

**STATE BANK OF INDIA (SBIN)**

With a legacy of over 200 years, State Bank of India (SBI) traces its ancestry to the Bank of Calcutta founded in 1806 and is the oldest commercial bank in the Indian subcontinent. SBI is an Indian multinational, public sector banking and financial services statutory body, fostering the nation's 2.6 trillion-dollar economy and serving the hopes of its vast population

**Overview**

- Market Cap: **161,446 Cr.**
- Current Price: **180.90**
- 52 weeks High / Low 373.80 / **173.55**
- Book Value: **262.75**
- Stock P/E: **13.26**
- Dividend Yield: **0.00 %**
- ROCE: **4.66 %**
- ROE: **1.00 %**
- Sales Growth (3Yrs): **4.71 %**
- Listed on [BSE](#) and [NSE](#)
- Face Value: **1.00**



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**Pros:**

Stock is trading at 0.69 times its book value

Company has been maintaining a healthy dividend payout of 286.46%

**Cons:**

Company has low interest coverage ratio.

The company has delivered a poor growth of 6.03% over past five years.

Company has a low return on equity of -0.33% for last 3 years.

Contingent liabilities of Rs.1191293.50 Cr.

Company might be capitalizing the interest cost

Earnings include an other income of Rs.93015.17 Cr.

Promoter holding has decreased over last 3 years: -4.31%

## Fundamental Analysis

Peer comparison Sector: [Banks](#) // Industry: [Banks - Public Sector](#)

✱ EDIT COLUMNS

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	St Bk of India	180.90	13.26	161446.22	0.00	6531.95	38.71	71025.52	9.42	4.66
2.	Punjab Natl.Bank	30.75		28927.06	0.00	-384.96	-187.90	13834.95	4.38	2.52
3.	Bank of Baroda	46.75		21601.15	0.00	-1219.04	-284.47	19990.52	45.83	4.53
4.	Union Bank (I)	27.45		17572.54	0.00	554.36	202.98	9687.88	13.13	4.12
5.	I O B	7.55		12409.93	0.00	-6075.49	-1655.82	4351.90	-4.19	2.64
6.	UCO Bank	12.15		12050.78	0.00	-960.17	3.86	3770.74	12.99	2.69
7.	Canara Bank	81.45	16.17	11838.77	0.00	397.65	3.40	12493.62	-0.16	4.73

As per Peer Comparisons with the price of 180 SBIN seems to be an attractive bet.

Quarterly Results Consolidated Figures in Rs. Crores / [View Standalone](#)

[Product Segments](#)

	Mar 2017	Jun 2017	Sep 2017	Dec 2017	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Jun 2019	Sep 2019	Dec 2019
Revenue	60,506	56,818	56,928	57,014	58,210	61,200	61,427	64,910	65,785	65,594	67,356	71,026
Interest	37,862	37,495	36,476	36,393	36,238	37,272	38,269	39,889	40,437	40,139	40,105	40,487
Expenses +	46,284	28,915	42,091	44,044	57,119	43,786	39,550	36,661	49,642	37,662	46,398	42,397
Financing Profit	-23,640	-9,592	-21,639	-23,424	-35,147	-19,858	-16,392	-11,640	-24,295	-12,207	-19,147	-11,859
Financing Margin %	-39%	-17%	-38%	-41%	-60%	-32%	-27%	-18%	-37%	-19%	-28%	-17%
Other Income	20,264	13,958	23,057	17,177	23,366	13,793	18,342	19,480	25,790	17,684	25,183	24,359
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0
Profit before tax	-3,376	4,366	1,418	-6,247	-11,782	-6,065	1,950	7,840	1,495	5,477	6,035	12,500
Tax %	-0%	29%	-38%	72%	36%	33%	61%	38%	-4%	42%	40%	46%
Net Profit	-2,978	3,032	1,840	-1,887	-7,542	-4,230	576	4,709	1,244	2,950	3,375	6,532
EPS in Rs	-3.81	3.70	2.11	-2.19	-8.72	-4.74	0.65	5.28	1.39	3.31	3.78	7.32
Gross NPA %	0.00%	0.00%	0.00%	10.27%	0.00%	10.56%	0.00%	0.00%	0.00%	7.42%	0.00%	0.00%
Net NPA %	0.00%	0.00%	0.00%	5.57%	0.00%	5.20%	0.00%	0.00%	0.00%	3.02%	0.00%	0.00%
	Notes	Notes	Notes	Notes	Notes	Notes	Notes	Notes	Notes	Notes	Notes	Notes

Company Revenue did grew as compared with AXIS BANK and ICICI BANK however expenses have reduced from 2017 and Net Profit is now in positive from negative.

Profit & Loss Consolidated Figures in Rs. Crores / [View Standalone](#)[Product Segments](#) [Geographical Segments](#)

	Mar 2008	Mar 2009	Mar 2010	Mar 2011	Mar 2012	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	TTM
Revenue	71,496	91,667	100,081	113,636	147,197	167,976	189,062	207,974	220,633	230,447	228,970	253,322	269,761
Interest	47,944	62,626	66,638	68,086	89,320	106,818	121,479	133,179	143,047	149,115	146,603	155,867	161,169
Expenses +	28,103	32,290	47,201	57,966	61,682	66,242	82,151	96,624	109,964	145,622	169,034	166,071	176,100
Financing Profit	-4,551	-3,250	-13,758	-12,416	-3,804	-5,084	-14,568	-21,828	-32,378	-64,290	-86,666	-68,616	-67,508
Financing Margin %	-6%	-4%	-14%	-11%	-3%	-3%	-8%	-10%	-15%	-28%	-38%	-27%	-25%
Other Income	19,580	22,069	33,761	33,716	29,645	32,543	37,836	49,264	52,807	68,149	77,527	77,333	93,015
Depreciation	1,038	924	1,322	1,381	1,372	1,577	1,942	1,581	2,252	2,915	3,105	3,496	0
Profit before tax	13,991	17,895	18,682	19,920	24,469	25,882	21,326	25,855	18,177	945	-12,245	5,220	25,507
Tax %	34%	38%	36%	44%	35%	29%	32%	32%	30%	141%	66%	41%	
Net Profit	8,961	10,955	11,734	10,685	15,343	17,916	14,174	16,994	12,225	241	-4,556	2,300	14,102
EPS in Rs	13.82	16.77	17.98	16.27	22.29	25.49	18.48	2.20	15.18	0.00	0.00	2.58	15.80
Dividend Payout %	15%	17%	16%	18%	15%	16%	16%	15%	17%	859%	-0%	0%	

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\* Sales is net of excise duty and discounts

## Compounded Sales Growth

10 Years: **10.70%**5 Years: **6.03%**3 Years: **4.71%**TTM: **9.77%**

## Compounded Profit Growth

10 Years: **-14.40%**5 Years: **-30.43%**3 Years: **-42.60%**TTM: **282.62%**

## Stock Price CAGR

10 Years: **-2.38%**5 Years: **-7.68%**3 Years: **-14.53%**1 Year: **-42.11%**

## Return on Equity

10 Years: **6.54%**5 Years: **2.76%**3 Years: **-0.33%**Last Year: **1.00%**

Compounded sales growth of a company is very good however if we see compounded profit growth then it still needs to perform itself.

Balance Sheet Consolidated Figures in Rs. Crores / [View Standalone](#)

	Mar 2008	Mar 2009	Mar 2010	Mar 2011	Mar 2012	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019
Share Capital +	631	635	635	635	671	684	747	747	776	797	892	892
Reserves	60,605	71,756	82,501	82,836	105,559	124,349	146,624	160,641	179,816	216,395	229,429	233,603
Borrowings	842,440	1,117,246	1,238,539	1,398,033	1,572,681	1,831,126	2,062,612	2,297,624	2,615,257	2,936,176	3,091,258	3,354,289
Other Liabilities +	124,769	116,181	129,545	167,766	153,482	179,925	189,474	245,970	277,634	291,753	294,865	299,683
Total Liabilities	1,028,445	1,305,817	1,451,220	1,649,271	1,832,392	2,136,084	2,399,456	2,704,982	3,073,483	3,445,122	3,616,445	3,888,467
Fixed Assets +	4,416	4,937	5,528	6,141	7,027	8,694	10,223	12,924	15,415	51,189	40,301	39,941
CWIP	247	287	486	346	381	676	337	400	786	695	925	762
Investments	273,842	372,231	412,749	419,066	460,949	519,343	579,401	673,507	807,375	1,027,281	1,183,794	1,119,248
Other Assets +	749,940	928,363	1,032,457	1,223,717	1,364,035	1,607,370	1,809,495	2,018,150	2,249,908	2,365,957	2,391,425	2,728,516
Total Assets	1,028,445	1,305,817	1,451,220	1,649,271	1,832,392	2,136,084	2,399,456	2,704,982	3,073,483	3,445,122	3,616,445	3,888,467

Assets of the company are increasing in satisfactory rate which shows that company have good expansion in past 10 years.

### Cash Flows Consolidated Figures in Rs. Crores / [View Standalone](#)

	Mar 2008	Mar 2009	Mar 2010	Mar 2011	Mar 2012	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019
Cash from Operating Activity +	-4,440	33,363	-8,372	43,900	-30,114	24,332	19,142	26,297	14,477	77,406	-96,508	29,556
Cash from Investing Activity +	-1,642	-1,631	-1,763	-1,678	169	-2,271	-791	-3,424	-2,747	-4,572	13,053	220
Cash from Financing Activity +	22,634	4,501	-3,273	1,252	2,209	-4,424	3,583	-1,553	4,348	-4,196	5,547	448
Net Cash Flow	16,552	36,233	-13,408	43,474	-27,737	17,637	21,934	21,320	16,078	68,638	-77,908	30,223

Net Cash flows are negative in 2010,2012 and 2018 which puts company on wait and watch outlook.

### Ratios Consolidated Figures in Rs. Crores / [View Standalone](#)

	Mar 2008	Mar 2009	Mar 2010	Mar 2011	Mar 2012	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019
ROE %	17%	16%	15%	13%	16%	16%	10%	11%	7%	0%	-2%	1%

ROE% is now turned to positive from negative and have capacity to generate ROE% of 15% which shows that it is a good stock to buy and hold for long term.

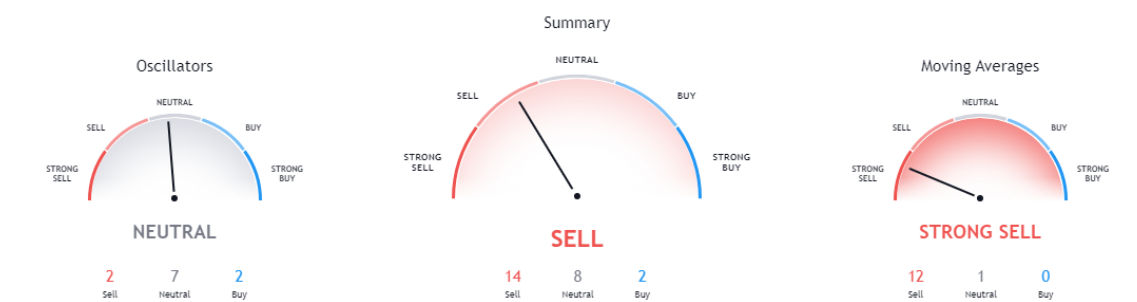
## Technical analysis

Name	Value	Action
<u>Relative Strength Index (14)</u>	35.42	Neutral
<u>Stochastic %K (14, 3, 3)</u>	20.77	Neutral
<u>Commodity Channel Index (20)</u>	-219.93	Buy
<u>Average Directional Index (14)</u>	18.36	Neutral
<u>Awesome Oscillator</u>	-13.59	Sell
<u>Momentum (10)</u>	-176.95	Buy
<u>MACD Level (12, 26)</u>	-7.93	Sell
<u>Stochastic RSI Fast (3, 3, 14, 14)</u>	7.98	Neutral
<u>Williams Percent Range (14)</u>	-94.63	Neutral
<u>Bull Bear Power</u>	-185.55	Neutral
<u>Ultimate Oscillator (7, 14, 28)</u>	47.65	Neutral

## MOVING AVERAGES

Name	Value	Action
<u>Exponential Moving Average (5)</u>	245.13	Sell
<u>Simple Moving Average (5)</u>	267.27	Sell
<u>Exponential Moving Average (10)</u>	272.66	Sell
<u>Simple Moving Average (10)</u>	286.75	Sell
<u>Exponential Moving Average (20)</u>	285.05	Sell
<u>Simple Moving Average (20)</u>	295.10	Sell
<u>Exponential Moving Average (30)</u>	284.60	Sell
<u>Simple Moving Average (30)</u>	291.39	Sell
<u>Exponential Moving Average (50)</u>	277.23	Sell
<u>Simple Moving Average (50)</u>	277.46	Sell
<u>Exponential Moving Average (100)</u>	—	—
<u>Simple Moving Average (100)</u>	—	—
<u>Exponential Moving Average (200)</u>	—	—
<u>Simple Moving Average (200)</u>	—	—
<u>Ichimoku Cloud Base Line (9, 26, 52, 26)</u>	273.67	Neutral
<u>Volume Weighted Moving Average (20)</u>	283.02	Sell
<u>Hull Moving Average (9)</u>	225.68	Sell

1 minute 5 minutes 15 minutes 1 hour 4 hours 1 day 1 week 1 month



**Data Analysis:**

Futures & Options of State Bank of India				Put Call Ratio - 30/04/2020	
Near Expiry date	30/04/2020	Lot Size	3000	Put Open Interest	19065.00 K
Stock Close Price	184.3	Trade Date	28/04/2020	Call Open Interest	41703.00 K
<b>Futures Summary</b>				PCR Open Interest	0.457
Closing Price	184.55	Premium/Discount	0.250	PCR OI Reading	Bullish
Previous Close	181.10	Change %	1.91	Put Contracts Traded	11265.00
Futures OI	36594.00 K	Change %	-34.77	Call Contracts Traded	22420.00
Futures Contracts	21.68 K	Change %	9.08	PCR Volume	0.502
<b>Call Summary</b>				PCR Vol Reading	Bullish
Max Traded Strike Price	190.00	Contracts	7758.00	Put Call Ratio SBIN ...	
Cumulative Call OI	41703.00 K	% Change	-15.53		
<b>Put Summary</b>					
Max Traded Strike Price	180.00	Contracts	5737.00		
Cumulative Put OI	19065.00 K	% Change	-12.55		

As per April Contract Open Interest PCR is 0.457 which indicates that Buyers are in control for current contract which can continue for next month.

**Recommendation :**

Mediocre earnings and poor price performance make this stock that still needs to prove itself. Short term trader/investor can buy SBIN between 180-185 with Target1 of 198 and Target 2 of 224 keep stop loss of 160.

Long term investor can invest some part in it but keep some fund to further invest at 160 levels.