

Kotak Mahindra Bank (KMB IN)

Q2FY27 Result Update

October 25, 2026

☒ Estimate Change | ☒ Target | ☐ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	BUY		BUY	
Target Price	510		500	
NII (INR. mn)	402,604	465,864	402,074	459,937
% Chng.	0.1	1.3		
Op. Profit (INR mn)	300,496	347,358	305,815	352,946
% Chng.	(1.7)	(1.6)		
EPS (INR)	19.9	23.0	20.1	23.2
% Chng.	(1.0)	(0.9)		

Key Data KTKM.BO | KMB IN

BSE Code	532174
NSE Code	KOTAKBANK
52-W High / Low	INR 453 / INR 345
Face Value	1
Sensex / Nifty	73,124 / 22,600
Market Cap	INR 4,283 bn / \$ 45,107 mn
Shares Outstanding	9947.88 mn
3M Avg. Daily Value	INR 7,173.78 mn

Shareholding Pattern (%)

Promoters	25.87
FII	24.65
Mutual Funds	25.20
Domestic Institution	13.34
Public & Others	10.94
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	4.2	12.3	16.2	(3.3)
Relative	6.6	17.3	23.4	11.8

Key Financials - Standalone

Y/e Mar	FY26	FY27E	FY28E	FY29E
NII (INR mn)	300,101	341,243	402,604	465,864
NIM (%)	4.2	4.1	4.2	4.2
Core PPOP (INR mn)	217,263	242,433	283,996	329,854
PAT (INR mn)	140,077	173,266	197,982	228,654
Core PAT (INR mn)	137,510	158,812	185,607	215,526
EPS (INR)	14.1	17.4	19.9	23.0
Gr. (%)	(14.9)	23.7	14.3	15.5
DPS (INR)	0.5	0.5	0.6	0.7
Yield (%)	0.1	0.1	0.1	0.2
RoAE (%)	11.1	12.0	12.1	12.4
Core RoAE (%)	11.2	11.2	11.5	11.9
RoAA (%)	1.9	2.0	2.0	2.0
Core RoAA (%)	1.9	1.9	1.9	1.9
P/BV (x)	3.1	2.8	2.5	2.2
P/ABV (x)	3.1	2.8	2.5	2.2
PE (x)	29.7	24.7	21.6	18.7
CAR (%)	22.4	21.8	21.3	21.0

Sustained healthy loan growth a key to re-rating

Quick Pointers

- Good quarter with all round beat; NIM may have bottomed
- Loan growth ex-FCNR was strong/broad based at 7.8% QoQ
- FY28/29E NIM may be higher given more unsecured growth

KMB saw a good quarter with a beat on all core metrics. While reported NIM was down 22bps QoQ to 4.3% due to FCNR and day count, margins may have bottomed out given Q3FY27 would see impact of (1) FCNR deposits being deployed into assets and (2) repo rate transmission. Adjusted for FCNR/KMIL, loan growth was strong at 7.8% QoQ and 19% YoY. Unsecured loan accretion, that slowed down over Q2FY25 to Q2FY26, has been consistently growing, given moderation in stress; this is likely to sustain. While we raise loan growth by 100bps in FY28 to 16% YoY, there are upside risks to loan growth and NIM as unsecured growth has bounced back. We maintain multiple at 2.0x on Sep'28 core ABV but raise TP to INR510 from INR500. Retain 'BUY'.

Beat on all parameters; higher decline in reported NIM vs peers: NII was 1.65% ahead at INR84.6bn (PLe INR83.2bn). NIM (calc.) was a tad more at 4.38% (PLe 4.35%); reported NIM dipped 22bps QoQ to 4.31%. Credit/deposit growth were in-line at 25%/23% YoY. CASA ratio fell to 38.2% (40.3% in Q1FY27). Other income was lower at INR31.9bn (PLe INR36.5bn) due to treasury loss and other income. Fee was a ~10% beat at INR29.3bn which included processing fees on FCNR advances of INR1.6bn. Opex at INR52.7bn was 1.5% lesser led by staff cost while other opex was in-line. Core PPOP at INR61.1bn was 8.7% above PLe; PPOP was INR63.8bn. GNPA was 1.04% (PLe 1.08%) due to lesser slippage at INR12.3bn (PLe INR14.5bn) and better recoveries at INR6.4bn. Provisions were a bit lower at INR8bn (PLe INR8.4bn). Core PAT was 11.7% above PLe at INR40.1bn.

Strong loan growth ex-FCNR: Excluding INR161bn of FCNR related loans and INR89bn acquired from KMIL (incl. in corporate), net advance growth was strong at 7.8% QoQ that was led by: corporate 7%, SME 10%, home 4.2%, CV/CE 4.3%, & unsecured 3.9%. ECLGS sanction was INR112bn. Unsecured loans continue to see improvement in credit costs and KMB expects steady growth, with past volatility in PL attributable to run-down of the StanC portfolio, which is complete. FCNR(B) deposits were deployed for (1) funding KMIL loans (2) shedding of IBPC worth INR98bn and (3) repayment of high-cost CDs.

Margins could uptick in H2FY27: Reported NIM declined by 22bps QoQ; 15bps was due to FCNR accretion and remaining fall was attributable to day-count variation and IBPC repayments. Full-quarter impact of FCNR is expected in Q3FY27, which will be partly offset by deployment of these deposits into assets and repo rate transmission. Hence reported NIM could slightly improve in Q3FY27, with full recovery visible in Q4FY27.

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	% Var.	Q2'26A	YoY gr. (%)
NII (INR mn)	83,217	84,590	1.6	73,107	15.7
Margin (%)	4.4	4.4	0.03bps	4.5	(14) bps
Core PPOP (INR mn)	56,233	61,142	8.7	50,943	20.0
Core PAT (INR mn)	35,911	40,096	11.7	31,223	28.4

Source: Company, PL

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Q2FY27 Conference Call Highlights

Balance sheet

- Overall advances grew by 12.7% QoQ (+25% YoY) while growth, excluding FCNR(B) of INR161bn & KMIL's loan book of INR89bn, was strong at 7.8% QoQ. Management reiterated its philosophy of credit growth at 1.5-2x GDP growth, aided by deployment of FCNR(B) liquidity amid a favourable rate environment.
- FCNR(B) deposits were healthy at INR553bn with KMB's FCNR market share higher than that of domestic deposits, led by customer journey automation. Funds mobilized through FCNR(B) were deployed in (1) KMIL loan book acquisition of INR89bn (2) shedding off IBPC of INR98bn and (3) repayment of high-cost CDs.
- Corporate growth of 25% YoY/15% QoQ remained broad-based across sectors and customer segments.
- SME growth was supported by INR112bn ECLGS disbursements. Focus continues on deepening banking relationships across enterprise, personal/private banking, affluent retail and corporate salary accounts.
- Housing loans grew by 4% QoQ/14% YoY supported by strong relationships with affluent and self-employed customers and enhanced digital distribution. Recently launched hybrid home loan product has garnered strong customer interest. Majority of the housing portfolio remains floating rate.
- Unsecured retail grew by 4% QoQ, as growth is visible in MFI, CC, PL & BL. Management aims granular and calibrated growth in the segment as past volatility in PL/CC attributable to run-down of the StanC portfolio is complete, with cross-selling opportunity using customer data and low-friction digital channels.
- PL, BL & cons. durables grew by 4% QoQ/9% YoY, supported by offerings across TL & OD products for solitaire, HNI and mass-affluent customers.
- CC portfolio grew 3.7% QoQ, led by (1) strategic reset of product-customer alignment (2) strong customer acceptance in solitaire proposition, (3) healthy brand recall and (4) rising spends among existing customers.
- CV/CE grew 4% QoQ with KMB accelerating growth while maintaining disciplined underwriting, robust collection practices and focus on risk-adjusted returns. The Bank continues to maintain leading position in tractor finance segment. Retail MFI grew 5% QoQ/18% YoY supported by risk-based underwriting and coverage under credit guarantee schemes.
- ~60% of the loan book is linked to repo, ~10% MCLR and rest 30% remains fixed rated.
- Ex-FCNR, deposit growth was driven by granular retail CA & TD with CASA ratio soared up to 41.8% vs 40.3% QoQ. Kotak 811 has evolved into a scalable digital platform driving customer acquisition, constituting 13.3% of saving deposits.
- Core performance remains strong across subsidiaries; negative MTM on treasury impacted profitability in Q2FY27. KMCC delivered strong performance led by improved deal momentum & primary market activities.

Profit and loss

- Reported NIM declined 22bps QoQ to 4.31% driven by (1) 15bps contraction due to FCNR(B) deposits and related advances (2) day-count variation and IBPC repayments. While underlying core margins remained broadly stable QoQ, supporting 16% NII growth.
- Full-quarter impact of FCNR(B) on margins is expected in Q3FY27, which will be partly offset by the deployment of these deposits into customer assets and repo rate transmission on floating-rate advances. Management expected full quarter impact of repo rate hike to be visible from Q4FY27.

- Corporate banking fee income grew 36%YoY, contributing 20% of total fee income, supported by granular client acquisitions, tax and trade flows, cash management services and capital market transactions.
- Non-interest income grew 17%YoY, driven by higher FX gains, debt/capital market syndication fees and increased disbursements across businesses. Bank has started witnessing benefits of investment in digital capabilities leading to 5x YoY growth in acquiring UPI & NACH market share gain of ~300bps.
- Excluding FCNR related expense, opex growth was flat QoQ. Tech expenses contribute 13%, while opex growth further is expected to be driven by business growth alongside investment in brand & technology. KMB continues to focus on cost discipline with cost/asset witnessing gradual decline over the quarters.

Asset quality

- Credit cost in unsecured portfolio continues to improve, while delinquencies in retail CV have stabilised. Collection efficiencies improved in tractor finance & CV/CE led by investment in collection infrastructure, with no visible stress in sector. However, KMB remains watchful of potential El Niño-related risks.
- Strong underwriting disciplines and enhanced collections capabilities have reflected in credit cost improvement from 46bps in Q1FY27 to 35bps in Q2FY27.
- Management expects further clarity on sustainable impact of ECL (which was guided 12-15bps earlier) by Q3FY27, while guidance on one-time impact at 1.5-2% of net worth remains unchanged.
- Standard asset provisions were higher during Q2FY27 (INR2.7bn vs INR0.7bn QoQ) of which INR1.2bn was on account of FCNR(B) & KMIL's loan book.

Exhibit 1: Quarterly estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
NII	79,284	9.2	84,590	15.7	87,441	15.6	89,929	14.2
Core PPoP	52,934	11.8	61,142	20.0	61,410	20.6	64,445	17.0
NIM (%)	4.5	-13.9 bps	4.4	-14.5 bps	4.4	-11.4 bps	4.4	-4.8 bps
Core PAT	34,905	31.4	40,096	28.4	40,030	24.0	42,386	12.6

Source: Company, PL

Exhibit 2: Core PPoP beat led by better NII/fees/opex

Financial Statement (INR mn)	Q2FY27	Q2FY26	YoY gr. (%)	Q2FY27E	% Var.	Q1FY27	QoQ gr. (%)
Interest Income	1,59,477	1,36,494	16.8	1,53,551	3.9	1,44,775	10.2
Interest Expenses	74,888	63,387	18.1	70,334	6.5	65,491	14.3
Net interest income (NII)	84,590	73,107	15.7	83,217	1.6	79,284	6.7
Other income	31,936	25,892	23.3	36,460	-12.4	33,382	-4.3
Total income	1,16,525	98,999	17.7	1,19,677	-2.6	1,12,666	3.4
Operating expenses	52,703	46,317	13.8	53,484	-1.5	51,353	2.6
-Staff expenses	21,518	19,795	8.7	22,567	-4.6	22,103	-2.6
-Other expenses	31,185	26,521	17.6	30,917	0.9	29,250	6.6
Operating profit	63,822	52,683	21.1	66,193	-3.6	61,314	4.1
Core operating profit	61,142	50,943	20.0	56,233	8.7	52,934	15.5
Total provisions	8,036	9,474	-15.2	8,352	-3.8	6,681	20.3
Profit before tax	55,786	43,208	29.1	57,841	-3.6	54,632	2.1
Tax	13,667	10,675	28.0	14,460	-5.5	13,403	2.0
Profit after tax	42,120	32,533	29.5	43,381	-2.9	41,230	2.2
Balance sheet (INR mn)							
Deposits	65,14,915	52,87,760	23.2	65,14,910	0.0	57,28,200	13.7
Advances	57,72,947	46,26,876	24.8	57,70,940	0.0	51,22,490	12.7
Ratios (%)							
Profitability ratios							
NIM	4.4	4.5	-14.5 bps	4.4	2.8 bps	4.5	-9.2 bps
RoA	2.1	2.0	15.8 bps	2.2	-8.3 bps	2.3	-13.9 bps
RoE	12.4	11.0	138.9 bps	12.8	-41.3 bps	12.5	-6.1 bps
Asset Quality							
Gross NPL	60,810	64,796	-6.2	62,970	-3.4	61,218	-0.7
Net NPL	13,669	14,910	-8.3	12,594	8.5	13,576	0.7
Gross NPL ratio	1.0	1.4	-34.1 bps	1.1	-3.7 bps	1.2	-13.9 bps
Net NPL ratio	0.2	0.3	-8.5 bps	0.2	1.9 bps	0.3	-2.8 bps
Coverage ratio (Calc)	77.5	77.0	53.1 bps	80.0	-247.9 bps	77.8	-30.3 bps
Business & Other Ratios							
		Change in bps		Change in bps		Change in bps	
Low-cost deposit mix	38.2	42.3	-408.6	37.4	86.8	40.3	-209.4
Cost-income ratio	45.2	46.8	-155.6	44.7	53.9	45.6	-35.0
Non int. inc / total income	27.4	26.2	125.3	30.5	-305.9	29.6	-222.3
Credit deposit ratio	88.6	87.5	111.0	88.6	3.1	89.4	-81.5
CAR	21.9	22.8	-94.0			22.8	-92.0
Tier-I	21.4	20.9	50.0			22.4	-100.0

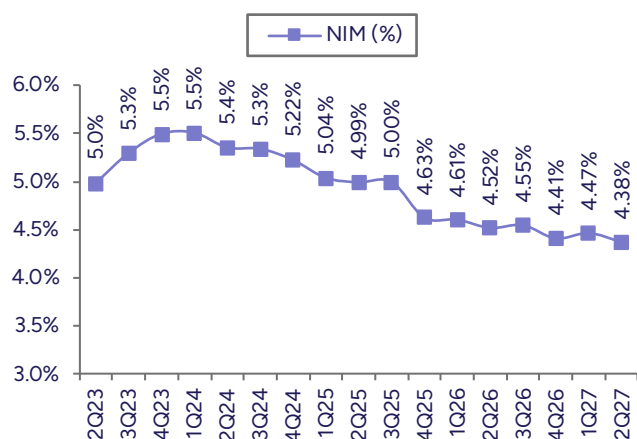
Source: Company, PL

Exhibit 3: Credit growth of 12.7% QoQ was mainly led by corporate (14.7%) & SME (10.2%)

Loan Book (INR mn)	Q2FY27	Q2FY26	YoY gr. (%)	Q1FY27	QoQ gr. (%)
Corp Banking	13,97,860	11,21,340	24.7	12,18,750	14.7
SME	13,87,000	10,93,480	26.8	12,58,260	10.2
Home loans	15,72,170	13,81,760	13.8	15,09,030	4.2
CV/CE	4,70,380	4,36,760	7.7	4,50,810	4.3
PL, BL, Cons Durables	2,65,480	2,42,720	9.4	2,55,890	3.7
Credit Cards	1,32,640	1,24,440	6.6	1,27,880	3.7
Tractor Finance	2,04,170	1,84,390	10.7	1,97,920	3.2
Retail Micro Finance	67,790	57,250	18.4	64,840	4.5
Others	3,31,060	1,78,720	85.2	1,92,720	71.8
IBPC	-55,600	-1,62,210	(65.7)	-1,53,610	(63.8)
Total	57,72,950	46,58,650	23.9	51,22,490	12.7
Loan Book mix (%)			Change in bps	Change in bps	
Corp Banking	24.2	24.1	14.4	23.8	42.2
SME	24.0	23.5	55.4	24.6	-53.8
Home loans	27.2	29.7	-242.7	29.5	-222.6
CV/CE	8.1	9.4	-122.7	8.8	-65.3
PL, BL, Cons Durables	4.6	5.2	-61.1	5.0	-39.7
Credit Cards	2.3	2.7	-37.4	2.5	-19.9
Tractor Finance	3.5	4.0	-42.1	3.9	-32.7
Retail Micro Finance	1.2	1.2	-5.5	1.3	-9.2
Others	5.7	3.8	189.8	3.8	197.2
IBPC	-1.0	-3.5	251.9	-3.0	203.6

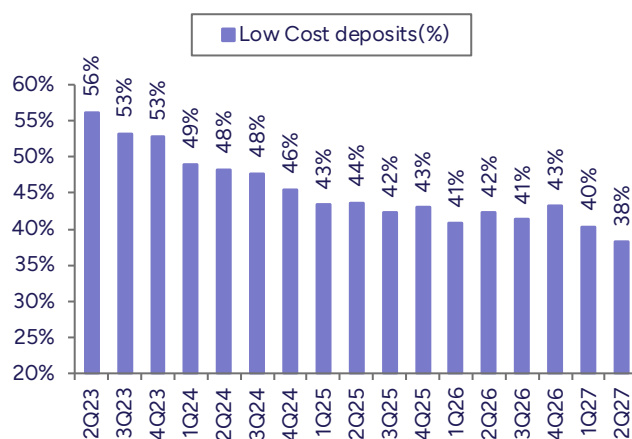
Source: Company, PL

Exhibit 4: NIM (calc.) declined QoQ to 4.38%



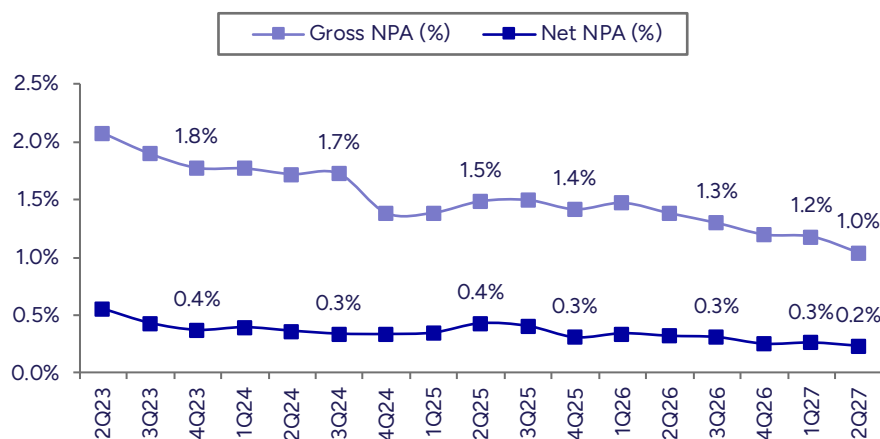
Source: Company, PL

Exhibit 5: CASA declined QoQ to 38% due to FCNR(B)



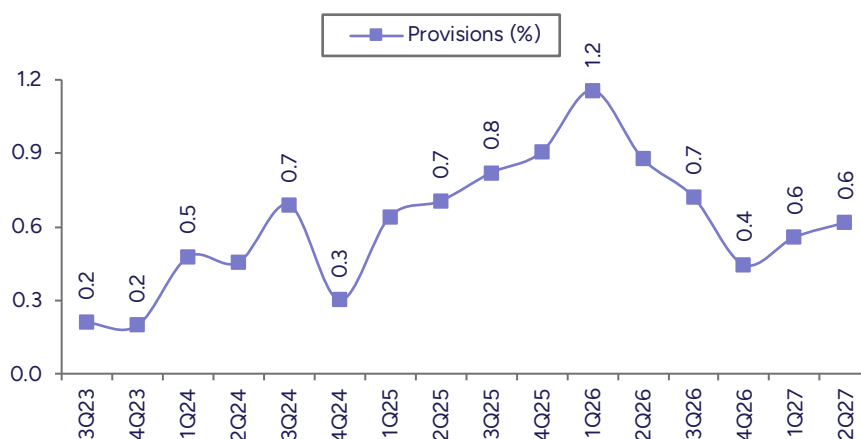
Source: Company, PL

Exhibit 6: GNPA/NNPA improved QoQ to 1.04%/0.24%



Source: Company, PL

Exhibit 7: Credit cost (calc.) increased QoQ to 0.62%



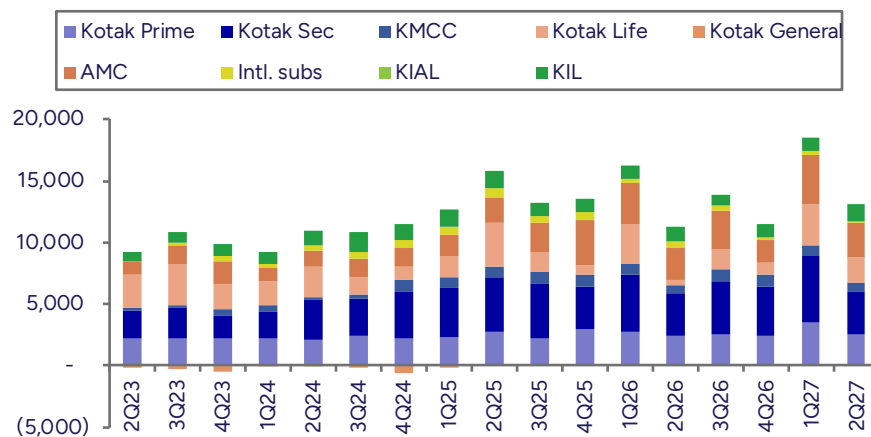
Source: Company, PL

Exhibit 8: Consolidated earnings increased QoQ to INR 56.5bn

Consolidated Financials (INR mn)	Q2FY27	Q2FY26	YoY gr. (%)	Q1FY27	QoQ gr. (%)
Standalone Bank	42,120	32,533	29.5	41,230	2.2
Kotak Prime	2,510	2,460	2.0	3,540	-29.1
KMCC	800	600	33.3	890	-10.1
Kotak Securities	3,480	3,450	0.9	5,330	-34.7
International subsidiaries	110	480	-77.1	290	-62.1
Kotak AMC	2,870	2,580	11.2	3,990	-28.1
Kotak Mahindra Investments	1,350	1,200	12.5	1,130	19.5
Lending business	44,630	34,993	27.5	44,770	-0.3
Flow business, Subsidiaries	8,610	8,310	3.6	11,630	-26.0
Others	1,230	887	38.7	-4,940	-124.9
Consolidated PAT (ex -insurance)	54,470	44,190	23.3	51,460	5.8
Insurance	1,980	490	304.1	3,360	-41.1
Consolidated PAT	56,450	44,680	26.3	54,820	3.0

Source: Company, PL

Exhibit 9: Non-banking cos earnings share declined to 24% led by treasury losses



Source: Company, PL

Exhibit 10: Return ratios to remain around 12-12.5%

RoA decomposition	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net interest income	4.7	4.8	4.4	4.1	4.0	4.0	4.0
Other Inc. from operations	1.5	1.9	2.3	1.6	1.6	1.4	1.3
Total income	6.2	6.7	6.7	5.6	5.6	5.4	5.4
Employee expenses	1.2	1.3	1.2	1.1	1.0	1.0	1.0
Other operating expenses	1.8	1.8	1.7	1.5	1.5	1.4	1.4
Operating profit	3.2	3.6	3.8	3.0	3.1	3.0	3.0
Tax	0.7	0.8	0.8	0.6	0.7	0.7	0.7
Provisions	0.1	0.3	0.5	0.5	0.4	0.4	0.4
RoAA	2.4	2.5	2.5	1.9	2.0	2.0	2.0
RoAE	14.0	15.3	15.4	11.1	12.0	12.1	12.4

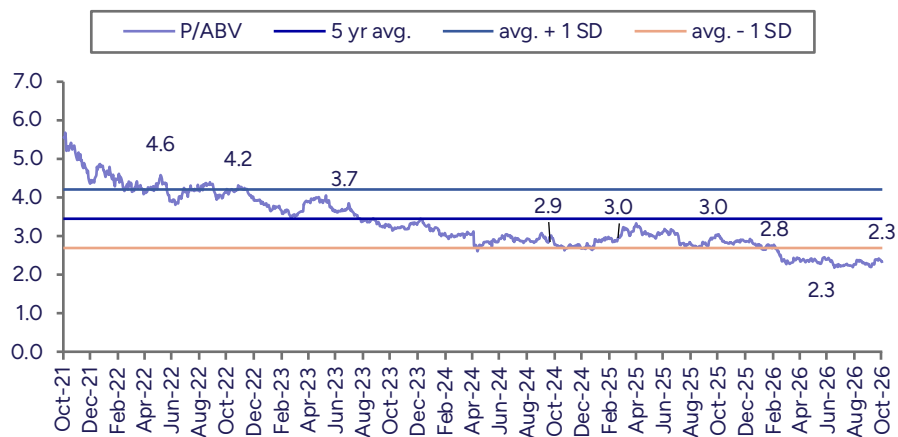
Source: Company, PL

Exhibit 11: SOTP-based TP of INR 510 basis Sep'28E core ABV of bank

Particulars	Stake	Rs per share	% of total	Valuation (x)	Basis
Standalone bank		361	67.3	2.0	Sep'28 core ABV
Kotak Sec	100%	66	12.3	40.0	FY26 PAT
Insurance	100%	29	5.4	1.5	Mar'26 EV
Kotak Prime	100%	32	6.0	3.0	Mar'26 ABV
Kotak AMC	100%	35	6.4	6.0%	Mar'26 MAAuM
KMCC	100%	5	1.0	15.0	Mar'26 PAT
Intl Subs	100%	3	0.5	1.0	Mar'26 BV
Others	100%	6	1.1	14.0	Mar'26 PAT
Total		536	100		
Holdco discount		26			
SOTP based TP		510			

Source: Company, PL

Exhibit 12: One-year forward P/ABV trades at 2.3x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Income Statement (INR m)								
Interest earned	134,276	135,298	138,365	136,494	139,033	141,748	144,775	159,477
Interest expended	62,313	62,462	65,773	63,387	63,387	62,993	65,491	74,888
Net Interest Income	71,963	72,836	72,593	73,107	75,646	78,755	79,284	84,590
Other income	26,228	31,825	30,800	25,892	28,378	31,163	33,382	31,936
Fees	23,620	26,160	22,490	24,150	25,490	27,670	25,000	29,260
Total Income	98,191	104,660	103,393	98,999	104,024	109,918	112,666	116,525
Operating Expenses	46,380	49,938	47,756	46,317	50,226	51,366	51,353	52,703
Employees	19,525	21,063	20,655	19,795	22,458	20,608	22,103	21,518
Others	26,856	28,876	27,101	26,521	27,768	30,758	29,250	31,185
Operating profit	51,810	54,722	55,637	52,683	53,798	58,552	61,314	63,822
Core PPOp	49,200	49,062	47,327	50,943	50,908	55,062	52,934	61,142
Provisions	7,941	9,094	12,078	9,474	8,096	5,164	6,681	8,036
Profit before tax	43,869	45,628	43,559	43,208	45,702	53,388	54,632	55,786
Taxes	10,821	10,111	10,743	10,675	11,241	13,122	13,403	13,667
Net Profit	33,048	35,517	32,817	32,533	34,461	40,266	41,230	42,120
Core PAT	31,082	31,112	26,556	31,223	32,282	37,633	34,905	40,096
Balance Sheet (INR m)								
Share capital	9,941	9,941	9,941	9,943	9,943	9,947	9,947	9,948
Reserves & surplus	1,138,759	1,162,458	1,224,339	1,242,633	1,299,687	1,343,171	1,399,293	1,451,284
Deposits	4,734,970	4,990,551	5,128,380	5,287,760	5,426,380	5,724,561	5,728,200	6,514,915
Borrowings	234,170	484,428	211,480	239,111	268,300	324,750	258,400	552,232
Other liabilities	252,190	288,864	315,950	290,222	300,550	427,599	354,890	339,201
Total liabilities	6,370,030	6,936,242	6,890,090	7,069,669	7,304,860	7,830,028	7,750,730	8,867,578
Cash & bank	411,150	657,792	430,800	497,917	428,730	840,889	446,200	809,097
Investments	1,638,190	1,819,075	1,822,920	1,729,942	1,871,490	1,725,354	1,918,520	2,020,346
Advances	4,138,390	4,269,092	4,448,230	4,626,876	4,806,730	4,960,092	5,122,490	5,772,947
Fixed assets	22,605	23,589	23,824	24,319	24,562	23,883	24,122	23,915
Other assets	159,695	166,695	164,316	190,614	173,348	279,809	239,398	241,273
Total assets	6,370,030	6,936,242	6,890,090	7,069,669	7,304,860	7,830,028	7,750,730	8,867,578
Balance sheet ratios (%)								
Loan growth	15.1	13.5	14.1	15.8	16.1	16.2	15.2	24.8
Deposit growth	15.9	11.2	14.6	14.6	14.6	14.7	11.7	23.2
LDR	87.4	85.5	86.7	87.5	88.6	86.6	89.4	88.6
CASA	42.3	43.0	40.9	42.3	41.3	43.3	40.3	38.2
Capital Adequacy (%)								
CET-1	21.7	21.1	21.8	20.9	21.5	21.3	22.4	21.4
Tier-2	1.1	1.1	1.2	1.9	1.1	1.1	0.4	0.5
CRAR	22.8	22.2	23.0	22.8	22.6	22.4	22.8	21.9
Profitability ratios (%)								
Yield on assets	9.1	8.4	8.8	8.5	8.3	7.8	8.2	8.3
Cost of funds	5.2	4.8	5.2	4.9	4.8	4.4	4.6	4.8
NIM	5.0	4.6	4.6	4.5	4.6	4.4	4.5	4.4
Fees/Assets	1.6	1.6	1.4	1.5	1.5	1.5	1.4	1.5
Cost/Income	47.2	47.7	46.2	46.8	48.3	46.7	45.6	45.2
Opex/avg assets	0.7	0.8	0.7	0.7	0.7	0.7	0.7	0.6
RoA	2.3	2.1	2.0	2.0	1.9	1.9	2.3	2.1
Core RoA	2.1	1.9	1.6	1.9	1.9	2.0	1.9	2.0
RoE	13.0	12.8	11.3	11.4	10.8	11.1	12.4	12.2
Core RoE	12.0	11.6	9.2	10.6	10.5	11.9	10.6	11.8
EPS (INR)	27.3	27.6	26.4	27.1	26.8	28.2	33.2	33.9
BVPS (INR)	231.1	235.9	248.3	252.0	263.4	272.1	283.4	293.8
ABVPS (INR)	-	-	-	-	-	-	-	-
Asset quality ratios (%)								
GNPA	1.5	1.4	1.5	1.4	1.3	1.2	1.2	1.0
NNPA	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.2
Provision coverage	73.2	78.1	76.9	77.0	76.3	79.0	77.8	77.5
Provision costs	0.8	0.9	1.2	0.9	0.7	0.4	0.6	0.6
Slippage	1.8	1.6	1.7	1.5	1.5	1.0	1.1	1.0
NNPA/Equity	1.5	1.1	1.2	1.2	1.1	0.9	1.0	0.9

Source: Company, PL

Financials

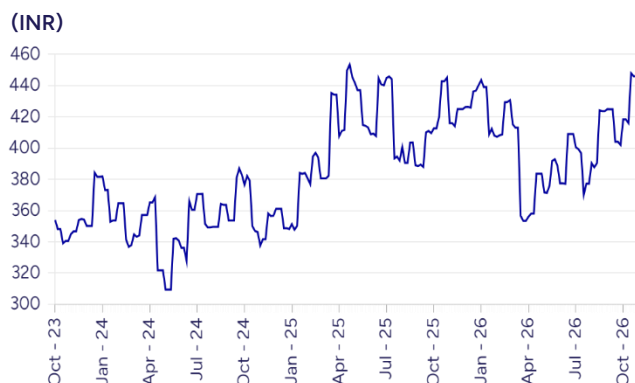
Y/e Mar	FY26	FY27E	FY28E	FY29E
Income Statement (INR m)				
Interest earned	555,640	640,422	771,106	902,196
Interest expended	255,539	299,179	368,501	436,332
Net Interest Income	300,101	341,243	402,604	465,864
Other income	116,233	133,121	138,990	153,881
Fees	82,517	86,460	92,112	103,900
Net Total Income	416,334	474,364	541,594	619,745
Operating Expenses	195,665	213,374	241,098	272,387
Employees	83,908	89,284	100,636	113,649
Others	111,757	124,090	140,462	158,738
Operating profit	220,669	260,990	300,496	347,358
Core PPOP	217,263	242,433	283,996	329,854
Provisions	34,812	30,683	36,520	42,486
Profit before tax	185,857	230,307	263,976	304,872
Taxes	45,780	57,041	65,994	76,218
Net Profit	140,077	173,266	197,982	228,654
Core PAT	137,510	158,812	185,607	215,526
Growth Ratios (%)				
Loans	16.2	24.0	16.0	16.0
Deposits	14.7	20.5	16.5	16.5
NII	5.9	13.7	18.0	15.7
Fees	3.9	4.8	6.5	12.8
Opex	4.2	9.1	13.0	13.0
Core PPOP	13.1	11.6	17.1	16.1
Provisions	18.3	(11.9)	19.0	16.3
Core PAT	10.9	15.5	16.9	16.1
Profitability Ratios (%)				
Yield on IEA	7.8	7.8	8.0	8.1
Cost of funds	4.4	4.5	4.6	4.7
NIM	4.2	4.1	4.2	4.2
Cost/Income	47.0	45.0	44.5	44.0
Provision cost	0.8	0.6	0.6	0.6
Tax rate	24.6	24.8	25.0	25.0
Core RoA	1.9	1.9	1.9	1.9
Core RoE	11.2	11.2	11.5	11.9
Du-pont (%)				
Interest income	7.5	7.5	7.7	7.8
Interest expenses	3.5	3.5	3.7	3.8
NII	4.1	4.0	4.0	4.0
Other income	1.6	1.6	1.4	1.3
Fees/avg assets	1.5	1.3	1.2	1.2
Total income	5.6	5.6	5.4	5.4
Opex/avg assets	2.7	2.5	2.4	2.4
Staff cost	1.1	1.0	1.0	1.0
Other opex	1.5	1.5	1.4	1.4
PPOP	3.0	3.1	3.0	3.0
Core PPOP/avg assets	2.9	2.8	2.9	2.9
Provisions	0.5	0.4	0.4	0.4
PBT	2.5	2.7	2.7	2.6
Tax	0.6	0.7	0.7	0.7
RoA	1.9	2.0	2.0	2.0
RoE	11.1	12.0	12.1	12.4

Source: Company, PL

Y/e Mar	FY26	FY27E	FY28E	FY29E
Balance Sheet (INR m)				
Equity	1,353,117	1,545,950	1,738,734	1,962,190
Share capital	9,946	9,948	9,948	9,948
Deposits	5,724,561	6,899,602	8,037,713	9,363,750
Borrowings	324,750	433,926	492,155	603,643
Other Liabilities	427,599	359,858	405,023	455,857
Total liabilities	7,830,028	9,239,336	10,673,626	12,385,440
Cash with RBI	512,395	388,975	404,769	421,204
Balance with banks	328,495	238,266	257,906	279,166
Investments	1,725,354	2,173,375	2,531,880	2,996,400
Advances	4,960,092	6,148,321	7,130,356	8,269,244
Fixed assets	23,883	24,396	25,387	26,417
Other assets	279,809	266,003	323,329	393,008
Total assets	7,830,028	9,239,336	10,673,626	12,385,440
Balance sheet ratios (%)				
LDR	86.6	89.1	88.7	88.3
CASA	43.3	39.7	39.5	39.3
Inv/NDTL	26.6	28.2	28.3	28.7
Borr/NDTL	5.0	5.6	5.5	5.8
Assets/equity (x)	5.8	6.0	6.1	6.3
RWA/Loans	120.3	111.7	110.7	109.8
RWA/Total assets	76.2	74.3	74.0	73.3
Capital ratios (%)				
CRAR	22.4	21.8	21.3	21.0
CET-1	21.3	20.5	20.0	19.7
AT-1	-	-	-	-
Tier-2	1.1	1.3	1.2	1.3
Asset quality ratios (%)				
GNPA (INR mn)	60,178	62,186	72,508	89,024
NNPA (INR mn)	12,625	13,681	15,951	19,585
GNPA	1.2	1.0	1.0	1.1
NNPA	0.3	0.2	0.2	0.2
PCR	79.0	78.0	78.0	78.0
Slippage	1.4	1.0	0.9	0.9
NNPA / Equity	0.9	0.9	0.9	1.0
Per share (INR)				
EPS	14.1	17.4	19.9	23.0
DPS	0.5	0.5	0.6	0.7
BVPS	136.0	155.4	174.8	197.2
ABVPS	134.8	154.0	173.2	195.3
Core BVPS	132.6	152.0	171.4	193.8
Core ABVPS	131.4	150.6	169.8	191.9
Valuation (x)				
Price (INR)	418.7	430.5	430.5	430.5
P/E	29.7	24.7	21.6	18.7
P/BV	3.1	2.8	2.5	2.2
P/ABV	3.1	2.8	2.5	2.2
P/core BV	1.9	1.8	1.6	1.5
P/core ABV	1.9	1.9	1.7	1.5

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Oct-26	BUY	500	432
2	01-Oct-26	BUY	500	417
3	19-Jul-26	BUY	480	390
4	07-Jul-26	BUY	480	382
5	01-Jul-26	BUY	480	392
6	28-May-26	BUY	480	389
7	03-May-26	Buy	480	383
8	10-Apr-26	BUY	500	372
9	19-Feb-26	BUY	500	426
10	25-Jan-26	BUY	500	423

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Aditya Birla Sun Life AMC	BUY	1200	950
2	Axis Bank	BUY	1600	1290
3	Bank of Baroda	Accumulate	280	233
4	Canara Bank	BUY	160	125
5	Canara Robeco Asset Management Company	HOLD	285	225
6	City Union Bank	BUY	250	224
7	DCB Bank	BUY	215	201
8	Federal Bank	BUY	400	338
9	HDFC Asset Management Company	BUY	2850	2415
10	HDFC Bank	BUY	950	729
11	ICICI Bank	BUY	1900	1397
12	ICICI Prudential Asset Management Company	BUY	3420	2969
13	Indian Bank	BUY	1000	835
14	IndusInd Bank	Accumulate	1150	906
15	Karur Vysya Bank	BUY	380	346
16	Kotak Mahindra Bank	BUY	500	432
17	Nippon Life India Asset Management	BUY	1200	976
18	Prudent Corporate Advisory Services	Accumulate	3175	3200
19	State Bank of India	BUY	1200	959
20	Union Bank of India	Accumulate	200	181
21	UTI Asset Management Company	HOLD	975	888

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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