



————— 25th March, 2026 —————



India's Best Performing and Most Customer Centric PMS

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Indian Bank, established in 1907, is a mid-sized public sector bank offering a wide range of financial services including deposits, loans, and treasury operations across retail, corporate, and other banking segments. It is currently the seventh-largest public sector bank in India in terms of deposits and advances. As of Q3 FY26, the bank reported advances of around ₹ 6.39 lakh crore and deposits of about ₹7.91 lakh crore, supported by a strong domestic network of nearly 5,800 branches and 5,000 ATMs. Its business mix is diversified with retail, agriculture and MSME (RAM) contributing ~65% of advances and corporate ~35%. The bank has significantly strengthened its asset quality and capital position over the past few years, with Gross NPA improving to 2.23% and Net NPA to 0.15%, alongside a healthy capital adequacy ratio of 16.58%. Indian Bank is also advancing its digital banking capabilities, with about 94% of transactions conducted through digital channels and a growing base of mobile and internet banking users.

Latest Developments

Record Operating Profit: First-ever operating profit crossing ₹5,000 Cr in a single quarter (Q3 FY26: ₹5,024 Cr), with Net Profit of ₹3,061 Cr – likely the highest-ever reported.

Asset Quality Milestone: Gross NPA improved sharply to 2.23% (from 3.26% a year ago); Net NPA at 0.15%; PCR at 98.28%. Total SMA book fell from 11.88% to 5.05% of standard advances.

ECL Preparedness: SMA 1 provision increased from 5% to 10% (additional ₹380 Cr this quarter); bank intends to absorb full ECL impact within 1 year rather than spreading over 5 years.

Agentic AI Deployment: Launched agentic AI use cases across customer onboarding, lead nurturing, grievance redressal, and suspicious transaction tracking.

Capital Adequacy: CRAR at 16.58% (CET1: 14.54%), expected to cross 18% by March 2026, despite retirement of ₹2,000 Cr Tier 1 bond. Board approved QIP enabling clause of ₹5,000 Cr (optionality only).

Vision 2029: Target of ₹25 lakh Cr total business by December 2029 (from current ₹14.30 lakh Cr); IT spend ~₹2,000 Cr per annum to grow digital from 15% to 50% of total business.

Competitive Advantages

- Quant-driven RAM growth strategy with diversified retail (jewel loans, auto) and agri book
- Industry-leading PCR of 98.28% with structural improvement in asset quality metrics
- Capital-efficient growth: RWA density improved to 57.87% (from 61.95% a year ago)
- Digital-first transformation: 94% digital transactions, UPI +28% YoY, RBI-ULI ₹12,000+ Cr sanctioned
- Strong recovery engine: 9M FY26 recovery of ₹5,153 Cr; NCLT recovery ₹338 Cr in Q3 alone

Key Risks to Monitor

- Deposit mobilisation pressure: bulk deposit rates rising 20–30 bps; CASA mix under structural stress
- NIM compression: MCLR repricing + rate cut impact; guided 1–2 bps compression in Q4
- ECL transition: LGD 65% guideline + 100% PD on restructured assets could require large provisions
- SMA 2 elevated at ₹4,309 Cr (though ₹3,000 Cr is PSU accounts with state guarantee)
- Q4 seasonality: MOC-driven slippages typically higher in March quarter

Stock Data	
CMP (09-03-2026)	918
52 Week High/Low	1000/ 478
Face Value (in Rs.)	10.0
Market Cap (In Cr)	1,23,658 Cr
Enterprise Value (In Cr)	9,33,380 Cr
NSE	INDIANB
BSE	532814
Bloomberg	INBK:IN
Sector	PSU Banks

Shareholding Pattern (in %)		
(%)	Mar 24	Mar 25
Government	73.84%	73.84%
FII	5.29%	4.74%
DII	16.95%	17.78%
Public	3.93%	3.65%

Price Performance (In%)			
(%)	1M	6M	1Yr
Nifty 50	-7.52%	-2.97%	6.93%
Indian Bank	4.21%	33.61%	82.02%

Q3 FY26 Result Update

Q3 FY26 Result Comparison (In Rs Cr)					
Particulars	Q3 FY26	Q2 FY26	Q3 FY25	QoQ %	YoY %
Net Interest Income	6,896	6,551	6,415	+5.27%	+7.50%
Non-Interest Income	2,566	2,487	2,152	+3.18%	+19.24%
Operating Income	9,462	9,038	8,567	+4.69%	+10.45%
Operating Expenses	4,438	4,201	3,818	+5.64%	+16.24%
Operating Profit	5,024	4,837	4,749	+3.87%	+5.79%
Provisions (excl. tax)	858	739	1,059	+16.10%	18.98%
PBT	4,166	4,098	3,690	+1.66%	+12.90%
Net Profit	3,061	3,018	2,852	+1.42%	+7.33%

Result Highlights

1. NII & NIM – Sequential Acceleration: Net Interest Income grew 7.50% YoY and 5.27% QoQ to ₹6,896 Cr, supported by steady loan growth and improving yields on advances. Domestic NIM improved from 3.34% to 3.40% QoQ, aided by MCLR repricing (37% of the MCLR-linked book repriced) and a decline in deposit cost by 8 bps to 4.93%, reflecting better liability management. The bank continues to benefit from a favorable mix of higher-yielding retail and RAM loans. Management has guided for a 1–2 bps NIM compression in Q4, primarily due to the 25 bps policy rate cut impact and further MCLR repricing, though this is expected to be partly offset by 18% of deposits scheduled for repricing in Q4, which could help moderate funding costs.

2. Loan Growth & Mix – RAM-Led, Corporate Selective: Global advances grew 14.24% YoY to ₹6.39 lakh Cr, reflecting healthy credit demand across segments. Growth was primarily driven by the RAM segment, which expanded 16.65% YoY to ₹3.90 lakh Cr, accounting for 66.06% of domestic advances, indicating a strategic shift toward granular retail and SME lending. Retail advances grew 18.54%, led by strong traction in jewel loans (+89%) and auto loans (+44%), while Agriculture grew 15.14% and MSME 16.41%, reflecting broad-based growth across priority sectors. Corporate advances increased 8.16% YoY to ₹2.01 lakh Cr, as the bank maintained a selective approach toward large corporate lending.

3. Asset Quality – Structural Improvement Continues: Asset quality continued to improve structurally with Gross NPA declining to 2.23%, compared with 2.60% in Q2 and 3.26% a year ago, reflecting sustained recoveries and controlled slippages. Net NPA further improved to 0.15%, supported by high provisioning coverage and disciplined risk management. Fresh slippages stood at ₹997 Cr, translating to a slippage ratio of 0.69%, comfortably below management's guidance of below 1%. Recoveries remained strong at ₹1,453 Cr in Q3, taking 9M FY26 recoveries to ₹5,153 Cr, which is on track to meet the full-year guidance of ₹5,500–6,500 Cr.

4. Opex & Profitability – Record Operating Profit Crossed ₹5,000 Cr: Operating expenses increased 16.24% YoY to ₹4,438 Cr, largely driven by higher regulatory and employee-related costs. Key contributors included a rise in DICGC premium by ₹128 Cr, which also included ₹82 Cr relating to prior-year adjustments, and employee benefit expenses rising ₹102 Cr QoQ due to AS-15 actuarial valuation provisions. Despite these cost pressures, the bank demonstrated strong operating leverage with operating profit crossing ₹5,000 Cr for the first time, reaching ₹5,024 Cr. Net profit stood at ₹3,061 Cr, growing 7.33% YoY, supported by stable margins and improved asset quality.

5. Capital & Outlook – CRAR on Track to Cross 18% by March 2026: The bank maintained a strong capital position with CRAR at 16.58% and CET1 at 14.54%, even after the retirement of ₹2,000 Cr of Tier 1 bonds, reflecting healthy internal capital generation. Risk-weighted asset (RWA) density improved to 57.87% from 61.95% a year ago, driven by a higher share of retail and priority sector loans, which typically carry lower risk weights. Management expects CRAR to exceed 18% by March 2026, supported by retained earnings and continued balance sheet optimization.

Concall Highlights – Q3FY26

1. Record Operating Profit & Guidance Outperformance : Q3 FY26 marked the first time Indian Bank's operating profit crossed ₹5,000 Cr in a single quarter (₹5,024 Cr). Net profit of ₹3,061 Cr is the 10-quarter high. 9M FY26 net profit stands at ₹9,053 Cr (+13.69% YoY). ROA of 1.30% for Q3 and 1.32% for 9M significantly exceeds the bank's guidance of 1.20%. Management confirmed all FY26 guidance parameters will be surpassed.

2. NIM Trajectory & Deposit Strategy : Domestic NIM improved sequentially from 3.34% to 3.40%. Management guided 1–2 bps NIM compression in Q4: 37% of MCLR book repricing (including 19% one-year MCLR) and 2 months of 25 bps rate cut impact, partially offset by 18% deposit repricing due in Q4. Post-December, bulk deposit rates rose 20–30 bps (bulk = ~18% of deposits). Management is focused on granular CASA through salary accounts, fintech solutions for 22 state government departments, and 5 new products with 5 lakh accounts adding ₹1,500 Cr. CASA ratio: 39.08% (domestic).

3. Asset Quality – Structural Improvement : Gross NPA declined to 2.23% (guidance: below 2% by year-end – on track). Net NPA at 0.15%. Fresh slippages ₹997 Cr (slippage ratio 0.69% vs guidance of below 1%). 9M recovery ₹5,153 Cr vs ₹5,500–6,500 Cr guidance (on track). SMA book improved from 11.88% to 5.05% of standard advances. SMA 2 elevated at ₹4,309 Cr but ₹3,000 Cr is two PSU accounts with state government guarantee – management confirmed near-zero slippage risk. Q4 may see seasonal MOC-driven slippages but management expects the overall improvement trend to continue.

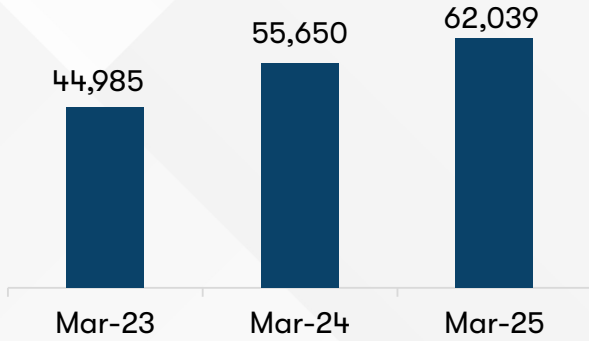
4. ECL Preparedness – Front-Loading the Impact : Bank is proactively building provisions ahead of ECL transition. SMA 1 provision increased from 5% to 10% this quarter (₹380 Cr additional). Management intends to absorb ECL impact within 1 year – not spread over 5 years – reflecting conservative philosophy. Key uncertainties: RBI's final stance on LGD (currently 65% in draft; banks have requested 60%) and treatment of restructured assets (currently 100% PD in draft). Management declined to give a specific ECL number pending final guidelines.

5. Loan Growth – RAM-Led, Corporate Selective : RAM grew 16.65% YoY; corporate grew 8.16%. Management targets 12–13% overall credit growth as sustainable (avoids NPA build-up from aggressive growth). Corporate pipeline of ₹50,000 Cr with demand from green finance (EV, solar, power – grew ~60% YoY), logistics/warehousing, and infrastructure. IBPC sales of ₹7,000 Cr in Q3 (₹140 Cr interest saved) suppressed reported growth. Gold loan yield ~8.70%; LTV 65–75%. US export exposure only 4–5% of total export book (limited tariff risk).

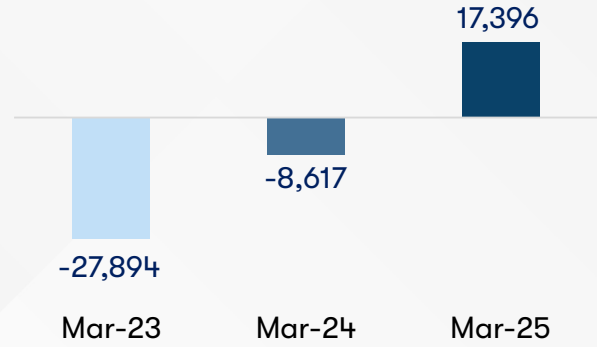
6. Digital Banking & AI – Transformation in Full Gear : Digital NME FY26 at ₹1,98,350 Cr (+66% YoY); full-year target ₹2,25,000 Cr will be surpassed. 94% of transactions digital; 147 digital journeys. Mobile banking users: 2.25 Cr; MSME app users: 25,000. UPI transactions +28% YoY. RBI-ULI: 1 lakh+ loans sanctioned (₹12,000+ Cr vs ₹9,000 Cr target). Agentic AI use cases deployed: customer onboarding, corporate ecosystem, lead nurturing, personal finance management, grievance redressal, suspicious transaction tracking. Virtual ATM network: 6 lakh+ merchant tie-ups. IT spend: ~₹2,000 Cr per annum.

7. Capital, Equity & Long-Term Vision : CRAR 16.58% (CET1: 14.54%), expected to cross 18% by March 2026. ₹2,000 Cr Tier 1 bond retired; no fresh Tier 1 raised. QIP enabling clause of ₹5,000 Cr retained for optionality – not needed currently. AUC recovery target of ₹2,000 Cr already achieved; NCLT recovery ₹338 Cr in Q3. Management reiterated RAM:Corporate mix to be maintained at 65:35. Long-term target: ₹25 lakh Cr total business by December 2029 (from current ₹14.30 lakh Cr). IT spend of ~₹2,000 Cr per annum to scale digital business from 15% to 50% of total.

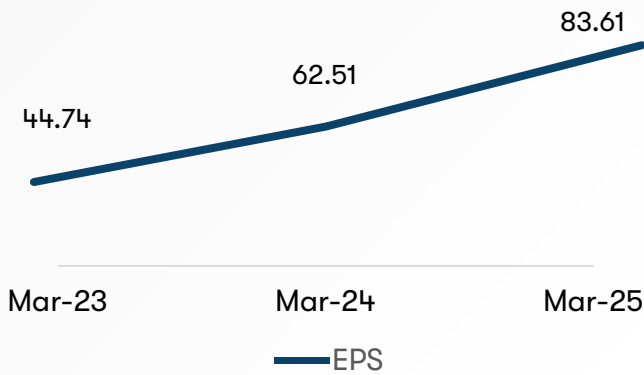
Revenue (In Crs)



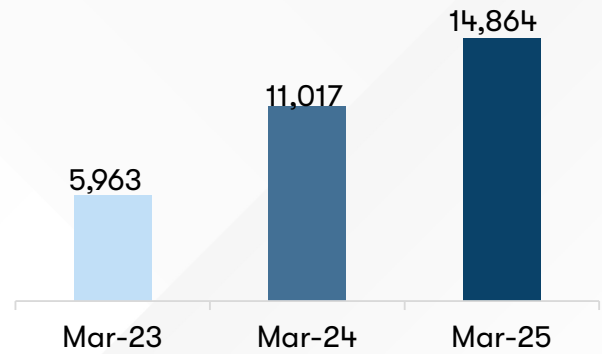
Operating Cash Flows (In Crs)



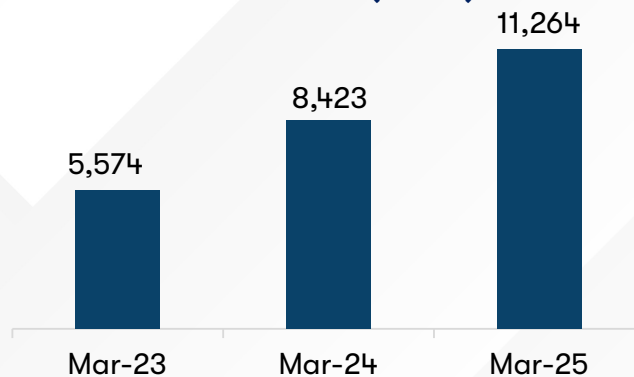
EPS



EBT (In Crs)



Profit After Tax (In Crs)



Technical Outlook



Indian Bank is currently trading near ₹938, having recently made a fresh all-time high of ₹795 (52-week), reflecting strong bullish momentum on the monthly timeframe. The monthly chart reveals that the stock has broken out decisively from a multi-year horizontal resistance zone around ₹500–₹540 — a level that capped the stock for an extended period. Post breakout, the stock has been trending within a rising ascending channel, supported by a well-defined rising trendline from the lows, with higher highs and higher lows reflecting sustained institutional accumulation. The price action has recently tested fresh highs near ₹938 and is currently consolidating near the upper boundary of the channel, where near-term support lies around ₹880–₹892. This consolidation phase appears healthy within the broader bullish structure and may help absorb supply before a potential continuation of the uptrend.

Momentum readings remain constructive. The Relative Strength Index (RSI) stands at 51.20 on the daily timeframe and 63.32 on the weekly timeframe, indicating that the stock has corrected from elevated levels and reset to a neutral-to-positive zone. The daily RSI reflects short-term consolidation without any overbought excess, while the weekly RSI maintains a positive bias above the 60 mark, suggesting that the medium-term trend remains firmly intact and the current consolidation is likely a base-building exercise before the next leg higher.

Moving averages strongly support the bullish view. The 5-day SMA at ₹930.18 and 10-day SMA at ₹953.22 define the immediate trading range, while the 20-day SMA at ₹938.68 marks the short-term trend support closely aligned with the current market price. The 50-day SMA at ₹892.28 and 100-day SMA at ₹861.78 provide intermediate support, whereas the 200-day SMA at ₹762.31 reinforces the long-term uptrend with a wide margin above current levels.

Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	907.41	907.41
10	933.44	933.44
20	938.65	938.65
50	894.9	894.9
100	864.02	864.02
200	765.23	765.23

Pivot Levels : FIBONACCI			Daily	Weekly	
R1: 919.64	Pivot: 394.97	S1: 894.96	Relative Strength Index (RSI)	41.50	56.36
R2: 927.26		S2: 887.34			
R3: 939.60		S3: 875.00			

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