



Result Update

“The Bank crosses ₹30 lakh crore business milestone with FY26 Standalone Net Profit surpassing ₹20,000 crore mark”

Ajcon Global’s observations & views:

- 1 The Bank delivered a strong FY26 performance with best-in-10-quarter business growth momentum, healthy profitability, resilient asset quality and steady margin performance, supported by robust advances growth, strong CASA franchise and disciplined balance sheet management.
- 2 Going forward the bank remains well positioned to sustain its growth trajectory, supported by management’s stable guidance on growth, margins and recoveries, along with strong capital and liquidity buffers, prudent provisioning and stable asset quality trends despite a volatile macro environment.

Q4FY26 RESULT ANALYSIS

- 1) **Global Deposits** surged by 6.6% QoQ at Rs. 16,48,487 crores in Q4FY26 against Rs. 15,46,749 crores in Q3FY26 and 12% YoY from Rs. 14,72,035 crores in Q4FY25.
- 2) **Global Advances** increased by 6.3% QoQ at Rs. 14,29,879 crores in Q4FY26 against Rs. 13,44,904 crores in Q3FY26 and grew by 16.20% YoY from Rs. 12,30,461 crores in Q4FY25.
- 3) **Total Business** surged by 6.46% QoQ at Rs. 30,78,366 crores in Q4FY26 against Rs. 28,91,653 crores in Q3FY26 and increased by 13.91% YoY from Rs. 27,02,496 crores in Q4FY25.
- 4) **Net Interest Income** grew by 5.88% QoQ at Rs. 12,494 crores in Q4FY26 against Rs. 11,800 crores in Q3FY26 and was up by 8.7% YoY from Rs. 11,494 crores in Q4FY25.
- 5) **Operating Profit** increased by 22.94% QoQ at Rs. 9,069 crores in Q4FY26 against Rs. 7,377 crores in Q3FY26 and was up by 11.52% YoY from Rs. 8,132 crores in Q4FY25.
- 6) **Net Profit** increased by 11.10% QoQ at Rs.5,616 crores in Q4FY26 against Rs. 5,055 crores in Q3FY26 and by 11.2% YoY from Rs. 5,048 crores in Q4FY25.

KEY FINANCIAL INDICATORS - Q4FY26

CMP (12.05.2026)	: Rs. 259.95
Face Value	: Rs. 2.00
Book value per share	: Rs. 251.70
Market Capitalisation	: Rs. 1,34,404 Crs.
Capital Adequacy Ratio	: 15.82%
CASA ratio (Domestic)	: 38.90%
Net Interest Margin (Global)	: 2.89%
Cost / Income ratio	: 44.90%
Gross NPA	: 1.89%
Net NPA	: 0.45%
PCR	: 93.94%
Slippage ratio	: 0.89%
Credit cost	: 0.76%
Return on Assets	: 1.15%
Return on Equity	: 17.27%

- 7) **Net Interest Margin (NIM)** was up to 2.89% in Q4FY26 against 2.79% in Q3FY26 but down from 2.98% in Q4FY25.
- 8) **Global Cost of Deposit** slightly increased to 4.78% in Q4FY26 against 4.75% in Q3FY26 but was down from 5.12% in Q4FY25. **The global yield on Advances** declined to 7.44% in Q4FY26 against 7.56% in Q3FY26 and 8.21% in Q4FY25, respectively.
- 9) **Total Non-Interest Income** increased by 10.19% QoQ at Rs. 3,967 crores in Q4FY26 against Rs. 3,600 crores in Q3FY26 and decreased by 16.2% YoY from Rs. 4,735 crores in Q4FY25.
- 10) **Fee-Based Income** increased by 22.5% QoQ at Rs. 2,093 crores in Q4FY26 against Rs. 1,708 crores in Q3FY26 but decreased by 3.8% YoY from Rs. 2,176 crores in Q4FY25.
- 11) **Treasury Income** fell sharply QoQ to Rs. 44 crores in Q4FY26 against Rs. 1,080 crores in Q3FY26 and Rs. 1,559 crores in Q4FY25, respectively.
- 12) **Cost/Income Ratio** fell to 44.90% in Q4FY26 against 52.10% in Q3FY26 and 49.89% in Q4FY25, respectively.
- 13) **CASA ratio** marginally increased to 38.90% in Q4FY26 against 38.45% in Q3FY26 but decreased from 39.97% in Q4FY25.
- 14) **Return on assets (ROA)** marginally increased to 1.15% in Q4FY26 against 1.09% in Q3FY26 and decreased from 1.16% in Q4FY25.
- 15) **Fresh Slippages** increased to Rs. 2,944 crores in Q4FY26 against Rs. 2,676 crores in Q3FY26 and Rs. 2,873 crores in Q4FY25, respectively. **Recovery + Upgradation** was up to Rs. 2,233 crores in Q4FY26 against Rs. 1,756 crores in Q3FY26 and Rs. 1,943 crores in Q4FY25, respectively.
- 16) **Gross NPA Ratio** improved to 1.89% in Q4FY26 against 2.04% in Q3FY26 and 2.16% in Q4FY25. Net NPA ratio improved to 0.45% in Q4FY26 against 0.57% in Q3FY26 and 0.58% in Q4FY25.
- 17) **Credit Cost** increased to 0.76% in Q4FY26 against 0.17% in Q3FY26 and 0.44% in Q4FY25, respectively.
- 18) **Provision Coverage Ratio** marginally increased to 93.94% in Q4FY26 against 92.73% in Q3FY26 and 93.29% in Q4FY25, respectively.



Result Update

“The Bank crosses ₹30 lakh crore business milestone with FY26 Standalone Net Profit surpassing ₹20,000 crore mark”

Management Comments

- 19) In his opening remarks, Dr. Debadatta Chand, MD & CEO, highlighted the Bank's strong FY26 performance, with the bank crossing ₹30.7 lakh crore in business, with advances and deposit growth during the quarter being the best in the last 10 quarters. Management also outlined its capital raising plans, including ₹6,000 crore through AT1/Tier 2 bonds in FY27 and an enabling approval to raise ₹8,500 crore equity capital by FY28 to support future growth.
- 20) In response to a query on margins and deposits, the MD & CEO stated that the reported NIM of 2.89% reflects the bank's core margin performance, while acknowledging that IT refund-related income remains a recurring but volatile component, for which the bank has conservatively guided FY27 NIM at 2.75%-2.95%. He further indicated that deposit costs are expected to remain sticky in the near term amid tight liquidity conditions, while the ₹520 crore impact from the revised mortality table is a one-time employee cost adjustment with negligible recurring impact going forward.
- 21) Addressing the question on bulk deposits and provisions, Dr. Chand mentioned that the bank continues to focus on replacing bulk deposits with low-cost CASA deposits, with bulk deposit share reducing from 24-25% earlier to 17%, before temporarily rising to 19% in Q4FY26 to manage liquidity amid strong 16.2% loan growth and geopolitical-led tightness.
- 22) Regarding the final ECL guidelines, the MD & CEO assured that the overall impact is expected to remain broadly in line with earlier estimates and is unlikely to materially exceed previously indicated levels, though final quantification will follow transaction-level implementation. He also clarified that the ₹1,500 crore floating provision created in Q4 FY26 was a prudential buffer to strengthen the balance sheet against potential external and geopolitical uncertainties and is not linked to ECL provisioning.
- 23) Talking about recoveries, Dr. Chand stated that Q4 recoveries from technically written-off accounts were higher due to stronger year-end efforts, while the bank maintains a normalized recovery guidance of ₹750-800 crore on its ₹62,000 crore written-off pool.
- 24) In response to a query on overseas exposure, the MD & CEO informed that the bank's ₹2.6 lakh crore overseas book remains largely resilient with trade exposure below 20% and most exposures linked to strong global syndications and Fortune 500 corporates, though the bank remains watchful on its ₹50,000-60,000 crore Middle East exposure over the next few quarters. He further indicated that under ECLGS 5.0, the bank expects disbursements of over ₹12,000 crore, supported by its ₹1.6 lakh crore MSME book.
- 25) **The Bank has given the following guidance for FY27:**
 - Deposit Growth (YoY) - 10-12%
 - Advances Growth (YoY) - 12-14%
 - NIM - 2.75% - 2.95%
 - ROA > 1%
 - Slippage Ratio - 1% - 1.25%
 - Credit Cost < 0.60
 - Recoveries from written-off accounts - Rs 750-800 crores