

State Bank of India (SBIN) - BUY

Company Update

Current Market Price (CMP)

Rs. 805

Target Price

Rs. 975

Rationale:

- SBI reported ~10% yoy earnings decline with 10% yoy operating profit growth.
- Reported stable NIM, comfortable loan growth & lower slippages.
- Unlike the conversations in Q3FY25 that centered around NIM, Q4FY25 exceeded expectations.
- Maintain BUY with an FV of Rs975 (unchanged). SBI remains a top idea.

Q4FY25 Earnings Update:

Positives:

- Revenue growth was at ~15% yoy with NII growth at 3% yoy.
- Loan growth was healthy at 12% yoy while deposits grew 10% yoy.
- Gross NPA declining ~25 bps qoq at 1.8% and net NPL flat qoq at 0.5%.
- Reported slippages for SBI remained stable at a low level.
- Net NPL is at a multi-decadal low; healthy PCR on NPLs.

Negatives:

- Management has revised its loan growth guidance lower to a range of 12-13% yoy over the near-to medium term from a range of 14-15% earlier.
- Growth in corporate loan book was relatively sluggish.

(NIM – Net Interest Margin, NII – Net Interest Income, NPL – Non Performing Loan, NPA – Non Performing Assets)

[Click here](#) For detailed report dated 04th May 2025. Note: CMP & valuation may differ due to difference in dates.



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