PL Capital PRABHUDAS LILLADHER

Q1FY27 Result Update

Federal Bank (FB IN)

July 18, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	345		300	
NII (INR. mn)	122,932	143,567	118,043	136,438
% Chng.	*4.1*	*5.2*		
Op. Profit (INR mn)	80,107	97,301	77,679	92,107
% Chng.	*3.1*	*5.6*		
EPS (INR)	19.5	22.1	19.3	20.8
% Chng.	*1.0*	*6.3*		

Key Data

Key Data	FED.BO | FB IN
BSE Code	500469
NSE Code	FEDERALBNK
52-W High / Low	INR 351 / INR 185
Face Value	2
Sensex / Nifty	78,151 / 24,334
Market Cap	INR 861 bn / $ 8,946 mn
Shares Outstanding	2467.93 mn
3M Avg. Daily Value	INR 3,616.37 mn

Shareholding Pattern (%)

Promoters	-
FIIs	26.05
Mutual Funds	38.11
Domestic Institutions	12.28
Public & Others	23.56
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	8.1	18.8	29.1	64.2
Relative	6.8	19.3	38.1	72.8

Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
NII (INR mn)	94,680	102,014	122,932	143,567
NIM (%)	*3.0*	*2.9*	*3.1*	*3.2*
Core PPOP (INR mn)	54,919	62,288	77,673	92,951
PAT (INR mn)	40,519	41,173	49,514	60,745
Core PAT (INR mn)	35,920	37,203	47,701	57,504
EPS (INR)	16.5	16.7	19.5	22.1
Gr. (%)	*8.0*	*1.3*	*16.8*	*13.5*
DPS (INR)	1.2	1.2	1.5	1.8
Yield (%)	*0.6*	*0.5*	*0.4*	*0.5*
RoAE (%)	*13.0*	*11.4*	*11.8*	*12.1*
Core RoAE (%)	*12.1*	*10.8*	*11.8*	*11.8*
RoAA (%)	*1.2*	*1.1*	*1.2*	*1.3*
Core RoAA (%)	*1.1*	*1.0*	*1.2*	*1.2*
P/BV (x)	1.4	1.5	2.0	1.7
P/ABV (x)	1.4	1.5	2.0	1.7
PE (x)	11.3	13.7	17.9	15.8
CAR (%)	*16.4*	*17.2*	*17.9*	*19.4*

Consistent improvement in earnings quality

Quick Pointers

- Core PPoP beat yet again due to better NII/NIM
- CASA momentum intact; avg. CASA up 190bps YoY to ~31%
- Earnings quality improving due to execution of strategy

FB saw a strong quarter yet again as core PPoP/PAT beat PLe by 9.9%/13.5% due to better NII/NIM. Bank is well on course in executing its stated strategy and this was the fourth quarter of a positive surprise. Reported NIM improved by 13/39bps QoQ/YoY to 3.33% led by (1) increase in mid-yielding segment by 200bps YoY to 45.5% (2) rise in avg. CASA by 190bps YoY (3) good QoQ growth in PL/CC (4) use of surplus liquidity. RoA is guided to improve by 3-4bps each quarter. We raise NIM for FY27/28E by 12bps each leading to core PAT upgrade of avg. 5.0%. As we roll forward to Sep'28 ABV and increase multiple to 1.6x from 1.5x, we raise TP to INR 345. Retain 'ACCUMULATE'.

Strong quarter; core PAT beat due to higher NII/NIM: NII was a 6.3% beat at INR 29.5bn (PLe INR 27.7bn) due to better loan growth and NIM (calc.) that was 3.31% (PLe 3.13%); reported NIM was up 13bps QoQ to 3.33%. Loan/deposit growth at 15%/11.4% YoY were higher (PLe 11.9%/10.9%). LDR was 86.7% (84.3% in Q4'26). Other income was a tad lower at INR 10.5bn (PLe INR 11.4bn); fee was largely in-line. Opex at INR 21bn was 0.9% below PLe; higher staff cost (driven by wage revisions) was offset by lower other opex. Core PPoP at INR 18.7bn was 9.9% above PLe; PPoP was INR 19bn. Asset quality improved; GNPA was lower at 1.52% (PLe 1.64%) due to lesser slippages. Provisions were INR 3.18bn (PLe INR 3.33bn). Core PAT was 13.4% above PLe at INR 11.6bn; PAT was INR 11.8bn.

Loan growth was mainly led by commercial/corporate: Credit growth was higher at 4.9% QoQ (PLe 2.0%) due to commercial (5.2%) & corporate (4.3%); retail growth was a bit muted at 2.8% due to housing. The bank continues on its path of re-calibration; there was healthy QoQ offtake in CC (9.8%) gold (8.2%), LAP (5.5%), while growth in housing was subdued (-1.1%). Share of mid-yielding segments has enhanced by 200bps YoY to 45.5% while average CASA is up 110/190bps QoQ/YoY. StanC's CC acquisition, which is expected to get completed by Dec'26, may strengthen the cards franchise. Credit growth guidance was intact at mid-teens plus, with a positive bias. We raise loan growth for FY27E by 200bps to 16%; we see deposit growth of 13% CAGR over FY26-28E.

NIM further improves QoQ; ECL impact of 1.5-2% of networth: Reported NIM improved by 13bps QoQ due to (1) fall in deposit cost by 12bps QoQ also led by higher CASA mix (2) healthy QoQ growth in high-yielding PL/CC segments and (3) utilization of excess liquidity. As per mgmt., NIM could improve by 5-6bps per quarter. One-time ECL impact is estimated at 1.5-2% of net-worth with no material impact on a sustainable basis.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
NII (INR mn)	27,710	29,459	*6.3*	23,368	*26.1*
Margin (%)	*3.13*	*3.31*	*18 bps*	*2.90*	*42 bps*
Core PPoP (INR mn)	17,064	18,753	*9.9*	14,293	*31.2*
Core PAT (INR mn)	10,227	11,603	*13.4*	7,664	*51.4*

Source: Company, PL

Gaurav Jani
gauravjani@plindia.com | +91-22-66322235

Adarsh Shetty
adarshshetty@plindia.com | +91-22-66322257

Tarang Nandwana
tarangnandwana@plindia.com | +91-22-66322222

Q1FY27 Concall Highlights

Balance sheet

- Advances grew by 4.9% QoQ (+15% YoY) to INR 2.8trn; Credit growth guidance intact at mid-teens plus, with focus on high-yielding chosen segments (Credit cards/ Auto/ gold loans)
- CASA growth of 18.3% YoY (-0.2% QoQ) was broad-based across retail, commercial, and corporate segments supported by better-quality accounts; Focus continues in improving the CASA mix through deepened customer relations.
- Corporate portfolio grew by 4.3% QoQ (+14% YoY) driven by short term opportunities in the market; 75-80% of incremental sourcing consist of mid-market customers which is expected to improve yield.
- Credit card grew strongly by ~10% QoQ (+36% YoY). Acquisition of StanC's card business would be completed by Dec'26 and is expected to strengthen the cards franchise.
- Gold loan growth remains robust at 8.2% QoQ (+33% YoY), with portfolio LTV maintained at a comfortable ~60%; Management believes current growth momentum can be sustained.
- FCNR deposit has witnessed encouraging initial customer traction; Management expects to gain a fair share of flows (~ 2.5%) through its Gift City IBU branch.
- Bank expects improvement in auto and small business loans as organizational and underwriting initiatives gain traction; MFI growth continues to remain calibrated with potential subject to operating conditions
- Average LCR stood at 117% during the quarter, within the bank's targeted operating range of 115-120%

Profit & loss

- NIM (reported) improved by 13bps QoQ to 3.3% driven by (1) increased CASA mix, (2) deposit repricing, (3) advances mix change towards high-yielding segments and (4) utilization of excess liquidity. Management expects 5-6bps improvement per quarter in NIM supported by focus on CASA as well as asset mix.
- CoF declined by ~21bps QoQ, of which 11bps was on account of maturity reinvestment deposits accepted in previous quarter while the balance 10bps reduction was organic in nature.
- Management indicated that most deposit repricing benefits have already flowed through, although a modest benefit remains for Q2FY27; average SA cost stands at 2.6%
- Staff cost increased by 19% QoQ to INR 9.2bn due to impact of annual wage revisions during the quarter.
- Fee income declined sequentially by 3.4% which is seasonal in nature; Growth in fee and NIM could drive ROA improvement of 3-4bps per quarter

Asset quality

- Slippages declined from INR 4.8bn in Q4FY26 to INR 4.1bn in Q1FY27. Bank highlighted no visible stress on account of middle east crisis; Higher composition of medium-size fleet operator helped maintaining asset quality under CV/CE segment.
- One time impact under ECL is expected at ~1.5-2% of networth, with no material impact on ongoing basis.
- FY27 credit cost guidance remains unchanged at ~50bps considering middle east crisis.

Exhibit 1: Quarterly Estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27E	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
NII	29,459	*26.1*	30,041	*20.4*	31,247	*17.8*	32,185	*18.5*
Core PPoP	18,753	*31.3*	19,383	*26.5*	19,247	*20.1*	19,804	*9.5*
NIM (%)	3.3	*41.6*	3.3	*24.0*	3.3	*16.5*	3.3	*17.6*
Core PAT	11,603	*51.4*	11,896	*36.5*	11,705	*23.6*	12,133	*6.9*

Source: Company, PL

Exhibit 2: Core PAT beat due to higher NII/NIM

P&L Statement (Rs m)	Q1FY27	Q1FY26	YoY gr. (%)	Q1FY27E	% Var.	Q4FY26	QoQ gr. (%)
Interest Income	72,383	66,866	*8.3*	70,263	*3.0*	69,431	*4.3*
Interest Expended	42,924	43,498	*(1.3)*	42,553	*0.9*	42,265	*1.6*
Net interest income (NII)	**29,459**	**23,368**	***26.1***	**27,710**	***6.3***	**27,166**	***8.4***
Other income	10,484	11,130	*(5.8)*	11,413	*(8.1)*	11,450	*(8.4)*
-Fee income	9,570	7,860	*21.8*	9,613	*(0.4)*	9,910	*(3.4)*
-Other non-interest income	914	3,270	*(72.1)*	1,800	*(49.2)*	1,540	*(40.6)*
Total income	**39,943**	**34,498**	***15.8***	**39,123**	***2.1***	**38,616**	***3.4***
Operating expenses	20,969	18,935	*10.7*	21,160	*(0.9)*	20,412	*2.7*
-Staff expenses	9,217	7,976	*15.6*	8,145	*13.2*	7,757	*18.8*
-Other expenses	11,753	10,959	*7.2*	13,015	*(9.7)*	12,655	*(7.1)*
Operating profit	**18,973**	**15,563**	***21.9***	**17,963**	***5.6***	**18,204**	***4.2***
Core Operating Profit	**18,753**	**14,283**	***31.3***	**17,063**	***9.9***	**18,085**	***3.7***
Total provisions	3,177	4,002	*(20.6)*	3,335	*(4.7)*	7,410	*(57.1)*
Profit before tax	**15,796**	**11,561**	***36.6***	**14,628**	***8.0***	**10,794**	***46.3***
Tax	4,027	2,944	*36.8*	3,730	*8.0*	2,763	*45.8*
Profit after tax	**11,769**	**8,618**	***36.6***	**10,898**	***8.0***	**8,031**	***46.5***
Balance Sheet (INR m)							
Deposits	32,01,180	28,74,360	*11.4*	31,86,378	*0.5*	31,39,094	*2.0*
Advances	27,74,980	24,12,040	*15.0*	26,98,863	*2.8*	26,45,944	*4.9*
Ratios (%)							
NIM – Calc.	3.3	2.9	*41.6*	3.1	*18.5*	3.1	*20.5*
RoaA – Calc.	1.3	1.0	*24.9*	1.2	*9.0*	1.4	*(10.7)*
RoaE – Calc.	12.6	10.6	*203.2*	11.5	*112.0*	14.0	*(132.5)*
Asset Quality							
Gross NPL (INB mn)	42,823	46,697	*(8.3)*	44,912	*(4.6)*	43,353	*(1.2)*
Net NPL (INR m)	5,061	11,576	*(56.3)*	5,838	*(13.3)*	5,293	*(4.4)*
Gross NPL ratio	1.52	1.91	*(38.8)*	1.6	*(11.8)*	1.62	*(9.3)*
Net NPL ratio	0.18	0.48	*(29.8)*	0.2	*(3.4)*	0.20	*(1.8)*
Coverage ratio (Calc)	88.2	75.2	*1,297.4*	87.0	*118.3*	87.8	*39.1*
Business & Other Ratios			*Change in bps*		*Change in bps*		*Change in bps*
Low-cost deposit mix	32.2	30.3	*187.7*			32.9	*(71.0)*
Cost-income ratio	52.5	54.9	*(238.9)*	54.1	*(158.7)*	52.9	*(35.9)*
Non int. inc / total income	26.2	32.3	*(601.5)*	29.2	*(292.4)*	29.6	*(340.3)*
Credit deposit ratio	86.7	83.9	*277.0*	84.7	*198.6*	84.3	*239.6*
CAR	17.0	16.0	*94.5*			17.3	*(28.0)*
Tier-I	15.9	14.7	*120.5*			15.9	*(4.0)*

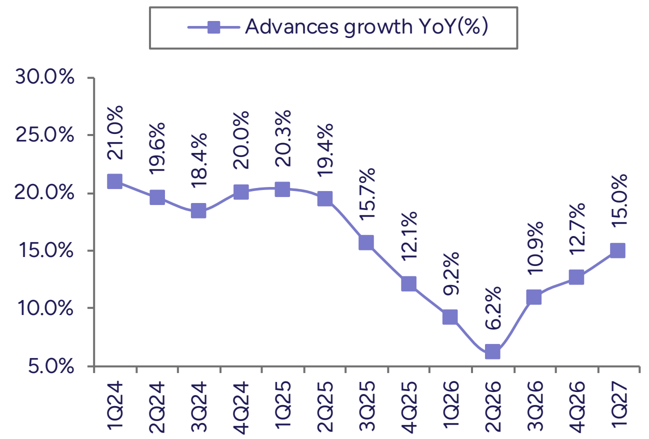
Source: Company, PL

Exhibit 3: Gross loan growth of 3.6% QoQ was mainly led by commercial/corporate

Advances break-up (Rs m)	Q1FY27	Q1FY26	YoY gr. (%)	Q4FY26	QoQ gr. (%)
Gross Advances	**27,84,650**	**24,56,740**	*13.3*	**26,87,980**	***3.6***
Corporate	9,97,630	8,73,770	*14.2*	9,56,580	*4.3*
Commercial	3,06,380	2,44,710	*25.2*	2,91,140	*5.2*
Retail	**14,80,640**	**13,38,260**	*10.6*	**14,40,260**	***2.8***
SBB	1,99,370	1,86,640	*6.8*	1,96,420	*1.5*
Housing	3,53,000	3,61,130	*(2.3)*	3,56,950	*(1.1)*
LAP	84,640	70,140	*20.7*	80,210	*5.5*
Auto	87,590	85,570	*2.4*	86,960	*0.7*
PL	37,450	35,210	*6.4*	35,910	*4.3*
CC	45,010	33,130	*35.9*	40,980	*9.8*
Gold	4,14,760	3,12,030	*32.9*	3,83,470	*8.2*
Others	2,58,830	2,54,410	*1.7*	2,59,360	*(0.2)*

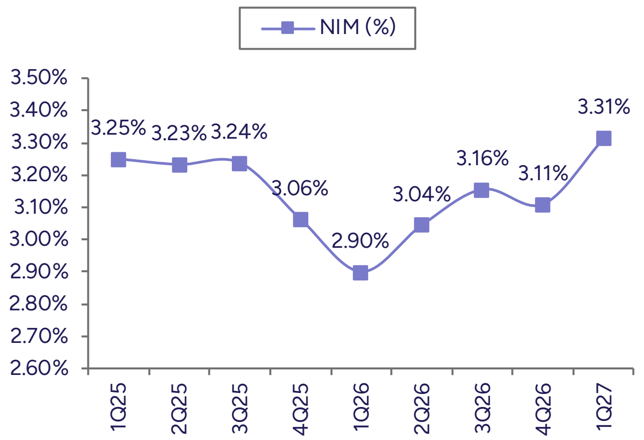
Source: Company, PL

Exhibit 4: Loan growth was higher at 15.0%YoY



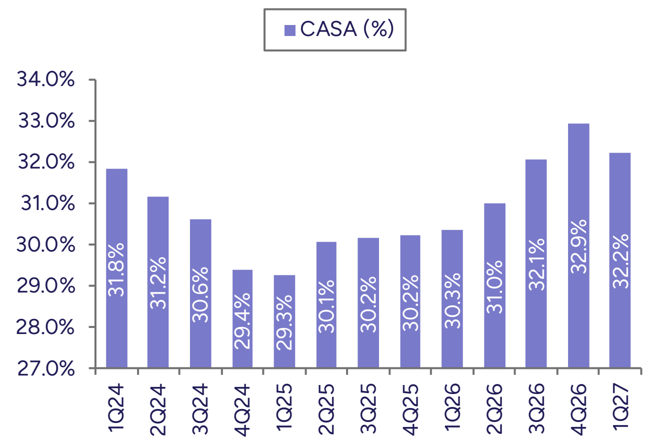
Source: Company, PL

Exhibit 5: NIM (cal.) increased from 3.11% to 3.31%



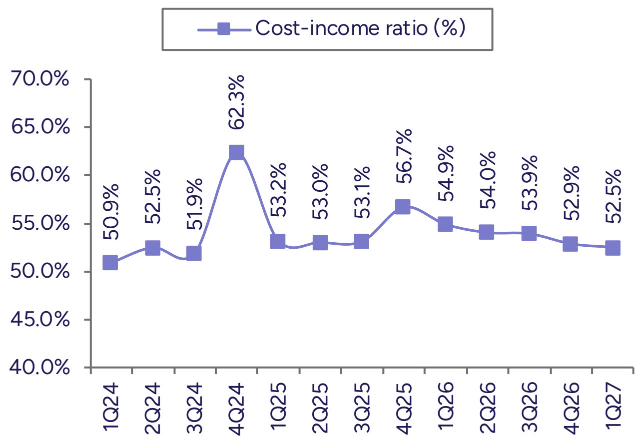
Source: Company, PL

Exhibit 6: CASA ratio decreased to 32.2%



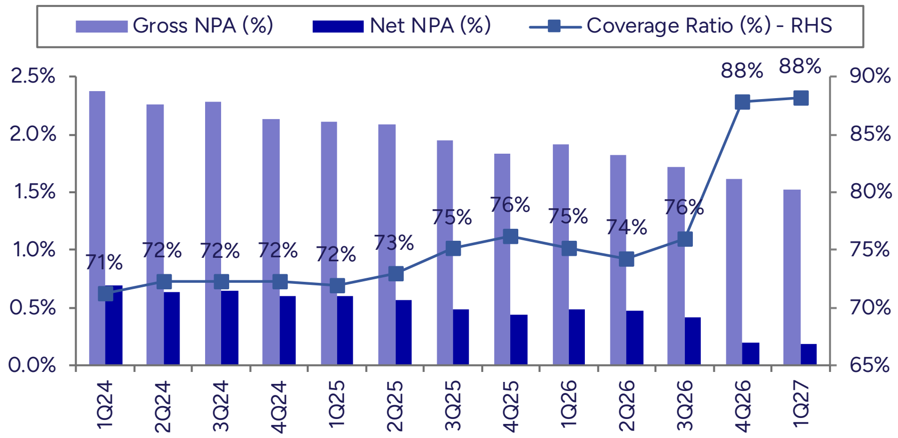
Source: Company, PL

Exhibit 7: C/I stable QoQ at 52.5%



Source: Company, PL

Exhibit 8: GNPA improved QoQ at 1.52% & NNPA at 0.18%; PCR stable at 88%



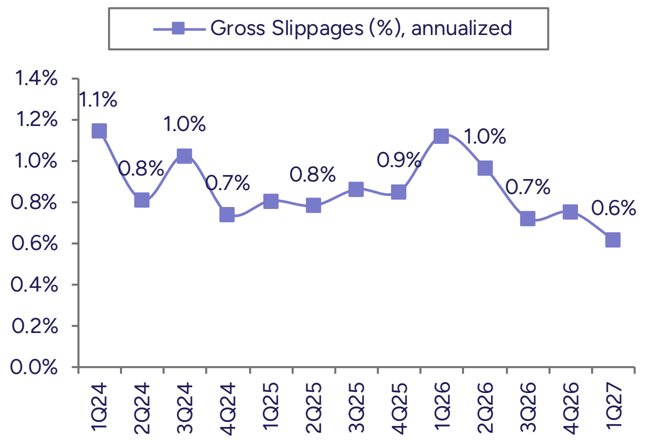
Source: Company, PL

Exhibit 9: Fresh slippages reduced QoQ

Movement of NPL	Q1FY27	Q1FY26	*YoY gr. (%)*	Q4FY26	*QoQ gr. (%)*
Opening	43,353	43,757	*(0.9)*	44,463	*(2.5)*
Additions	4,120	6,610	*(37.7)*	4,830	*(14.7)*
Reduction	4,650	3,670	*26.7*	5,940	*(21.7)*
Closing	**42,823**	**46,697**	***(8.3)***	**43,353**	***(1.2)***
Slippages (%)	**0.62**	**1.13**	***(50.3)***	**0.82**	***(20.0)***
Segmental fresh slippages:					
Retail	1,960	2,730	*(28.2)*	2,210	*(11.3)*
Agri	1,220	2,700	*(54.8)*	1,380	*(11.6)*
SME	750	1,150	*(34.8)*	1,150	*(34.8)*
Corporate	160	30	*433.3*	-	-
Retail (% annualized)	**0.90**	**1.13**	***(22.1)***	**0.95**	***(4.1)***
SME (% annualized)	**0.56**	**0.76**	***(19.2)***	**0.75**	***(18.7)***

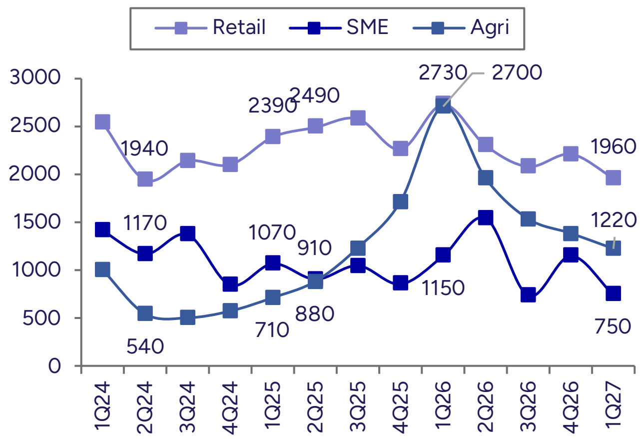
Source: Company, PL

Exhibit 10: Slippages decreased QoQ to 0.6%



Source: Company, PL

Exhibit 11: Slippages decreased QoQ across retail/SME/agri



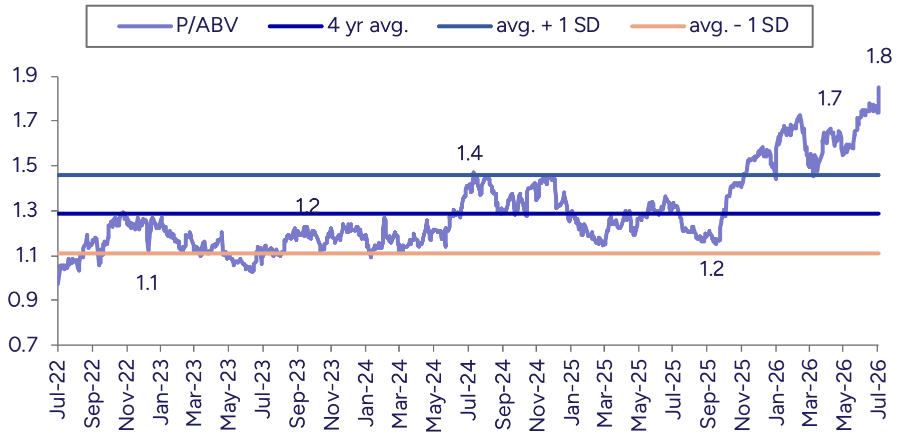
Source: Company, PL

Exhibit 12: Return ratios to be around 11.5-12% in FY26-28E

DuPont Analysis	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
NII/Assets	**2.9**	**2.8**	**3.0**	**2.9**	**2.9**	**2.8**	**3.0**	**3.1**
Other inc./Assets	1.0	1.0	1.0	1.1	1.2	1.2	1.1	1.2
Net revenues/Assets	**3.9**	**3.8**	**4.0**	**4.0**	**4.0**	**4.0**	**4.1**	**4.3**
Opex/Assets	1.9	2.0	2.0	2.2	2.2	2.1	2.2	2.2
Provisions/Assets	0.9	0.6	0.3	0.1	0.2	0.5	0.3	0.3
Taxes/Assets	0.3	0.3	0.4	0.4	0.4	0.3	0.4	0.4
ROA (%)	**0.8**	**0.9**	**1.3**	**1.3**	**1.2**	**1.1**	**1.2**	**1.3**
ROE (%)	**10.4**	**10.8**	**14.9**	**14.7**	**13.0**	**11.4**	**11.8**	**12.1**

Source: Company, PL

Exhibit 13: One-year forward P/ABV trades at 1.8x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Income Statement (INR m)								
Interest earned	65,773	68,087	66,484	66,866	67,422	68,675	69,431	72,383
Interest expended	42,101	43,774	42,709	43,498	42,469	42,148	42,265	42,924
Net Interest Income	**23,672**	**24,313**	**23,774**	**23,368**	**24,952**	**26,527**	**27,166**	**29,459**
Other income	9,640	9,162	10,060	11,130	10,822	11,003	11,450	10,484
Fees	**7,840**	**7,560**	**8,000**	**7,860**	**8,860**	**8,960**	**9,910**	**9,570**
Total Income	33,312	33,475	33,834	34,498	35,774	37,530	38,616	39,943
Operating Expenses	**17,658**	**17,781**	**19,180**	**18,935**	**19,332**	**20,237**	**20,412**	**20,969**
Employees	7,777	7,832	7,838	7,976	8,034	8,487	7,757	9,217
Others	9,882	9,949	11,342	10,959	11,298	11,750	12,655	11,753
Operating profit	15,654	15,695	14,654	15,563	16,442	17,293	22,764	18,973
Core PPoP	**14,814**	**14,695**	**14,194**	**14,293**	**15,312**	**16,033**	**18,085**	**18,753**
Provisions	**1,584**	**2,923**	**1,381**	**4,002**	**3,631**	**3,324**	**7,410**	**3,177**
Profit before tax	14,070	12,771	13,273	11,561	12,811	13,970	15,354	15,796
Taxes	3,503	3,217	2,971	2,944	3,258	3,557	2,763	4,027
Net Profit	10,567	9,554	10,302	8,618	9,553	10,412	12,591	11,769
Core PAT	**9,936**	**8,805**	**9,938**	**7,664**	**8,716**	**9,471**	**11,352**	**11,603**
Balance Sheet (INR m)								
Share capital	4,905	4,910	4,912	4,910	4,919	4,920	4,929	4,940
Reserves & surplus	309,661	318,430	329,295	339,280	345,635	355,910	382,122	395,720
Deposits	2,691,066	2,663,750	2,836,475	2,874,360	2,889,196	2,977,960	3,139,094	3,201,180
Borrowings	237,486	286,900	237,263	197,760	179,675	163,310	211,591	181,660
Other liabilities	112,313	125,050	82,104	116,660	141,377	164,810	137,479	150,260
Total liabilities	**3,355,430**	**3,399,040**	**3,490,048**	**3,532,970**	**3,560,802**	**3,666,910**	**3,875,215**	**3,933,760**
Cash & bank	228,669	261,720	308,592	256,560	228,620	221,050	257,276	180,340
Investments	646,619	664,410	662,456	685,010	703,469	718,890	766,762	801,030
Advances	2,303,122	2,303,700	2,348,364	2,412,040	2,446,571	2,555,690	2,645,944	2,774,980
Fixed assets	10,951	14,630	14,783	14,630	14,532	14,680	14,725	14,650
Other assets	166,069	154,590	155,853	164,740	167,610	156,600	190,508	162,760
Total assets	**3,355,430**	**3,399,050**	**3,490,048**	**3,532,980**	**3,560,802**	**3,666,910**	**3,875,215**	**3,933,760**
Balance sheet ratios (%)								
Loan growth	4.3	-	1.9	2.7	1.4	4.5	3.5	4.9
Deposit growth	1.1	(1.0)	6.5	1.3	0.5	3.1	5.4	2.0
LDR	85.6	86.5	82.8	83.9	84.7	85.8	84.3	86.7
CASA	30.1	30.2	30.2	30.3	31.0	32.1	32.9	32.2
Capital Adequacy (%)								
CET-1	13.8	13.8	15.0	14.7	14.4	13.9	15.9	15.9
Tier-2	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.1
CRAR	15.2	15.2	16.4	16.0	15.7	15.2	17.3	17.0
Profitability ratios (%)								
Yield on assets	8.4	8.5	8.1	8.0	8.0	8.0	7.8	7.8
Cost of funds	6.2	6.3	5.9	5.8	5.7	5.5	5.3	5.3
NIM	2.9	2.9	2.8	2.7	2.8	2.9	2.9	3.0
Fees/Assets	1.0	1.0	1.0	0.9	1.0	1.0	1.1	1.0
Cost/Income	53.0	53.1	56.7	54.9	54.0	53.9	52.9	52.5
Opex/avg assets	0.5	0.5	0.6	0.5	0.5	0.6	0.5	0.5
RoA	1.4	1.2	1.3	1.0	1.1	1.2	1.4	1.3
Core RoA	1.2	1.0	1.1	0.9	1.0	1.0	1.2	1.2
RoE	14.7	12.6	13.2	10.6	11.5	12.2	14.0	12.6
Core RoE	12.6	10.9	11.9	8.9	9.9	10.5	11.7	11.6
EPS (INR)	4.3	3.9	4.2	3.5	3.9	4.2	5.1	4.8
BVPS (INR)	128.3	131.7	136.1	140.2	142.5	146.7	157.1	162.2
ABVPS (INR)	1.3	1.2	1.2	0.9	0.9	1.0	1.1	1.2
Asset quality ratios (%)								
GNPA	2.1	2.0	1.8	1.9	1.8	1.7	1.6	1.5
NNPA	0.6	0.5	0.4	0.5	0.5	0.4	0.2	0.2
Provision coverage	72.9	75.2	76.2	75.2	74.3	76.0	87.8	88.2
Provision costs	0.3	0.5	0.2	0.7	0.6	0.5	1.2	0.5
Slippage	0.8	1.0	0.9	1.1	1.0	0.8	0.8	0.6
NNPA/Equity	4.2	3.5	3.1	3.4	3.3	3.0	1.4	1.3

Source: Company, PL

Financials

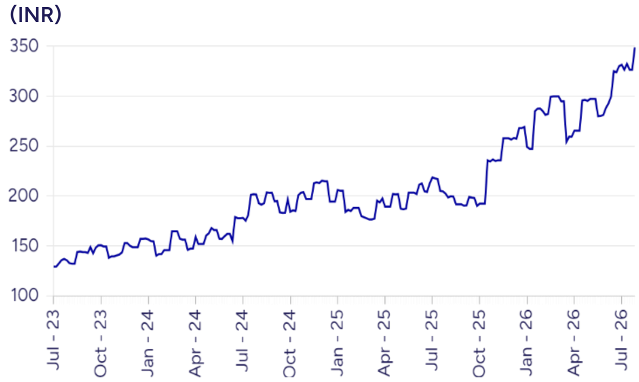
Y/e Mar	FY25	FY26	FY27E	FY28E
Income Statement (INR m)				
Interest earned	263,653	272,394	301,305	346,127
Interest expended	168,973	170,380	178,373	202,560
Net Interest Income	**94,680**	**102,014**	**122,932**	**143,567**
Other income	38,012	44,404	46,342	54,454
Fees	**27,978**	**33,230**	**38,188**	**44,059**
Net Total Income	132,692	146,418	169,274	198,021
Operating Expenses	**71,681**	**78,916**	**89,167**	**100,720**
Employees	30,883	32,254	36,820	40,810
Others	40,798.3	46,662.0	52,347.1	59,909.8
Operating profit	61,011	67,502	80,107	97,301
Core PPoP	**54,919**	**62,288**	**77,673**	**92,951**
Provisions	**7,331**	**18,367**	**13,646**	**15,764**
Profit before tax	53,681	53,695	66,461	81,537
Taxes	13,162.0	12,523.0	16,946.4	20,791.9
Net Profit	40,519	41,173	49,514	60,745
Core PAT	**35,920**	**37,203**	**47,701**	**57,504**
Growth Ratios (%)				
Loans	12.1	12.7	16.0	14.0
Deposits	12.3	10.7	13.3	13.2
NII	14.2	7.7	20.5	16.8
Fees	24.9	18.8	14.9	15.4
Opex	11.8	10.1	13.0	13.0
Core PPoP	22.6	13.4	24.7	19.7
Provisions	273.8	150.5	(25.7)	15.5
Core PAT	6.9	3.6	28.2	20.6
Profitability Ratios (%)				
Yield on IEA	8.5	7.8	7.7	7.8
Cost of funds	5.8	5.3	5.0	5.1
NIM	**3.0**	**2.9**	**3.1**	**3.2**
Cost/Income	54.0	53.9	52.7	50.9
Provision cost	**0.3**	**0.7**	**0.5**	**0.5**
Tax rate	24.5	23.3	25.5	26.0
Core RoA	**1.1**	**1.0**	**1.2**	**1.2**
Core RoE	**12.1**	**10.8**	**11.8**	**11.8**
Du-pont (%)				
Interest income	**8.0**	**7.4**	**7.3**	**7.4**
Interest expenses	**5.1**	**4.6**	**4.3**	**4.3**
NII	**2.9**	**2.8**	**3.0**	**3.1**
Other income	1.2	1.2	1.1	1.2
Fees/avg assets	**0.9**	**1.0**	**1.0**	**1.0**
Total income	**4.0**	**4.0**	**4.1**	**4.3**
Opex/avg assets	**2.2**	**2.1**	**2.2**	**2.2**
Staff cost	0.9	0.9	0.9	0.9
Other opex	1.2	1.3	1.3	1.3
PPOP	**1.9**	**1.8**	**1.9**	**2.1**
Core PPoP/avg assets	**1.7**	**1.9**	**2.0**	**2.0**
Provisions	0.2	0.5	0.3	0.3
PBT	**1.6**	**1.3**	**1.6**	**1.8**
Tax	0.4	0.3	0.4	0.4
RoA	**1.2**	**1.0**	**1.2**	**1.3**
RoE	**13.0**	**11.4**	**11.8**	**12.1**

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
Balance Sheet (INR m)				
Equity	334,206	387,051	451,111	553,471
Share capital	4,912	4,929	5,076	5,486
Deposits	2,836,475	3,139,094	3,556,480	4,024,744
Borrowings	237,263	211,591	184,334	179,355
Other Liabilities	82,104	137,479	169,022	197,732
Total liabilities	**3,490,048**	**3,875,215**	**4,360,948**	**4,955,302**
Cash with RBI	203,544	155,662	146,749	165,167
Balance with banks	105,048	101,614	98,455	110,812
Investments	662,456	766,762	853,555	965,939
Advances	2,348,364	2,645,944	3,069,243	3,497,503
Fixed assets	14,783	14,725	15,094	15,707
Other assets	155,853	190,508	177,852	200,174
Total assets	**3,490,048**	**3,875,215**	**4,360,948**	**4,955,302**
Balance sheet ratios (%)				
LDR	82.8	84.3	86.3	86.9
CASA	30.5	32.9	32.3	32.8
Inv/NDTL	21.0	22.0	21.8	21.9
Borr/NDTL	7.5	6.1	4.7	4.1
Assets/equity (x)	10.4	10.0	9.7	9.0
RWA/Loans	89.5	87.4	84.3	82.9
RWA/Total assets	60.2	59.6	59.4	58.5
Capital ratios (%)				
CRAR	16.4	17.2	17.9	19.4
CET-1	15.0	15.9	16.6	18.1
AT-1	-	-	-	-
Tier-2	1.4	1.3	1.3	1.3
Asset quality ratios (%)				
GNPA (INR mn)	43,755	43,355	43,608	47,032
NNPA (INR mn)	10,404	5,293	5,451	5,879
GNPA	1.8	1.6	1.4	1.3
NNPA	0.4	0.2	0.2	0.2
PCR	76.2	87.8	87.5	87.5
Slippage	0.9	0.9	0.8	1.0
NNPA / Equity	3.1	1.4	1.2	1.1
Per share (INR)				
EPS	16.5	16.7	19.5	22.1
DPS	1.2	1.2	1.5	1.8
BVPS	136.1	157.0	177.7	201.8
ABVPS	131.9	154.9	175.6	199.6
Valuation (x)				
Price (INR)	186.2	229.4	349.0	349.0
P/E	11.3	13.7	17.9	15.8
P/BV	1.4	1.5	2.0	1.7
P/ABV	1.4	1.5	2.0	1.7

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Jul-26	Accumulate	300	332
2	30-Apr-26	Accumulate	300	285
3	10-Apr-26	BUY	275	283.3
4	19-Feb-26	BUY	275	291
5	17-Jan-26	BUY	275	270
6	08-Jan-26	BUY	250	259
7	24-Oct-25	BUY	250	227
8	19-Oct-25	BUY	235	213
9	07-Oct-25	BUY	220	199
10	02-Aug-25	BUY	220	196

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Axis Bank	BUY	1600	1341
2	Bank of Baroda	Accumulate	290	248
3	Canara Bank	Accumulate	150	125
4	Canara Robeco Asset Management Company	HOLD	280	252
5	City Union Bank	BUY	310	228
6	DCB Bank	BUY	155	185
7	Federal Bank	Accumulate	300	332
8	HDFC Asset Management Company	BUY	3020	2773
9	HDFC Bank	BUY	1100	829
10	ICICI Bank	BUY	1825	1415
11	ICICI Prudential Asset Management Company	BUY	3550	3206
12	Indian Bank	BUY	1000	843
13	IndusInd Bank	Accumulate	960	1022
14	Karur Vysya Bank	BUY	345	314
15	Kotak Mahindra Bank	BUY	480	382
16	Nippon Life India Asset Management	BUY	1050	1208
17	Prudent Corporate Advisory Services	Accumulate	2875	3021
18	State Bank of India	BUY	1200	1038
19	Union Bank of India	Accumulate	200	161
20	UTI Asset Management Company	HOLD	975	992

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

ANALYST CERTIFICATION

Indian Clients

We/I Mr. Gaurav Jani CA, Passed CFA Level II, Mr. Adarsh Shetty CA, Mr. Tarang Nandwana CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

US Clients

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

Prabhudas Lilladher Pvt. Ltd.

Corporate Office: 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

Registered Office: 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com

AMNISH AGGARWAL

Digitally signed by AMNISH AGGARWAL
DN: c=IN, o=Personal, title=1443, 2.5.4.20=21151ea12dd366d1ac370cb423 43ee44b6e851c37bdbac5f86aa4ff3e6948 487, postalCode=400015, st=Maharashtra, serialNumber=7a6f13691881d5a8af63538 65a61b48b7040e72f4a1bf53182e368b3ca 14a5e4, cn=AMNISH AGGARWAL
Date: 2026.07.18 12:00:42 +05'30'

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipients particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report.

PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report.

PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Gaurav Jani CA, Passed CFA Level II, Mr. Adarsh Shetty CA, Mr. Tarang Nandwana CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts 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.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

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

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.