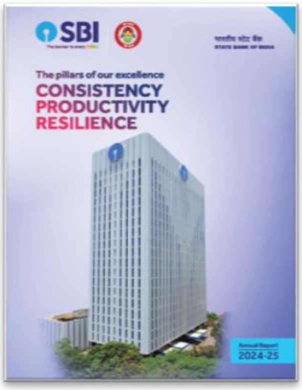
# State Bank of India

| BSE SENSEX | S&P CNX |
|---|---|
| 81,451 | 24,751 |




**Stock Info**

| | |
|---|---|
| Bloomberg | SBIN IN |
| Equity Shares (m) | 8925 |
| M.Cap.(INRb)/(USDb) | 7249.5 / 84.7 |
| 52-Week Range (INR) | 912 / 680 |
| 1, 6, 12 Rel. Per (%) | 1/-6/-12 |
| 12M Avg Val (INR M) | 12207 |
| Free float (%) | 43.1 |

**Financials Snapshot (INR b)**

| Y/E March | FY25 | FY26E | FY27E |
|---|---|---|---|
| NII | 1,670 | 1,766 | 2,006 |
| OP | 1,106 | 1,135 | 1,306 |
| NP | 709 | 711 | 796 |
| NIM (%) | 2.9 | 2.8 | 2.9 |
| EPS (INR) | 79.4 | 79.7 | 89.2 |
| EPS Gr. (%) | 16.1 | 0.3 | 11.9 |
| ABV (INR) | 437 | 499 | 570 |
| Cons. BV (INR) | 529 | 603 | 703 |
| **Ratios** | | | |
| RoA (%) | 1.1 | 1.0 | 1.0 |
| RoE (%) | 18.6 | 16.1 | 15.9 |
| **Valuations** | | | |
| P/BV (x) (Cons.) | 1.5 | 1.3 | 1.2 |
| P/ABV (x)* | 1.3 | 1.1 | 1.0 |
| P/E (x) | 9.4 | 9.0 | 7.8 |

*adj for subs

## CMP: INR812 TP: INR925 (+14%) Buy

## Gaining size with granularity

### Tech becoming key growth enabler; RoA to sustain at ~1%

- **State Bank of India (SBIN)'s FY25 annual report highlights that the bank has steadily strengthened its balance sheet and consistently delivered healthy RoE while maintaining its leadership position.**
- **The Retail segment reported a 49% growth in PBT whereas treasury reported a 9% increase to INR176b. SBIN has delivered an earnings CAGR of 37% over past four years and crossed a key milestone of INR700b of profits in FY25.**
- **SBIN's loan book grew 12% YoY in FY25, with modest growth in Xpress credit which has affected bank's NIMs slightly besides the rise in funding costs. Consequently, the NIM dipped 30bp during FY25 to 3.0% (3.15% in domestic business).**
- **On the digital front, YONO continued to set new records with ~88m registered users and 64% of savings accounts opened through YONO in FY25. More than 0.33m overseas customers have been onboarded through YONO. This growth is supported by innovations in digital banking, including enhanced services like YONO 2.0 and expanding global reach.**
- **SBIN has maintained strong asset quality, with PCR at 74.4% (92.1% including TWO) in FY25. Controlled restructuring (0.3%), low SMA pool (8bp) with prudent underwriting and continued recoveries would keep credit costs under control.**
- **We estimate a 6% earnings CAGR over FY25-27, with an RoA/RoE of ~1.0%/15.9% in FY27. We maintain SBIN as our top BUY idea amongst PSU Banks with a TP of INR925 (premised on 1.2x FY27E ABV+ INR245 for subsidiaries).**

### ~INR70t of "granular" balance sheet; retail mix rises to ~36%

SBIN delivered a 12.4% YoY loan growth in FY25, backed by prudent underwriting while focusing on the granular, high-quality portfolio. Retail loans grew modestly at 11.4% YoY, making up 35.7% of the loan book. Xpress credit growth is showing signs of recovery as the bank has completely revamped the process of extending Xpress credit. Corporate loans grew ~9% YoY, despite some unexpected prepayments in 4QFY25, while the SME segment posted strong growth of ~17% alongside a notable reduction in GNPA from 9.2% in 1QFY22 to 3.3% in FY25. **With a credit pipeline of INR 3.4t and a controlled domestic CD ratio of 69.7%, SBIN expects 12-13% credit growth in FY26.** We estimate SBIN to report ~12% CAGR in loan books over FY25-27.

### Deposit market share robust at ~24%; LCR ratio steady at 133%

SBIN's deposits grew 9.5% YoY in FY25, maintaining a dominant 24% market share while the bank remains focused on increasing CASA deposits. With a favorable domestic CD ratio of 69.7%, well below peers, and a comfortable LCR of 133%, the bank is well-positioned for sustainable credit growth supported by robust underwriting and a potential corporate capex recovery. The incremental cost of deposits is also expected to come down as MCLR readjustment will also happen. We, thus, expect ~10% CAGR in deposits over FY25-27, while the bank maintains its focus on garnering granular retail deposits.

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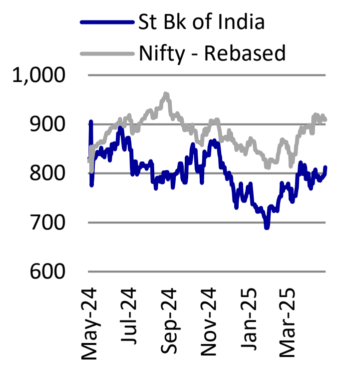
**Investors are advised to refer through important disclosures made at the last page of the Research Report.**
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

**Shareholding pattern (%)**

| As On | Mar-25 | Dec-24 | Mar-24 |
|---|---|---|---|
| Promoter | 56.9 | 56.9 | 56.9 |
| DII | 24.8 | 24.7 | 23.7 |
| FII | 10.8 | 11.1 | 12.0 |
| Others | 7.5 | 7.3 | 7.3 |

FII Includes depository receipts

**Stock Performance (1-year)**




## SR provisioning write-back and Treasury gains drive revenue growth

SBIN is well positioned to benefit from the moderation in bond yields on its treasury portfolio as the rate environment has eased considerably. The 10-year G-Sec has moderated to 6.23% in the past 12 months. SBIN booked healthy treasury gains in FY25, especially in 4QFY25, as there were provisioning write-backs of INR38.75b on SRs issued by NARCL. Moreover, excess provisions of INR5.2b on the sale of NPAs to the securitization company have been credited in P&L. Treasury performance was healthy, as treasury PBT increased to INR176b in FY25 from INR95b in FY23, contributing ~17% to the total profits in FY25. Going forward, as the rate cycle eases, yields will moderate, which will provide an opportunity both on the MTM side and on the trading profit of the bank.

## NIM to remain broadly stable; NII to clock a 10% CAGR over FY25-27

SBIN experienced NIM pressure in FY25 due to rising funding costs and a slight deterioration in asset mix as Xpress loan book growth stood at 0.5% YoY. Consequently, the NIM contracted 30bp during FY25 to 3.0% (3.15% in domestic business). With the rate cut cycle starting and the rising possibility of more cuts in repo rate, banks may see further NIM pressure during the coming quarters. However, the increase in the MCLR rate (35bp increase over past one year) and a significant portion (35%) of the portfolio being MCLR linked will alleviate NIM pressures. We expect SBIN's NIM to sustain at 2.9% over FY27E. SBIN's CD ratio remains under control, positioning the bank to deliver healthy loan growth, thus supporting NII. We estimate a ~10% CAGR in NII over FY25-27.

## Building strong digital capability; YONO emerging as a key growth driver

SBIN has established leaderships across Debit Card spends, POS terminals, ATMs, and mobile banking transactions (both in volume and value terms). YONO application continued to set new records, with ~88m registered users and 64% of savings accounts opened through YONO in FY25. More than 0.33m overseas customers have been onboarded through YONO. With the increasing scale of YONO adoption, it became imperative to build the next version of the YONO platform, i.e. 'Only YONO - The New Digital Bank' (YONO 2.0), which will be omni-channel in nature, hosted on the new tech stack to ensure high availability, scalability, and robustness.

## Digitalization to help contain costs and improve productivity levels

SBIN is focused on enhancing operating efficiency through digital innovation and cost management. With wage/pension provisioning already being undertaken in prior years, we estimate the opex run-rate to post a 9% CAGR over FY25-27, though we will monitor the impact of falling interest rates on pension liability. We estimate the C/I ratio to reduce from 59% in FY24 to around 51.6% by FY27 driven by branch rationalization, increased digital adoption (notably via YONO), and productivity improvements.

### Overhead spikes due to new PLI provision

- The increase in overheads in the last quarter of FY25 is primarily attributable to the provisioning for a new performance-linked incentive (PLI) scheme applicable to senior staff (Chief Manager grade and above), introduced this year and contingent on government approval.
- Traditionally there are two PLIs – one industry-wide 15-day pay and the other a 1% profit-linked grid-based incentive – both of which are accounted for under staff expenses. However, this new scheme has been booked under overheads given its distinct nature and approval requirement.
- Although the expense could have been recognized earlier, management has prudently provided for it in 4QFY25 based on their assessment that the bank qualifies under the Government of India's guidelines.

### Credit costs remain under control; SMA book stands at 8bp

SBIN has maintained strong asset quality supported by robust underwriting and healthy recoveries from its TWO pool, with GNPA and NNPA ratios improving 42bp and 10p during FY25 to 1.82% and 0.47%, respectively. The bank maintains a healthy PCR of 74.4% (92.1% including TWO). During FY25, the bank reported benign slippages at INR208b (~0.5% of loans), while the restructured book stands under control at 0.3% of loans.

- With prudent underwriting and continued recoveries, we expect asset quality trends to remain stable, thus projecting the GNPA/NNPA ratio at 1.8%/0.4% by FY27, while credit costs remain in control at avg. 40bp over FY26-27E.
- RBI, recently has announced a policy reversal wherein it has restored the risk weights on exposures of banks to NBFCs and MFI to their orginal level, effective from 1st Apr,2025. This move is expected to improve SBI's CET-1 ratio by 24 bps, as per our calculation.
- The regulatory change will reduce RWA requirements for these exposures, thereby strengthening the bank's capital base. This enhanced capitalization provides headroom for supporting credit growth. Also, SBI sold 13.2% of its stake in Yes Bank to SMBC which will further strengthen bank's capitalization.

### Valuation and view: Reiterate BUY with a TP of INR925

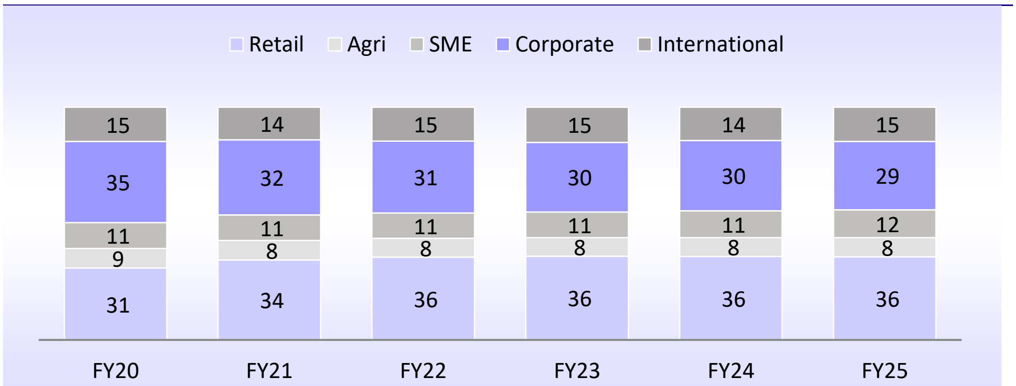
SBIN has delivered a robust set of performances in recent years, propelled by steady business and revenue growth as well as controlled provisions. NIM has contracted in recent quarters, and the management has guided for broadly stable margins (negative bias depending on the quantum and timing of rate cuts). The bank has levers in place (CD ratio, MCLR re-pricing, asset mix improvement, etc.) to mitigate the impact arising from moderation in lending yields. SBIN's asset quality remains healthy with consistent improvements in headline asset quality ratios, while the restructured book remains under control at 0.3% of loans. We estimate credit costs to remain in check at ~50bp, enabling a 6% earnings CAGR over FY25-27. We, thus, estimate SBIN to deliver RoA/RoE of ~1.0%/15.9% in FY27. **SBIN remains our preferred BUY in the sector with a TP of INR925 (premised on 1.2x FY27E ABV+ INR245 for subsidiaries).**

## Loan book: Gaining size with "granularity"

### Retail book accounts for ~35.7% of the total loan book

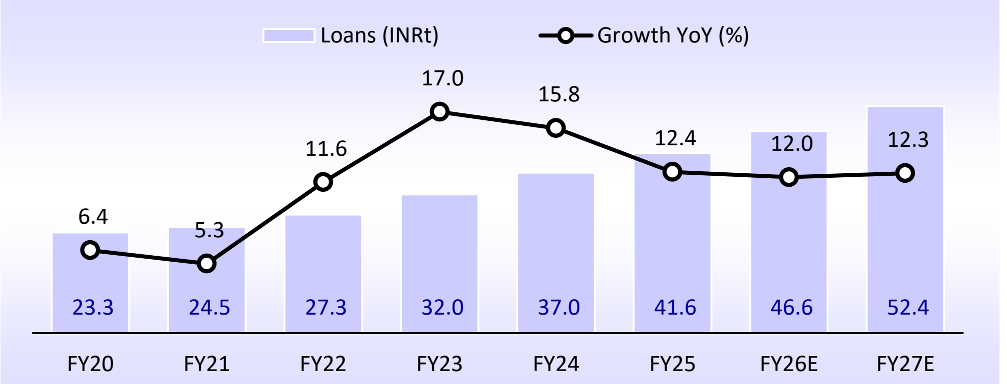
- SBIN delivered 12.4% YoY loan growth in FY25 while focusing on building a granular and high-quality loan portfolio. Its retail business grew modestly at 11.4% YoY in FY25 due to slower growth in Xpress credit. However, the retail business accounted for ~35.7% of the total loan book (vs. ~34% in FY21). The bank's credit growth strategy reveals a calibrated approach with risk-averse expansion.
- Xpress credit growth (personal loans) is showing signs of recovery as the bank has completely revamped the process of extending Xpress credit, with strong turnover and an average tenure of 14 months. Although growth has been tempered by monthly repayments, steady expansion is anticipated, especially in secured credit. In the wholesale segment, SBIN has witnessed ~9% YoY growth in corporate. There has been some unanticipated prepayment in corporate in 4QFY25, which led to lower credit growth.
- The bank remains focused on maintaining a high-quality loan portfolio, while in the SME sector, SBIN has achieved an impressive growth rate of ~17%, alongside a significant reduction in its GNPA ratio from 9.2% in 1QFY22 to 3.3% in FY25.
- With a credit pipeline of INR3.4t, SBIN still has visibility on the corporate book and expects credit growth of 12-13% in FY26. Further, the domestic CD ratio remains controlled at 69.7%. We estimate the loan book to report a 12% CAGR over FY25-27.

**Exhibit 1: Loan mix (%) – retail stood at 35.7% as of FY25, whereas corporate book stood at 29.4%**




Source: MOFSL, Company

**Exhibit 2: Expect a 12% loan CAGR over FY25-27**




Source: MOFSL, Company

**Exhibit 3: Estimate SBIN to grow its loan book at 12% vs. system growth of 11.5% for FY26**

SBIN has been gaining market share over the periods and currently has a 23% market share in the system's credit

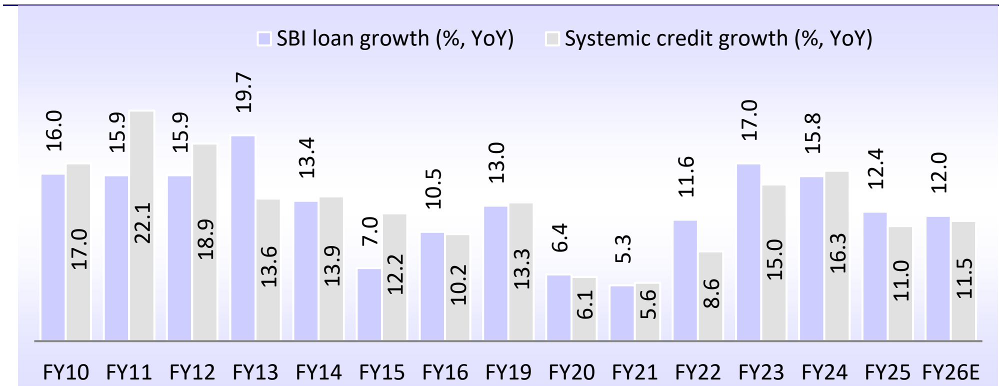
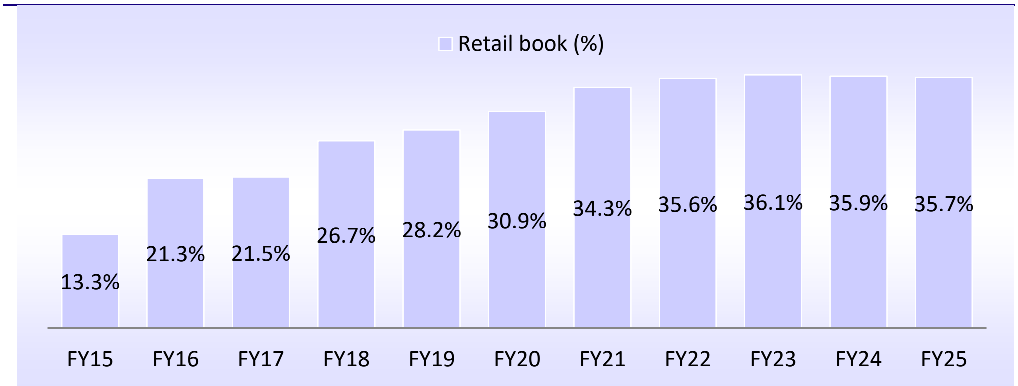



**Exhibit 4: SBIN's retail mix has increased from 13% to 36% in FY25 over the past 10 years**

SBIN's retail book accounts for 35.7% of the total loan book in FY25, showing that the loan book is gaining size with granularity

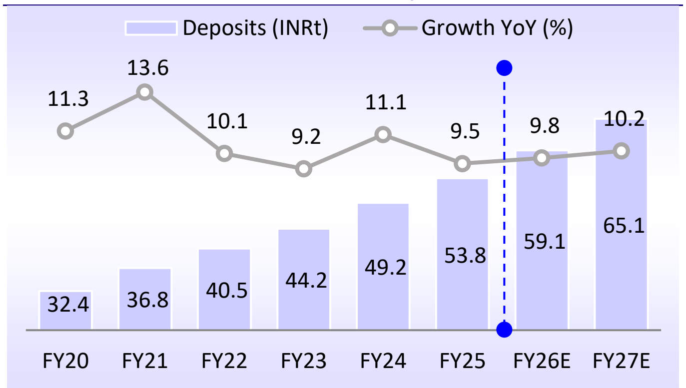


## Deposit growth steady; market share robust at 24%

### The LCR ratio steady at 133%

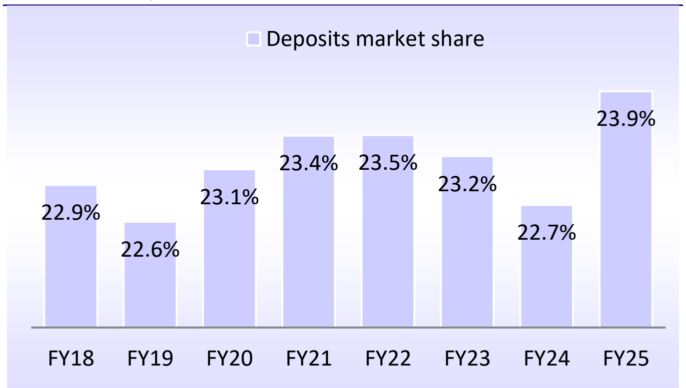
- SBIN has steadily grown its deposit base, with a 9.5% YoY increase in FY25. The management does not foresee any challenges in garnering deposits even at such a large base, with an aim to enhance its CA share and further strengthen its SA deposit base. SBIN maintains its leadership in liability, with a deposit market share of ~24% in FY25. We expect ~10% CAGR in deposits over FY25-27, while the bank maintains its focus on garnering granular retail deposits.
- The bank is also favorably positioned with its domestic credit-deposit ratio at ~69.7%, significantly below most of its peers. The bank's low CD ratio, comfortable LCR ratio of 133%, robust underwriting, and a potential recovery in the corporate capex cycle place SBIN in an enviable position to deliver sustainable credit growth.

**Exhibit 5: Estimate ~11% CAGR in deposits over FY25-27**



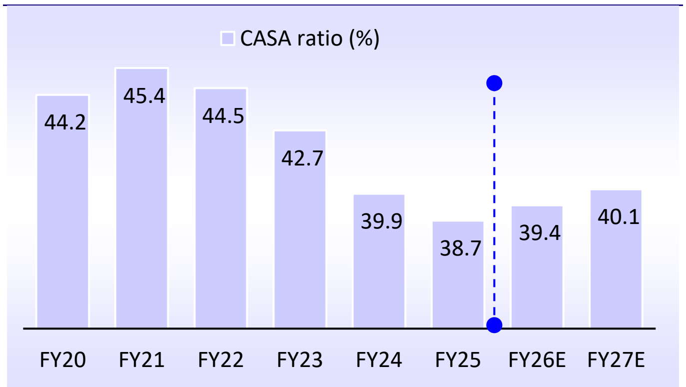

Source: MOFSL, Company

**Exhibit 6: Deposit market share stood at ~24% in 1HFY25**



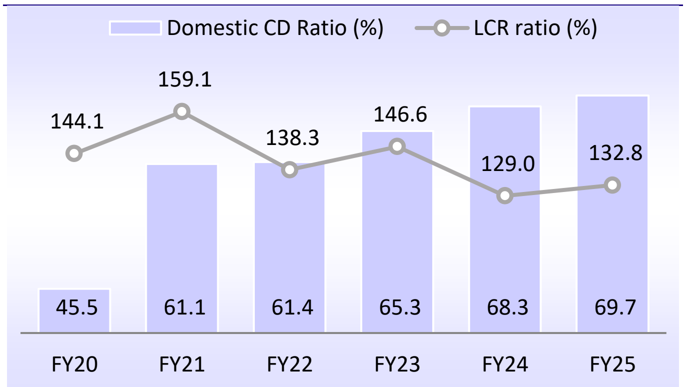

Source: MOFSL, Company

**Exhibit 7: CASA ratio to remain at ~39-40% by FY26-27E**




Source: MOFSL, Company

**Exhibit 8: The domestic CD ratio was comfortable at 69.7%**



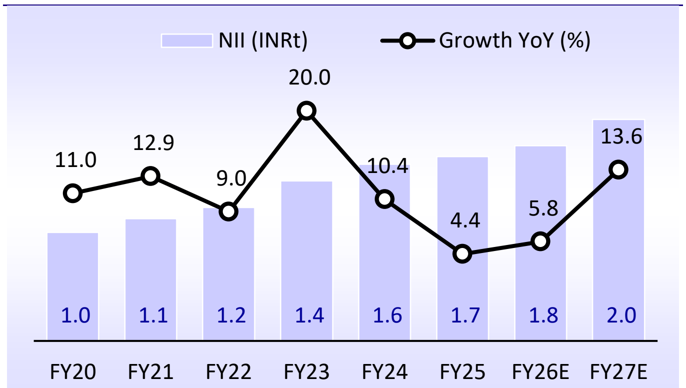

Source: MOFSL, Company

## NIM to remain broadly stable

**NII to clock a 10% CAGR over FY25-27E**

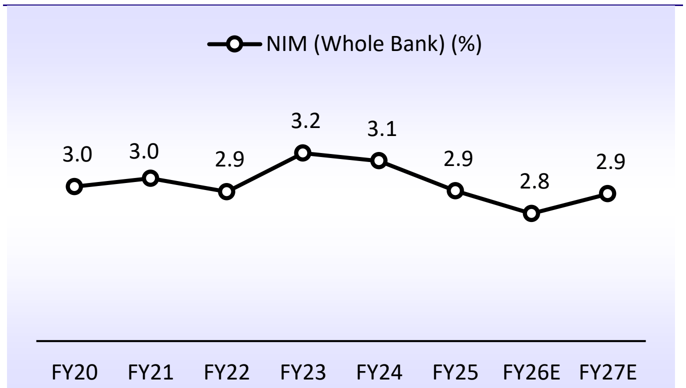
- SBIN experienced NIM pressure in FY25 due to rising funding costs and a slight deterioration in asset mix as Xpress loan book growth stood at 0.5% YoY. Consequently, the NIM dipped 30bp during FY25 to 3.0% (3.15% in domestic business). With ~35% of the book linked to the MCLR and T-bill holdings, the bank is expected to manage the rate cuts effectively. While we expect some bit of pressure on the repo-linked loans, which may be affected due to the repo cut, the bank shall benefit from the 35bp MCLR hike it took a year back, thus providing some support to margins. SBIN's CD ratio remains under control, positioning the bank to sustain healthy growth in NII. We estimate a ~10% CAGR in NII over FY25-27.
- With the rate cut cycle starting and the rising possibility of more cuts in the repo rate, banks may see some NIM pressure during 1HFY26 before recovering to some extent in 2HFY26, as SBIN previously maintained a substantial MCLR portfolio, which has now shifted more towards repo-linked instruments. We expect SBIN's NIM to sustain at 2.9% over FY27E.

**Exhibit 9: We estimate a 10% CAGR in NII over FY25-27**




Source: MOFSL, Company

**Exhibit 10: Margin to witness some pressure in FY26 due to rate cuts**




Source: MOFSL, Company

**Exhibit 1: ~35% of SBIN's book is linked to MCLR as of FY25 (%)**

| Loans Mix (%) - 4QFY25 | MCLR | EBLR | Repo Linked | Others (Fixed, base rate, foreign currency-floating) |
|---|---|---|---|---|
| AUBANK | 30 | 7 | | 63 |
| AXSB | 9 | 4 | 57 | 30 |
| CBK | 56 | 44 | | 0 |
| FB | 9 | 51 | | 40 |
| HDFCB* | 25 | | 45 | 30 |
| ICICIBC | 15 | 1 | 53 | 31 |
| INBK* | 57 | 37 | | 5 |
| KMB** | 13 | 60 | | 27 |
| PNB | 31 | 15 | 44 | 11 |
| RBL | 9 | 46 | | 45 |
| SBIN | 35 | 29 | | 36 |
| BOB | 47 | | 35 | 18 |

*as of 3QFY25, **as of 2QFY25

Source: MOFSL, Company

## Building a strong digital capability

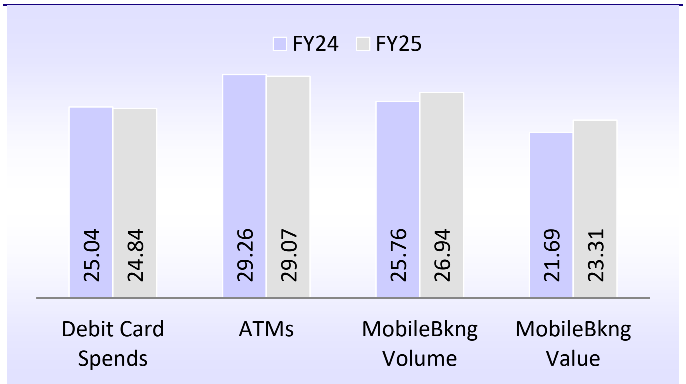
**YONO continues to gain scale**

- The YONO app, SBIN's flagship digital offering, is helping the bank accelerate its digital footprint in all areas of operations. The primary objective of YONO is to create momentum in customer acquisition at a low cost and facilitate cross-sell opportunities to existing customers.
- The YONO application continued to set new records, with ~88m registered users and 64% of savings accounts opened through YONO in FY25.
- The digital banking App., YONO, has been launched in all 14 centers where the bank has retail operations. The bank has tie-up arrangements with fintechs, exchange companies, and correspondent relations with 223 banks in 55 countries worldwide.
- YONO SBI, one of the most ambitious and secure digital offerings of the bank, has now been extended to customers at our overseas offices. It has been successfully launched in the UK, Canada, Mauritius, Nepal, Maldives, Bangladesh, Bahrain, South Africa, Sri Lanka, Germany, Chicago, and New York, with a non-face-to-face account opening facility operational in the UK and Canada. More than 0.33m overseas customers have been onboarded through YONO.
- YONO Krishi Safal Dairy Loan has a streamlined and pre-approved credit facility on YONO to support dairy farming requirements through corporate partnerships.
- With the increasing scale of YONO adoption, it became imperative to build the next version of the YONO platform, i.e. 'Only YONO - The New Digital Bank' (YONO 2.0), which will be omni-channel in nature, hosted on the new tech stack to ensure high availability, scalability, and robustness.

### Digital leadership across channels

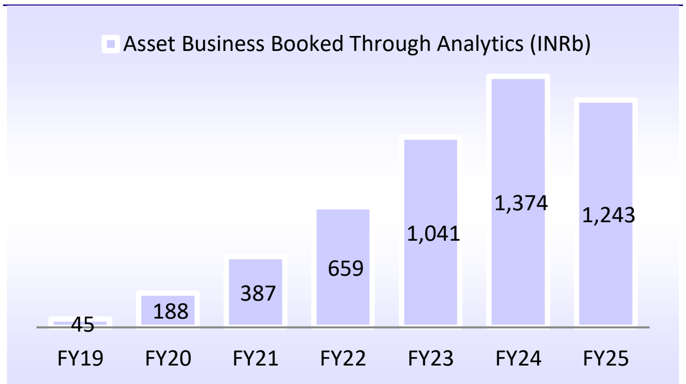
- SBIN has established leadership across debit card spending, POS terminals, ATMs, and mobile banking transactions (both in volume and value terms). Given its huge customer base and focus on continuous improvement in its digital experience, the bank will maintain its pole position in most segments.

**Exhibit 11: Leadership position across channels**




Source: Company, MOFSL

**Exhibit 12: Advances through analytical leads stood at INR1.2t**



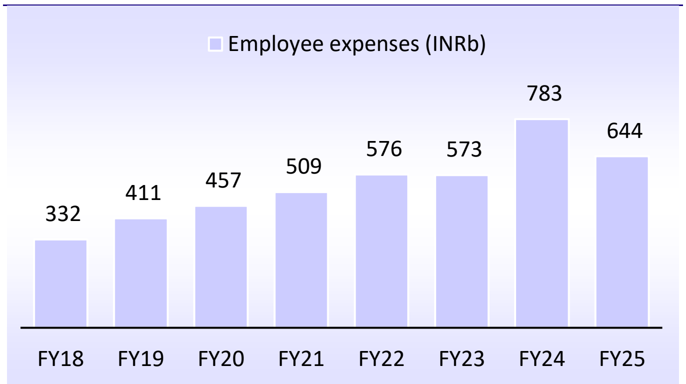

Source: Company, MOFSL

## Digitalization to help contain costs and raise productivity

### Estimate C/I ratio of ~51.6% by FY27

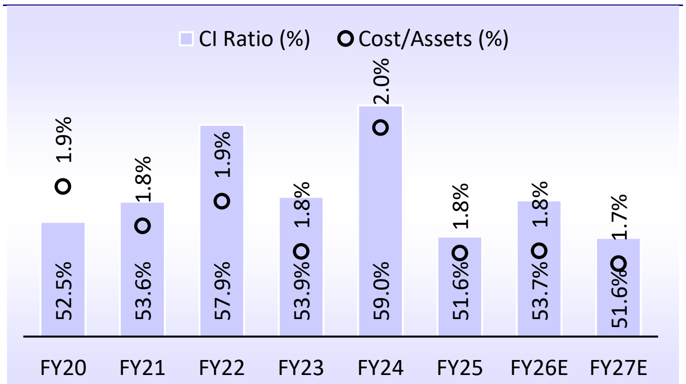
- SBIN is focused on enhancing its operating efficiency, leveraging digital for ease of customer while also emerging as a disruptive player on the tech side to manage the costs. With no more surprises expected on the wage revisions side, the bank is expected to report a more controlled opex over the next few years, and as a result, we expect total opex to grow in a controlled manner at 9% CAGR over FY25-27.
- The increase in overheads in the last quarter of FY25 is primarily attributable to the provisioning for a new performance-linked incentive (PLI) scheme applicable to senior staff (Chief Manager grade and above), introduced this year and contingent on government approval. Traditionally there are two PLIs – one industry-wide 15-day pay and the other a 1% profit-linked grid-based incentive – both of which are accounted for under staff expenses.
- However, this new scheme has been booked under overheads given its distinct nature and approval requirement. Although the expense could have been recognized earlier, management has prudently provided for it in 4QFY25 based on their assessment that the bank qualifies under the Government of India's guidelines.
- Management aims for a controlled C/I ratio, with a focus on reducing overheads and boosting other income streams along with an emphasis on improving productivity levels. The rationalization of branches and increased digital channel usage, particularly YONO, are expected to drive further improvements in operational efficiency, leading to a reduction in cost ratios to ~51.6% by FY27E from 59% in FY24.

**Exhibit 13: Employee expenses posted ~6% CAGR over FY23-25**




Source: Company, MOFSL

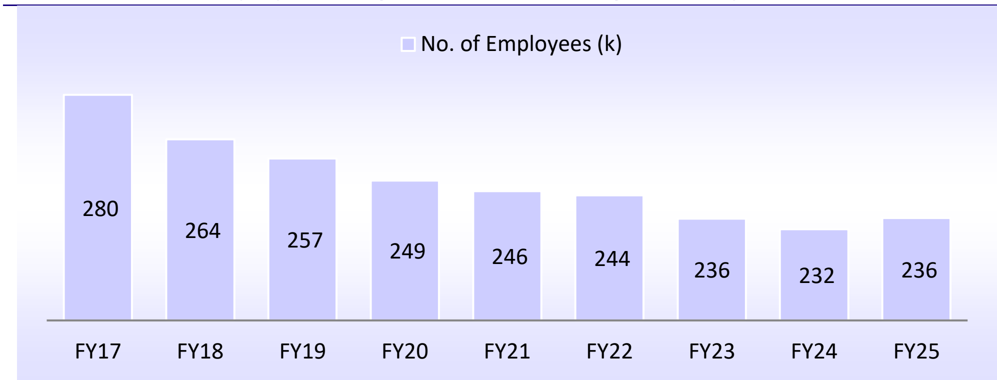
**Exhibit 14: Cost/Asset trend is lower than peers; expect C/I ratio to fall to ~51.6% by FY27**




Source: Company, MOFSL

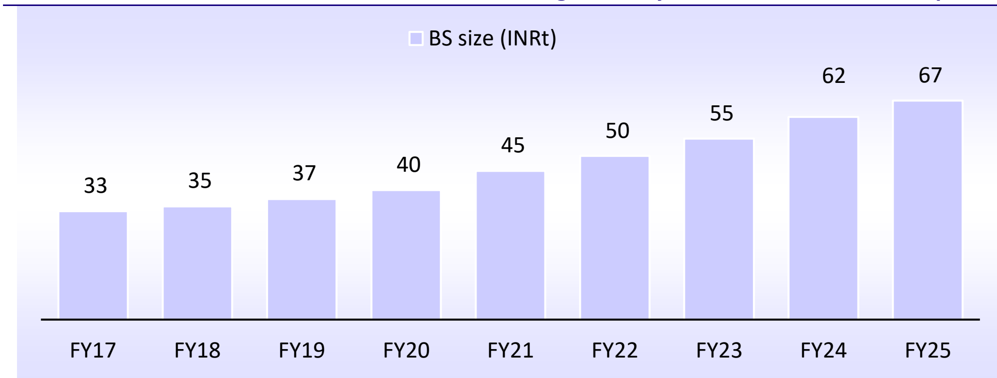
SBIN is the only bank that is witnessing an increase in total assets but a decline to a stable no. of employees.

**Exhibit 15: SBIN's employee strength has been declining over the years…**




Source: Company, MOFSL

**Exhibit 16: …however, its BS size has been showing a steady increase over the same period**




Source: Company, MOFSL

## SR provisioning write-back and Treasury gains drive revenue growth

SBIN is well positioned to benefit from the moderation in bond yields on its treasury portfolio as the rate environment has eased considerably. The 10-year G-Sec has moderated to 6.23% in the past 12 months. SBIN booked healthy treasury gains in FY25, especially in 4QFY25, as there were provisioning write-backs of INR38.75b on SRs issued by NARCL. Moreover, excess provisions of INR5.2b on the sale of NPAs to the securitization company have been credited in P&L.

Treasury performance was healthy, as treasury PBT increased to INR176b in FY25 from INR95b in FY23, contributing ~17% to the total profits in FY25. Going forward, as the rate cycle eases, yields will moderate, which will provide an opportunity both on the MTM side and on the trading profit of the bank.

**Segmental trends across business verticals – Retail segment profit grew 49% YoY**

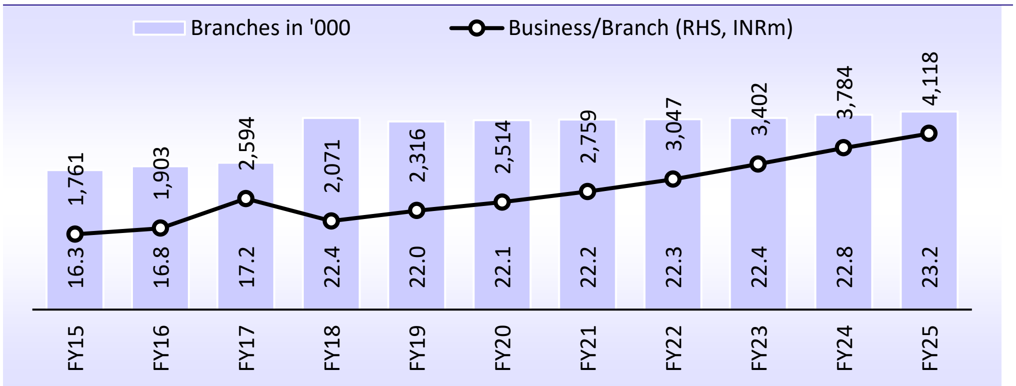
| | Assets | | | | Revenue | | | | PBT | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **INR b** | **FY22** | **FY23** | **FY24** | **FY25** | **FY22** | **FY23** | **FY24** | **FY25** | **FY22** | **FY23** | **FY24** | **FY25** |
| Retail | 20,212 | 23,105 | 26,078 | 28,777 | 1,385 | 1,669 | 2,088 | 2,406 | 125 | 332 | 395.48 | 588.67 |
| **YoY growth** | **11%** | **14%** | **13%** | **10%** | **5%** | **21%** | **25%** | **15%** | **33%** | **165%** | **19%** | **49%** |
| Corporate | 13,022 | 14,929 | 17,137 | 19,356 | 744 | 980 | 1302.57 | 1465.7 | 270 | 290 | 404.74 | 287.19 |
| **YoY growth** | **9%** | **15%** | **15%** | **13%** | **-9%** | **32%** | **33%** | **13%** | **424%** | **8%** | **40%** | **-29%** |
| Treasury | 16,132 | 16,655 | 17,993 | 17,846 | 1,000 | 1,019 | 1,256 | 1,352 | 137 | 95 | 161.87 | 175.85 |
| **YoY growth** | **11%** | **3%** | **8%** | **-1%** | **9%** | **2%** | **23%** | **8%** | **-12%** | **-31%** | **70%** | **9%** |

Source: MOFSL, Company

## Business productivity improving consistently

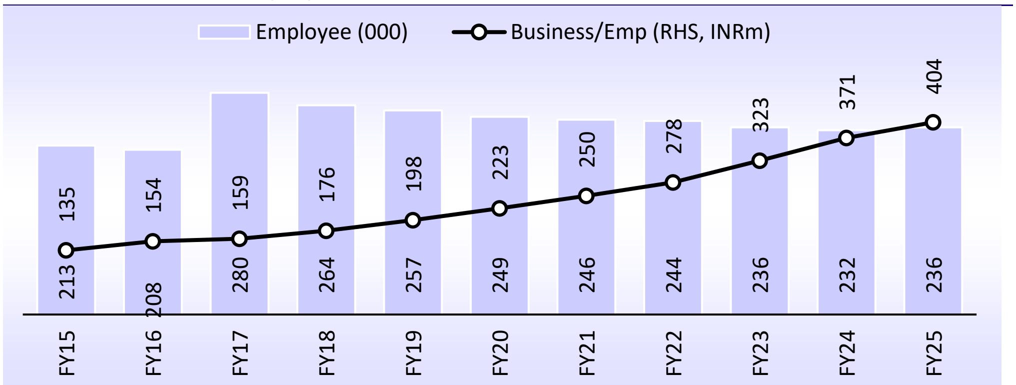
SBIN has been focusing on improving branch productivity by leveraging technology. Its business per branch improved to INR4.1b in FY25 (from INR3.8b in FY23), and the business per employee increased to INR404m in FY25 (from INR371m in FY24), indicating improved productivity and operational efficiency at the branch level.

**Exhibit 17: Business/branch consistently improving; came in at INR4.1b per branch**



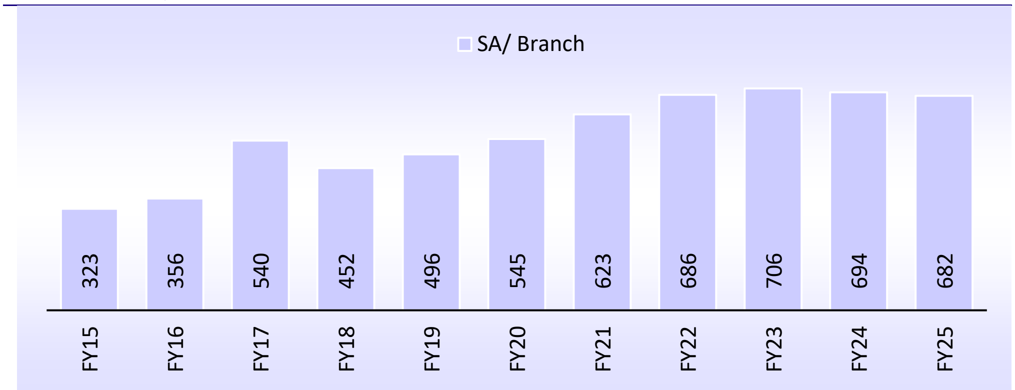

Source: Company, MOFSL

**Exhibit 18: Business/employee increased to INR404m from INR371m in FY24**




Source: Company, MOFSL

**Exhibit 19: SA per branch stood at 682m in FY25 vs. 694m in FY24**



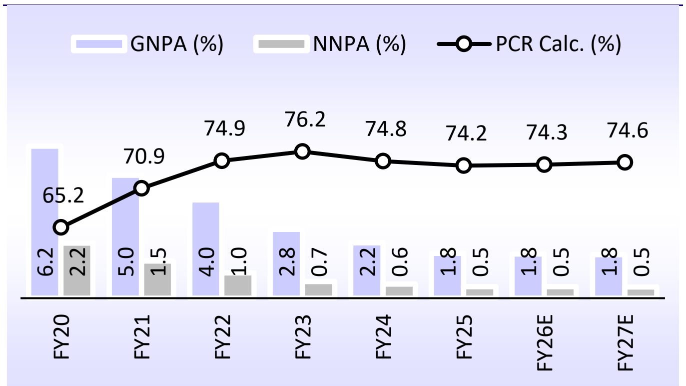

Source: Company, MOFSL

## Strong underwriting drives controlled credit costs

### SMA book stands at 8bp; estimate credit costs at avg. 40bp over FY26-27

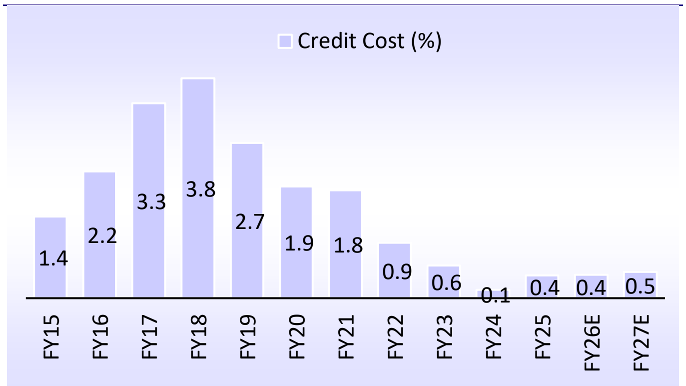
- SBIN has been one of the consistent players in terms of asset quality, backed by strong underwriting as well as a healthy recovery from the TWO pool. Retail asset quality remains strong, although there are industry concerns about unsecured loans. The bank's unsecured loans primarily target salaried individuals, reducing risk. Its GNPA/NNPA ratio has improved 42bp/10bp to 1.82%/0.47% during FY25, with a healthy PCR of 74.4% (92.1% incl. TWO).
- SBIN has reported benign slippages at INR208b (0.5% of loans) during FY25, while restructured books stood lower at INR129b/0.3% of loans. Management has guided controlled credit costs at 50bp and slippages to remain contained too. Further, the new revised norms for the sale of government-guaranteed SRs should release the excess provisions for PSU banks which they can use for potential requirements, and in the current quarter bank has written-back provisions of INR38.75b on SRs issued by NARCL.
- We expect fresh slippages to remain under control, aided by further improvement in underwriting and healthy recoveries enabling slight moderation in GNPA/NNPA ratios to 1.8%/0.5% by FY27E while credit cost to remain under control at an avg. of 40bp over FY26-27E.

**Exhibit 20: GNPA/NNPA moderated to 1.8%/0.5% in FY25**



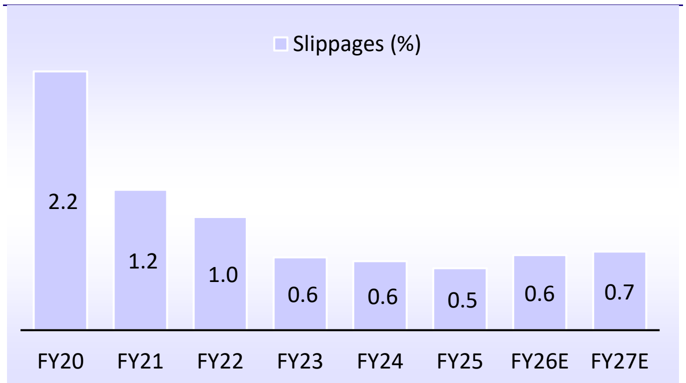

Source: Company, MOFSL

**Exhibit 21: Credit costs likely to remain controlled at ~50bp**



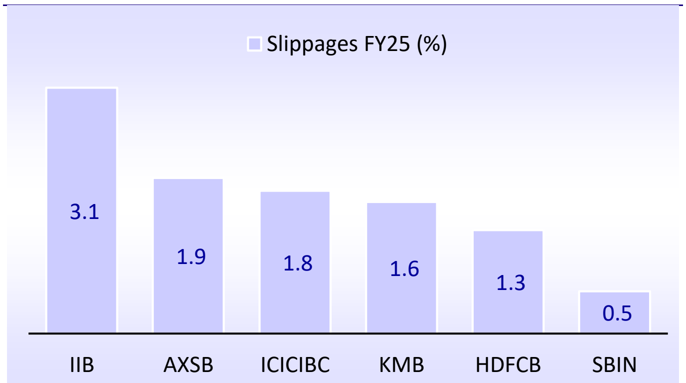

Source: Company, MOFSL

**Exhibit 22: SBIN continues to see moderation in slippages; expect slippages to remain in check**




Source: Company, MOFSL

**Exhibit 23: Slippage ratio among the lowest; better than even the large private banks**




Source: Company, MOFSL

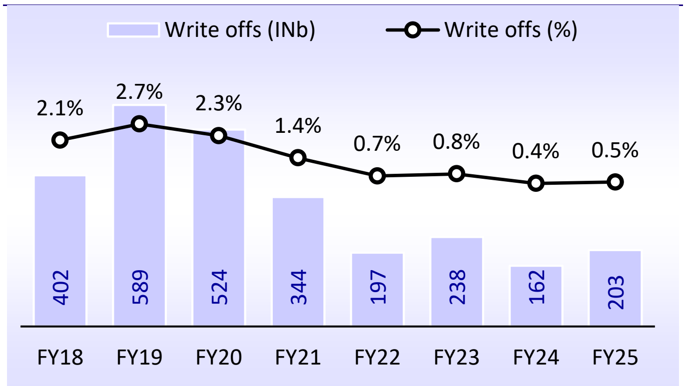
**Exhibit 24: SMA book under control at 8bp of total loans**

| SMA position (INRb) | 4Q21 | 4Q22 | 4Q23 | 4Q24 | 4Q25 |
|---|---|---|---|---|---|
| SMA 1 | 47 | 30 | 25 | 12 | 23 |
| SMA 2 | 68 | 6 | 8 | 21 | 10 |
| Total SMA | 115 | 35 | 33 | 33 | 33 |
| Total SMA as a % of Loans (bp) | 47 | 13 | 10 | 9 | 8 |

Source: Company, MOFSL

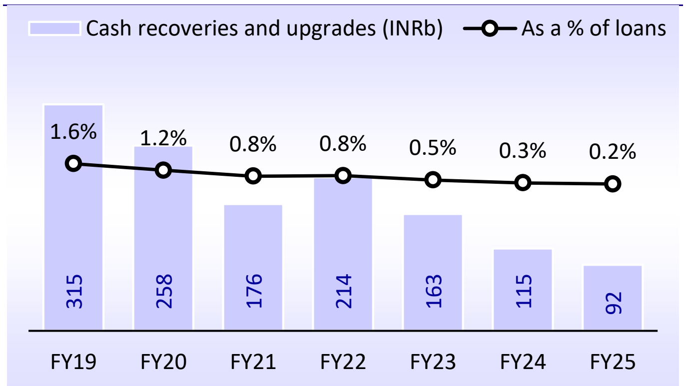
- Notably, the **AUCA book for SBIN stood at INR1.71t**, significantly higher than the GNPA pool. Over the past five years, the bank has recovered ~INR401b from the AUCA book, and we expect recovery trends to remain healthy, further supported by the sale of bad loans to NARCL.
- SMA 1 and 2 for the bank stood at INR33.3b (8bp of loans), lower than peers. Further, the bank's Power/Telecom exposures remained comfortable, with the bulk of the exposure towards better-rated corporates. **Asset quality of the retail segment has been stellar, much better than private peers, which provides further comfort.**

**Exhibit 25: SBIN saw ~INR203b write-off in FY25**



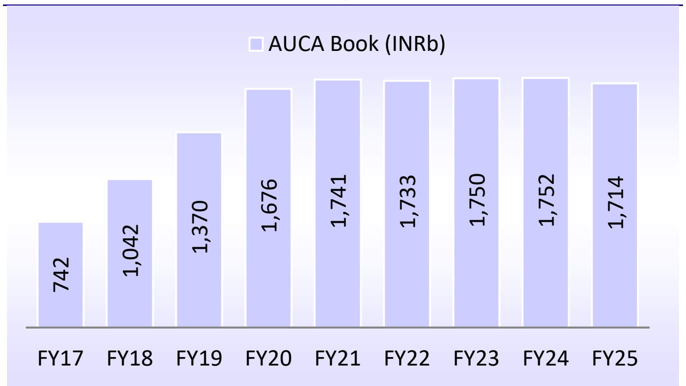

Source: Company, MOFSL

**Exhibit 26: Cash recoveries and upgrades have seen moderation over the past years**



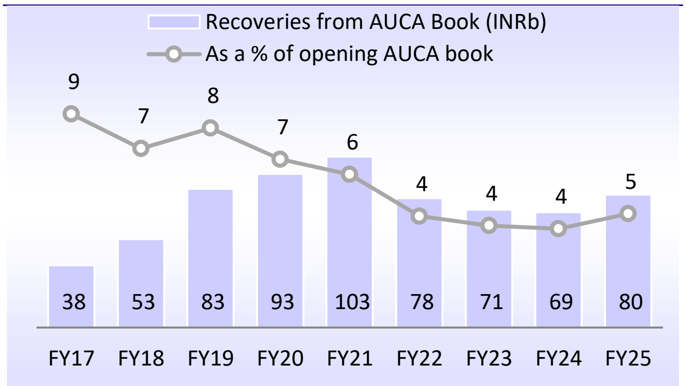

Source: Company, MOFSL

**Exhibit 27: SBIN carried AUCA pool of INR1.71t**



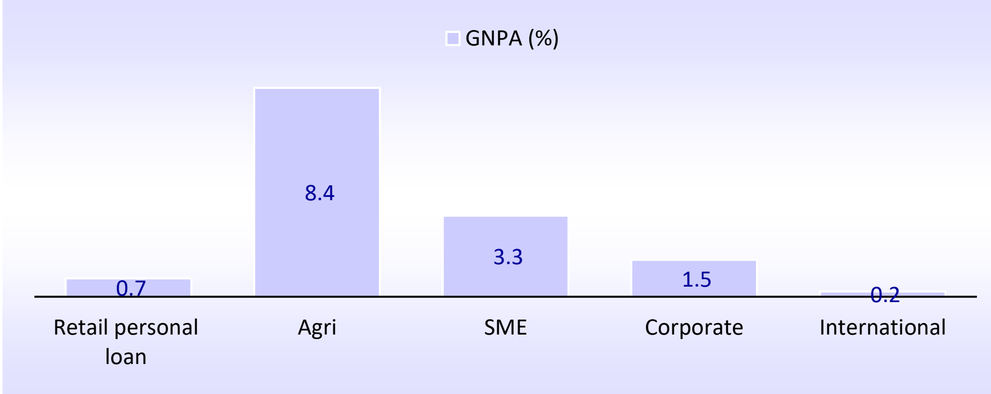

Source: Company, MOFSL

**Exhibit 28: Healthy recoveries from AUCA book**




Source: Company, MOFSL

**Exhibit 29: Asset quality in the Retail segment better than large private banks – GNPA at 0.7% of total retail loans (FY25)**

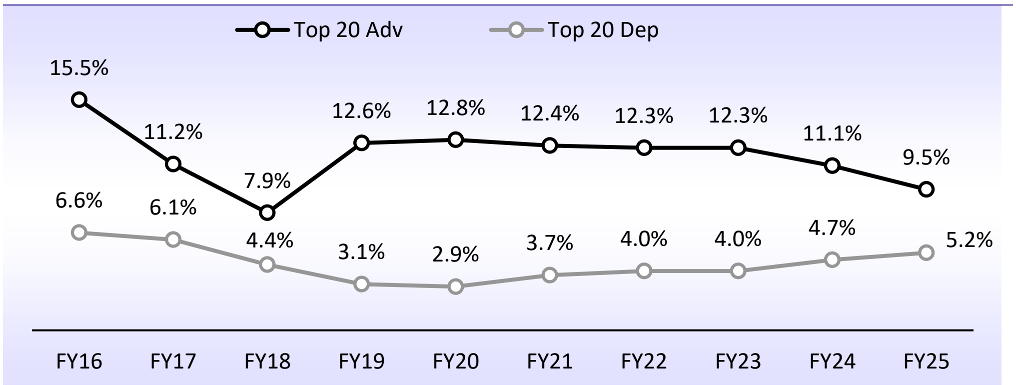



Source: Company, MOFSL

## Density inched up; RBI policy reversal to aid capital ratios

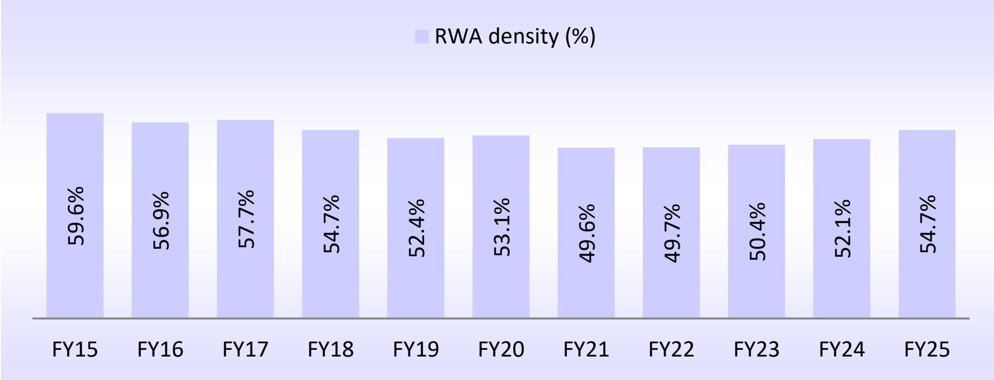
- In FY25, SBIN had a Tier-1 ratio of 12.1% (CET-1: 10.8%), while the total CAR stood at 14.3%. The RWA density increased to ~55% in FY25 (from ~50% in FY23) indicating a marginal rise in the riskiness of its asset base. The concentration of the Top 20 advances declined to 9.5% in FY25, reflecting improved portfolio diversification.
- RBI, recently has announced a policy reversal wherein it has restored the risk weights on exposures of banks to NBFCs and MFI to their orginal level, effective from 1st Apr,2025. This move is expected to improve SBI's CET-1 ratio by 24 bps, as per our calculation.
- The regulatory change will reduce RWA requirements for these exposures, thereby strengthening the bank's capital base. This enhanced capitalization provides headroom for supporting credit growth.
- In May'25, SBI sold 13.2% of its stake in Yes Bank to SMBC which is expected to strengthen SBI's capital position.

**Exhibit 30: The concentration of Top 20 deposits has increased, while that of advances has declined to 9.5%**




Source: MOFSL, Company

**Exhibit 31: RWA density increased to 54.7% in FY25 vs 50.4% in FY23**



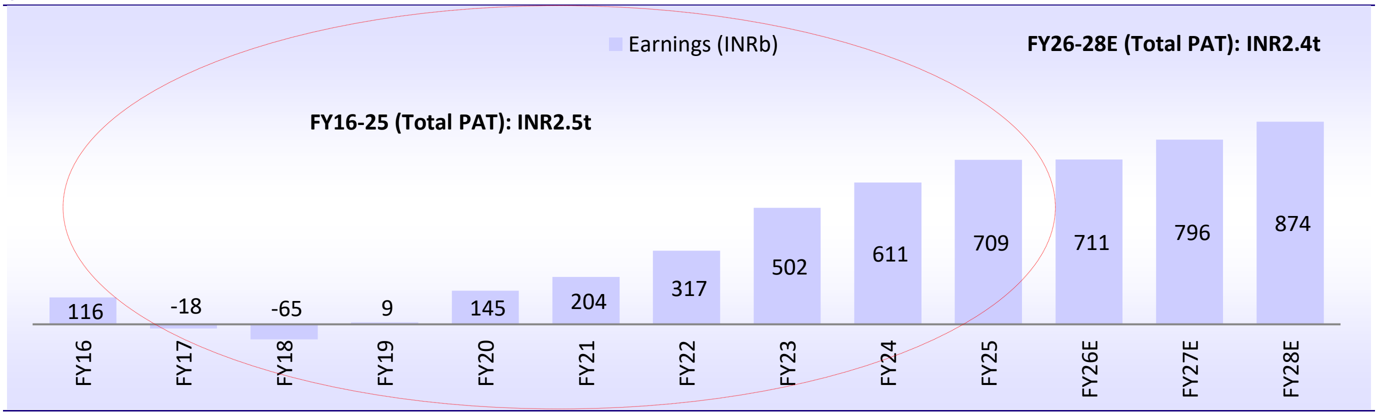

Source: MOFSL, Company

## Earnings growth to remain modest

### Estimate 6% earnings CAGR over FY25-27

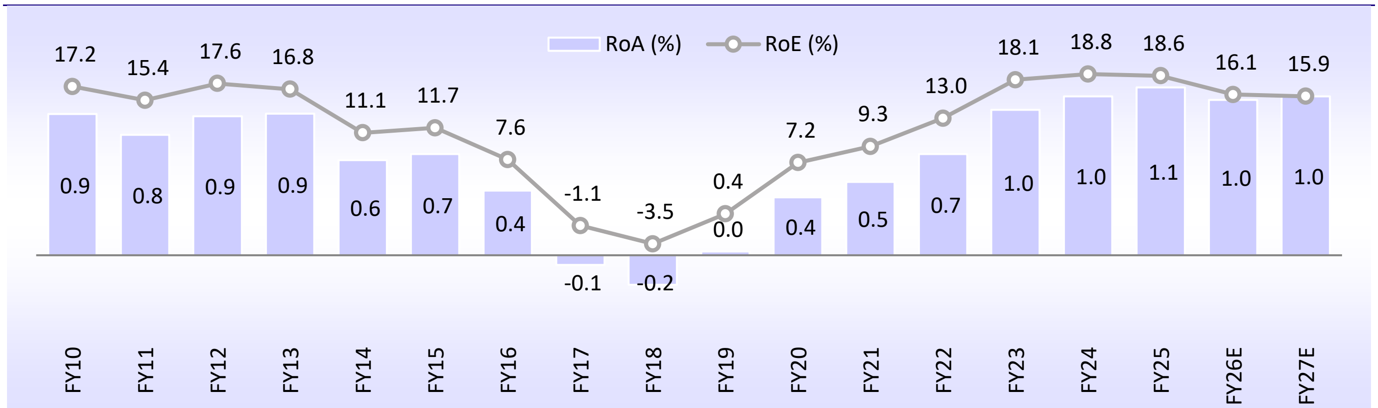
- SBIN has been a consistent performer with a PAT CAGR of 37% over the past four years, while its FY25 PAT growth was stronger at 16%. This growth has been led by healthy growth in loans, stable asset quality, and stable margins. However, advances growth in FY25 was 12% against the guidance of 14-15%.
- The bank's earnings growth is expected to remain modest going forward. We thus estimate the bank to deliver PAT of INR796b in FY27E, with a growth of 6% CAGR over FY25-27E. The bank is focusing on sustaining its RAM mix, while also maintaining its operational efficiency, with opex being fairly contained over the next few years.

**Exhibit 32: SBIN's total earnings in FY26-28E (INR2.4t) is expected to be comparable to that of bank's earnings in past 10 years from FY16-25 at INR2.5t**




Source: MOFSL, Company

**Exhibit 33: We estimate an RoA/RoE of ~1.0%/15.9% by FY27E**




Source: MOFSL, Company

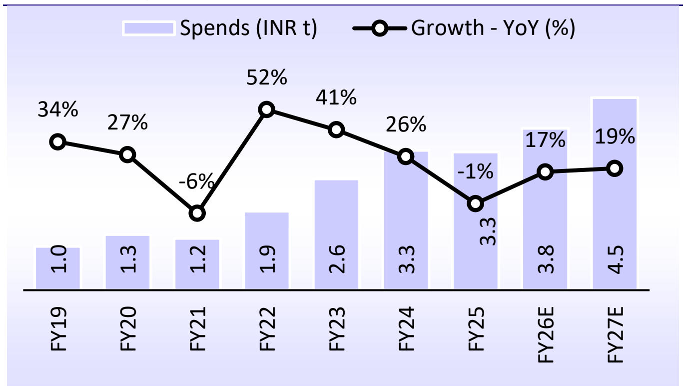
## Subsidiaries remain strong compounding machines

**Subs contribute ~34% of the total SoTP-based valuation**

### SBI Cards – Modest earnings in FY25; margins to see a calibrated expansion from the declining rate cycle

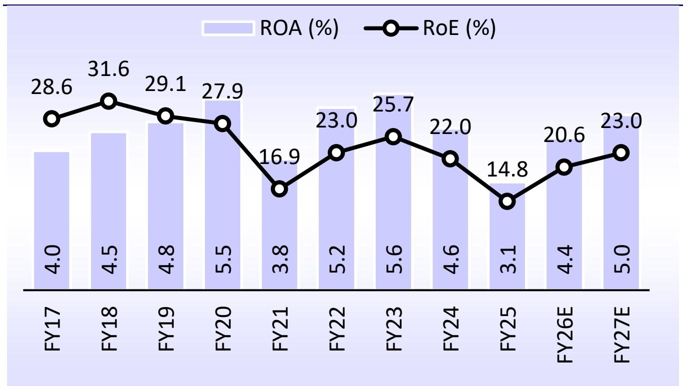
- SBICARD delivered modest earnings performance in FY25. As of FY25, it held a market share of 18.9%/15.6% on outstanding cards/spends, with a card base of 20.8m.
- Card spending grew 11% YoY, while PAT declined 20% YoY. Return ratios moderated with RoA/RoE of 3.1%/14.8%.
- We expect the revolver mix to likely see a downward trend, and EMI yields remain under pressure. However, spending growth is expected to pick up, supported by a recovery in corporate spending and sustained traction in retail spending. Asset quality is projected to improve, aided by a reduction in forward flows. NIM is expected to improve in a calibrated manner as the benefit from lower cost of funds will be partially offset by the yield pressure.

**Exhibit 34: Spends declined 1% YoY to INR3.3t in FY25**




Source: MOFSL, Company

**Exhibit 35: Est. RoA/RoE to recover to 5%/23% by FY27**

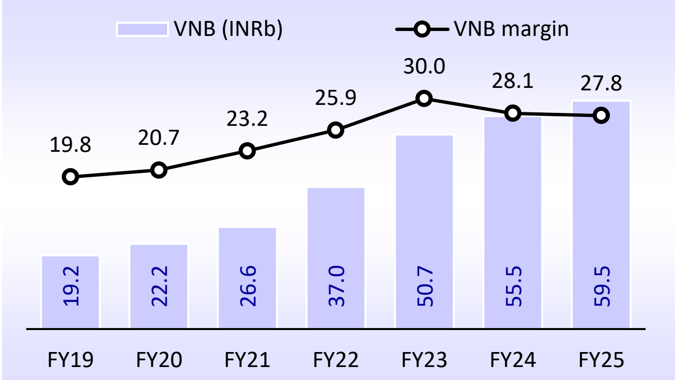



Source: MOFSL, Company

### SBI Life – VNB margins to improve further due to the expected shift towards traditional products

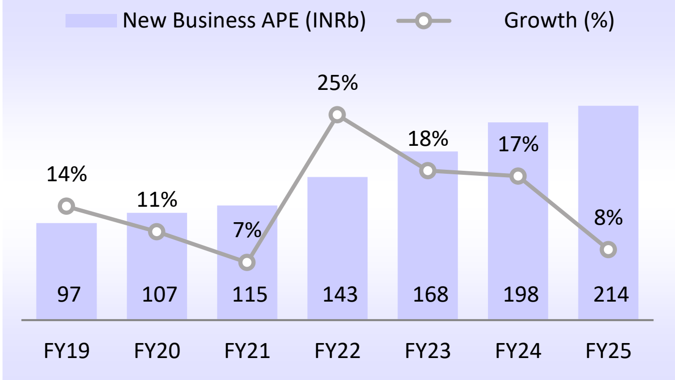
- SBILIFE delivered 18%/9% YoY growth in NBP/Individual WRP in FY25. For FY25, VNB grew 7% YoY to INR59.5b, reflecting a VNB margin of 27.8%. The strong growth in VNB was attributed to a significant shift in the product mix to non-ULIP products.
- On the distribution front, SBILIFE continues to invest in agent addition and productivity improvement. While the individual APE through the agency channel grew 5% YoY in FY25, non-par APE through the agency channel rose 70% YoY. On the product front, ULIP APE declined 5% YoY, contributing 54% to total APE, due to negative movement in equity markets and the company's focus on traditional products. The share of total protection APE was 13%.
- SBI Life reported a strong VNB performance in FY25, aided by a shift in the product mix toward traditional products. Going forward, improvement in product-level margin and continued tilt toward non-linked products should drive VNB margin improvement. Continued investments in the agency channel will boost overall growth, while digital enhancements will keep costs in check.

**Exhibit 36: SBILIFE reported a VNB margin of 27.8% in FY25**




Source: MOFSL, Company

**Exhibit 37: New business APE grew 8% YoY to INR214b**

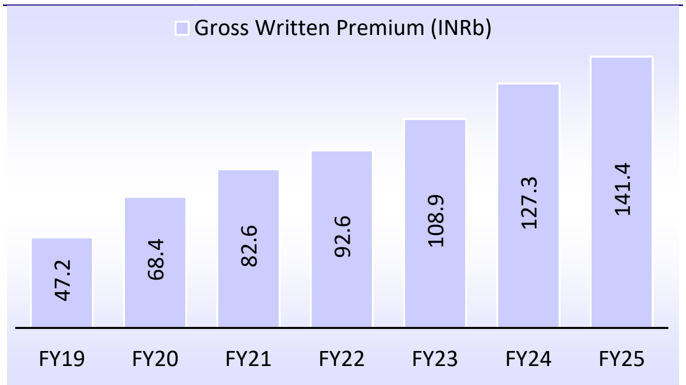



Source: MOFSL, Company

## SBI General Insurance – premium growth at 11% YoY; healthy profitability

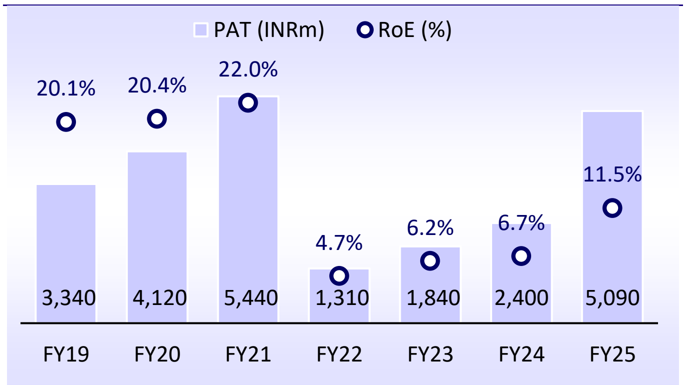
- SBI General recorded an 11% growth in Gross Written Premium (INR141b) for FY25, and the total AUM increased to INR216b. It ranks sixth among the private players. SBI General has increased its private market share from 6.67% in FY24 to 6.90% in FY25 while amongst all players, SBI General has achieved a market share of 4.52% in FY25 against 4.33% in FY24.
- The company reported a PAT of INR5.1b in FY25 vs. INR2.4b in FY24 and has an RoE of 11.5% in FY25 vs. 6.7% in FY24. It ranks no. 1 in the Personal Accident segment among Private players.
- Consistent improvement in process efficiency, better growth in premiums, a well-diversified premium base, and the ability to leverage SBIN's mammoth branch network should help the company achieve superior operating metrics.

**Exhibit 38: GWP posted 14% CAGR over FY23–25**




Source: MOFSL , Company

**Exhibit 39: PAT/RoE increased to INR5.1b/11.5% in FY25**



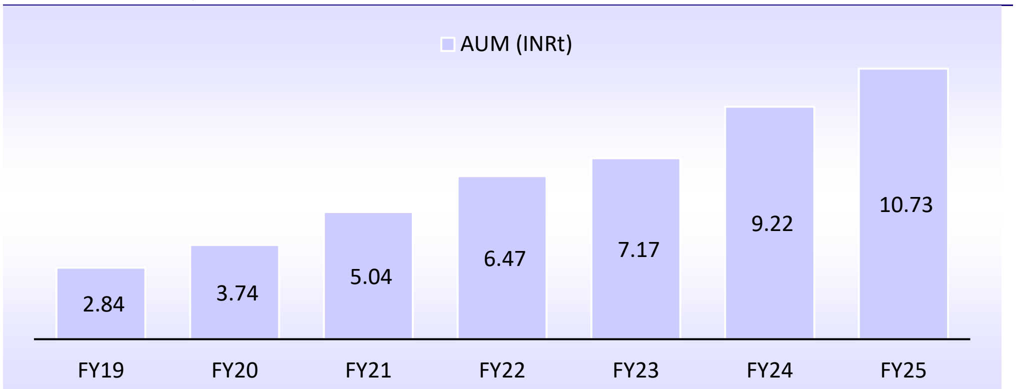

Source: MOFSL , Company

## SBI Asset Management – Largest MF player since FY20 with a market share of 15.9%

- SBI Asset Management has been the largest player in the market since FY20. As of Mar'25, SBIMF has a quarterly Average AUM of INR10.7t with a market share of 15.91%. The second largest player has a market share of 13.04%.
- SBIMF Quarterly Average Mutual Fund AUM grew by INR1.59t from INR9.14t in FY24 to INR10.7t in FY25. PAT grew 23% YoY to INR25.3b in FY25 with an RoE of 30.6%.
- SBIFML has the largest investor base of 18.9mn investor Folios with about 6.3mn new investor Folios added in the FY25. The Fund House has 5.8mn direct

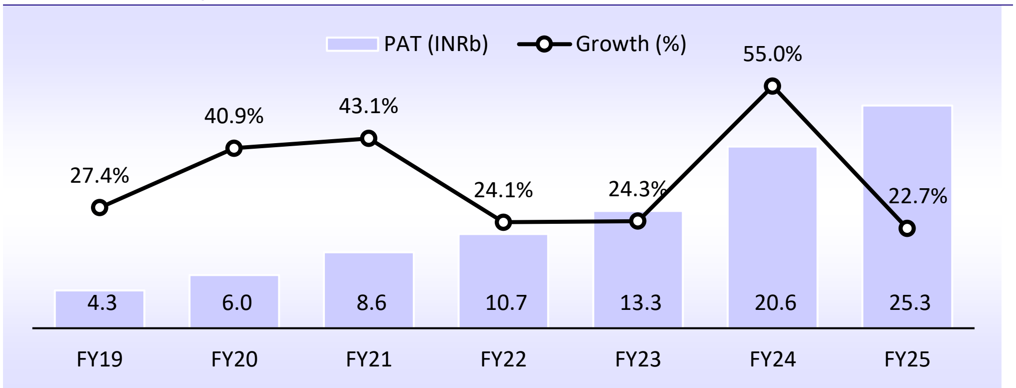
live investors and over 0.34mn institutional investors. SBIFML has retained its leadership position as ETF manager in the country with a market share of 39.4%.

**Exhibit 40: AUM posted 22% CAGR over FY23–25**




Source: MOFSL , Company

**Exhibit 41: PAT reported 38% CAGR over FY23-25**




Source: MOFSL , Company

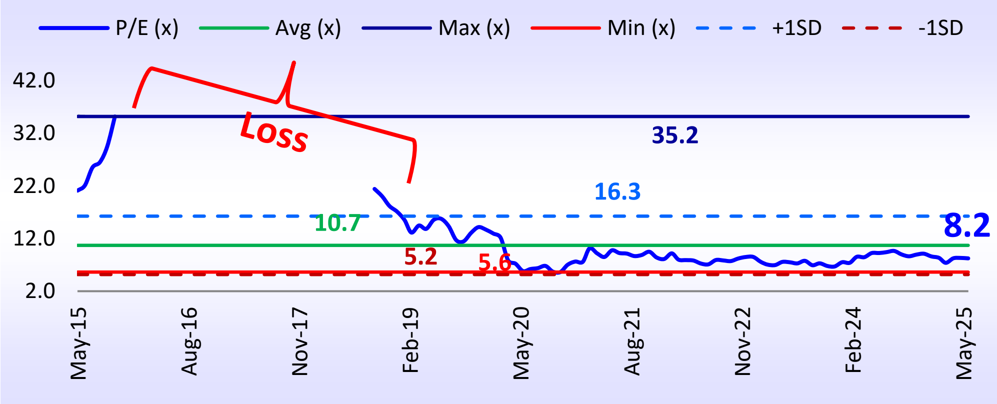
## Valuation and view

- SBIN continues to reinforce its position as the anchor institution in India's financial ecosystem. FY25 was a year which was not the one marked by aggressive shifts, but rather by deliberate strengthening of core capabilities. The bank's approach remains consistent: deepening its franchise through responsible growth, expanding digital engagement, and leading with trust. The new MD & CEO of SBIN indicates a more forward-looking, digitally aligned, and performance-driven approach.
- The bank has healthy liability franchises (CASA mix: ~40%). Due to rate cuts, NIM is expected to remain under pressure; however, the bank has some offsetting levers like an increase in CD ratio, a higher MCLR-linked book, and yield benefits from the recent increase in MCLR rates.
- Headline asset quality continues to improve. Fresh slippages remained under control, enabling a continued decline in GNPA/NNPA ratios to 1.8%/0.5%. We expect slippages to remain under control going forward and estimate credit costs of ~50bp in FY27.
- Among PSU banks, SBIN remains the best play on continued recovery in the Indian economy, with a healthy PCR (~74%), Tier I of ~12%, a strong liability franchise, and improved core operating profitability.
- **Reiterate BUY with a TP of INR925:** SBIN has delivered a robust set of performances in recent years, propelled by steady business and revenue growth as well as controlled provisions. NIM has contracted in recent quarters, and the management has guided for broadly stable margins (negative bias depending on the quantum and timing of rate cuts). The bank has levers in place (CD ratio, MCLR re-pricing, asset mix improvement, etc.) to mitigate the impact arising from moderation in lending yields. SBIN's asset quality remains healthy with consistent improvements in headline asset quality ratios, while the restructured book remains under control at 0.3% of loans. We estimate credit costs to remain in check at ~50bp, enabling a 6% earnings CAGR over FY25-27. We, thus, estimate SBIN to deliver RoA/RoE of ~1.0%/15.9% in FY27. **SBIN remains our preferred BUY in the sector with a TP of INR925 (premised on 1.2x FY27E ABV+ INR245 for subsidiaries).**

**Exhibit 42: Our SoTP-based target price**

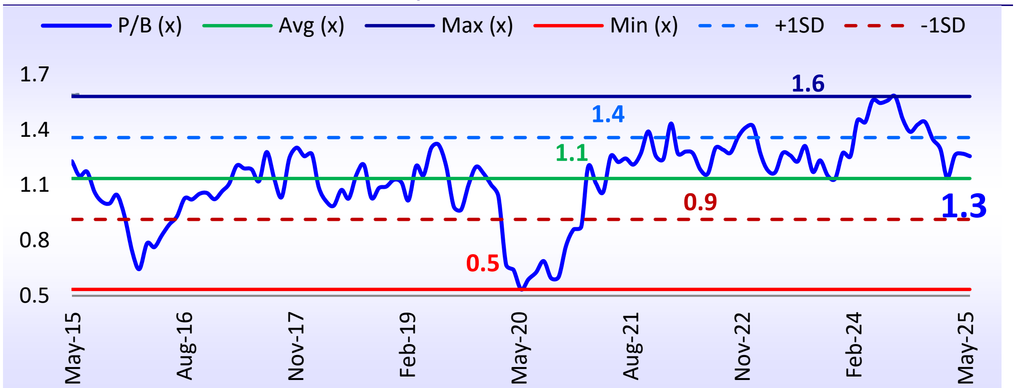
| Name | Stake (%) | Value (INR b) | Fair Value per Share | % of total value | Rationale |
|---|---|---|---|---|---|
| **SBI Bank** | **100** | **6,063** | **679** | **73** | ❖ **1.2x FY27E ABV** |
| Life insurance | 55.4 | 1,251 | 140 | 15 | ❖ 2.2x FY27E EV |
| Cards | 68.6 | 460 | 52 | 6 | ❖ 17x FY27E PAT |
| Asset management | 62.2 | 459 | 51 | 6 | ❖ 21x FY27E PAT |
| General insurance | 69.1 | 131 | 15 | 2 | ❖ 17x FY27E PAT |
| YES Bank | 26.1 | 145 | 16 | 2 | ❖ Based on CMP |
| Capital Market/DFHI/Others | | 291 | 33 | 4 | |
| **Total Value of Subs** | | **2,738** | **307** | **33** | |
| Less: 20% holding disc | | 548 | 61 | 7 | |
| **Value of Subs (Post Holding Disc)** | | **2,190** | **245** | **27** | |
| **Target Price** | | **8,253** | **925** | | |

Exhibit 43: Evolution of the P/E multiple of SBIN




Source: MOFSL, Company

Exhibit 44: Evolution of the P/B multiple of SBIN




Source: MOFSL, Company

Exhibit 45: DuPont Analysis: RoA to sustain at ~1.0% in FY27E

| Y/E MARCH | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|---|---|
| Interest Income | 5.79 | 6.32 | 7.10 | 7.20 | 7.00 | 6.95 | 7.07 |
| Interest Expense | 3.25 | 3.57 | 4.36 | 4.60 | 4.47 | 4.32 | 4.38 |
| **Net Interest Income** | **2.54** | **2.76** | **2.73** | **2.60** | **2.54** | **2.63** | **2.68** |
| Fee income | 0.78 | 0.72 | 0.68 | 0.80 | 0.75 | 0.71 | 0.66 |
| Trading and others | 0.07 | -0.03 | 0.20 | 0.16 | 0.18 | 0.20 | 0.21 |
| **Non Interest income** | **0.85** | **0.70** | **0.88** | **0.96** | **0.93** | **0.91** | **0.87** |
| **Total Income** | **3.39** | **3.45** | **3.62** | **3.56** | **3.46** | **3.54** | **3.55** |
| **Operating Expenses** | **1.96** | **1.86** | **2.13** | **1.84** | **1.84** | **1.83** | **1.81** |
| Employee cost | 1.21 | 1.09 | 1.34 | 1.00 | 1.00 | 1.00 | 0.99 |
| Others | 0.75 | 0.77 | 0.80 | 0.84 | 0.83 | 0.83 | 0.82 |
| **Operating Profit** | **1.43** | **1.59** | **1.48** | **1.72** | **1.63** | **1.71** | **1.74** |
| Core Operating Profit | 1.36 | 1.62 | 1.28 | 1.56 | 1.45 | 1.52 | 1.53 |
| Provisions | 0.51 | 0.31 | 0.08 | 0.24 | 0.26 | 0.31 | 0.35 |
| **PBT** | **0.91** | **1.28** | **1.40** | **1.48** | **1.37** | **1.40** | **1.39** |
| Tax | 0.25 | 0.32 | 0.35 | 0.38 | 0.35 | 0.35 | 0.35 |
| **RoA** | **0.67** | **0.96** | **1.04** | **1.10** | **1.02** | **1.04** | **1.04** |
| Leverage (x) | 19.6 | 18.9 | 18.0 | 16.8 | 15.8 | 15.2 | 14.8 |
| **RoE** | **13.0** | **18.1** | **18.8** | **18.6** | **16.1** | **15.9** | **15.4** |

## Financials and valuations

| Income Statement | | | | | | | (INRb) |
|---|---|---|---|---|---|---|---|
| **Y/E March** | **FY22** | **FY23** | **FY24** | **FY25** | **FY26E** | **FY27E** | **FY28E** |
| Interest Income | 2,754.6 | 3,321.0 | 4,151.3 | 4,624.9 | 4,877.2 | 5,302.8 | 5,951.2 |
| Interest Expense | 1,547.5 | 1,872.6 | 2,552.5 | 2,955.2 | 3,111.0 | 3,296.6 | 3,691.1 |
| **Net Interest Income** | **1,207.1** | **1,448.4** | **1,598.8** | **1,669.7** | **1,766.1** | **2,006.1** | **2,260.0** |
| - Growth (%) | 9.0 | 20.0 | 10.4 | 4.4 | 5.8 | 13.6 | 12.7 |
| **Non Interest Income** | **405.6** | **366.2** | **516.8** | **616.8** | **647.7** | **693.0** | **731.8** |
| **Total Income** | **1,612.7** | **1,814.6** | **2,115.6** | **2,286.5** | **2,413.8** | **2,699.1** | **2,991.8** |
| - Growth (%) | 4.6 | 12.5 | 16.6 | 8.1 | 5.6 | 11.8 | 10.8 |
| Operating Expenses | 934.0 | 977.4 | 1,248.6 | 1,180.7 | 1,278.8 | 1,393.5 | 1,525.3 |
| **Pre Provision Profits** | **678.7** | **837.1** | **867.0** | **1,105.8** | **1,135.0** | **1,305.6** | **1,466.5** |
| - Growth (%) | -5.1 | 23.3 | 3.6 | 27.5 | 2.6 | 15.0 | 12.3 |
| **Core Provision Profits** | **646.5** | **850.7** | **748.6** | **1,001.9** | **1,010.3** | **1,156.0** | **1,286.9** |
| - Growth (%) | -1.3 | 31.6 | -12.0 | 33.8 | 0.8 | 14.4 | 11.3 |
| Provisions (excl tax) | 244.5 | 165.1 | 49.1 | 153.1 | 182.9 | 240.0 | 296.7 |
| Exceptional Items (Exp) | 0.0 | NA | 0.0 | NA | NA | NA | NA |
| **PBT** | **434.2** | **672.1** | **817.8** | **952.7** | **952.1** | **1,065.7** | **1,169.8** |
| Tax | 117.5 | 169.7 | 207.1 | 243.7 | 240.9 | 269.6 | 296.0 |
| Tax Rate (%) | 27.1 | 25.3 | 25.3 | 25.6 | 25.3 | 25.3 | 25.3 |
| **PAT** | **316.8** | **502.3** | **610.8** | **709.0** | **711.2** | **796.1** | **873.9** |
| - Growth (%) | 55.2 | 58.6 | 21.6 | 16.1 | 0.3 | 11.9 | 9.8 |
| **Cons. PAT post MI** | **353.7** | **556.5** | **670.9** | **775.6** | **804.4** | **926.6** | **1,056.6** |
| - Growth (%) | 57.9 | 57.3 | 20.6 | 15.6 | 3.7 | 15.2 | 14.0 |

| Balance Sheet | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Y/E March** | **FY22** | **FY23** | **FY24** | **FY25** | **FY26E** | **FY27E** | **FY28E** |
| Share Capital | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Reserves & Surplus | 2,792 | 3,267 | 3,764 | 4,403 | 4,958 | 5,593 | 6,307 |
| **Net Worth** | **2,801** | **3,276** | **3,772** | **4,412** | **4,967** | **5,602** | **6,316** |
| **Deposits** | **40,515** | **44,238** | **49,161** | **53,822** | **59,096** | **65,124** | **71,962** |
| - Growth (%) | 10.1 | 9.2 | 11.1 | 9.5 | 9.8 | 10.2 | 10.5 |
| **of which CASA Dep** | **18,036** | **18,874** | **19,614** | **20,839** | **23,284** | **26,115** | **28,857** |
| - Growth (%) | 7.9 | 4.7 | 3.9 | 6.2 | 11.7 | 12.2 | 10.5 |
| Borrowings | 4,260 | 4,931 | 5,976 | 5,636 | 5,439 | 5,984 | 6,597 |
| Other Liab. & Prov. | 2,299 | 2,725 | 2,888 | 2,891 | 3,065 | 3,279 | 3,509 |
| **Total Liabilities** | **49,876** | **55,170** | **61,797** | **66,761** | **72,567** | **79,990** | **88,384** |
| Current Assets | 3,946 | 3,079 | 3,108 | 3,402 | 3,675 | 3,892 | 4,201 |
| **Investments** | **14,814** | **15,704** | **16,713** | **16,906** | **17,666** | **18,868** | **20,151** |
| - Growth (%) | 9.6 | 6.0 | 6.4 | 1.2 | 4.5 | 6.8 | 6.8 |
| **Loans** | **27,340** | **31,993** | **37,040** | **41,633** | **46,629** | **52,364** | **58,701** |
| - Growth (%) | 11.6 | 17.0 | 15.8 | 12.4 | 12.0 | 12.3 | 12.1 |
| Fixed Assets | 377 | 424 | 426 | 441 | 460 | 480 | 501 |
| Other Assets | 3,399 | 3,971 | 4,510 | 4,378 | 4,137 | 4,386 | 4,831 |
| **Total Assets** | **49,876** | **55,170** | **61,797** | **66,761** | **72,567** | **79,990** | **88,384** |

| Asset Quality | | | | | | | |
|---|---|---|---|---|---|---|---|
| GNPA (INR b) | 1,120 | 909 | 843 | 769 | 844 | 939 | 1,048 |
| NNPA (INR b) | 280 | 215 | 211 | 197 | 217 | 238 | 238 |
| Slippages (INR m) | 250 | 184 | 203 | 208 | 282 | 332 | 372 |
| GNPA Ratio (%) | 3.98 | 2.78 | 2.2 | 1.8 | 1.8 | 1.8 | 1.8 |
| NNPA Ratio (%) | 1.02 | 0.67 | 0.6 | 0.5 | 0.5 | 0.5 | 0.4 |
| Slippage Ratio (%) | 1.0 | 0.6 | 0.6 | 0.5 | 0.6 | 0.7 | 0.7 |
| Credit Cost (%) | 0.9 | 0.6 | 0.1 | 0.4 | 0.4 | 0.5 | 0.5 |
| PCR (Excl Tech. W/O) | 74.9 | 76.2 | 74.8 | 74.2 | 74.3 | 74.6 | 77.3 |

E: MOSL Estimates

# Financials and valuations

**Ratios**

| Y/E March | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|---|---|
| **Yield and Cost Ratios (%)** | | | | | | | |
| **Avg. Yield-Earning Assets** | **6.7** | **7.2** | **8.1** | **8.1** | **7.8** | **7.7** | **7.8** |
| Avg. Yield on loans | 6.6 | 7.5 | 8.4 | 8.4 | 8.1 | 7.9 | 8.0 |
| Avg. Yield on Investments | 6.1 | 6.4 | 6.8 | 7.0 | 6.9 | 6.8 | 6.9 |
| **Avg. Cost-Int. Bear. Liab.** | **3.6** | **4.0** | **4.9** | **5.2** | **5.0** | **4.9** | **4.9** |
| Avg. Cost of Deposits | 3.7 | 3.8 | 4.7 | 5.0 | 4.8 | 4.6 | 4.7 |
| **Interest Spread** | **3.0** | **3.2** | **3.2** | **2.9** | **2.8** | **2.8** | **2.9** |
| **Net Interest Margin** | **2.9** | **3.2** | **3.1** | **2.9** | **2.8** | **2.9** | **3.0** |
| **Capitalization Ratios (%)** | | | | | | | |
| CAR | 13.8 | 14.7 | 14.3 | 14.3 | 14.3 | 14.2 | 14.2 |
| Tier I | 11.4 | 12.1 | 11.9 | 12.1 | 12.1 | 12.3 | 12.4 |
| -CET-1 | 9.9 | 10.3 | 10.4 | 10.8 | 11.4 | 11.6 | 11.7 |
| Tier II | 2.4 | 2.6 | 2.4 | 2.2 | 2.2 | 2.0 | 1.8 |
| **Business Ratios (%)** | | | | | | | |
| Loans/Deposit Ratio | 67.5 | 72.3 | 75.3 | 77.4 | 78.9 | 80.4 | 81.6 |
| CASA Ratio | 44.5 | 42.7 | 39.9 | 38.7 | 39.4 | 40.1 | 40.1 |
| Cost/Assets | 1.9 | 1.8 | 2.0 | 1.8 | 1.8 | 1.7 | 1.7 |
| Cost/Total Income | 57.9 | 53.9 | 59.0 | 51.6 | 53.0 | 51.6 | 51.0 |
| Cost/Core Income | 59.1 | 53.5 | 62.5 | 54.1 | 55.9 | 54.7 | 54.2 |
| Int. Expense./Int. Income | 56.2 | 56.4 | 61.5 | 63.9 | 63.8 | 62.2 | 62.0 |
| Fee Income/Total Income | 23.2 | 20.9 | 18.8 | 22.4 | 21.7 | 20.1 | 18.5 |
| Non Int. Inc./Total Income | 25.2 | 20.2 | 24.4 | 27.0 | 26.8 | 25.7 | 24.5 |
| Empl. Cost/Total Expense | 61.6 | 58.6 | 62.7 | 54.5 | 54.6 | 54.6 | 54.6 |
| **Efficiency Ratios (INRm)** | | | | | | | |
| Employee per branch (in nos) | 10.9 | 10.4 | 10.2 | 10.2 | 10.0 | 9.7 | 9.5 |
| Staff cost per employee | 2.4 | 2.4 | 3.4 | 2.7 | 2.9 | 3.1 | 3.3 |
| CASA per branch | 810.0 | 842.4 | 870.1 | 908.5 | 966.8 | 1,032.7 | 1,086.8 |
| Deposits per branch | 1,819.6 | 1,974.5 | 2,180.9 | 2,346.5 | 2,453.8 | 2,575.3 | 2,710.2 |
| Business per Employee | 277.8 | 323.2 | 371.1 | 404.1 | 438.3 | 477.2 | 520.1 |
| Net profit per Employee | 13.0 | 21.3 | 26.3 | 30.0 | 29.5 | 32.3 | 34.8 |

**Profitability Ratios and Valuation**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| RoE | 13.0 | 18.1 | 18.8 | 18.6 | 16.1 | 15.9 | 15.4 |
| RoA | 0.7 | 1.0 | 1.0 | 1.1 | 1.0 | 1.0 | 1.0 |
| RoRWA | 1.2 | 1.7 | 1.8 | 1.8 | 1.6 | 1.6 | 1.5 |
| Consolidated RoE | 11.8 | 16.2 | 16.7 | 16.6 | 15.2 | 15.5 | 15.2 |
| Consolidated RoA | 0.7 | 1.0 | 1.1 | 1.1 | 1.0 | 1.1 | 1.1 |
| Book Value (INR) | 299 | 350 | 406 | 477 | 540 | 611 | 691 |
| - Growth (%) | 10.9 | 16.9 | 15.9 | 17.7 | 13.0 | 13.2 | 13.1 |
| **Price-BV (x)** | **1.9** | **1.6** | **1.4** | **1.2** | **1.1** | **0.9** | **0.8** |
| Consol BV (INR) | 328 | 385 | 448 | 529 | 603 | 703 | 817 |
| - Growth (%) | 11.5 | 17.4 | 16.3 | 18.1 | 14.1 | 16.5 | 16.2 |
| **Price-Consol BV (x)** | **2.5** | **2.1** | **1.8** | **1.5** | **1.3** | **1.2** | **1.0** |
| Adjusted BV (INR) | 256 | 311 | 365.4 | 437.2 | 499.1 | 569.8 | 650.8 |
| **Price-ABV (x)** | **2.2** | **1.8** | **1.6** | **1.3** | **1.1** | **1.0** | **0.9** |
| EPS (INR) | 35.5 | 56.3 | 68.4 | 79.4 | 79.7 | 89.2 | 97.9 |
| - Growth (%) | 55.2 | 58.6 | 21.6 | 16.1 | 0.3 | 11.9 | 9.8 |
| **Price-Earnings (x)** | **16.0** | **10.1** | **8.3** | **7.2** | **7.1** | **6.4** | **5.8** |
| Consol EPS (INR) | 39.6 | 62.4 | 75.2 | 86.9 | 90.1 | 103.8 | 118.4 |
| - Growth (%) | 57.9 | 57.3 | 20.6 | 15.6 | 3.7 | 15.2 | 14.0 |
| **Price-Consol EPS (x)** | **20.5** | **13.1** | **10.8** | **9.4** | **9.0** | **7.8** | **6.9** |
| Dividend Per Share (INR) | 7.1 | 11.3 | 13.7 | 15.9 | 18.0 | 18.0 | 18.0 |
| **Dividend Yield (%)** | **0.9** | **1.4** | **1.7** | **2.0** | **2.2** | **2.2** | **2.2** |

E: MOFSL Estimates

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|---|---|
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| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
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