

12<sup>th</sup> February 2026

Close\* – ₹1,182.90/-

View – **HOLD**
**Key Highlights – Q3FY26: Magnificent showcase**

- State Bank of India in Q3FY26 reported PAT of ₹210bn, up +24.5% YoY/ up +4.3% QoQ.
- NII came in at ₹452bn, +9% YoY/ +5.1% QoQ, with NIM (domestic) moderating -3bps YoY/ +3bps QoQ to 3.12%.
- Loan book grew +13.4% YoY/ +3.9% QoQ, was led by retail gold loan portfolio (+18.4% QoQ), Corporate loan (+7.6% QoQ) while SME segment reported +10.8% QoQ growth.
- Deposit growth stood at 9% YoY/ +1.96% QoQ. CASA ratio decreased -50bps QoQ to 39.13%.
- Asset quality inched up, with GNPA and NNPA ratios improving 50bps and 14bps YoY to 1.57% and 0.39% respectively. New slippages were ₹44.58bn (down from ₹47.54bn in 2QFY26). PCR eased to 75.5%.
- **Core Earnings Beat:** Core earnings surpassed estimates, propelled by margin expansion and vigorous non-interest income, particularly fees. This aligns with SBI's Q3FY26 trends of resilient NII growth and elevated other income (e.g., ₹22bn SBIMF dividend).
- **Growth Guidance:** A robust sanction book and pipeline support the bank's upgraded loan growth target of 13-15% for FY26, outpacing system averages amid strong demand in retail/SME segments.
- **Margin Drivers:** Elevated loan-to-deposit ratio (LDR) drove the margin beat in a deposit-competitive landscape, with domestic NIM at 3.12% (up 3bp QoQ).
- **Outlook Strengths:** Stable asset quality (GNPA 1.57%, NNPA 0.39%) and high PCR (75.5%) underpin moderate credit costs, enabling sustainable ROA above 1%—a key positive for valuation in India's banking rally.

**Important Statistics**

<b>Nifty</b>	25,953.85
<b>Sensex</b>	84,233.64
<b>Close* (₹)</b>	1,182.90
<b>M.CAP (₹ tn)</b>	~10.95
<b>52 Week H/L (₹)</b>	1203.70/680
<b>NSE Code</b>	SBIN
<b>BSE Code</b>	500112
<b>Bloomberg Code</b>	SBIN:IN

Close\* as on 11<sup>th</sup> Feb 2026

<b>Shareholding Pattern (%)</b>	<b>Dec'25</b>
Promoters	55.5
FIIIs	10.34
DII	27.04
Public & Others	7.1

**Key takeaways from Q3FY26 result & Concall**
**Financials**

(₹ bn)

- **Profitability**
  - Domestic NIM for Q3 FY26 hit 3.12%, with management reaffirming ~3% exit NIM guidance for FY26 and the medium term.
  - ROA stayed above 1%, complemented by an ROE of 20.68%—competitive globally for a bank of SBI's size.
  - Credit cost held steady at a modest 0.29%. Other income featured a ₹22bn special dividend from SBI Mutual Fund, plus ₹7.690bn in tax refund interest for Q3 FY26 and ₹3.72bn in Q2 FY26.
- **Advances**
  - Advances reached approximately ₹47tn, investments hit around ₹17tn, and deposits climbed to about ₹57tn. This expanded the balance sheet to roughly ₹72tn, with the domestic credit-deposit ratio rising 404 bps YoY to 72.98%.
  - Overall credit expansion reached 15.14% YoY, with Q4 FY26 guidance upgraded to 13%-15% from the prior 12%-14% range.
  - Corporate lending advanced 13.37% YoY, while RAM (Retail, Agri, MSME) segments maintained robust double-digit growth.
  - Corporate momentum is expected to persist into Q4, without sacrificing margins even as its portfolio share rises.

<b>Segment</b>	<b>Q3FY25</b>	<b>Q2FY26</b>	<b>Q3FY26</b>	<b>YoY %</b>
<b>Corporate</b>	11,763	12,393	13,336	13.4%
<b>SME</b>	4,964	5,422	6,007	21.0%
<b>Agri</b>	3,364	3,681	3,921	16.6%
<b>Retail</b>	14,473	15,934	16,638	15.0%
<b>FOs</b>	6,113	6,766	6,933	13.4%
<b>Total</b>	40,678	44,197	46,835	15.1%

Source: Company, Way2wealth Research

**Relative Performance**

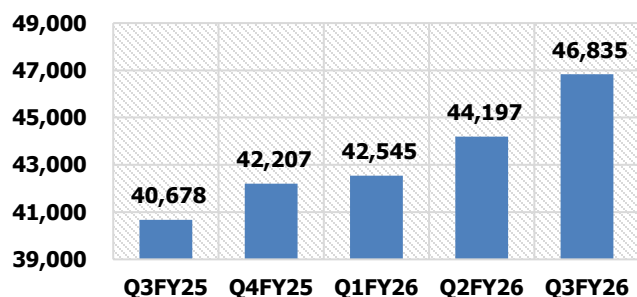
<b>Return (%)</b>	<b>1Yr</b>	<b>3Yr</b>	<b>5Yr</b>
<b>SBI</b>	48.1%	101%	192%
<b>Nifty 50</b>	9.8%	44.6%	70.6%
<b>Sensex</b>	8.7%	38.2%	63%

Source: Company, Way2wealth

**Dhananjay M Kansara**

dhananjay.k@way2wealth.com  
91-22-4019 2908

### Gross Advances (Rs. Bn)



Source: Company, Way2wealth Research

### ➤ Asset quality

- Non-NPA provisions totaled ~₹306.42bn, incorporating ~₹35bn for COVID-related buffers and proactive standard asset provisions.
- Write-off recoveries are targeted at 6%-8% of the AUKA portfolio, supported by a current quarterly run-rate of ~₹20bn.

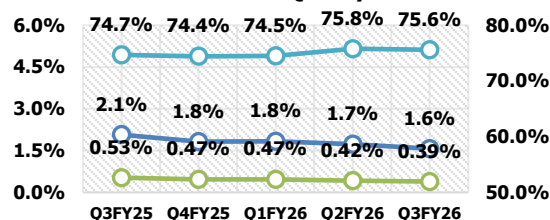
### ➤ Gold Loan Portfolio:

- Gold loan portfolio expanded ~95% YoY, maintaining average LTVs at 54.89% for agri gold loans and ~51% for personal gold loans.
- Portfolio remains robust, with just 20–30 auctions across the large book. Daily LTV tracking and vintage-based segmentation ensure no asset quality issues.

### ➤ Capital Adequacy

- CRAR reached 14.04%, reflecting a 101 bps YoY increase, bolstered by robust internal capital accrual that underpins ongoing expansion, CET-1 buildup, and enhanced balance sheet strength.

### Asset Quality



— Gross NPA (LHS) — Net NPA (LHS)  
— PCR (RHS)

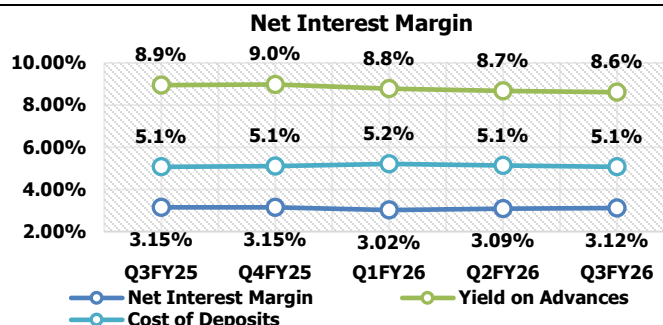
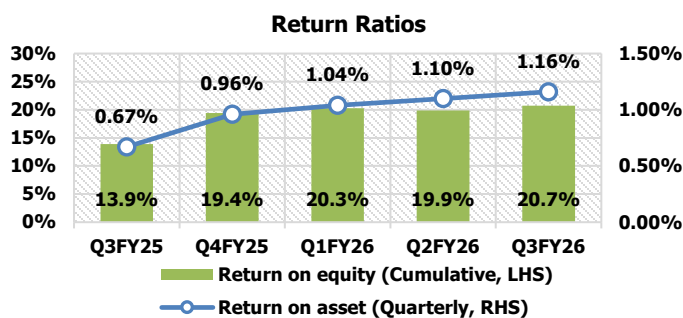
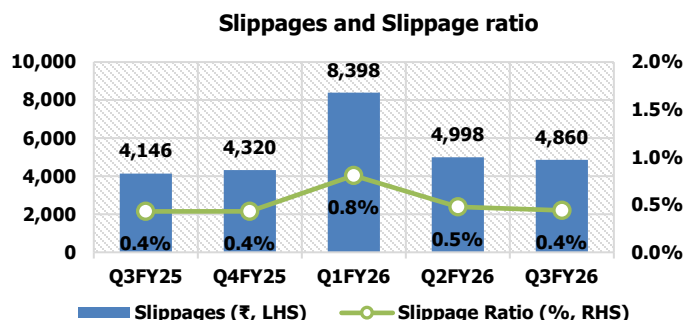
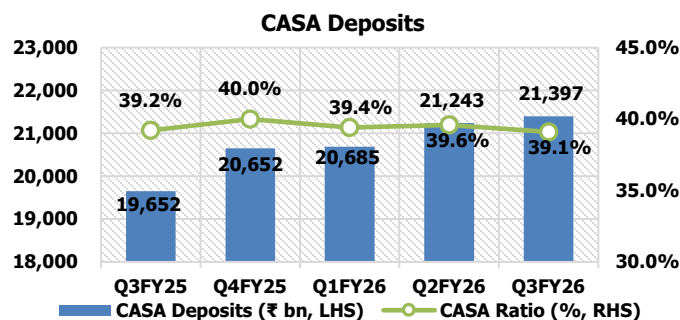
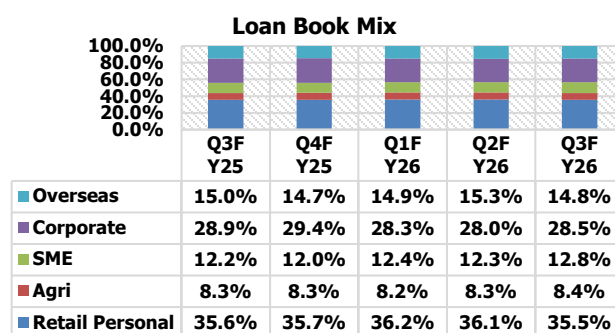
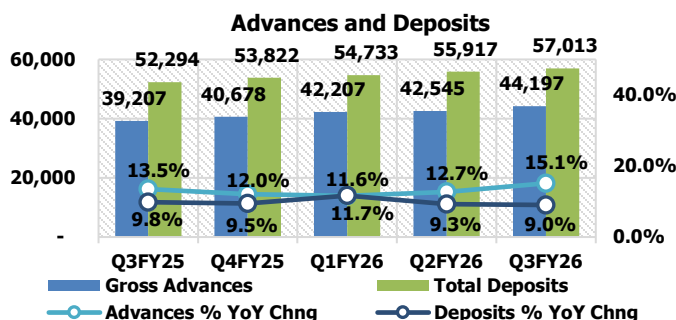
Source: Company, Way2wealth Research

12<sup>th</sup> February 2026

Close\* – ₹1,182.90/-

View – **HOLD**

### Story in Charts



Source: Company, Way2wealth Research

### View

SBIN delivered a solid performance across the board, fueled by strong business expansion, margin gains, and sound asset quality. The bank upgraded its Q4 FY26 credit growth outlook to 13%-15% (previously 12%-14%), backed by 13.37% YoY corporate credit expansion and robust double-digit gains in the RAM (Retail, Agri, MSME) segment. PAT growth was propelled by robust fee income. Cost-to-income ratio is projected to hover around 50%.

**Forward Expectations:** Corporate credit is projected to maintain double-digit momentum through Q4, without eroding margins.

**Asset Quality & Yields:** Write-off recoveries are targeted at 6%-8% of the AUKA portfolio, with a consistent run-rate of ~₹2,000crs quarterly. Yield trajectory holds steady at 6.55%-6.75%, signaling minimal downside to profitability.

Hence we recommend **investors to HOLD this stock at current levels. At CMP ₹1,182.90, SBI trading at 1.2x FY28E P/ABV multiple.**

12<sup>th</sup> February 2026

Close\* – ₹1,182.90/-

 View – **HOLD**
**Financials**

	(₹ crs)				
<b>Income Statement</b>	<b>Q3FY25</b>	<b>Q2FY26</b>	<b>Q3FY26</b>	<b>YoY %</b>	<b>QoQ %</b>
<b>Interest earned on</b>	<b>1,16,183</b>	<b>1,19,655</b>	<b>1,22,556</b>	5.5%	2.4%
Adv/ bills/ loans	83,399	86,183	89,014	6.7%	3.3%
Investments	29,286	29,972	29,707	1.4%	-0.9%
Others	3,497	3,500	3,835		
<b>Interest expended on</b>	<b>75,981</b>	<b>76,670</b>	<b>77,366</b>	1.8%	0.9%
<b>Net Interest Income</b>	<b>40,202</b>	<b>42,985</b>	<b>45,190</b>	12.4%	5.1%
<b>Other Income</b>	<b>11,041</b>	<b>19,919</b>	<b>18,359</b>	66.3%	-7.8%
<b>Total income</b>	<b>51,242</b>	<b>62,904</b>	<b>63,549</b>	24.0%	1.0%
<b>Operating expenses</b>	<b>28,935</b>	<b>30,999</b>	<b>30,687</b>	6.1%	-1.0%
Employee cost	16,074	16,606	16,003	-0.4%	-3.6%
Other costs	12,862	14,393	14,683	14.2%	2.0%
<b>PPOP</b>	<b>22,307</b>	<b>31,905</b>	<b>32,862</b>	47.3%	3.0%
<b>Provisions</b>	911	5,400	4,507	394.7%	-16.5%
Tax	5,748	6,344	7,327		
<b>PAT</b>	<b>15,648</b>	<b>20,161</b>	<b>21,028</b>	34.4%	4.3%
<b>NIM % Domestic</b>	<b>3.15</b>	<b>3.09</b>	<b>3.12</b>	-3bps	+3bps
<b>Credit Cost %</b>	0.24	0.39	0.29	+5bps	-10bps
<b>Gross Deposits</b>	52,29,384	55,91,700	57,01,309	9.0%	2.0%
<b>Gross Advances</b>	40,67,752	44,19,674	46,83,508	15.1%	6.0%

Source: Company, Way2wealth Research

12<sup>th</sup> February 2026

Close\* – ₹1,182.90/-

View – **HOLD**

### Disclaimer

**Analyst Certification:** I, Dhananjay M Kansara, the research analyst and author of this report, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst(s), principally responsible for the preparation of this research report, receives compensation based on overall revenues of the company (Way2Wealth Brokers Private Limited, hereinafter referred to as Way2Wealth) and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

It is confirmed that Dhananjay M Kansara, the author of this report has not received any compensation from the companies mentioned in the report in the preceding 12 months. Our research professionals are paid in part based on the profitability of Way2Wealth, which include earnings from other business. Neither Way2Wealth nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from in connection with the use of the information contained in this report.

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. Way2Wealth is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. The contents of this material are general and are neither comprehensive nor appropriate for every individual and are solely for the informational purposes of the readers. This material does not take into account the specific objectives, financial situation or needs of an individual/s or a Corporate/s or any entity/s.

This research has been prepared for the general use of the clients of the Way2Wealth and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient, you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Way2Wealth will not treat recipients as customers by virtue of their receiving this report. The distribution of this document in other jurisdictions may be restricted by the law applicable in the relevant jurisdictions and persons into whose possession this document comes should inform themselves about, and observe any such restrictions.

The report is based upon information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up to date and it should not be relied upon as such. Way2Wealth or any of its affiliates or employees makes no warranties, either express or implied of any kind regarding any matter pertaining to this report, including, but not limited to warranties of suitability, fitness for a particular purpose, accuracy, timeliness, completeness or non-infringement. We accept no obligation to correct or update the information or opinions in it. Way2Wealth or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. The recipients of this report should rely on their own investigations. In no event shall Way2Wealth be liable for any damages of any kind, including, but not limited to, indirect, special, incidental, consequential, punitive, lost profits, or lost opportunity, whether or not Way2Wealth has advised of the possibility of such damages.

This material contains statements that are forward-looking; such statements are based upon the current beliefs and expectations and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. These uncertainties include but are not limited to: the risk of adverse movements or volatility in the securities markets or in interest or foreign exchange rates or indices; adverse impact from an economic slowdown; downturn in domestic or foreign securities and trading conditions or markets; increased competition; unfavorable political and diplomatic developments; change in the governmental or regulatory policies; failure of a corporate event and such others. This is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy. No part of this material may be copied or duplicated in any form by any means or redistributed without the written consent of Way2Wealth. In no event shall any reader publish, retransmit, redistribute or otherwise reproduce any information provided by Way2Wealth in any format to anyone. Way2Wealth and its affiliates, officers, directors and employees including persons involved in the preparation or issuance of this report may from time to time have interest in securities / positions, financial or otherwise in the securities related to the information contained in this report.

To enhance transparency, Way2Wealth has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

### Disclosure of Interest Statement State Bank of India (SBI) as on 12<sup>th</sup> February 2026

Name of the Security	State Bank of India (SBI)
Name of the analyst	Dhananjay M Kansara
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL

This information is subject to change without any prior notice. Way2Wealth reserves at its absolute discretion the right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, Way2Wealth is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and Enlistment with RAASB/BSE and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.