PL Capital
PRABHUDAS LILLADHER

Q1FY27 Result Update

IndusInd Bank (IIB IN)

July 23, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	1,150		960	
NII (INR. mn)	181,915	203,851	183,153	203,567
% Chng.	*(0.7)*	*0.1*		
Op. Profit (INR mn)	101,295	125,375	97,873	123,438
% Chng.	*3.5*	*1.6*		
EPS (INR)	51.6	77.3	49.2	75.4
% Chng.	*4.9*	*2.5*		

Key Data INBK.BO | IIB IN

BSE Code	532187
NSE Code	INDUSINDBK
52-W High / Low	INR 1,077 / INR 710
Face Value	10
Sensex / Nifty	76,755 / 23,996
Market Cap	INR 833 bn / $ 8,627 mn
Shares Outstanding	779.13 mn
3M Avg. Daily Value	INR 2,403.77 mn

Shareholding Pattern (%)

Promoters	15.82
Foreign	29.16
Mutual Funds	30.26
Domestic Institution	11.99
Public & Others	12.77
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	16.1	22.9	18.5	26.8
Relative	16.6	25.7	27.1	35.8

Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
NII (INR mn)	190,313	177,973	181,915	203,851
NIM (%)	*3.8*	*3.5*	*3.5*	*3.5*
Core PPOP (INR mn)	92,606	79,688	92,725	117,375
PAT (INR mn)	26,429	9,333	40,238	60,246
Core PAT (INR mn)	16,308	263	34,530	54,246
EPS (INR)	33.9	12.0	51.7	77.3
Gr. (%)	*(70.5)*	*(64.7)*	*331.2*	*49.7*
DPS (INR)	-	1.5	7.2	10.1
Yield (%)	*-*	*0.2*	*0.7*	*0.9*
RoAE (%)	*4.2*	*1.4*	*6.0*	*8.3*
Core RoAE (%)	*2.6*	*-*	*5.1*	*7.5*
RoAA (%)	*0.5*	*0.2*	*0.7*	*1.0*
Core RoAA (%)	*0.3*	*-*	*0.6*	*0.9*
P/BV (x)	1.5	1.0	1.2	1.1
P/ABV (x)	1.6	1.0	1.2	1.1
PE (x)	36.3	69.0	20.7	13.8
CAR (%)	*16.2*	*17.5*	*17.4*	*17.4*

Balance sheet recalibration over; growth phase begins

Quick Pointers

- Core PPoP beat due to better fees and opex; NII in-line
- Asset quality stabilizing especially in MFI
- Loans guided to grow in-line with system in FY27

IIB saw decent quarter; NII adjusted for IT refund (INR 2.8bn) was in-line. Fees and opex were better leading to core PPoP beat of 8.5%. With balance sheet recalibration largely completed (loan de-grew over Q4'25-Q4'26) bank is entering its growth phase with loans growing by 3.3% QoQ (mainly led by corporate). Stress in MFI has normalized with the book likely to grow in upcoming quarters; its share is 5% that is guided to reach 7%. Share of retail deposits (as per LCR) has enhanced to 49.5%, up 160/320bps QoQ/YoY. Owing to consistent improvement in earnings trajectory, we raise multiple to 1.2x from 1.0 on FY28 ABV and increase TP to INR 1150 from INR 960. Retain 'ACCUMULATE'.

Stable quarter with beat on core PPoP due to tad better fees/opex: NII adjusted for IT refund was in-line at Rs43.9bn. NIM (calc.) was 3.47% (PLe 3.49%); adjusted for one-off reported NIM was down 4bps QoQ to 3.35%. Loan/deposit growth at -2.2%/4.4% YoY were in-line. CASA ratio was stable at 31.2% (31.2% in Q4'26). LDR was steady at 78.7% (78.9% in Q4'26). Other income was 3% higher at Rs17.9bn mainly due to slightly better fees. Opex at Rs37.9bn was 3.2% below PLe; higher staff cost was offset by lower other opex. Core PPoP at Rs21.85bn was 8.5% above PLe; PPoP was Rs26.8bn. GNPA was in-line at 3.25% (PLe 3.24%). Slippages improved at Rs16.6bn (PLe Rs17.5bn); recoveries were at Rs4.7bn (PLe Rs4.3bn). Provisions as expected were Rs13.4bn. Core PAT was 24% above PLe at Rs6.3bn; PAT was Rs10bn.

Loan growth led by corporate: Credit growth was 3.3% QoQ led by corporate (+10.8%) that was broad based with large corporate, institutional banking & mid-market showing healthy traction. Due to seasonality, VF disbursals were muted while slippages inched up QoQ. Disbursals in traditional retail loan were up 18% QoQ, which were de-growing. Asset quality in MFI further improved, with key indicators such as slippages, CE and overdue levels normalizing. Gross slippages moderated to INR 1.9bn (INR 5.0bn in Q4'26). ~74% of the portfolio is covered under the CGFMU credit guarantee. The overall MFI book at is 5% of overall loans that is projected to be 7% of overall portfolio.

NIM has stabilised; further moderation in opex guided: NIM fell by 4bps QoQ, primarily due to shift in loan mix towards wholesale banking & secured retail assets and RIDF addition. NIM may face some pressure in Q2, recovering in H2'27 as high yielding businesses expand and loan mix improves. Other opex fell by 5% QoQ partly driven by a decrease in DICGC, PSLC and CSR and partly due to operating efficiencies.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	*% Var.*	Q1'26A	*YoY gr. (%)*
NII (INR mn)	43,900	44,007	*0.2*	44,548	*-1.2*
Margin (%)	*3.5*	*3.5*	*-1 bps*	*3.5*	*-6 bps*
Core PPoP (INR mn)	20,130	21,849	*8.5*	18,429	*18.6*
Core PAT (INR mn)	5,078	6,306	*24.2*	787	*701.5*

Source: Company, PL

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Q1FY27 Concall Highlights

Balance sheet

- Management does not see indications of building stress in the CV portfolio, despite concerns about fuel prices, attributing Q1 trends to seasonality.
- Bank observed steady retail disbursals in Q1, though seasonality resulted in flat outstanding portfolios QoQ. Disbursals in traditional retail asset businesses, which had been de-growing, increased 18% QoQ.
- The microfinance business is projected to constitute about 7% of the portfolio, with an additional 3-4% from Bharat Superstore and 3-4% from other rural products like Micro LAP and affordable housing.
- Over the next three years, the bank expects a reduction in the wholesale loan mix, with increased focus on SME and mid-corporate segments, and faster growth in other business areas.
- The bank aims to grow in line with the market this year, targeting a ROA of 1%. The 1% ROA target is expected to be achieved with 60% contribution from PPoP and 40% from lower credit costs.
- The INR 100bn equity capital raise is an enabling resolution, not a requirement, given adequate capital.

Profit & loss

- Management noted that the cost of deposits improved by 12bps QoQ to 5.95%, driven by an improving deposit mix and optimization initiatives, including downward repricing of SA and TD.
- NIM is anticipated to face some pressure in Q2, then recover in Q3 and Q4 as high yielding businesses expand and loan portfolio mix improves, though it will be a smaller contributor to the 1% ROA journey.
- NIM declined 4bps QoQ, primarily due to a shift in loan mix towards wholesale banking and secured retail assets (wholesale mix increased to 36% from 34%, impacting NIM by ~2bps) and an RIDF addition (~1bp), partly offset by an improvement in the cost of deposits.
- The bank aims to close the 150bps gap in cost of funds with its closest peers in the medium term.
- Operating expenses declined 8% QoQ partly driven by a decrease in statutory costs, including DIC, GC, PSLC and CSR and partly due to operating efficiencies.
- Management is leveraging AI to enhance productivity and decision-making with over 12,000 employees already trained in AI. The bank is investing in people costs as part of its operating efficiency strategy.

Asset quality

- Asset quality improved across all major portfolios, with annualized net slippages declining to 1.5% (vs. 1.7% QoQ), led by a sharp improvement in the microfinance portfolio. GNPA/NNPA improved to 3.25%/0.95%, while PCR remained stable at ~71%.
- Further improvement in microfinance slippages is expected, vehicle finance slippages are cyclical, anticipated to decrease in later quarters.
- The one-time impact from the ECL transition is estimated to be between 1% to 1.5% of loans, with potential capital offsets from Basel guideline changes which is effective from 1st April 2027.

Exhibit 1: Quarterly Estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27E	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
NII	44,007	*-1.2*	46,021	*4.4*	45,800	*0.4*	46,087	*5.4*
Core PPoP	21,849	*18.6*	24,024	*24.9*	23,456	*7.8*	23,395	*15.4*
NIM (%)	3.5	*-6.3 bps*	3.7	*16.3 bps*	3.6	*-2.0 bps*	3.6	*10.1 bps*
Core PAT	6,306	*701.5*	8,974	*-271.5*	9,452	*1376.7*	9,806	*147.7*

Exhibit 2: PAT beat due to lower opex

Financial Statement (Rs mn)	Q1FY27	Q1FY26	YoY gr. (%)	Q1FY27E	% Var.	Q4FY26	QoQ gr. (%)
Interest Income	1,10,259	1,20,789	*(8.7)*	1,09,955	*0.3*	1,10,054	*0.2*
Interest Expense	66,252	76,241	*(13.1)*	66,055	*0.3*	66,339	*(0.1)*
Net interest income (NII)	**44,007**	**44,548**	***(1.2)***	**43,900**	***0.2***	**43,715**	***0.7***
Other income	**17,854**	**21,562**	***(17.2)***	17,338	*3.0*	**17,064**	*4.6*
Fee income	15,711	15,320	*2.6*	15,338	*2.4*	15,187	*3.5*
Other Non-interest income	2,142	6,242	*(65.7)*	2,000	*7.1*	1,877	*14.1*
Total income	**61,861**	**66,111**	***(6.4)***	**61,238**	***1.0***	**60,778**	***1.8***
Operating expenses	37,869	41,439	*(8.6)*	39,108	*(3.2)*	38,625	*(2.0)*
-Staff expenses	13,707	12,958	*5.8*	13,273	*3.3*	13,109	*4.6*
-Other expenses	24,162	28,481	*(15.2)*	25,835	*(6.5)*	25,516	*(5.3)*
Operating profit	**23,992**	**24,672**	***(2.8)***	**22,130**	***8.4***	**22,153**	***8.3***
Core operating profit	**21,849**	**18,429**	***18.6***	**20,130**	***8.5***	**20,276**	***7.8***
Total provisions	13,399	17,378	*(22.9)*	13,359	*0.3*	14,843	*(9.7)*
Profit before tax	**10,592**	**7,294**	***45.2***	**8,771**	***20.8***	**7,309**	***44.9***
Tax	3,407	2,301	*48.1*	2,193	*55.4*	1,982	*71.9*
Profit after tax	**7,185**	**4,993**	***43.9***	**6,578**	***9.2***	**5,327**	***34.9***
Deposits (Rs bn)	4,148	3,971	*4.4*	4,150	*(0.1)*	4,002	*3.6*
Advances (Rs bn)	3,263	3,337	*(2.2)*	3,262	*0.0*	3,159	*3.3*
Profitability ratios							
Yield on IEA	8.7	9.6	*(88.5)*	8.7	*(3)*	8.7	*(2.8)*
Cost of Funds	5.8	6.8	*(100.0)*	5.8	*(1)*	5.8	*(0.9)*
NIM	**3.5**	**3.5**	***(6.3)***	**3.5**	***(1)***	**3.5**	***0.6***
RoaA	0.8	0.5	*33.0*	0.5	*30*	0.5	*33.0*
RoaE	6.3	3.7	*255.0*	4.0	*226*	3.6	*263.0*
Yield on Advances	8.6	9.2	*(53.0)*	10.4	*(179)*	8.5	*9.0*
Cost of Deposits	6.0	6.4	*(49.0)*			6.1	*(12.0)*
Asset Quality ratios							
Gross NPL (Rs m)	1,08,487	1,24,806	*(13.1)*	1,08,150	*0.3*	1,10,954	*(2.2)*
Net NPL (Rs m)	31,005	37,215	*(16.7)*	30,282	*2.4*	31,694	*(2.2)*
Gross NPL ratio	3.3	3.6	*(39.4)*	3.2	*1.2*	3.4	*(17.7)*
Net NPL ratio	1.0	1.1	*(16.5)*	0.9	*2.2*	1.0	*(5.3)*
Coverage ratio	71.4	70.2	*123.9*	72.0	*(58)*	71.4	*(1.5)*
Business & Other Ratios							
Low-cost deposit mix	29.4	31.5	*(206.8)*	29.5	*(7)*	31.2	*(179.1)*
Cost-income ratio	61.2	62.7	*(146.5)*	63.9	*(265)*	63.6	*(233.5)*
Non int. inc / total income	28.9	32.6	*(375.5)*	28.3	*55*	28.1	*78.6*
Credit deposit ratio	78.7	84.0	*(535.9)*	79.1	*(47)*	78.9	*(26.9)*
CAR	17.2	16.6	*51.0*			17.5	*(33.0)*
Tier-I	16.1	15.5	*62.0*			16.2	*(10.0)*

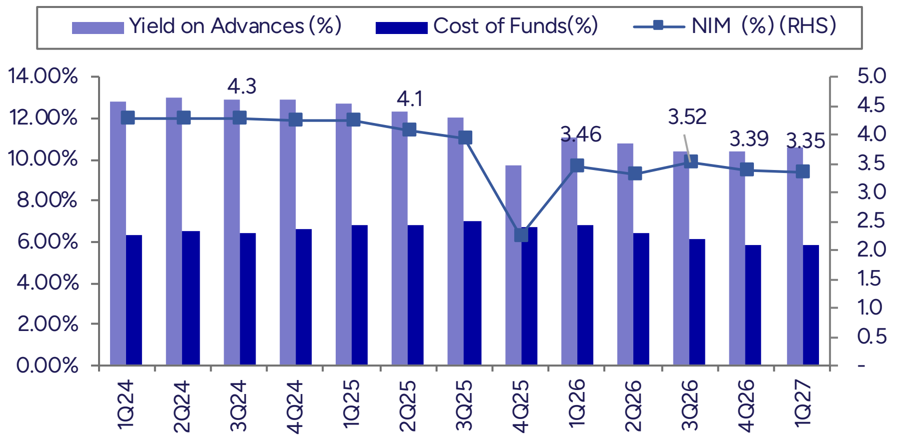
Source: Company, PL

Exhibit 3 : Loan growth across segments

Loan Book mix	Q1FY27	Q1FY26	YoY gr. (%)	Q4FY26	QoQ gr. (%)
Wholesale Banking	**12,02,270**	**11,88,240**	***1.2***	**10,85,250**	***10.8***
Large Corporates	5,41,870	5,34,708	*1.3*	4,66,658	*16.1*
Inst. + Govt. banking	3,46,010	3,68,354	*(6.1)*	3,25,575	*6.3*
Mid-market & others	3,14,390	2,97,060	*5.8*	2,93,018	*7.3*
SME	**4,32,950**	**4,53,930**	***(4.6)***	**4,43,470**	***(2.4)***
Retail	**16,27,520**	**16,94,780**	***(4.0)***	**16,29,980**	***(0.2)***
MHCV	2,39,323	2,31,257	*3.5*	2,39,702	*(0.2)*
LCV	1,39,605	1,25,264	*11.4*	1,39,826	*(0.2)*
PV	3,19,098	2,98,707	*6.8*	3,19,603	*(0.2)*
CE	1,39,605	1,34,900	*3.5*	1,39,826	*(0.2)*
2W & SCV	79,774	96,357	*(17.2)*	89,888	*(11.3)*
Tractor	69,803	77,086	*(9.4)*	69,913	*(0.2)*
Rural Banking	**3,14,170**	**4,24,220**	***(25.9)***	**3,20,470**	***(2.0)***
MFI	1,63,050	2,84,080	*(42.6)*	1,67,820	*(2.8)*
Merchant loans	80,950	73,040	*10.8*	80,420	*0.7*
KCC & other rural	41,280	43,170	*(4.4)*	43,840	*(5.8)*
Affordable housing	28,890	23,930	*20.7*	28,390	*1.8*
Consumer banking	**3,16,170**	**3,06,990**	***3.0***	**3,10,750**	***1.7***
Home loans	68,890	49,960	*37.9*	65,100	*5.8*
Personal loans	99,300	1,06,810	*(7.0)*	1,03,580	*(4.1)*
Credit cards	94,100	1,10,590	*(14.9)*	97,510	*(3.5)*
Other retail	53,810	39,630	*35.8*	44,560	*20.8*

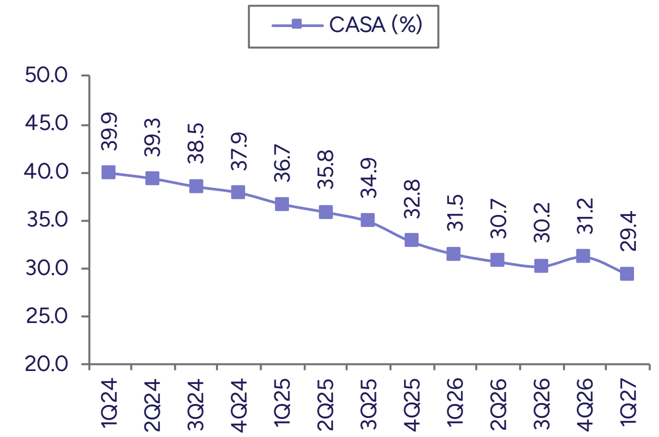
Source: Company, PL

Exhibit 3: Margins (calc) decreased to 3.35%



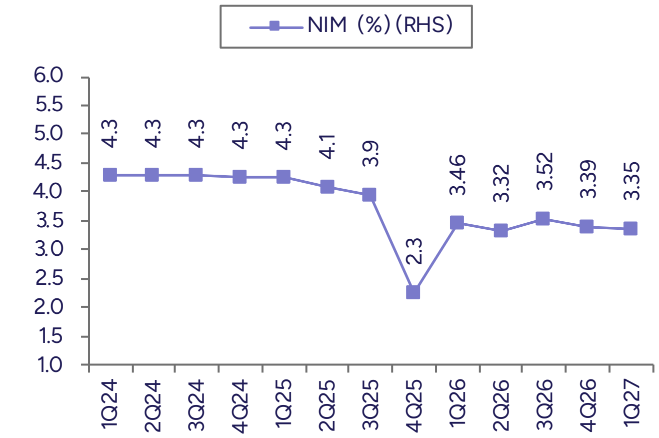
Source: Company, PL

Exhibit 4: CASA decreased to 29.4%



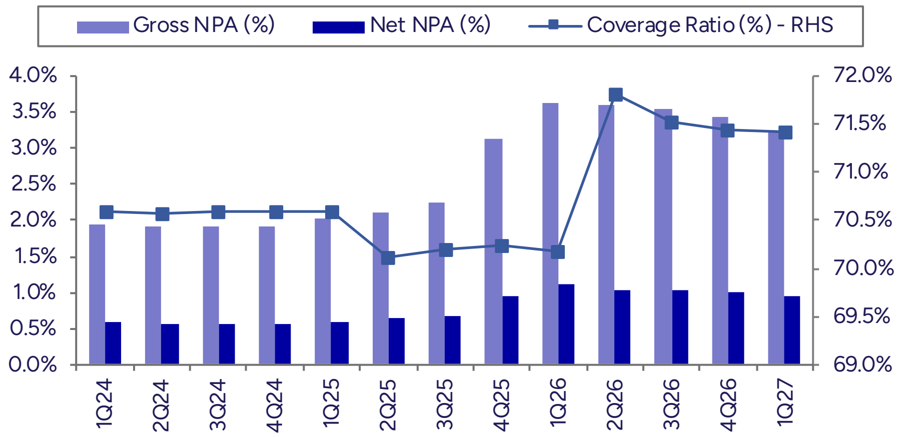
Source: Company, PL

Exhibit 5: NIM (rep.) decreased by 4bps QoQ



Source: Company, PL

Exhibit 6: GNPA/NNPA decreased to 3.25%/0.95%



Source: Company, PL

Exhibit 7: Retail assets excl cards contributes highest to fees

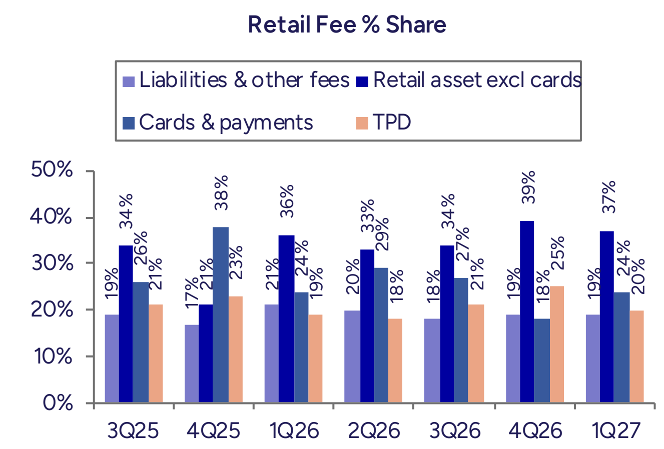
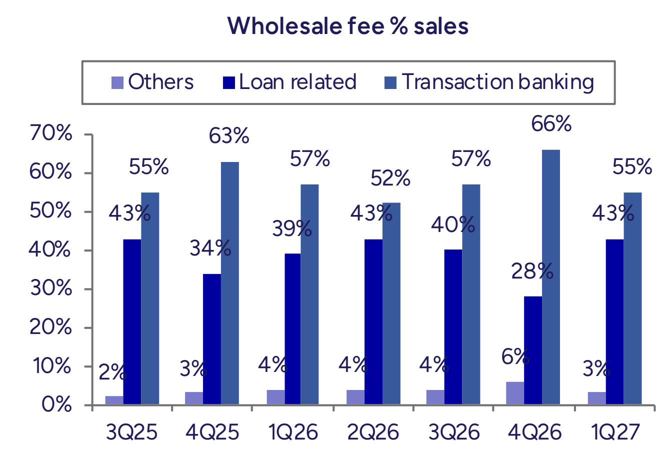


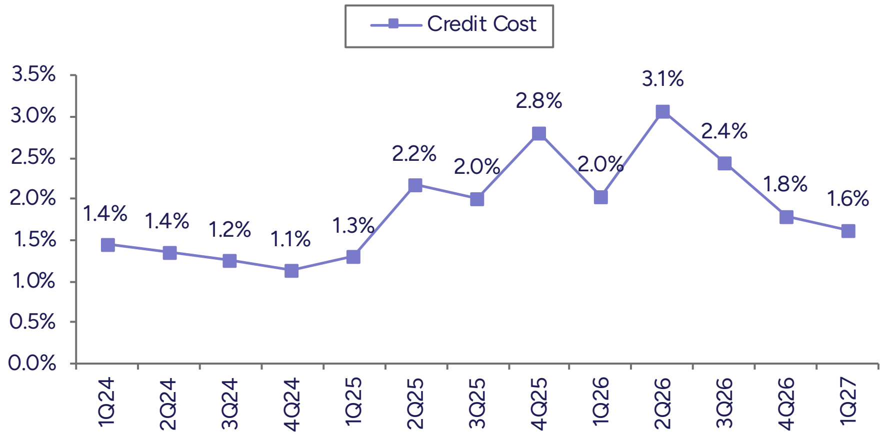
Exhibit 8: Transaction banking share at 55% of wholesale fees



Source: Company, PL

Source: Company, PL

Exhibit 9: Credit cost (calc) decreased to 1.6%



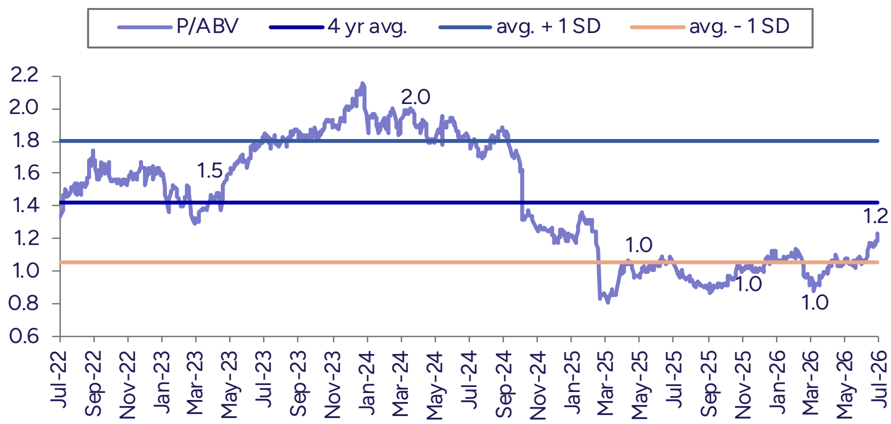
Source: Company, PL

Exhibit 10: Return ratios to normalize over the medium term

RoE decomposition (%)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Interest income	8.7	8.1	8.5	9.4	9.1	8.4	7.9	7.9
Interest expenses	4.6	4.1	4.4	5.2	5.5	5.2	4.7	4.7
Net interest income	**4.0**	**3.9**	**4.1**	**4.2**	**3.6**	**3.2**	**3.2**	**3.2**
Other Inc. from operations	2.0	1.9	1.9	1.9	1.4	1.3	1.3	1.4
Total income	**6.0**	**5.9**	**6.0**	**6.2**	**5.0**	**4.6**	**4.5**	**4.6**
Employee expenses	0.7	0.7	0.7	0.8	0.8	1.0	1.0	0.9
Other operating expenses	1.8	1.8	1.9	2.1	2.2	1.9	1.8	1.8
Operating profit	**0.8**	**1.2**	**1.7**	**1.8**	**0.5**	**0.2**	**0.7**	**1.0**
Tax	0.3	0.4	0.6	0.6	0.2	0.1	0.3	0.3
Loan loss provisions	2.4	1.7	1.0	0.8	1.3	1.4	0.8	0.7
RoAA	**0.8**	**1.2**	**1.7**	**1.8**	**0.5**	**0.2**	**0.7**	**1.0**
RoAE	**7.3**	**10.2**	**14.5**	**15.3**	**4.2**	**1.4**	**6.0**	**8.3**

Source: Company, PL

Exhibit 11: One year forward P/ABV of IIB trades at 1.2x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Income Statement (INR m)								
Interest earned	126,863	128,008	106,339	120,789	116,086	113,729	110,054	110,259
Interest expended	73,390	75,727	75,855	76,241	71,993	68,112	66,339	66,252
Net Interest Income	**53,473**	**52,281**	**30,483**	**44,548**	**44,094**	**45,617**	**43,715**	**44,007**
Other income	21,839	23,502	7,088	21,562	16,480	17,065	17,064	17,854
Fees	**21,250**	**21,230**	**23,050**	**15,320**	**15,430**	**15,750**	**15,187**	**15,711**
Total Income	75,312	75,783	37,571	66,111	60,573	62,682	60,778	61,861
Operating Expenses	**39,394**	**39,794**	**42,297**	**41,439**	**40,293**	**39,614**	**38,625**	**37,869**
Employees	10,927	10,695	10,995	12,958	12,671	15,179	13,109	13,707
Others	28,467	29,099	31,302	28,481	27,622	24,435	25,516	24,162
Operating profit	35,918	35,989	(4,725)	24,672	20,280	23,068	22,153	23,992
Core PPoP	**35,329**	**33,717**	**(8,363)**	**18,429**	**19,200**	**21,753**	**20,276**	**21,849**
Provisions	**18,201**	**17,436**	**24,166**	**17,378**	**26,224**	**20,886**	**14,843**	**13,399**
Profit before tax	17,717	18,553	(28,891)	7,294	(5,944)	2,182	7,309	10,592
Taxes	4,462	4,540	(6,531)	2,301	(1,496)	570	1,982	3,407
Net Profit	13,255	14,013	(22,360)	4,993	(4,448)	1,612	5,327	7,185
Core PAT	**12,814**	**12,296**	**(10,006)**	**787**	**(5,233)**	**640**	**3,959**	**6,306**
Balance Sheet (INR m)								
Share capital	7,790	7,790	7,791	7,790	7,791	7,790	7,791	7,790
Reserves & surplus	644,877	663,270	637,135	647,360	640,083	643,950	646,614	660,490
Deposits	4,126,792	4,094,380	4,110,781	3,971,440	3,897,874	3,938,150	4,001,738	4,147,660
Borrowings	447,161	500,870	537,036	522,030	453,503	392,420	427,892	438,640
Other liabilities	206,244	228,680	247,442	246,900	274,379	273,640	350,156	294,670
Total liabilities	**5,432,864**	**5,494,990**	**5,540,184**	**5,395,520**	**5,273,630**	**5,255,950**	**5,434,191**	**5,549,250**
Cash & bank	458,166	314,630	591,658	629,720	396,271	409,660	487,895	666,010
Investments	1,113,548	1,188,510	1,144,968	1,091,470	1,240,475	1,228,980	1,250,470	1,148,020
Advances	3,571,586	3,668,890	3,450,186	3,336,940	3,258,807	3,175,360	3,158,714	3,262,740
Fixed assets	22,700	24,200	23,558	25,060	24,452	25,480	24,383	25,150
Other assets	266,864	298,760	329,814	312,330	353,626	416,470	512,729	447,330
Total assets	**5,432,864**	**5,494,990**	**5,540,184**	**5,395,520**	**5,273,630**	**5,255,950**	**5,434,191**	**5,549,250**
Balance sheet ratios (%)								
Loan growth	2.7	2.7	(6.0)	(3.3)	(2.3)	(2.6)	(0.5)	3.3
Deposit growth	3.6	(0.8)	0.4	(3.4)	(1.9)	1.0	1.6	3.6
LDR	86.5	89.6	83.9	84.0	83.6	80.6	78.9	78.7
CASA	35.8	34.9	32.8	31.5	30.7	30.2	31.2	29.4
Capital Adequacy (%)								
CET-1	15.2	15.2	16.0	15.5	15.9	15.7	17.0	17.0
Tier-2	2.0	1.3	1.1	1.2	1.2	2.0	1.3	1.1
CRAR	16.5	16.5	16.2	16.6	18.0	16.9	17.5	17.2
Profitability ratios (%)								
Yield on assets	10.5	10.5	8.5	9.6	9.3	9.1	8.7	8.7
Cost of funds	6.8	7.0	6.8	6.8	6.5	6.1	5.8	5.8
NIM	4.4	4.3	2.4	3.5	3.5	3.7	-	-
Fees/Assets	1.7	1.6	1.7	1.1	1.2	1.2	1.1	1.1
Cost/Income	52.3	52.5	112.6	62.7	66.5	63.2	63.6	61.2
Opex/avg assets	0.7	0.7	0.8	0.8	0.8	0.8	0.7	0.7
RoA	1.0	1.1	(1.7)	0.5	(0.3)	0.1	0.4	0.7
Core RoA	1.3	1.2	0.7	0.1	(0.2)	(0.1)	-	0.1
RoE	8.6	8.8	(14.1)	4.2	(2.7)	1.0	3.3	6.1
Core RoE	11.1	9.9	5.7	0.5	(1.4)	(0.8)	-	0.8
EPS (INR)	13.6	14.4	(23.0)	7.0	(4.6)	1.7	5.5	10.3
BVPS (INR)	167.6	172.3	165.6	168.2	166.3	167.3	168.0	171.6
ABVPS (INR)	808.5	829.4	785.6	793.2	788.0	794.2	799.3	818.1
Asset quality ratios (%)								
GNPA	2.1	2.2	3.1	3.6	3.6	3.6	3.4	3.3
NNPA	0.6	0.7	1.0	1.1	1.0	1.0	1.0	1.0
Provision coverage	70.1	70.2	70.2	70.2	71.8	71.5	71.4	71.4
Provision costs	2.2	2.0	2.8	2.0	3.1	2.4	1.8	1.6
Slippage	2.1	2.6	5.8	3.0	2.9	3.0	2.1	2.1
NNPA/Equity	3.5	3.7	5.1	5.7	5.2	5.1	4.8	4.6

Source: Company, PL

Financials

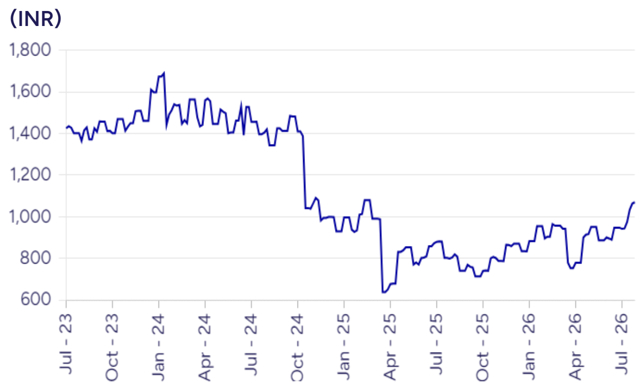
Y/e Mar	FY25	FY26	FY27E	FY28E
Income Statement (INR m)				
Interest earned	486,677	460,658	448,343	500,268
Interest expended	296,364	282,685	266,428	296,418
Net Interest Income	**190,313**	**177,973**	**181,915**	**203,851**
Other income	76,842	72,171	76,287	89,312
Fees	**75,629**	**39,738**	**44,955**	**56,023**
Net Total Income	267,155	250,144	258,202	293,162
Operating Expenses	**160,707**	**159,972**	**156,907**	**167,788**
Employees	43,011	53,917	54,303	56,326
Others	117,696.0	106,055.0	102,603.9	111,462.0
Operating profit	106,449	92,022	101,295	125,375
Core PPoP	**92,606**	**79,688**	**92,725**	**117,375**
Provisions	**70,301**	**79,331**	**46,632**	**45,047**
Profit before tax	36,147	12,691	54,663	80,328
Taxes	9,719.0	3,358.0	14,425.0	20,081.9
Net Profit	26,429	9,333	40,238	60,246
Core PAT	**16,308**	**263**	**34,530**	**54,246**
Growth Ratios (%)				
Loans	0.5	(8.4)	12.0	13.0
Deposits	6.8	(2.7)	11.5	11.8
NII	(7.7)	(6.5)	2.2	12.1
Fees	14.0	(47.5)	13.1	24.6
Opex	12.7	(0.5)	(1.9)	6.9
Core PPoP	(36.0)	(13.9)	16.4	26.6
Provisions	85.1	12.8	(41.2)	(3.4)
Core PAT	(79.6)	(98.4)	13,051.6	57.1
Profitability Ratios (%)				
Yield on IEA	9.7	9.1	8.7	8.7
Cost of funds	6.6	6.2	5.7	5.6
NIM	**3.8**	**3.5**	**3.5**	**3.5**
Cost/Income	60.2	64.0	60.8	57.2
Provision cost	**1.3**	**1.4**	**0.8**	**0.7**
Tax rate	26.9	26.5	26.4	25.0
Core RoA	**0.3**	**-**	**0.6**	**0.9**
Core RoE	**2.6**	**-**	**5.1**	**7.5**
Du-pont (%)				
Interest income	**9.1**	**8.4**	**7.9**	**7.9**
Interest expenses	**5.5**	**5.2**	**4.7**	**4.7**
NII	**3.6**	**3.2**	**3.2**	**3.2**
Other income	1.4	1.3	1.3	1.4
Fees/avg assets	**1.2**	**1.1**	**1.2**	**1.3**
Total income	**5.0**	**4.6**	**4.5**	**4.6**
Opex/avg assets	**3.0**	**2.9**	**2.8**	**2.7**
Staff cost	0.8	1.0	1.0	0.9
Other opex	2.2	1.9	1.8	1.8
PPOP	**2.0**	**1.7**	**1.8**	**2.0**
Core PPoP/avg assets	**2.7**	**2.4**	**2.8**	**3.1**
Provisions	1.3	1.4	0.8	0.7
PBT	**0.7**	**0.2**	**1.0**	**1.3**
Tax	0.2	0.1	0.3	0.3
RoA	**0.5**	**0.2**	**0.7**	**1.0**
RoE	**4.2**	**1.4**	**6.0**	**8.3**

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
Balance Sheet (INR m)				
Equity	644,926	654,405	700,456	759,534
Share capital	7,791	7,791	7,790	7,790
Deposits	4,110,781	4,001,738	4,462,932	4,991,744
Borrowings	537,036	427,892	466,366	595,765
Other Liabilities	247,442	350,156	317,327	350,270
Total liabilities	**5,540,184**	**5,434,191**	**5,947,082**	**6,697,313**
Cash with RBI	508,894	298,754	304,490	342,706
Balance with banks	82,764	189,142	296,095	333,257
Investments	1,144,968	1,250,470	1,294,250	1,447,606
Advances	3,450,186	3,158,714	3,537,525	3,996,620
Fixed assets	23,558	24,383	25,912	26,964
Other assets	329,814	512,729	488,810	550,159
Total assets	**5,540,184**	**5,434,191**	**5,947,082**	**6,697,313**
Balance sheet ratios (%)				
LDR	83.9	78.9	79.3	80.1
CASA	32.8	31.2	30.9	32.4
Inv/NDTL	23.4	26.2	24.7	24.4
Borr/NDTL	11.0	9.0	8.9	10.0
Assets/equity (x)	8.6	8.3	8.5	8.8
RWA/Loans	121.6	124.6	117.9	113.8
RWA/Total assets	75.7	72.4	70.1	67.9
Capital ratios (%)				
CRAR	16.2	17.5	17.4	17.4
CET-1	15.1	16.2	16.3	16.3
AT-1	-	-	-	-
Tier-2	1.1	1.3	1.1	1.2
Asset quality ratios (%)				
GNPA (INR mn)	110,464	110,954	105,380	108,703
NNPA (INR mn)	32,871	31,694	27,925	28,262
GNPA	3.0	3.3	2.8	2.6
NNPA	0.9	1.0	0.8	0.7
PCR	70.2	71.4	73.5	74.0
Slippage	3.1	3.0	3.0	2.0
NNPA / Equity	5.1	4.8	4.0	3.7
Per share (INR)				
EPS	33.9	12.0	51.7	77.3
DPS	-	1.5	7.2	10.1
BVPS	824.1	836.2	895.5	971.3
ABVPS	781.9	795.5	859.6	935.0
Core BVPS	819.6	831.7	890.9	966.7
Core ABVPS	777.4	791.0	855.1	930.5
Valuation (x)				
Price (INR)	1,233.0	827.0	1,070.0	1,070.0
P/E	36.3	69.0	20.7	13.8
P/BV	1.5	1.0	1.2	1.1
P/ABV	1.6	1.0	1.2	1.1
P/core BV	-	-	-	-
P/core ABV	-	-	-	-

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Jul-26	Accumulate	960	1022
2	25-Apr-26	Accumulate	960	848
3	10-Apr-26	ACCUMULATE	960	815
4	25-Jan-26	Accumulate	960	892
5	08-Jan-26	Hold	840	898
6	19-Oct-25	Hold	840	751
7	07-Oct-25	Hold	780	749
8	29-Jul-25	Hold	780	808
9	07-Jul-25	Hold	780	854
10	22-May-25	Hold	780	770

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Axis Bank	BUY	1550	1329
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	345	349
8	HDFC Asset Management Company	BUY	3040	2729
9	HDFC Bank	BUY	1040	820
10	ICICI Bank	BUY	1850	1444
11	ICICI Prudential Asset Management Company	BUY	3550	3206
12	Indian Bank	BUY	1000	843
13	IndusInd Bank	Accumulate	960	1022
14	Karur Vysya Bank	BUY	345	301
15	Kotak Mahindra Bank	BUY	480	390
16	Nippon Life India Asset Management	BUY	1050	1208
17	Prudent Corporate Advisory Services	Accumulate	2875	3021
18	State Bank of India	BUY	1200	1038
19	Union Bank of India	Accumulate	190	172
20	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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