

Result Update (09-02-2026)

- **Phenomenal Performance on all fronts**
- **Record Q3 Profits**
- **Increased FY26 Loan Growth Outlook**

Ajcon Global's observations & views

1. Loan Growth outlook strengthened, with management raising FY26 credit growth guidance to 13-15%, supported by robust retail momentum, strong gold loan growth, and a healthy corporate sanctions pipeline.
2. The results highlight Bank's continued focus on credit growth, stable margin and sustained improvement in asset quality, with a robust capital position providing adequate headroom for future growth.

Q3FY26 RESULT ANALYSIS

- 1) **Total Deposits** increased by 1.96% QoQ to Rs. 57,01,309 Crores in Q3FY26 against Rs. 55,91,700 Crores in Q2FY26 and rose by 9.02% YoY from Rs. 52,29,384 Crores in Q3FY25.
- 2) **Gross Advances** rose by 5.97% QoQ to Rs. 46,83,508 Crores in Q3FY26 against Rs. 44,19,674 Crores in Q2FY26 and was also up by 15.14% YoY from Rs. 40,67,752 Crores in Q3FY25.
- 3) **Total Business** rose by 3.73% QoQ to Rs. 1,03,84,817 Crores in Q3FY26 against Rs. 1,00,11,374 Crores in Q2FY26 and was up by 11.70% YoY from Rs. 92,97,136 Crores in Q3FY25.
- 4) **Net Interest Income** rose by 5.13% QoQ to Rs. 45,190 Crores in Q3FY26 against Rs. 42,984 Crores in Q2FY26 and was also up by 9.04% YoY from Rs. 41,446 Crores in Q3FY25.
- 5) **Operating Profit** increased by 3.00% QoQ to Rs. 32,862 Crores in Q3FY26 against Rs. 31,904 Crores in Q2FY26 and was also up by 39.54% YoY from Rs. 23,551 Crores in Q3FY25.
- 6) **Net Profit** rose by 4.31% QoQ to Rs. 21,028 Crores in Q3FY26 against Rs. 20,160 Crores in Q2FY26 and was also increased by 24.49% YoY from Rs. 16,89 Crores in Q3FY25.
- 7) **NIM** (whole bank) increased marginally to 2.99% in Q3FY26 against 2.97% in Q2FY26 and edge down from 3.01% in Q2FY25.
- 8) **Domestic cost of deposits** fell to 5.07% in Q3FY26 against 5.13% in Q2FY26 and stayed flat YoY from 5.07% in Q3FY25. Domestic yield on Advances declined to 8.61% in Q3FY26 against 8.68% in Q2FY26 and 8.94% in Q3FY25, respectively.
- 9) **Total Non-Interest Income** declined by 7.83% QoQ to Rs. 18,359 Crores in Q3FY26 against Rs. 19,919 Crores in Q2FY26 and was increased by 66.28% YoY from Rs. 11,041 Crores in Q3FY25. (Includes one-time profit of Rs. 4,593 Crores on account of stake sale in Yes Bank in Q2FY26).
- 10) **Fee Based Income** decreased by 1.97% QoQ to Rs. 8,404 Crores in Q3FY26 against Rs. 8,573 Crores in Q2FY26 and rose by 15.65% YoY from Rs. 7,267 Crores in Q3FY25.
- 11) **Cost/Income Ratio** edge up to 48.29% in Q3FY26 against 48.28% in Q2FY26 but declined from 55.13% in Q3FY25, respectively.
- 12) **CASA Ratio** (Domestic) declined slightly to 39.13% in Q3FY26 against 39.63% in Q2FY26 and from 39.20% in Q3FY25, respectively.
- 13) **C/D Ratio** (Domestic) grew to 72.98 in Q3FY26 against 69.82% in Q2FY26.
- 14) **Return on Assets (ROA)** increased marginally to 1.19% Q3FY26 against 1.17% in Q2FY26 and also, increased from 1.04% in Q3FY25.
- 15) **Fresh Slippages** decreased to Rs. 4,458 Crores in Q3FY26 against Rs. 4,754 Crores in Q2FY26 and Rs. 3,823 Crores in Q3FY25, respectively. Recovery + Upgradation increased to Rs. 2,371 Crores in Q3FY26 against Rs. 2,279 Crores in Q2FY26 and Rs. 1,206 Crores in Q3FY25, respectively.
- 16) **Gross NPA** ratio improved to 1.57% in Q3FY26 against 1.73% in Q2FY26 and 2.07% in Q3FY25. **Net NPAs** ratio also improved to 0.39% in Q3FY26 against 0.42% in Q2FY26 and 0.53% in Q3FY25, respectively.
- 17) **Credit Cost** declined to 0.29% in Q3FY26 against 0.39% in Q2FY26 and increased from 0.24% in Q3FY25.
- 18) **Provision Coverage Ratio** (Incl. AUCA) increased marginally to 92.37% in Q3FY26 against 92.29% in Q2FY26 and also, was up from 91.74% in Q3FY25, respectively.
- 19) **The Bank's Capital Adequacy ratio** fell to 14.04% in Q3FY26 against 14.62% in Q2FY26 and rose against 13.03% in Q3FY25.

KEY FINANCIAL INDICATORS – Q3FY26

CMP (09.02.2026)	: Rs. 1,146
Face Value	: Rs. 1
Market Capitalisation	: Rs. 10,59,490.29 Crs.
Capital Adequacy Ratio	: 14.04%
C/D ratio (Domestic)	: 72.98%
CASA ratio	: 39.13%
Net Interest Margin (NIM)	: 2.99%
Cost / Income ratio	: 48.29%
Gross NPA	: 1.57%
Net NPA	: 0.39%
PCR (Incl. AUCA)	: 92.37%
Slippage ratio	: 0.40%
Credit cost	: 0.29%
Return on Assets (Annualized)	: 1.19%



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Management Comments

- 20) In his opening remarks, Shri C.S. Setty, Chairman, said that the Bank delivered its highest-ever quarterly net profit of Rs.21,028 crore, up 24.5% YoY, driven by strong operating performance and lower credit costs of 0.29%. He highlighted that total business crossed Rs.103 trillion, reflecting continued customer confidence. Growth remained robust across Retail, Agriculture and SME segments, while asset quality improved further, with NPAs at their lowest levels in over two decades, underscoring disciplined underwriting, prudent credit practices and sustained recoveries. He added that the Bank's forward-looking strategy, centered on technology and analytics, combined with strong internal capital generation, positions it well for future CET1 accretion and long-term growth.
- 21) Speaking on guidance, Mr. Setty stated that the Bank has revised its credit growth guidance for Q4FY26 upwards to 13–15% from 12–14%, while indicating that full-year FY27 guidance will be provided in Q1FY27. He reiterated the NIM guidance of above 3% for FY26 and maintained a long-term NIM guidance of around 3% through the cycle for FY27–FY28. He added that ROA guidance remains steady at around 1% through the cycle, with a continued focus on consistency rather than sharp expansion. Management also reiterated its objective of keeping the cost-to-income ratio below 50% and highlighted the Bank's aim to achieve a USD 1 billion Customer Value Enhancement (CVE) income target, subject to stable exchange rates.
- 22) In response to an analyst's query on Q3 profitability, Mr. C.S. Setty stated that earnings were supported by multiple levers, including strong fee-based income growth, 9% YoY NII growth driven by credit expansion and lower funding costs, low credit costs and disciplined control over operating expenses. He also highlighted a one-off special dividend of around Rs.2,200 crore from SBI Mutual Fund, while noting that profitability remained healthy even after adjusting for this item.
- 23) While speaking on Loan Growth, Mr. Setty informed that the Bank is witnessing broad-based momentum across segments, led by a sharp 95% YoY growth in the gold loan portfolio while maintaining conservative LTVs. He highlighted a strong corporate credit pipeline of Rs.7.86 lakh crore, including Rs.4.4 lakh crore of sanctioned but undisbursed loans, providing healthy visibility for future disbursements. He added that despite a rise in the credit-deposit ratio, the Bank remains confident of meeting its credit growth targets through existing liquidity and capital buffers without impacting margins, while PSL requirements are being managed through organic growth, NBFC on-lending, and front-loaded PSLC purchases.
- 24) On the New Labor Code, chairman stated that the impact on the Bank is minimal, requiring a provision of only around Rs.16 crore towards gratuity for contractual employees who have completed one year of service, as the Bank's existing employment structure is largely aligned with the new codes.
- 25) Also on Product Development, management highlighted that the Bank has fundamentally redesigned its digital operating model through "YONOization," with the new YONO platform garnering over 3 crore registrations within one month of launch. To strengthen capital allocation in emerging segments, the Bank has set up "CHAKRA", a center of excellence focused on sunrise sectors. Management added that subsidiaries are enhancing value through expanded digital channels, innovative product offerings and improved customer experience. The Bank has also increased the number of products available across branch counters and the YONO platform, supporting growth in cross-sell income.