

Pick of the Week

BUY – State Bank of India (SBIN)

CMP: 1046 as on 16 Mar 2026

Fair Value (FV): 1250

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Time Period: 12 months

Why Invest?

- SBI reported ~25% yoy earnings growth, led by 40% yoy operating profit growth.
- The performance was led by solid loan growth (15% yoy), stable Net Interest Margin (NIM) and low credit costs.
- Asset quality metrics showed improvement, with gross Non performing assets (NPA) declining 15 bps qoq at 1.6% and net NPL flat qoq at 0.4%.
- The bank has navigated the recent softening rate cycle well.
- There are limited headwinds in the near term and we see SBI likely to trade at a superior valuation from hereon.
- SBI is delivering better than most frontline banks and we see room for further multiple expansion if it continues to deliver as it has so far
- Maintain BUY; revised FV of Rs1,250.

Maintain BUY with

FVRs-1250

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
- REDUCE** – We expect the stock to deliver -5% - +5% returns over the next 12 months
- SELL** – We expect the stock to deliver < -5% returns over the next 12 months
- NR** – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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- NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable
- NM** – **Not Meaningful.** The information is not meaningful and is therefore excluded.
- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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