PL Capital
PRABHUDAS LILLADHER

Q1FY27 Result Update

DCB Bank (DCBB IN)

July 28, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	215		155	
NII (INR. mn)	28,929	33,785	28,446	33,125
% Chng.	*1.7*	*2.0*		
Op. Profit (INR mn)	15,329	18,567	14,916	18,055
% Chng.	*2.8*	*2.8*		
EPS (INR)	28.4	32.9	26.3	32.2
% Chng.	*8.0*	*2.2*		

Key Data	DCBA.BO | DCBB IN
BSE Code	532772
NSE Code	DCBBANK
52-W High / Low	INR 205 / INR 119
Face Value	10
Sensex / Nifty	76,836 / 23,996
Market Cap	INR 61 bn / $ 639 mn
Shares Outstanding	322.08 mn
3M Avg. Daily Value	INR 236.47 mn

Shareholding Pattern (%)	
Promoters	16.23
FIIs	13.48
Mutual Funds	24.80
Domestic Institutions	7.48
Public & Others	38.01
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	2.2	(0.3)	(4.7)	38.0
Relative	2.6	0.3	1.5	46.3

Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
NII (INR mn)	21,066	24,565	28,929	33,785
NIM (%)	*3.1*	*3.1*	*3.1*	*3.1*
Core PPOP (INR mn)	8,514	11,126	14,131	17,167
PAT (INR mn)	6,153	7,316	8,954	10,380
Core PAT (INR mn)	4,775	5,944	8,063	9,340
EPS (INR)	19.4	22.7	28.5	33.0
Gr. (%)	*14.4*	*17.2*	*25.2*	*15.9*
DPS (INR)	1.4	-	-	-
Yield (%)	*1.1*	-	-	-
RoAE (%)	*12.1*	*12.5*	*13.3*	*13.5*
Core RoAE (%)	*8.8*	*9.5*	*11.3*	*11.4*
RoAA (%)	*0.9*	*0.9*	*0.9*	*0.9*
Core RoAA (%)	*0.7*	*0.7*	*0.8*	*0.8*
P/BV (x)	0.7	0.8	0.9	0.7
P/ABV (x)	0.8	0.9	0.9	0.8
PE (x)	6.3	6.7	6.8	5.9
CAR (%)	*16.8*	*16.7*	*16.7*	*16.7*

Better NIM & cost to assets key levers to core RoA

Quick Pointers

- Good quarter. Core PAT beat due to better NII/provisions
- Loan growth CAGR expected at 17% CAGR over FY26-28E
- See opex to assets to further decline to 2.3% in FY28E

DCBB saw a good quarter as core PAT was a beat due to better NII and asset quality that led to lower provisions. Loan growth was muted due to seasonality, however, we don't see a risk to our loan CAGR assumption of 17%. While reported NIM was 4bps down QoQ to 3.35%, margins may improve led by better yields (due to loan mix) & fall in deposit cost. We raise NIM by ~5bps for FY27/28E to 3.15% each. Cost to assets fell by 2.6% in FY25 to 2.45% FY26 and it is likely to further decline to 2.3%. As per bank, ECL impact may not be material due to improving asset quality and floating provision of INR 2.1bn. We keep multiple at 0.9x and raise TP to INR 215. Retain 'BUY'.

Good quarter due to beat on NII & provisions: NII was higher at INR 6.84bn (PLe INR 6.59bn) due to NIM (calc.) that was a beat at 3.43% (PLe 3.30%); reported NIM was down 4bps QoQ to 3.35%. Loan growth was lower 17.1% YoY (PLe 19.5%); deposit growth was higher at 20.1% YoY (Ple 18.2%). LDR fell to 80.5% (82.7% in Q4'26). Other income was INR 1.96bn (PLe INR 2.1bn) due to lower treasury; fee was in-line. Opex at INR 5.4bn was 1.5% lower to PLe; higher other opex was offset by lower staff cost. Core PPoP was 10.9% higher at INR 3.23bn; PPoP was INR 3.2bn. Asset quality was better; while gross slippage was in-line at INR 4.1bn higher recovery at INR 3.7bn (PLe INR 3bn) led to lower provision at 41bps (67bps). Core PAT at INR 1.97bn (34.6% beat); PAT was INR 2.13bn.

Loan growth was broad based; guidance remains conservative: Loan growth was muted at -0.1% QoQ; all segments saw soft growth except agri (+3.3% QoQ). Gold loan LTV is capped internally at 75% LTV (85% RBI ceiling) which led to margin calls being avoided when gold prices corrected sharply during the quarter; asset quality in gold has remained stable. Mortgage book growth is fully organic; bank stopped all DA sourcing a year back after small-ticket DA hurt asset quality in FY24. LAP vs HL mix is now 70:30. CV portfolio remains in run-off mode, with no incremental sourcing or dedicated CV team; book is expected to decline from the current INR 3-4 bn, with no plans to re-enter the segment.

Margins guided to improve; staff strength to increase: Bank expects yields to improve in upcoming quarters, aided by a higher mix of mortgage and secured non-gold loans. Cost of deposits could further decline by 7-8bps. Hence, NIM is guided to increase, driven by better yields and reduction in deposit cost. Bank plans to increase employee strength to 13,000 (from 11,550 currently) to support business growth, with higher staff costs expected to partially offset operating efficiency gains. Cost to assets is expected to remain under 2.5% for FY27.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
NII (INR mn)	6,590	6,840	*3.8*	5,804	*17.8*
Margin (%)	*3.3*	*3.4*	*13 bps*	*3.4*	*1 bps*
Core PPoP (INR mn)	2,984	3,227	*8.1*	2,248	*43.6*
Core PAT (INR mn)	1,466	1,974	*34.6*	814	*142.4*

Source: Company, PL

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Q1FY27 Conference Call highlights

Balance sheet

- Gold loans capped internally at 75% LTV (vs 85% RBI ceiling); this conservative stance avoided margin calls when gold prices corrected sharply during the quarter - gold NPA stock has stayed range-bound (INR 200-300mn) for 8–9 quarters despite book growth to ~INR 70-75bn.

- Mortgage book now fully organic; bank stopped all DA sourcing a year back after small-ticket DA hurt asset quality in FY24.

- LAP vs Home Loan mix shifting: Now running ~70:30 (business loan:home loan) vs the earlier 75:25, expected to be steady-state going forward.

- CV portfolio remains in run-off mode, with no incremental sourcing or dedicated CV team. The book is expected to decline from the current INR 3-4 bn, with no plans to re-enter the segment.

- Co-lending capped internally at 15%; mgmt. prefers organic growth and expects share to settle at 13–14%.

- FCNR(B) deposits called out as a focus area, viewed as attractive since they are individual, long-tenor deposits that come in roughly cost-neutral or slightly better.

- Capital: AGM enabling resolution for INR 20bn (INR 15bn Tier-1) passed; no urgency (last raise was ~8–9 years back) - timing, quantum, pricing yet to be decided by the board.

- MD & CEO's term runs to Apr'27; board has not discussed extension, though management expressed willingness to continue.

Profit & loss

- Yield on advances declined 23bps QoQ to 10.75% in Q1FY27, primarily due to a higher share of lower-yielding gold loans. Management expects yields to improve over the coming quarters, supported by a higher mix of mortgages and secured non-gold loans.

- The cost of deposits decreased by 14bps between Q4 and Q1, with an expectation of a further 7-8% decline, contributing to NIM improvement.

- NIM is expected to increase in Q2 and beyond, driven by an upward curve in interest yield from product mix changes (more mortgages, Agri, higher-yield products) and continued reduction in cost of deposits.

- Management plans to increase employee strength to 13,000 (from 11,550 currently) to support business growth, with higher staff costs expected to partially offset operating efficiency gains.

- Cost-to-average assets expected to remain under 2.5% for the full year.

Asset quality

- Recovery/upgrades covered 92% of slippages this quarter (vs 109% in Q4) — still viewed as a healthy trend.

- On ECL - Management cited three comfort factors - the improving 7–8 quarter GNPA/NNPA/credit-cost trend, a secured-heavy book, and the INR 2.1bn floating provision (INR 60–70mn added/quarter, untouched even through COVID/demonetisation) built as a specific cushion.

Exhibit 1: Quarterly Estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27E	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
NII	6,840	17.8	7,004	17.5	7,402	18.5	7,684	17.3
Core PPoP	3,227	43.6	3,332	20.8	3,673	29.6	3,899	18.7
NIM (%)	3.4	1.1bps	3.4	1.8bps	3.4	3.8bps	3.3	4.0bps
Core PAT	1,974	142.4	1,807	11.1	2,060	32.5	2,223	13.7

Source: Company, PL

Exhibit 2: PAT beat driven by higher NII / lower provisions

P&L Statement (INR mn)	Q1FY27	Q1FY26	YoY gr. (%)	Q1FY27E	% Var.	Q4FY26	QoQ gr. (%)
Interest Income	19,843	18,136	9.4	19,076	4.0	19,073	4.0
Interest Expended	13,004	12,331	5.5	12,486	4.1	12,521	3.9
Net interest income (NII)	**6,840**	**5,804**	**17.8**	**6,590**	**3.8**	**6,552**	**4.4**
Other income	1,963	2,361	-16.9	2,112	-7.0	2,115	-7.2
-Fee income	1,750	1,340	30.6	1,762	-0.7	1,980	-11.6
-Other non interest income	213	1,021	-79.1	350	-39.1	135	57.9
Total income	**8,803**	**8,166**	**7.8**	**8,702**	**1.2**	**8,667**	**1.6**
Operating expenses	5,362	4,897	9.5	5,443	-1.5	5,246	2.2
-Staff expenses	2,672	2,510	6.4	2,818	-5.2	2,621	1.9
-Other expenses	2,690	2,386	12.7	2,625	2.5	2,625	2.5
Operating profit	**3,440**	**3,269**	**5.2**	**3,259**	**5.6**	**3,421**	**0.6**
Core Operating Profit	**3,227**	**2,248**	**43.6**	**2,909**	**10.9**	**3,286**	**-1.8**
Total provisions	571	1,151	-50.4	936	-39.0	690	-17.3
Profit before tax	**2,870**	**2,118**	**35.5**	**2,323**	**23.5**	**2,731**	**5.1**
Tax	738	545	35.4	597	23.6	675	9.4
Profit after tax	**2,132**	**1,573**	**35.6**	**1,726**	**23.5**	**2,057**	**3.7**
Balance Sheet (Rs m)							
Deposits	7,44,820	6,20,390	20.1	7,33,200	1.6	7,25,833	2.6
Advances	5,99,510	5,12,150	17.1	6,12,222	-2.1	6,00,218	-0.1
Ratios (%)							
NIM	**3.4**	**3.4**	**1.1 bps**	**3.3**	**12.7 bps**	**3.3**	**12.0 bps**
RoaA	1.0	0.9	14.0 bps	0.8	19.7 bps	1.0	2.9 bps
RoaE	13.5	11.4	211.4 bps	11.0	251.3 bps	13.5	6.8 bps
Asset Quality							
Gross NPL (Rs m)	14,817	15,536	-4.6	15,269	-3.0	14,957	-0.9
Net NPL (Rs m)	5,043	6,254	-19.4	5,344	-5.6	5,340	-5.5
Gross NPL ratio	**2.43**	**2.98**	**-54.8 bps**	**2.5**	**-2.2 bps**	**2.45**	**-1.8 bps**
Net NPL ratio	**0.84**	**1.22**	**-37.9 bps**	**0.9**	**-3.2 bps**	**0.89**	**-4.9 bps**
Coverage ratio (Calc)	66.0	59.7	621.7 bps	65.0	96.3 bps	64.3	166.3 bps
Business & Other Ratios (%)							
Low-cost deposit mix	21.7	23.3	-167.0 bps	22.9	-122.3 bps	22.4	-73.2 bps
Cost-income ratio	60.9	60.0	95.0 bps	62.5	-163.1 bps	60.5	38.7 bps
Non int. inc / total income	22.3	28.9	-661.3 bps	24.3	-197.0 bps	24.4	-210.0 bps
Credit deposit ratio	80.5	82.6	-206.2 bps	83.5	-300.9 bps	82.7	-220.3 bps
Capital Adequacy Ratio	17.0	16.7	37.0 bps			16.6	48.0 bps
Tier-I	14.9	14.2	70.0 bps			14.3	64.0 bps

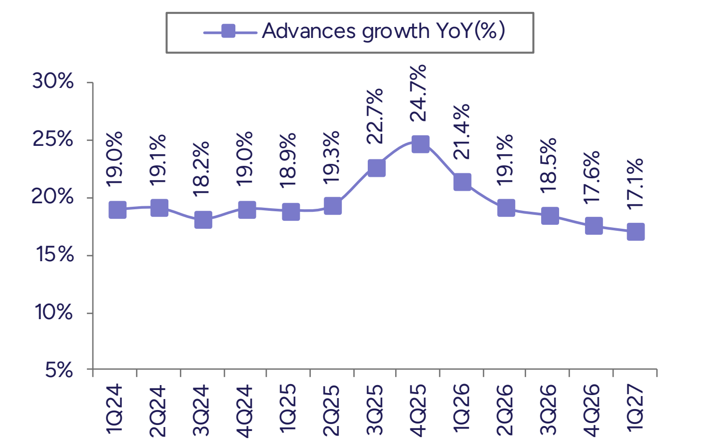
Source: Company, PL

Exhibit 3: Overall Loan growth muted at -0.1% QoQ, which was broad based

Advances break-up (INR mn)	Q1FY27	Q1FY26	YoY gr. (%)	Q4FY26	QoQ gr. (%)
Retail	3,89,082	3,38,531	14.9	3,92,542	(0.9)
SME	19,784	23,047	(14.2)	21,608	(8.4)
Agriculture	1,45,681	1,18,819	22.6	1,41,051	3.3
Corporate	44,963	31,753	41.6	45,016	(0.1)
Total Advances	**5,99,510**	**5,12,150**	**17.1**	**6,00,218**	**(0.1)**
Retail break-up (INR mn)					
CV	2,998	5,122	(41.5)	3,601	(16.8)
Mortgage	2,33,809	2,24,322	4.2	2,34,085	(0.1)
Gold	44,364	19,462	128.0	30,011	47.8
Others	34,172	11,779	190.1	42,015	(18.7)
Co-lending	73,740	77,847	(5.3)	82,830	(11.0)

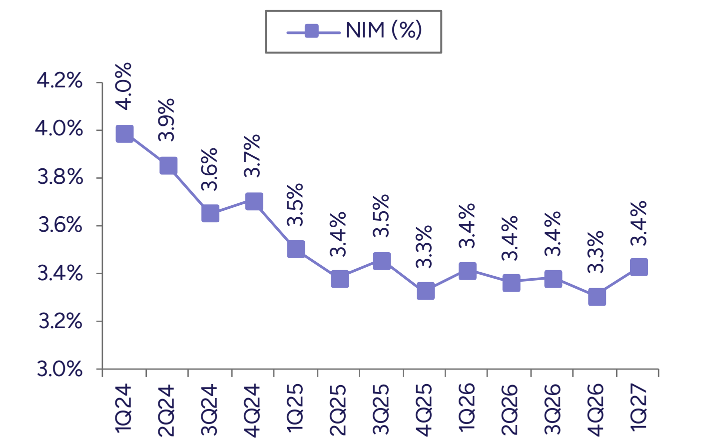
Source: Company, PL

Exhibit 4: Loan growth declined to 17.1% YoY



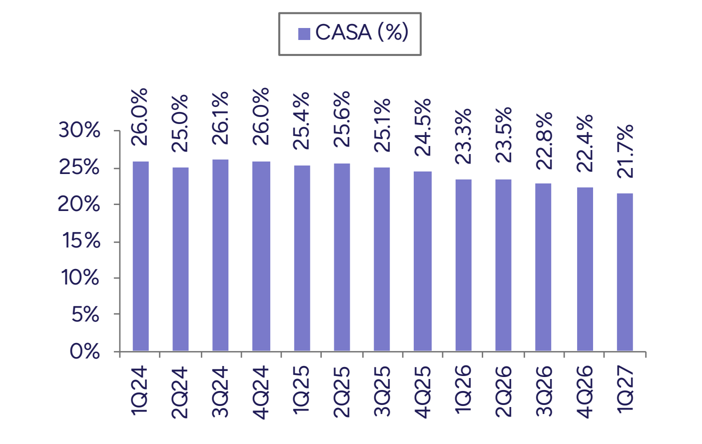
Source: Company, PL

Exhibit 5: NIM (cal.) improved 12bps QoQ to 3.4%



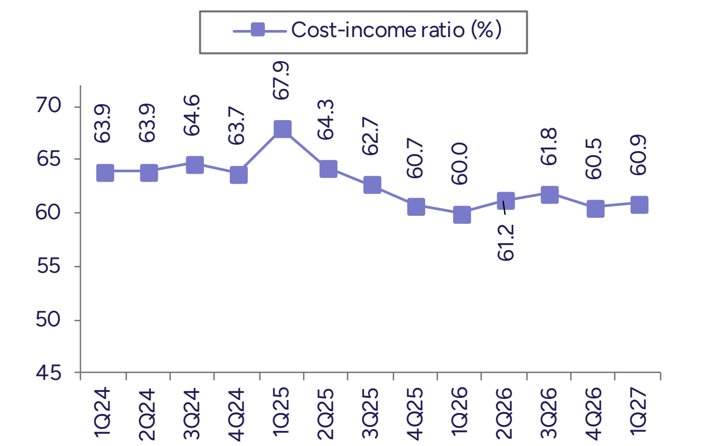
Source: Company, PL

Exhibit 6: CASA ratio declined QoQ to 21.7%



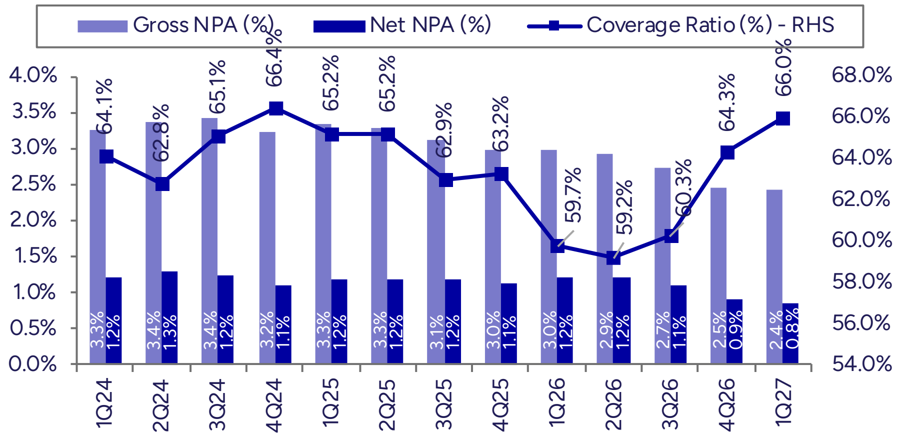
Source: Company, PL

Exhibit 7: C/I stable QoQ at 60.9%



Source: Company, PL

Exhibit 8: GNPA/NNPA improved to 2.4/0.8% QoQ; PCR rose to 66%



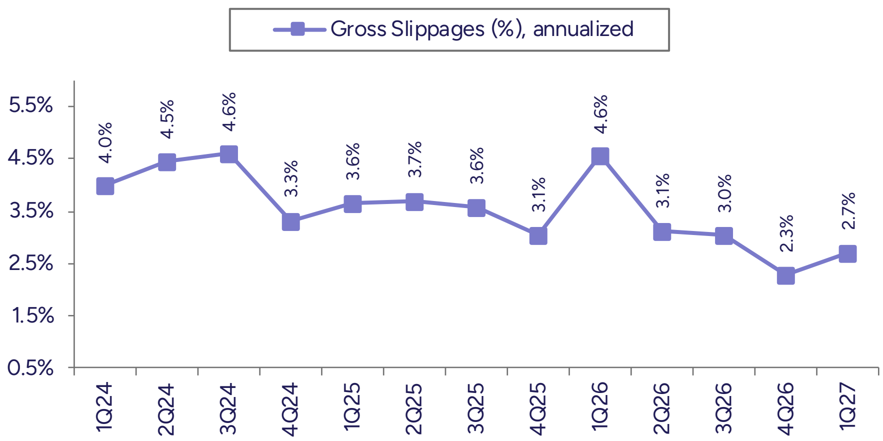
Source: Company, PL

Exhibit 9: Slippage ratio improved YoY to 2.71%

Movement in NPL	Q1FY27	Q1FY26	*YoY gr. (%)*	Q4FY26	*QoQ gr. (%)*
Opening	14,957	15,544	*(3.8)*	15,675	*(4.6)*
Additions	4,070	5,810	*(29.9)*	3,230	*26.0*
Reductions	4,210	5,818	*(27.6)*	3,948	*6.6*
Closing GNPA	**14,817**	**15,536**	***(4.6)***	**14,957**	***(0.9)***
Slippages %	**2.71**	**4.55**	***-184 bps***	**2.53**	***18 bps***
GNPA Composition					
Mortgages	2.58	2.78	*-20 bps*	2.62	*-4 bps*
Gold Loans	0.59	1.80	*-121 bps*	0.70	*-11 bps*
CV/STVL	11.34	14.06	*-272 bps*	9.72	*162 bps*
Others	2.60	5.35	*-274 bps*	2.09	*51 bps*
SME	6.62	6.86	*-23 bps*	6.34	*28 bps*
Agriculture	3.12	3.69	*-57 bps*	3.25	*-13 bps*
Corporate	3.22	5.20	*-197 bps*	3.20	*3 bps*

Source: Company, PL

Exhibit 10: Slippages inched up sequentially to 2.7%



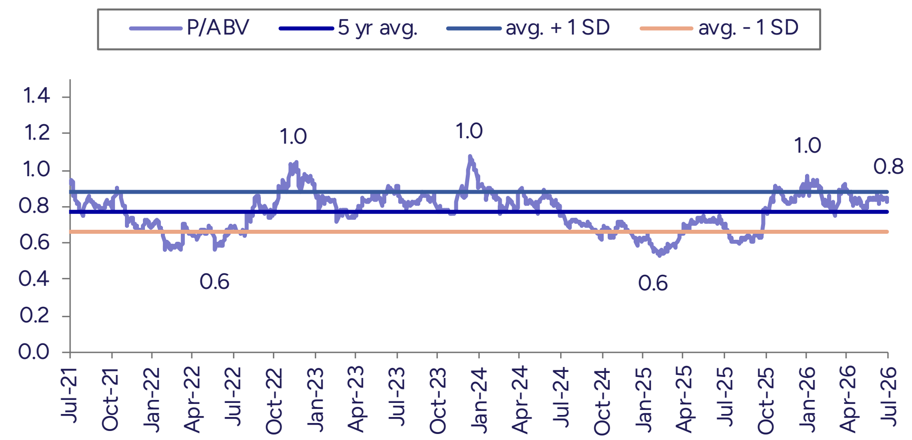
Source: Company, PL

Exhibit 11: Return ratios to range around 13-13.5%

Du-pont Analysis	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
NII/Assets	**3.3**	**3.2**	**3.5**	**3.3**	**3.0**	**3.0**	**3.0**	**3.0**
Other inc./Assets	1.1	1.1	0.8	0.8	1.1	1.0	0.9	0.9
Net revenues/Assets	**4.4**	**4.3**	**4.4**	**4.2**	**4.1**	**4.0**	**4.0**	**4.0**
Opex/Assets	2.2	2.4	2.8	2.7	2.6	2.4	2.4	2.3
Provisions/Assets	1.1	1.0	0.3	0.2	0.3	0.4	0.3	0.4
Taxes/Assets	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3
ROA (%)	**0.9**	**0.7**	**1.0**	**0.9**	**0.9**	**0.9**	**0.9**	**0.9**
ROE (%)	**10.0**	**7.8**	**11.5**	**11.8**	**12.1**	**12.5**	**13.3**	**13.5**

Source: Company, PL

Exhibit 12: One-year forward P/ABV of DCBB trades at 0.8x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Income Statement (INR m)								
Interest earned	15,684	16,711	17,419	18,136	18,228	18,609	19,073	19,843
Interest expended	10,592	11,282	11,839	12,331	12,265	12,362	12,521	13,004
Net Interest Income	**5,092**	**5,429**	**5,580**	**5,804**	**5,962**	**6,247**	**6,552**	**6,840**
Other income	2,046	1,841	2,188	2,361	1,861	2,214	2,115	1,963
Fees	**1,390**	**1,410**	**1,610**	**1,340**	**1,580**	**1,820**	**1,980**	**1,750**
Total Income	7,138	7,269	7,768	8,166	7,823	8,461	8,667	8,803
Operating Expenses	**4,587**	**4,558**	**4,714**	**4,897**	**4,784**	**5,233**	**5,246**	**5,362**
Employees	2,351	2,312	2,314	2,510	2,432	2,695	2,621	2,672
Others	2,236	2,246	2,400	2,386	2,352	2,537	2,625	2,690
Operating profit	2,551	2,711	3,054	3,269	3,039	3,228	3,421	3,440
Core PPoP	**1,895**	**2,281**	**2,476**	**2,248**	**2,758**	**2,834**	**3,286**	**3,227**
Provisions	**456**	**672**	**672**	**1,151**	**605**	**741**	**690**	**571**
Profit before tax	2,095	2,039	2,382	2,118	2,434	2,487	2,731	2,870
Taxes	541	525	611	545	595	640	675	738
Net Profit	1,555	1,514	1,771	1,573	1,839	1,847	2,057	2,132
Core PAT	**1,068**	**1,195**	**1,341**	**814**	**1,627**	**1,555**	**1,955**	**1,974**
Balance Sheet (INR m)								
Share capital	3,136	3,136	3,143	3,143	3,152	3,152	3,219	3,221
Reserves & surplus	50,376	51,754	53,764	55,257	56,576	60,348	62,131	64,489
Deposits	545,317	566,780	600,310	620,390	647,765	677,540	725,833	744,820
Borrowings	68,201	73,890	91,152	70,590	59,289	54,720	60,865	50,210
Other liabilities	22,522	20,110	19,730	24,570	22,123	22,640	28,648	24,780
Total liabilities	**689,552**	**715,670**	**768,098**	**773,950**	**788,904**	**818,400**	**880,695**	**887,520**
Cash & bank	31,249	30,450	26,986	30,660	25,005	26,880	42,204	46,000
Investments	182,049	179,630	201,499	199,480	204,961	196,200	203,780	208,730
Advances	444,652	477,800	510,469	512,150	529,745	566,000	600,218	599,510
Fixed assets	8,905	8,920	8,984	8,870	8,935	9,990	9,893	9,850
Other assets	22,698	18,870	20,160	22,790	20,258	19,330	24,600	23,430
Total assets	**689,552**	**715,670**	**768,098**	**773,950**	**788,904**	**818,400**	**880,695**	**887,520**
Balance sheet ratios (%)								
Loan growth	19.3	22.7	24.7	21.4	19.1	18.5	17.6	17.1
Deposit growth	19.9	20.3	21.6	20.0	18.8	19.5	20.9	20.1
LDR	81.5	84.3	85.0	82.6	81.8	83.5	82.7	80.5
CASA	25.6	25.1	24.5	23.3	23.5	22.8	22.4	21.7
Capital Adequacy (%)								
CET-1	13.7	13.5	15.0	15.0	14.0	13.5	14.3	15.0
Tier-2	2.0	2.8	2.5	2.5	2.4	2.4	2.3	2.1
CRAR	15.6	16.3	16.8	16.7	16.4	15.8	16.6	17.0
Profitability ratios (%)								
Yield on assets	10.4	10.6	10.4	10.7	10.3	10.1	9.6	9.9
Cost of funds	7.6	7.7	7.6	7.8	7.4	7.2	6.8	7.0
NIM	3.4	3.5	3.3	3.4	3.4	3.4	3.3	3.4
Fees/Assets	0.9	0.9	0.9	0.8	0.9	0.9	1.0	0.8
Cost/Income	64.3	62.7	60.7	60.0	61.2	61.8	60.5	60.9
Opex/avg assets	2.9	2.8	2.7	2.8	2.6	2.7	2.5	2.6
RoA	1.0	0.9	1.0	0.9	1.0	1.0	1.0	1.0
Core RoA	0.7	0.7	0.8	0.5	0.9	0.8	0.9	1.0
RoE	12.3	11.6	13.2	11.4	13.0	12.5	13.5	13.5
Core RoE	8.4	9.2	10.0	5.9	11.5	10.5	12.8	12.5
EPS (INR)	5.0	4.8	5.6	5.0	5.8	5.9	6.4	6.6
BVPS (INR)	170.7	175.0	181.1	185.8	189.5	201.5	203.0	210.2
ABVPS (INR)	-	-	-	-	-	-	-	-
Asset quality ratios (%)								
GNPA	3.3	3.1	3.0	3.0	2.9	2.7	2.5	2.4
NNPA	1.2	1.2	1.1	1.2	1.2	2.0	0.9	0.8
Provision coverage	65.2	62.9	63.2	59.7	59.2	60.3	64.3	66.0
Provision costs	0.4	0.6	0.6	1.0	0.5	0.6	0.5	0.4
Slippage	3.8	3.9	3.6	4.6	3.2	3.2	2.5	2.7
NNPA/Equity	9.7	10.2	10.0	10.7	10.7	9.8	8.2	7.4

Source: Company, PL

Financials

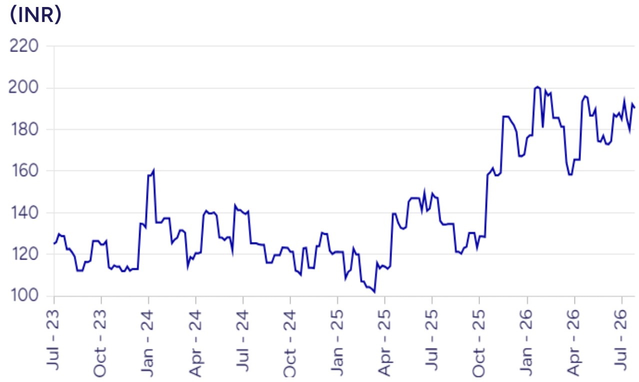
Y/e Mar	FY25	FY26	FY27E	FY28E
Income Statement (INR m)				
Interest earned	64,706	74,045	84,513	99,581
Interest expended	43,640	49,479	55,584	65,796
Net Interest Income	**21,066**	**24,565**	**28,929**	**33,785**
Other income	7,505	8,551	8,968	10,346
Fees	**5,553**	**6,473**	**7,484**	**8,612**
Net Total Income	28,571	33,117	37,897	44,131
Operating Expenses	**18,201**	**20,159**	**22,568**	**25,564**
Employees	9,231	10,259	11,296	12,999
Others	8,970.1	9,900.0	11,272.4	12,565.0
Operating profit	10,370	12,958	15,329	18,567
Core PPoP	**8,514**	**11,126**	**14,131**	**17,167**
Provisions	**2,084**	**3,188**	**3,278**	**4,597**
Profit before tax	8,286	9,770	12,051	13,970
Taxes	2,133.0	2,455.0	3,097.2	3,590.4
Net Profit	6,153	7,316	8,954	10,380
Core PAT	**4,775**	**5,944**	**8,063**	**9,340**
Growth Ratios (%)				
Loans	24.7	17.6	17.0	17.0
Deposits	21.6	20.9	17.2	17.0
NII	9.3	16.6	17.8	16.8
Fees	43.0	16.6	15.6	15.1
Opex	18.4	10.8	12.0	13.3
Core PPoP	7.2	30.7	27.0	21.5
Provisions	46.3	53.0	2.8	40.2
Core PAT	(1.3)	24.5	35.6	15.8
Profitability Ratios (%)				
Yield on IEA	9.7	9.3	9.2	9.3
Cost of funds	7.2	6.6	6.5	6.6
NIM	**3.1**	**3.1**	**3.1**	**3.1**
Cost/Income	63.7	60.9	59.6	57.9
Provision cost	**0.5**	**0.6**	**0.5**	**0.6**
Tax rate	25.7	25.1	25.7	26.0
Core RoA	**0.7**	**0.7**	**0.8**	**0.8**
Core RoE	**8.8**	**9.5**	**11.3**	**11.4**
Du-pont (%)				
Interest income	**9.3**	**9.0**	**8.9**	**9.0**
Interest expenses	**6.2**	**6.0**	**5.8**	**5.9**
NII	**3.0**	**3.0**	**3.0**	**3.0**
Other income	1.1	1.0	0.9	0.9
Fees/avg assets	**0.8**	**0.8**	**0.8**	**0.8**
Total income	**4.1**	**4.0**	**4.0**	**4.0**
Opex/avg assets	**2.6**	**2.4**	**2.4**	**2.3**
Staff cost	1.3	1.2	1.2	1.2
Other opex	1.3	1.2	1.2	1.1
PPOP	**1.5**	**1.6**	**1.6**	**1.7**
Core PPoP/avg assets	**1.2**	**1.3**	**1.5**	**1.5**
Provisions	0.3	0.4	0.3	0.4
PBT	**1.2**	**1.2**	**1.3**	**1.3**
Tax	0.3	0.3	0.3	0.3
RoA	**0.9**	**0.9**	**0.9**	**0.9**
RoE	**12.1**	**12.5**	**13.3**	**13.5**

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
Balance Sheet (INR m)				
Equity	56,907	65,350	74,457	84,837
Share capital	3,173	3,219	3,146	3,146
Deposits	600,310	725,833	850,871	995,787
Borrowings	91,152	60,865	74,593	86,938
Other Liabilities	19,730	28,648	27,078	30,476
Total liabilities	**768,098**	**880,695**	**1,026,999**	**1,198,038**
Cash with RBI	25,075	32,123	41,452	46,655
Balance with banks	1,911	10,082	8,813	9,919
Investments	201,499	203,780	238,450	279,062
Advances	510,469	600,218	701,969	821,525
Fixed assets	8,984	9,893	10,148	10,561
Other assets	20,160	24,600	26,166	30,317
Total assets	**768,098**	**880,695**	**1,026,999**	**1,198,038**
Balance sheet ratios (%)				
LDR	85.0	82.7	83.0	83.0
CASA	24.5	22.4	22.2	22.5
Inv/NDTL	28.3	25.0	25.0	25.1
Borr/NDTL	12.8	7.5	7.8	7.8
Assets/equity (x)	13.5	13.5	13.8	14.1
RWA/Loans	74.4	72.7	70.9	69.1
RWA/Total assets	49.4	49.6	48.5	47.4
Capital ratios (%)				
CRAR	16.8	16.7	16.7	16.7
CET-1	14.3	14.7	14.7	14.7
AT-1	-	-	-	-
Tier-2	2.5	2.1	2.1	2.1
Asset quality ratios (%)				
GNPA (INR mn)	15,544	14,957	15,176	19,113
NNPA (INR mn)	5,716	5,340	5,312	6,689
GNPA	3.0	2.5	2.1	2.3
NNPA	1.1	0.9	0.8	0.8
PCR	63.2	64.3	65.0	65.0
Slippage	3.7	3.3	3.0	3.0
NNPA / Equity	10.0	8.2	7.1	7.9
Per share (INR)				
EPS	19.4	22.7	28.5	33.0
DPS	1.4	-	-	-
BVPS	170.4	194.2	227.7	260.7
ABVPS	152.4	177.6	210.8	239.4
Valuation (x)				
Price (INR)	122.5	153.2	193.7	193.7
P/E	6.3	6.7	6.8	5.9
P/BV	0.7	0.8	0.9	0.7
P/ABV	0.8	0.9	0.9	0.8

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Jul-26	BUY	155	185
2	10-Apr-26	BUY	155	182
3	08-Jan-26	BUY	155	182
4	07-Oct-25	BUY	155	132
5	07-Jul-25	BUY	155	142
6	23-Jun-25	BUY	155	143
7	08-Apr-25	BUY	155	113
8	08-Jan-25	BUY	155	117
9	25-Oct-24	BUY	155	116
10	07-Oct-24	BUY	180	119

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	285	267
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	1150	1069
14	Karur Vysya Bank	BUY	345	301
15	Kotak Mahindra Bank	BUY	480	390
16	Nippon Life India Asset Management	Buy	1225	1148
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	904

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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