

Strong end to FY26, durability key

Bandhan Bank (BANDHAN IN) reported a strong Q4FY26, with improvement across key metrics. While NII was in line with expectations (up 4% QoQ), lower-than-expected credit cost fed into PAT beat (at INR 5.3bn, up >65% YoY). The key highlights were: a) improving growth momentum (improvement across key segments), which with better NIMs supported 4% QoQ NII growth, b) controlled slippages, with larger improvement driven by the EEB portfolio, and c) while SMA-0 has improved, stickiness of SMA-1 & SMA-2 pool warrants a watch.

Discussion will center on: 1) asset quality outcome, especially given elections in dominant states even as concerns around MFI stress may be waning (management indicating no material impact seen so far on collections), 2) durability of growth outcomes, and 3) impact of ECL transition. While performance has been strong, Q4 is generally a seasonally robust quarter, so we await further datapoints to call this a trend. Nonetheless, industry datapoints do suggest that MFI is at an inflexion point, which will pose upside risk to our estimates. Given improving predictability and industry outlook, we raise our target multiple to 1.2x (from 1x) which with roll over to FY28E feeds into a revised TP of INR 220 (from INR 186) – BUY.

Strong asset quality print, we await further datapoints to call this a trend: Q4 saw better asset quality outcomes, with slippages at INR 10.3bn (down >20% QoQ). The improvement was largely led by MFI slippages, while other segments have seen some improvement. While SMA pool has improved, the volatility in SMA-1 & SMA-2 book warrants a watch, thus keeping us on guard. Management articulated about better flows recently, but data points are limited to draw any conclusion. Moreover, impending elections in some larger operating states may feed into further volatility, even as the outcomes till date have been much better

NIMs better; core performance, key to re-rating: Q4 saw improved loan growth (with ~50% of FY26 incremental growth in Q4 and secured mix at ~56%), alongside a 10bps QoQ rise in NIM to 6.12%, supporting 4% QoQ NII growth. However, higher opex (driven by PSLC and technology costs, including ~INR 600mn PSLC expense) weighed on core profitability. NIM outlook is supported by expected 10–20bps reduction in funding cost and improving mix, partly offset by portfolio transition. Other income is aided by better processing fees and cross-sell, while opex may normalize with lower PSLC costs. Thus, we would continue to monitor cost outcomes. Overall, these trends should support a gradual improvement in RoA in the medium term.

Maintain BUY; TP raised to INR 220: Volatile financial performance and uncertainty around operating environment hit investor confidence. However, recent industry trends do indicate a potential inflexion point, thus making a case for further rerating. We continue to be guarded and have broadly similar FY27E/FY28E earnings, but see some upside risk to earnings. We thus Maintain BUY with a revised TP of INR 220 (earlier INR 186), on 1.2x FY28E P/BV. We see investors waiting for impending elections across some prominent states but outcomes thus far have been better. We introduce FY29E estimates.

Key Financials

YE March (INR mn)	FY25	FY26	FY27E	FY28E	FY29E
PPoP (INR mn)	73,886	58,645	64,385	73,570	85,167
YoY (%)	11.3	(20.6)	9.8	14.3	15.8
NP (INR mn)	27,452	12,232	27,248	35,996	42,226
YoY (%)	23.1	(55.4)	122.8	32.1	17.3
EPS (INR)	17.0	7.6	16.9	22.3	26.2
YoY (%)	23.1	-55.4	122.8	32.1	17.3
P/PPoP (x)	3.7	4.7	4.3	3.7	3.2
RoAE (%)	11.9	4.9	10.2	12.3	13.1
RoAA (%)	1.6	0.6	1.3	1.5	1.5
P/E (x)	10.5	23.5	10.6	8.0	6.8
P/ABV (x)	1.2	1.2	1.1	1.0	0.9

Note: Pricing as on 28 April 2026; Source: Company, Elara Securities Estimate

Rating: Buy

Target Price: INR 220

Upside/Downside: 23%

CMP: INR 179

As on 28 April 2026

Key data

Bloomberg	BANDHAN IN
Reuters Code	BANH.NS
Shares outstanding (mn)	1,611
Market cap (INR bn/USD mn)	288/3,044
EV (INR bn/USD mn)	0/0
ADTV 3M (INR mn/USD mn)	1,828/19
52 week high/low	192/134
Free float (%)	55

Note: as on 28 April 2026; Source: Bloomberg

Price chart



Source: Bloomberg

Shareholding (%)	Q4	Q1	Q2	Q3
	FY25	FY26	FY26	FY26
Promoter	40.0	40.9	40.3	39.7
% Pledge	0.0	0.0	0.0	0.0
FII	22.7	24.3	23.4	22.3
DII	16.5	16.5	17.8	18.8
Others	20.8	18.2	18.5	19.2

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	(5.3)	(7.5)	(1.4)
Bandhan Bank	16.5	1.7	8.8
NSE Mid-cap	(0.2)	(2.6)	5.7
NSE Small-cap	6.9	(3.6)	7.1

Source: Bloomberg

Prakhar Agarwal

Banking & Financials

+91 22 6164 8502
prakhar.agarwal@elaracapital.com

Associates
Kartik Solanki
kartik.solanki@elaracapital.com

Palak Shah
palak.shah@elaracapital.com



Financials (YE March)

Income Statement (INR mn)	FY25	FY26	FY27E	FY28E	FY29E
Net interest income	114,905	108,293	121,534	138,664	158,905
Fee income	16,941	16,702	18,466	20,640	23,160
Trading profits	3,420	3,873	2,027	2,349	2,727
Non-interest income	29,666	27,340	26,763	30,208	34,234
Net operating revenue	144,571	135,633	148,297	168,871	193,139
Operating expenses	70,685	76,988	83,911	95,301	107,972
Pre-provisioning operating profit	73,886	58,645	64,385	73,570	85,167
Total provisions	37,654	41,311	27,484	24,821	27,981
Profit before tax	36,232	17,334	36,902	48,749	57,185
Tax	8,780	5,102	9,653	12,753	14,960
Minorities/exceptionals	-	-	-	-	-
Profit after tax	27,452	12,232	27,248	35,996	42,226
Balance Sheet (INR mn)	FY25	FY26	FY27E	FY28E	FY29E
Customer loans	1,319,900	1,501,000	1,711,977	1,971,740	2,271,385
Investments	407,100	386,700	447,340	520,103	603,965
Cash & bank balances	95,700	139,500	99,579	114,823	132,359
Fixed assets	11,800	14,000	15,414	16,829	18,243
Other assets	109,719	124,774	142,311	163,905	188,813
Total Assets	1,944,219	2,165,974	2,416,622	2,787,399	3,214,766
Net worth	246,108	255,808	277,652	306,509	340,359
Deposits	1,512,200	1,663,400	1,924,966	2,213,228	2,541,720
Borrowings	140,711	197,765	161,407	210,635	270,550
Other liabilities	45,200	49,000	52,598	57,027	62,137
Total Liabilities	1,944,219	2,165,974	2,416,622	2,787,399	3,214,766
Key operating ratios (%)	FY25	FY26	FY27E	FY28E	FY29E
Lending yield	15.3	13.1	12.9	12.8	12.7
Cost of Funds	6.4	6.0	5.8	5.8	5.7
Spreads	6.2	5.2	5.3	5.4	5.4
Net interest margin	6.6	5.6	5.7	5.7	5.7
CASA Ratio	31.4	29.3	29.5	29.1	28.7
Non-interest income / operating income	20.5	20.2	18.0	17.9	17.7
Cost/income	48.9	56.8	56.6	56.4	55.9
Operating expense/avg assets	(4.1)	(4.0)	(3.9)	(3.9)	(3.8)
Credit costs / avg loans	(2.2)	(2.1)	(1.3)	(1.0)	(1.0)
Effective tax rate	24.2	29.4	26.2	26.2	26.2
Loan deposit ratio	87.3	90.2	88.9	89.1	89.4
ROA decomposition (%)	FY25	FY26	FY27E	FY28E	FY29E
NII /Assets	6.6	5.6	5.7	5.7	5.7
Fees/Assets	1.0	0.9	0.9	0.8	0.8
Invst profits/Assets	0.2	0.2	0.1	0.1	0.1
Net revenues/Assets	8.1	6.8	6.8	6.8	6.8
Opex /Assets	(4.1)	(4.0)	(3.9)	(3.9)	(3.8)
Provisions/Assets	(2.2)	(2.1)	(1.3)	(1.0)	(1.0)
Taxes/Assets	(0.5)	(0.3)	(0.5)	(0.5)	(0.5)
Total costs/Assets	(6.7)	(6.4)	(5.6)	(5.5)	(5.4)
ROA	1.6	0.6	1.3	1.5	1.5
Equity/Assets	13.2	13.0	12.4	12.0	11.5
ROAE	11.9	4.9	10.2	12.3	13.1
Key financial ratios (%)	FY25	FY26	FY27E	FY28E	FY29E
Tier I Capital adequacy	17.9	17.3	15.4	14.6	14.0
Gross NPL	4.9	3.3	3.1	2.6	2.2
Net NPL	1.3	1.0	0.9	0.8	0.7
Slippage ratio	4.3	4.0	2.5	2.2	2.2
Per share data (INR)					
EPS	17	8	17	22	26
BVPS	153	159	172	190	211
Adj- BVPS	145	152	165	183	205
Valuation (x)					
P/BV	1.2	1.1	1.0	0.9	0.8
P/ABV	1.2	1.2	1.1	1.0	0.9
P/E	10.5	23.5	10.6	8.0	6.8

Note: Pricing as on 28 April 2026; Source: Company, Elara Securities Estimate

Q4FY26 earnings conference call highlights

Opening remarks by MD & CEO

- ▶ BANDHAN consciously reduced the share of high-cost bulk deposits, which has helped strengthen the liability profile and improve granularity.
- ▶ Granular deposits, including CASA, remain a key priority, with intensified efforts to deepen customer engagement, enhance product proposition, and strengthen the liability franchise
- ▶ Opex was elevated due to non-recurring items; the bank will focus on improving operating leverage going forward.
- ▶ Improving fundamentals, strengthening business momentum, and balance sheet resilience position the bank for durable and profitable growth in the medium term.
- ▶ Endeavour is to have steady and durable performance, going forward.

Business momentum

Advances:

- ▶ Management aims to have credit growth of 14-15% YoY; however deposit growth is a bit challenging (at industry level as well).
- ▶ Loan book stood at INR 1.54tn, with momentum across all major businesses. EEB was INR 53.9bn (lower YoY) but growth was strong sequentially.
- ▶ Secured book grew 25% YoY and now forms 56% of the portfolio.
- ▶ The focus is on optimizing the composition of the loan book with the share of secured lending remaining largely stable in the quarter. The pace of growth of secured book in the past year has been strong. Expect to sustain the current mix in the near to medium term, with gradual increase.
- ▶ Focus would be on direct agriculture loans to meet the PSL requirements.
- ▶ Within vehicle loans, majority of the customers are salaried. Break-down of the book is: Commercial vehicle INR 30bn; Construction Equipment INR 17bn; Car Loans INR 18bn, and 2W INR 9bn.
- ▶ About 50% of the incremental growth in the year has come in Q4FY26.
- ▶ Growth in EEB and non-EEB portfolios is expected to converge, as the bank has largely achieved its targeted secured mix of ~58% ahead of FY27.

Deposits

- ▶ CASA growth was strong, while retail deposits continue to be elevated.
- ▶ CSA ratio was 29% and CASA + Retail TD was 74%.
- ▶ Growth was moderated as the bank focused on retail granular deposits. Bulk deposits stood at 26% versus 31% YoY. About 89% of the bulk deposits are non-callable in nature.
- ▶ Focus was on the affluent segment (SME current account customers), which led to higher average growth.
- ▶ Government CASA would be INR 60bn.

Asset quality

- ▶ Gross. Slippages at the bank level declined sharply to INR 10.3bn in Q4, compared with INR 13.1bn in Q3FY26. This moderation was largely driven by the EEB segment, where slippages reduced meaningfully to INR 6.90bn compared with INR 9.42bn in Q3. Recovery in this segment was INR 1.4bn and management expects EEB slippages to improve, but remains watchful of developments due to West Asia conflicts.

- ▶ BANDHAN continues to place strong emphasis on recovery efforts and is steadily progressing towards its credit cost aspiration.
- ▶ Overall collection efficiency, excluding NPA, improved to 98.9% in March 2026, up from 98.1% in December 2025. Within the EEB portfolio, collections were strong, with quarter-wide efficiency at 99.3% versus 98.2% in Q3FY26.
- ▶ The 0 to 90 pool declined to about 3% of advances, down from 4.6% in the prior quarter, with the sharpest reduction seen in the zero category
- ▶ There has been no impact of war or elections on the collection efficiency
- ▶ **ECL implementation (based on Dec '25 numbers and draft guidelines) is estimated at ~INR 12.50bn to be amortised over five years, implying an annual CRAR impact of ~16-17bps; the impact on P&L (flow basis) is still being evaluated. Whether the impact would be taken through reserves or profit & loss, would depend on the profitability for the year.**
- ▶ BANDHAN has standard assets provisions of INR 10.7bn.
- ▶ On EEB, the bank created provision of 1% (requirement of 0.25%), while for personal loans and ABG it is 0.4% (in-line with the requirement).
- ▶ Credit cost in the EEB portfolio has come down to 2%, with improvement in collection efficiency, management expects this to improve.
- ▶ At 180 DPD itself, the bank takes almost 100% provision for the portfolio.

Cost, margins, and other highlights

- ▶ NIM improved to 6.12% (5.91% in Q3FY26), driven by a 23bps QoQ decline in deposit costs and a 14bps improvement in advances yields. **Management expects NIM to be 6% (on total assets) and 6.5% (on interest earning assets) for FY27.**
- ▶ Cost of funds are expected to improve 10-20bps in the next two quarters.
- ▶ CRAR stood at 18%, with tier I at 17.3%, providing ample headroom to support growth.
- ▶ Branch network stood at 1,955 branches. The bank has upgraded several housing finance outlets to full-fledged branches, with some consolidation undertaken. It also operates ~4,400 EEB banking units.
- ▶ Other income grew 12% QoQ; within this, TPP income rose 34% YoY, supported by improved branch-level penetration and cross-sell, while processing fees were aided by higher disbursements in the EEB portfolio.
- ▶ Opex was elevated due to higher PSLC-related costs (INR 600mn in Q4FY26) and technology investments.
- ▶ Management indicated that PSL costs will be 50% in FY27. In FY28, it will be neutral and post which the bank would be earning from PSL.
- ▶ With respect to cross sell, almost 20% of volume comes from ETB customer.
- ▶ Average LCR would be in the range of 130-140% for Q4FY26.
- ▶ Additional employee cost of INR 730mn was incurred in Q4FY26, as the bank remained operational during holidays, leading to higher salary payouts
- ▶ **Management expects RoA to be within 1.6-1.8% (+/- 10bps) by exit FY27, led by improvement in credit costs from ~2% to ~1.6-1.7%. The focus is on generating higher other income from secured businesses, with pick-up in disbursements and improvement in processing fees (~10-15bps); and opex expected to improve with reduction in PSLC-related costs**

Exhibit 1: Quarterly PAT stood at INR 5.3bn, led by better core and other income

(INR mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
NII	24,906	24,434	25,254	28,663	29,867	29,483	28,303	27,559	27,572	25,886	26,883	27,956
Other Income	3,851	5,403	5,452	6,941	5,459	5,947	10,959	6,996	7,259	5,464	6,910	7,707
Net revenue	28,757	29,836	30,705	35,604	35,326	35,430	39,261	34,555	34,831	31,350	33,793	35,663
Opex	13,134	14,002	14,152	17,219	15,917	16,879	19,048	18,842	18,147	18,246	19,343	21,251
PPoP	15,623	15,834	16,553	18,385	19,409	18,551	20,214	15,713	16,684	13,104	14,450	14,412
Provisions	6,021	6,362	6,840	17,743	5,230	6,062	13,760	12,602	11,469	11,526	11,546	6,770
PAT	7,211	7,212	7,327	546	10,635	9,374	4,265	3,179	3,720	1,119	2,056	5,341
YoY (%)												
NII	(0.9)	11.4	21.4	16.0	19.9	20.7	12.1	(3.9)	(7.7)	(12.2)	(5.0)	1.4
Other Income	16.8	13.4	(47.2)	10.3	41.8	10.1	101.0	0.8	33.0	(8.1)	(36.9)	10.2
Net revenue	1.1	11.8	(1.4)	14.8	22.8	18.7	27.9	(2.9)	(1.4)	(11.5)	(13.9)	3.2
Opex	28.3	25.4	18.8	31.9	21.2	20.5	34.6	9.4	14.0	8.1	1.6	12.8
PPoP	(14.2)	2.0	(13.9)	2.4	24.2	17.2	22.1	(14.5)	(14.0)	(29.4)	(28.5)	(8.3)
Provisions	(6.3)	(50.3)	(55.6)	141.5	(13.1)	(4.7)	101.2	(29.0)	119.3	90.1	(16.1)	(46.3)
PAT	(18.7)	244.6	152.2	(93.2)	47.5	30.0	(41.8)	482.0	(65.0)	(88.1)	(51.8)	68.0
QoQ (%)												
NII	0.8	(1.9)	3.4	13.5	4.2	(1.3)	(4.0)	(2.6)	0.0	(6.1)	3.9	4.0
Other Income	(38.8)	40.3	0.9	27.3	(21.4)	8.9	84.3	(36.2)	3.8	(24.7)	26.5	11.5
Net revenue	(7.3)	3.8	2.9	16.0	(0.8)	0.3	10.8	(12.0)	0.8	(10.0)	7.8	5.5
Opex	0.6	6.6	1.1	21.7	(7.6)	6.0	12.8	(1.1)	(3.7)	0.5	6.0	9.9
PPoP	(13.0)	1.4	4.5	11.1	5.6	(4.4)	9.0	(22.3)	6.2	(21.5)	10.3	(0.3)
Provisions	(18.1)	5.7	7.5	159.4	(70.5)	15.9	127.0	(8.4)	(9.0)	0.5	0.2	(41.4)
PAT	(10.8)	0.0	1.6	(92.5)	1846.8	(11.8)	(54.5)	(25.5)	17.0	(69.9)	83.8	159.8

Source: Company, Elara Securities Research

Exhibit 2: Loan book grew by 11.9% YoY and 7.0% QoQ

INR bn	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Loan book	1,032	1,077	1,159	1,247	1,256	1,307	1,300	1,370	1,336	1,380	1,432	1,533
% YoY	6.8	12.3	18.6	14.3	21.7	21.4	12.2	9.8	6.4	5.6	10.1	11.9
% QoQ	(5.4)	4.3	7.7	7.6	0.7	4.0	(0.5)	5.3	(2.5)	3.3	3.8	7.0

Source: Company, Elara Securities Research

Exhibit 3: Share of secured mix up with de-growth in the EEB business

Advances	Gross loans (INR bn)			Loan growth (%)		Loan mix (%)		
	Q4FY25	Q3FY26	Q4FY26	YoY	QoQ	Q4FY25	Q3FY26	Q4FY26
EEB	565	501	539	(4.7)	7.6	41.3	35.0	35.2
- EEB - Group	361	325	357	(1.1)	10.0	26.3	22.7	23.3
- SBAL	205	176	182	(11.0)	3.3	14.9	12.3	11.9
Mortgages	331	338	348	5.2	3.1	24.2	23.6	22.7
- Housing	269	264	268	(0.7)	1.4	19.7	18.4	17.5
- LAP	60	71	78	30.7	9.1	4.4	5.0	5.1
- Constructions	2	2	3	31.6	8.7	0.1	0.2	0.2
Commercial Banking	363	456	485	33.3	6.2	26.5	31.9	31.6
- NBFC	160	214	212	32.7	(0.7)	11.7	14.9	13.9
- SME	203	242	272	33.8	12.3	14.8	16.9	17.8
Retail	110	138	161	46.1	16.9	8.0	9.6	10.5
- Gold loans	19	25	30	56.8	17.3	1.4	1.8	1.9
- TD-OD	24	23	30	26.9	34.2	1.7	1.6	2.0
- Others	67	90	101	49.9	12.5	4.9	6.3	6.6
Total	1,370	1,432	1,533	11.9	7.0	100.0	100.0	100.0

Source: Company, Elara Securities Research

Exhibit 4: Deposit growth stood at 10% YoY and 6.1% QoQ; CASA improved to 29.3%

INR bn	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Deposits	1,085	1,121	1,174	1,352	1,332	1,425	1,410	1,512	1,547	1,581	1,567	1,663
% YoY	16.6	12.8	14.8	25.1	22.8	27.2	20.1	11.8	16.1	10.9	11.1	10.0
% QoQ	0.4	3.3	4.8	15.1	(1.5)	7.0	(1.1)	7.2	2.3	2.2	(0.9)	6.1
CA	52	63	67	97	62	64	61	81	65	77	80	115
% YoY	19.0	24.6	40.5	50.5	18.3	2.2	(8.1)	(16.3)	5.2	19.4	30.7	41.9
% QoQ	(19.0)	21.0	5.9	45.0	(36.3)	4.6	(4.8)	32.2	(20.0)	18.7	4.2	43.5
SA	339	369	358	405	383	409	386	394	354	365	347	373
% YoY	(5.4)	4.1	10.1	12.3	13.1	10.7	8.0	(2.8)	(7.6)	(10.6)	(10.1)	(5.3)
% QoQ	(6.0)	9.0	(3.1)	13.3	(5.4)	6.6	(5.5)	1.9	(10.1)	3.2	(4.9)	7.3
CASA Ratio (%)	36.0	38.5	36.1	37.1	33.4	33.2	31.7	31.4	27.1	28.0	27.3	29.3

Source: Company, Elara Securities Research

Exhibit 5: NIMs improved sequentially to 6.2% from 5.9% in Q3

Operating Metrics (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Yield on advances	13.3	13.3	13.4	13.8	13.9	13.7	13.3	13.1	12.7	12.1	11.9	12.0
Spread	6.9	6.8	6.8	6.9	6.9	6.7	6.2	5.9	5.7	5.2	5.2	5.5
Cost of Funds (Excl Capital)	6.4	6.5	6.6	6.9	7.0	7.0	7.1	7.2	7.0	6.9	6.7	6.5
NIM	7.3	7.2	7.2	7.6	7.6	7.4	6.9	6.7	6.4	5.8	5.9	6.2

Source: Company, Elara Securities Research

Exhibit 6: Slippages reduced, especially in EEB portfolio due to improved collection efficiency

INR Bn	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Opening GNPA	78.7	81.4	47.8	53.0	61.1	61.8	64.4	66.2	70.2	48.0
Slippages	13.9	10.2	8.9	11.1	16.2	17.5	15.5	15.9	13.1	10.3
Recoveries and upgradation	4.1	5.2	3.7	3.0	2.8	3.5	3.2	3.2	3.5	3.6
Write offs	-	38.5	-	0.1	12.7	11.4	10.5	8.7	0.1	0.5
Closing GNPA	81.4	47.8	53.0	61.1	61.8	64.4	66.2	70.2	48.0	50.2
GNPL (%)	7.0	3.8	4.2	4.7	4.7	4.7	5.0	5.0	3.3	3.3
NNPL (%)	2.2	1.1	1.2	1.3	1.3	1.3	1.4	1.4	1.0	1.0
PCR (%) - Calculated	70.0	71.8	73.7	73.5	73.5	73.7	73.7	73.7	70.8	71.1
Credit cost (%)	2.5	5.8	1.6	2.0	4.1	3.9	3.5	3.4	3.3	2.0
Slippages as % of lagged gross loans	5.7	3.7	3.4	4.1	5.6	5.6	4.9	4.9	4.0	3.0

Source: Company, Elara Securities Research

Exhibit 7: Segment-wise GNPA – Most segments posted some improvement

GNPLs - INR bn	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
EEB	64.3	32.1	36.2	42.6	41.0	47.2	47.5	49.4	30.1	31.1
Mortgages	4.7	4.9	5.4	5.8	6.5	7.2	8.1	9.1	9.7	9.8
Commercial Banking	11.4	9.6	10.0	11.0	11.9	7.2	7.3	8.7	5.0	5.8
Retail	1.0	1.2	1.4	1.6	2.4	2.7	3.3	3.0	3.3	3.5
Total	81.4	47.8	53.0	61.1	61.8	64.4	66.2	70.2	48.0	50.2
(%) of loans										
EEB	11.2	5.2	5.8	7.2	7.3	8.3	9.2	9.9	-647.1	406.7
Mortgages	1.6	1.6	1.8	1.8	2.1	2.2	2.5	2.7	187.7	318.1
Commercial Banking	4.6	3.6	3.6	3.4	3.4	2.0	1.8	1.9	15.0	93.8
Retail	2.2	2.2	2.2	2.1	2.7	2.5	2.7	2.2	7.2	20.7
Total	7.0	3.8	4.2	4.7	4.7	4.7	5.0	5.0	3.3	3.3

Source: Company, Elara Securities Research

Exhibit 8: Outstanding EEB stress pool steady sequentially

INR bn	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
NPA	47.5	56.2	64.4	32.1	36.2	42.6	41.0	47.2	47.6	49.4	30.1	31.1
SMA2	7.2	6.9	5.3	4.8	4.4	5.4	6.5	5.2	4.8	3.9	4.1	4.2
SMA1	7.5	6.1	5.7	4.1	4.2	5.6	6.6	5.1	5.3	5.3	5.7	4.4
EEB stress book	62.2	69.2	75.4	41.0	44.8	53.6	54.1	57.5	57.7	58.6	39.9	39.7
Stress book (%) of EEB loan book	12.1	12.8	13.1	6.6	7.2	9.0	9.6	10.2	11.2	11.7	(857.8)	519.1

Source: Company, Elara Securities Research

Exhibit 9: Q4FY26 results highlights

INR mn	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
Interest income	54,284	54,339	(0.1)	54,312	(0.1)
Interest expenses	26,328	26,780	(1.7)	27,429	(4.0)
Net interest income	27,956	27,559	1.4	26,883	4.0
Other income	7,707	6,996	10.2	6,910	11.5
Operating expenses	21,251	18,842	12.8	19,343	9.9
Staff expense	11,584	10,842	6.8	11,335	2.2
Other opex	9,667	8,000	20.8	8,008	20.7
Pre prov op profit (PPP)	14,412	15,713	(8.3)	14,450	(0.3)
Provisions	6,770	12,602	(46.3)	11,546	(41.4)
Profit before tax	7,641	3,112	145.6	2,904	163.2
Provision for tax	2,300	-67	NA	848	171.3
Profit after tax	5,341	3,179	68.0	2,056	159.8
EPS (INR)	3.3	2		1.3	
Ratios					
NII / GII	51.5	50.7		49.5	
Cost - income	59.6	54.5		57.2	
Provisions / PPOP	47.0	80.2		79.9	
Tax rate	30.1	(2.2)		29.2	
Balance sheet data					
Advances (INR bn)	1,501	1,320	13.7	1,411	6.4
Deposits (INR bn)	1,663	1,512	10.0	1,567	6.1
CD ratio (%)	90.2	87.3		90.0	
Asset quality					
Gross NPA	50,196	64,356	(22.0)	48,050	4.5
Gross NPAs (%)	3.3	4.7		3.3	
Net NPA	14,521	16,928	(14.2)	14,021	3.6
Net NPA(%)	1.0	1.3		1.0	
Provision coverage (%)	71.1	73.7		70.8	

Source: Company, Elara Securities Research

Exhibit 10: Change in estimates

INR mn	Revised		Old		Change (%)		New
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY29E
NII	121,534	138,664	123,412	138,617	(1.5)	0.0	158,905
PPoP	64,385	73,570	62,558	69,330	2.9	6.1	85,167
PAT	27,248	35,996	26,834	35,610	1.5	1.1	42,226
TP (INR)		220		186		18	

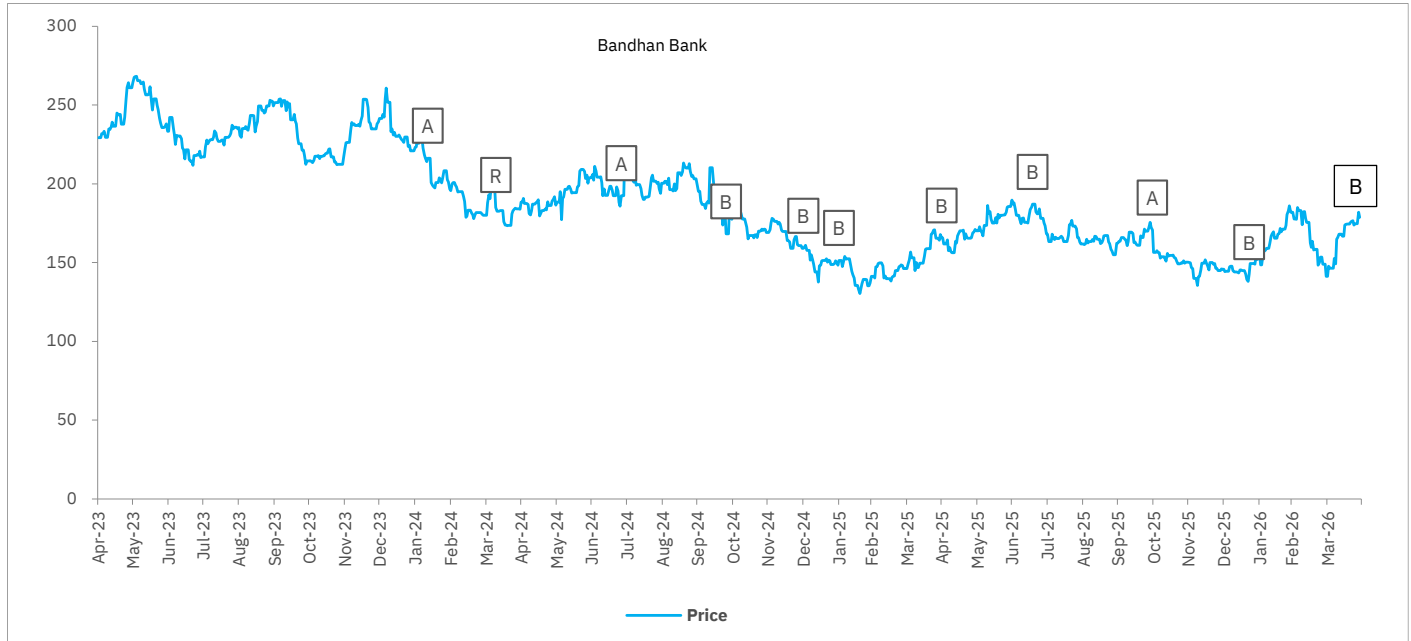
Source: Elara Securities Estimate

Exhibit 11: Valuation Table

Particulars	INR
BV/share (FY28)	190
Target multiple (x)	1.2
Target Price	220
CMP	178
Upside (%)	23

Source: Elara Securities Estimate

Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
09-Feb-2024	Accumulate	250	216
08-Apr-2024	Reduce	173	185
26-Jul-2024	Accumulate	220	193
25-Oct-2024	Buy	220	168
31-Dec-2024	Buy	200	159
31-Jan-2025	Buy	180	151
30-Apr-2025	Buy	194	166
18-Jul-2025	Buy	220	187
30-Oct-2025	Accumulate	186	171
22-Jan-2026	Buy	186	142
28-Apr-2026	Buy	220	179

Guide to Research Rating

- BUY (B)** Absolute Return >+20%
- ACCUMULATE (A)** Absolute Return +5% to +20%
- REDUCE (R)** Absolute Return -5% to +5%
- SELL (S)** Absolute Return < -5%

Disclosures & Confidentiality for non U.S. Investors

The Note is based on our estimates and is being provided to you (herein referred to as the "Recipient") only for information purposes. The sole purpose of this Note is to provide preliminary information on the business activities of the company and the projected financial statements in order to assist the recipient in understanding / evaluating the Proposal. Nothing in this document should be construed as an advice to buy or sell or solicitation to buy or sell the securities of companies referred to in this document. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. Nevertheless, Elara Securities (India) Private Limited or any of its affiliates is committed to provide independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Elara Securities (India) Private Limited or any of its affiliates have not independently verified all the information given in this Note and expressly disclaim all liability for any errors and/or omissions, representations or warranties, expressed or implied as contained in this Note. The user assumes the entire risk of any use made of this information. Elara Securities (India) Private Limited or any of its affiliates, their directors and the employees may from time to time, effect or have effected an own account transaction in or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for or solicit investment banking or other business from any company referred to in this Note. Each of these entities functions as a separate, distinct and independent of each other. This Note is strictly confidential and is being furnished to you solely for your information. This Note should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This Note is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Elara Securities (India) Private Limited or any of its affiliates to any registration or licensing requirements within such jurisdiction. The distribution of this document in certain jurisdictions may be restricted by law, and persons in whose possession this document comes, should inform themselves about and observe, any such restrictions. Upon request, the Recipient will promptly return all material received from the company and/or the Advisors without retaining any copies thereof. The Information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This Information is subject to change without any prior notice. Elara Securities (India) Private Limited or any of its affiliates reserves the right to make modifications and alterations to this statement as may be required from time to time. However, Elara Securities (India) Private Limited is under no obligation to update or keep the information current. Neither Elara Securities (India) Private Limited nor any of its affiliates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. This Note should not be deemed an indication of the state of affairs of the company nor shall it constitute an indication that there has been no change in the business or state of affairs of the company since the date of publication of this Note. The disclosures of interest statements incorporated in this document are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. Elara Securities (India) Private Limited generally prohibits its analysts, persons reporting to analysts and their family members from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Any clarifications / queries on the proposal as well as any future communication regarding the proposal should be addressed to Elara Securities (India) Private Limited. It is important to note that any dispute with respect to this research report, would not have access to stock exchange investor redressal forum or arbitration mechanism.

Elara Securities (India) Private Limited was incorporated in July 2007 as a subsidiary of Elara Capital (India) Private Limited.

Elara Securities (India) Private Limited is a SEBI registered Stock Broker in the Capital Market and Futures & Options Segments of National Stock Exchange of India Limited [NSE] and BSE Limited [BSE] and a Depository Participant registered with Central Depository Services (India) Limited [CDSL].

Elara Securities (India) Private Limited's business, amongst other things, is to undertake all associated activities relating to its broking business.

The activities of Elara Securities (India) Private Limited were neither suspended nor has it defaulted with any stock exchange authority with whom it is registered in last five years. However, during the routine course of inspection and based on observations, the exchanges have issued advise letters or levied minor penalties on Elara Securities (India) Private Limited for minor operational deviations in certain cases. Elara Securities (India) Private Limited has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has the certificate of registration been cancelled by SEBI at any point of time.

Elara Securities (India) Private Limited offers research services primarily to institutional investors and their employees, directors, fund managers, advisors who are registered or proposed to be registered.

Details of Associates of Elara Securities (India) Private Limited are available on group company website www.elaracapital.com

Elara Securities (India) Private Limited is maintaining arms-length relationship with its associate entities.

Research Analyst or his/her relative(s) may have financial interest in the subject company. Elara Securities (India) Private Limited does not have any financial interest in the subject company, whereas its associate entities may have financial interest. Research Analyst or his/her relative does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Elara Securities (India) Private Limited does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Associate entities of Elara Securities (India) Private Limited may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Research Analyst or his/her relative or Elara Securities (India) Private Limited or its associate entities does not have any other material conflict of interest at the time of publication of the Research Report.

Artificial Intelligence (AI) tools may have been used only for compilation or collating publicly available research data or internally generated research data during the information gathering and/or summarizing the final report.

Research Analyst or his/her relative(s) has not served as an officer, director or employee of the subject company.

Research analyst or Elara Securities (India) Private Limited have not received any compensation from the subject company in the past twelve months. Associate entities of Elara Securities (India) Private Limited may have received compensation from the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associate entities have not managed or co-managed public offering of securities for the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associates have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associate entities may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company or third party in connection with the Research Report in the past twelve months.

Disclaimer & Standard warning

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Disclaimer for non U.S. Investors

The information contained in this note is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Disclosures for U.S. Investors

Rule 15a6 Disclosure: This research report ("**Report**") was prepared, approved, published, and distributed by Elara Securities (India) Private Limited a company located outside of the United States (the "**Foreign Counterparty**"). Avior Capital Markets US LLC ("**Avior US**"), a US registered broker-dealer, distributes this Report in the US on behalf of the Foreign Counterparty. Only major U.S. institutional investors (as defined in Rule 15a-6 under the US Securities Exchange Act of 1934 (the "**Exchange Act**") may receive this Report under the exemption in Rule 15a-6. A US institutional investor must effect any transaction in the securities described in this Report through Avior US.

Neither the Report nor any analyst who prepared or approved the Report is subject to US legal requirements or the Financial Industry Regulatory Authority, Inc. ("**FINRA**") or other US regulatory requirements concerning research reports or research analysts. The Foreign Counterparty is not a registered broker-dealer under the Exchange Act nor is it a member of the Financial Industry Regulatory Authority, Inc., or any other US self-regulatory organisation.

Disclosures on Subject Companies: Analysts of the Foreign Counterparty produced this material solely for informational purposes and the use of the intended recipient. No person may reproduce, this Report under any circumstances. No person may copy or make this Report available to any other person other than the intended recipient.

Avior US distributes this Report in the United States of America. The Foreign Counterparty distributes this Report elsewhere in the world. This document is not an offer, or invitation by or on behalf of Avior US, the Foreign Counterparty, their affiliates, or any other person, to buy or sell any security.

Avior US and the Foreign Counterparty and their affiliates obtained the information contained herein from published information and other sources, which Avior US and the Foreign Counterparty and their affiliates reasonably consider to be reliable.

Avior US and the Foreign Counterparty accept no liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are valid as of the date of this document. Avior US assumes responsibility for the Report content with regards to research distributed in the US.

Neither Avior US nor the Foreign Counterparty has managed or co-managed a public offering of securities for the subject company in the past 12 months, have not received compensation for investment banking services from the subject company in the past 12 months and do not expect to receive and does not intend to seek compensation for investment banking services from the subject company in the next three months. Avior US and the Foreign Counterparty have not owned any class of equity securities of the subject company. There are no other actual, material conflicts of interest of Avior US and the Foreign Counterparty at the time of the publication of this Report. As of the publication of this Report, Avior US nor the Foreign Counterparty makes a market in the subject securities.

Avior US and its affiliates, to the fullest extent permissible by law, accept no liability of any nature whatsoever for any claims, damages or losses arising from, or in connection with, the contents of this Report or the use, reliance, publication, distribution, dissemination, disclosure, alteration or reproduction of this Report, or any views or recommendations recorded therein.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (i) exchange rates can be volatile and are subject to large fluctuations; (ii) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and (iii) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency. Investors in securities such as ADRs, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Subject to the applicable laws, all transactions should be executed through Avior US. Aside from within this Report, important conflict disclosures can also be found at <https://aviorcapital.us/us-regulatory-disclosures/and> Investors are strongly encouraged to review this information before investing.

Additional Disclaimer for UK Investors

Note that Elara Securities (India) Private Limited ("**Foreign Counterparty**") has concluded a MiFID II research intermediary agreement with Avior Capital Markets International Limited ("**Avior UK**"), regulated by the Financial Conduct Authority (FRN: 191074), pursuant to which Avior UK distributes the Foreign Counterparty's research in the UK, in return for which the Foreign Counterparty pays Avior UK a percentage of the income received in relation to such research. This research report including any recommendations recorded therein ("**Report**") have been prepared by the Foreign Counterparty, and not by Avior UK.

The Report: (a) has been objectively prepared from public sources which are believed to be reliable and therefore constitutes independent investment research and is presented as such; and (b) may only be distributed to, and relied on by, qualifying investors, who are permitted to receive same in the UK.

Securities, money market instruments, strategies, financial or investment instruments mentioned in this Report may not be suitable for all investors. The information and opinions provided in this Report do not constitute a personal recommendation/investment advice and take no account of the investor's individual circumstances. Investors should consider this Report as only a single factor in making any investment decisions and, if appropriate, should seek advice from an investment advisor. This Report is not an offer, or invitation by or on behalf of Avior UK, the Foreign Counterparty, their affiliates, or any other person, to buy or sell any security.

Save as disclosed otherwise, the Foreign Counterparty's relationship with Avior UK is not reasonably expected to impair the objective presentation of the recommendations in the Report, including any interests or conflicts of interest concerning any financial instruments or the issuers to which the recommendations, directly or indirectly, relate. The Report is deemed to be first disseminated at the date and time recorded on the relevant distribution platform, data network or email (as applicable), and which information is available on request. A list of the Foreign Counterparty's research reports disseminated in the UK over the past 12 months is also available on request.

Avior UK does not assume any responsibility or liability of any nature whatsoever arising from or in connection with the content, use, reliance or dissemination of the Report or any recommendation in respect thereof and disclaims any such liability.

Certification by Each of the Authors of this Report

The analyst(s) (singular includes plural) ("**Analyst**") certifies that the views expressed in this Report are an accurate representation of the Analyst's personal opinions on the stock or sector as covered and reported on by the Analyst hereinabove. The Analyst furthermore certifies that no part of the Analyst's compensation was, is, or will be related, directly or indirectly, to the specific recommendations or views as expressed in this document. The Analyst is principally responsible for the preparation of this Report and does not have any material conflict of interest at the time of publication of this Report. The Analyst(s) has not served as an officer, director or employee of the subject company in the last 12-month period ending on the last day of the month immediately preceding the date of publication of the Report.

Analyst Certification: In connection with the companies or securities that; each analyst identified in this Report certifies that: The views expressed on the subject companies and securities in this Report reflect their personal views. No part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this Report.

Note that:

- (i) The Foreign Counterparty is the employer of the research analyst(s) responsible for the content of this Report, and
- (ii) Research analysts preparing this Report are resident outside the United States and are not associated persons of any US regulated broker-dealer. Therefore, the analyst(s) are not subject to supervision by a US broker-dealer and are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with US rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

Avior Capital Markets US, LLC is a FINRA registered broker-dealer (CRD # 172595) formed for that purpose in the State of Delaware with its principal office at 45 Rockefeller Plaza, Suite 2335, New York, New York 10111.

Avior Capital Markets International Limited is regulated by the Financial Conduct Authority (FRN: 191074), with its principal office at 10 South Street, Elgin, Scotland IV30 1LE.

Elara Securities (India) Private Limited is a SEBI-registered Research Analyst (Regn. No.: INH000000933), Stock Broker (Regn. No.: INZ000238236) and Depository Participant (Regn. No.: IN-DP-370-2018). Its registered address is One International Center, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road (West) Mumbai – 400 013, India

India
Elara Securities (India) Private Limited
 One International Center, Tower 3,
 21st Floor, Senapati Bapat Marg,
 Elphinstone Road (West)
 Mumbai – 400 013, India
 Tel : +91 22 6164 8500

Europe
Elara Capital Plc.
 6th Floor, The Grove,
 248A Marylebone Road,
 London, NW1 6JZ,
 United Kingdom
 Tel : +44 20 7486 9733

USA
Elara Securities Inc.
 950 Third Avenue, Suite 1900
 New York, NY 10022 United States
 Tel: +1 212 430 5870
 Fax: +1 212 208 2501

Asia / Pacific
Elara Capital (Singapore) Pte.Ltd.
 One Marina Boulevard,
 Level 20,
 Singapore 018989
 Tel : +65 6978 4047



Managing Director

Harendra Kumar | harendra.kumar@elaracapital.com | +91 22 6164 8571



Head of Sales

Prashin Lalvani - prashin.lalvani@elaracapital.com - +91 22 6164 8544



Head of Research

Dr Bino Pathiparampil | bino.pathiparampil@elaracapital.com | +91 22 6164 8572



Deputy Head of Research & Strategist

Garima Kapoor | garima.kapoor@elaracapital.com | +91 22 6164 8527

Sales Team



India & UK

Prashin Lalvani - prashin.lalvani@elaracapital.com - +91 22 6164 8544



India

Hitesh Danak - hitesh.danak@elaracapital.com - +91 22 6164 8543
Ashok Agarwal - ashok.agarwal@elaracapital.com - +91 22 6164 8558
Himani Sanghavi - himani.sanghavi@elaracapital.com - +91 22 6164 8586
Pooja Soni - pooja.soni@elaracapital.com - +91 22 6164 8558



India, APAC & Australia

Sudhanshu Rajpal - sudhanshu.rajpal@elaracapital.com - +91 22 6164 8508
Joshua Saldanha - joshua.saldanha@elaracapital.com - +91 22 6164 8541
Shraddha Shrikhande - shraddha.shrikhande@elaracapital.com - +91 22 6164 8567
Suyash Maheshwari - suyash.maheshwari@elaracapital.com - +91 22 4204 8698



India & US

Karan Rathod - karan.rathod@elaracapital.com - +91 22 6164 8570



Corporate Access, Conference & Events

Anita Nazareth - anita.nazareth@elaracapital.com - +91 22 6164 8520
Tina D'souza - tina.dsouza@elaracapital.com - +91 22 6164 8595

By clicking this link, you acknowledge and agree to the [Terms and Conditions of Research Services](#)
 Access our reports on Bloomberg: Type **RESP ESEC <GO>**

Also available on **Thomson & Reuters**

Elara Securities (India) Private Limited

Registered Office Address: One International Center, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road (West) Mumbai – 400 013, India Tel : +91 22 6164 8500
 CIN: U74992MH2007PTC172297 | SEBI Research Analyst Registration No.: INH00000933
 Member of BSE Limited and National Stock Exchange of India Limited | SEBI REGN. NO.: INZ000238236
 Member of Central Depository Services (India) Limited | SEBI REGN. NO.: IN-DP-370-2018
 Investor Grievance Email ID: investor.grievances@elaracapital.com - Tel. +91 22 6164 8509
 Compliance Officer: Mr. Anand Rao - Email ID: anand.rao@elaracapital.com - Tel. +91 22 6164 8509