

# IndusInd Bank (IIB IN)

**Q4FY26 Result Update**

April 25, 2026

Estimate Change |  Target |  Reco.

## Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	960		960	
NII (INR. mn)	186,120	208,073	198,715	227,785
% Chng.	(6.3)	(8.7)		
Op. Profit (INR mn)	96,483	120,304	100,714	124,612
% Chng.	(4.2)	(3.5)		
EPS (INR)	48.2	73.1	52.1	77.2
% Chng.	(7.5)	(5.3)		

## Key Data

INBK.BO | IIB IN

BSE Code	532187
NSE Code	INDUSINDBK
52-W High / Low	INR 968 / INR 710
Face Value	10
Sensex / Nifty	76,664 / 23,898
Market Cap	INR 661 bn / \$ 7,009 mn
Shares Outstanding	779.11 mn
3M Avg. Daily Value	INR 3,531.88 mn

## Shareholding Pattern (%)

Promoters	15.82
Foreign	28.57
Mutual Funds	30.11
Domestic Institution	10.40
Public & Others	15.10
Promoters Pledge (INR bn)	-

## Stock Performance (%)

	1M	3M	6M	12M
Absolute	6.4	(5.0)	12.3	3.4
Relative	2.8	1.1	23.4	7.7

## Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
NII (INR mn)	190,313	177,973	186,120	208,073
NIM (%)	3.8	3.5	3.7	3.7
Core PPOP (INR mn)	92,606	79,688	88,483	112,304
PAT (INR mn)	26,429	9,333	37,563	57,025
Core PAT (INR mn)	16,308	263	31,563	51,025
EPS (INR)	33.9	12.0	48.2	73.2
Gr. (%)	(70.5)	(64.7)	302.5	51.8
DPS (INR)	-	1.5	6.3	9.5
Yield (%)	-	0.2	0.7	1.1
RoAE (%)	4.2	1.4	5.6	8.0
Core RoAE (%)	2.6	-	4.7	7.2
RoAA (%)	0.5	0.2	0.7	0.9
Core RoAA (%)	0.3	-	0.6	0.8
P/BV (x)	1.0	1.0	1.0	0.9
P/ABV (x)	1.1	1.1	1.0	0.9
PE (x)	25.0	70.8	17.6	11.6
CAR (%)	16.2	17.5	17.2	17.0

## Balance sheet de-risking progressing well

### Quick Pointers

- Decent quarter as NII normalises and asset quality improves
- Asset quality improves in MFI that led to lower provisions
- Loans guided to grow in-line with system in FY27

IIB saw good quarter as NII was in-line that did not contain any one-offs while asset quality improved. As loan growth is yet to pick-up, fee was a miss. Overall slippage fell by 29% QoQ to 212bps & MFI slippage was down ~50% QoQ that led to lower provisions at 1.80% (PLe 2.36%). Balance sheet de-risking is progressing well with share of large corp./MFI declining to 43%/5% from 48%/9% YoY. 57% of MFI portfolio is covered under CGFMU credit guarantee (38% as of Dec'25). As bank is targeting system level credit growth in FY27, deposit accretion remains a key monitorable. We keep multiple at 1.0x on FY28 ABV and maintain TP at INR 960. Retain 'ACCUMULATE'.

**Good quarter; slight miss on fees offset by better asset quality:** NII was 1.2% lower at INR 43.7bn (PLe INR 44.2bn); NIM (calc.) was largely in-line at 3.47% (PLe 3.5%); reported NIM was steady QoQ to 3.39%. Loan/deposit growth were in-line at -8.4% and -2.7% YoY. LDR fell to 78.9% (80.6% in Q3'26). CASA ratio was up QoQ to 31.2% from 30.2%. Other inc. was lower at INR 17.1bn (PLe INR 17.9bn) due to 8.2% miss on fees. Opex at INR 38.6bn was 4.6% lower as both staff cost and other opex were lower. Core PPOP was in-line at INR 20.3bn; PPOP was INR 22.2bn. Asset quality was better; GNPA was lesser at 3.4% (PLe 3.55%) as gross slippage was INR 18.3bn (PLe INR 23.4bn). Provisions were INR 14.8bn (PLe INR 19.5bn). Core PAT was ahead of PLe at INR 4.0bn (PLe INR 596mn); PAT was INR 5.3bn (PLe INR 2.3bn).

**Pace of loan contraction moderating:** Credit decline is being arrested as sequential fall has reduced to 0.5% QoQ (-2.6% in Q3'26). Loan accretion QoQ was supported by Govt. banking, VF and SME. Bank guided for FY27 loan growth to be in-line with system. Corporate de-growth is largely complete; focus would be on improving portfolio granularity by reallocating exposure from large corporates to mid-market & SME. Deposit growth remains a key constraint to loan growth; bank indicated internal levers to drive deposit growth including organizational restructuring, incentive changes, digital improvements, and cross-sell from retail asset growth.

**Asset quality improves in MFI:** Overall slippage ratio fell by 85bps QoQ to 2.1%; MFI slippage reduced QoQ to INR 5.0bn from INR 10.2bn. 31-90 dpd pool declined QoQ to 0.9% from 2.4%. Disbursals were up to INR 54bn, +52% QoQ. Hence, pace of MFI loan contraction moderated, and QoQ fall was largely driven by write-off. 57% of MFI portfolio is covered under CGFMU credit guarantee (38% as of Dec'25).

### Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	% Var.	Q4'25A	YoY gr. (%)
NII (INR mn)	45,242	43,715	-3.4	30,483	43.4
Margin (%)	3.6	3.5	-16 bps	2.4	104bps
Core PPOP (INR mn)	21,279	20,276	-4.7	-8,363	-342.4
Core PAT (INR mn)	1,346	3,959	194.1	-25,176	-115.7

Source: Company, PL

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## Q4FY26 Concall Highlights

### Balance sheet

- Bank guided for FY27 credit growth to be in-line with system (13–14%), indicating a shift back to growth after a year of balance sheet consolidation. Growth would be driven by retail and mid-market/SME, while corporate book de-growth is largely complete; incremental focus would be towards granular segments.
- Within wholesale, the strategy is to reallocate exposure away from top-end corporates toward mid-market and SME, improving portfolio granularity without materially changing overall wholesale share.
- Deposit growth remains a key constraint to loan growth, with management highlighting that balance sheet expansion will be contingent on liability mobilization.
- IIB indicated multiple internal levers to drive deposit growth including organizational restructuring, incentive changes, digital improvements, and cross-sell from retail asset growth
- Capital position remains comfortable with no requirement to raise capital over the next year.
- LCR is expected to range between 115–120% with no meaningful benefit likely from revised norms.

### Profit & loss

- NII/NIM for the quarter did not have any one-offs, suggesting reported margins have normalised.
- Liability-side repricing cycle is largely complete, though further improvement in cost of deposits is expected via better mix (higher retail/CASA share) rather than pricing cuts.
- Fee growth is expected to be supported by multiple levers like higher distribution of insurance, MF and investments, repricing of under-monetized services (e.g., locker fees), scaling up transaction banking and capital markets businesses, higher FX-related franchise income.
- Within operating levers, fee income and cost efficiencies are expected to be the key drivers, with relatively lower contribution from NIM expansion
- Cost optimization is expected through operating leverage as loan growth picks up, aiding profitability improvement over the medium term.
- Management highlighted a clear roadmap to improve RoA from ~0.45% to ~1%, driven equally by lower credit costs and improvement in operating profitability

### Asset quality

- Improvement in asset quality was broad-based across microfinance, vehicle finance, and consumer segments, rather than being driven by a single portfolio. As per the bank credit costs have peaked, with improvement expected driven by lower slippages.
- Reduction in NNPA is likely to be gradual, with management emphasizing consistency in write-off policies rather than aggressive clean-up.
- A significant portion of existing NPA is concentrated in VF, where residual credit risk is relatively lower.
- As loan growth resumes, denominator effect (higher loan base) along with lower slippages is expected to drive down credit cost ratios further.

## Exhibit 1 : PAT beat due to lower provisions

Financial Statement (Rs mn)	Q4FY26	Q4FY25	YoY gr. (%)	Q4FY26E	% Var.	Q3FY26	QoQ gr. (%)
Interest Income	1,10,054	1,06,339	3.5	1,12,005	(1.7)	1,13,729	(3.2)
Interest Expense	66,339	75,855	(12.5)	66,763	(0.6)	68,112	(2.6)
<b>Net interest income (NII)</b>	<b>43,715</b>	<b>30,483</b>	<b>43.4</b>	<b>45,242</b>	<b>(3.4)</b>	<b>45,617</b>	<b>(4.2)</b>
Other income	17,064	7,088	140.7	17,853	(4.4)	17,065	(0.0)
Fee income	15,187	23,050	(34.1)	16,538	(8.2)	15,750	(3.6)
Other Non-interest income	1,877	(15,962)	(111.8)	1,315	42.7	1,315	42.7
Total income	60,778	37,571	61.8	63,094	(3.7)	62,682	(3.0)
Operating expenses	38,625	42,297	(8.7)	40,500	(4.6)	39,614	(2.5)
-Staff expenses	13,109	10,995	19.2	13,622	(3.8)	15,179	(13.6)
-Other expenses	25,516	31,302	(18.5)	26,879	(5.1)	24,435	4.4
<b>Operating profit</b>	<b>22,153</b>	<b>(4,725)</b>	<b>(568.8)</b>	<b>22,594</b>	<b>(2.0)</b>	<b>23,068</b>	<b>(4.0)</b>
<b>Core operating profit</b>	<b>20,276</b>	<b>11,237</b>	<b>80.4</b>	<b>21,279</b>	<b>(4.7)</b>	<b>21,753</b>	<b>(6.8)</b>
Total provisions	14,843	24,166	(38.6)	19,484	(23.8)	20,886	(28.9)
<b>Profit before tax</b>	<b>7,309</b>	<b>(28,891)</b>	<b>(125.3)</b>	<b>3,110</b>	<b>135.0</b>	<b>2,182</b>	<b>235.1</b>
Tax	1,982	(6,531)	(130.4)	777	155.0	570	247.8
<b>Profit after tax</b>	<b>5,327</b>	<b>(22,360)</b>	<b>(123.8)</b>	<b>2,332</b>	<b>128.4</b>	<b>1,612</b>	<b>230.5</b>
<b>Balance Sheet Ratios</b>							
Deposits (Rs bn)	4,002	4,111	(2.7)	4,002	(0.0)	3,938	1.6
Advances (Rs bn)	3,159	3,450	(8.4)	3,152	0.2	3,175	(0.5)
<b>Profitability ratios</b>							
Yield on IEA	8.7	8.5	27	9.0	(24)	9.1	(38)
Cost of Funds	5.8	6.8	(92)	6.0	(11)	6.1	(26)
NIM	3.5	2.4	104	3.6	(16)	3.7	(19)
RoaA	0.5	(1.7)	219	0.2	28	0.1	35
RoaE	3.6	(14.1)	1,775	1.4	219	0.8	284
Yield on Advances	8.5	7.9	68	10.5	(201)	8.8	(25)
Cost of Deposits	6.1	6.5	(43)			6.1	(2)
<b>Asset Quality ratios</b>							
Gross NPL (Rs m)	1,10,954	1,10,464	0.4	1,14,940	(3.5)	1,16,046	(4.4)
Net NPL (Rs m)	31,694	32,871	(3.6)	31,034	2.1	33,040	(4.1)
Gross NPL ratio	3.4	3.1	30	3.6	(13)	3.6	(13)
Net NPL ratio	1.0	1.0	5	1.0	2	1.0	(4)
Coverage ratio	71.4	70.2	119	73.0	(156)	71.5	(9)
<b>Business &amp; Other Ratios</b>							
Low-cost deposit mix	31.2	32.8	(157)	31.3	(8)	30.2	98
Cost-income ratio	63.6	112.6	(4,903)	64.2	(64)	63.2	35
Non int. inc / total income	28.1	18.9	921	28.3	(22)	27.2	85
Credit deposit ratio	78.9	83.9	(500)	78.8	18	80.6	(170)
CAR	17.5	16.2	124			16.9	54
Tier-I	16.2	15.1	110			15.7	46

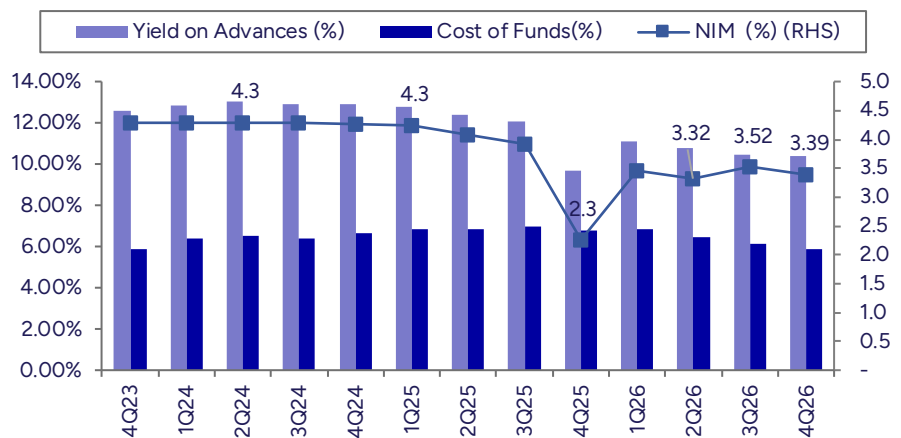
Source: Company, PL

Exhibit 2 : Loan growth across segments

Loan Book mix	Q4FY26	Q4FY25	YoY gr. (%)	Q3FY26	QoQ gr. (%)
Wholesale Banking	10,85,250	12,89,050	(15.8)	11,23,600	(3.4)
Large Corporates	4,66,658	6,18,744	(24.6)	5,05,620	(7.7)
Inst. + Govt. banking	3,25,575	3,48,044	(6.5)	3,03,372	7.3
Mid-market & others	2,93,018	3,09,372	(5.3)	3,14,608	(6.9)
<b>SME</b>	<b>4,43,470</b>	<b>4,65,420</b>	<b>(4.7)</b>	<b>4,39,570</b>	<b>0.9</b>
<b>Retail</b>	<b>16,29,980</b>	<b>16,99,720</b>	<b>(4.1)</b>	<b>16,12,190</b>	<b>1.1</b>
MHCV	2,39,702	2,29,428	4.5	2,35,670	1.7
LCV	1,39,826	1,24,274	12.5	1,37,474	1.7
PV	3,19,603	2,96,345	7.8	3,14,227	1.7
CE	1,39,826	1,33,833	4.5	1,27,655	9.5
2W & SCV	89,888	95,595	(6.0)	88,376	1.7
Tractor	69,913	76,476	(8.6)	78,557	(11.0)
<b>Rural Banking</b>	<b>3,20,470</b>	<b>4,52,560</b>	<b>(29.2)</b>	<b>3,19,660</b>	<b>0.3</b>
MFI	1,67,820	3,09,090	(45.7)	1,76,690	(5.0)
Merchant loans	80,420	72,600	10.8	73,380	9.6
KCC & other rural	43,840	47,940	(8.6)	42,670	2.7
Affordable housing	28,390	22,930	23.8	26,920	5.5
<b>Consumer banking</b>	<b>3,10,750</b>	<b>2,91,210</b>	<b>6.7</b>	<b>3,10,570</b>	<b>0.1</b>
Home loans	65,100	44,910	45.0	61,140	6.5
Personal loans	1,03,580	1,02,090	1.5	1,05,980	(2.3)
Credit cards	97,510	1,10,850	(12.0)	1,02,640	(5.0)
Other retail	44,560	33,360	33.6	40,810	9.2

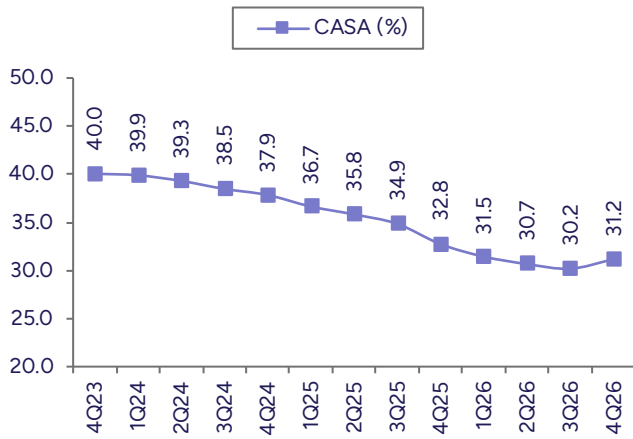
Source: Company, PL

Exhibit 3 : Margins (calc) decreased to 3.39%



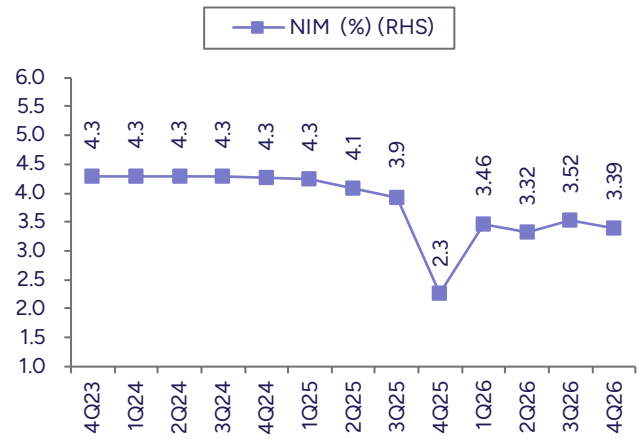
Source: Company, PL

Exhibit 4 : CASA increased to 31.2%



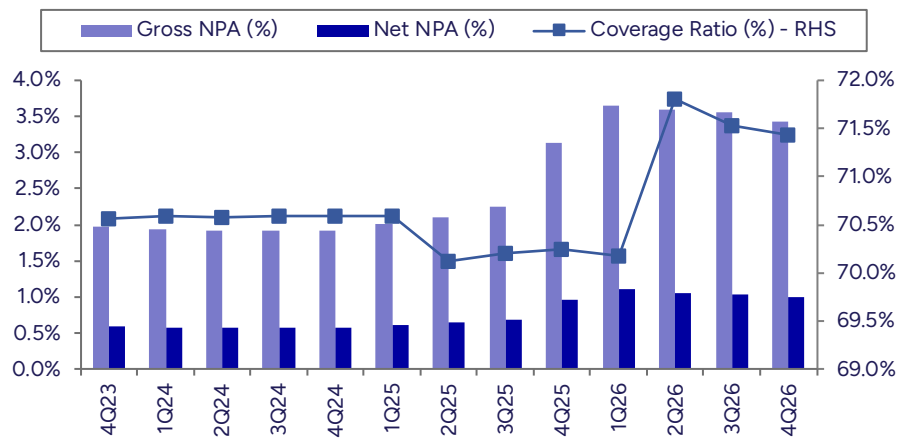
Source: Company, PL

Exhibit 5 : NIM (rep.) decreased by 13bps QoQ



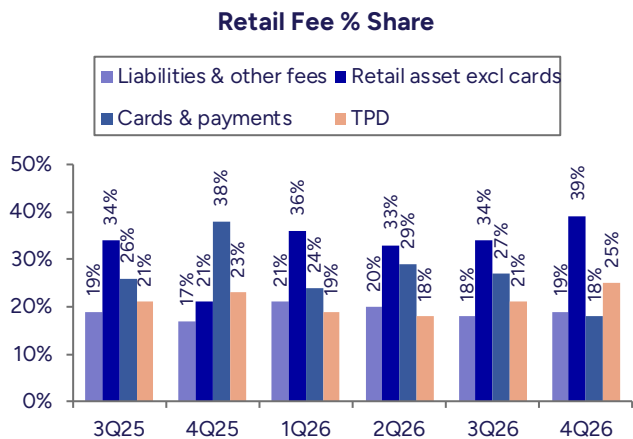
Source: Company, PL

Exhibit 6 : GNPA/NNPA decreased to 3.43%/1.00%



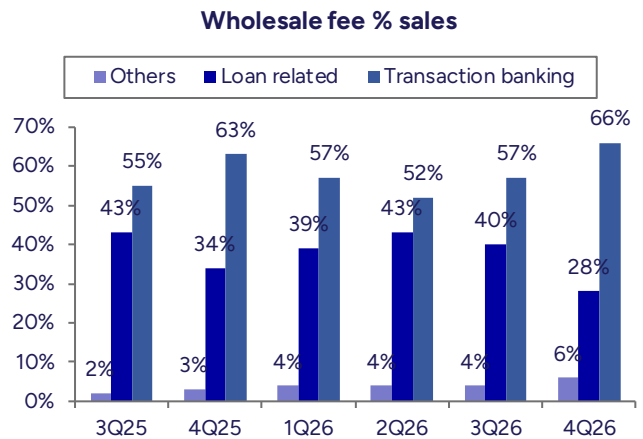
Source: Company, PL

Exhibit 7 : Retail assets excl cards contributes highest to fees



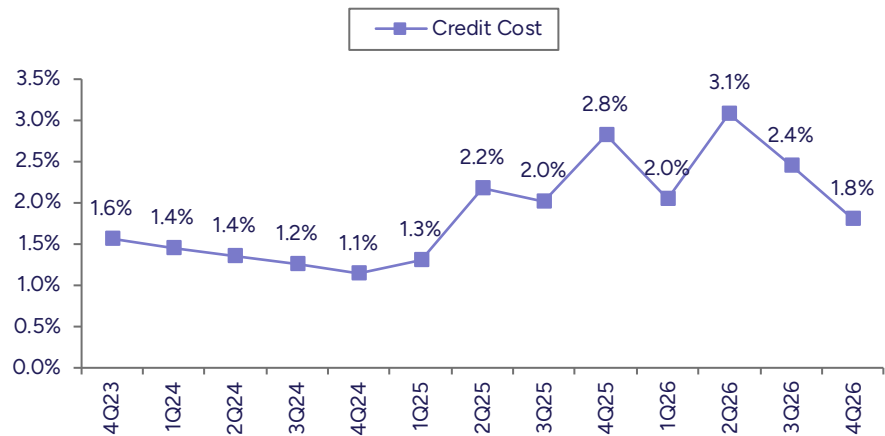
Source: Company, PL

Exhibit 8 : Transaction banking share at 66% of wholesale fees



Source: Company, PL

Exhibit 9 : Credit cost (calc) decreased to 1.8%



Source: Company, PL

Exhibit 10 : Return ratios to normalize over the medium term

RoE decomposition (%)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Interest income	8.7	8.1	8.5	9.4	9.1	8.4	7.8	7.8
Interest expenses	4.6	4.1	4.4	5.2	5.5	5.2	4.5	4.4
<b>Net interest income</b>	<b>4.0</b>	<b>3.9</b>	<b>4.1</b>	<b>4.2</b>	<b>3.6</b>	<b>3.2</b>	<b>3.3</b>	<b>3.3</b>
Other Inc. from operations	2.0	1.9	1.9	1.9	1.4	1.3	1.3	1.4
<b>Total income</b>	<b>6.0</b>	<b>5.9</b>	<b>6.0</b>	<b>6.2</b>	<b>5.0</b>	<b>4.6</b>	<b>4.6</b>	<b>4.7</b>
Employee expenses	0.7	0.7	0.7	0.8	0.8	1.0	1.0	1.0
Other operating expenses	1.8	1.8	1.9	2.1	2.2	1.9	1.9	1.9
<b>Operating profit</b>	<b>3.5</b>	<b>3.4</b>	<b>3.3</b>	<b>3.2</b>	<b>2.0</b>	<b>1.7</b>	<b>1.7</b>	<b>1.9</b>
Tax	0.3	0.4	0.6	0.6	0.2	0.1	0.2	0.3
Loan loss provisions	2.4	1.7	1.0	0.8	1.3	1.4	0.8	0.7
<b>RoAA</b>	<b>0.8</b>	<b>1.2</b>	<b>1.7</b>	<b>1.8</b>	<b>0.5</b>	<b>0.2</b>	<b>0.7</b>	<b>0.9</b>
<b>RoAE</b>	<b>7.3</b>	<b>10.2</b>	<b>14.5</b>	<b>15.3</b>	<b>4.2</b>	<b>1.4</b>	<b>5.6</b>	<b>8.0</b>

Source: Company, PL

Exhibit 11 : One year forward P/ABV of IIB trades at 1.0x



Source: Company, PL

## Quarterly Financials

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
<b>Income Statement (INR m)</b>								
Interest earned	125,468	126,863	128,008	106,339	120,789	116,086	113,729	110,054
Interest expended	71,391	73,390	75,727	75,855	76,241	71,993	68,112	66,339
<b>Net Interest Income</b>	<b>54,076</b>	<b>53,473</b>	<b>52,281</b>	<b>30,483</b>	<b>44,548</b>	<b>44,094</b>	<b>45,617</b>	<b>43,715</b>
Other income	24,413	21,839	23,502	7,088	21,562	16,480	17,065	17,064
<b>Fees</b>	<b>23,480</b>	<b>21,250</b>	<b>21,230</b>	<b>23,050</b>	<b>15,320</b>	<b>15,430</b>	<b>15,750</b>	<b>15,187</b>
Total Income	78,489	75,312	75,783	37,571	66,111	60,573	62,682	60,778
<b>Operating Expenses</b>	<b>39,222</b>	<b>39,394</b>	<b>39,794</b>	<b>42,297</b>	<b>41,439</b>	<b>40,293</b>	<b>39,614</b>	<b>38,625</b>
Employees	10,397	10,927	10,695	10,995	12,958	12,671	15,179	13,109
Others	28,825	28,467	29,099	31,302	28,481	27,622	24,435	25,516
Operating profit	39,267	35,918	35,989	(4,725)	26,522	20,280	23,068	22,153
<b>Core PPOp</b>	<b>38,334</b>	<b>35,329</b>	<b>33,717</b>	<b>(8,363)</b>	<b>20,279</b>	<b>19,200</b>	<b>21,753</b>	<b>20,276</b>
Provisions	10,498	18,201	17,436	24,166	17,378	26,224	20,886	14,843
Profit before tax	28,769	17,717	18,553	(28,891)	9,144	(5,944)	2,182	7,309
Taxes	7,247	4,462	4,540	(6,531)	2,301	(1,496)	570	1,982
Net Profit	21,522	13,255	14,013	(22,360)	6,843	(4,448)	1,612	5,327
<b>Core PAT</b>	<b>20,824</b>	<b>12,814</b>	<b>12,296</b>	<b>(25,176)</b>	<b>2,171</b>	<b>(5,256)</b>	<b>640</b>	<b>3,959</b>
<b>Balance Sheet (INR m)</b>								
Share capital	7,790	7,790	7,790	7,791	7,790	7,791	7,790	7,791
Reserves & surplus	647,990	644,877	663,270	637,135	647,360	640,083	643,950	646,614
Deposits	3,985,130	4,126,792	4,094,380	4,110,781	3,971,440	3,897,874	3,938,150	4,001,738
Borrowings	441,690	447,161	500,870	537,036	522,030	453,503	392,420	427,892
Other liabilities	219,050	206,244	228,680	247,442	246,900	274,379	273,640	350,156
<b>Total liabilities</b>	<b>5,301,650</b>	<b>5,432,864</b>	<b>5,494,990</b>	<b>5,540,184</b>	<b>5,395,520</b>	<b>5,273,630</b>	<b>5,255,950</b>	<b>5,434,191</b>
Cash & bank	530,770	458,166	314,630	591,658	629,720	396,271	409,660	487,895
Investments	1,010,240	1,113,548	1,188,510	1,144,968	1,091,470	1,240,475	1,228,980	1,250,470
Advances	3,478,980	3,571,586	3,668,890	3,450,186	3,336,940	3,258,807	3,175,360	3,158,714
Fixed assets	23,770	22,700	24,200	23,558	25,060	24,452	25,480	24,383
Other assets	257,890	266,864	298,760	329,814	312,330	353,626	416,470	512,729
<b>Total assets</b>	<b>5,301,650</b>	<b>5,432,864</b>	<b>5,494,990</b>	<b>5,540,184</b>	<b>5,395,520</b>	<b>5,273,630</b>	<b>5,255,950</b>	<b>5,434,191</b>
<b>Balance sheet ratios (%)</b>								
Loan growth	1.3	2.7	2.7	(6.0)	(3.3)	(2.3)	(2.6)	(0.5)
Deposit growth	3.6	3.6	(0.8)	0.4	(3.4)	(1.9)	1.0	1.6
LDR	87.3	86.5	89.6	83.9	84.0	83.6	80.6	78.9
CASA	36.7	35.8	34.9	32.8	31.5	30.7	30.2	31.2
<b>Capital Adequacy (%)</b>								
CET-1	16.2	15.2	15.2	16.0	15.5	15.9	15.7	17.0
Tier-2	2.0	2.0	1.3	1.1	1.2	1.2	2.0	1.3
CRAR	17.6	16.5	16.5	16.2	16.6	18.0	16.9	17.5
<b>Profitability ratios (%)</b>								
Yield on assets	10.6	10.5	10.5	8.5	9.6	9.3	9.1	8.7
Cost of funds	6.8	6.8	7.0	6.8	6.8	6.5	6.1	5.8
NIM	4.6	4.4	4.3	2.4	3.5	3.5	3.7	3.5
Fees/Assets	1.9	1.7	1.6	1.7	1.1	1.2	1.2	1.1
Cost/Income	50.0	52.3	52.5	112.6	62.7	66.5	63.2	63.6
Opex/avg assets	0.8	0.7	0.7	0.8	0.8	0.8	0.8	0.7
RoA	1.7	1.0	1.1	(1.7)	0.5	(0.3)	0.1	0.4
Core RoA	1.7	1.3	1.2	0.4	0.2	(0.1)	(0.1)	-
RoE	14.0	8.6	8.8	(14.1)	4.2	(2.7)	1.0	3.3
Core RoE	14.0	11.1	9.9	3.3	1.4	(1.0)	(0.5)	0.2
EPS (INR)	22.1	13.6	14.4	(23.0)	7.0	(4.6)	1.7	5.5
BVPS (INR)	168.4	167.6	172.3	165.6	168.2	166.3	167.3	168.0
ABVPS (INR)	814.9	808.5	829.4	785.6	793.2	788.0	794.2	799.3
<b>Asset quality ratios (%)</b>								
GNPA	2.0	2.1	2.2	3.1	3.6	3.6	3.6	3.4
NNPA	0.6	0.6	0.7	1.0	1.1	1.0	1.0	1.0
Provision coverage	70.6	70.1	70.2	70.2	70.2	71.8	71.5	71.4
Provision costs	1.3	2.2	2.0	2.8	2.0	3.1	2.4	1.8
Slippage	1.8	2.1	2.6	5.8	3.0	2.9	3.0	2.1
NNPA/Equity	3.2	3.5	3.7	5.1	5.7	5.2	5.1	4.8

Source: Company, PL

## Financials

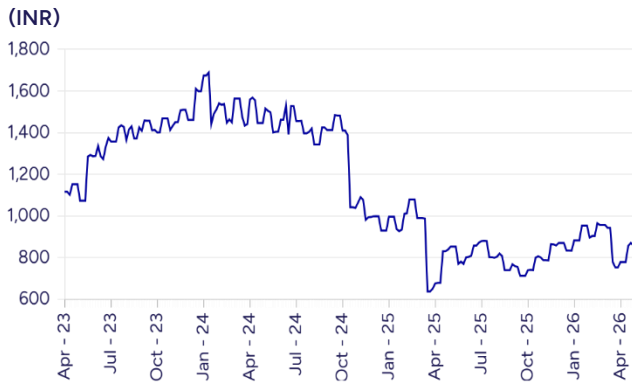
Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Income Statement (INR m)</b>				
Interest earned	486,677	460,658	443,675	483,844
Interest expended	296,364	282,685	257,555	275,771
<b>Net Interest Income</b>	<b>190,313</b>	<b>177,973</b>	<b>186,120</b>	<b>208,073</b>
Other income	76,842	72,171	74,765	88,168
<b>Fees</b>	<b>75,629</b>	<b>39,738</b>	<b>44,111</b>	<b>55,209</b>
<i>Net Total Income</i>	<i>267,155.1</i>	<i>250,144.0</i>	<i>260,884.9</i>	<i>296,241.5</i>
<b>Operating Expenses</b>	<b>160,707</b>	<b>159,972</b>	<b>164,402</b>	<b>175,937</b>
Employees	43,011	53,917	55,797	59,712
Others	117,696.0	106,055.0	108,604.9	116,224.9
Operating profit	106,449	92,022	96,483	120,304
<b>Core PPop</b>	<b>92,606</b>	<b>79,688</b>	<b>88,483</b>	<b>112,304</b>
<b>Provisions</b>	<b>70,301</b>	<b>79,331</b>	<b>46,399</b>	<b>44,271</b>
Profit before tax	36,147	12,691	50,084	76,033
Taxes	9,719.0	3,358.0	12,520.9	19,008.2
Net Profit	26,429	9,333	37,563	57,025
<b>Core PAT</b>	<b>16,308</b>	<b>263</b>	<b>31,563</b>	<b>51,025</b>
<b>Growth Ratios (%)</b>				
Loans	0.5	(8.4)	10.0	13.0
Deposits	6.8	(2.7)	8.9	11.9
NII	(7.7)	(6.5)	4.6	11.8
Fees	14.0	(47.5)	11.0	25.2
Opex	12.7	(0.5)	2.8	7.0
Core PPop	(36.0)	(13.9)	11.0	26.9
Provisions	85.1	12.8	(41.5)	(4.6)
Core PAT	(79.6)	(98.4)	11,921.3	61.7
<b>Profitability Ratios (%)</b>				
Yield on IEA	9.7	9.1	8.7	8.6
Cost of funds	6.6	6.2	5.6	5.4
<b>NIM</b>	<b>3.8</b>	<b>3.5</b>	<b>3.7</b>	<b>3.7</b>
Cost/Income	60.2	64.0	63.0	59.4
<b>Provision cost</b>	<b>1.3</b>	<b>1.4</b>	<b>0.8</b>	<b>0.7</b>
Tax rate	26.9	26.5	25.0	25.0
<b>Core RoA</b>	<b>0.3</b>	<b>-</b>	<b>0.6</b>	<b>0.8</b>
<b>Core RoE</b>	<b>2.6</b>	<b>-</b>	<b>4.7</b>	<b>7.2</b>
<b>Du-pont (%)</b>				
Interest income	9.1	8.4	7.8	7.8
Interest expenses	5.5	5.2	4.5	4.4
NII	3.6	3.2	3.3	3.3
Other income	1.4	1.3	1.3	1.4
<b>Fees/avg assets</b>	<b>1.2</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>
<b>Total income</b>	<b>5.0</b>	<b>4.6</b>	<b>4.6</b>	<b>4.7</b>
<b>Opex/avg assets</b>	<b>3.0</b>	<b>2.9</b>	<b>2.9</b>	<b>2.8</b>
Staff cost	0.8	1.0	1.0	1.0
Other opex	2.2	1.9	1.9	1.9
<b>PPOP</b>	<b>2.0</b>	<b>1.7</b>	<b>1.7</b>	<b>1.9</b>
<b>Core PPop/avg assets</b>	<b>2.7</b>	<b>2.4</b>	<b>2.7</b>	<b>3.0</b>
Provisions	1.3	1.4	0.8	0.7
<b>PBT</b>	<b>0.7</b>	<b>0.2</b>	<b>0.9</b>	<b>1.2</b>
Tax	0.2	0.1	0.2	0.3
<b>RoA</b>	<b>0.5</b>	<b>0.2</b>	<b>0.7</b>	<b>0.9</b>
<b>RoE</b>	<b>4.2</b>	<b>1.4</b>	<b>5.6</b>	<b>8.0</b>

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Balance Sheet (INR m)</b>				
Equity	644,926	654,405	690,799	746,656
Share capital	7,791	7,791	7,791	7,791
Deposits	4,110,781	4,001,738	4,359,239	4,876,051
Borrowings	537,036	427,892	456,148	537,773
Other Liabilities	247,442	350,156	386,507	426,631
<b>Total liabilities</b>	<b>5,540,184</b>	<b>5,434,191</b>	<b>5,892,693</b>	<b>6,587,111</b>
Cash with RBI	508,894	298,754	293,811	330,686
Balance with banks	82,764	189,142	212,881	239,599
Investments	1,144,968	1,250,470	1,307,772	1,414,055
Advances	3,450,186	3,158,714	3,475,777	3,926,858
Fixed assets	23,558	24,383	25,373	26,403
Other assets	329,814	512,729	577,081	649,510
<b>Total assets</b>	<b>5,540,184</b>	<b>5,434,191</b>	<b>5,892,693</b>	<b>6,587,111</b>
<b>Balance sheet ratios (%)</b>				
LDR	83.9	78.9	79.7	80.5
CASA	32.8	31.2	33.6	35.2
Inv/NDTL	23.4	26.2	25.1	24.2
Borr/NDTL	11.0	9.0	8.8	9.2
Assets/equity (x)	8.6	8.3	8.5	8.8
RWA/Loans	121.6	124.6	120.0	115.8
RWA/Total assets	75.7	72.4	70.8	69.0
<b>Capital ratios (%)</b>				
CRAR	16.2	17.5	17.2	17.0
CET-1	15.1	16.2	16.1	16.0
AT-1	-	-	-	-
Tier-2	1.1	1.3	1.1	1.1
<b>Asset quality ratios (%)</b>				
GNPA (INR mn)	110,464	110,954	105,380	107,988
NNPA (INR mn)	32,871	31,694	27,925	28,076
GNPA	3.0	3.3	2.9	2.6
NNPA	0.9	1.0	0.8	0.7
PCR	70.2	71.4	73.5	74.0
Slippage	3.1	3.0	3.0	2.0
NNPA / Equity	5.1	4.8	4.0	3.8
<b>Per share (INR)</b>				
EPS	33.9	12.0	48.2	73.2
DPS	-	1.5	6.3	9.5
BVPS	824.1	836.2	882.9	954.6
ABVPS	781.9	795.5	847.1	918.6
Core BVPS	819.6	831.7	878.4	950.1
Core ABVPS	777.4	791.0	842.5	914.0
<b>Valuation (x)</b>				
Price (INR)	1232.2	848.0	848.0	848.0
P/E	102.9	70.8	17.6	11.6
P/BV	1.5	1.0	1.0	0.9
P/ABV	1.5	1.1	1.0	0.9
P/core BV	1.5	1.0	1.0	0.9
P/core ABV	1.6	1.1	1.0	0.9

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	10-Apr-26	ACCUMULATE	960	815
2	25-Jan-26	Accumulate	960	892
3	08-Jan-26	Hold	840	898
4	19-Oct-25	Hold	840	751
5	07-Oct-25	Hold	780	749
6	29-Jul-25	Hold	780	808
7	07-Jul-25	Hold	780	854
8	22-May-25	Hold	780	770
9	08-Apr-25	Hold	860	676
10	11-Mar-25	Hold	1000	901

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Axis Bank	BUY	1500	1319
2	Bank of Baroda	Accumulate	320	274
3	Canara Bank	Hold	160	138
4	Canara Robeco Asset Management Company	ACCUMULATE	280	255
5	City Union Bank	BUY	310	252
6	DCB Bank	BUY	155	182
7	Federal Bank	BUY	275	283
8	HDFC Asset Management Company	Buy	3000	2662
9	HDFC Bank	Buy	1100	800
10	ICICI Bank	Buy	1825	1347
11	ICICI Prudential Asset Management Company	Buy	3585	3354
12	IndusInd Bank	ACCUMULATE	960	815
13	Kotak Mahindra Bank	BUY	500	372
14	Nippon Life India Asset Management	Buy	985	909
15	Prudent Corporate Advisory Services	Buy	2600	2344
16	State Bank of India	BUY	1280	1041
17	Union Bank of India	Accumulate	200	180
18	UTI Asset Management Company	Buy	1125	942

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

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