



## Result update (28.04.2026)

**“The Bank declared highest-ever net profit, backed by strong business growth with total business crossing Rs. 5,90,000 crores alongwith notable improvement in asset quality”**

## Ajcon Global’s observations &amp; views

1. The Bank is in high growth trajectory, with gradually shifting its focus toward retail lending and business through digital channels to support more stable and sustainable growth.
2. The Bank outperformed the given guidance for FY 26 across all key metrics which underscores enhanced efficiency and competitive positioning, gaining confidence in its ability to maintain growth traction ahead.

## Q4FY26 RESULT ANALYSIS

- 1) **Total business** expanded by 6.62% QoQ at Rs. 590314 Crores in Q4FY26 against Rs. 553680 Crores in Q3FY26 and also, increased by 14.95% YoY from Rs. 513527 Crores in Q4FY25.
- 2) **Total deposits** rose by 5.64% QoQ at Rs. 327563 Crores in Q4FY26 against Rs. 310086 Crores in Q3FY26 and also, grew by 11.59% YoY from Rs. 293542 Crores in Q4FY25.
- 3) **Gross Advances** increased by 7.86% QoQ at Rs. 262752 Crores in Q4FY26 against Rs. 243594 Crores in Q3FY26 and marked a growth of 19.44% YoY from Rs. 219985 Crores in Q4FY25.
- 4) **Net Interest Income** declined by 1.21% QoQ at Rs. 2614 Crores in Q4FY26 against Rs. 2646 Crores in Q3FY26 and also, decreased by 3.11% YoY from Rs. 2698 Crores in Q4FY25.
- 5) **Operating Profit** decreased by 6.37% QoQ at Rs. 1573 Crores in Q4FY26 against Rs. 1680 Crores in Q3FY26 and also, declined by 7.42% YoY from Rs. 1699 Crores in Q4FY25.
- 6) **Net Profit** increased by 8.39% QoQ at Rs. 801 Crores in Q4FY26 against Rs. 739 Crores in Q3FY26 and jumped by 22.66% YoY from Rs. 653 Crores in Q4FY25.
- 7) **NIM (Domestic)** contracted to 3.19% in Q4FY26 against 3.27% in Q3FY26 and from 3.22% in Q4FY25, respectively.
- 8) **Cost of deposits** ticked down to 4.65% in Q4FY26 against 4.66% in Q3FY26 and improved from 4.90% in Q4FY25.
- 9) **Cost/Income ratio** marginally increased to 52.66% in Q4FY26 against 52.20% in Q3FY26 and eased from 58.47% in Q4FY25.
- 10) **Cost of Funds** slightly decline to 4.47% in Q4FY26 against 4.48% in Q3FY26 and from 4.78% in Q4FY25, respectively.
- 11) **Total Non-Interest Income** declined by 18.41% QoQ at Rs. 709 Crores in Q4FY26 against Rs. 869 Crores in Q3FY26 and also, decreased by 49.07% YoY from Rs. 1392 Crores in Q4FY25.
- 12) **Fee based income** scaled up by 20.00% QoQ at Rs. 516 Crores in Q4FY26 against Rs. 430 Crores in Q3FY26 and also, grew by 32.65% YoY from Rs. 389 Crores in Q4FY25.
- 13) **Treasury income** declined by 114.16% QoQ at Rs. (16) Crores in Q4FY26 against Rs. 113 Crores in Q3FY26 and also declined by 141.03% YoY from Rs. 39 Crores in Q4FY25.
- 14) **Yield on Advances (Domestic)** eased to 8.18% in Q4FY26 against 8.44% in Q3FY26 and also, declined from 8.90% in Q4FY25.
- 15) **The total Government guaranteed advances** increased to Rs. 7655 Crores in Q4FY26 against Rs. 7486 Crores in Q3FY26 and also, rose from Rs. 6833 Crores in Q4FY25.
- 16) **CASA ratio** ticked up to 38.65% in Q4FY26 against 38.41% in Q2FY26 and also, strengthened from 37.91% in Q4FY25.
- 17) **Credit/Deposit (C/D) ratio** increased to 80.21% in Q4FY26 against 78.56% in Q3FY26 and also, surged from 74.94% in Q4FY25.
- 18) **Return on assets (ROA)** expanded to 0.87% in Q4FY26 against 0.83% in Q3FY26 and 0.77% in Q4FY25, respectively.
- 19) **Fresh slippages** surged to Rs. 484 Crores in Q4FY26 against Rs. 452 Crores in Q3FY26 but declined from Rs. 488 in Q4FY25.
- 20) **Gross NPA ratio** improved to 2.17% in Q4FY26 against 2.41% in Q3FY26 and 2.69% in Q4FY25. Net NPAs ratio also improved to 0.27% against 0.36% in Q3FY26 and 0.50% in Q4FY25, respectively.
- 21) **Credit cost** declined to 0.36% in Q4FY26 against 0.45% in Q3FY26 and from 0.70% in Q4FY25, respectively.
- 22) **Provision Coverage ratio** increased to 97.79% in Q4FY26 against 97.32% in Q3FY26 and 96.69% in Q4FY25, respectively.
- 23) **The Bank's Capital Adequacy ratio** increased to 18.61% in Q4FY26 against 17.43% in Q3FY26 and also marginally increased from 18.49% in Q4FY25.

## KEY FINANCIAL INDICATORS – Q4FY26

CMP (28.04.2026)	: Rs. 26.26
Face Value	: Rs. 10
Book value per share	: Rs. 20.48
Market Capitalisation	: Rs. 32,929 Crs.
Capital Adequacy Ratio	: 18.61%
C/D ratio	: 80.21%
CASA ratio (Domestic)	: 38.65%
Net Interest Margin (Domestic)	: 3.19%
Cost / Income ratio	: 52.66%
Gross NPA	: 2.17%
Net NPA	: 0.27%
PCR	: 97.79%
Slippage ratio	: 0.90%
Credit cost	: 0.36%
Return on Assets (Annualised)	: 0.87%
Return on Equity (Annualised)	: 13.32%



**“The Bank declared highest-ever net profit, backed by strong business growth with total business crossing Rs. 5,90,000 crores alongwith notable improvement in asset quality”**

## Management Comments

- 24) Mr. Ashwani Kumar (MD & CEO) highlighted the bank's strong digital progress under Project Parivartan, with 31 journeys completed, digital business surpassing Rs. 25,000 crore and mobile users increased from 82 lakh to 153 lakh (46% active). He also outlined the bank plans to roll out omnichannel banking, expand digital services such as cash management, supply chain finance, and forex/prepaid cards, implement RPA and document digitization, strengthen cybersecurity infrastructure and continue tech investments with an IT budget exceeding Rs. 1,000 crore.
- 25) The MD & CEO addressed concerns regarding the impact of the West Asia crisis on FY27 credit growth guidance, clarifying that the 12–14% outlook reflects the Bank's consistent and conservative approach, rather than geopolitical uncertainties. He highlighted strong execution, with credit growth rising from 16% in FY24 to 17.7% in FY25 and 19.4% in FY26, alongside a healthy ₹14,000 crore corporate pipeline and strong demand across sectors like renewables, data centers, smart metering and roads, while maintaining a disciplined, margin-focused lending approach.
- 26) While responding to an analyst's query on ECL provision, the MD & CEO replied that the Bank has already built a strong provisioning buffer in anticipation of the Expected Credit Loss (ECL) framework, with total additional provisions of around Rs. 1,900 crore, comprising Rs. 1,038 crore of ECL provisions, Rs. 341 crore of contingency buffer and Rs. 530 crore carried over from COVID-related provisions, ensuring adequate coverage against unforeseen risks.
- 27) The Bank's CD ratio improved to 80%, reflecting a conscious strategic shift toward strengthening deposit mobilization through a granular retail franchise rather than reliance on bulk deposits. Mr. Kumar highlighted that despite 6% QoQ deposit growth, the Bank maintained a healthy CASA ratio in the 37–38% range, with a YoY improvement, indicating balanced liability growth. Going forward, the Bank aims to further enhance retail term deposits and CASA while keeping bulk deposits within calibrated limits, ensuring funding stability and cost efficiency to support sustained credit growth.
- 28) Mr. Kumar outlined that the Bank's journey toward achieving 1% ROA will be supported by multiple levers, including improvement in net interest margins, continued CASA growth, higher non-interest income and stronger recoveries from written-off accounts. He noted that ROA has already improved to 0.87% with a consistent upward trend in recent quarters, and expects this momentum to continue, with the Bank aiming to reach 0.95% to 1% by the end of the next financial year.
- 29) The Bank's total gold loan portfolio stands at Rs. 18,000 crore, comprising Rs. 5,400 crore in retail and Rs. 12,000–12,200 crore in agriculture, with yields in the range of 8.5% to 9%, reflecting a stable and remunerative secured lending segment, added by Mr. Kumar.
- 30) In response to an analyst's query on the cost-to-income ratio, the MD & CEO highlighted that the improvement was driven by strong fee-based income growth (25% YoY in FY26) and continued cost control. He added that despite lower recoveries from written-off accounts, the Bank has reduced cost ratios through better income streams and disciplined expense management and expects this momentum to continue going forward.
- 31) **The Bank's management has given guidance for FY27 as mentioned below:**  
**Deposit Growth:** 10-12%, **Credit Growth:** 12-14%, **CASA:** 37-38%, **RAM %:** 62-65%, **CD Ratio:** 80-82%, **Credit Cost:** < 0.75%, **NIM Global:** 2.8-2.9%, **GNPA:** <2.00%, **NNPA:** <0.20%, **Slippage Ratio:** <1%, **Total Recovery & Upgradation:** 2000-2500 crores.