

**Key Highlights – Q1FY26**

- State Bank of India in Q1FY26 reported PAT of ₹192bn, up +12% YoY/ up +3% QoQ.
- NII came in at ₹411bn, flat YoY/ -4% QoQ, with NIM (domestic) moderating -33bps YoY/ -13bps QoQ to 3.0%.
- Loan book grew +11.6% YoY/ +0.8% QoQ, was led by retail personal loan portfolio (+2.2% QoQ) while SME segment reported +4.4% QoQ growth.
- Deposit growth stood at 11.7% YoY/ +1.7% QoQ. CASA ratio moderated 61bps QoQ to 39.4%.
- Asset quality remained stable, with GNPA and NNPA ratios well maintained sequentially.

**Important Statistics**

<b>Nifty</b>	24,578
<b>Sensex</b>	81,148
<b>Close* (₹)</b>	821.85
<b>M.CAP (₹ tn)</b>	7.58
<b>52 Week H/L (₹)</b>	875.45/680
<b>NSE Code</b>	SBIN
<b>BSE Code</b>	500112
<b>Bloomberg Code</b>	SBIN:IN

*Close\* as on 13<sup>th</sup> Aug 25*

<b>Shareholding Pattern (%)</b>	<b>Jun'25</b>
Promoters	55.03
FIIIs	9.89
DII	27.01
Public & Others	8.06

**Key takeaways from Q1FY26 result**

➤ **Profitability**

- In Q1FY26, Net interest income (NII) stood at ₹411bn, flat YoY and down -4% QoQ. NIM during the quarter stood at 3.0% moderating -33bps YoY/ -13bps QoQ, as Yield on advances saw a sequential decline of -20bps (-5bps YoY) to 8.8% while cost of deposits rose +10bps QoQ (+21bps YoY).
- Total Interest earned for the quarter was up +6% YoY / flat QoQ, at ₹1,180bn, primarily on account of pass on of interest rate cuts. Interest expenses surged by +9% YoY/ flat QoQ to ₹769bn. Higher flows in term deposits have resulted in elevated cost of funds.
- Moderation in NII was somewhat offset by higher other income and capped operating expenses. While employee costs came at ₹169bn up +9% YoY/ -6% QoQ, operating expenses stood at ₹110bn, up +6% YoY/ -38% QoQ. Resultantly, cost-to-income ratio moderated to 47.71% in Q1FY26 from 49.42% in Q1FY25.
- Provisions during the quarter came lower sequentially by -26% to ₹48bn (up +38% YoY). The credit cost was at 0.47% in Q1FY26.
- Resultantly, PAT for Q1FY26 came in at ₹192bn, up +12% YoY and +3% QoQ.
- During the quarter, RoE declined -17bps QoQ (-128bps YoY) to 19.7%. RoA remained largely flat at 1.14% up +2bps QoQ (+4bps YoY).

**Financials**

<b>Segment (Rs bn)</b>	<b>Q1FY25</b>	<b>Q1FY26</b>	<b>YoY %</b>
Retail Personal	13,680	15,399	12.6%
Agri	3,091	3,483	12.7%
SME	4,434	5,281	19.1%
Corporate	11,386	12,034	5.7%
Domestic	32,591	36,197	11.1%
Overseas	5,530	6,348	14.8%
<b>Total Advances</b>	<b>38,121</b>	<b>42,545</b>	<b>11.6%</b>

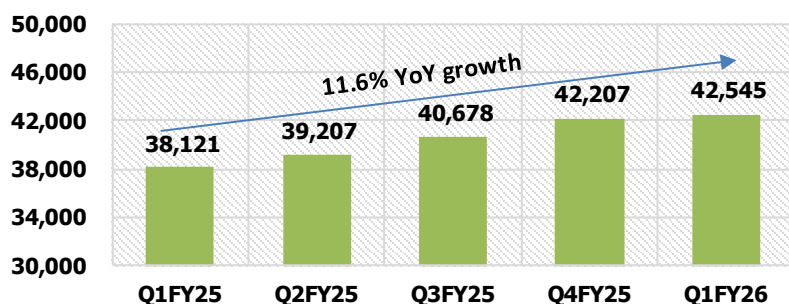
*Source: Company, Way2wealth Research*
**Relative Performance**

<b>Return (%)</b>	<b>1Yr</b>	<b>3Yr</b>	<b>5Yr</b>
<b>SBI</b>	2%	58%	314%
<b>Nifty 50</b>	2%	39%	120%
<b>Sensex</b>	2%	36%	113%

*Source: Company, Way2wealth*
**Prasad Hase**

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### Gross Advances (₹ bn)



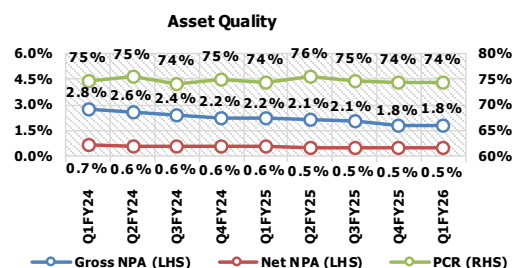
Source: Company, Way2wealth Research

### Advances and Deposits

- Gross advances were up +11.6%YoY/ +0.8%QoQ to ₹42,545bn with domestic advances growing +11.1%YoY/ +0.5%QoQ to ₹36,197bn. Overseas business grew at a robust pace as well at +14.8% YoY/ +2.5% QoQ to ₹6,348bn.
- During the quarter, domestic lending business was led by healthy +12.6%YoY/ +2.2%QoQ growth in retail segment to ₹15,399bn while corporate segmental growth was muted at +5.7%YoY/ -3.0%QoQ to ₹12,034bn. SME segment witnessed robust growth trends for the quarter rising +19.1% YoY/ +4.4% QoQ to ₹5,281bn.
- For the quarter, deposit base expanded by +11.7%YoY/ +1.7%QoQ to ₹54,733bn, with term deposits at ₹31,863bn driving growth (+14%YoY/ +3%QoQ), while CASA deposits grew at +8.0%YoY/ +0.2% QoQ to ₹20,685bn, leading to a CASA ratio of 39.4% (-134bps YoY/-61bps QoQ).
- Xpress credit growth remains soft for few quarters now, however, management expects the recovery in FY26.

### Asset quality

- Improvement in bank's asset quality remained stable as GNPA contracted -38bps YoY/ flat QoQ at 1.8% while NNPA fell -10bps YoY/ flat QoQ to 0.5%. PCR for the quarter stood at 74.5%.
- Slippages in Q1FY26 stood at ₹79bn, rising +88% QoQ, with the Slippage Ratio at 0.8% (-9bps YoY/+20bps QoQ).



Source: Company, Way2wealth Research

### Capital Adequacy

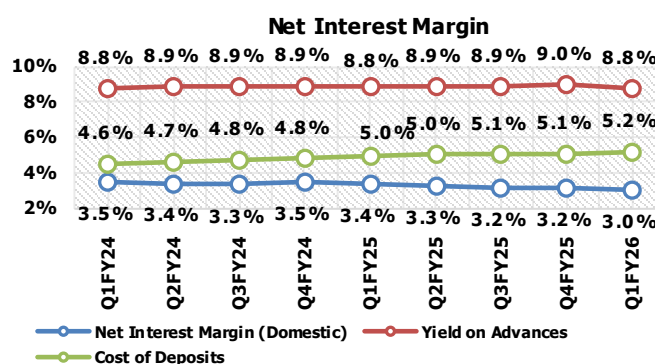
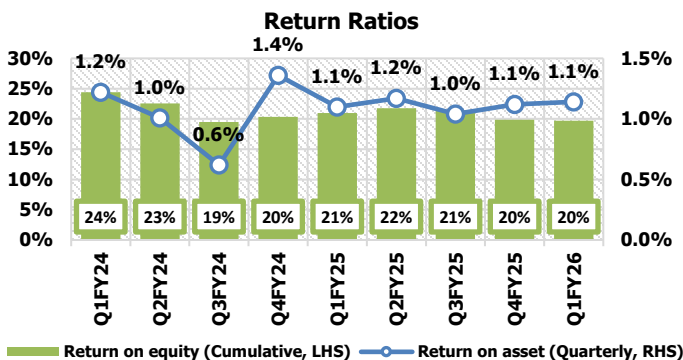
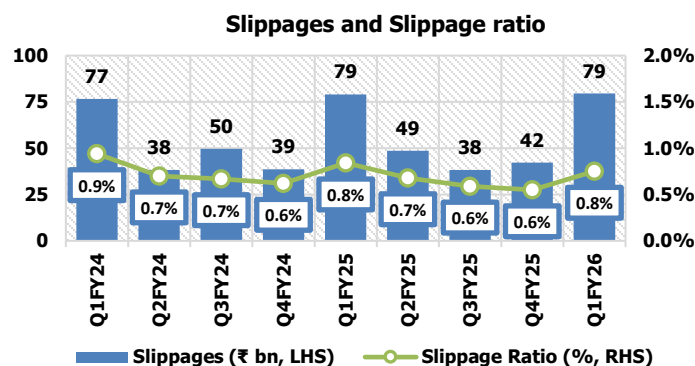
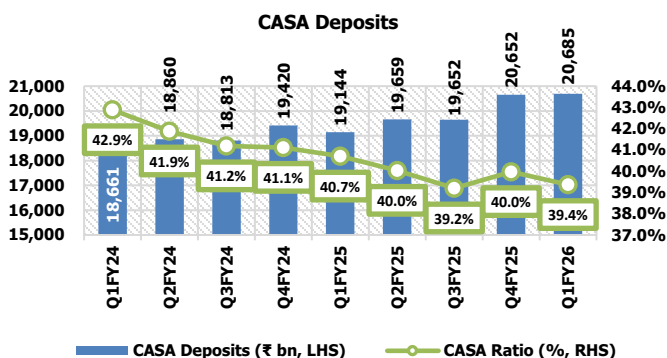
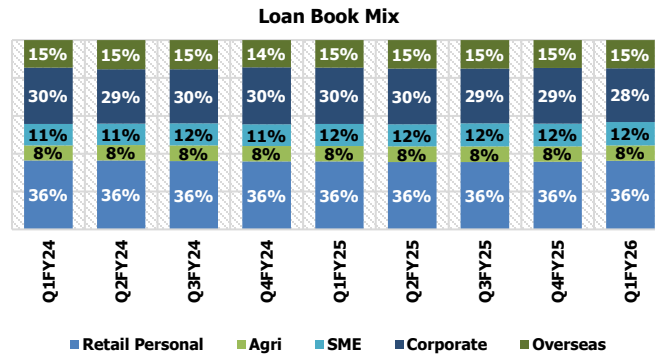
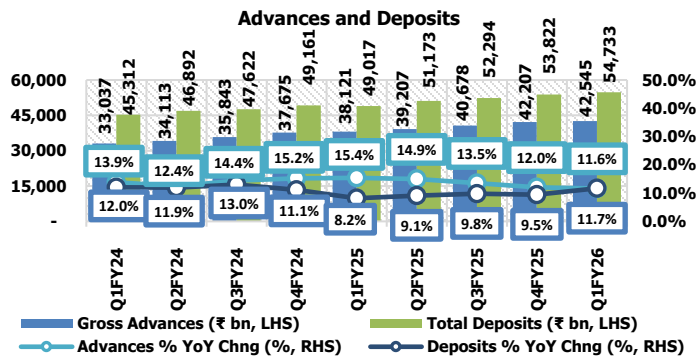
- In Q1FY26, the Capital Adequacy Ratio (CAR) improved +77bps YoY / up +38bps QoQ to 14.63%.

14<sup>th</sup> August 2025

Close\* – ₹821.85/-

View – HOLD

**Story in Charts**



Source: Company, Way2wealth Research


 14<sup>th</sup> August 2025

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 View – **HOLD**
**View**

State Bank of India posted a good set of earnings performance in Q1FY26 supported by treasury gains led higher other income and well capped operating expenses. The management guidance for loan-book growth of 12-13% in FY26 looks reasonable and achievable. Margins may correct a bit during the next quarter but will recover during 2HFY25 and will likely stay above 3% mark at the domestic level. With SBI's recently concluded ₹250bn QIP fund raise, CET – 1 stands at 12.33%. Amid challenging environment the bank was able to maintain its NPA profile. Asset quality remained stable and the management does not see any significant pile up of stress especially in SME book. Although, slippage ratio was on the higher side at 75bps, guidance for FY26 is at 60 bps. While the upcoming quarter could be challenging as the full impact of interest rate cut pass on will be seen, the extent of impact on margin compression needs to be seen and hence we recommend **investors to HOLD this stock at current levels. At CMP 821.85, SBI trading at 1.1x FY27e P/Bk multiple.**

14<sup>th</sup> August 2025

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View – HOLD

**Financials**

(₹ bn)

Particulars (₹ bn)	Q1FY26	Q1FY25	% YoY Chng	Q4FY25	% QoQ Chng	FY25	FY24	% YoY Chng
Interest/ discount on advances / bills	854	792	8%	857	0%	3,306	2,880	15%
Income on investments	277	283	-2%	295	-6%	1,150	1,086	6%
Interest on balances with RBI & other inter-bank funds	18	11	74%	11	64%	44	51	-13%
Others	30	30	-1%	34	-12%	124	116	7%
<b>Interest earned</b>	<b>1,180</b>	<b>1,115</b>	<b>6%</b>	<b>1,197</b>	<b>-1%</b>	<b>4625</b>	<b>4133</b>	<b>12%</b>
Interest expended	769	704	9%	769	0%	2,955	2,553	16%
<b>Net Interest Income</b>	<b>411</b>	<b>411</b>	<b>0%</b>	<b>428</b>	<b>-4%</b>	<b>1,670</b>	<b>1,581</b>	<b>6%</b>
Other income	173	112	55%	242	-28%	617	517	19%
<b>Total income</b>	<b>584</b>	<b>523</b>	<b>12%</b>	<b>670</b>	<b>-13%</b>	<b>2,286</b>	<b>2,098</b>	<b>9%</b>
Employee costs	169	155	9%	180	-6%	644	712	-10%
Operating expenses	110	104	6%	177	-38%	537	465	15%
<b>Core Profit</b>	<b>305</b>	<b>264</b>	<b>15%</b>	<b>313</b>	<b>-2%</b>	<b>1,106</b>	<b>920</b>	<b>20%</b>
Provisions and contingencies	48	34	38%	64	-26%	153	49	212%
<b>Profit before tax</b>	<b>258</b>	<b>230</b>	<b>12%</b>	<b>248</b>	<b>4%</b>	<b>953</b>	<b>871</b>	<b>9%</b>
Tax expense	66	60	11%	62	7%	244	207	18%
<b>Net profit</b>	<b>192</b>	<b>170</b>	<b>12%</b>	<b>186</b>	<b>3%</b>	<b>709</b>	<b>664</b>	<b>7%</b>
<b>Exceptional items</b>	<b>-</b>	<b>-</b>		<b>-</b>		<b>-</b>	<b>71</b>	
<b>Reported PAT</b>	<b>192</b>	<b>170</b>	<b>12%</b>	<b>186</b>	<b>3%</b>	<b>709</b>	<b>593</b>	<b>20%</b>
Earnings per share (EPS)	21	23	-7%	19	13%	79	68	16%
NIM (Overall)	2.9%	3.2%	-32 bps	3.0%	-10 bps	3.1%	3.3%	-19 bps
<b>NIM (Domestic)</b>	<b>3.0%</b>	<b>3.4%</b>	<b>-33 bps</b>	<b>3.2%</b>	<b>-13 bps</b>	<b>3.2%</b>	<b>3.4%</b>	<b>-21 bps</b>
Cost to Income ratio	47.7%	49.4%	-171 bps	53.3%	-558 bps	51.6%	55.7%	-402 bps
Cost to Assets	1.7%	1.7%	-1 bps	2.2%	-49 bps	1.8%	2.0%	-17 bps

Source: Company, Way2wealth Research

14<sup>th</sup> August 2025

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**Disclosure of Interest Statement State Bank of India (SBI) as on 14<sup>th</sup> August 2025**

Name of the Security	State Bank of India (SBI)
Name of the analyst	Prasad Hase
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
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