

## State Bank of India

### Performance Highlights

Particulars (₹ cr)	2QFY16	1QFY16	% chg (qoq)	2QFY15	% chg (yoy)
NII	14,253	13,732	3.8	13,275	7.4
Pre-prov. profit*	10,266	9,202	11.6	8,422	21.9
<b>PAT</b>	<b>3,879</b>	<b>3,692</b>	<b>5.1</b>	<b>3,100</b>	<b>25.1</b>

Source: Company, Angel Research

State Bank of India (SBI)'s 2QFY2016 results have outperformed our as well as street expectations. The PAT for the bank grew 25.1% yoy to ₹3,879cr, led by healthy performance on all fronts.

#### Slippages dip, NIM improves, qoq

During 2QFY2016, the bank's advances grew by 10.5% yoy, which is the highest growth rate amongst the previous 5 quarters. Consolidation continued in mid-corporate and Agri, which posted a decline of 5.2% and 2.2% yoy, respectively. On the other hand, retail and large corporate continued to scale up with a growth of 16.8% yoy and 21.7% yoy, respectively. Deposits outpaced advances with a 10.9% yoy growth for the quarter, with retail term deposits growing at 12.6% yoy. The Global NIM increased marginally by 2bp qoq to 3.01% in 2QFY2016 which was mainly due to decline in the cost of funds; but yields witnessed a decline during the quarter. The non-interest income (excl. treasury) for the bank grew by 14.2% yoy, with fee income growth of 1.4% yoy.

Asset quality showed signs of improvement with Gross and Net NPA ratios declining by 14bp and 10bp to 4.15% and 2.14% respectively. Fresh slippages came in at ₹5,875cr as against ₹7,318cr for 1QFY2016. Even restructuring of loan assets came lower at ₹2,450cr as against ₹3,936cr in the sequential previous quarter. The bank refinanced ~₹4,000cr worth of loans under the 5/25 scheme and ₹400cr worth of assets were sold to ARCs, during the quarter. Further, it has guided for a refinancing pipeline of ~₹6,600cr (8 loan accounts), going ahead.

**Outlook and valuation:** SBI has been reporting stable numbers with respect to slippages and NPA ratios over the past several quarters as compared to its peers. With expectation of improvement in economic growth in the medium term, asset quality woes could further reduce, which in turn could lead to further improvement in return ratios. The bank's core strength has been its high CASA and fee income, which has supported its core profitability in challenging times. Its strong capital adequacy also provides comfort. In our view, the stock is currently trading at a moderate valuation of 0.9x FY2017E ABV (after adjusting ₹44/share towards value of subsidiaries) as compared to its peers. **Hence, we recommend a BUY rating on the stock with a target price of ₹283.**

#### Key financials (standalone)

Y/E March (₹ cr)	FY2014	FY2015E	FY2016E	FY2017E
<b>NII</b>	<b>49,282</b>	<b>55,015</b>	<b>56,952</b>	<b>65,593</b>
% chg	11.2	11.6	3.5	15.2
<b>Net profit</b>	<b>10,891</b>	<b>13,169</b>	<b>14,954</b>	<b>18,266</b>
% chg	(22.8)	20.9	13.6	22.2
NIM (%)	3.0	3.0	2.7	2.8
<b>EPS (₹)</b>	<b>14.6</b>	<b>17.6</b>	<b>20.0</b>	<b>24.5</b>
P/E (x)	16.3	13.4	11.8	9.7
P/ABV (x)	1.6	1.5	1.3	1.1
RoA (%)	0.6	0.7	0.7	0.7
RoE (%)	10.4	11.1	11.5	12.8

Source: Company, Angel Research; Note: CMP as of November 6, 2015

## BUY

CMP	₹243
Target Price	₹283

Investment Period	12 months
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#### Stock Info

Sector	Banking
Market Cap (₹ cr)	1,88,830
Beta	1.4
52 Week High / Low	336/221
Avg. Daily Volume	1,67,84,206
Face Value (₹)	1
BSE Sensex	26,265
Nifty	7,954
Reuters Code	SBI.BO
Bloomberg Code	SBIN@IN

#### Shareholding Pattern (%)

Promoters	60.2
MF / Banks / Indian FIs	18.4
FII / NRIs / OCBs	10.4
Indian Public / Others	11.1

Abs. (%)	3m	1yr	3yr
Sensex	(7.2)	(5.9)	39.6
SBI	(15.6)	(12.6)	11.9

#### 3-year price chart



Source: Company, Angel Research

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**Exhibit 1: 2QFY2016 performance (standalone)**

Particulars (₹ cr)	2QFY16	1QFY16	% chg (qoq)	2QFY15	% chg (yoy)	FY2015	FY2014	% chg
<b>Interest earned</b>	<b>40,658</b>	<b>39,643</b>	<b>2.6</b>	<b>37,263</b>	<b>9.1</b>	<b>1,52,397</b>	<b>1,36,351</b>	<b>11.8</b>
- on Advances / Bills	28,982	28,582	1.4	27,869	4.0	1,12,344	1,02,484	9.6
- on investments	10,565	10,019	5.4	9,061	16.6	37,088	31,942	16.1
- on balance with RBI & others	180	234	(23.2)	105	71.9	505	409	23.4
- on others	931	808	15.3	228	308.9	2,460	1,516	62.3
<b>Interest Expended</b>	<b>26,405</b>	<b>25,911</b>	<b>1.9</b>	<b>23,988</b>	<b>10.1</b>	<b>97,382</b>	<b>87,069</b>	<b>11.8</b>
<b>Net Interest Income</b>	<b>14,253</b>	<b>13,732</b>	<b>3.8</b>	<b>13,275</b>	<b>7.4</b>	<b>55,015</b>	<b>49,283</b>	<b>11.6</b>
<b>Other income</b>	<b>6,197</b>	<b>5,088</b>	<b>21.8</b>	<b>4,571</b>	<b>35.6</b>	<b>22,576</b>	<b>18,553</b>	<b>21.7</b>
Other income excl. treasury	4,703	4,216	11.6	4,118	14.2	18,957	16,477	15.1
- Fee Income	3,153	3,202	(1.5)	3,111	1.4	14,140	12,611	12.1
- Treasury Income*	1,494	872	71.3	453	229.8	3,619	2,076	74.3
- Forex Income	474	489	(3.1)	466	1.7	1,936	1,778	8.9
- Others	1,076	525	105.0	541	99.0	2,881	2,088	38.0
<b>Operating income</b>	<b>20,450</b>	<b>18,820</b>	<b>8.7</b>	<b>17,845</b>	<b>14.6</b>	<b>77,591</b>	<b>67,835</b>	<b>14.4</b>
<b>Operating expenses</b>	<b>10,184</b>	<b>9,618</b>	<b>5.9</b>	<b>9,423</b>	<b>8.1</b>	<b>38,678</b>	<b>35,726</b>	<b>8.3</b>
- Employee expenses	6,142	5,906	4.0	5,564	10.4	23,537	22,504	4.6
- Other Opex	4,042	3,712	8.9	3,860	4.7	15,141	13,222	14.5
<b>Pre-provision Profit</b>	<b>10,266</b>	<b>9,202</b>	<b>11.6</b>	<b>8,422</b>	<b>21.9</b>	<b>38,913</b>	<b>32,109</b>	<b>21.2</b>
<b>Provisions &amp; Contingencies</b>	<b>4,361</b>	<b>4,000</b>	<b>9.0</b>	<b>4,275</b>	<b>2.0</b>	<b>19,600</b>	<b>15,935</b>	<b>23.0</b>
- Provisions for NPAs	3,842	3,359	14.4	4,028	(4.6)	18,709	14,224	31.5
- Provisions for Investments	(51)	180	(128.3)	(1)	5,000.0	(590)	563	(204.8)
- Provisions for Std. Assets	591	396	49.2	159	271.7	1,010	1,261	(19.9)
- Other Provisions	(21)	65	(132.5)	89	(123.8)	470	(112)	(518.9)
<b>PBT</b>	<b>5,905</b>	<b>5,202</b>	<b>13.5</b>	<b>4,147</b>	<b>42.4</b>	<b>19,314</b>	<b>16,174</b>	<b>19.4</b>
<b>Provision for Tax</b>	<b>2,026</b>	<b>1,510</b>	<b>34.2</b>	<b>1,047</b>	<b>93.6</b>	<b>6,212</b>	<b>5,283</b>	<b>17.6</b>
<b>PAT</b>	<b>3,879</b>	<b>3,692</b>	<b>5.1</b>	<b>3,100</b>	<b>25.1</b>	<b>13,102</b>	<b>10,891</b>	<b>20.3</b>
Effective Tax Rate (%)	34.3	29.0	529bp	25.2	908bp	32.2	32.7	(50)bp

Source: Company, Angel Research;

**Exhibit 2: 2QFY2016 performance analysis (standalone)**

Particulars	2QFY16	1QFY16	% chg (qoq)	2QFY15	% chg (yoy)
<b>Balance sheet</b>					
Advances (₹ cr)	13,37,153	12,80,127	4.5	12,09,648	10.5
Deposits (₹ cr)	16,34,115	16,13,545	1.3	14,73,785	10.9
Credit-to-Deposit Ratio (%)	81.8	79.3	249bp	82.1	(25)bp
Current deposits (₹ cr)	1,01,033	96,845	4.3	90,939	11.1
Saving deposits (₹ cr)	5,50,397	5,39,050	2.1	5,00,861	9.9
CASA deposits (₹ cr)	6,51,430	6,35,895	2.4	5,91,800	10.1
CASA ratio (%)	39.9	39.4	45bp	40.2	(29)bp
CAR (%)*	12.2	12.0	17bp	12.3	(16)bp
Tier 1 CAR (%)*	9.9	9.6	29bp	10.1	(15)bp
<b>Profitability Ratios (%)</b>					
Cost of deposits	6.30	6.35	(5)bp	6.31	(1)bp
Yield on advances	10.32	10.33	(1)bp	10.57	(25)bp
Cost of funds	-	-	0bp	6.4	(642)bp
Reported NIM (global)	3.01	2.99	2bp	3.11	(10)bp
Cost-to-income ratio	49.8	51.1	(131)bp	52.8	(301)bp
<b>Asset quality</b>					
Gross NPAs (₹ cr)	56,834	56,421	0.7	60,712	(6.4)
Gross NPAs (%)	4.2	4.3	(14)bp	4.9	(74)bp
Net NPAs (₹ cr)	28,592	28,669	(0.3)	32,997	(13.4)
Net NPAs (%)	2.1	2.2	(10)bp	2.7	(59)bp
Provision Coverage Ratio (%)	70.5	69.5	99bp	63.2	730bp
Slippage ratio (%)	1.8	2.4	(61)bp	2.5	(74)bp
Loan loss prov. to avg assets (%)	0.8	0.7	7bp	0.9	(14)bp

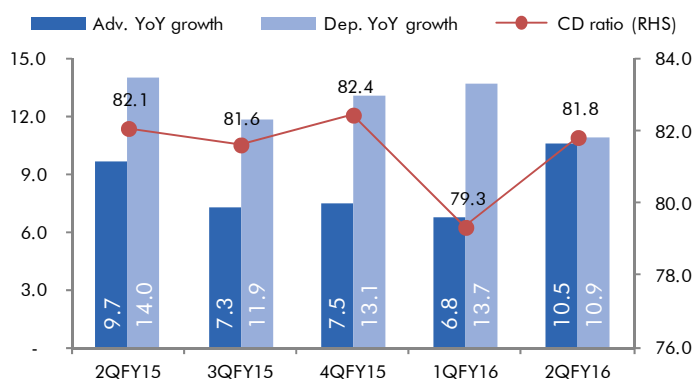
Source: Company, Angel Research

### Pick-up in advances growth; Margin improves qoq

During 2QFY2016, the bank's advances grew by 10.5% yoy, which is the highest growth rate amongst the previous 5 quarters. Consolidation continued in mid-corporate and Agri, which posted a decline of 5.2% and 2.2% yoy, respectively. On the other hand, retail and large corporate continued to scale up with a growth of 16.8% yoy and 21.7% yoy, respectively. Advances growth was also backed by a 17% yoy growth in overseas loans, which now constitute 19.4% of the total loan portfolio. Deposits outpaced advances with a 10.9% yoy growth for the quarter, with retail term deposits growing at 12.6% yoy.

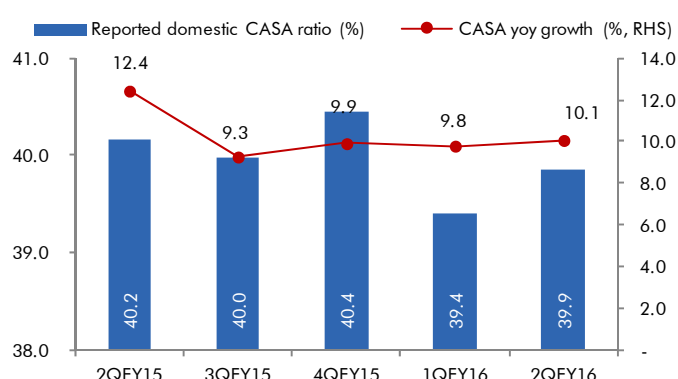
The Global NIM increased marginally by 2bp qoq to 3.01% in 2QFY2016 which was mainly due to decline in the cost of funds by 5bp qoq to 6.30% whereas the benefits were partially offset by declining yields, which came at 10.32%. The bank expects a marginal decline in the NIM from the current level due to a 30bp cut in the base rate.

**Exhibit 3: Business grows at steady pace**



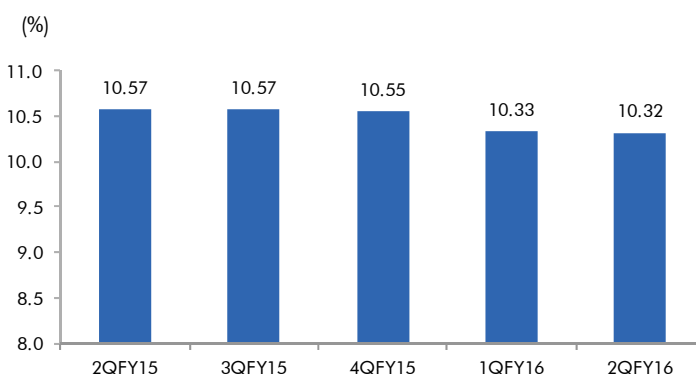
Source: Company, Angel Research

**Exhibit 4: CASA growth remains moderate**



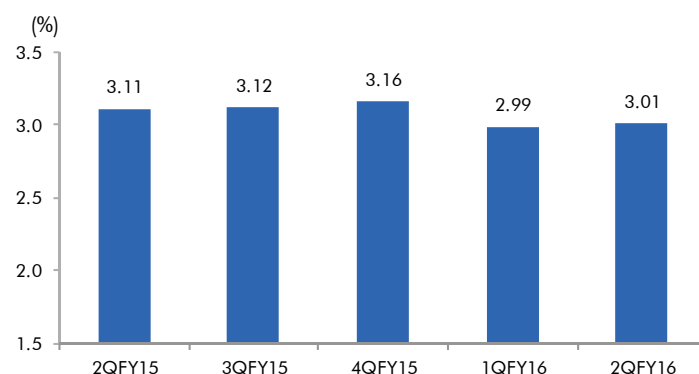
Source: Company, Angel Research

**Exhibit 5: Yields on Advances witness a dip**



Source: Company, Angel Research

**Exhibit 6: Global NIM improves qoq**



Source: Company, Angel Research, \* Cumulative NIMs

### Steady growth in non-interest income (excl. treasury)

The non-interest income (excl. treasury) for the bank grew by 14.2% yoy, with subdued fee income growth of 1.4% yoy. The profit on sale on investments came at ₹1,494cr, growing by 230% yoy, which boosted other income. The profit on sale

of investments grew 230% yoy to ₹1,494cr. It includes ~₹1,000cr on account of churning of the G-Sec portfolio. Also included in the non-interest income is a one-time extraordinary profit of ₹485cr pertaining to repatriation of profits from abroad.

### Exhibit 7: Treasury enables healthy non-int. Income

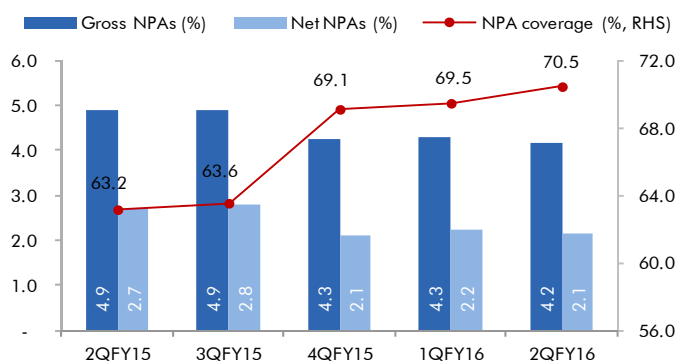
Particulars (₹ cr)	2QFY16	1QFY16	% chg (qoq)	2QFY15	% chg (yoy)
Fee income	3,153	3,202	(1.5)	3,111	1.4
Treasury	1,494	872	71.3	453	229.8
Forex	474	489	(3.1)	466	1.7
Dividend	47	32	46.9	41	14.6
Others	1,029	493	108.8	500	106.0
<b>Other income</b>	<b>6,197</b>	<b>5,088</b>	<b>21.8</b>	<b>4,571</b>	<b>35.6</b>
Other income excl. treasury	4,703	4,216	11.6	4,118	14.2

Source: Company, Angel Research

### Asset quality improves; Slippages dip qoq

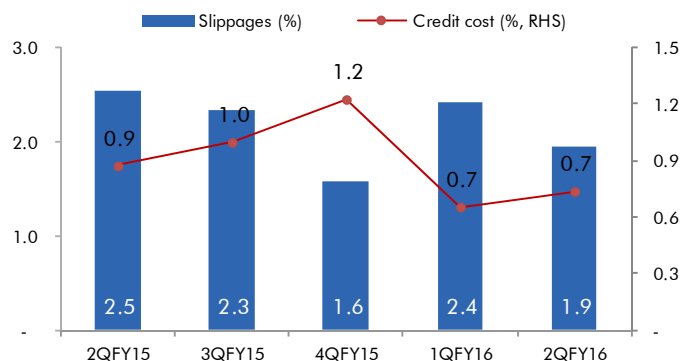
Asset quality showed signs of improvement with Gross and Net NPA ratios declining by 14bp and 10bp to 4.15% and 2.14% respectively. Fresh slippages for the quarter came in at ₹5,875cr as against ₹7,318cr for 1QFY2016 resulting in annualized slippage ratio of 1.8% in 2QFY2016 as against 2.3% in 1QFY2016. Sequential increase in fresh slippages was primarily due to higher slippages from mid corporate and SME segments. Even restructuring of loan assets came lower at ₹2,450cr as against ₹3,936cr in the sequential previous quarter. The bank refinanced ~₹4,000cr worth of loans under the 5/25 scheme and ₹400cr worth of assets were sold to ARCs, during the quarter. Further, it has guided for a pipeline of ~₹6,600cr (8 loan accounts), going ahead. The Reported Gross NPA + Restructured Std. to Gross advances stood at 8.04% for the quarter, as compared to 8.55% in 1QFY2016.

### Exhibit 8: NPA ratios improving



Source: Company, Angel Research

### Exhibit 9: Slippages dip qoq



Source: Company, Angel Research

### Performance overview of subsidiaries

- SBI Life reported a PAT of ₹206cr for 2QFY2016, as compared to ₹218cr in 1QFY2015.
- SBI Cards and Payment Services posted a PAT of ₹70cr for 2QFY2016 as against ₹80cr posted in 2QFY2015, while SBI Funds Management recorded a PAT of ₹43cr for 2QFY2016 as against ₹44cr for 2QFY2015.
- SBI Capital Markets registered a PAT of ₹57cr during 2QFY2016, as compared to a PAT of ₹108cr in 2QFY2015.
- SBI's associate banks recorded earnings growth of 38.1% yoy to ₹873cr for 1QFY2016.
- On a consolidated basis, the bottom-line of the bank rose 24% yoy to ₹4,992cr during the quarter ended September 30, 2015

**Outlook and valuation:** SBI has been reporting stable numbers with respect to slippages and NPA ratios over the past several quarters as compared to its peers. With expectation of improvement in economic growth in the medium term, asset quality woes could further reduce, which in turn could lead to further improvement in return ratios. The bank's core strength has been its high CASA and fee income, which has supported its core profitability in challenging times. Its strong capital adequacy also provides comfort. In our view, the stock is currently trading at a moderate valuation of 0.9x FY2017E ABV (after adjusting ₹44/share towards value of subsidiaries) as compared to its peers. **Hence, we recommend a BUY rating on the stock with a target price of ₹283.**

### Exhibit 10: Recommendation summary

Company	Reco.	CMP (₹)	Tgt. Price (₹)	Upside (%)	FY2017E P/ABV (x)	FY2017E Tgt. P/ABV (x)	FY2017E P/E (x)	FY15-17E EPS CAGR (%)	FY2017E RoA (%)	FY2017E RoE (%)
HDFCBk	Buy	1,081	1,262	16.8	3.3	3.8	17.7	22.4	1.9	19.7
ICICIBk*	Buy	267	348	30.0	1.8	2.0	10.6	15.3	1.6	15.2
YesBk	Buy	758	914	20.5	2.0	2.4	10.9	20.2	1.6	19.6
AxisBk	Buy	465	630	35.5	1.9	2.6	10.7	18.4	1.8	18.9
<b>SBI*</b>	<b>Buy</b>	<b>243</b>	<b>283</b>	<b>16.4</b>	<b>1.2</b>	<b>1.2</b>	<b>9.9</b>	<b>17.8</b>	<b>0.7</b>	<b>12.8</b>
FedBk	Neutral	55	-	-	1.0	1.0	8.7	3.1	1.0	11.9
SIB	Neutral	21	-	-	0.7	0.8	6.2	21.6	0.7	11.6
BOB	Neutral	167	-	-	0.9	0.8	7.9	17.5	0.6	10.6
PNB	Neutral	133	-	-	0.6	0.6	4.9	28.5	0.7	12.0
BOI	Neutral	134	-	-	0.3	0.8	4.0	14.0	0.3	7.6
IndBk	Neutral	128	-	-	0.4	0.4	4.3	19.4	0.7	9.3
Vijaya Bank	Neutral	34	-	-	0.5	0.5	5.1	14.1	0.4	8.8
OBC	Neutral	145	-	-	0.3	0.5	3.2	65.5	0.5	9.4
Allahabad Bank	Neutral	74	-	-	0.3	0.3	2.9	53.5	0.6	10.9
UnionBk	Neutral	163	-	-	0.5	0.4	4.2	18.1	0.6	11.4
CanBk	Neutral	275	-	-	0.4	0.3	4.0	9.8	0.5	10.7
AllBk	Neutral	74	-	-	0.3	0.4	2.9	53.5	0.6	10.9
IDBI#	Neutral	85	-	-	0.6	0.6	6.0	61.6	0.6	9.3

Source: Company, Angel Research; Note: \*Target multiples=SOTP Target Price/ABV (including subsidiaries), #Without adjusting for SASF

## Company background

State Bank of India is the largest bank in India, with an asset size of ~₹20.5lakh cr. The bank has the widest network of ~16,400 branches, with dominant presence across all regions in the country, with two-third of its branches in rural and semi-urban areas. It has subsidiaries in life insurance, asset management, credit cards and capital markets space, among others; and five regional subsidiary banks.

### Income statement (standalone)

Y/E March (₹ cr)	FY12	FY13	FY14	FY15	FY16E	FY17E
<b>Net Interest Income</b>	<b>43,291</b>	<b>44,331</b>	<b>49,282</b>	<b>55,015</b>	<b>56,952</b>	<b>65,593</b>
- YoY Growth (%)	33.1	2.4	11.2	11.6	3.5	15.2
<b>Other Income</b>	<b>14,351</b>	<b>16,035</b>	<b>18,553</b>	<b>22,643</b>	<b>25,568</b>	<b>27,706</b>
- YoY Growth (%)	(9.3)	11.7	15.7	22.0	12.9	8.4
<b>Operating Income</b>	<b>57,643</b>	<b>60,366</b>	<b>67,835</b>	<b>77,659</b>	<b>82,520</b>	<b>93,299</b>
- YoY Growth (%)	19.2	4.7	12.4	14.5	6.3	13.1
<b>Operating Expenses</b>	<b>26,069</b>	<b>29,284</b>	<b>35,726</b>	<b>38,678</b>	<b>42,192</b>	<b>46,828</b>
- YoY Growth (%)	13.3	12.3	22.0	8.3	9.1	11.0
<b>Pre - Provision Profit</b>	<b>31,574</b>	<b>31,082</b>	<b>32,109</b>	<b>38,981</b>	<b>40,328</b>	<b>46,471</b>
- YoY Growth (%)	24.6	(1.6)	3.3	21.4	3.5	15.2
<b>Prov. &amp; Cont.</b>	<b>13,090</b>	<b>11,131</b>	<b>15,793</b>	<b>19,599</b>	<b>17,733</b>	<b>18,537</b>
- YoY Growth (%)	26.1	(15.0)	41.9	24.1	(9.5)	4.5
<b>Profit Before Tax</b>	<b>18,483</b>	<b>19,951</b>	<b>16,316</b>	<b>19,382</b>	<b>22,595</b>	<b>27,934</b>
- YoY Growth (%)	23.6	7.9	(18.2)	18.8	16.6	23.6
<b>Prov. for Taxation</b>	<b>6,776</b>	<b>5,846</b>	<b>5,425</b>	<b>6,213</b>	<b>7,641</b>	<b>9,667</b>
- as a % of PBT	36.7	29.3	33.2	32.1	33.8	34.6
<b>PAT</b>	<b>11,707</b>	<b>14,105</b>	<b>10,891</b>	<b>13,169</b>	<b>14,954</b>	<b>18,266</b>
- YoY Growth (%)	41.7	20.5	(22.8)	20.9	13.6	22.2

**Balance sheet (standalone)**

Y/E March (₹ cr)	FY12	FY13	FY14	FY15	FY16E	FY17E
Share Capital	671	684	747	747	747	747
Reserves & Surplus	83,280	98,200	1,17,536	1,28,741	1,40,353	1,54,347
Deposits	10,43,647	12,02,740	13,94,409	15,76,793	17,97,544	20,49,201
- Growth (%)	11.7	15.2	15.9	13.1	14.0	14.0
Borrowings	86,989	1,28,954	1,40,550	1,63,633	1,83,736	2,09,459
Tier 2 Capital	40,016	40,229	42,581	41,517	40,479	39,467
Other Liab & Prov.	80,915	94,826	96,413	1,37,677	1,37,278	1,57,226
<b>Total Liabilities</b>	<b>13,35,519</b>	<b>15,65,632</b>	<b>17,92,235</b>	<b>20,49,108</b>	<b>23,00,137</b>	<b>26,10,447</b>
Cash balances	54,076	65,830	84,956	1,15,884	89,877	1,02,460
Bank balances	43,087	48,990	47,594	58,978	66,223	75,494
Investments	3,12,198	3,50,927	3,98,308	4,96,055	6,52,554	7,46,591
Advances	8,67,579	10,45,617	12,09,829	13,00,026	14,04,029	15,86,552
- Growth (%)	14.7	20.5	15.7	7.5	8.0	13.0
Fixed Assets	5,467	7,005	8,002	9,329	10,161	11,236
Other Assets	53,113	47,263	43,546	68,836	77,292	88,113
<b>Total Assets</b>	<b>13,35,519</b>	<b>15,65,632</b>	<b>17,92,235</b>	<b>20,49,108</b>	<b>23,00,137</b>	<b>26,10,447</b>
- Growth (%)	9.1	17.3	14.5	14.3	12.3	14.0



**Ratio analysis (standalone)**

Y/E March	FY12	FY13	FY14	FY15	FY16E	FY17E
<b>Profitability Ratios (%)</b>						
NIMs	3.6	3.2	3.0	3.0	2.7	2.8
Cost to Income Ratio	45.2	48.5	52.7	49.8	51.1	50.2
RoA	0.9	0.9	0.6	0.7	0.7	0.7
RoE	16.5	16.2	10.4	11.1	11.5	12.8
<b>B/S ratios (%)</b>						
CASA Ratio	44.8	44.8	42.9	40.4	40.4	41.2
Credit/Deposit Ratio	83.1	86.9	86.8	82.4	78.1	77.4
CAR	13.9	12.9	12.4	11.6	11.0	10.4
- Tier I	9.8	9.5	9.6	9.1	8.8	8.5
<b>Asset Quality (%)</b>						
Gross NPAs	4.5	4.8	5.0	4.3	5.1	5.6
Net NPAs	1.8	2.1	2.6	2.1	2.0	1.8
Slippages	3.2	3.6	3.8	2.4	2.4	2.3
Loan Loss Prov./Avg. Assets	0.9	0.7	0.9	1.0	0.8	0.7
Provision Coverage	68.1	66.6	62.9	65.0	71.0	75.0
<b>Per Share Data (₹)</b>						
EPS	17.4	20.6	14.6	17.6	20.0	24.5
ABVPS	120.0	136.5	144.8	162.9	183.9	207.7
DPS	35.0	41.5	30.0	58.2	39.5	50.5
<b>Valuation Ratios</b>						
PER (x)	13.6	11.5	16.3	13.4	11.8	9.7
P/ABVPS (x)	2.0	1.7	1.6	1.5	1.3	1.1
Dividend Yield	14.8	17.5	12.6	24.5	16.7	21.3
<b>DuPont Analysis (%)</b>						
NII	3.4	3.1	2.9	2.9	2.6	2.7
(-) Prov. Exp.	1.0	0.8	0.9	1.0	0.8	0.8
Adj. NII	2.4	2.3	2.0	1.9	1.8	1.9
Treasury	(0.1)	0.1	0.1	0.1	0.2	0.2
Int. Sens. Inc.	2.3	2.4	2.1	2.0	2.0	2.1
Other Inc.	1.2	1.0	1.0	1.0	1.0	1.0
Op. Inc.	3.5	3.4	3.1	3.0	3.0	3.1
Opex	2.0	2.0	2.1	2.0	1.9	1.9
PBT	1.4	1.4	1.0	1.0	1.0	1.1
Taxes	0.5	0.4	0.3	0.3	0.4	0.4
<b>RoA</b>	<b>0.9</b>	<b>0.9</b>	<b>0.6</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>
Leverage (x)	18.8	17.1	16.6	16.6	17.3	17.1
<b>RoE</b>	<b>16.5</b>	<b>16.2</b>	<b>10.4</b>	<b>11.1</b>	<b>11.5</b>	<b>12.8</b>

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Disclosure of Interest Statement	State Bank of India
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹ 1 lakh for Angel, its Group companies and Directors

**Ratings (Based on expected returns over 12 months investment period):**

Buy (> 15%)

Accumulate (5% to 15%)  
Reduce (-5% to -15%)

Neutral (-5 to 5%)  
Sell (< -15%)