



### STOCK UPDATE

Result Update - Q3FY2026

### SECTOR

Banking

### COMPANY DETAILS

Market cap:	Rs. 72,300 cr
52-week high/low:	Rs. 168 / 93
NSE volume: (No of shares)	86.0 lakh
BSE code:	532149
NSE code:	BANKINDIA
Free float: (No of shares)	121.0 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

### SHAREHOLDING (%)

Promoters	73.4
FII	5.8
DII	15.2
Others	5.6

Source: NSE, BSE, Mirae Asset Sharekhan Research

### PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

### PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	10.1	20.9	37.3	63.1
Relative to Sensex	13.7	23.9	37.7	55.1

Source: Mirae Asset Sharekhan Research, Bloomberg

## Bank of India

Growth traction healthy, stable operational performance

Reco/View: **BUY**

CMP: **Rs. 157**

Price Target: **Rs. 190**

### Quick Snapshot

- NII grew 6.4% y-o-y and 9.2% q-o-q was ahead of estimates, NIM up 16 bps q-o-q. Fee income was subdued but good treasury income aided overall non-interest income growth of 30.5% y-o-y.
- Credit cost inched up QoQ as fresh NPA addition was higher QoQ due to one large road account, however overall GNPA and NNPA ratio declined.
- PAT was up 7.5% y-o-y and 5.9% QoQ and was higher than our expectations. Loan growth at 15% y-o-y was higher than industry and guidance on the same is encouraging.
- We maintain a Buy rating on the stock with a revised PT of Rs. 190.

### Result overview

- NII surged 9.2% q-o-q as NIMs improved 16 bps q-o-q to 2.57%. Cost of funds was down 9 bps q-o-q to 4.57%, while yield on advances remained stable at 7.81%, to protect margins, the bank strategically churned its low yielding portfolio (AAA-rated) towards better yielding advances (AA), also benefit of term deposit repricing was visible.
- Fee income was 5.1% y-o-y however 77% rise in treasury income led to a 30% y-o-y uptick in total other income.
- Opex were up 5.4% q-o-q and 10.5% y-o-y as the bank continues to invest in branches and technological upgrades. About 10% of total opex is allocated to IT, and additional Capex is also being spent on the IT side.
- Provisions increased 31% QoQ and 89.7% y-o-y, credit cost was up 6 bps QoQ to 0.34% as NPAs rose sequentially, while PAT rose 7.5% y-o-y and 5.9% QoQ, higher than estimates, on the back of stable topline growth and operational performance.
- Net loans rose 15% y-o-y to Rs7.27 lakh crore, in which RAM advances were up 18% y-o-y which now form 58.5% of domestic book, while the corporate book achieved double-digit growth at 11%. The bank has a corporate book pipeline of ~Rs. 65000 crore and expects disbursement to improve in the coming quarters.
- Deposit base was higher by 11.6% y-o-y at Rs 8.87 lakh crore, in this CASA was up 4.5%, CASA ratio declined from 39.4% to 37.97% QoQ, retail term deposits formed 46.4% of total deposit base.

### Our Call

Rapid tech transformation would result in better underwriting, risk control and an enhanced customer experience. Business growth should be supported by healthy pipeline, comfortable capital position and steady capacity addition. Return ratios are expected to show stable to improving performance (ROA ~0.9-1%). The bank trades at 0.7x FY28E BVPS making valuations compelling, we maintain BUY rating on the stock with a revised PT of Rs. 190.

### Key Risks

Increased stress in agri or corporate loans or higher impact of ECL provision could dent financials.

### Valuation

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Net Interest Income	23,053	24,394	25,046	29,874	33,550
Net profit	6,318	9,219	10,309	11,750	12,533
EPS (Rs)	14.9	20.3	17.6	19.8	20.5
P/E (x)	10.5	7.8	8.9	7.9	7.6
P/BV (x)	1.2	1.0	0.9	0.8	0.7
RoE	9.9	12.5	12.5	12.9	12.5
RoA	0.7	0.9	0.9	0.9	0.9

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Jan 21, 2026

## Concall Highlights

### Strategic outlook and growth targets

- The management has established a positive trajectory for the upcoming fiscal year, targeting global advances growth of 13% to 14% and global deposit growth of 11-12% for FY26.
- A substantial Rs. 80,000 crore credit pipeline underpins management's confidence in better growth for FY27. This includes Rs. 65,000 crore in corporate loans earmarked for disbursement during Q4 FY26 and Q1 FY27.
- The bank expects maintaining a steady annual NIM of approximately 2.50% for FY26. Performance is expected to peak in Q4 FY 26, with a projected NIM of 2.60%. Benefit of term deposit repricing to flow in coming quarters while shift towards better yielding loans to support overall yields.
- In FY26 specifically, the bank plans to open 200 branches, with over 145 already operational and the remaining 50-55 scheduled for Q4. This will be followed by another 200 branches in FY '27.

### AI push: Project Star ADITYA

- The bank is investing in a significant data lake initiative known as Project Star ADITYA, which incorporates artificial intelligence (AI), machine learning (ML), and generative AI (GenAI).
- These AI use cases are being implemented across multiple levels, including bank verticals, branches, zonal offices, and underwriting centers.

### New products

- Two new variants have been introduced: Celestia, designed for high networth individuals, and the RuPay Women's credit card, tailored to women's needs.
- New suite of loans for gig workers offers individual loans up to INR 2 lakh and SMA loans up to Rs. 5 lakh, with interest rates between 9.5% and 10.5%.
- BOI Surya Shakti Scheme is an agriculture-focused scheme provides loans for farm mechanization ranging from Rs. 4 lakh to Rs. 50 lakh at a 9% interest rate.

### ECL and other regulation

- Proposed ECL framework is expected to impact the bank's CRAR by approximately 2%, translating to around Rs. 4,700 crore, spread over five years at 0.40% annually.
- Changes in the MSME definition, now including medium enterprises with turnover up to Rs. 500 crore, are expected to drive growth in the RAM book

### Asset quality

- The bank's total special mention account (SMA) book has decreased to approximately Rs. 5400 crore. However, there has been a significant doubling of SMA-2 accounts, totalling roughly Rs. 3500 crore, which is largely attributed to three state government accounts.
- In Q3FY26, fresh slippages rose to Rs1140 crore versus Rs. 895 crore QoQ, primarily due to a corporate road account within a consortium. Looking ahead, the bank does not anticipate more corporate slippages, and it expects slippages in the RAM (Retail, Agriculture, and MSME) segment to remain under control.
- For Q4, the bank projects recoveries of approximately Rs2000 crore. While the current quarterly recovery rate from written-off book is between ~Rs450 crore, there is an internal goal to increase this to Rs. 750 crore per quarter.

**Result Table**

Particulars	Q3FY26	Q3FY25	y-o-y	Q2FY26	Rs cr QoQ
<b>Net Interest Income</b>	<b>6,461</b>	<b>6,070</b>	<b>6.4%</b>	<b>5,914</b>	<b>9.2%</b>
Other income	2,279	1,746	30.5%	2,220	2.7%
<b>Net Income</b>	<b>8,740</b>	<b>7,817</b>	<b>11.8%</b>	<b>8,134</b>	<b>7.4%</b>
Opex	4,547	4,114	10.5%	4,313	5.4%
<b>Operating Profit</b>	<b>4,193</b>	<b>3,703</b>	<b>13.2%</b>	<b>3,821</b>	<b>9.7%</b>
Provisions	576	304	89.7%	441	30.5%
<b>PAT</b>	<b>2,705</b>	<b>2,517</b>	<b>7.5%</b>	<b>2,555</b>	<b>5.9%</b>
<b>Advances</b>	<b>7,27,959</b>	<b>6,32,868</b>	<b>15.0%</b>	<b>6,95,660</b>	<b>4.6%</b>
<b>Deposits</b>	<b>8,87,287</b>	<b>7,94,788</b>	<b>11.6%</b>	<b>8,53,301</b>	<b>4.0%</b>
NIMs %	2.57	2.80	-23 bps	2.41	16 bps
GNPA %	2.26	3.69	-143 bps	2.54	-28 bps
NNPA %	0.60	0.85	-25 bps	0.65	-5 bps
PCR %	73.9	77.5	-358 bps	74.9	-93 bps

*Source: Company; Mirae Asset Sharekhan Research*
**Additional Data**
**Top 10 shareholders**

Sr. No.	Holder Name	Holding (%)
1	Republic of India	73.38
2	LIC	8.48
3	SBI Funds	1.10
4	Vanguard Group INC	0.84
5	Nippon Life India	0.66
6	Aditya Birla Sunlife	0.59
7	HDFC Life	0.49
8	Kotak Mahindra AMC	0.46
9	DSP Finance	0.44
10	PineBridge Investment	0.28

*Source: Bloomberg*
**Key management personnel**

Name	Designation
Rajneesh Karnatak	MD & CEO
B Kumar	CFO & ED
M.R. Kumar	Non Executive Chairman

*Source: Company Website*

Mirae Asset Sharekhan Limited, its analyst or dependant(s) of the analyst might be holding or having a position in the companies mentioned in the article.

**DISCLAIMER**

This information/document has been prepared by Sharekhan Ltd. and is intended for use only by the person or entity to which it is addressed to. This Document may contain confidential and/or privileged material and is not for any type of circulation, and any review, retransmission, or any other use is strictly prohibited. This information/ document is subject to change without prior notice.

Recommendation in reports based on technical and derivatives analysis is based on studying charts of a stock's price movement, trading volume, and outstanding positions, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals. However, this would only apply to information/documents focused on technical and derivatives research and shall not apply to reports/documents/information focused on fundamental research.

This information/document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. Mirae Asset Sharekhan will not treat recipients as customers by virtue of their receiving this information/report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable, and Mirae Asset Sharekhan has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavour to update the information herein on a reasonable basis, Mirae Asset Sharekhan, its subsidiaries and associated companies, their directors, and employees ("Mirae Asset Sharekhan and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent Mirae Asset Sharekhan and its affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance, and the value of investments can go down as well. The user assumes the entire risk of any use made of this information. 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. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Mirae Asset Sharekhan may have issued other recommendations/ reports that are inconsistent with and reach different conclusions from the information presented in this recommendations/report.

This information/recommendation/report 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 Mirae Asset Sharekhan and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restrictions.

The analyst certifies that the analyst might have dealt or traded directly or indirectly in the securities of the company and that all the views expressed in this document accurately reflect his or her personal views about the subject company or companies and its or their securities and do not necessarily reflect those of Mirae Asset Sharekhan. The analyst and Mirae Asset Sharekhan further certifies that either he or his relatives or Mirae Asset Sharekhan associates might have direct or indirect financial interest or might have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the research report. The analyst and Mirae Asset Sharekhan encourage independence in research report/ material preparation and strive to minimize conflict in the preparation of the research report. The analyst and Mirae Asset Sharekhan do not have any material conflict of interest or have not served as officers, directors or employees or engaged in market-making activity of the company. The analyst and Mirae Asset Sharekhan have not been a part of the team which has managed or co-managed the public offerings of the company, and no part of the analyst's compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this document. Sharekhan Ltd, or its associates, or analysts have not received any compensation for investment banking, merchant banking, brokerage services or any compensation or other benefits from the subject company or from a third party in the past twelve months in connection with the research report.

Either Mirae Asset Sharekhan or its affiliates or its directors or employees/representatives/clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities or related securities referred to in this report and they may have used the information set forth herein before publication. Mirae Asset Sharekhan may from time to time solicit from, or perform investment banking or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall Mirae Asset Sharekhan, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Forward-looking statements (if any) are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These statements are not a guarantee of future performance, and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Sharekhan Ltd and its affiliates undertake no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader/investors are cautioned not to place undue reliance on forward-looking statements and use their independent judgment before taking any investment decision.

Investment in securities market are subject to market risks, read all the related documents carefully before investing. The securities quoted are for illustration only and are not recommendatory. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Mirae Asset Sharekhan has been ranked as India's No.1 Retail Broker by Asiamoney Brokers Poll 2023. For more details, visit [bit.ly/AsiamoneyPoll](http://bit.ly/AsiamoneyPoll)

Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on [www.sharekhan.com](http://www.sharekhan.com)

---

Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

Correspondence/Administrative Office Address - Gigaplex IT Park, Unit No 1001, 10th floor, Building No.9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai - 400708. Tel: 022 61169000 / 61150000.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

SEBI Regn. Nos.: BSE / NSE (CASH / F&O / CD) / MCX - Commodity: INZ000171337; BSE - 748, NSE - 10733, MCX - 56125, DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669 (date of initial registration: 03/07/2004, and valid till 02/07/2026); IRDAI Registered Corporate Agent (Composite) License No. CA0950, valid till June 13, 2027.

Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: [complianceofficer@sharekhan.com](mailto:complianceofficer@sharekhan.com)

For any complaints/ grievances, email us at [igc@sharekhan.com](mailto:igc@sharekhan.com), or you may even call the Customer Service desk on 022-41523200/ 022-61151111.