

After a loss in Q2, IndusInd Bank (IIB) returned to profitability in Q3 and gained further traction in Q4 on the back of lower credit cost. Credit portfolio shrunk further, as the bank continues with its portfolio recalibration strategy to weed out low-yielding and at-risk loans. Deposit pool too shrunk, as IIB released bulk deposits. These measures helped the bank to manage a slight improvement in margin to 3.4%. Asset quality also showed signs of improvement as slippage ratio reduced to 2.3% in Q4 from >3% in Q3, leading to lower credit cost. Though the bank's long-term strategy is still evolving, the management indicated that it would target near-system credit growth in FY27. This, coupled with moderation in credit cost and a conscious effort to bring down opex, should help IIB gradually secure 1% exit RoA in FY27 from the base of 0.45% in 4QFY26. Basis a preliminary assessment, IIB believes that the West-Asia crisis shall not have meaningful impact, unless it prolongs. It has largely plugged the management gaps and initiated the reorientation of the board. We reiterate BUY and TP of Rs1,100 (valuing the bank at 1.4x FY28E ABV). We will watch out for the bank unveiling its full-fledged long-term transformation strategy.

Portfolio recalibration continues; guides for near-system growth in FY27E

IIB's loan book continued to shrink, declining 8% YoY/0.5% QoQ, as the bank continues to run-off its low-yielding corporate portfolio and muted retail and SME book growth YoY. Within wholesale, the bank is pivoting from large corporates to more granular mid-corporate and SME segments. It is also seeing strong traction in secured products like gold loans (now >Rs10bn), alongside continued caution in unsecured lending. Deposits fell ~3% YoY due to a reduction in bulk deposits, though Rs68bn of incremental retail deposits in Q4 lifted the CASA ratio by 94bps to 31%. Going ahead, management expects credit growth to track system growth of ~13-14% in FY27, with growth primarily driven by mid-market and SME segments, unless being derailed by the West-Asia crisis.

Easing slippages drive GNPA improvement

Gross slippages were lower at Rs18.2bn/2.3% of loans, driven primarily by improvement in VF (Rs4.8bn) and MFI book (Rs5.0bn). This, coupled with elevated write-offs, led to a 13bps improvement in GNPA ratio at ~3.4%. The management indicated that the overall stress book continues to moderate, indicating that credit costs may have peaked, unless being hurt by the West-Asia crisis.

We retain BUY

We expect the RoA to further improve to ~1.1-1.4% over FY28-29E, as the growth/asset-quality recovery gains further traction. Further, improving sectoral tailwinds (growth/margin/ asset quality) and favorable sentiment toward large private banks should further aid IIB's re-rating. We reiterate BUY and TP of Rs1,100 (valuing the bank at 1.4x FY28E ABV). We will watch out for the bank to unveil its full-fledged long-term transformation strategy. Key risk to our call: Earlier-than-expected business/asset quality turnaround.

Target Price – 12M	Mar-27
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	29.7

Stock Data	IIB IN
52-week High (Rs)	969
52-week Low (Rs)	711
Shares outstanding (mn)	779.1
Market-cap (Rs bn)	661
Market-cap (USD mn)	7,009
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	4.2
ADTV-3M (Rs mn)	3,531.9
ADTV-3M (USD mn)	37.5
Free float (%)	84.7
Nifty-50	23,897.9
INR/USD	94.3

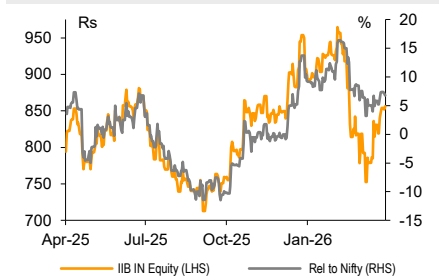
Shareholding, Dec-25

Promoters (%)	15.1
FPIs/MFs (%)	30.1/33.7

Price Performance

(%)	1M	3M	12M
Absolute	6.4	(5.0)	3.4
Rel. to Nifty	2.0	(0.4)	4.9

1-Year share price trend (Rs)



IndusInd Bank: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profit	26,429	8,892	43,343	69,827	101,747
Loan growth (%)	0.5	(8.4)	12.9	16.5	19.0
NII growth (%)	(7.7)	(5.5)	6.6	16.8	20.8
NIM (%)	3.8	3.6	3.7	3.9	4.0
PPOP growth (%)	(32.4)	(13.8)	14.5	27.9	31.5
Adj. EPS (Rs)	33.9	11.4	55.6	89.6	130.6
Adj. EPS growth (%)	(70.5)	(66.4)	387.4	61.1	45.7
Adj. BV (INR)	669.7	678.4	719.6	788.2	892.6
Adj. BVPS growth (%)	(3.2)	1.3	6.1	9.5	13.2
RoA (%)	0.5	0.2	0.8	1.1	1.4
RoE (%)	4.2	1.4	6.4	9.6	12.7
P/E (x)	25.0	74.3	15.2	9.5	6.5
P/ABV (x)	1.3	1.3	1.2	1.1	1.0

Source: Company, Emkay Research

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Key concall takeaways

Outlook on loans, deposits, and NIM

- The management expects industry credit growth of ~13–14% in FY27, subject to developments in the West-Asia crisis. The bank's portfolio mix remains broadly 60:40 between retail and wholesale. Within wholesale, it is increasing focus on granular segments such as mid-corporate and SME, while reducing exposure to large corporates.
- The management indicated that SME exposure is currently spread across both retail and wholesale segments. Going forward, the bank plans to reduce exposure to very large corporates and redeploy capital toward the mid-market and SME franchise. As a result, while the overall portfolio mix may be broadly stable, the internal composition is expected to shift in favor of granular SME and mid-corporate segments.
- In MFI book, the bank has gradually scaled disbursements to Rs 54bn, up 52% QoQ. The overall micro loan book now stands at Rs167.8bn, with ~57% of the portfolio covered under the CGFMU credit guarantee, including Q4 disbursements that are currently under process of being covered.
- The bank has started investing in multiple sub-scale secured products, which are showing encouraging traction. Monthly gold loan disbursements have grown 3x over the past six months, with the loan book now crossing Rs10bn. Momentum is expected to strengthen further, as over 500 branches are now enabled to offer gold loans. In contrast, the bank remains deliberately cautious in unsecured segments.
- Amid degrowth in large corporates, the strategic direction is to increase focus on mid-market and commercial banking segments. Some runoff may continue in the top-end large corporate and conglomerate exposures, while growth in the mid-market is expected to be stronger and more proportionate. Overall, IIB still expects the total loan book to grow, despite this portfolio rebalancing.
- Credit card spends for the quarter, however, were at Rs152.6bn. Consumer spends have grown 4% YoY, despite the drop in cards-in-force, due to conservative underwriting.
- The management and the board are aligned that it is time to return to growth mode. While slight underperformance versus industry growth is acceptable, the core priority is to re-accelerate loan growth, even if it requires some flexibility on funding mix and costs.
- Retail deposit growth has been subdued this year as i) balance-sheet expansion was limited, and ii) deposits were allowed to moderate, with retail deposits declining ~2% YoY. Going forward, while pricing is already somewhat higher than larger peers', further traction in retail deposits will depend more on execution rather than rates alone.
- NIM improvement was driven by a reduction in the cost of funds, reflecting lower borrowing and deposit costs. Liability-side repricing is largely behind, and bulk deposits have been broadly stable. However, there is still some room for improvement in portfolio composition—particularly in increasing the share of retail and CA deposits relative to those of peers—which could gradually help optimize overall cost of funds going forward.

Asset quality

- The overall stress book continued to moderate, supported by declines in net NPA, security receipts, and the restructured book. As a result, the management believes that credit costs have likely peaked, subject to macro stability and seasonality.
- On VF, annualized gross and net slippages at 1.94% and 1.41%, respectively, were the lowest in several quarters. Asset quality strengthened across vehicle categories. While the management remains confident about medium-term growth and profitability outlook, it stays cautious in the near term amid uncertainties arising from the West-Asia conflict.
- MFI gross slippages declined to Rs5.04bn from Rs10.2bn in Q3, while the 31–90 DPD book improved to 0.9% from 2.4%.
- The SMA-1 and SMA-2 book remained stable at 17bps QoQ. Net security receipts improved to 8bps from 9bps in the previous quarter, while restructured advances declined to 6bps from 7bps QoQ.

- Net NPA declined sequentially, with over 50% linked to the vehicle finance portfolio and less than 25% from microfinance, implying limited residual credit loss risk.
- On provisions, the management highlighted that improving slippages should keep the numerator under control over the next 3-4 quarters, while loan book growth will expand the denominator. As a result, effective credit costs on loans and assets are expected to decline going forward.
- Based on a detailed review, the management does not currently see any material asset-quality impact from the ongoing West-Asia conflict on SME or relevant wholesale portfolios, though it continues to closely monitor developments and engage with customers. However, if the disruption persists and impacts oil and gas movement for a prolonged period, some portfolio impact may emerge over the next couple of quarters, though, for now, it is keeping a wait-and-watch approach.

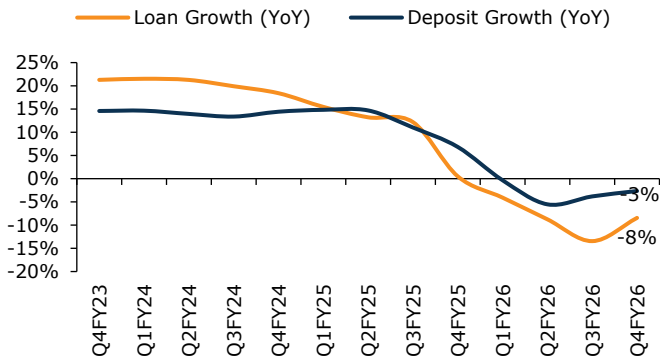
Others

- The management expects improvement from the current 45bps RoA to 1% to be equally driven by lower credit costs and stronger operating profit. Within operating performance, the key levers are higher fee income, disciplined cost control, and operating leverage, as asset growth accelerates. It expects NIM improvement to be relatively modest. Overall, fee recovery and scale benefits are seen as the main drivers of profitability normalization.
- On the PSL side, the bank has met all PSL requirements across sub-categories for FY26. While a residual shortfall of under Rs20bn from past obligations is yet to be fully addressed, incremental PSL targets for the current year have been met. Accordingly, there are no additional RIDF-related incremental requirements expected going forward.
- The bank is also progressing on its strategy of unifying distribution channels, with over 300 VF branches now co-located or merged with branch banking, targeted to increase to 600 over the next 6-9 months. These initiatives are driving higher retail asset and liability throughput, along with cost synergies, while deposits sourced from vehicle customers grew 35% during FY26.
- The closure of ~200 business correspondent outlets was part of an optimization exercise, with the bank rationalizing locations that had become unviable.
- The AFS reserve remained a small negative Rs500mn, given the relatively small size of the AFS book within the overall investment portfolio.
- The bank has no plans to raise capital anytime soon.
- The bank maintained a healthy liquidity position during Q4, with average LCR at 118%.

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

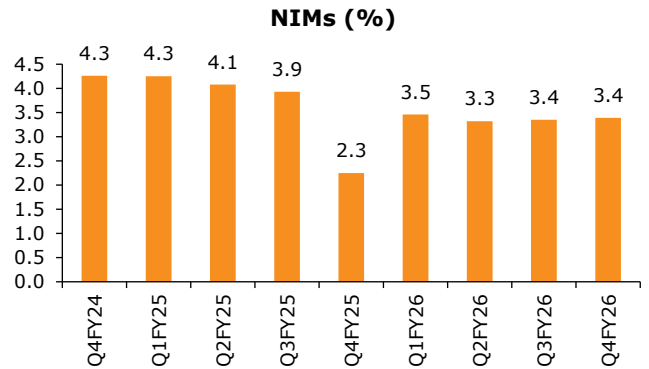
Story in charts

Exhibit 1: IIB's loan book continued to shrink, as the bank continues to run-off its low-yielding corporate portfolio; deposits fell due to a reduction in bulk deposits



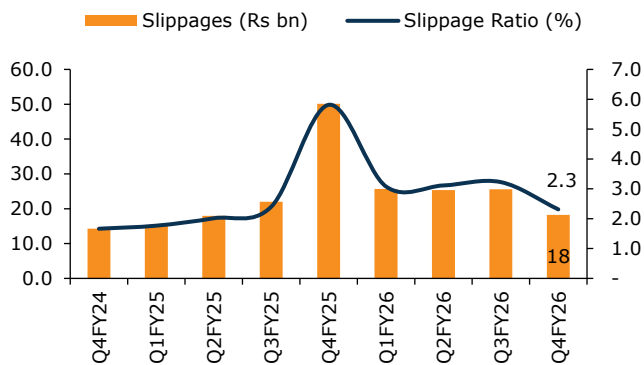
Source: Company, Emkay Research

Exhibit 2: NIM remains stable, driven by a reduction in CoF, reflecting lower borrowing and deposit costs



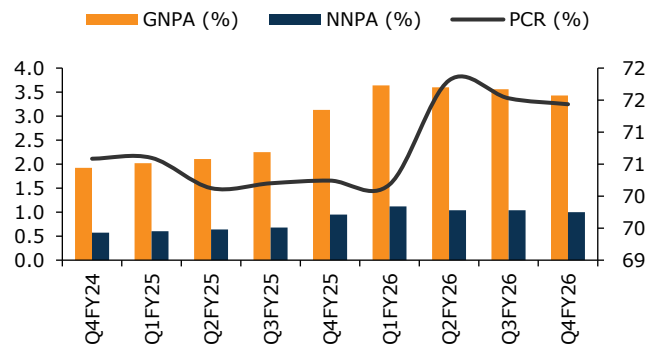
Source: Company, Emkay Research

Exhibit 3: Gross slippages declined, led by MFI and VF...



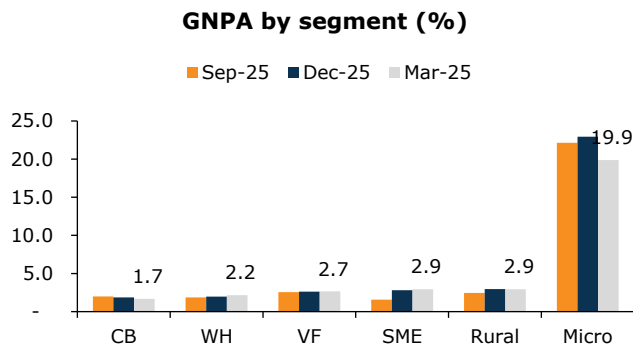
Source: Company, Emkay Research

Exhibit 4: ...which, coupled with elevated write-offs, led to a 13bps improvement in GNPA ratio at ~3.4%



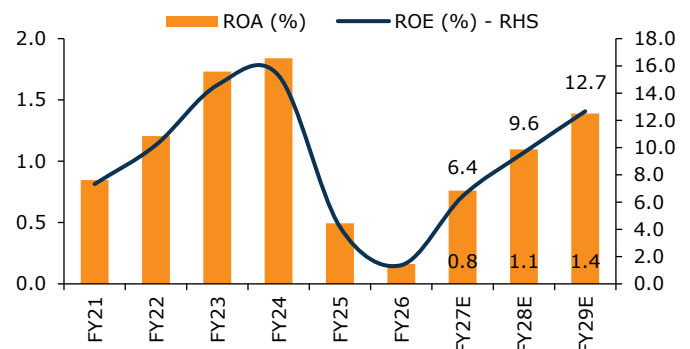
Source: Company, Emkay Research

Exhibit 5: GNPA largely stable across segments, except MFI, for which it remains elevated QoQ



Source: Company, Emkay Research

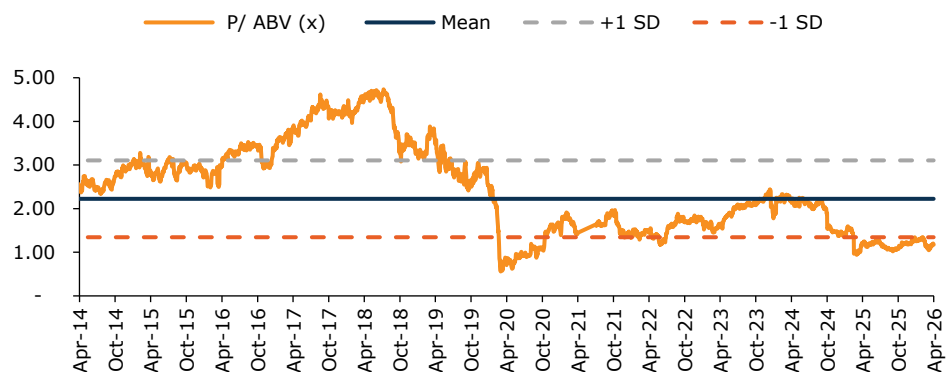
Exhibit 6: We expect RoA to improve gradually, factoring in growth and margin recovery, contained opex, and lower credit costs



Source: Company, Emkay Research

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

Exhibit 7: IIB currently trades at ~1.1x its 1YF ABV – near -1SD level



Source: Bloomberg, Emkay Research

Exhibit 8: Actuals vs estimates (Q4FY26)

(Rs mn)	Actuals	Estimates				Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	60,851	62,123	63,893	-2%	-5%	Lower NII and other income led to a miss.
PPOP	22,953	25,276	22,843	-9%	0%	Lower net income and elevated opex led to a miss.
PAT	5,941	3,008	2,178	97%	173%	Lower PPOP, coupled with lower provisions, led to sharp beat in PAT.

Source: Company, Emkay Research

Exhibit 9: Quarterly summary

(Rs mn)	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	YoY (%)	QoQ (%)	FY26	FY27E	YoY (%)
Interest Earned	106,338	122,639	116,086	113,729	110,054	3	-3	462,508	458,435	-1
Interest Expenses	75,855	76,241	71,993	68,112	66,339	-13	-3	282,685	266,787	-6
Net Interest Income	30,483	46,398	44,094	45,617	43,715	43	-4	179,823	191,648	7
Global NIM (reported)	2.25	3.46	3.32	3.35	3.39	114bps	4bps	3.58	3.74	16bps
Non-interest Income	7,088	21,569	16,513	17,072	17,137	142	0	72,291	77,391	7
Operating Expenses	42,480	42,294	40,133	39,992	37,899	-11	-5	160,318	163,934	2
Pre Provisioning Profit	-4,909	25,673	20,473	22,696	22,953	-568	1	91,795	105,105	14
Provision and Contingencies	25,221	17,600	26,312	20,958	14,821	-41	-29	79,691	47,314	-41
PBT	-30,130	8,073	-5,839	1,739	8,131	-127	368	12,105	57,791	377
Income Tax Expenses	-6,840	2,033	-1,469	459	2,190	-132	377	3,213	14,448	350
Net Profit/(Loss)	-23,289	6,041	-4,369	1,279	5,941	-126	364	8,892	43,343	387
Gross NPA (%)	3.13	3.64	3.60	3.56	3.43	30bps	-13bps	3.43	2.95	-48bps
Net NPA (%)	0.95	1.12	1.04	1.04	1.00	5bps	-4bps	1.00	0.87	-13bps
Deposits (Rs bn)	4,109	3,971	3,896	3,938	3,999	-3	2	3,999	4,469	12
Net Advances (Rs bn)	3,450	3,337	3,259	3,175	3,159	-8	-1	3,159	3,567	13

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	269,131	269,039	0.0%	315,530	314,109	-0.5%	NA	378,371	NA
PPOP	104,605	105,105	0.5%	135,500	134,453	-0.8%	NA	176,780	NA
PAT	41,125	43,343	5.4%	69,998	69,827	-0.2%	NA	101,747	NA
EPS (Rs)	52.8	55.6	5.4%	89.9	89.6	-0.3%	NA	130.6	NA
BVPS (Rs)	737.4	744.7	1.0%	806.1	812.6	0.8%	NA	914.0	NA

Source: Company, Emkay Research

Exhibit 11: Key assumptions

(%)	FY26	FY27E	FY28E	FY29E
Loan Growth	(8.4)	12.9	16.5	19.0
Deposit Growth	(2.7)	11.7	15.7	18.6
NIM	3.6	3.7	3.9	4.0
GNPA	3.4	2.9	2.4	1.8
Credit Cost	2.3	1.5	1.2	1.0

Source: Emkay Research

Exhibit 12: Key ratios and trends

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Loans (Rs bn)	3,433	3,479	3,572	3,669	3,450	3,337	3,259	3,175	3,159
Growth, YoY %	18.4	15.5	13.2	12.2	0.5	(4.1)	(8.8)	(13.5)	(8.4)
Growth, QoQ %	5.0	1.3	2.7	2.7	(6.0)	(3.3)	(2.3)	(2.6)	(0.5)
Composition (%)									
- Large Corporate	24.5	24.4	25.4	25.3	22.2	21.8	22.0	35.4	14.7
- SME/Business Banking	24.7	25.6	26.0	26.0	24.6	23.3	23.8	13.8	14.0
- Retail	50.8	50.0	48.6	48.8	53.1	54.9	54.2	50.8	51.6
Liability Profile									
Deposits (Rs bn)	3,846	3,985	4,124	4,094	4,109	3,971	3,896	3,938	3,999
Growth, YoY %	14.4	14.8	14.7	11.0	6.8	(0.3)	(5.5)	(3.8)	(2.7)
Growth, QoQ %	4.3	3.6	3.5	(0.7)	0.3	(3.3)	(1.9)	1.1	1.6
CASA, %	37.9	36.7	35.9	34.9	32.8	31.5	30.7	30.2	31.2
CA, %	12.2	12.2	12.8	11.2	9.9	8.5	8.2	8.0	8.8
SA, %	25.7	24.5	23.1	23.7	22.9	22.9	22.5	22.3	22.5
Branches	2,984	3,013	3,040	3,063	3,081	3,110	3,116	3,120	3,136
Yield on Advances, %	12.66	12.57	12.31	12.21	9.45	11.62	11.23	11.08	11.15
Cost of Deposits, %	6.48	6.53	6.55	6.58	6.50	6.44	6.23	6.09	6.07
NIM (%)	4.26	4.25	4.08	3.93	2.25	3.46	3.32	3.35	3.39
Asset Quality									
GNPA, %	1.9	2.0	2.1	2.3	3.2	3.7	3.7	3.7	3.5
NNPA, %	0.6	0.6	0.6	0.7	1.0	1.1	1.0	1.0	1.0
PCR, %	70.6	70.6	70.1	70.2	70.2	70.2	71.8	71.5	71.4
Slippages (Rs mn)	14,280	15,360	17,980	22,000	50,140	25,670	25,370	25,600	18,250
Corporate (Rs mn)	1,620	480	1,180	2,800	2,200	2,450	640	NA	NA
Consumer (Rs mn)	12,660	14,880	16,800	19,200	47,940	23,220	24,730	NA	NA
Slippages, %	2.0	2.0	2.3	2.7	5.8	3.0	2.8	2.8	2.1
CAR, %	17.2	17.6	16.5	16.5	16.2	16.6	17.1	16.9	17.5
Tier I, %	15.8	16.2	15.2	15.2	15.1	15.5	15.9	15.7	16.2

ROE Decomposition

NII	4.3	4.1	4.0	3.8	2.2	3.4	3.3	3.5	3.3
Other Income	1.8	1.8	1.6	1.6	0.2	1.1	1.2	1.3	1.3
Opex	3.0	3.0	2.9	2.9	3.1	3.1	3.0	3.0	2.8
PPOP	3.3	3.0	2.7	2.6	(0.4)	1.9	1.5	1.7	1.7
Provisioning Cost	0.8	0.8	1.4	1.3	1.8	1.3	2.0	1.6	1.1
PBT	2.5	2.2	1.3	1.4	(2.2)	0.6	(0.4)	0.1	0.6
Tax	0.6	0.6	0.3	0.3	(0.5)	0.1	(0.1)	0.0	0.2
ROA	1.9	1.7	1.0	1.0	(1.7)	0.4	(0.3)	0.1	0.4
Leverage (x)	8.1	8.1	8.2	8.2	8.4	8.4	8.2	8.1	8.2
ROE	15.2	13.5	8.1	8.4	(14.1)	3.7	(2.7)	0.8	3.6

Source: Company, Emkay Research; Note: The bank has changed its loan mix in Q3FY26

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

IndusInd Bank: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	486,677	462,508	458,435	509,292	586,543
Interest Expense	296,364	282,685	266,787	285,374	316,073
Net interest income	190,313	179,823	191,648	223,918	270,470
NII growth (%)	(7.7)	(5.5)	6.6	16.8	20.8
Other income	76,842	72,291	77,391	90,190	107,901
Total Income	267,155	252,114	269,039	314,109	378,371
Operating expenses	160,707	160,318	163,934	179,656	201,591
PPOP	106,449	91,795	105,105	134,453	176,780
PPOP growth (%)	(32.4)	(13.8)	14.5	27.9	31.5
Core PPOP	99,576	84,579	98,610	128,283	170,301
Provisions & contingencies	70,301	79,691	47,314	41,351	41,118
PBT	36,147	12,105	57,791	93,102	135,662
Extraordinary items	0	0	0	0	0
Tax expense	9,718	3,213	14,448	23,276	33,916
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	26,429	8,892	43,343	69,827	101,747
PAT growth (%)	(70.5)	(66.4)	387.4	61.1	45.7
Adjusted PAT	26,429	8,892	43,343	69,827	101,747
Diluted EPS (Rs)	33.9	11.4	55.6	89.6	130.6
Diluted EPS growth (%)	(70.5)	(66.4)	387.4	61.1	45.7
DPS (Rs)	16.5	0.2	7.0	8.5	9.5
Dividend payout (%)	48.6	1.3	12.6	9.5	7.3
Effective tax rate (%)	26.9	26.5	25.0	25.0	25.0
Net interest margins (%)	3.8	3.6	3.7	3.9	4.0
Cost-income ratio (%)	60.2	63.6	60.9	57.2	53.3
Shares outstanding (mn)	779.1	779.1	779.1	779.1	779.1

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
Gross NPLs	110,464	110,954	107,311	101,057	88,539
Net NPLs	32,871	31,694	31,120	30,317	26,562
GNPA ratio (%)	3.1	3.4	2.9	2.4	1.8
NNPA ratio (%)	1.0	1.0	0.9	0.7	0.5
Provision coverage (%)	70.2	71.4	71.0	70.0	70.0
Gross slippages	105,477	94,890	72,854	62,538	62,591
Gross slippage ratio (%)	3.0	2.9	2.0	1.5	1.3
LLP ratio (%)	2.0	2.3	1.5	1.2	1.0
NNPA to networth (%)	4.8	4.5	4.2	3.8	2.9
Capital adequacy					
Total CAR (%)	16.2	17.5	16.8	16.5	16.2
Tier-1 (%)	15.1	16.2	15.6	15.4	15.1
CET-1 (%)	15.1	16.2	15.6	15.4	15.1
RWA-to-Total Assets (%)	78.5	71.3	75.5	75.1	74.8
Miscellaneous					
Total income growth (%)	2.2	(5.1)	0.2	11.9	15.8
Opex growth (%)	12.7	(0.2)	2.3	9.6	12.2
Core PPOP growth (%)	(34.6)	(15.1)	16.6	30.1	32.8
PPOP margin (%)	18.9	17.2	19.6	22.4	25.5
PAT/PPOP (%)	24.8	9.7	41.2	51.9	57.6
LLP-to-Core PPOP (%)	70.6	94.2	48.0	32.2	24.1
Yield on advances (%)	11.6	11.1	10.7	10.5	10.4
Cost of funds (%)	6.6	6.2	5.8	5.5	5.3

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	7,791	7,791	7,791	7,791	7,791
Reserves & surplus	635,707	649,605	687,189	750,124	844,233
Net worth	643,497	657,396	694,980	757,915	852,024
Deposits	4,110,781	3,999,308	4,468,712	5,171,382	6,131,362
Borrowings	537,036	427,892	351,514	322,762	354,338
Interest bearing liab.	4,647,817	4,427,200	4,820,225	5,494,145	6,485,701
Other liabilities & prov.	248,870	349,343	447,562	519,316	534,993
Total liabilities & equity	5,540,184	5,433,939	5,962,767	6,771,376	7,872,717
Net advances	3,450,186	3,158,714	3,566,530	4,154,816	4,945,306
Investments	1,144,968	1,250,071	1,355,512	1,529,935	1,778,944
Cash, other balances	591,658	489,324	482,023	494,473	518,856
Interest earning assets	5,186,812	4,898,108	5,404,064	6,179,223	7,243,106
Fixed assets	23,558	25,459	34,758	38,929	43,600
Other assets	329,814	510,372	523,945	553,224	586,011
Total assets	5,540,184	5,433,939	5,962,767	6,771,376	7,872,717
BVPS (Rs)	696.4	703.9	744.7	812.6	914.0
Adj. BVPS (INR)	669.7	678.4	719.6	788.2	892.6
Gross advances	3,527,779	3,237,974	3,642,720	4,225,556	5,007,283
Credit to deposit (%)	83.9	79.0	79.8	80.3	80.7
CASA ratio (%)	32.8	31.2	32.3	33.9	35.3
Cost of deposits (%)	6.4	6.1	5.7	5.4	5.2
Loans-to-Assets (%)	62.3	58.1	59.8	61.4	62.8
Net advances growth (%)	0.5	(8.4)	12.9	16.5	19.0
Deposit growth (%)	6.8	(2.7)	11.7	15.7	18.6
Book value growth (%)	(1.7)	1.1	5.8	9.1	12.5

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	25.0	74.3	15.2	9.5	6.5
P/B (x)	1.2	1.2	1.1	1.0	0.9
P/ABV (x)	1.3	1.3	1.2	1.1	1.0
P/PPOP (x)	6.2	7.2	6.3	4.9	3.7
Dividend yield (%)	1.9	0.0	0.8	1.0	1.1
DuPont-RoE split (%)					
NII/avg assets	3.6	3.3	3.4	3.5	3.7
Other income	1.4	1.3	1.4	1.4	1.5
Fee income	1.3	1.2	1.2	1.3	1.4
Opex	3.0	2.9	2.9	2.8	2.8
PPOP	2.0	1.7	1.8	2.1	2.4
Core PPOP	1.9	1.5	1.7	2.0	2.3
Provisions	1.3	1.5	0.8	0.6	0.6
Tax expense	0.2	0.1	0.3	0.4	0.5
RoA (%)	0.5	0.2	0.8	1.1	1.4
Leverage ratio (x)	8.5	8.5	8.5	8.8	9.1
RoE (%)	4.2	1.4	6.4	9.6	12.7

Quarterly data					
Rs mn	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
NII	30,483	46,398	44,094	45,617	43,715
NIM (%)	2.3	3.5	3.3	3.4	3.4
PPOP	(4,909)	25,673	20,473	22,696	22,953
PAT	(23,289)	6,041	(4,369)	1,279	5,941
EPS (Rs)	(29.9)	7.8	(5.6)	1.6	7.6

Source: Company, Emkay Research

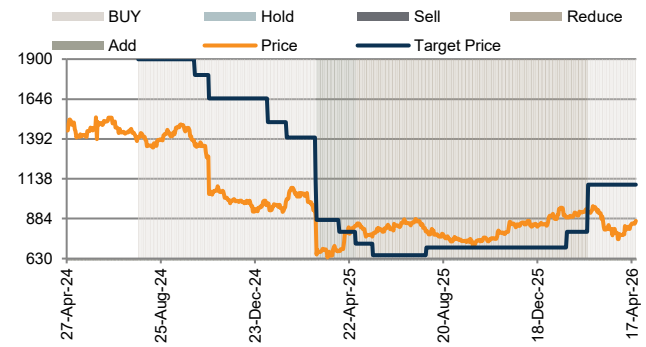
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RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
20-Feb-26	926	1,100	Buy	Anand Dama
24-Jan-26	892	800	Reduce	Anand Dama
19-Oct-25	751	700	Reduce	Anand Dama
05-Aug-25	819	700	Reduce	Anand Dama
29-Jul-25	808	700	Reduce	Anand Dama
22-May-25	785	650	Reduce	Anand Dama
30-Apr-25	838	725	Reduce	Anand Dama
09-Apr-25	679	800	Add	Anand Dama
11-Mar-25	656	875	Add	Anand Dama
10-Mar-25	901	1,125	Buy	Anand Dama
01-Feb-25	1,009	1,400	Buy	Anand Dama
08-Jan-25	981	1,500	Buy	Anand Dama
25-Oct-24	1,042	1,650	Buy	Anand Dama
07-Oct-24	1,351	1,800	Buy	Anand Dama
27-Jul-24	1,404	1,900	Buy	Anand Dama
26-Apr-24	1,446	2,000	Buy	Anand Dama

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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