STATE BANK OF INDIA- Q4FY26

Result Update (11-05-2026)

AJCONGLOBAL

YOUR FRIENDLY FINANCIAL ADVISORS

The Bank reported a steady FY26 performance led by healthy credit growth, stable asset quality and a strategic focus on capital-efficient growth opportunities.

Ajcon Global's observations & views

1. The Bank delivered a resilient performance despite margin pressures and treasury volatility, supported by stable asset quality, strong liability franchise, disciplined risk management and continued focus on value-accretive growth across retail, corporate and emerging sectors.
2. The Bank remains well positioned for sustainable long-term growth through improving market share, expanding fee income streams, maintaining healthy profitability and capitalizing on opportunities across infrastructure, energy transition, MSMEs, data centers and other sunrise sectors.

Q4FY26 RESULT ANALYSIS

1) **Total Deposits** increased by 4.81% QoQ to Rs. 59,75,642 Crores in Q4FY26 against Rs. 57,01,309 Crores in Q3FY26 and rose by 11.03% YoY from Rs. 53,82,190 Crores in Q4FY25.
2) **Gross Advances** rose by 5.32% QoQ to Rs. 49,32,627 Crores in Q4FY26 against Rs. 46,83,508 Crores in Q3FY26 and was also up by 16.87% YoY from Rs. 42,20,703 Crores in Q4FY25.
3) **Total Business** rose by 5.04% QoQ to Rs. 1,09,08,269 Crores in Q4FY26 against Rs. 1,03,84,817 Crores in Q3FY26 and was up by 13.59% YoY from Rs. 96,02,893 Crores in Q4FY25.
4) **Net Interest Income** was down by 1.35% QoQ to Rs. 44,380 Crores in Q4FY26 against Rs. 44,987 Crores in Q3FY26 and was up by 4.13% YoY from Rs. 42,618 Crores in Q4FY25.
5) **Operating Profit** decreased by 15.70% QoQ to Rs. 27,704 Crores in Q4FY26 against Rs. 32,862 Crores in Q3FY26 and was also down by 11.45% YoY from Rs. 31,286 Crores in Q4FY25.
6) **Net Profit** fell by 6.39% QoQ to Rs. 19,684 Crores in Q4FY26 against Rs. 21,028 Crores in Q3FY26 and was up by 5.58% YoY from Rs 18,643 Crores in Q4FY25.

KEY FINANCIAL INDICATORS – Q4FY26

CMP (11.05.2026)	**: Rs. 973.60**
Face Value	**: Rs. 1**
Market Capitalization	**: Rs. 8,99,893**
Capital Adequacy Ratio	**: 15.40%**
C/D ratio (Domestic)	**: 73.08%**
CASA ratio	**: 39.46%**
Net Interest Margin (NIM)	**: 2.91%**
Cost / Income ratio	**: 50.11%**
Gross NPA	**: 1.49%**
Net NPA	**: 0.39%**
PCR (Incl. AUCA)	**: 91.97%**
Slippage ratio	**: 0.54%**
Credit cost	**: 0.37%**
Return on Assets (Annualized)	**: 1.07%**

7) **NIM** (whole bank) decreased marginally to 2.91% in Q4FY26 against 2.94% in Q3FY26 and 3.08% in Q4FY25.
8) **Domestic cost of deposits** fell to 5.04% in Q4FY26 against 5.07% in Q3FY26 and 5.11% in Q4FY25. Domestic yield on Advances declined to 8.50% in Q4FY26 against 8.61% in Q3FY26 and 8.98% in Q4FY25, respectively.
9) **Total Non-Interest Income** declined by 6.72% QoQ to Rs. 17,314 Crores in Q4FY26 against Rs. 18,562 Crores in Q3FY26 and was down by 28.94% YoY from Rs. 24,367 Crores in Q4FY25.
10) **Fee Based Income** increased by 26.07% QoQ to Rs. 10,852 Crores in Q4FY26 against Rs. 8,608 Crores in Q3FY26 and rose by 7.95% YoY from Rs. 10,053 Crores in Q4FY25.
11) **Cost/Income Ratio** edged up to 55.09% in Q4FY26 against 48.29% in Q3FY26 but 53.29% in Q4FY25, respectively.
12) **CASA Ratio** (Domestic) increased slightly to 39.46% in Q4FY26 against 39.13% in Q3FY26 and fell from 39.97% in Q4FY25, respectively.
13) **C/D Ratio** (Domestic) grew to 73.08% in Q4FY26 against 72.98% in Q3FY26.
14) **Return on Assets (ROA)** decreased marginally to 1.07% Q4FY26 against 1.19% in Q3FY26 and 1.12% in Q4FY25, respectively.
15) **Fresh Slippages** increased to Rs. 5,521 Crores in Q4FY26 against Rs. 4,458 Crores in Q3FY26 and Rs. 4,222 Crores in Q4FY25, respectively. Recovery + Upgradation decreased to Rs. 1,526 Crores in Q4FY26 against Rs. 2,371 Crores in Q3FY26 and Rs. 1,739 Crores in Q4FY25, respectively.
16) **Gross NPA** ratio improved to 1.49% in Q4FY26 against 1.57% in Q3FY26 and 1.82% in Q4FY25. **Net NPAs** ratio remained flat at 0.39% in Q4FY26 against 0.39% in Q3FY26 and fell from 0.47% in Q4FY25.
17) **Credit Cost** declined to 0.37% in Q4FY26 against 0.39% in Q3FY26 and 0.38% in Q4FY25, respectively.
18) **Provision Coverage Ratio** (Incl. AUCA) decreased marginally to 91.97% in Q4FY26 against 92.37% in Q3FY26 and 92.08% in Q4FY25, respectively.
19) **The Bank's Capital Adequacy ratio** rose to 15.40% in Q4FY26 against 14.04% in Q3FY26 and 14.25% in Q4FY25, respectively.

Management Comments

20) In his opening remarks, Shri C.S. Setty, Chairman highlighted that the Bank is focused on improving the quality of growth by making it more durable, capital efficient and resilient across cycles through operational simplification, data and AI-led decision making, and deeper digital customer engagement. He added that the Bank is shifting its balance sheet strategy towards value-accretive growth through improved pricing discipline, reduction in fee concessions and a sharper focus on granularity, risk-adjusted returns and diversification into emerging areas such as startups, alternative investments and global trade.
21) In response to an analyst's query on profitability, Mr. C. S. Setty clarified that the moderation in Q4FY26 profitability was largely in line with the Bank's guidance, with the impact of repo rate cuts on NIMs and mark-to-market treasury losses due to sharp bond yield movements already anticipated. He emphasized that asset quality remains stable with no structural stress visible in the system, reaffirming guidance of 13–15% credit growth, credit cost of around 50 bps and domestic NIM more than 3%, while adding that the Bank remains well prepared for the transition to ECL norms with adequate provisioning buffers and no expected impact on capital or growth plans.
22) On the Emergency Credit Line Guarantee Scheme (ECLGS 5.0), the Chairman informed that while customer enquiries are yet to pick up meaningfully, the Bank sees a potential opportunity of ₹70,000–80,000 crore under the scheme, although actual utilization is expected to be around 30–40% initially, with the management viewing the government's move as a proactive step to support businesses amid macro uncertainties.
23) Replying to an analyst's concern on the Bank's Middle East exposure, Mr. C. S. Setty stated that the overseas portfolio is largely wholesale in nature with predominantly sovereign and bank exposures, while India-linked retail exposure, mainly Kerala housing loans to GCC-based Indians, remains very small with no visible asset quality stress so far.
24) Replying to an analyst query on margins and liquidity, Mr. C. S. Setty said yield pressure was driven by a higher share of EBLR-linked and floating-rate corporate loans, though the Bank expects NIM stability as repo rates remain stable and corporate loans shift back towards MCLR-linked pricing. He added that CASA growth and lower wholesale deposits should support funding costs, while the Bank remains comfortable operating with an LCR of 115–120% versus the current 125% level.
25) The Chairman reiterated the Bank's commitment to delivering a minimum 15% ROE through cycles and said the Bank has adopted a district-level market share strategy aimed at increasing market share by 1% annually across every district, with a long-term aspiration to achieve balance sheet size equivalent to 25% of India's GDP over the next four to five years.
26) On gold loans, Mr. C. S. Setty said the Bank remains focused on growing the segment with a qualitative approach, highlighting that the portfolio has crossed ₹1 lakh crore with low average ticket size, prudent LTV of around 52%, yields of nearly 9%, zero risk weight and negligible NPAs, making it a highly capital-efficient and attractive ROE product.
27) Talking about the MSME portfolio, the Chairman clarified that broad-based stress from the West Asia conflict is not visible so far, with only select clusters facing temporary pressure. The Bank remains confident on asset quality supported by stronger underwriting models, higher CGTMSE coverage and maintains the credit cost guidance of around 50 bps, added Mr. Setty.
28) In response to an analyst's query Mr. C. S. Setty replied that the Bank is witnessing strong opportunities across emerging infrastructure and energy-linked sectors such as transmission, battery energy storage systems, data centers, pumped storage hydro, semiconductors and green hydrogen, with the Bank leveraging its 'Chakra' initiative to provide structured financing solutions including debt, mezzanine and equity funding for these sunrise sectors.