

Indian Bank (INBK IN)

Q2FY27 Result Update

October 16, 2026

☒ Estimate Change | ☐ Target | ☐ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	BUY		BUY	
Target Price	1,000		1,000	
NII (INR. mn)	357,600	403,613	354,816	401,078
% Chng.	0.8	0.6		
Op. Profit (INR mn)	265,144	295,808	259,807	292,710
% Chng.	2.1	1.1		
EPS (INR)	116.7	131.2	114.4	129.7
% Chng.	2.0	1.2		

Key Data

INBA.BO | INBK IN

BSE Code	532814
NSE Code	INDIANB
52-W High / Low	INR 1,000 / INR 756
Face Value	10
Sensex / Nifty	74,316 / 22,997
Market Cap	INR 1,125 bn / \$ 11,832 mn
Shares Outstanding	1346.96 mn
3M Avg. Daily Value	INR 1,184.55 mn

Shareholding Pattern (%)

Promoters	73.84
Foreign	6.86
Mutual Funds	13.36
Domestic Institution	3.41
Public & Others	2.53
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(0.2)	0.5	(11.7)	7.7
Relative	(0.6)	4.4	(7.2)	19.7

Key Financials - Standalone

Y/e Mar	FY26	FY27E	FY28E	FY29E
NII (INR mn)	269,149	316,808	357,600	403,613
NIM (%)	3.40	3.1	3.1	3.1
Core PPOP (INR mn)	179,585	219,366	245,544	276,208
PAT (INR mn)	121,556	142,265	157,123	176,703
Core PAT (INR mn)	107,050	126,823	142,619	162,199
EPS (INR)	90.2	105.6	116.7	131.2
Gr. (%)	11.3	17.0	10.4	12.5
DPS (INR)	18.3	21.1	23.3	26.2
Yield (%)	2.4	2.5	2.8	3.1
RoAE (%)	18.2	18.5	17.7	17.3
Core RoAE (%)	16.1	16.6	16.1	15.9
RoAA (%)	1.3	1.4	1.3	1.3
Core RoAA (%)	1.2	1.2	1.2	1.2
P/BV (x)	1.5	1.4	1.2	1.0
P/ABV (x)	1.5	1.4	1.2	1.0
PE (x)	8.6	7.9	7.2	6.4
CAR (%)	17.9	19.0	19.6	20.4

Earnings quality remains superior among PSBs

Quick Pointers

- Core PPOP beat led by better NII/fee and lower opex
- Loan momentum to sustain; we expect 16% YoY in FY27E
- LDR at 81% and CET-1 at 15% to support loan growth

INBK saw decent quarter as core PPOP was 4% ahead led by slight beat on NII, fees and opex; asset quality too was steady. FCNR(B) deposits were INR225bn and excluding leverage, credit growth was 2.9% QoQ that was mainly driven by RAM segments. Bank sounded confident to maintain its credit momentum; it raised loan growth guidance for FY27E from 11-13% to 14-15%; we are factoring 16% YoY. LDR at 81% and CET-1 of 15% suggests that domestic growth run-rate could sustain. NIM is expected to increase by 5-6bps in Q3FY27 due to repo hike. We keep multiple at 1.3x on Sep'28 ABV and maintain TP at INR 1,000. Retain 'BUY'

Slight beat on core PPOP due to better NII, fees, opex: NII was a tad higher at INR77.2bn (PLe INR76.5bn) with credit growth/NIM being in-line. NIM (calc.) was 3.17% (PLe 3.18%); reported NIM was up 2bps to 3.31%. Credit/deposit growth was 17.5%/12.5% YoY. Other income was higher at INR39.5bn (PLe INR 27.8bn) which included NSE stake sale gain of INR13.9bn; fee was 1.3% higher. Opex at INR45.8bn was 2.2% lower due to lesser staff cost and other opex. Core PPOP at INR52.6bn was 3.9% above PLe; PPOP was INR 70.9bn. GNPA was lower at 1.61% (PLe 1.72%) due to lower slippage at INR11.8bn (PLe INR12.7bn) and recoveries at INR8.5bn (PLe INR7bn). Provisions were INR22.2bn (PLe INR11.6bn); provisions of INR16.7bn were created against potential risk of West-Asia crisis and ECL impact. Core PAT was INR24.3bn (PLe INR20.6bn); PAT was INR34.6bn.

Domestic loan growth led by RAM: Credit growth was 5.7% QoQ with domestic credit accretion at 4.4% led by retail (4.3%), agri (8.1%) and SME (5.5%). Agri gold (INR1.1trn) saw a strong 11% QoQ growth. Corporate pipeline is INR630bn with INR300bn sanction. Bank's agri exposure to drought affected states is minimal. INBK expects current loan momentum to sustain, and it raised guidance from 11-13% to 14-15%. Deposit accretion was 3.5% QoQ; ~74% of QoQ accretion or INR225bn was led by FCNR(B) deposits which were partly utilized to pay-off bulk deposits of INR100bn. Leveraged portion of FCNR(B) included in loans was USD2bn. CET-1 is strong at ~15%.

NIM to improve in Q3FY27: Domestic NIM was flat QoQ at 3.4% while overseas NIM was up 8bps QoQ due to churning of the international portfolio. Management expects further NIM expansion of 5-6bps in Q3FY27 led by repo rate hike after adjusting for NIM dilution due to FCNR, while higher deposit costs and funding mix remain important factors to monitor. EBLR/MCLR linked loans accounted for 50%/43% of loans.

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	% Var.	Q2'26A	YoY gr. (%)
NII (INR mn)	76,502	77,189	0.9	65,510	17.8
Margin (%)	3.2	3.2	4bps	3.1	10 bps
Core PPOP (INR mn)	50,578	52,573	19.2	41,569	26.5
Core PAT (INR mn)	20,578	29,639	44.0	23,386	26.7

Source: Company, PL

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Q2FY27 Concall Highlights

Balance sheet

- Gross advances grew 16.4% YoY (+5.5% QoQ), supported by broad-based growth across RAM and international book. Deposits grew 12.5% YoY (+3.5% QoQ). The Bank revised FY27 credit and deposit growth guidance to 11–12% and 13–14%, respectively, from 9–11% and 11–13%
- Domestic corporate book grew by ~10% YoY (1.3% QoQ) to INR 2.17trn. Management expects corporate credit growth to move into the lower double digits, supported by enhanced credit appraisal capabilities and credit training initiatives while avoiding excessive risk accumulation while pursuing growth. Pipeline remains healthy at INR 630bn. Corporate loan yields increased to 8.49% in Q2FY27 from 8.36% in Q1FY27.
- Agri gold loan book grew 11% QoQ to INR 1.16trn, recovering from subdued Q1FY27 growth following revised lending guidelines. Portfolio yields remained stable QoQ at 8.85% with loans priced at MCLR.
- Retail book grew 17.4% YoY (+4.3% QoQ) to INR 1.53trn, with ~92% of the portfolio comprising borrowers with CIBIL scores above 750, reflecting the Bank's focus on credit quality.
- Housing portfolio grew 12.3% YoY with focus on profitable growth over aggressive volume expansion to protect margins and underwriting standards. Branches/DSAs account for 60%/40% of sourcing.
- MSME portfolio grew by 19.1% YoY. Working capital drawdowns remained subdued, with the WCDL book declining by ~INR 10bn over the past 2-3 quarters. ECLGS loans of INR 70bn have been disbursed.
- International book witnessed strong 17.7% QoQ growth supported by FCNR backed lending of USD 2bn, which has led to overseas NIM expansion of 8bps QoQ.
- Bank mobilized FCNR(B) deposits of ~INR 225bn which were utilised to support lending and manage funding requirements as bank shedded off CDs and bulk deposits of INR 100bn.
- Bank also raised OFCBs of INR 38bn. Management highlighted its cautious stance on bulk deposits and is evaluating alternate source of fundings such as infrastructure bonds and refinance borrowings. It has received approval to raise INR 500bn through infrastructure bonds.
- CASA ratio moderated to 37.6% from 37.8% in Q1FY27 due to FCNR mobilisation. Management is focusing on salary accounts, fintech partnerships and cash management solutions to strengthen low-cost deposits. The bank aims to maintain its CASA ratio at ~40%.
- LCR stood at 116% in Q2FY27. Management attributed the lack of improvement despite FCNR deposit mobilisation to higher borrowings and a relatively lower level of HQLA.
- CET-I stood at 15.2% vs 16.5% QoQ, decline was attributable to (i) reclassification of ECL provisions to tier-II given sector specific nature of such provisions and (ii) 100% of unavailed credit being taken as credit RWA instead of applying CCF methodology. CET-I may recover to 17–17.5%, supported by profit accretion.
- With tier I & tier II bonds due for redemption, management indicated that it may raise ~INR 10-20bn through tier II bonds, depending on market conditions.

Profit & loss

- NIM (reported) improved 2bps QoQ to 3.31%. Management expects further expansion of 5-6bps in Q3FY27 led by repo rate hike after adjusting for NIM dilution due to FCNR, while higher deposit costs and funding mix remain important factors to monitor.
- MCLR-linked loans accounted for 43.19% of the loan book, while external benchmark-linked loans accounted for 49.65%.
- Bank booked INR13.87bn as income on account of listing of shares of NSE which comprises of (i) INR 2.5bn realised gain due to stake sale and (ii) INR 11.3bn MTM.
- Income from income tax refund amounts to INR 2.71bn. Treasury gains, excluding NSE, amounted to INR 2.9bn. Management expects treasury gains to be muted across industry; however impact would be relatively limited as the Bank is yet to book profit on some high yielding securities.

Asset quality

- KVB created floating provisions of INR 16.7bn during Q2FY27 against potential risk of West-Asia crisis and anticipated impact of ECL. Management assessment of sustainable impact of ECL remains intact at 10-12bps, based on 5-6 years of historical data for LGD assumptions.
- Management has not observed significant stress in retail & SME portfolios so far, although it acknowledged that emerging stress cannot be ruled out, and therefore being cautious on aggressive lending.
- Impact of El Nino to be minimal due to lower exposure in states adversely affected by drought. Management does not foresee introduction of any ECLGS scheme for El Nino-affected borrowers; however, repayment deferment might be considered.

Exhibit 1: Quarterly Estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
NII	74,348	16.9	77,189	17.8	81,025	17.5	84,243	18.5
Core PPOP	51,738	21.0	52,573	26.5	56,914	25.3	58,138	16.7
NIM (%)	3.2	11.3bps	3.2	7.0bps	3.3	6.7bps	3.3	14.2bps
Core PAT	29,853	20.4	29,639	26.7	33,268	28.9	34,391	22.9

Source: Company, PL

Exhibit 2: Slight beat on core PPoP due to better NII, fees, opex

P&L (INR mn)	Q2FY27	Q2FY26	YoY gr. (%)	Q2FY27E	% Var.	Q1FY27	QoQ gr. (%)
Interest income	1,91,058	1,65,899	15.2	1,86,098	2.7	1,80,902	5.6
Interest expense	1,13,870	1,00,390	13.4	1,09,596	3.9	1,06,554	6.9
Net interest income (NII)	77,189	65,510	17.8	76,502	0.9	74,348	3.8
-Fee income	13,410	9,790	37.0	12,197	9.9	12,110	10.7
-Other income	26,118	15,076	73.2	15,586	67.6	14,225	83.6
Total income	1,16,717	90,376	29.1	1,04,285	11.9	1,00,682	15.9
Operating expenses	45,816	42,011	9.1	46,857	(2.2)	45,109	1.6
-Staff expenses	30,362	26,512	14.5	31,013	(2.1)	30,706	(1.1)
-Other expenses	15,454	15,499	(0.3)	15,844	(2.5)	14,404	7.3
Operating profit	70,900	48,365	46.6	57,428	23.5	55,573	27.6
Core operating profit	52,573	41,569	26.5	50,578	3.9	51,738	1.6
Total provisions	22,224	7,386	200.9	11,598	91.6	11,957	85.9
Profit before tax	48,676	40,979	18.8	45,830	6.2	43,616	11.6
Tax	14,054	10,797	30.2	11,916	17.9	10,885	29.1
Profit after tax	34,622	30,182	14.7	33,914	2.1	32,731	5.8

Balance Sheet (INR bn)

Deposits	87,40,360	77,69,458	12.5	87,30,000	0.1	84,45,780	3.5
Advances	71,13,520	60,51,724	17.5	71,06,230	0.1	67,29,030	5.7

Ratios (calc %)

RoaA	1.4	1.4	(3.0) bps	1.4	0.1 bps	1.4	(2.4) bps
RoaE	16.8	17.2	(38.0) bps	16.6	22.9 bps	16.7	12.8 bps
NIM	3.2	3.1	7.0 bps	3.2	(0.8) bps	3.2	(3.8) bps
Yield on Advances	8.5	8.4	7.9 bps	8.3	23.7 bps	8.4	13.7 bps
Cost of Funds	5.1	5.2	(5.1) bps	5.0	14.0 bps	5.0	10.2 bps

Asset Quality

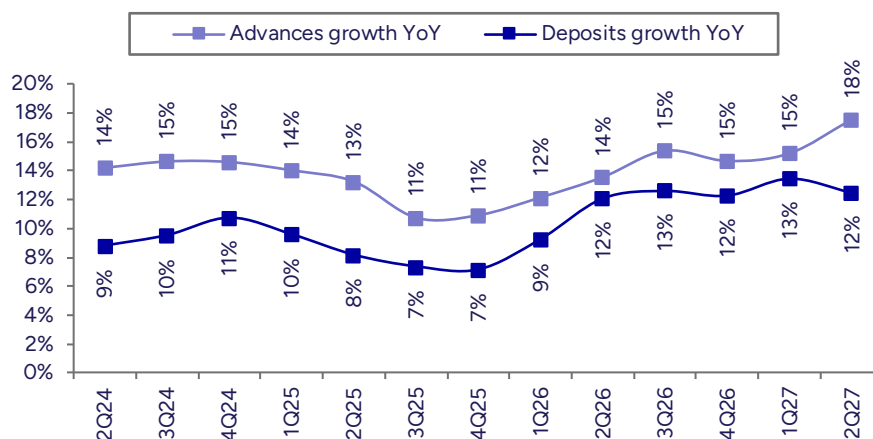
Gross NPL (Rs m)	1,16,125	1,80,669	(35.7)	1,24,366	(6.6)	1,27,103	(8.6)
Net NPL (Rs m)	9,829	10,356	(5.1)	9,949	(1.2)	9,902	(0.7)
Gross NPL ratio	1.61	2.60	(99.2) bps	1.72	(11.4) bps	1.86	(24.8) bps
Net NPL ratio	0.14	0.16	(2.2) bps	0.14	(0.2) bps	0.15	(0.9) bps
Coverage ratio	91.5	94.3	(273.2) bps	92.0	(46.4) bps	92.2	(67.3) bps

Business & Other Ratios

Low-cost deposit mix	37.6	37.2	42.1 bps	37.5	14.1 bps	37.8	(23.5) bps
Cost-income ratio	39.3	46.5	(723.0) bps	44.9	(567.7) bps	44.8	(554.9) bps
Non int. inc / total income	33.9	27.5	635.2 bps	26.6	722.5 bps	26.2	771.0 bps
Credit deposit ratio	81.4	77.9	349.6 bps	81.4	(1.3) bps	79.7	171.4 bps
CAR	16.2	17.3	(110.4) bps			17.6	(137.5) bps
Tier-I	15.2	15.3	(8.8) bps			16.5	(133.4) bps

Source: Company, PL

Exhibit 3: Advances growth at 17.5% YoY while deposits grew by 12.5% YoY



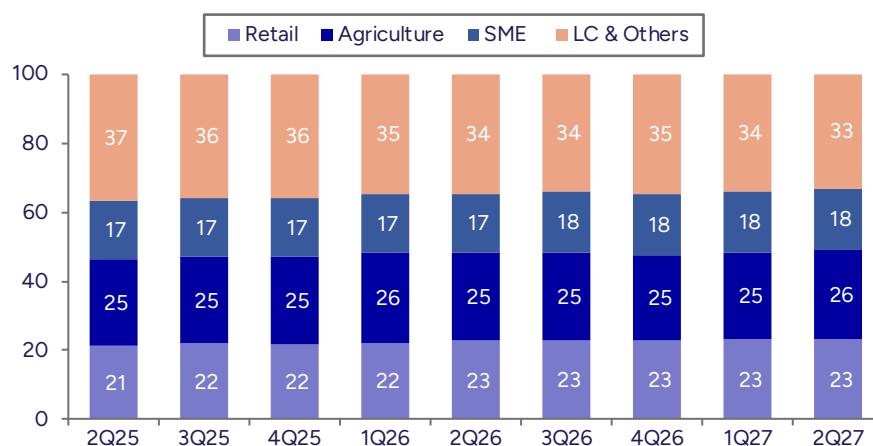
Source: Company, PL

Exhibit 4: Sequential growth of 5.5% led by International, Agri & SME book

Loan Book Details (Rs bn)	Q2FY27	Q2FY26	YoY gr. (%)	Q1FY27	QoQ gr. (%)
Gross Advances	72,19,820	62,03,420	16.4	68,46,230	5.5
Large Corporates	21,74,940	19,78,640	9.9	21,47,980	1.3
SME	11,78,170	9,89,560	19.1	11,16,530	5.5
Agri	17,13,200	14,62,050	17.2	15,85,120	8.1
International	6,21,860	4,68,180	32.8	5,28,330	17.7
Retail	15,31,650	13,04,990	17.4	14,68,270	4.3
Home	8,96,300	7,97,910	12.3	8,64,090	3.7
Auto	1,70,320	1,38,830	22.7	1,64,090	3.8
Other Retail	4,65,030	3,68,250	26.3	4,40,090	5.7

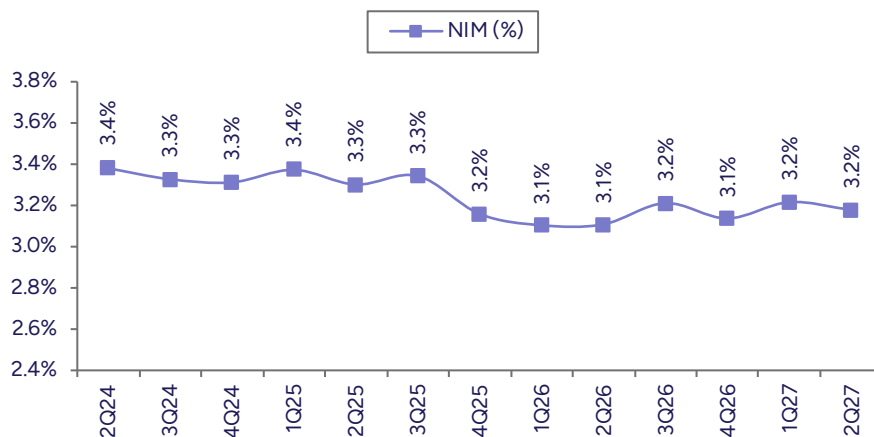
Source: Company, PL

Exhibit 5: RAM:corporate mix came in at 67:33



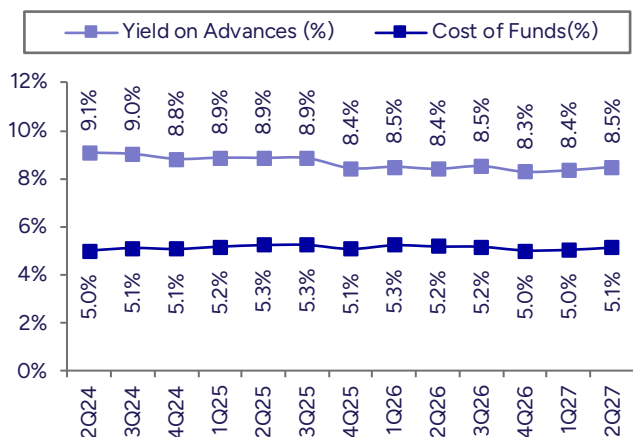
Source: Company, PL

Exhibit 6: NIM (calc.) declined QoQ by ~4bps to 3.17%



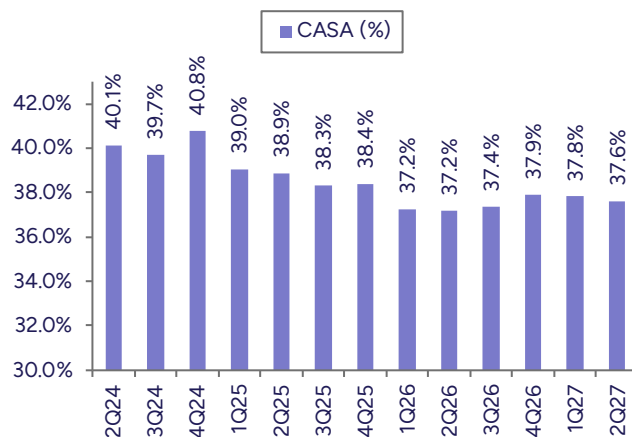
Source: Company, PL

Exhibit 7: 14bps yield expansion partly offset by 10bps CoF rise



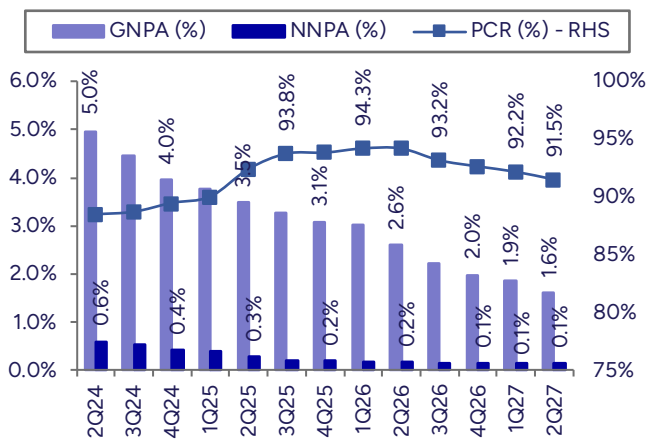
Source: Company, PL

Exhibit 8: CASA ratio declined to 37.6% due to FCNR mobilization



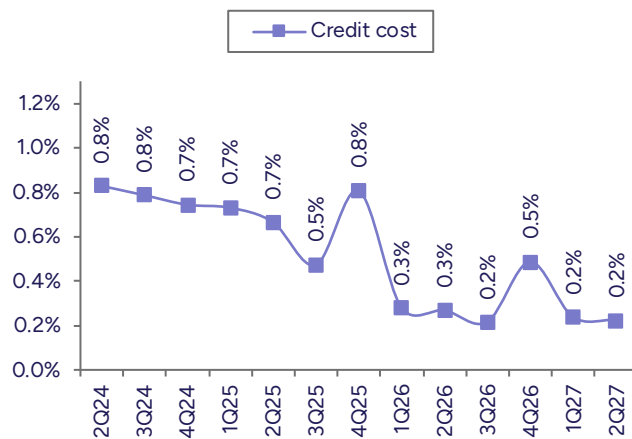
Source: Company, PL

Exhibit 9: GNPA improved to 1.6%; PCR declined to 91.5%



Source: Company, PL

Exhibit 10: Credit cost stable QoQ at 0.2%



Source: Company, PL

Exhibit 11: Slippages came in at INR12bn, while overall asset quality has improved

(Rs mn)	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27
Additions	19,820	16,670	12,680	19,560	13,840	10,160	14,310	13,750	11,560	10,070	13,950	13,000	11,830
Slippages (%)	1.89%	1.59%	1.21%	1.62%	1.15%	0.84%	1.19%	1.01%	0.84%	0.71%	1.03%	0.94%	0.72%
Recovery/Upgradation	14,150	11,430	8,980	12,900	10,850	8,230	6,410	10,460	8,940	6,860	6,000	9,360	8,530
Write offs	23,060	22,250	20,510	14,700	14,530	11,330	8,190	4,410	21,940	21,880	18,740	8,440	14,280
Gross NPAs	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	1,16,125
Gross NPA Ratio	4.97	4.47	3.95	3.77	3.48	3.26	3.09	3.01	2.60	2.23	1.98	1.86	1.61
Net NPAs	28,259	25,787	22,226	20,266	14,453	11,269	11,096	10,356	10,356	9,676	9,649	9,902	9,829
Net NPA Ratio	0.60	0.53	0.43	0.39	0.27	0.21	0.19	0.18	0.16	0.15	0.15	0.15	0.14
PCR	88.46%	88.68%	89.47%	90.02%	92.45%	93.81%	93.90%	94.27%	94.27%	93.22%	92.68%	92.21%	91.54%

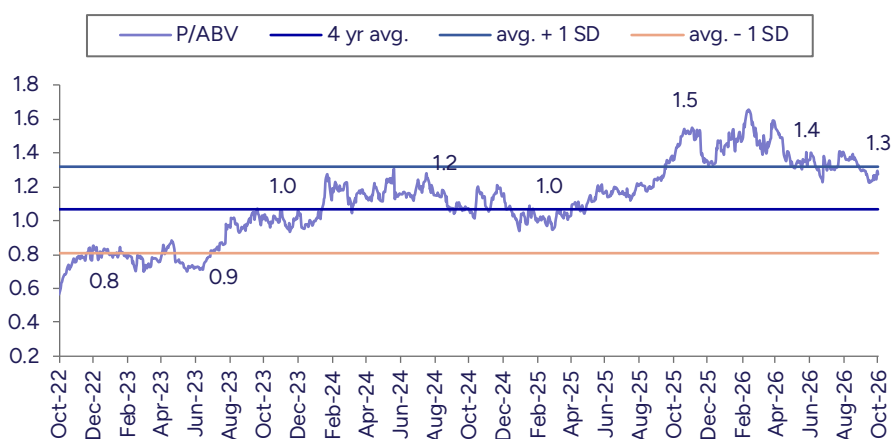
Source: Company, PL

Exhibit 12: Return ratios to remain at ~17.5-18.5%

RoA decomposition (%)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net Interest Income/Assets	2.9	3.1	3.0	2.9	3.0	3.0	3.0
Other Income/Assets	1.0	1.0	1.1	1.1	1.1	1.0	0.9
Net revenues/Assets	4.0	4.1	4.1	4.0	4.1	4.0	3.9
Operating Expense/Assets	1.8	1.9	1.8	1.8	1.8	1.7	1.7
Provisions/Assets	1.4	0.8	0.5	0.4	0.5	0.4	0.4
Taxes/Assets	0.1	0.4	0.5	0.5	0.5	0.5	0.5
ROA	0.8	1.1	1.3	1.3	1.4	1.3	1.3
ROE	13.3	17.1	19.1	18.2	18.5	17.7	17.3

Source: Company, PL

Exhibit 13: One-year forward P/ABV trades at 1.3x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Income Statement (INR m)								
Interest earned	157,595	158,559	162,827	165,899	170,977	174,804	180,902	191,058
Interest expended	93,447	94,666	99,238	100,390	102,021	103,709	106,554	113,870
Net Interest Income	64,147	63,893	63,589	65,510	68,956	71,095	74,348	77,189
Other income	21,526	27,433	24,386	24,866	25,657	24,997	26,335	39,528
Fees	9,310	9,180	7,900	8,300	9,980	10,920	9,300	10,300
Total Income	85,673	91,326	87,975	90,376	94,613	96,092	100,682	116,717
Operating Expenses	38,179	41,139	40,272	42,011	44,377	43,235	45,109	45,816
Employees	24,171	27,013	26,123	26,512	27,852	27,117	30,706	30,362
Others	14,007	14,126	14,149	15,499	16,525	16,118	14,404	15,454
Operating profit	47,494	50,187	47,703	48,365	50,236	52,857	55,573	70,900
Core PPOp	43,559	44,334	42,767	41,569	45,429	49,821	51,738	52,573
Provisions	10,591	7,946	6,910	7,386	8,570	12,258	11,957	22,224
Profit before tax	36,903	42,241	40,793	40,979	41,666	40,600	43,616	48,676
Taxes	8,379	12,680	11,065	10,797	11,051	9,568	10,885	14,054
Net Profit	28,524	29,561	29,728	30,182	30,615	31,031	32,731	34,622
Core PAT	24,588	23,708	24,792	23,386	25,808	27,995	29,853	29,639
Balance Sheet (INR m)								
Share capital	13,470	13,470	13,470	13,470	13,470	13,470	13,470	13,470
Reserves & surplus	654,110	679,630	713,270	739,434	768,890	769,443	807,230	836,098
Deposits	7,022,820	7,371,536	7,442,890	7,769,458	7,909,230	8,277,263	8,445,780	8,740,360
Borrowings	325,170	415,079	530,070	422,056	488,880	466,925	481,470	771,950
Other liabilities	212,000	254,392	255,330	270,285	284,180	352,428	321,590	345,519
Total liabilities	8,227,570	8,734,107	8,955,030	9,214,701	9,464,650	9,879,528	10,069,540	10,707,396
Cash & bank	363,190	548,679	534,640	581,216	594,940	655,902	598,520	807,826
Investments	2,210,660	2,253,031	2,334,670	2,359,907	2,359,950	2,446,657	2,484,870	2,547,583
Advances	5,421,170	5,710,712	5,841,160	6,051,724	6,255,470	6,548,882	6,729,030	7,113,520
Fixed assets	74,900	88,267	87,620	87,216	86,640	86,467	85,650	85,507
Other assets	157,667	133,418	156,940	134,638	167,650	141,620	171,470	152,961
Total assets	8,227,587	8,734,107	8,955,030	9,214,701	9,464,650	9,879,528	10,069,540	10,707,396
Balance sheet ratios (%)								
Loan growth	10.7	10.9	12.1	13.6	15.4	14.7	15.2	17.5
Deposit growth	7.4	7.1	9.3	12.1	12.6	12.3	13.5	12.5
LDR	77.2	77.5	78.5	77.9	79.1	79.1	79.7	81.4
CASA	38.3	38.4	37.2	37.2	37.4	37.9	37.8	37.6
Capital Adequacy (%)								
CET-1	13.3	15.4	15.3	14.8	14.5	16.4	16.5	15.2
Tier-2	2.2	2.1	2.1	2.0	2.0	1.5	1.1	1.0
CRAR	15.9	17.9	17.8	17.3	16.6	17.9	17.6	16.2
Profitability ratios (%)								
Yield on assets	8.0	7.7	7.9	7.8	7.7	7.4	7.8	7.6
Cost of funds	5.1	4.9	5.3	5.2	5.1	4.9	5.0	5.0
NIM	3.3	3.1	3.1	3.1	3.1	3.0	3.2	3.1
Fees/Assets	0.5	0.4	0.4	0.4	0.5	0.5	0.4	0.4
Cost/Income	44.6	45.0	45.8	46.5	46.9	45.0	44.8	39.3
Opex/avg assets	1.9	1.9	1.8	1.8	1.9	1.8	1.8	1.8
RoA	1.3	1.3	1.4	1.4	1.4	1.3	1.4	1.4
Core RoA	1.2	1.1	1.2	1.1	1.2	1.2	1.3	1.2
RoE	17.0	17.1	17.4	17.2	16.6	16.5	16.7	16.8
Core RoE	15.8	14.9	14.9	13.4	14.2	15.2	15.4	14.8
EPS (INR)	16.9	17.6	17.7	17.9	18.2	18.4	19.4	20.6
BVPS (INR)	99.1	102.9	107.9	111.8	116.2	116.2	121.9	126.1
ABVPS (INR)	-	-	-	-	-	-	-	-
Asset quality ratios (%)								
GNPA	3.3	3.1	3.0	2.6	2.2	2.0	1.9	1.6
NNPA	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1
Provision coverage	93.8	93.9	94.3	94.3	93.2	92.7	92.2	91.5
Provision costs	0.8	0.6	0.5	0.5	0.6	0.8	0.8	1.4
Slippage	0.8	1.2	1.0	0.8	0.7	1.0	0.9	0.7
NNPA/Equity	1.7	1.6	1.4	1.4	1.2	1.2	1.2	1.2

Source: Company, PL

Financials

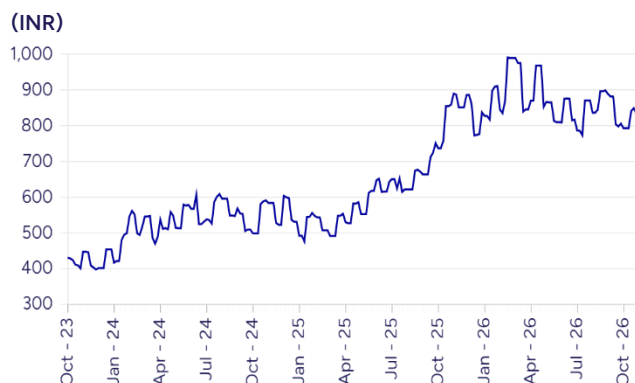
Y/e Mar	FY26	FY27E	FY28E	FY29E
Income Statement (INR m)				
Interest earned	674,507	772,686	887,395	1,007,567
Interest expended	405,358	455,878	529,794	603,954
Net Interest Income	269,149	316,808	357,600	403,613
Other income	99,906	120,242	113,645	120,967
Fees	56,970	64,632	71,045	79,767
Net Total Income	369,055	437,050	471,245	524,580
Operating Expenses	169,894	185,724	206,101	228,772
Employees	107,603	123,553	136,668	151,496
Others	62,291.1	62,170.9	69,432.8	77,276.3
Operating profit	199,161	251,326	265,144	295,808
Core PPOP	179,585	219,366	245,544	276,208
Provisions	35,124	57,802	52,816	57,020
Profit before tax	164,037	193,524	212,328	238,788
Taxes	42,480.7	51,258.9	55,205.4	62,084.8
Net Profit	121,556	142,265	157,123	176,703
Core PAT	107,050	126,823	142,619	162,199
Growth Ratios (%)				
Loans	14.7	16.0	13.0	13.0
Deposits	12.3	12.2	11.9	11.9
NII	6.9	17.7	12.9	12.9
Fees	20.2	13.4	9.9	12.3
Opex	10.3	9.3	11.0	11.0
Core PPOP	5.3	22.2	11.9	12.5
Provisions	(16.6)	64.6	(8.6)	8.0
Core PAT	12.8	18.5	12.5	13.7
Profitability Ratios (%)				
Yield on IEA	7.4	7.5	7.6	7.7
Cost of funds	4.9	4.9	5.0	5.1
NIM	3.0	3.1	3.1	3.1
Cost/Income	46.0	42.5	43.7	43.6
Provision cost	0.6	0.8	0.7	0.6
Tax rate	25.9	26.5	26.0	26.0
Core RoA	1.2	1.2	1.2	1.2
Core RoE	16.1	16.6	16.1	15.9
Du-pont (%)				
Interest income	7.2	7.3	7.5	7.6
Interest expenses	4.4	4.3	4.5	4.5
NII	2.9	3.0	3.0	3.0
Other income	1.1	1.1	1.0	0.9
Fees/avg assets	0.6	0.6	0.6	0.6
Total income	4.0	4.1	4.0	3.9
Opex/avg assets	1.8	1.8	1.7	1.7
Staff cost	1.2	1.2	1.2	1.1
Other opex	0.7	0.6	0.6	0.6
PPOP	2.1	2.4	2.2	2.2
Core PPOP/avg assets	1.9	2.1	2.1	2.1
Provisions	0.4	0.5	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	1.4	1.3	1.3
RoE	18.2	18.5	17.7	17.3

Source: Company, PL

Y/e Mar	FY26	FY27E	FY28E	FY29E
Balance Sheet (INR m)				
Equity	782,913	896,025	1,021,724	1,167,002
Share capital	13,470	13,470	13,470	13,470
Deposits	8,277,263	9,290,112	10,394,244	11,630,695
Borrowings	466,925	633,748	734,861	850,406
Other Liabilities	352,428	366,561	412,567	464,348
Total liabilities	9,879,528	11,186,446	12,563,396	14,112,450
Cash with RBI	340,546	339,423	367,402	397,688
Balance with banks	315,356	294,729	319,024	345,322
Investments	2,446,657	2,707,821	3,029,646	3,390,038
Advances	6,548,882	7,598,107	8,584,298	9,698,491
Fixed assets	86,467	87,226	90,768	94,453
Other assets	141,620	159,140	172,259	186,458
Total assets	9,879,528	11,186,446	12,563,396	14,112,450
Balance sheet ratios (%)				
LDR	79.1	81.8	82.6	83.4
CASA	37.9	37.6	36.9	36.2
Inv/NDTL	26.9	26.3	26.2	26.2
Borr/NDTL	5.1	6.2	6.4	6.6
Assets/equity (x)	12.6	12.5	12.3	12.1
RWA/Loans	66.8	63.3	61.7	60.0
RWA/Total assets	44.3	43.0	42.1	41.3
Capital ratios (%)				
CRAR	17.9	19.0	19.6	20.4
CET-1	16.4	16.9	17.6	18.2
AT-1	-	-	-	-
Tier-2	1.5	2.1	2.0	2.1
Asset quality ratios (%)				
GNPA (INR mn)	131,900	106,520	99,388	101,261
NNPA (INR mn)	9,649	9,335	9,306	10,089
GNPA	2.0	1.4	1.1	1.0
NNPA	0.1	0.1	0.1	0.1
PCR	92.7	91.2	90.6	90.0
Slippage	0.9	0.8	0.7	0.7
NNPA / Equity	1.2	1.0	0.9	0.9
Per share (INR)				
EPS	90.2	105.6	116.7	131.2
DPS	18.3	21.1	23.3	26.2
BVPS	528.8	612.8	706.1	813.9
ABVPS	521.6	605.8	699.2	806.4
Valuation (x)				
Price (INR)	775.0	835.0	835.0	835.0
P/E	8.6	7.9	7.2	6.4
P/BV	1.5	1.4	1.2	1.0
P/ABV	1.5	1.4	1.2	1.0

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Oct-26	BUY	1000	813
2	14-Jul-26	BUY	1000	843

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	1550	1248
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	320
9	HDFC Asset Management Company	BUY	2850	2352
10	HDFC Bank	BUY	950	711
11	ICICI Bank	BUY	1850	1343
12	ICICI Prudential Asset Management Company	BUY	3420	2969
13	Indian Bank	BUY	1000	813
14	IndusInd Bank	Accumulate	1150	906
15	Karur Vysya Bank	BUY	345	325
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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