

# Pick of *the week*

## State Bank of India (SBIN)

Recommendation: **Buy**

Target Price: ₹975

Current Price: ₹812

Time Period: 12 Months

Date: 02<sup>nd</sup> June 2025



- SBI has the ability to grow ahead of the industry average.
- The liabilities situation looks far more comfortable currently at an aggregate level.
- Asset quality performance shows that the bank continues to do better than expected by investors.
- It has demonstrated during Covid and the recent slowdown that its underwriting in the retail business is among the best-in-class.
- We are less worried about concerns that SBI is likely to see Return on Assets (RoA) contraction due to Net Interest Margin (NIM) compression, as we see interest rates as cyclical in nature.
- We like the current valuation of the bank and maintain SBI as a top idea.

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 02nd June, 2025 which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

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