BUY State Bank of India

Strong performance continues

BFSI - Banks | Result Update | **August 08, 2026**

CMP (Rs): 1,097 | TP (Rs): 1,350

SBI reported a strong quarter, with PAT of Rs211bn (ROA: 1.1%) beating our estimate by 9%, driven by better NII and other income, partly offset by higher provisions. The bank continued to outpace system growth, delivering robust credit growth of 19% yoy, aided by broad-based momentum across segments. Corporate loan growth was largely flat qoq, due to ongoing repricing initiatives, with loans being migrated to MCLR-linked rates and T-bill-linked exposures renegotiated at higher yields to enhance profitability. Deposit growth moderated to ~10% yoy, while CASA ratio was stable at 37.7%. SBI expects strong FCNR(B) inflows (~Rs450bn mobilized, with only Rs70–80bn reflected in 1Q; ~Rs1trn expected) to replace bulk deposits, without any meaningful impact on NIMs. NIM expanded by 5bps qoq to 2.9%, aided by lower costs. The bank reiterated guidance of 14–15% credit growth and ~3.0% domestic NIM. We tweak our estimates and continue to expect healthy broad-based growth, supporting a normalized ROA/ROE of ~1.0%/~15% (excluding any one-off gains from subsidiaries or investments). We retain BUY and raise our TP by ~10% to Rs1,350 (from Rs1,225), as we roll forward to Jun-28E ABV, valuing SBI at 1.4x Jun-28E ABV and its subsidiaries/investments at Rs352/share.

Strong broad-based growth continues; margins improve qoq

SBI reported strong credit growth of 19% yoy/2.3% qoq, driven by healthy RAM momentum and higher corporate lending (flat qoq). However, corporate growth was hurt by ongoing repricing initiatives, with loans being migrated to MCLR-linked rates and T-bill-linked exposures renegotiated at higher yields to improve portfolio profitability. Express Credit growth moderated due to customer migration to lower-cost gold loans; SBI expects this trend to normalize over time. Strong FCNR(B) inflows (~Rs450bn mobilized, with only Rs70–80bn reflected in 1Q; ~Rs1trn expected) may replace bulk deposits without materially affecting margins. NIM improved by 5bps qoq to 2.9%, aided by lower COD; SBI guides for 14–15% credit growth and ~3.0% domestic NIM in FY27.

GNPA stays stable; ECL transition impact contained

Gross slippages rose to Rs73.6bn/0.7% of loans, primarily due to seasonal stress in the agri portfolio, though higher recoveries/upgrades helped keep GNPA stable at 1.47%. On ECL front, the impact is expected to be manageable, aided by planned capital augmentation and other potential divestments, along with the use of regulatory transition provisions. Further, the bank does not foresee any material increase in credit costs or the need to reprice loans to absorb the incremental ECL-related impact.

We retain BUY on SBI

We tweak estimates and continue to expect healthy broad-based growth, supporting a normalized ROA/ROE of ~1.0%/~15% (ex one-off gains from subsidiaries or investments). We retain BUY and raise TP by ~10% to Rs1,350 (roll forward to Jun-28E ABV), valuing SBI at 1.4x Jun-28E ABV and its subsidiaries/investments at Rs352/share. Risks: Macroeconomic slowdown hurting growth/asset quality and higher treasury losses.

State Bank of India: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profit	715,256	846,252	823,429	957,094	1,082,558
Loan growth (%)	12.4	17.2	16.5	15.0	15.0
NII growth (%)	4.4	3.7	13.9	13.8	13.2
NIM (%)	2.8	2.6	2.6	2.6	2.6
PPOP growth (%)	28.3	14.8	4.4	17.1	13.1
Adj. EPS (Rs)	80.1	86.7	89.2	103.7	117.3
Adj. EPS growth (%)	17.1	8.2	2.9	16.2	13.1
Adj. BV (INR)	410.7	515.6	585.5	667.6	762.6
Adj. BVPS growth (%)	16.4	25.5	13.6	14.0	14.2
RoA (%)	1.1	1.1	1.0	1.0	1.0
RoE (%)	18.7	17.3	15.2	15.6	15.5
P/E (x)	9.6	8.9	8.7	7.5	6.6
P/ABV (x)	1.9	1.5	1.3	1.2	1.0

Source: Company, Emkay Research

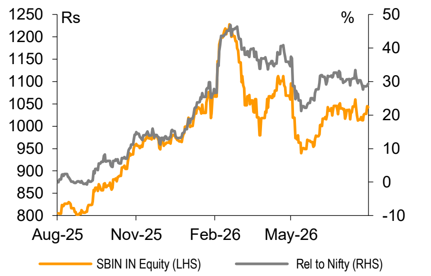
Target Price – 12M	Jun-27
Change in TP (%)	**10.2**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	11.7

Stock Data	SBIN IN
52-week High (Rs)	1,235
52-week Low (Rs)	790
Shares outstanding (mn)	9,230.6
Market-cap (Rs bn)	10,128
Market-cap (USD mn)	106,372
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	16.6
ADTV-3M (Rs mn)	14,957.9
ADTV-3M (USD mn)	157.1
Free float (%)	43.1
Nifty-50	24,570.7
INR/USD	95.2
Shareholding,Jun-26	
Promoters (%)	55.0
FPIs/MFs (%)	10.7/26.4

Price Performance

(%)	1M	3M	12M
Absolute	5.7	0.5	36.3
Rel. to Nifty	5.0	(0.5)	36.4

1-Year share price trend (Rs)



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Key concall takeaways

Outlook on loans, deposits, and NIM

- The bank's credit growth guidance remains linked to its nominal GDP outlook of 12–12.5%, with SBI typically growing 2–3 percentage points faster than nominal GDP. Accordingly, the management maintained its loan growth guidance of 14–15%, while acknowledging that achieving 18% growth may be challenging under the current operating environment.
- The management highlighted a strong corporate credit pipeline exceeding Rs9trn, including undisbursed term loans, unutilized working capital limits, and sanctioned pipeline. The bank also sees M&A financing as a significant growth opportunity, with healthy demand and strong client interest.
- Corporate loan growth has been impacted by the ongoing repricing exercise, with a portion of the corporate portfolio being migrated to MCLR-linked pricing and T-bill-linked loans being renegotiated at higher rates to improve yields. Some borrowers unwilling to accept the revised pricing have shifted to alternative lenders; however, the bank remains focused on maintaining pricing discipline rather than pursuing growth at lower spreads.
- The repricing and MCLR transition remain a work in progress, though there is now greater alignment between the bank and its customers regarding expected lending rates and return thresholds. Sequential corporate loan growth has been relatively subdued due to this transition, but the management highlighted that the seasonal decline in the corporate book was significantly lower than in previous years.
- The Express Credit portfolio continues to witness healthy sourcing and disbursement trends; however, growth has been moderated as some customers are opting for lower-cost gold loans due to the interest rate advantage of nearly 300bps. The management expects the current shift toward gold loans to normalize over time, which should support a recovery in Express Credit growth.
- The personal gold loan portfolio stands at ~Rs1.25 trn, while agri gold loans are at ~Rs1.2trn. Together, the bank's gold loan book has crossed Rs3.1trn, with yields typically ranging between 8.5% and 8.9%.
- The bank has gradually improved gold loan yields over time. It remains focused on the higher-ticket segment rather than competing aggressively in smaller-ticket loans. The average gold loan ticket size is around Rs250–300k or higher, reflecting the bank's strategy of prioritizing scale and customer quality over higher-yield, small-ticket lending.
- Gold loans are operated at a conservative LTV of below 55–56%, attracting customers primarily due to competitive pricing. While yields are unlikely to move into double-digit territory, the bank views gold loans as an opportunistic, ROE-accretive growth segment, benefiting from low capital consumption, minimal risk weights, and a relatively safe asset profile despite modest margins.
- The management indicated that the share of bulk deposits is expected to decline meaningfully, supported by strong FCNR(B) inflows. The anticipated ~Rs1trn of FCNR(B) deposits is likely to largely substitute bulk deposits and improve the overall funding mix.
- The bank maintained substantial surplus liquidity, with excess SLR investments of Rs3.06trn as of Jun-26, which have subsequently increased to nearly Rs4.0trn, aided by FCNR(B) inflows.
- Foreign offices are funding FCNR(B) deposits by reallocating capital from lower-yielding businesses such as trade finance and supply chain finance. As margins earned on FCNR(B)-linked funding are comparable or better, the bank does not expect any material impact on either overall NIM or domestic NIM.
- Government-related current account balances have been gradually declining, reflecting an industry-wide trend and a reduction in government deposits. Despite this headwind, SBI reported 14% growth in non-government current account deposits, indicating strong traction in corporate and commercial customer acquisition.

- SBI mobilized approximately $7.3bn of overseas funds during the quarter, comprising $6bn of FCNR(B) deposits, $1bn through OFCB, and $300mn via ECBs, largely through its foreign offices. While FCNR(B) inflows will support credit growth at overseas branches, they also strengthened the domestic deposit base, contributing around Rs450bn, though only Rs70-80bn was reflected in 1QFY27 due to the late-June timing of the inflows.
- The bank's balanced liability strategy helped lower the overall cost of deposits, contributing significantly to NIM stability, with ~7bps improvement driven mainly by reduced funding costs.
- Domestic NIM remained resilient at 3.0% during 1Q, and the management reiterated its confidence in maintaining the ~3.0% NIM guidance for FY27. Margin stability was primarily supported by a decline in the cost of deposits, which contributed ~7bps to NIM during the quarter.

Asset quality

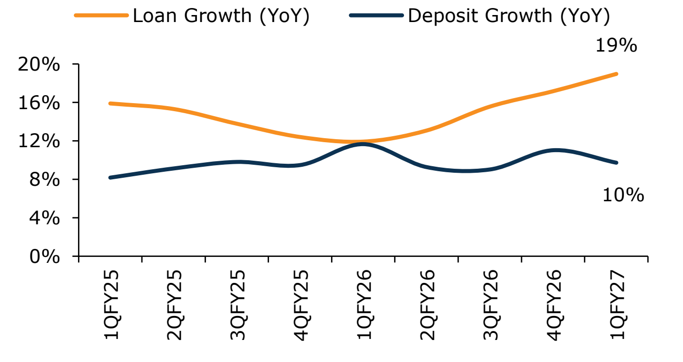
- The management indicated that fresh slippages are seasonally higher in 1Q. Of the Rs70bn slippages reported during the quarter, nearly Rs14.5–15.0bn has already been upgraded or recovered.
- The management stated that it is not yet in a position to provide a quantitative estimate of the ECL impact, as the integration of models and data into the bank's IT systems has taken longer than expected and is likely to be completed by mid-Aug-26.
- The management, however, indicated that the overall impact is unlikely to be material, supported by planned capital augmentation from the SBI Mutual Fund listing and other potential divestments. Additionally, the bank intends to utilize the regulatory transition provisions available under the ECL framework, which should help moderate the annual impact on capital ratios.
- Based on current trends, the bank does not anticipate a material increase in credit costs that would require repricing loans or passing the additional cost on to customers. The management believes that the bank should be able to absorb the incremental ECL-related costs under the current credit environment.
- Currently, a large portion of retail loan recoveries occurs through automatic debit mechanisms, with nearly 75–76% of Express Credit repayments collected directly from customers' savings accounts, limiting the need for active collections.
- Before expanding aggressively into higher-yield customer segments, the bank aims to establish a robust collection framework with stronger field-level recovery capabilities. SBI plans to deploy approximately 6,000 field collection personnel across the country through its subsidiary network to strengthen its on-ground collection infrastructure.

Others

- The management highlighted that fee income currently contributes ~15% of total income. The bank sees potential to increase this share to ~20%, with continued focus on loan processing fees, government business, and cross-selling initiatives.
- The ~Rs5.0bn increase in government business fee income was partly driven by a change in accounting treatment, whereby certain cash management service revenues are now recognized on an accrual basis following auditor guidance.
- Of the Rs12.7bn reported under other provisions, ~Rs7.5–8.0bn relates to PLI expenses. The bank expects total PLI costs of ~Rs30bn for FY27 and is recognizing the expense evenly on a quarterly basis rather than booking it entirely in the final quarter.
- The management highlighted the successful listing of SBI Funds Management as a significant value-unlocking milestone and indicated that SBI General Insurance is the next likely subsidiary to be listed, although no timeline has been provided.

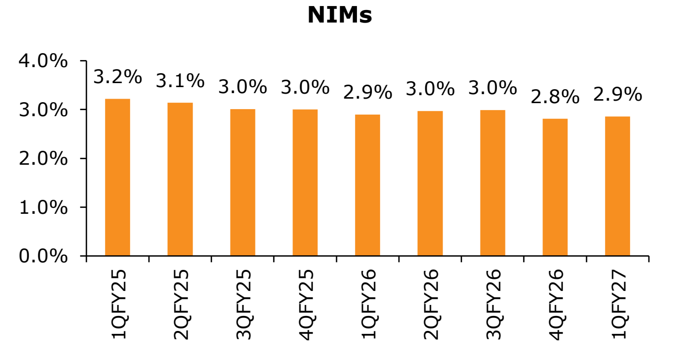
Story in charts

Exhibit 1: Credit growth remained robust, led by broad-based growth across segments; deposit growth moderated yoy



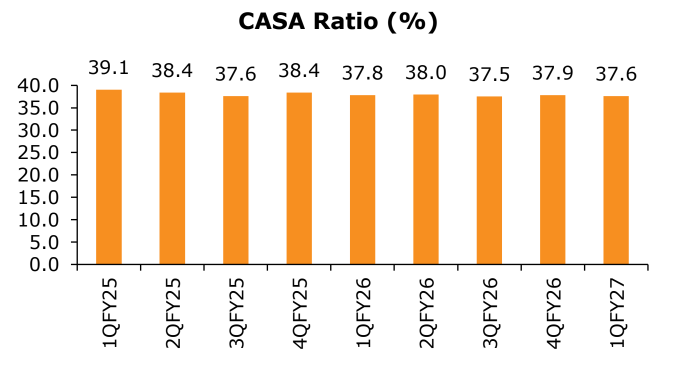
Source: Company, Emkay Research

Exhibit 2: NIM improvement led by decline in COD



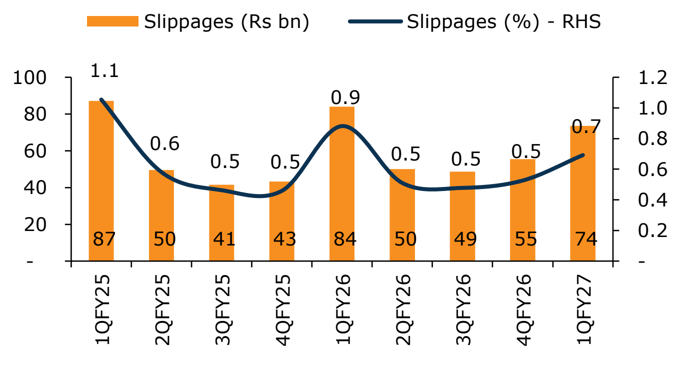
Source: Company, Emkay Research

Exhibit 3: CASA ratio stable qoq, aided by SA growth qoq



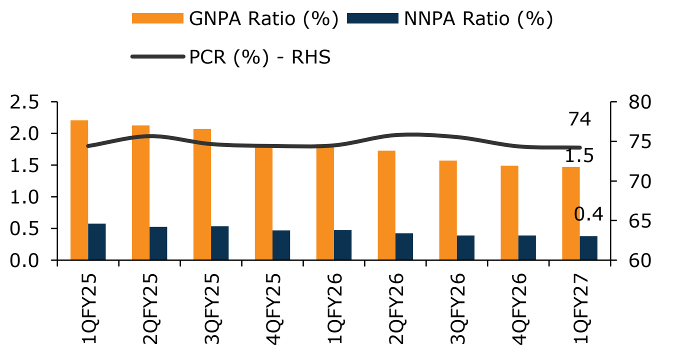
Source: Company, Emkay Research

Exhibit 4: Gross slippages were higher, led by seasonal agri stress…



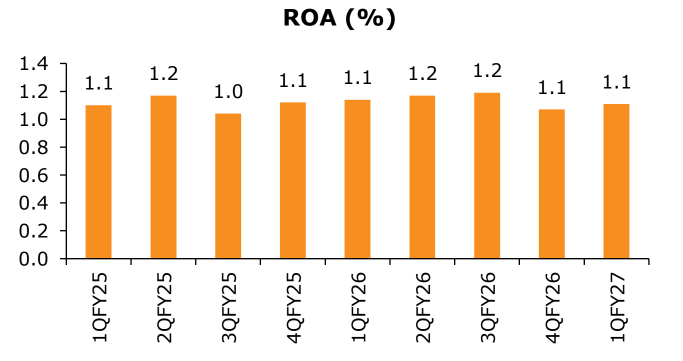
Source: Company, Emkay Research

Exhibit 5: …this, coupled with higher recoveries and upgrades, led to improvement in GNPA qoq



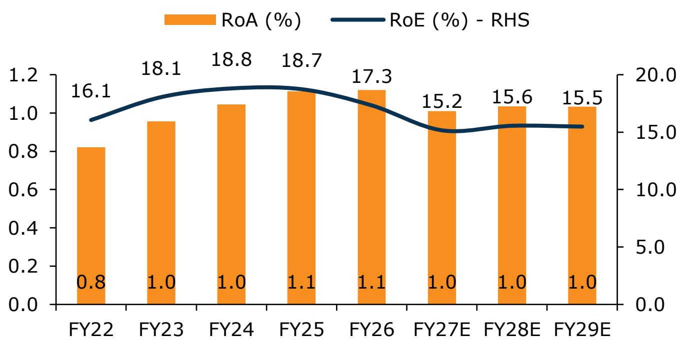
Source: Company, Emkay Research

Exhibit 6: ROA improved qoq, led by better NII and other income, along with contained opex qoq



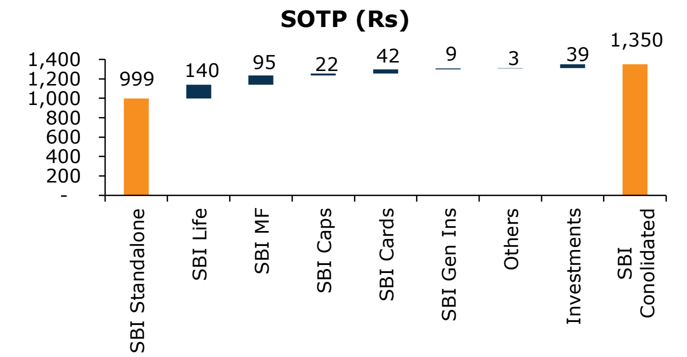
Source: Company, Emkay Research

Exhibit 7: We expect healthy growth, coupled with contained opex and lower provisions, to support the bank's ROA at 1.0%



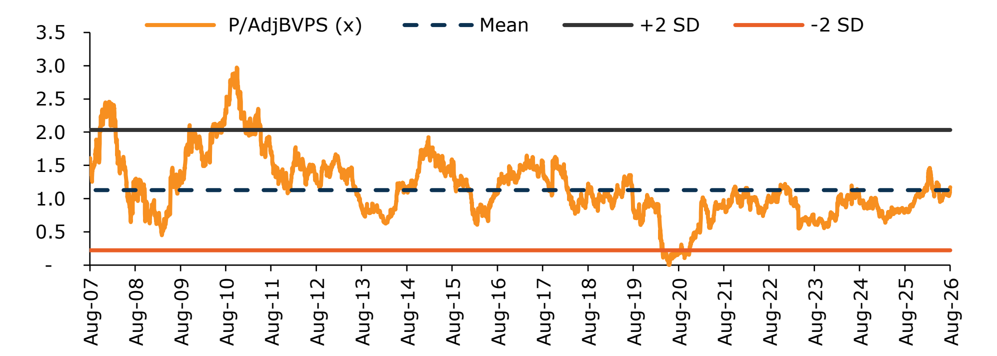
Source: Emkay Research

Exhibit 8: We value the standalone bank at 1.4x Jun-28E ABV and subsidiaries/investments at Rs352/share



Source: Emkay Research

Exhibit 9: The stock currently trades at ~1.2x its 1YF ABV



Source: Bloomberg, Emkay Research

Exhibit 10: Actuals vs Estimates (1QFY27)

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	629,151	601,753	580,285	5%	8%	Higher NII and other income led to a beat.
PPOP	335,292	304,272	308,518	10%	9%	Higher net income, along with contained opex, led to a beat.
PAT	211,212	193,936	194,885	9%	8%	Higher PPOP, partly offset by higher provisions, led to a beat.

Source: Emkay Research

Exhibit 11: Quarterly summary

(Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)	FY26	FY27E	yoy (%)
Interest Earned	1,179,959	1,196,539	1,223,524	1,230,977	1,278,965	8.4	3.9	4,827,972	5,209,640	7.9
Interest Expenses	769,234	766,699	773,658	787,177	809,040	5.2	2.8	3,096,767	3,237,570	4.5
Net Interest Income	410,725	429,841	449,866	443,800	469,924	14.4	5.9	1,731,205	1,972,070	13.9
Global NIMs (reported)	2.9	3.0	3.0	2.8	2.9	-4bps	5bps	2.6	2.6	0bps
Non-interest Income	173,457	153,255	185,623	173,141	159,227	-8.2	-8.0	734,435	696,940	-5.1
Operating Expenses	278,737	309,987	306,865	339,899	293,860	5.4	-13.5	1,235,488	1,337,197	8.2
Pre-Provisioning Profit	305,445	273,109	328,624	277,042	335,292	9.8	21.0	1,230,152	1,331,814	8.3
Provision and Contingencies	47,592	54,001	45,069	28,722	50,468	6.0	75.7	175,384	230,973	31.7
PBT	257,853	219,108	283,555	248,320	284,824	10.5	14.7	1,054,768	1,100,840	4.4
Income Tax Expense (Gain)	66,248	63,444	73,273	51,483	73,612	11.1	43.0	254,448	277,412	9.0
Net Profit/(Loss)	191,604	201,597	210,282	196,838	211,212	10.2	7.3	800,320	823,429	2.9
Gross NPA (%)	1.8	1.7	1.6	1.5	1.5	-36bps	-2bps	1.5	1.5	-3bps
Net NPA (%)	0.5	0.4	0.4	0.4	0.4	-9bps	-1bps	0.4	0.4	-1bps
Deposits (Rs bn)	54,733	55,917	57,013	59,756	60,058	9.7	0.5	59,756	67,584	13.1
Net Advances (Rs bn)	41,962	43,617	46,277	48,779	49,920	19.0	2.3	48,779	56,840	16.5

Source: Company, Emkay Research

Exhibit 12: Revision in estimates

Y/E Mar (Rs mn)	FY27E			FY28E			FY29E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Net income	1,934,186	1,972,070	2.0%	2,279,399	2,243,295	-1.6%	2,583,507	2,540,526	-1.7%
PPOP	1,298,891	1,331,814	2.5%	1,571,983	1,559,697	-0.8%	1,773,836	1,764,655	-0.5%
PAT	799,117	823,429	3.0%	937,968	957,094	2.0%	1,055,546	1,082,558	2.6%
EPS (Rs)	86.6	89.2	3.0%	101.6	103.7	2.0%	114.4	117.3	2.6%
BV (Rs)	631.2	624.5	-1.1%	713.9	708.6	-0.7%	809.3	806.4	-0.4%

Source: Emkay Research

Exhibit 13: Key assumptions

(%)	FY26	FY27E	FY28E	FY29E
Loan Growth	17.2	16.5	15.0	15.0
Deposit Growth	11.0	13.1	14.8	15.6
NIM	2.6	2.6	2.6	2.6
GNPA	1.5	1.5	1.4	1.4
Credit Cost	0.4	0.4	0.5	0.4

Source: Emkay Research

Exhibit 14: Key ratios and trends

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Loans (Rs bn)	**37,491**	**38,574**	**40,046**	**41,633**	**41,962**	**43,617**	**46,277**	**48,779**	**49,920**
Loan growth (% yoy)	***15.9***	***15.3***	***13.8***	***12.4***	***11.9***	***13.1***	***15.6***	***17.2***	***19.0***
Loan growth (% qoq)	*1.2*	*2.9*	*3.8*	*4.0*	*0.8*	*3.9*	*6.1*	*5.4*	*2.3*
Loan composition (%)									
Corporate	30.4	30.0	29.4	29.8	28.7	28.4	28.8	29.2	28.5
Retail	36.5	36.2	36.1	36.2	36.7	36.5	36.0	35.6	35.5
SME	11.8	11.8	12.4	12.2	12.6	12.4	13.0	12.6	12.9
Overseas	14.7	15.2	15.3	14.9	15.1	15.5	15.0	15.2	15.4
Agri	6.6	6.7	6.8	7.0	6.9	7.1	7.3	7.4	7.6
Liability profile and margins (%)									
CASA	39.1	38.4	37.6	38.4	37.8	38.0	37.5	37.9	37.6
CA	5.0	5.4	5.5	6.8	5.9	5.9	5.5	6.4	5.6
SA	34.0	33.0	32.1	31.6	31.9	32.1	32.0	31.5	32.1
Global NIM	**3.2**	**3.1**	**3.0**	**3.0**	**2.9**	**3.0**	**3.0**	**2.8**	**2.9**
Domestic NIM	3.4	3.3	3.3	3.2	3.0	3.1	3.1	2.9	3.0
Asset quality									
GNPA (%)	2.2	2.1	2.1	1.8	1.8	1.7	1.6	1.5	1.5
NNPA (%)	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4
PCR (%)	74.4	75.7	74.7	74.4	74.5	75.8	75.5	74.4	74.2
Slippages (Rs bn)	87	50	41	43	84	50	49	55	74
Slippages (%)	1.1	0.6	0.5	0.5	0.9	0.5	0.5	0.5	0.7
Capital Adequacy (%)									
CAR	14.4	14.8	14.5	14.3	14.6	14.6	14.0	15.4	15.7
Tier I	*11.8*	*12.4*	*12.3*	*12.1*	*12.5*	*12.7*	*12.1*	*13.3*	*13.9*
CET 1	*10.8*	*10.0*	*11.0*	*11.0*	*11.1*	*11.5*	*11.0*	*12.3*	*12.9*
Dupont (%)									
NII	**2.7**	**2.7**	**2.6**	**2.6**	**2.4**	**2.5**	**2.5**	**2.4**	**2.5**
Other income (Ex Treasury)	0.6	0.7	0.6	1.0	0.7	0.5	0.9	1.0	0.6
Treasury	0.2	0.3	0.1	0.4	0.4	0.7	0.5	0.2	0.5
Opex	1.7	1.8	1.8	2.1	1.7	1.8	1.7	1.8	1.5
PPOP	**1.7**	**1.9**	**1.5**	**1.9**	**1.8**	**1.9**	**2.1**	**1.8**	**2.0**
Provisioning cost	0.2	0.3	0.1	0.4	0.3	0.3	0.3	0.2	0.3
PBT	**1.5**	**1.6**	**1.4**	**1.5**	**1.5**	**1.3**	**1.6**	**1.3**	**1.5**
Tax	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.4
ROA	**1.1**	**1.2**	**1.0**	**1.1**	**1.1**	**1.2**	**1.2**	**1.1**	**1.1**
Leverage (x)	16.0	15.3	15.2	15.2	14.8	13.9	13.4	13.6	13.8
ROE	**17.6**	**18.0**	**15.8**	**17.0**	**16.8**	**16.3**	**15.9**	**14.5**	**15.2**

Source: Company, Emkay Research

State Bank of India: Standalone Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	4,624,893	4,827,972	5,209,640	5,861,884	6,617,257
Interest Expense	2,955,242	3,096,767	3,237,570	3,618,589	4,076,731
Net interest income	**1,669,651**	**1,731,205**	**1,972,070**	**2,243,295**	**2,540,526**
NII growth (%)	4.4	3.7	13.9	13.8	13.2
Other income	623,081	780,367	696,940	812,492	918,401
Total Income	**2,292,732**	**2,511,572**	**2,669,011**	**3,055,787**	**3,458,928**
Operating expenses	1,180,690	1,235,488	1,337,197	1,496,090	1,694,273
PPOP	**1,112,042**	**1,276,084**	**1,331,814**	**1,559,697**	**1,764,655**
PPOP growth (%)	28.3	14.8	4.4	17.1	13.1
Core PPOP	**959,009**	**1,120,040**	**1,168,692**	**1,372,108**	**1,539,547**
Provisions & contingencies	153,079	175,384	230,973	280,160	317,385
PBT	**958,963**	**1,100,700**	**1,100,840**	**1,279,538**	**1,447,270**
Extraordinary items	0	45,932	0	0	0
Tax expense	243,706	254,448	277,412	322,444	364,712
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	**715,256**	**800,320**	**823,429**	**957,094**	**1,082,558**
PAT growth (%)	17.1	18.3	(2.7)	16.2	13.1
Adjusted PAT	**715,256**	**846,252**	**823,429**	**957,094**	**1,082,558**
Diluted EPS (Rs)	**80.1**	**86.7**	**89.2**	**103.7**	**117.3**
Diluted EPS growth (%)	17.1	8.2	2.9	16.2	13.1
DPS (Rs)	**15.9**	**17.4**	**18.5**	**20.3**	**20.3**
Dividend payout (%)	**19.8**	**20.0**	**20.7**	**19.5**	**17.3**
Effective tax rate (%)	25.4	23.1	25.2	25.2	25.2
Net interest margins (%)	2.8	2.6	2.6	2.6	2.6
Cost-income ratio (%)	51.5	49.2	50.1	49.0	49.0
Shares outstanding (mn)	8,924.6	9,230.6	9,230.6	9,230.6	9,230.6

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	8,925	9,231	9,231	9,231	9,231
Reserves & surplus	4,402,697	5,435,192	6,092,496	6,862,264	7,757,947
Net worth	**4,411,621**	**5,444,423**	**6,101,726**	**6,871,494**	**7,767,178**
Deposits	53,821,895	59,756,421	67,584,330	77,590,277	89,716,134
Borrowings	5,635,725	7,312,538	8,154,505	8,947,581	9,818,846
Interest bearing liab.	**59,457,621**	**67,068,959**	**75,738,835**	**86,537,858**	**99,534,980**
Other liabilities & prov.	**2,891,291**	**3,716,738**	**4,974,751**	**4,847,878**	**3,998,715**
Total liabilities & equity	**66,760,533**	**76,230,120**	**86,815,313**	**98,257,231**	**111,300,873**
Net advances	41,633,121	48,778,948	56,839,545	65,365,716	75,175,632
Investments	16,905,727	18,012,541	19,610,397	21,352,371	23,275,833
Cash, other balances	3,402,297	3,845,598	4,014,158	4,326,893	4,678,144
Interest earning assets	**61,941,145**	**70,637,087**	**80,464,100**	**91,044,980**	**103,129,608**
Fixed assets	441,076	547,903	611,217	671,712	738,256
Other assets	4,378,312	5,045,129	5,739,995	6,540,539	7,433,009
Total assets	**66,760,533**	**76,230,120**	**86,815,313**	**98,257,231**	**111,300,873**
BVPS (Rs)	442.2	530.9	602.9	687.0	784.7
Adj. BVPS (INR)	410.7	515.6	585.5	667.6	762.6
Gross advances	42,205,254	49,325,171	57,463,825	66,083,398	75,995,908
Credit to deposit (%)	77.4	81.6	84.1	84.2	83.8
CASA ratio (%)	38.7	38.3	37.8	37.7	38.1
Cost of deposits (%)	5.0	4.9	4.5	4.4	4.3
Loans-to-Assets (%)	62.4	64.0	65.5	66.5	67.5
Net advances growth (%)	12.4	17.2	16.5	15.0	15.0
Deposit growth (%)	9.5	11.0	13.1	14.8	15.6
Book value growth (%)	19.4	20.1	13.6	14.0	14.2

Source: Company, Emkay Research

Asset quality and other metrics

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
Gross NPLs	768,802	734,525	837,959	956,910	1,093,702
Net NPLs	196,669	188,301	213,680	239,227	273,426
GNPA ratio (%)	1.8	1.5	1.5	1.4	1.4
NNPA ratio (%)	0.5	0.4	0.4	0.4	0.4
Provision coverage (%)	74.4	74.4	74.5	75.0	75.0
Gross slippages	208,176	226,779	344,783	396,500	455,975
Gross slippage ratio (%)	0.5	0.5	0.6	0.6	0.6
LLP ratio (%)	0.4	0.4	0.4	0.5	0.4
NNPA to networth (%)	4.5	3.5	3.5	3.5	3.5
Capital adequacy					
Total CAR (%)	14.3	15.4	14.3	14.1	14.1
Tier-1 (%)	12.1	13.3	12.4	12.4	12.4
CET-1 (%)	11.0	12.6	11.8	11.9	12.0
RWA-to-Total Assets (%)	54.7	52.0	55.0	55.0	55.0
Miscellaneous					
Total income growth (%)	12.4	6.9	5.3	13.0	12.9
Opex growth (%)	(5.4)	4.6	8.2	11.9	13.2
Core PPOP growth (%)	28.1	16.8	4.3	17.4	12.2
PPOP margin (%)	21.2	22.8	22.5	23.4	23.4
PAT/PPOP (%)	64.3	62.7	61.8	61.4	61.3
LLP-to-Core PPOP (%)	16.0	15.7	19.8	20.4	20.6
Yield on advances (%)	8.4	7.8	7.2	7.2	7.2
Cost of funds (%)	5.2	4.9	4.5	4.5	4.4

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	9.6	8.9	8.7	7.5	6.6
P/B (x)	1.7	1.5	1.3	1.1	1.0
P/ABV (x)	1.9	1.5	1.3	1.2	1.0
P/PPOP (x)	9.1	7.9	7.6	6.5	5.7
Dividend yield (%)	1.4	1.6	1.7	1.8	1.8
DuPont-RoE split (%)					
NII/avg assets	2.6	2.4	2.4	2.4	2.4
Other income	1.0	1.0	0.9	0.9	0.9
Fee income	0.6	0.6	0.5	0.6	0.5
Opex	1.8	1.7	1.6	1.6	1.6
PPOP	**1.7**	**1.8**	**1.6**	**1.7**	**1.7**
Core PPOP	1.5	1.6	1.4	1.5	1.5
Provisions	0.2	0.2	0.3	0.3	0.3
Tax expense	0.4	0.4	0.3	0.3	0.3
RoA (%)	**1.1**	**1.1**	**1.0**	**1.0**	**1.0**
Leverage ratio (x)	16.8	15.5	15.0	15.0	15.0
RoE (%)	**18.7**	**17.3**	**15.2**	**15.6**	**15.5**

Quarterly data

Rs mn, Y/E Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
NII	410,725	429,841	449,866	443,800	469,924
NIM (%)	2.9	3.0	3.0	2.8	2.9
PPOP	305,445	273,109	328,624	277,042	335,292
PAT	191,604	155,665	210,282	196,838	211,212
EPS (Rs)	21.5	22.6	23.6	22.1	23.7

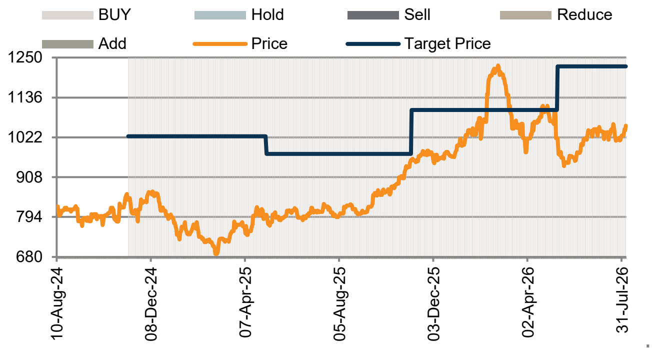
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
10-Jul-26	1,036	1,225	Buy	Avinash Singh
10-May-26	1,019	1,225	Buy	Anand Dama
05-Nov-25	958	1,100	Buy	Anand Dama
10-Aug-25	804	975	Buy	Anand Dama
23-Jul-25	821	975	Buy	Anand Dama
04-May-25	800	975	Buy	Anand Dama
09-Apr-25	742	1,025	Buy	Anand Dama
07-Feb-25	737	1,025	Buy	Anand Dama
09-Nov-24	843	1,025	Buy	Anand Dama

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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