

# State Bank of India | BUY

## Strong all-round quarter

SBIN reported strong results, with PAT at INR 207bn (+24.0% QoQ/+125.9% YoY), 41.6% ahead of JMFe of INR 146.9bn. Strong performance was led by benign employee costs, as no exceptional costs were booked in the quarter on account of wage revision, after INR 71bn in 3Q24. Performance, other than opex, was also strong. Loan book grew +5.1% QoQ/+15.2% YoY to INR 37.7trln. Deposit growth trailed advances growth at +3.2% QoQ/11.1% YoY, so, CD ratio increased to 75.3%. Nil grew +3.1% YoY/+4.6% QoQ to INR 416.6bn, with reported NIMs QoQ flat at 3.28%. We expect NIMs to remain flattish over FY25/FY26, as deposit repricing is largely behind us. Fee income grew 39.8% QoQ/+9.0% YoY in a seasonally strong 4Q, to INR 87.2bn. Gross slippages came down by 21% sequentially to INR 39.8bn. SBI ended FY24 with a superlative 21bps of credit costs. While we do not see any visible stress on its book, we expect credit costs to normalise by rising 5bps sequentially in FY25 and FY26. CET1 ratio of 10.4%, with an 18.0% RoE can easily sustain 15% loan growth in a benign credit cost scenario. We see the bank improve its RoA by 10bps to 1.15% by FY26e. We believe healthy growth momentum, room to expand CD-ratio further (versus private bank peers) and a favourable macro environment could lead to SBI trading at a premium to its recent past. We value SBI's core banking business at 1.5x FY26e P/BV to arrive at our Target Price of INR 1,050. Maintain BUY.

- Strong growth in advances, backed by sustained CASA:** Gross advances grew +5.1% QoQ/+15.2% YoY to INR 37.7trln. Growth in 4Q was led by corporate business, which grew +8.9% QoQ to INR 15.7trln. Corporate business accounts for 41.7% of SBI's gross advances. Management articulated that growth in the segment will remain strong as most large private banks are not active in large corporate business. Retail and agri segments collectively grew 4.4%. Auto loans grew 3.0% QoQ after a seasonally strong 3Q, while agri and other retail segments grew in 4.2%-4.6% range. Deposit growth lagged advances growth at +3.2% QoQ/11.1% YoY. With a domestic CD ratio of 68.3%, the bank is comfortably placed. CASA comprised 41.1% of domestic deposits, flattish sequentially (-10bps QoQ). SBI has grown advances by 16.0%/15.2% in FY23/FY24, and we expect it to maintain the 15.0% growth run-rate over FY24-FY26.
- Strong all-round operating performance:** Nil grew +3.1% YoY/+4.6% QoQ to INR 416.6bn, with reported NIMs QoQ flat at 3.28%. We expect NIMs to remain flattish over FY25/FY26, as deposit repricing is largely behind us. Fee income grew 39.8% QoQ/+9.0% YoY in a seasonally strong 4Q, to INR 87.2bn. Opex was a positive surprise at -2.1% QoQ/+1.8% YoY, as higher overheads were compensated by lower employee costs (-15.6% QoQ/-7.2% YoY). Cost-income Ratio contracted to 51.3%, from 61.3% QoQ. With wage revision behind us, we expect opex to grow at a sub-10% CAGR over FY24-FY26e.



**Sameer Bhise**  
sameer.bhise@jmfl.com | Tel: (91 22) 66303489

**Raghvesh**  
raghvesh@jmfl.com | Tel: (91 22) 66303099

**Mayank Mistry**  
mayank.mistry@jmfl.com | Tel: (91 22) 62241877

**Apurva Deshmukh**  
apurva.deshmukh@jmfl.com | Tel: (91 22) 66303263

**Gayathri Shivaram**  
gayathri.shivaram@jmfl.com | Tel: (91 22) 66301889

**Shreyas Pimple**  
shreyas.pimple@jmfl.com | Tel: (91 22) 66301881

### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,050
Upside/(Downside)	28.5%
Previous Price Target	860
Change	22.1%

### Key Data – SBIN IN

Current Market Price	INR817
Market cap (bn)	INR7,294.5/US\$87.4
Free Float	33%
Shares in issue (mn)	8,924.6
Diluted share (mn)	
3-mon avg daily val (mn)	INR15,549.0/US\$186.2
52-week range	840/543
Sensex/Nifty	72,664/22,055
INR/US\$	83.5

### Price Performance

%	1M	6M	12M
Absolute	4.9	41.0	42.8
Relative*	7.2	26.0	21.9

\* To the BSE Sensex

### Financial Summary

	(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E
Net Profit	3,16,760	5,02,325	6,10,766	6,99,908	7,94,092
Net Profit (YoY) (%)	55.2%	58.6%	21.6%	14.6%	13.5%
Assets (YoY) (%)	10.1%	10.6%	12.6%	11.0%	11.0%
ROA (%)	0.7%	1.0%	1.0%	1.1%	1.1%
ROE (%)	13.0%	18.1%	18.0%	17.3%	17.1%
EPS	35.5	56.3	68.4	78.4	89.0
EPS (YoY) (%)	55.2%	58.6%	21.6%	14.6%	13.5%
<b>PE (x)</b>	<b>23.1</b>	<b>14.6</b>	<b>12.0</b>	<b>10.5</b>	<b>9.2</b>
BV	288	336	423	485	557
BV (YoY) (%)	11.5%	16.8%	25.8%	14.8%	14.7%
<b>P/BV (x)</b>	<b>2.85</b>	<b>2.44</b>	<b>1.94</b>	<b>1.69</b>	<b>1.47</b>

Source: Company data, JM Financial. Note: Valuations as of 10/May/2024

JM Financial Institutional Securities Limited

JM Financial Research is also available on:  
Bloomberg - JMFR <GO>,  
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Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

- **Strong asset quality:** SBI's strong show in asset quality continued as gross slippages came down by 21% sequentially to INR 39.8bn. SBI ended FY24 with a superlative 21bps of credit costs. While we do not see any visible stress on its book, we expect credit costs to normalise by rising 5bps sequentially in FY25 and FY26, as lumpy recoveries in legacy accounts look to be behind us.
- **Subsidiaries' performance:** Insurance subsidiaries of SBI showed strong performance in FY24. While SBI Life grew APE (Adjusted Premiums Equivalent) / VNB (Value of New Business) by 17.3%/9.5% YoY, reporting VNB of INR 55.5bn. SBI General grew premiums/profits by 16%/30%, reporting profits of INR 2.4bn. In a strong year for equity markets, SBI Funds Management grew PAT by 55% to INR 20.6bn. Our valuation of the subsidiaries is provided in [Exhibit 1](#).
- **Valuation and view:** SBI's core fundamentals continue to be stable while delivery on the growth front along with sustained margins and controlled credit costs should drive further re-rating of the stock. In FY24, SBI reported strong RoA/RoE of 1.05%/18.0%. A CET1 ratio of 10.4%, with an 18.0% RoE can easily sustain 15% loan growth in a benign credit cost scenario. We see the company improving its CET1 further through plough back of profits. This, supported by flat NIMs and a sub-10% opex growth, should support improvement in ROAs by 10bps over FY24-FY26e. We believe healthy growth momentum, room to expand CD-ratio further (versus private bank peers) and a favourable macro environment could lead to SBI trading at a premium to its recent past. We value SBI's core banking business at 1.5x FY26e P/BV to arrive at our Target Price of INR 1,050. Maintain BUY.

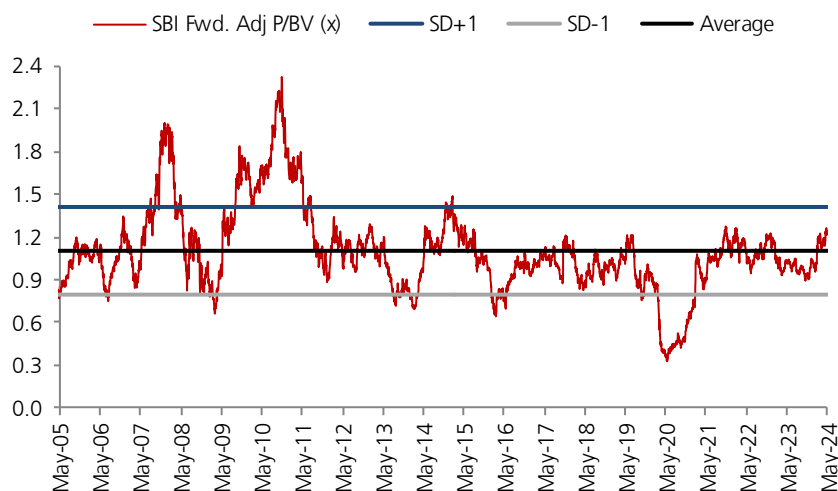
## Valuation Summary

### Exhibit 1. SOTP- based valuation summary

SBI SOTP	Holding (%)	Valuation Methodology	Value per Share	Contribution to TP (%)
SBI Bank - Parent	100.0%	1.5x FY26E BVPS	813	77%
<b>Non-Bank Subs and investments</b>			<b>259</b>	<b>25%</b>
SBI Life	55.4%	Based on market cap less 20% holdco discount	71	7%
SBI General	70.0%	Based on recent transaction less 20%	19	2%
SBI AMC	62.6%	35x FY26E EPS	67	6%
UTI MF	10.0%	Based on market cap	1	0%
SBI Caps	100.0%	15x FY24 EPS	27	3%
SBI DFHI	72.2%	1x book value	1	0%
SBI Cards	68.9%	Based on market cap less 20% holdco discount	42	4%
NSE	7.6%	Based on recent txns	15	1%
Yes Bank stake	26.1%	Based on market cap	17	2%
<b>Less: Cost of Investments</b>			<b>-22</b>	<b>-2%</b>
<b>Total (INR)</b>			<b>1,050</b>	<b>100%</b>

Source: Company, JM Financial

### Exhibit 2. SBIN (banking business): One year forward Price to Book (x)



Source: JM Financial, Bloomberg, Company

**Exhibit 3. Results summary (standalone)**

<b>Earnings Table (INR bn)</b>	<b>4Q'23</b>	<b>3Q'24</b>	<b>4Q'24</b>	<b>YoY (%)</b>	<b>QoQ (%)</b>
<b>NII</b>	<b>403.9</b>	<b>398.2</b>	<b>416.6</b>	3.1	4.6
Fee based Income	80.0	62.4	87.2	9.0	39.8
FX Revenue	-0.3	9.1	11.0	-3882.8	20.9
Trading Profits	18.0	25.1	18.0	0.0	-28.1
Others & misc. Income	41.9	18.1	64.7	54.5	258.2
<b>Non-Interest income</b>	<b>139.6</b>	<b>114.6</b>	<b>173.7</b>	24.4	51.6
<b>Total Income</b>	<b>543.5</b>	<b>512.7</b>	<b>590.2</b>	8.6	15.1
Employee Cost	176.2	193.6	163.5	-7.2	-15.6
Other Operating Expenses	121.2	115.8	139.3	15.0	20.3
Total Operating Expenses	297.3	309.4	302.8	1.8	-2.1
<b>Operating Profit</b>	<b>246.2</b>	<b>203.4</b>	<b>287.5</b>	16.8	41.4
Loan Loss Provisions	12.8	17.6	12.8	0.0	-27.3
Standard Asset Provisions	25.6	1.8	25.6	0.0	1313.3
Provisions on Investments	0.2	-6.0	0.2	0.0	-103.0
Other Provisions	-5.4	-6.5	-22.4	316.6	244.7
<b>Total Provisions</b>	<b>33.2</b>	<b>6.9</b>	<b>16.1</b>	-51.4	134.0
PBT	213.1	196.5	271.4	27.4	38.1
Tax	46.1	33.8	64.4	39.7	90.3
<b>Reported Profit</b>	<b>166.9</b>	<b>91.6</b>	<b>207.0</b>	24.0	125.9
<b>Balance sheet (INR bn)</b>					
Deposits	44,238	47,622	49,161	11.1	3.2
Net Advances	31,993	35,195	37,040	15.8	5.2
<b>Total Assets</b>	<b>55,170</b>	<b>59,656</b>	<b>61,797</b>	12.0	3.6
Low-cost Deposits (%)	43.8	41.2	41.1	-2.7	-0.1
Loan-Deposit ratio (%)	72.3	73.9	75.3	3.0	1.4
<b>Key Ratios</b>					
<b>Credit Quality</b>					
Gross NPAs (INR bn)	909.3	867.5	842.8	-7.3	-2.9
Net NPAs (INR bn)	214.7	224.1	210.5	-1.9	-6.1
Gross NPA (%)	2.78	2.42	2.24	-0.5	-0.18
Net NPA (%)	0.67	0.64	0.57	-0.1	-0.07
Loan Loss Provisions (%)	0.52	0.24	0.44	-0.1	0.2
Coverage Ratio (%)	76.39	74.17	75.02	-1.4	0.9
Cost / Income ratio (%)	54.70	60.34	51.30	-3.4	-9.0
<b>Capital Adequacy</b>					
Tier I (%)	12.06	10.58	11.93	-0.1	1.4
CAR (%)	14.68	13.05	14.25	-0.4	1.2
<b>Du-pont Analysis</b>					
NII / Assets (%)	2.93	2.70	2.70	-0.2	0.0
Non-Interest Inc. / Assets (%)	1.01	0.78	1.12	0.1	0.3
Operating Cost / Assets (%)	2.16	2.10	1.96	-0.2	-0.1
Operating Profits / Assets (%)	1.79	1.38	1.86	0.1	0.5
Provisions / Assets (%)	0.24	0.05	0.10	-0.1	0.1
<b>ROA (%)</b>	<b>1.21</b>	<b>0.62</b>	<b>1.34</b>	0.1	0.7

Source: Company, JM Financial

**Exhibit 4. Results summary (consolidated)**

<b>Earnings Table (INR bn)</b>	<b>4Q'23</b>	<b>3Q'24</b>	<b>4Q'24</b>	<b>YoY (%)</b>	<b>QoQ (%)</b>
<b>NII</b>	<b>446.3</b>	<b>447.8</b>	<b>468.3</b>	4.9	4.6
<b>Non-Interest income</b>	<b>387.7</b>	<b>402.0</b>	<b>474.4</b>	22.4	18.0
<b>Total Income</b>	<b>834.0</b>	<b>849.8</b>	<b>942.7</b>	13.0	10.9
Employee Cost	188.8	207.8	177.6	-5.9	-14.5
Other Operating Expenses	372.9	404.1	452.7	21.4	12.0
Total Operating Expenses	561.7	611.9	630.3	12.2	3.0
<b>Operating Profit</b>	<b>272.3</b>	<b>237.9</b>	<b>312.4</b>	14.7	31.3
Loan Loss Provisions	17.8	25.0	40.6	128.0	62.3
<b>Total Provisions</b>	<b>37.9</b>	<b>85.5</b>	<b>23.9</b>	-37.0	-72.0
PBT	234.4	152.4	288.5	23.1	89.3
Tax	50.9	39.6	71.2	39.7	79.6
<b>PAT (Pre-Extraordinaries)</b>	<b>183.4</b>	<b>112.8</b>	<b>217.4</b>	18.5	92.7
Adj. for Minority and associates	-2.5	-2.2	-3.5	41.3	61.2
<b>Reported Profit</b>	<b>180.9</b>	<b>110.6</b>	<b>213.8</b>	18.2	93.3
<b>Balance sheet (INR bn)</b>					
Deposits	44,685	48,112	49,665	11.1	3.2
Net Advances	32,679	35,982	37,843	15.8	5.2
<b>Total Assets</b>	<b>59,544</b>	<b>64,931</b>	<b>67,338</b>	13.1	3.7
Loan-Deposit ratio (%)	73.1	74.8	76.2	3.1	1.4
<b>Key Ratios</b>					
<b>Credit Quality</b>					
Gross NPAs (INR bn)	918.7	880.6	856.7	-6.7	-2.7
Net NPAs (INR bn)	215.0	224.8	211.2	-1.7	-6.1
Gross NPA (%)	2.8	2.4	2.2	-0.5	-0.2
Net NPA (%)	0.7	0.6	0.6	-0.1	-0.1
Loan Loss Provisions (%)	0.5	1.0	0.3	-0.2	-0.7
Coverage Ratio (%)	76.6	74.5	75.3	-1.3	0.9
Cost / Income ratio (%)	67.4	72.0	66.9	-0.5	-5.1
<b>Capital Adequacy</b>					
Tier I (%)	12.3	10.8	0.0	-12.3	-10.8
CAR (%)	14.8	13.1	0.0	-14.8	-13.1
<b>Du-pont Analysis</b>					
NII / Assets (%)	3.1	2.8	2.8	-0.2	0.0
Non-Interest Inc. / Assets (%)	2.6	2.5	2.9	0.2	0.4
Operating Cost / Assets (%)	3.8	3.8	3.8	0.0	0.0
Operating Profits / Assets (%)	1.9	1.5	1.9	0.0	0.4
Provisions / Assets (%)	0.3	0.5	0.1	-0.1	-0.4
<b>ROA (%)</b>	<b>1.2</b>	<b>0.7</b>	<b>1.3</b>	0.1	0.6

Source: Company, JM Financial

**Exhibit 5. SBIN 4Q24: Gross loan mix (banking business)**

Loan Book Composition (INR bn)	4Q'23	3Q'24	4Q'24	YoY (%)	QoQ (%)
Corporate (Large + Mid+ SME)	13,390	14,422	15,712	17.3%	8.9%
Agriculture	2,586	2,917	3,049	17.9%	4.5%
Retail credit	11,792	12,963	13,523	14.7%	4.3%
Home loans	6,407	6,939	7,258	13.3%	4.6%
Auto loans	975	1,131	1,165	19.5%	3.0%
Residual retail loans	4,409	4,893	5,099	15.6%	4.2%
International	4,924	5,540	5,391	9.5%	-2.7%
<b>Total Advances</b>	<b>32,692</b>	<b>35,843</b>	<b>37,675</b>	<b>15.2%</b>	<b>5.1%</b>
<b>Mix-Domestic (%)</b>					
Corporate (Large + Mid+ SME)	41.0%	40.2%	41.7%	0.7%	1.5%
Agriculture	7.9%	8.1%	8.1%	0.2%	0.0%
Retail credit	36.1%	36.2%	35.9%	-0.2%	-0.3%
Home loans	19.6%	19.4%	19.3%	-0.3%	-0.1%
Auto loans	3.0%	3.2%	3.1%	0.1%	-0.1%
Residual retail loans	13.5%	13.7%	13.5%	0.0%	-0.1%
International	15.1%	15.5%	14.3%	-0.8%	-1.1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		

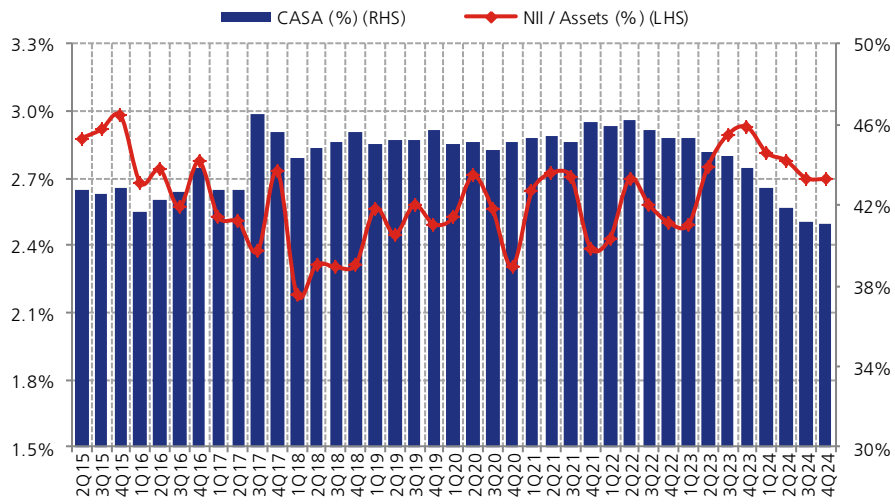
Source: Company, JM Financial

**Exhibit 6. SBIN 4Q24: Deposits mix (banking business)**

Deposits Composition (INR bn)	4Q'23	3Q'24	4Q'24	YoY (%)	QoQ (%)
Savings Deposits - domestic	15,815	16,318	16,550	4.6%	1.4%
Current Deposits - domestic	2,814	2,495	2,870	2.0%	15.0%
<b>CASA Deposits</b>	<b>18,629</b>	<b>18,813</b>	<b>19,420</b>	<b>4.2%</b>	<b>3.2%</b>
Time Deposits - Domestic	25,609	26,866	29,741	16.1%	10.7%
Total Deposits - Domestic	42,536	45,679	47,243	11.1%	3.4%
Foreign Deposits	1,702	1,943	1,917	12.7%	-1.3%
<b>Total Deposits</b>	<b>44,238</b>	<b>47,622</b>	<b>49,161</b>	<b>11.1%</b>	<b>3.2%</b>
<b>Mix (%)</b>					
Savings Deposits - domestic	37.2%	35.7%	35.0%	-2.1%	-0.7%
Current Deposits - domestic	6.6%	5.5%	6.1%	-0.5%	0.6%
<b>CASA (% domestic)</b>	<b>43.8%</b>	<b>41.2%</b>	<b>41.1%</b>	<b>-2.7%</b>	<b>-0.1%</b>
Time Deposits - Domestic	60.2%	58.8%	63.0%	2.7%	4.1%
Total Deposits - Domestic	<b>96.2%</b>	<b>95.9%</b>	<b>96.1%</b>	<b>-0.1%</b>	<b>0.2%</b>
<b>Total Deposits</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		

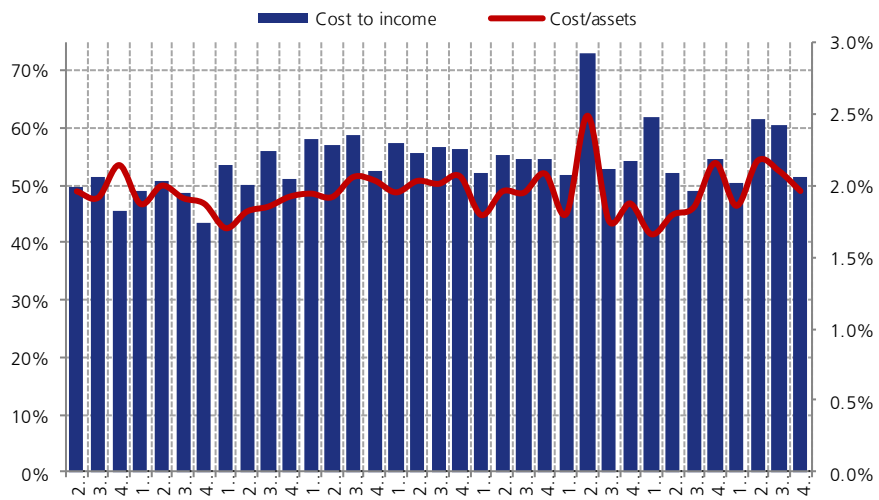
Source: Company, JM Financial

Exhibit 7. SBIN 4Q24: Trends for CASA and NII/Assets



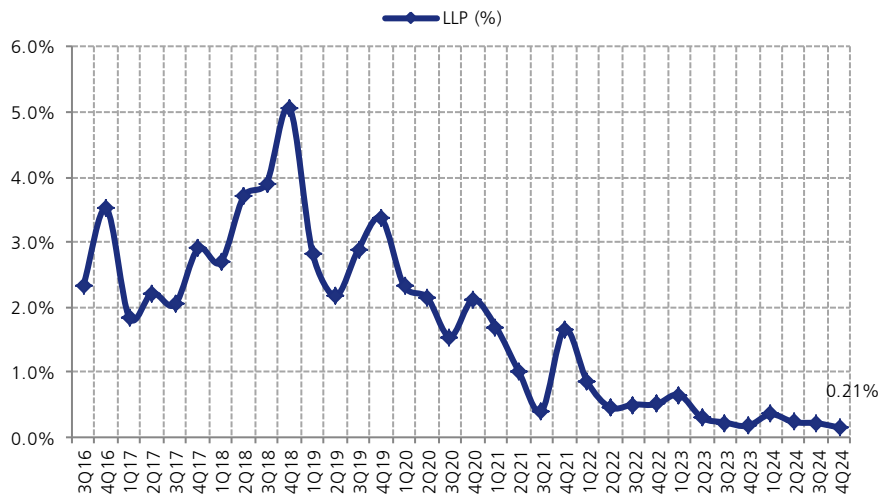
Source: Company, JM Financial

Exhibit 8. SBIN 4Q24: Trends in cost ratios



Source: Company, JM Financial

Exhibit 9. SBIN 4Q24: Trend in specific credit costs



Source: Company, JM Financial

## Financial Tables (Standalone)

Profit & Loss						(INR bn)
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Net Interest Income	1,207	1,448	1,599	1,803	2,072	
Profit on Investments	32	-14	90	50	35	
Exchange Income	35	53	48	55	61	
Fee & Other Income	339	327	379	382	407	
<b>Non-Interest Income</b>	<b>406</b>	<b>366</b>	<b>517</b>	<b>487</b>	<b>503</b>	
<b>Total Income</b>	<b>1,613</b>	<b>1,815</b>	<b>2,116</b>	<b>2,290</b>	<b>2,575</b>	
Operating Expenses	934	977	1,178	1,188	1,292	
<b>Pre-provisioning Profits</b>	<b>679</b>	<b>837</b>	<b>938</b>	<b>1,102</b>	<b>1,283</b>	
Loan-Loss Provisions	188	148	136	168	224	
Provisions on Investments	34	15	-6	0	0	
Others Provisions	22	2	-10	0	0	
<b>Total Provisions</b>	<b>245</b>	<b>165</b>	<b>120</b>	<b>168</b>	<b>224</b>	
<b>PBT</b>	<b>434</b>	<b>672</b>	<b>818</b>	<b>933</b>	<b>1,059</b>	
Tax	117	170	207	233	265	
<b>PAT (Pre-Extraordinaries)</b>	<b>317</b>	<b>502</b>	<b>611</b>	<b>700</b>	<b>794</b>	
Extra ordinaries (Net of Tax)	0	0	0	0	0	
<b>Reported Profits</b>	<b>317</b>	<b>502</b>	<b>611</b>	<b>700</b>	<b>794</b>	
Dividend paid	63	101	122	140	159	
<b>Retained Profits</b>	<b>253</b>	<b>401</b>	<b>489</b>	<b>560</b>	<b>635</b>	

Source: Company, JM Financial

Key Ratios					
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E
<b>Growth (YoY) (%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Deposits	10.1%	9.2%	11.1%	11.0%	11.0%
Advances	11.6%	17.0%	15.8%	15.0%	15.0%
Total Assets	10.1%	10.6%	12.6%	11.0%	11.0%
NII	9.0%	20.0%	10.4%	12.8%	14.9%
Non-interest Income	-3.3%	-9.7%	41.1%	-5.8%	3.4%
Operating Expenses	13.0%	4.7%	20.5%	0.9%	8.7%
Operating Profits	-3.1%	23.3%	12.0%	17.4%	16.4%
Core Operating profit	-1.3%	31.6%	-4.3%	29.2%	18.6%
Provisions	-44.4%	-32.5%	-27.2%	40.2%	32.9%
Reported PAT	55.2%	58.6%	21.6%	14.6%	13.5%
<b>Yields / Margins (%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest Spread	2.68%	2.87%	2.86%	2.81%	2.68%
NIM	2.76%	2.99%	2.97%	2.95%	2.96%
<b>Profitability (%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Non-IR to Income	25.2%	20.2%	24.4%	21.3%	19.5%
Cost to Income	57.9%	53.9%	55.7%	51.9%	50.2%
ROA	0.67%	0.96%	1.05%	1.07%	1.10%
ROE	13.0%	18.1%	18.0%	17.3%	17.1%
<b>Assets Quality (%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Slippages	1.04%	0.68%	0.70%	0.85%	0.90%
Gross NPA	3.98%	2.78%	1.97%	1.76%	1.69%
Net NPAs	1.02%	0.67%	0.50%	0.44%	0.43%
Provision Coverage	75.0%	76.4%	75.0%	75.0%	75.0%
Specific LLP	0.54%	0.31%	0.28%	0.31%	0.38%
Net NPAs / Networth	10.9%	7.2%	4.9%	4.4%	4.2%
<b>Capital Adequacy (%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Tier I	11.42%	12.06%	13.01%	13.12%	13.23%
CAR	13.83%	14.68%	15.35%	15.25%	15.16%

Source: Company, JM Financial

Balance Sheet						(INR bn)
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Equity Capital	9	9	9	9	9	
Reserves & Surplus	2,558	2,990	3,764	4,323	4,959	
Deposits	40,515	44,238	49,161	54,568	60,571	
Borrowings	4,260	4,931	6,912	7,616	8,394	
Other Liabilities	2,299	2,725	1,952	2,050	2,152	
<b>Total Liabilities</b>	<b>49,642</b>	<b>54,892</b>	<b>61,797</b>	<b>68,566</b>	<b>76,085</b>	
Investments	14,814	15,704	16,713	17,921	20,482	
Net Advances	27,340	31,993	37,040	42,596	48,985	
Cash & Equivalents	3,946	3,079	3,108	4,747	5,255	
Fixed Assets	143	146	426	305	339	
Other Assets	3,399	3,971	4,510	2,998	1,024	
<b>Total Assets</b>	<b>49,642</b>	<b>54,892</b>	<b>61,797</b>	<b>68,566</b>	<b>76,085</b>	

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E
NII / Assets	2.55%	2.77%	2.74%	2.77%	2.86%
Other Income / Assets	0.86%	0.70%	0.89%	0.75%	0.70%
Total Income / Assets	3.40%	3.47%	3.63%	3.51%	3.56%
Cost / Assets	1.97%	1.87%	2.02%	1.82%	1.79%
PBP / Assets	1.43%	1.60%	1.61%	1.69%	1.77%
Provisions / Assets	0.52%	0.32%	0.21%	0.26%	0.31%
PBT / Assets	0.92%	1.29%	1.40%	1.43%	1.46%
Tax rate	27.1%	25.3%	25.3%	25.0%	25.0%
ROA	0.67%	0.96%	1.05%	1.07%	1.10%
RoRWAs	1.34%	1.91%	2.04%	2.06%	2.06%
Leverage	19.3	18.3	16.4	15.8	15.3
ROE	13.0%	18.1%	18.0%	17.3%	17.1%

Source: Company, JM Financial

Valuations					
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E
Shares in Issue	8.9	8.9	8.9	8.9	8.9
EPS (INR)	35.5	56.3	68.4	78.4	89.0
EPS (YoY) (%)	55.2%	58.6%	21.6%	14.6%	13.5%
PER (x)	23.1	14.6	12.0	10.5	9.2
BV (INR)	288	336	423	485	557
BV (YoY) (%)	11.5%	16.8%	25.8%	14.8%	14.7%
ABV (INR)	288	336	423	485	557
ABV (YoY) (%)	14.1%	16.8%	25.8%	14.8%	14.7%
P/BV (x)	2.85	2.44	1.94	1.69	1.47
P/ABV (x)	2.85	2.44	1.94	1.69	1.47
DPS (INR)	7.1	11.3	13.7	15.7	17.8
Div. yield (%)	0.9%	1.4%	1.7%	1.9%	2.2%

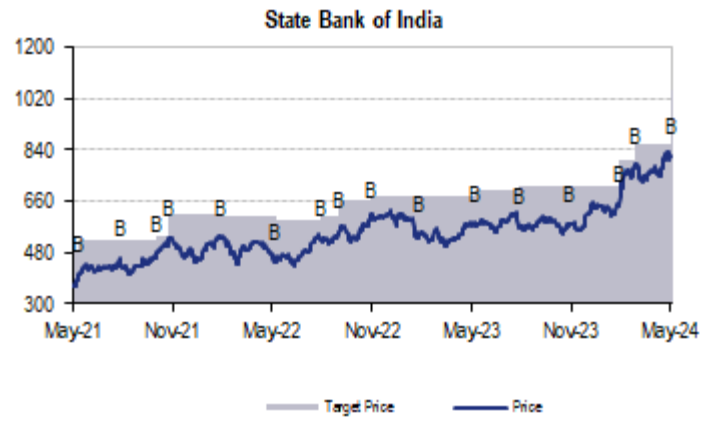
Source: Company, JM Financial



**History of Recommendation and Target Price**

Date	Recommendation	Target Price	% Chg.
27-Aug-20	Buy	300	
4-Nov-20	Buy	300	0.0
11-Jan-21	Buy	350	16.7
4-Feb-21	Buy	480	37.1
21-May-21	Buy	525	9.4
4-Aug-21	Buy	525	0.0
11-Oct-21	Buy	535	1.9
3-Nov-21	Buy	615	15.0
5-Feb-22	Buy	610	-0.8
15-May-22	Buy	590	-3.3
7-Aug-22	Buy	610	3.4
11-Sep-22	Buy	660	8.2
6-Nov-22	Buy	675	2.3
3-Feb-23	Buy	675	0.0
18-May-23	Buy	700	3.7
6-Aug-23	Buy	710	1.4
5-Nov-23	Buy	710	0.0
4-Feb-24	Buy	800	12.7
5-Mar-24	Buy	860	7.5
10-May-24	Buy	1,050	22.1

**Recommendation History**



## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com

Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: sahil.salastekar@jmfl.com

Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: instcompliance@jmfl.com

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

\* REITs refers to Real Estate Investment Trusts.

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