



“The bank picked up the credit growth handsomely in the last quarter taking it to 9.74% for FY26, resulting in highest ever quarterly profit inspite of making additional provision of Rs. 700 Crores”

Ajcon Global's observations & views:

1. The bank has done well during last two quarters of FY26 giving confidence of better growth in business for FY27.
2. The management of the bank is focusing on a well-planned, quality-focused growth strategy, which is likely to support more stable and predictable earnings over time.

Q4FY26 RESULT ANALYSIS

- 1) **Total Business** rose 6.51% QoQ to Rs. 2385502 Crores in Q4FY26 against Rs. 2239740 Crores in Q3FY26 and rose by 5.78% YoY from Rs. 2255141 Crores in Q4FY25.
- 2) **Total Deposits** up by 6.87% QoQ to Rs.1306891 Crores in Q4FY26 against Rs.1222856 Crores in Q3FY26 and rose 2.72% YoY from Rs. 1272247 Crores in Q4FY25.
- 3) **Total Advances** expanded by 6.07% QoQ to Rs. 1078611 Crores in Q4FY26 against Rs. 1016884 Crores in Q3FY26 and by 9.74% YoY from Rs. 982894 Crores in Q4FY25.
- 4) **Net Interest Income** marginally increased by 0.84% QoQ to Rs. 9406 Crores in Q4FY26 against Rs. 9328 Crores in Q3FY26 but came down by 1.14% YoY from Rs. 9514 Crores in Q4FY25.
- 5) **Operating Profit** jumped by 14.59% QoQ at Rs. 7955 Crores in Q4FY26 against Rs. 6942 Crores in Q3FY26 and also up by 3.31% YoY from Rs. 7700 Crores in Q4FY25.
- 6) **Net Profit** increased by 5.96% QoQ to Rs. 5316 Crores in Q4FY26 against Rs.5017 Crores in Q3FY26 and also up by 6.64% YoY from Rs. 4985 Crores in Q4FY25.
- 7) **Net Interest Margin (NIM)** decreased to 2.64% in Q4FY26 against 2.76% in Q3FY26 also declined from 2.87% in Q4FY25.
- 8) **Cost of deposits** declined to 5.23% in Q4FY26 against 5.31% in Q3FY26 and 5.61% in Q4FY25, respectively.
- 9) **Cost of Funds** declined to 4.37% in Q4FY26 against 4.60% in Q3FY26 and 4.80% in Q4FY25, respectively. **Yield on Advances** declined to 7.98% in Q4FY26 against 8.27% in Q3FY26 and 8.72% in Q4FY25, respectively.
- 10) **Total Non-Interest Income** went up by 19.18% QoQ at Rs.5412 Crores in Q4FY26 against Rs.4541 Crores in Q3FY26 and was down by 2.64% YoY from Rs.5559 Crores in Q4FY25.
- 11) **Fee based income** increased by 7.39% QoQ to Rs. 2631 Crores in Q4FY26 against Rs.2450 Crores in Q3FY26 and up by 5.75% YoY from Rs. 2488 Crores in Q4FY25.
- 12) **Cost/Income ratio** decreased to 46.31% in Q4FY26 against 49.95% in Q3FY26 and 48.91% in Q4FY25, respectively.
- 13) **Domestic CASA ratio** grew to 35.21% in Q4FY26 against 33.96% in Q3FY26 and also up from 33.51% in Q4FY25, respectively.
- 14) **C/D ratio (Global)** marginally down to 83.27% in Q4FY26 against 83.89% in Q3FY26.
- 15) **Return on Assets (ROA)** slightly increased to 1.36% in Q4FY26 against 1.35% in Q3FY26.
- 16) **Fresh slippages** increased to Rs. 2023 Crores in Q4FY26 against Rs.1660 Crores in Q3FY26.
- 17) **Gross NPA ratio** improved to 2.82% in Q4FY26 against 3.06% in Q3FY26 and 3.60% in Q4FY25. Net NPAs ratio also improved to 0.48% in Q4FY26 against 0.51% in Q3FY26 and 0.63% in Q4FY25, respectively.
- 18) **Credit cost** increased to 0.16% in Q4FY26 against 0.09% in Q3FY26 but came down from 0.69% in Q4FY25.
- 19) **The Bank's Capital Adequacy ratio** rose to 18.10% in Q4FY26 against 16.49% in Q3FY26 and 18.02% in Q4FY25.
- 20) **Provision Coverage Ratio** ticked down to 95.03% in Q4FY26 against 95.13% in Q3FY26 but expanded from 94.61% in Q4FY25.

KEY FINANCIAL INDICATORS – Q4FY26

CMP (24.04.2026)	: Rs. 177.00
Face Value	: Rs. 10
Book value per share	: Rs. 154.41
Market Capitalisation	: Rs. 1,35,115 Crs.
Capital Adequacy Ratio	: 18.10%
C/D ratio	: 83.27%
CASA ratio	: 35.21%
Net Interest Margin (NIM)	: 2.64%
Cost / Income ratio	: 46.31%
Gross NPA	: 2.82%
Net NPA	: 0.48%
PCR	: 95.03%
Slippage ratio	: 0.85%
Credit cost	: 0.16%
Return on Assets (Annualised)	: 1.36%
Return on Equity (Annualised)	: 18.04%

“The bank picked up the credit growth handsomely in the last quarter taking it to 9.74% for FY26, resulting in highest ever quarterly profit inspite of making additional provision of Rs. 700 Crores”

Management Comments

- 21) Shri Asheesh Pandey (CEO & MD) while replying to an analyst’s query explained that on credit growth that the bank is maintaining a calibrated approach, with the CD ratio above 80% and LCR at 114%. He highlighted that despite 125 bps rate cuts impacting yields, disciplined actions—including exiting Rs. 35,000 crore of IBPC exposures and Rs. 30,000–35,000 crore of low-yield loans, the NIM declined by only 21 bps (from 2.91% to 2.70%) for FY26. Going forward, the bank is targeting 13–14% credit growth and 10–11% deposit growth, supported by a Rs. 50,000–60,000 crore loan pipeline, while continuing to prioritize asset quality and margins over low-yield growth.
- 22) The MD & CEO spoke on potential stress from the West Asia situation, noting that the bank is closely monitoring developments but has not observed any material or systemic stress so far. However, he further added that some localized impact in energy-linked sectors and a moderation in remittances may occur but no broader asset quality concerns.
- 23) Commenting on future NIM, Shri Asheesh Pandey, stated that margins are expected to stabilize with potential upside from current levels of 2.64%. He also highlighted that margin support will come from an improved liability mix, with CASA rising from 32.56% in September 2025 to 35.21% in March 2026, along with a conscious shift from bulk deposits to CASA and retail term deposits, improved pricing, and efficient fund deployment.
- 24) The bank has written-off pool of Rs. 71,000 crore, of which Rs. 45,000–46,000 crore is under NCLT, indicating that a significant portion is in the resolution stage. The MD & CEO, added that recovery trends remained steady at Rs. 4,000 crore in FY26 and is expected to sustain going forward, supported by ongoing resolution and recovery efforts across these accounts.
- 25) Shri Asheesh Pandey addressed the sustainability of credit costs by highlighting that despite a low 0.23% credit cost in FY26, the bank maintains a conservative guidance of below 1%, supported by strong asset quality metrics such as stable SMA levels (Rs. 3,800 crore), more than 95% of exposures above Rs. 25 crore rated BBB and above, and 99% of retail book with CIBIL score more than 700, indicating no visible stress but a prudent approach to provisioning.
- 26) **During the analyst earnings call, the management has given below mentioned guidance for FY27:**
Credit growth: 13%-14%
Deposit growth: 10%-11%
Credit cost: <1%