PL Capital PRABHUDAS LILLADHER

Q1FY27 Result Update

Indian Bank (INBK IN)

July 14, 2026

Profitability would help tide over ECL impact

Quick Pointers

- Healthy loan growth and NIM driven by retail/agri growth
- Incremental ECL impact could be 12bps of std. assets
- With core PAT CAGR of ~20%, we see core RoA of 0.9%.

INDIANBK saw a decent quarter; while loan growth and NIM were healthy resulting in higher NII/NIM, core PAT saw a drag as ECL provision of INR 10bn was made during the quarter. Management suggested that one-time ECL impact could be INR30bn, with incremental provision likely to be 12bps on standard assets. The bank continues to focus more on profitability than growth; we are factoring a loan/deposit CAGR of 12.5%/11.0% over FY26-28E. INDIANBK is a good quality PSB due to its management quality and earnings consistency. We expect core PAT CAGR of ~20% over FY26-28E, core RoA of 0.9% (FY28E) and negligible NNPA of 0.13%. We assign multiple of 1.3x on Sep'28 ABV to arrive at a TP of INR 1,000 and give a 'BUY' rating.

Good quarter with healthy loan growth/NIM; higher provisions drag core PAT: NII was higher at INR 74.3bn due to better NIM (calc.) at 3.21%; reported NIM up 6bps QoQ to 3.29%. Loan/deposit grew by 15.2%/13.5% YoY. CASA ratio was stable QoQ at to 37.8%. Other income was a tad better at INR 26.3bn; lower fees was offset by TWO recovery. Opex came in at INR 45.1bn; staff cost jumped by 13% QoQ that was offset by 11% QoQ fall in other opex. Core PPoP was INR 42.9bn. Asset quality was better; GNPA fell by 12bps QoQ to 1.86% due to lower gross slippages (INR 13bn) and better recoveries (INR 9.4bn), which was mainly due to recovery of a large account. Provisions were accelerated at INR 12bns, which includes INR 10bn for ECL. Core PAT was a drag at INR 20.1bn due to higher provisions.

Loan growth was mainly led by retail/agri: Loan growth was healthy at 2.8% QoQ that was mainly led by retail (+3.8%) and agri (3.5%); corporate and SME growth was softer at 1.8%/1.9% QoQ. The bank has mobilized ~USD 150mn of FCNR deposits so far, with an additional USD 1bn pipeline; it expects to raise USD 1.5–2.0bn through FCNR deposits and ECBs during FY27. ECLGS loans of ~INR50bn have been disbursed out of the eligible pool of INR 110bn. Credit growth for FY27 is guided at 11–13%, with gap between credit/deposit growth to be range-bound. We are factoring loan/deposit CAGR of 12.5%/11.0% over FY26-28E.

Reported NIM improved QoQ; credit cost to increase by 12bps due to ECL: NIM (reported) improved 6bps QoQ to 3.29% due to (1) selective lending and avoiding thinly priced corporate loans, (2) focus on CASA mobilization and (3) opting low-cost borrowings over bulk deposits. On ECL, bank expects ~12bps incremental provision on standard assets due to the new norms. Bank reported no visible SME stress from the US-Iran conflict, citing economic resilience and exporters' ability to diversify geographically; buffer provision of INR 130mn was created during Q1'27. Any likely MSME stress is expected to be largely mitigated through ECLGS.

Key Data	INBA.BO | INBK IN
BSE Code	532814
NSE Code	INDIANB
52-W High / Low	INR 1,000 / INR 605
Face Value	10
Sensex / Nifty	77,616 / 24,211
Market Cap	INR 1,135 bn / $ 11,868 mn
Shares Outstanding	1346.96 mn
3M Avg. Daily Value	INR 3,057.01 mn

Shareholding Pattern (%)

Promoters	73.84
Foreign	6.16
Mutual Funds	13.52
Domestic Institution	3.51
Public & Others	2.97
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(0.3)	(12.8)	3.0	33.4
Relative	(3.0)	(13.7)	11.0	41.8

Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
NII (INR mn)	251,764	269,149	313,772	351,897
NIM (%)	*3.1*	*3.0*	*3.1*	*3.1*
Core PPOP (INR mn)	119,667	132,865	164,027	192,521
PAT (INR mn)	109,183	121,556	136,996	152,786
Core PAT (INR mn)	57,264	72,429	87,073	104,094
EPS (INR)	81.1	90.2	101.7	113.4
Gr. (%)	*35.4*	*11.3*	*12.7*	*11.5*
DPS (INR)	16.3	18.3	20.3	22.7
Yield (%)	*3.0*	*2.4*	*2.4*	*2.7*
RoAE (%)	*19.1*	*18.2*	*17.8*	*17.2*
Core RoAE (%)	*10.0*	*10.9*	*11.4*	*11.8*
RoAA (%)	*1.3*	*1.3*	*1.3*	*1.3*
Core RoAA (%)	*0.7*	*0.8*	*0.8*	*0.9*
P/BV (x)	1.2	1.5	1.4	1.2
P/ABV (x)	1.2	1.5	1.4	1.2
PE (x)	6.7	8.6	8.3	7.4
CAR (%)	*17.9*	*17.9*	*18.8*	*19.3*

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Q1FY27 Concall Highlights

Balance sheet

- Business growth remained healthy, with gross advances growing 13.9% YoY (+2.6% QoQ) and deposits 13.5% YoY (+2.0% QoQ); Management expects the credit-deposit growth gap to remain range-bound and has guided for FY27 credit/deposit growth of 11–13%/9–11%.
- The bank has mobilized ~USD 150mn of FCNR deposits so far, with an additional ~USD 1bn pipeline; Management expects to raise USD1.5–2.0bn through FCNR deposits and ECBs during FY27.
- Agriculture loan growth at 10% YoY was impacted by IT-related policy implementation issues during the transition of jewel loans, however growth normalized in June, and management expects 15–16% growth in FY27, which is lower than FY26 (~27%) as it was largely supported by gold price movements; LTV at comfortable levels even after gold price correction.
- ECLGS loans of ~INR50bn has been disbursed out of the eligible pool of INR 110bn; The bank continued to be selective in NBFC lending, focusing only on AA/AAA-rated borrowers, resulting in 1.6% YoY growth versus industry growth of ~33.6%.
- CET-1 improved to 16.5% from 16.4% in Q4FY26. Tier-II ratio declined ~46bps QoQ due to the transfer of IFR to reserves (now treated as Tier-I capital); LCR stood at 123% in Q1FY27.

Profit & loss

- NIM (reported) improved 6bps QoQ to 3.29%, aided by better loan yields through selective lending, avoiding thinly priced loans and lower funding costs. FY27 NIM guided at 3.10-3.25%, with no further compression expected; yield decline by MCLR repricing to be compensated by pending bulk deposit repricing.
- Cost of deposits (reported) declined to 4.80% (vs. 4.83% QoQ), led by (1) focus on CASA mobilization, (2) disciplined bulk deposit pricing, (3) reliance on low-cost borrowings, and (4) repricing of bulk deposits.
- Fee income was INR9bn, including INR2.7bn syndication fees and INR0.5bn CBDC reimbursement; Treasury profit of INR 2bn was largely booked during the last week of the quarter driven by the decline in bond yields; AFS gains were ~INR5bn in Q1FY27; Management expects FY27 treasury gains of INR6–7bn.
- FY27 technology spends are budgeted at INR30bn, including INR7.5bn of capex, primarily towards AI initiatives, cybersecurity enhancement through zero-trust architecture, and creation of a data lakehouse.

Asset quality

- Slippages remained stable at 1%, while recoveries improved to INR 9.4bn (INR6bn in Q4FY26), aided by a INR4bn recovery from a large account.
- Credit cost normalized to 24bps in Q1FY27 from 49bps in Q4FY26, as the Q4 typically includes higher audit-related management overlays; management expects FY27 credit cost to remain below 1%.
- Management expects a one-time ECL-related impact of ~INR30bn, with INR20bn of provisions planned in FY27 (INR10bn already provided in Q1FY27). Incremental ECL provisioning on standard assets is expected to remain at ~12bps, with no material provision releases from DA3 or loss accounts.
- The bank reported no visible stress in the SME portfolio from the Middle East conflict, citing economic resilience and exporters' ability to diversify geographically; buffer provision of INR 130mn was created during the quarter, while any likely MSME stress is expected to be largely mitigated through ECLGS.

Exhibit 1: Quarterly Estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27E	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
NII	74,347.6	*16.9*	77,303.9	*18.0*	79,415.1	*15.2*	82,701.3	*16.3*
Core PPoP	42,918.3	*25.6*	44,894.2	*16.2*	48,232.3	*28.7*	49,175.8	*12.37*
NIM (%)	3.2	*11.3bps*	3.2	*13.3bps*	3.2	*3.2bps*	3.2	*11.2bps*
Core PAT	20,076.3	*24.0*	21,743.4	*6.2*	24,253.2	*35.7*	24,876.3	*13.41*

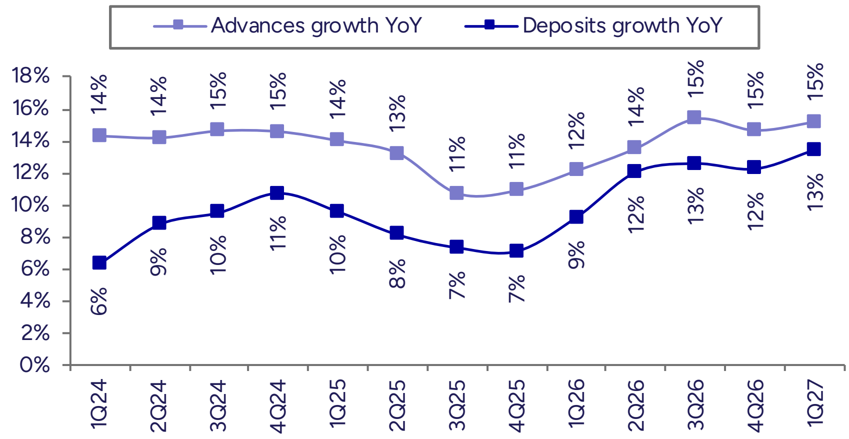
Source: Company, PL

Exhibit 2: PAT slightly beat led by margin improvement; partly offset by increased provisions

P&L (Rs mn)	Q1FY27	Q1FY26	YoY gr. (%)	Q1FY27E	% Var.	Q4FY26	QoQ gr. (%)
Interest income	1,80,902	1,62,827	*11.1*	1,78,738	*1.2*	1,74,804	*3.5*
Interest expense	1,06,554	99,238	*7.4*	1,06,818	*(0.2)*	1,03,709	*2.7*
Net interest income (NII)	**74,348**	**63,589**	***16.9***	**71,919**	***3.4***	**71,095**	***4.6***
-Fee income	12,110	9,710	*24.7*	12,434	*(2.6)*	12,920	*(6.3)*
-Other income	14,225	14,676	*(3.1)*	13,392	*6.2*	12,077	*17.8*
Total income	**1,00,682**	**87,975**	***14.4***	**97,745**	***3.0***	**96,092**	***4.8***
Operating expenses	45,109	40,272	*12.0*	44,359	*1.7*	43,235	*4.3*
-Staff expenses	30,706	26,123	*17.5*	27,822	*10.4*	27,117	*13.2*
-Other expenses	14,404	14,149	*1.8*	16,537	*(12.9)*	16,118	*(10.6)*
Operating profit	**55,573**	**47,703**	***16.5***	**53,387**	***4.1***	**52,857**	***5.1***
Core operating profit	**42,918**	**34,167**	***25.6***	**42,495**	***1.0***	**43,761**	***(1.9)***
Total provisions	11,957	6,910	*73.0*	9,806	*21.9*	12,258	*(2.5)*
Profit before tax	**43,616**	**40,793**	***6.9***	**43,581**	***0.1***	**40,600**	***7.4***
Tax	10,885	11,065	*(1.6)*	11,331	*(3.9)*	9,568	*13.8*
Profit after tax	**32,731**	**29,728**	***10.1***	**32,250**	***1.5***	**31,031**	***5.5***
Balance Sheet (INR bn)							
Deposits	84,45,780	74,42,890	*13.5*	83,77,070	*0.8*	82,77,263	*2.0*
Advances	67,29,030	58,41,160	*15.2*	66,47,116	*1.2*	65,48,882	*2.8*
Ratios (calc %)							
RoaA	1.4	1.4	*(2.9)*	1.4	*1.7*	1.3	*7.0*
RoaE	16.7	17.4	*(74.9)*	16.5	*21.6*	16.5	*21.3*
NIM	3.2	3.1	*11.3*	3.1	*10.1*	3.1	*8.0*
Yield on Advances	8.4	8.5	*(14.6)*	8.3	*1.3*	8.3	*6.3*
Cost of Funds	5.0	5.3	*(20.9)*	5.1	*(3.7)*	5.0	*2.5*
Asset Quality							
Gross NPL (Rs m)	1,27,103	1,80,669	*(29.6)*	1,29,828	*(2.1)*	1,31,900	*(3.6)*
Net NPL (Rs m)	9,902	10,356	*(4.4)*	10,386	*(4.7)*	9,649	*2.6*
Gross NPL ratio	1.86	3.01	*(115.3)*	1.92	*(6.2)*	1.98	*(12.1)*
Net NPL ratio	0.15	0.18	*(3.3)*	0.16	*(0.9)*	0.15	*(0.0)*
Coverage ratio	92.2	94.3	*(205.9)*	92.0	*20.9*	92.7	*(47.5)*
Business & Other Ratios							
Low-cost deposit mix	37.8	37.2	*60.0*	36.3	*157.6*	37.9	*(4.8)*
Cost-income ratio	44.8	45.8	*(97.3)*	45.4	*(57.8)*	45.0	*(18.9)*
Non int. inc / total income	26.2	27.7	*(156.3)*	26.4	*(26.6)*	26.0	*14.3*
Credit deposit ratio	79.7	78.5	*119.4*	79.3	*32.4*	79.1	*55.4*
CAR	17.6	17.8	*(22.2)*			17.9	*(35.3)*
Tier-I	16.5	15.7	*77.2*			16.4	*11.2*

Source: Company, PL

Exhibit 3: Advances growth stable at 15%; Deposit growth increased to 13%



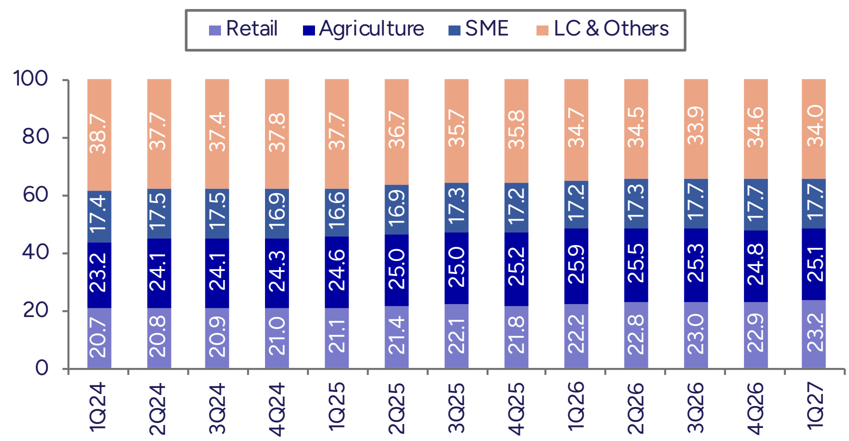
Source: Company, PL

Exhibit 4: Sequential growth of 2.6% led by Retail & Agri loan book; Corporate growth muted QoQ

Loan Book Details (Rs bn)	Q1FY27	Q1FY26	*YoY gr. (%)*	Q4FY26	*QoQ gr. (%)*
Gross Advances	**68,46,230**	**60,11,470**	***13.9***	**66,71,130**	***2.6***
Large Corporates	21,47,980	19,26,600	*11.5*	21,33,590	*0.7*
SME	11,16,530	9,54,040	*17.0*	10,95,800	*1.9*
Agri	15,85,120	14,41,600	*10.0*	15,31,500	*3.5*
International	5,28,330	4,52,660	*16.7*	4,96,280	*6.5*
Retail	14,68,270	12,36,570	*18.7*	14,13,960	*3.8*
Home	8,64,090	7,62,260	*13.4*	8,44,500	*2.3*
Auto	1,64,090	1,23,770	*32.6*	1,61,530	*1.6*
Other Retail	4,40,090	3,50,540	*25.5*	4,07,930	*7.9*

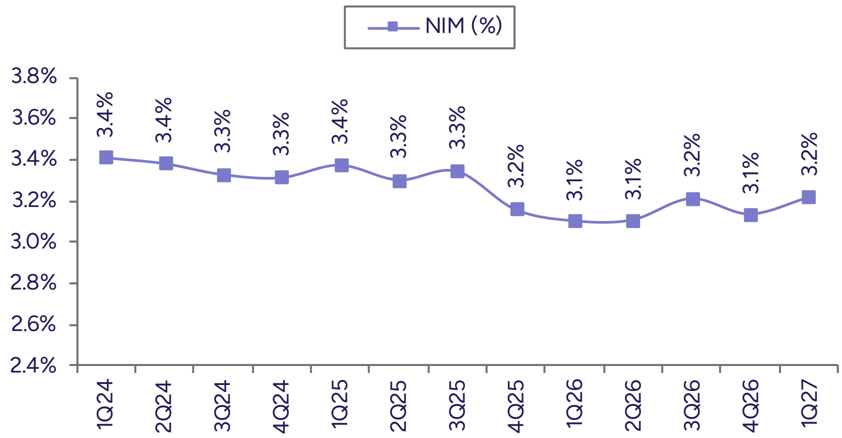
Source: Company, PL

Exhibit 5: Retail:corporate mix came in at 66:34



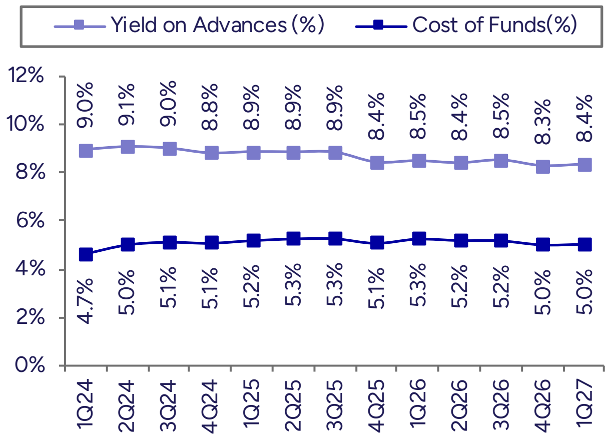
Source: Company, PL

Exhibit 6: NIM improved by 8bps QoQ to 3.21%



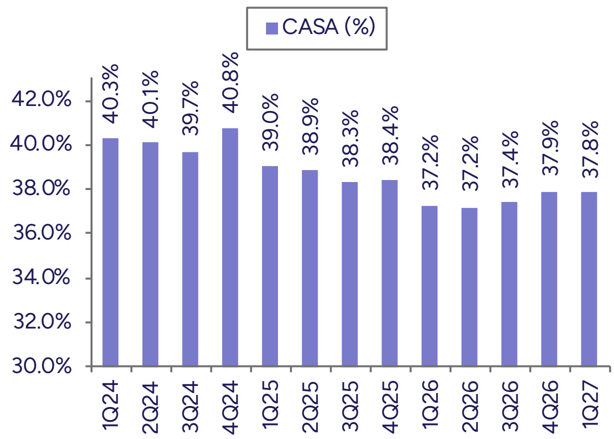
Source: Company, PL

Exhibit 7: Yield on advances improved by 6.3bps QoQ



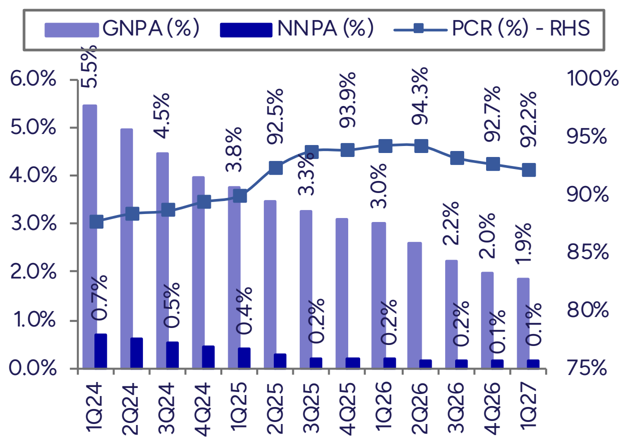
Source: Company, PL

Exhibit 8: CASA ratio stable at 37.8%



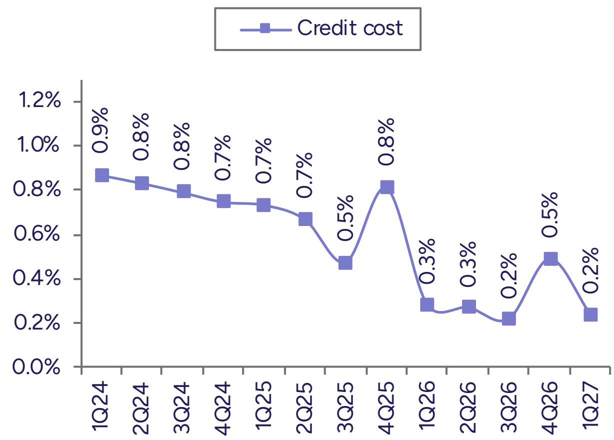
Source: Company, PL

Exhibit 9: GNPA improved to 1.9%; PCR declined to 92.2%



Source: Company, PL

Exhibit 10: Credit cost decreased to 0.2%



Source: Company, PL

Exhibit 11: Slippages came in at INR13bn, while overall asset quality has improved

(Rs mn)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27
Additions	18,520	19,820	16,670	12,680	19,560	13,840	10,160	14,310	13,750	11,560	10,070	13,950	13,000
Slippages (%)	1.77%	1.89%	1.59%	1.21%	1.62%	1.15%	0.84%	1.19%	1.01%	0.84%	0.71%	1.03%	0.94%
Recovery/Upgradation	16,660	14,150	11,430	8,980	12,900	10,850	8,230	6,410	10,460	8,940	6,860	6,000	9,360
Write offs	21,390	23,060	22,250	20,510	14,700	14,530	11,330	8,190	4,410	21,940	21,880	18,740	8,440
Gross NPAs	**2,62,269**	**2,44,875**	**2,27,865**	**2,11,063**	**2,03,022**	**1,91,480**	**1,82,084**	**1,81,789**	**1,80,669**	**1,80,669**	**1,42,684**	**1,31,900**	**1,27,103**
Gross NPA Ratio	5.47	4.97	4.47	3.95	3.77	3.48	3.26	3.09	3.01	2.60	2.23	1.98	1.86
Net NPAs	**31,976**	**28,259**	**25,787**	**22,226**	**20,266**	**14,453**	**11,269**	**11,096**	**10,356**	**10,356**	**9,676**	**9,649**	**9,902**
Net NPA Ratio	0.70	0.60	0.53	0.43	0.39	0.27	0.21	0.19	0.18	0.16	0.15	0.15	0.15
PCR	**87.81%**	**88.46%**	**88.68%**	**89.47%**	**90.02%**	**92.45%**	**93.81%**	**93.90%**	**94.27%**	**94.27%**	**93.22%**	**92.68%**	**92.21%**

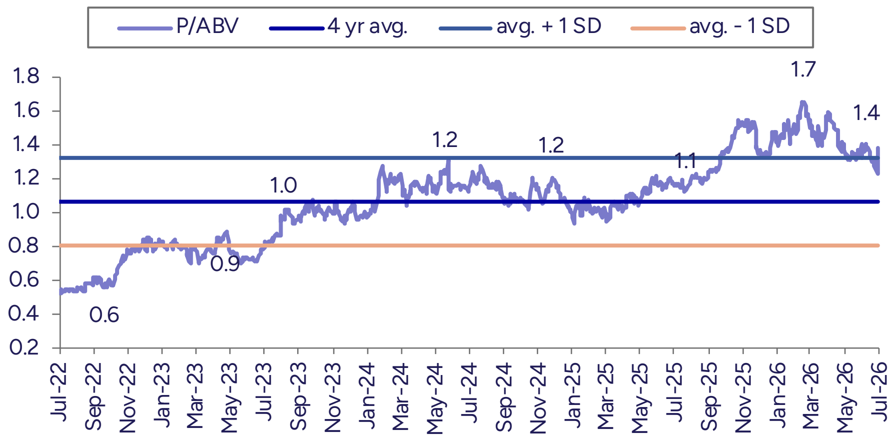
Source: Company, PL

Exhibit 12: Return ratios to remain at ~17-18%

RoA decomposition (%)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Interest Income/Assets	2.6	2.9	3.1	3.0	2.9	3.0	3.0
Other Income/Assets	1.1	1.0	1.0	1.1	1.1	1.0	1.0
Net revenues/Assets	**3.7**	**4.0**	**4.1**	**4.1**	**4.0**	**4.0**	**4.0**
Operating Expense/Assets	1.7	1.8	1.9	1.8	1.8	1.8	1.8
Provisions/Assets	1.5	1.4	0.8	0.5	0.4	0.4	0.4
Taxes/Assets	(0.1)	0.1	0.4	0.5	0.5	0.5	0.5
ROA	**0.6**	**0.8**	**1.1**	**1.3**	**1.3**	**1.3**	**1.3**
ROE	**11.2**	**13.3**	**17.1**	**19.1**	**18.2**	**17.8**	**17.2**

Source: Company, PL

Exhibit 13: One-year forward P/ABV trades at 1.4x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Income Statement (INR m)								
Interest earned	153,476	157,595	158,559	162,827	165,899	170,977	174,804	180,902
Interest expended	91,534	93,447	94,666	99,238	100,390	102,021	103,709	106,554
Net Interest Income	**61,942**	**64,147**	**63,893**	**63,589**	**65,510**	**68,956**	**71,095**	**74,348**
Other income	24,221	21,526	27,433	24,386	24,866	25,657	24,997	26,335
Fees	**8,910**	**9,310**	**9,180**	**7,900**	**8,300**	**9,980**	**10,920**	**9,300**
Total Income	86,163	85,673	91,326	87,975	90,376	94,613	96,092	100,682
Operating Expenses	**38,878**	**38,179**	**41,139**	**40,272**	**42,011**	**44,377**	**43,235**	**45,109**
Employees	24,644	24,171	27,013	26,123	26,512	27,852	27,117	30,706
Others	14,234	14,007	14,126	14,149	15,499	16,525	16,118	14,404
Operating profit	47,285	47,494	50,187	47,703	48,365	50,236	52,857	55,573
Core PPoP	**34,824**	**37,359**	**37,644**	**34,167**	**38,649**	**37,489**	**43,761**	**42,918**
Provisions	**10,992**	**10,591**	**7,946**	**6,910**	**7,386**	**8,570**	**12,258**	**11,957**
Profit before tax	36,294	36,903	42,241	40,793	40,979	41,666	40,600	43,616
Taxes	9,229	8,379	12,680	11,065	10,797	11,051	9,568	10,885
Net Profit	27,064	28,524	29,561	29,728	30,182	30,615	31,031	32,731
Core PAT	**14,603**	**18,388**	**17,018**	**16,192**	**20,466**	**17,868**	**21,935**	**20,076**
Balance Sheet (INR m)								
Share capital	13,470	13,470	13,470	13,470	13,470	13,470	13,470	13,470
Reserves & surplus	627,545	654,110	679,630	713,270	739,434	768,890	769,443	807,230
Deposits	6,931,155	7,022,820	7,371,536	7,442,890	7,769,458	7,909,230	8,277,263	8,445,780
Borrowings	333,679	325,170	415,079	530,070	422,056	488,880	466,925	481,470
Other liabilities	219,783	212,000	254,392	255,330	270,285	284,180	352,428	321,590
Total liabilities	**8,125,631**	**8,227,570**	**8,734,107**	**8,955,030**	**9,214,701**	**9,464,650**	**9,879,528**	**10,069,540**
Cash & bank	402,117	363,190	548,679	534,640	581,216	594,940	655,902	598,520
Investments	2,167,869	2,210,660	2,253,031	2,334,670	2,359,907	2,359,950	2,446,657	2,484,870
Advances	5,329,416	5,421,170	5,710,712	5,841,160	6,051,724	6,255,470	6,548,882	6,729,030
Fixed assets	75,212	74,900	88,267	87,620	87,216	86,640	86,467	85,650
Other assets	151,017	157,667	133,418	156,940	134,638	167,650	141,620	171,470
Total assets	**8,125,631**	**8,227,587**	**8,734,107**	**8,955,030**	**9,214,701**	**9,464,650**	**9,879,528**	**10,069,540**
Balance sheet ratios (%)								
Loan growth	13.2	10.7	10.9	12.1	13.6	15.4	14.7	15.2
Deposit growth	8.2	7.4	7.1	9.3	12.1	12.6	12.3	13.5
LDR	76.9	77.2	77.5	78.5	77.9	79.1	79.1	79.7
CASA	38.9	38.3	38.4	37.2	37.2	37.4	37.9	37.8
Capital Adequacy (%)								
CET-1	13.5	13.3	15.4	15.3	14.8	14.5	16.4	16.5
Tier-2	2.5	2.2	2.1	2.1	2.0	2.0	1.5	1.1
CRAR	16.6	15.9	17.9	17.8	17.3	16.6	17.9	17.6
Profitability ratios (%)								
Yield on assets	8.1	8.0	7.7	7.9	7.8	7.7	7.4	7.8
Cost of funds	5.3	5.3	5.1	5.3	5.2	5.2	5.0	5.0
NIM	3.3	3.3	3.1	3.1	3.1	3.1	3.0	3.2
Fees/Assets	0.5	0.5	0.4	0.4	0.4	0.5	0.5	0.4
Cost/Income	45.1	44.6	45.0	45.8	46.5	46.9	45.0	44.8
Opex/avg assets	1.9	1.9	1.9	1.8	1.8	1.9	1.8	1.8
RoA	1.3	1.3	1.3	1.4	1.4	1.4	1.3	1.4
Core RoA	0.8	0.9	0.8	0.8	0.9	0.8	0.9	0.8
RoE	17.7	17.0	17.1	17.4	17.2	16.6	16.5	16.7
Core RoE	10.1	11.8	10.7	9.7	11.7	9.9	11.9	10.4
EPS (INR)	16.1	15.8	16.2	17.7	17.9	17.9	18.0	19.4
BVPS (INR)	95.2	99.1	102.9	107.9	111.8	116.2	116.2	121.9
ABVPS (INR)	-	-	-	-	-	-	-	-
Asset quality ratios (%)								
GNPA	3.5	3.3	3.1	3.0	3.0	2.2	2.0	1.9
NNPA	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Provision coverage	92.5	93.8	93.9	94.3	94.3	93.2	92.7	92.2
Provision costs	0.9	0.8	0.6	0.5	0.5	0.6	0.8	0.8
Slippage	1.1	0.8	1.2	1.0	0.8	0.7	1.0	0.9
NNPA/Equity	2.3	1.7	1.6	1.4	1.4	1.2	1.2	1.2

Source: Company, PL

Financials

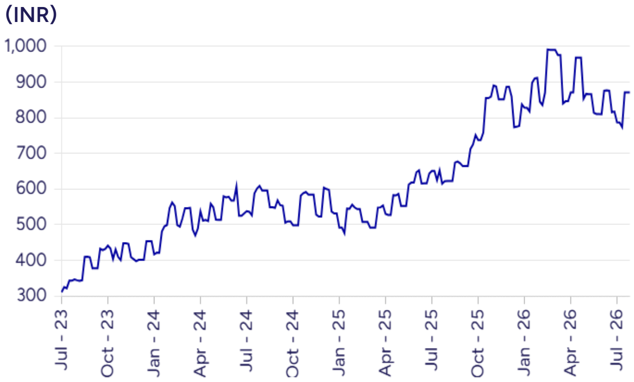
Y/e Mar	FY25	FY26	FY27E	FY28E
Income Statement (INR m)				
Interest earned	620,022	674,507	753,851	843,830
Interest expended	368,258	405,358	440,079	491,933
Net Interest Income	**251,764**	**269,149**	**313,772**	**351,897**
Other income	92,235	99,906	106,414	113,284
Fees	**47,400**	**56,970**	**63,904**	**71,084**
Net Total Income	343,998	369,055	420,186	465,181
Operating Expenses	**154,016**	**169,894**	**188,918**	**206,860**
Employees	98,840	107,603	125,543	136,396
Others	55,176.7	62,291.1	63,375.3	70,464.4
Operating profit	189,982	199,161	231,267	258,321
Core PPoP	**119,667**	**132,865**	**164,027**	**192,521**
Provisions	**42,113**	**35,124**	**46,753**	**51,853**
Profit before tax	147,869	164,037	184,515	206,467
Taxes	38,687.0	42,481.0	47,518.7	53,681.5
Net Profit	109,183	121,556	136,996	152,786
Core PAT	**57,264**	**72,429**	**87,073**	**104,094**
Growth Ratios (%)				
Loans	10.9	14.7	13.0	12.0
Deposits	7.1	12.3	11.3	10.7
NII	8.2	6.9	16.6	12.2
Fees	7.6	20.2	12.2	11.2
Opex	7.7	10.3	11.2	9.5
Core PPoP	4.1	11.0	23.5	17.4
Provisions	(28.5)	(16.6)	33.1	10.9
Core PAT	38.6	26.5	20.2	19.5
Profitability Ratios (%)				
Yield on IEA	7.7	7.4	7.4	7.4
Cost of funds	4.9	4.9	4.8	4.8
NIM	**3.1**	**3.0**	**3.1**	**3.1**
Cost/Income	44.8	46.0	45.0	44.5
Provision cost	**0.7**	**0.5**	**0.6**	**0.7**
Tax rate	26.2	25.9	25.8	26.0
Core RoA	**0.7**	**0.8**	**0.8**	**0.9**
Core RoE	**10.0**	**10.9**	**11.4**	**11.8**
Du-pont (%)				
Interest income	**7.4**	**7.2**	**7.2**	**7.2**
Interest expenses	**4.4**	**4.4**	**4.2**	**4.2**
NII	**3.0**	**2.9**	**3.0**	**3.0**
Other income	1.1	1.1	1.0	1.0
Fees/avg assets	**0.6**	**0.6**	**0.6**	**0.6**
Total income	**4.1**	**4.0**	**4.0**	**4.0**
Opex/avg assets	**1.8**	**1.8**	**1.8**	**1.8**
Staff cost	1.2	1.2	1.2	1.2
Other opex	0.7	0.7	0.6	0.6
PPOP	**2.3**	**2.1**	**2.2**	**2.2**
Core PPoP/avg assets	**1.4**	**1.4**	**1.6**	**1.7**
Provisions	0.5	0.4	0.4	0.4
PBT	**1.8**	**1.8**	**1.8**	**1.8**
Tax	0.5	0.5	0.5	0.5
RoA	**1.3**	**1.3**	**1.3**	**1.3**
RoE	**19.1**	**18.2**	**17.8**	**17.2**

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
Balance Sheet (INR m)				
Equity	693,099	782,913	897,566	1,019,795
Share capital	13,470	13,470	13,470	13,470
Deposits	7,371,536	8,277,263	9,211,978	10,199,838
Borrowings	415,079	466,925	557,755	652,859
Other Liabilities	254,392	352,428	351,410	395,515
Total liabilities	**8,734,106**	**9,879,528**	**11,018,709**	**12,268,007**
Cash with RBI	319,476	340,546	337,422	365,236
Balance with banks	229,202	315,356	297,733	322,275
Investments	2,253,031	2,446,657	2,710,296	3,000,939
Advances	5,710,712	6,548,882	7,403,048	8,290,763
Fixed assets	88,267	86,467	88,245	91,828
Other assets	133,418	141,620	181,965	196,965
Total assets	**8,734,107**	**9,879,528**	**11,018,709**	**12,268,007**
Balance sheet ratios (%)				
LDR	77.5	79.1	80.4	81.3
CASA	38.4	37.9	38.4	38.1
Inv/NDTL	28.0	26.9	26.8	26.7
Borr/NDTL	5.2	5.1	5.5	5.8
Assets/equity (x)	12.6	12.6	12.3	12.0
RWA/Loans	71.8	66.8	65.0	63.9
RWA/Total assets	47.0	44.3	43.7	43.2
Capital ratios (%)				
CRAR	17.9	17.9	18.8	19.3
CET-1	15.4	16.4	17.0	17.5
AT-1	-	-	-	-
Tier-2	2.1	1.5	1.9	1.8
Asset quality ratios (%)				
GNPA (INR mn)	181,789	131,900	118,418	111,120
NNPA (INR mn)	11,096	9,649	10,065	11,111
GNPA	3.1	2.0	1.6	1.3
NNPA	0.2	0.1	0.1	0.1
PCR	93.9	92.7	91.5	90.0
Slippage	1.1	0.9	0.8	0.8
NNPA / Equity	1.6	1.2	1.1	1.1
Per share (INR)				
EPS	81.1	90.2	101.7	113.4
DPS	16.3	18.3	20.3	22.7
BVPS	461.1	528.8	613.9	704.6
ABVPS	452.9	521.6	606.4	696.4
Valuation (x)				
Price (INR)	540.4	775.0	843.0	843.0
P/E	6.7	8.6	8.3	7.4
P/BV	1.2	1.5	1.4	1.2
P/ABV	1.2	1.5	1.4	1.2

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Axis Bank	BUY	1600	1341
2	Bank of Baroda	Accumulate	290	248
3	Canara Bank	Accumulate	150	125
4	Canara Robeco Asset Management Company	HOLD	280	252
5	City Union Bank	BUY	310	228
6	DCB Bank	BUY	155	185
7	Federal Bank	Accumulate	300	332
8	HDFC Asset Management Company	BUY	3020	2773
9	HDFC Bank	BUY	1100	829
10	ICICI Bank	BUY	1825	1415
11	ICICI Prudential Asset Management Company	BUY	3551	3295
12	IndusInd Bank	Accumulate	960	1022
13	Karur Vysya Bank	BUY	345	314
14	Kotak Mahindra Bank	BUY	480	382
15	Nippon Life India Asset Management	BUY	1050	1208
16	Prudent Corporate Advisory Services	Accumulate	2875	3021
17	State Bank of India	BUY	1200	1038
18	Union Bank of India	Accumulate	200	161
19	UTI Asset Management Company	HOLD	975	992

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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