

## EDUCATIONAL EQUITY RESEARCH REPORT : ELECTION SPECIAL

### STATE BANK OF INDIA

( BSE : 500112 , NSE: SBIN )

DATE : 8/4/24

WE AT AS RESEARCH TECHNIC ,INITIATE OUR COVERAGE ON STATE BANK OF INDIA .  
SBI, the largest Indian Bank with 1/4th market share, serves over 48 crore customers through its vast network of over 22,405 branches, 65,627 ATMs/ADWMs, 76,089 BC outlets, with an undeterred focus on innovation, and customer centricity, which stems from the core values of the Bank - Service, Transparency, Ethics, Politeness and Sustainability.

#### ABOUT THE BUSINESS :

STATE BANK OF INDIA (SBI) IS AN INDIAN MULTINATIONAL PUBLIC SECTOR BANK AND FINANCIAL SERVICES STATUATORY BODY HEADQUARTERED IN MUMBAI,MAHARASHTRA.

#### PROS :

- Company has delivered good profit growth of 76.1% CAGR over last 5 years
- Company has been maintaining a healthy dividend payout of 17.3%
- Company's working capital requirements have reduced from 152 days to 118 days

#### CONS :

- Company has low interest coverage ratio.
- The company has delivered a poor sales growth of 8.91% over past five years.
- Company has a low return on equity of 12.8% over last 3 years.
- Contingent liabilities of Rs.19,00,096 Cr.
- Company might be capitalizing the interest cost
- Earnings include an other income of Rs.1,39,611 Cr.

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#### FINANCIAL SNAP SHOT :

MARKET CAP	₹ 6,84,830 Cr.
STOCK P/E	9.88
ROE	5.20 %
CURRENT PRICE	₹ 767
BOOK VALUE	₹ 402
ROCE	16.8 %
HIGH	794
LOW	519
DIVIDEND YIELD	1.50%
FACE VALUE	1

#### SHARE HOLDING PATTERN:

PROMOTERS	57.49%
FIIS	10.91%
DIIS	24.15%
PUBLIC	0.03%
GOVERNMENT	7.40%
NO.OF SHAREHOLDERS	30,47,685

## PEER COMPARISON :

Sector: Banks Industry: Banks - Public Sector

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	Sales Qtr Rs.Cr.	ROCE %
1	St Bk of India	766.2	9.88	683803.76	1.5	112868.34	5.2
2	Bank of Baroda	271.7	7.46	140505.86	2.04	30041.75	5.17
3	Punjab Natl.Bank	126.6	18.36	139399.53	0.52	27851.71	4.1
4	I O B	64.59	48.89	122090.67	0	6175.51	4.53
5	Union Bank (I)	156.95	9.03	119809.4	1.88	25520.92	5.02
6	Canara Bank	594.65	7.42	107877.26	2.02	28492.24	5.33
7	Indian Bank	534.25	9.41	71961.51	1.59	14202.58	4.55

## KEY POINTS :

- THE CENTRAL GOVERNMENT LED BY THE PRIME MINISTER IS IMPLEMENTING A SLEW OF MEASURES TO IMPROVE THE HEALTH OF THE BANKING SECTOR, INCLUDING THE RECAPITALISING OF PUBLIC SECTOR BANKS, REFORMING MERGING BANKS .
- DURING THE YEAR FY 2023, THE BANK'S BUSINESS GREW AT A FASTER PACE THEN THE BANKING INDUSTRY, BOTH IN DEPOSITS AND CREDIT.
- THE BANK HAS DECLARED A DIVIDEND OF RS.11.30 PER EQUITY SHARE (i.e 1130%) FOR THE FINANCIAL YEAR ENDED MARCH 31,2023.
- THE CAPITAL RATIOS OF THE BANK CONTINUED TO IMPROVE DURING THE FINANCIAL YEAR ON THE BACK OF BETTER PLANNING, PLOUGH BACK OF PROFIT, AND EFFICIENT RISK MANAGEMENT.
- AT SBI, CUSTOMER - CENTRICITY IS OF PARAMOUNT IMPORTANCE, AND THE BANK IS UNDERTAKING A PROACTIVE AND FLEXIBEL APPROACH TO CATER THE CHANGING FINANCIAL NEEDS TO THE CUSTOMERS.
- THE BANK IS USING TECHNOLOGY IN EVERY ASPECT OF THE VALUE PROPOSITION- FROM BUSINESS,DESIGINING PRODUCTS, STREAMLINING PROCESSES AND IMPROVING DELIVERY,TO MONITIRING.
- THE BANK HAS TAKEN SEVERAL INITIATIVES TO BUILD A RISK-MITIGATED CHANGES TO ENSURE EASE OF BANKING.
- THE BANK DEPLOYS THE MOST ADVANCED TECHNOLOGIES LIKE ARTIFICIAL INTELLIGENCE, MACHINE LEARNING AND BUSINESS ANALYTICS, AMONG OTHERS, TO AUGMENT ITS PRODUCT OFFERINGS TO ENHANCE CUSTOMER DELIGHT EACH TIME WITHOUT EXCEPTION.

- A COMBINATION OF INCREASED MANPOWER FOR LOAN DISTRIBUTION PARTNERSHIPS WITH MAJOR CAR OEMs FOR INSTANT IN-PRINCIPLE SANCTION,PRE APPROVED OFFERING AND 'GREEN CAR LOAN ' AGREEMENT AT A CONCESSIONARY RATE , THE BANK IS EXPECTED TO MAKE 5.86 LAKH NEW CUSTOMERS HAPPY OVER THE NEXT YEAR.

WHO AVAILED EDUCATIONAL LOANS DURING THE YEAR

- THE BANK IS MARKET LEADER IN PERSONAL LOANS,INCLUDING SECURED AND UNSECURED LOANS.
- THE BANK IS NUMBER #1 MUTUAL FUND DISTRIBUTER IN INDIA.
- THE BANK IS AT A FOREFRONT OF CONDUCTING GOVERNMENT BUSINESS,WITH A MARKET SHARE OF 65.92% IN CENTRAL GOVERNMENT TURNOVER, AND IS AN ACCREDITED BANKER TO 26 MAJOR CENTRAL GOVERNMENT MINISTRIES AND DEPARTMENTS.
- YONO APP HAS BEEN A KEY DRIVER FOR CUSTOMER ACQUISITION.
- THE BANK IS AWARDED 'THE BEST TRADE FINANCE PROVIDER (INDIA) - 2023' FOR THE 11TH COSECUTIVE YEAR BY THE GLOBAL FINANCE MAGAZINE, NEWYORK.
- THE BANK IS THE FIRST PSU BANK HAVING DULY VETTED ESG FINANCING FRAMEWORK ON WHICH A SOCIAL SYNDICATED LOAN FOR USD\$1BILLION WAS RAISED DURING FY2023.
- HENCE,SBI SHARES OFFER UPSIDE POTENTIAL FOR EXPERTS UNDER THE RULING PARTY FOR THE NEXT FEW YEARS.

• THE SHARE PRICE CAN GO UPTO 784 AFTER BREAKING 772 ON THE UPPER SIDE

• THE SHARE PRICE CAN GO UPTO 711 AFTER BREAKING 720 ON THE LOWER SIDE

### PIVOT TABLE :

		SUPPORT				RESISTANCE			
DATE	WEEK CLOSE	S3	S2	S1	PIVOT	R1	R2	R3	PRV CLOSE
01-04-2024	766.4	743.7	747.9	753.1	757.3	763.5	766.7	771.9	752.35
28-03-2024	752.35	717	726.95	740.35	749.6	762.3	772.25	784.95	733.3
27-03-2024	752.35	711.4	720.8	727.05	736.45	742.7	752.1	758.35	740.05
26-03-2024	752.35	726.7	732.6	736.05	741.95	745.4	751.3	754.75	746.7
22-03-2024	746.7	728.1	734.73	735.46	742.95	742.86	749.53	750.26	744.3
21-03-2024	746.7	728	735.1	757.7	745.15	767.75	755.2	759.8	736.25

DISCLAIMER: INVESTMENT/TRADING IN SECURITIES MARKET IS SUBJECT TO MARKET RISK,PAST PERFORMANCE IS NOT A GUARENTEE OF FUTURE PERFORMANCE.THE RISK OF LOSS IN TRADING AND INVESTMENT IN SECURITIES MARKETS INCLUDING EQUITIES AND DERIVATIVES CAN BE SUBSTANTIAL.