BUY State Bank of India

Strong growth, but margin disappoints

BFSI - Banks | Result Update | May 10, 2026

CMP (Rs): 1,019 | TP (Rs): 1,225

SBI yet again reported sector-beating strong credit growth, at 17.2% YoY/ 5.4% in Q4. However, margins declined sharply by 18bps QoQ to 2.8%. This was mainly due to higher growth in the low-yielding corporate portfolio benchmarked on T-Bills and on full impact of the recent repo rate cut which, coupled with lower other income and higher opex, led to a 9% miss on PAT at Rs197bn/1.1% RoA. For full year (FY26), SBI delivered PAT at Rs800bn/RoA at 1.1%. For FY27, SBI has guided for 13-15% credit growth with a bias toward the higher end of the guidance, while it expects domestic NIM to settle at 3%, as part of the low-yielding corporate portfolio either runs-off or shifts to MCLR from T-Bill. Factoring in some moderation in margins/treasury gains, we trim FY27E earnings by 6%. However, we expect the bank to deliver a healthy broad-based credit growth and normalized RoA of ~1%/RoE of 15% (without factoring in the one-off gains from any subs/investment gains). We retain our long-term BUY and Mar-27E TP of Rs1,225, now valuing the standalone bank at 1.3x FY28E ABV and subsidiaries/investments at Rs322/sh. Additionally, we believe SBI has low probability of being part of the PSB consolidation and, even if it becomes part of the process this time around, the overall impact—given its size and balance-sheet strength—will be limited.

Strong growth, but margin disappoints

SBI continued to report strong credit growth, at ~17.2% YoY/5.4% QoQ, beating the system growth as well as its own guidance. Though growth was broad-based, the higher corporate growth (including low-yielding overseas loans) benchmarked to T-Bill and full impact of the recent repo rate cut led to a sharp 18bps contraction in NIM to 2.8% during 4Q. The management sounded cautious about the ongoing West-Asia conflict, but believes that underlying credit demand in the economy remains healthy, while the ECLGS scheme should boost credit and ease any incipient signs of stress.

Headline asset quality continues to improve

Though gross slippages were slightly higher than expectations at Rs55.5bn/0.5% of loans mainly due to seasonal agri stress, higher write-offs and strong credit growth led to continued improvement in GNPA ratio to a historical low of 1.5%. For FY27, the management expects headline asset quality to improve further, while it believes that the West-Asia conflict is unlikely to have any meaningful impact on its portfolio. That said, credit cost should normalize to 0.5% in FY27 as it maintains higher PCR.

We retain BUY on SBI

Factoring in some moderation in margins/treasury gains, we trim FY27E earnings by 6%. However, we expect the bank to deliver a healthy broad-based credit growth and normalized RoA of ~1%/RoE of 15% (without factoring in one-off gains from any subs/investment gains). We retain our long-term BUY on the stock and Mar-27E TP of Rs1,225. Key risks: Macroeconomic slowdown hurting growth/asset quality and higher treasury losses.

State Bank of India: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profit	709,006	800,320	799,117	937,968	1,055,546
Loan growth (%)	12.4	17.2	15.1	15.0	14.9
NII growth (%)	4.4	3.7	11.7	17.8	13.3
NIM (%)	2.8	2.6	2.6	2.6	2.6
PPOP growth (%)	27.5	7.1	9.7	21.0	12.8
Adj. EPS (Rs)	79.4	86.7	86.6	101.6	114.4
Adj. EPS growth (%)	16.1	9.1	(0.2)	17.4	12.5
Adj. BV (INR)	410.7	523.9	593.7	674.0	765.8
Adj. BVPS growth (%)	16.5	27.6	13.3	13.5	13.6
RoA (%)	1.1	1.1	1.0	1.0	1.0
RoE (%)	18.6	16.2	14.5	15.1	15.0
P/E (x)	8.8	8.0	8.1	6.9	6.1
P/ABV (x)	1.7	1.3	1.2	1.0	0.9

Source: Company, Emkay Research

Target Price – 12M	Mar-27
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	20.2

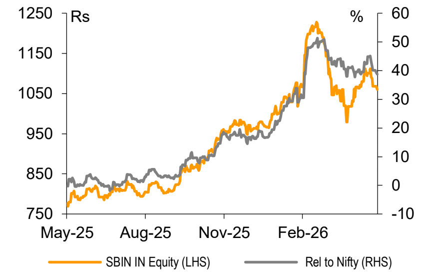
Stock Data	SBIN IN
52-week High (Rs)	1,235
52-week Low (Rs)	755
Shares outstanding (mn)	9,230.6
Market-cap (Rs bn)	9,409
Market-cap (USD mn)	99,581
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	14.0
ADTV-3M (Rs mn)	20,715.9
ADTV-3M (USD mn)	219.3
Free float (%)	43.1
Nifty-50	24,176.2
INR/USD	94.5

Shareholding, Mar-26	
Promoters (%)	55.0
FPIs/MFs (%)	11.3/26.0

Price Performance

(%)	1M	3M	12M
Absolute	(4.0)	(4.4)	32.5
Rel. to Nifty	(4.7)	1.6	33.1

1-Year share price trend (Rs)



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Key Concall takeaways

Outlook on loans, deposits, and NIM

- The management believes FY27 credit growth guidance of 13–15% is achievable, with a potential upside if macro conditions are stable, while growth will stay aligned to nominal GDP with a targeted 3-4% premium.
- The bank is focusing on a strategic shift toward improving market share at the district level, with a clear target of increasing market share by ~1% annually in every district, regardless of the existing base.
- The long-term vision is to progressively scale up SBI's presence to ~25% of the country's GDP over the next 4–5 years, driven by consistent, distributed growth across geographies.
- The management described the ECLGS measures as proactive support for eligible borrowers, with rollout expected in 8–10 days, while utilization is likely to remain limited at ~30–40% of the Rs700–800bn eligible pool even during a stressful scenario.
- The gold loan portfolio remains well-diversified and conservatively underwritten at ~52% LTV, delivering strong yields of 8.5-9% with minimal risk and near-zero NPAs, while the bank focuses on qualitative growth in the segment.
- Moderation in NII was expected and driven by the full impact of the 25bps repo rate cut and the 5bps MCLR reduction, both of which were fully reflected in Q4FY26. The increase in the share of floating-rate and linked-rate loans also contributed to margin pressure during the quarter.
- The share of floating-rate corporate loans linked to REBLR/T-bills increased from 43% to 49% YoY, which created some pressure on yields and margins in Q4FY26.
- The bank expects repo rates to be stable going forward, and is actively recalibrating the corporate loan mix by shifting loans from T-bill-linked rates back to MCLR-based pricing during refinancing and renewals.
- The management believes that the stabilization in rates along with the gradual shift toward MCLR-linked corporate loans provides confidence on maintaining NIM above 3%.
- Deposit rates are unlikely to be repriced significantly higher or lower in the near term, supporting stability in funding costs. The bank expects the cost of deposits to gradually decline, aided by a higher CASA mix and continued focus on improving low-cost CASA mobilization.
- Further, the bank has significantly reduced expensive wholesale bulk deposits and plans to cut them further; this should provide additional relief on the overall cost of funds.
- The management also indicated that most lending, including MCLR-linked portfolios, is already largely repriced, with only a limited residual impact from the rate adjustments expected over the next few months. About 40% of the portfolio is linked to one-year MCLR, with only a small portion still pending repricing; else, most of the book has already been repriced.

Asset quality

- The recent rise in slippages is largely seasonal in nature, primarily driven by agriculture and some stress in the SME segment.
- The bank highlighted that there has been no material impact from the ongoing West Asia conflict so far, and overall system asset quality is stable.
- The management reiterated its credit cost guidance of ~50bps and remains confident about maintaining healthy asset quality, unless there is a significant deterioration in macroeconomic conditions.

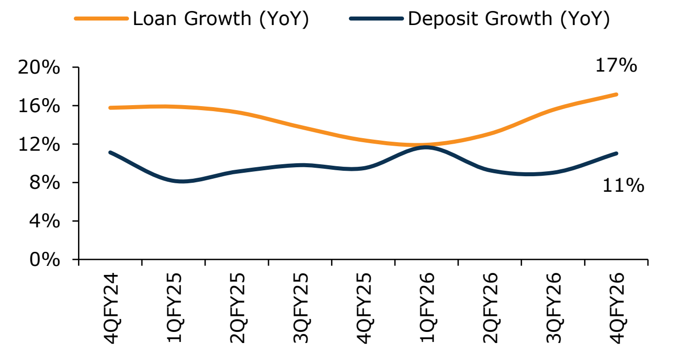
- The management remains confident about a smooth transition to the ECL framework over the next four years, with no material impact expected on credit growth funding or capital ratios.

Others

- Treasury income was impacted by adverse bond yield movements, though the effect remained limited due to low fair value portfolio exposure; the management expects yields to remain range-bound at 6.75–6.9%, in the absence of any major geopolitical or fiscal shocks.
- Interest income included ~Rs10bn from tax refund interest (vs ~Rs8.0bn in the previous quarter), partly offset by ~Rs6.0bn of penal interest reclassified from interest income to penal charges.
- The management highlighted that the bank's Middle East exposure is primarily concentrated in Bahrain and Dubai, and largely comprises low-risk wholesale exposure toward banks and sovereign-linked entities, with minimal direct corporate exposure.
- Retail exposure is mainly housing loans to individuals working in GCC countries, particularly from Kerala, and the bank has not witnessed any asset quality stress, supported by improving operating conditions and stable employment trends across the region.
- Over 98% of the bank's Middle East exposure is toward sovereigns, banks, or sovereign-linked entities, limiting risk concerns. Total India-linked exposure, including trade finance, stands at ~USD10–12bn, with no visible stress currently.
- Average LCR stood at 124% and, despite the ~17% credit growth consuming liquidity, the revised guidelines are expected to improve LCR by 3–4%; the management expects LCR to moderate with continued growth, but remain comfortably above regulatory requirements within a 115–120% operating range versus ~125% at the start of the year.
- As of 31-Mar, the AIF reserve stood at Rs51.36bn, declining from Rs81.51bn in the December quarter, implying a reduction of ~Rs30bn.
- The bank is also progressing with the listing of SBI AMC during the current financial year; this is expected to strengthen capital (CET-1) and support future growth.

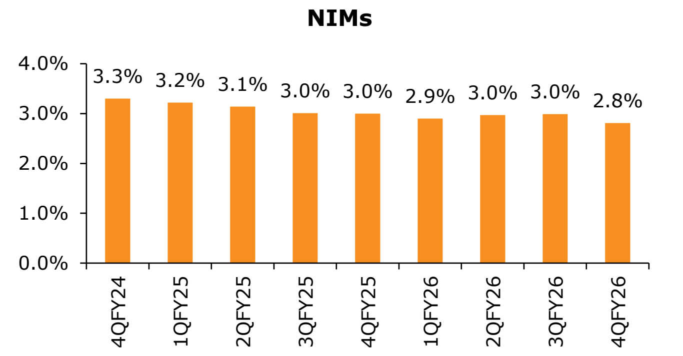
Story in charts

Exhibit 1: Credit growth remained robust, led by broad-based growth across the segment, while deposit growth also improved YoY



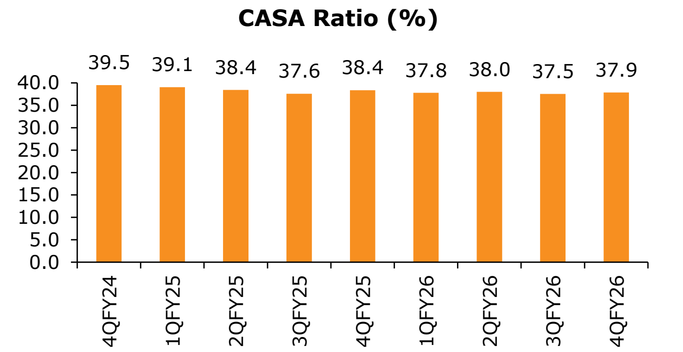
Source: Company, Emkay Research

Exhibit 2: Higher corporate growth (including low-yielding overseas loans) benchmarked to T-Bill and full impact of the recent repo rate cut led to a sharp 18bps contraction in NIM



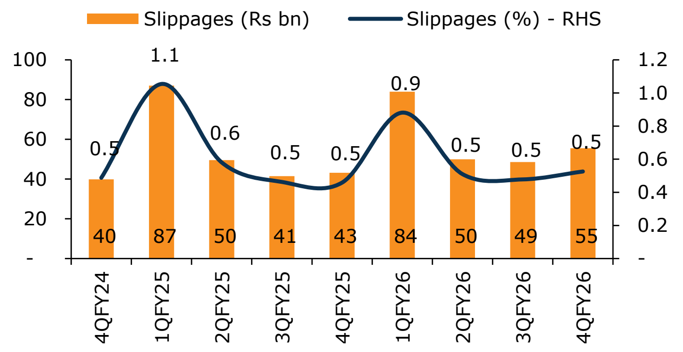
Source: Company, Emkay Research

Exhibit 3: Better CASA ratio led to a 32bps rise in CASA ratios sequentially



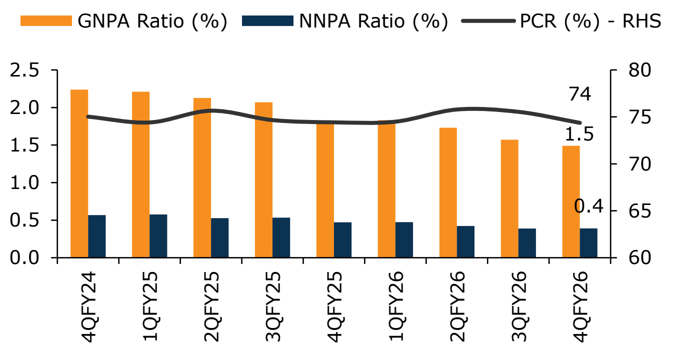
Source: Company, Emkay Research

Exhibit 4: Gross slippages were slightly higher than expectations, mainly due to seasonal agri stress…



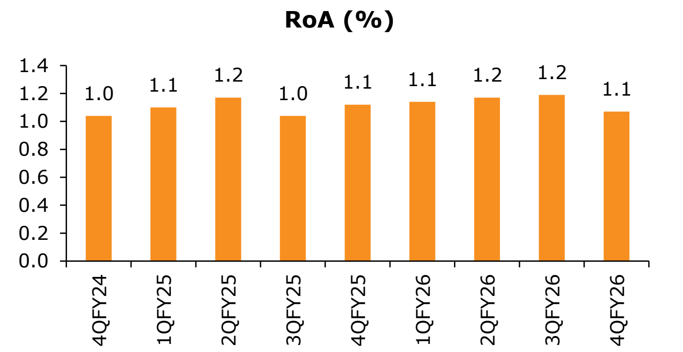
Source: Company, Emkay Research

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



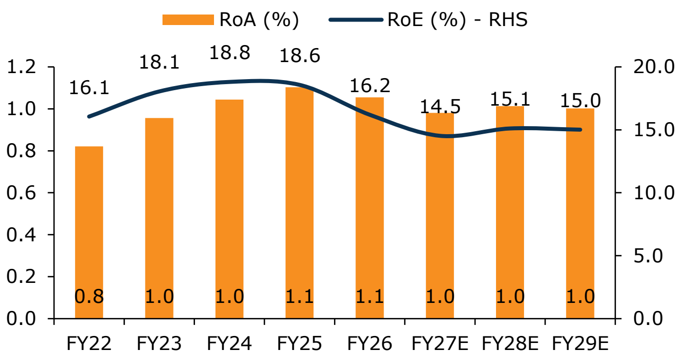
Source: Company, Emkay Research

Exhibit 6: RoA declined QoQ, led by a sharp decline in margins and higher opex, QoQ



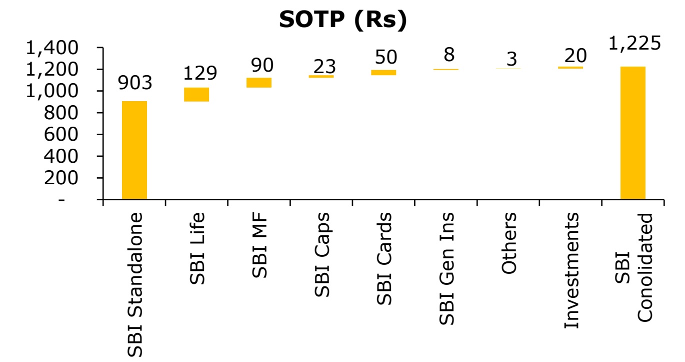
Source: Company, Emkay Research

Exhibit 7: We expect healthy growth, coupled with contained opex and lower provisions, to support the bank's RoA at 1.0%



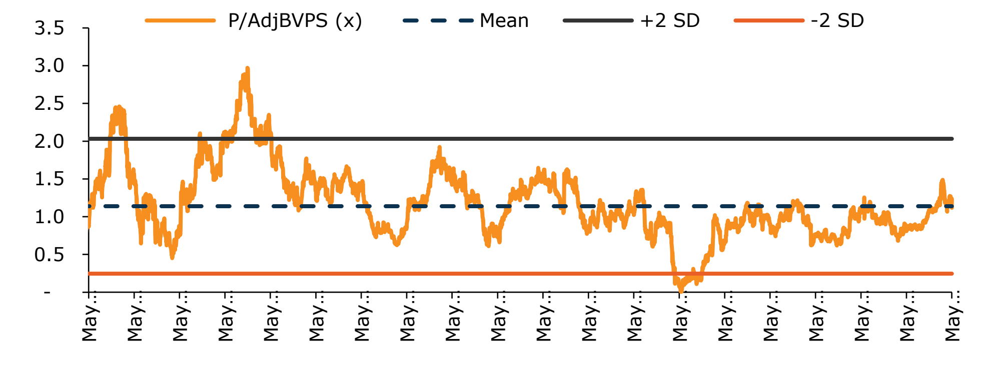
Source: Emkay Research

Exhibit 8: We value the standalone bank at 1.3x FY28E ABV and subsidiaries/investments at Rs322



Source: Emkay Research

Exhibit 9: The stock currently trades at ~1.1x its 1YF ABV



Source: Bloomberg, Emkay Research

Exhibit 10: Actuals vs Estimates (Q4FY26)

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	616,941	657,181	642,379	-6%	-4%	Lower NII and other income led to a miss.
PPOP	277,042	332,561	299,307	-17%	-7%	Lower net income, along with higher opex, led to a miss.
PAT	196,838	216,810	190,120	-9%	4%	Lower PPOP, partly offset by lower provisions, led to a miss.

Source: Emkay Research

Exhibit 11: Quarterly Summary

(Rs mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (%)	QoQ (%)	FY26	FY27E	YoY (%)
Interest Earned	1,196,662	1,179,959	1,196,539	1,223,524	1,230,977	2.9	0.6	4,827,972	5,219,841	8.1
Interest Expenses	768,916	769,234	766,699	773,658	787,177	2.4	1.7	3,096,767	3,285,655	6.1
Net Interest Income	427,746	410,725	429,841	449,866	443,800	3.8	-1.3	1,731,205	1,934,186	11.7
Global NIMs (reported)	3.00	2.90	2.97	2.99	2.81	-19bps	-18bps	2.62	2.56	-6bps
Non-interest Income	242,099	173,457	153,255	185,623	173,141	-28.5	-6.7	688,503	679,717	-1.3
Operating Expenses	356,985	278,737	309,987	306,865	339,899	-4.8	10.8	1,235,488	1,315,013	6.4
Pre-Provisioning Profit	312,860	305,445	273,109	328,624	277,042	-11.4	-15.7	1,184,220	1,298,891	9.7
Provision and Contingencies	64,417	47,592	54,001	45,069	28,722	-55.4	-36.3	175,384	230,553	31.5
PBT	248,444	257,853	219,108	283,555	248,320	0.0	-12.4	1,008,836	1,068,338	5.9
Income Tax Expense (Gain)	62,018	66,248	63,444	73,273	51,483	-17.0	-29.7	254,448	269,221	5.8
Net Profit/(Loss)	186,426	191,604	201,597	210,282	196,838	5.6	-6.4	800,320	799,117	-0.2
Gross NPA (%)	1.82	1.83	1.73	1.57	1.49	-33bps	-8bps	1.49	1.35	-13bps
Net NPA (%)	0.47	0.47	0.42	0.39	0.39	-8bps	0bps	0.39	0.35	-4bps
Deposits (Rs bn)	53,822	54,733	55,917	57,013	59,756	11.0	4.8	59,756	67,782	13.4
Net Advances (Rs bn)	41,633	41,962	43,617	46,277	48,779	17.2	5.4	48,779	56,151	15.1

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	1,963,242	1,934,186	-1.5%	2,251,285	2,279,399	1.2%	NA	2,583,507	NA
PPOP	1,393,269	1,298,891	-6.8%	1,577,900	1,571,983	-0.4%	NA	1,773,836	NA
PAT	851,975	799,117	-6.2%	935,559	937,968	0.3%	NA	1,055,546	NA
EPS (Rs)	92.3	86.6	-6.2%	101.4	101.6	0.3%	NA	114.4	NA
BV (Rs)	626.3	631.2	0.8%	708.7	713.9	0.7%	NA	809.3	NA

Source: Emkay Research

Exhibit 13: Key assumptions

(%)	FY26	FY27E	FY28E	FY29E
Loan Growth	17.2	15.1	15.0	14.9
Deposit Growth	11.0	13.4	14.8	15.6
NIM	2.6	2.6	2.6	2.6
GNPA	1.5	1.4	1.4	1.4
Credit Cost	0.4	0.4	0.5	0.5

Source: Emkay Research

Exhibit 14: Key ratios and trends

	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Loans (Rs bn)	**37,040**	**37,491**	**38,574**	**40,046**	**41,633**	**41,962**	**43,617**	**46,277**	**48,779**
Loan growth (% YoY)	***15.8***	***15.9***	***15.3***	***13.8***	***12.4***	***11.9***	***13.1***	***15.6***	***17.2***
Loan growth (% QoQ)	*5.2*	*1.2*	*2.9*	*3.8*	*4.0*	*0.8*	*3.9*	*6.1*	*5.4*
Loan composition (%)									
Corporate	30.7	30.4	30.0	29.4	29.8	28.7	28.4	28.8	29.2
Retail	36.5	36.5	36.2	36.1	36.2	36.7	36.5	36.0	35.6
SME	11.7	11.8	11.8	12.4	12.2	12.6	12.4	13.0	12.6
Overseas	14.5	14.7	15.2	15.3	14.9	15.1	15.5	15.0	15.2
Agri	6.5	6.6	6.7	6.8	7.0	6.9	7.1	7.3	7.4
Liability Profile and Margins (%)									
CASA	39.5	39.1	38.4	37.6	38.4	37.8	38.0	37.5	37.9
CA	5.8	5.0	5.4	5.5	6.8	5.9	5.9	5.5	6.4
SA	33.7	34.0	33.0	32.1	31.6	31.9	32.1	32.0	31.5
Global NIM	**3.3**	**3.2**	**3.1**	**3.0**	**3.0**	**2.9**	**3.0**	**3.0**	**2.8**
Domestic NIM	3.4	3.4	3.3	3.3	3.2	3.0	3.1	3.1	2.9
Asset Quality									
GNPA (%)	2.2	2.2	2.1	2.1	1.8	1.8	1.7	1.6	1.5
NNPA (%)	0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4
PCR (%)	75.0	74.4	75.7	74.7	74.4	74.5	75.8	75.5	74.4
Slippages (Rs bn)	40	87	50	41	43	84	50	49	55
Slippages (%)	0.5	1.1	0.6	0.5	0.5	0.9	0.5	0.5	0.5
Capital Adequacy (%)									
CAR	14.3	14.4	14.8	14.5	14.3	14.6	14.6	14.0	15.4
Tier I	*11.9*	*11.8*	*12.4*	*12.3*	*12.1*	*12.5*	*12.7*	*12.1*	*13.3*
CET 1	*10.3*	*10.8*	*10.0*	*11.0*	*11.0*	*11.1*	*11.5*	*11.0*	*12.3*
Dupont (%)									
NII	**2.7**	**2.7**	**2.7**	**2.6**	**2.6**	**2.4**	**2.5**	**2.5**	**2.4**
Other Income (Ex Treasury)	0.9	0.6	0.7	0.6	1.0	0.7	0.5	0.9	1.0
Treasury	0.2	0.2	0.3	0.1	0.4	0.4	0.7	0.5	0.2
Opex	2.0	1.7	1.8	1.8	2.1	1.7	1.8	1.7	1.8
PPOP	**1.9**	**1.7**	**1.9**	**1.5**	**1.9**	**1.8**	**1.9**	**2.1**	**1.8**
Provisioning Cost	0.1	0.2	0.3	0.1	0.4	0.3	0.3	0.3	0.2
PBT	**1.8**	**1.5**	**1.6**	**1.4**	**1.5**	**1.5**	**1.5**	**1.9**	**1.6**
Tax	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3
RoA	**1.4**	**1.1**	**1.2**	**1.0**	**1.1**	**1.1**	**1.2**	**1.5**	**1.3**
Leverage (x)	16.3	16.0	15.3	15.2	15.2	14.8	13.9	10.9	10.9
RoE	**22.2**	**17.6**	**18.0**	**15.8**	**17.0**	**16.8**	**16.3**	**15.9**	**14.5**

Source: Company, Emkay Research

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	5,219,841	5,859,090	6,622,536
Interest Expense	2,955,242	3,096,767	3,285,655	3,579,691	4,039,029
Net interest income	**1,669,651**	**1,731,205**	**1,934,186**	**2,279,399**	**2,583,507**
NII growth (%)	4.4	3.7	11.7	17.8	13.3
Other income	616,831	688,503	679,717	730,654	763,438
Total Income	**2,286,481**	**2,419,708**	**2,613,903**	**3,010,052**	**3,346,944**
Operating expenses	1,180,690	1,235,488	1,315,013	1,438,070	1,573,109
PPOP	**1,105,791**	**1,184,220**	**1,298,891**	**1,571,983**	**1,773,836**
PPOP growth (%)	27.5	7.1	9.7	21.0	12.8
Core PPOP	**952,758**	**1,028,180**	**1,189,663**	**1,473,677**	**1,680,446**
Provisions & contingencies	153,079	175,384	230,553	318,014	362,678
PBT	**952,712**	**1,008,836**	**1,068,338**	**1,253,968**	**1,411,158**
Extraordinary items	0	45,932	0	0	0
Tax expense	243,706	254,448	269,221	316,000	355,612
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	**709,006**	**800,320**	**799,117**	**937,968**	**1,055,546**
PAT growth (%)	16.1	12.9	(0.2)	17.4	12.5
Adjusted PAT	**709,006**	**800,320**	**799,117**	**937,968**	**1,055,546**
Diluted EPS (Rs)	**79.4**	**86.7**	**86.6**	**101.6**	**114.4**
Diluted EPS growth (%)	16.1	9.1	(0.2)	17.4	12.5
DPS (Rs)	**15.9**	**17.4**	**18.5**	**20.3**	**20.3**
Dividend payout (%)	**20.0**	**21.2**	**21.4**	**19.9**	**17.7**
Effective tax rate (%)	25.6	24.1	25.2	25.2	25.2
Net interest margins (%)	2.8	2.6	2.6	2.6	2.6
Cost-income ratio (%)	51.6	51.1	50.3	47.8	47.0
Shares outstanding (mn)	8,924.6	9,230.6	9,230.6	9,230.6	9,230.6

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	6,079,973	6,837,753	7,713,815
Net worth	**4,411,621**	**5,444,423**	**6,089,203**	**6,846,983**	**7,723,045**
Deposits	53,821,895	59,756,421	67,781,789	77,823,294	89,985,636
Borrowings	5,635,725	7,312,538	8,023,242	8,803,779	9,661,058
Interest bearing liab.	**59,457,621**	**67,068,959**	**75,805,031**	**86,627,073**	**99,646,694**
Other liabilities & prov.	**2,891,291**	**3,716,738**	**4,822,339**	**5,028,496**	**4,840,681**
Total liabilities & equity	**66,760,533**	**76,230,120**	**86,716,572**	**98,502,551**	**112,210,421**
Net advances	41,633,121	48,778,948	56,151,371	64,557,574	74,207,376
Investments	16,905,727	18,012,541	20,313,991	22,818,542	25,895,281
Cash, other balances	3,402,297	3,845,598	4,169,277	4,547,921	4,982,335
Interest earning assets	**61,941,145**	**70,637,087**	**80,634,639**	**91,924,037**	**105,084,992**
Fixed assets	441,076	547,903	634,879	697,288	765,839
Other assets	4,378,312	5,045,129	5,447,054	5,881,226	6,359,589
Total assets	**66,760,533**	**76,230,120**	**86,716,572**	**98,502,551**	**112,210,421**
BVPS (Rs)	442.2	539.1	609.6	692.2	787.7
Adj. BVPS (INR)	410.7	523.9	593.7	674.0	765.8
Gross advances	42,205,254	49,325,172	56,723,947	65,232,539	75,017,420
Credit to deposit (%)	77.4	81.6	82.8	83.0	82.5
CASA ratio (%)	38.7	37.9	37.5	37.4	37.8
Cost of deposits (%)	5.0	4.9	4.5	4.4	4.3
Loans-to-Assets (%)	62.4	64.0	64.8	65.5	66.1
Net advances growth (%)	12.4	17.2	15.1	15.0	14.9
Deposit growth (%)	9.5	11.0	13.4	14.8	15.6
Book value growth (%)	19.4	21.9	13.1	13.6	13.8

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	768,559	899,954	1,080,059
Net NPLs	196,669	188,301	195,983	224,989	270,015
GNPA ratio (%)	1.8	1.5	1.4	1.4	1.4
NNPA ratio (%)	0.5	0.4	0.3	0.3	0.4
Provision coverage (%)	74.4	74.4	74.5	75.0	75.0
Gross slippages	208,176	238,040	283,620	391,395	450,105
Gross slippage ratio (%)	0.5	0.5	0.5	0.6	0.6
LLP ratio (%)	0.4	0.4	0.4	0.5	0.5
NNPA to networth (%)	4.5	3.5	3.2	3.3	3.4
Capital adequacy					
Total CAR (%)	14.3	15.4	14.3	14.1	13.9
Tier-1 (%)	12.1	13.3	12.4	12.3	12.3
CET-1 (%)	11.0	12.7	11.9	11.9	11.9
RWA-to-Total Assets (%)	54.7	52.0	55.0	55.0	55.0
Miscellaneous					
Total income growth (%)	12.3	6.1	6.1	11.7	12.1
Opex growth (%)	(5.4)	4.6	6.4	9.4	9.4
Core PPOP growth (%)	27.3	12.7	10.8	23.9	14.0
PPOP margin (%)	21.1	22.1	22.0	23.9	24.0
PAT/PPOP (%)	64.1	65.1	61.5	59.7	59.5
LLP-to-Core PPOP (%)	16.1	16.3	19.4	21.6	21.6
Yield on advances (%)	8.4	7.8	7.2	7.2	7.2
Cost of funds (%)	5.2	4.9	4.6	4.4	4.3

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	8.8	8.0	8.1	6.9	6.1
P/B (x)	1.6	1.3	1.1	1.0	0.9
P/ABV (x)	1.7	1.3	1.2	1.0	0.9
P/PPOP (x)	8.5	7.6	7.2	6.0	5.3
Dividend yield (%)	1.6	1.7	1.8	2.0	2.0
DuPont-RoE split (%)					
NII/avg assets	2.6	2.4	2.4	2.5	2.5
Other income	1.0	1.0	0.8	0.8	0.7
Fee income	0.6	0.6	0.6	0.6	0.6
Opex	1.8	1.7	1.6	1.6	1.5
PPOP	**1.7**	**1.7**	**1.6**	**1.7**	**1.7**
Core PPOP	1.5	1.5	1.5	1.6	1.6
Provisions	0.2	0.2	0.3	0.3	0.3
Tax expense	0.4	0.4	0.3	0.3	0.3
RoA (%)	**1.1**	**1.1**	**1.0**	**1.0**	**1.0**
Leverage ratio (x)	16.8	15.4	14.8	14.9	15.0
RoE (%)	**18.6**	**16.2**	**14.5**	**15.1**	**15.0**

Quarterly data

Rs mn	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
NII	427,746	410,725	429,841	449,866	443,800
NIM (%)	3.0	2.9	3.0	3.0	2.8
PPOP	312,860	305,445	273,109	328,624	277,042
PAT	186,426	191,604	201,597	210,282	196,838
EPS (Rs)	21.2	21.5	22.6	23.6	22.1

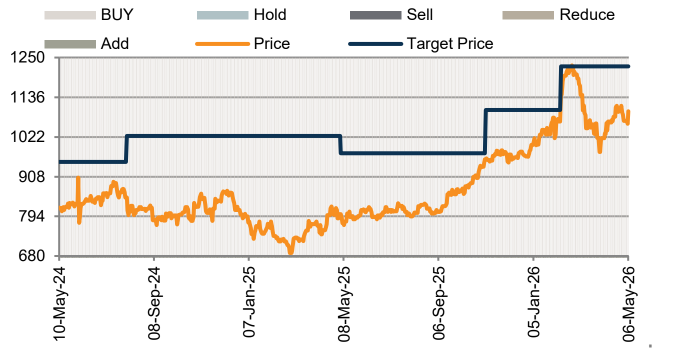
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
09-Feb-26	1,146	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
04-Aug-24	848	1,025	Buy	Anand Dama
10-May-24	817	950	Buy	Anand Dama

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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

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