

Indian Bank

India | Banking & Financials | Result Update | Rating Downgrade

Elara Capital

23 January 2026

Good quarter, but valuations rich

Indian Bank (INBK) reported yet another steady quarter with steady progress across key variables. That said, Q3FY26 PAT of INR 30.6bn was lower than our estimates, given higher credit costs as the bank continued to shore up buffer (in anticipation to smoothen ECL impact). The key highlights were, NII growth of 5.3% QoQ, supported by a 6bps QoQ improvement in domestic NIMs, b) steady asset quality trends with slippages contained at ~INR 10bn and GNPA/NNPA at 2.23%/0.15%, although SMA-2 levels inched up due to a couple of PSU accounts. Going ahead, key monitorable include the sustainability of ~1.3% ROA (given core PPOP growth of ~1.3% QoQ), limited headroom for further NIM expansion, and uncertainty around ECL implementation if adopted largely in its current draft form. INBK has gained ~10% in the past three months and in the absence of visible near-term catalysts and with the risk-reward turning unfavorable at current valuations (1.3x FY27E P/BV), we revise INBK from Reduce to Sell, while revising our TP to INR 800 from INR 730 (as we roll over to December '27E).

NIMs payout better, durability warrants a watch: NIMs expanded by 5bps QoQ to 3.28%, thus, resulting in a 5.3% QoQ growth in NII. The improvement was largely supported by lower funding costs, despite a moderation in asset yields. Loan growth remained healthy at 15.4%YoY / 3.4% QoQ (secular growth across targeted segments). In line with industry trends, management highlighted that deposit mobilization continues to remain challenging, which might require reliance on alternative funding sources. Against this backdrop, the repricing of the repo-linked loan book, coupled with limited room for further deposit rate cuts, could constrain incremental NIM expansion in the near term. Additionally, the domestic CD ratio has edged up to ~79%, which reduces headroom for growth, requiring the bank to manage the trade-off between growth, funding-mix, and margins.

Asset quality holding up well: Slippages were contained at <INR 10bn (0.69%, down 10bps QoQ), supporting an improvement in headline asset quality. However, SMA-2 levels increased due to the slippage of some PSU corporate accounts (~INR 30bn), resulting in an uptick in SMA (1 & 2) to 0.81% from 0.41%. Unlike peers that have quantified their ECL impact, the bank has not disclosed a specific number, though management indicated that the impact would be absorbed within the regulatory transition timeline—making outcomes a key monitorable. That said, PCR (excl TWOs) of over +93%, along with sustained recovery momentum, provides comfort, even as credit cost trends remain under watch amid ECL implementation.

Revise to Sell with TP raised to INR 800: INBK is clearly among the most consistent players within PSU banks. Not only on reported basis, but also on core operating level, it has improved consistently. The challenge is INBK has performed well (~10% in the past quarter) and now trades at 1.5x FY27E P/BV for core ROA/ROE of 1.1%/14-15%, respectively. Despite having performed well, tailwinds to earnings are limited and near-term price catalyst lacking. So, we revise to **Sell** from Reduce with a higher TP of INR 800 from INR 730 (as we roll over to December 2027E).

Key Financials

YE March (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
PPoP (INR mn)	168,395	189,982	188,772	211,669	232,838
YoY (%)	10.3	12.8	(0.6)	12.1	10.0
NP (INR mn)	80,629	109,184	115,963	120,655	124,253
YoY (%)	52.7	35.4	6.2	4.0	3.0
EPS (INR)	59.9	81.1	86.1	89.6	92.2
YoY (%)	41.2	35.4	6.2	4.0	3.0
P/PPoP (x)	7.2	6.4	6.4	5.7	5.2
RoAE (%)	17.1	18.9	17.1	15.7	14.3
RoAA (%)	1.0	1.3	1.2	1.1	1.1
P/E (x)	15.0	11.1	10.4	10.0	9.7
P/ABV (x)	2.4	1.9	1.7	1.5	1.3

Note: Pricing as on 22 January 2026; Source: Company, Elara Securities Estimate

Rating: **Sell**

Target Price: **INR 800**

Downside: **11%**

CMP: **INR 897**

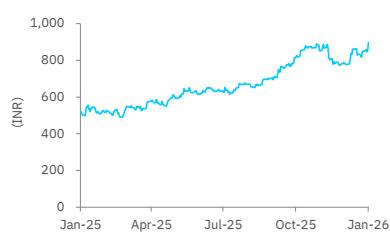
As on 22 January 2026

Key data

Bloomberg	INBK IN
Reuters Code	INBA.NS
Shares outstanding (mn)	1,347
Market cap (INR bn/USD mn)	1,208/13,187
EV (INR bn/USD mn)	0/0
ADTV 3M (INR mn/USD mn)	1,743/19
52 week high/low	909/478
Free float (%)	26

Note: as on 22 January 2026; Source: Bloomberg

Price chart



Source: Bloomberg

Shareholding (%)	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26
Promoter	73.8	73.8	73.8	73.8
% Pledge	0.0	0.0	0.0	0.0
FII	4.7	4.6	4.7	5.6
DII	17.8	18.1	18.6	17.8
Others	3.7	3.6	2.9	2.7

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	(2.2)	0.9	9.2
Indian Bank	10.3	42.9	72.1
NSE Mid-cap	(2.5)	(0.9)	8.8
NSE Small-cap	(9.6)	(12.4)	(3.7)

Source: Bloomberg

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Financials (YE March)

Income Statement (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Net interest income	232,733	251,764	263,239	290,600	323,156
Fee income	14,972	17,143	19,371	21,851	24,692
Trading profits	8,629	9,080	10,800	9,000	9,000
Non-interest income	78,667	92,235	99,484	108,481	119,085
Net operating revenue	311,400	343,999	362,723	399,081	442,240
Operating expenses	143,005	154,017	173,951	187,411	209,402
Pre-provisioning operating profit	168,395	189,982	188,772	211,669	232,838
Total provisions	58,884	42,112	33,803	50,430	66,791
Profit before tax	109,511	147,870	154,969	161,239	166,047
Tax	28,882	38,686	39,006	40,584	41,794
Minorities/exceptionals	-	-	-	-	-
Profit after tax	80,629	109,184	115,963	120,655	124,253
Balance Sheet (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Customer loans	5,148,891	5,710,712	6,430,262	7,227,614	8,094,928
Investments	2,125,545	2,253,031	2,454,786	2,676,147	2,925,309
Cash & bank balances	421,091	548,679	586,882	614,948	684,630
Fixed assets	15,403	28,515	28,645	28,775	28,905
Other assets	166,675	133,418	146,760	161,436	177,579
Total Assets	7,877,605	8,674,355	9,647,334	10,708,920	11,911,350
Networth	524,129	633,348	722,874	817,093	914,910
Deposits	6,880,000	7,371,536	8,145,547	9,049,703	10,126,617
Borrowings	231,315	415,079	510,534	558,864	570,720
Other liabilities	242,161	254,392	268,379	283,260	299,103
Total Liabilities	7,877,605	8,674,355	9,647,334	10,708,920	11,911,350
Key operating ratios (%)	FY24	FY25	FY26E	FY27E	FY28E
Lending yield	8.4	8.3	8.0	7.9	7.9
Cost of Funds	4.6	4.8	4.7	4.6	4.6
Spreads	3.0	2.9	2.7	2.6	2.6
Net interest margin	3.2	3.1	2.9	2.9	2.9
CASA Ratio	40.8	38.4	37.3	37.7	38.2
Non-interest income / operating income	25.3	26.8	27.4	27.2	26.9
Cost/income	45.9	44.8	48.0	47.0	47.4
Operating expense/avg assets	(2.0)	(1.9)	(1.9)	(1.9)	(1.9)
Credit costs / avg loans	(0.8)	(0.5)	(0.4)	(0.5)	(0.6)
Effective tax rate	26.4	26.2	25.2	25.2	25.2
Loan deposit ratio	74.8	77.5	78.9	79.9	79.9
ROA decomposition (%)	FY24	FY25	FY26E	FY27E	FY28E
NII /Assets	3.2	3.1	2.9	2.9	2.9
Fees/Assets	0.2	0.2	0.2	0.2	0.2
Invst profits/Assets	0.1	0.1	0.1	0.1	0.1
Net revenues/Assets	4.2	4.1	3.9	3.9	3.9
Opex /Assets	(2.0)	(1.9)	(1.9)	(1.9)	(1.9)
Provisions/Assets	(0.8)	(0.5)	(0.4)	(0.5)	(0.6)
Taxes/Assets	(0.4)	(0.5)	(0.4)	(0.4)	(0.4)
Total costs/Assets	(3.2)	(2.9)	(2.7)	(2.8)	(2.9)
ROA	1.0	1.3	1.2	1.1	1.1
Equity/Assets	6.5	7.1	7.5	7.7	7.8
ROAE	17.1	18.9	17.1	15.7	14.3
Key financial ratios (%)	FY24	FY25	FY26E	FY27E	FY28E
Tier I Capital adequacy	14.0	-	-	13.5	14.0
Gross NPL	3.9	3.1	2.1	1.9	1.8
Net NPL	0.4	0.2	0.2	0.2	0.3
Slippage ratio	1.4	1.1	0.8	0.9	1.1
Per share data (INR)	FY24	FY25	FY26E	FY27E	FY28E
EPS	60	81	86	90	92
BVPS	389	470	537	607	679
Adj- BVPS	378	464	531	598	668
Valuation (x)					
P/BV	2.3	1.9	1.7	1.5	1.3
P/ABV	2.4	1.9	1.7	1.5	1.3
P/E	15.0	11.1	10.4	10.0	9.7

Note: Pricing as on 22 January 2026; Source: Company, Elara Securities Estimate

Q3FY26 conference call highlights

Business momentum

- ▶ Overall business grew by 13.34% YoY. Deposits increased by 12.62% YoY, and CASA grew by 9.86% YoY. Bulk deposits remained stagnant on a QoQ basis. CD ratio stood at 80.77%.
- ▶ RAM advances grew by 16.61%, led by retail growth of 18.54%, agriculture growth of 15.14%, and MSME growth of 16.41%. Currently the ratio of RAM to corporate is 65:35 and INBK aims to maintain these levels.
- ▶ ***CASA initiatives: The bank undertook targeted CASA initiatives, particularly in salary accounts and during the quarter, provided fintech solutions to 22 state government accounts. Average SA balances increased from INR 260bn to INR 360bn. The bank launched five new products in July, generating INR 1,050bn of business across ~500k accounts.***
- ▶ The bank also maintains a corporate credit pipeline of INR 500bn.
- ▶ INBK aims to exit FY26 at ~1.3% ROA levels.
- ▶ Post December 2025, bulk deposit rates increased by ~25bps (across all buckets), and deposit mobilization continues to remain challenging for both the system and the bank, while credit demand remains sustained. Accordingly, INBK is focusing aggressively on CASA mobilization and aims to maintain current CASA level or allow it to decline marginally. If required, INBK will explore alternative funding sources (bonds).
- ▶ INBK sold IBPC amounting to INR 70bn in this quarter. Interest saved amounted to ~INR 1.4bn.
- ▶ With respect to jewel loans, the bank has an LTV of ~65-70% for Retail and MSME – Gold and ~75% LTV for Agri- Gold. Overall yield on a blended basis is ~8.70%.
- ▶ Credit growth guidance is 12-13%.
- ▶ **Digital business: Currently, the contribution is 15% and INBK aims to take it to 50% over the course of next 2-3 years.**

Asset quality

- ▶ **ECL implementation:** After detailed assessment, INBK has arrived at provisional ECL number but refrained from providing it – however, the bank expects to not take more than one year against the regulatory timeline of five years.
- ▶ Recovery for 9MFY26 stood at ~INR 51.53bn, against a target range for FY26 of INR 55–60bn. The slippage ratio declined QoQ from 0.79% to 0.69%. Slippages stood at INR 9.97bn.
- ▶ Total SMA pool is ~INR 310bn, of which SMA-0 is ~INR 120bn, SMA-1 is ~INR 80bn, SMA-2 is ~INR 110bn. *SMA-2 saw uptick due to slipping of two PSU accounts amounting to INR 30bn, leading to overall SMA-2 of INR 43bn versus INR 14.4bn in the previous quarter.*
- ▶ PCR stood at 98.28%, while credit cost was 0.21%. INBK expects it to increase by mere 1-2bps in the coming quarter.
- ▶ **In the previous quarter, the bank had made SMA-1 provisions at 5%, which has been revised to 10% in Q3FY26, leading to incremental impact of INR 3.8bn.**

Cost, margins and other highlights

- ▶ Domestic NIM improved sequentially from 3.34% to 3.40%. MCLR-linked book stood at 46.07%, with ~37% of repricing due in Q4FY26. On the liability side, deposit repricing of ~18% is expected in Q4, followed by ~53% in Q1FY27. Given the current repricing scenario, the bank expects NIMs to decline slightly by 1-2bps from current levels.
- ▶ **The bank increased focus on non-fund-based business, leading to improved processing fees and LC/BG commissions.**
- ▶ ***AUC recovery target of INR 20bn has already been achieved, while NCLT-related recoveries stood at INR 3.38bn in this quarter.***

- ▶ The bank expects the treasury gains to be ~INR 3.5bn in Q4FY26.
- ▶ CRAR stood at 16.58%, while tier-2 capital of INR 20bn was retired. CET-1 stood at 14.56%.
- ▶ The bank crossed a quarterly operating profit of INR 50bn for the first time.
- ▶ INBK has launched 10 new MSME digital journeys.
- ▶ Labor code impact is ~INR 5.5mn.
- ▶ **INBK has target of INR 20bn on annual basis for IT (opex and capex) spends.**

Exhibit 1: INBK reported a PAT of INR 30.6bn – higher other income was offset by elevated opex and credit cost

(INR mn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
NII	58,142	60,154	61,781	61,942	64,147	63,893	63,589	65,510	68,956
Other Income	19,016	22,625	19,055	24,221	21,526	27,433	24,386	24,866	25,657
Net revenue	77,158	82,779	80,836	86,163	85,673	91,326	87,975	90,376	94,613
Opex	36,186	39,730	35,820	38,878	38,179	41,139	40,272	42,011	44,377
PPoP	40,972	43,050	45,016	47,285	47,494	50,187	47,703	48,365	50,236
Investment Gains	2,340	1,230	2,570	2,210	2,830	1,470	3,300	2,120	3,400
Core PPoP	38,632	41,820	42,446	45,075	44,664	48,717	44,403	46,245	46,836
Provisions	13,494	12,478	12,584	10,992	10,591	7,946	6,910	7,386	8,570
PAT	21,194	22,470	24,034	27,064	28,524	29,561	29,728	30,182	30,615
YoY (%)									
NII	5.7	9.2	8.3	7.9	10.3	6.2	2.9	5.8	7.5
Other Income	10.8	13.5	11.5	21.5	13.2	21.2	28.0	2.7	19.2
Net revenue	6.9	10.3	9.0	11.4	11.0	10.3	8.8	4.9	10.4
Opex	14.7	13.9	9.3	13.3	5.5	3.5	12.4	8.1	16.2
PPoP	0.9	7.2	8.9	9.9	15.9	16.6	6.0	2.3	5.8
Investment Gains	NA								
Core PPoP	(1.6)	4.6	11.7	9.1	15.6	16.5	4.6	2.6	4.9
Provisions	(46.4)	(51.3)	(27.7)	(29.1)	(21.5)	(36.3)	(45.1)	(32.8)	(19.1)
PAT	51.8	55.3	40.6	36.2	34.6	31.6	23.7	11.5	7.3
QoQ (%)									
NII	1.3	3.5	2.7	0.3	3.6	(0.4)	(0.5)	3.0	5.3
Other Income	(4.6)	19.0	(15.8)	27.1	(11.1)	27.4	(11.1)	2.0	3.2
Net revenue	(0.2)	7.3	(2.3)	6.6	(0.6)	6.6	(3.7)	2.7	4.7
Opex	5.5	9.8	(9.8)	8.5	(1.8)	7.8	(2.1)	4.3	5.6
PPoP	(4.8)	5.1	4.6	5.0	0.4	5.7	(4.9)	1.4	3.9
Investment Gains	NA								
Core PPoP	(6.5)	8.3	1.5	6.2	(0.9)	9.1	(8.9)	4.1	1.3
Provisions	(13.0)	(7.5)	0.9	(12.7)	(3.6)	(25.0)	(13.0)	6.9	16.0
PAT	6.6	6.0	7.0	12.6	5.4	3.6	0.6	1.5	1.4

Source: Company, Elara Securities Research

Exhibit 2: Loan growth came in at 3.4% QoQ and 15.4% YoY

(INR bn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Loan book	4,896	5,149	5,208	5,329	5,421	5,711	5,841	6,052	6,255
% YoY	12.3	14.6	14.1	13.2	10.7	10.9	12.1	13.6	15.4
% QoQ	4.0	5.2	1.2	2.3	1.7	5.3	2.3	3.6	3.4

Source: Company, Elara Securities Research

Exhibit 3: MSME and retail segments continue to drive loan growth

(INR mn)	Gross loans (INR bn)			Loan growth (%)		Loan mix (%)		
	Q3FY25	Q2FY26	Q3FY26	YoY	QoQ	Q3FY25	Q2FY26	Q3FY26
Retail Finance	1,148,940	1,304,990	1,363,720	18.7	4.5	20.5	21.0	21.3
Home Loans	721,180	797,910	823,620	14.2	3.2	12.9	12.9	12.9
Auto Loan	107,620	138,830	155,400	44.4	11.9	1.9	2.2	2.4
Personal Loan	74,390	68,720	67,060	(9.9)	(2.4)	1.3	1.1	1.0
Jewel Loan NoN Priority	86,460	140,130	163,380	89.0	16.6	1.5	2.3	2.6
Other Retail Loan	159,290	159,400	154,260	(3.2)	(3.2)	2.8	2.6	2.4
Agriculture	1,298,400	1,462,050	1,494,960	15.1	2.3	23.2	23.6	23.4
MSME	900,050	989,560	1,047,710	16.4	5.9	16.1	16.0	16.4
Micro	526,740	526,740	526,740	0.0	0.0	9.4	8.5	8.2
Small	262,200	323,810	344,980	31.6	6.5	4.7	5.2	5.4
Medium	113,910	139,010	142,800	25.4	2.7	2.0	2.2	2.2
Corporate	1,854,850	1,978,640	2,006,170	8.2	1.4	33.2	31.9	31.4
Domestic Advances	5,202,240	5,735,240	5,912,560	13.7	3.1	93.0	92.5	92.5
Overseas Advances	389,750	468,000	477,720	22.6	2.1	7.0	7.5	7.5
Total	5,591,990	6,203,240	6,390,280	14.3	3.0	100.0	100.0	100.0

Source: Company, Elara Securities Research

Exhibit 4: Deposit growth came in at ~12.6% YoY and 1.8% QoQ, CASA ratio inched up slightly by ~20bps to 37.3%

(INR bn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Deposits	6,542	6,880	6,812	6,931	7,023	7,372	7,443	7,769	7,909
YoY %	9.6	10.8	9.6	8.2	7.4	7.1	9.3	12.1	12.6
QoQ %	2.1	5.2	(1.0)	1.8	1.3	5.0	1.0	4.4	1.8
CA	333	386	340	357	352	392	377	399	420
YoY %	12.8	9.1	5.5	8.4	5.6	1.7	11.0	11.6	19.3
QoQ %	1.0	15.9	(12.0)	5.2	(1.6)	11.6	(3.9)	5.8	5.2
SA	2,256	2,414	2,313	2,331	2,335	2,431	2,389	2,485	2,532
YoY %	7.0	7.4	6.5	4.3	3.5	0.7	3.3	6.6	8.5
QoQ %	0.9	7.0	(4.2)	0.8	0.1	4.1	(1.8)	4.0	1.9
CASA Ratio (%)	39.6	40.7	38.9	38.8	38.2	38.3	37.2	37.1	37.3

Source: Company, Elara Securities Research

Exhibit 5: Overall margins improved by 5bps QoQ to 3.28%

(%)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Yield on Advances	8.78	8.81	8.69	8.77	8.92	8.64	8.58	8.40	8.31
Yield on Investments	6.80	6.88	7.15	7.17	7.12	7.23	6.96	7.03	6.95
Cost of deposits	4.99	5.01	5.05	5.13	5.18	5.10	5.14	5.01	4.93
Cost of Funds	5.09	5.13	5.12	5.22	5.27	5.21	5.23	5.09	5.00
Net Interest Margin	3.49	3.52	3.53	3.49	3.57	3.48	3.23	3.23	3.28

Source: Company, Elara Securities Research

Exhibit 6: Headline asset quality metrics improved

(INR mn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Opening GNPA	244,880	227,870	211,060	203,020	191,480	182,080	181,790	180,670	161,350
Slippages	16,670	12,680	19,560	13,840	10,160	14,310	13,750	11,560	10,070
Recoveries and upgradation	11,430	8,980	12,900	10,850	8,230	6,410	10,460	8,940	6,860
Write offs and other adjs	22,250	20,510	14,700	14,530	11,330	8,190	4,410	21,940	21,880
Closing GNPA	227,870	211,060	203,020	191,480	182,080	181,790	180,670	161,350	142,680
GNPL (%)	4.47	3.95	3.77	3.48	3.26	3.09	3.01	2.60	2.23
NNPL (%)	0.53	0.43	0.39	0.27	0.21	0.19	0.18	0.16	0.15
PCR (%) - Calculated	88.7	89.5	90.0	92.5	93.8	93.9	94.3	93.9	93.2
Credit cost (%) - Calculated	1.15	1.02	0.98	0.84	0.79	0.59	0.48	0.51	0.57

Source: Company, Elara Securities Research

Exhibit 7: Overall slippage ratio improved across segments

Segmental GNPA - INR mn	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Retail	22,770	20,710	21,700	20,220	17,280	15,660	15,220	11,280	9,570
Home loans	11,160	9,490	10,160	9,400	8,090	7,760	7,380	5,870	5,040
Education Loan	5,930	5,790	5,860	5,550	4,030	2,770	2,380	1,530	780
Vehicle loan	1,260	1,210	1,300	1,330	1,070	1,040	1,060	690	700
Agri	91,430	85,100	87,380	87,190	85,880	86,020	86,260	81,380	74,770
MSME	90,100	85,820	80,690	76,020	73,080	74,700	73,610	63,060	52,950
Corporate & others	23,560	19,430	13,260	8,050	5,840	5,410	5,580	5,630	5,390
Total	227,870	211,060	203,020	191,480	182,080	181,790	180,670	161,350	142,680

Segmental GNPA - %

Retail	2.3	2.0	2.1	1.8	1.5	1.3	1.2	0.9	0.7
Home loans	2.0	1.7	1.7	1.6	1.3	1.2	1.1	0.9	0.7
Education Loan	13.5	12.9	13.0	12.0	8.9	6.2	5.3	3.4	1.7
Vehicle loan	1.7	1.5	1.5	1.4	1.0	0.9	0.9	0.5	0.5
Agri	8.0	7.0	7.1	6.8	6.6	6.3	6.0	5.6	5.0
MSME	10.8	10.2	9.7	8.8	8.1	7.9	7.7	6.4	5.1
Corporate & others	1.1	0.9	0.6	0.4	0.3	0.2	0.2	0.2	0.2
Total	4.5	4.0	3.8	3.5	3.3	3.1	3.0	2.6	2.2

Source: Company, Elara Securities Research

Exhibit 8: Q3FY26 results highlight

(INR mn)	Q3FY26	Q3FY25	QoQ (%)	Q2FY26	YoY (%)
Interest income	170,977	157,595	8.5	165,899	3.1
Interest expenses	102,021	93,447	9.2	100,390	1.6
Net interest income	68,956	64,147	7.5	65,510	5.3
Other income	25,657	21,526	19.2	24,866	3.2
Operating expenses	44,377	38,179	16.2	42,011	5.6
Staff expense	27,852	24,171	15.2	26,512	5.1
Other opex	16,525	14,007	18.0	15,499	6.6
Pre prov op profit (PPP)	50,236	47,494	5.8	48,365	3.9
Provisions	8,570	10,591	(19.1)	7,386	16.0
Profit before tax	41,666	36,903	12.9	40,979	1.7
Provision for tax	11,051	8,379	31.9	10,797	2.4
Profit after tax	30,615	28,524	7.3	30,182	1.4
EPS (INR)	22.7	21.8		22.4	
Ratios					
NII / GII	40.3	40.7		39.5	
Cost - income	46.9	44.6		46.5	
Provisions / PPOP	17.1	22.3		15.3	
Tax rate	26.5	22.7		26.3	
Balance sheet data					
Net Advances (INR bn)	6,255	5,421	15.4	6,052	3.4
Deposits (INR bn)	7,909	7,023	12.6	7,769	1.8
CD ratio (%)	79.1	77.2		77.9	
Asset quality					
Gross NPA	142,684	182,084	(21.6)	161,347	(11.6)
Gross NPAs (%)	2.2	3.3		2.6	
Net NPA	9,676	11,269	(14.1)	9,830	(1.6)
Net NPA(%)	0.2	0.2		0.2	
Provision coverage (%)	93.2	93.8		93.9	

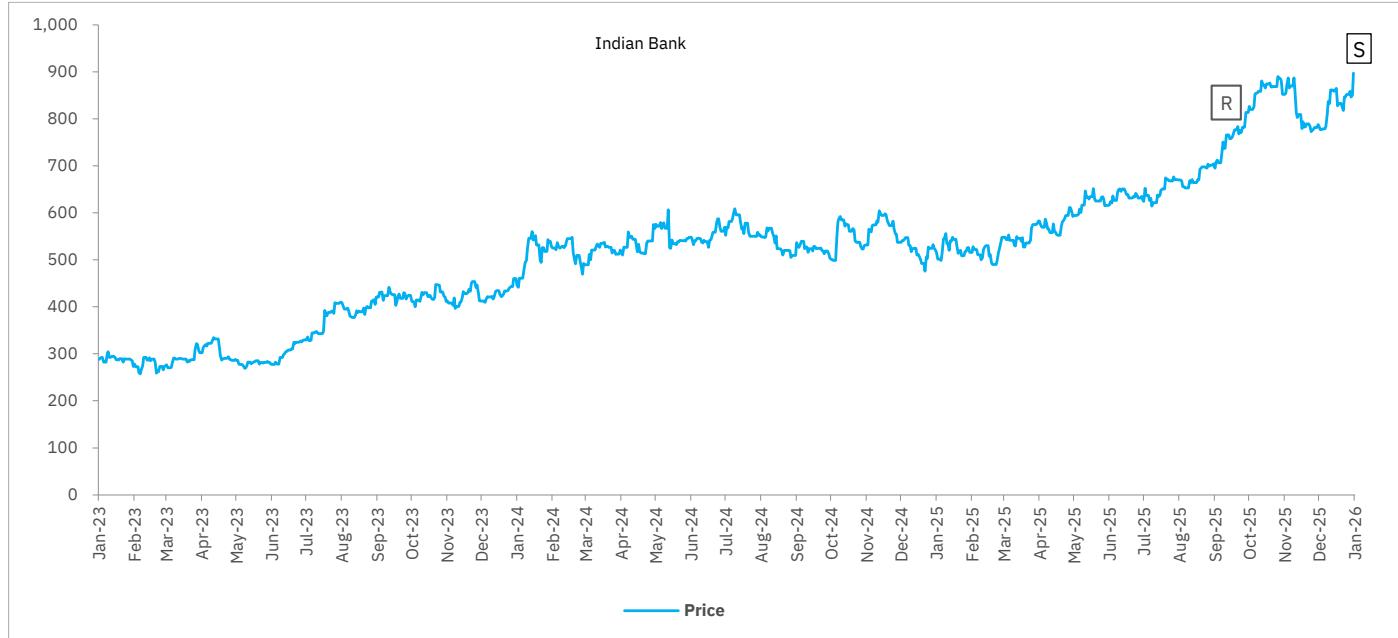
Source: Company, Elara Securities Research

Exhibit 9: Change in estimates

(INR mn)	Revised			Old			% Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Interest Income	263,239	290,600	323,156	262,641	288,928	321,069	0.2	0.6	0.6
Operating Profit	188,772	211,669	232,838	197,010	217,553	239,144	(4.2)	(2.7)	(2.6)
Net Profit	115,963	120,655	124,253	111,241	120,547	124,124	4.2	0.1	0.1
TP (INR)		800				730			10
Rating		Sell				Reduce			

Source: Elara Securities Estimate

Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
03-Oct-2025	Reduce	730	766
22-Jan-2026	Sell	800	897

Guide to Research Rating

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REDUCE (R) Absolute Return -5% to +5%

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