

State Bank of India

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June 2024 NSE: SBIN.NS
BSE:500112 CMP: 840.00
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ABOUT

State Bank of India is a Fortune 500 company. It is an Indian Multinational, Public Sector banking and financial services statutory body headquartered in Mumbai. It is the largest and oldest bank in India with over 200 years of history. State Bank of India is a Fortune 500 company. It is an Indian Multinational, Public Sector banking and financial services statutory body headquartered in Mumbai. It is the largest and oldest bank in India with over 200 years of history. Shri Dinesh Kumar Khara is the current Chairman . Shri Challa Sreenivasulu Sett is the current Managing Director.

SBI headquartered at Mumbai. Presently, the bank operates a network of 22,219 branches and 62617 ATMs across India. It also operates 71,968 business correspondent outlets across India.



POSITIVES

- Bank had **6.07 Crore** digital customers, 1.03 Crore daily logins , 45,000 registrations per day 5,50,000 daily average transactions.
- Bank have a presence across all time zones through **235 overseas offices** in 29 countries and have established ourselves as the pioneer of International Banking among the Indian PSBs.



Contd..

- During the year FY2023, Bank's business **grew** at a faster pace than the banking industry, both in deposits and credit.
- In FY2023, the whole Bank **deposits grew** by 9.19% YoY to `44.23 Lakh Crore, of which domestic deposits increased by 8.50% to `42.53 Lakh Crore and foreign offices deposits by 29.60% to `1.70 Lakh Crore.
- **Current account** deposits grew by 7.47%, while saving bank deposits grew by 4.51%.



Contd..

- Bank has opened **1.24 Crore** Regular Savings Bank Accounts, of which 64% accounts were acquired digitally through YONO during FY2023.
- Bank's **gross advances** grew by 15.99% to 32.69 Lakh Crore, compared to a growth of 11.0% in FY2022. While domestic advances grew by 15.38% to `27.76 Lakh Crore, foreign offices advances grew by 19.55% to `4.92 Lakh Crore.
- Bank's **domestic advances** growth (15.38%) is higher than the banking industry's growth of 15.0% in FY2023, led by robust growth in all the sectors.



Contd..

- SBIN is good **value based** on its Price-To-Earnings Ratio (12x) compared to the peer average (17.5x) & Intrinsic Value Discount above 40%
- SBIN exceeded the Indian Bank industry which returned **22.3%** over the past year.
- SBIN's earnings have grown significantly by **37.2%** per year over the past 5 years.
- SBIN's **Assets to Equity ratio (15.6x)** is moderate.
- SBIN's **Loans to Deposits ratio (76%)** is appropriate.



Contd..

- Bank's **investment portfolio** increased by 6.3% to `15.87 Lakh Crore in FY2023, of which 96% are domestic investments.
- Bank has registered **significant improvements** on the asset quality front, provision coverage ratio, RoE/RoA, NII and NIM, while also giving highest standalone profit in FY2023 by any listed corporate, domestically.
- The **Net Interest Income (NII)** of Bank registered a robust growth of 19.99% over the previous year at `1,44,841 Crore in FY2023 (`1,20,708 Crore in FY2022).



Highlights, FY2023

FINANCIAL

TOTAL ASSETS

₹55,16,979 Cr

▲ 10.61%

NET INTEREST INCOME (NII)

₹1,44,841 Cr

▲ 19.99%

DEPOSITS

₹44,23,778 Cr

▲ 9.19%

FEE INCOME

₹26,245 Cr

▲ 6.84%

ADVANCES

₹32,69,242 Cr

▲ 15.99%

PROFIT AFTER TAX (PAT)

₹50,232 Cr

▲ 58.58%

▲ YoY Growth

NON-FINANCIAL

CUMULATIVE REGISTERED
USERS IN YONO

6.07+ Cr

TOTAL EMPLOYEES

2,35,858

NO OF NEW DIGITAL SAVINGS
ACCOUNTS OPENED PER DAY

~23,000

CSR EXPENDITURE

₹316.76 Cr

AVERAGE DAILY CARDLESS CASH
WITHDRAWAL

1.07 Lakh

WOMEN IN THE WORKFORCE

26.78%

Contd..

- Bank has declared a dividend of D11.30 per **equity share (i.e. 1130%)** for the financial year ended March 31, 2023.
- The **operating profit** of Bank during FY2023 stood at 83,713 Crore, marked improvement of 11.18% over FY2022.
- **Return on Assets (RoA)** for Q4 FY2023 stood at 1.23% signalling that the journey towards guidance of ROA of 1%+ was on track with continuous improvement in ROA from FY2020 onwards.



Contd..

- Bank has one of the **largest ATM** networks in the country, with 65,627 ATMs, including Automated Deposit and Withdrawal Machines (ADWMs), as on March 31, 2023. On an average, 1.3 Crore transactions are recorded every day at SBI Bank's ATMs/ADWMs and 5.66 Lakh cash deposit transactions at ADWMs.
- Bank has **opened one India** visa application centre at Khulna (Bangladesh) and 5 branches and 3 extension counters through its overseas subsidiary in Nepal.
- New **digital products** under development in collaboration with Fintech/ AA/ GST



LEADING THE WAY*

22,405

TOTAL BRANCHES

65,627

ATMs AND ADWMS

76,089

CSPs

22.99%

MARKET SHARE OF DEPOSITS

19.68%

MARKET SHARE OF ADVANCES

29.90%

MARKET SHARE OF ATMs

26.25%

MARKET SHARE OF DEBIT
CARD SPENDS

26%

MARKET SHARE IN
REMITTANCES

20.89%

MARKET SHARE IN
MOBILE BANKING
TRANSACTIONS IN VALUE



*As on 31st March 2023

ESG HIGHLIGHTS

23,679.55 MW

CAPACITY OF RENEWAL ENERGY
PORTFOLIO

US\$ 1 Billion

CONCLUDED THE LANDMARK
SYNDICATED SOCIAL LOAN

₹36,243 Crore

VALUE OF RENEWAL ENERGY
(RE) PROJECTS SANCTIONED

B

CARBON DISCLOSURE PROJECT
RATING IN 2022

46

EV CHARGERS INSTALLED

32

GREEN BUILDING
CERTIFICATIONS

8.34+ Lakh

TREES PLANTED IN FY2023

5,190

EMPLOYEES WITH
DISABILITIES

~54 Lakh

CSR BENEFICIARIES

Negatives

- **Credit risk** is the probability of a financial loss resulting from a borrower's failure to repay a loan
- **Market risk** refers to the risk of losses in the bank's trading book due to changes in equity prices, interest rates, credit spreads, foreign-exchange rates, commodity prices, and other indicators whose values are set in a public market.
- **Target price** is lower than the current share price.
- State Bank of India's **revenue** is forecast to decline at 6.6% per annum.



Negatives

- SBIN's current **net profit** margins (20.5%) are lower than last year (21%).
- SBIN has a high level of **bad loans** (2.2%). Any economic downturns can cause loan repayment risks.
- SBIN **earnings growth** over the past year (20.6%) did not outperform the Banks industry 32.5%.
- SBIN's **Return on Equity** is forecast to be low in 3 years time (15.5%).



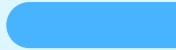
Profit & Loss

	Mar-21	Mar-22	Mar-23	CY
Revenue	278,115	289,973	350,845	439,189
Interest	156,010	156,194	189,981	259,736
Expenses	192,821	197,349	204,303	239,750
Financing Profit	-70,715	-63,570	-43,439	-60,297
Financing Margin %	-25%	-22%	-12%	-14%
Other Income	107,222	117,000	122,534	155,386
Depreciation	3,711	3,691	3,696	3,849
Profit before tax	32,796	49,739	75,399	91,240
Tax %	26%	27%	25%	25%
Net Profit	23,888	37,183	57,750	69,543

WARREN BUFFETT CHECKLIST

Type	Value
ECONOMIC MOAT	Good
GROWTH	Good
VALUATION	Moderate
DEBT	Moderate
INTEGRITY	Moderate

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MULTIBAGGER

The company has the potential to become multibagger in the order of 200-300% in 5-10 year term.

BUYING STRATEGY

70% on current price levels, Remaining on 30% correction levels

[Conservative Investors can Buy 50% then remaining on 30% correction levels]

HOLDING PERIOD

5 Years

[We are into LONG TERM INVESTING and Investor should not expect quick up movements in price. Incremental Investing is advised & Any corrections should be considered as Opportunity to add more – Remember our focus should be the 500% Future returns – so any price correction investments will zoom the returns

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