

Punjab National Bank (PNB)

Banking | 4QFY25 Result Update

HOLD

CMP: Rs94 | Target Price (TP): Rs102 | Upside: 8%

May 08, 2025

Business growth better than industry; NIMs under pressure

Key Points

- PNB reported a PAT of Rs 45.67 bn for 4QFY25, exceeding our estimates by 23.5%, supported by robust growth in other income, advances and deposits. NIMs declined to 2.81% (vs. 2.93% in 3QFY25 and 3.10% in 4QFY24), owing to a fall in yield on advances by 2 bps to 8.36% in 4QFY25 vs 8.38% in 3QFY25 and a rise in cost of funds by 13 bps QoQ to 4.76% (4.63% in 3QFY25). Advances and deposits grew by 13.6% YoY and 14.4% YoY respectively, better than industry growth of 11% YoY and 10.3% YoY respectively. Asset quality continued to improve in 4QFY25, with GNPA/NNPA declining to 3.95%/0.40% from 4.09%/0.41% in 3QFY25.
- We have valued PNB at 0.8x Mar'27E ABV (same as earlier) and have derived a target price (TP) of Rs102 (Rs101 earlier). Our target multiple is at a 20.5% premium to the past 5-year average multiple of 0.66x. We expect RoA to moderate to 0.9% in FY26E due to expected compression in margins and credit costs normalizing upwards to 40-50bps (from ~20bps in FY25). We thus maintain a 'Hold' rating on PNB.

Snapshot of 4QFY25 performance: PNB reported a PAT of Rs 45.67 bn for 4QFY25, exceeding our estimates by 23.5%, supported by robust growth in other income, advances and deposits. NII remained flat YoY (+3.8%) at Rs 107.57 bn but declined 2.5% QoQ, primarily due to the immediate impact of the policy rate cut on the asset side. NIMs declined to 2.81% (vs. 2.93% in 3QFY25 and 3.10% in 4QFY24), owing to a fall in yield on advances by 2 bps to 8.36% in 4QFY25 vs 8.38% in 3QFY25 and a rise in cost of funds by 13 bps QoQ to 4.76% (4.63% in 3QFY25). The cost of deposits increased by 12 bps QoQ to 5.36% (5.24% in 3QFY25). Other income grew 11% QoQ and 38.2% YoY to 47.16 bn, mainly driven by the recovery of Rs 18.29 bn from technically written-off (TWO) accounts. The cost-to-income ratio rose to 56.21% in 4QFY25 from 54.16% in 3QFY25. Net profit grew 51.7% YoY to Rs 45.67 bn. The bank reported a RoA of 1.02% in 4QFY25, slightly lower than 1.03% in 3QFY25. Going forward, it expects (a) NIMs to remain in the 2.8%–2.9% range and (b) RoA to stay above 1% in FY26. To support this, the management is targeting recoveries of Rs 15.00 bn per quarter (Rs 60.00 bn for FY26) from technically written-off (TWO) accounts and anticipates higher treasury income to aid profitability. However, we expect RoA to moderate to around 0.9% in FY26, driven by margin compression and normalization in credit costs.

Business growth momentum remains steady: Global advances grew by 13.6% YoY and remained largely flat QoQ (with a marginal increase of 0.6% during the quarter), supported by strong performance in core retail (up 18.2% YoY/ 4.6% QoQ), agriculture (up 14.2% YoY, up 3.5% QoQ), and corporate segments (up 9.7% YoY, down 0.1% QoQ). The share of RAM (Retail, Agriculture, and MSME) in total advances stood at 56.5%, compared to 56.3% in the previous quarter and 55.2% in the same quarter last year. On the deposits front, CASA deposits recorded muted growth of 3.8% YoY (up 2.0% QoQ), while term deposits posted a strong rise of 21.5% YoY (up 2.6% QoQ), resulting in total deposit growth of 14.4% YoY and 2.4% QoQ. The domestic CASA ratio continued to trend downward, standing at 37.95% as against 38.12% in the previous quarter and 41.44% in the same period last year. For FY26, the bank has guided for loan growth in the range of 11–12% YoY and deposit growth of 9–10% YoY. We have factored in a 12% loan growth and 9% deposit growth for FY26 in our estimates, in line with the management's guidance. The management remains confident of achieving more than 12% credit growth, supported by Rs 1,150 bn worth of sanctions already in place. Disbursements against these sanctions are pending and are expected to start kicking in from Q1FY26.

Est Change	No Change
TP Change	No Change
Rating	No Change

Company Data and Valuation Summary

Reuters	PNBK.BO
Bloomberg	PNB IN Equity
Market Cap (Rsbn / US\$bn)	1,083.2 / 12.7
52 Wk H / L (Rs)	139 / 85
ADTV-3M (mn) (Rs / US\$)	2,339.7 / 27.1
Stock performance (%) 1M/6M/1yr	(0.7) / (11.7) / (22.9)
Nifty 50 performance (%) 1M/6M/1yr	3.8 / 4.0 / 9.5

Shareholding	2QFY25	3QFY25	4QFY25
Promoters	70.1	70.1	70.1
DII's	11.6	14.3	14.7
FII's	8.4	5.7	5.7
Others	9.9	9.9	9.5
Pro pledge	0.0	0.0	0.0

Financial and Valuation Summary

Particulars (Rsmn)	FY24	FY25	FY26E	FY27E
NII	4,00,831	4,27,822	4,73,290	5,35,153
% growth	16.2	6.7	10.6	13.1
NIM %	2.8	2.7	2.6	2.7
C/I Ratio %	53.4	54.6	52.5	51.2
Operating Profit	2,49,308	2,68,307	3,07,397	3,54,340
% growth	10.7	7.6	14.6	15.3
Adjusted PAT	82,446	1,66,302	1,80,282	2,00,295
% growth	228.8	101.7	8.4	11.1
ABVPS (INR /share)	83	100	113	127
P/ABV	1.1	0.9	0.8	0.7
RoA (%)	0.5	1.0	0.9	0.9
Leverage (x)	14.7	14.5	14.2	14.1
RoE (%)	8.0	14.2	13.4	13.4

Source: Bloomberg, Company, Nirmal Bang Institutional Equities Research

Key Links- [4QFY25 presentation](#)

Please refer to the disclaimer towards the end of the document.

Asset Quality Ratios Improve, Credit Cost Trends to Be Monitored Going Forward: PNB's asset quality continued to improve in 4QFY25, with GNPA/NNPA declining to 3.95%/0.40% from 4.09%/0.41% in 3QFY25. The bank reported strong recoveries of Rs 47.33 bn during the quarter, exceeding slippages of Rs 30.01 bn, compared to recoveries of Rs 34.12 bn and slippages of Rs 17.74 bn in the previous quarter. The slippage ratio stood at 1.14%, which was higher than the management's guidance of below 1% for FY25, while the credit cost came in at 0.21%, comfortably below the guided level of under 50 bps. Looking ahead, the bank has revised its FY26 guidance: (a) GNPA is now expected to decline to below 3% (revised from the earlier range of below 3.5–3.75%), and (b) credit cost is expected to remain under 0.5%, compared to the earlier guidance of below 25–30 bps. However, we expect credit cost to stay elevated at around 40 bps for FY26, as the bank fell short of its full-year recovery guidance—total recoveries stood at Rs 143.36 bn versus the targeted Rs 180.00 bn. Additionally, management commentary indicates rising stress in the MSME and agriculture segments, and we will remain watchful of credit cost trends going forward.

Exhibit 1: Quarterly Performance

Particulars (Rsmn)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	4Q25E	FY24	FY25	Variation (%)	YoY	QoQ
NII	95,043	99,229	1,02,928	1,03,631	1,04,763	1,05,167	1,10,323	1,07,570	1,13,566	4,00,831	4,27,822	-5.3	3.8%	-2.5%
YoY (%)	26.0	20.0	12.1	9.1	10.2	6.0	7.2	3.8	9.6	16.2	6.7	-	-	-
NIM (%)	3.1	3.1	3.2	3.1	3.1	2.9	2.9	2.8	2.7	3.2	2.7	11bps	-29bps	-12bps
Other Income	34,338	30,283	26,738	42,476	36,095	45,721	34,119	47,159	46,736	1,33,835	1,63,094	0.9	11.0%	38.2%
Net Revenue	1,29,381	1,29,512	1,29,666	1,46,107	1,40,858	1,50,888	1,44,441	1,54,729	1,60,302	5,34,666	5,90,915	-3.5	5.9%	7.1%
Opex	69,701	67,348	66,359	81,950	75,046	82,355	78,236	86,972	87,577	2,85,358	3,22,609	-0.7	6.1%	11.2%
PPOP	59,680	62,164	63,307	64,157	65,812	68,533	66,206	67,757	72,725	2,49,308	2,68,307	-6.8	5.6%	2.3%
YoY (%)	10.9	11.7	10.8	9.4	10.3	10.2	4.6	5.6	13.4	10.7	7.6	-	-	-
Provisions	39,653	34,442	27,391	15,881	13,123	2,880	-2,854	3,597	17,534	1,17,366	16,746	-79.5	-77.4%	-226.0%
PBT	20,027	27,723	35,916	48,276	52,688	65,653	69,060	64,160	55,191	1,31,942	2,51,561	16.2	32.9%	-7.1%
Tax	7,473	10,161	13,688	18,174	20,173	22,618	23,977	18,490	18,213	49,496	85,259	1.5	1.7%	-22.9%
ETR (%)	37	37	38	38	38	34	35	29	33	38	34	-	-	-
PAT	12,554	17,561	22,228	30,103	32,515	43,035	45,082	45,670	36,978	82,446	1,66,302	23.5	51.7%	1.3%
YoY (%)	307.0	327.0	253.5	159.8	159.0	145.1	102.8	51.7	22.8	228.8	101.7	-	-	-
Business Metrics														
Gross Loans (Rs bn)	9,168	9,417	9,673	9,833	10,287	10,619	11,103	11,166	11,174	9,344	10,775	-0.1	13.6%	0.6%
YoY (%)	14.6	13.4	12.9	11.2	12.2	12.8	14.8	13.6	13.6	12.5	15.3	-	-	-
Deposits (Rs bn)	12,979	13,099	13,235	13,697	14,082	14,583	15,297	15,666	15,657	13,697	15,666	0.1	14.4%	2.4%
YoY (%)	14.2	9.8	9.3	6.9	8.5	11.3	15.6	14.4	14.3	6.9	14.4	-	-	-
Asset Quality Metrics														
GNPA (%)	7.73	7.0	6.2	5.7	5.0	4.48	4.09	3.95	3.9	5.7	3.9	0bps	-178bps	-14bps
NNPA (%)	1.98	1.5	1.0	0.7	0.6	0.46	0.41	0.40	0.4	0.7	0.4	1bps	-33bps	-1bps
PCR (%)	75.84	80.0	85.4	87.9	88.4	90.2	90.2	90.3	90.5	87.9	90.3	-21bps	233bps	4bps

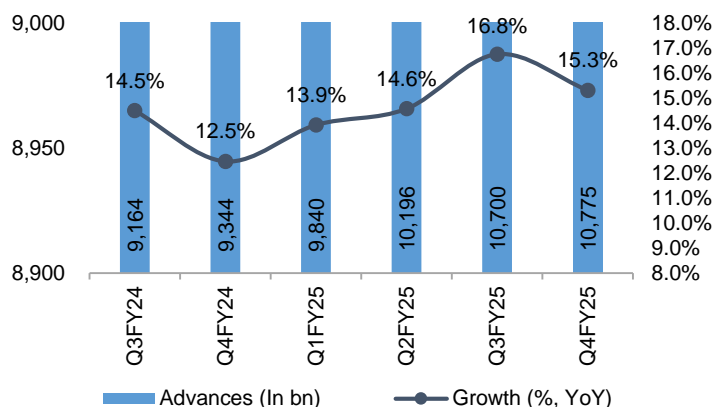
Source: Company, Nirmal Bang Institutional Equities Research

4QFY25 Concall Highlights:

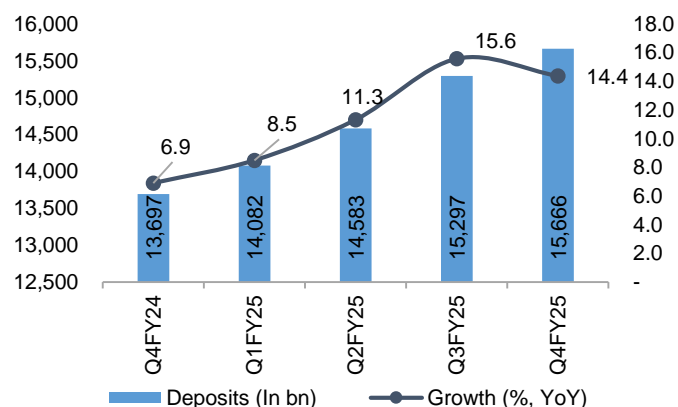
- NII remained flat YoY(+3.8%) at Rs 107.57 bn but declined 2.5% QoQ, primarily due to the immediate impact of the policy rate cut on the asset side.
- NIMs declined to 2.81% (vs. 2.93% in 3QFY25 and 3.10% in 4QFY24), owing to a fall in yield on advances by 2 bps to 8.36 % in 4Q vs 8.38% in 3Q and a rise in cost of funds by 13 bps to 4.76%(4.63% in 3Q). Margins may remain flat in Q1FY26, but improvement is expected from Q2/Q3 onwards as deposit costs normalize. Nims guidance for FY26 stands at 2.8%-2.9%.
- Cost of deposits increased due to a 400-day special deposit scheme at 7.75%; the scheme is now withdrawn. Deposit rates being reviewed, with expected corrections from Q2/Q3 FY26.
- Higher recoveries from Technical Write-Off (TWO) accounts will continue to support earnings.
- The management remains confident of achieving more than 12% credit growth, supported by Rs 1,150 bn worth of sanctions already in place. Disbursements against these sanctions are pending and are expected to start kicking in from Q1FY26. RAM segment (Retail, Agri, MSME) grew 16–17% YoY; will be pushed aggressively in FY26.
- The management targets 9%-10% deposit growth in FY26
- Credit-deposit ratio stood at 71.28% as of Q4 vs 72.58% in Q3.
- Treasury strategy aligned with rate cuts; built strong SLR and non-SLR books to benefit in FY26.
- ROA stands at 1.02% in Q4; ROE at 19.23%. Guidance for FY26 ROA is to maintain above 1%.
- Headline asset quality continued to improve in 4QFY25, with GNPA/NNPA declining to 3.95%/0.40% from 4.09%/0.41% in 3QFY25. GNPA is now expected to decline to below 3% (revised from the earlier range of below 3.5–3.75%),
- Credit cost came in at 0.21%, comfortably below the guided level of under 50 bps. As per commentary credit cost is expected to remain under 0.5%, compared to the earlier guidance of below 25–30 bps. However, expect FY26 credit cost to stay elevated, as the bank fell short of its full-year recovery guidance—total recoveries stood at Rs 143.36 bn versus the targeted Rs 180.00 bn. Additionally, management commentary indicates rising stress in the MSME and agriculture segments. Credit cost trend to be key monitorable going forward.
- In Q4 FY25, PNB recorded total recoveries of Rs47 bn, including Rs18.00 bn from technical write-off. For FY26, the bank expects to recover around Rs160.00 bn, with a minimum of Rs15.00–16.00 bn each quarter specifically from technical write-off accounts. The total write-off book stands at Rs920.00 bn, from which recoveries of Rs 60.00–65.00 bn are expected. No fresh negative legacy accounts; the management confident legacy clean-up is complete.
- Slippage guidance for FY26 maintained below 1%; the management expects Rs 15–17 bn slippages per quarter.
- Target for recoveries and write backs for FY26 is Rs 160 bn (Rs 143.6 bn achieved in FY25).
- Capital Adequacy Ratio improved to 17.01% (vs 15.41% in Q3). During Q2 FY'25, the bank raised equity capital of Rs50.0 bn through QIP, resulting in an increase of approximately 65 bps in CET 1, Tier 1, and CRAR. During Q3 FY'25, the bank raised Tier 2 bonds worth Rs 30.0 bn.

Quarterly Income Statement							
(INR mn)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	YoY(%)	QoQ(%)
Interest Inc. on Advances	2,01,137	2,04,518	2,11,843	2,22,400	2,22,249	10.5	(0.1)
Interest Inc. on Investments	69,633	72,318	77,164	77,408	80,116	15.1	3.5
Others	10,364	8,729	9,743	13,591	17,529	69.1	29.0
Total Interest Inc.	2,81,134	2,85,564	2,98,750	3,13,398	3,19,895	13.8	2.1
Interest Expended	1,77,503	1,80,802	1,93,583	2,03,076	2,12,325	19.6	4.6
NII	1,03,631	1,04,763	1,05,167	1,10,323	1,07,570	3.8	(2.5)
Total Non-interest Income	42,476	36,095	45,721	34,119	47,159	11.0	38.2
Total Net Income	1,46,107	1,40,858	1,50,888	1,44,441	1,54,729	5.9	7.1
Payments to / Prov. for employees	56,300	45,508	57,504	52,638	57,927	2.9	10.0
Other operating expenses	25,650	29,538	24,851	25,598	29,045	13.2	13.5
Total Operating Exp.	81,950	75,046	82,355	78,236	86,972	6.1	11.2
Operating Profit	64,157	65,812	68,533	66,206	67,757	5.6	2.3
Total Provisions	15,881	13,123	2,880	(2,854)	3,597	(77.4)	(226.0)
PBT	48,276	52,688	65,653	69,060	64,160	32.9	(7.1)
Tax Provision	18,174	20,173	22,618	23,977	18,490	1.7	(22.9)
Net Profit	30,103	32,515	43,035	45,082	45,670	51.7	1.3
EPS	2.7	3.0	3.7	3.9	4.0	45.4	1.3
Key Ratios							
(%)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	YoY(bps)	QoQ(bps)
Global NIM	3.10	3.07	2.92	2.93	2.81	-29 bps	-12 bps
CAR	15.97	15.79	16.36	15.41	17.01	104 bps	160 bps
Tier I	13.17	13.04	13.63	12.53	14.05	89 bps	152 bps
RoA	0.77	0.82	1.02	1.03	1.02	25 bps	-1 bps
CD Ratio	71.79	73.05	72.82	72.58	71.28	-52 bps	-131 bps
Asset Quality							
(INR mn)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	YoY(%)	QoQ(%)
GNPA	5,63,431	5,12,628	4,75,823	4,54,140	4,40,820	(22)	(3)
NNPA	67,988	59,301	46,742	44,374	42,910	(37)	(3)
						YoY(bps)	QoQ(bps)
GNPA (in %)	5.73	4.98	4.48	4.09	3.95	-178 bps	-14 bps
NNPA (in %)	0.73	0.60	0.46	0.41	0.40	-33 bps	-1 bps
PCR (%) (Excl. Technical Write-offs)	87.93	88.43	90.18	90.23	90.27	234 bps	4 bps
Balance Sheet Details							
(INR mn)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	YoY(%)	QoQ(%)
Net Advances	93,44,306	98,39,976	1,01,95,952	1,06,99,568	1,07,74,746	15.3	0.7
Savings Deposits	48,02,980	48,43,770	48,86,350	49,21,380	49,84,290	3.8	1.3
Current Deposits	7,22,010	6,47,020	6,81,040	7,00,180	7,51,140	4.0	7.3
CASA Deposits	55,24,990	54,90,790	55,67,390	56,21,560	57,35,430	3.8	2.0
Term Deposits	81,72,138	85,91,681	90,16,028	96,75,429	99,30,803	21.5	2.6
Total Deposits	1,36,97,128	1,40,82,471	1,45,83,418	1,52,96,989	1,56,66,233	14.4	2.4
CASA (%)	40.3	39.0	38.2	36.7	36.6	-373 bps	-14 bps

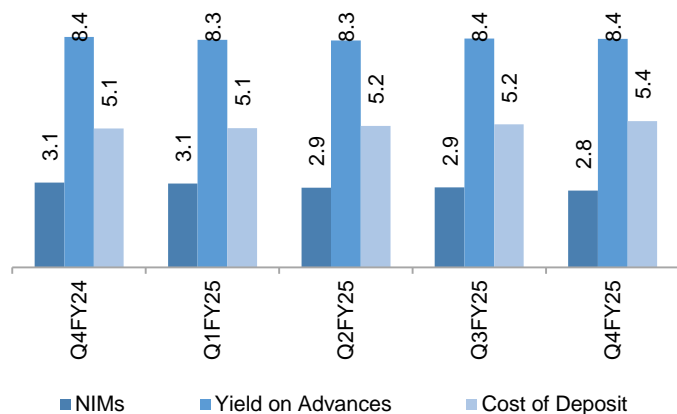
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 2: Net advances (Rsbn)


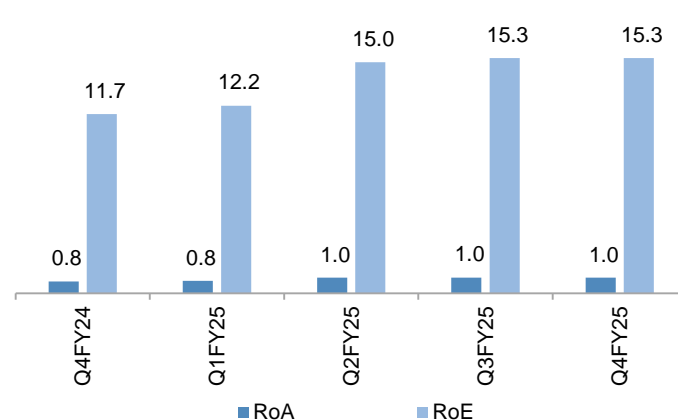
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 3: Deposits (Rsbn)


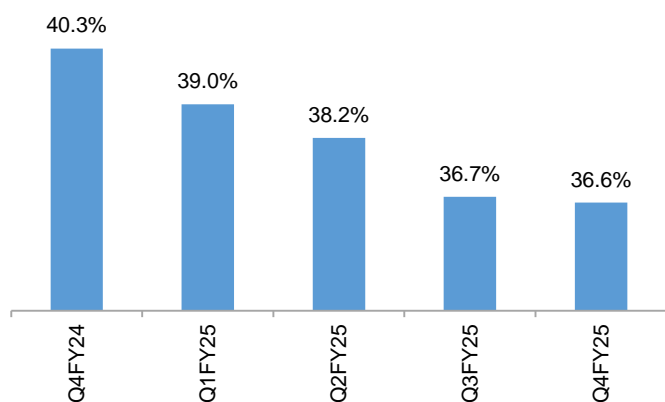
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 4: Operating margin (%)


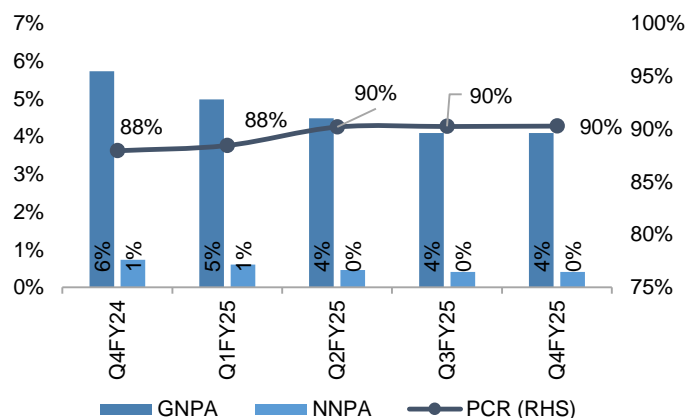
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 5: Return ratios (%)


Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 6: CASA ratio (%)


Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 7: Asset quality (%)


Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 8: Actual performance vs quarterly estimates

(Rs mn)	4QFY25	4QFY25E	Devi (%)	BBG estimates	Devi (%)
NII	1,07,570	1,13,566	(5.3)	1,08,873	(1.2)
PPOP	67,757	72,725	(6.8)	69,880	(3.0)
PAT	45,670	36,978	23.5	41,636	9.7

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 9: Financial summary

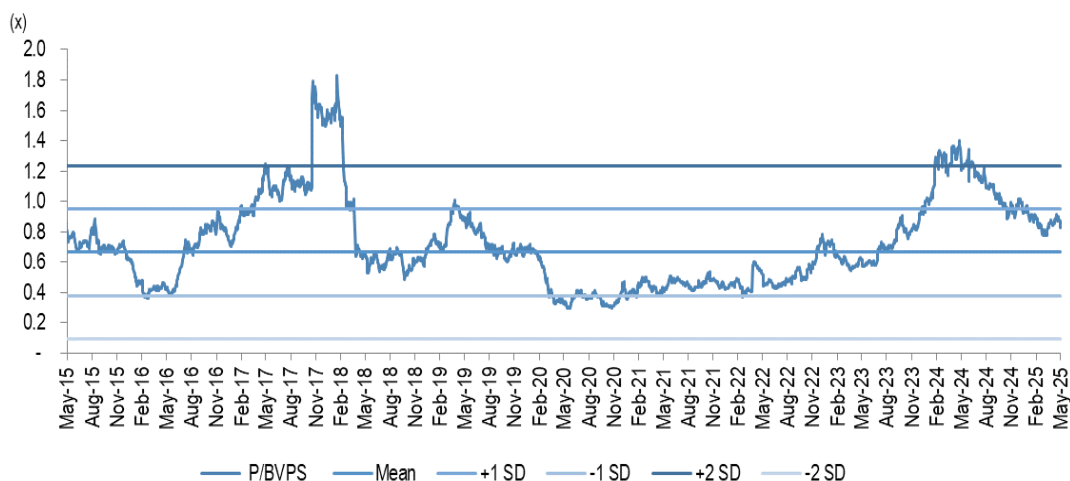
Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
NII	3,44,916	4,00,831	4,27,822	4,73,290	5,35,153
PPOP	2,25,288	2,49,308	2,68,307	3,07,397	3,54,340
PAT	25,072	82,446	1,66,302	1,80,282	2,00,295
EPS (Rs)	2	7	14	16	17
BV (Rs)	91	97	111	123	137
P/E (x)	41.4	12.6	6.5	6.0	5.4
P/BV (x)	1.0	1.0	0.9	0.8	0.7
Gross NPAs (%)	8.7	5.7	3.9	3.5	3.2
Net NPAs (%)	2.7	0.7	0.4	0.3	0.3
RoA (%)	0.2	0.5	1.0	0.9	0.9
RoE (%)	2.6	8.0	14.2	13.4	13.4

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 10: Change in our estimates

	Revised Estimate			Earlier Estimate			% Revision		
	FY25A	FY26E	FY27E	FY25E	FY26E	FY27E	FY25	FY26E	FY27E
Net Interest Income (Rs mn)	4,27,822	4,73,290	5,35,153	4,33,818	4,91,105	5,47,438.03	(1.4)	(3.6)	(2.2)
NIMs (%)	2.67	2.61	2.66	2.73	2.74	2.73	-6 bps	-13 bps	-7 bps
Operating Profit (Rs mn)	2,68,307	3,07,397	3,54,340	2,73,275	3,15,595	3,59,726.10	(1.8)	(2.6)	(1.5)
Profit after tax (Rs mn)	1,66,302	1,80,282	2,00,295	1,57,610	1,78,030	2,01,619.97	5.5	1.3	(0.7)
ABVPS (Rs)	100	113	127	99	112	126.22	0.8	0.9	0.7

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 11: One-year forward P/ABV


Source: Company, Nirmal Bang Institutional Equities Research

Financials

Exhibit 12: Income statement

Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
Interest Income	8,51,441	10,69,016	12,17,607	13,51,250	14,99,854
Interest expense	5,06,525	6,68,186	7,89,786	8,77,960	9,64,700
Net interest income	3,44,916	4,00,831	4,27,822	4,73,290	5,35,153
Non-interest income	1,21,425	1,33,835	1,63,094	1,74,250	1,90,744
Net Revenue	4,66,342	5,34,666	5,90,915	6,47,541	7,25,897
Operating Expense	2,41,054	2,85,358	3,22,609	3,40,144	3,71,557
-Employee Exp	1,48,100	1,84,863	2,13,577	2,16,492	2,34,739
-Other Exp	92,954	1,00,495	1,09,032	1,23,651	1,36,817
Operating profit	2,25,288	2,49,308	2,68,307	3,07,397	3,54,340
Provisions	1,82,405	1,17,366	16,746	49,852	68,205
PBT	42,883	1,31,942	2,51,561	2,57,545	2,86,135
Taxes	17,811	49,496	85,259	77,264	85,841
PAT	25,072	82,446	1,66,302	1,80,282	2,00,295

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 13: Balance sheet

Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
Share capital	22,022	22,022	22,986	22,986	22,986
Reserves & Surplus	9,76,535	10,42,744	12,50,637	13,94,862	15,55,097
Shareholder's Funds	9,98,557	10,64,766	12,73,623	14,17,848	15,78,083
Deposits	1,28,11,631	1,36,97,128	1,56,66,233	1,71,10,259	1,86,87,387
Borrowings	5,12,917	5,04,299	8,37,767	9,61,133	11,02,664
Other liabilities	2,95,209	3,52,158	4,04,085	6,24,670	8,86,673
Total liabilities	1,46,18,314	1,56,18,350	1,81,81,707	2,01,13,909	2,22,54,808
Cash/Equivalent	15,51,088	12,91,046	14,87,198	16,24,280	17,73,997
Advances	83,08,340	93,44,306	1,07,74,746	1,20,27,249	1,34,25,350
Investments	39,59,967	42,03,182	49,73,113	54,31,506	59,32,152
Fixed Assets	1,20,511	1,23,188	1,30,534	1,33,145	1,35,807
Other assets	6,78,408	6,56,629	8,16,117	8,97,728	9,87,501
Total assets	1,46,18,314	1,56,18,350	1,81,81,707	2,01,13,909	2,22,54,808

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 14: Key ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E
Growth (%)					
NII growth	20.2	16.2	6.7	10.6	13.1
PPOP growth	8.5	10.7	7.6	14.6	15.3
PAT growth	-27.5	228.8	101.7	8.4	11.1
Business (%)					
Deposit growth	11.8	6.9	14.4	9.2	9.2
Advance growth	14.1	12.5	15.3	11.6	11.6
CD	64.8	68.2	64.8	64.8	64.8
CASA	42.0	40.3	36.6	37.4	38.2
Operating efficiency (%)					
Cost-to-income	51.7	53.4	54.6	52.5	51.2
Cost-to-assets	1.7	1.9	1.9	1.8	1.8
Spread (%)					
Yield on advances	7.4	8.6	8.6	8.4	8.4
Yield on investments	6.5	6.8	6.7	6.5	6.5
Cost of deposits	3.9	4.7	5.0	5.0	5.0
Yield on assets	6.5	7.5	7.6	7.4	7.5
Cost of funds	4.0	4.9	5.1	5.1	5.1
NIMs	2.6	2.8	2.7	2.6	2.7
Capital adequacy (%)					
Tier I	12.7	13.2	14.1	12.6	12.6
Tier II	2.8	2.8	3.0	0.1	0.1
Total CAR	15.5	16.0	17.0	12.7	12.7
Asset quality (%)					
Gross NPAs	8.7	5.7	3.9	3.5	3.2
Net NPAs	2.7	0.7	0.4	0.3	0.3
PCR	70.8	87.9	90.3	91.3	92.3
Slippage	1.8	0.6	1.8	1.8	1.8
Credit cost	2.3	1.3	0.2	0.4	0.5
Return (%)					
RoE	2.6	8.0	14.2	13.4	13.4
RoA	0.2	0.5	1.0	0.9	0.9
RoRWA	0.4	1.2	2.0	1.8	1.7
Per share					
EPS	2	7	14	16	17
BV	91	97	111	123	137
ABV	62	83	100	113	127
Valuation (x)					
P/E	41.4	12.6	6.5	6.0	5.4
P/BV	1.0	1.0	0.9	0.8	0.7
P/ABV	1.5	1.1	0.9	0.8	0.7

Source: Company, Nirmal Bang Institutional Equities Research

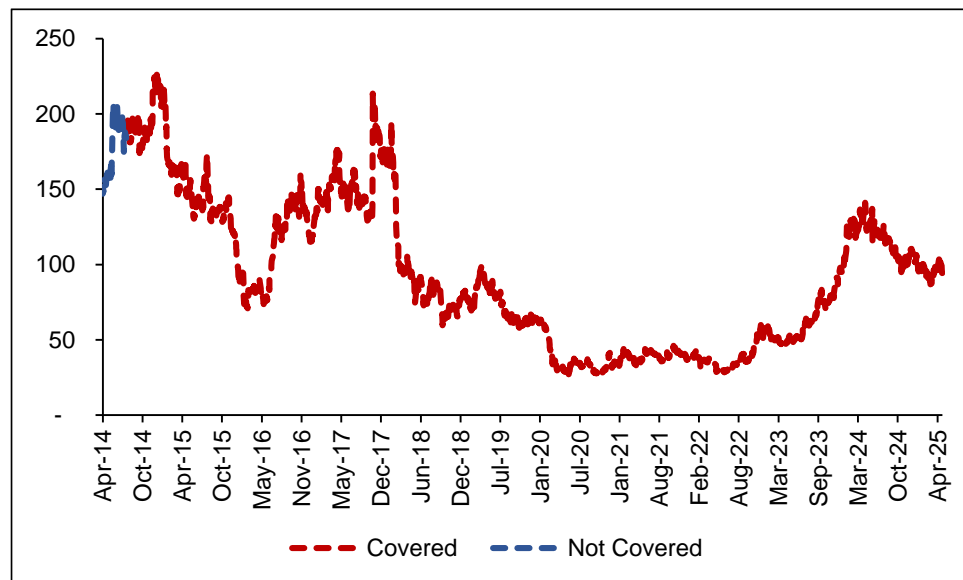
Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
28 July 2014	Accumulate	924	975
8 October 2014	Accumulate	878	975
22 October 2014	Accumulate	928	1,030
8 January 2015*	Accumulate	205	206
4 February 2015	Accumulate	177	200
11 May 2015	Accumulate	146	160
29 July 2015	Accumulate	143	160
10 February 2016	Sell	88	75
24 May 2016	Sell	72	55
1 August 2016	Sell	124	75
9 November 2016	Sell	141	92
9 February 2017	Sell	152	92
14 February 2017	Sell	142	100
22 May 2017	Sell	160	115
3 Aug 2017	Sell	158	110
8 November 2017	Under Review	191	-
7 February 2018	Under Review	161	-
16 May 2018	Under Review	84	-
9 August 2018	Under Review	80	-
19 September 2018	Accumulate	79	82
9 October 2018	Accumulate	63	67
5 November 2018	Accumulate	69	70
13 December 2018	Accumulate	71	73
6 February 2019	Accumulate	75	76
8 April 2019	Accumulate	93	95
30 May 2019	Accumulate	82	92
8 July 2019	Accumulate	82	92
1 August 2019	Accumulate	68	73
23 September 2019	Accumulate	66	75
7 October 2019	Accumulate	58	66
7 November 2019	Accumulate	64	67
8 January 2020	Accumulate	61	67
10 February 2020	Accumulate	58	58
27 March 2020	Accumulate	33	34
9 April 2020	Accumulate	31	34
23 June 2020	Accumulate	36	34
9 July 2020	Accumulate	37	34
25 August 2020	Accumulate	35	34
23 September 2020	Accumulate	30	33
7 October 2020	Accumulate	28	30
4 November 2020	Accumulate	28	28
26 November 2020	Sell	31	28
08 January 2021	Accumulate	35	35
09 February 2021	Accumulate	38	39
21 February 2021	Accumulate	42	46
08 June 2021	Accumulate	42	45
04 August 2021	Accumulate	40	44
26 September 2021	Accumulate	38	40
29 October 2021	Accumulate	41	41

29 January 2022	Accumulate	41	41
13 May 2022	Accumulate	29	31
31 July 2022	Accumulate	31	31
19 September 2022	Accumulate	40	39
03 November 2022	Accumulate	39	44
31 January 2023	Accumulate	51	55
22 March 2023	Accumulate	48	49
20 May 2023	Accumulate	49	55
27 July 2023	Accumulate	63	71
27 October 2023	Accumulate	69	78
28 January 2024	Sell	105	95
21 February 2024	Sell	130	105
10 May 2024	Sell	122	110
27 June 2024	Hold	124	120
28 July 2024	Hold	124	120
10 October 2024	Hold	115	104
29 October 2024	Buy	99	120
6 December 2024	Hold	109	120
10 January 2025	Hold	99	110
2 February 2025	Hold	99	112
9 April 2025	Hold	97	101
8 May 2025	Hold	94	102

* Post stock split

Rating track graph



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Stock Ratings Absolute Returns

BUY > 15%

HOLD -5% to 14%

SELL < -5%

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Team Details:			
Name		Email Id	Direct Line
Rahul Arora	CEO	rahul.arora@nirmalbang.com	-
Krishnan Sambamoorthy	Head of Research	krishnan.s@nirmalbang.com	+91 22 6273 8210
Dealing			
Ravi Jagtiani	Dealing Desk	ravi.jagtiani@nirmalbang.com	+91 22 6273 8230, +91 22 6636 8833
Michael Pillai	Dealing Desk	michael.pillai@nirmalbang.com	+91 22 6273 8102/8103, +91 22 6636 8830

Nirmal Bang Equities Pvt. Ltd.

Correspondence Address

B-2, 301/302, Marathon Innova,
 Nr. Peninsula Corporate Park,
 Lower Parel (W), Mumbai-400013.

Board No. : 91 22 6273 8000/1; Fax. : 022 6273 8010