PL Capital PRABHUDAS LILLADHER

Q1FY27 Result Update

City Union Bank (CUBK IN)

July 29, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	250		233	
NII (INR. mn)	34,114	40,011	33,390	38,927
% Chng.	*2.2*	*2.8*		
Op. Profit (INR mn)	23,993	28,018	23,229	27,624
% Chng.	*3.3*	*1.4*		
EPS (INR)	16.2	19.2	15.8	18.9
% Chng.	*3.2*	*1.7*		

Key Data CTBK.BO | CUBK IN

BSE Code	532210
NSE Code	CUB
52-W High / Low	INR 245 / INR 144
Face Value	1
Sensex / Nifty	77,655 / 24,250
Market Cap	INR 227 bn / $ 2,371 mn
Shares Outstanding	990.79 mn
3M Avg. Daily Value	INR 763.35 mn

Shareholding Pattern (%)

Promoters	-
Foreign	18.65
Mutual Funds	34.24
Domestic Institution	10.61
Public & Others	36.50
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	13.6	10.0	4.6	49.3
Relative	12.2	9.8	11.2	56.4

Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
NII (INR mn)	23,157	28,298	34,114	40,011
NIM (%)	*3.2*	*3.4*	*3.4*	*3.4*
Core PPOP (INR mn)	16,303	19,307	23,106	27,107
PAT (INR mn)	11,236	13,262	16,152	19,044
Core PAT (INR mn)	10,853	12,599	15,458	18,325
EPS (INR)	11.4	13.4	16.3	19.2
Gr. (%)	*(17.1)*	*17.7*	*21.8*	*17.9*
DPS (INR)	2.0	2.0	2.1	2.5
Yield (%)	*1.6*	*1.2*	*0.9*	*1.1*
RoAE (%)	*12.6*	*13.2*	*14.2*	*14.6*
Core RoAE (%)	*12.1*	*12.6*	*13.6*	*14.1*
RoAA (%)	*1.5*	*1.5*	*1.5*	*1.6*
Core RoAA (%)	*1.5*	*1.4*	*1.5*	*1.5*
P/BV (x)	1.3	1.6	1.9	1.6
P/ABV (x)	1.4	1.7	1.9	1.7
PE (x)	10.8	12.9	14.0	11.9
CAR (%)	*23.8*	*24.0*	*25.0*	*26.0*

Margin trajectory a key monitorable

Quick Pointers

- Core PPoP beat due to better NII and lower opex
- Guidance of growing 2-3% above the system maintained
- No material change in core PAT; see core RoA of 1.50%

CUB saw a decent quarter with core PPoP beating PLe by ~11% led by better NII and lower opex. Fee was a miss due to lower processing fees driven by softer loan offtake. Bank reiterated guidance of growing loans 2-3% above industry; we are factoring loan CAGR of 17.5% over FY26-28E. Portfolio mix is guided to be: gold at 31-32%, MSME at 55-60% and secured retail 10%. We raise NIM for FY27/28E by 5bps but trim fees by ~10%; net impact on core PAT is mildly positive. One-time ECL impact could be 60-65bps while sustainable effect on credit costs may be 4-5bps. We keep multiple at 1.7x but increase TP to INR 250 from INR 233 as we roll forward to Sep'28 ABV. Retain 'BUY'.

Decent quarter. Beat on core PPoP due to better NII/opex; fee was a miss: NII was a beat at INR 8.2bn (PLe INR 7.9bn) due to better NIM (calc.) at 3.83% (PLe 3.67%); reported NIM was down 9bps QoQ to 3.78%. Loan/deposit growth were in-line at 26.1%/20.7% YoY. CASA ratio was down 105bps QoQ to 26.6%. Other income was more at INR 2.4bn (PLe INR 2.3bn) due to treasury; fees/TWO recovery were lower. Opex at INR 4.8bn was 4.2% lower (PLe INR 5bn) mainly due to other opex. Core PPoP at INR 5.3bn was 11% above PLe; PPoP was INR 5.8bn. GNPA was better at 1.73% (PLe 1.81%) due to lower net slippage. Gross slippage was INR 1.95bn (PLe INR 2.05bn); recovery was better at INR 1.8bn (PLe INR 1.69bn). Provisions were INR 780mn. Core PAT was 8% above PLe at INR 3.42bn; PAT was INR 3.8bn.

Loan growth was higher but back-ended: MSME growth was guided to exceed system by 2-3%, despite a slight drop in utilization levels from 73% to 70%. EU agreement is likely to positively influence future business prospects, particularly in regions like Tirupur. ECLGS sanction was INR 8bn till date and total sanctions could reach INR 20-25bn. Gold portfolio is expected to remain at 31-32% of loans, MSME at 55-60% and secured retail ~10%. Gold loan avg. LTV is 62% with agri-gold LTV being 5-7% higher than non-agri. Bank reiterated guidance of growing advances 2-3% above industry, led by MSME, gold and secured retail.

NII surprises again; cost of funds to be watched: Management expects the cost of deposits to remain around 5.6-5.7%. NIM is guided at 3.65-3.70% over next few quarters, potentially impacted by a 5bps rise in deposit cost. NII has surprised positively over the last few quarters which was aided by gold loan yields that were up by 20-25bps over last year. We raise NIM by 5bps in FY27/28E to ~3.4%.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
NII (INR mn)	7,852	8,201	*4.0*	6,253	*31.0*
Margin (%)	*3.7*	*3.8*	*10 bps*	*3.5*	*30 bps*
Core PPoP (INR mn)	4,760	5,282	11.0	3,865	37.0
Core PAT (INR mn)	3,168	3,427	*8.0*	2,542	*35.0*

Source: Company, PL

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Q1FY27 Conference Call highlights

Balance sheet

- MSME growth is projected to exceed system growth by 2-3%, despite a slight drop in utilization levels from 73% to 70% and cautious pricing.
- European agreement signed in the textile space is expected to positively influence future business prospects, particularly in regions like Tirupur.
- Sanction under ECLGS was INR 8bn till date and total sanctions are expected at to reach INR 20-25bn.
- Gold portfolio is expected to remain at 31-32% of loans, MSME at 55-60% and secured retail ~10%.
- Gold loan avg. LTV is 62% with agri-gold LTV being 5-7% higher than non-agri.
- Bank reiterated guidance of growing advances 2-3% above industry, led by MSME, gold and secured retail.
- Under the RBI's FCNR(B), the bank mobilized INR 1.5bn of deposits.
- Management maintained FY27 ROA guidance at 1.55%+, targeting an exit ROA of 1.60-1.65% by FY27 end.

Profit & loss

- Retail loan yields remain at 9.6-9.7% and MSME yields at 9.3-9.4%, supporting management's confidence in sustaining long-term NIM at 3.65-3.70%.
- Gold loan yields are up by 20-25bps over last year; Bank has not changed interest rates despite competition.
- Cost of deposits declined sequentially due to repricing benefits. Management expects the cost of deposits to remain around 5.6-5.7%, with borrowing costs remaining broadly stable in near term.
- NIM is guided at 3.65-3.70% over next few quarters, potentially impacted by a 5bps rise in deposit cost.
- Bank invested around INR 7bn in mutual funds during the quarter, generating INR 120mn of income, which was booked under other income. Had this been classified as interest income, investment yields would have been 6.67% instead of the reported 6.42%
- Fee growth at 14% YoY was lower to loans (26%) owing to soft credit offtake leading to lesser processing fees. Bank sees fees to improve, aided by higher processing fees, suit recoveries and insurance income.
- Salary hikes effective from July are expected to increase costs, contributing to projected cost-to-income at 47-48% for FY27, with a long-term aspiration to reduce it below 45%.

Asset quality

- Recovery would continue to exceed slippages, with total slippage for FY27 expected to be ~INR 7-7.5bn, translating to credit cost of approximately 0.4% and slippages of 1.2% to 1.3%.
- SMA-2 continues to remain below 1% for the 3rd consecutive quarter, with management seeing no material stress from the West Asia conflict across its borrower base.
- Bank expects ECL provision requirement to be ~0.45% of loan book, with an estimated capital adequacy impact of only 60-65 bps, reflecting bank's secured loan portfolio and strong capital position. Sustainable ECL impact could be minimal at 4-5bps on credit costs.

Exhibit 1: Quarterly Estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27E	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
NII	8,201	31.2	8,283	24.3	8,601	14.3	9,029	14.9
Core PPoP	5,282	36.6	5,397	20.2	5,743	16.8	6,054	9.9
NIM (%)	3.8	34 bps	3.7	11 bps	3.7	-24 bps	3.6	-17 bps
Core PAT	3,427	34.8	3,576	14.8	3,850	22.1	4,116	22.1

Source: Company, PL

Exhibit 2: PAT beat due to higher NII and lower operating expenses

P&L Statement (Rs m)	Q1FY27	Q1FY26	YoY gr. (%)	Q1FY27E	% Var.	Q4FY26	QoQ gr. (%)
Interest Income	19,850	16,053	23.6	18,793	5.6	18,556	7.0
Interest Expended	11,649	9,800	18.9	10,941	6.5	10,698	8.9
Net interest income (NII)	**8,201**	**6,253**	**31.2**	**7,852**	**4.4**	**7,858**	**4.4**
Other income	2,436	2,439	(0.1)	2,266	7.5	2,905	(16.1)
-Fee income	1,402	1,226	14.4	1,700	(17.5)	1,737	(19.3)
-Other non interest income	1034	1,213	(14.7)	566.14	82.6	1,168	(11.4)
Total income	**10,637**	**8,692**	**22.4**	**10,118**	**5.1**	**10,763**	**(1.2)**
Operating expenses	4,832	4,182	15.5	5,042	(4.2)	4,967	(2.7)
-Staff expenses	2,347	2,006	17.0	2,381	(1.4)	2,346	0.1
-Other expenses	2,484	2,176	14.1	2,661	(6.6)	2,621	(5.2)
Operating profit	**5,806**	**4,509**	**28.8**	**5,076**	**14.4**	**5,796**	**0.2**
Core Operating Profit	**5,282**	**3,865**	**36.6**	**4,760**	**11.0**	**5,508**	**(4.1)**
Total provisions	780	700	11.4	750	4.0	1200	(35.0)
Profit before tax	**5,026**	**3,809**	**31.9**	**4,326**	**16.2**	**4,596**	**9.4**
Tax	1,200	750	60.0	909	32.1	1000	20.0
Profit after tax	**3,826**	**3,059**	**25.1**	**3,418**	**11.9**	**3,596**	**6.4**
Balance Sheet (Rs m)							
Deposits	7,93,423	6,57,344	20.7	7,91,282	0.3	7,83,080	1.3
Advances	6,68,809	5,30,378	26.1	6,68,633	0.0	6,58,752	1.5
Ratios (%)							
NIM	**3.8**	**3.5**	**34 bps**	**3.7**	**15 bps**	**3.7**	**10 bps**
RoaA	1.7	1.6	9 bps	1.5	18 bps	1.6	7 bps
RoaE	14.7	13.3	147 bps	13.2	148 bps	14.4	36 bps
Asset Quality							
Gross NPL (Rs m)	11,697	16,170	(27.7)	12,241	(4.4)	12,731	(8.1)
Net NPL (Rs m)	4,052	6,346	(36.1)	4,284	(5.4)	4,494	(9.8)
Gross NPL ratio	**1.7**	**3.0**	**-126 bps**	**1.8**	**-8 bps**	**2**	**-18 bps**
Net NPL ratio	**0.6**	**1.2**	**-59 bps**	**0.6**	**-3 bps**	**1**	**-8 bps**
Coverage ratio (Calc)	65.4	60.8	460 bps	65	36 bps	65	66 bps
Business & Other Ratios							
Low-cost deposit mix	26.6	27.3	-72 bps	27.6	-105 bps	27.6	-105 bps
Cost-income ratio	45.4	48.1	-270 bps	49.8	-441 bps	46.2	-73 bps
Non int. inc / total income	22.9	28.1	-516 bps	22.4	50 bps	27.0	-409 bps
Credit deposit ratio	84.3	80.7	361 bps	84.5	-21 bps	84.1	17 bps
Capital Adequacy Ratio	21.7	23.1	-137 bps	-	-	21.9	-19 bps
Tier-I	21.0	22.1	-112 bps	-	-	20.8	15 bps

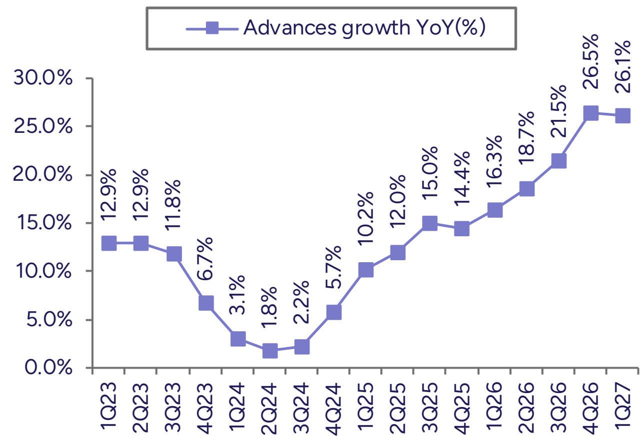
Source: Company, PL

Exhibit 3: Non Agri gold loans growth increased by 56.4% YoY/6.8% QoQ

Advances break-up (Rs mn)	Q1FY27	Q1FY26	YoY gr. (%)	Q4FY26	QoQ gr. (%)
Agriculture (including JL)	1,11,852	86,673	*29.1*	1,08,434	*3.2*
M S M E	2,49,731	2,16,653	*15.3*	2,50,042	*(0.1)*
Retail (excluding Non Agri JL)	64,725	51,265	*26.3*	65,184	*(0.7)*
Non Agri Gold Loans	1,14,707	73,338	*56.4*	1,07,413	*6.8*
Commercial Real Estate	50,080	35,813	*39.8*	49,408	*1.4*
N B F C	16,847	13,653	*23.4*	17,372	*(3.0)*
Loans to Business Enterprises	18,827	17,503	*7.6*	21,886	*(14.0)*
Large Industries / Services	19,990	15,529	*28.7*	15,512	*28.9*
All other Loans	29,695	29,776	*(0.3)*	31,737	*(6.4)*
Total Advances	**6,76,454**	**5,40,203**	***25.2***	**6,66,988**	***1.4***

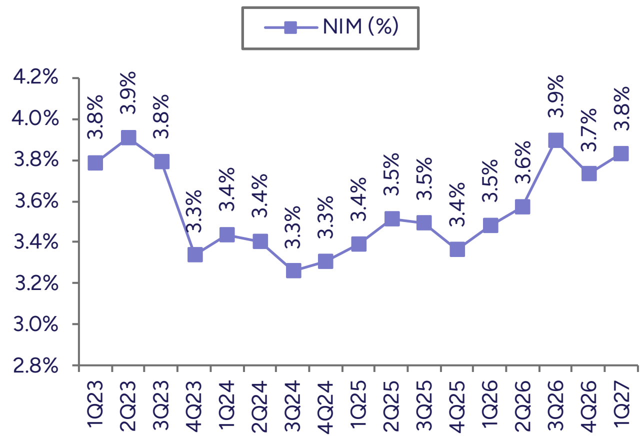
Source: Company, PL

Exhibit 4: Advances growth at 26.1% YoY



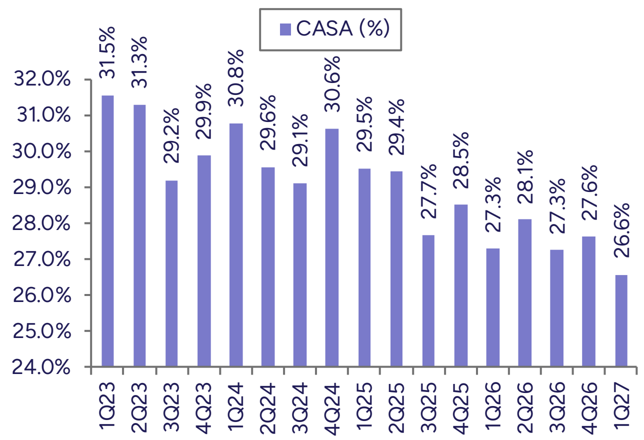
Source: Company, PL

Exhibit 5: NIM increased to 3.8%



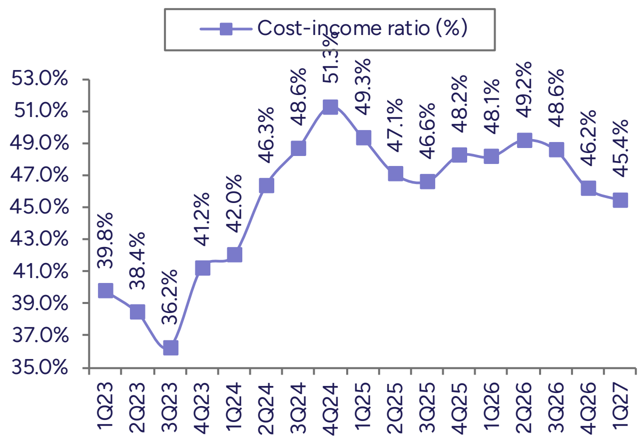
Source: Company, PL

Exhibit 6: CASA mix decreased to 26.6%



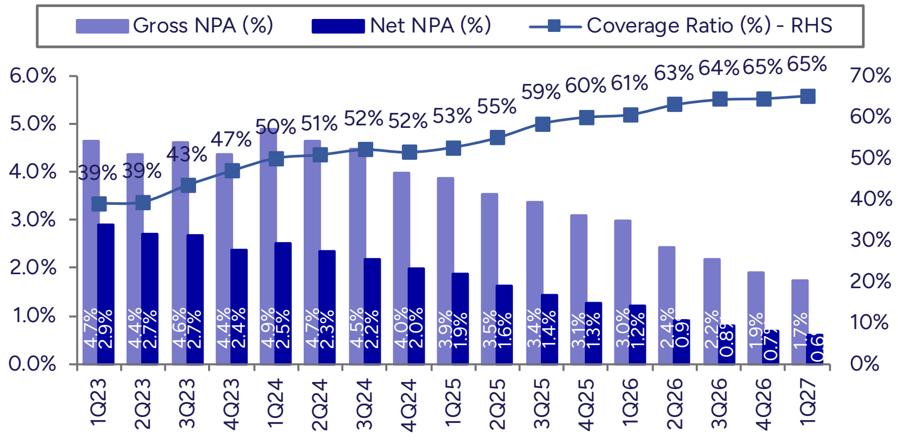
Source: Company, PL

Exhibit 7: C/I decreased to 45.4%



Source: Company, PL

Exhibit 8: GNPA fell QoQ to 1.7%, whiles PCR increased to 65.4%



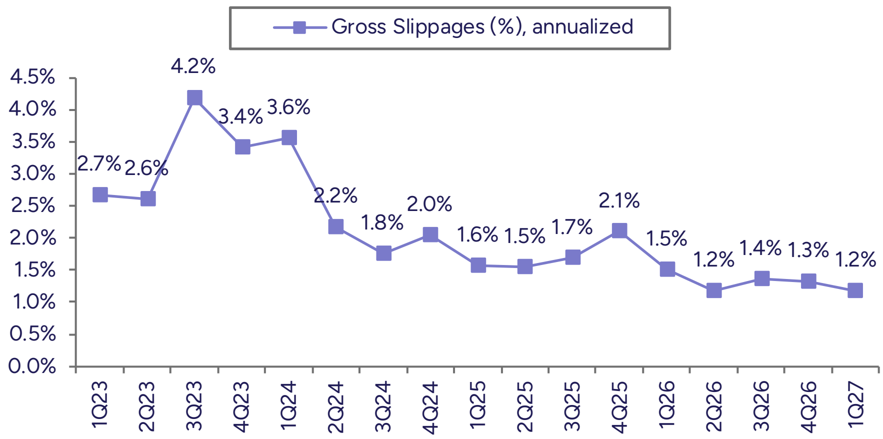
Source: Company, PL

Exhibit 9: Slippages increased sequentially to 1.32%

Movement of NPL	Q1FY27	Q1FY26	*YoY gr. (%)*	Q4FY26	*QoQ gr. (%)*
Opening	12,731	16,382	*(22.3)*	13,200	*(3.6)*
Additions	1,950	1,963	*(0.7)*	1,990	*(2.0)*
Reduction	2,984	2,175	*37.2*	2,459	*21.4*
Closing	11,697	16,170	*(27.7)*	12,731	*(8.1)*
Slippages (%)	**1.32**	**1.61**	***(28.6)***	**1.63**	***(30.8)***

Source: Company, PL

Exhibit 10: Gross slippages (annualized) decreased to 1.2%



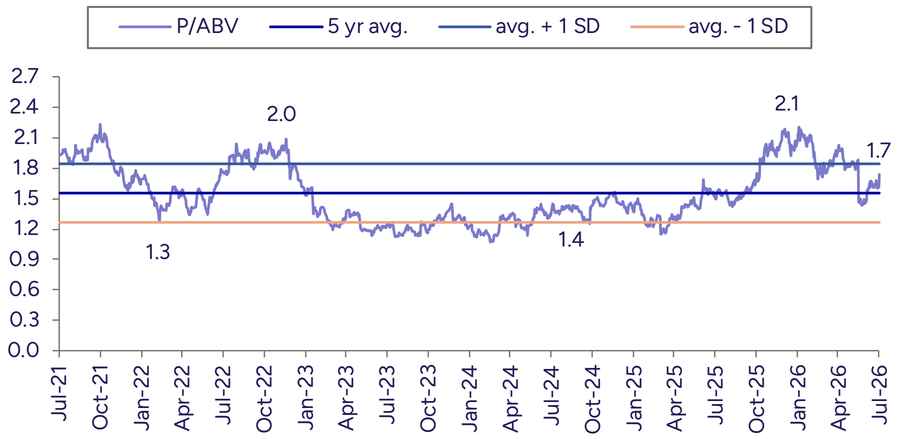
Source: Company, PL

Exhibit 11: Return ratios to range around 14-15%

Du-pont Analysis	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
NII/Assets	**3.6**	**3.3**	**3.4**	**3.1**	**3.1**	**3.2**	**3.2**	**3.3**
Other inc./Assets	1.3	1.3	1.3	1.1	1.2	1.2	1.0	1.0
Net revenues/Assets	**4.9**	**4.7**	**4.6**	**4.2**	**4.3**	**4.4**	**4.3**	**4.3**
Opex/Assets	2.0	1.9	1.8	2.0	2.1	2.1	2.0	2.0
Provisions/Assets	1.5	1.1	1.0	0.4	0.4	0.4	0.3	0.3
Taxes/Assets	0.2	0.4	0.4	0.3	0.4	0.4	0.4	0.4
ROA (%)	**1.2**	**1.3**	**1.5**	**1.5**	**1.5**	**1.5**	**1.5**	**1.6**
ROE (%)	**10.6**	**12.2**	**13.4**	**12.8**	**12.6**	**13.2**	**14.2**	**14.6**

Source: Company, PL

Exhibit 12: On one-year forward basis, CUBK trades at 1.7x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Income Statement (INR m)								
Interest earned	14,339	14,787	15,327	16,053	16,531	17,557	18,556	19,850
Interest expended	8,515	8,910	9,324	9,800	9,866	10,035	10,698	11,649
Net Interest Income	**5,825**	**5,877**	**6,003**	**6,253**	**6,665**	**7,522**	**7,858**	**8,201**
Other income	2,263	2,284	2,512	2,439	2,591	2,453	2,905	2,436
Fees	**1,046**	**1,114**	**1,491**	**1,226**	**1,346**	**1,538**	**1,737**	**1,402**
Total Income	8,088	8,161	8,515	8,692	9,257	9,975	10,763	10,637
Operating Expenses	**3,806**	**3,801**	**4,106**	**4,182**	**4,551**	**4,844**	**4,967**	**4,832**
Employees	1,835	1,785	1,965	2,006	2,244	2,302	2,346	2,347
Others	1,971	2,016	2,140	2,176	2,307	2,541	2,621	2,484
Operating profit	4,282	4,360	4,410	4,509	4,706	5,132	5,796	5,806
Core PPoP	**4,034**	**4,182**	**4,147**	**3,865**	**4,490**	**4,919**	**5,508**	**5,282**
Provisions	**700**	**750**	**780**	**700**	**570**	**960**	**1,200**	**780**
Profit before tax	3,582	3,610	3,630	3,809	4,136	4,172	4,596	5,026
Taxes	730	750	750	750	850	850	1,000	1,200
Net Profit	2,852	2,860	2,880	3,059	3,286	3,322	3,596	3,826
Core PAT	**2,654**	**2,719**	**2,672**	**2,542**	**3,114**	**3,152**	**3,371**	**3,427**
Balance Sheet (INR m)								
Share capital	741	741	741	741	741	742	743	991
Reserves & surplus	88,058	90,885	93,925	96,942	98,519	101,898	104,906	109,179
Deposits	573,691	582,713	635,260	657,344	694,860	705,159	783,080	793,423
Borrowings	25,466	33,268	21,694	17,460	21,827	45,158	53,268	51,703
Other liabilities	25,704	25,468	24,612	25,508	28,076	28,345	28,248	28,590
Total liabilities	**713,660**	**733,075**	**776,232**	**797,995**	**844,024**	**881,302**	**970,244**	**983,886**
Cash & bank	38,719	46,887	52,905	60,750	69,529	69,111	89,271	83,347
Investments	164,532	159,815	173,361	174,658	175,187	175,256	189,869	195,766
Advances	477,715	494,178	520,813	530,378	566,809	600,413	658,752	668,809
Fixed assets	2,925	2,967	3,223	3,751	3,880	4,168	4,685	4,755
Other assets	29,770	29,228	25,929	28,458	28,619	32,354	27,667	31,209
Total assets	**713,660**	**733,075**	**776,232**	**797,995**	**844,024**	**881,302**	**970,244**	**983,886**
Balance sheet ratios (%)								
Loan growth	12.0	15.0	14.4	16.3	18.7	21.5	26.5	26.1
Deposit growth	8.8	10.5	14.1	19.8	21.1	21.0	23.3	20.7
LDR	83.3	84.8	82.0	80.7	81.6	85.1	84.1	84.3
CASA	29.4	27.7	28.5	27.3	28.1	27.3	27.6	26.6
Capital Adequacy (%)								
CET-1	22.0	21.3	23.0	22.1	20.7	19.2	20.8	21.0
Tier-2	1.0	1.0	1.1	1.0	1.0	0.9	2.0	0.8
CRAR	23.0	22.3	23.8	24.0	21.7	20.1	21.9	21.7
Profitability ratios (%)								
Yield on assets	8.5	8.6	8.5	8.5	8.4	8.5	8.3	8.4
Cost of funds	5.8	5.8	5.6	6.2	6.0	5.8	5.4	6.1
NIM	3.3	3.3	3.2	3.2	3.2	3.5	3.4	3.4
Fees/Assets	0.6	0.6	0.8	0.7	0.7	0.8	0.8	0.6
Cost/Income	47.1	46.6	48.2	48.1	49.2	48.6	46.2	45.4
Opex/avg assets	0.5	0.5	0.5	0.5	0.6	0.6	0.5	0.5
RoA	1.6	1.6	1.5	1.6	1.6	1.6	1.5	1.7
Core RoA	1.5	1.5	1.4	1.4	1.6	1.6	1.5	1.5
RoE	12.9	12.9	12.6	13.1	13.2	13.3	13.2	14.7
Core RoE	12.7	12.6	12.0	11.0	13.2	13.0	13.5	13.2
EPS (INR)	30.8	30.1	30.3	33.0	35.5	34.7	35.7	30.9
BVPS (INR)	119.9	123.7	127.8	131.8	133.9	138.3	142.2	111.2
ABVPS (INR)	-	-	-	-	-	-	-	-
Asset quality ratios (%)								
GNPA	3.5	3.4	3.1	3.0	2.4	2.2	1.9	1.7
NNPA	1.6	1.4	1.3	2.0	0.9	0.8	0.7	0.6
Provision coverage	55.1	58.6	60.1	60.8	63.2	64.4	64.7	65.4
Provision costs	0.6	0.6	0.6	0.6	0.4	0.7	0.8	0.5
Slippage	1.6	1.8	2.3	1.6	1.3	1.6	1.6	1.3
NNPA/Equity	8.7	7.7	6.9	6.5	5.2	4.6	4.3	3.7

Source: Company, PL

Financials

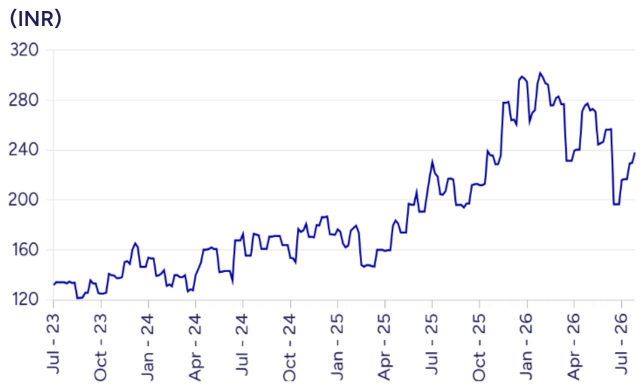
Y/e Mar	FY25	FY26	FY27E	FY28E
Income Statement (INR m)				
Interest earned	58,340	68,698	85,425	102,655
Interest expended	35,183	40,399	51,312	62,644
Net Interest Income	**23,157**	**28,298**	**34,114**	**40,011**
Other income	8,981	10,388	10,884	12,414
Fees	**4,658**	**5,847**	**6,360**	**7,202**
Net Total Income	32,138	38,687	44,998	52,425
Operating Expenses	**15,351**	**18,544**	**21,005**	**24,407**
Employees	7,330	8,898	10,033	11,670
Others	8,021.5	9,646.4	10,972.3	12,736.3
Operating profit	16,786	20,142	23,993	28,018
Core PPoP	**16,303**	**19,307**	**23,106**	**27,107**
Provisions	**2,620**	**3,430**	**3,364**	**3,912**
Profit before tax	14,166	16,712	20,629	24,106
Taxes	2,930.0	3,450.0	4,476.7	5,062.3
Net Profit	11,236	13,262	16,152	19,044
Core PAT	**10,853**	**12,599**	**15,458**	**18,325**
Growth Ratios (%)				
Loans	14.4	26.5	18.0	17.0
Deposits	14.1	23.3	16.8	17.0
NII	9.1	22.2	20.6	17.3
Fees	29.5	25.5	8.8	13.2
Opex	13.9	20.8	13.3	16.2
Core PPoP	11.3	18.4	19.7	17.3
Provisions	(8.4)	30.9	(1.9)	16.3
Core PAT	11.5	16.1	22.7	18.5
Profitability Ratios (%)				
Yield on IEA	8.2	8.2	8.4	8.7
Cost of funds	5.6	5.4	5.7	5.9
NIM	**3.2**	**3.4**	**3.4**	**3.4**
Cost/Income	47.8	47.9	46.7	46.6
Provision cost	**0.5**	**0.6**	**0.5**	**0.5**
Tax rate	20.7	20.6	21.7	21.0
Core RoA	**1.5**	**1.4**	**1.5**	**1.5**
Core RoE	**12.1**	**12.6**	**13.6**	**14.1**
Du-pont (%)				
Interest income	**7.9**	**7.9**	**8.1**	**8.4**
Interest expenses	**4.7**	**4.6**	**4.9**	**5.1**
NII	**3.1**	**3.2**	**3.2**	**3.3**
Other income	1.2	1.2	1.0	1.0
Fees/avg assets	**0.7**	**0.7**	**0.7**	**0.7**
Total income	**4.3**	**4.4**	**4.3**	**4.3**
Opex/avg assets	**2.1**	**2.1**	**2.0**	**2.0**
Staff cost	1.0	1.0	1.0	1.0
Other opex	1.1	1.1	1.0	1.0
PPOP	**2.3**	**2.3**	**2.3**	**2.3**
Core PPoP/avg assets	**2.2**	**2.2**	**2.2**	**2.2**
Provisions	0.4	0.4	0.3	0.3
PBT	**1.9**	**1.9**	**2.0**	**2.0**
Tax	0.4	0.4	0.4	0.4
RoA	**1.5**	**1.5**	**1.5**	**1.6**
RoE	**12.6**	**13.2**	**14.2**	**14.6**

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
Balance Sheet (INR m)				
Equity	94,666	105,649	121,382	138,940
Share capital	741	743	991	991
Deposits	635,260	783,080	914,763	1,070,230
Borrowings	21,694	53,268	61,877	67,154
Other Liabilities	24,612	28,248	31,241	35,162
Total liabilities	**776,232**	**970,244**	**1,129,262**	**1,311,486**
Cash with RBI	38,746	62,673	40,025	43,324
Balance with banks	14,160	26,597	48,424	52,416
Investments	173,361	189,869	224,117	262,206
Advances	520,813	658,752	777,548	909,695
Fixed assets	3,223	4,685	5,046	5,462
Other assets	25,929	27,667	34,103	38,383
Total assets	**776,232**	**970,244**	**1,129,262**	**1,311,486**
Balance sheet ratios (%)				
LDR	82.0	84.1	85.0	85.0
CASA	28.5	27.6	26.1	25.5
Inv/NDTL	25.4	22.0	22.2	22.4
Borr/NDTL	3.2	6.2	6.1	5.7
Assets/equity (x)	8.2	9.2	9.3	9.4
RWA/Loans	76.8	66.8	62.2	58.5
RWA/Total assets	51.5	45.3	42.9	40.6
Capital ratios (%)				
CRAR	23.8	24.0	25.0	26.0
CET-1	22.7	22.9	23.9	24.9
AT-1	-	-	-	-
Tier-2	1.1	1.1	1.2	1.1
Asset quality ratios (%)				
GNPA (INR mn)	16,382	12,731	11,499	12,424
NNPA (INR mn)	6,531	4,494	4,025	4,349
GNPA	3.1	1.9	1.5	1.4
NNPA	1.3	0.7	0.5	0.5
PCR	60.1	64.7	65.0	65.0
Slippage	1.8	1.4	2.0	2.0
NNPA / Equity	6.9	4.3	3.3	3.1
Per share (INR)				
EPS	11.4	13.4	16.3	19.2
DPS	2.0	2.0	2.1	2.5
BVPS	95.5	106.6	122.5	140.2
ABVPS	89.2	102.1	118.4	135.8
Valuation (x)				
Price (INR)	122.8	172.1	228.9	228.9
P/E	10.8	12.9	14.0	11.9
P/BV	1.3	1.6	1.9	1.6
P/ABV	1.4	1.7	1.9	1.7

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Jul-26	BUY	233	177
2	28-Apr-26	BUY	233	207
3	10-Apr-26	BUY	233	189
4	19-Feb-26	BUY	233	215
5	03-Feb-26	BUY	233	214
6	08-Jan-26	BUY	199	218
7	04-Nov-25	BUY	199	177
8	07-Oct-25	BUY	184	164
9	01-Aug-25	BUY	184	161
10	07-Jul-25	BUY	158	164

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Axis Bank	BUY	1550	1329
2	Bank of Baroda	Accumulate	280	246
3	Canara Bank	BUY	150	127
4	Canara Robeco Asset Management Company	HOLD	285	267
5	City Union Bank	BUY	233	177
6	DCB Bank	BUY	215	190
7	Federal Bank	Accumulate	345	349
8	HDFC Asset Management Company	BUY	3040	2729
9	HDFC Bank	BUY	1040	820
10	ICICI Bank	BUY	1850	1444
11	ICICI Prudential Asset Management Company	BUY	3550	3206
12	Indian Bank	BUY	1000	843
13	IndusInd Bank	Accumulate	1150	1069
14	Karur Vysya Bank	BUY	345	301
15	Kotak Mahindra Bank	BUY	480	390
16	Nippon Life India Asset Management	Buy	1225	1148
17	Prudent Corporate Advisory Services	Accumulate	3175	2851
18	State Bank of India	BUY	1200	1038
19	Union Bank of India	Accumulate	190	172
20	UTI Asset Management Company	Hold	975	904

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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