

# Kotak Mahindra Bank (KMB IN)

**Q4FY26 Result Update**

May 03, 2026

 Estimate Change |  Target |  Reco.

## Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	480		500	
NII (INR. mn)	340,470	388,827	343,673	395,840
% Chng.	(0.9)	(1.8)		
Op. Profit (INR mn)	251,741	288,131	247,865	281,035
% Chng.	1.6	2.5		
EPS (INR)	16.5	19.0	16.2	18.4
% Chng.	1.9	3.3		

## 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	76,914 / 23,998
Market Cap	INR 3,812 bn / \$ 40,166 mn
Shares Outstanding	9946.47 mn
3M Avg. Daily Value	INR 7,812.77 mn

## Shareholding Pattern (%)

Promoters	25.87
FIIs	26.40
Mutual Funds	23.57
Domestic Institution	12.61
Public & Others	11.55
Promoters Pledge (INR bn)	-

## Stock Performance (%)

	1M	3M	6M	12M
Absolute	8.5	(6.1)	(8.8)	(13.2)
Relative	1.5	0.5	(0.5)	(9.4)

## Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
NII (INR mn)	283,418	300,101	340,470	388,827
NIM (%)	4.5	4.2	4.2	4.2
Core PPOP (INR mn)	192,074	206,736	234,237	270,627
PAT (INR mn)	164,501	140,077	164,433	189,095
Core PAT (INR mn)	123,962	129,576	151,305	175,967
EPS (INR)	16.5	14.1	16.5	19.0
Gr. (%)	19.3	(14.9)	17.4	15.0
DPS (INR)	0.4	0.4	0.5	0.6
Yield (%)	0.1	0.1	0.1	0.1
RoAE (%)	15.4	11.1	11.5	11.8
Core RoAE (%)	12.0	10.5	10.8	11.2
RoAA (%)	2.5	1.9	2.0	2.0
Core RoAA (%)	1.9	1.8	1.8	1.8
P/BV (x)	3.1	3.1	2.5	2.2
P/ABV (x)	3.1	3.1	2.5	2.3
PE (x)	25.7	25.3	23.2	20.2
CAR (%)	22.2	21.7	21.2	20.6

## Better growth/NIM key to re-rating

### Quick Pointers

- Good quarter; core PAT beat led by better fees/provisions
- Secured loan growth without diluting NIM to continue
- NIM cut for FY27/28E to be more than offset lower opex

KMB saw a good quarter as better fees, opex and asset quality led to core PAT beat of 8.8%. Due to asset quality pressure that impacted FY25/26 PAT, bank seems to have tweaked its strategy of increasing unsecured mix; its share may rise at a slower pace since as per the bank, secured growth would not be sacrificed. Hence, reported NIM is guided to remain flattish in FY27E vs FY26 levels (4.6%). Fee growth that was weak in FY26 (6.5%) could pick-up in FY27 that may result in opex increase too. Lower NIM for FY27/28E would be more than offset by lesser opex. We cut multiple to 2.0x but roll forward to FY28 core ABV; trim TP to INR 480 from INR 500. Retain 'BUY'.

**Good quarter; beat on fees, opex and asset quality:** NII was INR 78.8bn (PLe INR 79.1bn); NIM (calc.) was a miss at 4.4% (PLe 4.5%) due to higher liquidity; adjusted for day count convention reported NIM was flat QoQ at 4.54%. Credit/deposit growth were in-line at 16.2%/14.7% YoY. LDR fell to 86.6% (88.6% in Q3'26); CASA ratio was stable at 41% (41.3% in Q3'26). Other income was a 3.4% beat at INR 31.2bn due to higher fees at INR 27.7bn (PLe INR 26.3bn). Opex at INR 51.4bn was largely in-line; lower staff cost was offset by higher opex. Core PPOP was 2.5% higher at INR 55.1bn; PPOP was INR 58.6bn. Asset quality improved; GNPA was lower 1.2% (PLe 1.3%) due to lower slippages at INR 10.2bn (PLe INR 16.6bn) leading to lesser provisions. Core PAT was an 8.8% beat at INR 37.6bn; PAT was INR 40.3bn.

**Loan growth was led by SME/agri:** Credit growth was lesser to peers at 3.2% QoQ mainly led by slower corporate accretion (+0.2%). Loan growth was healthy in BuB (+5.5%), agri (+5.8%), SME (+5.3%), HL (+4.4%) and MFI (+8.4%). Credit accretion in FY26 was largely led by secured segments and bank would not slow the pace of secured growth to increase share of unsecured. Also, NIM for FY27E is guided to be at a similar level to FY26 (4.6%), suggesting that bank has de-risked the balance sheet to protect asset quality. We see loan growth by 15% each for FY27/28E.

**NIM cut to be more than offset by opex/provision reduction:** Fee growth was muted in FY26 (+6.5% YoY) due to 8.5% YoY decline CC book; however, fee growth may match balance sheet increase in FY27E that would result in opex accretion (+4.2% YoY in FY26). Despite lower provisions in Q4'26, PCR rose by 271bps QoQ to 79%. One-time ECL impact may be <2% of equity with no material effect on sustainable credit costs. We are factoring provisions of ~60bps in FY27/28E.

### Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	% Var.	Q4'25A	YoY gr. (%)
NII (INR mn)	79,099	78,755	-0.4	72,836	8.1
Margin (%)	4.5	4.4	-7 bps	4.6	21 bps
Core PPOP (INR mn)	53,739	55,062	2.5	49,062	12.2
Core PAT (INR mn)	34,581	37,633	8.8	31,112	21.0

Source: Company, PL

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## Q4FY26 Conference Call Highlights

### Balance sheet

- Corporate banking growth remained flat QoQ as the bank chose not to roll over low-margin short-term wholesale exposures amid elevated March rates. Growth continues to be driven by granular expansion in the mid-market vertical, supported by new customer acquisitions
- Within large corp., focus is on flow-led businesses and profitability through higher cross-sell and deeper transaction banking penetration; trade finance and transaction banking showed strong momentum.
- Secured retail advances led retail growth, driven by strong demand in mortgages, tractor loans, gold loans and LAP. Growth was supported by robust underlying demand, disciplined underwriting and superior credit evaluation, resulting in stable asset quality.
- Bank retained its market positioning of 2nd largest tractor financier with 10.9% market share for FY26
- Personal loans grew 3% QoQ, led by salaried customers and expanded digital origination, with disbursals largely to existing customers. Acquired StanC PL portfolio continues to run down.
- CC growth was muted in FY26 during embargo period; management indicated readiness to accelerate growth post product re-stacking
- Retail microcredit grew 8% QoQ in Q4, driven by new customer disbursals, with risk-based underwriting supporting continued improvement in portfolio quality.
- BuB saw healthy demand for WC across sectors; Agri grew by 15% YoY driven by cross-sell, fee-based income and a cluster-led acquisition strategy.
- CV benefited from strong industry demand, driven by GST reduction and pre-buying ahead of OEM price hikes in Ap'26. CE industry fell by 18% YoY in Q4'26 and 8% in FY26, impacted by slower infra execution, constrained state finance, muted project awards, monsoon disruption and geopolitical headwinds.

### Profit and loss

- Management guided that FY27 NIM may see a slight but gradual decline, given longer wholesale TD tenors which would be offset by improving CASA mix.
- Fee growth could match balance sheet growth in FY27E that may result in higher acquisition related opex.
- Staff costs declined by ~INR 1.1mn QoQ due to higher discount rates on retirement benefits; management clarified this reduction is structural and permanent. Other opex rose 11% QoQ, driven by higher brand marketing spend and acquisition related costs; tech spend was ~13% of total opex for FY26.
- Cost/assets reduced by 25bps YoY in FY26, led by a focused operating segments, product verticals and sustained automation and digitization. Bank indicated that further cost optimization will be a key focus.

### Asset quality

- Asset quality improved across all parameters in Q4, supported by lower slippages and stronger collection efficiencies in granular retail portfolios. Secured book continues to have negligible delinquencies
- On ECL transition, management indicated a one-time net worth impact of <2%, with no material ongoing profitability impact anticipated.

- Collection efficiency is expected to remain supportive into Q1'27, aided by harvest-linked rural cash flows.
- Management stated that stress in retail unsecured portfolios has eased, with recent vintages showing better performance.

**Exhibit 1 : Beat on PAT aided by better fees, opex and asset quality.**

Financial Statement (INR mn)	Q4FY26	Q4FY25	YoY gr. (%)	Q4FY26E	% Var.	Q3FY26	QoQ gr. (%)
Interest Income	1,41,748	1,35,298	4.8	1,43,943	(1.5)	1,39,033	2.0
Interest Expenses	62,993	62,462	0.9	64,844	(2.9)	63,387	(0.6)
<b>Net interest income (NII)</b>	<b>78,755</b>	<b>72,836</b>	<b>8.1</b>	<b>79,099</b>	<b>(0.4)</b>	<b>75,646</b>	<b>4.1</b>
Other income	31,163	31,825	(2.1)	30,145	3.4	28,378	9.8
Total income	1,09,918	1,04,660	5.0	1,09,243	0.6	1,04,024	5.7
Operating expenses	51,366	49,938	2.9	51,614	(0.5)	50,226	2.3
-Staff expenses	20,608	21,063	(2.2)	22,458	(8.2)	22,458	(8.2)
-Other expenses	30,758	28,876	6.5	29,156	5.5	27,768	10.8
<b>Operating profit</b>	<b>58,552</b>	<b>54,722</b>	<b>7.0</b>	<b>57,629</b>	<b>1.6</b>	<b>53,798</b>	<b>8.8</b>
Core operating profit	55,062	49,062	12.2	53,739	2.5	50,908	8.2
Total provisions	5,164	9,094	(43.2)	7,630	(32.3)	8,096	(36.2)
<b>Profit before tax</b>	<b>53,388</b>	<b>45,628</b>	<b>17.0</b>	<b>49,998</b>	<b>6.8</b>	<b>45,702</b>	<b>16.8</b>
Tax	13,122	10,111	29.8	12,500	5.0	11,241	16.7
<b>Profit after tax</b>	<b>40,266</b>	<b>35,517</b>	<b>13.4</b>	<b>37,499</b>	<b>7.4</b>	<b>34,461</b>	<b>16.8</b>
<b>Balance sheet (INR mn)</b>							
Deposits	57,24,561	49,90,551	14.7	57,24,570	(0.0)	54,26,380	5.5
Advances	49,60,092	42,69,092	16.2	49,58,920	0.0	48,06,730	3.2
<b>Ratios (%)</b>							
<b>Profitability ratios</b>							
NIM	4.4	4.6	(21)	4.5	(7)	4.5	(13)
RoA	2.2	2.2	(1)	2.1	11	2.0	17
RoE	12.8	13.3	(53)	11.9	83	11.2	154
<b>Asset Quality</b>							
Gross NPL	60,178	61,339	(1.9)	65,722	(8.4)	63,198	(4.8)
Net NPL	12,625	13,434	(6.0)	15,116	(16.5)	14,969	(15.7)
Gross NPL ratio	1.2	1.4	(22)	1.3	(11)	1.3	(10)
Net NPL ratio	0.3	0.3	(6)	0.3	(5)	0.3	(6)
Coverage ratio (Calc)	79.0	78.1	92	77.0	202	76.3	271
<b>Business &amp; Other Ratios</b>							
Low-cost deposit mix	41.1	43.0	(185)	41.0	9	41.3	(20)
Cost-income ratio	46.7	47.7	(98)	47.2	(52)	48.3	(155)
Non int. inc / total income	28.4	30.4	(206)	27.6	76	27.3	107
Credit deposit ratio	86.6	85.5	110	86.6	2	88.6	(193)
CAR	22.4	22.2	20			22.6	(20)
Tier-I	21.3	21.1	20			21.5	(20)

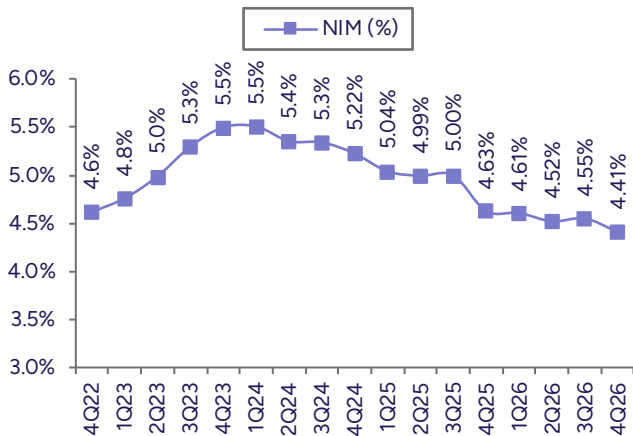
Source: Company, PL

Exhibit 2 : Loan growth led by housing loans, SME and Consumer Banking

Loan Book (INR mn)	Q4FY26	Q4FY25	YoY gr. (%)	Q3FY26	QoQ gr. (%)
Corp Banking	11,30,650	9,27,790	21.9	11,27,870	0.2
SME	4,17,140	3,57,540	16.7	3,96,230	5.3
Home loans	15,05,040	12,70,250	18.5	14,41,560	4.4
CV/CE	4,59,060	4,30,080	6.7	4,45,170	3.1
Cons Bank WC (secured)	5,30,590	4,27,970	24.0	5,03,060	5.5
PL, BL, Cons Durables	2,56,720	2,48,180	3.4	2,49,280	3.0
Credit Cards	1,22,940	1,34,200	(8.4)	1,23,220	(0.2)
Agri	2,78,850	2,41,570	15.4	2,63,480	5.8
Tractor Finance	2,00,840	1,77,060	13.4	1,94,100	3.5
Retail Micro Finance	61,880	66,970	(7.6)	57,080	8.4
Others	1,78,840	1,61,550	10.7	1,89,080	(5.4)
IBPC	(1,82,460)	(1,74,070)	4.8	(1,83,400)	(0.5)
<b>Total</b>	<b>49,60,090</b>	<b>42,69,090</b>	<b>16.2</b>	<b>48,06,730</b>	<b>3.2</b>
<b>Loan Book mix (%)</b>					
Corp Banking	22.8	21.7	4.9	23.5	(2.9)
SME	8.4	8.4	0.4	8.2	2.0
Home loans	30.3	29.8	2.0	30.0	1.2
CV/CE	9.3	10.1	(8.1)	9.3	(0.1)
Cons Bank WC (secured)	10.7	10.0	6.7	10.5	2.2
PL, BL, Cons Durables	5.2	5.8	(11.0)	5.2	(0.2)
Credit Cards	2.5	3.1	(21.2)	2.6	(3.3)
Agri	5.6	5.7	(0.6)	5.5	2.6
Tractor Finance	4.0	4.1	(2.4)	4.0	0.3
Retail Micro Finance	1.2	1.6	(20.5)	1.2	5.1
Others	3.6	3.8	(4.7)	3.9	(8.3)
IBPC	(3.7)	(4.1)	(9.8)	(3.8)	(3.6)

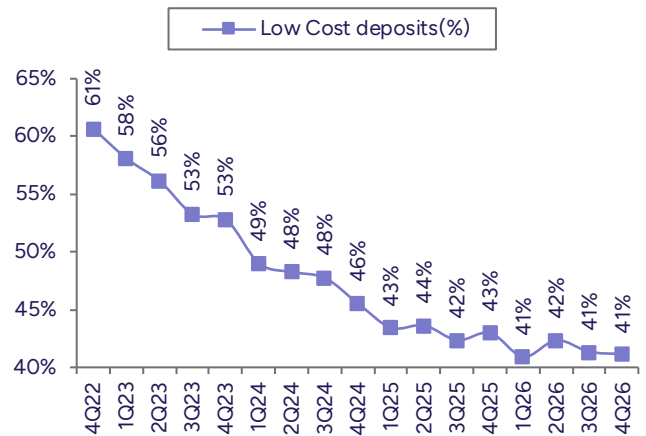
Source: Company, PL

Exhibit 3 : NIMs decreased QoQ to 4.41%



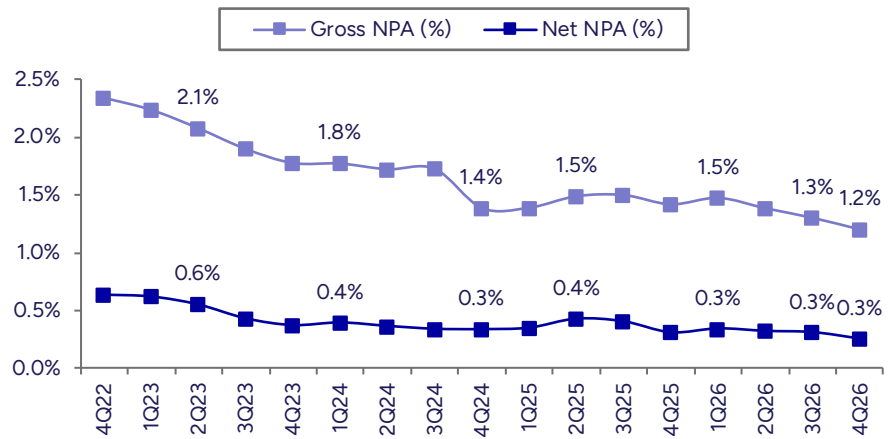
Source: Company, PL

Exhibit 4 : CASA stable QoQ at 41.1%



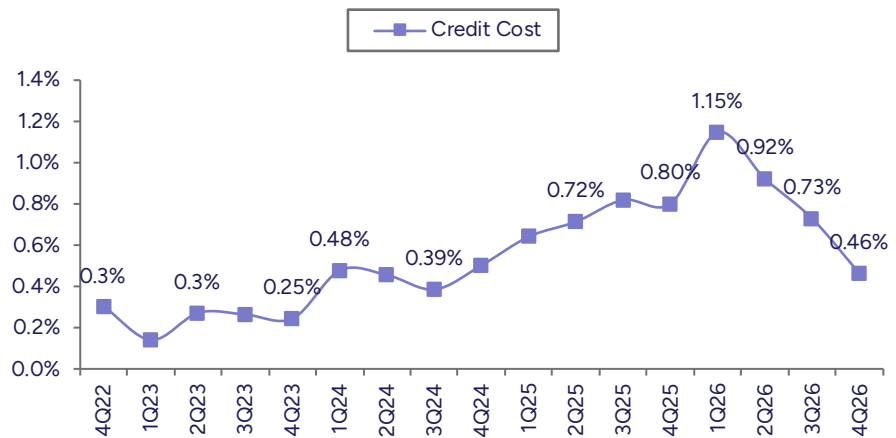
Source: Company, PL

Exhibit 5 : GNPA/NNPA reduced QoQ to 1.2%/0.25%



Source: Company, PL

Exhibit 6 : Credit costs decreased QoQ to 0.46%



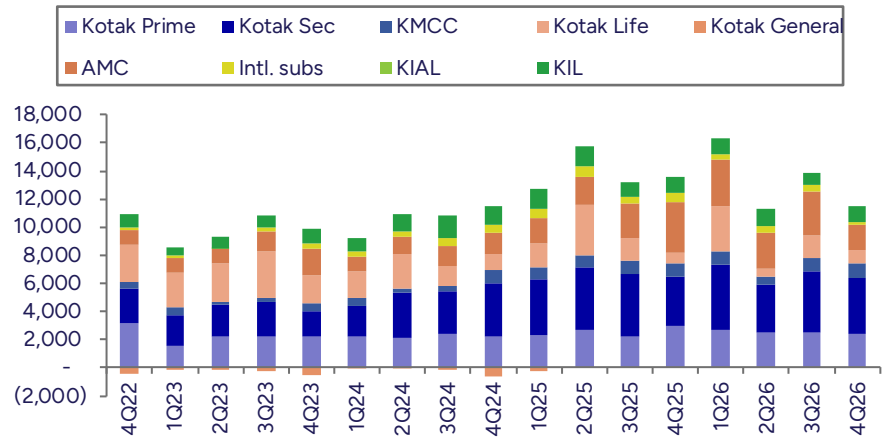
Source: Company, PL

Exhibit 7 : Consolidated earnings increased QoQ to Rs52.4bn

Consolidated Financials (INR mn)	Q4FY26	Q4FY25	YoY gr. (%)	Q3FY26	QoQ gr. (%)
Standalone Bank	40,266	35,517	13.4	34,461	16.8
Kotak Prime	2,400	2,970	(19.2)	2,500	(4.0)
KMCC	1,030	960	7.3	980	5.1
Kotak Securities	4,000	3,480	14.9	4,310	(7.2)
International subsidiaries	200	640	(68.8)	450	(55.6)
Kotak AMC	1,840	3,640	(49.5)	3,150	(41.6)
Kotak Mahindra Investments	1,150	1,160	(0.9)	870	32.2
<b>Lending business</b>	<b>42,666</b>	<b>38,487</b>	<b>10.9</b>	<b>36,961</b>	<b>15.4</b>
Flow business, Subsidiaries	8,220	9,880	(16.8)	9,760	(15.8)
Others	595	233	155.6	899	(33.8)
<b>Consolidated PAT (ex -insurance)</b>	<b>51,480</b>	<b>48,600</b>	<b>5.9</b>	<b>47,620</b>	<b>8.1</b>
Insurance*	900	730	23.3	1,620	(44.4)
<b>Consolidated PAT</b>	<b>52,380</b>	<b>49,330</b>	<b>6.2</b>	<b>49,240</b>	<b>6.4</b>

Source: Company, PL

Exhibit 8 : Robust group earnings with 22% share from non-banking cos



Source: Company, PL

Exhibit 9 : Return ratios to remain close to 11-12% over FY27E/28E

RoA decomposition	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Net interest income	4.1	4.7	4.8	4.4	4.1	4.1	4.1
Other Inc. from operations	1.5	1.5	1.9	2.3	1.6	1.6	1.5
<b>Total income</b>	<b>5.6</b>	<b>6.2</b>	<b>6.7</b>	<b>6.7</b>	<b>5.6</b>	<b>5.6</b>	<b>5.6</b>
Employee expenses	1.1	1.2	1.3	1.2	1.1	1.1	1.1
Other operating expenses	1.5	1.8	1.8	1.7	1.5	1.6	1.5
<b>Operating profit</b>	<b>3.0</b>	<b>3.2</b>	<b>3.6</b>	<b>3.8</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>
Tax	0.7	0.7	0.8	0.8	0.6	0.7	0.7
Loan loss provisions	0.2	0.1	0.3	0.5	0.5	0.4	0.4
<b>RoAA</b>	<b>2.1</b>	<b>2.4</b>	<b>2.5</b>	<b>2.5</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>
<b>RoAE</b>	<b>12.6</b>	<b>14.0</b>	<b>15.3</b>	<b>15.4</b>	<b>11.1</b>	<b>11.5</b>	<b>11.8</b>

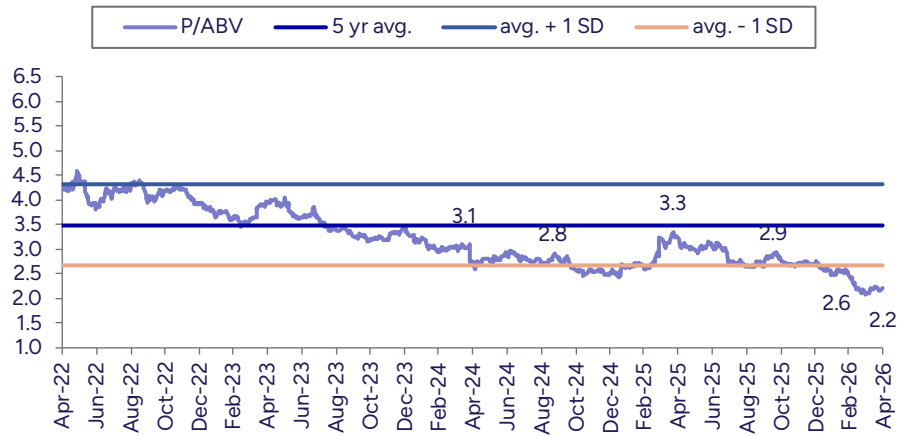
Source: Company, PL

Exhibit 10 : SOTP-based TP of Rs 480 basis Mar'28E core ABV of bank

Particulars	Stake	Rs per share	% of total	Valuation (x)	Basis
Standalone bank	100%	326	64.2	2.0	x Mar'28 core ABV
Kotak Sec	100%	66	13.0	40.0	of FY26 PAT
Insurance	100%	35	6.9	1.8	of Mar'26 EV
Kotak Prime	100%	32	6.4	3.0	of Mar'26 ABV
Kotak AMC	100%	35	6.8	6.0%	6% of Mar'26 MAAuM
KMCC	100%	5	1.0	15.0	of Mar'26 PAT
Intl Subs	100%	3	0.5	1.0	of Mar'26 BV
Others	100%	6	1.2	14.0	of Mar'26 PAT
<b>Total</b>		<b>507</b>	<b>100</b>		
Holdco discount		27			
<b>SOTP based TP</b>		<b>480</b>			

Source: Company, PL

Exhibit 11 : One-year forward P/ABV trades at 2.2x



Source: Company, PL

## Quarterly Financials

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
<b>Income Statement (INR m)</b>								
Interest earned	127,461	132,163	134,276	135,298	138,365	136,494	139,033	141,748
Interest expended	59,038	61,967	62,313	62,462	65,773	63,387	63,387	62,993
<b>Net Interest Income</b>	<b>68,424</b>	<b>70,196</b>	<b>71,963</b>	<b>72,836</b>	<b>72,593</b>	<b>73,107</b>	<b>75,646</b>	<b>78,755</b>
Other income	29,290	26,842	26,228	31,825	30,800	25,892	28,378	31,163
<b>Fees</b>	<b>22,400</b>	<b>23,120</b>	<b>23,620</b>	<b>26,160</b>	<b>22,490</b>	<b>24,150</b>	<b>25,490</b>	<b>27,670</b>
Total Income	97,714	97,038	98,191	104,660	103,393	98,999	104,024	109,918
<b>Operating Expenses</b>	<b>45,173</b>	<b>46,046</b>	<b>46,380</b>	<b>49,938</b>	<b>47,756</b>	<b>46,317</b>	<b>50,226</b>	<b>51,366</b>
Employees	18,705	19,514	19,525	21,063	20,655	19,795	22,458	20,608
Others	26,468	26,532	26,856	28,876	27,101	26,521	27,768	30,758
Operating profit	52,541	50,993	51,810	54,722	55,637	52,683	53,798	58,552
<b>Core PPOp</b>	<b>45,651</b>	<b>47,273</b>	<b>49,200</b>	<b>49,062</b>	<b>47,327</b>	<b>50,943</b>	<b>50,908</b>	<b>55,062</b>
Provisions	5,785	6,604	7,941	9,094	12,078	9,474	8,096	5,164
Profit before tax	46,756	44,389	43,869	45,628	43,559	43,208	45,702	53,388
Taxes	11,596	10,951	10,821	10,111	10,743	10,675	11,241	13,122
Net Profit	35,161	33,437	33,048	35,517	32,817	32,533	34,461	40,266
<b>Core PAT</b>	<b>29,979</b>	<b>30,635</b>	<b>31,082</b>	<b>31,112</b>	<b>26,556</b>	<b>31,223</b>	<b>32,282</b>	<b>37,633</b>
<b>Balance Sheet (INR m)</b>								
Share capital	9,940	9,941	9,941	9,941	9,941	9,943	9,943	9,947
Reserves & surplus	1,053,140	1,097,558	1,138,759	1,162,458	1,224,339	1,242,633	1,299,687	1,343,171
Deposits	4,474,180	4,614,542	4,734,970	4,990,551	5,128,380	5,287,760	5,426,380	5,724,561
Borrowings	294,020	265,125	234,170	484,428	211,480	239,111	268,300	324,750
Other liabilities	218,200	244,919	252,190	288,864	315,950	290,222	300,550	427,599
<b>Total liabilities</b>	<b>6,049,480</b>	<b>6,232,084</b>	<b>6,370,030</b>	<b>6,936,242</b>	<b>6,890,090</b>	<b>7,069,669</b>	<b>7,304,860</b>	<b>7,830,028</b>
Cash & bank	371,610	325,876	411,150	657,792	430,800	497,917	428,730	840,889
Investments	1,625,780	1,755,320	1,638,190	1,819,075	1,822,920	1,729,942	1,871,490	1,725,354
Advances	3,899,570	3,995,216	4,138,390	4,269,092	4,448,230	4,626,876	4,806,730	4,960,092
Fixed assets	21,661	22,381	22,605	23,589	23,824	24,319	24,562	23,883
Other assets	130,859	133,291	159,695	166,695	164,316	190,614	173,348	279,809
<b>Total assets</b>	<b>6,049,480</b>	<b>6,232,084</b>	<b>6,370,030</b>	<b>6,936,242</b>	<b>6,890,090</b>	<b>7,069,669</b>	<b>7,304,860</b>	<b>7,830,028</b>
<b>Balance sheet ratios (%)</b>								
Loan growth	18.7	14.7	15.1	13.5	14.1	15.8	16.1	16.2
Deposit growth	15.8	15.1	15.9	11.2	14.6	14.6	14.6	14.7
LDR	87.2	86.6	87.4	85.5	86.7	87.5	88.6	86.6
CASA	43.4	43.6	42.3	43.0	40.9	42.3	41.3	41.1
<b>Capital Adequacy (%)</b>								
CET-1	21.3	21.5	21.7	21.1	21.8	20.9	21.5	21.3
Tier-2	1.1	1.1	1.1	1.1	1.2	1.9	1.1	1.1
CRAR	22.4	22.6	22.8	22.2	23.0	22.8	22.6	22.4
<b>Profitability ratios (%)</b>								
Yield on assets	9.4	9.1	9.1	8.4	8.8	8.5	8.3	7.8
Cost of funds	5.3	5.1	5.2	4.8	5.2	4.9	4.8	4.4
NIM	5.0	5.0	5.0	4.6	4.6	4.5	4.6	4.4
Fees/Assets	1.6	1.6	1.6	1.6	1.4	1.5	1.5	1.5
Cost/Income	46.2	47.5	47.2	47.7	46.2	46.8	48.3	46.7
Opex/avg assets	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7
RoA	2.5	2.5	2.3	2.1	2.0	2.0	1.9	1.9
Core RoA	2.1	2.1	2.1	1.9	1.6	1.9	1.9	2.0
RoE	14.6	14.6	13.0	12.8	11.3	11.4	10.8	11.1
Core RoE	12.4	12.2	12.0	11.6	9.2	10.6	10.5	11.9
EPS (INR)	28.3	29.5	27.3	27.6	26.4	27.1	26.8	28.2
BVPS (INR)	213.9	222.8	231.1	235.9	248.3	252.0	263.4	272.1
ABVPS (INR)	-	-	-	-	-	-	-	-
<b>Asset quality ratios (%)</b>								
GNPA	1.4	1.5	2.0	1.4	1.5	1.4	1.3	1.2
NNPA	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3
Provision coverage	74.9	71.4	73.2	78.1	76.9	77.0	76.3	79.0
Provision costs	0.6	0.7	0.8	0.9	1.2	0.9	0.7	0.4
Slippage	1.4	2.0	1.8	1.6	1.7	1.5	1.5	1.0
NNPA/Equity	1.3	1.6	1.5	1.1	1.2	1.2	1.1	0.9

Source: Company, PL

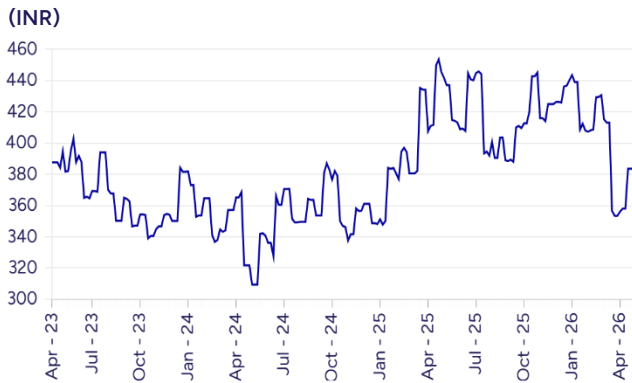
## Financials

Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Income Statement (INR m)</b>				
Interest earned	529,197	555,640	611,611	704,686
Interest expended	245,780	255,539	271,141	315,858
<b>Net Interest Income</b>	<b>283,418</b>	<b>300,101</b>	<b>340,470</b>	<b>388,827</b>
Other income	149,611	116,233	132,544	147,522
<b>Fees</b>	<b>79,443</b>	<b>82,819</b>	<b>92,395</b>	<b>104,526</b>
<i>Net Total Income</i>	<i>433,029.1</i>	<i>416,334.0</i>	<i>473,013.8</i>	<i>536,349.0</i>
<b>Operating Expenses</b>	<b>187,764</b>	<b>195,665</b>	<b>221,273</b>	<b>248,218</b>
Employees	79,183	83,517	90,527	101,889
Others	108,580.9	112,148.0	130,745.4	146,328.1
Operating profit	245,265	220,669	251,741	288,131
<b>Core PPop</b>	<b>192,074</b>	<b>206,736</b>	<b>234,237</b>	<b>270,627</b>
<b>Provisions</b>	<b>29,424</b>	<b>34,812</b>	<b>32,497</b>	<b>36,004</b>
Profit before tax	215,841	185,857	219,244	252,127
Taxes	51,341.0	45,781.0	54,810.9	63,031.8
Net Profit	164,501	140,077	164,433	189,095
<b>Core PAT</b>	<b>123,962</b>	<b>129,576</b>	<b>151,305</b>	<b>175,967</b>
<b>Growth Ratios (%)</b>				
Loans	13.5	16.2	15.0	15.0
Deposits	11.2	14.7	14.5	15.0
NII	9.0	5.9	13.5	14.2
Fees	12.7	4.2	11.6	13.1
Opex	12.6	4.2	13.1	12.2
Core PPop	6.3	7.6	13.3	15.5
Provisions	87.0	18.3	(6.6)	10.8
Core PAT	(1.8)	4.5	16.8	16.3
<b>Profitability Ratios (%)</b>				
Yield on IEA	8.4	7.8	7.6	7.6
Cost of funds	4.8	4.4	4.2	4.2
<b>NIM</b>	<b>4.5</b>	<b>4.2</b>	<b>4.2</b>	<b>4.2</b>
Cost/Income	43.4	47.0	46.8	46.3
Provision cost	0.7	0.8	0.6	0.6
Tax rate	23.8	24.6	25.0	25.0
<b>Core RoA</b>	<b>1.9</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>
<b>Core RoE</b>	<b>12.0</b>	<b>10.5</b>	<b>10.8</b>	<b>11.2</b>
<b>Du-pont (%)</b>				
Interest income	8.2	7.5	7.3	7.4
Interest expenses	3.8	3.5	3.2	3.3
NII	4.4	4.1	4.1	4.1
Other income	2.3	1.6	1.6	1.5
<b>Fees/avg assets</b>	<b>1.4</b>	<b>1.4</b>	<b>1.3</b>	<b>1.3</b>
<b>Total income</b>	<b>6.7</b>	<b>5.6</b>	<b>5.6</b>	<b>5.6</b>
<b>Opex/avg assets</b>	<b>2.9</b>	<b>2.7</b>	<b>2.6</b>	<b>2.6</b>
Staff cost	1.2	1.1	1.1	1.1
Other opex	1.7	1.5	1.6	1.5
<b>PPOP</b>	<b>3.8</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>
<b>Core PPop/avg assets</b>	<b>3.0</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>
Provisions	0.5	0.5	0.4	0.4
<b>PBT</b>	<b>3.3</b>	<b>2.5</b>	<b>2.6</b>	<b>2.6</b>
Tax	0.8	0.6	0.7	0.7
<b>RoA</b>	<b>2.5</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>
<b>RoE</b>	<b>15.4</b>	<b>11.1</b>	<b>11.5</b>	<b>11.8</b>

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Balance Sheet (INR m)</b>				
Equity	1,172,399	1,353,117	1,512,617	1,696,779
Share capital	9,941	9,947	9,947	9,947
Deposits	4,990,551	5,724,561	6,554,847	7,536,238
Borrowings	484,428	324,750	408,823	427,320
Other Liabilities	288,864	427,599	481,267	541,670
<b>Total liabilities</b>	<b>6,936,242</b>	<b>7,830,028</b>	<b>8,957,553</b>	<b>10,202,008</b>
Cash with RBI	416,992	512,395	503,917	524,378
Balance with banks	240,800	328,495	304,219	329,296
Investments	1,819,074	1,725,354	2,130,325	2,411,596
Advances	4,269,092	4,960,092	5,702,717	6,556,527
Fixed assets	23,589	23,883	24,853	25,862
Other assets	166,695	279,809	291,523	354,347
<b>Total assets</b>	<b>6,936,242</b>	<b>7,830,028</b>	<b>8,957,553</b>	<b>10,202,008</b>
<b>Balance sheet ratios (%)</b>				
LDR	85.5	86.6	87.0	87.0
CASA	43.0	41.1	41.6	42.0
Inv/NDTL	31.6	26.6	28.6	28.4
Borr/NDTL	8.4	5.0	5.5	5.0
Assets/equity (x)	5.9	5.8	5.9	6.0
RWA/Loans	121.7	120.5	120.5	120.5
RWA/Total assets	74.9	76.3	76.7	77.5
<b>Capital ratios (%)</b>				
CRAR	22.2	21.7	21.2	20.6
CET-1	21.1	20.6	20.0	19.5
AT-1	-	-	-	-
Tier-2	1.1	1.1	1.2	1.1
<b>Asset quality ratios (%)</b>				
GNPA (INR mn)	61,339	60,177	71,290	84,518
NNPA (INR mn)	13,434	12,625	14,258	16,904
GNPA	1.4	1.2	1.2	1.3
NNPA	0.3	0.3	0.3	0.3
PCR	78.1	79.0	80.0	80.0
Slippage	1.7	1.4	2.0	1.4
NNPA / Equity	1.1	0.9	0.9	1.0
<b>Per share (INR)</b>				
EPS	16.5	14.1	16.5	19.0
DPS	0.4	0.4	0.5	0.6
BVPS	117.9	136.0	152.1	170.6
ABVPS	116.6	134.8	150.6	168.9
Core BVPS	114.5	132.6	148.7	167.2
Core ABVPS	113.2	131.4	147.2	165.5
<b>Valuation (x)</b>				
Price (INR)	361.9	419.0	384.0	384.0
P/E	25.7	25.3	23.2	20.2
P/BV	3.1	3.1	2.5	2.2
P/ABV	3.1	3.1	2.5	2.3
P/core BV	2.6	2.7	1.5	1.4
P/core ABV	2.7	2.8	1.6	1.4

Source: Company, PL

**Price Chart**

**Recommendation History**

No.	Date	Rating	TP (INR)	Share Price (INR)
1	10-Apr-26	BUY	500	372
2	19-Feb-26	BUY	500	426
3	25-Jan-26	BUY	500	423
4	08-Jan-26	BUY	496	429
5	26-Oct-25	BUY	496	437
6	07-Oct-25	BUY	2350	2127
7	27-Jul-25	BUY	470	424
8	07-Jul-25	BUY	480	430
9	23-Jun-25	BUY	480	434
10	05-May-25	BUY	480	437

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Axis Bank	BUY	1600	1366
2	Bank of Baroda	Accumulate	320	274
3	Canara Bank	Hold	160	138
4	Canara Robeco Asset Management Company	Hold	280	268
5	City Union Bank	BUY	310	276
6	DCB Bank	BUY	155	182
7	Federal Bank	Accumulate	300	285
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	848
13	Kotak Mahindra Bank	BUY	500	372
14	Nippon Life India Asset Management	BUY	1050	990
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	Hold	975	925

**PL's Recommendation Nomenclature (Absolute Performance)**

<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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