



**STOCK UPDATE**

Result Update - Q3FY2026

**SECTOR**

Banking

**COMPANY DETAILS**

Market cap:	Rs. 10,20,590 cr
52-week high/low:	Rs. 1,140 / 680
NSE volume: (No of shares)	92.0 lakh
BSE code:	500112
NSE code:	SBIN
Free float: (No of shares)	414.0 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

**SHAREHOLDING (%)**

Promoters	55.5
FII	10.3
DII	27.1
Others	7.1

Source: NSE, BSE, Mirae Asset Sharekhan Research

**PRICE CHART**



Source: NSE, BSE, Mirae Asset Sharekhan Research

**PRICE PERFORMANCE**

(%)	1m	3m	6m	12m
Absolute	12.2	17.2	39.3	52.0
Relative to Sensex	12.9	16.7	34.6	44.6

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **BUY**

CMP: **Rs. 1,120**

Price Target: **Rs. 1,260**

**Quick Snapshot**

- Q3 numbers beat expectations on most parameters. NII rose 9% y-o-y aided by healthy margins. NIM rose 2 bps q-o-q to 2.99%.
- Other income jumped 66.3% y-o-y, aided by a Rs. 2200 crore special dividend received from SBI MF. Fee income also grew ~15.7% y-o-y.
- Opex was under control and credit cost stayed benign at 0.29% as asset quality improved. PAT came in at a record Rs. 21,028 crore led by a strong topline and lower provisions.
- We maintain a Buy rating on stock with a revised PT of Rs1260.

**Result overview**

- PAT soared to all-time high of Rs. 21,028 crore, up 24.5% y-o-y, on robust credit growth, improved asset quality, and high operating profitability, with total business crossing the Rs. 103 lakh crore.
- NII stood at Rs. 45,190 crore, growing 9% y-o-y and 5.1% q-o-q, on healthy credit growth and 2 bps rise in NIM to 2.99%. Savings deposit rate reduction to 2.5% and CRR cut lowered costs.
- Fee-based income grew 15.7% y-o-y. Miscellaneous income of Rs. 5,154 crore was bolstered by a special dividend of Rs. 2,200 crore from SBI Mutual Fund and Rs. 2,600 crore in recoveries from written-off accounts.
- Operating profit rose 39.5% y-o-y to Rs. 32,862 crore. Staff costs declined due to lower pension provisions. Long-term target for cost-to-income ratio remains below 50%. Q3FY26 RoA of 1.19% and the bank intends to keep ROAs at 1% mark across cycles.
- GNPA and NNPA ratios declined 16 bps and 3 bps q-o-q to 1.57% and 0.39% respectively. Slippages were also down to Rs. 4458 crore versus Rs. 4754 crore q-o-q. Credit cost remained soft at 0.29%.
- Loan growth was robust at 15.6% y-o-y and 6.1% q-o-q to Rs 46.27 lakh crore, SME book jumped 21% y-o-y, agri credit was up 16.6% y-o-y while retail book also showed respectable growth of ~15% y-o-y. Deposits were up 9% y-o-y to Rs. 57 lakh crore. The bank has revised its loan guidance upwards to 13-15% for FY26.

**Our Call**

Steady growth expectations and a commitment on stable profitability through economic cycles brighten outlook. The bank is focusing on capital allocation toward sunrise sectors through its CHAKRA centre of excellence and plans to build its international retail presence primarily through digital channels like YONO Global rather than aggressive physical branch expansion. We value the standalone bank at ~1.35x times FY28E BVPS and subsidiaries at Rs. 270 to arrive at revised PT of Rs. 1260, and maintain a Buy rating.

**Key Risks**

Deterioration in credit quality, NIM pressure due to lower deposit repricing.

**Valuation**

Particulars	Rs cr				
	FY24	FY25	FY26E	FY27E	FY28E
Net Interest Income	1,59,876	1,66,965	1,77,870	2,06,654	2,33,498
Net profit	61,077	70,901	78,604	85,957	99,155
EPS (Rs)	68.4	79.4	85.2	93.1	107.4
P/E (x)	12.8	11.0	10.3	9.4	8.2
P/BV (x)	2.1	1.8	1.6	1.4	1.2
RoE	17.3	17.3	16.5	15.6	15.7
RoA	1.0	1.1	1.1	1.1	1.2

Source: Company; Mirae Asset Sharekhan estimates

## Concall Highlights

### Earnings and Margins

- **NIM:** Domestic NIM was 3.12% for the quarter. Management has maintained an exit NIM guidance of approximately 3% for the current year and aims to sustain 3% through economic cycles. The interest earned on income tax refunds for the third quarter was Rs. 769 crore vs Rs 372 crore q-o-q.
- **Cost of funds (COF) and yields:** The bank focused on retail deposits rather than aggressive wholesale deposits to manage costs. While the savings bank interest rate was reduced to 2.5%, management expects the cost of funds to remain stable in Q4, as much of the retail term deposit book has already repriced. The yield on the personal gold loan portfolio was 8.61% as of December 2025.

### Operating efficiency and provisions

- **Provisions:** Non-NPA provisions include Rs. 3,500 crore in COVID-19 provisions and other proactive, account-specific standard asset provisions. Staff provisions for pensions fell due to an actuarial assessment influenced by rising discount rates. The impact of new labour codes was minimal at Rs. 16 crore.

### 4. Other income and treasury

- **Fee and other income:** Fee-based income grew across segments, including cross-selling, government business, and processing charges. Miscellaneous income of Rs. 5,154 crore was bolstered by a special dividend of Rs. 2,200 crore from SBI Mutual Fund and Rs. 2,600 crore in recoveries from written-off accounts.
- **Treasury and Forex:** Treasury performance was supported by robust trading profits over the last two quarters. Management anticipates the 10-year yield to range between 6.55% and 6.75%, minimizing concerns regarding Mark-to-Market (MTM) hits.
- **Customer Value Enhancement (CVE):** CVE income showed significant growth, with a long-term target set at \$1 billion.

### Loan portfolio and growth segments

- **Overall Loan Growth:** Credit growth was 15.6% y-o-y as of December 2025. Management has revised its credit growth guidance upward to 13%–15% for the current year.
- **Segmental Highlights:**
  - **Corporate loans:** This segment rebounded with 13.37% growth. The corporate pipeline stands at Rs. 7.86 lakh crore, including Rs. 3.45 lakh crore in new proposals.
  - **Retail/RAM:** Robust growth was seen across Retail, Agriculture, and SME (RAM) segments.
  - **Express Credit:** This portfolio stands at Rs. 3.5 lakh crore and is a key driver for yield.
  - **Gold Loans:** Personal gold loans reached Rs. 86,000 crore, while Agri gold loans stood at Rs. 1.44 lakh crore. Gold loan LTVs are modest at approximately 51.18%.

### Deposits and Liquidity

- **Deposit Growth:** Total deposits grew 9.02% y-o-y. Retail term deposits saw a robust 14.54% growth.
- **CASA and CD Ratio:** CASA ratio was 39.13%, with current accounts growing by 10.32%. Domestic Credit-Deposit (CD) ratio improved to 72.98%.
- **Liquidity Coverage Ratio (LCR):** The average LCR for the quarter was 125%.

### Asset Quality and Recoveries

- **PCR and Recoveries:** The Provision Coverage Ratio (PCR) improved to 75.54%. Management expects a 6%–8% recovery rate from the written-off portfolio (AUCA).
- **Slippages and SMA:** Recent slippages are seeing better recovery rates, with a current run rate of approximately Rs. 2,000 crore per quarter.

### Strategic Initiatives

- **Digital Transformation:** “YONOization” of the bank continues, with a goal to double to 20 crore registered users in the next 2-3 years to improve operating leverage.
- **Sunrise sectors:** The CHAKRA center of excellence has been established to support capital allocation in emerging and sunrise sectors.
- **Capital adequacy:** The Capital Adequacy Ratio (CAR) improved to 14.04%, well above regulatory requirements.

**Results**

Particulars	Rs cr				
	Q3FY26	Q3FY25	YoY	Q2FY26	QoQ
<b>Net Interest Income</b>	<b>45,190</b>	<b>41,446</b>	<b>9.0%</b>	<b>42,984</b>	<b>5.1%</b>
Other income	18,359	11,041	66.3%	15,326	19.8%
<b>Net Income</b>	<b>63,549</b>	<b>52,486</b>	<b>21.1%</b>	<b>58,310</b>	<b>9.0%</b>
Opex	30,687	28,935	6.1%	30,999	-1.0%
<b>Operating Profit</b>	<b>32,862</b>	<b>23,551</b>	<b>39.5%</b>	<b>27,311</b>	<b>20.3%</b>
Provisions	4,507	911	394.7%	5,400	-16.5%
<b>PAT</b>	<b>21,028</b>	<b>16,891</b>	<b>24.5%</b>	<b>20,160</b>	<b>4.3%</b>
<b>Advances</b>	<b>46,27,734</b>	<b>40,04,567</b>	<b>15.6%</b>	<b>43,61,737</b>	<b>6.1%</b>
<b>Deposits</b>	<b>57,01,309</b>	<b>52,29,384</b>	<b>9.0%</b>	<b>55,91,700</b>	<b>2.0%</b>
NIMs %	2.99	3.01	-2 bps	2.97	2 bps
GNPA %	1.57	2.07	-50 bps	1.73	-16 bps
NNPA %	0.39	0.53	-14 bps	0.42	-3 bps
PCR %	75.5	74.7	88 bps	75.8	-25 bps

Source: Company; Mirae Asset Sharekhan Research

**Additional Data**
**Top 10 shareholders**

Sr. No.	Holder Name	Holding (%)
1	Republic of India	55.03
2	Life Insurance Corp of India	9.16
3	SBI Funds Management Ltd	3.15
4	NPS Trust A/c Uti Retirement Solut	1.89
5	HDFC Asset Management Co Ltd	1.80
6	ICICI Prudential Asset Management	1.44
7	Nippon Life India Asset Management	1.33
8	Kotak Mahindra Asset Management Co	1.11
9	UTI Asset Management Co Ltd	0.88
10	Blackrock Inc	0.78

Source: Bloomberg

**Key management personnel**

Name	Designation
Shri Challa Sreenivasulu Setty	Chairman
Kameshwar Rao Kodavanti	CFO

Source: Company Website

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