STATE BANK OF INDIA- Q2FY27

Result Update (04.11.2026)

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

"Healthy Business Momentum with Stable Margins and Strong Asset Quality; Growth Outlook Remains Positive"

Ajcon Global's observations & views

1. The Bank delivered healthy credit growth across retail, agriculture, MSME and corporate segments, supported by a strong corporate loan pipeline of around ₹7 lakh crore. Management remains confident of achieving its FY27 credit growth guidance of 14–15%, with stronger momentum expected in H2FY27.
2. Domestic NIM stood at 3.11%, while management retained its guidance of at least 3%. The full benefit of the 25 bps EBLR and 15 bps MCLR increases is expected to support margins in the coming quarters. However, potential increases in deposit rates remain a key monitorable.

KEY FINANCIAL INDICATORS – Q2FY27

CMP (04.11.2026)	: Rs. 979
Face Value	: Rs. 1
Market Capitalization (Crs)	: Rs. 9,03,692.07
Capital Adequacy Ratio	: 16.09%
C/D ratio (Domestic)	: 73.02%
CASA ratio	: 38.32%
Net Interest Margin (NIM)	: 2.94%
Cost / Income ratio	: 49.82%
Gross NPA	: 1.39%
Net NPA	: 0.36%
PCR (Incl. AUCA)	: 91.83%
Slippage ratio	: 0.50%
Credit cost	: 0.25%
Return on Assets (Annualized)	: 1.19%

Q2FY27 RESULT ANALYSIS

1) **Total Deposits** increased by 4.53% QoQ to Rs.62,77,919 Crores in Q2FY27 against Rs. 60,05,805 Crores in Q1FY27 and rose by 12.27% YoY from Rs. 55,91,700 Crores in Q2FY26.
2) **Gross Advances** rose by 3.19% QoQ to Rs. 52,08,344 Crores in Q2FY27 against Rs. 50,47,222 Crores in Q1FY27 and was also up by 17.84% YoY from Rs. 44,19,674 Crores in Q2FY26.
3) **Total Business** increased by 3.92% QoQ to Rs. 1,14,86,263 Crores in Q2FY27 against Rs. 1,10,53,027 Crores in Q1FY27 and was up by 14.73% YoY from Rs. 1,00,11,374 Crores in Q2FY26.
4) **Net Interest Income** was up by 4.58% QoQ to Rs. 49,143 Crores in Q2FY27 against Rs.46,992 Crores in Q1FY27 and was up by 14.69% YoY from Rs.42,847 Crores in Q2FY26.
5) **Operating Profit** expanded by 2.08% QoQ to Rs. 34,226 Crores in Q2FY27 against Rs. 33,529 Crores in Q1FY27 and increased by 7.28% YoY from Rs. 31,904 Crores in Q2FY26.
6) **Net Profit** rose by 9.07% QoQ to Rs. 23,038 Crores in Q2FY27 against Rs. 21,121 Crores in Q1FY27 and was up by 14.28% YoY from Rs 20,160 Crores in Q2FY26.
7) **NIM** (whole bank) improved marginally to 2.94% in Q2FY27 against 2.86% in Q1FY27 and slightly fell from 2.96% in Q2FY26.
8) **Domestic cost of deposits** fell to 4.84% in Q2FY27 against 4.85% in Q1FY27 and 5.13% in Q2FY26, respectively. Domestic yield on Advances rose to 8.22% in Q2FY27 against 8.20% in Q1FY27 but fell from 8.68% in Q2FY26, respectively.
9) **Total Non-Interest Income** increased by 19.74% QoQ to Rs. 19,066 Crores in Q2FY27 against Rs. 15,923 Crores in Q1FY27 but was down by 4.94% YoY from Rs. 20,056 Crores in Q2FY26.
10) **Fee Based Income** increased by 0.77% QoQ to Rs. 9,549 Crores in Q2FY27 against Rs. 9,476 Crores in Q1FY27 and rose by 9.63% YoY from Rs. 8,711 Crores in Q2FY26.
11) **Cost/Income Ratio** rose to 49.82% in Q2FY27 against 46.71% in Q1FY27 and from 49.28% in Q2FY26, respectively.
12) **CASA Ratio** (Domestic) slightly reduced to 38.32% in Q2FY27 against 39.24% in Q1FY27 and 39.63% in Q2FY26, respectively.
13) **C/D Ratio** (Domestic) fell to 73.02% in Q2FY27 against 74.23% in Q1FY27 and rose against 69.82% in Q2FY26, respectively.
14) **Return on Assets (ROA)** improved marginally to 1.19% Q2FY27 against 1.11% in Q1FY27 and 1.17% in Q2FY26, respectively.
15) **Fresh Slippages** decreased to Rs. 5,227 Crores in Q2FY27 against Rs.7,046 Crores in Q1FY27 but increased from Rs.4,754 Crores in Q2FY26. Recovery + Upgradation fell to Rs. 3,235 Crores in Q2FY27 against Rs. 3,574 Crores in Q1FY27 but rose against Rs. 2,279 Crores in Q2FY26, respectively.
16) **Gross NPA** ratio improved to 1.39% in Q2FY27 against 1.47% in Q1FY27 and 1.73% in Q2FY26. **Net NPAs** ratio improved to 0.36% in Q2FY27 against 0.38% in Q1FY27 and 0.42% in Q2FY26, respectively.
17) **Credit Cost** declined to 0.25% in Q2FY27 against 0.27% in Q1FY27 and 0.43% in Q2FY26, respectively.
18) **Provision Coverage Ratio** (Incl. AUCA) increased marginally to 91.83% in Q2FY27 against 91.82% in Q1FY27 and decreased from 92.29% in Q2FY26, respectively.
19) **The Bank's Capital Adequacy ratio** rose to 16.09% in Q2FY27 against 15.67% in Q1FY27 and 14.62% in Q2FY26, respectively.

STATE BANK OF INDIA- Q2FY27

Result Update

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

"Healthy Business Momentum with Stable Margins and Strong Asset Quality; Growth Outlook Remains Positive"

Management Comments

20) In his opening remarks, Shri C.S. Setty, Chairman, highlighted the Bank's focus on sustainable and profitable growth, supported by improved productivity, operational efficiency and technology adoption. He emphasised the use of analytics, artificial intelligence and process automation to enhance customer experience, strengthen risk management and improve service delivery. He also highlighted the listing of SBI Funds Management Limited as an important milestone, reflecting the value creation across the SBI Group.

21) In response to an analyst's query on credit growth, Mr. Setty said that the Bank remains confident of achieving its FY27 credit growth guidance of 14–15%, supported by a strong corporate loan pipeline of around ₹7 lakh crore and healthy growth across retail segments, including gold loans, home loans and auto loans. He highlighted that the second half is generally a stronger period for credit growth and stated that the existing guidance is adequate.

22) On the accounting treatment of stake sales and treasury income, Mr. Setty clarified that gains from the NSE stake sale were transferred to the AFS reserve, as the investment is classified under the Available-for-Sale category. In contrast, gains from the SBI Mutual Fund stake sale were routed through the P&L, as the investment is classified under FVTPL. He further explained that the benefit from the mutual fund stake sale was partly offset by treasury losses of around ₹1,300 crore due to movements in bond yields, which reduced the reported other income.

23) Commenting on higher operating expenses, management clarified that approximately ₹850 crore of eligible expenses were booked in Q2 instead of being deferred to Q4 to smoothen quarterly expenses. Also the PSLC Certificates were this time purchased in the 1st half to get the befit in all the quarters against buying the same in second half of the year added Mr Setty. Excluding these expenses, overhead growth was around 9% YoY, and the Bank expects to keep overhead growth within its guidance added Mr Paul, Dy.MD-Finance of the Bank.

24) Answering a query on Yes Bank's recent price movement, Mr.Setty replied that SBI currently has no plans to exit its remaining holding.

25) Addressing an analyst's query on NIM guidance, Mr.Setty reiterated that the Bank is maintaining its domestic NIM guidance of at least 3%, despite reporting 3.11% in Q2FY27. He indicated that margins could improve further, supported by the full impact of the 25 bps EBLR and 15 bps MCLR increases. However, potential increases in deposit rates amid strong credit growth could offset some of these benefits. Hence, management prefers to retain its conservative guidance.

26) On the loan portfolio mix, management stated that 32% of domestic advances are EBLR-linked, 27% are MCLR-linked, 17% are T-bill-linked and 21% are fixed-rate loans.

27) Responding to an analyst's query on FCNR(B) deposit mobilisation and leverage, Mr. C. S. Setty stated that the Bank mobilised USD 10.9 billion, surpassing its initial target of USD 10 billion. He highlighted that the Bank followed a cautious approach towards leverage, with approximately USD 8.83 billion of leveraged loans routed through its foreign offices. He further informed that the mobilisation had a limited impact on margins, with foreign office NIM declining by only 2 bps, reflecting the Bank's prudent approach to FCNR(B) funding.

28) Responding to an analyst's query on ECLGS exposure and utilisation, Mr. Rama Mohan Rao, MD, stated that the Bank's outstanding ECLGS exposure stood at approximately ₹28,800 crore, contributing nearly 50% of its SME credit growth. He clarified that the scheme's full utilisation does not indicate higher credit risk, as borrowers initially used the funds to repay high-cost borrowings and gradually utilised them as business demand improved. He attributed the strong subscription to higher awareness and the capital relief provided under the scheme.