



4th February, 2026



India's Best Performing and Most Customer Centric PMS

State Bank of India (SBI) is India's largest banking institution and one of the most systemically important financial entities in the country. Headquartered in Mumbai, SBI operates as a statutory public sector bank with a legacy spanning more than 200 years. Over this period, the institution has evolved from a traditional commercial bank into a diversified financial services conglomerate, playing a central role in India's credit system, deposit mobilization, payments infrastructure, and financial inclusion framework. SBI is also a Fortune 500 company, reflecting its scale, balance sheet strength, and global relevance.

As of the first half of FY26, SBI's balance sheet scale is unmatched within the Indian banking system. The bank's total deposits stood at approximately ₹56 lakh crore, while gross advances were around ₹44 lakh crore, taking total business comfortably beyond ₹100 lakh crore. SBI continues to command a domestic deposit market share of over 22% and a loan market share close to 19%, underlining its position as the primary financial intermediary for households, corporates, and government-linked entities across India.

Diversified Business Model and Credit Mix: SBI operates a diversified banking model spanning retail banking, corporate and commercial banking, MSME lending, agricultural finance, treasury operations, international banking, and a large ecosystem of financial subsidiaries. Over the past several years, the bank has consciously recalibrated its asset mix toward granular and higher-quality lending, reducing cyclicality and improving risk-adjusted returns.

Domestic advances are now predominantly driven by the Retail, Agriculture and MSME (RAM) portfolio, which has crossed ₹25 lakh crore. Within this, retail personal loans form the largest component, accounting for over 42% of domestic advances. SBI holds leadership positions in key retail products, including home loans and auto loans, supported by competitive pricing, wide distribution, and digital origination capabilities. Retail credit growth has remained resilient and well-diversified, contributing meaningfully to earnings stability.

Corporate banking continues to be a core pillar, albeit with a more selective and risk-conscious approach than in prior cycles. Corporate loan growth has moderated relative to retail but remains focused on highly rated borrowers, infrastructure-linked projects, and public sector undertakings. A significant portion of the corporate book is linked to government or quasi-government entities, which enhances asset quality and reduces default risk.

The MSME and agricultural segments remain structurally important to SBI's franchise. Both segments have delivered healthy growth in recent years, supported by policy-led credit programs, strong rural reach, and deep relationships with small businesses and farmers across India.

International Banking Presence: SBI's international operations add a strategic layer to its overall business profile. The bank operates through over 240 overseas offices across 29 countries, covering major financial centers and trade corridors including the United States, the United Kingdom, the Middle East, East Asia, and GIFT City in India. International advances account for roughly 15% of total advances, while deposits form a smaller share of the overall liability base.

Importantly, the international loan book exhibits superior asset quality metrics compared to domestic operations, with negligible non-performing assets. This provides earnings diversification and reinforces SBI's role in facilitating India's cross-border trade, remittances, and overseas investments.

Stock Data	
CMP (04-02-2026)	Rs. 1067
52 Week High/Low	Rs.1090 /Rs.680
Face Value (in Rs.)	Rs.1.00
Market Cap (In Crs)	Rs.936,954 Cr
Enterprise Value (In Crs)	Rs.69,69,340 Cr
NSE	SBIN
BSE	500112
Sector	Banking

Shareholding Pattern (in %)		
	Sept 24	Sept 25
Promoter	57.51%	55.50%
FII	10.71%	9.57%
DII	23.96%	27.65%
Public	7.67%	7.13%

Price Performance (In%)			
(%)	1M	6M	1Yr
Nifty 50	-1.81%	4.06%	8.57%
SBI	6.23%	34.25%	38.92%

Key Ratios	
Debt to Equity	11.1
ROCE	6.47%
ROE	17.2%
P/E	12
PEG Ratio	0.4
EV/EBITDA	16.6
P/S	1.85

Macro Tailwinds: Structural Levers Driving Growth

1. System credit growth staying resilient keeps SBI in the slipstream of India's lending engine

A durable macro tailwind for SBI is that system-wide credit growth has remained resilient, rather than reverting to low single digits after a rate-tightening phase. Government of India's release citing RBI data reports outstanding bank credit at ₹195.3 lakh crore as of 28 November 2025, registering 11.5% year-on-year growth. That matters because SBI's growth is not dependent on one narrow pocket of demand; it benefits from a broad, economy-wide credit impulse spanning consumption, services, MSMEs and working capital. In a sustained double-digit credit environment, a bank with SBI's scale typically captures a meaningful share of incremental flows through (a) its distribution reach, (b) corporate relationships, and (c) government-linked ecosystems. The more important structural point is quality of demand: when credit growth is diversified across multiple borrower types, it reduces concentration risk and supports more stable profitability over cycles. This macro backdrop also improves visibility on loan growth guidance because it is anchored in system momentum rather than a one-off capex spike.

2. Public capex remains a multi-year anchor – and SBI is structurally wired into that ecosystem

India's policy-driven infrastructure push is a structural lever that supports banking credit demand across the value chain. For FY2025–26, Government of India highlights show capital expenditure earmarked at ₹11.21 lakh crore (3.1% of GDP). This matters for SBI because public capex does not only create direct project finance opportunities; it also drives second-order credit creation through EPC contractors, suppliers, logistics, MSME ancillaries, and working-capital cycles linked to execution. In such a framework, SBI tends to benefit from being the country's largest financial intermediary with deep linkages to PSU and infrastructure ecosystems. Another critical structural angle is timing: public capex often leads private capex, and sustained government spending can de-risk corporate balance sheets, improve cash-flow visibility, and gradually expand private investment appetite. For SBI, this translates into a broader pipeline across corporate banking, MSME, and transaction banking—without requiring aggressive underwriting.

3. SBI's growth is aligned to granular domestic demand via RAM – a structural shift in India's credit mix

A major structural lever for SBI is that its growth engine is increasingly anchored in granular domestic credit demand rather than lumpy, cycle-sensitive corporate lending. In its official Q2 FY26 results press release, SBI states that overall business crossed ₹100 trillion and the RAM portfolio (Retail, Agriculture, MSME) crossed ₹25 trillion. This matters because RAM-led growth typically delivers three durable advantages: (1) better portfolio diversification and lower concentration risk, (2) stronger cross-sell and fee opportunities through transaction relationships, and (3) more predictable asset-quality outcomes when underwriting is disciplined. From a macro lens, India's consumption and small-business credit penetration remains structurally under-served relative to the size of the economy, which supports multi-year demand visibility. SBI's scale allows it to convert this structural demand into compounding balance-sheet growth while also preserving resilience—because RAM borrowers are spread across geographies, income segments, and industries. The key is that SBI's strategy, as disclosed, is already positioned to capture this structural shift.

4. Monetary easing + liquidity actions are turning into a demand tailwind while supporting system stability

A supportive macro lever for large lenders is a shift from tight financial conditions to a more growth-supportive policy mix, particularly when inflation dynamics permit easing without destabilizing the system. On 5 December 2025, Reuters reported that the RBI cut the repo rate by 25 bps to 5.25% and announced measures aimed at injecting liquidity (including open-market bond purchases worth ₹1 trillion and a \$5 billion dollar/rupee swap). For SBI, this macro setup can be constructive in two ways. First, easing typically supports borrower affordability and improves the risk-reward for incremental credit demand in retail, MSME, and select corporate segments. Second, liquidity measures reduce the probability of tight funding conditions that can impair credit transmission. Importantly, this is not a "one-variable NIM story": even if deposit repricing remains competitive, SBI's scale and franchise depth allow it to rely on mix, operating leverage and fee traction to sustain profitability. The structural benefit is improved credit momentum with reduced system stress.

5. Digital payments scale via UPI is structurally lowering cost-to-serve and expanding throughput for banks at SBI's scale

India's digital payments rails are now a structural growth lever rather than a convenience trend. In December 2025, UPI hit a new peak with about 21.6 billion transactions (~2,163 crore) and transaction value of nearly ₹28 lakh crore, as reported using NPCI data. This matters for SBI because payments scale improves banking economics in a very specific way: the more transactions migrate to digital rails, the lower the marginal cost of servicing customers, and the higher the ability to cross-sell financial products within an integrated ecosystem. For a bank with SBI's footprint, digital scale is not just about volumes; it supports operating leverage, increases the stickiness of current accounts and salary relationships, and deepens merchant and MSME engagement through payments-linked data trails. Over time, this improves the efficiency of acquisition, underwriting, and collections—structural drivers of sustainable profitability. The macro tailwind is the national shift in transaction behavior; SBI's advantage is the ability to monetize that shift at scale through distribution, trust, and ecosystem breadth.

Financial Analysis

1. Capital Expenditure and Growth Investments: SBI's capital expenditure strategy is structural and capability-focused, aimed at scaling the franchise without proportional cost escalation. Investments are directed toward technology, digitisation, process centralisation, and human capital, rather than aggressive physical expansion.

The bank spends approximately ₹550 crore annually on training and skill development, operating close to 55 training centres alongside AI-enabled digital learning platforms. This reflects a long-term approach to institutionalising execution quality across its large workforce.

Technology investments are channelled through Project SARAL, which focuses on automation, simplification, and centralisation of operations. A key outcome has been the consolidation of trade finance processing into two global digital hubs, improving efficiency and turnaround times. The upcoming YONO 2.0 platform represents a significant upgrade in digital capability and customer engagement. Collectively, these investments support SBI's objective of scaling the balance sheet sustainably over the long term.

2. Earnings and Profitability: SBI's earnings profile increasingly reflects core operating strength rather than reliance on one-offs. Management has clarified that even after excluding non-recurring income, the bank continues to deliver ROA above 1%, indicating structural profitability improvement.

Domestic NIM stands at around 3.1%, supported by disciplined liability repricing, reduction in high-cost wholesale deposits, and stable CASA traction. Management has reiterated confidence in maintaining NIM above 3% through the cycle, barring extreme policy shocks.

Non-interest income has become a meaningful stabiliser, with fee income growing ~25% YoY, driven by higher transaction volumes, card spends, and remittances rather than fee hikes. Treasury income was lower sequentially due to the absence of extraordinary market operations, but balance-sheet positioning remains conservative and stable.

3. Return on Equity (ROE) and Shareholder Returns: SBI's return metrics have structurally improved, with ROE consistently exceeding 20%, supported by better margins, lower credit costs, and operating leverage at scale. Management places strong emphasis on Return on Risk-Weighted Assets (RORWA), highlighting a focus on capital-efficient growth.

The ₹25,000 crore QIP completed during FY26 materially strengthened capital adequacy and enhanced growth headroom, while reducing near-term dilution risk. Strong institutional demand for the issuance reflects growing confidence in SBI's transformation. From a shareholder perspective, returns are driven more by book-value compounding than dividend yield. While payout ratios remain moderate, improving ROE and capital efficiency support long-term capital appreciation aligned with fundamentals.

4. Working Capital Management: SBI's working-capital strength is anchored in its dominant liability franchise. The bank has total deposits of ~₹56 lakh crore, with CASA balances above ₹21 lakh crore, translating into a CASA ratio close to 40%. This provides a stable and relatively low-cost funding base even amid competitive deposit conditions.

Liquidity remains strong, with the Liquidity Coverage Ratio well above regulatory thresholds, ensuring resilience against short-term funding stress. Management has also focused on reducing dependence on bulk deposits and improving CASA granularity through transaction-led relationships.

On the deployment side, SBI maintains a sizeable sanctioned but undisbursed corporate credit pipeline, supporting near-term loan growth without pressuring liquidity. Overall, working-capital management reflects balance-sheet discipline and ample flexibility.

5. Industry Positioning and Strategic Outlook: SBI's industry positioning is increasingly defined by scale combined with discipline. The bank's total business has crossed ₹100 trillion, reinforcing its role as the anchor institution within India's banking system. Loan growth guidance of 12–14% is aligned with system growth, with emphasis on retail, MSME, agriculture, and selectively priced corporate lending.

Strategically, SBI is prioritising high-RORWA segments, defending its leadership in liabilities, and deepening cross-sell across the ecosystem. The bank currently averages ~3.5 products per customer, with management identifying scope to move toward 5 products per customer over time, enhancing fee income and customer lifetime value.

Subsidiaries across asset management, insurance, cards, and investment banking provide additional optionality, with selective value unlocking remaining a strategic consideration. Overall, SBI is transitioning from a legacy PSU lender to a structurally profitable, institutionally managed financial franchise.

Peer Comparison

Company	CMP (Rs.)	Market Cap (Rs.Cr)	P/E	Debt/Eq	ROE (%)
SBI	1015.60	937,461.49	12.01	11.08	17.20
Bank of Baroda	301.85	156,097.56	8.14	10.53	15.53
Punjab National Bank	123.20	141,593.10	8.32	12.22	15.17
Canara Bank	149.80	135,878.37	7.11	14.05	17.75
Union Bank of India	164.10	125,267.48	6.75	10.38	17.05

State Bank of India stands out in the peer set by virtue of its sheer scale, reflected in its significantly higher market capitalization and a CMP that mirrors its system-wide importance. Valuation metrics indicate that SBI trades at a moderate P/E relative to its balance sheet size, while leverage levels remain comparable with other large public sector banks. Return on equity is in the mid-teens, broadly aligned with sector averages, indicating improved profitability without being an outlier.

The data also highlights SBI's role as the benchmark within the PSU banking space, around which peer valuations and return metrics are often contextualized. Debt-to-equity ratios across the group suggest a broadly similar capital structure, reinforcing the homogeneous nature of the sector.

Investment Rationale

1. Structural Improvement in Profitability Metrics: Management highlighted that SBI has transitioned into a phase of structurally higher profitability, with ROA sustainably above 1% even after adjusting for one-off items. This improvement is driven by better asset quality, controlled credit costs, and operating leverage at scale. The focus has clearly shifted from headline profit volatility to consistency in core returns, marking a break from earlier PSU banking cycles.

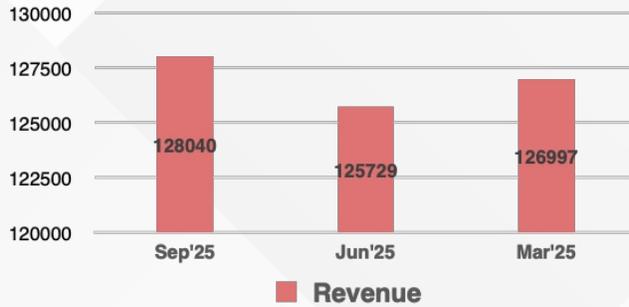
2. Strong Liability Franchise Supporting Margin Stability: SBI's dominant deposit and CASA franchise remains a key investment pillar. Management emphasized steady improvement in CASA quality, granularity, and average balances, alongside a calibrated reduction in high-cost wholesale deposits. This provides resilience to margins across interest-rate cycles and supports profitability without aggressive asset repricing, reinforcing balance-sheet stability.

3. Capital Adequacy and Clear Growth Headroom: The successful ₹25,000 crore QIP has materially strengthened SBI's capital position, enhancing flexibility to fund growth without near-term dilution. Management indicated that the current capital base is sufficient to support mid-teens loan growth over the medium term. This reduces execution risk and improves visibility on balance-sheet expansion.

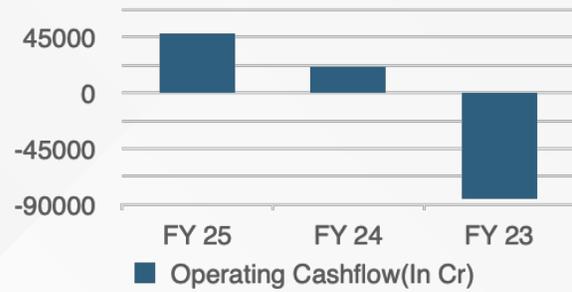
4. Improving Asset Quality with Strong Provision Buffers: SBI's asset quality metrics continue to improve, with low slippages, contained credit costs, and high provision coverage, including additional non-NPA buffers. Management repeatedly stressed balance-sheet resilience rather than aggressive growth, indicating a conservative risk posture. This provides downside protection and supports earnings durability across cycles.

5. Digital and Operating Leverage Driving Scalability: Management outlined how digital initiatives and process centralization are translating into operating leverage. With the majority of transactions now routed through digital channels and initiatives such as Project SARAL and YONO upgrades, SBI is able to scale business volumes without proportionate increases in operating costs. This supports long-term improvement in efficiency ratios and return metrics.

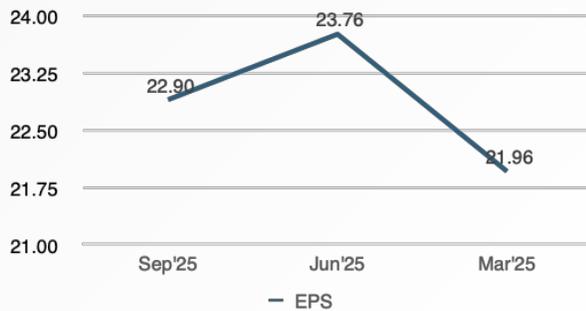
Revenue (In Cr)



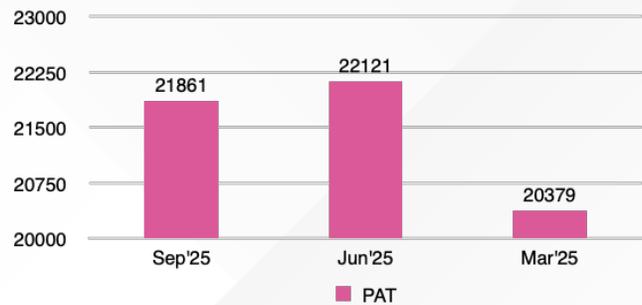
Operating Cashflow



EPS



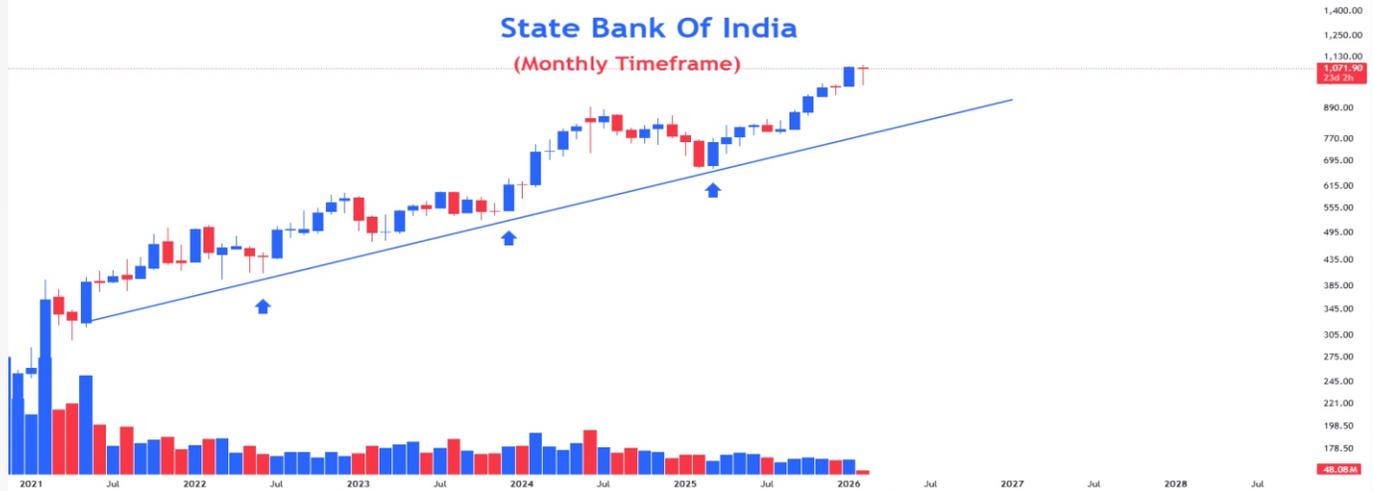
PAT(In Cr)



CAGR (In %)



Technical Outlook



The monthly chart for SBIN reflects a well-established and ongoing long-term uptrend. Over the past several years, the stock has consistently respected a rising trendline, with a clear sequence of higher highs and higher lows defining the primary price structure. Each major rally has been supported near this trendline, reinforcing the strength of the prevailing bullish trend on higher timeframes.

In recent months, the stock has extended this uptrend after a brief pause, moving higher from prior support zones rather than entering a consolidation phase. The price action shows continuation characteristics, with pullbacks remaining shallow and quickly attracting buying interest. Volumes have remained steady, indicating healthy participation and confirming that the broader trend remains intact rather than distribution-driven.

While short-term momentum may appear less aggressive compared to earlier phases of the rally, the structure remains constructive as long as the stock holds above the rising trendline, currently placed near the ₹900–950 zone. Any dips toward this region are likely to be viewed as corrective within the trend rather than a reversal. Unless there is a decisive breakdown below this support, the long-term trend stays firmly positive, with higher levels achievable over time despite interim pauses.

Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	1051.43	1055.51
10	1051.78	1049.58
20	1037.06	1036.67
50	998.92	1003.28
100	951.26	959.27
200	878.60	904.20

Pivot Levels : FIBONACCI			Daily	Weekly	
R1 1085.69	Pivot 1046.67	S1 1007.65	Relative Strength Index (RSI)	60.43	
R2 1109.80		S2 983.54			77.20
R3 1148.82		S3 944.52			

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**This research has been done by the
Core Fundamental Research Team of InvAsset PMS Desk**

Anirudh Garg

anirudhgarg@invasset.com

Jickson Sajee

jicksonsajee@invasset.com

Yash Chauhan

yashchauhan@invasset.com



India's Best Performing and Most Customer Centric PMS



MUMBAI

911, One Lodha Place,
Lower Parel, Mumbai, Maharashtra-400013

GURUGRAM

4th Floor, Two Horizon Centre,
DLF Phase 5, Gurugram, Haryana-122002

LUDHIANA

Plot No. 14-15, Canal Road,
South City Ludhiana, Punjab -142027

AHMEDABAD

SI - M - B003, Shilp Incubation Center,
Gift SEZ, Gift City, Gandhinagar-382365

DUBAI

Office No. 503, 5th Floor Court Tower,
Business Bay, Dubai-391406



+91 98158-10172



info@invasset.com



www.invasset.com