BUY City Union Bank

Strong performance; margins improve (Correction)

BFSI - Banks ▸ Result Update ▸ **October 29, 2026** **CMP (Rs): 216 | TP (Rs): 300**

City Union Bank (CUBK)'s credit growth continues to accelerate, up ~27% yoy and 7% qoq in 2Q. This, coupled with steady loan yields and stable COF, helped the bank recover margin to 3.88% from 3.78% in 1Q, with PAT at ~Rs4.2bn (27% yoy/~9% qoq) and ROA at ~1.6%. Provisions were slightly higher than expected, as the bank continued building up contingency provisions. Despite an estimated ECL impact of Rs3bn, of which Rs300mn has already been provided for, management expects the remaining Rs2.7bn to be adjusted against capital, with no impact on P&L. With 55% of loans EBLR-linked, management expects NIM to remain at 3.85-3.95% in 3Q-4QFY27, supported by repo rate hike. It remains cautious on sustaining 21–22% deposit growth over the next two years amid competition while targeting credit growth 2–3ppt above industry growth. We expect the bank to report a strong ROA of ~1.6-1.8% over FY27-29E. This, coupled with a strong capital buffer and improving retail orientation, should help the bank sustain a premium valuation, in our view. We retain BUY and TP of Rs300, valuing the bank at 2.0x Sep-28E ABV.

Strong growth; margin outlook positive

CUBK's credit growth accelerated to ~27% yoy/~7% qoq, led by strong momentum in SME (+22% yoy) and agri (+32% yoy). Management remains focused on secured lending and reiterated its target of achieving credit growth 2–3ppt above the industry. However, it expressed caution about sustaining deposit growth of 20%+ over the next two years. NIM uptick was driven by better loan growth and stable COF. Around 55% of the loan portfolio is EBLR-linked, providing scope for asset-side repricing following policy-rate changes. Management expects NIM to remain at 3.85–3.95% over 3Q-4Q.

Asset quality continues to improve

Asset quality continued to improve with contained slippages of Rs1.75bn (1.2% of loans), supported by better recoveries and write-offs, leading to a 29bps qoq improvement in GNPA ratio to ~1.4% and NNPA to ~0.5%. Gold-loan asset quality also remained contained, with SMA accounts of Rs1.73bn or 0.24% of gold advances, and gross NPAs of Rs950mn; management stated that only Rs2mn had proceeded to auction. Management indicated that Rs300mn had already been provided for, with the remaining Rs2.7bn ECL requirement to be adjusted against capital, resulting in a 0.40–0.45ppt capital impact, with no impact on the P&L.

We retain BUY

We expect the bank to report a strong ROA of ~1.6-1.8% over FY27-FY29E. This, coupled with a strong capital buffer and improving retail orientation, should help sustain premium valuation. Hence, we retain BUY and TP of Rs300, valuing the bank at 2.0x Sep-28E ABV. Key risks: Macro deterioration hurting asset quality, higher ECL hit, and KMP attrition in its retail banking team.

Correction: reinstated capital, valuing the bank at 2.0x Sep-28E ABV

City Union Bank: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profit	11,236	13,262	17,294	21,578	26,058
Loan growth (%)	14.4	26.5	24.2	20.1	20.0
NII growth (%)	9.1	22.2	30.3	19.7	19.6
NIM (%)	3.3	3.4	3.6	3.7	3.7
PPOP growth (%)	10.7	20.0	32.8	21.0	21.4
Adj. EPS (Rs)	15.2	17.9	19.9	21.8	26.3
Adj. EPS growth (%)	10.6	17.8	11.6	9.2	20.8
Adj. BV (INR)	121.2	137.7	119.0	137.8	160.6
Adj. BVPS growth (%)	16.1	13.6	(13.6)	15.8	16.6
RoA (%)	1.5	1.5	1.6	1.7	1.8
RoE (%)	12.6	13.2	15.3	16.6	17.2
P/E (x)	14.2	12.1	10.8	9.9	8.2
P/ABV (x)	1.8	1.6	1.8	1.6	1.3

Source: Company, Emkay Research

Target Price – 12M	Sep-27
Change in TP (%)	**-**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	38.9

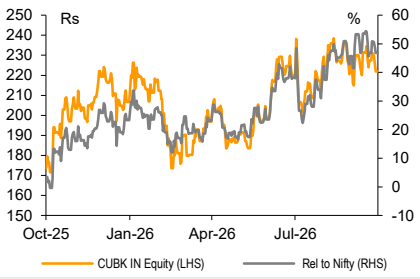
Stock Data	CUBK IN
52-week High (Rs)	249
52-week Low (Rs)	168
Shares outstanding (mn)	990.8
Market-cap (Rs bn)	214
Market-cap (USD mn)	2,245
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	3.3
ADTV-3M (Rs mn)	728.7
ADTV-3M (USD mn)	7.7
Free float (%)	97.1
Nifty-50	22,698.8
INR/USD	95.2

Shareholding,Sep-26	
Promoters (%)	0.0
FPIs/MFs (%)	17.4/48.0

Price Performance

(%)	1M	3M	12M
Absolute	(0.1)	(9.4)	20.3
Rel. to Nifty	0.3	(4.2)	37.4

1-Year share price trend (Rs)



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This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions

Earnings call highlights

Outlook on loans, deposits, and NIM

- Management reiterated that CUB remains on track to deliver credit growth 2–3ppt above industry growth. It expects NIM to remain at 3.85–3.95% in 3Q and 4QFY27, ROA to reach ~1.60–1.65%, and the FY27 cost-to-income ratio to remain within 45–47%.
- Deposit growth is expected to stay aligned with credit growth, although management cautioned that sustaining the current pace of deposit mobilization over the next two years could be challenging.
- The average ticket size was cited at ~Rs190k for agricultural gold loans and Rs300k for non-agricultural gold loans, calculated per account.
- Management said a customer can have up to 20 gold-loan accounts, subject to eligibility and bureau checks. The gold-loan portfolio currently represents ~30% of advances, and the bank does not expect the share to exceed ~31–32%.
- SME line utilization improved to ~71–72% in 2QFY27 from 69% in the previous quarter. Management described utilization as healthy and reiterated its intention to sustain credit growth at 2–3ppt above the industry, supported by MSME lending, gold loans, and secured retail lending.
- Management also cited average retail loan ticket sizes of ~Rs7-8mn outside Mumbai and Delhi and ~Rs12.5mn including those markets.
- Around 55% of the loan portfolio is linked to the EBLR, ~33% is fixed rate, and 12% is linked to MCLR. Following changes in policy rates, the bank started processing rate adjustments for borrowers. Deposit rates had not changed immediately, as system liquidity remained comfortable, supported in part by inflows under the FCNR deposit scheme.
- Management was cautious about sustaining deposit growth of 21–22% over the next two years, citing competition and the challenges of mobilizing deposits. It said term deposits below Rs30mn represented 48% of deposits, deposits of Rs30-500mn represented 17%, and deposits above Rs500mn represented 8%.
- Management described the deposit base as relatively granular and said new branches were providing additional support to mobilization.
- Management indicated that the blended tax rate could be ~23%, with a broader expected range of 21–23% going forward.
- Management guided for NIM of 3.85–3.95% in both Q3 and Q4 FY27. It said the entire gold-loan book is fixed-rate and that lending rates on gold loans had been increased in markets where conditions permitted.
- Management expects the margin outlook to be supported by a combination of asset repricing and liability-side factors, while also indicating that deposit costs could increase by around 10bps.
- The increase in other income was mainly attributed to recoveries from technically written-off accounts sold to an ARC. The bank also earned ~Rs96mn from selling excess priority sector lending certificates (PSLCs).
- Operating expenses increased during 2QFY27, partly because the annual wage increase was paid to employees during the quarter. Management indicated that establishment expenses could run at ~Rs2.75bn per quarter going forward. 2Q also included ~Rs32mn related to leave-encashment valuation, compared with a typical quarterly provision of ~Rs30–50mn.

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Asset quality

- SMA0 stood at 1.23% of gross advances and SMA1 at 0.64%; SMA2 was 0.67%, taking total SMA to 2.53% of gross advances.
- The bank sold ~Rs8bn of live and technically written-off accounts to an ARC for consideration of Rs1.3bn. Provisions of ~Rs7.9bn had been made against the accounts sold. The portfolio included ~Rs3bn of accounts with collateral and Rs5bn without collateral.
- Management said many of the accounts were old residual balances, including accounts that had been written off or were more than three years old. The outstanding technically written-off pool after the sale was approximately Rs9bn and was fully provided for.
- Management also said that the ARC-related collection was ~Rs1.3bn, of which Rs1.07bn was reflected in other income and Rs260mn related to recoveries from live accounts.
- The bank's estimated incremental ECL provision requirement had declined from approximately Rs4.45bn as of 31Mar-25, to ~Rs2.99bn as of 30-Sep-26.
- Management said Rs300mn had already been provided for and that the remaining impact of ~Rs2.7bn would be adjusted against capital. It indicated a capital impact of around 0.40–0.45ppt and explicitly clarified that the ECL transition would have no impact on the P&L.

Others

- Under the revised framework for consumption loans, the maximum LTV is 85% for loans of up to Rs250k, 80% for loans above Rs250k and up to Rs500k, and 75% for loans above Rs500k.
- Although the regulatory limits are higher, CUB generally onboards consumption loans at an LTV of around 60–65%.
- As of 30-Sep-26, gold-loan SMA accounts stood at Rs1.73bn, or 0.24% of the gold-loan portfolio. Gold-loan gross NPAs were Rs950mn. Management said only 2mn had proceeded to auction, while customers had repaid the remaining amount. It attributed this outcome to disciplined underwriting, customer assessment and LTV controls.
- CUB offers gold loans through ~250–260 branches, primarily in rural and semi-urban areas. Management indicated that ~96% of the gold-loan business was in South India and 4% was outside the region, as many of the branches outside the South are relatively new.
- Approximately half of the gold-loan customers are agricultural borrowers, and customers maintain a bank account with CUB.
- Management said the bank had hired experienced staff from other banks and created separate verticals for CASA, salary accounts, government business, and NRI customers. It is placing greater emphasis on average CASA balances and relationship-led customer service.
- The branch network has expanded from around 800 to more than 1,000 branches, and management said the newer branches were beginning to contribute more consistently as branch productivity improved.

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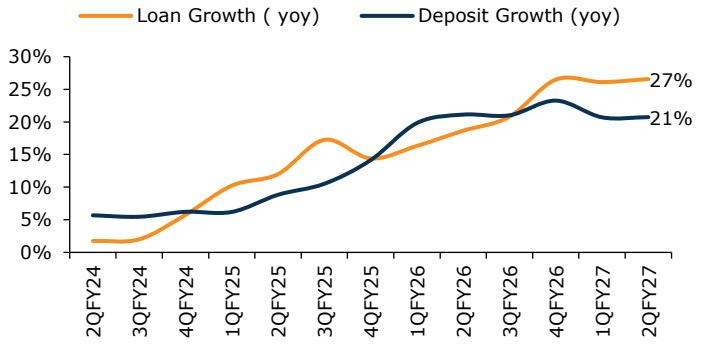
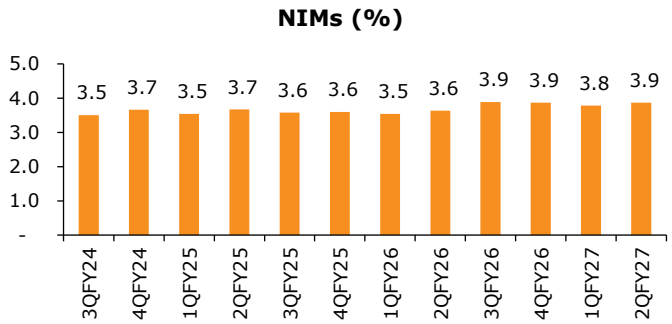
Story in charts

Exhibit 1: Credit growth continues, driven by broad-based growth across the segment; deposit growth remains strong yoy



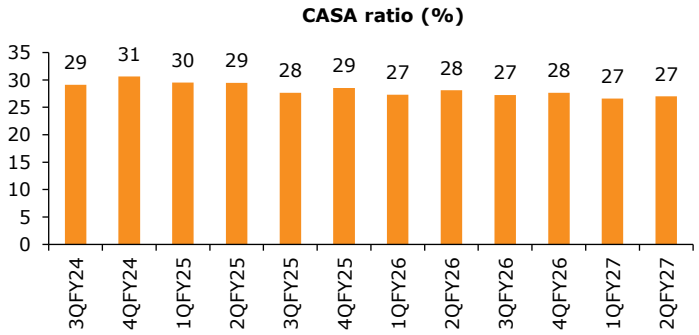
Source: Company, Emkay Research

Exhibit 2: Better loan growth and steady loan yields led to uptick in NIM qoq



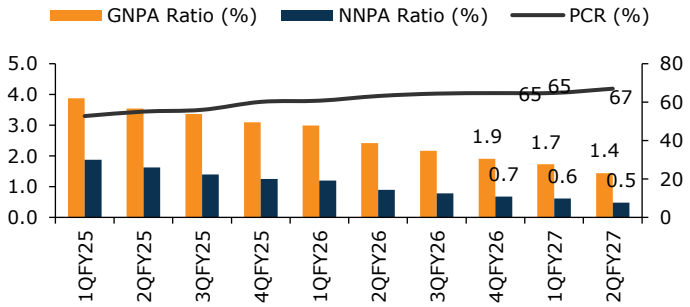
Source: Company, Emkay Research

Exhibit 3: CASA ratio stable qoq



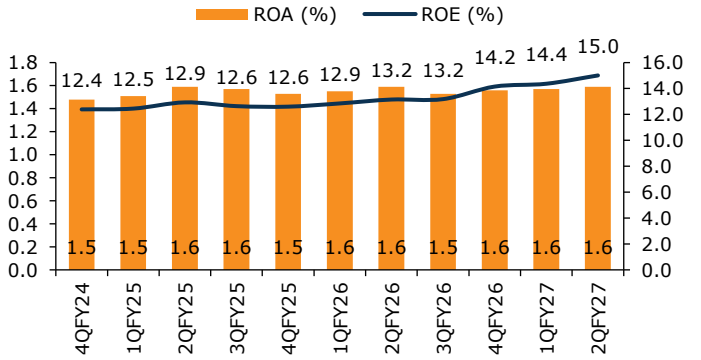
Source: Company, Emkay Research

Exhibit 4: Contained gross slippages, coupled with better recoveries and write-offs, led to improvement in GNPA ratio



Source: Company, Emkay Research

Exhibit 5: ROA marginally improved, led by better loan growth, higher other income



Source: Company, Emkay Research

Exhibit 6: The bank expects to report strong ROA, led by better net income, contained opex, and lower credit costs

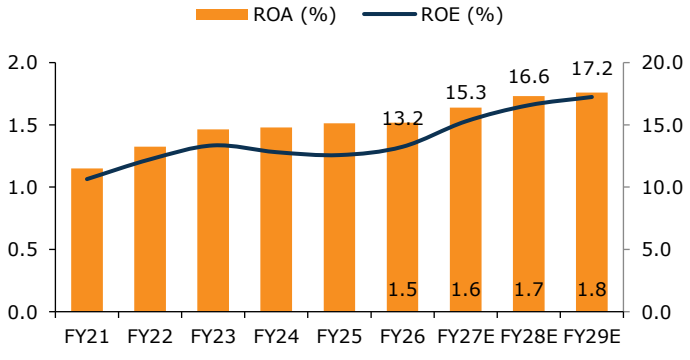


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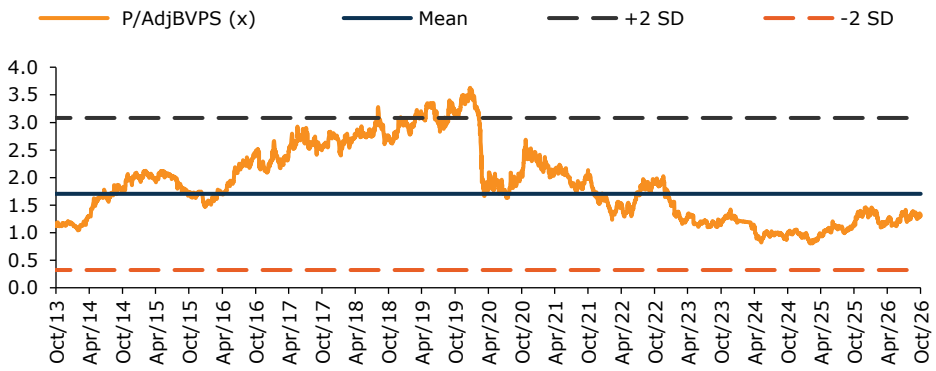
Exhibit 7: The bank is currently trading near its mean valuation



Source: Bloomberg, Emkay Research

Exhibit 8: Actuals vs estimates (2QFY27)

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	12,230	11,295	11,371	8%	8%	Higher NII and higher other income led to a beat.
PPOP	6,610	6,059	6,090	9%	9%	Higher net income, coupled with higher other income, led to a PPOP beat.
PAT	4,160	3,997	4,016	4%	4%	Higher PPOP, partly offset by higher provisions, led to PAT beat.

Source: Company, Bloomberg, Emkay Research

Exhibit 9: Quarterly summary

(Rs mn)	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	yoy (%)	qoq (%)	FY26	FY27E	yoy (%)
Interest earned	16,531	17,557	18,556	19,850	20,923	27	5	68,698	84,752	23
Interest expenses	9,866	10,035	10,698	11,649	12,195	24	5	40,399	47,889	19
Net interest income	6,665	7,522	7,858	8,201	8,728	31	6	28,298	36,862	30
Global NIM (reported)	3.63	3.89	3.87	3.78	3.87	24bps	9bps	3.38	3.62	24bps
Non-interest income	2,591	2,453	2,905	2,436	3,502	35	44	10,388	12,833	24
Operating expenses	4,551	4,844	4,967	4,832	5,621	24	16	18,544	22,946	24
Pre-provisioning profit	4,706	5,132	5,796	5,806	6,610	40	14	20,142	26,749	33
Provision and contingencies	570	960	1,200	780	1,200	111	54	3,430	4,434	29
PBT	4,136	4,172	4,596	5,026	5,410	31	8	16,712	22,315	34
Income tax expenses (Gain)	850	850	1,000	1,200	1,250	47	4	3,450	5,021	46
Net Profit/(Loss)	3,286	3,322	3,596	3,826	4,160	27	9	13,262	17,294	30
Gross NPA (%)	2.42	2.17	1.91	1.73	1.44	-98bps	-29bps	1.91	1.52	-39bps
Net NPA (%)	0.90	0.78	0.68	0.61	0.48	-42bps	-13bps	0.68	0.46	-22bps
Deposits (Rs bn)	695	705	783	793	839	21	6	783	949	21
Net advances (Rs bn)	567	609	659	669	717	27	7	659	818	24

Source: Company, Emkay Research

Exhibit 10: Revision in estimates

Y/E Mar (Rs mn)	FY27E			FY28E			FY29E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Net income	46,268	49,695	7.4%	53,958	59,272	9.8%	63,174	70,646	11.8%
PPOP	24,653	26,749	8.5%	29,021	32,367	11.5%	34,448	39,286	14.0%
PAT	16,219	17,294	6.6%	19,128	21,578	12.8%	22,477	26,058	15.9%
EPS (Rs)	21.8	19.9	-8.6%	25.7	21.8	-15.4%	30.3	26.3	-13.1%
BV (Rs)	161.5	121.8	-24.6%	184.6	140.9	-23.6%	211.8	164.2	-22.5%

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Source: Emkay Research

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Exhibit 11: Key assumptions

(%)	FY26	FY27E	FY28E	FY29E
Loan Growth	26.5	24.2	20.1	20.0
Deposit Growth	23.3	21.2	19.3	19.3
NIM	3.4	3.6	3.7	3.7
GNPA	1.9	1.5	1.4	1.3
Credit Cost	0.5	0.6	0.6	0.6

Source: Emkay Research

Exhibit 12: Key ratios and trends

(Rs bn)	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Loans	**478**	**504**	**521**	**530**	**567**	**609**	**659**	**669**	**717**
– Growth yoy (%)	*12.0*	*17.3*	*14.4*	*16.3*	*18.7*	*20.8*	26.5	26.1	26.6
– Growth qoq (%)	*4.8*	*5.5*	*3.3*	*1.8*	*6.9*	*7.4*	*8.2*	1.5	7.3
Composition (%)									
- Corporate	15.0	13.9	14.0	13.3	11.2	10.9	11.9	12.8	13.9
- SME/BB	37.7	38.5	40.8	40.1	40.1	38.6	37.5	36.9	38.8
- Retail	28.6	28.1	28.6	30.5	33.0	33.5	34.3	34.5	30.9
- Agri	18.7	19.5	16.6	16.0	15.7	17.0	16.3	15.8	16.5
Liability profile									
Deposits (Rs bn)	**574**	**583**	**635**	**657**	**695**	**705**	**783**	**793**	**839**
- Growth yoy (%)	8.8	10.5	14.1	19.8	21.1	21.0	23.3	20.7	20.7
- Growth qoq (%)	4.6	1.6	9.0	3.5	5.7	1.5	11.1	1.3	5.7
CASA (%)	29.4	27.7	28.5	27.3	28.1	27.3	27.6	26.6	27.0
CA (%)	8.9	8.2	9.6	8.1	8.7	7.9	9.0	8.0	9.0
SA (%)	20.6	19.5	19.0	19.2	19.4	19.3	18.7	18.6	18.0
Branches (no of)	**812**	**822**	**875**	**876**	**889**	**901**	**949**	**1,000**	**1,002**
NIM (%)	3.67	3.58	3.60	3.54	3.63	3.89	3.87	3.78	3.87
Asset quality									
GNPA (%)	3.5	3.4	3.1	3.0	2.4	2.2	1.9	1.7	1.4
NNPA (%)	1.6	1.4	1.3	1.2	0.9	0.8	0.7	0.6	0.5
PCR (%)	55.1	56.0	60.1	60.8	63.2	64.4	64.7	64.8	67.0
Capital adequacy (%)									
CAR	**23.0**	**22.3**	**23.8**	**23.1**	**21.7**	**20.1**	**21.9**	**21.7**	**21.3**
ROE decomposition (%)									
NII	**3.5**	**3.4**	**3.3**	**3.4**	**3.4**	**3.7**	**3.6**	**3.3**	**3.4**
Other income	1.2	1.2	1.2	1.0	1.2	1.1	1.2	1.0	(0.1)
Treasury	0.1	0.1	0.1	0.3	0.1	0.1	0.1	-	1.4
Opex	2.3	2.2	2.3	2.3	2.3	2.4	2.3	1.9	2.2
PPOP	2.6	2.5	2.4	2.4	2.4	2.5	2.6	2.3	2.6
Provisioning cost	0.4	0.4	0.4	0.4	0.3	0.5	0.5	0.3	0.5
PBT	2.2	2.1	2.0	2.1	2.1	2.0	2.1	2.0	2.1
ROA	**1.7**	**1.7**	**1.6**	**1.7**	**1.7**	**1.6**	**1.6**	**1.5**	**1.6**
Leverage (x)	7.6	7.7	7.7	7.7	7.9	8.1	8.5	9.3	9.3
ROE	**13.0**	**12.7**	**12.4**	**12.8**	**13.4**	**13.2**	**13.9**	**14.2**	**15.0**

Source: Company, Emkay Research

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City Union Bank: Standalone Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	58,340	68,698	84,752	102,817	124,183
Interest Expense	35,183	40,399	47,889	58,711	71,443
Net interest income	**23,157**	**28,298**	**36,862**	**44,106**	**52,740**
NII growth (%)	9.1	22.2	30.3	19.7	19.6
Other income	8,981	10,388	12,833	15,165	17,906
Total Income	**32,138**	**38,687**	**49,695**	**59,272**	**70,646**
Operating expenses	15,351	18,544	22,946	26,904	31,360
PPOP	**16,786**	**20,142**	**26,749**	**32,367**	**39,286**
PPOP growth (%)	10.7	20.0	32.8	21.0	21.4
Core PPOP	**16,234**	**19,174**	**25,974**	**31,438**	**38,263**
Provisions & contingencies	2,620	3,430	4,434	5,053	6,301
PBT	**14,166**	**16,712**	**22,315**	**27,315**	**32,985**
Extraordinary items	0	0	0	0	0
Tax expense	2,930	3,450	5,021	5,736	6,927
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	**11,236**	**13,262**	**17,294**	**21,578**	**26,058**
PAT growth (%)	10.6	18.0	30.4	24.8	20.8
Adjusted PAT	**11,236**	**13,262**	**17,294**	**21,578**	**26,058**
Diluted EPS (Rs)	**15.2**	**17.9**	**19.9**	**21.8**	**26.3**
Diluted EPS growth (%)	10.6	17.8	11.6	9.2	20.8
DPS (Rs)	**1.5**	**2.0**	**2.9**	**2.7**	**3.0**
Dividend payout (%)	**9.9**	**11.2**	**14.3**	**12.4**	**11.4**
Effective tax rate (%)	20.7	20.6	22.5	21.0	21.0
Net interest margins (%)	3.3	3.4	3.6	3.7	3.7
Cost-income ratio (%)	47.8	47.9	46.2	45.4	44.4
Shares outstanding (mn)	741.0	743.0	990.8	990.8	990.8

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	741	743	991	991	991
Reserves & surplus	93,925	104,906	119,723	138,626	161,712
Net worth	**94,666**	**105,649**	**120,714**	**139,617**	**162,703**
Deposits	635,260	783,080	948,920	1,131,894	1,350,659
Borrowings	21,694	53,268	50,605	55,665	61,232
Interest bearing liab.	**656,954**	**836,348**	**999,525**	**1,187,559**	**1,411,890**
Other liabilities & prov.	**24,612**	**28,248**	**20,067**	**27,011**	**34,612**
Total liabilities & equity	**776,232**	**970,244**	**1,140,305**	**1,354,188**	**1,609,205**
Net advances	520,813	658,752	818,281	982,895	1,179,953
Investments	173,361	189,869	201,274	238,976	283,946
Cash, other balances	52,905	89,271	84,960	95,005	105,892
Interest earning assets	**747,079**	**937,892**	**1,104,515**	**1,316,876**	**1,569,791**
Fixed assets	3,223	4,685	5,049	5,829	6,732
Other assets	25,929	27,667	30,742	31,482	32,682
Total assets	**776,232**	**970,244**	**1,140,305**	**1,354,188**	**1,609,205**
BVPS (Rs)	127.8	142.2	121.8	140.9	164.2
Adj. BVPS (INR)	121.2	137.7	119.0	137.8	160.6
Gross advances	530,664	666,988	827,066	992,479	1,190,974
Credit to deposit (%)	82.0	84.1	86.2	86.8	87.4
CASA ratio (%)	28.5	27.6	27.1	27.9	28.7
Cost of deposits (%)	5.5	5.4	5.2	5.4	5.5
Loans-to-Assets (%)	67.1	67.9	71.8	72.6	73.3
Net advances growth (%)	14.4	26.5	24.2	20.1	20.0
Deposit growth (%)	14.1	23.3	21.2	19.3	19.3
Book value growth (%)	12.6	11.3	(14.3)	15.7	16.5

Source: Company, Emkay Research

Asset quality and other metrics

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
Gross NPLs	16,382	12,731	12,549	13,690	15,745
Net NPLs	6,531	4,494	3,765	4,107	4,723
GNPA ratio (%)	3.1	1.9	1.5	1.4	1.3
NNPA ratio (%)	1.3	0.7	0.5	0.4	0.4
Provision coverage (%)	60.1	64.7	70.0	70.0	70.0
Gross slippages	8,150	7,448	9,098	11,414	13,696
Gross slippage ratio (%)	1.8	1.4	1.1	1.2	1.2
LLP ratio (%)	0.5	0.5	0.6	0.6	0.6
NNPA to networth (%)	6.7	4.1	3.0	2.8	2.8
Capital adequacy					
Total CAR (%)	23.8	21.9	20.1	19.6	19.2
Tier-1 (%)	22.7	20.8	19.2	18.8	18.6
CET-1 (%)	22.7	20.8	19.2	18.8	18.6
RWA-to-Total Assets (%)	51.5	50.1	53.0	53.0	53.0
Miscellaneous					
Total income growth (%)	12.0	17.5	23.4	20.9	20.4
Opex growth (%)	13.9	20.8	23.7	17.2	16.6
Core PPOP growth (%)	9.4	18.1	35.5	21.0	21.7
PPOP margin (%)	24.9	25.5	27.4	27.4	27.6
PAT/PPOP (%)	66.9	65.8	64.7	66.7	66.3
LLP-to-Core PPOP (%)	16.1	17.9	17.1	16.1	16.5
Yield on advances (%)	9.7	9.5	9.5	9.6	9.7
Cost of funds (%)	5.6	5.4	5.2	5.4	5.5

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	14.2	12.1	10.8	9.9	8.2
P/B (x)	1.7	1.5	1.8	1.5	1.3
P/ABV (x)	1.8	1.6	1.8	1.6	1.3
P/PPOP (x)	12.7	10.6	8.0	6.6	5.4
Dividend yield (%)	0.7	0.9	1.3	1.3	1.4
DuPont-RoE split (%)					
NII/avg assets	3.1	3.2	3.5	3.5	3.6
Other income	1.2	1.2	1.2	1.2	1.2
Fee income	1.1	1.1	1.1	1.1	1.1
Opex	2.1	2.1	2.2	2.2	2.1
PPOP	**2.3**	**2.3**	**2.5**	**2.6**	**2.7**
Core PPOP	2.2	2.2	2.5	2.5	2.6
Provisions	0.4	0.4	0.4	0.4	0.4
Tax expense	0.4	0.4	0.5	0.5	0.5
RoA (%)	**1.5**	**1.5**	**1.6**	**1.7**	**1.8**
Leverage ratio (x)	8.3	8.7	9.3	9.6	9.8
RoE (%)	**12.6**	**13.2**	**15.3**	**16.6**	**17.2**

Quarterly data

Rs mn, Y/E Mar	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
NII	6,665	7,522	7,858	8,201	8,728
NIM (%)	3.6	3.9	3.9	3.8	3.9
PPOP	4,706	5,132	5,796	5,806	6,610
PAT	3,286	3,322	3,596	3,826	4,160
EPS (Rs)	17.7	17.9	19.3	15.4	16.8

Source: Company, Emkay Research

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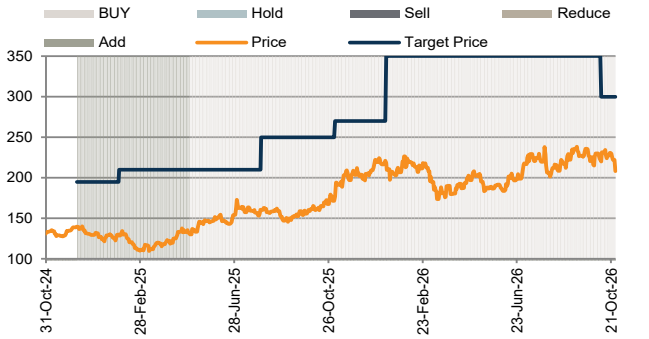
Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
08-Oct-26	220	300	Buy	Avinash Singh
10-Jul-26	229	350	Buy	Avinash Singh
28-Apr-26	207	350	Buy	Anand Dama
25-Mar-26	190	350	Buy	Anand Dama
02-Feb-26	214	350	Buy	Anand Dama
07-Jan-26	218	350	Buy	Anand Dama
03-Nov-25	177	270	Buy	Anand Dama
01-Aug-25	160	250	Buy	Anand Dama
02-May-25	130	210	Buy	Anand Dama
09-Apr-25	120	210	Add	Anand Dama
01-Feb-25	129	210	Add	Anand Dama
09-Dec-24	140	195	Add	Anand Dama

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



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Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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