BUY

City Union Bank

Strong overall performance

BFSI - Banks | Result Update | April 28, 2026

CMP (Rs): 271 | TP (Rs): 350

City Union Bank's (CUBK) credit growth further accelerated to ~26.5% YoY and 8% QoQ in Q4, which, coupled with steady loan yields, helped the bank deliver a multi-quarter high margin of 3.9%. This, in turn, drove healthy core-operating profit growth of 33% YoY. Provisions were slightly higher than expected, as the bank continued to write-off assets and built a standard asset provision buffer. Despite this, CUBK delivered a strong PAT of Rs3.6bn and RoA of 1.6%. Going ahead, the bank expects to sustain high growth, led by MSME and secured retail loans, including gold, while margins are expected to be largely stable. We raise our earnings estimates by 4-6% for FY27-28E and expect the bank to report a strong RoA of ~1.5-1.6% and RoE of 14-15% over FY27-29E. This, coupled with a strong capital buffer and improving retail orientation, should help the bank to sustain a premium valuation, in our view. On management succession, Kamakodi has stepped down as MD & CEO, passing on responsibilities to Vijay Anandh to ensure a smooth transition. The board has sought his willingness to continue in a non-executive role, with any future decision contingent on regulatory comfort and approval. We retain BUY and TP of Rs350, valuing the bank at 1.9x FY28E ABV.

Strong business momentum to sustain in FY27 as well

CUBK's credit growth accelerated to ~26.5% YoY and 8.2% QoQ, led by strong momentum in secured retail (+50.8% YoY), MSME (+15.4% YoY) and agri (+23.4% YoY), while the corporate book also grew 7.2% YoY. Within retail, gold loans remained a key driver, growing 61.6% YoY and 16.8% QoQ, and are conservatively managed with capped lending values based on past stress experience, ensuring adequate protection even under moderate gold price corrections and compliance with RBI LTV norms. NIM was stable at 3.9%, supported by improved LDR and loan yields. CUBK expects advances growth to be 2–3% above the industry in FY27 (with an upward bias), while NIMs are expected to be stable within a narrow 5–10bps range in FY27.

Asset quality continues to improve

Asset quality continued to improve with contained slippages of Rs1.9bn (1.5% of loans), supported by better recoveries and write-offs, leading to a 26bps QoQ improvement in GNPA ratio to 1.9% and NNPA to 0.7%. Specific PCR improved to 64.7% and is expected to increase further, while SMA trends also improved, with total SMA declining to 2.5% and SMA-2 to 0.72% in Q4FY26 from 3.7% and 0.95% in Q3, respectively. The management noted no visible impact from the US-Iran geopolitical situation so far, though the portfolio continues to be closely monitored.

We retain BUY

We raise our earnings estimates by 4-6% for FY27-28E and expect the bank to report a strong RoA of ~1.5-1.6% and RoE of 14-15%. This, coupled with a strong capital buffer and improving retail orientation, should help sustain premium valuation. Hence, we retain BUY and TP of Rs350, valuing the bank at 1.9x FY28E ABV. Key risks: Macro deterioration hurting asset quality, higher ECL hit, and KMP attrition in its retail banking team.

City Union Bank: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profit	11,236	13,262	16,219	19,128	22,402
Loan growth (%)	14.4	26.5	18.1	20.1	20.1
NII growth (%)	9.1	22.2	23.9	18.3	18.7
NIM (%)	3.3	3.4	3.5	3.5	3.5
PPOP growth (%)	10.7	20.0	21.4	17.9	18.5
Adj. EPS (Rs)	15.2	17.9	21.8	25.7	30.1
Adj. EPS growth (%)	10.6	17.8	22.1	17.9	17.1
Adj. BV (INR)	121.2	137.7	157.7	180.4	207.0
Adj. BVPS growth (%)	16.1	13.6	14.6	14.4	14.7
RoA (%)	1.5	1.5	1.6	1.6	1.5
RoE (%)	12.6	13.2	14.4	14.9	15.2
P/E (x)	17.9	15.2	12.4	10.5	9.0
P/ABV (x)	2.2	2.0	1.7	1.5	1.3

Source: Company, Emkay Research

Target Price – 12M	Mar-27
Change in TP (%)	**-**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	29.2

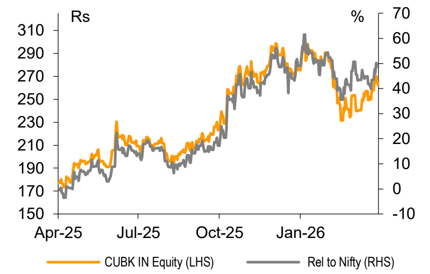
Stock Data	**CUBK IN**
52-week High (Rs)	324
52-week Low (Rs)	172
Shares outstanding (mn)	743.0
Market-cap (Rs bn)	202
Market-cap (USD mn)	2,141
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	3.3
ADTV-3M (Rs mn)	746.3
ADTV-3M (USD mn)	7.9
Free float (%)	97.1
Nifty-50	24,092.7
INR/USD	94.2

Shareholding,Mar-26	
Promoters (%)	0.0
FPIs/MFs (%)	23.4/40.7

Price Performance

(%)	1M	3M	12M
Absolute	7.0	(4.5)	53.0
Rel. to Nifty	1.3	(0.2)	52.6

1-Year share price trend (Rs)



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Key concall takeaways

Outlook on loans, deposits, and NIM

- The management emphasized that the bank consciously avoided aggressive participation in higher-risk segments such as large corporate consortium lending, infrastructure financing, and unsecured retail loans.
- Growth in FY26 continued to be driven by established focused areas such as agricultural gold loans, secured MSME lending, and secured retail products, without venturing into higher-risk businesses.
- The management has guided for FY27 advances growth at ~2–3% above overall industry credit growth, with the core focus continuing on MSME lending, while gold loans and secured retail products act as additional growth drivers.
- The loan mix is expected to remain MSME-led at ~55–60% of the portfolio, followed by gold loans at 30–35%, with the balance coming from secured retail segments.
- Growth will be primarily branch-led, leveraging the bank's network of 1,000 distribution branches. Sourcing through third-party channels is expected to remain limited at only 1–2% of the overall loan book.
- The management reiterated that the bank's secured lending strategy will continue in FY27, maintaining its conservative risk approach.
- The bank expects to maintain its credit-deposit ratio in the range of 85–87% and is launching segment-specific products for women and senior citizens, while also strengthening its savings and current account offerings.
- The management stated that gold loan risk is being managed conservatively, drawing on lessons from the 2014 gold price correction, when the bank went through a difficult auction process but ultimately incurred only a limited loss of around Rs50mn. Based on that experience, the bank has consciously capped the per gram lending value and did not increase loan disbursement rates in line with the sharp rise in gold prices. Even when gold prices moved to Rs15,000–16,000 per gram, lending rates were maintained at around Rs10,000–10,300 per gram.
- The management added that even in the event of a further 10–15% correction in gold prices, which it considers unlikely, the portfolio would continue to remain adequately protected, over and above RBI-prescribed LTV norms.
- The management added that the bank maintained an incremental credit-deposit ratio of nearly 100% while preserving regulatory liquidity buffers and still has headroom to grow advances by ~Rs30bn without requiring proportionate deposit growth.
- The gold loan portfolio is already close to its upper intended range of ~30–32%, with only minor fluctuations possible, and is broadly viewed as being at the limit in terms of portfolio mix.
- Accordingly, any sustained build-up beyond this level would be approached cautiously, in line with the bank's calibrated risk framework, a discipline that is similarly applied to MSME exposures through defined thresholds to maintain portfolio balance.
- During Q4FY26, some certificates of deposit were retired and replaced with retail term deposits, improving the funding mix.
- The management guided for stable NIMs in FY27, likely within a narrow band of 5–10bps movement either way, supported by balance sheet flexibility and changes in LCR calculation norms that could allow a slightly higher credit-deposit ratio.
- The management stated that deposit rates were fine-tuned by ~10–25bps during the period to ensure adequate mobilization of retail term deposits and support continued credit growth without funding constraints.

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- The bank had completed the transmission of rate changes by around December, as previously indicated, and this is now fully reflected in the book. In the incremental portfolio, yields are holding up well, particularly as new contracts are being originated at stable or better pricing levels.

- This is supporting overall margin stability, even though a large portion of the book (~30%) is in fixed-rate gold loans and the effective yield applies mainly to about 65% of the portfolio, with non-agri gold loans continuing to deliver double-digit yields.
- Additionally, the ~Rs50bn of incremental disbursements in H2 were booked at improved yields, which together helped the bank maintain overall margins.

Asset quality

- The management stated that, so far, there has been no visible impact from the US-Iran geopolitical conflict on the bank's portfolio performance. However, the situation continues to be closely monitored while asset quality trends remain stable and improving.
- SMA trends also improved significantly, with total SMA (including SMA-0 and SMA-1) declining to 2.47% in Q4FY26 from 3.68% in Q3FY26 and 5.60% in Q2FY26. SMA-2 reduced to 0.72% from 0.95% in Q3, 1.34% in Q2, and 1.59% in Q1 FY26, indicating strong sequential improvement in early stress indicators.

Others

- Fee income contribution to other income is expected to remain healthy at 55–60%. However, operating expenses are likely to rise 15–18% YoY in FY27, driven by the front-loaded opening of 70 new branches in the first month of the year.
- Operating expenses are expected to remain elevated in the near term due to branch expansion.
- Of the planned 75 branches for the current year, nearly 50 were opened in April itself, while the remaining 25 are expected to be launched toward the end of the year. The management highlighted that branch openings are usually concentrated in the fourth quarter, with most branches nearing breakeven within the first year and some turning profitable in the second year.
- Going forward, once further improvement sets in, this could provide incremental elbow room even after ECL provisioning, potentially supporting ROA improvement, with an exit ROA target of ~1.65–1.67%, aided by better income delivery and some moderation in cost-to-income.
- The board has sought Dr N Kamakodi willingness to continue in a non-executive role, with any future decision contingent on regulatory comfort and approval.

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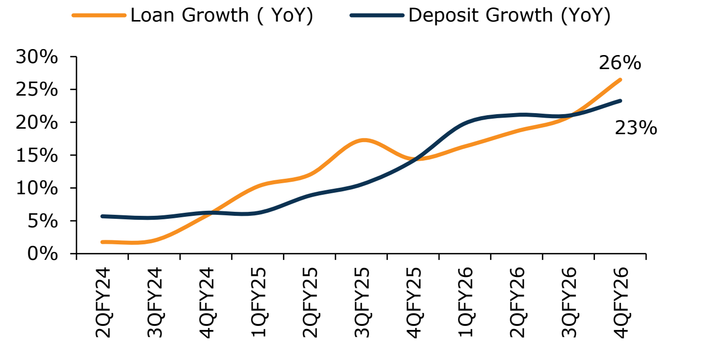
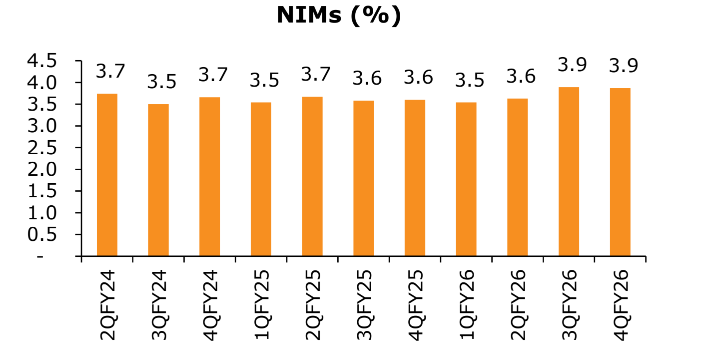
Story in charts

Exhibit 1: Credit growth continues driven by broad-based growth across the segment; deposit growth remains strong YoY



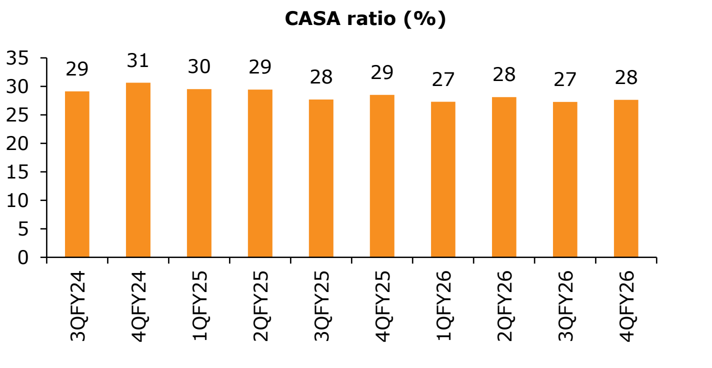
Source: Company, Emkay Research

Exhibit 2: Better LDR, steady loan yields, led to a stable NIM QoQ



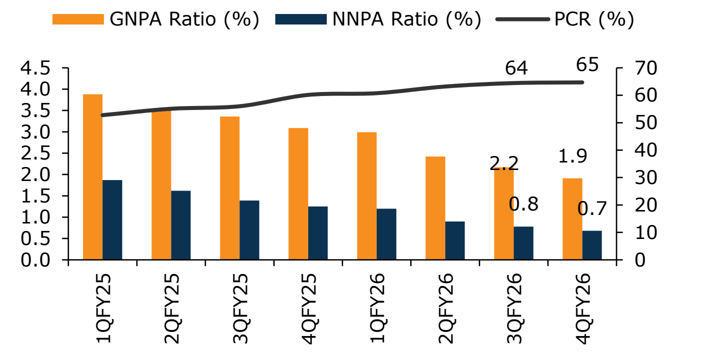
Source: Company, Emkay Research

Exhibit 3: Healthy growth in CA and SA led to a 36bps increase in CASA ratio sequentially



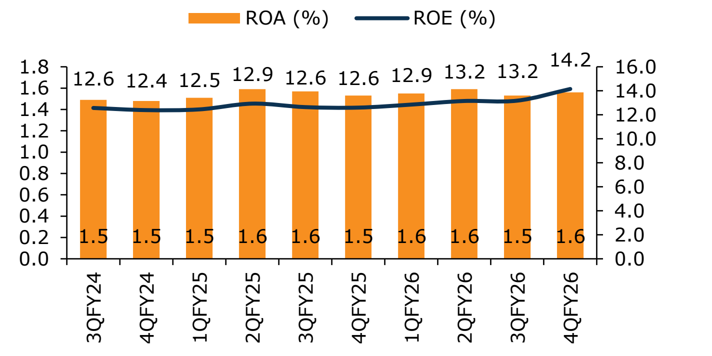
Source: Company, Emkay Research

Exhibit 4: Contained gross slippages, coupled with better recoveries and write-offs, led to improvement in GNPA ratio



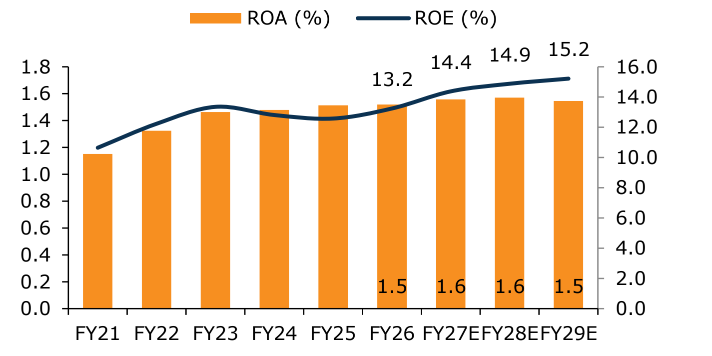
Source: Company, Emkay Research

Exhibit 5: ROA marginally improved led by higher other income, contained opex, and provisions



Source: Company, Emkay Research

Exhibit 6: The bank expects to report strong ROA, led by better net income, contained opex, and lower credit costs



Source: Emkay Research

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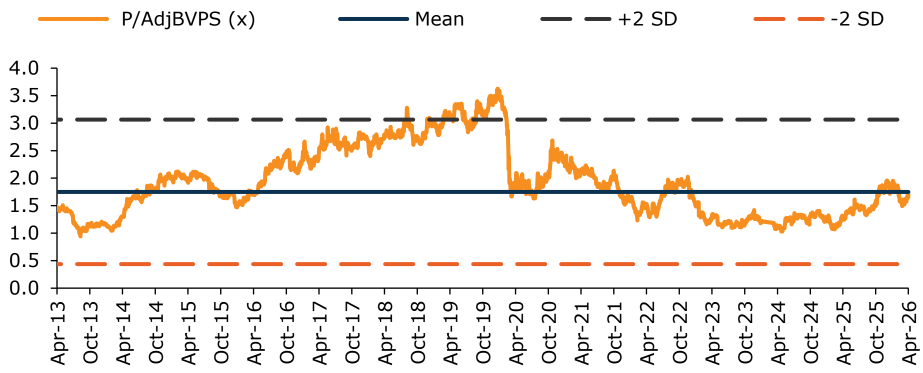
Exhibit 7: The bank is currently trading near its mean valuation



Source: Bloomberg, Emkay Research

Exhibit 8: Actuals vs estimates (Q4FY26)

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	10,763	10,505	10,544	2%	2%	Stable NII and higher other income led to a beat.
PPOP	5,796	5,522	5,579	5%	4%	Higher net income, coupled with contained opex, led to a PPOP beat.
PAT	3,596	3,574	3,593	1%	0%	Higher PPOP, partly offset by higher provisions, led to an in-line PAT

Source: Company, Bloomberg, Emkay Research

Exhibit 9: Quarterly summary

(Rs mn)	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	YoY (%)	QoQ (%)	FY26	FY27E	YoY (%)
Interest earned	15,327	16,053	16,531	17,557	18,556	21	6	68,698	80,822	18
Interest expenses	9,324	9,800	9,866	10,035	10,698	15	7	40,399	45,746	13
Net interest income	6,003	6,253	6,665	7,522	7,858	31	4	28,298	35,076	24
Global NIM (reported)	3.60	3.54	3.63	3.89	3.87	27bps	-2bps	3.38	3.49	11bps
Non-interest income	2,512	2,439	2,591	2,453	2,905	16	18	10,388	11,014	6
Operating expenses	4,106	4,182	4,551	4,844	4,967	21	3	18,544	21,636	17
Pre-provisioning profit	4,410	4,509	4,706	5,132	5,796	31	13	20,142	24,453	21
Provision and contingencies	780	700	570	960	1,200	54	25	3,430	3,923	14
PBT	3,630	3,809	4,136	4,172	4,596	27	10	16,712	20,531	23
Income tax expenses (Gain)	750	750	850	850	1,000	33	18	3,450	4,311	25
Net Profit/(Loss)	2,880	3,059	3,286	3,322	3,596	25	8	13,262	16,219	22
Gross NPA (%)	3.09	2.99	2.42	2.17	1.91	-118bps	-26bps	1.91	1.60	-31bps
Net NPA (%)	1.25	1.20	0.90	0.78	0.68	-57bps	-10bps	0.68	0.48	-20bps
Deposits (Rs bn)	635	657	695	705	783	23	11	783	921	18
Net advances (Rs bn)	521	530	567	609	659	26	8	659	778	18

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	44,852	46,089	2.8%	53,406	53,808	0.8%	NA	62,953	NA
PPOP	23,469	24,453	4.2%	28,546	28,821	1.0%	NA	34,153	NA
PAT	15,352	16,219	5.7%	18,309	19,128	4.5%	NA	22,402	NA
EPS (Rs)	20.7	21.8	5.5%	24.7	25.7	4.3%	NA	30.1	NA
BV (Rs)	161.4	161.5	0.1%	183.4	184.6	0.6%	NA	211.7	NA

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Source: Emkay Research

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Exhibit 11: Key assumptions

(%)	FY26	FY27E	FY28E	FY29E
Loan Growth	26.5	18.1	20.1	20.1
Deposit Growth	23.3	17.6	20.0	20.1
NIM	3.4	3.5	3.5	3.5
GNPA	1.9	1.6	1.4	1.4
Credit Cost	0.5	0.6	0.6	0.6

Source: Emkay Research

Exhibit 12: Key ratios and trends

(Rs bn)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Loans	**455**	**456**	**478**	**504**	**521**	**530**	**567**	**609**	**659**
– Growth YoY (%)	*5.7*	*10.2*	*12.0*	*17.3*	*14.4*	*16.3*	*18.7*	*20.8*	26.5
– Growth QoQ (%)	*5.9*	*0.2*	*4.8*	*5.5*	*3.3*	*1.8*	*6.9*	*7.4*	*8.2*
Composition (%)									
- Corporate	14.1	14.7	15.0	13.9	14.0	13.3	11.2	10.9	11.9
- SME/BB	38.0	37.5	37.7	38.5	40.8	40.1	40.1	38.6	37.5
- Retail	30.0	29.4	28.6	28.1	28.6	30.5	33.0	33.5	34.3
- Agri	18.0	18.4	18.7	19.5	16.6	16.0	15.7	17.0	16.3
Liability profile									
Deposits (Rs bn)	**557**	**549**	**574**	**583**	**635**	**657**	**695**	**705**	**783**
- *Growth YoY (%)*	6.2	6.2	8.8	10.5	14.1	19.8	21.1	21.0	23.3
- *Growth QoQ (%)*	5.6	(1.4)	4.6	1.6	9.0	3.5	5.7	1.5	11.1
CASA (%)	30.6	29.5	29.4	27.7	28.5	27.3	28.1	27.3	27.6
CA (%)	9.9	8.4	8.9	8.2	9.6	8.1	8.7	7.9	9.0
SA (%)	20.8	21.1	20.6	19.5	19.0	19.2	19.4	19.3	18.7
Branches (no of)	**800**	**800**	**812**	**822**	**875**	**876**	**889**	**901**	**949**
NIM (%)	3.66	3.54	3.67	3.58	3.60	3.54	3.63	3.89	3.87
Asset quality									
GNPA (%)	4.0	3.9	3.5	3.4	3.1	3.0	2.4	2.2	1.9
NNPA (%)	2.0	1.9	1.6	1.4	1.3	1.2	0.9	0.8	0.7
PCR (%)	51.5	52.8	55.1	56.0	60.1	60.8	63.2	64.4	64.7
Capital adequacy (%)									
CAR	**23.8**	**23.6**	**23.0**	**22.3**	**23.8**	**23.1**	**21.7**	**20.1**	**21.9**
ROE decomposition (%)									
NII	**3.4**	**3.3**	**3.5**	**3.4**	**3.3**	**3.4**	**3.4**	**3.7**	**3.6**
Other income	0.9	1.1	1.2	1.2	1.2	1.0	1.2	1.1	1.2
Treasury	0.2	0.1	0.1	0.1	0.1	0.3	0.1	0.1	0.1
Opex	2.3	2.2	2.3	2.2	2.3	2.3	2.3	2.4	2.3
PPOP	2.2	2.3	2.6	2.5	2.4	2.4	2.4	2.5	2.6
Provisioning cost	0.2	0.2	0.4	0.4	0.4	0.4	0.3	0.5	0.5
PBT	2.0	2.0	2.2	2.1	2.0	2.1	2.1	2.0	2.1
ROA	**1.6**	**1.6**	**1.7**	**1.7**	**1.6**	**1.7**	**1.7**	**1.6**	**1.6**
Leverage (x)	7.8	7.8	7.6	7.7	7.7	7.7	7.9	8.1	8.5
ROE	**12.3**	**12.4**	**13.0**	**12.7**	**12.4**	**12.8**	**13.4**	**13.2**	**13.9**

Source: Company, Emkay Research

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City Union Bank: Standalone Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	58,340	68,698	80,822	93,677	109,807
Interest Expense	35,183	40,399	45,746	52,169	60,554
Net interest income	**23,157**	**28,298**	**35,076**	**41,508**	**49,253**
NII growth (%)	9.1	22.2	23.9	18.3	18.7
Other income	8,981	10,388	11,014	12,301	13,700
Total Income	**32,138**	**38,687**	**46,089**	**53,808**	**62,953**
Operating expenses	15,351	18,544	21,636	24,987	28,800
PPOP	**16,786**	**20,142**	**24,453**	**28,821**	**34,153**
PPOP growth (%)	10.7	20.0	21.4	17.9	18.5
Core PPOP	**16,234**	**18,783**	**23,366**	**27,516**	**32,718**
Provisions & contingencies	2,620	3,430	3,923	4,608	5,796
PBT	**14,166**	**16,712**	**20,531**	**24,213**	**28,357**
Extraordinary items	0	0	0	0	0
Tax expense	2,930	3,450	4,311	5,085	5,955
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	**11,236**	**13,262**	**16,219**	**19,128**	**22,402**
PAT growth (%)	10.6	18.0	22.3	17.9	17.1
Adjusted PAT	**11,236**	**13,262**	**16,219**	**19,128**	**22,402**
Diluted EPS (Rs)	**15.2**	**17.9**	**21.8**	**25.7**	**30.1**
Diluted EPS growth (%)	10.6	17.8	22.1	17.9	17.1
DPS (Rs)	**1.5**	**2.0**	**2.5**	**2.7**	**3.0**
Dividend payout (%)	**9.9**	**11.2**	**11.5**	**10.5**	**10.0**
Effective tax rate (%)	20.7	20.6	21.0	21.0	21.0
Net interest margins (%)	3.3	3.4	3.5	3.5	3.5
Cost-income ratio (%)	47.8	47.9	46.9	46.4	45.7
Shares outstanding (mn)	741.0	743.0	743.0	743.0	743.0

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	741	743	743	743	743
Reserves & surplus	93,925	104,906	119,267	136,389	156,562
Net worth	**94,666**	**105,649**	**120,010**	**137,132**	**157,305**
Deposits	635,260	783,080	920,588	1,105,092	1,326,922
Borrowings	21,694	53,268	50,605	55,665	61,232
Interest bearing liab.	**656,954**	**836,348**	**971,193**	**1,160,757**	**1,388,153**
Other liabilities & prov.	24,612	28,248	21,668	25,847	29,719
Total liabilities & equity	**776,232**	**970,244**	**1,112,871**	**1,323,736**	**1,575,177**
Net advances	520,813	658,752	778,256	934,905	1,122,427
Investments	173,361	189,869	220,145	262,909	314,192
Cash, other balances	52,905	89,271	82,551	92,861	104,111
Interest earning assets	**747,079**	**937,892**	**1,080,953**	**1,290,674**	**1,540,731**
Fixed assets	3,223	4,685	4,881	5,480	6,153
Other assets	25,929	27,667	27,037	27,582	28,293
Total assets	**776,232**	**970,244**	**1,112,871**	**1,323,736**	**1,575,177**
BVPS (Rs)	127.8	142.2	161.5	184.6	211.7
Adj. BVPS (INR)	121.2	137.7	157.7	180.4	207.0
Gross advances	530,664	666,988	787,046	944,455	1,133,347
Credit to deposit (%)	82.0	84.1	84.5	84.6	84.6
CASA ratio (%)	28.5	27.6	28.0	28.6	29.2
Cost of deposits (%)	5.5	5.4	5.0	4.9	4.7
Loans-to-Assets (%)	67.1	67.9	69.9	70.6	71.3
Net advances growth (%)	14.4	26.5	18.1	20.1	20.1
Deposit growth (%)	14.1	23.3	17.6	20.0	20.1
Book value growth (%)	12.6	11.3	13.6	14.3	14.7

Source: Company, Emkay Research

Asset quality and other metrics

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
Gross NPLs	16,382	12,731	12,558	13,644	15,599
Net NPLs	6,531	4,494	3,767	4,093	4,680
GNPA ratio (%)	3.1	1.9	1.6	1.4	1.4
NNPA ratio (%)	1.3	0.7	0.5	0.4	0.4
Provision coverage (%)	60.1	64.7	70.0	70.0	70.0
Gross slippages	8,150	7,449	8,658	10,861	13,033
Gross slippage ratio (%)	1.8	1.4	1.1	1.2	1.2
LLP ratio (%)	0.5	0.5	0.6	0.6	0.6
NNPA to networth (%)	6.7	4.1	3.0	2.9	2.9
Capital adequacy					
Total CAR (%)	23.8	21.9	20.5	19.7	18.9
Tier-1 (%)	22.7	20.8	19.9	19.2	18.5
CET-1 (%)	22.7	20.8	19.9	19.2	18.5
RWA-to-Total Assets (%)	51.0	52.0	53.0	53.0	53.0
Miscellaneous					
Total income growth (%)	12.0	17.5	16.1	15.4	16.5
Opex growth (%)	13.9	20.8	16.7	15.5	15.3
Core PPOP growth (%)	9.4	15.7	24.4	17.8	18.9
PPOP margin (%)	24.9	25.5	26.6	27.2	27.7
PAT/PPOP (%)	66.9	65.8	66.3	66.4	65.6
LLP-to-Core PPOP (%)	16.1	18.3	16.8	16.7	17.7
Yield on advances (%)	9.7	9.5	9.2	9.1	8.8
Cost of funds (%)	5.6	5.4	5.1	4.9	4.8

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	17.9	15.2	12.4	10.5	9.0
P/B (x)	2.1	1.9	1.7	1.5	1.3
P/ABV (x)	2.2	2.0	1.7	1.5	1.3
P/PPOP (x)	12.0	10.0	8.2	7.0	5.9
Dividend yield (%)	0.6	0.7	0.9	1.0	1.1
DuPont-RoE split (%)					
NII/avg assets	3.1	3.2	3.4	3.4	3.4
Other income	1.2	1.2	1.1	1.0	0.9
Fee income	1.1	1.0	1.0	0.9	0.8
Opex	2.1	2.1	2.1	2.1	2.0
PPOP	**2.3**	**2.3**	**2.3**	**2.4**	**2.4**
Core PPOP	2.2	2.2	2.2	2.3	2.3
Provisions	0.4	0.4	0.4	0.4	0.4
Tax expense	0.4	0.4	0.4	0.4	0.4
RoA (%)	**1.5**	**1.5**	**1.6**	**1.6**	**1.5**
Leverage ratio (x)	8.3	8.7	9.2	9.5	9.8
RoE (%)	**12.6**	**13.2**	**14.4**	**14.9**	**15.2**

Quarterly data

Rs mn	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
NII	6,003	6,253	6,665	7,522	7,858
NIM (%)	3.6	3.5	3.6	3.9	3.9
PPOP	4,410	4,509	4,706	5,132	5,796
PAT	2,880	3,059	3,286	3,322	3,596
EPS (Rs)	15.6	16.5	17.7	17.9	19.4

Source: Company, Emkay Research

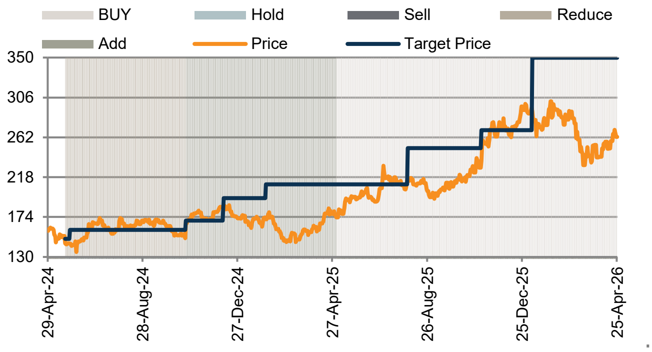
This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
25-Mar-26	253	350	Buy	Anand Dama
02-Feb-26	285	350	Buy	Anand Dama
07-Jan-26	291	350	Buy	Anand Dama
03-Nov-25	236	270	Buy	Anand Dama
01-Aug-25	214	250	Buy	Anand Dama
02-May-25	173	210	Buy	Anand Dama
09-Apr-25	160	210	Add	Anand Dama
01-Feb-25	171	210	Add	Anand Dama
09-Dec-24	186	195	Add	Anand Dama
22-Oct-24	169	170	Add	Anand Dama
27-May-24	145	160	Reduce	Anand Dama
21-May-24	145	150	Reduce	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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