

IndusInd Bank

Estimate change



TP change



Rating change



Bloomberg	IIB IN
Equity Shares (m)	779
M.Cap.(INRb)/(USDb)	660.6 / 7
52-Week Range (INR)	969 / 711
1, 6, 12 Rel. Per (%)	2/20/5
12M Avg Val (INR M)	4374

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
NII	179.8	193.3	232.8
OP	91.8	98.3	126.8
NP	8.9	37.2	60.1
NIM (%)	3.3	3.4	3.6
EPS (INR)	11.4	47.7	77.1
EPS Gr. (%)	-65.5	318.0	61.6
BV/Sh. (INR)	842	869	936
ABV/Sh. (INR)	813	840	905

Ratios

RoA (%)	0.2	0.7	0.9
RoE (%)	1.4	5.6	8.6

Valuations

P/E (X)	74.5	17.8	11.0
P/BV (X)	1.0	1.0	0.9
P/ABV (X)	1.0	1.0	0.9

Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	15.1	15.1	15.1
DII	38.6	33.7	35.0
FII	31.9	34.8	32.8
Others	14.4	16.4	17.1

FII includes depository receipts

CMP: INR848

TP: INR950 (+12%)

Neutral

Lower provisions aid earnings; guides FY27 exit RoA at 1%

Adjusted NIM expands 4bp QoQ

- IndusInd Bank (IIB) reported a 4QFY26 PAT of INR5.9b (MOFSLe PAT: INR1.2b), backed by lower opex and provisions.
- NII grew 43% YoY (dipped 4.2% QoQ) to INR43.7b (largely in line). Its NIM expanded 4bp QoQ to 3.39% (Adj. NIM stood at 3.35% in 3QFY26).
- Other income was flat QoQ (4% miss on MOFSLe). Opex declined 11% YoY/5% QoQ to INR37.9b (4% lower than MOFSLe).
- The loan book dipped 8.4% YoY (-0.5% YoY), amid a rundown in corporate book, while the bank aims to shift from large corporate to mid-market. Deposits rose 1.6% QoQ (down 2.7% YoY), led by CASA deposits.
- Fresh slippages declined 29% QoQ to INR18.2b in 4QFY26. The GNPA ratio improved 13bp QoQ to 3.43%, while the NNPA ratio declined 4bp QoQ to 1.0%. PCR stood flat at 71.4%.
- **We raise our earnings and project IIB's RoA/RoE at 0.7%/5.6% for FY27E. Reiterate Neutral with a TP of INR950 (based on 1.1x Sep'27E ABV).**

Credit growth to track system growth in FY27E; credit costs improve

- IIB reported 4QFY26 PAT of ~INR5.9b (vs. our profit estimate of INR1.2b), aided by lower opex and provisions.
- NII grew 43% YoY/dipped 4% QoQ to INR43.7b (largely in line). Its NIM improved 4bp QoQ to 3.39% (adj. NIM stood at 3.35% in 3QFY26).
- Other income grew 0.4% QoQ (up 142% YoY, 4% miss on MOFSLe). Opex declined 11% YoY/5% QoQ to INR37.9b. C/I ratio, thus, declined to 62.3% vs. 63.8% in 3QFY26. PPop thus stood flat QoQ at INR22.9b (11% higher than MOFSLe).
- Provisions stood lower vs. our estimate at INR14.8b (down 29% QoQ/ 41% YoY decline), as slippages declined for most of the segment, including MFI.
- The loan book declined 8.4% YoY/0.5% QoQ to INR3.2t, amid a continued dip in the corporate book (down 16% YoY and 3% QoQ). While retail declined 4% YoY/up 1.1% QoQ, within retail, VF grew 4.5% YoY/1.7% QoQ, and consumer banking stood flat QoQ (up 6.7% YoY).
- The deposit book grew 1.6% QoQ (down 2.7% YoY), amid the bank's focus on de-bulking large bulk deposits. CASA book grew 4.9% QoQ (down 7% YoY), led by a spike in CA deposits due to seasonality (up 11.5% QoQ). Hence, the CASA ratio inched up to 31.2%.
- Fresh slippages declined 29% QoQ, led by improvement across segments (VF, MFI, and consumer). As a result, the provisions also experienced improvement. Asset quality ratios improved with GNPA/NNPA declining 13bp/4bp QoQ to 3.43%/1.00%. PCR was largely flat QoQ at 71.4%.

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Highlights from the management commentary

- The bank aims to align credit growth broadly with industry levels in FY27E. The industry credit growth is expected at ~13-14%.
- Management aims to improve RoA to 1% by the end of FY27, led by NIM, improvement in fee income, and optimization in the balance sheet.
- The focus on the mid-market segment is increasing; wholesale growth will be driven more by the mid-market, while large corporate exposure has seen some dip.
- Liability-side repricing is largely complete, though CASA franchise improvement is still underway. An improvement in CASA mix should support a reduction in deposit costs going forward.

Valuation and view

IIB reported a decent quarter, supported by stronger NII and sharply lower-than-expected provisions, driven by improvement in slippages across segments. Consequently, RoA improved to 0.45% from 0.1% in 3QFY26, with the bank targeting an exit RoA of ~1% by the end of FY27E. Other income remained subdued due to modest fee and treasury income, while opex declined QoQ. NIMs expanded 4bp QoQ to 3.39% (adjusted for one-offs in 3Q). Business growth was modest, reflecting de-bulking of the corporate book and a strategic shift towards the mid-market segment. Deposit growth was fueled by CASA, resulting in a decline in the CD ratio to 79%. The reduction in slippages was broad-based, leading to lower provisions in 4Q versus expectations. The bank expects loan growth to broadly track industry growth in FY27, with potential to outpace the industry in FY28. **We raise our earnings by 14%/18% for FY27/28E and project IIB's RoA/RoE at 0.7%/5.6% for FY27E. Reiterate Neutral with a TP of INR950 (premised on 1.1x Sep'27E ABV).**

Quarterly performance

(InR b)

	FY25				FY26				FY26	FY27E	FY26E	V/S our
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QA				
Net Interest Income	54.1	53.5	52.3	30.5	46.4	44.1	45.6	43.7	179.8	193.3	42.5	3%
% Change (YoY)	11.1	5.3	-1.3	-43.3	-14.2	-17.5	-12.7	43.4	-5.5	7.5	39.3	
Other Income	24.4	21.8	23.6	7.1	21.6	16.5	17.1	17.1	72.3	83.3	17.9	-4%
Total Income	78.5	75.3	75.8	37.6	68.0	60.6	62.7	60.9	252.1	276.6	60.4	1%
Operating Expenses	39.0	39.3	39.8	42.5	42.3	40.1	40.0	37.9	160.3	178.4	39.7	-4%
Operating Profit	39.5	36.0	36.0	-4.9	25.7	20.5	22.7	23.0	91.8	98.3	20.7	11%
% Change (YoY)	3.1	-7.9	-10.9	-112.0	-35.0	-43.1	-37.0	NA	-13.9	7.0	-521.7	
Provisions	10.5	18.2	17.4	25.2	17.6	26.3	21.0	14.8	79.7	50.3	19.1	-23%
Profit before Tax	29.0	17.8	18.6	-30.1	8.1	-5.8	1.7	8.1	12.1	47.9	1.6	422%
Tax	7.3	4.5	4.5	-6.8	2.0	-1.5	0.5	2.2	3.2	12.0	0.4	499%
Net Profit	21.7	13.3	14.0	-23.3	6.0	-4.4	1.3	5.9	8.9	35.9	1.2	398%
% Change (YoY)	2.2	-39.5	-39.1	NA	-72.2	NA	-90.9	NA	-65.5	303.8	NA	

Operating Parameters

Deposit (INR b)	3,985	4,124	4,094	4,109	3,971	3,896	3,938	3,999	3,999	4,439	4,014
Loan (INR b)	3,479	3,572	3,669	3,450	3,337	3,259	3,175	3,159	3,159	3,579	3,198
Deposit Growth (%)	14.8	14.7	11.0	6.8	-0.3	-5.5	-3.8	-2.7	-2.7	11.0	-2.3
Loan Growth (%)	15.5	13.2	12.2	0.5	-4.1	-8.8	-13.5	-8.4	-8.4	13.3	-7.3

Asset Quality

Gross NPA (%)	2.0	2.1	2.3	3.1	3.6	3.6	3.6	3.4	3.4	3.2	3.4
Net NPA (%)	0.6	0.6	0.7	1.0	1.1	1.0	1.0	1.0	1.0	0.9	1.0
PCR (%)	70.6	70.1	70.2	70.2	70.2	71.8	71.5	71.4	71.5	71.9	72.1

E: MOFSL Estimates

Quarterly snapshot

INR b	FY25				FY26				Variation (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
Profit and Loss										
Net Interest Income	54.1	53.5	52.3	30.5	46.4	44.1	45.6	43.7	43	-4
Other Income	24.4	21.8	23.6	7.1	21.6	16.5	17.1	17.1	142	0
Trading profits	0.9	0.6	2.3	3.6	6.3	1.1	1.4	1.9	-48	38
Total Income	78.5	75.3	75.8	37.6	68.0	60.6	62.7	60.9	62	-3
Operating Expenses	39.0	39.3	39.8	42.5	42.3	40.1	40.0	37.9	-11	-5
Employee	14.4	15.0	14.8	16.0	18.1	16.6	19.0	17.2	7	-10
Others	24.6	24.3	25.0	26.5	24.2	23.5	20.9	20.7	-22	-1
Operating Profits	39.5	36.0	36.0	-4.9	25.7	20.5	22.7	23.0	NA	1
Core PPop	38.6	35.4	33.7	-8.5	19.4	19.4	21.3	21.1	NA	-1
Provisions	10.5	18.2	17.4	25.2	17.6	26.3	21.0	14.8	-41	-29
PBT	29.0	17.8	18.6	-30.1	8.1	-5.8	1.7	8.1	NA	368
Taxes	7.3	4.5	4.5	-6.8	2.0	-1.5	0.5	2.2	NA	377
PAT	21.7	13.3	14.0	-23.3	6.0	-4.4	1.3	5.9	NA	364
Balance Sheet (INR b)										
Loans	3,479	3,572	3,669	3,450	3,337	3,259	3,175	3,159	-8	-1
Deposits	3,985	4,124	4,094	4,109	3,971	3,896	3,938	3,999	-3	2
CASA Deposits	1,461	1,479	1,428	1,348	1,250	1,198	1,191	1,249	-7	5
- Savings	977	953	969	940	911	879	877	899	-4	3
- Current	485	526	459	408	339	319	314	350	-14	12
Loan mix (%) - new Classification										
Retail			45.5	49.2	50.8	49.9	50.8	51.6	240	83
- of which Vehicle			25.9	27.7	28.9	29.5	30.9	31.6	394	69
- of which Rural			12.4	13.1	12.7	10.9	10.1	10.1	-296	8
- of which Consumer			7.2	8.4	9.2	9.5	9.8	9.8	141	6
SME			12.0	13.5	13.6	13.8	13.8	14.0	57	20
Wholesale			42.5	37.3	35.6	36.3	35.4	34.4	-296	-103
- of which Large Corp.			23.0	17.9	16.0	17.0	15.9	14.7	-316	-117
- of which Inst. & Govt			11.1	10.1	11.0	10.2	9.6	10.2	12	64
- of which Mid Corp & others			8.5	9.0	8.9	9.1	9.9	9.4	46	-49
Asset Quality (INR b)										
GNPA	71.27	76.39	83.75	110.46	124.81	120.58	116.05	110.95	0	-4
NNPA	20.95	22.82	24.96	32.87	37.22	33.99	33.04	31.69	-4	-4
Slippages	15.4	18.0	22.0	50.1	25.7	25.4	25.6	18.3	-64	-29
Asset Quality Ratios (%)										
GNPA	2.0	2.1	2.3	3.1	3.6	3.6	3.6	3.4	30	-13
NNPA	0.6	0.6	0.7	1.0	1.1	1.0	1.0	1.0	5	-4
PCR (Cal.)	70.6	70.1	70.2	70.2	70.2	71.8	71.5	71.4	119	-9
Slippage	1.9	2.1	2.5	5.8	3.0	3.0	3.0	2.2	-362	-78
Business Ratios (%)										
CASA	36.7	35.9	34.9	32.8	31.5	30.7	30.2	31.2	-157	100
Loan/Deposit	87.3	86.6	89.6	84.0	84.0	83.6	80.6	79.0	-499	-165
Other income/Total Income	31.1	29.0	31.1	18.9	31.7	27.2	27.2	28.2	930	93
Cost to Income	49.7	52.2	52.5	113.1	62.2	66.2	63.8	62.3	-5,078	-151
Cost to Assets	3.1	3.1	3.1	3.2	3.2	3.0	3.0	2.8	-42	-21
Tax Rate	25.2	25.2	24.5	22.7	25.2	25.2	26.4	26.9	423	52
Capitalisation Ratios (%)										
CAR	17.6	16.5	16.5	16.2	16.6	17.1	16.9	17.5	124	54
Tier 1	16.2	15.2	15.2	15.1	15.5	15.9	15.7	16.2	110	46
- CET 1	16.2	15.2	15.2	15.1	15.5	15.9	15.7	16.2	110	46
RWA / Total Assets	73.3	77.4	78.1	75.7	76.0	75.5	76.0	72.0	-371	-400
LCR	122.0	118.0	117.6	118.4	141.3	132.1	121.9	118.0	-43	-391
Profitability Ratios (%)										
Yield on loans	12.6	12.3	12.2	9.5	11.6	11.2	11.1	11.2	170	7
Yield on funds	9.9	9.7	9.6	7.9	9.2	8.8	8.8	8.5	68	-25
Cost of deposits	6.5	6.6	6.6	6.5	6.4	6.2	6.1	6.1	-43	-2
Cost of funds	5.6	5.6	5.7	5.6	5.7	5.4	5.3	5.1	-46	-12
Margins	4.25	4.08	3.93	2.25	3.46	3.32	3.52	3.39	114	-13
Other details										
Branches	3,013	3,040	3,063	3,081	3,110	3,116	3,120	3,136	55	16
ATMs	2,988	3,011	2,993	3,027	3,052	3,054	3,063	2,870	-157	-193



Highlights from the management commentary

Opening Remarks

- Economic momentum remains strong, though the West Asia conflict poses some risks.
- Net slippages declined 37% QoQ, resulting in lower provisions in 4Q.
- Leadership transition is largely complete, with most key positions now filled.

Retail

- Gold loan disbursements have more than tripled, with momentum continuing.
- The bank remains cautious in unsecured retail; the personal loan book declined 2% QoQ, and credit cards fell 5% QoQ.

MFI business

- Around 57% of the portfolio is covered under the CGTMSE scheme, including 4Q disbursements.
- The bank continues to build a diversified rural portfolio.

SME Banking

- The SME segment is being strengthened further.
- The bank remains cautious due to the West Asia situation, though no material risks are currently visible.

Vehicle segment

- The VF book saw improvement in asset quality metrics.
- Performance improved across all VF categories.
- Slippages declined and are among the lowest in recent quarters, with broad-based asset quality improvement.
- The bank remains watchful of potential risks from the West Asia situation.

Corporate

- Wholesale segment growth has been strong.
- Transaction banking contributes ~66% of fee income within the corporate segment.

Liabilities

- Both average and period-end deposits registered healthy growth.
- Retail deposits remained strong, with an improved share in average deposits.
- Cost of deposits stood at 6.47% (down 2bp QoQ).
- LCR remains healthy at 118%.

Loans related

- The bank aims to align credit growth broadly with industry levels in FY27E.
- Industry credit growth is expected at ~13–14%.
- The loan mix remains balanced at 50:50 between retail and wholesale, with a shift from large corporates to mid-market and SME segments.
- Growth is picking up in traditional retail products such as home and gold loans.
- The focus on the mid-market segment is increasing; wholesale growth will be driven more by mid-market, while large corporate exposure has seen some decline.
- The bank remains optimistic on merchant loans and expects stronger growth in this segment.
- Overall, the bank is returning to a growth trajectory closer to system growth.

- Credit growth may remain slightly subdued in the near term due to macro uncertainties, including the West Asia conflict.

Deposits

- Average CASA growth was largely flat QoQ. Retail book has been growing, but the bank has seen some de-growth in the wholesale.
- Liability-side repricing is largely complete, though CASA franchise improvement is still underway.
- Improvement in CASA mix should support a reduction in deposit costs going forward.
- Deposits rate vs large peers, the bank is already paying a premium and will see how these things play out in the future.

Margins, yields, costs, and RoA

- Bank looks at RoA improvement to 1% led by NIMs, improvement in fee income, and also optimization in the balance sheet.
- Bank expects 1% of RoA by the end of FY27E.
- There is no one-off in NIMs in 4Q.
- Cost of deposits declined 2bp QoQ, while overall cost of funds fell 12bp QoQ, largely due to balance sheet actions.

Other Income and Opex

- AFS reserve stood at around negative INR500m.
- The bank looks at fee income as an opportunity to work in the same.
- The bank can do more on the sale of insurance and MFs, and there is work on the transaction banking business. Thus, the bank expects better fee income going ahead.

Asset Quality related

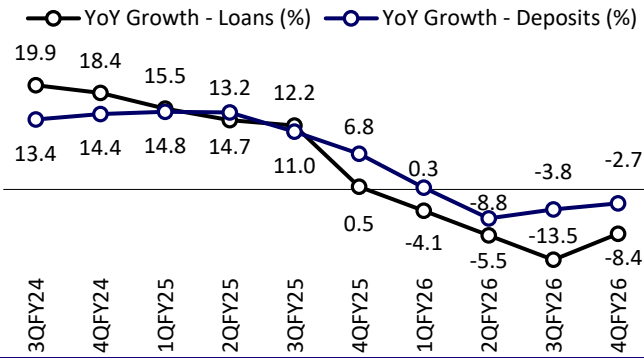
- Asset quality improvement was primarily led by the vehicle finance segment.
- Improvement is broad-based across segments, including MFI, VF, and consumer lending.
- No immediate stress is visible due to the West Asia conflict, though a prolonged situation could impact the portfolio with a lag of ~2 quarters.

Others

- Its banking footprint has reduced by ~200 branches; this was a process of optimization.
- Other assets increased due to RIDF and revaluation of FX contracts.
- The bank has met all the PSL requirements, including the sub-categories as well. There are INR20b of RIDF still left.
- LCR – at 118% has been stale. The bank aims to operate at 115-120%. With no significant release in the LCR from the new guidelines.
- The bank has accreted capital in 4Q, and this level of capital is enough to support growth for the next year.

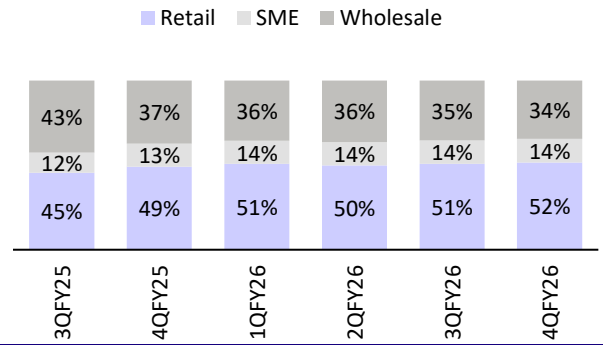
Story in charts

Exhibit 1: Loans/deposits dipped 8.4%/2.7% YoY



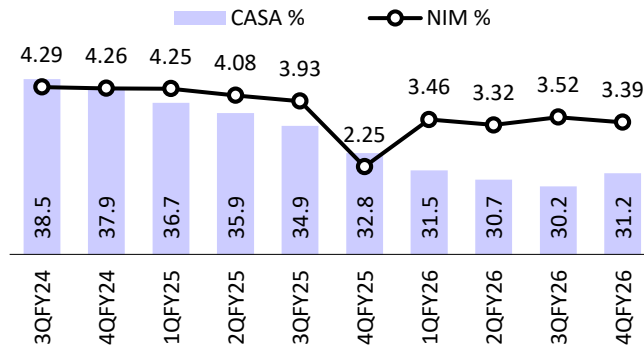
Source: MOFSL, Company

Exhibit 2: Retail mix stood at 52%, wholesale mix at 34%



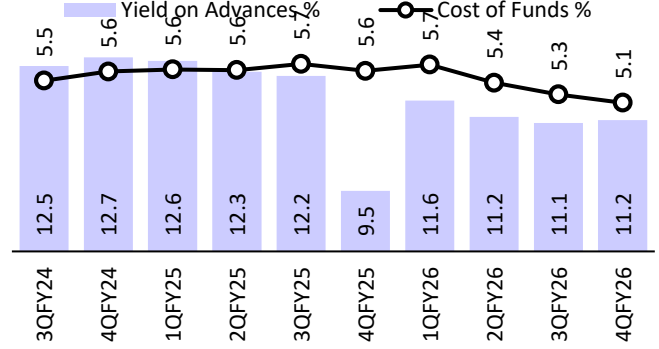
Source: MOFSL, Company

Exhibit 3: NIM stood at 3.39% (vs. adj. NIM at 3.35% in 3Q)



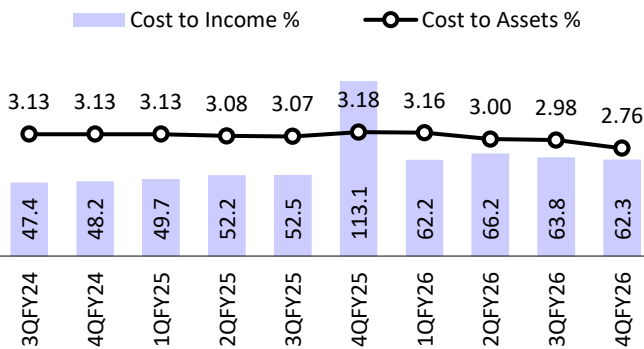
Source: MOFSL, Company

Exhibit 4: YoA improved to 11.2%; CoF declined to 5.1%



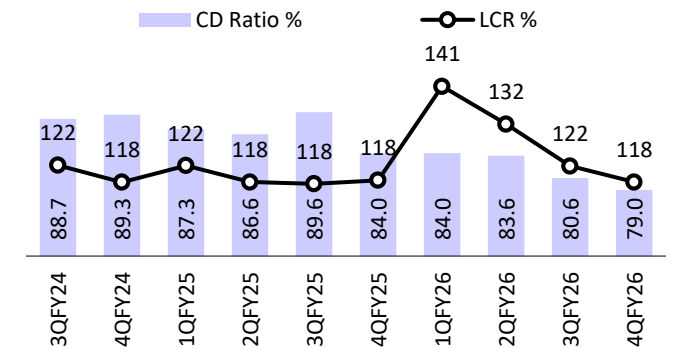
Source: MOFSL, Company

Exhibit 5: C/I ratio declined to 62.3%; C/A declined to 2.76%



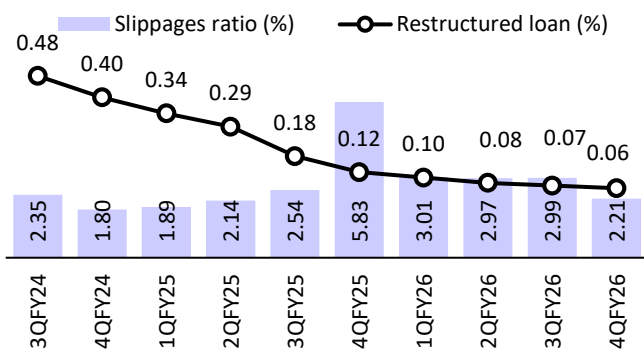
Source: MOFSL, Company

Exhibit 6: C/D ratio declined to 79%; LCR ratio at 118%



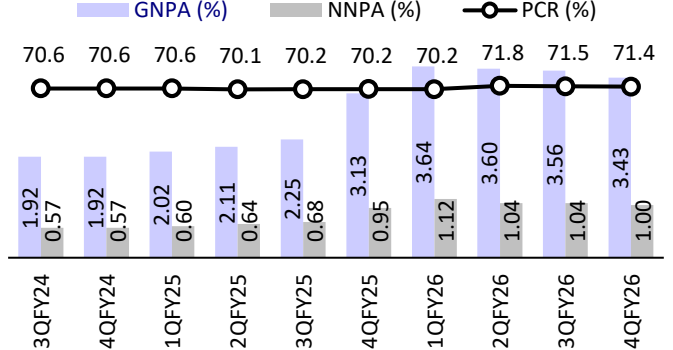
Source: MOFSL, Company

Exhibit 7: Slippage ratio declined to 2.21%



Source: MOFSL, Company

Exhibit 8: GNPA/NNPA ratios declined to 3.43%/1.00%



Source: MOFSL, Company

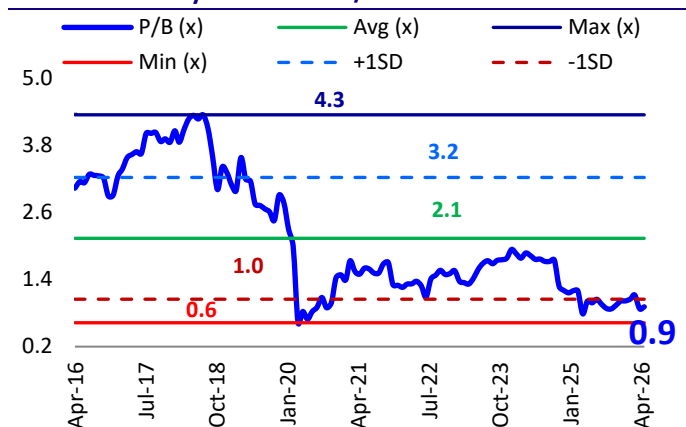
Valuation and view: Reiterate Neutral with a TP of INR950

- IIB reported a decent quarter, supported by stronger NII and sharply lower-than-expected provisions, driven by improvement in slippages across segments. Consequently, RoA improved to 0.45% from 0.1% in 3QFY26, with the bank targeting an exit RoA of ~1% by the end of FY27E.
- Other income remained subdued due to modest fee and treasury income, while opex fell QoQ. NIM expanded 4bp QoQ to 3.39% (adjusted for one-offs in 3Q).
- Business growth was modest, reflecting de-bulking of the corporate book and a strategic shift towards the mid-market segment. Deposit growth was fueled by CASA, resulting in a decline in the CD ratio to 79%.
- The reduction in slippages was broad-based, leading to lower provisions in 4Q versus expectations. The bank expects loan growth to broadly track industry growth in FY27, with potential to outpace the industry in FY28.
- **We raise our earnings by 14%/18% for FY27/28E and project IIB's RoA/RoE at 0.7%/5.6% for FY27E. Reiterate Neutral with a TP of INR950 (premised on 1.1x Sep'27E ABV).**

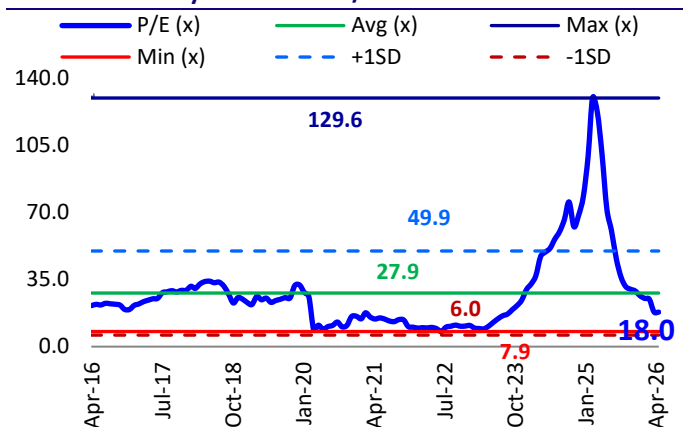
Exhibit 9: We raise our estimates by 14%/18% for FY27/28E

INRb	Old Estimates			New Estimates			Change (%/bps)		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
Net Interest Income	178.6	190.3	223.6	179.8	193.3	232.8	0.7	1.6	4.1
Other Income	73.1	82.9	94.5	72.3	83.3	94.9	-1.1	0.4	0.4
Total Income	251.6	273.2	318.2	252.1	276.6	327.8	0.2	1.2	3.0
Operating Expenses	162.1	179.2	201.9	160.3	178.4	201.0	-1.1	-0.5	-0.5
Operating Profits	89.5	94.0	116.2	91.8	98.3	126.8	2.5	4.5	9.1
Provisions	84.0	50.6	48.5	79.7	48.6	46.6	-5.1	-3.9	-3.8
PBT	5.5	43.4	67.8	12.1	49.6	80.2	118.8	14.4	18.4
Tax	1.4	10.9	17.0	3.2	12.5	20.1	131.4	14.4	18.4
PAT	4.1	32.5	50.8	8.9	37.2	60.1	114.6	14.4	18.4
Loans	3,198	3,592	4,077	3,159	3,579	4,087	-1.2	-0.4	0.3
Deposits	4,014	4,456	5,035	3,999	4,439	5,016	-0.4	-0.4	-0.4
Margins (%)	3.28	3.37	3.54	3.28	3.38	3.65	0.1	1.2	10.1
Credit Cost (%)	2.6	1.5	1.2	2.6	1.4	1.2	0.0	-5.0	-5.0
RoA (%)	0.08	0.58	0.80	0.16	0.65	0.94	8.6	7.5	13.6
RoE (%)	0.6	5.0	7.4	1.4	5.6	8.6	72.4	62.0	118.0
BV	825.7	857.4	911.5	841.7	869.4	935.5	1.9	1.4	2.6
ABV	797.8	828.0	880.7	813.4	840.1	904.6	1.9	1.5	2.7
EPS	5.3	41.7	65.1	11.4	47.7	77.1	114.6	14.4	18.4

Source: MOFSL, Company

Exhibit 10: One-year forward P/B ratio


Source: MOFSL, Company

Exhibit 11: One-year forward P/E ratio


Source: MOFSL, Company

Exhibit 12: DuPont Analysis – we estimate an RoA/RoE at 0.65%/5.6% for FY27

Y/E March (%)	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	8.46	9.40	9.10	8.43	8.22	8.34
Interest Expense	4.37	5.17	5.54	5.15	4.84	4.70
Net Interest Income	4.09	4.24	3.56	3.28	3.38	3.65
Core Fee Income	1.89	1.85	1.34	1.22	1.35	1.37
Trading and others	0.02	0.08	0.10	0.10	0.11	0.11
Non-interest income	1.90	1.93	1.44	1.32	1.46	1.49
Total Income	5.99	6.17	5.00	4.59	4.84	5.13
Operating Expenses	2.64	2.91	3.00	2.92	3.12	3.15
- Employee cost	0.97	1.10	1.13	1.30	1.41	1.44
- Others	1.67	1.80	1.88	1.63	1.71	1.71
Operating Profit	3.35	3.26	1.99	1.67	1.72	1.99
Core operating Profits	3.34	3.18	1.90	1.57	1.61	1.87
Provisions	1.04	0.80	1.33	1.45	0.85	0.73
NPA	0.90	0.63	1.34	1.54	0.82	0.70
Others	0.14	0.16	0.00	-0.08	0.03	0.03
PBT	2.31	2.46	0.66	0.22	0.87	1.26
Tax	0.58	0.62	0.18	0.06	0.22	0.32
RoA	1.73	1.85	0.48	0.16	0.65	0.94
Leverage (x)	8.4	8.3	8.4	8.4	8.6	9.1
RoE	14.5	15.3	4.0	1.4	5.6	8.6

Source: MOFSL, Company

Financials and valuations

Income Statement						(INRb)
Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Interest Income	175.9	206.2	190.3	179.8	193.3	232.8
-growth (%)	17.3	17.2	-7.7	-5.5	7.5	20.4
Non-Interest Income	81.7	94.0	76.9	72.3	83.3	94.9
Total Income	257.6	300.1	267.2	252.1	276.6	327.8
-growth (%)	15.3	16.5	-11.0	-5.7	9.7	18.5
Operating Expenses	113.5	141.5	160.6	160.3	178.4	201.0
Pre-Provision Profits	144.2	158.6	106.6	91.8	98.3	126.8
-growth (%)	10.6	10.0	-32.8	-13.9	7.0	29.1
Core PPOP	143.5	154.6	101.4	86.4	92.0	119.7
-growth (%)	15.4	7.7	-34.4	-14.8	6.5	30.0
Provisions	44.9	38.8	71.4	79.7	48.6	46.6
PBT	99.3	119.8	35.3	12.1	49.6	80.2
Tax	24.9	30.0	9.5	3.2	12.5	20.1
Tax Rate (%)	25.1	25.1	27.0	26.5	25.1	25.1
PAT	74.4	89.8	25.8	8.9	37.2	60.1
-growth (%)	54.9	20.6	-71.3	-65.5	318.0	61.6

Balance Sheet

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	7.8	7.8	7.8	7.8	7.8	7.8
Reserves & Surplus	541.8	623.3	639.1	648.1	671.2	722.7
Net Worth	549.6	631.0	646.9	655.9	679.0	730.5
Deposits	3,361.2	3,845.9	4,108.6	3,999.3	4,439.2	5,016.3
-growth (%)	14.6	14.4	6.8	-2.7	11.0	13.0
- CASA Dep	1,347.3	1,456.7	1,347.9	1,347.8	1,522.7	1,775.8
-growth (%)	7.5	8.1	-7.5	0.0	13.0	16.6
Borrowings	490.1	476.1	537.0	427.9	470.2	536.6
Other Liabilities & Prov.	177.0	196.9	247.1	349.3	412.2	490.5
Total Liabilities	4,578.4	5,150.9	5,541.1	5,433.9	6,000.7	6,773.9
Current Assets	567.8	369.1	593.8	489.3	490.9	549.7
Investments	830.8	1,064.9	1,144.6	1,250.1	1,337.6	1,471.3
-growth (%)	17.1	28.2	7.5	9.2	7.0	10.0
Loans	2,899.2	3,433.0	3,450.2	3,158.7	3,578.8	4,087.0
-growth (%)	21.3	18.4	0.5	-8.4	13.3	14.2
Fixed Assets	20.8	23.2	25.0	25.5	28.3	30.6
Other Assets	259.8	260.8	327.6	510.4	565.0	635.3
Total Assets	4,578.4	5,150.9	5,541.1	5,433.9	6,000.7	6,773.9

Asset Quality

GNPA	58.3	66.9	110.5	111.0	116.4	125.0
NNPA	17.8	20.4	33.6	31.6	32.6	34.5
Slippage	68.9	60.3	105.5	94.9	80.9	84.3
GNPA Ratio (%)	2.0	1.9	3.1	3.4	3.2	3.0
NNPA Ratio (%)	0.6	0.6	1.0	1.0	0.9	0.8
Slippage Ratio (%)	2.61	1.91	3.06	3.01	2.40	2.20
Credit Cost (%)	1.70	1.23	2.07	2.55	1.40	1.17
PCR (Excl Technical write off) (%)	69.4	69.5	69.6	71.5	71.9	72.4

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield-Earning Assets	9.0	10.0	9.7	9.2	9.1	9.3
Avg. Yield on loans	11.3	12.0	11.5	11.0	11.1	11.2
Avg. Yield on Investments	6.0	5.8	6.2	6.6	7.0	6.6
Avg. Cost-Int. Bear. Liab.	5.2	6.1	6.6	6.2	5.9	5.7
Avg. Cost of Deposits	5.0	6.0	6.4	6.1	5.7	5.5
Interest Spread	4.0	4.0	3.3	3.1	3.4	3.7
Net Interest Margin	5.0	4.8	4.1	3.9	4.0	4.3
Capitalisation Ratios (%)						
CAR	17.9	17.2	16.2	17.5	17.0	16.3
Tier I	16.4	15.8	15.1	16.2	15.4	14.8
-CET-1	15.9	15.8	15.1	16.2	15.4	14.8
Tier II	1.5	1.4	1.1	1.3	1.5	1.4
Business Ratios (%)						
Loans/Deposit Ratio	86.3	89.3	84.0	79.0	80.6	81.5
CASA Ratio	40.1	37.9	32.8	33.7	34.3	35.4
Cost/Assets	2.5	2.7	2.9	3.0	3.0	3.0
Cost/Total Income	44.0	47.1	60.1	63.6	64.5	61.3
Cost/Core Income	44.1	47.8	61.3	65.0	66.0	62.7
Int. Expense/Int.Income	51.6	54.9	60.9	61.1	58.9	56.3
Fee Income/Total Income	31.5	29.9	26.8	26.5	27.9	26.8
Non Int. Inc./Total Income	31.7	31.3	28.8	28.7	30.1	29.0
Empl. Cost/Total Expense	36.8	38.0	37.5	44.4	45.3	45.8
Efficiency Ratios (INRm)						
Employee per branch (in nos)	14.7	15.3	14.6	16.6	17	17
Staff cost per employee	1.1	1.2	1.3	1.3	1.3	1.4
CASA per branch	517	488	437	407	430	466
Deposits per branch	1,290	1,289	1,334	1,207	1,253	1,317
Business per Employee	164.0	159.5	168.1	130.3	133.9	138.8
Profit per Employee	1.9	2.0	0.6	0.2	0.6	0.9

Profitability Ratios and Valuations

RoA	1.7	1.8	0.5	0.2	0.7	0.9
RoE	14.5	15.3	4.0	1.4	5.6	8.6
RoRWA	2.2	2.3	0.6	0.2	0.9	1.2
Book Value (INR)	707	810	830	842	869	936
-growth	14.4	14.6	2.5	1.4	3.3	7.6
Price-BV (x)	1.2	1.0	1.0	1.0	1.0	0.9
Adjusted BV (INR)	691	792	800	813	840	905
Price-ABV (x)	1.2	1.1	1.1	1.0	1.0	0.9
EPS (INR)	96.0	115.5	33.1	11.4	47.7	77.1
-growth	54.7	20.3	-71.4	-65.5	318.0	61.6
Price-Earnings (x)	8.9	7.4	25.7	74.5	17.8	11.0
Dividend Per Share (INR)	8.5	14.0	16.5	8.0	10.0	11.0
Dividend Yield	1.0	1.6	1.9	0.9	1.2	1.3

E: MOFSL Estimates

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Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

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Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.