

Q4FY23 result review,
earnings and TP
revision

Banking

Target price: Rs730

Earnings Revision:

(%)	FY24E	FY25E
PAT	↓ 5	NA

Target price revision:
Rs730 from Rs805

Shareholding pattern

	Sep '22	Dec '22	Mar '23
Promoters	57.6	57.5	57.5
Institutional investors	34.1	34.1	35.1
MFs and others	13.3	13.2	13.1
FIs/Banks	0.0	0.0	0.0
Insurance Cos.	10.5	10.5	10.3
FIIIs	10.3	10.1	11.7
Others	8.3	8.7	7.4

Source: BSE

ESG disclosure score

Year	2021	2022	Chg
ESG score	48.9	51.2	2.3
Environment	28.5	34.4	5.9
Social	33.3	34.3	1.0
Governance	84.9	84.9	-

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: Bloomberg, I-sec research

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INDIA

State Bank of India

BUY

Maintained

Rs574

Yet another strong quarter

Despite sharp QoQ rise in opex, State Bank of India (SBI) once again reported a strong quarter with Q4FY23 PAT at Rs166.9bn and annualised RoA at 1.23%, driven by strong business growth, NIM uptick, strong 'other income' and contained credit costs. Both loan and deposit growth was strong (and better than expected) at ~4.6-5.0% QoQ while net slippages turned negative. Bank has delivered 96bps RoA and 19.4% RoE for FY23. Despite strong gross advances growth (up 16% YoY), SBI has accreted 33bps CET-1 capital YoY to 10.27% led by strong profitability, and intends to rely on internal accruals for envisaged credit growth.

SBI has a strong retail franchise (both secured and unsecured loans) and is the key beneficiary of likely revival in corporate capex. It has an edge in cost of deposits which, along with excess SLR and favourable loan mix, should help sustain healthy NIMs. With net NPAs at 67bps, minuscule RSA book (with ~30% PCR) and contained incremental net slippages, we estimate credit costs to remain benign (~50bps) for FY24E/FY25E. Bank sounded confident of manageable incremental ECL provisioning. We estimate it to deliver strong RoA and RoE at 0.9% and ~16.5% respectively for FY24E with marginal downturn in NIMs getting broadly offset by better treasury gains. Maintain BUY with the target price revised to Rs730 (earlier: Rs805), valuing the stock at ~1.3x FY25E ABV and Rs197 per share of subsidiaries. Key risks: sharp deceleration in credit growth, and higher than expected credit costs.

► **Strong and broad-based loan growth; guidance at 12-14% YoY:** Net advances growth was strong at 4.6% QoQ (17% YoY). Growth was broad-based across verticals with the corporate book up 5.9% QoQ, retail book up 4.9% QoQ, agri up 4.7% QoQ and SME up 2.5% QoQ. Within retail, Xpress credit saw robust growth of 5.5% QoQ and 22.7% YoY and now comprises ~9% of the overall loanbook. Around 95% of customers (83% are defence / PSU employees, and 12% are employees in top corporates) pose negligible risks. Overseas book growth is ~19% YoY though it is calibrated at ~10% YoY in USD terms. Bank has guided for 12-14% YoY credit growth in FY24.

► **Deposit growth picks pace; NIMs rise further to 3.60%:** Deposits jumped sharply by 5% QoQ (up 9.2% YoY) mainly led by CA (up 24% QoQ on seasonality, but up 7% YoY) and TD (up 6% QoQ). SA growth remained muted at 1% QoQ and moderated further to 5% on YoY basis. Bank has excess SLR to the extent of ~Rs4trn (~9% of deposit base), which would unwind gradually. Reported cost of domestic deposits inched up 9bps from 3.9% for 9MFY23 to 3.99% for FY23. Yields on domestic book in the same period expanded to 8.1% for FY23 vs 7.87% for 9MFY23. Global NIMs for Q4FY23 expanded 10bps QoQ to 3.6% while domestic NIMs rose 15bps QoQ to 3.84%. Global NIMs for FY23 increased by 25bps YoY to 3.37%. SBI has ~24% of the book linked to EBLR and ~42% to MCLR. It believes that around half of the MCLR book is yet to be repriced, which is likely to be done by Q2FY24.

Market Cap	Rs5125bn/US\$62.1bn	Year to Mar	FY22	FY23P	FY24E	FY25E
Reuters/Bloomberg	SBI.BO/SBIN IN	NII (Rs bn)	1,207	1,448	1,569	1,693
Shares Outstanding (mn)	8,924.6	Net Profit (Rs bn)	317	502	536	563
52-week Range (Rs)	626/435	EPS (Rs)	35.5	56.3	60.1	63.1
Free Float (%)	42.5	% Change YoY	55.2	58.6	6.7	5.0
FII (%)	11.7	P/E (x)	16.2	10.2	9.6	9.1
Daily Volume (US\$'000)	1,07,633	P/BV (x)	2.0	1.7	1.5	1.3
Absolute Return 3m (%)	8.1	P/ABV (x)	2.2	1.8	1.5	1.4
Absolute Return 12m (%)	27.3	GNPA (%)	4.0	2.8	2.5	2.3
Sensex Return 3m (%)	1.0	RoA (%)	0.7	1.0	0.9	0.9
Sensex Return 12m (%)	14.9	RoE (%)	13.0	17.9	16.5	15.2

Please refer to important disclosures at the end of this report

- ▶ **Strong jump in 'other income' and opex:** Fee income jumped 35% QoQ due to embedded seasonality though it was flat on YoY basis. Recovery from TWO accounts remains healthy while the bank saw marginal loss in forex. Within core fee income, on a full-year basis, there was healthy growth in loan processing charges and cross-selling income. However, growth was muted in: a) commission income from government business; b) remittances, collections, etc., and c) miscellaneous fee income. SBI intends to double its cross-sell income in the medium term. Opex growth was heavy at 22% QoQ with 20% QoQ rise in staff costs and 27% QoQ rise in overheads (some impact from seasonality). Staff costs for Q4FY23 include Rs14.94bn of bipartite provisions (Rs24.9bn cumulative for FY23) and Rs6bn towards performance-linked incentives.
- ▶ **Net slippages negative; net NPA now at 67bps:** Gross slippages came in at Rs34.6bn, or 43bps annualised. Recoveries and upgrades were strong, hence net slippages turned negative at -Rs7.4bn. Write-offs were at Rs66.77bn vs Rs100bn QoQ. Headline GNPA declined 8% QoQ; GNPA ratio declined 8% QoQ; ratio declined 36bps QoQ to 2.78%. PCR was stable QoQ at 76.4%. PCR including the TWO accounts stands at 92%. Net NPAs declined further by 10bps QoQ to 67bps.
- ▶ **Residual stress manageable; credit costs to remain benign:** Restructured book declined QoQ to Rs243bn, or 76bps of loans. SBI seems to have ~30% PCR on restructured book. SMA 1+ 2 book (CRILC data) declined further QoQ to Rs32.6bn, or ~10 bps of loans. Reported credit costs for Q4FY23 and FY23 stood at 16bps and 32bps respectively. We estimate net slippages at ~0.4/0.6% for FY24E/FY25E and credit costs at ~50 bps for the same period.
- ▶ **Other highlights:** Despite strong gross advances growth (up 16% YoY), the bank has accreted 33bps CET-1 capital YoY to 10.27%, suggesting strong internal accruals. RWA density stands comfortable at 50.45% vs 49.75 YoY. YONO is expanding rapidly, aiding cross-sell and is envisaged as separate distribution channel. Bank acquired 64% of savings accounts and 35% of retail asset accounts through YONO in FY23. GNPA in Xpress credit continues to reduce and stands at 60bps vs 63bps QoQ.
- ▶ **Consolidated RoA at 0.98%:** Consolidated Q4FY23 PAT increased by 89% YoY and 17% QoQ to Rs180.9bn. For the year, consolidated PAT stood at Rs556.5bn. FY23 consolidated RoA jumped to 98bps (vs 69 bps YoY) while RoE increased to 19.63% (vs 14.28% YoY).

Table 1: Loan book details

	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Rs Mn						
Retail Personal	95,21,890	1,00,23,030	1,03,41,110	1,07,48,530	1,12,45,190	1,17,91,520
Agri	22,14,810	22,82,290	22,99,220	23,86,430	24,69,990	25,86,120
SME	30,71,680	30,55,170	31,27,740	31,68,780	35,06,490	35,92,700
Corporates	78,33,790	87,07,120	87,40,140	91,70,160	92,50,380	97,97,680
Domestic Advances	2,26,42,170	2,40,67,610	2,45,08,210	2,54,73,900	2,64,72,050	2,77,68,020
Foreign Office Advances	40,03,850	41,19,100	44,98,160	48,76,810	48,63,600	49,24,400
Total advances	2,66,46,020	2,81,86,710	2,90,06,370	3,03,50,710	3,13,35,650	3,26,92,420
Growth - YoY (%)						
Retail Personal	14.6	15.1	18.6	18.8	18.1	17.6
Agri	3.7	6.6	9.8	11.0	11.5	13.3
SME	4.6	9.5	10.0	13.2	14.2	17.6
Corporates	(0.6)	6.4	10.6	21.2	18.1	12.5
Domestic Advances	6.5	10.3	13.7	18.2	16.9	15.4
Foreign Office Advances	21.3	15.4	22.4	30.1	21.5	19.6
Total advances	8.5	11.0	14.9	19.9	17.6	16.0
Growth - QoQ (%)						
Retail Personal	5.3	5.3	3.2	3.9	4.6	4.9
Agri	3.0	3.0	0.7	3.8	3.5	4.7
SME	9.8	(0.5)	2.4	1.3	10.7	2.5
Corporates	3.5	11.1	0.4	4.9	0.9	5.9
Domestic Advances	5.0	6.3	1.8	3.9	3.9	4.9
Foreign Office Advances	6.8	2.9	9.2	8.4	(0.3)	1.3
Total advances	5.3	5.8	2.9	4.6	3.2	4.3
Mix (%)						
Retail Personal	35.7	35.6	35.7	35.4	35.9	36.1
Agri	8.3	8.1	7.9	7.9	7.9	7.9
SME	11.5	10.8	10.8	10.4	11.2	11.0
Corporates	29.4	30.9	30.1	30.2	29.5	30.0
Domestic Advances	85.0	85.4	84.5	83.9	84.5	84.9
Foreign Office Advances	15.0	14.6	15.5	16.1	15.5	15.1
Total advances	100.0	100.0	100.0	100.0	100.0	100.0

Source: Company data, I-Sec research.

Table 2: Q4FY23 result review

Rs mn	4QFY22	4QFY23	YoY (%)	3QFY23	QoQ (%)
Interest Earned	7,07,333	9,29,511	31.4	8,66,160	7.3
Interest Expended	3,95,354	5,25,586	32.9	4,85,474	8.3
Net Interest Income	3,11,979	4,03,925	29.5	3,80,686	6.1
Other Income	1,18,802	1,39,614	17.5	1,14,677	21.7
Total Income	8,26,134	10,69,125	29.4	9,80,838	9.0
Total Net Income	4,30,780	5,43,539	26.2	4,95,364	9.7
Staff Expenses	1,25,560	1,76,164	40.3	1,47,567	19.4
Other operating expenses	1,08,052	1,21,164	12.1	95,604	26.7
Operating Profit	1,97,168	2,46,211	24.9	2,52,193	(2.4)
Provision & Contingencies	72,375	33,157	(54.2)	57,606	(42.4)
Provision for tax	33,659	46,109	37.0	52,534	(12.2)
Reported Profit	91,135	1,66,945	83.2	1,42,053	17.5
Other Highlights					
Rs bn	4QFY22	4QFY23	YoY (%)	3QFY23	QoQ (%)
Loans	27,340	31,993	17.0	30,582	4.6
Deposits	40,515	44,238	9.2	42,136	5.0
Gross NPA	1,120	909	-18.8	983	-7.5
Gross NPA (%)	4.0	2.8	-119 bps	3.1	-36 bps
Net NPA	280	215	-23.2	235	-8.6
Net NPA (%)	1.0	0.7	-35 bps	0.8	-10 bps
Provision Coverage (%)	75.0	76.4	136 bps	76.1	27 bps

Source: Company data, I-Sec research.

Table 3: We arrive at our target price of Rs730, valuing the stock at ~1.3x FY25E ABV and Rs197 per share of subsidiaries

Parameters	Value of Business (Rs Bn)	Stake (%)	SOTP Value Per share	Comments
SBI Life Insurance	1,651	55	103	At I-Sec Target Market cap
SBI General Insurance	101	70	8	25x FY25E PAT
SBI AMC	630	63	44	7% FY25E AUM
SBI Cards	902	69	70	At I-Sec Target Market cap
SBI Capital	87	100	10	13x FY25E PAT
Yes Bank	423	26	12	At I-Sec Target Market cap
Value of Subsidiaries	247			
Holding Co. discount		49		
<i>Holding Co. discount (in %)</i>		20		
Subs Value post Hold Co. Disc.		197		
SBI Bank - Core book			533	1.3x FY25 ABV
Target Price			730	

Source: Company data, I-Sec research.

Q4FY23 earnings call takeaways

Loan-book

- Credit growth should be wide spread all through the year in FY24 (since most of the demand is coming from retail, which is all season demand). Secondly, demand is also from infra projects wherein disbursements are scattered over the year. Also, focus on renewables, EV, solar would also be new growth drivers.
- Economic activity would be supported by improving rural demand and government thrust
- Expect revival in corporate investments which should further aid growth
- Exposure to NBFC sector is Rs3.57trn vs. Rs2.71trn YoY, which is essentially to very well rated corporates
- Xpress credit is given only to corporate salaried customers. More than 83% of customers are either in armed forces or government employees and 12% is to top tier corporates. Hence, ~95% of the book carries negligible risk.
- Overseas loan book - Rupee term growth of 19.55% and in dollar terms, it is 10% for FY23
- **Almost Rs1.7trn worth of projects are in pipeline**
- **Bank is expecting loan growth of 12-14% for FY24**

Fee income and non-interest income

- Fee income is relatively lower due to waiver of processing fees for certain time on certain products
- Cross-sell fee target is ~Rs70bn-80bn in the next 2-3 years
- Another major area of growth in non-interest income would be forex income

Return ratios

- RoA has been more than 1% for three quarters in a row
- Bank has created value for existing shareholder and not diluted value for its existing shareholders
- 14.68% CRAR and bank can support loan book growth to the extent of Rs7.1trn without any additional capital (if bank underwrites correctly and there are no additional provisions)
- **Bank has ploughed back ~Rs400bn PAT in FY23.**

Margins

- NII up 20% for FY23 and domestic margins up 22bps YoY
- Reported cost of deposits number is cumulative for the quarter, half year, 9M and annual
- **Deposit cost is up 16bps for FY23 (much of which has come in last quarter wherein it is up 9bps)**
- **Bank has excess SLR is to the extent of Rs4trn, which bank can unwind and support growth**
- **Bank has cushion in terms of MCLR linked book which will get repriced and aid margins. Overall, bank doesn't expect margins to decline.**
- Moderation in deposits could also be due to factors other than repo for the system
- **Interest on IT refund of Rs8.4bn during the quarter**
- 24% EBLR, 42% MCLR (~50% of MCLR is yet to be repriced). Repricing should be done by Q2FY24
- No plans to increase SA rate as of now

Opex

- *Rise in overhead expenses is due to higher tech related expenses and higher DICGC premium due to high deposits growth*
- Staff cost was higher due to wage revision. Bank has provided Rs5bn per month since Nov'22, which is ~Rs25bn in FY23.
- PLI would need another Rs6bn, which bank has already provided for in FY23
- Bank is trying to contain cost via use of digital engine
- Tech, insurance and expense on GST were higher under miscellaneous expenses
- Overheads were up 26% QoQ (usually high in Q4)

Asset quality

- Provided 30% on restructuring against the requirement of 15% by RBI
- **There are certain accounts which could be potential threat in future, but are standard as of now. Hence, bank has made ad-hoc standard provisions of ~Rs26bn.**
- **Bank is very well prepared in case of transition to Ind-AS. As per bank's internal assessment, ECL provision requirement would largely be less than banks' outstanding non PCR provisions of ~Rs350bn**

Subsidiaries

- Subs performing well and continue to create value
- **No plans to list subsidiary as of now**

YONO

- Bank perceives YONO as distribution channel
- **64% of SA and 35% of retail assets source digitally by YONO for FY23**

Q3FY23 earnings call takeaways

Large conglomerate exposure

- **Exposure to large conglomerate is 0.88% of loan book of Rs31trn. Any refinance opportunity would be evaluated only on merit basis.**
- **Don't envisage any risk to Indian banks from this conglomerate**
- Group exposure to the conglomerate is well below the large exposure framework
- Majority of loans are towards operating projects and projects under construction are under schedule as of now
- **Loans granted by SBI are against secured assets and there is no record/default as of date**
- Wherever shares have been pledge in name of SBI, they are in form of additional guarantee
- **No concerns on loan serving in capability of the group as of now**

Economy

- Indian economy has shown remarkable resilience in 2022
- New year bring hope for continued momentum on India's growth story
- World Bank has gone on record that nation is well placed for any potential headwinds and would account for significant growth of overall global growth in 2023
- **GST revenue continues to be robust with 15% YoY uptick in Q3FY23**

Growth

- **Loan growth guidance intact at 14-16% for FY23**
- Bank has set a target of Rs3trn for agri book for FY24
- Credit growth is broad based and not limited to few industries or sectors
- **Expect pace to continue in FY24 as well, but some moderation can happen**
- Bank is very mindful of margins which are being generated in overseas book and hence, there is some pressure in overseas book. However, International book is up 9.15% in dollar terms which is still decent.
- Corporate loanbook pipeline is ~Rs3trn (Rs1.9trn is unutilised limit)

Margins

- **71% of loan book is linked to EBLR and MCLR (30% is linked to MCLR)**
- **Bank still has one of the lowest CD ratio**
- Margins in international book should hold, if not improve at current levels
- Interest on income tax refund at Rs8bn vs. Rs20bn in previous year

Asset quality

- Bank continues to post improving outcome on asset quality
- Bank is pro-active in identifying potential risks and provide adequately towards the same
- **Making pro-active provisions and loanbook growth has resulted in rise in standard provisions**
- Slippage ratio for the quarter at 0.41% and credit cost at 21bps (down 28bps on YoY basis)
- **Rs260bn is outstanding restructuring with 10% of exposure under SMA-1 and SMA-2 and holding adequate provisions towards the same**
- **Write-off is in the normal course of business and nothing unusual. Usually, bank does higher write-offs in Q3 and Q4 and hence it might look higher as compared to H1.**

- Few big ticket corporate accounts are under resolution, but difficult to comment on timing of the resolution
- Usually, recoveries tend to be better in Q4. Recoveries can be around Rs30bn-Rs35bn in Q4.

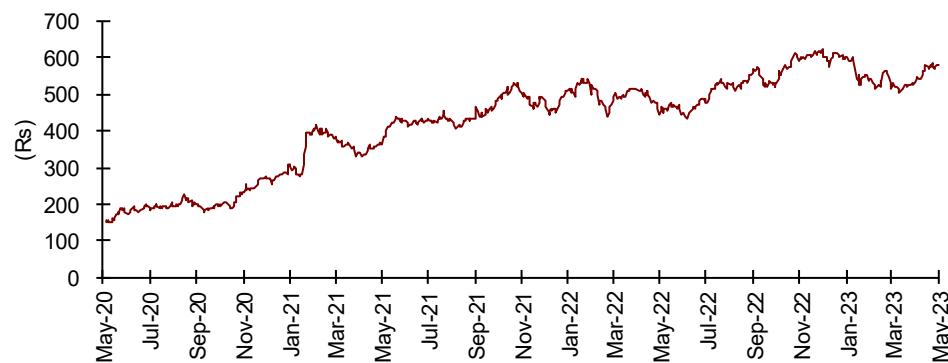
Opex and non-interest income

- Cost to assets continue to be amongst the lowest in the industry
- Treasury also includes write-back of MTM provisions as MTM requirement has come down which is also reflected in treasury income.
- **Provision related to wage revision of Rs9.96bn has resulted in higher employee cost. Apart from that, it has made some provision related to pension and gratuity liability due to change in discount rate and as per actuary suggestions.**
- Every month ~Rs4bn-Rs5bn would be provided towards wage revision considering 10% hike

Miscellaneous

- Bank is adequately capitalised and believe that internal accruals would take care of normal business growth
- Sourced 64% of SA and 41% of retail asset accounts sourced digitally via YONO during the quarter
- CRAR would be at 14.5% after ploughing back profits for FY23 which can support loan growth of atleast Rs7trn. Wherever required, it will look for resources in form of equity as well as Tier1/ 1Tier2.

Price chart



Source: Bloomberg

Financial summary

Table 4: Profit and loss statement

(Rs mn, year ending Mar 31)

Year ended 31 Mar (Rs mn)	FY21	FY22	FY23P	FY24E	FY25E
Interest income	26,51,506	27,54,573	33,21,031	38,22,808	44,05,957
Interest expense	-15,44,406	-15,47,497	-18,72,626	-22,53,384	-27,13,391
Net interest income	11,07,100	12,07,076	14,48,405	15,69,424	16,92,566
growth (%)	12.9	9.0	20.0	8.4	7.8
Non-interest income	4,34,964	4,05,639	3,66,156	4,62,028	5,32,446
Operating income	15,42,064	16,12,715	18,14,561	20,31,452	22,25,012
Operating expenses	-8,26,522	-9,33,975	-9,77,431	-11,27,184	-12,48,426
- Staff expenses	-5,09,360	-5,75,620	-5,72,918	-6,63,860	-7,30,246
Pre-provisions profit	7,15,542	6,78,740	8,37,130	9,04,267	9,76,586
Core operating profit	6,55,232	6,46,522	8,50,670	8,64,267	9,21,586
growth (%)	10.0	-1.3	31.6	1.6	6.6
Provisions & Contingencies	-4,40,130	-2,44,521	-1,65,073	-1,79,704	-2,15,796
Pre-tax profit (before non-recurring items)	2,75,411	4,34,219	6,72,056	7,24,563	7,60,789
Non-recurring items	0	0	0	0	0
Tax on non-recurring items	0	0	0	0	0
Pre-tax profit (after non-recurring items)	2,75,411	4,34,219	6,72,056	7,24,563	7,60,789
Tax (current + deferred)	-71,307	-1,17,459	-1,69,732	-1,88,386	-1,97,805
Net profit	2,04,105	3,16,760	5,02,325	5,36,176	5,62,984
Adjusted net profit	2,04,105	3,16,760	5,02,325	5,36,176	5,62,984
growth (%)	40.9	55.2	58.6	6.7	5.0
Minority interests	0	0	0	0	0
Net income	2,04,105	3,16,760	5,02,325	5,36,176	5,62,984

Source: Company data, I-Sec research

Table 5: Balance sheet

(Rs mn, year ending Mar 31)

Year ended 31 Mar (Rs mn)	FY21	FY22	FY23P	FY24E	FY25E
Cash and balance with RBI/Banks	34,30,387	39,45,523	30,78,996	41,22,079	46,51,205
Investments	1,35,17,052	1,48,14,455	1,57,03,662	1,60,99,042	1,72,74,432
Advances	2,44,94,978	2,73,39,666	3,19,92,693	3,62,45,603	4,13,55,934
Interest earning assets	4,14,42,417	4,60,99,644	5,07,75,352	5,64,66,724	6,32,81,571
Fixed assets (Net block)	3,84,192	3,77,082	4,23,818	4,56,903	4,96,825
Other assets	35,17,687	33,99,249	39,70,616	48,32,686	59,20,899
Total assets	4,53,44,296	4,98,75,974	5,51,69,785	6,17,56,314	6,96,99,295
				59%	
Deposits	3,68,12,771	4,05,15,341	4,42,37,778	4,97,82,994	5,65,78,942
Other interest bearing liabilities	41,72,977	42,60,434	49,31,352	51,78,064	54,37,120
Total Interest bearing liabilities	4,28,05,544	4,70,75,093	5,18,93,701	5,80,51,288	6,55,43,882
Other liabilities and provisions	18,19,797	22,99,318	27,24,572	30,90,230	35,27,821
Share capital	8,925	8,925	8,925	8,925	8,925
Reserves & surplus	25,29,827	27,91,956	32,67,160	36,96,101	41,46,488
Less: Misc. expenditure	0	0	0	0	0
Shareholders' funds	25,38,752	28,00,881	32,76,085	37,05,026	41,55,413
Minorities interests	0	0	0	0	0
Total equity & liabilities	4,53,44,296	4,98,75,974	5,51,69,785	6,17,56,314	6,96,99,295

Source: Company data, I-Sec research

Table 6: Key ratios

(Year ending Mar 31)

Year ended 31 Mar (Rs mn)	FY21	FY22	FY23P	FY24E	FY25E
Valuation ratios					
Adjusted EPS (Rs)	22.9	35.5	56.3	60.1	63.1
BVPS (Rs)	258.0	287.6	340.9	389.0	439.4
Adjusted Book NAV/share (Rs)	227.2	264.2	322.9	370.7	419.5
PER (x)	25.1	16.2	10.2	9.6	9.1
Price/Book (x)	2.2	2.0	1.7	1.5	1.3
Price/Adjusted book (x)	2.5	2.2	1.8	1.5	1.4
Dividend Yield (%)	0.7	1.2	1.9	2.1	2.2
Du-Pont ratios					
NII/Avg. Assets (%)	2.6	2.5	2.8	2.7	2.6
Non-interest income/Avg Assets	1.0	0.9	0.7	0.8	0.8
- Fee income / Avg Assets	0.87	0.8	0.7	0.7	0.7
- Trading gains / Avg Assets	0.1	0.1	(0.0)	0.1	0.1
Cost / Avg Assets	1.9	2.0	1.9	1.9	1.9
Non-tax Provisions / Avg Assets	1.0	0.5	0.3	0.3	0.3
Tax Provisions / Avg Assets	0.2	0.2	0.3	0.3	0.3
ROA (%)	0.5	0.7	1.0	0.9	0.9
Leverage	19.4	19.6	18.7	18.0	17.8
ROE (%)	9.3	13.0	17.9	16.5	15.2
Balance Sheet ratios					
Loan growth (%)	5.3	11.6	17.0	13.3	14.1
Deposit growth (%)	13.6	10.1	9.2	12.5	13.7
Loans/Deposits (%)	66.5	67.5	72.3	72.8	73.1
Investments/Deposits (%)	36.7	36.6	35.5	32.3	30.5
CASA ratio (%)	45.4	44.5	42.5	40.7	40.0
Profitability ratios					
NIMs (%)	2.9	2.8	3.01	2.94	2.84
Interest spread (%)	2.9	2.7	2.9	2.8	2.7
Yield on advances (%)	7.3	6.7	7.5	7.8	8.1
Cost of deposits (%)	4.1	3.7	3.8	4.2	4.6
Efficiency/other P/L ratios					
Non-interest income/Net income (%)	28.2	25.2	20.2	22.7	23.9
Trading income/Net income (%)	3.9	2.0	-0.7	2.0	2.5
Cost/Income (%)	53.6	57.9	53.9	55.5	56.1
Asset quality ratios					
Gross NPLs (%)	5.0	4.0	2.8	2.5	2.3
Net NPLs (%)	1.5	1.0	0.7	0.6	0.6
Net NPLs/Net worth (%)	15.0	10.1	6.5	5.8	5.6
Loan provisions/Avg loans (%)	1.3	0.7	0.49	0.5	0.5
Provisions cover (%)	70.9	75.0	76.4	76.0	76.0
Capitalisation ratios					
Tier I cap.adequacy (%)	11.4	11.4	12.1	11.6	11.1
Total cap.adequacy (%)	13.7	13.8	14.7	13.8	13.0
Adj BV per share	207	243	302	349	398
SOTP per share	120	155	177	178	201
P/ABV	2.20	1.73	1.32	1.13	0.94

Source: Company data, I-Sec research

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