

Better, but consistency still elusive

Bank of Baroda (BOB IN) Q4FY26 performance was characterized by one-offs; excluding that while core trends were steady, it still had softer undertones. Q4FY26 earnings were characterized by: 1) better-than-anticipated NII, up 5.9% QoQ, which had element of IT refund, but even excluding that core NIM (our calculation) was up 3-4bp (better than our estimates, and peers which reported numbers), 2) the bank had tax write-backs and higher recovery from the written-off pool, which they utilized to create prudent buffer, 3) growth momentum sustained, with ~6.3% QoQ and 16.5% YoY loan growth and ~6.6%QoQ & 12% YoY deposit growth. The domestic CD ratio at >84% is higher than peers. and 4) the asset quality trends were stable, with the bank sustaining credit cost guidance.

Discussions hereafter will focus on NIM trajectory, business growth, asset quality outcomes (credit cost), and ECL transition. Having underperformed (~10% in the past three months), BOB trades at 0.7x FY28E P/BV, lower than peers, and medium-term ROE of 12-13%, rendering the risk-reward positive. After factoring in softer core and industry uncertainty & headwinds, we prune our target multiple to 0.9x FY28E P/ABV feeding into a lower TP of INR 314. We retain **Accumulate**.

Better NIM; trajectory key for core delivery: NIM (reported) came in 2.89%, up 10bp QOQ; however, it had element of IT refund but even excluding this core NIM seems to have improved (vs our estimates of dip). With liquidity constraints and limited levers for reducing funding cost, NIM are likely to be strained as we see several moving variables and prefer to remain cautious on core NIM. Business momentum was stronger for loans, which grew 16.5% YoY, up 6.3% QoQ (broad-based) while deposits grew ~12% YoY and 6.6% QoQ. BOB has limited levers, with managing dynamics around the CD ratio (the domestic CD ratio at >83%), LCR, growth and NIM being key to core profitability delivery.

Asset quality holding on; ECL outcomes key: Q4 slippages were steady at ~INR 34bn (~1.1%, up 9bp QoQ). Sector-wise slippages saw an uptick in MSME, which remains a monitorable trend. Credit cost looked optically elevated, as the bank made prudent provisions, else it was much lower. While the bank refrained from giving any impact of ECL, its initial guidance on credit cost impact from the ECL framework of ~18bp looks relatively elevated; hence, outcomes remain a key monitorable Resilience in asset quality is key to delivering ROA, given incremental levers on other items are limited.

Retain Accumulate with a lower TP of INR 314: The transformation undertaken in the past years has seen some results. However, there are challenges in recent core earnings volatility. We see BOB has levers to sustain 12-13% ROE over FY27-28E. That said, we are guarded on core profitability delivery and volatility. Given higher volatility, we see a re-rating will take time until the bank delivers on core; thus, we reduce our target multiple to 0.9x (from 1.0x) FY28E P/ABV feeding into lower TP of INR 314 from INR 345. We retain **Accumulate**. The stock has underperformed by ~10% in the past three months; thus, we see risk reward better vs other PSU peers. We introduce our FY29 estimate.

Key financials

YE March (INR mn)	FY25	FY26	FY27E	FY28E	FY29E
PPoP (INR mn)	324,346	322,590	342,461	397,307	461,845
YoY (%)	4.7	(0.5)	6.2	16.0	16.2
NP (INR mn)	195,812	200,211	197,225	224,598	256,581
YoY (%)	10.1	2.2	(1.5)	13.9	14.2
EPS (INR)	37.8	38.7	38.1	43.4	49.6
YoY (%)	10.1	2.2	(1.5)	13.9	14.2
P/PPoP (x)	4.8	4.8	4.5	3.9	3.4
RoAE (%)	15.7	13.8	12.3	12.7	13.1
RoAA (%)	1.2	1.1	1.0	1.0	1.0
P/E (x)	7.0	6.8	6.9	6.1	5.3
P/ABV (x)	1.0	0.9	0.8	0.8	0.7

Note: Pricing as on 08 May 2026; Source: Company, Elara Securities Estimate

Rating: **Accumulate**
 Target Price: **INR 314**
 Upside: **19%**
 CMP: **INR 264**
 As on 08 May 2026

Key data

Bloomberg	BOB IN
Reuters Code	BOB.NS
Shares outstanding (mn)	5,171
Market cap (INR bn/USD mn)	1,365/14,444
EV (INR bn/USD mn)	0/0
ADTV 3M (INR mn/USD mn)	3,078/33
52 week high/low	326/212
Free float (%)	36

Note: as on 08 May 2026; Source: Bloomberg

Price chart



Source: Bloomberg

Shareholding (%)	Q1	Q2	Q3	Q4
	FY26	FY26	FY26	FY26
Promoter	64.0	64.0	64.0	64.0
% Pledge	0.0	0.0	0.0	0.0
FII	8.1	8.7	9.8	9.7
DII	19.1	19.0	18.8	19.0
Others	8.9	8.3	7.4	7.3

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	(5.9)	(5.2)	(0.4)
Bank of Baroda	(8.7)	(8.7)	21.5
NSE Mid-cap	(0.2)	(0.2)	9.0
NSE Small-cap	9.9	2.5	14.9

Source: Bloomberg

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Financials (YE March)

Income Statement (INR mn)	FY25	FY26	FY27E	FY28E	FY29E
Net interest income	456,586	476,824	541,194	613,080	696,320
Fee income	54,043	59,934	66,688	74,448	83,382
Trading profits	22,660	44,360	25,000	30,000	30,000
Non-interest income	166,473	157,568	153,342	173,077	190,126
Net operating revenue	623,059	634,392	694,536	786,157	886,446
Operating expenses	298,713	311,802	352,074	388,850	424,601
Pre-provisioning operating profit	324,346	322,590	342,461	397,307	461,845
Total provisions	59,803	71,488	78,933	97,203	119,005
Profit before tax	264,544	251,102	263,528	300,104	342,840
Tax	68,732	50,891	66,304	75,506	86,258
Minorities/exceptionals	-	-	-	-	-
Profit after tax	195,812	200,211	197,225	224,598	256,581
Balance Sheet (INR mn)	FY25	FY26	FY27E	FY28E	FY29E
Customer loans	12,095,579	14,090,941	15,950,945	18,024,568	20,385,786
Investments	3,853,985	3,864,154	4,259,873	4,734,928	5,275,752
Cash & bank balances	1,258,492	1,540,808	1,620,241	1,750,565	1,919,949
Fixed assets	123,763	118,793	112,650	105,222	103,514
Other assets	480,655	476,942	481,643	500,952	533,956
Total Assets	17,812,472	20,091,638	22,425,352	25,116,236	28,218,956
Net worth	1,369,257	1,532,088	1,678,503	1,851,693	2,056,867
Deposits	14,720,348	16,484,872	18,380,632	20,751,734	23,470,212
Borrowings	1,123,612	1,460,025	1,774,366	1,910,980	2,065,905
Other liabilities	485,706	511,103	498,301	518,278	552,424
Total Liabilities	17,812,472	20,091,638	22,425,352	25,116,236	28,218,956
Key operating ratios (%)	FY25	FY26	FY27E	FY28E	FY29E
Lending yield	8.2	7.3	7.6	7.6	7.5
Cost of Funds	4.9	4.5	4.7	4.7	4.6
Spreads	2.6	2.4	2.4	2.4	2.4
Net interest margin	2.8	2.6	2.6	2.6	2.7
CASA Ratio	36.7	33.1	36.3	36.5	36.7
Non-interest income / operating income	26.7	24.8	22.1	22.0	21.4
Cost/income	47.9	49.1	50.7	49.5	47.9
Operating expense/avg assets	(1.8)	(1.7)	(1.7)	(1.7)	(1.6)
Credit costs / avg loans	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)
Effective tax rate	26.0	20.3	25.2	25.2	25.2
Loan deposit ratio	82.2	85.5	86.8	86.9	86.9
ROA decomposition (%)	FY25	FY26	FY27E	FY28E	FY29E
NII /Assets	2.8	2.6	2.6	2.6	2.7
Fees/Assets	0.3	0.3	0.3	0.3	0.3
Invst profits/Assets	0.1	0.2	0.1	0.1	0.1
Net revenues/Assets	3.7	3.2	3.2	3.3	3.3
Opex /Assets	(1.8)	(1.7)	(1.7)	(1.7)	(1.6)
Provisions/Assets	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)
Taxes/Assets	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)
Total costs/Assets	(2.6)	(2.4)	(2.4)	(2.4)	(2.4)
ROA	1.2	1.1	1.0	1.0	1.0
Equity/Assets	7.7	7.9	7.8	7.6	7.5
ROAE	15.7	13.8	12.3	12.7	13.1
Key financial ratios (%)	FY25	FY26	FY27E	FY28E	FY29E
Tier I Capital adequacy	14.8	14.3	13.9	13.6	13.4
Gross NPL	2.3	1.9	1.8	1.8	1.8
Net NPL	0.6	0.4	0.4	0.5	0.5
Slippage ratio	1.1	0.8	1.0	1.1	1.2
Per share data (INR)					
EPS	38	39	38	43	50
BVPS	264	296	324	358	397
Adj- BVPS	255	287	315	346	384
Valuation (x)					
P/BV	1.0	0.9	0.8	0.7	0.7
P/ABV	1.0	0.9	0.8	0.8	0.7
P/E	7.0	6.8	6.9	6.1	5.3

Note: Pricing as on 08 May 2026; Source: Company, Elara Securities Estimate

Q4FY26 earnings conference call highlights

Advances growth

- ▶ Overall advances grew by 16.2% YoY, with domestic advances at 14.5% YoY and international at 24.4% YoY. RAM remains focus: organic retail growth at 17.9% YoY, agri at 20.7% YoY, and organic MSME at 15.6% YoY. Corporate advances grew by 11.2% YoY. Within retail, home loans grew by 14.6% YoY and auto loans by 20.6% YoY.
- ▶ Trade book sustained below 20% in the overseas book.
- ▶ The bank has Middle East exposure, especially in the retail side, where it has an exposure of INR 500bn.
- ▶ Of the MSME book, 55-60% is the working capital; thus, management expects drawdown of 15% (or INR 120bn) under the ECLGS 5.0
- ▶ Deposit growth was at 12% YoY, with domestic deposits at 12.8% YoY. CASA deposits grew 9.8% YoY.
- ▶ Management aims to reduce bulk deposit dependence.
- ▶ The domestic CD ratio was at 83% (in the range of 82-84%) with domestic CASA at 38.9%.
- ▶ Management believes deposit growth outpacing credit growth up to 3% is sustainable, as there are other sources of finance – capital, bonds, and excess SLR.
- ▶ Guidance for FY27: credit growth of 12-14% YoY (vs 11-13% for FY26), deposit growth of 10-12% YoY (vs 9-11% for FY26), ROA above 1%, NIM of 2.75-2.95% (vs 2.85-3.00% for FY26), slippages of 1.00-1.25%, and credit cost sub-0.60%.

Asset quality

- ▶ GNPA reduced by 37bp YoY to 1.89%; NNPA stood at 0.45%, up 13bp YoY.
- ▶ PCR (including technical write-offs) at ~93.9%.
- ▶ The slippages ratio increased by 3bp YoY to 0.89%. Credit cost was at 0.76%.
- ▶ CRILIC SMA 1 & 2 at 0.18% vs 0.36% previous quarter. CE (excluding agri) stood at ~98.9%.
- ▶ The bank has created floating provisions of INR 15bn to strengthen balance sheet.
- ▶ Recovery from written-off account would be INR 7.5-8.0bn; the total written-off pool stands at INR 620bn.

Cost, margin, and other highlights

- ▶ NIM for the quarter was 2.89% vs. 2.79% in the previous quarter (includes interest on income tax refund); FY27 guidance at 2.75-2.95% as the bank expects cost of deposits to be sticky, although there may be the scope of realignment on asset side.
- ▶ Because of hardening of the yield, AS 15 discount rates have climbed down; however, there was an additional liability as the bank shifted the new mortality table
- ▶ Cost of deposits was steady this quarter at 5%. Cost of deposits remains sticky, as it has been fully repriced
- ▶ The bank has made provisions of INR 5bn for the performance-linked incentive for the year. (accounted under staff cost)
- ▶ ROE stood at ~17.3%, and ROA remains above 1% levels.
- ▶ CRAR: CET-1 at 13.16%, Tier-1 at ~13.6% and overall CRAR stood at ~15.8%.
- ▶ It may raise capital in the form of AT1 and Tier 2 of INR 60bn in this financial year. With respect to equity raise of INR 85bn, it is available until FY28.

- ▶ LCR for Q4FY26 was 127%.
- ▶ Interest income has contribution of INR 1bn from recovery from written-off account.
- ▶ For excess SLR, the bank will likely operate at 3.0-3.5%.

Exhibit 1: P&L highlights - BOB reports a PAT of ~INR 56.1bn, aided by improved NII traction

(INR mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
NII	108,307	111,013	117,928	116,001	116,221	114,169	110,196	114,348	119,536	118,004	124,937
Other Income	41,712	28,105	41,915	24,873	51,814	37,689	52,098	46,745	35,150	36,004	39,670
Net revenue	150,019	139,118	159,843	140,873	168,035	151,858	162,295	161,093	154,686	154,008	164,606
Opex	69,821	68,967	78,782	69,261	73,265	75,215	80,973	78,728	78,926	80,237	73,912
PPoP	80,197	70,151	81,061	71,613	94,770	76,642	81,321	82,365	75,760	73,771	90,694
Investment Gains	2,950	3,300	5,370	1,640	5,500	6,710	8,810	20,160	6,540	8,490	3,720
Core PPoP	77,247	66,851	75,691	69,973	89,270	69,932	72,511	62,205	69,220	65,281	86,974
Provisions	21,606	6,663	13,019	10,107	23,357	10,823	15,515	19,669	12,325	7,989	31,505
PAT	42,529	45,793	48,865	44,582	52,379	48,373	50,477	45,414	48,094	50,546	56,157
YoY (%)											
NII	6.4	2.6	2.3	5.5	7.3	2.8	(6.6)	(1.4)	2.9	3.4	13.4
Other Income	128.5	(20.9)	20.9	(25.1)	24.2	34.1	24.3	87.9	(32.2)	(4.5)	(23.9)
Net revenue	25.0	(3.2)	6.6	(1.6)	12.0	9.2	1.5	14.4	(7.9)	1.4	1.4
Opex	17.0	12.4	13.9	6.6	4.9	9.1	2.8	13.7	7.7	6.7	(8.7)
PPoP	33.0	(14.8)	0.4	(8.5)	18.2	9.3	0.3	15.0	(20.1)	(3.7)	11.5
Investment Gains	69.5	54.9	91.8	(50.5)	86.4	103.3	64.1	1,129.3	18.9	26.5	(57.8)
Core PPoP	31.9	(16.6)	(2.9)	(6.6)	15.6	4.6	(4.2)	(11.1)	(22.5)	(6.7)	19.9
Provisions	32.8	(72.3)	(8.4)	(48.1)	8.1	62.4	19.2	94.6	(47.2)	(26.2)	103.1
PAT	28.4	18.9	2.3	9.5	23.2	5.6	3.3	1.9	(8.2)	4.5	11.3
QoQ (%)											
NII	(1.5)	2.5	6.2	(1.6)	0.2	(1.8)	(3.5)	3.8	4.5	(1.3)	5.9
Other Income	25.6	(32.6)	49.1	(40.7)	108.3	(27.3)	38.2	(10.3)	(24.8)	2.4	10.2
Net revenue	4.8	(7.3)	14.9	(11.9)	19.3	(9.6)	6.9	(0.7)	(4.0)	(0.4)	6.9
Opex	7.5	(1.2)	14.2	(12.1)	5.8	2.7	7.7	(2.8)	0.3	1.7	(7.9)
PPoP	2.5	(12.5)	15.6	(11.7)	32.3	(19.1)	6.1	1.3	(8.0)	(2.6)	22.9
Investment Gains	(10.9)	11.9	62.7	(69.5)	235.4	22.0	31.3	128.8	(67.6)	29.8	(56.2)
Core PPoP	3.1	(13.5)	13.2	(7.6)	27.6	(21.7)	3.7	(14.2)	11.3	(5.7)	33.2
Provisions	11.0	(69.2)	95.4	(22.4)	131.1	(53.7)	43.3	26.8	(37.3)	(35.2)	294.3
PAT	4.5	7.7	6.7	(8.8)	17.5	(7.6)	4.3	(10.0)	5.9	5.1	11.1

Source: Company, Elara Securities Research

Exhibit 2: Loan growth at 6.3% QoQ and 16.2% YoY

(INR bn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Loan book	10,245	10,493	10,905	10,717	11,430	11,730	12,305	12,071	12,788	13,449	14,299
% YoY	17.3	13.6	12.5	8.1	11.6	11.8	12.8	12.6	11.9	14.7	16.2
% QoQ	3.4	2.4	3.9	(1.7)	6.7	2.6	4.9	(1.9)	5.9	5.2	6.3

Source: Company, Elara Securities Research

Exhibit 3: Segment-wise loan book: growth led by corporate & international book

(INR bn)	Gross loans (INR bn)			Loan Growth (%)		Loan mix (%)		
	Q4FY25	Q3FY26	Q4FY26	YoY	QoQ	Q4FY25	Q3FY26	Q4FY26
Retail	2,566	2,858	3,026	17.9	5.9	20.9	21.2	21.2
Home	1,311	1,439	1,503	14.6	4.5	10.7	10.7	10.5
Auto	465	527	562	20.6	6.6	3.8	3.9	3.9
Education	114	124	126	10.9	1.7	0.9	0.9	0.9
Other Retail loans	676	769	835	23.6	8.7	5.5	5.7	5.8
Agriculture	1,583	1,798	1,911	20.7	6.3	12.9	13.4	13.4
SME	1,364	1,534	1,598	17.2	4.2	11.1	11.4	11.2
Large & Medium Corporate	4,123	4,190	4,566	10.7	9.0	33.5	31.2	31.9
Misc. including Trade	575	586	594	3.3	1.4	4.7	4.4	4.2
Gross domestic Loans	10,211	10,966	11,695	14.5	6.6	83.0	81.5	81.8
International credit	2,093	2,483	2,604	24.4	4.9	17.0	18.5	18.2
Total	12,305	13,449	14,299	16.2	6.3	100.0	100.0	100.0

Source: Company, Elara Securities Research

Exhibit 4: Deposit growth comes in at 12% YoY and 6.6% QoQ; the CASA ratio is improving QoQ to 38.9%

(INR bn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Deposits	12,496	12,453	13,270	13,070	13,635	13,925	14,720	14,356	15,000	15,467	16,485
YoY %	14.6	8.3	10.2	8.9	9.1	11.8	10.9	9.8	10.0	11.1	12.0
QoQ %	4.1	(0.3)	6.6	(1.5)	4.3	2.1	5.7	(2.5)	4.5	3.1	6.6
CA	618	646	764	667	710	736	878	721	803	847	991
YoY %	(4.8)	(0.9)	1.7	5.8	14.9	13.9	14.9	8.1	13.2	15.1	12.9
QoQ %	(2.0)	4.6	18.3	(12.7)	6.4	3.7	19.3	(17.9)	11.5	5.4	17.0
SA	3,666	3,698	3,900	3,824	3,875	3,891	4,087	4,016	4,083	4,179	4,459
YoY %	6.2	4.9	6.2	7.1	5.7	5.2	4.8	5.0	5.4	7.4	9.1
QoQ %	2.6	0.9	5.5	(2.0)	1.3	0.4	5.0	(1.7)	1.7	2.3	6.7
Domestic CASA Ratio (%)	39.9	40.7	41.0	40.6	39.8	39.3	40.0	39.3	38.4	38.4	38.9

Source: Company, Elara Securities Research

Exhibit 5: Overall margin improves 10bp QoQ to 2.89%, led by reduction in cost of funds

(%)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Global Yield on loans	8.43	8.51	8.75	8.55	8.48	8.35	8.21	8.09	7.81	7.56	7.44
Domestic yield on loans	8.92	8.95	9.25	8.99	8.93	8.87	8.76	8.61	8.31	8.09	7.99
Overseas yield on loans	6.28	6.50	6.43	6.52	6.43	6.00	5.58	5.56	5.52	5.28	5.05
Cost of Deposits	4.92	4.96	5.06	5.06	5.12	5.08	5.12	5.05	4.91	4.75	4.78
Domestic cost of deposits	4.99	5.00	5.11	5.13	5.16	5.20	5.33	5.22	5.07	4.99	5.00
Overseas cost of deposits	4.45	4.73	4.77	4.66	4.84	4.43	3.95	4.05	3.96	3.35	3.46
Cost of funds	5.40	5.44	5.33	5.33	5.35	5.39	5.29	5.28	5.16	5.07	4.85
Global NIM	3.07	3.10	3.27	3.18	3.10	2.94	2.98	2.91	2.96	2.79	2.89
Domestic NIM	3.19	3.23	3.45	3.30	3.27	3.11	3.16	3.06	3.10	2.93	3.08
Overseas NIM	1.96	2.04	1.95	2.23	2.00	1.83	1.70	1.75	1.81	1.74	1.66

Source: Company, Elara Securities Research

Exhibit 6: Headline asset quality metrics witness improvement due to higher recoveries & write-off

(INR mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Opening GNPA	348,310	339,660	323,160	318,330	308,720	285,500	284,700	278,340	275,700	275,980	273,970
Slippages	47,510	26,180	32,000	30,180	31,100	29,150	31,590	36,860	30,640	29,820	34,080
Recoveries and upgradation	22,070	16,970	20,100	16,570	18,370	18,210	19,430	15,600	18,970	17,560	22,330
Write-offs and other adjs	34,090	25,710	16,730	23,220	35,950	11,740	18,860	23,890	11,390	14,260	15,160
Closing GNPA	339,660	323,160	318,330	308,720	285,500	284,700	278,000	275,710	275,980	273,980	270,560
GNPL (%)	3.32	3.08	2.92	2.88	2.50	2.43	2.26	2.28	2.16	2.04	1.89
NNPL (%)	0.76	0.70	0.68	0.69	0.60	0.59	0.58	0.60	0.57	0.57	0.45
PCR (%) - Calculated	77.6	77.7	77.3	76.6	76.3	76.0	74.9	74.0	74.1	72.2	76.7
Credit cost (%) - Calculated	0.88	0.26	0.50	0.38	0.86	0.38	0.53	0.66	0.40	0.25	0.92

Source: Company, Elara Securities Research

Exhibit 7: Overall slippages ratio sees increase

(INR bn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Retail	4.8	5.5	6.0	8.4	8.2	7.5	7.2	10.0	8.3	8.2	6.9
Agri	5.6	5.3	9.2	6.4	7.4	5.2	6.7	7.3	8.3	7.8	9.0
MSME	8.9	8.7	11.4	12.1	11.6	9.6	14.7	12.3	9.9	10.7	12.4
Corporate	28.0	6.5	5.4	3.1	3.9	6.7	2.9	7.2	4.0	3.1	5.3
Others	0.08	0.15	0.10	0.18	0.06	0.12	0.07	0.14	0.15	0.14	0.53
Total	47.5	26.2	32.0	30.2	31.1	29.2	31.6	36.9	30.6	29.8	34.1
Slippage ratio (as % of lagged loans) - Calculated											
Retail	1.0	1.1	1.2	1.6	1.5	1.3	1.2	1.6	1.3	1.2	1.0
Agri	1.77	1.63	2.73	1.86	2.12	1.43	1.77	1.83	2.06	1.83	2.01
MSME	3.3	3.1	3.9	4.0	3.9	3.0	4.5	3.6	2.9	3.0	3.2
Corporate	2.14	0.48	0.39	0.22	0.29	0.45	0.19	0.47	0.27	0.20	0.31
Others	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.4
Total slippages (%)	1.92	1.02	1.22	1.11	1.16	1.02	1.08	1.20	1.02	0.93	1.01

Source: Company, Elara Securities Research

Exhibit 8: Calculated credit cost climbs up to 92bp due to additional provisions

(INR mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Loan Loss	22,850	10,070	14,850	12,690	17,330	8,710	12,970	16,860	8,830	5,590	25,660
Investment Loss	920	380	(1,510)	(1,360)	1,220	350	160	(860)	(1,710)	0	3,150
Standard Accounts	(3,600)	(4,170)	(560)	(1,920)	3,360	1,250	1,500	3,240	5,060	1,830	1,940
Other Purposes	1,430	380	240	700	1,440	510	890	430	140	570	760
Total Provisions	21,600	6,660	13,020	10,110	23,350	10,820	15,520	19,670	12,320	7,990	31,510
Overall Credit cost (%) - Calculated	0.88	0.26	0.50	0.38	0.86	0.38	0.53	0.66	0.40	0.25	0.92

Source: Company, Elara Securities Research

Exhibit 9: Q4FY26 results highlights

(INR mn)	Q4FY26	Q3FY26	QoQ (%)	Q4FY25	YoY (%)
Interest income	326,418	317,495	2.8	306,420	6.5
Interest expenses	201,482	199,491	1.0	196,224	2.7
Net interest income	124,937	118,004	5.9	110,196	13.4
Other income	39,670	36,004	10.2	52,098	(23.9)
Operating expenses	73,912	80,237	(7.9)	80,973	(8.7)
Staff expense	32,619	41,112	(20.7)	43,472	(25.0)
Other opex	41,293	39,125	5.5	37,501	10.1
Pre prov op profit (PPP)	90,694	73,771	22.9	81,321	11.5
Provisions	31,505	7,989	294.3	15,515	103.1
Profit before tax	59,190	65,782	(10.0)	65,806	(10.1)
Provision for tax	3,033	15,236	(80.1)	15,329	(80.2)
Profit after tax	56,157	50,546	11.1	50,477	11.3
EPS (INR)	10.9	9.8		9.8	
Ratios					
NII / GII	38.3	37.2		36.0	
Cost - income	44.9	52.1		49.9	
Provisions / PPOP	34.7	10.8		19.1	
Tax rate	5.1	23.2		23.3	
Balance sheet data					
Net Advances (INR bn)	14,091	13,251	6.3	12,096	16.5
Deposits (INR bn)	16,485	15,467	6.6	14,720	12.0
CD ratio (%)	85	86		82	
Asset quality					
Gross NPA	270,586	273,994	(1.2)	278,349	(2.8)
Gross NPA (%)	1.89	2.04		2.26	
Net NPA	63,156	76,150	(17.1)	69,942	(9.7)
Net NPA (%)	0.45	0.57		0.58	
Provision coverage (%)	76.7	72.2		74.9	

Source: Company, Elara Securities Research

Exhibit 10: Valuation

Particulars	(INR)
BVPS on March 2028E	358
Target multiple (x)	0.9
Target Price	314
CMP	264
Upside (%)	18.9

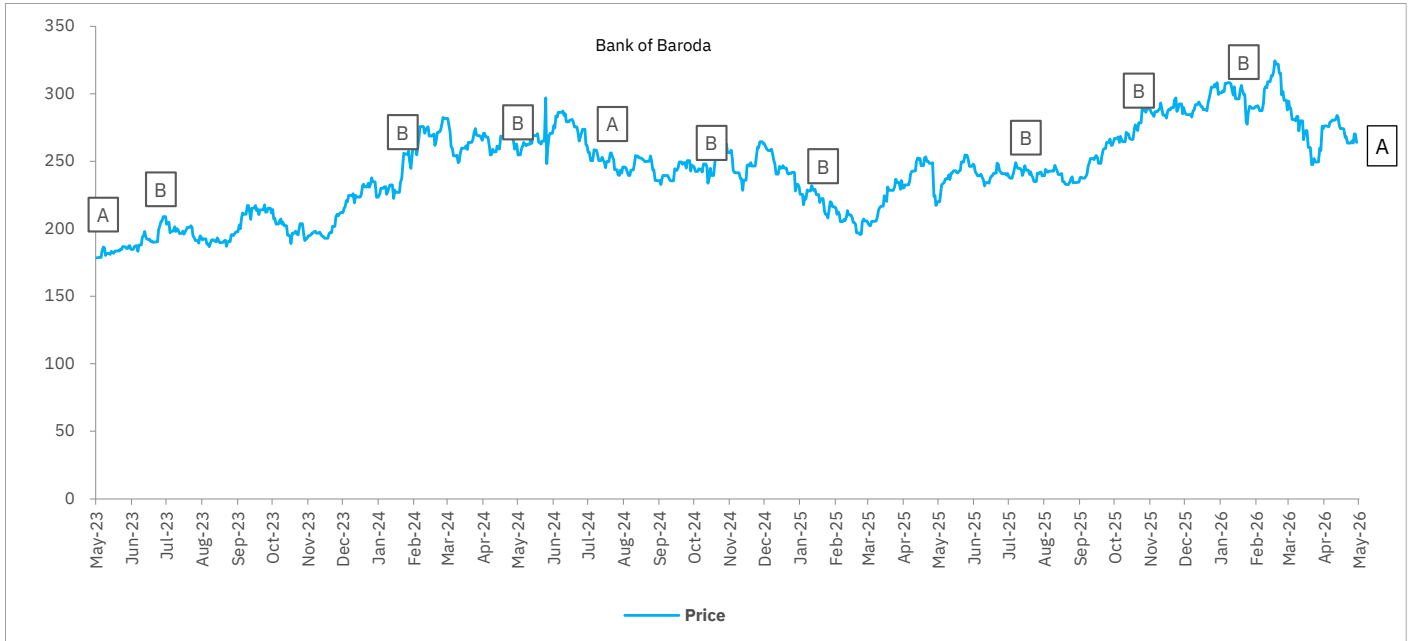
Note: pricing as on 8 May 2026; Source: Elara Securities Estimate

Exhibit 11: Change in estimates

(INR mn)	Revised		Old		% Change		New
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY29E
Net Interest Income	541,194	613,080	549,721	635,257	(1.6)	(3.5)	696,320
Operating Profit	342,461	397,307	341,714	407,128	0.2	(2.4)	461,845
Net Profit	197,225	224,598	197,538	227,055	(0.2)	(1.1)	256,581
TP (INR)		314		345		(9.0)	

Source: Elara Securities Estimate

Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
16-May-2023	Accumulate	196	187
05-Jul-2023	Buy	247	205
31-Jan-2024	Buy	295	248
10-May-2024	Buy	305	255
31-Jul-2024	Accumulate	305	254
25-Oct-2024	Buy	305	240
30-Jan-2025	Buy	280	222
25-Jul-2025	Buy	290	243
31-Oct-2025	Buy	326	278
30-Jan-2026	Accumulate	345	299
08-May-2026	Accumulate	314	264

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