

BUY

TP: Rs 747 | ▲ 30%

STATE BANK OF INDIA

| Banking

| 06 November 2023

Wage provisions weigh on profits

- Q2 PPOP growth dropped 23% QoQ owing to one-time wage revision provisions
- NIM (calc.) down 5bps QoQ to 3% on deposit repricing and guided to stay at current level for FY24; lower credit cost a positive
- We trim FY24/FY25 credit cost estimates to 36bps/49bps; maintain BUY with a new TP of Rs 747 (vs. Rs 729)

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Modest profits: SBIN's Q2FY24 NII grew 12% YoY but stayed flat sequentially due to higher deposit cost. NIM (calc.) contracted 5bps QoQ to 3%. Management expects an additional 3-5bps dip in domestic NIM over H2FY24 but is confident of maintaining overall NIM at 3% for the fiscal. Higher opex from a one-time provision of Rs 34bn towards wage revision led to an 8% YoY (-23% QoQ) decline in PPOP.

Healthy business growth: Advances grew 13% YoY supported by strong growth in SME loans (+23%) and the retail book (+16%) which was driven by auto loans (+20%) and express credit (+18%). The corporate book remained muted at 7% YoY though management expects better momentum in H2FY24 given pending disbursements of Rs 1.4tn and a loan pipeline of Rs 3.4tn. Deposits grew 12% YoY, driven by term deposits. SBIN intends to focus on current accounts considering a tough savings account climate due to deposit rate repricing. Management is confident of achieving credit growth of 14% in FY24; we pencil in 13% growth as a conservative measure.

Steady asset quality with lower credit cost: Asset quality improved due to lower slippages and higher upgrades and recoveries. GNPA/NNPA reduced by 20bps/7bps QoQ to 2.6%/0.6% while PCR stood at 75.4%. Credit cost fell 9bps QoQ to 22bps supported by a reversal in standard asset provisions; we thus lower our FY24/FY25 estimates to 36bps/49bps from 60bps/63bps. SBIN's restructured book has reduced to Rs 208.5bn from Rs 227bn in Q1, forming 0.6% of loans, whereas the SMA-1&2 book declined to Rs 39.6bn (vs. Rs 72.2bn). A non-NPA provision of Rs 34bn (158% of NPA) provides a further cushion against any sudden rise in stress.

Maintain BUY: Healthy business growth along with stable margins and asset quality are likely to boost profitability. We expect the bank to maintain NIM at 3% with ROA/ROE at 1%/16% by FY25. Given the bank's growth prospects and consistent asset quality, we maintain BUY with a revised TP of Rs 747 (vs. Rs 729), based on an unchanged multiple of 1.3x on FY25E ABV (Gordon Growth Model) and adding in Rs 171/sh for subsidiaries.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	SBIN IN/Rs 574
Market cap	US\$ 62.4bn
Free float	42%
3M ADV	US\$ 110.3mn
52wk high/low	Rs 630/Rs 499
Promoter/FPI/DII	57%/11%/24%

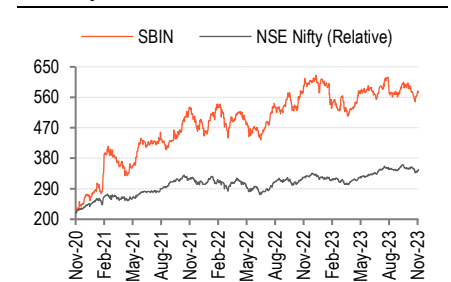
Source: NSE | Price as of 6 Nov 2023

Key financials

Y/E 31 Mar	FY23A	FY24E	FY25E
Net interest income	144,841	160,779	178,442
NII growth (%)	20.0	11.0	11.0
Adj. net profit (Rs mn)	50,232	61,880	63,247
EPS (Rs)	56.3	69.3	70.9
Consensus EPS (Rs)	56.3	65.8	69.6
P/E (x)	10.2	8.3	8.1
P/BV (x)	1.6	1.4	1.2
ROA (%)	1.1	1.1	1.0
ROE (%)	19.3	17.6	15.7

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly snapshot: Income statement

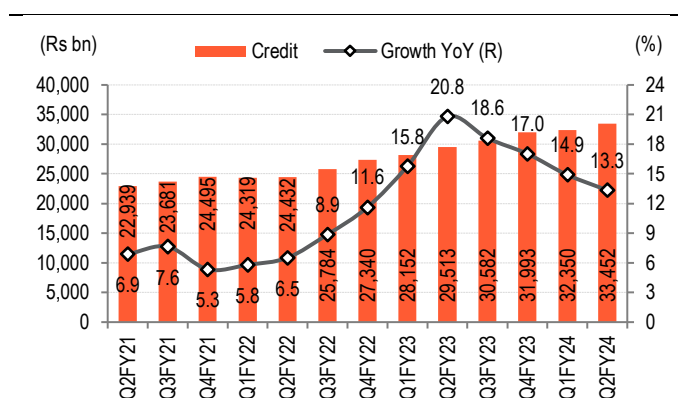
(Rs mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (%)	QoQ (%)
Income Statement							
Interest Income	523,829	588,650	636,792	671,279	702,595	34.1	4.7
Income on investments	236,696	245,254	252,937	250,070	270,023	14.1	8.0
Int. on bal. with RBI & inter-bank funds & Others	38,071	32,257	39,782	38,406	41,170	8.1	7.2
Interest income	798,596	866,160	929,511	959,755	1,013,788	26.9	5.6
Interest expense	446,762	485,474	525,586	570,705	618,788	38.5	8.4
Net interest income	351,834	380,686	403,925	389,050	395,000	12.3	1.5
Growth YoY (%)	12.8	24.1	29.5	24.7	12.3	(56bps)	(1,244bps)
Non-interest income	88,743	114,677	139,614	120,634	107,906	21.6	(10.6)
Growth YoY (%)	8.1	32.2	17.5	421.7	21.6	NA	NA
Total income	440,577	495,364	543,539	509,683	502,906	14.1	(1.3)
Growth YoY (%)	11.8	25.9	26.2	52.1	14.1	230bps	(3,796bps)
Staff expenses	128,674	147,567	176,164	166,007	189,264	47.1	14.0
Other operating expenses	100,703	95,604	121,164	90,707	119,476	18.6	31.7
Operating expenses	229,377	243,171	297,328	256,714	308,740	34.6	20.3
Pre-Provisioning Profit (PPoP)	211,200	252,193	246,211	252,969	194,166	(8.1)	(23.2)
Growth YoY (%)	16.8	36.2	24.9	98.4	(8.1)	(2,489bps)	(10,643bps)
Provisions	30,387	57,606	33,157	25,013	1,153	(96.2)	(95.4)
Growth YoY (%)	1509.9	(17.4)	(54.2)	(43.1)	(96.2)	(160,610bps)	(5,315bps)
PBT	180,814	194,587	213,054	227,956	193,013	6.7	(15.3)
Tax	48,168	52,534	46,109	59,113	49,713	3.2	(15.9)
PAT	132,645	142,053	166,945	168,843	143,300	8.0	(15.1)
Growth YoY (%)	(11.8)	68.5	83.2	178.2	8.0	1,987bps	(17,021bps)
Per Share							
FV (Rs)	1	1	1	1	1	0.0	0.0
EPS (Rs)	16	16	19	19	16	0.9	(15.1)
Book Value (Rs)	342	360	367	386	403	17.8	4.3

Source: BOBCAPS Research, Company

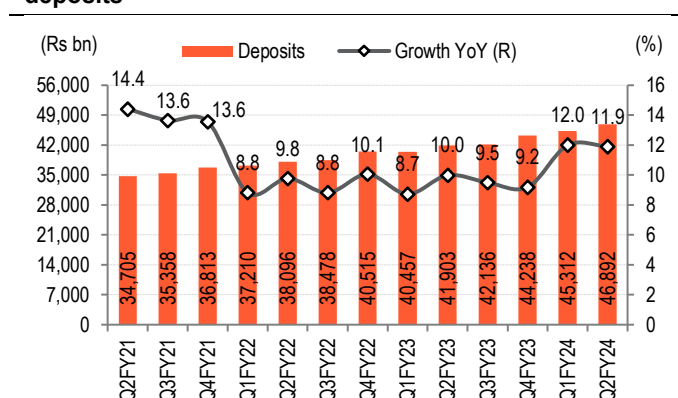
Fig 2 – Quarterly snapshot: Key Balance sheet & other metrics

Key Balance sheet parameters (Rs mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (%)	QoQ (%)
Deposits	41,902,549	42,135,571	44,237,778	45,312,367	46,892,185	11.9	3.5
Growth YoY (%)	10.0	9.5	9.2	12.0	11.9	192bps	(9bps)
Advances	29,512,875	30,581,770	31,992,693	32,350,227	33,451,673	13.3	3.4
Growth YoY (%)	20.8	18.6	17.0	14.9	13.3	(745bps)	(156bps)
Investment	15,553,219	15,692,020	15,703,662	15,726,297	16,926,169	8.8	7.6
Equity	3,049,128	3,212,037	3,276,085	3,444,416	3,592,273	17.8	4.3
Assets	51,998,008	53,241,229	55,169,785	55,430,757	58,263,183	12.0	5.1
Growth YoY (%)	10.8	10.4	10.6	10.3	12.0	122bps	176bps
Yield (%)							
Yield on Funds	6.78	7.14	7.45	7.55	7.74	96bps	19bps
Cost of Funds	3.88	4.11	4.34	4.63	4.88	100bps	25bps
Spread	2.89	3.03	3.11	2.92	2.86	(3bps)	(6bps)
Net Interest Margin (calc.)	2.99	3.14	3.24	3.06	3.02	3bps	(5bps)
Ratios (%)							
Other Income / Net Income	20.1	23.2	25.7	23.7	21.5	131bps	(221bps)
Cost to Income ratio	52.1	49.1	54.7	50.4	61.4	933bps	1102bps
CASA ratio	42.9	42.7	42.1	41.2	40.2	(268bps)	(96bps)
C/D ratio	70.4	72.6	72.3	71.4	71.3	91bps	(6bps)
Investment to Assets	29.9	29.5	28.5	28.4	29.1	(86bps)	68bps
Assets Quality							
GNPA	1,068,041	983,465	909,278	913,278	869,741	(18.6)	(4.77)
NNPA	235,722	234,843	214,666	229,954	213,524	(9.4)	(7.1)
Provision	832,320	748,622	694,611	683,325	656,217	(21.2)	(4.0)
GNPA (%)	3.52	3.14	2.78	2.76	2.56	(96bps)	(20bps)
NNPA (%)	0.80	0.77	0.67	0.71	0.64	(16bps)	(7bps)
PCR (%)	77.9	76.1	76.4	74.8	75.4	(248bps)	63bps

Source: BOBCAPS Research, Company

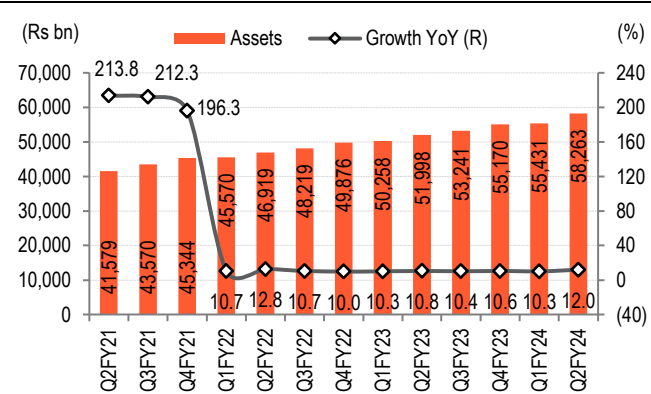
Fig 3 – Loan growth driven by SME and retail segments

Source: Company, BOBCAPS Research

Fig 4 – Deposits grew in line with industry led by term deposits

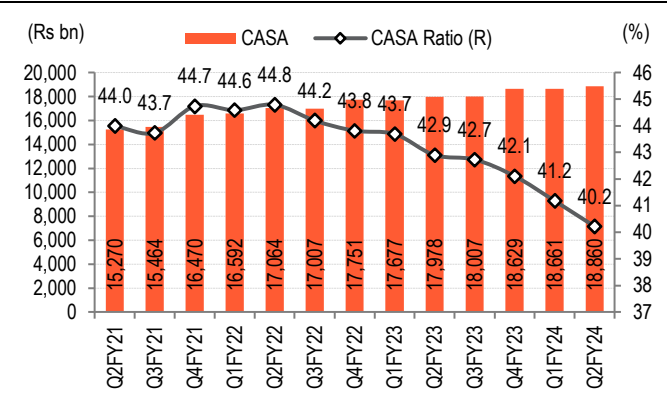
Source: Company, BOBCAPS Research

Fig 5 – Asset grew 12% YoY



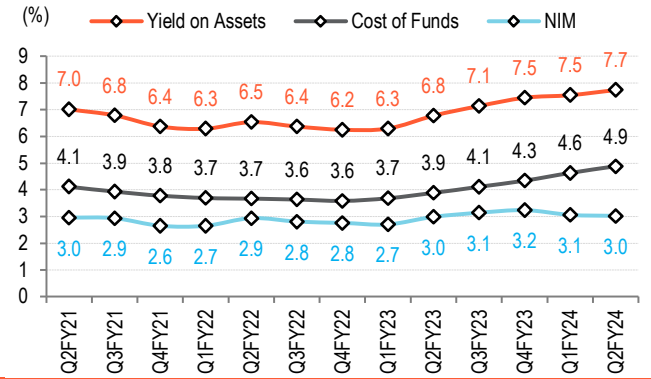
Source: Company, BOBCAPS Research

Fig 6 – CASA ratio muted due to challenging SA environment



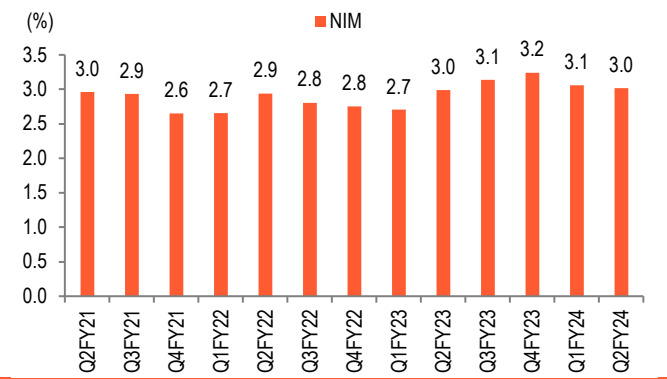
Source: Company, BOBCAPS Research

Fig 7 – NIM (calc.) down 5bps QoQ on higher cost of funds...



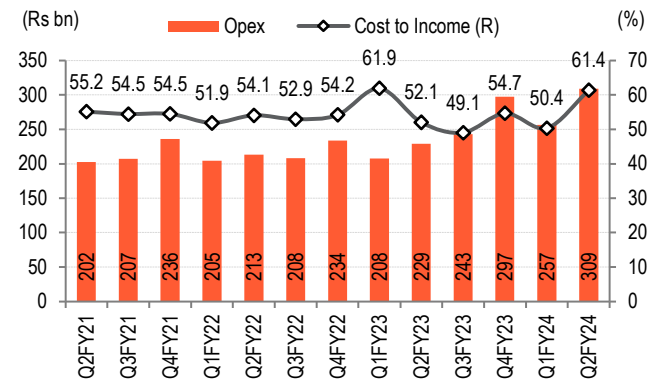
Source: Company, BOBCAPS Research

Fig 8 – ...expected to sustain at ~3% over FY24E



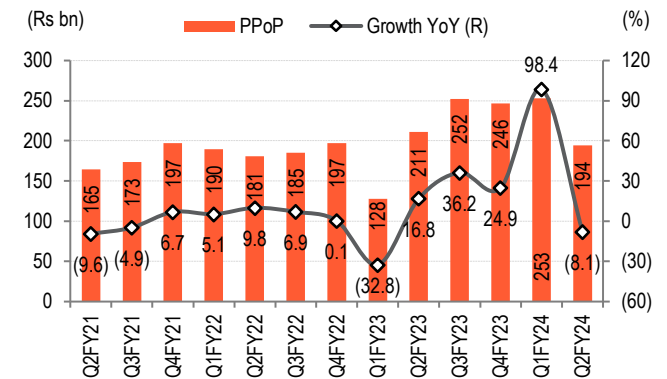
Source: Company, BOBCAPS Research

Fig 9 – Opex increased on one-time wage revision provision



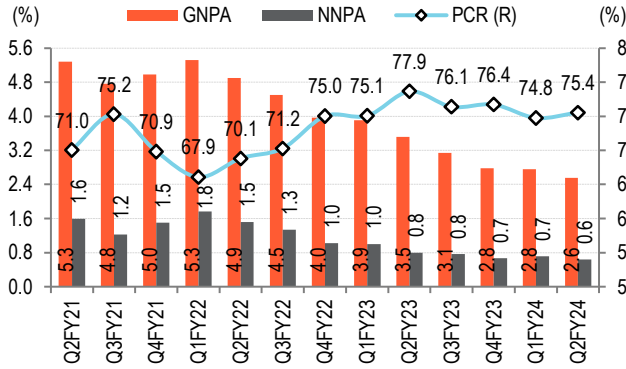
Source: Company, BOBCAPS Research

Fig 10 – Higher opex dragged down PPOP but impact temporary in nature



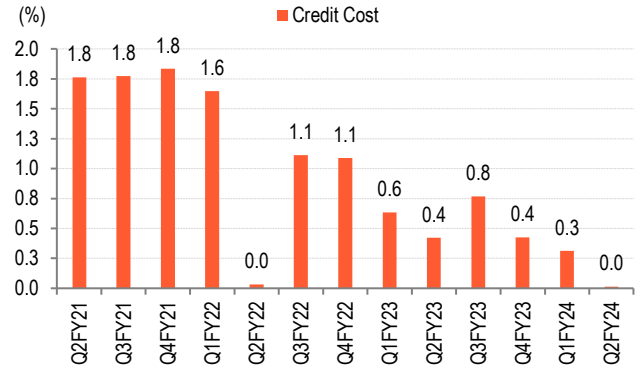
Source: Company, BOBCAPS Research

Fig 11 – Asset quality continues to improve



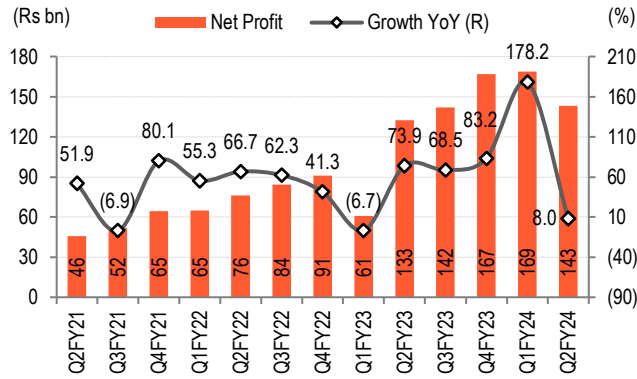
Source: Company, BOBCAPS Research

Fig 12 – Credit cost remained negligible as a result of provision reversal (22bps ex-reversal)



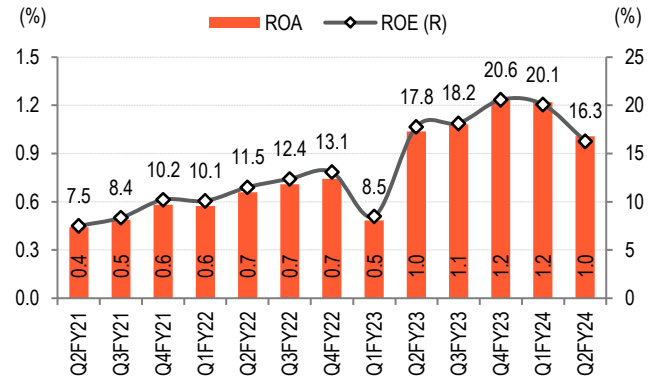
Source: Company, BOBCAPS Research

Fig 13 – Lower loan provisions offset some of the drag on net profit



Source: Company, BOBCAPS Research

Fig 14 – Return ratios remain strong



Source: Company, BOBCAPS Research

Fig 15 – Loan book trend

(Rs bn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (%)	QoQ (%)
Home Loans	5,943	6,132	6,407	6,525	6,723	13.1	3.0
Auto Loans	872	933	975	1,009	1,049	20.2	4.0
Personal Loans	2,718	2,880	3,040	3,108	3,203	17.8	3.1
Other Retail Loans	1,215	1,300	1,370	1,401	1,460	20.1	4.2
Retail Loans	10,749	11,245	11,792	12,043	12,434	15.7	3.3
Agriculture	2,386	2,470	2,586	2,641	2,739	14.8	3.7
SME	3,169	3,506	3,593	3,699	3,890	22.8	5.2
Corporate	9,170	9,250	9,798	9,822	9,777	6.6	(0.5)
Domestic Advances	25,474	26,472	27,768	28,204	28,840	13.2	2.3
Overseas Loans	4,877	4,864	4,924	4,833	5,272	8.1	9.1
Gross Loans	30,351	31,336	32,692	33,037	34,113	12.4	3.3

Source: Company, BOBCAPS Research

Fig 16 – Loan book distribution

(%)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY	QoQ
Home Loans	19.6	19.6	19.6	19.8	19.7	13bps	(4bps)
Auto Loans	2.9	3.0	3.0	3.1	3.1	20bps	2bps
Personal Loans	9.0	9.2	9.3	9.4	9.4	43bps	(2bps)
Other Retail Loans	4.0	4.1	4.2	4.2	4.3	28bps	4bps
Retail Loans	35.4	35.9	36.1	36.5	36.5	104bps	0bps
Agriculture	7.9	7.9	7.9	8.0	8.0	17bps	4bps
SME	10.4	11.2	11.0	11.2	11.4	96bps	21bps
Corporate	30.2	29.5	30.0	29.7	28.7	(155bps)	(107bps)
Domestic Advances	83.9	84.5	84.9	85.4	84.5	61bps	(83bps)
Overseas Loans	16.1	15.5	15.1	14.6	15.5	(61bps)	83bps
Gross Loans	100.0	100.0	100.0	100.0	100.0	0bps	0bps

Source: Company, BOBCAPS Research

Fig 17 – Deposit trend

(Rs bn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (%)	QoQ (%)
Current Deposits	2,326	2,277	2,814	2,582	2,530	8.8	(2.0)
Saving Deposits	15,652	15,730	15,815	16,078	16,330	4.3	1.6
CASA Deposits	17,978	18,007	18,629	18,661	18,860	4.9	1.1
Term Deposits	22,303	22,475	23,907	24,862	26,173	17.4	5.3
Domestic Deposits	40,280	40,481	42,536	43,522	45,033	11.8	3.5
Overseas Deposits	1,622	1,654	1,702	1,790	1,859	14.6	3.8
Total Deposits	41,903	42,136	44,238	45,312	46,892	11.9	3.5

Source: Company, BOBCAPS Research

Fig 18 – Deposit distribution

(%)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY	QoQ
Current Deposits	5.6	5.4	6.4	5.7	5.4	(16bps)	(30bps)
Saving Deposits	37.4	37.3	35.7	35.5	34.8	(253bps)	(66bps)
CASA Deposits	42.9	42.7	42.1	41.2	40.2	(268bps)	(96bps)
Term Deposits	53.2	53.3	54.0	54.9	55.8	259bps	95bps
Domestic Deposits	96.1	96.1	96.2	96.0	96.0	(9bps)	(1bps)
Overseas Deposits	3.9	3.9	3.8	4.0	4.0	9bps	1bps
Total Deposits	100.0	100.0	100.0	100.0	100.0	0bps	0bps

Source: Company, BOBCAPS Research

Earnings call highlights

Asset quality

- SBIN's asset quality improved QoQ during Q2FY24 supported by lower slippages of Rs 40.8bn (Rs 78.7bn in Q1FY24 and Rs 24.4bn in Q2FY23). Upgrades and recoveries stood at Rs 84.3bn for the quarter (Rs 74.7bn and Rs 89.1bn respectively).
- Credit cost was reported at 22bps from 32bps in Q1FY24.
- Restructured loans stood at Rs 208.5bn (0.6% of total loans) vs. Rs 227bn in Q1FY24. SMA-1/2 declined to Rs 39.6bn (SMA-1 at Rs 21.8bn and SMA-2 at Rs 17.8bn) from Rs 72.2bn in Q1.
- PCR on corporate loans reached 99.5% during the quarter.

Loans and deposits

- Management is targeting credit growth of 14% over FY24.
- The bank's large corporate loans grew 6.6% YoY (-0.5% QoQ) in Q2 while SMEs witnessed strong growth of 23% YoY (+5% QoQ). Retail grew at a healthy rate of 16% YoY (+3% QoQ) mainly driven by auto loans (+20% YoY, +4% QoQ) and Xpress credit (+18% YoY, +3% QoQ). International business increased 8% YoY (+9% QoQ).
- The bank expects higher traction in SME loans and views this portfolio as a major driver of credit growth in the near future.
- Corporate lending is likely to pick up in H2FY24 as the bank anticipates higher disbursements from Q3 as loans worth Rs 1.4tn have been sanctioned and projects worth Rs 3.4tn are in the pipeline. Management estimates that the corporate lending book could post low-double-digit growth YoY in FY24.
- The loan mix for Q2 stood at 27% EBLR, 38% MCLR and 31% fixed.
- SBIN's Xpress Credit loan product is geared towards corporate salaried-account customers, wherein ~83% of the credit is to armed forces and government employees, while another 12% is to employees from high-rated corporates (both public and private sector). The Xpress Credit GNPA ratio remains low at 0.69% of loans.
- Though the overseas credit portfolio fared well during the quarter, SBIN does not intend to pursue aggressive growth here.
- Deposits grew 12% YoY led by term deposits. Savings and current accounts increased by 4% and 9% YoY respectively, leading to a CASA ratio of 40.2% (-96bps QoQ).
- The sequential dip in CASA was mainly because many SA deposits shifted to term deposits with rate repricing and the Indian government – a key client – shifted to just-in-time funding of SA which led to subdued SA mobilisation.

NIM

- SBIN expects domestic NIM to decline by 3-5bps over H2FY24 due to the higher cost of deposits while overseas NIM is guided to hold at the current level.
- NIM for FY24 is guided at 3%.

Opex

- Total opex rose 35% YoY and 20% QoQ during Q2 due to a one-time Rs 34bn provision towards higher wages (new wage agreement provision estimated at 14% of loans vs. 10% earlier).
- Management indicated that every 1% increase in the wage revision agreement can raise opex by Rs 12bn per annum.

Capital adequacy

- SBIN's CET-1 ratio stood at 9.9% excluding profit and 10.9% with profit as of Q2. Management expects to end the year with CET-1 of 11% supported by ploughing back of profits.

Valuation methodology

We retain our credit estimates while tweaking our deposit growth estimates following the Q2FY24 results and now expect a 13.2%/12% credit/deposit CAGR from SBIN over FY23-FY25. Considering the quarter's performance, we lower our credit cost estimates for FY24/FY25 to 36bps/49bps from 60bps/63bps, leading to a PAT CAGR of 12.2% vs. 11.9% earlier. GNPA/NNPA/PCR are forecast at 2.0%/0.52%/75% for FY25. Non-NPA provisions of Rs 34bn (158% of NPA) provide a further cushion against any major asset quality shock. SBIN's CAR stands at 14.3% and CET1 at 9.9% as of Q2FY24.

Healthy business growth along with stable margins and asset quality are likely to boost profitability. We expect the bank to maintain NIM at 3% with ROA/ROE at 1%/16% by FY25. Given the bank's growth prospects and consistent asset quality, we maintain BUY. Post estimate revision, we have a higher SOTP-based TP of Rs 747 (vs. Rs 729), set at an unchanged multiple of 1.3x on FY25E ABV (Gordon Growth Model) for the bank and adding in Rs 171/sh for subsidiaries.

Fig 19 – Revised estimates

(Rs mn)	New		Old		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Loan	36,216	40,996	36,216	40,779	0.0	0.5
Deposits	49,414	55,491	48,883	54,118	1.1	2.5
Assets	61,059	68,262	60,959	67,407	0.2	1.3
NII	1,608	1,784	1,586	1,772	1.4	0.7
PPOP	959	1,050	955	1,099	0.4	(4.5)
provision	123	189	205	243	(40.0)	(22.0)
PAT	619	632	555	630	11.5	0.5

Source: BOBCAPS Research

Fig 20 – Key operational assumptions

Parameter (%)	FY23A	FY24E	FY25E	FY26E
Advances Growth	17.0	13.2	13.2	12.9
Net Interest Income Growth	20.0	11.0	11.0	13.2
PPoP Growth	23.3	14.6	9.5	13.9
PAT Growth	58.6	23.2	2.2	8.6
NIM	3.0	3.0	3.0	3.0
GNPA	2.8	2.2	2.0	1.9
CAR	14.7	14.7	14.5	14.4

Source: Company, BOBCAPS Research

Fig 21 – SOTP valuation summary

Business	Valuation method	Holdings (%)	Value (Rs/sh)
Bank	1.3x FY25E ABV (Gordon growth model)	100	576
SBI Life	Mcap	55	83
SBI AMC	7% of AUM	63	41
SBI General	25x FY25 EPS	70	6
SBI Card	Mcap	69	55
SBI Capital	15x FY25 EPS	100	17
Holding Company Discount	15%	-	(30)
Total	-	-	747

Source: Company, BOBCAPS Research

Fig 22 – Valuation assumptions (Gordon growth model)

Parameter	Assumptions
Return on Equity (RoE)	13.3
Cost of Equity (Ke)	12.3
Growth (Period 1)	10.7
Growth (Long Term)	5.3
Initial High Growth Period (yrs)	10.0
Dividend Payout (Period 1)	20.0
Dividend Payout (Long Term)	60.0
Factor 1	1.8
Factor 2	7.9
Justified P/BV Multiple	1.3

Source: BOBCAPS Research

Key risks

Key downside risks to our estimates are:

- any sudden delinquency in the retail and SME segments, resulting in higher provision requirements, and
- inability to manage cost of funds, which may drag down NIM as well as overall profitability.

Sector recommendation snapshot

Company	Ticker	Market Cap (US\$ bn)	Price (Rs)	Target (Rs)	Rating
Axis Bank	AXSB IN	37.8	1,009	1,155	BUY
DCB Bank	DCBB IN	0.4	114	144	BUY
Federal Bank	FB IN	3.7	144	180	BUY
HDFC Bank	HDFCB IN	137.1	1,495	1,929	BUY
ICICI Bank	ICICIB IN	80.4	945	1,090	BUY
Indusind Bank	IIB IN	13.9	1,470	1,755	BUY
Kotak Mahindra Bank	KMB IN	42.1	1,740	2,007	BUY
RBL Bank	RBK IN	1.7	230	258	HOLD
State Bank of India	SBIN IN	62.4	574	747	BUY

Source: BOBCAPS Research, NSE | Price as of 6 Nov 2023

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Net interest income	120,708	144,841	160,779	178,442	201,983
Nil growth (%)	9.0	20.0	11.0	11.0	13.2
Non-interest income	40,564	36,616	47,073	49,853	55,743
Total income	161,272	181,456	207,851	228,296	257,727
Operating expenses	93,398	97,743	111,952	123,328	138,133
PPOP	67,874	83,713	95,899	104,968	119,594
PPOP growth (%)	(5.1)	23.3	14.6	9.5	13.9
Provisions	24,452	16,507	12,278	18,917	26,184
PBT	43,422	67,206	83,621	86,051	93,410
Tax	11,746	16,973	21,742	22,803	24,754
Reported net profit	31,676	50,232	61,880	63,247	68,656
Adjustments	0	0	0	0	0
Adjusted net profit	31,676	50,232	61,880	63,247	68,656

Balance Sheet

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Equity capital	892	892	892	892	892
Reserves & surplus	279,196	326,716	376,220	426,818	481,742
Net worth	280,088	327,608	377,112	427,710	482,635
Deposits	4,051,534	4,423,778	4,941,360	5,549,147	6,215,045
Borrowings	426,043	493,135	547,873	598,825	652,720
Other liab. & provisions	229,932	272,457	239,561	250,542	302,135
Total liab. & equities	4,987,597	5,516,979	6,105,906	6,826,224	7,652,535
Cash & bank balance	394,552	307,900	337,145	377,658	423,511
Investments	1,481,445	1,570,366	1,690,999	1,832,860	2,017,439
Advances	2,733,967	3,199,269	3,621,573	4,099,620	4,628,471
Fixed & Other assets	377,633	439,443	456,190	516,086	583,113
Total assets	4,987,597	5,516,979	6,105,906	6,826,224	7,652,535
Deposit growth (%)	10.1	9.2	11.7	12.3	12.0
Advances growth (%)	11.6	17.0	13.2	13.2	12.9

Per Share

Y/E 31 Mar (Rs)	FY22A	FY23A	FY24E	FY25E	FY26E
EPS	35.5	56.3	69.3	70.9	76.9
Dividend per share	7.1	11.3	13.9	14.2	15.4
Book value per share	313.8	367.1	422.6	479.2	540.8

Valuations Ratios

Y/E 31 Mar (x)	FY22A	FY23A	FY24E	FY25E	FY26E
P/E	16.2	10.2	8.3	8.1	7.5
P/BV	1.8	1.6	1.4	1.2	1.1
Dividend yield (%)	1.2	2.0	2.4	2.5	2.7

DuPont Analysis

Y/E 31 Mar (%)	FY22A	FY23A	FY24E	FY25E	FY26E
Net interest income	2.8	3.1	2.8	2.8	2.8
Non-interest income	0.9	0.8	0.8	0.8	0.8
Operating expenses	2.1	2.0	1.9	1.9	1.9
Pre-provisioning profit	1.7	1.8	1.7	1.6	1.7
Provisions	0.6	0.3	0.2	0.3	0.4
PBT	1.1	1.5	1.4	1.3	1.3
Tax	0.3	0.4	0.4	0.4	0.3
ROA	0.8	1.1	1.1	1.0	0.9
Leverage (x)	17.1	17.0	16.5	16.1	15.9
ROE	14.1	19.3	17.6	15.7	15.1

Ratio Analysis

Y/E 31 Mar	FY22A	FY23A	FY24E	FY25E	FY26E
YoY growth (%)					
Net interest income	9.0	20.0	11.0	11.0	13.2
Pre-provisioning profit	(5.1)	23.3	14.6	9.5	13.9
EPS	55.2	58.6	23.2	2.2	8.6
Profitability & Return ratios (%)					
Net interest margin	3.1	3.4	3.3	3.3	3.4
Fees / Avg. assets	0.1	0.1	0.1	0.1	0.1
Cost-Income	57.9	53.9	53.9	54.0	53.6
ROE	14.1	19.3	17.6	15.7	15.1
ROA	0.8	1.1	1.1	1.0	0.9
Asset quality (%)					
GNPA	3.9	2.8	2.2	2.0	1.9
NNPA	1.0	0.7	0.6	0.5	0.5
Slippage ratio	1.0	0.7	0.7	0.9	0.9
Credit cost	0.9	0.6	0.4	0.5	0.6
Provision coverage	74.0	75.7	74.4	74.5	74.5
Ratios (%)					
Credit-Deposit	67.5	72.3	73.3	73.9	74.5
Investment-Deposit	36.6	35.5	34.2	33.0	32.5
CAR	13.8	14.7	14.7	14.5	14.4
Tier-1	11.4	12.1	12.2	12.2	12.3

Source: Company, BOBCAPS Research

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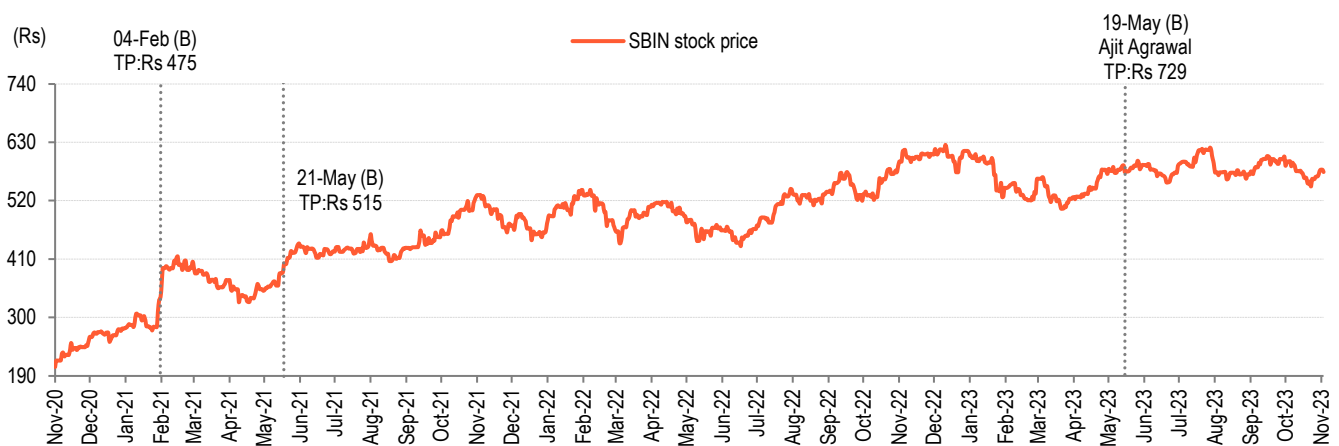
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