

24 January 2026

Improving trends; consistency key

DCB Bank (DCBB IN) reported Q3 PAT of ~INR 1.8bn, up 22% YoY and 0.4% QoQ, in line with our estimates, as core performance continued to improve, supported by NII growth of ~4.7% QoQ, strong core fee income (+15% QoQ), and stable opex (excluding a one-time labor code impact of INR 0.26bn). Asset quality reverted to normalized levels, though consistency remains a key monitorable.

Key areas of focus include: (1) NIM trajectory amid deposit repricing and rate transition, (2) slippage trends and credit cost delivery, (3) growth momentum, (4) CASA outcomes given CASA remains low at ~23%, and (5) opex discipline, which could drive operating leverage. While the operating environment is challenging, core performance is showing steady improvement, funding mix transitions are progressing, and asset quality volatility has moderated, offering comfort. Given improving trends, we raise our target multiple to 0.9x December '27E P/BV (earlier 0.7x), feeding into revised TP of INR 214 (earlier INR 160). We retain Buy with consistency being the key catalyst for further re-rating.

Core metric improving; consistency key: Core performance was healthy in Q3FY26, supported by margin uptick, strong core fee momentum, and better operating efficiency. Despite decline in yield, NIM expanded by 4bps QoQ, offset by a 10bps drop in the cost of funds while core fee income rose ~15% QoQ. Operating efficiency improved with largely steady cost-to-income at 61.8% despite one-time labor code impact of INR 0.26bn. Loan growth of 6.8% QoQ was robust, while deposits grew 4.6% QoQ, led by steady traction across buckets. Growth was driven by the co-lending portfolio (~16% of total loans) along with corporate and jewel loan segments. While co-lending adds stability, elevated exposure requires close monitoring. Sustained consistency in growth, margin stability, and cost discipline are key for improving operating leverage and return ratios.

Steady asset quality; monitoring ECL outcomes: Asset quality improved in Q3FY26, with steady slippages at INR 4.0bn (3.08% versus 3.17% QoQ) as stress in the MFI and small-ticket LAP segments eased. With improving recoveries and upgrades, credit cost stood at ~37bps. While asset quality trends are stabilizing, these continue to closely monitor the small ticket secured portfolios. Management reiterated sustaining credit cost in the range of 45-55bps for FY26, although sustained consistency will be key amid residual volatility in some segments.

Retain Buy with a raised TP of INR 214: We see structural operational limitations (long walk on liabilities & investment requirement) to cap returns – ROE of 12-13% in FY27E. Moreover, volatility between quarters is a challenge. Thus, we refrain from ascribing higher structural multiple and see DCBB as more of a tactical play than a structural story at this juncture. We anticipate certain challenges in NIMs and thus prune our FY27/FY28 EPS by 3%/8%. We retain **Buy** with TP raised to INR 214 from INR 160, given improving trends. The stock trades at 0.8x FY27E P/BV, which renders risk-reward favorable. That said, a consistent rerating will hinge on sustained core delivery, which has some limitations.

Key Financials

YE March (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
PPoP (INR mn)	8,644	10,370	12,690	14,687	17,232
YoY (%)	9.8	20.0	22.4	15.7	17.3
NP (INR mn)	5,359	6,153	6,894	8,139	9,362
YoY (%)	14.9	14.8	12.0	18.1	15.0
EPS (INR)	17.1	19.6	21.9	25.9	29.8
YoY (%)	14.4	14.3	12.0	18.1	15.0
P/PPoP (x)	6.8	5.7	4.6	4.0	3.4
RoAE (%)	11.8	12.1	12.1	12.7	12.9
RoAA (%)	1.0	0.9	0.9	0.9	0.9
P/E (x)	10.7	9.3	8.3	7.1	6.1
P/ARV (x)	1.3	1.1	1.0	0.9	0.8

Note: Pricing as on 23 January 2026; Source: Company, Elara Securities Estimate

Rating: Buy

Target Price: INR 214

Upside: 17%

CMP: INR 183

As on 23 January 2026

Key data

Bloomberg	DCBB IN
Reuters Code	DCBA.NS
Shares outstanding (mn)	322
Market cap (INR bn/USD mn)	59/640
EV (INR bn/USD mn)	0/0
ADTV 3M (INR mn/USD mn)	588/6
52 week high/low	193/101
Free float (%)	84

Note: as on 23 January 2026; Source: Bloomberg

Price chart



Source: Bloomberg

Shareholding (%)	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26
Promoter	14.7	14.9	14.8	16.4
% Pledge	0.0	0.0	0.0	0.0
FII	9.6	11.7	10.6	12.1
DII	29.2	31.8	32.3	32.5
Others	46.5	41.6	42.2	39.0

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	(3.3)	(0.7)	7.9
DCB Bank	15.6	29.0	58.5
NSE Mid-cap	(3.9)	(2.7)	6.2
NSE Small-cap	(11.2)	(14.2)	(6.3)

Source: Bloomberg

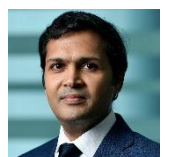
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Financials (YE March)

Income Statement (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Net interest income	19,279	21,066	24,102	27,643	31,707
Fee income	4,040	4,808	5,385	6,165	7,059
Trading profits	326	1,510	2,000	1,800	1,800
Non-interest income	4,741	7,505	8,584	9,345	10,445
Net operating revenue	24,020	28,571	32,686	36,988	42,153
Operating expenses	15,376	18,201	19,996	22,301	24,921
Pre-provisioning operating profit	8,644	10,370	12,690	14,687	17,232
Total provisions	1,425	2,084	3,477	3,810	4,721
Profit before tax	7,219	8,286	9,212	10,877	12,511
Tax	1,860	2,133	2,319	2,738	3,149
Minorities/exceptionals	-	-	-	-	-
Profit after tax	5,359	6,153	6,894	8,139	9,362
Balance Sheet (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Customer loans	409,246	510,469	599,801	713,763	842,241
Investments	162,109	201,499	206,284	233,913	265,191
Cash & bank balances	30,658	26,986	27,260	30,185	33,073
Fixed assets	5,748	6,083	6,213	6,343	6,473
Other assets	20,410	20,160	22,579	25,288	28,323
Total Assets	628,171	765,197	862,137	1,009,493	1,175,301
Net worth	47,812	54,006	60,391	68,022	76,876
Deposits	493,530	600,310	708,365	832,329	973,825
Borrowings	62,195	91,152	70,485	82,367	93,056
Other liabilities	24,634	19,730	22,896	26,775	31,544
Total Liabilities	628,171	765,197	862,137	1,009,493	1,175,301
Key operating ratios (%)	FY24	FY25	FY26E	FY27E	FY28E
Lending yield	10.6	11.1	10.6	10.5	10.4
Cost of Funds	6.5	6.8	6.5	6.5	6.5
Spreads	3.3	2.9	2.8	2.8	2.8
Net interest margin	3.5	3.1	3.1	3.1	3.0
CASA Ratio	26.0	24.5	22.3	22.6	22.8
Non-interest income / operating income	19.7	26.3	26.3	25.3	24.8
Cost/income	64.0	63.7	61.2	60.3	59.1
Operating expense/avg assets	(2.8)	(2.7)	(2.5)	(2.5)	(2.4)
Credit costs / avg loans	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)
Effective tax rate	25.8	25.7	25.2	25.2	25.2
Loan deposit ratio	82.9	85.0	84.7	85.8	86.5
ROA decomposition (%)	FY24	FY25	FY26E	FY27E	FY28E
NII /Assets	3.5	3.1	3.1	3.1	3.0
Fees/Assets	0.7	0.7	0.7	0.7	0.7
Invst profits/Assets	0.1	0.2	0.3	0.2	0.2
Net revenues/Assets	4.3	4.0	3.9	3.9	3.8
Opex /Assets	(2.8)	(2.7)	(2.5)	(2.5)	(2.4)
Provisions/Assets	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)
Taxes/Assets	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Total costs/Assets	(3.4)	(3.3)	(3.3)	(3.2)	(3.1)
ROA	1.0	0.9	0.9	0.9	0.9
Equity/Assets	8.3	7.6	7.3	7.1	6.8
ROAE	11.8	12.1	12.1	12.7	12.9
Key financial ratios (%)	FY24	FY25	FY26E	FY27E	FY28E
Gross NPL	3.2	3.0	2.6	2.8	3.0
Net NPL	1.1	1.1	1.0	1.1	1.2
Slippage ratio	4.2	3.7	3.3	4.0	4.1
Per share data (INR)					
EPS	17	20	22	26	30
BVPS	153	172	192	216	245
Adj- BVPS	143	159	179	199	222
Valuation (x)					
P/BV	1.2	1.1	1.0	0.8	0.7
P/ABV	1.3	1.1	1.0	0.9	0.8
P/E	10.7	9.3	8.3	7.1	6.1

Note: Pricing as on 23 January 2026; Source: Company, Elara Securities Estimate

DCBB: Q3FY26 conference call highlights

Business momentum

- ▶ Advances grew by 18.46% YoY, deposits increased by 19.54% YoY, and PAT rose by 22% YoY.
- ▶ **Mortgage growth stood at 12.4%. However, DCBB is operating with a higher organic book and expects mortgage growth to revert to overall bank growth of ~18% in the next two years.**
- ▶ BL continues to account for ~50% of incremental sourcing and remains healthy in terms of bounce rates and interest income.
- ▶ **CA deposits:** DCBB has seen this segment remaining flat since quarter; hence, remains a high priority for the bank.
- ▶ DCBB has an 'other loans' portfolio of ~INR 20bn, comprising largely loans against term deposits, with the largest exposure in the INR 6-7bn range.
- ▶ Risk-weighted assets (RWA) increased by ~80-90bps QoQ but remain well below the 50% threshold.
- ▶ DCBB has seen an uptick in mortgage loans ticket sizes, but traction is slower in OD products and DCBB is working on the same.
- ▶ *Co-lending has been witnessing robust growth leading to 16% share of total loans. DCBB aims to bring this down to 15% by end of FY26. The bank is working with multiple partners for this model and expect the co-lending book to grow in line with balance sheet growth post FY26. Growth was largely driven by the gold loans segment.*
- ▶ *Guidance: DCBB reiterated its guidance of 18-20% YoY growth, with RoE of ~13.5% in FY27 and ~14.5% in FY28 (unchanged).*

Asset quality

- ▶ Credit cost remained benign at 3.7%, below the stated minimum threshold of 4.5%. The slippage ratio declined to 3.08%, the lowest in the past 18 quarters. GNPA stood at 2.72%, the lowest in 18 quarters, while NNPA declined to 1.1%, the lowest in 11 quarters.
- ▶ **DCBB aims to reduce net NPA below 1% at the earliest possible. Interest rates on retail and bulk term deposits are largely aligned, and accordingly, repricing benefits are expected to be similar across both segments.**
- ▶ **ECL impact:** DCBB has been preparing for the same since past few years and does not expect any adverse impact from this.

Cost, margins, and other highlights

- ▶ NIM stood at 3.27%, supported by a 10bps QoQ reduction in cost of deposits, with NIM expanding by 4bps QoQ. The full impact of CRR changes and the repo rate cut is yet to be reflected, suggesting Q4FY26 may see mixed dynamics. Borrowings have declined sharply and given the bank's long-duration term deposit profile, there remains scope for TD repricing until Q2FY27. Accordingly, the bank expects NIM expansion to continue into H1FY27, assuming no further rate cuts.
- ▶ DCBB also expects that SA rates are unlikely to materially reduce the cost of deposits, unless there is a further policy rate cut.
- ▶ **Fee growth remained healthy, with core fees driven by TPP, trade finance, and processing fees leading to core fees growing ~15% QoQ sequentially. It aims to maintain fee income consistently at ~1% of average assets. DCBB is building its trade finance volumes catering to mid-SME segments. For the bank, fees channel is much more linked to liability business.**
- ▶ DCBB operates with a headcount of 10,981. Focus on organic sourcing, vendor renegotiation, and increased use of AI has supported cost efficiencies. Income grew by 16% YoY, while expenses increased by 15% YoY, resulting in operating profit growth of 19% YoY.
- ▶ DCBB has opened mere five branches in 9MFY26 – it expects this number to accelerate along with headcount addition – the bank aims to take the branch count to 500 mark in FY27.

- ▶ RoA and RoE stood at 0.91% and 12.73%, respectively. Adjusted for one-time labor code impact, ROA stood at +1% levels.
- ▶ The quarter included a one-time labor code impact of INR 268.7mn. Despite this, the cost-to-income ratio stood at 61.84%, lower than Q3FY25, while cost-to-average assets remained stable on a YoY basis. Management expects the labor code impact to be marginal.
- ▶ Regarding capital raising, management clarified that there is no immediate requirement, though capital will be required in the medium term to support future growth.

Exhibit 1: DCBB registered quarterly PAT of INR 1.84bn, up 22% YoY and flat QoQ

(INR mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
NII	4,757	4,740	5,075	4,966	5,092	5,429	5,580	5,804	5,962	6,246
Other Income	1,074	1,237	1,362	1,430	2,046	1,841	2,188	2,361	1,861	2,214
Net revenue	5,831	5,977	6,437	6,396	7,138	7,269	7,768	8,166	7,823	8,461
Opex	3,725	3,862	4,100	4,342	4,587	4,558	4,714	4,897	4,784	5,233
PPoP	2,105	2,115	2,338	2,054	2,551	2,711	3,054	3,269	3,039	3,228
Provisions	397	410	241	284	456	672	672	1,151	605	741
PAT	1,268	1,266	1,557	1,314	1,555	1,514	1,771	1,573	1,839	1,847
YoY (%)										
NII	15.7	6.3	4.4	5.5	7.0	14.5	9.9	16.9	17.1	15.1
Other Income	8.2	29.7	11.4	33.7	90.6	48.8	60.6	65.1	(9.1)	20.3
Net revenue	14.3	10.4	5.8	10.7	22.4	21.6	20.7	27.7	9.6	16.4
Opex	13.7	11.2	12.5	17.7	23.1	18.0	15.0	12.8	4.3	14.8
PPoP	15.3	9.0	(4.2)	(1.6)	21.2	28.2	30.7	59.2	19.1	19.1
Provisions	28.0	0.8	(54.1)	(24.8)	14.9	63.9	179.2	305.6	32.7	10.3
PAT	12.9	11.2	9.5	3.5	22.6	19.6	13.7	19.7	18.3	22.0
QoQ (%)										
NII	1.1	(0.4)	7.1	(2.1)	2.5	6.6	2.8	4.0	2.7	4.8
Other Income	0.4	15.2	10.1	5.0	43.1	(10.1)	18.9	7.9	(21.2)	19.0
Net revenue	0.9	2.5	7.7	(0.6)	11.6	1.8	6.9	5.1	(4.2)	8.1
Opex	1.0	3.7	6.1	5.9	5.6	(0.6)	3.4	3.9	(2.3)	9.4
PPoP	0.9	0.5	10.5	(12.1)	24.2	6.3	12.6	7.0	(7.0)	6.2
Provisions	5.2	3.3	(41.3)	17.9	60.6	47.3	0.1	71.3	(47.4)	22.4
PAT	(0.1)	(0.2)	23.0	(15.6)	18.4	(2.6)	16.9	(11.2)	16.9	0.4

Source: Company, Elara Securities Research

Exhibit 2: Loan growth came in at 18.5% YoY/6.8% QoQ

(INR bn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Loan book	373	390	409	422	445	478	510	512	530	566
% YoY	19.1	18.2	19.0	18.9	19.3	22.7	24.7	21.4	19.1	18.5
% QoQ	5.1	4.5	5.1	3.1	5.4	7.5	6.8	0.3	3.4	6.8

Source: Company, Elara Securities Research

Exhibit 3: Loan growth largely led by co-lending (gold loans partnerships), corporate banking and AIB

Loan-book mix	Loans (INR mn)			Loan growth (%)		Loan mix (%)		
	Q3FY25	Q2FY26	Q3FY26	YoY	QoQ	Q3FY25	Q2FY26	Q3FY26
Mortgages	212,621	226,731	227,532	7.0	0.4	44.5	42.8	40.2
Gold loan	16,245	20,660	22,640	39.4	9.6	3.4	3.9	4.0
Commercial vehicle	4,778	4,768	3,962	-17.1	-16.9	1.0	0.9	0.7
AIB	112,761	124,490	130,180	15.4	4.6	23.6	23.5	23.0
Corporate banking	30,101	34,433	36,224	20.3	5.2	6.3	6.5	6.4
SME+ MSME	25,323	22,249	21,508	-15.1	-3.3	5.3	4.2	3.8
Other retail	21,979	11,125	34,526	57.1	210.4	4.6	2.1	6.1
Co-lending	53,991	85,289	89,428	65.6	4.9	11.3	16.1	15.8
Total	477,800	529,745	566,000	18.5	6.8	100.0	100.0	100.0

Source: Company, Elara Securities Research

Exhibit 4: On sequential basis, gold loan disbursements witnessed higher traction

INR mn	Disbursements (INR mn)			Growth (%)		Disbursement mix (%)		
	Q3FY25	Q2FY26	Q3FY26	YoY	QoQ	Q3FY25	Q2FY26	Q3FY26
Mortgages	14,830	13,490	14,750	(0.5)	9.3	31.2	25.1	25.9
SME + MSME	5,410	4,400	4,400	(18.7)	0.0	11.4	8.2	7.7
Corporate banking	6,620	11,450	10,450	57.9	(8.7)	13.9	21.3	18.3
AIB	11,310	13,750	14,220	25.7	3.4	23.8	25.6	24.9
Gold loan	5,670	7,450	10,030	76.9	34.6	11.9	13.9	17.6
Construction finance	3,730	3,130	3,180	(14.7)	1.6	7.8	5.8	5.6
Total	47,570	53,670	57,030	19.9	6.3	100.0	100.0	100.0

Source: Company, Elara Securities Research

Exhibit 5: Deposit growth led by term deposit growth, thus CASA ratio declined to 22.8% from 23.5% in Q2FY26

(INR bn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Deposits	455	471	494	517	545	567	600	620	648	678
% YoY	23.1	19.3	19.7	20.2	19.9	20.3	21.6	20.0	18.8	19.5
% QoQ	5.8	3.6	4.7	4.7	5.5	3.9	5.9	3.3	4.4	4.6
CASA	114	114	128	131	140	142	147	145	152	154
% YoY	5.0	4.4	17.9	17.6	22.6	24.8	14.6	10.2	9.1	8.5
% QoQ	2.0	0.0	12.7	2.3	6.3	1.8	3.5	(1.7)	5.3	1.3
Term Deposits	341	341	365	386	406	425	453	476	495	523
% YoY	30.6	19.3	20.3	21.1	19.0	24.5	24.1	23.4	22.1	23.2
% QoQ	7.1	0.0	7.1	5.6	5.2	4.7	6.7	5.0	4.1	5.6
Resident TD	270	270	289	304	317	327	348	361	375	389
% YoY	33.6	20.0	20.9	20.8	17.4	21.0	20.3	18.7	18.4	19.1
% QoQ	7.1	0.0	7.1	5.3	4.1	3.0	6.4	3.9	3.9	3.7
- Non Resident TD	26	26	28	29	30	32	34	37	39	40
- Interbank TD	45	45	49	53	59	66	72	78	82	95
CASA Ratio (%)	25.0	24.2	26.0	25.4	25.6	25.1	24.5	23.3	23.5	22.8

Source: Company, Elara Securities Research

Exhibit 6: NIMs improved by 4bps QoQ to 3.27%, led by reduction in cost of funds

(%)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Yield on advances	11.56	11.44	11.71	11.50	11.39	11.44	11.54	11.24	11.11	10.98
Cost of Funds	6.85	7.02	7.14	7.19	7.17	7.20	7.34	7.18	7.01	6.93
NIM	3.69	3.48	3.62	3.39	3.27	3.30	3.29	3.20	3.23	3.27

Source: Company, Elara Securities Research

Exhibit 7: Asset quality metrics improved sequentially

(INR mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Opening GNPA	11,809	12,809	13,679	13,529	14,349	14,969	15,169	15,539	15,539	15,679
Slippages	3,950	4,280	3,230	3,730	3,890	3,960	3,660	5,810	4,020	4,030
Recoveries	1,040	1,200	1,530	1,520	1,930	1,610	1,810	2,460	1,650	1,940
Upgradation	1,850	2,190	1,540	1,350	1,290	1,310	1,220	1,600	1,630	1,500
Write offs	60	20	310	40	50	840	260	1,750	600	590
Closing GNPA	12,809	13,679	13,529	14,349	14,969	15,169	15,539	15,539	15,679	15,679
GNPL (%)	3.36	3.43	3.23	3.33	3.29	3.11	2.99	2.98	2.91	2.72
NNPL (%)	1.28	1.22	1.11	1.18	1.17	1.18	1.12	1.22	1.21	1.10
PCR (%) - Reported	75.5	76.4	77.3	76.0	75.6	74.8	74.5	74.0	74.2	74.5
Credit cost (%) - Calculated	0.44	0.25	0.24	0.27	0.42	0.58	0.54	0.90	0.46	0.54

Source: Company, Elara Securities Research

Exhibit 8: Segment-wise GNPA – Mortgages, SME and other retail rise

GNPLs – (INR mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Mortgages	3,610	4,200	4,450	4,860	5,320	5,690	5,790	6,230	6,380	6,430
Gold Loan (Incl Co-lending)	420	320	330	440	330	250	270	350	270	290
Commercial Vehicle	1,550	1,570	1,490	1,460	1,420	1,170	1,180	720	530	420
AIB	3,000	3,240	3,220	3,330	3,520	3,810	3,980	4,380	4,610	4,680
Corporate Banking	2,280	2,280	1,950	1,930	1,920	1,780	1,770	1,650	1,460	1,440
SME+ MSME	1,540	1,650	1,610	1,760	1,820	1,790	1,780	1,580	1,620	1,580
Others Retail	410	420	480	570	640	680	770	630	810	620
Total	12,810	13,680	13,530	14,350	14,970	15,170	15,540	15,540	15,680	15,460
(%) of loans										
Mortgages	2.18	2.40	2.42	2.54	2.64	2.68	2.60	2.78	2.81	2.83
Gold Loan (Incl Co-lending)	0.99	0.70	0.76	1.00	0.65	0.36	0.32	0.36	0.25	0.26
Commercial Vehicle	51.98	67.18	91.02	86.53	53.23	24.49	21.01	14.06	11.12	10.60
AIB	3.42	3.48	3.11	3.13	3.22	3.38	3.38	3.69	3.70	3.60
Corporate Banking	7.28	7.50	6.27	6.63	6.26	5.91	6.08	5.20	4.24	3.98
SME+ MSME	6.26	7.06	6.67	6.73	6.94	7.07	7.12	6.86	7.28	7.35
Others Retail	2.24	2.16	2.21	2.46	2.77	3.09	2.90	5.35	7.28	1.80
Total	3.44	3.51	3.31	3.40	3.37	3.17	3.04	3.03	2.96	2.73

Source: Company, Elara Securities Research

Exhibit 9: Outstanding stressed book down from 4.6% in Q2 to 4.2% in Q3

(INR mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
GNPLs	12,813	13,676	13,535	14,346	14,966	15,172	15,544	15,536	15,680	15,675
std. restructured book	14,610	13,370	12,390	11,400	10,620	9,980	9,450	8,930	8,500	8,050
Total stress book	27,423	27,046	25,925	25,746	25,586	25,152	24,994	24,466	24,180	23,725
Stress book (%) of loans	7.4	6.9	6.3	6.1	5.8	5.3	4.9	4.8	4.6	4.2

Source: Company, Elara Securities Research

Exhibit 10: Q3FY26 results highlight

(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Interest income	18,608	16,711	11.4	18,228	2.1
Interest expenses	12,362	11,282	9.6	12,265	0.8
Net interest income	6,246	5,429	15.1	5,962	4.8
Other income	2,214	1,841	20.3	1,861	19.0
Operating expenses	5,233	4,558	14.8	4,784	9.4
Staff expense	2,695	2,312	16.6	2,432	10.8
Other opex	2,537	2,246	12.9	2,352	7.9
Pre prov op profit (PPP)	3,228	2,711	19.1	3,039	6.2
Provisions	741	672	10.3	605	22.4
Profit before tax	2,487	2,039	21.9	2,434	2.2
Provision for tax	640	525	21.9	595	7.6
Profit after tax	1,847	1,514	22.0	1,839	0.4
EPS (INR)	5.8	4.8		5.8	
Ratios (%)					
NII / GII	33.6	32.5		32.7	
Cost - income	61.8	62.7		61.2	
Provisions / PPOP	23.0	24.8		19.9	
Tax rate	25.7	25.7		24.4	
Balance sheet data					
Advances (INR bn)	566	478	18.5	530	6.8
Deposits (INR bn)	678	567	19.5	648	4.6
CD ratio (%)	83.5	84.3		81.8	
Asset quality					
Gross NPA	15,675	15,172	3.3	15,680	0.0
Gross NPAs (%)	2.7	3.1		2.9	
Net NPA	6,230	5,625	10.8	6,405	-2.7
Net NPA(%)	1.1	1.2		1.2	
Provision coverage (%)	60.3	62.9		59.2	

Source: Company, Elara Securities Research

Exhibit 11: Change in estimates

(INR mn)	Revised			Old			% Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Interest Income	24,102	27,643	31,707	24,098	28,426	33,581	-	(2.8)	(5.6)
Operating Profit	12,690	14,687	17,232	12,686	15,169	18,805	-	(3.2)	(8.4)
Net Profit	6,894	8,139	9,362	6,861	8,447	10,195	0.5	(3.6)	(8.2)
TP (INR)	214			160			33.8		

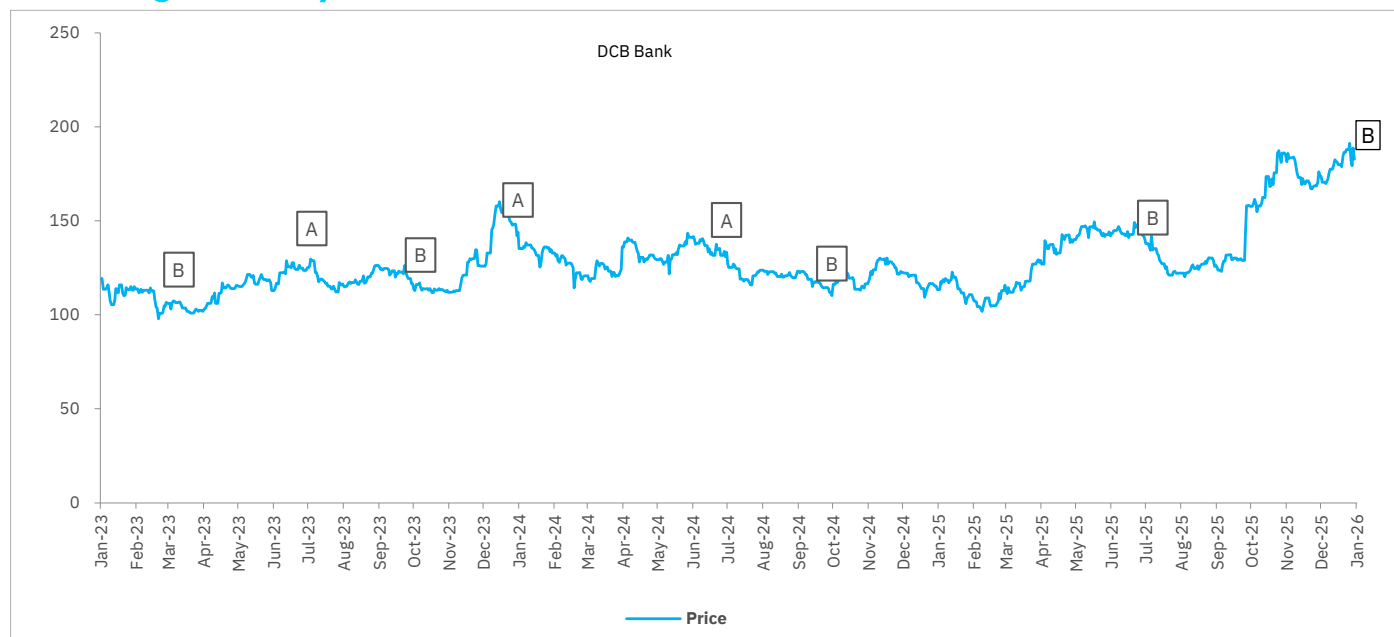
Source: Elara Securities Estimate

Exhibit 12: Valuation assumptions

Particulars	INR
BVPS on of Dec'27	238
Target multiple (x)	0.9
Target Price	213.80
CMP	183
Upside (%)	17%

Source: Company, Elara Securities Estimate

Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
24-Jan-2023	Accumulate	145	124
03-Apr-2023	Buy	130	107
28-Jul-2023	Accumulate	147	129
31-Oct-2023	Buy	147	115
24-Jan-2024	Accumulate	165	144
24-Jul-2024	Accumulate	155	133
24-Oct-2024	Buy	155	110
31-Jul-2025	Buy	160	135
23-Jan-2026	Buy	214	183

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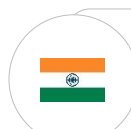
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