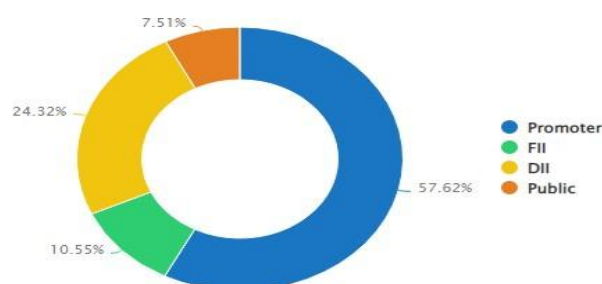


VALUE PARAMETERS

Face Value (Rs.)	1.00
52 Week High/Low	542.20/248.15
M.Cap (Rs. in Cr.)	406783.78
EPS (Rs.)	38.22
P/E Ratio (times)	11.93
P/B Ratio (times)	1.51
Stock Exchange	NSE

SHAREHOLDING PATTERN



P/E CHART

FINANCIAL PERFORMANCE

(Rs.in Cr.)

	ACTUAL	FORECAST	
	FY Mar-21	FY Mar-22	FY Mar-23
NII	122105.30	145466.69	158872.95
EBIT	26001.39	74733.4	86247.92
PRE-TAX PROFIT	26001.39	49511.37	58168.88
NET INCOME	18870.74	35002.62	42953.91
EPS	21.14	38.51	48.08
BVPS	284.47	303.12	346.36
RoE	9.03%	13.25%	14.66%

Investment Rationale:

- The Business of the bank rose at steady pace of 8% yoy to Rs 6340407 crore at end September 2021. Deposits increased at higher pace of 10% at Rs 3809630 crore, while advances growth was steady at 6% at Rs 2530777 crore at end September 2021.
- The Bank has posted 11% rise in Net Interest Income (NII) at Rs 31183.90 crore for quarter ended September 2021. Interest earned moved up 4% to Rs 69481.49 crore, driven by interest earned on investment rising 7% to Rs 22305.97 crore.
- Net Interest Margin (NIM) of the bank improved to 3.09% in Q2FY2022 from 2.92% in the previous quarter supporting NII growth. The bank targets NIM to be in the range of 3.2% to 3.3%.
- On the asset quality front, gross Non Performing Assets (NPAs) came in at 4.90% in the September quarter, lower than 5.32% in the June quarter and 5.28% in the last year same quarter.
- SBI's provision coverage ratio (PCR) is at 87.68% in the second quarter, while slippage ratio for the same period stood at 0.66% only, down from 2.47% in previous June quarter.
- Credit Cost for the second quarter has declined 51 basis points to 0.43%, when compared with last year. Cost to income ratio during the quarter stood at 54.10% and it is lower by 106 basis points as compared to same period a year earlier.
- The bank has recorded recoveries of Rs 8000 crore in Q2FY2022 from slippages of Rs.15000 crore in Q1FY2022.
- The bank is making strong progress on digitalization. About 62 % of the savings bank accounts opened during H1FY2021 were sourced through Yono. The bank is opening 27500 accounts per day through Yono.

Risk

- Unidentified Asset Slippages
- Regulatory Provisioning on assets

Valuation

The bank has exhibited healthy performance on various parameters with some parameters, showing way better than industry performance and some showing in line with the industry performance. The strong underwriting practices have led to significant improvement in the asset quality of the bank. The bank aims to deliver 15% RoE on sustainable basis across economic cycles and expects to achieve target sooner. Thus, it is expected that the stock will see a price target of Rs.523 in 8 to 10 months' time frame on current P/BVx of 1.51x and FY23 BVPS (Book Value Per Share) of Rs.346.36.

QUERIES & FEEDBACK

VP-Head Research - Dr. Ravi Singh
Mob: +919810313561
Email ID : ravi.singh@shareindia.com

Disclosure:

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