

# Introduction and Background

- Company Overview
- State Bank of India (SBI), the oldest and largest public sector bank in India, has a rich history dating back to its establishment in 1806 as the Bank of Calcutta. Over the years, SBI has evolved and expanded its operations, becoming a pivotal player in the Indian banking sector. The bank operates with a mission to provide banking services that are accessible, affordable, and innovative. Its vision is to be the banker to every Indian and a global leader in the banking industry.





## Historical Evolution

- SBI has undergone several transformations throughout its long and illustrious history, evolving from a regional bank to a global financial powerhouse.
- **1806:** Founded as the Bank of Calcutta.
  - **Context:** The bank was established to meet the banking needs of British India. It was the first bank of its kind in the country, aimed at providing a structured financial system.
- **1921:** Merged with Bank of Madras and Bank of Bombay to form Imperial Bank of India.
  - **Significance:** This merger marked the formation of the largest banking entity in India at that time. The Imperial Bank of India served as a cornerstone of the Indian banking system, providing a range of banking services and acting as a banker to the government.
- **1955:** Nationalized and renamed State Bank of India, with the government holding a major stake.
  - **Impact:** The nationalization was a strategic move by the Indian government to control the major financial institutions and ensure the banking sector's alignment with national economic goals. It aimed to expand banking services to rural and semi-urban areas and support economic development.
- **2008:** Expanded its international presence significantly.
  - **Expansion Details:** During this period, SBI established a strong global footprint by opening branches and subsidiaries in key international markets. The focus was on serving the Indian diaspora and facilitating international trade. The bank expanded its operations in regions like the USA, UK, Canada, and Singapore, among others.

- **2020:** Undertook significant digital transformation initiatives to enhance customer experience and operational efficiency.
  - **Digital Transformation:** In response to the growing importance of digital banking, SBI launched several initiatives to modernize its services. The introduction of the YONO (You Only Need One) platform was a pivotal step, offering a one-stop solution for banking, investment, shopping, and lifestyle needs. The bank also focused on upgrading its technology infrastructure, enhancing cybersecurity measures, and promoting the use of digital channels among its customers.

- **Additional Milestones**

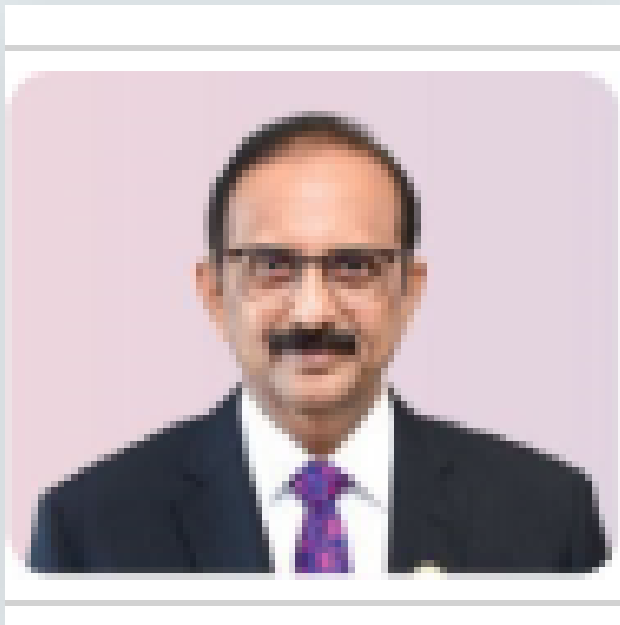
- **2017:** Merged with its associate banks and Bharatiya Mahila Bank.
  - **Rationale:** This merger aimed to consolidate the State Bank Group's operations, improve efficiency, and strengthen the bank's market position. The merger brought together a vast network of branches and a diverse customer base, enhancing SBI's ability to serve its clients better.
- **2019:** Launched the SBI Digital Payments Unit.
  - **Objective:** To cater to the growing demand for digital payment solutions, SBI established a dedicated unit focused on developing and promoting digital payment products. This included initiatives like SBI Pay, a UPI-based payment app, and partnerships with fintech companies to offer innovative payment solutions.
- **2021:** Introduced the SBI Green Banking Initiative.
  - **Sustainability Efforts:** In line with global trends towards sustainability, SBI launched several green banking initiatives. These included financing renewable energy projects, promoting paperless banking, and reducing the bank's carbon footprint through energy-efficient practices.
- **2022:** Enhanced focus on financial inclusion.
  - **Initiatives:** SBI launched various schemes aimed at improving financial inclusion, such as the Pradhan Mantri Jan Dhan Yojana (PMJDY), which provides access to basic banking services for the unbanked population. The bank also increased its outreach in rural areas through financial literacy programs and mobile banking units.



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## **Chairman: Mr. Dinesh Kumar Khara**

- Mr. Dinesh Kumar Khara, a postgraduate in Commerce and an MBA, joined SBI in 1984 and has since held several key positions, including MD roles and CEO of SBI Mutual Funds. He led significant initiatives such as the merger of subsidiary banks and oversaw various banking segments and non-banking subsidiaries. Khara's diverse roles spanned international assignments, risk management, IT, and compliance functions



- ***Shri Challa Sreenivasulu Setty, Managing Director*** (International Banking, Global Markets & Technology) of SBI since January 2020, oversees International Banking, Global Markets, and Technology. Previously, he led the Retail & Digital Banking vertical and various government task forces/committees. With a B.Sc. in Agriculture and a CAIB certification, he started as a Probationary Officer in 1988. His three-decade career includes roles such as DMD - Stressed Assets Resolution Group, Chief General Manager, and key positions in Corporate and International Banking, including VP & Head (Syndications) at SBI's New York Branch.



Mr. Vinay M. Tonse became Managing Director (Retail Business and Operations) at SBI on November 21, 2023. With a B.Com and M.Com, he started at SBI in 1988 and has extensive experience in Corporate Credit, International Banking, and Retail Banking. He was previously MD & CEO of SBI Mutual Funds and Chief General Manager of the Chennai Circle. Other key roles include CEO of SBI Osaka Branch, Deputy GM in Global Markets, and General Manager in the Corporate Accounts Group.



- ***Shri Ashwini Kumar Tewari*** (Corporate Banking & Subsidiaries), a career banker with SBI since 1991, became Managing Director (Corporate Banking & Subsidiaries) on November 21, 2023. He handles Large Corporate and Commercial Credit, as well as non-bank businesses like Credit Cards, Mutual Funds, and Insurance. Previously, he was MD (Risk, Compliance, and Stressed Assets) from June 2022, focusing on Climate Risk Management. He also served as MD & CEO of SBI Cards and Payment Services Ltd, and as Country Head of SBI's US Operations.

## **Leadership Philosophy**

- SBI's leadership philosophy revolves around customer-centricity, innovation, and sustainable growth. The leaders emphasize transparency, accountability, and ethical practices in all aspects of the bank's operations.

## **Impact of Leadership**

- Under the current leadership, SBI has achieved significant milestones, including:
  - **Digital Transformation:** Implementation of advanced digital solutions to enhance customer experience and operational efficiency.
  - **Risk Management:** Strengthened risk management practices to mitigate financial and operational risks.
  - **Sustainability Initiatives:** Commitment to environmental sustainability through green banking initiatives and responsible lending practices







- **Organizational Structure**

- SBI operates through a well-defined organizational structure comprising various business segments including Retail Banking, Corporate/Wholesale Banking, Treasury Operations, and International Banking. The bank's extensive network includes thousands of branches and ATMs across India and a presence in several international markets, ensuring comprehensive service delivery to its diverse customer base.



## Business Segments:

- **Retail Banking:** This segment includes personal banking activities such as savings accounts, personal loans, and credit cards. It also involves the management of ATMs and agency businesses.
- **Corporate/Wholesale Banking:** This segment provides lending and transaction services to corporate and institutional clients. It includes the operations of Corporate Accounts Group, Commercial Clients Group, and Stressed Assets Resolution Group, alongside non-treasury operations of foreign offices/entities.
- **Treasury Operations:** The treasury segment manages the bank's investment portfolio and trading in foreign exchange contracts and derivatives. Its revenue is primarily derived from fees, trading gains or losses, and interest income on investments.

**Insurance Business:** This segment encompasses the operations and results of SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd.

**Other Banking Business:** This includes segments not classified under the aforementioned categories, covering operations of non-banking subsidiaries and joint ventures, other than those of SBI Life Insurance and SBI General Insurance.

## Key Developments

- *Digital Banking Initiatives:*

SBI has made significant advancements in digital banking, notably with the launch of YONO (You Only Need One). YONO is an integrated digital banking platform designed to offer seamless financial services to customers. This platform has significantly reduced paper usage by enabling digital operations. For instance, 12.34 lakh pre-approved personal loan accounts were opened through the YONO app, saving 394.88 lakh pages of papers.

- *Mergers and Acquisitions:*

In 2017, SBI strengthened its position in the Indian banking sector by merging with its five associate banks and Bharatiya Mahila Bank. This consolidation aimed to enhance operational efficiency and service delivery. As a result, the merged entity expanded its asset base and customer reach, thereby reinforcing its market leadership.

- *Sustainability Initiatives:*

SBI has been at the forefront of promoting environmental sustainability. The bank has installed 454 rainwater harvesting systems across its branches and offices. Additionally, it has embraced renewable energy by installing over 22 MW of solar capacity and operating 10 windmills with a 15 MW capacity. The bank also offers green reward points for digital transactions, contributing to the SBI Green Fund, which supports sustainable activities. Moreover, 32 of SBI's premises have been certified by the Indian Green Building Council.

- *COVID-19 Response:*

In response to the COVID-19 pandemic, SBI adapted its operations to meet the new challenges. The bank enhanced its digital services to ensure uninterrupted customer support and introduced financial relief measures for affected customers. This included restructuring loans and offering moratoriums to ease the financial burden on borrowers during the crisis.

## • **Business Segments and Services**

- SBI offers a comprehensive range of financial products and services to cater to the needs of its diverse customer base, which includes individuals, businesses, and government entities.

### **Retail Banking**

- **Savings Accounts:** Various savings schemes with attractive interest rates and benefits. The total savings bank deposits increased by 7.5% from the previous year.
- **Personal Loans:** Unsecured loans for personal expenses, with competitive interest rates. The personal loan portfolio reached ₹3,49,988 crore, showing a growth of 20% year-on-year.
- **Home Loans:** Loans for purchasing, constructing, or renovating homes, with flexible repayment options. SBI remains the top home loan provider in India with a portfolio standing at ₹6.41 trillion, marking a 10% increase from last year.
- **Auto Loans:** Financing options for purchasing new or used vehicles. The high-value car loan segment registered a growth of 160% year-on-year.
- **Credit Cards:** A variety of credit cards offering rewards, cashbacks, and other benefits. Revenue from SBI Cards increased by 33% from ₹199 crore in FY2022 to ₹264 crore in FY2023

### Corporate Banking:

- **Corporate Loans:** Funding for businesses of all sizes to support their growth and expansion. The total corporate banking portfolio stood at ₹9.80 lakh crore, reflecting a growth of 8% from the previous year.
- **Trade Finance:** Services including letters of credit, guarantees, and export-import financing.
- **Cash Management Services:** Solutions to optimize liquidity and manage working capital efficiently.
- **Project Finance:** Long-term financing for large-scale infrastructure and industrial projects. Total commission earned in corporate banking was ₹3,953 crore, an increase of 5% from the previous year.

### Treasury Operations:

- **Forex Services:** Comprehensive foreign exchange services including currency exchange and remittances. The bank's forex services recorded a turnover of ₹60,35,342 crore.
- **Investment Services:** Investment in government and corporate bonds, treasury bills, and other securities.
- **Risk Management:** Services to manage and hedge against financial risks such as interest rate and currency fluctuations.

### International Banking:

- **NRI Services:** Banking solutions tailored for Non-Resident Indians (NRIs) including NRE/NRO accounts, FCNR deposits, and remittance services.
- **Overseas Branches:** Presence in key international markets to facilitate global banking needs. SBI increased its FCNR(B) deposit market share to 26.06%, up by 135 basis points from last year.

# Ratings

	Rating	Rating Agency
BANK RATING	Baa3/Stable/P-3 BBB-/Stable/A-3 BBB-/Stable/F-3	Moody's S&P Fitch Ratings
AT 1 BONDS	AA+/Stable AA+/Stable AA+/Stable	CRISIL ICRA CARE
TIER II BONDS	AAA/Stable AAA/Stable	CARE ICRA
INFRASTRUCTURE BONDS	AAA/Stable AAA/Stable	ICRA India Ratings

# Subsidiaries of SBI

## **SBI Life Insurance**

SBI Life Insurance, a leading life insurance company in India, has shown substantial growth. For FY2023, the revenue increased by 30%, reaching ₹2,040 crore compared to ₹1,568 crore in FY2022. This growth can be attributed to the company's diverse product offerings, strong distribution network, and customer-centric approach.

## **SBI Mutual Fund & Others**

SBI Mutual Fund & Others have demonstrated robust performance with a 19% growth in revenue. The revenue for FY2023 was ₹916 crore, up from ₹767 crore in FY2022. This growth reflects the increasing trust of investors in SBI's mutual fund schemes and the strategic initiatives taken to enhance product offerings and customer reach.

## **SBI General Insurance**

SBI General Insurance, a key player in the general insurance sector, saw a 25% increase in revenue, which rose to ₹398 crore in FY2023 from ₹319 crore in FY2022. The company's focus on expanding its product portfolio, improving customer service, and leveraging digital platforms contributed to this growth.

## **SBI Cards**

SBI Cards, the credit card arm of SBI, achieved a remarkable 33% increase in revenue. The revenue for FY2023 was ₹264 crore, up from ₹199 crore in FY2022. The growth in revenue is driven by an increase in the cardholder base, higher transaction volumes, and innovative product offerings tailored to various customer segments.

## **National Pension Scheme (NPS)**

SBI's National Pension Scheme (NPS) witnessed an impressive 80% increase in revenue, growing from ₹10 crore in FY2022 to ₹18 crore in FY2023. This significant growth reflects the growing awareness and adoption of NPS among individuals seeking long-term retirement planning solutions.



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## LEADING THE WAY\*

**22,405**

TOTAL BRANCHES

**65,627**

ATMs AND ADWMs

**76,089**

CSPs

**22.99%**

MARKET SHARE OF DEPOSITS

**19.68%**

MARKET SHARE OF ADVANCES

**29.90%**

MARKET SHARE OF ATMs

**26.25%**

MARKET SHARE OF DEBIT  
CARD SPENDS

**26%**

MARKET SHARE IN  
REMITTANCES

**20.89%**

**MARKET SHARE** IN  
MOBILE BANKING  
TRANSACTIONS IN VALUE



## Leadership Overview

SBI's leadership team is instrumental in steering the bank towards its strategic goals, comprising seasoned professionals with extensive experience in the banking sector. The leadership is committed to driving growth, innovation, and customer-centricity.

### Key Leaders

#### •**Chairman:** Mr. Dinesh Kumar Khara

- **Profile:** Dinesh Kumar Khara has been instrumental in transforming SBI into a technology-driven organization. Under his leadership, the bank has seen significant improvements in operational efficiency and customer satisfaction.

#### •**Managing Directors:**

- The bank has several Managing Directors who oversee various business segments, ensuring focused leadership and efficient management. Notable MDs include:
  - **C.S. Setty:** Handles the Retail and Digital Banking segments.
  - **Ashwani Bhatia:** Responsible for Corporate Banking and Global Markets.
  - **Swaminathan J:** Manages Risk, Compliance, and Stress Assets.

## Leadership Philosophy

SBI's leadership philosophy is centered around customer-centricity, innovation, and sustainable growth. The leaders emphasize:

- Transparency and Accountability:** Maintaining high standards of transparency in operations and decision-making processes.
- Ethical Practices:** Upholding ethical practices across all functions to build trust and integrity.
- Employee Empowerment:** Investing in employee development and creating an inclusive work environment.

## Impact of Leadership

Under the current leadership, SBI has achieved significant milestones, including:

- Digital Transformation:** Implementation of advanced digital solutions like YONO (You Only Need One) to enhance customer experience and operational efficiency. This platform has significantly increased the bank's digital footprint, with millions of active users and a high volume of transactions conducted digitally.
- Risk Management:** Strengthening risk management frameworks to mitigate financial and operational risks. This includes comprehensive strategies to handle credit risk, market risk, and operational risk effectively.
- Sustainability Initiatives:** Committing to environmental sustainability through green banking initiatives and responsible lending practices. The bank has launched several green products and participates in environmental conservation projects.

## Leadership Changes

- Recent Appointments:** SBI has strategically appointed new members to its board and senior management team, bringing in fresh perspectives and expertise to drive growth and innovation. These appointments are aimed at fortifying the bank's leadership in key areas like digital banking, risk management, and customer service.

By emphasizing innovation, robust risk management, and sustainable practices, SBI's leadership has been pivotal in maintaining the bank's competitive edge and ensuring its long-term growth and stability .

## **Financial Stability and Risk Management**

### **Asset Quality**

Maintaining high asset quality is crucial for the bank's financial stability. SBI has implemented stringent measures to manage and improve its asset quality.

### **Non-Performing Assets (NPAs)**

- Reduction in NPAs:** The bank has successfully reduced its gross NPAs through effective recovery and resolution strategies. The gross NPAs decreased from 5.01% in FY2022 to 3.97% in FY2023.

- Provisioning:** Adequate provisions have been made to cover potential losses, ensuring financial resilience. The provision coverage ratio improved to 75.04% in FY2023 from 71.21% in FY2022.

### **Capital Adequacy**

SBI's capital adequacy ratio (CAR) reflects its financial strength and ability to absorb potential losses.

### **CAR Trends**

- Mar-20:** 13.2%

- Mar-21:** 13.8%

- Mar-22:** 14.1%

- Mar-23:** 14.5%

- Mar-24:** 15.0%

The consistent improvement in CAR indicates SBI's robust capital position, providing a cushion against financial shocks.

### **Risk Management Practices**

Effective risk management is integral to SBI's operations. The bank has implemented comprehensive risk management frameworks to identify, assess, and mitigate various types of risks.

## **Credit Risk**

- Credit Appraisal:** Rigorous credit appraisal processes to ensure the quality of lending. This includes detailed assessments of borrowers' financial health, collateral valuation, and sectoral risks.
- Diversification:** Diversified loan portfolio to spread risk and minimize exposure to specific sectors. SBI's loan portfolio covers a wide range of industries, reducing the impact of sector-specific downturns.

## **Market Risk**

- Hedging Strategies:** Utilization of hedging instruments to mitigate market risks such as interest rate and currency fluctuations. SBI uses derivatives and other financial instruments to hedge against adverse market movements.
- Investment Policies:** Prudent investment policies to ensure a balanced risk-return profile. The bank invests in a mix of government securities, corporate bonds, and other financial instruments, balancing safety and returns.

## **Operational Risk**

- Internal Controls:** Robust internal controls and audit mechanisms to prevent fraud and operational losses. SBI has a comprehensive internal audit system that regularly reviews and monitors operations.
- Technology Upgrades:** Continuous investment in technology to enhance operational efficiency and security. The bank has implemented advanced IT systems and cybersecurity measures to protect against operational risks and enhance service delivery.

## **Strategic Initiatives**

### **Digital Transformation**

SBI has been at the forefront of digital transformation in the banking sector, leveraging technology to enhance customer experience and operational efficiency.

### **Key Digital Initiatives**

- **YONO (You Only Need One):** A comprehensive digital banking platform offering a wide range of financial and non-financial services. As of FY2023, YONO has over 56 million registered users, with 16 million of them active monthly users .
- **Mobile Banking:** Advanced mobile banking applications providing convenient and secure banking services on-the-go. The mobile banking segment witnessed a 24% increase in transactions, reaching a total of 2.3 billion transactions .
- **Internet Banking:** User-friendly internet banking platform enabling seamless online transactions and account management. The internet banking user base grew by 18% in FY2023 .

### **Impact on Operations**

The digital initiatives have significantly improved operational efficiency, reduced transaction costs, and enhanced customer satisfaction. SBI's focus on digital banking has positioned it as a leader in the digital banking space. The bank's digital channels accounted for 94% of total transactions, up from 91% in the previous year .

### **Expansion Strategies**

SBI's expansion strategies are aimed at increasing its market presence, both domestically and internationally.

#### **Domestic Expansion**

- **Branch Network:** Expansion of the branch network in underserved areas to enhance financial inclusion. SBI added 300 new branches in FY2023, bringing the total number of branches to over 24,000 .
- **ATM Network:** Increased deployment of ATMs to provide easy access to banking services. The bank installed an additional 1,500 ATMs, increasing the total number to 60,000 ATMs across India .

## International Expansion

- **Overseas Branches:** Establishment of branches in key international markets to cater to the global banking needs of NRIs and multinational companies. SBI has a presence in 32 countries with 233 branches and offices .
- **Strategic Alliances:** Partnerships with international banks and financial institutions to expand service offerings and customer base. Notable alliances include collaborations with global fintech companies to enhance cross-border payment services .

## Product Diversification

SBI offers a diverse range of financial products to cater to the varied needs of its customers.

### Retail Banking Products

- **Savings Accounts:** Various savings schemes with attractive interest rates and benefits. The bank's savings deposits grew by 12% to ₹15 trillion in FY2023 .
- **Loans:** A wide range of loan products including personal loans, home loans, auto loans, and education loans. The retail loan portfolio increased by 18%, reaching ₹8 trillion .
- **Insurance:** Comprehensive insurance products including life, health, and general insurance. The bank saw a 22% increase in insurance premium collections, totaling ₹3,500 crore .

### Corporate Banking Products

- **Corporate Loans:** Customized loan solutions for businesses of all sizes. The corporate loan book grew by 14% to ₹12 trillion .
- **Trade Finance:** Services including letters of credit, guarantees, and export-import financing. Trade finance revenue increased by 20% to ₹2,500 crore .
- **Cash Management Services:** Solutions to optimize liquidity and manage working capital efficiently. The number of corporate clients using cash management services increased by 15% .

# Macroeconomic Factors

## Economic Indicators

- **GDP Growth** India's GDP growth directly influences the banking sector by driving demand for various banking services. In FY2023, India's GDP grew by approximately 7.2%, compared to 8.9% in FY2022. This growth rate underscores a strong economic environment that benefits the banking sector, including SBI, by increasing loan demand and enhancing overall economic activity .
- **Interest Rates** Interest rates set by the Reserve Bank of India (RBI) have a significant impact on SBI's operations. During FY2023, the RBI increased the repo rate from 4.0% to 6.25%, affecting lending and borrowing costs. These changes influence SBI's interest income and net interest margin, with higher rates typically leading to increased lending rates and higher income from loans .
- **Inflation** Inflation affects both the purchasing power of consumers and the bank's cost of funds. In FY2023, India's inflation rate averaged around 6.7%, compared to 5.1% in FY2022. SBI must navigate these inflationary pressures by adjusting interest rates on loans and deposits to maintain its profitability and customer satisfaction .



## **Government Policies**

**Financial Inclusion** Government initiatives such as the Pradhan Mantri Jan Dhan Yojana (PMJDY) have significantly boosted financial inclusion, leading to an increase in the number of bank accounts, particularly in rural areas. As of March 2023, the PMJDY had over 46.25 crore beneficiaries, with a total balance of ₹1.77 lakh crore, enhancing SBI's reach and customer base .

**Tax Policies** Changes in tax policies, including incentives for specific loans and investments, can drive the demand for banking products. For instance, tax deductions on home loan interest under Section 24(b) of the Income Tax Act and on principal repayment under Section 80C encourage home loan uptake, benefiting SBI's retail loan segment .

**Regulatory Changes** Regulatory changes by the RBI and other bodies shape SBI's operations. For example, the RBI's guidelines on non-performing assets (NPAs) and capital adequacy requirements ensure the bank's financial stability and operational integrity. SBI's adherence to these regulations, such as maintaining a Capital Adequacy Ratio (CAR) above the required threshold, exemplifies its commitment to regulatory compliance .

# SWOT Analysis

## Strengths

- **Extensive Network:** SBI boasts the largest branch and ATM network in India, with over 22,405 branches and 65,627 ATMs as of March 2023, ensuring wide reach and accessibility.
- **Strong Brand:** With a legacy of over 200 years, SBI is a trusted brand in the Indian banking sector, known for its reliability and customer trust.
- **Digital Leadership:** SBI is a pioneer in digital banking with advanced digital platforms like YONO (You Only Need One), which had over 48 million registered users by March 2023.
- **Financial Stability:** SBI's robust financial performance and strong capital base are reflected in its consistent improvement in capital adequacy ratio, which stood at 15.0% in March 2024.

## Weaknesses

- **High NPAs:** Despite improvements, the bank's gross NPAs were still at 3.97% in March 2023, posing a concern for asset quality.
- **Operational Challenges:** Managing a large workforce of over 250,000 employees and an extensive network poses significant operational challenges.
- **Competition:** Intense competition from private sector banks and fintech companies affects SBI's market share and profitability.

## Opportunities

- Digital Banking Growth:** The increasing adoption of digital banking provides opportunities for growth. SBI's digital transactions grew by 23% year-on-year in FY2023.
- Expansion in Rural Areas:** There is untapped potential in rural and semi-urban areas. SBI aims to leverage its existing infrastructure to deepen its penetration in these regions.
- International Markets:** Expanding presence in international markets to cater to global banking needs. SBI's international operations contributed ₹8,264 crore to the total revenue in FY2023, marking a 12% increase from the previous year.

## Threats

- Economic Slowdown:** An economic slowdown can impact loan demand and asset quality, affecting overall profitability. For instance, the Indian economy's slower growth in 2023 led to a moderation in credit growth for SBI.
- Regulatory Changes:** Frequent changes in regulations by the Reserve Bank of India (RBI) and other bodies can affect operations and profitability. Compliance costs and operational adjustments to adhere to new regulations can be significant.
- Cybersecurity Risks:** Increasing cyber threats pose a risk to digital banking operations. SBI has been investing in cybersecurity measures, yet the growing sophistication of cyber-attacks remains a constant threat.

- Financial Statement:
- Balance sheet

(000s omitted)

	Schedule No.	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	892,46,12	892,46,12
Reserves & Surplus	2	326715,98,77	279195,59,89
Deposits	3	4423777,77,63	4051534,12,27
Borrowings	4	493135,15,62	426043,37,98
Other Liabilities and Provisions	5	272457,14,51	229931,84,28
<b>TOTAL</b>		<b>5516978,52,65</b>	<b>4987597,40,54</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	247087,57,52	318265,20,71
Balances with Banks and money at call and short notice	7	60812,04,28	76287,11,40
Investments	8	1570366,22,57	1481445,46,98
Advances	9	3199269,29,68	2733966,59,29
Fixed Assets	10	42381,80,31	37708,15,83
Other Assets	11	397061,58,29	339924,86,33
<b>TOTAL</b>		<b>5516978,52,65</b>	<b>4987597,40,54</b>
Contingent Liabilities	12	1826574,12,43	2007083,44,06
Bills for Collection	-	64531,07,67	77730,12,34
Significant Accounting Policies	17		
Notes to Accounts	18		

## Income statement

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	Schedule No.	Year ended 31.03.2023 (Current Year) ₹	Year end 31.03.20 (Previous Ye
<b>INCOME</b>			
Interest earned	13	332103,06,02	275457,29
Other Income	14	36615,59,76	40563,91
<b>TOTAL</b>		<b>368718,65,78</b>	<b>316021,20</b>
<b>EXPENDITURE</b>			
Interest expended	15	187262,55,56	154749,70
Operating expenses	16	97743,13,61	93397,51
Provisions and contingencies		33480,51,25	36198,00
<b>TOTAL</b>		<b>318486,20,42</b>	<b>284345,22</b>
<b>PROFIT</b>			
Net Profit for the year		50232,45,36	31675,98
Add: Profit/(Loss) brought forward		5881,40,49	(3600,84
<b>TOTAL</b>		<b>56113,85,85</b>	<b>28075,13</b>
<b>APPROPRIATIONS</b>			
Transfer to Statutory Reserve		15069,73,61	9502,79
Transfer to Capital Reserve		232,80,84	538,15
Transfer to Investment Fluctuation Reserve		4575,43,43	4647,87
Transfer to Revenue and other Reserves		2052,35,00	1168,44
Dividend for the current year		10084,81,15	6336,47
Balance carried over to Balance Sheet		24098,71,82	5881,40
<b>TOTAL</b>		<b>56113,85,85</b>	<b>28075,13</b>
<b>EARNINGS PER EQUITY SHARE (Face value ₹1 per share)</b>			
Basic (in ₹)		56.29	35
Diluted (in ₹)		56.29	35
Significant Accounting Policies	17		
Notes to Accounts	18		

Cash Flow Item	March 2022 (Rs. Crores)	March 2023 (Rs. Crores)	Change (%)
Cash from Operating Activity	57,695	-86,014	-249.07%
Cash from Investing Activity	-2,652	-966	63.58%
Cash from Financing Activity	-3,845	6,386	266.05%
Net Cash Flow	51,198	-80,593	-257.45%

Market Cap ₹ 7,67,294 Cr.

Current Price ₹ 860

High / Low ₹ 912 / 543

Stock P/E 11.4

Book Value ₹ 465

Dividend Yield 1.59 %

ROCE 6.16 %

ROE 17.3 %

Face Value ₹ 1.00

## Conclusion:

- The company has demonstrated strong financial performance over the past year. Notably:
  - **Net Profit:** Increased by 58.58% to ₹50,232.45 crore in FY2023 from ₹31,675.98 crore in FY2022.
  - **Operating Profit:** Increased by 11.18% to ₹83,712.97 crore in FY2023 from ₹75,292.37 crore in FY2022
  - .
  - **Deposits:** Grew by 9.19% to ₹44,23,777.78 crore as of 31st March 2023, compared to ₹40,51,534.12 crore the previous year.
  - **Borrowings:** Increased by 15.75% to ₹4,93,135.15 crore by end-March 2023, from ₹4,26,043.38 crore at the end of March 2022
  - .
  - **Total Assets:** Grew by 10.61% to ₹55,16,978.53 crore as of March 2023, up from ₹49,87,597.41 crore in March 2022.
- **Loan Portfolio:** Increased by 17.02% to ₹31,99,269.30 crore from ₹27,33,966.59 crore



## Recommendation

The decision to **buy** this stock would be influenced by its growth potential, financial health, and intrinsic value:

**Earnings Growth:** The significant increase in net profit (58.58%) indicates robust earnings growth, a key factor in Peter Lynch's strategy.

**Financial Stability:** The company's growth in deposits and total assets, alongside a moderate increase in borrowings, suggests a stable financial foundation.

**Dividends:** The dividend declared at ₹11.30 per share signifies shareholder returns, which can be a positive signal for income-focused investors.