

ECOWRAP

SBI COMPOSITE INDEX IMPROVES IN JULY 2021

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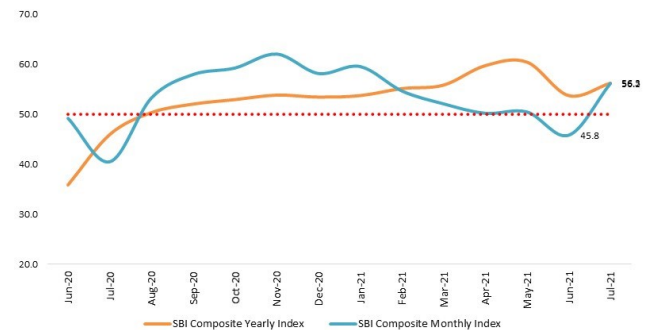
SBI COMPOSITE INDEX : JULY 2021

- ◆ The yearly SBI Composite Index improved to 56.3 (Moderate Growth) in July 2021, from 53.8 (Moderate Growth) in June 2021, and monthly index also improved to 56.2 (Moderate Growth) in July 2021, compared to 45.8 (Moderate Decline) in June 2021. However, it is better to concentrate on Monthly Index because of a distorted base in the same period last year.
- ◆ Based on the SBI index, we believe IIP & IIP manufacturing may grow in the range of 15-18% in June 2021 and 10-12% in July 2021, primarily due to base effects, but it is better to ignore such based on a flattering base.

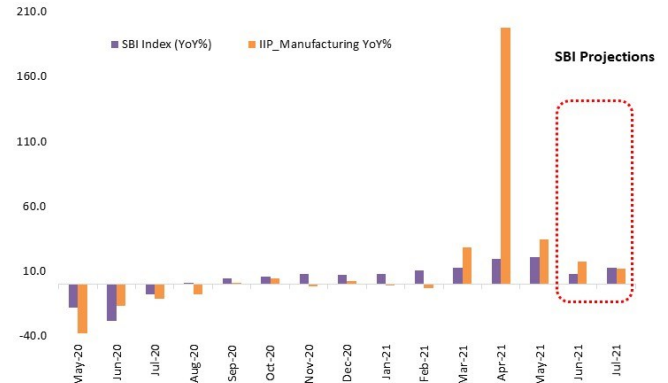
COVID-19 AND IMPACT ON ASSET QUALITY OF BANK

- ◆ The asset quality of SCBs improved during 2020-21, with the overall NPA ratio declining to 7.5% from 8.3% in 2019-20, reflecting mainly the regulatory dispensations in response to the COVID-19 pandemic. The SCBs' GNPA ratios for two major sectors, viz., agriculture and industry declined during 2020-21, but increased for the personal loan sector. The same trend is also continuing in Q1FY22, as indicated by individual bank results.

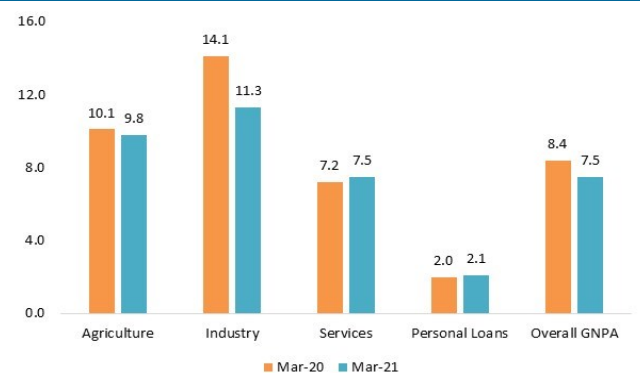
SBI Yearly and Monthly Composite Index Trend



SBI Index (YoY) vs IIP Manufacturing (YoY%)



Sectoral Asset Quality Indicators



Source: SBI Research

Bank	Selected Bank-wise Asset Quality					
	GNPA(%)			Retail Sector- NPA		
	Q1FY22	Q4FY21	Q1FY21	Q1FY22	Q4FY21	Q1FY21
Indian Bank	9.7	9.9	10.9	5.0	4.1	3.6
BOM	6.4	7.2	10.9	2.3	2.4	3.1
South Indian Bank	8.0	7.0	4.9	-	-	-
Federal Bank	3.5	3.4	3.0	2.8	2.9	-
ICICI Bank	5.2	5.0	5.5	3.8	3.0	2.0
Indusind Bank	2.9	2.7	2.5	2.9	2.4	-
Axis Bank	3.9	3.7	4.7	2.6	-	-
HDFC Bank	1.5	1.3	1.4	-	-	-
Kotak	3.6	3.3	2.7	-	-	-
IDBI	22.7	22.4	26.8	-	-	-
Yes Bank	15.6	15.4	17.3	3.3	2.9	1.2
CBI	15.9	16.6	18.1	5.4	5.1	4.3
Canara Bank	8.5	8.9	8.8	1.5	1.6	2.2
UCO Bank	9.4	9.6	14.4	3.5	3.0	3.5
Bandhan Bank	8.2	6.8	1.4	2.7	2.5	-
P & S Bank	13.3	13.8	14.3	-	-	-
NBFC						
JM Financial	3.5	3.5	1.8	-	-	-

Source: SBI Research, Bank results

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