

Union Bank of India (UNBK IN)

Q2FY27 Result Update

October 20, 2026

☒ Estimate Change | ☒ Target | ☐ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	200		190	
NII (INR. mn)	468,001	518,789	446,815	495,520
% Chng.	4.7	4.7		
Op. Profit (INR mn)	347,171	375,075	341,005	373,856
% Chng.	1.8	0.3		
EPS (INR)	27.5	29.7	26.6	29.2
% Chng.	3.4	1.7		

Key Data

UNBK.BO | UNBK IN

BSE Code	532174
NSE Code	BANKBARODA
52-W High / Low	INR 205 / INR 136
Face Value	10
Sensex / Nifty	73,853 / 22,889
Market Cap	INR 1,378 bn / \$ 14,515 mn
Shares Outstanding	7633.61 mn
3M Avg. Daily Value	INR 2,077.36 mn

Shareholding Pattern (%)

Promoters	74.76
FII	8.63
Mutual Funds	4.73
Domestic Institution	7.25
Public & Others	4.63
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	2.2	7.1	(4.5)	32.1
Relative	2.8	13.4	1.6	50.1

Key Financials - Standalone

Y/e Mar	FY26	FY27E	FY28E	FY29E
NII (INR mn)	366,588	421,277	468,001	518,789
NIM (%)	2.5	2.7	2.8	2.8
Core PPOP (INR mn)	240,007	270,287	298,294	325,309
PAT (INR mn)	186,971	198,304	209,561	226,921
Core PAT (INR mn)	151,258	168,008	172,903	189,597
EPS (INR)	24.5	26.0	27.5	29.7
Gr. (%)	3.9	6.1	5.7	8.3
DPS (INR)	5.0	5.2	5.5	5.9
Yield (%)	3.3	2.9	3.1	3.3
RoAE (%)	16.3	15.4	14.2	13.4
Core RoAE (%)	13.4	13.2	11.9	11.3
RoAA (%)	1.2	1.2	1.2	1.2
Core RoAA (%)	1.0	1.0	1.0	1.0
P/BV (x)	0.9	1.0	0.9	0.8
P/ABV (x)	1.0	1.0	0.9	0.8
PE (x)	6.1	6.9	6.5	6.0
CAR (%)	18.1	26.9	26.5	26.0

Adequate CET-1/LDR give comfort but LDR is high

Quick Pointers

- Core PAT beat due to higher NII and lower provisions
- NIM beat due to shedding of low yield assets & higher LDR
- We are watchful of deposit growth which has been weak

UNBK saw a good quarter as core PPOP was a 3.2% beat driven by higher NII due to better reported NIM that increased by 6bps QoQ to 2.86% driven by (1) shedding of low yielding assets and (2) increase in LDR by 230bps QoQ to ~86%. Loan growth of 5.6% was broad based. FCNR(B) deposits of USD2.2bn were mobilized, of which 70% was leveraged. While loan growth is guided to mirror the system, we see loan CAGR of 12.5% over FY26-28E as we are watchful of deposit growth since LDR at ~86% provides limited headroom to grow. We keep multiple at 1.0x but raise TP to INR200 from INR190 as we roll forward to Sep'28 ABV. Retain 'ACCUMULATE'.

Good quarter with beat on NII/NIM & asset quality: NII was 5.7% higher at INR105.8bn (PLe INR100bn) due to better NIM (calc.) which was 2.89% (PLe 2.73%); reported NIM was up 6bps QoQ to 2.86%. Loan and deposit growth were broadly in-line at 19.4%/6.9% YoY. CASA ratio was stable QoQ at 34.9%. Other income was lower at INR46.5bn (PLe INR50.1bn) due to absence of PSLC, lower treasury/TWO recovery. Opex at INR71.3bn was 1.9% above PLe led by higher staff cost and other opex. Core PPOP at INR71bn was 3.2% above PLe. Asset quality improved; GNPA was lower at 2.42% (PLe 2.49%) due to lesser gross slippages at INR19.1bn (PLe INR22.6bn) and better recoveries at INR15.4bn (PLe INR14.6bn). Provisions were lower at INR7bn (PLe INR14.7bn). Core PAT was 17.8% above PLe at INR47.8bn. PAT was INR55.4bn

Loan growth was broad based: Loan growth at 5.6% QoQ was healthy and broad-based across SME (+7.2%), corporate (+6.6%), retail (3.4%) and agri (3.6%). SME growth was driven by increased private sector capex and economic activities across data centers, AI, renewables, power, steel and pharma. Corporate pipeline is healthy with sanction of INR1.25trn and pending proposals of INR680bn. Gold loan growth moderated amid process digitization and is expected to pick-up by Dec'26. FCNR(B) deposit accretion was at USD2.2bn, 70% of which was leveraged. Management aims to align its credit growth with system. We factor loan growth of 14%/11% for FY27/28E.

NIM improved QoQ; absence of PSLC drag fee income: Reported NIM improved QoQ as low yielding assets of INR330bn were shed off during Q2FY27. 53-55% of the loan book is linked to repo rate. Buffer provisions of INR2bn were created, taking total buffers to INR10bn against the estimated INR55bn (70bps CET-1) ECL impact. Other income declined by 5% QoQ, due to the absence of PSLC income vs INR2bn in Q1FY27.

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	% Var.	Q2'26A	YoY gr. (%)
NII (INR mn)	1,00,112	1,05,827	5.7	88,124	20.1
Margin (%)	2.7	2.9	16 bps	2.6	34 bps
Core PPOP (INR mn)	68,833	71,019	3.2	54,131	31.2
Core PAT (INR mn)	40,606	47,853	17.8	31,503	51.9

Source: Company, PL

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Q2FY27 Concall Highlights

Balance sheet

- Advances grew 19.4% YoY (+5.6% QoQ) to INR11.3trn. Management remains focused on aligning the credit growth with the industry. IBPC & low yielding assets of INR330bn were shed off during the quarter. Adjusting for such shedding offs, credit growth remains robust at ~20-21% YoY.
- Corporate grew by 6.6% QoQ (23.6% YoY) to INR5.2trn; pipeline remains healthy at INR1.25trn sanctioned but undisbursed and INR~640-680bn proposals under considerations.
- SME grew by 7.2%QoQ (22.4% YoY) led by increased private sector capex and growing economic activities across data centre, AI infrastructure, nuclear renewable, power steel manufacturing and pharmaceuticals.
- Gold loan growth was deliberately moderated to 2.2% QoQ as the Bank digitises appraisal, inspection, audit and monitoring processes, expected to be completed in 1-2 months, post which growth should pick up.
- FCNR(B) deposits of USD 2.25bn were raised at an all-in cost of ~7.4%, with ~70% of these deposits leveraged by the Bank; ~70% of these deposits were of longer (5-yr) tenure supporting ALM.
- RTD & CASA grew by 11.4% YoY and remains a strategic priority. Bank has garnered ~INR100bn of CASA during Q2FY27, despite the quarter being seasonally weak.
- Savings deposits grew 12% YoY, with retail customers contributing ~75% of incremental deposits, highlighting CASA granularity. The Bank continues to reduce reliance on large single-party bulk deposits, prioritising non-financial institutions over financial institutions.
- LCR for Q2FY27 stood at 120%; Refinances, infra bonds, tier I/II bonds and green bonds remain amongst the alternate sourcing channels for the Bank to fund incremental credit growth.

Profit & loss

- NIM (reported) improved by 6bps QoQ to 2.86% in Q2FY27; management expects rate hike cycle to be constructive for UNBK, given 53-55% of the book is linked to repo rate.
- Other income declined 5% QoQ, primarily due to the absence of PSLC income vs INR2bn in Q1FY27. The 10% YoY decline in other income was driven by lower treasury income and write-off (TWO) recoveries.

Asset quality

- Recoveries for Q2FY27 stood at INR15bn, largely from small accounts, with no significant lumpy recoveries. Credit cost remained contained at 21bps, supported by disciplined underwriting, effective recovery efforts and lower slippages at 0.72%.
- The Bank made additional buffer provisions of INR2bn during Q2FY27, taking the total to INR10bn as of Sep'26, against an estimated one-time impact of INR55bn/70bps on CET-1.
- Potential incremental provisions due to HTM portfolio valuation amid rising bond yields remain under assessment, with management expecting these to be offset by NIM expansion driven by the rate hike cycle.
- UNBK has seen no adverse impact from drought conditions so far and will monitor developments while participating in government-led relief measures (including debt-waiver initiatives), if introduced.

Exhibit 1: Quarterly estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
NII	1,00,372	10.1	1,05,827	20.1	1,06,232	13.9	1,08,846	15.7
Core PPoP	70,056	21.7	71,019	31.2	70,021	19.9	59,191	-15.4
NIM (%)	2.8	14.7 bps	2.9	33.9 bps	2.9	15.9 bps	2.8	24.3 bps
Core PAT	45,753	42.5	47,853	51.9	41,264	-1.3	33,142	-27.6

Source: Company, PL

Exhibit 2: Core PPoP beat led by better NII/NIM

P&L (Rs mn)	Q2FY27	Q2FY26	YoY gr. (%)	Q2FY27E	% Var.	Q1FY27	QoQ gr. (%)
Interest income	2,81,583	2,61,906	7.5	2,74,565	2.6	2,72,032	3.5
Interest expense	1,75,756	1,73,782	1.1	1,74,454	0.7	1,71,660	2.4
Net interest income (NII)	1,05,827	88,124	20.1	1,00,112	5.7	1,00,372	5.4
-Fee income	29,053	26,820	8.3	29,683	-2.1	28,630	1.5
-Other income	17,457	23,138	-24.6	20,453	-14.6	17,400	0.3
Total income	1,52,337	1,38,082	10.3	1,50,248	1.4	1,46,402	4.1
Operating expenses	71,261	69,942	1.9	69,962	1.9	66,377	7.4
-Staff expenses	39,447	39,087	0.9	38,916	1.4	38,153	3.4
-Other expenses	31,814	30,856	3.1	31,046	2.5	28,223	12.7
Operating profit	81,076	68,140	19.0	80,286	1.0	80,026	1.3
Core operating profit	71,019	54,131	31.2	68,833	3.2	70,056	1.4
Total provisions	7,008	13,967	-49.8	14,691	-52.3	9,794	-28.5
Profit before tax	74,069	54,172	36.7	65,595	12.9	70,232	5.5
Tax	18,697	11,681	60.1	16,399	14.0	16,909	10.6
Profit after tax	55,372	42,491	30.3	49,196	12.6	53,323	3.8

Balance Sheet (Rs bn)							
Deposits	1,31,94,545	1,23,46,209	6.9	1,31,94,570	0.0	1,28,33,658	2.8
Advances	1,13,27,280	94,83,311	19.4	1,13,05,454	0.2	1,07,22,552	5.6

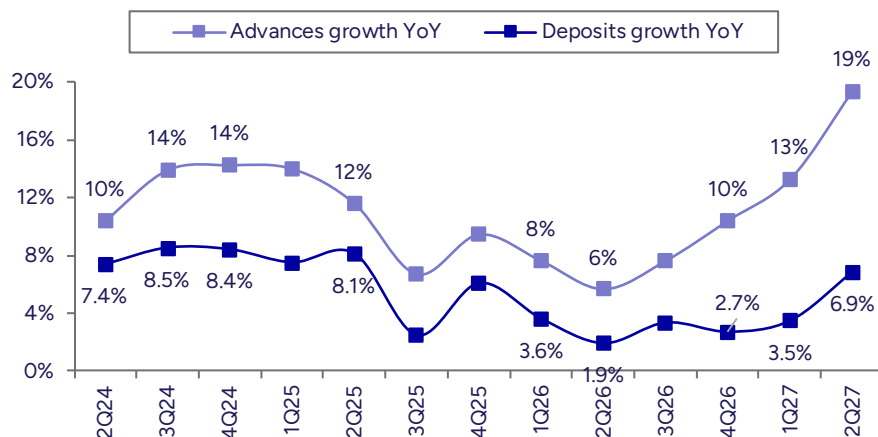
Ratios (calc %)							
RoA	1.4	1.2	26.1 bps	1.3	16.3 bps	1.4	2.8 bps
RoE	17.0	14.9	215.4 bps	15.1	193.7 bps	17.0	8.1 bps
NIM	2.9	2.6	33.9 bps	2.7	15.9 bps	2.8	10.5 bps
Yield on Advances	8.4	8.5	-5.8 bps	8.2	21.5 bps	8.3	11.5 bps
Cost of Funds	5.2	5.4	-24.6 bps	5.1	3.5 bps	5.2	0.5 bps

Asset Quality							
Gross NPL (Rs m)	2,79,162	3,20,851	-13.0	2,86,971	-2.7	2,90,927	-4.0
Net NPL (Rs m)	47,685	52,094	-8.5	48,785	-2.3	50,170	-5.0
Gross NPL ratio	2.4	3.3	-87.5 bps	2.5	-7.1 bps	2.7	-23.8 bps
Net NPL ratio	0.4	0.5	-12.8 bps	0.4	-1.1 bps	0.5	-4.7 bps
Coverage ratio	82.9	83.8	-84.5 bps	83.0	-8.1 bps	82.8	16.3 bps

Business & Other Ratios	Change in bps			Change in bps			Change in bps
Low-cost deposit mix	34.9	32.5	236.9	35.5		35.1	-17.0
Cost-income ratio	46.8	50.7	-387.4	46.6	21.4	45.3	144.0
Non int. inc / total income	30.5	36.2	-564.9	33.4	-283.8	31.4	-91.0
Credit deposit ratio	85.8	76.8	903.7	85.7	16.6	83.6	229.8
CAR	17.9	17.1	87.0	-		18.5	-52.0
Tier-I	16.8	15.6	124.0	-		17.3	-50.0

Source: Company, PL

Exhibit 3: Advances growth increased to 19% YoY; Deposit growth at 6.9% YoY



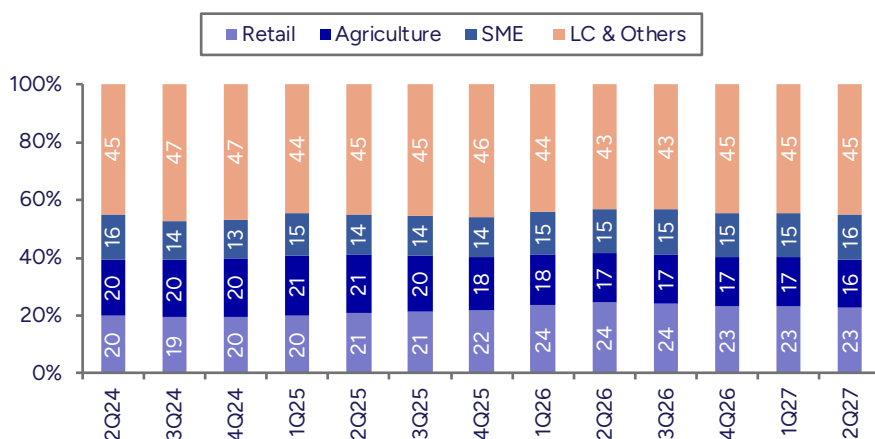
Source: Company, PL

Exhibit 4: Sequential growth of 5.4% was broad-based across SME, Corporate, Agri & Retail book

Loan Book Details (Rs bn)	Q2FY27	Q2FY26	YoY gr. (%)	Q1FY27	QoQ gr. (%)
Gross Advances	1,15,58,760	97,52,070	18.5	1,09,63,310	5.4
Large Corporates	52,03,490	42,09,010	23.6	48,82,360	6.6
SME	18,03,940	14,73,950	22.4	16,82,580	7.2
Agri	18,98,100	16,84,050	12.7	18,31,840	3.6
International	5,01,230	3,29,340	52.2	3,52,030	42.4
Retail	26,53,230	23,85,060	11.2	25,66,530	3.4
Home	13,32,330	11,75,460	13.3	12,83,960	3.8
Auto	3,16,130	2,44,290	29.4	3,00,370	5.2
Education	1,86,490	1,74,930	6.6	1,81,490	2.8
Other Retail	8,18,280	7,90,380	3.5	8,00,710	2.2

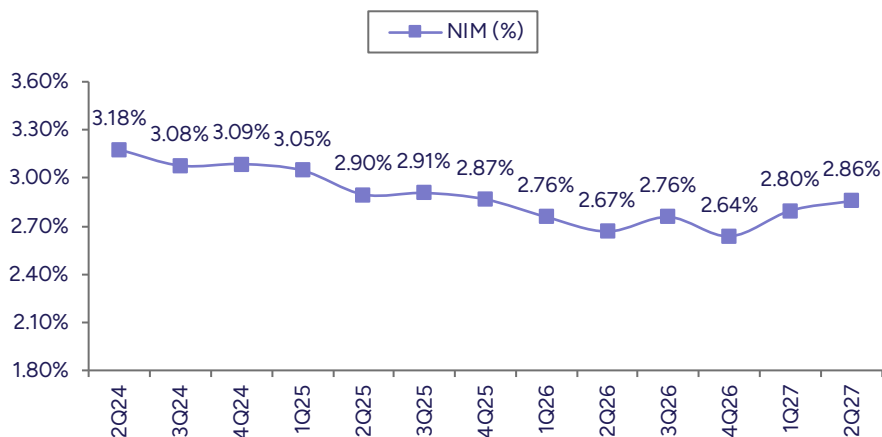
Source: Company, PL

Exhibit 5: Retail:corporate mix stable at 55:45



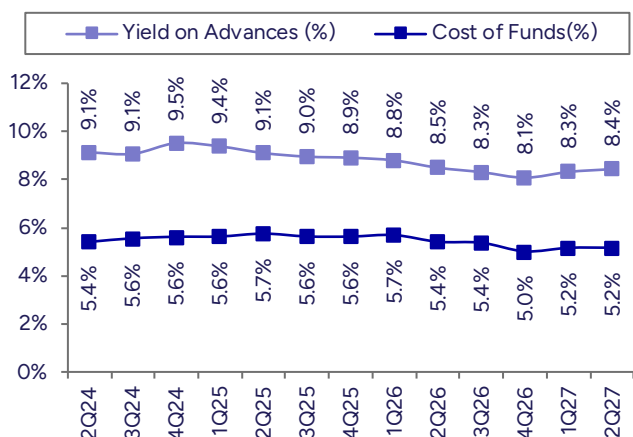
Source: Company, PL

Exhibit 6: NIM (reported) improved by ~6bps QoQ to 2.86%



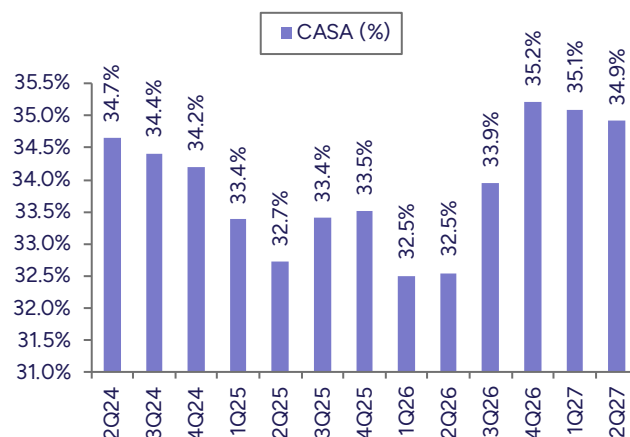
Source: Company, PL

Exhibit 7: Yield on advances (cal.) improved QoQ to 8.4%



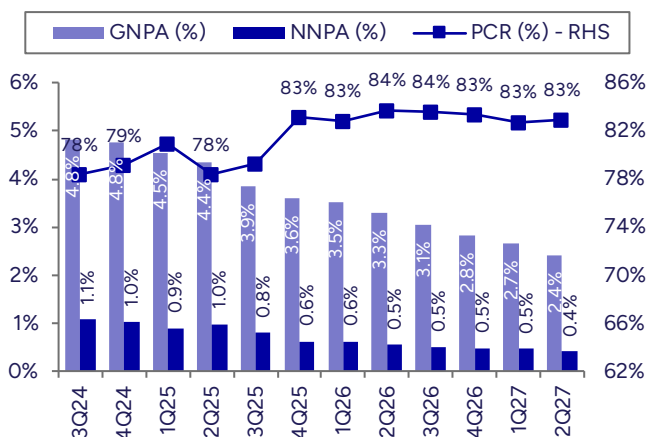
Source: Company, PL

Exhibit 8: CASA ratio stable at 34.9%



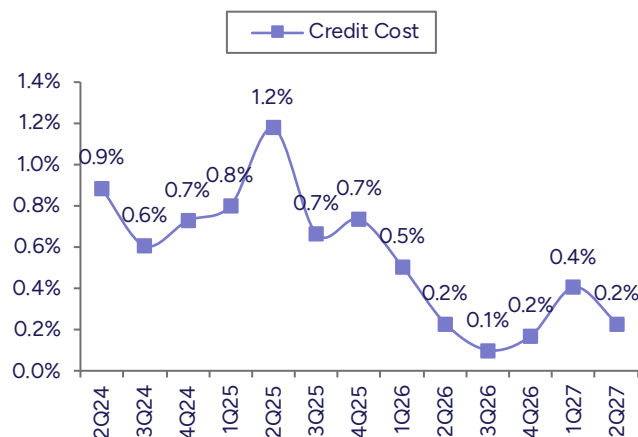
Source: Company, PL

Exhibit 9: GNPA/NNPA improved to 2.42%/0.42%



Source: Company, PL

Exhibit 10: Credit cost normalized to 0.2%



Source: Company, PL

Exhibit 11: Slippages came in at INR19.1bn, while overall asset quality has improved

(Rs mn)	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27
Additions	26,320	26,810	33,230	23,180	52,190	19,690	25,670	23,450	21,510	18,530	21,020	21,570	19,090
Slippages (%)	1.5%	1.5%	1.9%	1.1%	2.6%	1.0%	1.3%	1.0%	0.9%	0.8%	0.9%	0.9%	0.8%
Recovery	17,220	27,250	16,760	12,000	9,770	11,300	16,170	7,900	11,130	12,120	12,900	9,130	12,260
Upgradation	9,840	13,880	8,400	6,070	10,070	7,250	9,240	5,190	10,630	4,820	3,650	2,790	3,150
Write offs	60,175	93,184	9,712	21,858	41,590	40,590	12,300	20,760	22,010	11,240	11,670	22,730	15,440
Gross NPAs	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	2,90,927	2,79,162
Gross NPA Ratio	6.38	4.83	4.76	4.54	4.36	3.85	3.60	3.52	3.29	3.06	2.82	2.65	2.42
Net NPAs	1,04,210	93,512	89,899	79,020	87,586	75,684	59,693	58,739	52,094	51,022	50,673	50,170	47,685
Net NPA Ratio	1.30	1.08	1.03	0.90	0.98	0.82	0.63	0.62	0.55	0.51	0.48	0.47	0.42
PCR	80.7%	78.4%	79.1%	80.9%	78.4%	79.3%	83.1%	82.9%	83.8%	83.6%	83.3%	82.8%	82.9%
NPAs breakup													
MSME	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	69,750	67,540
Retail	46,880	39,300	41,640	43,910	37,880	31,340	31,460	27,160	26,880	26,710	25,130	22,910	22,320
Agriculture	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	1,37,150	1,30,200
Others	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	61,120	59,100

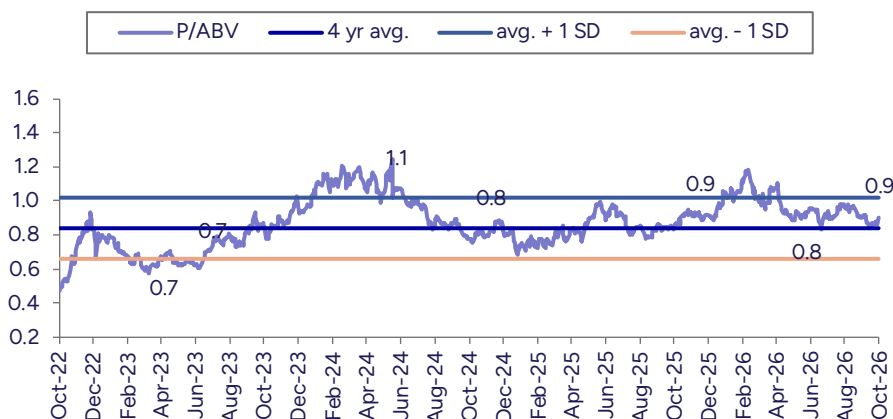
Source: Company, PL

Exhibit 12: Return ratios to remain at ~14.5-15.5%

RoA decomposition (%)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net Interest Income/Assets	2.7	2.7	2.6	2.4	2.6	2.6	2.6
Other Income/Assets	1.2	1.2	1.4	1.3	1.2	1.2	1.1
Net revenues/Assets	3.8	3.9	3.9	3.7	3.7	3.8	3.7
Operating Expense/Assets	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Provisions/Assets	1.1	0.5	0.5	0.3	0.3	0.4	0.4
Taxes/Assets	0.3	0.6	0.4	0.4	0.4	0.4	0.4
ROA	0.7	1.0	1.2	1.2	1.2	1.2	1.2
ROE	12.2	16.7	18.1	16.3	15.4	14.2	13.4

Source: Company, PL

Exhibit 13: One-year forward P/ABV trades at 0.9x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Income Statement (INR m)								
Interest earned	265,436	276,952	272,956	261,906	264,434	264,390	272,032	281,583
Interest expended	173,033	181,812	181,830	173,782	171,155	170,330	171,660	175,756
Net Interest Income	92,403	95,140	91,126	88,124	93,279	94,060	100,372	105,827
Other income	44,166	55,591	44,858	49,958	45,411	54,121	46,030	46,510
Fees	23,650	24,880	22,190	24,430	24,500	26,310	26,830	26,871
Total Income	136,568	150,731	135,983	138,082	138,690	148,181	146,402	152,337
Operating Expenses	61,650	73,730	66,897	69,942	69,274	68,628	66,377	71,261
Employees	34,678	40,691	39,459	39,087	40,111	34,248	38,153	39,447
Others	26,972	33,039	27,438	30,856	29,163	34,381	28,223	31,814
Operating profit	74,918	77,001	69,087	68,140	69,416	79,553	80,026	81,076
Core PPoP	66,703	58,441	57,569	54,131	58,376	69,932	70,056	71,019
Provisions	15,991	15,439	16,645	13,967	3,222	10,550	9,794	7,008
Profit before tax	58,928	61,562	52,442	54,172	66,194	69,003	70,232	74,069
Taxes	12,891	11,713	11,286	11,681	16,026	15,846	16,909	18,697
Net Profit	46,036	49,849	41,155	42,491	50,168	53,158	53,323	55,372
Core PAT	39,618	34,820	32,116	31,503	41,800	45,746	45,753	47,853
Balance Sheet (INR m)								
Share capital	76,336	76,336	76,336	76,336	76,336	76,336	76,336	76,336
Reserves & surplus	1,039,218	1,053,416	1,094,577	1,135,654	1,184,370	1,209,414	1,267,131	1,310,191
Deposits	11,830,652	12,722,470	12,399,326	12,346,209	12,228,559	13,068,914	12,833,658	13,194,545
Borrowings	659,797	648,443	676,553	685,957	784,407	771,902	725,276	1,016,832
Other liabilities	460,379	497,892	572,444	494,294	551,346	566,981	533,000	466,331
Total liabilities	14,066,383	14,998,557	14,819,235	14,738,449	14,825,019	15,693,546	15,435,401	16,064,235
Cash & bank	935,095	1,313,340	1,392,962	1,130,436	793,222	957,047	516,003	538,850
Investments	3,399,099	3,543,814	3,406,225	3,456,957	3,312,264	3,302,362	3,327,375	3,348,502
Advances	9,201,782	9,535,133	9,460,521	9,483,311	9,908,650	10,532,775	10,722,552	11,327,280
Fixed assets	94,095	97,819	98,481	99,493	98,493	116,080	115,783	115,979
Other assets	436,311	508,451	461,047	568,252	712,390	785,283	753,688	733,624
Total assets	14,066,383	14,998,557	14,819,235	14,738,449	14,825,019	15,693,546	15,435,401	16,064,235
Balance sheet ratios (%)								
Loan growth	2.6	3.6	(0.8)	0.2	4.5	6.3	1.8	5.6
Deposit growth	(2.3)	7.5	(2.5)	(0.4)	(1.0)	6.9	(1.8)	2.8
LDR	77.8	74.9	76.3	76.8	81.0	80.6	83.6	85.8
CASA	33.4	33.5	32.5	32.5	33.9	35.2	35.1	34.9
Capital Adequacy (%)								
CET-1	13.6	15.0	15.3	14.4	13.9	15.7	16.4	16.1
Tier-2	1.8	1.8	1.7	1.5	1.4	1.5	1.1	1.1
CRAR	16.7	18.0	18.3	17.1	16.5	18.1	18.5	17.9
Profitability ratios (%)								
Yield on assets	8.0	7.8	7.9	7.7	7.7	7.3	7.5	7.6
Cost of funds	5.6	5.6	5.7	5.4	5.4	5.0	5.2	5.2
NIM	2.8	2.7	2.6	2.6	2.6	2.5	2.8	2.8
Fees/Assets	0.7	0.7	0.6	0.7	0.7	0.7	0.7	0.7
Cost/Income	45.1	48.9	49.2	50.7	49.9	46.3	45.3	46.8
Opex/avg assets	1.7	2.0	1.8	1.9	1.9	1.8	1.7	1.8
RoA	1.3	1.2	1.1	1.2	1.2	1.2	1.4	1.4
Core RoA	1.1	1.0	0.9	0.9	1.2	1.2	1.2	1.2
RoE	16.9	17.1	14.7	14.7	15.0	15.5	16.7	16.7
Core RoE	15.5	13.3	11.7	11.0	14.1	15.2	14.6	14.7
EPS (INR)	4.8	5.2	4.3	4.5	5.3	5.6	5.6	5.8
BVPS (INR)	146.1	148.0	153.4	158.8	165.2	168.4	176.0	181.6
ABVPS (INR)	136.2	140.2	145.7	151.9	158.5	161.8	169.4	175.4
Asset quality ratios (%)								
GNPA	3.9	3.6	3.5	3.3	3.1	2.8	2.7	2.4
NNPA	0.8	0.6	0.6	0.5	0.5	0.5	0.5	0.4
Provision coverage	79.3	83.1	82.9	83.8	83.6	83.3	82.8	82.9
Provision costs	0.7	0.7	0.7	0.6	0.1	0.4	0.4	0.3
Slippage	1.0	1.3	1.0	0.9	0.8	0.9	0.9	0.8
NNPA/Equity	6.8	5.3	5.0	4.3	4.0	3.9	3.7	3.4

Source: Company, PL

Financials

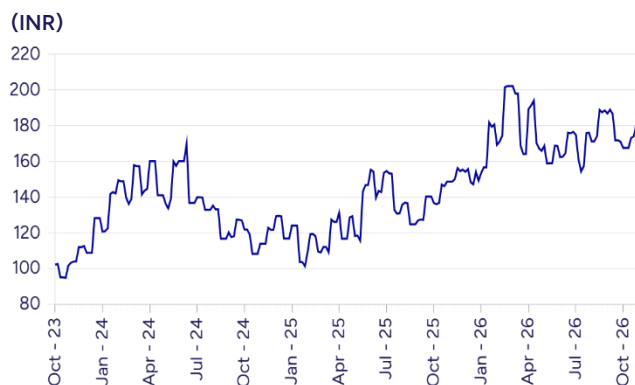
Y/e Mar	FY26	FY27E	FY28E	FY29E
Income Statement (INR m)				
Interest earned	1,059,922	1,141,125	1,277,291	1,413,202
Interest expended	693,334	719,848	809,290	894,413
Net Interest Income	366,588	421,277	468,001	518,789
Other income	194,348	188,755	208,814	219,398
Fees	108,190	117,627	128,937	140,633
Net Total Income	560,936	610,032	676,815	738,187
Operating Expenses	274,741	299,447	329,644	363,112
Employees	152,904	169,967	184,920	207,644
Others	121,837	129,480	144,724	155,468
Operating profit	286,195	310,586	347,171	375,075
Core PPOP	240,007	270,287	298,294	325,309
Provisions	44,385	46,807	67,756	72,513
Profit before tax	241,810	263,779	279,415	302,562
Taxes	54,839	65,475	69,854	75,640
Net Profit	186,971	198,304	209,561	226,921
Core PAT	151,258	168,008	172,903	189,597
Growth Ratios (%)				
Loans	10.5	14.0	11.0	11.0
Deposits	2.7	6.6	11.0	11.0
NII	(1.5)	14.9	11.1	10.9
Fees	(3.3)	8.7	9.6	9.1
Opex	5.9	9.0	10.1	10.2
Core PPOP	(10.4)	12.6	10.4	9.1
Provisions	(41.7)	5.5	44.8	7.0
Core PAT	3.0	11.1	2.9	9.7
Profitability Ratios (%)				
Yield on IEA	7.3	7.4	7.5	7.6
Cost of funds	5.1	5.0	5.1	5.1
NIM	2.5	2.7	2.8	2.8
Cost/Income	49.0	49.1	48.7	49.2
Provision cost	0.4	0.4	0.5	0.5
Tax rate	22.7	24.8	25.0	25.0
Core RoA	1.0	1.0	1.0	1.0
Core RoE	13.4	13.2	11.9	11.3
Du-pont (%)				
Interest income	6.9	7.0	7.2	7.2
Interest expenses	4.5	4.4	4.5	4.5
NII	2.4	2.6	2.6	2.6
Other income	1.3	1.2	1.2	1.1
Fees/avg assets	0.7	0.7	0.7	0.7
Total income	3.7	3.7	3.8	3.7
Opex/avg assets	1.8	1.8	1.8	1.8
Staff cost	1.0	1.0	1.0	1.1
Other opex	0.8	0.8	0.8	0.8
PPOP	1.9	1.9	1.9	1.9
Core PPOP/avg assets	1.6	1.7	1.7	1.6
Provisions	0.3	0.3	0.4	0.4
PBT	1.6	1.6	1.6	1.5
Tax	0.4	0.4	0.4	0.4
RoA	1.2	1.2	1.2	1.2
RoE	16.3	15.4	14.2	13.4

Source: Company, PL

Y/e Mar	FY26	FY27E	FY28E	FY29E
Balance Sheet (INR m)				
Equity	1,285,750	1,436,475	1,646,037	1,872,958
Share capital	76,336	76,336	76,336	76,336
Deposits	13,068,914	13,935,803	15,469,903	17,172,881
Borrowings	771,902	1,098,684	1,074,117	1,043,064
Other Liabilities	566,980	494,731	556,824	626,710
Total liabilities	15,693,546	16,965,693	18,746,881	20,715,613
Cash with RBI	664,728	468,818	507,464	549,295
Balance with banks	292,319	93,611	105,360	118,583
Investments	3,302,362	3,508,747	3,833,122	4,186,393
Advances	10,532,775	12,005,444	13,327,043	14,794,128
Fixed assets	116,080	118,310	123,114	128,113
Other assets	785,283	770,764	850,779	939,101
Total assets	15,693,546	16,965,693	18,746,881	20,715,613
Balance sheet ratios (%)				
LDR	80.6	86.1	86.1	86.1
CASA	35.2	35.9	35.6	35.2
Inv/NDTL	22.9	22.6	22.4	22.2
Borr/NDTL	5.4	7.1	6.3	5.5
Assets/equity (x)	12.2	11.8	11.4	11.1
RWA/Loans	72.3	71.0	70.4	69.7
RWA/Total assets	48.5	50.2	50.0	49.8
Capital ratios (%)				
CRAR	18.1	26.9	26.5	26.0
CET-1	15.7	15.7	16.3	16.9
AT-1	0.9	1.0	1.0	1.0
Tier-2	1.5	10.3	9.2	8.1
Asset quality ratios (%)				
GNPA (INR mn)	304,010	260,089	247,139	254,187
NNPA (INR mn)	50,673	44,212	42,010	43,208
GNPA	2.8	2.1	1.8	1.7
NNPA	0.5	0.4	0.3	0.3
PCR	83.3	83.0	83.0	83.0
Slippage	0.9	0.8	0.8	0.8
NNPA / Equity	3.9	3.1	2.6	2.3
Per share (INR)				
EPS	24.5	26.0	27.5	29.7
DPS	5.0	5.2	5.5	5.9
BVPS	159.3	179.0	206.5	236.2
ABVPS	152.6	173.2	201.0	230.6
Valuation (x)				
Price (INR)	149.8	179.3	179.3	179.3
P/E	6.1	6.9	6.5	6.0
P/BV	0.9	1.0	0.9	0.8
P/ABV	1.0	1.0	0.9	0.8

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Oct-26	Accumulate	190	168
2	16-Jul-26	Accumulate	190	172
3	07-Jul-26	Accumulate	200	161
4	24-Apr-26	Accumulate	200	180
5	10-Apr-26	Accumulate	200	185
6	19-Feb-26	BUY	200	193
7	15-Jan-26	BUY	200	179
8	08-Jan-26	BUY	160	166
9	31-Oct-25	BUY	160	142
10	07-Oct-25	BUY	150	139

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Aditya Birla Sun Life AMC	BUY	1200	1010
2	Axis Bank	BUY	1600	1290
3	Bank of Baroda	Accumulate	280	233
4	Canara Bank	BUY	160	125
5	Canara Robeco Asset Management Company	HOLD	285	225
6	City Union Bank	BUY	250	224
7	DCB Bank	BUY	215	201
8	Federal Bank	BUY	400	338
9	HDFC Asset Management Company	BUY	2850	2415
10	HDFC Bank	BUY	950	729
11	ICICI Bank	BUY	1900	1397
12	ICICI Prudential Asset Management Company	BUY	3420	2969
13	Indian Bank	BUY	1000	835
14	IndusInd Bank	Accumulate	1150	906
15	Karur Vysya Bank	BUY	380	346
16	Kotak Mahindra Bank	BUY	500	432
17	Nippon Life India Asset Management	BUY	1250	1074
18	Prudent Corporate Advisory Services	Accumulate	3175	3200
19	State Bank of India	BUY	1200	959
20	Union Bank of India	Accumulate	190	168
21	UTI Asset Management Company	HOLD	975	888

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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