

# Punjab National Bank | REDUCE

## Core trends remain muted; Downgrade to REDUCE

Punjab National Bank (PNB) delivered a steady Q4FY26 with PAT rising 14% YoY/2% QoQ (+5% JMF<sub>e</sub>) supported by one-offs in operating expenses and credit costs while core income trends remained relatively muted. Opex fell 13% QoQ as employee cost saw positive impact of INR 21.21bn from actuarial adjustments. Credit cost fell (-25bps QoQ) led by reversals in standard asset provisioning of INR 7.27bn due to changes in RBI guidelines. NII growth was largely flat sequentially, impacted by margin compression (7bps QoQ) due to faster asset-side repricing. Management's FY27 NIM guidance of 2.6–2.7% (2.57% in FY26) looks difficult to achieve given liability side issues (first/second CD issuer amongst PSBs/overall banks in FY26). Non-core fee income to PBT for FY26 was 40% (treasury/recovery from WO at 18%/22%) (amongst the highest in our coverage universe), which is finite and will gradually fade. At CMP, the stock trades at a benign valuation of ~0.8x FY28E P/BV, providing downside support but we don't expect any material upside as well as RoA will decline due to moderating non-core income stream, normalisation of credit cost and muted NIM trajectory. We broadly retain our EPS estimates for FY27E/28E. We revise our TP to INR 110 (earlier INR 115) and continue valuing it at 0.8x FY28E BVPS. Downgrade to REDUCE.

- Growth steady, but mix remains a drag:** Loan growth remained healthy at ~14% YoY/~2% QoQ, led by traction in MSME, agriculture and corporate segments while retail growth remained relatively subdued. Deposit growth lagged at ~9% YoY/~3% QoQ with continued reliance on term deposits. CASA ratio was broadly stable but at lower levels, reflecting a competitive liability environment. The overall mix remains skewed towards relatively lower-yielding segments, constraining improvement in yield profile and overall growth quality. We build in loan/deposit CAGR of 12%/12.5% over FY26/28E.
- Margin pressure persists; profitability aided by one-offs:** NII was largely flat sequentially, impacted by ~7bps QoQ NIM compression due to faster asset-side repricing, partially offset by marginal improvement in cost of funds. Non-interest income dipped (-12% YoY/-17% QoQ) due to lower treasury income despite healthy fee traction. Operating profit was supported by controlled opex, with employee cost benefiting from a one-off actuarial gain of INR 21.21bn. As a result, profitability was stable but underlying core earnings momentum continues to be constrained by margin pressure. We model average RoA/RoE of 0.8%/11% over FY27E/28E.
- Asset quality resilient; credit cost aided by reversals:** Credit cost was low led by reversals in standard asset provisioning of INR 7.27bn, following regulatory changes, while gross/net slippages rose by 26/28bps QoQ. The bank remains comfortable on asset quality outlook, supported by strong PCR and controlled stress formation, providing earnings visibility despite moderate operating performance. We model average credit costs of 42bps over FY27E/28E.
- Valuation and view:** Muted core earnings trajectory, continued NIM pressure due to liability-side challenges, and slower CASA accretion remain key overhangs on return ratios. We broadly retain our EPS estimates for FY27E/28E (PAT compression of 5% YoY in FY27E). We revise our TP to INR 110 (earlier INR 115), valuing it at 0.8x FY28E BVPS. Downgrade to **REDUCE**.



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### Recommendation and Price Target

Current Reco.	REDUCE
Previous Reco.	ADD
Current Price Target (12M)	110
Upside/(Downside)	1.9%
Previous Price Target	115
Change	-3.9%

### Key Data – PNB IN

Current Market Price	INR108
Market cap (bn)	INR1,240.0/US\$13.0
Free Float (%)	21.1
Shares in issue (mn)	11,492.9
Diluted share (mn)	11,492.9
3-mon avg daily val (mn)	INR2,334.3/US\$24.5
52-week range	INR135/89
Sensex/Nifty	77,018/24,033
INR/US\$	95.3

### Price Performance

%	1M	6M	12M
Absolute	3.3	-12.5	8.5
Relative*	-0.6	-5.3	13.6

\*To the NSE Nifty 50

### Financial Summary

	(INR mn)				
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Net Profit	82,446	166,302	169,040	161,323	176,462
Net Profit (YoY) (%)	228.8	101.7	1.6	-4.6	9.4
PPOP (YoY) (%)	10.7	7.6	9.2	-7.3	17.7
Loan (YoY) (%)	12.5	15.3	13.7	12.5	13.0
Deposit (YoY) (%)	6.9	14.4	9.2	12.0	13.0
ROA (%)	0.5	1.0	0.9	0.8	0.8
ROE (%)	8.7	15.3	13.3	11.5	11.4
EPS (INR)	7.5	14.5	14.7	14.0	15.4
EPS (YoY) (%)	228.8	93.3	1.6	-4.6	9.4
P/E (x)	14.4	7.5	7.3	7.7	7.0
BV (INR)	89.2	103.6	116.9	128.1	140.3
BV (YoY) (%)	7.4	16.2	12.8	9.6	9.5
P/BV (x)	1.2	1.0	0.9	0.8	0.8

Source: Company data, JM Financial. Note: Valuations as of May 05, 2026

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

# Q4FY26 conference call takeaways

## Guidance

- NIM guidance retained at 2.6–2.7% for FY27, with QoQ improvement expected from 4Q levels
- NII growth guided at 6–7%, conservative given margin uncertainty
- Credit growth guidance at 12–13%, supported by RAM expansion
- LCR targeted at ~125% (currently ~125%), comfortable liquidity position
- Expect incremental cost of deposits to soften, with ~5bps benefit likely in Q1/Q2FY27
- Deposit rates remain sticky in the near term, limiting immediate margin expansion

## Growth

- Strong push towards RAM (Retail + Agri + MSME) mix improvement to support yields
- RAM share at ~54%, targeted to increase to 56–57% in FY27 and ~60% in the long term
- Corporate book share to fall from ~46% → ~42% (near term) → ~40% (long term)
- MSME highlighted as highest yielding and most profitable segment (~9% yield)
- Corporate yield ~7.55%, significantly lower than domestic yield of ~8.23%, driving mix strategy
- IBPC book reduced to ~INR 320bn, with plan to exit fully over time (low-yielding portfolio)
- Significant traction in SB individual accounts (core CASA); ~92% growth cited
- 1Q initiatives: INR 90bn retail leads and INR 210bn MSME leads generated in Q1FY27 so far
- Focus on branch expansion (South & West) and digital sourcing for growth

## Profitability

- Treasury income impacted due to rise in bond yields (MTM pressure)
- Employee cost saw INR 21.21bn positive impact from actuarial (AS-15) adjustments
- Tax rate normalised at ~25.16% versus 19.44% in 3Q (had one-off reversals)
- Savings of ~INR 1.71bn interest cost due to non-issuance of capital bonds expected in FY27
- NII growth muted despite loan growth due to margin compression and mix impact
- Margin improvement expected from: Deposit repricing benefits; Higher RAM mix
- West Asia geopolitical risk: No stress observed so far; proactive client engagement done

## Asset quality

- Prudential provision of INR2.70bn made in 4Q
- SMA (0+1+2) at 3.30% (lowest ever) indicating strong early delinquency control
- SMA-0: INR 246.43bn; SMA-1: INR 139.70bn; SMA-2: INR 29.22bn; Total: INR 415.34bn
- Elevated 4Q slippages attributed to seasonal renewal cycle (MSME & Agri)
- Slippages remain well within guidance (~0.6% vs <1% guidance)
- INR 7.27bn reversal in standard asset provisions due to RBI guideline changes
- Additional floating provisions of INR 20.45bn maintained for contingencies/ECL
- Strong confidence on ECL transition (FY27): Capital + provisions sufficient; likely to absorb impact within 1–2 years (versus 5-year transition allowed)
- AS-15 provisioning dynamics: 1Q: INR 11.85; 2Q: ~INR 7.0bn; 3Q: ~INR 7.0bn; 4Q: INR 7.36bn reversal due to yield hardening

## Others

- CET1 at ~13.6%, providing strong buffer for ECL and growth
- Total capital adequacy at ~17.7%, no need for near-term capital-raise
- INR 20.45bn floating provision buffer created proactively
- Digital traction strong
- Every third loan sourced digitally
- 95%+ transactions digital, strong tech-led operating leverage
- Focus areas: Credit cards, CMS, supply chain finance as fee growth drivers
- CASA stable at ~37%, but improvement remains a key focus area
- No immediate impact from global/macro-economic stress observed in loan book

## Punjab National Bank – Q4FY26 performance

### Exhibit 1: Q4FY26 result update

(INR bn)	4Q25	3Q26	4Q26	YoY (%)	QoQ(%)	4Q26e	A/E (%)
<b>Net Interest Income</b>	<b>107.6</b>	<b>105.3</b>	<b>103.8</b>	<b>-4%</b>	<b>-1%</b>	<b>105.3</b>	<b>-1%</b>
Non interest income	47.2	50.2	41.6	-12%	-17%	52.7	-21%
<b>Total income</b>	<b>154.7</b>	<b>155.5</b>	<b>145.4</b>	<b>-6%</b>	<b>-7%</b>	<b>158.0</b>	<b>-8%</b>
Total Operating Expenses	87.0	80.7	70.4	-19%	-13%	89.5	-21%
<b>Operating Profit</b>	<b>67.8</b>	<b>74.8</b>	<b>75.0</b>	<b>11%</b>	<b>0%</b>	<b>68.5</b>	<b>10%</b>
Provisions	3.6	11.5	4.2	18%	-63%	6.8	-37%
<b>PBT</b>	<b>64.2</b>	<b>63.3</b>	<b>70.8</b>	<b>10%</b>	<b>12%</b>	<b>61.7</b>	<b>15%</b>
Tax	18.5	12.3	18.5	0%	50%	11.8	57%
<b>PAT</b>	<b>45.7</b>	<b>51.0</b>	<b>52.3</b>	<b>14%</b>	<b>2%</b>	<b>49.9</b>	<b>5%</b>
Loan (INR bn)	10,775	11,962	12,253	14%	2%	12,262	0%
Deposit (INR bn)	15,666	16,603	17,111	9%	3%	17,115	0%
C/D ratio	68.8%	72.0%	71.6%	283 bps	(44) bps		
CASA Ratio	36.6%	35.7%	35.6%	(98) bps	(4) bps		
Yield on IEA (Calc, %) - 1	7.54%	7.13%	6.92%	(62) bps	(21) bps	7.06%	(13) bps
Cost of funds (Calc, %) - 2	5.22%	5.03%	4.92%	(31) bps	(11) bps	5.06%	(14) bps
Loan - deposit spread = 1 - 2	2.32%	2.10%	2.01%	(31) bps	(9) bps	2.00%	1 bps
NIM (calc, %)	2.54%	2.31%	2.24%	(30) bps	(7) bps	2.26%	(2) bps
Gross Slippages (INR bn)	30.0	19.0	27.6	-8%	45%	20.9	31.82%
Net Slippages (INR bn)	8.0	2.1	10.7	34%	413%	6.7	59.57%
Gross Slippages (annualised)	1.12%	0.65%	0.91%	(21) bps	26 bps		
Net Slippages (annualised)	0.30%	0.07%	0.35%	6 bps	28 bps		
GNPA (%)	3.95%	3.19%	2.95%	(100) bps	(24) bps	2.76%	19 bps
NNPA (%)	0.40%	0.32%	0.29%	(10) bps	(3) bps	0.28%	2 bps
Credit cost (%)	0.13%	0.39%	0.14%	1 bps	(25) bps	0.22%	(8) bps
PCR (%)	90.3%	90.2%	90.3%	1 bps	3 bps	90.3%	1 bps
ROA (%)	1.02%	1.07%	1.07%	5 bps	(0) bps	1.02%	5 bps
ROE (%)	14.4%	14.7%	14.7%	25 bps	(0) bps	14.1%	56 bps

Source: Company, JM Financial

**Exhibit 2: TD growth continues to outpace CASA**

Deposits Composition (INR bn)	4Q25	3Q26	4Q26	YoY (%)	QoQ' (%)
Current	751	764	793	5.6%	3.8%
Saving	4,984	5,158	5,303	6.4%	2.8%
<b>CASA</b>	<b>5,735</b>	<b>5,922</b>	<b>6,096</b>	<b>6.3%</b>	<b>2.9%</b>
Time	9,931	10,681	11,015	10.9%	3.1%
<b>Total Deposits</b>	<b>15,666</b>	<b>16,603</b>	<b>17,111</b>	<b>9.2%</b>	<b>3.1%</b>
Current	4.8%	4.6%	4.6%	-0.2%	0.0%
Saving	31.8%	31.1%	31.0%	-0.8%	-0.1%
<b>CASA</b>	<b>36.6%</b>	<b>35.7%</b>	<b>35.6%</b>	<b>-1.0%</b>	<b>0.0%</b>
Time	63.4%	64.3%	64.4%	1.0%	0.0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		

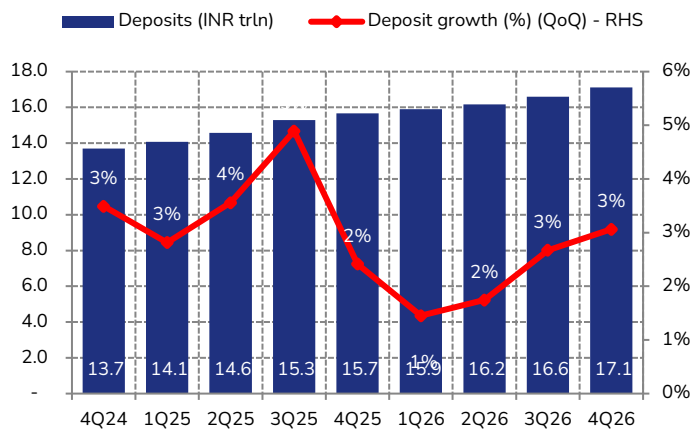
Source: Company, JM Financial

**Exhibit 3: Loan growth largely driven by MSME and agriculture segments**

Loan Book Composition (INR bn)	4Q25	3Q26	4Q26	YoY (%)	QoQ (%)
Agriculture & Allied	1,806	1,916	1,999	10.7%	4.3%
MSME	1,627	1,882	1,950	19.9%	3.6%
Large Industry and others	4,634	5,050	5,172	11.6%	2.4%
Retail Loans	2,594	2,820	2,808	8.3%	-0.4%
Overseas	506	644	656	29.7%	1.8%
<b>Total</b>	<b>11,166</b>	<b>12,312</b>	<b>12,586</b>	<b>12.7%</b>	<b>2.2%</b>
Agriculture & Allied	16.2%	15.6%	15.9%	-0.3%	0.3%
MSME	14.6%	15.3%	15.5%	0.9%	0.2%
Large Industry and others	41.5%	41.0%	41.1%	-0.4%	0.1%
Retail Loans	23.2%	22.9%	22.3%	-0.9%	-0.6%
Overseas	4.5%	5.2%	5.2%	0.7%	0.0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		

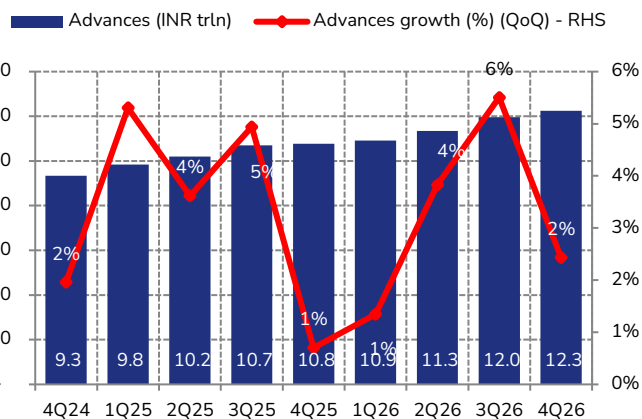
Source: Company, JM Financial

**Exhibit 4: Deposit growth trend continues**



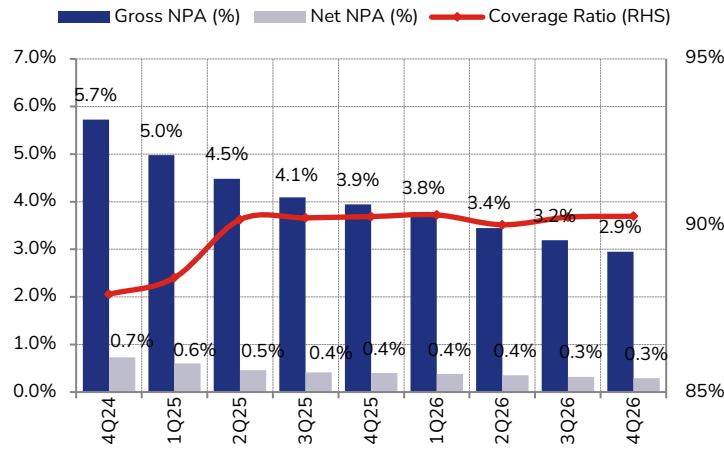
Source: Company, JM Financial

**Exhibit 5: Loan growth lags deposit growth QoQ**



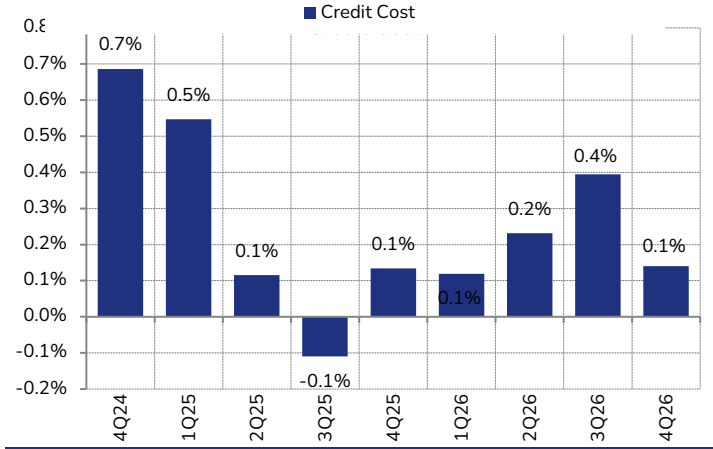
Source: Company, JM Financial

**Exhibit 6: Assets quality continues to improve; PCR stable**



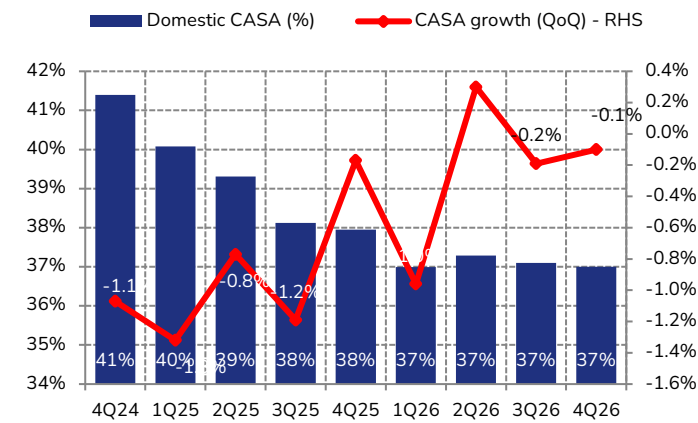
Source: Company, JM Financial

**Exhibit 7: Credit cost declines QoQ**



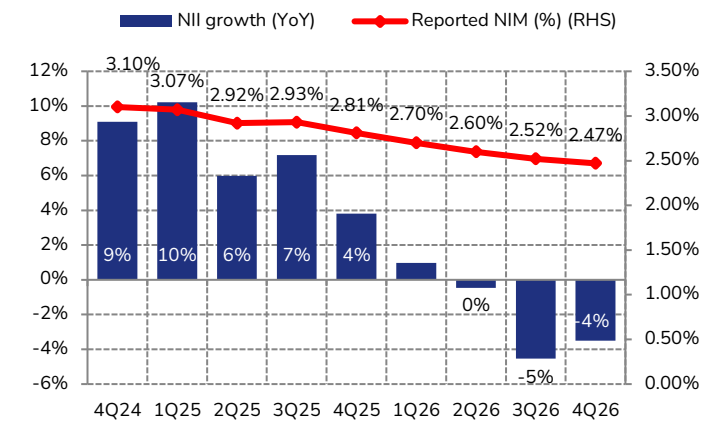
Source: Company, JM Financial

**Exhibit 8: CASA ratio stable**



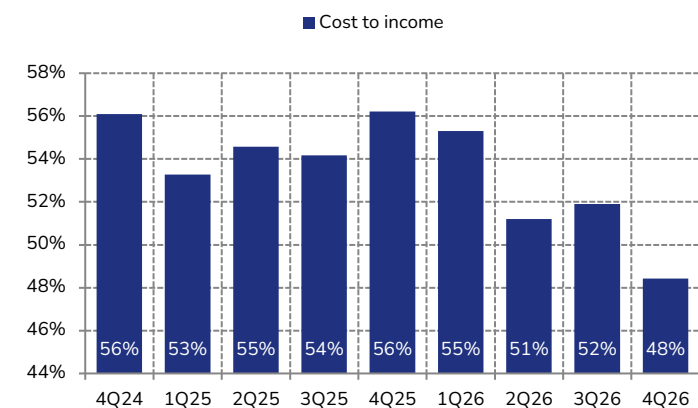
Source: Company, JM Financial

**Exhibit 9: NIM continues to fall QoQ**



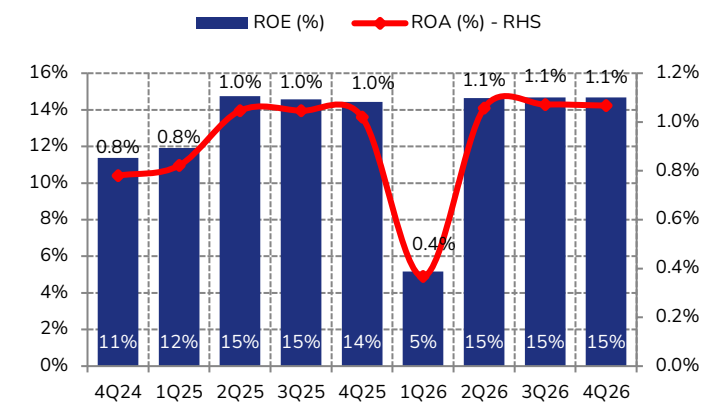
Source: Company, JM Financial

**Exhibit 10: Cost to income ratio moderates**



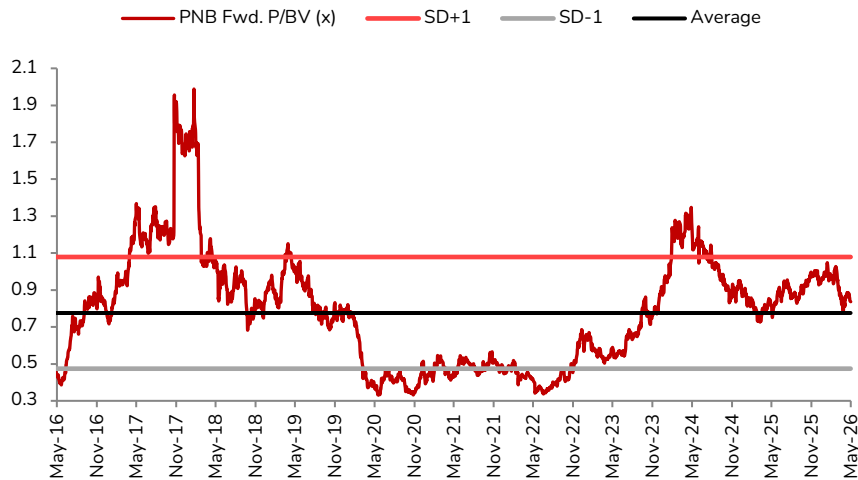
Source: Company, JM Financial

**Exhibit 11: Return ratios stable**



Source: Company, JM Financial

## Exhibit 12: PNB: 1Y forward P/B chart



Source: Bloomberg, JM Financial

Note: Priced as of 5th May, 2026

## Exhibit 13: Change in estimates

Old vs. New Estimates	New Estimates		Old estimates		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
<b>Recommendation</b>	<b>REDUCE</b>		<b>ADD</b>			
<b>TP</b>	<b>110</b>		<b>115</b>		<b>-3.9%</b>	
<b>Income statement</b>						
<b>Net Interest Income</b>	<b>461</b>	<b>541</b>	<b>461</b>	<b>552</b>	<b>-0.2%</b>	<b>-2.0%</b>
Fee & Other Income	138	134	139	148	-0.9%	-9.2%
<b>Non-Interest Income</b>	<b>159</b>	<b>170</b>	<b>162</b>	<b>167</b>	<b>-1.7%</b>	<b>2.3%</b>
<b>Total Income</b>	<b>620</b>	<b>711</b>	<b>623</b>	<b>719</b>	<b>-0.6%</b>	<b>-1.0%</b>
Operating Expenses	348	391	363	406	-4.2%	-3.6%
<b>Pre-provisioning Profits</b>	<b>272</b>	<b>320</b>	<b>260</b>	<b>312</b>	<b>4.5%</b>	<b>2.3%</b>
Loan Loss Provisions	55	80	44	72	25.6%	11.0%
Other Provisions	3	3	3	3	0.0%	0.0%
<b>Total Provisions</b>	<b>53</b>	<b>81</b>	<b>47</b>	<b>75</b>	<b>13.3%</b>	<b>7.9%</b>
PBT	218	239	213	237	2.5%	0.6%
Tax	57	62	52	58	9.2%	7.2%
<b>PAT (Pre-Extra ordinaries)</b>	<b>161</b>	<b>176</b>	<b>161</b>	<b>179</b>	<b>0.3%</b>	<b>-1.5%</b>
<b>Reported Profits</b>	<b>161</b>	<b>176</b>	<b>161</b>	<b>179</b>	<b>0.3%</b>	<b>-1.5%</b>
<b>Balance Sheet (INR bn)</b>						
Deposits	19,165	21,656	19,169	21,660	0.0%	0.0%
Net Advances	13,785	15,577	13,886	15,830	-0.7%	-1.6%
Total Assets	22,075	24,831	21,974	24,652	0.5%	0.7%
<b>Key Ratios (%)</b>						
NIM (%)	2.32%	2.42%	2.28%	2.42%	0.04%	0.01%
<b>ROA (%)</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.77%</b>	<b>0.77%</b>	<b>0.00%</b>	<b>-0.02%</b>
<b>ROE (%)</b>	<b>11.5%</b>	<b>11.4%</b>	<b>11.6%</b>	<b>11.8%</b>	<b>-0.12%</b>	<b>-0.32%</b>
<b>EPS (INR.)</b>	<b>14.0</b>	<b>15.4</b>	<b>14.0</b>	<b>15.6</b>	<b>0.3%</b>	<b>-1.5%</b>
<b>BV (INR.)</b>	<b>128.1</b>	<b>140.3</b>	<b>126.4</b>	<b>138.8</b>	<b>1.3%</b>	<b>1.0%</b>

Source: Company, JM Financial

## Financial Tables (Standalone)

Income Statement		(INR mn)				
Y/E Mar	FY24A	FY25A	FY26	FY27E	FY28E	
Net Interest Income	400,831	427,822	419,598	460,723	540,839	
Profit on Investments	6,911	39,232	47,560	14,000	28,000	
Exchange Income	4,661	3,904	6,350	7,112	8,179	
Fee & Other Income	42,262	45,740	76,030	87,435	100,550	
<b>Non-Interest Income</b>	<b>133,835</b>	<b>163,094</b>	<b>187,940</b>	<b>159,118</b>	<b>170,385</b>	
<b>Total Income</b>	<b>534,666</b>	<b>590,915</b>	<b>607,537</b>	<b>619,841</b>	<b>711,224</b>	
Operating Expenses	285,358	322,609	314,641	348,258	391,452	
<b>Pre-provisioning Profits</b>	<b>249,308</b>	<b>268,307</b>	<b>292,896</b>	<b>271,583</b>	<b>319,772</b>	
Loan-Loss Provisions	-	-	-	-	-	
Provisions on Investments	-14,073	-117	-12,340	-5,000	-2,000	
Others Provisions	7,973	147	16,076	3,000	3,000	
<b>Total Provisions</b>	<b>117,366</b>	<b>16,746</b>	<b>25,399</b>	<b>53,283</b>	<b>80,987</b>	
<b>PBT</b>	<b>131,942</b>	<b>251,561</b>	<b>267,497</b>	<b>218,299</b>	<b>238,785</b>	
Tax	49,496	85,259	98,457	56,976	62,323	
<b>PAT (Pre-Extraordinary)</b>	<b>82,446</b>	<b>166,302</b>	<b>169,040</b>	<b>161,323</b>	<b>176,462</b>	
Extra ordinaries (Net of Tax)	-	-	-	-	-	
<b>Reported Profits</b>	<b>82,446</b>	<b>166,302</b>	<b>169,040</b>	<b>161,323</b>	<b>176,462</b>	
Dividend paid	16,517	33,330	34,479	32,905	35,993	
<b>Retained Profits</b>	<b>65,929</b>	<b>132,972</b>	<b>134,561</b>	<b>128,418</b>	<b>140,469</b>	

Source: Company, JM Financial

Key Ratios					
Y/E Mar	FY24A	FY25A	FY26	FY27E	FY28E
<b>Growth (YoY) (%)</b>					
Deposits	6.9	14.4	9.2	12.0	13.0
Advances	12.5	15.3	13.7	12.5	13.0
Total Assets	6.9	16.5	9.3	11.6	12.5
NII	16.2	6.7	-1.9	9.8	17.4
Non-interest Income	10.2	21.9	15.2	-15.3	7.1
Operating Expenses	18.4	13.1	-2.5	10.7	12.4
Operating Profits	10.7	7.6	9.2	-7.3	17.7
Core Operating profit	7.4	-4.6	21.0	10.5	24.7
Provisions	-35.7	-85.7	51.7	109.8	52.0
Reported PAT	228.8	101.7	1.6	-4.6	9.4
<b>Yields / Margins (%)</b>					
Interest Spread	13.14	13.46	12.79	12.78	12.85
NIM	3.11	2.92	2.55	2.54	2.65
<b>Profitability (%)</b>					
Non-IR to Income	25.0	27.6	30.9	25.7	24.0
Cost to Income	53.4	54.6	51.8	56.2	55.0
ROA	0.55	0.99	0.89	0.77	0.75
ROE	8.7	15.3	13.3	11.5	11.4
<b>Asset Quality (%)</b>					
Slippages	0.72	0.73	0.79	0.85	0.95
Gross NPA	5.73	3.95	2.95	2.47	2.36
Net NPAs	0.73	0.40	0.29	0.25	0.24
Provision Coverage	87.9	90.3	90.3	90.0	90.0
Specific LLP	1.33	0.17	0.22	0.41	0.55
Net NPAs / Networth	6.9	3.6	2.7	2.4	2.3
<b>Capital Adequacy (%)</b>					
Tier I	0.1	0.1	0.2	0.1	0.1
CAR	0.2	0.2	0.2	0.2	0.2

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E Mar	FY24A	FY25A	FY26	FY27E	FY28E	
Equity Capital	22,022	22,986	22,986	22,986	22,986	
Reserves & Surplus	959,687	1,167,552	1,320,399	1,448,818	1,589,287	
Networth	981,709	1,190,538	1,343,385	1,471,803	1,612,273	
Deposits	13,697,128	15,666,233	17,111,264	19,164,614	21,656,014	
Borrowings	504,299	837,767	823,143	890,906	960,565	
Other Liabilities	352,158	404,085	498,021	547,823	602,605	
<b>Total - Liabilities</b>	<b>15,535,294</b>	<b>18,098,622</b>	<b>19,775,812</b>	<b>22,075,148</b>	<b>24,831,458</b>	
Investments	4,203,182	4,973,113	4,941,119	5,328,442	6,109,444	
Net Advances	9,344,306	10,774,746	12,252,923	13,784,538	15,576,528	
Cash & Equivalents	-	-	-	-	-	
Fixed Assets	40,131	47,450	72,655	77,263	86,910	
Other Assets	656,629	816,117	889,645	1,114,223	1,009,505	
<b>Total - Assets</b>	<b>15,535,294</b>	<b>18,098,622</b>	<b>19,775,812</b>	<b>22,075,148</b>	<b>24,831,458</b>	

Source: Company, JM Financial

Dupont Analysis					
Y/E Mar	FY24A	FY25A	FY26	FY27E	FY28E
NII / Assets	2.67	2.54	2.22	2.20	2.31
Other Income / Assets	0.89	0.97	0.99	0.76	0.73
Total Income / Assets	3.56	3.51	3.21	2.96	3.03
Cost / Assets	1.90	1.92	1.66	1.66	1.67
PPP / Assets	1.66	1.60	1.55	1.30	1.36
Provisions / Assets	0.78	0.10	0.13	0.25	0.35
PBT / Assets	0.88	1.50	1.41	1.04	1.02
Tax rate	37.5	33.9	36.8	26.1	26.1
ROA	0.55	0.99	0.89	0.77	0.75
RoRWAs	1.18	2.13	1.96	1.68	1.62
Leverage	15.9	15.5	14.9	14.9	15.2
ROE	8.7	15.3	13.3	11.5	11.4

Source: Company, JM Financial

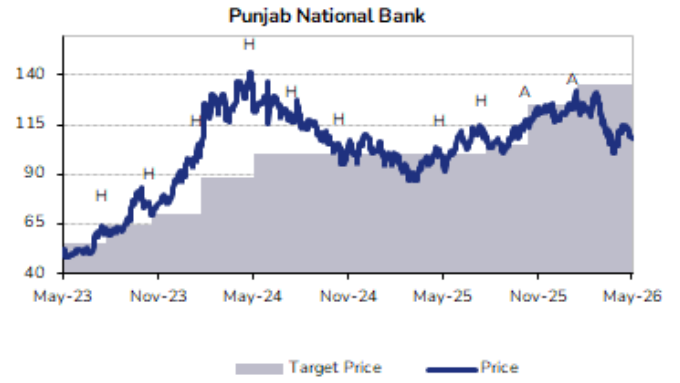
Valuations					
Y/E Mar	FY24A	FY25A	FY26	FY27E	FY28E
Shares in Issue (mn)	11,011.0	11,492.9	11,493.0	11,493.0	11,493.0
EPS (INR)	7.5	14.5	14.7	14.0	15.4
EPS (YoY) (%)	228.8	93.3	1.6	-4.6	9.4
PER (x)	14.4	7.5	7.3	7.7	7.0
BV (INR)	89.2	103.6	116.9	128.1	140.3
BV (YoY) (%)	7.4	16.2	12.8	9.6	9.5
ABV (INR)	98.3	111.4	123.4	134.1	146.8
ABV (YoY) (%)	17.7	13.2	10.8	8.7	9.4
P/BV (x)	1.21	1.04	0.92	0.84	0.77
P/ABV (x)	1.10	0.97	0.87	0.80	0.73
DPS (INR)	1.5	2.9	3.0	2.9	3.1
Div. yield (%)	1.4	2.7	2.8	2.7	2.9

Source: Company, JM Financial

**Recommendation History Table**

Date	Recommendation	Target Price	% Chg.
20-Jan-26	Add	135	8.0
20-Oct-25	Add	125	19.0
30-Jul-25	Hold	105	5.0
8-May-25	Hold	100	0.0
29-Oct-24	Hold	100	0.0
28-Jul-24	Hold	100	0.0
9-May-24	Hold	100	13.6
28-Jan-24	Hold	88	25.7
26-Oct-23	Hold	70	7.7
28-Jul-23	Hold	65	18.2
15-Feb-23	Hold	55	22.2
11-Oct-21	Buy	45	

**Recommendation History Chart**



## APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return $\geq$ 15% over the next twelve months.
ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
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