Q1FY27
Result Update

State Bank of India | Sector: Public Banks

State Bank of India (SBI) reported a healthy set of numbers for Q1FY27, with net interest income (NII) and net profit increasing by 14.4% YoY and 10.2% YoY, respectively. Pre-provisioning operating profit (PPOP) grew 9.8% YoY and 21.0% QoQ. The bank's asset quality improved further, with gross non-performing assets (GNPA) declining by 2 bps QoQ to 1.47% as of 30 June 2026. Advances grew at a robust pace of 19.9% YoY, while deposit growth was relatively moderate at 11.6% YoY. SBI continues to perform at par with leading private sector banks, thereby maintaining its position among the top BFSI names. The bank remains focused on strengthening and leveraging its liability franchise to optimise the balance sheet and support growth. Healthy business growth, coupled with a strong NIM of 3.0% and consistent improvement in asset quality, reinforces our confidence in SBI, as we retain **Buy** from a long-term perspective.

Asset quality continues to improve: Gross NPA declined by 2 bps QoQ to 1.47% as of 30 June 2026, extending the improvement streak to four consecutive quarters and reaching the lowest NPA level in nearly two decades. The bank's credit cost stood at 27 bps, supported by a healthy provision coverage ratio of 74.2%. Consequently, net NPA declined by 1 bp QoQ to 0.38%. The Advance Under Collection Account (AUCA), comprising accounts that are fully provided for, stood at 91.8% as of 30 June 2026.

Total business reached Rs110 trillion mark: SBI continued to witness strong, broad-based advances growth, with advances rising 19.9% YoY and 2.3% QoQ to approximately Rs50 trillion as of end-June 2026. Growth was led by the Agri and SME segments, which expanded by 25.4% YoY and 22.3% YoY, respectively. Consequently, their share in the total domestic loan book increased by 59 bps and 52 bps, respectively. Corporate loans grew 18.1% YoY and maintained their share in the loan book, while personal loans grew at a relatively moderate pace of 15.1% YoY. Deposit growth also improved, rising 11.6% YoY to Rs60 trillion, primarily driven by a 14.4% YoY increase in retail term deposits, ahead of 9.3% YoY growth in CASA deposits. However, the CASA ratio remained healthy at around 38%, among the strongest in the industry.

Stock info (*as of 11 Aug26*):
CMP: Rs1,064 | M.Cap (Rs Lk Cr): 9.82
52-week H/L (Rs/sh): 1,235/798.6
Sector View: Positive | Reco: Buy

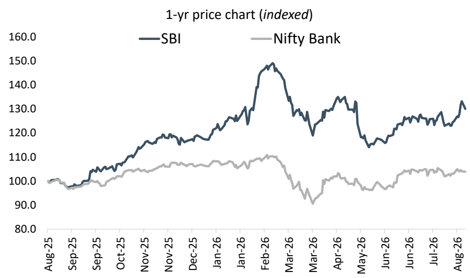
Bloomberg Consensus Estimates:
Fair Value: 1,256 | Upside (%): 18.0
Prive FV: 1,204 | Upside (%): 13.1

Share Holding pattern:

	Jun'26	Mar'26	Jun'25
Promoter	55.47	55.52	57.42
FII	10.81	11.41	9.33
DII	26.64	26.24	25.67
Others	7.08	6.83	7.58
Total	100	100	100

Source: BSEIndia.com

1-yr price chart (stock vs. Nifty Bank)



Source: Bloomberg

Price Data:
1M (%): 2.7% | **12M (%):** 29.7%
Cur. P/E (x): 11.4 | Cur. P/BV (x): 1.58

Payal V. Pandya, CFA (ICFAI)
Vice President, Prive Research,
payal.pandya@bajajbroking.in

Key Financials

Y/E Mar (Rs Cr)	NII	YoY %	N. PAT	YoY (%)	Gross NPA (%)	RoA (%)	RoE (%)	Adj. BV (Rs/sh)	P/ABV (x)
FY25A	1,68,828	4.3	70,901	16.1	1.82	1.10	17.2	473	2.25
FY26A	1,73,120	2.5	80,032	12.9	1.49	1.12	16.2	569	1.87
FY27E	1,99,303	15.1	86,300	7.8	1.39	1.07	15.1	629	1.69
FY28E	2,28,385	14.6	96,779	12.1	1.35	1.07	15.0	709	1.50
FY29E	2,56,416	12.3	1,08,737	12.4	1.35	1.05	14.9	804	1.32

Source: Company filings, Bloomberg Consensus Estimates, Closing price as of 11 Aug'26

Result snapshot (*Source: Company filings*)

Y/E Mar (Rs Cr)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Interest earned	1,17,996	1,19,654	1,22,556	1,23,098	1,27,896
Int./disc. on advances/bills	*85,438*	*86,183*	*89,014*	*89,370*	*94,011*
Inc. on invest.	*27,749*	*28,279*	*28,428*	*28,579*	*29,510*
Interest on bal. with RBI and others	*1,848*	*1,693*	*1,280*	*1,266*	*1,412*
Others	*2,960*	*3,500*	*3,835*	*3,883*	*2,963*
Interest expended	76,923	76,670	77,366	78,718	80,904
Net Interest Income (NII)	**41,072**	**42,984**	**45,190**	**44,380**	**46,992**
YoY (%)	*-0.1*	*3.3*	*9.0*	*4.1*	*14.4*
Other Income	17,346	15,326	18,359	17,314	15,923
Net Total Income (NTI)	**58,418**	**58,310**	**63,549**	**61,694**	**62,915**
Employees cost	16,900	16,606	16,003	16,215	17,424
Other operating expenses	10,974	14,393	14,683	17,775	11,962
Total Op. Expenses	**27,874**	**30,999**	**30,686**	**33,990**	**29,386**
Cost-Income (CI %)	*47.7*	*53.2*	*48.3*	*55.1*	*46.7*
Pre-prov. Op. profit (PPOP)	30,544	27,311	32,862	27,704	33,529
YoY (%)	*15.5*	*-6.8*	*39.5*	*-11.4*	*9.8*
Provisions and Contingencies	4,759	5,400	4,507	2,872	5,047
Exceptional items	0	4,593	0	0	0
PBT from ordinary activities	25,785	26,504	28,355	24,832	28,482
Tax Expense	6,625	6,344	7,327	5,148	7,361
Tax Rate (%)	*25.7*	*23.9*	*25.8*	*20.7*	*25.8*
PAT from ordinary activities	19,160	20,160	21,028	19,684	21,121
Extraordinary items (net of tax)	0	0	0	0	0
Reported Net Profit	**19,160**	**20,160**	**21,028**	**19,684**	**21,121**
YoY (%)	*12.5*	*10.0*	*24.5*	*5.6*	*10.2*

- The non-interest income declined for second consecutive quarter QoQ and was down 8% YoY. The decline was driven by forex and derivatives income declining 69.5% YoY and profit/loss from revaluation of investments lower by 31.7% YoY. The core fee income, however, increased 20.8% YoY backed mainly by loan processing fee up 59.5% and commission on government business up 50.3% YoY.
- Operating efficiency improved considerably with cost-to-income ratio declining to 46.7% in Q1FY27 as compared to 47.7% Q1 last year and 49.4% in Q1FY25.
- SBI's reported strong return ratios with RoA at 1.1% and RoE at 17.87% as of 30 June 2026. This was supported by healthy NIMs of 3.0% for domestic business and 2.86% for overall business of the bank.
- SBI's retail credit portfolio stood at 14.5% of total domestic advances. Of this, home loans which contribute 54.1% grew by 12.8% YoY. SBI's gold loan portfolio nearly doubled (up 97.5% YoY) to Rs1.25 lakh crore as of June 2026. ~73% of the bank's asset book is rated AA and above, and nearly 41% of the same is the share to PSUs and government departments.
- In absolute terms, gross NPAs continued to improve declining by 4.8% YoY, while on QoQ it was marginally up by 1.1%. The gross NPA ratio, however, declined by 36bps YoY and 2bps QoQ.