RATING BUY | CMP INR 1,097 | TP INR 1,200

PL Capital PRABHUDAS LILLADHER

State Bank of India (SBIN IN)

Q1FY27 Result Update

August 08, 2026

☑ Estimate Change | ■ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	1,200		1,200	
NII (INR. mn)	2,019,462	2,287,605	2,018,608	2,309,904
% Chng.	-	(1.0)		
Op. Profit (INR mn)	1,328,339	1,490,064	1,335,038	1,520,658
% Chng.	(0.5)	(2.0)		
EPS (INR)	90.0	100.3	90.6	102.5
% Chng.	(0.7)	(2.1)		

Key Data

Key Data	SBI.BO | SBIN IN
BSE Code	501112
NSE Code	SBIN IN
52-W High / Low	INR 1,234 / INR 790
Face Value	1
Sensex / Nifty	78,499 / 24,571
Market Cap	INR 10,128 bn / $ 106,376 mn
Shares Outstanding	9230.62 mn
3M Avg. Daily Value	INR 14,957.91 mn

Shareholding Pattern (%)

Promoters	55.47
FIIs	10.81
Mutual Funds	13.61
Domestic Institution	13.03
Public & Others	7.08
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	5.7	0.5	2.9	36.3
Relative	5.3	(0.4)	9.5	40.0

Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
NII (INR mn)	1,663,400	1,731,205	2,019,462	2,287,605
NIM (%)	2.8	2.6	2.7	2.7
Core PPOP (INR mn)	921,963	1,010,279	1,203,856	1,377,252
PAT (INR mn)	709,006	800,320	831,613	926,602
Core PAT (INR mn)	572,201	623,842	739,447	843,121
EPS (INR)	79.4	86.7	90.1	100.4
Gr. (%)	6.9	9.1	3.9	11.4
DPS (INR)	16.0	17.4	18.0	20.1
Yield (%)	2.0	2.0	1.6	1.8
RoAE (%)	18.6	17.3	15.3	15.1
Core RoAE (%)	15.9	14.1	14.0	14.1
RoAA (%)	1.1	1.1	1.0	1.0
Core RoAA (%)	0.9	0.9	0.9	0.9
P/BV (x)	1.5	1.4	1.8	1.6
P/ABV (x)	1.5	1.5	1.8	1.6
PE (x)	9.2	9.8	12.2	10.9
CAR (%)	14.3	15.4	16.6	16.9

Strong earnings quality maintained

Quick Pointers

- Decent quarter with better NII/NIM and lower net slippages
- Muted growth in wholesale loans/deposits aided margins
- Balance sheet remains strong with more headroom to grow

SBI saw a good quarter due to better core revenue and asset quality. Adjusted for IT refund, reported NIM was up ~10bps QoQ to 2.85% while core fee was up 21% YoY (4% beat). NIM improvement was aided by (1) lesser reliance on bulk deposits leading to lower deposit growth and increase in LDR by 149bps QoQ to 83% (2) soft corporate growth QoQ and healthy RAM accretion. With LCR at 126%, there is more headroom to utilize liquidity for growth. ECL impact is being assessed; however, effect may not be material due to capital release from subsidiary divestment and regulatory dispensation. We keep multiple of 1.4x on Mar'28 core ABV and maintain TP at INR 1,200. Retain 'BUY.

Good quarter with better NII/NIM and asset quality: NII was higher at INR 469.9bn (PLe INR 459.4bn) due to NIM (calc.) that was a beat at 2.81% (PLe 2.72%); reported NIM was up 5bps QoQ to 2.86%. Loan/deposit growth was 77/177bps lower at 19%/9.7% YoY. LDR was up QoQ from 81.6% to 83.1%. CASA ratio was stable at 37.6% (37.9% in Q4'26). Other income was INR 159.2bn (PLe INR 160.7bn); fee was a 3% miss and TWO recovery was lower. Opex at INR 293.9bn was 1.1% lesser; higher staff cost was offset by lower other opex. Core PPoP at INR 290.6bn was 1.8% above PLe; PPoP was INR 335.3bn. Asset quality improved; GNPA was 1.47% (PLe 1.51%). Gross slippage was lower at INR 73.6bn (PLe INR 92.4bn); recovery was more at INR 35.7bn (PLe INR 22bn). Provisions were INR 50.5bn (PLe INR 45bn). Core PAT at INR 178bn was largely in-line; PAT was INR 211.2bn.

Loan growth was mainly led by SME/agri: Credit growth QoQ was a tad soft at 2.3% QoQ due to lower corporate growth of 1.1%; SME, agri & retail grew by 5.5%/4.7%/2.2%. Corporate growth was subdued QoQ due to transition from T-bill to MCLR leading to increased pricing. SME growth was strong as bank expanded the limit of its automated loan approval platform to cover higher amount of SME loans to enable faster credit decisions and reduced TAT. Xpress credit saw healthy demand, though growth remained below double digits due to rising preference for low-cost gold loans and limited exposure to self-employed. SBI has mobilized ~USD 6bn under FCNR and targets USD 10bn.

Reported NIM increases QoQ: Adjusted for IT refund, reported NIM improved by ~10bps QoQ to 2.85% driven by lower reliance on bulk deposits due to additional liquidity buffer. FY27 NIM guidance is intact at 3%. FCNR based leveraging is not expected to materially impact NIMs, as it would replace trade finance which has similar yields. Fee grew by 21% YoY led by (1) booking of govt. fees on accrual basis and (2) higher processing fees.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	*% Var.*	Q1'26A	*YoY gr. (%)*
NII (INR mn)	4,59,439	4,69,924	2.3	4,10,725	14.4
Margin (%)	2.7	2.8	9 bps	2.8	5 bps
Core PPoP (INR mn)	2,85,356	2,90,575	1.8	2,39,028	21.6
Core PAT (INR mn)	1,77,812	1,78,052	0.1	1,42,252	25.2

Source: Company, PL

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Q1FY27 Conference Call Highlights

Balance sheet

- Advances grew 2.3% QoQ (+18.6% YoY), driven by broad-based growth across SME (+5.5%), agriculture (+4.7%) and retail (+2.2%), with YoY growth of 18.6% aided by low base effect.

- Management raised FY27 credit growth guidance to 14-16% (13-15% earlier), targeting growth of 2-3% higher to nominal GDP.

- Corporate growth remained subdued QoQ due to transition from T-bill to MCLR leading to increased pricing. Strong corporate pipeline of ~INR 9trn supported by good traction in M&A space may drive growth.

- SME grew by 5.5% QoQ (22.3% YoY) to INR 6.5trn. Bank has expanded the limit of its automated loan approval platform to cover higher amount of SME loans to enable faster credit decisions and reduced TAT.

- Xpress credit witnessed healthy demand, though growth remained below double digits due to rising preference for low-cost gold loans and limited exposure to self-employed. SBI is building a dedicated collections vertical to facilitate expansion in the self-employed segment with ~6,000 staff deployment.

- Gold loans grew 18.6% QoQ, with personal/agri-gold at INR 1.25/1.85 trn; gold loan yield stood at 8.5-8.9%, while LTV remained comfortable at ~56%. Management indicated that yields have improved over recent quarters but continue to lag peers, reflected by higher ticket size of INR 2.5 lakhs.

- Retail TD grew 14% YoY, while the bank remained cautious on bulk deposits due to strong liquidity buffers (~INR 3.6trn of excess SLR). CASA increased 9.3% YoY, with CA growth being muted due to govt deposit run-offs partially offset by stronger penetration in non-govt accounts.

- SBI has mobilized ~USD 6bn under FCNR deposits and targets USD 10bn, which could support deposit growth in 2QFY27; additional funding includes USD 1bn OFCB and USD 300mn ECB issuances, reducing dependence on bulk deposits.

Profit & loss

- Overall NIM improved 5bps QoQ to 2.86% driven by lower reliance on bulk deposits. FY27 NIM guidance intact at 3% supported by healthy operating performance and cost management. FCNR based leveraging is not expected to materially impact NIMs, as it would replace trade finance assets which is at similar yields.

- Opex declined 13.5% QoQ due to seasonally higher Q4 spending, with management guiding for a more even expense amortization going forward.

- Fee income growth of 21% YoY was led by (1) govt fee being booked on accrual basis and (2) higher processing fee. Dividend for Q1'27 stood at INR 270mn; interest on IT refund was INR 2.2bn.

Asset quality

- Q1 slippages were INR 74bn, seasonal in nature, with INR 15bn subsequently pulled back. Q1FY27 provisions were higher due to the amortization of incentive provisions (~INR 30bn for FY27).

- Impact of ECL remains under assessment, however management expects no material impact driven by capital accretion from divestment in subsidiaries and regulatory dispensation of transitioning.

Exhibit 1: Quarterly estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27E	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
NII	4,69,924	14.4	4,89,590	13.9	5,18,414	15.2	5,41,534	22.0
Core PPoP	2,90,575	21.6	2,82,951	17.8	3,09,009	14.3	3,21,321	22.5
NIM (%)	2.8	5.3bps	2.8	3.0bps	2.9	9.0bps	2.9	21.1bps
Core PAT	1,78,052	25.2	1,71,477	21.1	1,90,381	14.0	1,99,516	15.4

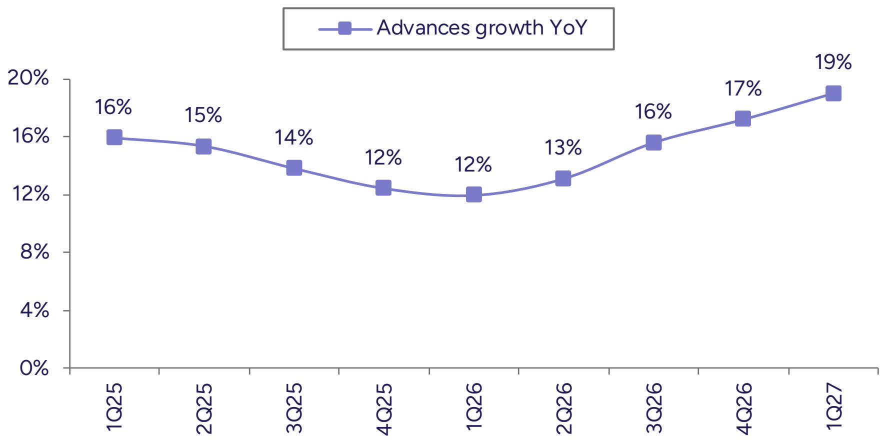
Source: Company, PL

Exhibit 2: PAT beat led by better NII/NIM and lower opex

Financial Statement (Rs m)	Q1FY27	Q1FY26	YoY gr. (%)	Q1FY27E	% Var.	Q4FY26	QoQ gr. (%)
Interest income	12,78,965	11,79,959	8.4	12,51,240	2.2	12,30,977	3.9
Interest Expenses	8,09,040	7,69,234	5.2	7,91,801	2.2	7,87,177	2.8
Net interest income (NII)	**4,69,924**	**4,10,725**	**14.4**	**4,59,439**	**2.3**	**4,43,800**	**5.9**
Other income	1,59,227	1,73,457	-8.2	1,60,657	-0.9	1,73,141	-8.0
-Fee Income	99,730	94,750	5.3	1,03,157	-3.3	1,21,100	-17.6
-Other non-interest income	59,497	78,707	-24.4	57,500	3.5	52,041	14.3
Total income	**6,29,151**	**5,84,182**	**7.7**	**6,20,096**	**1.5**	**6,16,941**	**2.0**
Operating expenses	2,93,860	2,78,737	5.4	2,97,240	-1.1	3,39,899	-13.5
-Staff expenses	1,74,238	1,68,995	3.1	1,62,153	7.5	1,62,153	7.5
-Other expenses	1,19,622	1,09,742	9.0	1,35,087	-11.4	1,77,747	-32.7
Operating profit	**3,35,292**	**3,05,445**	**9.8**	**3,22,856**	**3.9**	**2,77,042**	**21.0**
Core operating profit	**2,90,575**	**2,39,028**	**21.6**	**2,85,356**	**1.8**	**2,62,381**	**10.7**
Total provisions	50,468	47,592	6.0	45,069	12.0	28,722	75.7
Profit before tax	**2,84,824**	**2,57,853**	**10.5**	**2,77,787**	**2.5**	**2,48,320**	**14.7**
Tax	73,612	66,248	11.1	72,225	1.9	51,483	43.0
Profit after tax	**2,11,212**	**1,91,604**	**10.2**	**2,05,562**	**2.7**	**1,96,838**	**7.3**
Balance Sheet (Rs mn)							
Deposits	6,00,58,052	5,47,32,537	9.7	6,10,25,798	(1.6)	5,97,56,421	0.5
Advances	4,99,20,037	4,19,62,051	19.0	5,02,42,317	(0.6)	4,87,78,948	2.3
Ratios (%)							
RoaA	1.2	1.2	-1	1.1	4	1.1	7
RoaE	16.3	17.7	-137	15.9	41	16.0	32
NIM	**2.8**	**2.8**	**5**	**2.7**	**9**	**2.7**	**13**
Yield on Advances	8.2	8.6	-42	7.9	27	7.9	28
Cost of Funds	5.1	5.4	-29	4.9	15	5.0	9
Asset Quality							
Gross NPL (Rs m)	7,42,721	7,80,397	-4.8	7,66,903	-3.2	7,34,525	1.1
Net NPL (Rs m)	1,91,585	1,99,084	-3.8	1,91,726	-0.1	1,88,301	1.7
Gross NPL ratio	**1.5**	**1.8**	**-36.3**	**1.5**	**-3.8**	**1.5**	**-1.8**
Net NPL ratio	**0.4**	**0.5**	**-9.1**	**0.4**	**0.2**	**0.4**	**-0.2**
Coverage ratio	74.2	74.5	-28.4	75.0	-79.5	74.4	-15.9
Business & Other Ratios							
Low-cost deposit mix	37.6	37.8	-15	35.8	182	37.9	-21
Cost-income ratio	46.7	47.7	-101	47.9	-123	55.1	-839
Non int. inc / total income	25.3	29.7	-438	25.9	-60	28.1	-276
Credit deposit ratio	83.1	76.7	645	82.3	79	81.6	149
CAR	15.7	14.6	104			15.4	27
Tier-I	13.9	12.5	145			13.3	57

Source: Company, PL

Exhibit 3: Advances growth increased to 19.0% YoY



Source: Company, PL

Exhibit 4: Gross advances growth of 2.3% QoQ led by SME (5.5%) & Agri (4.7%)

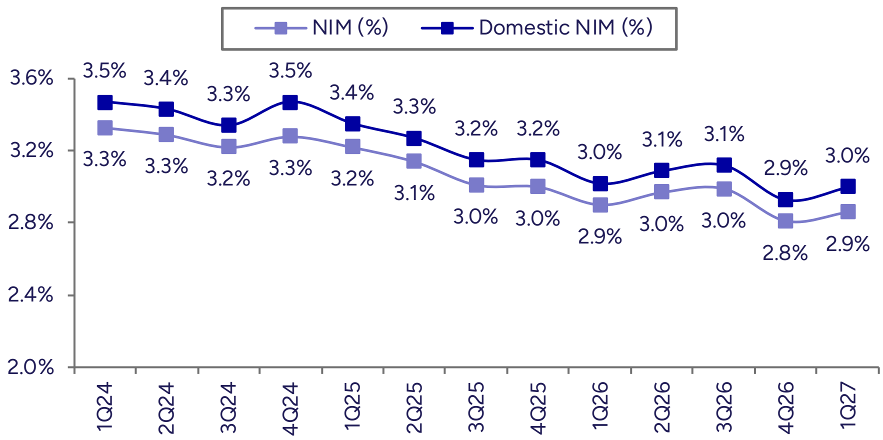
Loan break up (Rs bn)	Q1FY27	Q1FY26	*YoY gr. (%)*	Q4FY26	*QoQ gr. (%)*
Gross Advances	**50,472**	**42,545**	***18.6***	**49,326**	***2.3***
Large Corporates	14,207	12,034	*18.1*	14,246	*-0.3*
SME	6,460	5,281	*22.3*	6,122	*5.5*
Agri	4,368	3,483	*25.4*	4,171	*4.7*
International	7,706	6,348	*21.4*	7,429	*3.7*
Retail	17,731	15,399	*15.1*	17,358	*2.2*
Home	9,594	8,509	*12.8*	9,442	*1.6*
Auto	1,366	1,271	*7.4*	1,379	*-1.0*
Other Retail	6,772	5619	*20.5*	6,537	*3.6*

Source: Company, PL

Exhibit 5: Rating distribution of AAA & AA book steady at 73%

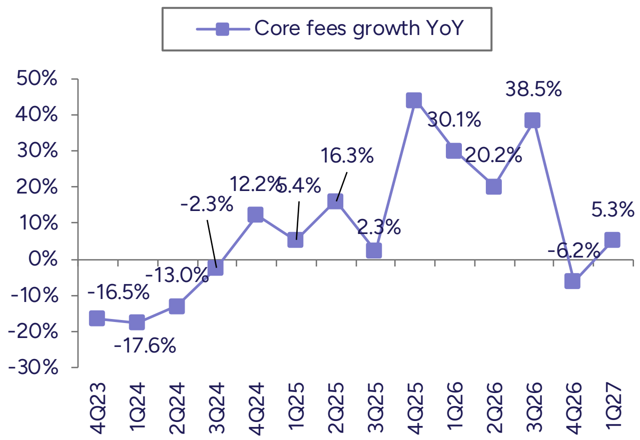
Source: Company, PL

Exhibit 6: Overall NIM (reported) improved 5bps QoQ to 2.86%; Domestic NIM improved by 7bps QoQ



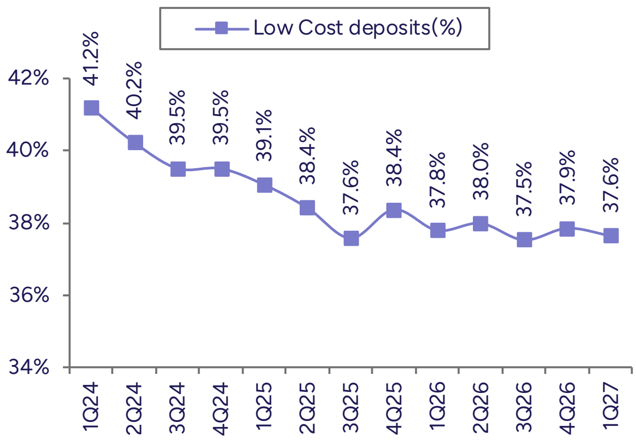
Source: Company, PL

Exhibit 7: Core fees increased by 5.3%YoY



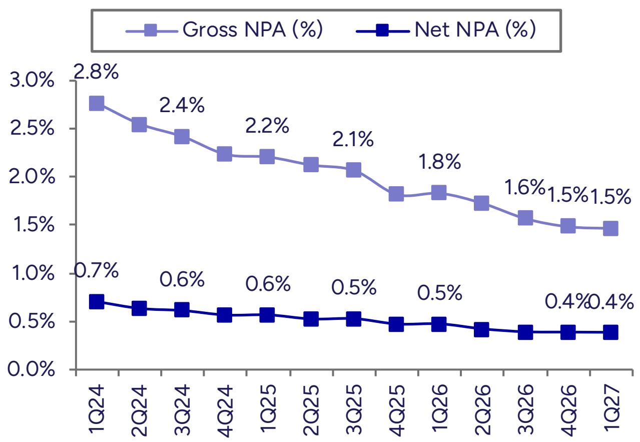
Source: Company, PL

Exhibit 8: CASA ratio stable at 37.6%



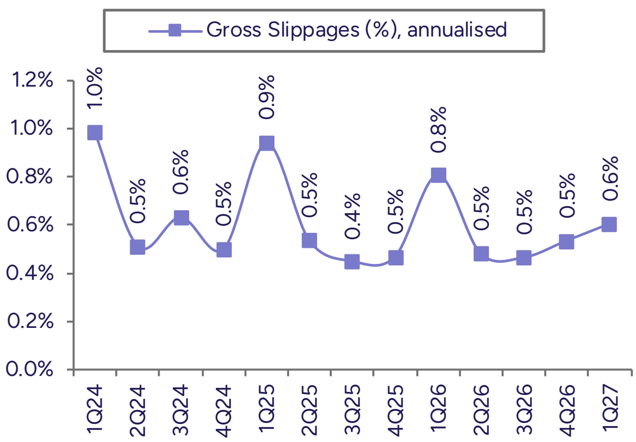
Source: Company, PL

Exhibit 9: GNPA/NNPA improved to 1.47%/0.38%



Source: Company, PL

Exhibit 10: Gross slippages inched-up to 0.60%



Source: Company, PL

Exhibit 11: Slippages came in at INR 73.6bn, while overall stress book is quite manageable at <1%

(INR mn)	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27
Additions	39,840	87,070	49,510	41,460	43,190	83,980	49,980	48,600	55,480	73,590
Slippages (%) - annualized	*0.50%*	*0.94%*	*0.53%*	*0.45%*	*0.47%*	*0.81%*	*0.48%*	*0.46%*	*0.53%*	0.60%
Upgradation + Recovery	20,528	36,660	26,000	12,060	17,390	32,530	22,790	23,710	15,260	35,740
Write offs	44,037	50,913	32,078	19,489	1,00,602	39,855	45,156	50,953	42,063	29,654
Gross NPAs	8,42,763	8,42,260	8,33,692	8,43,604	7,68,802	7,80,397	7,62,430	7,36,368	7,34,525	7,42,721
Gross NPA Ratio	*2.24%*	*2.21%*	*2.13%*	*2.07%*	*1.82%*	*1.83%*	*1.73%*	*1.57%*	*1.49%*	1.47%
Net NPAs	2,10,511	2,15,547	2,02,943	2,13,776	1,96,669	1,99,084	1,84,599	1,80,121	1,88,301	1,91,585
Net NPA Ratio	*0.57%*	*0.57%*	*0.53%*	*0.53%*	*0.47%*	*0.47%*	*0.42%*	*0.39%*	*0.39%*	0.38%
Provision Coverage Ratio	*75.0%*	*74.4%*	*75.7%*	*74.7%*	*74.4%*	*74.5%*	*75.8%*	*75.5%*	*74.4%*	74.2%
SMA 1 & SMA 2	33,010	46,360	1,37,310	95,520	33,330	50,250	37,610	38,700	33,490	41,740
% of loans	*0.10%*	*0.14%*	*0.41%*	*0.28%*	*0.09%*	*0.14%*	*0.10%*	*0.10%*	*0.08%*	0.10%

Source: Company, PL

Exhibit 1 : Return ratios to remain between 15-15.5%

RoA decomposition (%)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Interest Income/Assets	2.5	2.8	2.7	2.6	2.4	2.5	2.5
Other Income/Assets	0.9	0.7	0.9	1.0	1.0	0.8	0.8
Net revenues/Assets	**3.4**	**3.5**	**3.6**	**3.6**	**3.4**	**3.3**	**3.3**
Operating Expense/Assets	2.0	1.9	2.0	1.8	1.7	1.7	1.7
Provisions/Assets	0.5	0.3	0.1	0.2	0.2	0.3	0.3
Taxes/Assets	0.2	0.3	0.4	0.4	0.4	0.4	0.4
ROA	**0.7**	**1.0**	**1.1**	**1.1**	**1.1**	**1.0**	**1.0**
ROE	**13.0**	**18.3**	**20.4**	**18.6**	**17.3**	**15.3**	**15.1**

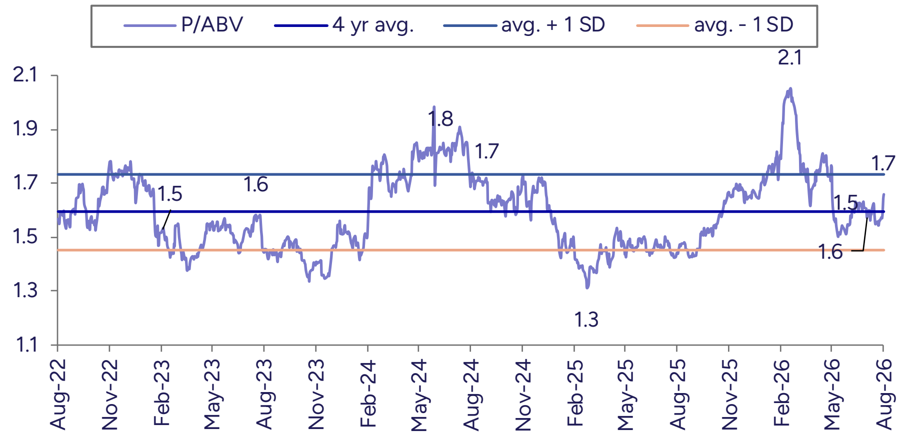
Source: Company, PL

Exhibit 2 : SBIN's SOTP-based TP at INR 1,200 with subs value at INR 257

Particulars	Stake	Rs per share	% of total	Valuation	Basis
Bank	100.0%	943	75.7	1.4	x Mar'28 core ABV
SBI Life	55.4%	112	9.0	1.00	Mkt Cap
SBI MF	62.1%	78	6.3	1.00	Mkt Cap
SBI Cards	68.6%	47	3.7	1.00	Mkt Cap
SBI Caps	100.0%	38	3.1	25.00	of Mar'26 PAT
SBI Gen Ins	69.1%	12	1.0	30.00	of Mar'26 PAT
Yes Bank	10.78%	8	0.7	1.00	Mkt Cap
UTI AMC	10.0%	6	0.5	13.00	13x on Mar'28 core PAT
Total		**1,245**	**100**		
Holdco discount		45			
Target Price		**1,200**			

Source: Company, PL

Exhibit 3 : One-year forward P/ABV trades at 1.7x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Income Statement (INR m)								
Interest earned	1,138,706	1,174,266	1,195,094	1,179,959	1,196,539	1,223,524	1,230,977	1,278,965
Interest expended	722,510	759,811	768,916	769,234	766,699	773,658	787,177	809,040
Net Interest Income	**416,195**	**414,455**	**426,178**	**410,725**	**429,841**	**449,866**	**443,800**	**469,924**
Other income	152,706	110,408	243,667	173,457	199,190	185,623	173,141	159,227
Fees	**68,340**	**72,670**	**100,530**	**78,430**	**85,730**	**86,080**	**108,520**	**94,760**
Total Income	568,901	524,863	669,845	584,182	629,031	635,489	616,941	629,151
Operating Expenses	**275,964**	**289,355**	**356,985**	**278,737**	**309,987**	**306,865**	**339,899**	**293,860**
Employees	148,074	160,737	180,052	168,995	166,060	160,031	162,153	174,238
Others	127,890	128,617	176,933	109,742	143,927	146,834	177,747	119,622
Operating profit	292,937	235,508	312,860	305,445	319,044	328,624	277,042	335,292
Core PPoP	**243,042**	**223,571**	**244,064**	**239,028**	**240,204**	**270,331**	**262,381**	**290,575**
Provisions	**45,057**	**9,111**	**64,417**	**47,592**	**54,001**	**45,069**	**28,722**	**50,468**
Profit before tax	247,880	226,398	248,444	257,853	265,043	283,555	248,320	284,824
Taxes	64,566	57,483	62,018	66,248	63,444	73,273	51,483	73,612
Net Profit	183,314	168,914	186,426	191,604	201,599	210,282	196,838	211,212
Core PAT	**146,415**	**160,008**	**134,803**	**142,252**	**141,631**	**167,052**	**172,908**	**178,052**
Balance Sheet (INR m)								
Share capital	8,925	8,925	8,925	8,925	9,231	9,231	9,231	9,231
Reserves & surplus	4,186,669	4,345,139	4,402,697	4,693,024	5,171,362	5,390,972	5,435,192	5,659,077
Deposits	51,172,849	52,293,845	53,821,895	54,732,537	55,917,004	57,013,089	59,756,421	60,058,052
Borrowings	5,588,156	7,091,353	5,635,725	5,377,492	6,005,510	6,357,069	7,312,538	7,688,542
Other liabilities	2,457,995	2,467,483	2,891,291	2,873,071	2,771,580	2,849,389	3,716,738	3,207,948
Total liabilities	**63,414,593**	**66,206,744**	**66,760,533**	**67,685,048**	**69,874,687**	**71,619,748**	**76,230,120**	**76,622,850**
Cash & bank	3,361,015	3,362,656	3,402,297	3,724,120	3,923,286	2,949,247	3,845,598	3,308,950
Investments	16,655,111	18,086,289	16,905,728	16,834,939	17,280,797	17,337,790	18,012,541	18,034,258
Advances	38,574,235	40,045,669	41,633,121	41,962,051	43,617,370	46,277,341	48,778,948	49,920,037
Fixed assets	430,841	433,892	441,076	515,550	520,942	534,231	547,904	549,684
Other assets	4,393,392	4,278,237	4,378,312	4,648,387	4,532,292	4,521,140	5,045,129	4,809,920
Total assets	**63,414,593**	**66,206,744**	**66,760,533**	**67,685,048**	**69,874,687**	**71,619,748**	**76,230,120**	**76,622,850**
Balance sheet ratios (%)								
Loan growth	15.3	13.8	12.4	11.9	13.1	15.6	17.2	19.0
Deposit growth	9.1	9.8	9.5	11.7	9.3	9.0	11.0	9.7
LDR	75.4	76.6	77.4	76.7	78.0	81.2	81.6	83.1
CASA	38.4	37.6	38.4	37.8	38.0	37.5	37.9	37.6
Capital Adequacy (%)								
CET-1	10.0	9.5	10.8	11.1	11.5	11.0	12.3	12.9
Tier-2	2.4	2.2	2.1	2.2	2.0	2.0	2.1	1.8
CRAR	13.8	13.0	14.3	14.6	14.6	14.0	15.4	15.7
Profitability ratios (%)								
Yield on assets	8.0	7.9	7.8	7.9	7.7	7.5	7.3	7.6
Cost of funds	5.3	5.4	5.4	5.4	5.2	5.0	5.0	5.1
NIM	2.9	2.8	2.8	2.8	2.7	2.7	2.6	2.8
Fees/Assets	0.4	0.5	0.6	0.5	0.5	0.5	0.6	0.5
Cost/Income	48.5	55.1	53.3	47.7	49.3	48.3	55.1	46.7
Opex/avg assets	0.4	0.4	0.5	0.4	0.5	0.4	0.5	0.4
RoA	1.2	1.1	1.1	1.2	1.2	1.2	1.1	1.2
Core RoA	1.0	1.0	0.8	0.9	0.9	1.0	1.0	1.0
RoE	18.2	17.3	17.3	17.4	16.8	16.5	16.2	15.6
Core RoE	15.0	15.9	13.2	13.1	12.1	13.7	14.0	13.7
EPS (INR)	164.3	156.1	158.9	171.8	174.7	174.3	173.4	183.1
BVPS (INR)	470.1	487.9	494.3	526.9	561.2	585.0	589.8	614.1
ABVPS (INR)	-	-	-	-	-	-	-	-
Asset quality ratios (%)								
GNPA	2.1	2.1	1.8	1.8	1.7	1.6	1.5	1.5
NNPA	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4
Provision coverage	75.7	74.7	74.4	74.5	75.8	75.5	74.4	74.2
Provision costs	0.5	0.1	0.7	0.5	0.5	0.4	0.3	0.4
Slippage	0.5	0.4	0.5	0.8	0.5	0.5	0.5	0.6
NNPA/Equity	4.8	4.9	4.5	4.2	3.6	3.3	3.5	3.4

Source: Company, PL

Financials

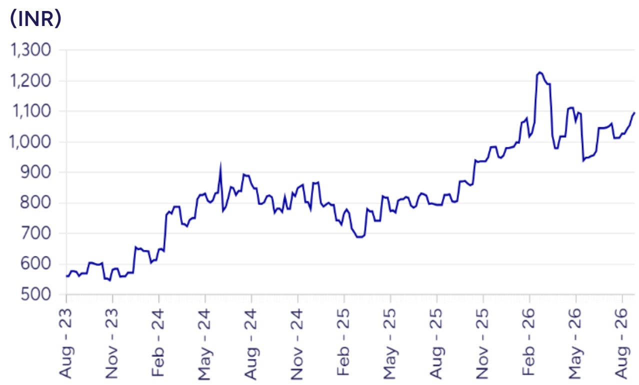
Y/e Mar	FY25	FY26	FY27E	FY28E
Income Statement (INR m)				
Interest earned	4,618,643	4,827,972	5,395,813	6,146,631
Interest expended	2,955,242	3,096,767	3,376,351	3,859,026
Net Interest Income	**1,663,400**	**1,731,205**	**2,019,462**	**2,287,605**
Other income	623,081	734,435	671,161	727,682
Fees	**315,437**	**360,129**	**430,927**	**486,870**
Net Total Income	2,286,482	2,465,640	2,690,622	3,015,287
Operating Expenses	**1,180,690**	**1,235,488**	**1,362,284**	**1,525,224**
Employees	643,522	657,238	756,233	832,643
Others	537,167.8	578,250.2	606,050.4	692,580.3
Operating profit	1,105,792	1,230,152	1,328,339	1,490,064
Core PPoP	**921,963**	**1,010,279**	**1,203,856**	**1,377,252**
Provisions	**153,079**	**175,384**	**205,135**	**237,898**
Profit before tax	952,713	1,054,768	1,123,204	1,252,165
Taxes	243,707	254,448	291,590	325,563.
Net Profit	709,006	800,320	831,613	926,602
Core PAT	**572,201**	**623,842**	**739,447**	**843,121**
Growth Ratios (%)				
Loans	12.4	17.2	14.0	13.0
Deposits	9.5	11.0	12.0	10.3
NII	4.0	4.1	16.7	13.3
Fees	12.2	14.2	19.7	13.0
Opex	0.3	4.6	10.3	12.0
Core PPoP	16.9	9.6	19.2	14.4
Provisions	211.5	14.6	17.0	16.0
Core PAT	3.6	9.0	18.5	14.0
Profitability Ratios (%)				
Yield on IEA	7.8	7.3	7.2	7.3
Cost of funds	5.2	4.9	4.7	4.8
NIM	**2.8**	**2.6**	**2.7**	**2.7**
Cost/Income	51.6	50.1	50.6	50.6
Provision cost	**0.4**	**0.4**	**0.4**	**0.4**
Tax rate	25.6	24.1	26.0	26.0
Core RoA	**0.9**	**0.9**	**0.9**	**0.9**
Core RoE	**15.9**	**14.1**	**14.0**	**14.1**
Du-pont (%)				
Interest income	**7.2**	**6.8**	**6.7**	**6.8**
Interest expenses	**4.6**	**4.3**	**4.2**	**4.3**
NII	**2.6**	**2.4**	**2.5**	**2.5**
Other income	1.0	1.0	0.8	0.8
Fees/avg assets	**0.6**	**0.6**	**0.6**	**0.6**
Total income	**3.6**	**3.4**	**3.3**	**3.3**
Opex/avg assets	**1.8**	**1.7**	**1.7**	**1.7**
Staff cost	1.0	0.9	0.9	0.9
Other opex	0.8	0.8	0.8	0.8
PPOP	**1.7**	**1.7**	**1.6**	**1.7**
Core PPoP/avg assets	**1.4**	**1.4**	**1.5**	**1.5**
Provisions	0.2	0.2	0.3	0.3
PBT	**1.5**	**1.5**	**1.4**	**1.4**
Tax	0.4	0.4	0.4	0.4
RoA	**1.1**	**1.1**	**1.0**	**1.0**
RoE	**18.6**	**17.3**	**15.3**	**15.1**

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
Balance Sheet (INR m)				
Equity	4,411,621	5,444,423	6,122,386	6,863,668
Share capital	8,925	9,231	9,231	9,231
Deposits	53,821,895	59,756,421	66,923,928	73,818,208
Borrowings	5,635,725	7,312,538	8,413,988	10,493,520
Other Liabilities	2,891,291	3,716,738	3,505,411	3,945,371
Total liabilities	**66,760,533**	**76,230,120**	**84,965,714**	**95,120,768**
Cash with RBI	2,272,175	2,684,453	2,314,955	2,605,502
Balance with banks	1,130,122	1,161,145	1,300,824	1,464,089
Investments	16,905,727	18,012,541	20,077,179	22,145,463
Advances	41,633,121	48,778,948	55,613,785	62,819,295
Fixed assets	441,076	547,903	554,646	561,332
Other assets	4,378,312	5,045,129	5,104,326	5,525,087
Total assets	**66,760,533**	**76,230,120**	**84,965,714**	**95,120,768**
Balance sheet ratios (%)				
LDR	77.4	81.6	83.1	85.1
CASA	38.7	38.3	39.2	39.8
Inv/NDTL	27.1	25.4	25.5	25.1
Borr/NDTL	9.0	10.3	10.7	11.9
Assets/equity (x)	15.1	14.0	13.9	13.9
RWA/Loans	87.7	81.2	79.8	79.1
RWA/Total assets	54.7	52.0	52.2	52.3
Capital ratios (%)				
CRAR	14.3	15.4	16.6	16.9
CET-1	10.8	12.3	13.2	13.2
AT-1	1.3	1.0	1.1	1.1
Tier-2	2.1	2.1	2.3	2.6
Asset quality ratios (%)				
GNPA (INR mn)	768,802	734,524	721,152	724,967
NNPA (INR mn)	196,669	188,301	180,288	181,242
GNPA	1.8	1.5	1.3	1.1
NNPA	0.5	0.4	0.3	0.3
PCR	74.4	74.4	75.0	75.0
Slippage	0.6	0.5	0.5	0.5
NNPA / Equity	4.5	3.5	2.9	2.6
Per share (INR)				
EPS	79.4	86.7	90.1	100.4
DPS	16.0	17.4	18.0	20.1
BVPS	463.7	552.5	626.0	706.3
ABVPS	441.6	532.1	606.5	686.7
Core BVPS	445.3	539.7	613.2	693.5
Core ABVPS	423.3	519.3	593.6	673.8
Valuation (x)				
Price (INR)	802.0	882.0	1,098.0	1,098.0
P/E	9.2	9.8	12.2	10.9
P/BV	1.5	1.4	1.8	1.6
P/ABV	1.5	1.5	1.8	1.6
P/core BV	1.1	1.1	1.4	1.2
P/core ABV	1.2	1.1	1.4	1.2

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Jul-26	BUY	1200	1038
2	09-May-26	Buy	1200	1019
3	10-Apr-26	BUY	1280	1041
4	19-Feb-26	BUY	1280	1219
5	08-Feb-26	BUY	1200	1066
6	08-Jan-26	BUY	1100	1007
7	04-Nov-25	BUY	1100	958
8	07-Oct-25	BUY	960	865
9	09-Aug-25	BUY	960	804
10	07-Jul-25	BUY	960	807

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Axis Bank	BUY	1550	1329
2	Bank of Baroda	Accumulate	280	246
3	Canara Bank	BUY	150	127
4	Canara Robeco Asset Management Company	HOLD	285	267
5	City Union Bank	BUY	250	229
6	DCB Bank	BUY	215	190
7	Federal Bank	Accumulate	345	349
8	HDFC Asset Management Company	BUY	3040	2729
9	HDFC Bank	BUY	1040	820
10	ICICI Bank	BUY	1850	1444
11	ICICI Prudential Asset Management Company	BUY	3550	3206
12	Indian Bank	BUY	1000	843
13	IndusInd Bank	Accumulate	1150	1069
14	Karur Vysya Bank	BUY	345	301
15	Kotak Mahindra Bank	BUY	480	390
16	Nippon Life India Asset Management	Buy	1225	1148
17	Prudent Corporate Advisory Services	Accumulate	3175	2851
18	State Bank of India	BUY	1200	1038
19	Union Bank of India	Accumulate	190	172
20	UTI Asset Management Company	Hold	975	904

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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