This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions

BUY State Bank of India

Broadly inline Quarter; growth, profitability guidance reaffirmed

Emkay Your success is our success

BFSI - Banks ▸ Result Update ▸ **November 04, 2026** **CMP (Rs): 970 | TP (Rs): 1,350**

SBI reported PAT of Rs230bn/ROA ~1.2%, broadly in line with estimates, led by the treasury gains (+39% qoq) including the one-off SBI Funds stake sale gain of ~Rs72.8bn, partly offset by treasury MTM loss of Rs12.8bn and lower provisions (27% below estimate). PPoP was muted (~1.4% yoy/20% qoq) due to lower other income (47% below estimate) and higher opex (3% above estimate). Loan growth remained healthy at 18.2% yoy, with Management guidance of 14–15% growth in FY27. SBI continues to prioritize profitable growth, consciously forgoing low-yielding corporate and refinancing opportunities to protect margins. NIM expansion was driven by lower deposit costs, supported by FCNR(B)-led replacement of high-cost wholesale deposits and improved CASA balance, with Management expecting further upside from lagged EBLR/MCLR repricing while maintaining guidance above 3%. The management estimates net-of-tax ECL impact of ~Rs195bn, while ~Rs100bn of agricultural loans across three drought-affected states may qualify for restructuring. We expect ROA/ROE of ~1.1%/~16% over FY27-FY29E. We retain BUY with TP of Rs1,350, valuing it at 1.4x Sep-28E ABV and its subsidiaries/investments at Rs318/share.

Strong broad-based growth continues; margins expand qoq

SBI reported strong loan growth of 18.2% yoy/3.3% qoq, driven by healthy growth across the MSME, agriculture, and overseas segments, while retail growth was steady at 14.5%, largely led by gold loans. Corporate advances grew 16% yoy, with Mgmt expecting similar momentum in 2H. Auto loan growth was subdued, though Oct-26 trends improved following competitive pricing revisions, while Xpress Credit grew 7.5% yoy, partly reflecting a shift toward gold loans. NIM expansion was driven by lower deposit costs, aided by FCNR(B)-led replacement of high-cost wholesale deposits and improved CASA balance, alongside better asset yields as the bank prioritized pricing over growth in corporate loans; Mgmt expects further upside from the lagged benefits of EBLR/MCLR repricing, while retaining NIM guidance above 3%. It expects credit growth of 14–15%.

Lower slippages drive improvement in asset quality

Gross slippages declined to ~Rs54bn (0.5% of loans), coupled with higher write-offs leading to 8bps improvement in GNPA ratio to 1.4%. SMA-1/SMA-2 balances rose 15% qoq, largely driven by SMA-1, with over half of these exposures upgrading to standard and only one account (~Rs500mn) slipping into NPA. The bank estimates post-tax ECL impact of ~Rs195bn, and has identified ~Rs100bn of agri loans potentially eligible for restructuring across three drought-affected states.

We retain BUY on SBI

We tweak estimates and continue to expect healthy broad-based growth, supporting normalized ROA/ROE of ~1.1%/~16%. We retain BUY with TP of Rs1,350, valuing the bank at 1.4x Sep-28E ABV and its subsidiaries/investments at Rs318/share. Risks: Macroeconomic slowdown hurting growth/asset quality and higher treasury losses.

Target Price – 12M	Sep-27
Change in TP (%)	**-**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	39.2

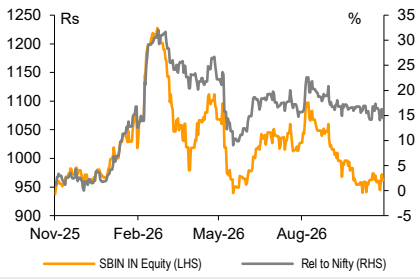
Stock Data	**SBIN IN**
52-week High (Rs)	1,235
52-week Low (Rs)	934
Shares outstanding (mn)	9,230.8
Market-cap (Rs bn)	8,956
Market-cap (USD mn)	94,527
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	12.4
ADTV-3M (Rs mn)	9,831.1
ADTV-3M (USD mn)	103.8
Free float (%)	43.1
Nifty-50	23,810.8
INR/USD	94.7

Shareholding,Sep-26	
Promoters (%)	55.0
FPIs/MFs (%)	11.0/26.1

Price Performance

(%)	1M	3M	12M
Absolute	1.7	(7.2)	2.2
Rel. to Nifty	(4.2)	(3.4)	10.5

1-Year share price trend (Rs)



State Bank of India: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profit	715,256	800,320	886,402	1,017,546	1,150,981
Loan growth (%)	12.4	17.2	16.4	15.0	15.0
NII growth (%)	4.4	3.7	19.3	16.4	13.7
NIM (%)	2.8	2.6	2.8	2.8	2.8
PPOP growth (%)	28.3	10.6	14.1	16.9	14.1
Adj. EPS (Rs)	80.1	86.7	96.0	110.2	124.7
Adj. EPS growth (%)	17.1	8.2	10.8	14.8	13.1
Adj. BV (INR)	410.7	515.6	592.4	681.0	783.4
Adj. BVPS growth (%)	16.4	25.5	14.9	15.0	15.0
RoA (%)	1.1	1.1	1.1	1.1	1.1
RoE (%)	18.7	17.3	16.2	16.3	16.1
P/E (x)	8.1	7.5	6.8	5.9	5.2
P/ABV (x)	1.6	1.3	1.1	1.0	0.8

Source: Company, Emkay Research

Avinash Singh
avinash.singh@emkayglobal.com
+91-22-66121327

Nikhil Vaishnav
nikhil.vaishnav@emkayglobal.com
+91-22-66242485

Aman Mehta
aman.mehta@emkayglobal.com
+91-22-66121275

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Refer to Important Disclosures at the end of this report

Earnings call highlights

Outlook on loans, deposits, and NIM

- Management expects strong 2H credit growth and achievement of its full-year advances growth guidance of 14–15%. This is supported by a corporate loan pipeline of ~Rs 7trn and healthy growth across gold loans, home loans, and auto loans.
- The advances portfolio comprises 32% EBLR-linked loans, 27% MCLR-linked loans, 17% T-bill-linked loans, and 21% fixed-rate loans, with the balance under other categories.
- SBI's ECLGS portfolio stood at ~Rs288bn, contributing nearly 50% of the bank's SME loan growth. Management clarified that higher utilization should not be interpreted as a sign of borrower stress. Initially, a number of borrowers used the facility to replace high-cost borrowings or to build working-capital liquidity, drawing on it as business demand improved.
- Management indicated that large corporate groups continue to drive major capital expenditure programs, while mid-corporate and SME credit growth is primarily driven by working capital requirements and brownfield expansions.
- SBI maintains a conservative LTV ratio in agri gold loans, of 60–61%, well below the regulatory ceiling of 85%. The portfolio continues to demonstrate healthy asset quality, with limited exposure beyond the regulatory LTV threshold.
- SBI had previously adopted cautious pricing but has now revised rates, recognizing auto loans as a customer-acquisition product that helps build new-to-bank relationships and enables cross-selling. Management reported robust growth in October and indicated that SBI is regaining momentum in this segment.
- Personal loans (Xpress Credit) growth stood at 7.48%. While the management targets to achieve double-digit growth, it considers the current performance reasonable given the high churn and relatively short loan tenure of 3–3.5 years. Some customer movement is occurring from Xpress Credit toward gold loans.
- The slowdown in HL reflects a combination of factors, including inventory build-up, fewer new project launches, and softer purchases in certain markets such as Bengaluru. Management clarified that the slowdown is not exclusively attributable to supply-side constraints or weak consumer demand.
- SBI expects to sustain ~16% corporate loan growth in 2HFY27, supported by a healthy corporate pipeline.
- Management noted that the EBLR-linked mortgage portfolio could benefit from an increasing interest-rate environment. Home loans also remain a capital-efficient product, and SBI intends to maintain its leadership position, while acknowledging that growth cannot consistently outpace the overall industry.
- SBI reiterated its focus on profitable growth, having consciously declined several low-yielding corporate loan and refinancing opportunities to protect the overall yield on advances. Management indicated that reported corporate growth would have been higher had these deals been pursued.
- Management does not anticipate significant pressure to raise deposit rates, citing excess SLR of Rs3.5–3.7trn currently compared with Rs4.8trn at Sep-end, providing sufficient liquidity and reducing the need to compete aggressively for deposits.
- SBI mobilized ~$10.9bn through FCNR(B) deposits, with net leverage of $8.83bn, indicating relatively measured reliance on this funding source compared with some peers.
- NIM expansion was driven by improved yields on advances and, more importantly, a lower cost of deposits. The bank utilized FCNR(B) inflows to replace high-cost wholesale deposits, while a sustained focus on the daily average balance in CASA (rather than quarter-end balance) further supported deposit cost moderation.
- On the asset front**,** the bank consciously slowed down on lower-yielding working capital and T-bill-linked corporate loans where pricing was unattractive, resulting in lower corporate working capital utilization. Management maintained its NIM guidance of above 3%, while indicating potential upside from the full pass-through of the 25bps EBLR cut and 15bps MCLR hike, along with any further policy rate hikes.

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Asset quality

- SBI's estimated ECL impact on its standalone loan portfolio is ~Rs 195bn net of tax, after adjusting for existing provisions and the deferred tax asset (DTA). The estimate excludes certain elements of the ECL framework-including fair valuation of the HTM investment portfolio and the treatment of crop loans under ECL-that are yet to be finalized, Following drought declarations in three states and the corresponding SLBC resolutions, SBI has identified ~Rs100bn worth of potentially eligible agricultural loans for restructuring.
- More than half of the SMA-1 exposure has been upgraded to standard classification. Management expects most of the remaining accounts to regularize, apart from a small account of ~Rs500mn that has slipped into NPA.

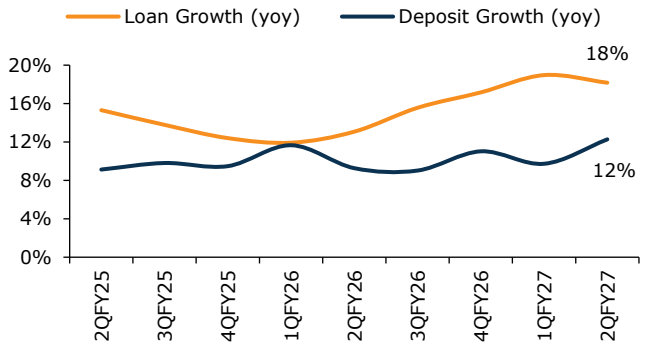
Others

- SBI's NSE holding is classified as Available for Sale (AFS); accordingly, divestment gains are routed to the AFS reserve rather than the P&L. Further, the post-listing mark-to-market gain on the remaining NSE stake, based on its current valuation, is ~Rs110bn, which further strengthens the AFS reserve and capital position.
- SBI Mutual Fund is classified under associates and subsidiaries, with divestment gains recognized through the P&L. The expected post-tax gain of ~Rs60bn from the SBI Mutual Fund stake sale was offset by treasury losses arising from the sharp movement in bond yields.
- SBI's house view recommends a cumulative 50bps repo rate hike in December, with the objective of completing the required rate adjustment before 4QFY27 and avoiding monetary policy uncertainty later in the year.
- Management expects 10-year G-Sec yields to moderate to below 7% by the end of FY27, subject to geopolitical developments, US Treasury yields, oil prices, and other global factors.
- Of the Rs12.5bn reported under provisions in 2Q, approximately Rs9.4bn relates to performance-linked incentive (PLI) provisions. Management confirmed that this is a recurring quarterly provision across all four quarters.
- SBI reported MTM treasury loss of ~Rs13bn during the quarter.
- Management clarified that SBI has no immediate plans to exit its stake in Yes Bank.
- SBI recognized ~Rs8.5bn of overhead expenses earlier than scheduled, comprising Rs2.5bn of IT services bills, Rs1.5bn of vendor payments, and Rs4.5bn toward MaaS services. Management intends to continue upfronting eligible expenses in 3Q, to minimize the usual 4Q spike in overheads. SBI targets overhead growth of not more than 10%.
- Management reiterated its key profitability guidance of 1% ROA, minimum 3% NIM, and 15% ROE through the cycles, stating that all three targets are unchanged.

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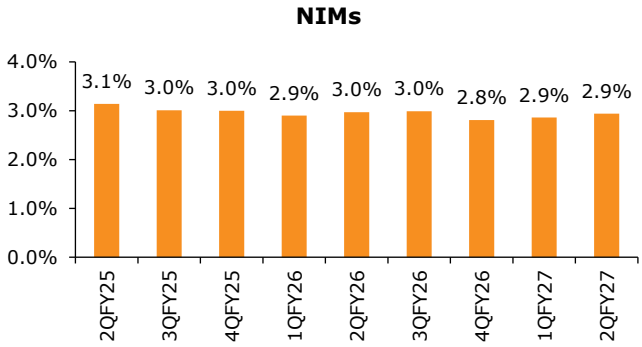
Story in charts

Exhibit 1: Credit growth was strong, led by broad-based growth across segments; deposit growth improved due to FCNR(B) mobilization



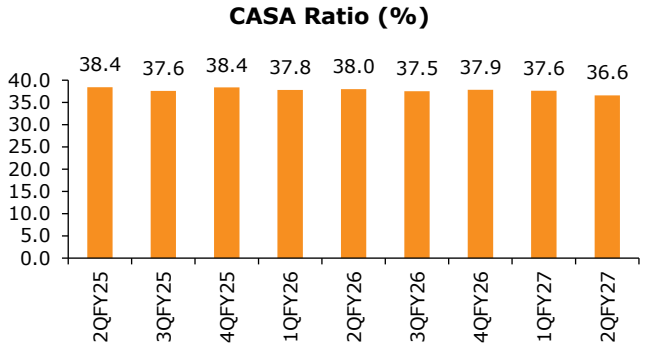
Source: Company, Emkay Research

Exhibit 2: NIM improvement led by lower cost of deposits



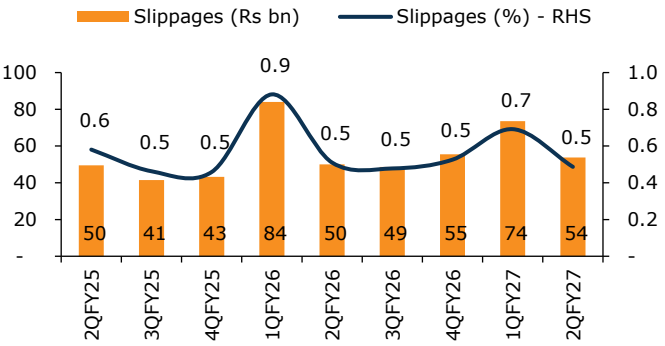
Source: Company, Emkay Research

Exhibit 3: CASA grew at steady pace; however, CASA ratio moderated due to FCNR mobilization



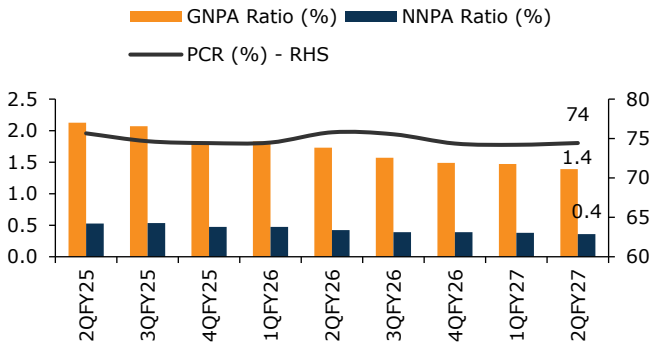
Source: Company, Emkay Research

Exhibit 4: Gross slippages declined qoq...



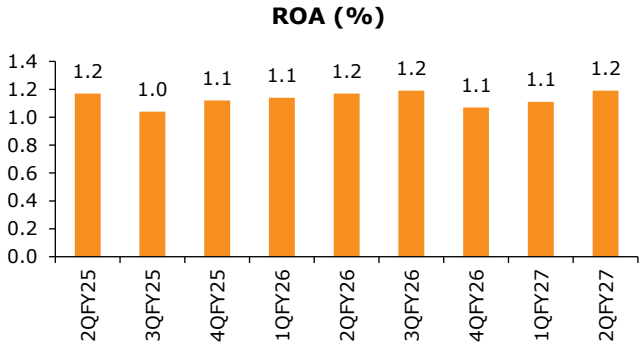
Source: Company, Emkay Research

Exhibit 5: ...this, coupled with higher write-offs, led to improvement in GNPA qoq



Source: Company, Emkay Research

Exhibit 6: ROA improved qoq due to better NII and one-off gains

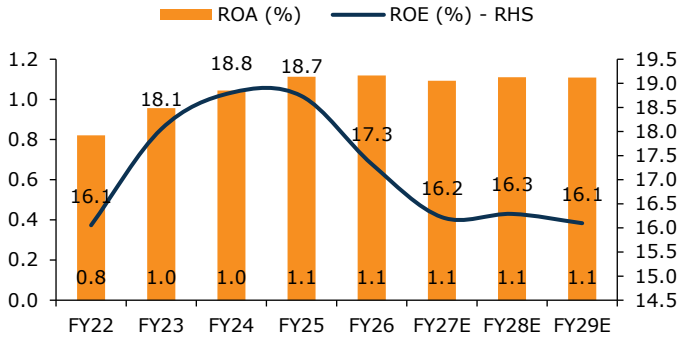


Source: Company, Emkay Research

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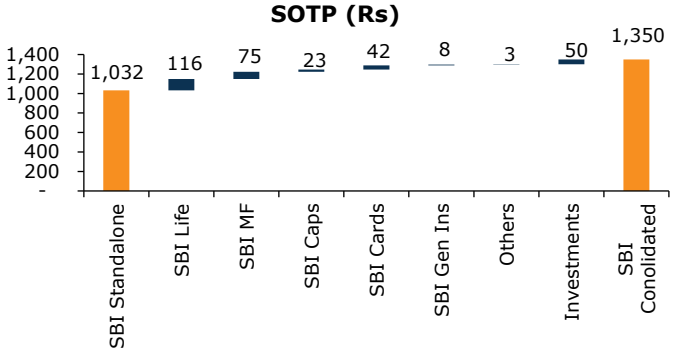
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Exhibit 7: We expect healthy growth, coupled with contained opex and lower provisions, to support the bank's ROA at 1.1%



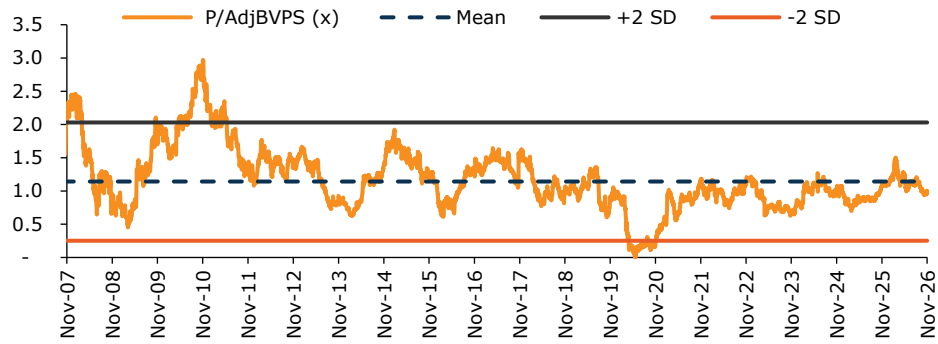
Source: Emkay Research

Exhibit 8: We value the standalone bank at 1.4x Sep-28E ABV and subsidiaries/investments at Rs318/share



Source: Emkay Research

Exhibit 9: The stock currently trades at ~1x its 1YF ABV



Source: Bloomberg, Emkay Research

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Exhibit 10: Actuals vs Estimates (2QFY27)

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	609,203	694,737	681,188	-12%	-11%	Higher NII and lower other income caused a miss.
PPOP	269,372	364,933	334,453	-26%	-19%	Lower net income, along with higher opex, caused a miss on PPoP estimates.
PAT	230,380	229,586	218,660	0%	5%	Lower PPoP coupled with one-off gains led to in-line PAT.

Source: Emkay Research

Exhibit 11: Quarterly summary

(Rs mn)	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	yoy (%)	qoq (%)	FY26	FY27E	yoy (%)
Interest Earned	1,196,539	1,223,524	1,230,977	1,278,965	1,320,186	10.3	3.2	4,827,972	5,400,902	11.9
Interest Expenses	766,699	773,658	787,177	809,040	828,757	8.1	2.4	3,096,767	3,336,411	7.7
Net Interest Income	429,841	449,866	443,800	469,924	491,429	14.3	4.6	1,731,205	2,064,492	19.3
Global NIMs (reported)	3.0	3.0	2.8	2.9	2.9	-3bps	8bps	2.6	2.8	13bps
Non-interest Income	153,255	185,623	173,141	159,227	117,775	-23.2	-26.0	734,435	714,169	-2.8
Operating Expenses	309,987	306,865	339,899	293,860	339,831	9.6	15.6	1,235,488	1,375,083	11.3
Pre-Provisioning Profit	273,109	328,624	277,042	335,292	269,372	-1.4	-19.7	1,230,152	1,403,578	14.1
Provision and Contingencies	54,001	45,069	28,722	50,468	42,169	-21.9	-16.4	175,384	218,549	24.6
PBT	219,108	283,555	248,320	284,824	227,204	3.7	-20.2	1,054,768	1,185,029	12.3
Income Tax Expense (Gain)	63,444	73,273	51,483	73,612	69,709	9.9	-5.3	254,448	298,627	17.4
Net Profit/(Loss)	201,597	210,282	196,838	211,212	230,380	14.3	9.1	800,320	886,402	10.8
Gross NPA (%)	1.7	1.6	1.5	1.5	1.4	-34bps	-8bps	1.5	1.5	-3bps
Net NPA (%)	0.4	0.4	0.4	0.4	0.4	-6bps	-2bps	0.4	0.4	-1bps
Deposits (Rs bn)	55,917	57,013	59,756	60,058	62,779	12.3	4.5	59,756	66,573	11.4
Net Advances (Rs bn)	43,617	46,277	48,779	49,920	51,543	18.2	3.3	48,779	56,790	16.4

Source: Company, Emkay Research

Exhibit 12: Revision in estimates

Y/E Mar (Rs mn)	FY27E			FY28E			FY29E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Net income	1,996,455	2,064,492	3.4%	2,258,671	2,402,394	6.4%	2,543,438	2,731,573	7.4%
PPOP	1,409,901	1,403,578	-0.4%	1,599,296	1,640,278	2.6%	1,792,743	1,871,802	4.4%
PAT	889,729	886,402	-0.4%	987,158	1,017,546	3.1%	1,104,078	1,150,981	4.2%
EPS (Rs)	96.4	96.0	-0.4%	106.9	110.2	3.1%	119.6	124.7	4.2%
BV (Rs)	631.7	631.3	-0.1%	719.1	722.0	0.4%	819.1	827.1	1.0%

Source: Emkay Research

Exhibit 13: Key assumptions

(%)	FY26	FY27E	FY28E	FY29E
Loan Growth	17.2	16.4	15.0	15.0
Deposit Growth	11.0	11.4	14.8	15.6
NIM	2.6	2.8	2.8	2.8
GNPA	1.5	1.5	1.4	1.4
Credit Cost	0.4	0.4	0.5	0.5

Source: Emkay Research

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Exhibit 14: Key ratios and trends

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Loans (Rs bn)	**38,574**	**40,046**	**41,633**	**41,962**	**43,617**	**46,277**	**48,779**	**49,920**	**51,543**
Loan growth (% yoy)	***15.3***	***13.8***	***12.4***	***11.9***	***13.1***	***15.6***	***17.2***	***19.0***	***18.2***
Loan growth (% qoq)	*2.9*	*3.8*	*4.0*	*0.8*	*3.9*	*6.1*	*5.4*	*2.3*	3.3
Loan composition (%)									
Corporate	30.0	29.4	29.8	28.7	28.4	28.8	29.2	28.5	27.9
Retail	36.2	36.1	36.2	36.7	36.5	36.0	35.6	35.5	35.4
SME	11.8	12.4	12.2	12.6	12.4	13.0	12.6	12.9	12.8
Overseas	15.2	15.3	14.9	15.1	15.5	15.0	15.2	15.4	16.1
Agri	6.7	6.8	7.0	6.9	7.1	7.3	7.4	7.6	7.7
Liability profile and margins (%)									
CASA	38.4	37.6	38.4	37.8	38.0	37.5	37.9	37.6	36.6
CA	5.4	5.5	6.8	5.9	5.9	5.5	6.4	5.6	5.5
SA	33.0	32.1	31.6	31.9	32.1	32.0	31.5	32.1	31.1
Global NIM	**3.1**	**3.0**	**3.0**	**2.9**	**3.0**	**3.0**	**2.8**	**2.9**	**2.9**
Domestic NIM	3.3	3.3	3.2	3.0	3.1	3.1	2.9	3.0	3.1
Asset quality									
GNPA (%)	2.1	2.1	1.8	1.8	1.7	1.6	1.5	1.5	1.4
NNPA (%)	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4
PCR (%)	75.7	74.7	74.4	74.5	75.8	75.5	74.4	74.2	74.4
Slippages (Rs bn)	50	41	43	84	50	49	55	74	54
Slippages (%)	0.6	0.5	0.5	0.9	0.5	0.5	0.5	0.7	0.5
Capital Adequacy (%)									
CAR	14.8	14.5	14.3	14.6	14.6	14.0	15.4	15.7	16.1
Tier I	*12.4*	*12.3*	*12.1*	*12.5*	*12.7*	*12.1*	*13.3*	*13.9*	*14.3*
CET 1	*10.0*	*11.0*	*11.0*	*11.1*	*11.5*	*11.0*	*12.3*	*12.9*	*13.3*
DuPont analysis (%)									
NII	**2.7**	**2.6**	**2.6**	**2.4**	**2.5**	**2.5**	**2.4**	**2.5**	**2.5**
Other income (Ex Treasury)	0.7	0.6	1.0	0.7	0.5	0.9	1.0	0.6	0.3
Treasury	0.3	0.1	0.4	0.4	0.7	0.5	0.2	0.5	0.6
Opex	1.8	1.8	2.1	1.7	1.8	1.7	1.8	1.5	1.7
PPOP	**1.9**	**1.5**	**1.9**	**1.8**	**1.9**	**2.1**	**1.8**	**2.0**	**1.7**
Provisioning cost	0.3	0.1	0.4	0.3	0.3	0.3	0.2	0.3	0.2
PBT	**1.6**	**1.4**	**1.5**	**1.5**	**1.3**	**1.6**	**1.3**	**1.5**	**1.4**
Tax	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.4	0.4
ROA	**1.2**	**1.0**	**1.1**	**1.1**	**1.2**	**1.2**	**1.1**	**1.1**	**1.1**
Leverage (x)	15.3	15.2	15.2	14.8	13.9	13.4	13.6	13.8	14.6
ROE	**18.0**	**15.8**	**17.0**	**16.8**	**16.3**	**15.9**	**14.5**	**15.2**	**15.8**

Source: Company, Emkay Research

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State Bank of India: Standalone Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	4,624,893	4,827,972	5,400,902	6,029,063	6,796,596
Interest Expense	2,955,242	3,096,767	3,336,411	3,626,669	4,065,023
Net interest income	**1,669,651**	**1,731,205**	**2,064,492**	**2,402,394**	**2,731,573**
NII growth (%)	4.4	3.7	19.3	16.4	13.7
Other income	623,081	734,435	714,169	835,520	952,670
Total Income	**2,292,732**	**2,465,640**	**2,778,661**	**3,237,914**	**3,684,243**
Operating expenses	1,180,690	1,235,488	1,375,083	1,597,636	1,812,441
PPOP	**1,112,042**	**1,230,152**	**1,403,578**	**1,640,278**	**1,871,802**
PPOP growth (%)	28.3	10.6	14.1	16.9	14.1
Core PPOP	**959,009**	**1,074,108**	**1,207,433**	**1,395,211**	**1,559,721**
Provisions & contingencies	153,079	175,384	218,549	279,922	333,058
PBT	**958,963**	**1,054,768**	**1,185,029**	**1,360,356**	**1,538,744**
Extraordinary items	0	0	0	0	0
Tax expense	243,706	254,448	298,627	342,810	387,763
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	**715,256**	**800,320**	**886,402**	**1,017,546**	**1,150,981**
PAT growth (%)	17.1	11.9	10.8	14.8	13.1
Adjusted PAT	**715,256**	**800,320**	**886,402**	**1,017,546**	**1,150,981**
Diluted EPS (Rs)	**80.1**	**86.7**	**96.0**	**110.2**	**124.7**
Diluted EPS growth (%)	17.1	8.2	10.8	14.8	13.1
DPS (Rs)	**15.9**	**17.4**	**18.5**	**20.3**	**20.3**
Dividend payout (%)	**19.8**	**20.0**	**19.3**	**18.4**	**16.2**
Effective tax rate (%)	25.4	24.1	25.2	25.2	25.2
Net interest margins (%)	2.8	2.6	2.8	2.8	2.8
Cost-income ratio (%)	51.5	50.1	49.5	49.3	49.2
Shares outstanding (mn)	8,924.6	9,230.6	9,230.8	9,230.8	9,230.8

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	8,925	9,231	9,231	9,231	9,231
Reserves & surplus	4,402,697	5,435,192	6,155,465	6,985,682	7,949,784
Net worth	**4,411,621**	**5,444,423**	**6,164,696**	**6,994,912**	**7,959,015**
Deposits	53,821,895	59,756,421	66,573,441	76,430,150	88,373,286
Borrowings	5,635,725	7,312,538	8,128,764	8,919,266	9,787,699
Interest bearing liab.	**59,457,621**	**67,068,959**	**74,702,205**	**85,349,416**	**98,160,985**
Other liabilities & prov.	**2,891,291**	**3,716,738**	**5,080,080**	**5,029,047**	**4,148,669**
Total liabilities & equity	**66,760,533**	**76,230,120**	**85,946,981**	**97,373,375**	**110,268,669**
Net advances	41,633,121	48,778,948	56,790,286	65,309,135	75,110,630
Investments	16,905,727	18,012,541	19,383,375	21,096,856	22,987,294
Cash, other balances	3,402,297	3,845,598	3,660,408	4,096,772	4,417,244
Interest earning assets	**61,941,145**	**70,637,087**	**79,834,069**	**90,502,763**	**102,515,168**
Fixed assets	441,076	547,903	578,370	616,466	657,226
Other assets	4,378,312	5,045,129	5,534,542	6,254,145	7,096,275
Total assets	**66,760,533**	**76,230,120**	**85,946,981**	**97,373,375**	**110,268,670**
BVPS (Rs)	442.2	530.9	609.7	700.3	805.5
Adj. BVPS (INR)	410.7	515.6	592.4	681.0	783.4
Gross advances	42,205,254	49,325,171	57,414,500	66,026,675	75,930,676
Credit to deposit (%)	77.4	81.6	85.3	85.4	85.0
CASA ratio (%)	38.7	38.3	37.7	37.6	38.0
Cost of deposits (%)	5.0	4.9	4.7	4.4	4.3
Loans-to-Assets (%)	62.4	64.0	66.1	67.1	68.1
Net advances growth (%)	12.4	17.2	16.4	15.0	15.0
Deposit growth (%)	9.5	11.0	11.4	14.8	15.6
Book value growth (%)	19.4	20.1	14.8	14.9	15.0

Source: Company, Emkay Research

Asset quality and other metrics

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
Gross NPLs	768,802	734,525	837,871	956,719	1,093,394
Net NPLs	196,669	188,301	213,657	239,180	273,348
GNPA ratio (%)	1.8	1.5	1.5	1.4	1.4
NNPA ratio (%)	0.5	0.4	0.4	0.4	0.4
Provision coverage (%)	74.4	74.4	74.5	75.0	75.0
Gross slippages	208,176	226,779	344,487	396,160	455,584
Gross slippage ratio (%)	0.5	0.5	0.6	0.6	0.6
LLP ratio (%)	0.4	0.4	0.4	0.5	0.5
NNPA to networth (%)	4.5	3.5	3.5	3.4	3.4
Capital adequacy					
Total CAR (%)	14.3	15.4	16.0	15.8	15.8
Tier-1 (%)	12.1	13.3	14.1	14.1	14.0
CET-1 (%)	11.0	12.6	12.8	12.2	12.4
RWA-to-Total Assets (%)	54.7	52.0	52.0	55.0	55.0
Miscellaneous					
Total income growth (%)	12.4	6.0	9.9	12.3	12.9
Opex growth (%)	(5.4)	4.6	11.3	16.2	13.4
Core PPOP growth (%)	28.1	12.0	12.4	15.6	11.8
PPOP margin (%)	21.2	22.1	23.0	23.9	24.2
PAT/PPOP (%)	64.3	65.1	63.2	62.0	61.5
LLP-to-Core PPOP (%)	16.0	16.3	18.1	20.1	21.4
Yield on advances (%)	8.4	7.8	7.6	7.5	7.4
Cost of funds (%)	5.2	4.9	4.7	4.5	4.4

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	8.1	7.5	6.8	5.9	5.2
P/B (x)	1.5	1.2	1.1	0.9	0.8
P/ABV (x)	1.6	1.3	1.1	1.0	0.8
P/PPOP (x)	8.1	7.3	6.4	5.5	4.8
Dividend yield (%)	1.6	1.8	1.9	2.1	2.1
DuPont-RoE split (%)					
NII/avg assets	2.6	2.4	2.5	2.6	2.6
Other income	1.0	1.0	0.9	0.9	0.9
Fee income	0.6	0.6	0.5	0.5	0.5
Opex	1.8	1.7	1.7	1.7	1.7
PPOP	**1.7**	**1.7**	**1.7**	**1.8**	**1.8**
Core PPOP	1.5	1.5	1.5	1.5	1.5
Provisions	0.2	0.2	0.3	0.3	0.3
Tax expense	0.4	0.4	0.4	0.4	0.4
RoA (%)	**1.1**	**1.1**	**1.1**	**1.1**	**1.1**
Leverage ratio (x)	16.8	15.5	14.8	14.7	14.5
RoE (%)	**18.7**	**17.3**	**16.2**	**16.3**	**16.1**

Quarterly data

Rs mn, Y/E Mar	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
NII	429,841	449,866	443,800	469,924	491,429
NIM (%)	2.9	3.0	2.8	2.9	2.9
PPOP	273,109	328,624	277,042	335,292	269,372
PAT	201,597	210,282	196,838	211,212	157,495
EPS (Rs)	22.6	23.6	22.1	23.7	17.6

Source: Company, Emkay Research

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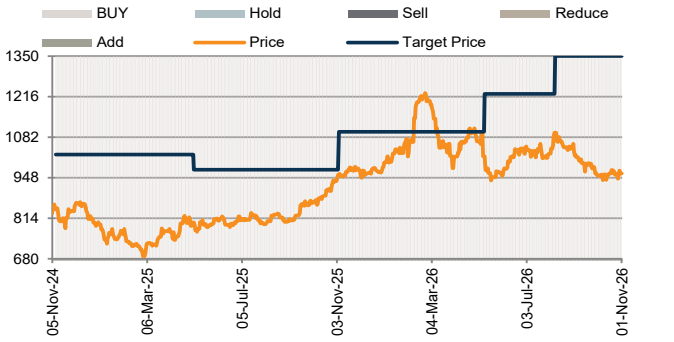
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Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
08-Oct-26	940	1,350	Buy	Avinash Singh
08-Aug-26	1,097	1,350	Buy	Avinash Singh
10-Jul-26	1,036	1,225	Buy	Avinash Singh
10-May-26	1,019	1,225	Buy	Anand Dama
05-Nov-25	958	1,100	Buy	Anand Dama
10-Aug-25	804	975	Buy	Anand Dama
23-Jul-25	821	975	Buy	Anand Dama
04-May-25	800	975	Buy	Anand Dama
09-Apr-25	742	1,025	Buy	Anand Dama
07-Feb-25	737	1,025	Buy	Anand Dama
09-Nov-24	843	1,025	Buy	Anand Dama

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.
CIN - L67120MH1995PLC084899
7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

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