQ) with domestic NIMs at 3.02% (-20bps QoQ). Management expects to maintain domestic NIMs at 3% in FY26, mainly driven by repricing of fixed deposit, cut in savings rate and benefits of 100bps CRR cut from Sep'25. Operating efficiency improved with C/I ratio falling to 47.7% (-1.7% YoY), due to focus on cost control. SBIN guided for C/I ratio <50% through cycles. The bank continues to report healthy return ratios (RoA/RoE of 1.1%/19.7% in Q1FY26) with a guidance of >1% RoA in FY26.

**Credit growth remains healthy:** Gross advances grew by 11.6% YoY and was marginally above the system growth of 10.2% YoY as of Jun'25. Loan growth was >12.5% YoY across segments, except for corporate segment (+5.7% YoY). The muted growth in corporate segment was due to ~Rs 120bn prepayments, ~Rs 160-180bn shifted to capital markets (CPs) for better pricing consideration. However, the bank has ~Rs 7.2trn corporate pipeline and guided double-digit corporate credit growth from Q2FY26 with overall loan growth of 12% YoY for FY26.

**Stable asset quality metrics:** Asset quality was stable with GNPA ratio at 1.83% (+1bps QoQ) and NNPA at 0.47%. SBIN witnessed higher slippages of Rs 79.5bn (+1% YoY; +88% QoQ) or slippage ratio of 0.8% (-13bps YoY; +38bps QoQ). Slippage was mainly from SME segment (Rs 26.8bn), Personal (Rs 26.0bn), and Agri (Rs 24.6bn). Management guided for recovery from AUCA accounts of Rs 70-80bn (Rs 12.3bn in Q1FY26) with slippage <0.6% in FY26. Also, non-NPA provision of Rs 303bn (152% of NNPA) provides a cushion against any sudden rise in stress.

**Maintain BUY:** Healthy business growth, despite SBIN's size, along with steady return profile and asset quality augured well. We expect NIM at ~2.9% and ROA/ROE of 1.1%/15.2% by FY27E. Given SBIN's healthy performance, we revise our TP to Rs 1,013 (from Rs 989) and roll over valuation to 1.3x Jun'27E ABV.

## Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	SBIN IN/Rs 804
Market cap	US\$ 84.7bn
Free float	42%
3M ADV	US\$ 101.8mn
52wk high/low	Rs 875/Rs 680
Promoter/FPI/DII	56%/10%/27%

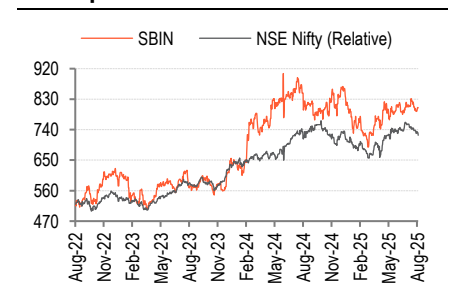
Source: NSE | Price as of 8 Aug 2025

## Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	16,69,651	17,15,701	19,72,275
NII growth (%)	4.4	2.8	15.0
Adj. net profit (Rs mn)	7,09,006	7,30,657	8,45,703
EPS (Rs)	79.4	80.5	91.6
Consensus EPS (Rs)	79.4	78.6	87.1
P/E (x)	10.1	10.0	8.8
P/BV (x)	1.6	1.4	1.3
ROA (%)	1.1	1.0	1.1
ROE (%)	17.3	15.1	15.1

Source: Company, Bloomberg, BOBCAPS Research |

## Stock performance



Source: NSE



**Fig 1 – Quarterly snapshot: Income statement**

(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
<b>Income Statement</b>							
Interest Income	7,86,926	8,15,286	8,33,995	8,57,097	8,54,379	8.57	(0.32)
Income on investments	2,82,652	2,80,236	2,92,863	2,94,562	2,77,492	(1.83)	(5.79)
Int. on bal. with RBI & inter-bank funds & Others	45,682	43,184	47,409	45,003	48,088	5.27	6.85
Interest income	11,15,260	11,38,706	11,74,266	11,96,662	11,79,959	5.80	(1.40)
Interest expense	7,04,005	7,22,510	7,59,811	7,68,916	7,69,234	9.27	0.04
<b>Net interest income</b>	<b>4,11,255</b>	<b>4,16,195</b>	<b>4,14,455</b>	<b>4,27,746</b>	<b>4,10,725</b>	<b>(0.13)</b>	<b>(3.98)</b>
Growth YoY (%)	5.7	5.4	4.1	2.7	(0.1)		
<b>Non-interest income</b>	<b>1,11,619</b>	<b>1,52,706</b>	<b>1,10,408</b>	<b>2,42,099</b>	<b>1,73,457</b>	<b>55.4</b>	<b>(28.4)</b>
Growth YoY (%)	(7.5)	41.5	(3.6)	39.4	55.4		
<b>Total income</b>	<b>5,22,873</b>	<b>5,68,901</b>	<b>5,24,863</b>	<b>6,69,845</b>	<b>5,84,182</b>	<b>11.7</b>	<b>(12.8)</b>
Growth YoY (%)	2.6	13.1	2.4	13.5	11.7		
Staff expenses	1,54,660	1,48,074	1,60,737	1,80,052	1,68,995	9.3	(6.1)
Other operating expenses	1,03,728	1,27,890	1,28,617	1,76,933	1,09,742	5.8	(38.0)
<b>Operating expenses</b>	<b>2,58,387</b>	<b>2,75,964</b>	<b>2,89,355</b>	<b>3,56,985</b>	<b>2,78,737</b>	<b>7.9</b>	<b>(21.9)</b>
<b>Pre-Provisioning Profit (PPoP)</b>	<b>2,64,486</b>	<b>2,92,937</b>	<b>2,35,508</b>	<b>3,12,860</b>	<b>3,05,445</b>	<b>15.5</b>	<b>(2.4)</b>
Growth YoY (%)	4.6	50.9	15.8	8.8	15.5		
<b>Provisions</b>	<b>34,494</b>	<b>45,057</b>	<b>9,111</b>	<b>64,417</b>	<b>47,592</b>	<b>38.0</b>	<b>(26.1)</b>
Growth YoY (%)	37.9	3,808.5	32.5	300.2	38.0		
Exceptional Item	-	-	-	-	-	-	-
<b>PBT</b>	<b>2,29,992</b>	<b>2,47,880</b>	<b>2,26,398</b>	<b>2,48,444</b>	<b>2,57,853</b>	<b>12.1</b>	<b>3.8</b>
Tax	59,640	64,566	57,483	62,018	66,248	11.1	6.8
<b>PAT</b>	<b>1,70,352</b>	<b>1,83,314</b>	<b>1,68,914</b>	<b>1,86,426</b>	<b>1,91,604</b>	<b>12.5</b>	<b>2.8</b>
Growth YoY (%)	0.9	27.9	84.3	(9.9)	12.5		
<b>Per Share</b>							
FV (Rs)	1.0	1.0	1.0	1.0	1.0	-	-
EPS (Rs)	19	21	19	21	21	12.5	2.8
Book Value (Rs)	445	470	488	494	527	18.3	6.6

Source: Company, BOBCAPS Research

**Fig 2 – Quarterly snapshot: Key balance sheet & other metrics**

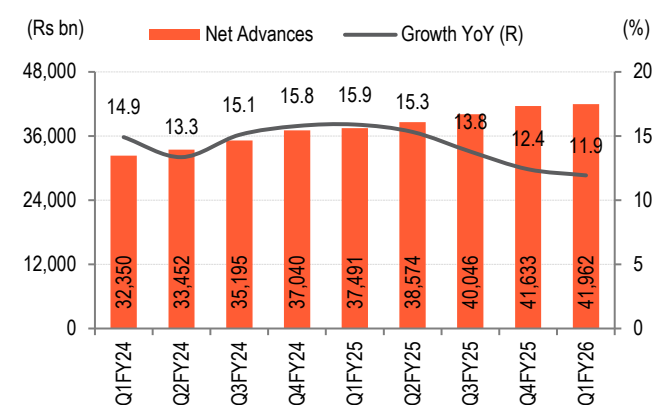
(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
<b>Deposits</b>	<b>4,90,17,259</b>	<b>5,11,72,849</b>	<b>5,22,93,845</b>	<b>5,38,21,895</b>	<b>5,47,32,537</b>	<b>11.7</b>	<b>1.7</b>
Growth YoY (%)	8.2	9.1	9.8	9.5	11.7		
<b>Advances</b>	<b>3,74,91,389</b>	<b>3,85,74,235</b>	<b>4,00,45,669</b>	<b>4,16,33,121</b>	<b>4,19,62,051</b>	<b>11.9</b>	<b>0.8</b>
Growth YoY (%)	15.9	15.3	13.8	12.4	11.9		
Investment	1,62,88,359	1,66,55,111	1,80,86,289	1,69,05,728	1,68,34,939	3.4	(0.4)
Equity	39,73,883	41,95,593	43,54,064	44,11,621	47,01,949	18.3	6.6
Assets	6,19,11,540	6,34,14,593	6,62,06,744	6,67,60,533	6,76,85,048	9.3	1.4
Growth YoY (%)	11.7	8.8	11.0	8.0	9.3		
<b>Yield (%)</b>							
Yield on Funds	7.9	7.9	7.8	7.8	7.6	(28bps)	(17bps)
Cost of Funds	5.1	5.2	5.2	5.2	5.1	3bps	(3bps)
Spread	2.7	2.7	2.6	2.6	2.4	(30bps)	(14bps)
<b>Net Interest Margin (calc.)</b>	<b>2.9</b>	<b>2.9</b>	<b>2.8</b>	<b>2.8</b>	<b>2.6</b>	<b>(26bps)</b>	<b>(13bps)</b>
<b>Ratios (%)</b>							
Other Income / Net Income	21.3	26.8	21.0	36.1	29.7	835bps	(645bps)
Cost to Income ratio	49.4	48.5	55.1	53.3	47.7	(170bps)	(558bps)
CASA ratio	39.1	38.4	37.6	38.4	37.8	(126bps)	(58bps)
C/D ratio	76.5	75.4	76.6	77.4	76.7	18bps	(69bps)
Investment to Assets	26.3	26.3	27.3	25.3	24.9	(144bps)	(45bps)
<b>Asset Quality</b>							
GNPA	8,42,260	8,33,692	8,43,604	7,68,800	7,80,397	(7.3)	1.5
NNPA	2,15,547	2,02,943	2,13,776	1,96,670	1,99,084	(7.6)	1.2
Provision	6,26,714	6,30,749	6,29,827	5,72,130	5,81,313	(7.2)	1.6
GNPA (%)	2.2	2.1	2.1	1.8	1.8	(38bps)	1bps
NNPA (%)	0.6	0.5	0.5	0.5	0.5	(10bps)	0bps
PCR (%)	74.4	75.7	74.7	74.4	74.5	8bps	7bps

Source: Company, BOBCAPS Research

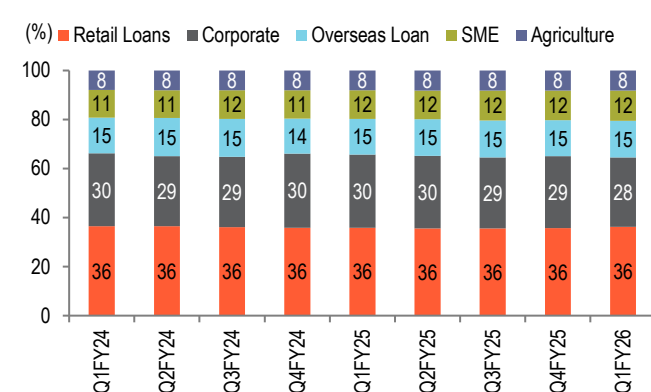
**Fig 3 – Actual vs. Estimates**

Key Parameters (Rs bn)	Q1FY26A	Q1FY26E	Actual vs. Estimates (%)
Loan	41,962	42,365	(1.0)
Deposits	54,733	54,409	0.6
Assets	67,685	68,106	(0.6)
NII	411	420	(2.1)
PPOP	305	271	12.6
Provision	48	47	0.7
PAT	192	167	15.1

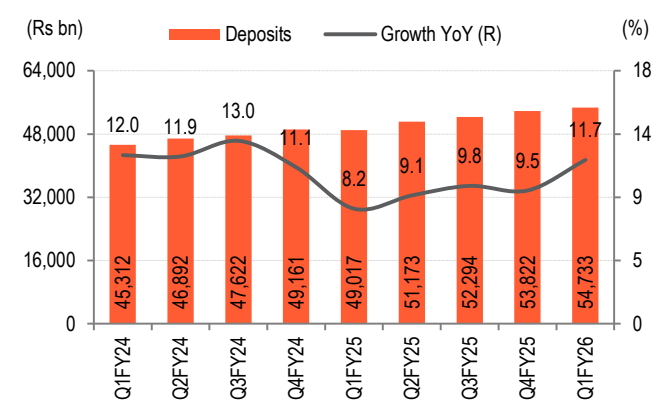
Source: Company, BOBCAPS Research

**Fig 4 – Loan growth above system level**

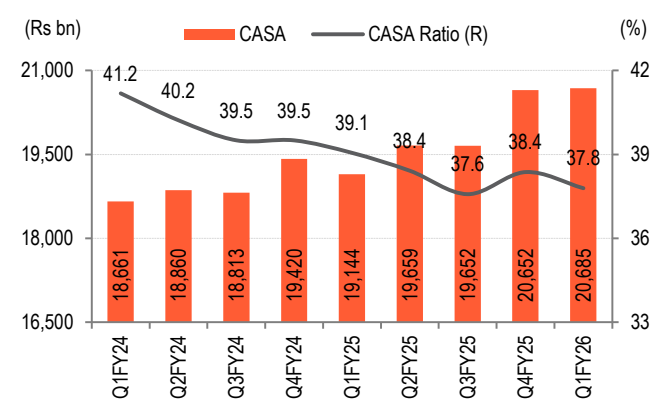
Source: Company, BOBCAPS Research

**Fig 5 – RAM accounted for 56.8% of total loans**

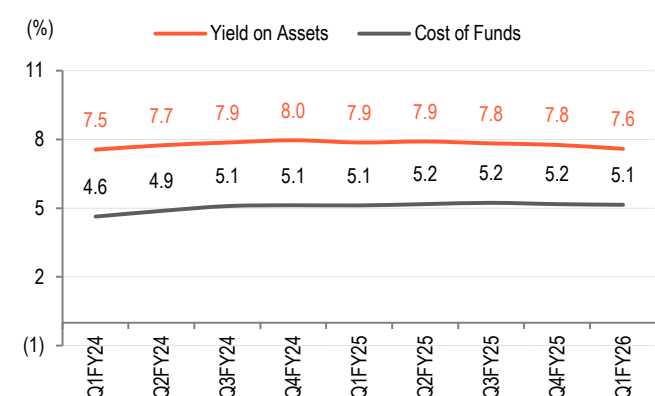
Source: Company, BOBCAPS Research

**Fig 6 – Deposits growth led by TDs**

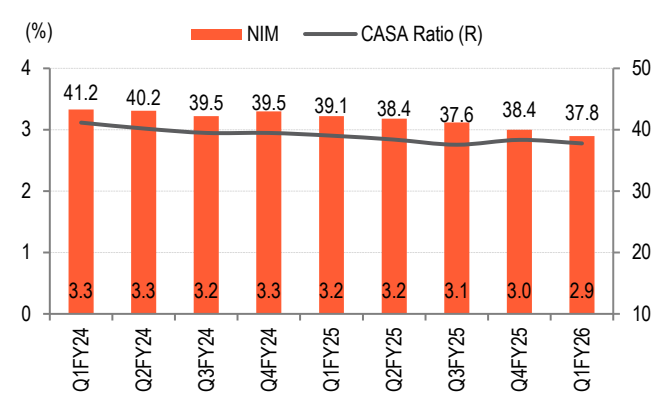
Source: Company, BOBCAPS Research

**Fig 7 – CASA ratio declines by 58bps QoQ**

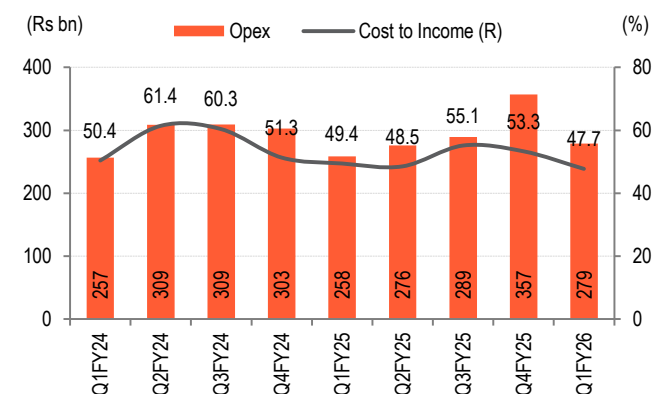
Source: Company, BOBCAPS Research

**Fig 8 – Yield moderates with RBI's rate cut cycle**

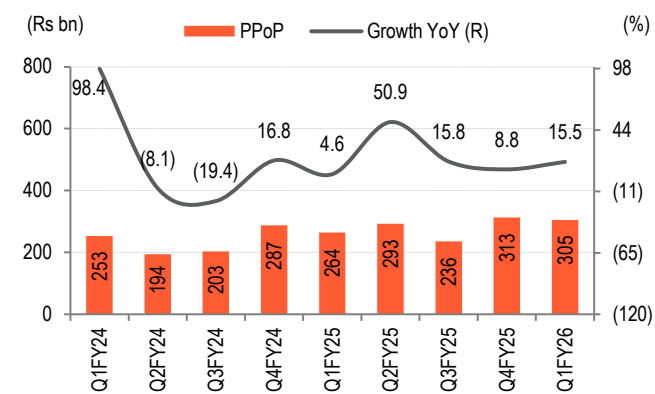
Source: Company, BOBCAPS Research

**Fig 9 – NIMs expected to sustain at ~2.9% in FY26E**

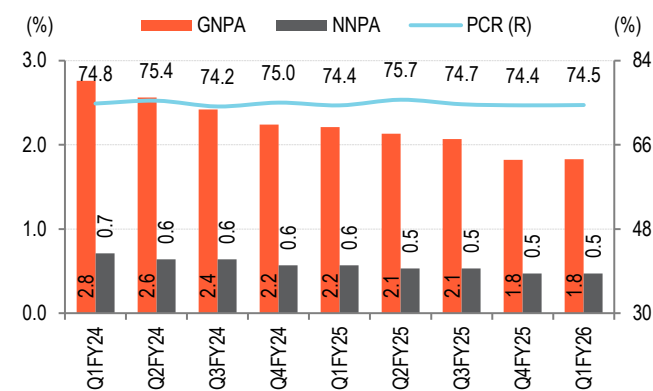
Source: Company, BOBCAPS Research

**Fig 10 – CI ratio declines and management targets to keep it below 50%**


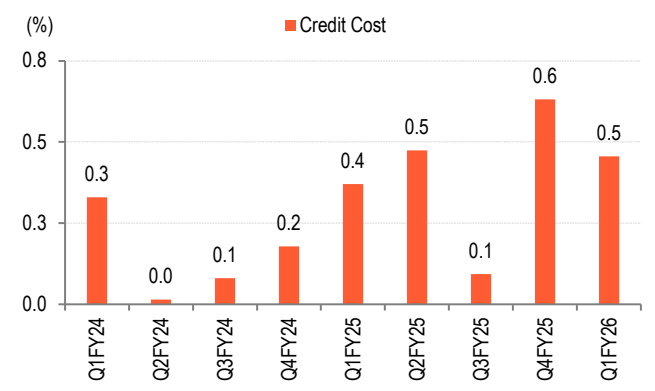
Source: Company, BOBCAPS Research

**Fig 11 – PPOp growth largely led by non-interest income**


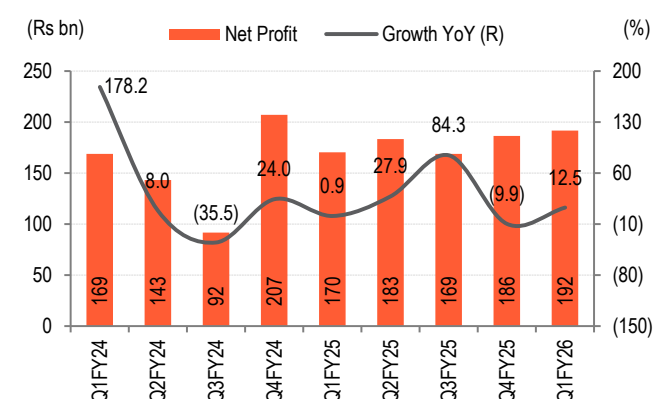
Source: Company, BOBCAPS Research

**Fig 12 – Asset quality stable**


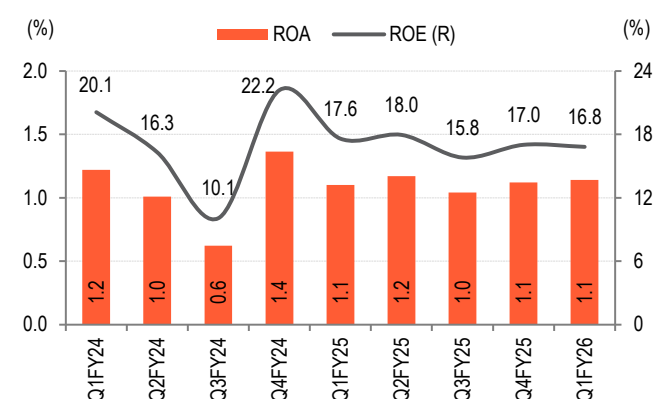
Source: Company, BOBCAPS Research

**Fig 13 – CC moderates on sequential basis**


Source: Company, BOBCAPS Research

**Fig 14 – PAT up mainly aided by other income**


Source: Company, BOBCAPS Research

**Fig 15 – Return ratios (calculated) remain steady**


Source: Company, BOBCAPS Research

**Fig 16 – Loan book trend**

(Rs bn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Home Loans	7,396	7,641	7,928	8,308	8,509	15.0	2.4
Auto Loans	1,176	1,174	1,245	1,271	1,271	8.1	0.0
Xpress Credit	3,456	3,415	3,449	3,501	3,468	0.3	(1.0)
Personal Loans	354	388	437	500	635	79.1	26.9
Other Retail Loans	1,298	1,348	1,414	1,485	1,517	16.8	2.2
Retail Loans	13,680	13,966	14,473	15,065	15,399	12.6	2.2
Agriculture	3,091	3,222	3,364	3,485	3,483	12.7	(0.1)
SME	4,434	4,565	4,964	5,060	5,281	19.1	4.4
Corporate	11,386	11,572	11,763	12,406	12,034	5.7	(3.0)
Domestic Advances	32,591	33,325	34,564	36,016	36,197	11.06	0.5
Overseas Loans	5,530	5,882	6,113	6,191	6,348	14.8	2.5
<b>Gross Loans</b>	<b>38,121</b>	<b>39,207</b>	<b>40,678</b>	<b>42,207</b>	<b>42,545</b>	<b>11.6</b>	<b>0.8</b>

Source: Company, BOBCAPS Research

**Fig 17 – Loan book distribution**

(%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY	QoQ
Home Loans	19.4	19.5	19.5	19.7	20.0	60bps	32bps
Auto Loans	3.1	3.0	3.1	3.0	3.0	(10bps)	(2bps)
Xpress Credit	9.1	8.7	8.5	8.3	8.2	(91bps)	(15bps)
Personal Loans	0.9	1.0	1.1	1.2	1.5	56bps	31bps
Other Retail Loans	3.4	3.4	3.5	3.5	3.6	16bps	5bps
Retail Loans	35.9	35.6	35.6	35.7	36.2	31bps	50bps
Agriculture	8.1	8.2	8.3	8.3	8.2	8bps	(7bps)
SME	11.6	11.6	12.2	12.0	12.4	78bps	42bps
Corporate	29.9	29.5	28.9	29.4	28.3	(158bps)	(111bps)
Domestic Advances	85.5	85.0	85.0	85.3	85.1	(42bps)	(25bps)
Overseas Loans	14.5	15.0	15.0	14.7	14.9	42bps	25bps
<b>Gross Loans</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>0bps</b>	<b>0bps</b>

Source: Company, BOBCAPS Research

**Fig 18 – Deposit trend**

(Rs bn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Current Deposits	2,462	2,784	2,850	3,646	3,217	30.7	(11.8)
Saving Deposits	16,683	16,875	16,802	17,006	17,468	4.7	2.7
<b>CASA Deposits</b>	<b>19,144</b>	<b>19,659</b>	<b>19,652</b>	<b>20,652</b>	<b>20,685</b>	<b>8.0</b>	<b>0.2</b>
Term Deposits	29,873	31,514	32,641	33,170	34,047	14.0	2.6
Domestic Deposits	47,039	49,105	50,139	51,669	52,549	11.7	1.7
Overseas Deposits	1,978	2,068	2,155	2,153	2,184	10.4	1.4
<b>Total Deposits</b>	<b>49,017</b>	<b>51,173</b>	<b>52,294</b>	<b>53,822</b>	<b>54,733</b>	<b>11.7</b>	<b>1.7</b>

Source: Company, BOBCAPS Research

**Fig 19 – Deposit distribution**

(%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Current Deposits	5.0	5.4	5.5	6.8	5.9	86bps	(90bps)
Saving Deposits	34.0	33.0	32.1	31.6	31.9	(212bps)	32bps
<b>CASA Deposits</b>	<b>39.1</b>	<b>38.4</b>	<b>37.6</b>	<b>38.4</b>	<b>37.8</b>	<b>(126bps)</b>	<b>(58bps)</b>
Term Deposits	60.9	61.6	62.4	61.6	62.2	126bps	58bps
Domestic Deposits	96.0	96.0	95.9	96.0	96.0	4bps	1bps
Overseas Deposits	4.0	4.0	4.1	4.0	4.0	(4bps)	(1bps)
<b>Total Deposits</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>0bps</b>	<b>0bps</b>

Source: Company, BOBCAPS Research

## Earnings call highlights

### Asset quality

- SBIN's asset quality remained stable with GNPA up by only 1 bps QoQ to 1.83% and NNPA at 0.47% (flat QoQ) in Q1FY26. Slippages increased to Rs 84.0bn in Q1FY26 vs. Rs 43.2bn in Q4FY25, with the major contributors being the SME segment (Rs 26.8bn), agriculture (Rs 24.6bn), and personal loans (Rs 26.0 bn).
- However, management is confident of the asset quality being stable and that there is no concern in any sector.
- NPAs for agri were at 8.7% in Q1FY26 vs 9.84% in Q1FY25, SME portfolio at 3.29% vs 3.75% in Q1FY25 and Retail at 2.47% vs 2.74% in Q1FY25.
- GNPA ratio for Xpress credit increased to 1.21%, but this increase was due to the stagnant book size. Management sees no significant concern and expects a pull-back going forward.
- Recovery and upgrades improved to Rs 32.5bn in Q1FY26 vs Rs 17.4bn in Q4FY25. Management expects recovery from AUCA accounts of Rs 70-80bn in FY26.
- Credit cost was 0.47% in Q1FY26 vs 0.48% in Q1FY25.

### Loans and deposits

- Management guided for credit growth of 12% YoY in FY26.
- Retail book grew 13% YoY (2% QoQ). Corporate book grew 6% YoY (-3% QoQ). Retail loan growth was aided by personal gold loans (up 79% YoY, 27% QoQ) and home loans (up 15% YoY and 2% QoQ). Overall loan book grew 12% YoY and 1% QoQ.
- Loan mix, in terms of pricing for Q1, was 30.2% repo linked loans, 30.7% MCLR (marginal cost of funds-based lending rate), 22.6% fixed rate loans and others; which include T-bill linked pricing of 15.9%.
- Deposits grew 12% YoY, led by term deposits (up 14% YoY and 3% QoQ). SA rose 5% while CA grew 31% YoY. CA growth was from both government and non-govt accounts. Also, the bank made strategic investments in specialised hubs and dedicated RMs for current accounts.
- Share of domestic CASA ratio was 39.4% as of Jun'25 vs. 40.7% as of Jun'24.
- Credit deposit ratio was 76.7% as of Jun'25 vs. 76.5% as of Jun'24.

### Profitability

- NIMs declined to 2.9%, down by 10bps QoQ and 32bps YoY, largely driven by higher cost of deposits and lower yields on advances. However, the bank remains confident of recovering NIM to its full year guidance of 3%, primarily through the repricing of deposits and CRR cuts.

- PAT grew by 12% YoY (+3% QoQ) and stood at Rs 191.6bn, mainly aided by non-interest income.

#### Other information

- In July 2025, SBIN raised Rs 250bn through QIP at Rs 817 per equity share. Post QIP, the GoI holding declined to 55.03% from 56.92%. The capital raise was to augment its CET I capital base. Post QIP, SBIN's CET I ratio improved to 11.8% (excluding Q1FY26 profit) vs 11.1% as of Jun'25.
- SBI sold 14.96% stake in Jio Payments Bank Ltd to its JV partner, Jio Financial Services Ltd. (JFSL) in Jun'25, which resulted in profit of Rs 25.5bn.

## Valuation Methodology

While system credit growth is moderating, we believe SBIN will likely deliver healthy credit growth, coupled with strong liability franchise. The bank has demonstrated stable performance with healthy credit and deposit growth through business cycles. We expect stable NIMs at ~2.9% and ROA/ROE of 1.1%/15.2% by FY27E. Given SBIN's healthy performance, we revise our SOTP-based TP to Rs 1,013 (from Rs 989) and roll over valuation to 1.3x Jun'27E ABV.

**Fig 20 – Key operational assumptions**

Parameter (%)	FY25A	FY26E	FY27E	FY28E
Advances Growth	12.4	12.0	13.0	14.0
Net Interest Income Growth	4.4	2.8	15.0	15.7
PPoP Growth	27.5	5.4	14.8	15.4
PAT Growth	16.1	3.1	15.7	14.7
NIM	3.1	2.9	3.0	3.1
GNPA	1.8	1.7	1.6	1.5
CAR	14.3	14.7	15.1	15.3

Source: Company, BOBCAPS Research

**Fig 21 – SOTP valuation summary**

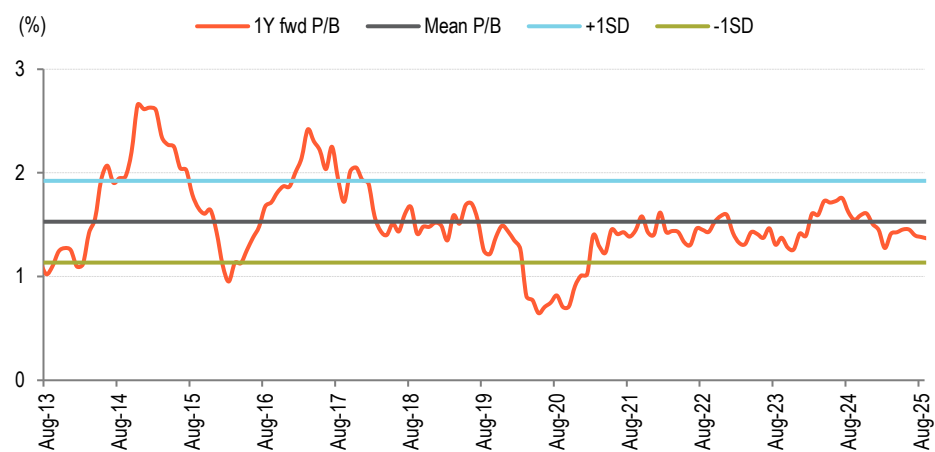
Business	Valuation method	Holdings (%)	Value (Rs/sh)
Bank	1.3x Jun'27E ABV	100	774
SBI Life	Mcap	55	111
SBI AMC	10% of AUM	62	77
SBI General	25x FY27e EPS	70	13
SBI Card	Mcap	69	56
SBI Capital	15x FY27e EPS	100	25
Holding Company Discount	15%		(42)
<b>Total</b>			<b>1,013</b>

Source: Company, BOBCAPS Research

**Fig 22 – Valuation assumptions**

Gordon Growth Model	(%)
Return on Equity (RoE)	14.9
Cost of Equity (Ke)	13.7
Growth (Period 1)	11.9
Growth (Long Term)	3.0
Initial High Growth Period (years)	10.0
Dividend Payout (Period 1)	20.0
Dividend Payout (Long Term)	80.0
Factor 1	1.8
Factor 2	6.6
Justified P/BV (x)	1.3

Source: BOBCAPS Research

**Fig 23 – PB band chart**

Source: Company, BOBCAPS Research

## Key risks

Key downside risks to our estimates:

- Any sudden rise in delinquency in the retail and SME segments, resulting in higher provision requirements
- Inability to manage CoF, which may drag NIM as well as the overall profitability.

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	15,98,758	16,69,651	17,15,701	19,72,275	22,81,451
NII growth (%)	10.4	4.4	2.8	15.0	15.7
Non-interest income	5,16,822	6,16,831	6,61,456	7,07,491	7,73,204
Total income	21,15,580	22,86,482	23,77,157	26,79,766	30,54,655
Operating expenses	12,48,608	11,80,690	12,11,506	13,41,365	15,10,705
PPOP	8,66,972	11,05,792	11,65,651	13,38,401	15,43,951
PPOP growth (%)	3.6	27.5	5.4	14.8	15.4
Provisions	49,142	1,53,079	1,80,938	1,98,640	2,36,793
PBT	8,17,830	9,52,713	9,84,714	11,39,761	13,07,158
Tax	2,07,063	2,43,706	2,54,056	2,94,058	3,37,247
Reported net profit	6,10,766	7,09,006	7,30,657	8,45,703	9,69,911
Adjustments	0	0	0	0	0
Adjusted net profit	6,10,766	7,09,006	7,30,657	8,45,703	9,69,911

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity capital	8,925	8,925	9,231	9,231	9,231
Reserves & surplus	37,63,541	44,02,697	52,33,263	59,14,054	66,99,682
Net worth	37,72,465	44,11,621	52,42,494	59,23,285	67,08,913
Deposits	4,91,60,768	5,38,21,895	5,92,04,085	6,54,20,514	7,32,70,975
Borrowings	59,75,609	56,35,725	63,68,370	74,50,992	87,92,171
Other liab. & provisions	28,88,097	28,91,291	31,59,750	35,82,218	45,79,157
Total liab. & equities	6,17,96,939	6,67,60,533	7,39,74,698	8,23,77,009	9,33,51,216
Cash & bank balance	31,08,020	34,02,297	38,48,535	42,80,855	47,64,053
Investments	1,67,13,397	1,69,05,727	1,81,29,361	1,95,20,598	2,18,45,786
Advances	3,70,39,709	4,16,33,121	4,66,29,096	5,26,90,878	6,00,67,601
Fixed & Other assets	49,35,814	48,19,387	53,67,707	58,84,677	66,73,776
Total assets	6,17,96,939	6,67,60,533	7,39,74,698	8,23,77,009	9,33,51,216
Deposit growth (%)	11.1	9.5	10.0	10.5	12.0
Advances growth (%)	15.8	12.4	12.0	13.0	14.0

### Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	68.4	79.4	80.5	91.6	105.1
Dividend per share	13.7	15.9	16.2	17.9	20.0
Book value per share	422.7	494.3	567.9	641.7	726.8

### Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	11.8	10.1	10.0	8.8	7.7
P/BV	1.9	1.6	1.4	1.3	1.1
Dividend yield (%)	1.7	2.0	2.0	2.2	2.5

### DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	2.7	2.6	2.4	2.5	2.6
Non-interest income	0.9	1.0	0.9	0.9	0.9
Operating expenses	2.1	1.8	1.7	1.7	1.7
Pre-provisioning profit	1.5	1.7	1.7	1.7	1.8
Provisions	0.1	0.2	0.3	0.3	0.3
PBT	1.4	1.5	1.4	1.5	1.5
Tax	0.4	0.4	0.4	0.4	0.4
ROA	1.0	1.1	1.0	1.1	1.1
Leverage (x)	16.6	15.7	14.6	14.0	13.9
ROE	17.3	17.3	15.1	15.1	15.4

### Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
<b>YoY growth (%)</b>					
Net interest income	10.4	4.4	2.8	15.0	15.7
Pre-provisioning profit	3.6	27.5	5.4	14.8	15.4
EPS	21.6	16.1	1.3	13.8	14.7
<b>Profitability &amp; Return ratios (%)</b>					
Net interest margin	3.3	3.1	2.9	3.0	3.1
Fees / Avg. assets	0.1	0.1	0.1	0.1	0.1
Cost-Income	59.0	51.6	51.0	50.1	49.5
ROE	17.3	17.3	15.1	15.1	15.4
ROA	1.0	1.1	1.0	1.1	1.1
<b>Asset quality (%)</b>					
GNPA	2.2	1.8	1.7	1.6	1.5
NNPA	0.6	0.5	0.4	0.4	0.4
Slippage ratio	0.6	0.6	0.7	0.8	0.8
Credit cost	0.1	0.4	0.4	0.4	0.4
Provision coverage	74.5	73.9	74.6	75.1	75.6
<b>Ratios (%)</b>					
Credit-Deposit	75.3	77.4	78.8	80.5	82.0
Investment-Deposit	34.0	31.4	30.6	29.8	29.8
CAR	14.3	14.3	14.7	15.1	15.4
Tier-1	11.9	12.1	12.7	13.0	13.2

Source: Company, BOBCAPS Research

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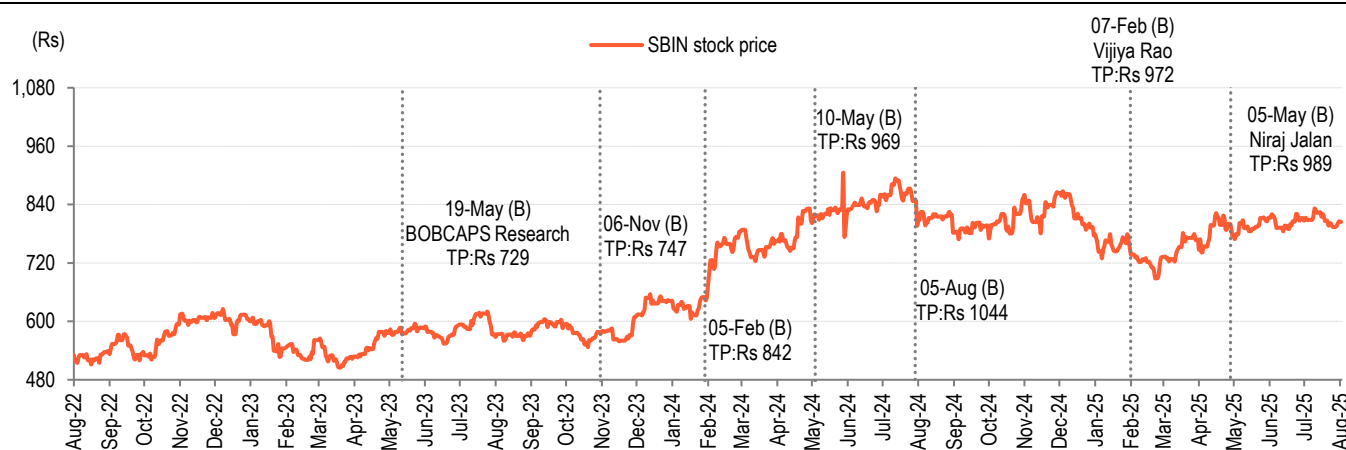
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**Note:** Recommendation structure changed with effect from 21 June 2021

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