

Union Bank of India (UNBK IN)

Q4FY26 Result Update

April 24, 2026

 Estimate Change | Target | Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	Accumulate		Accumulate	
Target Price	200		200	
NII (INR. mn)	389,580	432,160	401,802	445,511
% Chng.	(3.0)	(3.0)		
Op. Profit (INR mn)	281,104	307,588	304,343	339,207
% Chng.	(7.6)	(9.3)		
EPS (INR)	22.4	24.4	24.1	27.0
% Chng.	(7.1)	(9.6)		

Key Data

UNBK.BO | UNBK IN

BSE Code	532174
NSE Code	BANKBARODA
52-W High / Low	INR 205 / INR 112
Face Value	10
Sensex / Nifty	77,664 / 24,173
Market Cap	INR 1,372 bn / \$ 14,577 mn
Shares Outstanding	7633.61 mn
3M Avg. Daily Value	INR 3,365.60 mn

Shareholding Pattern (%)

Promoters	74.76
Foreign	9.37
Mutual Funds	4.03
Domestic Institution	7.48
Public & Others	4.36
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	6.6	4.0	25.8	39.0
Relative	(0.2)	9.2	37.0	43.4

Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
NII (INR mn)	372,137	366,588	389,580	432,160
NIM (%)	2.7	2.5	2.5	2.5
Core PPOP (INR mn)	267,791	240,007	241,685	266,983
PAT (INR mn)	179,871	186,971	171,690	186,745
Core PAT (INR mn)	146,846	151,258	142,126	156,292
EPS (INR)	23.6	24.5	22.5	24.5
Gr. (%)	31.8	3.9	(8.2)	8.8
DPS (INR)	4.8	4.9	4.5	4.9
Yield (%)	2.6	2.7	2.5	2.7
RoAE (%)	18.1	16.2	13.2	12.8
Core RoAE (%)	15.0	13.3	11.1	10.8
RoAA (%)	1.2	1.2	1.0	1.0
Core RoAA (%)	1.0	1.0	0.9	0.9
P/BV (x)	0.8	1.2	1.1	1.0
P/ABV (x)	0.8	1.3	1.1	1.0
PE (x)	5.2	7.9	8.6	7.9
CAR (%)	18.0	25.0	25.4	26.3

Growth vs margin dynamic a key monitorable

Quick Pointers

- Core PAT beat due to higher TWO recovery and lower opex
- Back-ended corporate loan growth led to NIM fall QoQ
- We trim NIM/core PAT for FY27/28E avg. 8bps/2.9%.

UNBK saw a steady quarter; while NII was 1.7% lower due to 13bps fall in reported NIM to 2.64%, core PPOP was ~17% higher owing to higher TWO recovery and lower opex. NIM fell QoQ due to the repo cut in Dec'25 and back-ended corporate growth of 9.2% QoQ. Bank had preferred profitability over growth, however, with new MD at the helm, it has slightly changed its stance to quality growth. We cut NIM/core PAT for FY27/28E by avg. 8bps/2.9%, as growth may be led by corporate and raising liabilities may get expensive in H2FY27 as LCR (incl. leeway) would be low at 116-117%. We keep multiple of 1.0x on Mar'28 ABV, and maintain TP of INR 200. Retain 'ACCUMULATE'.

- **Decent quarter; higher core PAT due to TWO recovery and lower opex:** NII was tad lower at INR 94.1bn (PLe INR 95.6bn) due to lesser NIM (calc.) which was 2.58% (PLe 2.62%); reported NIM fell by 13bps QoQ to 2.64%. Loan and deposit growth were broadly in-line at 10.5%/2.7% YoY. CASA ratio increased to 35.2% (33.9% in Q3'26). Other inc. was more at INR 54bn (PLe INR 47.5bn) due to TWO recovery; fee was in-line. Opex at INR 68.6bn was 4.7% below PLe led by lower staff cost partly offset by higher other opex. Core PPOP was 17% higher at INR 69.9bn. Asset quality was better. While GNPA was in-line at 2.8%, gross slippages were lower at INR 21bn (PLe INR 25.2bn); recoveries were higher at INR 16.7bn (PLe INR 14.5bn). Provisions were in-line at INR 10.5bn. Core PAT was a 24% beat at INR 45.7bn.
- **Loan growth was mainly led by corporate:** Loan growth was healthy at 6.3% QoQ that was mainly led by corporate which grew by 9.2%; RAM segment grew by 3.7%. Bank continued to shed bulk deposit of INR 70bn while reallocating surplus liquidity of INR250bn from the treasury book towards loans. Credit growth for FY27 was guided at 13–14%, with the bank stating its strategy of "quality growth" while maintaining regulatory comfort on CD ratio (>80%) and LCR (~114%). We raise loan CAGR over FY26-28E by 100bps to 11% due to bank's higher focus on corporate.
- **Reported NIM falls QoQ; healthy TWO recovery could sustain:** As per bank, NIM fell largely due to repo cut in Dec'25; however, it may bottom out and remain stable supported by CASA and better resource deployment. TWO recovery was healthy at INR 16bn (INR 6.7bn in Q3'25), partly aided by Sterling Biotech settlement (INR 6.58bn). Staff cost fell by 14.6% QoQ as discounting rate for employee liabilities rose to 7.87% in FY26 (7.07% in Mar'25), lowering final liability booked in Q4'26.

Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	% Var.	Q4'25A	YoY gr. (%)
NII (INR mn)	95,647	94,060	-1.7	95,140	-1.1
Margin (%)	2.6	2.5	-4 bps	2.8	-17 bps
Core PPOP (INR mn)	59,818	69,932	16.9	58,441	19.7
Core PAT (INR mn)	37,017	45,746	23.6	34,820	31.4

Source: Company, PL

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Q4FY26 Concall Highlights

Balance sheet

- Credit growth guidance for FY27 stands at 13–14%, with management reiterating a strategy of “growth with quality” while maintaining regulatory comfort on CD ratio (>80%) and LCR (~114%)
- Management highlighted that the key balance-sheet strategy over the last six months has been active churn towards higher-quality and better-yielding assets, including the runoff of INR 350bn of IBPC exposure and INR 300bn of other low-yielding corporate advances.
- The bank continued to rebalance its balance sheet by shedding INR 70bn of bulk deposits and reallocating surplus liquidity from the treasury book INR 250bn towards loan growth.
- CASA and retail term deposits together now account for 79% of total deposits.
- CASA ratio improved by ~270bps YoY to 35.21% (from 32.51%), reflecting the bank’s conscious shift away from bulk deposits toward granular liabilities.
- Under the revised LCR framework, management estimated a net positive impact of INR 70bn, translating to 2-3% LCR cushion, indicating no balance-sheet constraint under the new norms.

Profit & loss

- NIM declined QoQ to 2.64% (2.76% in Q3), largely due to the repo rate cut in Dec’25; however, the bank expects NIM to bottom out and remain stable at current levels, supported by higher CASA and better deployment of resources.
- Recovery income remained strong at INR 16bn in Q4’26 (INR 6.7bn in Q3’25), partly aided by the settlement of Sterling Biotech which accounted for INR 6.58bn.
- Employee cost declined due by 14.6% QoQ due to actuarial adjustments, as discounting rate for employee liabilities increased to 7.87% in FY26 (7.07% in Mar’25), lowering the final liability booked in Q4.
- Other operating expenses rose QoQ, which management highlighted as a normal Q4 trend, driven by year-end budget adjustments and provisioning gaps.

Asset quality

- Asset quality strengthened YoY, with GNPA declining by 78bps to 2.82% and NNPA reducing by 15bps to 0.48%, underscoring sustained improvement in the loan book.
- SMA-2 accounts moved into SMA-1 due to recoveries, which management views as a positive signal rather than early-stage stress.
- The bank created an additional INR 700bn standard asset provision as a prudential buffer (primarily for ECL transition), with no impact on reported profit or capital adequacy.
- The TWO pool remains elevated at INR 710bn, with INR 450-460bn under NCLT; recoveries in FY27 are expected to broadly sustain at FY26 levels.
- Credit cost for FY26 stood at 23bps, which management believes is sustainable given strong underwriting standards.

Exhibit 1 : PAT beat lead by increase in other income and lower staff expenses

P&L (Rs mn)	Q4FY26	Q4FY25	YoY gr. (%)	Q4FY26E	% Var.	Q3FY26	QoQ gr. (%)
Interest income	2,64,390	2,76,952	(4.5)	2,74,947	(3.8)	2,64,434	(0.0)
Interest expense	1,70,330	1,81,812	(6.3)	1,79,299	(5.0)	1,71,155	(0.5)
Net interest income (NII)	94,060	95,140	(1.1)	95,647	(1.7)	93,279	0.8
-Fee income	28,830	27,870	3.4	28,715	0.4	27,700	4.1
-Other income	25,291	27,721	(8.8)	18,802	34.5	17,711	42.8
Total income	1,48,181	1,50,731	(1.7)	1,43,164	3.5	1,38,690	6.8
Operating expenses	68,628	73,730	(6.9)	72,045	(4.7)	69,274	(0.9)
-Staff expenses	34,248	40,691	(15.8)	41,715	(17.9)	40,111	(14.6)
-Other expenses	34,381	33,039	4.1	30,329	13.4	29,163	17.9
Operating profit	79,553	77,001	3.3	71,120	11.9	69,416	14.6
Core operating profit	69,932	58,441	19.7	59,818	16.9	58,376	19.8
Total provisions	10,550	15,439	(31.7)	10,461	0.8	3,222	227.4
Profit before tax	69,003	61,562	12.1	60,659	13.8	66,194	4.2
Tax	15,846	11,713	35.3	15,165	4.5	16,026	(1.1)
Profit after tax	53,158	49,849	6.6	45,494	16.8	50,168	6.0

Balance Sheet (Rs bn)

Deposits	1,30,68,914	1,27,22,470	2.7	1,30,69,000	(0.0)	1,22,28,559	6.9
Advances	1,05,32,775	95,35,133	10.5	1,05,11,763	0.2	99,08,650	6.3

Ratios (calc %)

RoaA	1.4	1.4	1	1.2	20	1.4	(0)
RoaE	17.6	19.0	(139)	15.2		16.9	72
NIM	2.6	2.8	(17)	2.6	(4)	2.7	(13)
Yield on Advances	8.1	8.9	(83)	8.2	(14)	8.3	(23)
Cost of Funds	5.0	5.6	(62)	5.3	(26)	5.4	(36)

Asset Quality

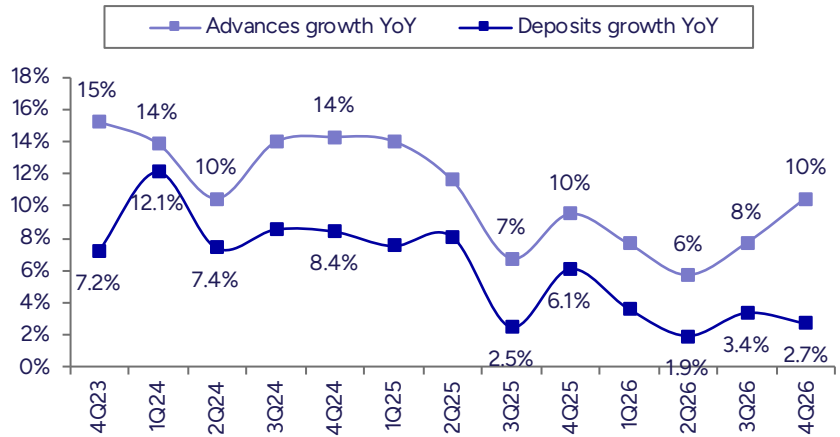
Gross NPL (Rs m)	3,04,008	3,53,504	(14.0)	3,00,678	1.1	3,11,209	(2.3)
Net NPL (Rs m)	50,673	59,693	(15.1)	51,115	(0.9)	51,022	(0.7)
Gross NPL ratio	2.8	3.6	(78)	2.8	2	3.1	(24)
Net NPL ratio	0.5	0.6	(14)	0.5	(1)	0.5	(3)
Coverage ratio	83.3	83.1	22	83.0	33	83.6	(27)

Business & Other Ratios

Low-cost deposit mix	35.2	33.5	169	33.3		33.9	126
Cost-income ratio	46.3	48.9	(260)	50.3	(401)	49.9	(363)
Non int. inc / total income	36.5	36.9	(36)	33.2	333	32.7	378
Credit deposit ratio	80.6	74.9	565	80.4	16	81.0	(43)
CAR	18.1	18.0	9	16.5		16.5	161
Tier-I	16.6	16.2	39	15.1		15.0	159

Source: Company, PL

Exhibit 2 : Advances growth increased to 10%



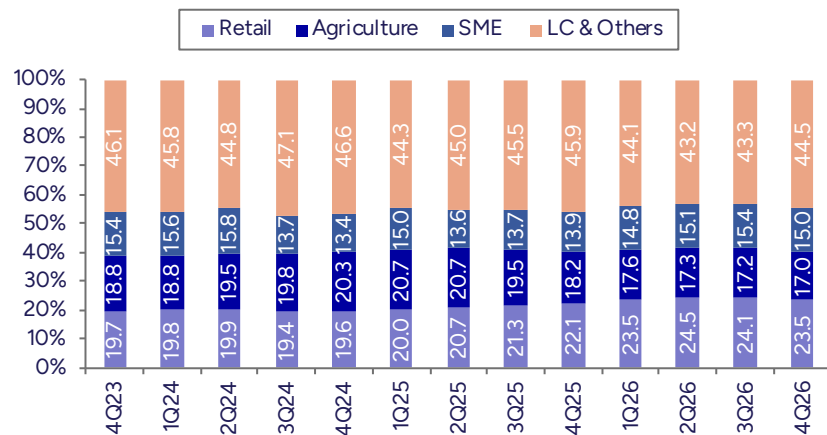
Source: Company, PL

Exhibit 3 : Sequential growth of 6.1% led by Corporate & SME loan book

Loan Book Details (Rs bn)	Q4FY26	Q4FY25	YoY gr. (%)	Q3FY26	QoQ gr. (%)
Gross Advances	1,07,86,110	98,28,940	9.7	1,01,68,840	6.1
Large Corporates	48,01,270	45,12,150	6.4	43,98,460	9.2
SME	16,20,070	13,64,230	18.8	15,62,030	3.7
Agri	18,33,940	17,84,790	2.8	17,52,940	4.6
International	3,76,570	3,69,190	2.0	3,61,650	4.1
Retail	25,30,830	21,67,770	16.7	24,55,410	3.1
Home	12,57,100	11,09,770	13	12,21,400	3
Auto	2,84,150	2,24,620	27	2,63,410	8
Education	1,81,660	1,59,120	14	1,78,000	2
Other Retail	8,07,920	6,74,260	20	7,92,600	2

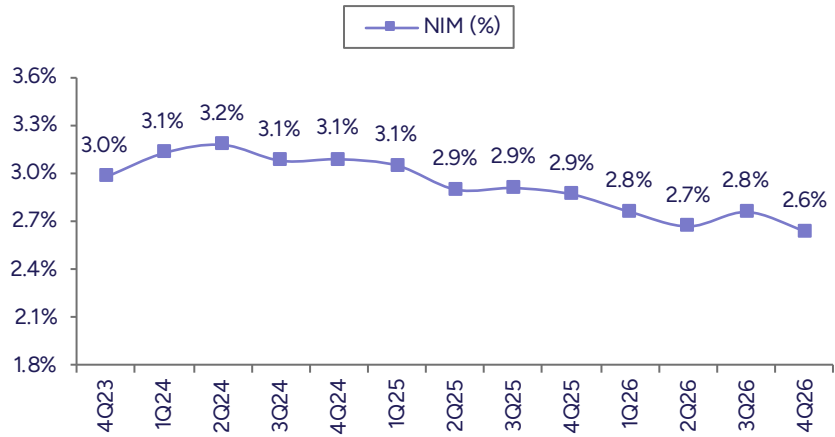
Source: Company, PL

Exhibit 4 : Retail:corporate mix came in at 56:44



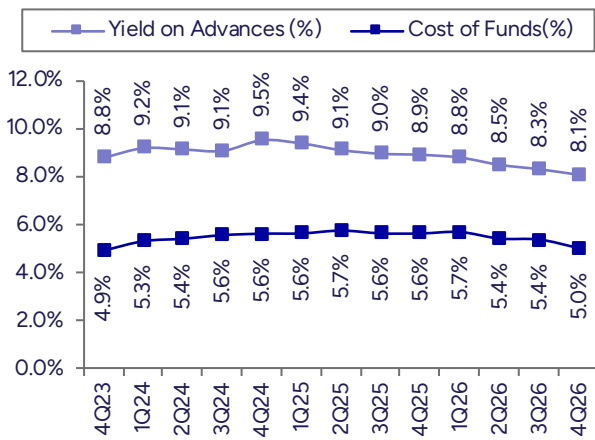
Source: Company, PL

Exhibit 5 : NIMs decreased by 13bps QoQ to 2.58%



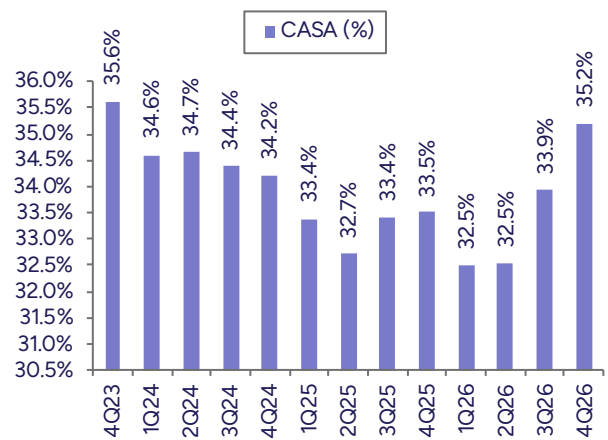
Source: Company, PL

Exhibit 6 : Yield on advances fell due to repo rate cut



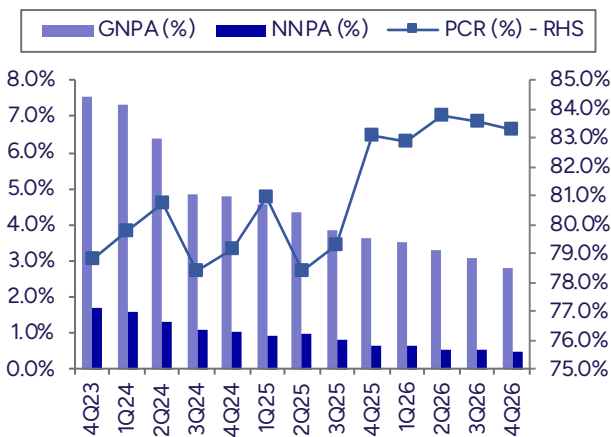
Source: Company, PL

Exhibit 7 : CASA ratio increased to 35.2%



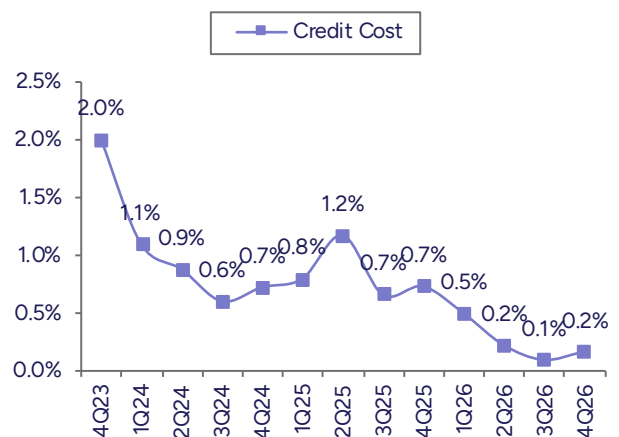
Source: Company, PL

Exhibit 8 : GNPA/NNPA improved to 2.8%/0.5%



Source: Company, PL

Exhibit 9 : Credit cost increased to 0.2%



Source: Company, PL

Exhibit 10 : Slippages came in at INR21.02bn, while overall asset quality has improved

(Rs mn)	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
Additions	27,940	32,410	26,320	26,810	33,230	23,180	52,190	19,690	25,670	23,450	21,510	18,530	21,020
Slippages (%)	1.8%	1.8%	1.5%	1.5%	1.9%	1.1%	2.6%	1.0%	1.3%	1.0%	0.9%	0.8%	0.9%
Recovery	19,340	11,660	17,220	27,250	16,760	12,000	9,770	11,300	16,170	7,900	11,130	12,120	12,900
Upgradation	9,640	10,010	9,840	13,880	8,400	6,070	10,070	7,250	9,240	5,190	10,630	4,820	3,650
Write offs	26,787	19,576	60,175	93,184	9,712	21,858	41,590	40,590	12,300	20,760	22,010	11,240	11,670
Gross NPAs	6,09,873	6,01,037	5,40,123	4,32,619	4,30,977	4,14,229	4,04,989	3,65,543	3,53,504	3,43,113	3,20,851	3,11,209	3,04,008
Gross NPA Ratio	7.53	7.34	6.38	4.83	4.76	4.54	4.36	3.85	3.60	3.52	3.29	3.06	2.82
Net NPAs	1,29,274	1,21,379	1,04,210	93,512	89,899	79,020	87,586	75,684	59,693	58,739	52,094	51,022	50,673
Net NPA Ratio	1.70	1.58	1.30	1.08	1.03	0.90	0.98	0.82	0.63	0.62	0.55	0.51	0.48
PCR	78.8%	79.8%	80.7%	78.4%	79.1%	80.9%	78.4%	79.3%	83.1%	82.9%	83.8%	83.6%	83.3%
NPAs breakup													
MSME	1,56,520	1,54,890	1,40,950	1,11,990	1,15,020	1,15,620	1,02,490	51,200	57,640	63,480	65,230	66,260	68,630
Retail	46,930	48,800	46,880	39,300	41,640	43,910	37,880	31,340	31,460	27,160	26,880	26,710	25,130
Agriculture	1,56,070	1,52,450	1,47,930	1,51,250	1,56,450	1,53,510	1,48,730	1,46,430	1,43,580	1,44,520	1,43,270	1,41,630	1,39,610
Others	2,50,350	2,44,900	2,04,360	1,30,080	1,17,870	1,01,190	1,15,880	1,36,570	1,20,820	1,07,950	85,470	76,610	70,640

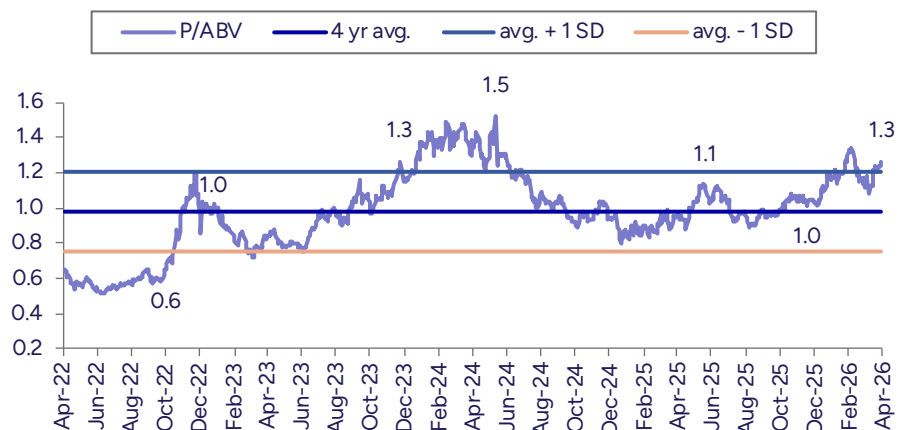
Source: Company, PL

Exhibit 11 : Return ratios to remain at ~13%

RoA decomposition (%)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Interest Income/Assets	2.5	2.7	2.7	2.6	2.4	2.4	2.4
Other Income/Assets	1.1	1.2	1.2	1.4	1.3	1.1	1.1
Net revenues/Assets	3.6	3.8	3.9	3.9	3.7	3.5	3.5
Operating Expense/Assets	1.6	1.8	1.8	1.8	1.8	1.8	1.8
Provisions/Assets	1.2	1.1	0.5	0.5	0.3	0.3	0.3
Taxes/Assets	0.3	0.3	0.6	0.4	0.4	0.3	0.3
ROA	0.5	0.7	1.0	1.2	1.2	1.0	1.0
ROE	8.3	12.2	16.7	18.1	16.2	13.2	12.8

Source: Company, PL

Exhibit 12 : One-year forward P/ABV trades at 1.3x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Income Statement (INR m)								
Interest earned	263,644	267,084	265,436	276,952	272,956	261,906	264,434	264,390
Interest expended	169,523	176,612	173,033	181,812	181,830	173,782	171,155	170,330
Net Interest Income	94,121	90,473	92,403	95,140	91,126	88,124	93,279	94,060
Other income	45,092	53,280	44,166	55,591	44,858	49,958	45,411	54,121
Fees	28,680	25,630	23,650	24,880	22,190	24,430	24,500	26,310
Total Income	139,213	143,753	136,568	150,731	135,983	138,082	138,690	148,181
Operating Expenses	61,360	62,625	61,650	73,730	66,897	69,942	69,274	68,628
Employees	35,680	35,627	34,678	40,691	39,459	39,087	40,111	34,248
Others	25,680	26,999	26,972	33,039	27,438	30,856	29,163	34,381
Operating profit	77,853	81,128	74,918	77,001	69,087	68,140	69,416	79,553
Core PPOp	72,951	69,697	66,703	58,441	57,569	54,131	58,376	69,932
Provisions	27,558	17,122	15,991	15,439	16,645	13,967	3,222	10,550
Profit before tax	50,295	64,006	58,928	61,562	52,442	54,172	66,194	69,003
Taxes	13,507	16,808	12,891	11,713	11,286	11,681	16,026	15,846
Net Profit	36,789	47,197	46,036	49,849	41,155	42,491	50,168	53,158
Core PAT	33,203	38,769	39,618	34,820	32,116	31,503	41,800	45,746
Balance Sheet (INR m)								
Share capital	76,336	76,336	76,336	76,336	76,336	76,336	76,336	76,336
Reserves & surplus	947,358	994,056	1,039,218	1,053,416	1,094,577	1,135,654	1,184,370	1,209,414
Deposits	11,965,480	12,111,784	11,830,652	12,722,470	12,399,326	12,346,209	12,228,559	13,068,914
Borrowings	531,312	566,122	659,797	648,443	676,553	685,957	784,407	771,902
Other liabilities	504,491	381,763	460,379	497,892	572,444	494,294	551,346	566,981
Total liabilities	14,024,976	14,130,061	14,066,383	14,998,557	14,819,235	14,738,449	14,825,019	15,693,546
Cash & bank	1,155,910	1,045,164	935,095	1,313,340	1,392,962	1,130,436	793,222	957,047
Investments	3,426,251	3,534,051	3,399,099	3,543,814	3,406,225	3,456,957	3,312,264	3,302,362
Advances	8,786,929	8,970,919	9,201,782	9,535,133	9,460,521	9,483,311	9,908,650	10,532,775
Fixed assets	92,318	92,117	94,095	97,819	98,481	99,493	98,493	116,080
Other assets	563,568	487,810	436,311	508,451	461,047	568,252	712,390	785,283
Total assets	14,024,976	14,130,061	14,066,383	14,998,557	14,819,235	14,738,449	14,825,019	15,693,546
Balance sheet ratios (%)								
Loan growth	0.9	2.1	2.6	3.6	(0.8)	0.2	4.5	6.3
Deposit growth	(0.2)	1.2	(2.3)	7.5	(2.5)	(0.4)	(1.0)	6.9
LDR	73.4	74.1	77.8	74.9	76.3	76.8	81.0	80.6
CASA	34.0	33.0	34.0	34.0	33.0	33.0	34.0	36.0
Capital Adequacy (%)								
CET-1	13.8	13.9	13.6	15.0	16.0	14.4	13.9	15.7
Tier-2	1.9	1.9	1.8	1.8	1.7	1.5	1.4	1.5
CRAR	17.0	17.1	16.7	18.0	19.0	17.1	16.5	19.0
Profitability ratios (%)								
Yield on assets	8.2	8.1	8.0	7.8	7.9	7.7	7.7	7.3
Cost of funds	5.6	5.7	5.6	5.6	5.7	5.4	5.4	5.0
NIM	2.9	2.8	2.8	2.7	2.6	2.6	2.6	2.5
Fees/Assets	0.9	0.8	0.7	0.7	0.6	0.7	0.7	0.7
Cost/Income	44.1	43.6	45.1	48.9	49.2	50.7	49.9	46.3
Opex/avg assets	0.4	0.4	0.4	0.5	0.4	0.5	0.5	0.4
RoA	1.1	1.2	1.3	1.2	1.1	1.2	1.2	1.2
Core RoA	1.0	1.1	1.1	1.0	0.9	0.9	1.2	1.2
RoE	15.4	17.1	16.9	17.1	14.7	14.7	15.0	15.5
Core RoE	14.5	15.8	15.5	13.3	11.7	11.0	14.1	15.2
EPS (INR)	3.9	4.9	4.8	5.2	4.3	4.5	5.3	5.6
BVPS (INR)	134.1	140.2	146.1	148.0	153.4	158.8	165.2	168.4
ABVPS (INR)	123.8	128.7	136.2	140.2	145.7	151.9	158.5	161.8
Asset quality ratios (%)								
GNPA	4.5	4.4	3.9	3.6	3.5	3.3	3.1	2.8
NNPA	0.9	1.0	0.8	0.6	0.6	0.5	0.5	0.5
Provision coverage	80.9	78.4	79.3	83.1	82.9	83.8	83.6	83.3
Provision costs	1.3	0.8	0.7	0.7	0.7	0.6	0.1	0.4
Slippage	1.1	2.6	1.0	1.3	1.0	0.9	0.8	0.9
NNPA/Equity	7.7	8.2	6.8	5.3	5.0	4.3	4.0	3.9

Source: Company, PL

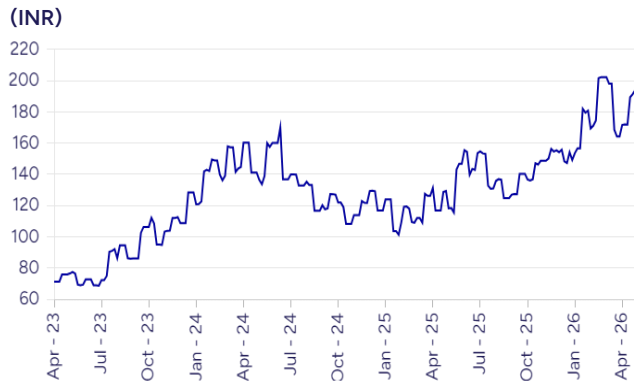
Financials

Y/e Mar	FY25	FY26	FY27E	FY28E
Income Statement (INR m)				
Interest earned	1,077,260	1,063,686	1,080,787	1,180,726
Interest expended	705,123	697,097	691,207	748,566
Net Interest Income	372,137	366,588	389,580	432,160
Other income	198,129	194,348	188,643	199,468
Fees	102,840	97,430	105,877	116,011
<i>Net Total Income</i>	<i>570,265.9</i>	<i>560,937.0</i>	<i>578,222.8</i>	<i>631,628.6</i>
Operating Expenses	259,365	274,741	297,119	324,040
Employees	146,676	152,904	162,768	176,241
Others	112,689.1	121,837.0	134,350.7	147,799.4
Operating profit	310,900	286,195	281,104	307,588
Core PPop	267,791	240,007	241,685	266,983
Provisions	76,110	44,385	52,184	58,595
Profit before tax	234,791	241,811	228,920	248,994
Taxes	54,920.0	54,840.0	57,230.1	62,248.4
Net Profit	179,871	186,971	171,690	186,745
Core PAT	146,846	151,258	142,126	156,292
Growth Ratios (%)				
Loans	9.5	10.5	11.0	11.0
Deposits	6.1	2.7	9.9	10.0
NII	1.8	(1.5)	6.3	10.9
Fees	25.7	(5.3)	8.7	9.6
Opex	6.1	5.9	8.1	9.1
Core PPop	6.2	(10.4)	0.7	10.5
Provisions	12.3	(41.7)	17.6	12.3
Core PAT	25.1	3.0	(6.0)	10.0
Profitability Ratios (%)				
Yield on IEA	7.8	7.3	7.0	6.9
Cost of funds	5.5	5.1	4.8	4.7
NIM	2.7	2.5	2.5	2.5
Cost/Income	45.5	49.0	51.4	51.3
Provision cost	0.8	0.4	0.5	0.5
Tax rate	23.4	22.7	25.0	25.0
Core RoA	1.0	1.0	0.9	0.9
Core RoE	15.0	13.3	11.1	10.8
Du-pont (%)				
Interest income	7.5	6.9	6.6	6.5
Interest expenses	4.9	4.5	4.2	4.1
NII	2.6	2.4	2.4	2.4
Other income	1.4	1.3	1.1	1.1
Fees/avg assets	0.8	0.7	0.7	0.7
Total income	3.9	3.7	3.5	3.5
Opex/avg assets	1.8	1.8	1.8	1.8
Staff cost	1.0	1.0	1.0	1.0
Other opex	0.8	0.8	0.8	0.8
PPOP	2.2	1.9	1.7	1.7
Core PPop/avg assets	1.9	1.6	1.5	1.5
Provisions	0.5	0.3	0.3	0.3
PBT	1.6	1.6	1.4	1.4
Tax	0.4	0.4	0.3	0.3
RoA	1.2	1.2	1.0	1.0
RoE	18.1	16.2	13.2	12.8

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
Balance Sheet (INR m)				
Equity	1,129,752	1,285,750	1,423,102	1,609,847
Share capital	76,336	76,336	76,336	76,336
Deposits	12,722,470	13,068,914	14,369,050	15,800,053
Borrowings	648,443	771,902	838,208	917,222
Other Liabilities	497,892	566,981	638,142	718,234
Total liabilities	14,998,557	15,693,546	17,268,501	19,045,357
Cash with RBI	895,035	664,728	670,144	725,386
Balance with banks	418,305	292,319	341,784	384,681
Investments	3,543,814	3,302,362	3,573,415	3,866,089
Advances	9,535,133	10,532,775	11,695,560	12,986,713
Fixed assets	97,819	116,080	120,793	125,698
Other assets	508,451	785,283	866,805	956,790
Total assets	14,998,557	15,693,546	17,268,501	19,045,357
Balance sheet ratios (%)				
LDR	74.9	80.6	81.4	82.2
CASA	34.0	36.0	36.0	36.0
Inv/NDTL	25.6	22.9	22.6	22.2
Borr/NDTL	4.7	5.4	5.3	5.3
Assets/equity (x)	14.4	13.3	12.2	12.1
RWA/Loans	73.8	72.2	70.2	68.3
RWA/Total assets	46.9	48.4	47.5	46.6
Capital ratios (%)				
CRAR	18.0	25.0	25.4	26.3
CET-1	15.0	15.6	15.9	16.7
AT-1	1.3	1.3	1.3	1.3
Tier-2	1.8	8.1	8.2	8.3
Asset quality ratios (%)				
GNPA (INR mn)	353,506	303,996	277,160	265,782
NNPA (INR mn)	59,693	50,673	47,116	45,182
GNPA	3.6	2.8	2.3	2.0
NNPA	0.6	0.5	0.4	0.3
PCR	83.1	83.3	83.0	83.0
Slippage	1.4	0.9	1.0	1.0
NNPA / Equity	5.3	3.9	3.3	2.8
Per share (INR)				
EPS	23.6	24.5	22.5	24.5
DPS	4.8	4.9	4.5	4.9
BVPS	140.8	161.3	179.3	203.7
ABVPS	133.0	154.6	173.1	197.8
Core BVPS	-	-	-	-
Core ABVPS	-	-	-	-
Valuation (x)				
Price (INR)	127.0	179.7	179.7	179.7
P/E	5.2	7.9	8.6	7.9
P/BV	0.8	1.2	1.1	1.0
P/ABV	0.8	1.3	1.1	1.0
P/core BV	-	-	-	-
P/core ABV	-	-	-	-

Source: Company, PL

Price Chart

Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	10-Apr-26	Accumulate	200	185
2	19-Feb-26	BUY	200	193
3	15-Jan-26	BUY	200	179
4	08-Jan-26	BUY	160	166
5	31-Oct-25	BUY	160	142
6	07-Oct-25	BUY	150	139
7	21-Jul-25	BUY	150	146
8	07-Jul-25	BUY	160	152
9	23-Jun-25	BUY	160	143
10	10-May-25	BUY	145	123

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	185
18	UTI Asset Management Company	Buy	1125	942

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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