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# Banks set sights on record QIP fundraising in FY26

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**BANKS ARE POISED** for highest-ever fundraising through qualified institutional placements (QIPs) in FY26. Within the first three months, banks have announced plans to raise a staggering ₹72,000 crore, surpassing the previous high of ₹48,000 crore in FY21. Of the 10 banks that announced raising equity capital, some of the notable ones include State Bank of India (₹25,000 crore), Axis Bank (₹20,000 crore), Union Bank (₹6,000 crore), Indian Bank and AU Small Finance Bank (₹5,000 crore each).

"The capital infusion is aimed at strengthening bank balance sheets, enabling them to increase their lending

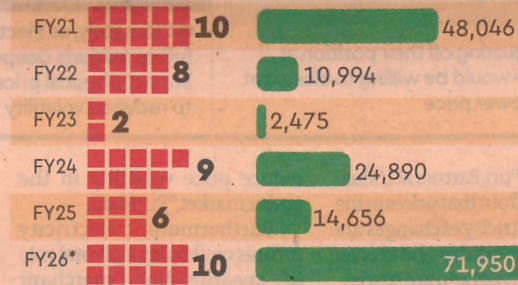
capacity and maintain a competitive edge," said the head of a private sector bank.

With improved capital buffers, banks will be well-positioned to support renewed optimism in the Indian economy, which is expected to drive credit growth by 13-13.5% in FY26, according to India Ratings. "When global trade is in a flux and protectionism is gaining traction across nations, India is poised to handle global and local turmoil with good balance sheets and the ability to kick-start economic cycles," a banker said.

"We expect credit to fuel consumption and show strong growth in the second half of the year," said Nimesh Chandan, CIO of Bajaj Finserv AMC. He expects the growth to be

## ISSUES SO FAR

QIP issues by banks ■ No. of issues ■ ₹ crore



\*announced; up to June 30

Source: primedatabase.com

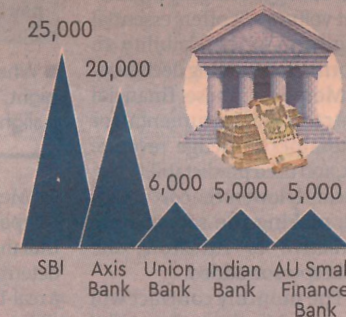
broad-based, with sectors such as real estate, consumer discretionary, manufacturing, MSME, and infrastructure benefiting from increased availability of credit at lower

interest rates.

"QIP is a bull market product. Rich valuation has seen companies, including banks, diluting stakes in the rising market," said Pranav Haldea,

managing director at Prime Database Group. He believes the fresh capital raised is for expansion and diversification. "It's a great time for banks to build a war chest, considering

## Top QIP issues announced by banks since April 2025 (₹ crore)



bank stocks are trading at an all-time high. Banks are raising capital for strengthening the balance sheet so that whenever there is demand, they are well-placed to take advantage of emerging opportunities and support India's economic growth."

On Tuesday, the Bank Nifty ended at an all-time high of 57,459.45.

Being well-capitalised also helps banks take care of contingencies, added Haldea. "While we haven't seen any trend of companies going belly-up, being well-capitalised also supports banks in times of stress." In FY25, the gross non-performing assets of the banking sector stood at a multi-decade low of 2.3%.

Meanwhile, the require-

ment to bring down state-run bank stakes to meet regulatory compliance has also seen a few PSU banks — Indian Overseas Bank, Bank of Maharashtra, UCO Bank, Punjab & Sind Bank, and Central Bank of India — raising equity capital to bring down government stakes in these banks. As per Sebi regulations, by August 2026, the government needs to bring down their stakes below 75% in PSU banks.

Banks raising capital reflects a positive outlook, with strong balance sheets and increased lending capacity; banks are poised to play a key role in India's economic story, with hopes that it kick-starts credit growth and doesn't just flood the already well-capitalised system.