

## Turns profitable, albeit caution still warranted

BFSI - Banks ▶ Result Update ▶ July 29, 2025

CMP (Rs): 802 | TP (Rs): 700

After a challenging Q4FY25 marked by recognition of derivative discrepancies/ MFI NPAs and resignation of the entire top management team, IndusInd Bank turned profitable in Q1FY26 with PAT at Rs6bn (Emkay: Rs2bn), on higher NII (incl higher interest on IT refund), treasury gains, and lower provisions. Asset quality though remains weak, with GNPA ratio inching up by 51bps QoQ given stress across segments, incl MFI. The interim leadership (COE) is rehauling the treasury management system, has sharply cut SA rates, and targets single-digit opex growth for driving profitability. Factoring in the Q1 beat and slower opex, we revise up FY26E-28E earnings by 2%-9% and our TP by ~8% to Rs700, rolling forward on 0.9x Jun-27E ABV. However, we retain REDUCE. We believe it is prudent to wait for the new MD & CEO to allay the risk of further kitchen-sinking and articulate a LT strategy – particularly fixing its retail liability franchise, asset portfolio mix, risk management, and senior management team.

**Weak business growth; await appointment of new MD & CEO**

IIB's loan book declined further, by 4% YoY/3% QoQ mainly due to sell-off of corporate loans and sequential decline in the consumer business segment (down ~1%) as MFI stress persists. Deposits too declined, by 3% QoQ as the bank shed high-cost deposits, while CASA deposits fell at a higher pace (down 7% QoQ) due to a drop in CA deposits, as also in SA deposits (as the bank cut SA rate aggressively). Reported NIM declined by 79bps YoY, albeit but rose by 121bps QoQ (incl a 11bps rise owing to one NPA recovery and interest on IT refund) to 3.5%, broadly in line with Q4 (adjusted for one-offs). The bank hinted at further deposit rate cuts to support margins in coming quarters. The IIB Chairman has given assurance that the bank has not rejigged the candidate list, as reported by the media, and expects the regulatory evaluation process to complete soon, paving the way for the appointment of the new MD & CEO.

**Higher retail stress including MFI leads to GNPA ratio inching up**

Gross slippage is lower QoQ in 1Q, albeit still elevated at Rs25.7bn/6% of loans due to continued MFI stress (Rs8.9bn), VF (Rs7.4bn), and one lumpy corporate account (50% provided). This, along with lower write-offs given subdued operating profitability, pushed up GNPA/NNPA ratio by 51bps/17bps QoQ to 3.6%/1.1%. The interim management expects asset quality to gradually improve as MFI stress eases, though we believe caution is warranted amid rising stress in the CV portfolio (11% of the loan portfolio) across lenders and given potential risk of further cleanup by the new management.

**We retain REDUCE**

Though the capital/LCR situation is comfortable, it is prudent to wait for the new MD & CEO to allay any risk of further kitchen-sinking as well as to articulate a long term strategy – particularly fixing its retail liability franchise, asset portfolio mix, risk management, and senior management team. We retain REDUCE while raising our TP to Rs700 from Rs650 earlier. Key risk to our call: Appointment of a marquee private banker; faster than expected business/asset quality turnaround.

Target Price – 12M	Jun-26
<b>Change in TP (%)</b>	<b>7.7</b>
Current Reco.	REDUCE
Previous Reco.	REDUCE
Upside/(Downside) (%)	(12.7)

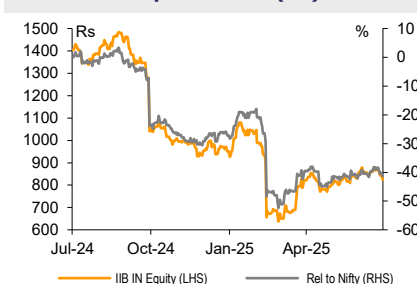
Stock Data	IIB IN
52-week High (Rs)	1,499
52-week Low (Rs)	605
Shares outstanding (mn)	779.1
Market-cap (Rs bn)	625
Market-cap (USD mn)	7,210
Net-debt, FY26E (Rs mn)	NA
ADTV-3M (mn shares)	11
ADTV-3M (Rs mn)	6,473.5
ADTV-3M (USD mn)	74.7
Free float (%)	84.7
Nifty-50	24,680.9
INR/USD	86.7

**Shareholding, Jun-25**

Promoters (%)	15.1
FPIs/MFs (%)	32.1/32.0

**Price Performance**

(%)	1M	3M	12M
Absolute	(6.5)	(3.4)	(42.9)
Rel. to Nifty	(2.9)	(4.8)	(42.5)

**1-Year share price trend (Rs)****IndusInd Bank: Financial Snapshot (Consolidated)**

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net profit	89,770	25,754	36,140	50,583	77,496
Loan growth (%)	18.4	0.5	4.8	10.3	14.4
NII growth (%)	17.2	(7.7)	(3.6)	9.3	18.6
NIM (%)	4.5	3.8	3.5	3.6	3.8
PPOP growth (%)	10.0	(32.8)	(3.9)	11.4	28.8
Adj. EPS (Rs)	115.3	33.1	46.4	64.9	99.5
Adj. EPS growth (%)	20.2	(71.3)	40.3	40.0	53.2
Adj. BV (INR)	696.7	673.1	702.2	750.3	823.8
Adj. BVPS growth (%)	7.0	(3.4)	4.3	6.9	9.8
RoA (%)	1.8	0.5	0.6	0.8	1.2
RoE (%)	15.3	4.0	5.5	7.3	10.3
P/E (x)	7.0	24.3	17.3	12.4	8.1
P/ABV (x)	1.2	1.2	1.1	1.1	1.0

Source: Company, Emkay Research

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## Key Concall takeaways

### Outlook on loans, deposits, and NIM

- Vehicle and consumer finance segments maintained disbursements in line with the usual trends, while disbursements in corporate banking were calibrated and are now showing signs of recovery.
- The management indicated that the overall vehicle demand for the year would remain subdued. However, it anticipates some support from a rural uptick driven by strong monsoons, increased government infrastructure spending, and interest rate cuts.
- The bank adopted a cautious approach toward MFI, closely monitoring industry trends while implementing several initiatives to strengthen internal processes. These include enhanced quality checks such as revalidating all KYCs, improving underwriting standards, and conducting loan utilization checks across all disbursements.
- Some CDs are still in the books (issued for six months) and will come up for renewal this quarter. The management expects the CD share to decline and remain within the typical range of 3-4% of total deposits.

### NIM

- NIM was supported by improving CoD on the back of rate cuts, particularly SA rate and higher overall retail loan mix, which partly offset the impact of excess liquidity and lower share of MFI loans.
- Reported NIM was higher by 11bps due to one past NPA recovery and one-off interest on IT refund.
- The bank undertook significant rate actions of up to 200bps on SA and up to 100bps on TDs in certain slabs. The full benefit of this cut is yet to fully reflect in the CoD. Further, there is a potential reduction of 40-50bps expected in SA cost.
- A significant portion of EBLR applies to the corporate segment, where yields declined by ~20bps this quarter. The impact of EBLR repricing is expected to be more visible during this quarter.
- Currently, 55-58% of the loan book is on a fixed rate. This includes VF, MFI, and parts of the retail portfolio. The remaining 43-45% of the corporate book is on a floating rate basis, of which two-third is linked to external benchmarks and one-third to MCLR. The corporate book has also contracted over the past six months.
- The management pointed to the key margin drivers – From a positive perspective, the impact of SA rate cuts is yet to fully reflect in the CoD, slower corporate loan growth is margin accretive, and liquidity deployment supports margins. On the negative side, the impact of repo rate transmission on yields, along with subdued growth in segments like MFI/Cards, may exert pressure on margins.

### Asset quality

- VF – Net slippages improved to 0.58% in Q1 vs to 0.62% YoY. The management expects slippages to remain range-bound through the year, supported by seasonal tailwinds and improving economic activity.
- The bank does not see any stress in the CV segment and slippages remain lower; it expects these to be better than last year's.
- The restructured book in VF has declined to Rs850mn vs Rs4,170mn YoY, largely driven by upgrades and recoveries.
- MFI slippage remains elevated compared to normalized levels, and has declined meaningfully on QoQ basis. The management expects gradual stabilization by 2H, supported by resolution of the legacy stress and steady performance of the new disbursements.
- The 31-90DPD for MFI was steady at 2.2% in Jun-25 vs 2.3% in Mar-25.

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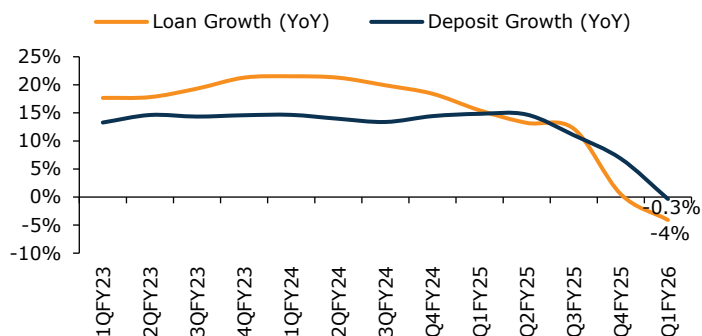
- The Gems & Jewelry portfolio continues to exhibit strong asset quality, with no accounts in the SMA1 or SMA2 categories. However, growth is muted due to an industry-wide slowdown.
- Gross slippage in the corporate book stood at 17bps, ie Rs2.45bn. This was primarily driven by one manufacturing account of Rs1.18bn, for which 50% provisioning has already been made, along with a few smaller slippages. Further, the management expects corporate slippages to improve, supported by a healthier early delinquency profile.
- The combined SMA1 and SMA2 books have declined to 14bps from 24bps QoQ. Additionally, the corporate restructured book has reduced significantly to Rs1.32bn from Rs5.69bn YoY.
- The gross slippages: Vehicle Finance—Rs7.43bn; Corporate—Rs2.45bn; Other Retail—Rs6.92bn; and MFI—Rs8.88bn.

### Others

- The bank focused on two key objectives this quarter: first, restoring trust in the institution, which remains the foremost and immediate priority; and second, ensuring the seamless continuation and execution of all core business operations.
- The bank has taken decisive action to address all legacy issues. During Q1, the Board and management dedicated significant time and effort to resolving concerns related to legacy matters, treasury operations, and microfinance issues that were identified in the previous quarter.
- In the Treasury function, the bank has discontinued internal deals and initiated the upgrade of the Calypso system to its latest version. This enhancement will strengthen trade management controls and improve overall monitoring capabilities.
- The bank has established a dedicated Project Management Office responsible for benchmarking its internal control processes and policies against industry-best practices and addressing any gaps identified.
- The bank has made significant progress on the CEO appointment process. The recommendations were submitted within the prescribed timelines and are currently under regulatory review. Further, there has been no change in the bank's CEO recommendation, and the name submitted to the regulator remains the same as originally proposed.
- Senior management succession is ongoing, with some superannuations and open positions expected to be filled in due course. Once the new MD & CEO is in place, the bank will look to appoint two Whole-time Directors in due course.
- Fee income was impacted by lower disbursement in MFI and VF, along with subdued corporate fee income.
- The bank has adequate capital and does not see an immediate need to raise funds. A routine enabling resolution has been passed at the AGM for fundraising, as is standard practice.
- The bank continues to work toward reducing the cost-to-income further.
- Q1FY26 PAT does not include any one-offs from prior periods.
- Excess liquidity stands at Rs527bn.

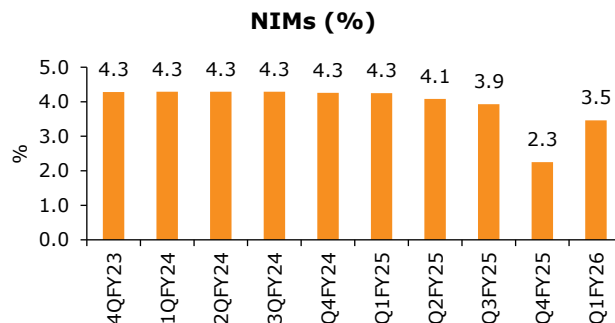
## Story in Charts

**Exhibit 1: Credit growth slows down further, mainly due to sell-down in corporate loans and lower consumer/MFI loan growth**



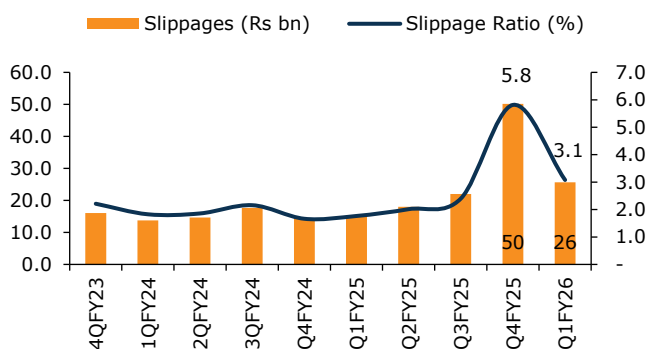
Source: Company, Emkay Research

**Exhibit 2: Reported NIMs rose QoQ, due to sharper deposit rate cuts, higher interest on IT refund, and absence of one-off events**



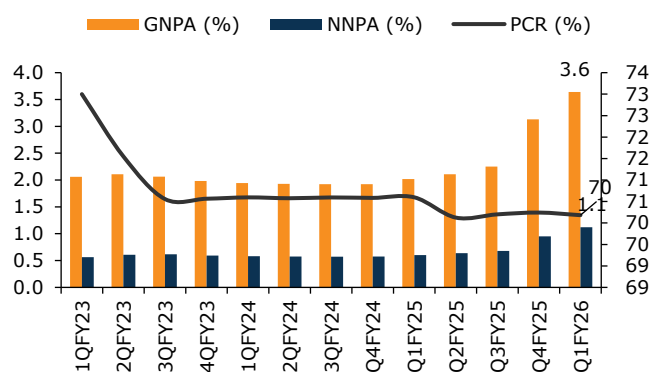
Source: Company, Emkay Research

**Exhibit 3: Slippages declined QoQ, although are still elevated due to higher stress in MFI and one lumpy corporate account...**



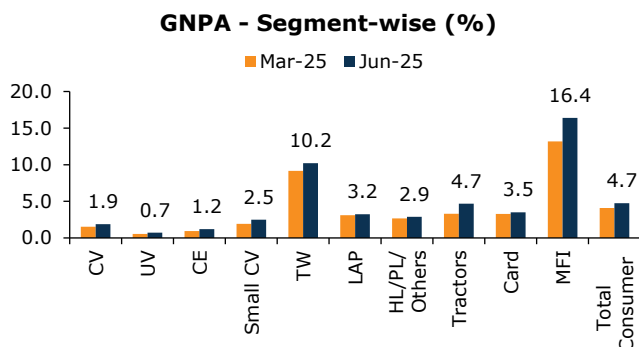
Source: Company, Emkay Research

**Exhibit 4: ...which further led to a 51bps QoQ increase in GNPA ratio**



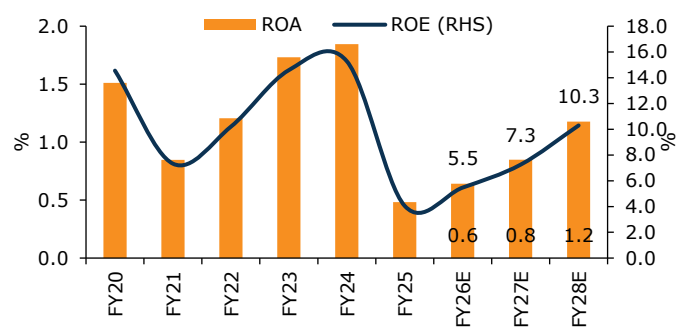
Source: Company, Emkay Research

**Exhibit 5: Segment-wise GNPA increased on a broad-based basis QoQ**



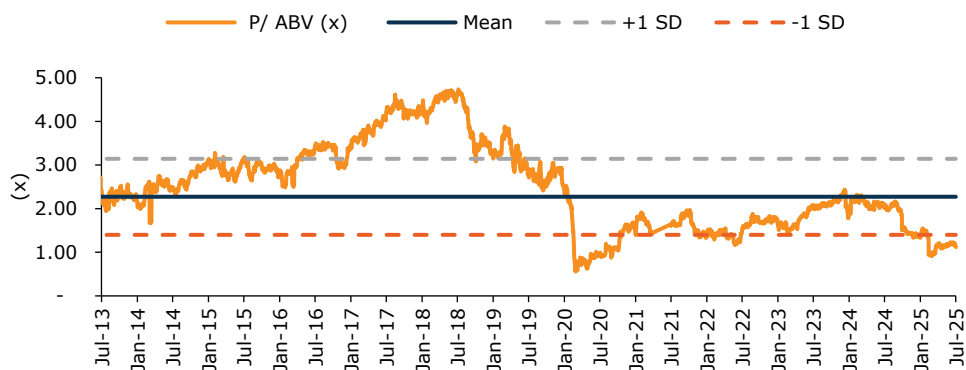
Source: Company, Emkay Research

**Exhibit 6: We expect RoA to improve gradually, factoring in the growth and margin recovery as well as the contained opex**



Source: Company, Emkay Research

## Exhibit 7: IIB continues to trend well below its mean level



Source: Bloomberg, Emkay Research

## Exhibit 8: Actuals vs Estimates (Q1FY26)

(Rs mn)	Actuals	Estimates				Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	67,967	64,727	61,490	5%	11%	Higher NII and improvement in margins led to higher net income
PPOP	25,673	22,592	21,463	14%	20%	Higher net income and contained opex led to the PPOP beat
PAT	6,041	1,944	1,847	211%	227%	The PPOP beat and lower provisions led to the PAT beat

Source: Company, Emkay Research

## Exhibit 9: Quarterly summary

(Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	YoY (%)	QoQ (%)	FY25	FY26E	YoY (%)
Interest Earned	125,468	126,863	128,008	106,338	122,639	-2	15	486,677	479,183	-2
Interest Expenses	71,391	73,390	75,727	75,855	76,241	7	1	296,364	295,807	0
Net Interest Income	54,076	53,473	52,281	30,483	46,398	-14	52	190,313	183,375	-4
Global NIMs (Reported)	4.25	4.08	3.93	2.25	3.46	-79bps	121bps	0.14	3.80	365bps
Non-interest Income	24,416	21,850	23,550	7,088	21,569	-12	204	76,904	94,537	23
Operating Expenses	38,974	39,324	39,825	42,480	42,294	9	0	160,604	175,484	9
Pre Provisioning Profit	39,518	35,998	36,007	-4,909	25,673	-35	-623	106,614	102,429	-4
Provision & Contingencies	10,498	18,201	17,436	25,221	17,600	68	-30	71,357	54,178	-24
PBT	29,020	17,797	18,570	-30,130	8,073	-72	-127	35,258	48,251	37
Income Tax Expense	7,312	4,485	4,547	-6,840	2,033	-72	-130	9,503	12,111	27
Net Profit/(Loss)	21,707	13,313	14,024	-23,289	6,041	-72	-126	25,754	36,140	40
Gross NPA (%)	2.02	2.11	2.25	3.13	3.64	162bps	51bps	3.13	3.42	29bps
Net NPA (%)	0.60	0.64	0.68	0.95	1.12	52bps	17bps	0.95	1.05	10bps
Deposits (Rs bn)	3,985	4,124	4,094	4,109	3,971	0	-3	4,109	4,325	5
Net Advances (Rs bn)	3,479	3,572	3,669	3,450	3,337	-4	-3	3,450	3,615	5

Source: Company, Emkay Research

## Exhibit 10: Revision in estimates

Y/E Mar (Rs mn)	FY26E			FY27E			FY28E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Net income	274,614	277,912	1.2%	299,337	304,532	1.7%	349,213	357,447	2.4%
PPOP	100,643	102,429	1.8%	109,510	114,063	4.2%	138,260	146,947	6.3%
PAT	35,523	36,140	1.7%	47,173	50,583	7.2%	70,989	77,496	9.2%
EPS (Rs)	45.6	46.4	1.7%	60.6	64.9	7.2%	91.1	99.5	9.2%
BV (Rs)	732.4	733.1	0.1%	775.9	780.3	0.6%	841.5	853.0	1.4%

Source: Company, Emkay Research

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**Exhibit 11: Key assumptions**

(%)	FY25	FY26E	FY27E	FY28E
Loan Growth	0.5	4.8	10.3	10.3
Deposit Growth	6.8	5.3	9.6	9.6
NIM	3.8	3.5	3.6	3.6
GNPA	3.1	3.4	3.0	3.0
Credit Cost	1.9	1.5	1.2	1.2

Source: Emkay Research

**Exhibit 12: Key ratios and trends**

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Loans (Rs bn)	<b>3,013</b>	<b>3,155</b>	<b>3,271</b>	<b>3,433</b>	<b>3,479</b>	<b>3,572</b>	<b>3,669</b>	<b>3,450</b>	<b>3,337</b>
Growth YoY (%)	21.5	21.3	19.9	18.4	15.5	13.2	12.2	0.5	(4.1)
Growth QoQ (%)	3.9	4.7	3.7	5.0	1.3	2.7	2.7	(6.0)	(3.3)
<b>Composition (%)</b>									
- Large Corporate	25.6	25.1	24.8	24.5	24.4	25.4	25.3	22.2	21.8
- SME/Business Banking	25.6	25.1	24.9	24.7	25.6	26.0	26.0	24.6	23.3
- Retail	48.8	49.7	50.3	50.8	50.0	48.6	48.8	53.3	54.9
<b>Liability Profile</b>									
Deposits (Rs bn)	<b>3,470</b>	<b>3,595</b>	<b>3,688</b>	<b>3,846</b>	<b>3,985</b>	<b>4,124</b>	<b>4,094</b>	<b>4,109</b>	<b>3,971</b>
Growth YoY (%)	14.6	13.9	13.4	14.4	14.8	14.7	11.0	6.8	(0.3)
Growth QoQ (%)	3.3	3.6	2.6	4.3	3.6	3.5	(0.7)	0.3	(3.3)
CASA (%)	39.9	39.3	38.5	37.9	36.7	35.9	34.9	32.8	31.5
CA (%)	14.2	13.9	13.6	12.2	12.2	12.8	11.2	9.9	8.5
SA (%)	25.7	25.5	24.9	25.7	24.5	23.1	23.7	22.9	22.9
No of branches	<b>2,606</b>	<b>2,631</b>	<b>2,728</b>	<b>2,984</b>	<b>3,013</b>	<b>3,040</b>	<b>3,063</b>	<b>3,081</b>	<b>3,110</b>
Yield on Advances (%)	12.24	12.30	12.45	12.66	12.57	12.31	12.21	9.45	11.62
Cost of Deposits (%)	6.12	6.35	6.44	6.48	6.53	6.55	6.58	6.50	6.44
NIM (%)	<b>4.29</b>	<b>4.29</b>	<b>4.29</b>	<b>4.26</b>	<b>4.25</b>	<b>4.08</b>	<b>3.93</b>	<b>2.25</b>	<b>3.46</b>
<b>Asset Quality</b>									
GNPA (%)	2.0	2.0	1.9	1.9	2.0	2.1	2.3	3.2	3.7
NNPA (%)	0.6	0.6	0.6	0.6	0.6	0.6	0.7	1.0	1.1
PCR (%)	70.6	70.6	70.6	70.6	70.6	70.1	70.2	70.2	70.2
Slippages (Rs mn)	<b>13,760</b>	<b>14,650</b>	<b>17,650</b>	<b>14,280</b>	<b>15,360</b>	<b>17,980</b>	<b>22,000</b>	<b>50,140</b>	<b>25,670</b>
Corporate (Rs mn)	430	2,140	3,120	1,620	480	1,180	2,800	2,200	2,450
Consumer (Rs mn)	13,330	12,510	14,530	12,660	14,880	16,800	19,200	47,940	23,220
Slippages (%)	2.2	2.3	2.6	2.0	2.0	2.3	2.7	5.8	3.0
CAR (%)	<b>18.4</b>	<b>18.2</b>	<b>17.9</b>	<b>17.2</b>	<b>17.6</b>	<b>16.5</b>	<b>16.5</b>	<b>16.2</b>	<b>16.6</b>
Tier I (%)	<b>16.9</b>	<b>16.9</b>	<b>16.5</b>	<b>15.8</b>	<b>16.2</b>	<b>15.2</b>	<b>15.2</b>	<b>15.1</b>	<b>15.5</b>

**ROE Decomposition (%)**

NII	<b>4.2</b>	<b>4.3</b>	<b>4.4</b>	<b>4.3</b>	<b>4.1</b>	<b>4.0</b>	<b>3.8</b>	<b>2.2</b>	<b>3.4</b>
Other Income	1.8	1.8	1.9	1.8	1.8	1.6	1.6	0.2	1.1
Opex	2.8	2.9	3.0	3.0	3.0	2.9	2.9	3.1	3.1
PPOP	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>	<b>3.0</b>	<b>2.7</b>	<b>2.6</b>	<b>(0.4)</b>	<b>1.9</b>
Provisioning Cost	0.9	0.8	0.8	0.8	0.8	1.4	1.3	1.8	1.3
PBT	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.2</b>	<b>1.3</b>	<b>1.4</b>	<b>(2.2)</b>	<b>0.6</b>
Tax	0.6	0.6	0.6	0.6	0.6	0.3	0.3	(0.5)	0.1
ROA	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>	<b>1.7</b>	<b>1.0</b>	<b>1.0</b>	<b>(1.7)</b>	<b>0.4</b>
Leverage (x)	8.2	8.2	8.1	8.1	8.1	8.2	8.2	8.4	8.4
ROE	<b>15.2</b>	<b>15.2</b>	<b>15.4</b>	<b>15.2</b>	<b>13.5</b>	<b>8.1</b>	<b>8.4</b>	<b>(14.1)</b>	<b>3.7</b>

Source: Company, Emkay Research

IndusInd Bank: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	457,482	486,677	479,183	497,076	541,923
Interest Expense	251,323	296,364	295,807	296,567	304,216
Net interest income	206,159	190,313	183,375	200,509	237,707
NII growth (%)	17.2	(7.7)	(3.6)	9.3	18.6
Other income	93,958	76,904	94,537	104,023	119,740
Total Income	300,117	267,218	277,912	304,532	357,447
Operating expenses	141,476	160,604	175,484	190,468	210,499
PPOP	158,641	106,614	102,429	114,063	146,947
PPOP growth (%)	10.0	(32.8)	(3.9)	11.4	28.8
Core PPOP	153,586	99,124	92,692	103,840	137,235
Provisions & contingencies	38,849	71,357	54,178	46,529	43,482
PBT	119,792	35,258	48,251	67,535	103,465
Extraordinary items	0	0	0	0	0
Tax expense	30,022	9,503	12,111	16,951	25,970
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	89,770	25,754	36,140	50,583	77,496
PAT growth (%)	20.6	(71.3)	40.3	40.0	53.2
Adjusted PAT	89,770	25,754	36,140	50,583	77,496
Diluted EPS (Rs)	115.3	33.1	46.4	64.9	99.5
Diluted EPS growth (%)	20.2	(71.3)	40.3	40.0	53.2
DPS (Rs)	16.5	0	7.0	9.0	13.5
Dividend payout (%)	14.3	0	15.1	13.9	13.6
Effective tax rate (%)	25.1	27.0	25.1	25.1	25.1
Net interest margins (%)	4.5	3.8	3.5	3.6	3.8
Cost-income ratio (%)	47.1	60.1	63.1	62.5	58.9
Shares outstanding (mn)	778.3	779.1	779.1	779.1	779.1

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Asset quality					
Gross NPLs	66,934	110,464	126,762	123,299	119,862
Net NPLs	19,689	32,871	38,029	36,990	35,958
GNPA ratio (%)	1.9	3.1	3.4	3.0	2.6
NNPA ratio (%)	0.6	1.0	1.1	0.9	0.8
Provision coverage (%)	70.6	70.2	70.0	70.0	70.0
Gross slippages	60,331	105,480	81,492	69,268	68,746
Gross slippage ratio (%)	1.7	3.0	2.2	1.7	1.5
LLP ratio (%)	1.0	1.9	1.5	1.2	1.0
NNPA to networth (%)	2.9	4.8	5.3	4.8	4.3
Capital adequacy					
Total CAR (%)	17.2	16.2	16.1	16.2	16.0
Tier-1 (%)	15.8	15.1	15.0	15.1	14.9
CET-1 (%)	15.8	15.1	15.0	15.1	14.9
RWA-to-Total Assets (%)	78.9	78.5	78.6	78.6	78.8
Miscellaneous					
Total income growth (%)	23.8	2.2	1.8	4.8	10.1
Opex growth (%)	24.7	13.5	9.3	8.5	10.5
Core PPOP growth (%)	6.4	(35.5)	(6.5)	12.0	32.2
PPOP margin (%)	28.8	18.9	17.9	19.0	22.2
PAT/PPOP (%)	56.6	24.2	35.3	44.3	52.7
LLP-to-Core PPOP (%)	25.3	72.0	58.4	44.8	31.7
Yield on advances (%)	12.1	11.6	11.0	10.7	10.5
Cost of funds (%)	6.1	6.6	6.2	5.9	5.5

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	7,783	7,791	7,791	7,791	7,791
Reserves & surplus	623,257	640,566	670,866	714,098	780,777
Net worth	631,040	648,357	678,657	721,889	788,567
Deposits	3,845,857	4,108,623	4,325,127	4,739,296	5,371,824
Borrowings	476,114	537,036	514,734	493,697	519,532
Interest bearing liab.	4,321,971	4,645,658	4,839,861	5,232,993	5,891,356
Other liabilities & prov.	197,928	247,056	208,651	247,774	294,648
Total liabilities & equity	5,150,940	5,541,072	5,727,168	6,202,656	6,974,571
Net advances	3,432,983	3,450,186	3,615,434	3,988,275	4,561,123
Investments	1,064,865	1,144,567	1,219,147	1,333,807	1,501,855
Cash, other balances	369,074	593,755	556,584	523,299	530,222
Interest earning assets	4,866,922	5,188,508	5,391,165	5,845,382	6,593,200
Fixed assets	23,240	24,964	33,546	37,572	42,080
Other assets	260,778	327,599	302,457	319,702	339,291
Total assets	5,150,940	5,541,072	5,727,168	6,202,656	6,974,571
BVPS (Rs)	713.4	699.8	733.1	780.3	853.0
Adj. BVPS (INR)	696.7	673.1	702.2	750.3	823.8
Gross advances	3,480,228	3,527,779	3,704,168	4,074,585	4,645,026
Credit to deposit (%)	89.3	84.0	83.6	84.2	84.9
CASA ratio (%)	37.9	32.8	29.8	29.5	29.7
Cost of deposits (%)	6.0	6.6	6.2	5.9	5.5
Loans-to-Assets (%)	66.6	62.3	63.1	64.3	65.4
Net advances growth (%)	18.4	0.5	4.8	10.3	14.4
Deposit growth (%)	14.4	6.8	5.3	9.6	13.3
Book value growth (%)	7.0	(1.9)	4.8	6.4	9.3

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	7.0	24.3	17.3	12.4	8.1
P/B (x)	1.1	1.1	1.1	1.0	0.9
P/ABV (x)	1.2	1.2	1.1	1.1	1.0
P/PPOP (x)	3.9	5.9	6.1	5.5	4.3
Dividend yield (%)	2.1	0	0.9	1.1	1.7
DuPont-RoE split (%)					
NII/avg assets	4.2	3.6	3.3	3.4	3.6
Other income	1.9	1.4	1.7	1.7	1.8
Fee income	1.8	1.3	1.5	1.6	1.7
Opex	2.9	3.0	3.1	3.2	3.2
PPOP	3.3	2.0	1.8	1.9	2.2
Core PPOP	3.2	1.9	1.6	1.7	2.1
Provisions	0.8	1.3	1.0	0.8	0.7
Tax expense	0.6	0.2	0.2	0.3	0.4
RoA (%)	1.8	0.5	0.6	0.8	1.2
Leverage ratio (x)	8.3	8.4	8.5	8.6	8.8
RoE (%)	15.3	4.0	5.5	7.3	10.3
Quarterly data					
Rs mn, Y/E Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
NII	54,076	53,473	52,281	30,483	46,398
NIM (%)	4.3	4.1	3.9	2.3	3.5
PPOP	39,518	35,998	36,007	(4,909)	25,673
PAT	21,707	13,313	14,024	(23,289)	6,041
EPS (Rs)	27.9	17.1	18.0	(29.9)	7.8

Source: Company, Emkay Research

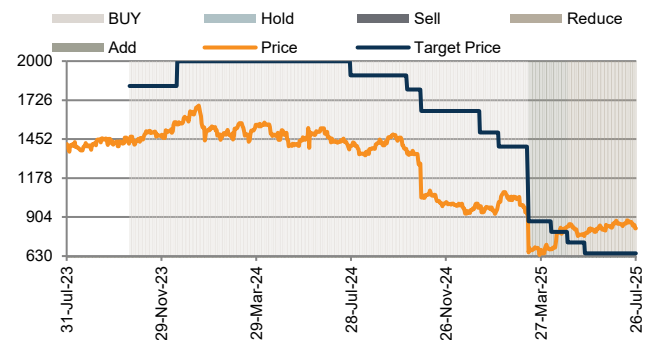


## RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
22-May-25	785	650	Reduce	Anand Dama
30-Apr-25	838	725	Reduce	Anand Dama
09-Apr-25	679	800	Add	Anand Dama
11-Mar-25	656	875	Add	Anand Dama
10-Mar-25	901	1,125	Buy	Anand Dama
01-Feb-25	1,009	1,400	Buy	Anand Dama
08-Jan-25	981	1,500	Buy	Anand Dama
25-Oct-24	1,042	1,650	Buy	Anand Dama
07-Oct-24	1,351	1,800	Buy	Anand Dama
27-Jul-24	1,404	1,900	Buy	Anand Dama
26-Apr-24	1,446	2,000	Buy	Anand Dama
19-Jan-24	1,561	2,000	Buy	Anand Dama
19-Dec-23	1,567	2,000	Buy	Anand Dama
30-Nov-23	1,466	1,825	Buy	Anand Dama
19-Oct-23	1,450	1,825	Buy	Anand dama

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research



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