

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 SBIN'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
FII	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.

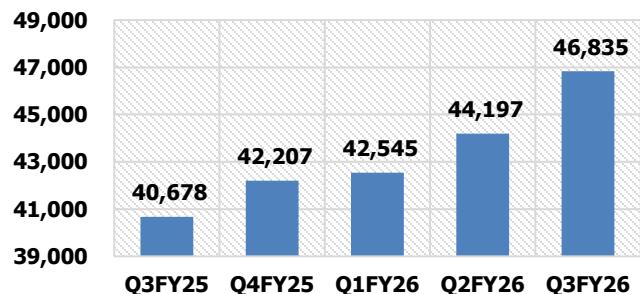
<b>Segment</b>	<b>Q3FY25</b>	<b>Q2FY26</b>	<b>Q3FY26</b>	<b>YoY %</b>
<b>Corporate</b>	11,763	12,393	13,336	13.4%
<b>SME</b>	4,964	5,422	6,007	21.0%
<b>Agri</b>	3,364	3,681	3,921	16.6%
<b>Retail</b>	14,473	15,934	16,638	15.0%
<b>FOs</b>	6,113	6,766	6,933	13.4%
<b>Total</b>	40,678	44,197	46,835	15.1%

*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**

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**Gross Advances (Rs. Bn)**


Source: Company, Way2wealth Research

**Asset quality**

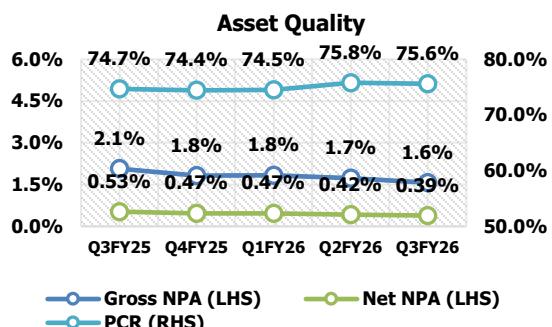
- Non-NPA provisions totaled ~₹306.42bn, incorporating ~₹35bn for COVID-related buffers and proactive standard asset provisions.
- Write-off recoveries are targeted at 6%-8% of the AUKA portfolio, supported by a current quarterly run-rate of ~₹20bn.

**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**

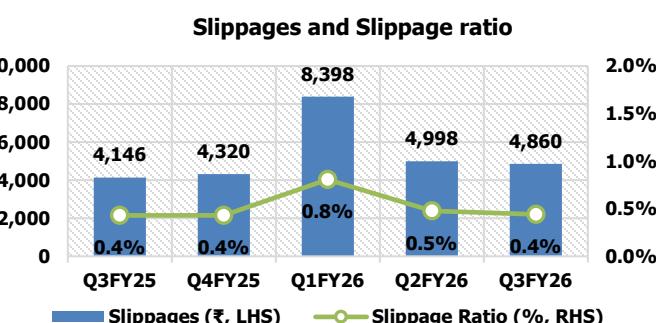
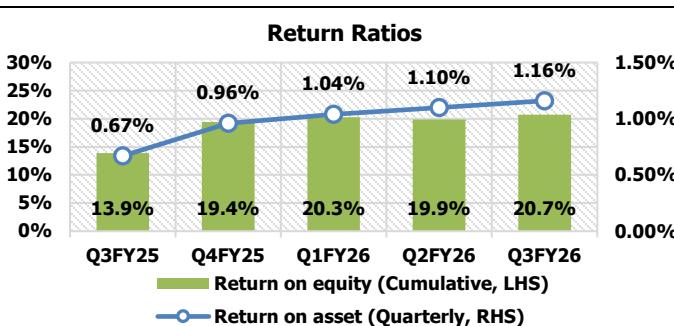
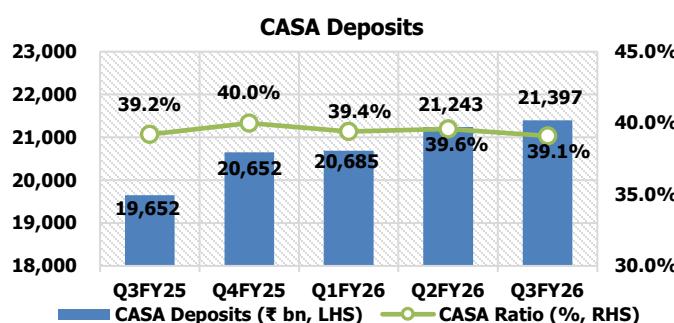
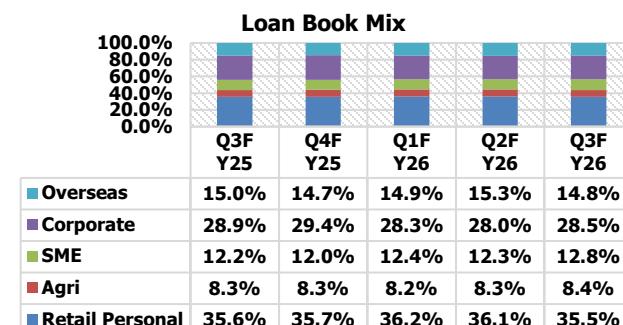
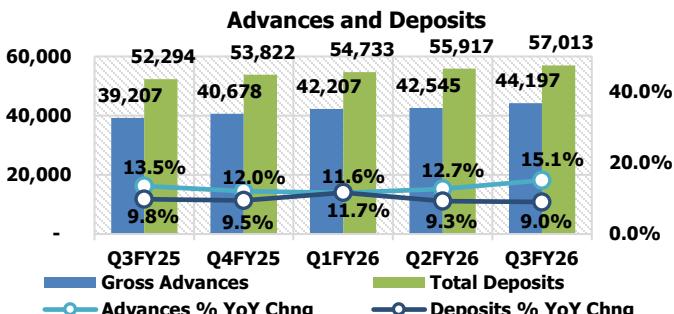
- CRAR reached 14.04%, reflecting a 101 bps YoY increase, bolstered by robust internal capital accrual that underpins ongoing expansion, CET-1 buildup, and enhanced balance sheet strength.



Source: Company, Way2wealth Research

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 View – **HOLD**
**Story in Charts**


Source: Company, Way2wealth Research

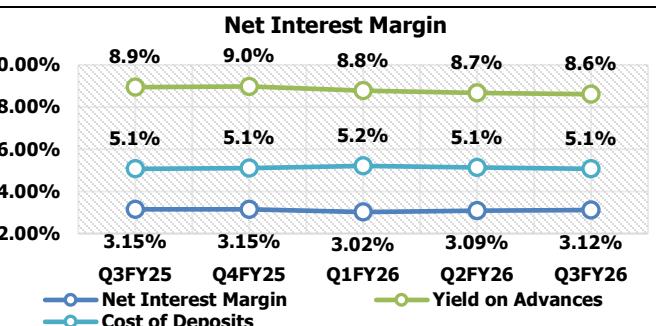
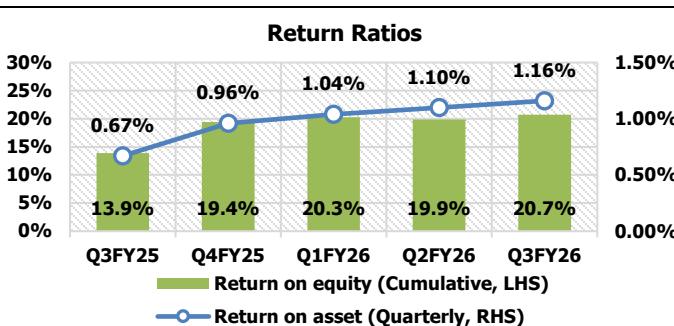
**View**

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.**



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**Financials**

(₹ Crs)

Income Statement	Q3FY25	Q2FY26	Q3FY26	YoY %	QoQ %
<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%
<i>Investments</i>	29,286	29,972	29,707	1.4%	-0.9%
<i>Others</i>	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

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**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
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