# Indian Overseas Bank – Q1FY27

## Result Update (21.07.2026)

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

**"Record Profit & Improved Asset Quality Mark a Strong Q1FY27"**

## Ajcon Global's observations & views

1. Credit growth remained robust (+22% YoY) despite a headline dip in corporate advances (driven by a one-off large account exit); comfortable capital adequacy (19.36%), a planned ₹5,000 crore QIP and resumption of dividend after 12-13 years are the key positives.
2. The Bank proactively built ECL cushion, targeting full provisioning by FY27-end rather than the four-year RBI dispensation, reflecting a conservative approach; ECLGS disbursement is also on track with no visible SME stress so far.

## Q1FY27 RESULT ANALYSIS:

1) **Total Business** expanded by 2.90% QoQ to Rs. 698325 Crores in Q1FY27 against Rs. 678614 Crores in Q4FY26. Also, it rose by 17.72% YoY from Rs. 593213 Crores in Q1FY26.
2) **Total Deposits** increased by 2.17% QoQ to Rs. 376193 Crores in Q1FY27 against Rs. 368191 Crores in Q4FY26. It grew by 13.72% YoY from Rs. 330792 Crores in Q1FY26.
3) **Advances** expanded by 3.77% QoQ to Rs. 322132 Crores in Q1FY27 against Rs. 310423 Crores in Q4FY26 and it rose by 22.75% YoY from Rs. 262421 Crores in Q1FY26.
4) **Net Interest income** grew by 6.28% QoQ to Rs. 3688 Crores in Q1FY27 against Rs. 3470 Crores in Q4FY26 and it was up by 34.30% YoY from Rs. 2746 Crores in Q1FY26.
5) **Operating Profit** increased by 1.05% QoQ at Rs. 2693 Crores in Q1FY27 against Rs. 2665 Crores in Q4FY26 and it rose by 14.21% YoY from Rs. 2358 Crores in Q1FY26.
6) **Net Profit** rose by 10.23% QoQ to Rs. 1659 Crores in Q1FY27 against Rs. 1505 Crores in Q4FY26. Also, it rose by 49.32% YoY from Rs. 1111 Crores in Q1FY26.
7) **NIM (Global)** improved to 3.37% in Q1FY27 against 3.25% in Q4FY26 and 3.04% in Q1FY26.
8) **Domestic cost of deposits** came down to 4.70% in Q1FY27 against 4.79% in Q4FY26 and 5.10% in Q1FY26, respectively.

## KEY FINANCIAL INDICATORS – Q1FY27

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|---|---|
| CMP (21.07.2026) | : Rs. 35.25 |
| Face Value | : Rs. 10 |
| Book value per share | : Rs. 15.79 |
| Market Capitalisation | : Rs. 67,783.20 Cr |
| Capital Adequacy Ratio | : 19.36% |
| Global C/D ratio | : 85.63% |
| CASA ratio | : 41.05% |
| Cost / Income ratio | : 53.95% |
| Gross NPA | : 1.33% |
| Net NPA | : 0.18% |
| PCR | : 97.67% |
| Slippage ratio | : 0.06% |
| Return on Assets (Annualised) | : 1.41% |
| Return on Equity (Annualised) | : 22.69% |

9) **Total Non-Interest Income** increased by 67.31% QoQ to Rs. 2160 Crores in Q1FY27 against Rs. 1291 Crores in Q4FY26 and it was up by 45.85% YoY from Rs. 1481 Crores in Q1FY26.
10) **Domestic Fee based income** rose by 103.74% QoQ to Rs. 1418 Crores in Q1FY27 against Rs. 696 Crores in Q4FY26 and increased by 119.17% YoY from Rs. 647 Crores in Q1FY26. **Global Fee based income** grew by 102.39% QoQ to Rs. 1437 Crores in Q1FY27 against Rs. 710 Crores in Q4FY26 and was up by 116.09% YoY from Rs. 665 Crores in Q1FY26.
11) **Cost/Income ratio** increased to 53.95% in Q1FY27 against 44.02% in Q4FY26 and marginally increased from 44.22% in Q1FY26.
12) **CASA ratio (Domestic)** was flattish to 41.45% in Q1FY27 against 41.46% in Q4FY26 and increased from 44.16% in Q1FY26. **CASA ratio (Global)** grew to 41.05% in Q1FY27 against 40.99% in Q4FY26 and fell from 43.78% in Q1FY26.
13) **Domestic Credit/Deposit (C/D) ratio** expanded to 83.32% in Q1FY27 against 82.00% in Q4FY26 and 75.75% in Q1FY26, respectively. **Global C/D Ratio** increased to 85.63% in Q1FY27 against 84.31% in Q4FY26 and increased from 79.33% in Q1FY26.
14) **Return on Assets (ROA)** rose to 1.41% in Q1FY27 against 1.32% in Q4FY26 and 1.14% in Q1FY26, respectively.
15) **Fresh Slippages** declined to Rs. 195 Crores in Q1FY27 against Rs. 366 Crores in Q4FY26 and also decreased from YoY basis from Rs. 254 Crores in Q1FY26. Total Recovery reduced to Rs. 654 Crores in Q1FY27 against Rs. 960 Crores in Q4FY26 and increased from Rs. 851 Crores in Q1FY26.
16) **Gross NPA ratio** improved to 1.33% in Q1FY27 against 1.42% in Q4FY26 and 1.97% in Q1FY26. Net NPAs ratio improved to 0.18% in Q1FY27 against 0.21% in Q4FY26 and 0.32% in Q1FY26.
17) **Provision Coverage ratio** marginally fell to 97.67% in Q1FY27 from 97.50% in Q4FY26 and slightly increased from 97.47% in Q1FY26.
18) **The Bank's Capital Adequacy ratio** came down to 19.36% in Q1FY27 against 19.78% in Q4FY26 and increased from 18.28% in Q1FY26.

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## Management Comments

19) Responding an analyst's query on the sustainability of profitability given the contribution from PSLC and recoveries, MD & CEO Mr. Ajay Kumar Srivastava clarified that NII growth (+34.30% YoY) remains the key driver, while PSLC income and technical write-off recoveries are routine, recurring items consistently featured over the past 8-9 quarters rather than one-offs. He expressed confidence in sustaining profitability, citing an uninterrupted uptrend in operating and net profit over the last 10 quarters.

20) Discussing ECLGS disbursement progress and SME stress, Mr. Ajay Kumar Srivastava stated that the Bank's total eligible ECLGS universe stands at ₹4,400 crore, of which ₹2,600 crore has already been disbursed, with the remaining ₹1,800 crore expected over the next 1-1.5 months targeting 95-100% completion by early September. On stress, he noted no visible pressure on SME/small borrower accounts from the West Asia crisis so far, with no particular product or sector showing signs of strain.

21) On the ECL front, Mr. Srivastava highlighted that the Bank's internal assessment pegs the total additional requirement at ₹3,000 crore, against which ₹2,150 crore has already been provided (₹1,700 crore built up to March, plus ₹400 crore added this quarter). He added that the Bank intends to complete the entire ECL provisioning by the end of the financial year through continued quarterly build-up, rather than opting for the four-year phased dispensation.

22) Addressing an analyst's query on the capital raising plan, MD & CEO confirmed that the Board has approved raising ₹5,000 crore via QIP, with statutory approvals currently underway. The Bank expects to hit the market in Q3 or Q4, depending on market conditions, potentially across one or more tranches.

23) On SMA, MD & CEO Mr. Ajay Kumar Srivastava stated that the overall SMA book stood at 4% of advances (₹13,000 crore), improving from 4.95% a month earlier comprising SMA-0 at 1.78% (₹5,733 crore), SMA-1 at 0.95% (₹3,068 crore) and SMA-2 at 1.32% (₹4,246 crore). While SMA-2 rose ₹500-600 crore over March, he clarified this was largely regularized, with the slippage ratio (0.06%) remaining stable and asset quality showing no signs of concern.

24) Responding to an analyst's query on the decline in corporate advances, Mr. Srivastava clarified that the 10% drop was largely due to the exit of a single large ₹10,000 crore account in April, where pricing terms were no longer aligned with the Bank's requirements. He noted that 40% of this impact was already offset in Q1, with full recovery expected during the current quarter and reiterated guidance for 12-13% corporate loan growth by year-end even as overall credit growth remained robust at 22% YoY.

25) On FCNR mobilization, MD & CEO stated that the Bank has raised 300 million so far, leveraging its four overseas centers and outreach to its 4.5 lakh existing NRI customer base. He added that the Bank aims to double this to 600-650 million by September, when the current dispensation period concludes.