

IndusInd Bank

Estimate change

TP change

Rating change



Bloomberg	IIB IN
Equity Shares (m)	779
M.Cap.(INRb)/(USD\$)	772.2 / 8.9
52-Week Range (INR)	1576 / 923
1, 6, 12 Rel. Per (%)	4/-25/-44
12M Avg Val (INR M)	5546

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
NII	206.2	213.3	241.9
OP	158.6	149.2	171.9
NP	89.8	63.9	85.9
NIM (%)	4.2	3.9	4.0
EPS (INR)	115.5	82.1	110.4
EPS Gr. (%)	20.3	-28.9	34.4
BV/Sh. (INR)	810	876	969
ABV/Sh. (INR)	792	852	943

Ratios

RoA (%)	1.8	1.2	1.4
RoE (%)	15.3	9.8	12.0

Valuations

P/E (X)	8.6	12.1	9.0
P/BV (X)	1.2	1.1	1.0
P/ABV (X)	1.3	1.2	1.1

Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	15.1	15.1	15.1
DII	39.7	32.4	24.5
FII	30.3	39.2	47.1
Others	15.0	13.3	13.2

FII includes depository receipts

CMP: INR991

TP: INR1,200 (+21%)

Buy

In-line quarter; near-term challenges persist

Margin contracts further by 15bp QoQ

- IndusInd Bank (IIB)'s PAT declined 39% YoY/rose 5% QoQ to ~INR14b (in line), as NII and NIM were broadly in line, while provisions continued to remain high.
- NII declined 2.2% QoQ to INR52.3b (in line), while NIM contracted by another 15bp QoQ to 3.93% (in line).
- Loan books grew 12% YoY (2.7% QoQ), led by corporate and commercial books, while the VF business has started showing some improvement with robust disbursements. The MFI book dipped 0.5% QoQ. Deposits grew 11% YoY (down 0.7% QoQ), amid the outflow of CA deposits.
- Fresh slippages stood elevated, up 22% QoQ to INR22b, primarily due to a rise in slippages in the consumer finance book to INR19.2b. GNPA/NNPA ratios increased 14bp/4bp QoQ to 2.25%/0.68%. IIB utilized INR2b of the contingent buffer.
- We cut our earnings estimates by 2.8%/1.7% for FY25/26, leading to an RoA/RoE of 1.4%/12% by FY26. **Reiterate BUY with a TP of INR1,200 (premised on 1.2x Sep'26E ABV). The RBI's approval for a fresh term for the MD and CEO remains a key near-term monitorable.**

Fresh slippages rise; VF growth recovers, while MFI remains subdued

- IIB reported a 3QFY25 PAT of ~INR14b as NII and NIM stood broadly in line, while provisions continue to remain higher despite the bank utilizing the contingency provision of INR2b. Its 9MFY25 PAT stood at INR49b (down 26% YoY), while 4QFY25 PAT is expected to be at INR14.8b (down 36% YoY).
- NII declined 1% YoY/2% QoQ to INR52.3b (in-line). Other income declined 1.7% YoY (in line) amid the weak core fee income. Total revenue thus declined 1.4% YoY to INR75.8b. NIM contracted sharply by 15bp QoQ to 3.93% amid slower growth in high-yielding business.
- Opex grew 9% YoY to INR39.8b (in line). C/I ratio increased by 31bp QoQ to 52.5%. PPoP stood flat QoQ at ~INR36b (in line).
- On the business front, loans grew 12% YoY (2.7% QoQ) led by corporate and commercial books, while the VF business has started showing some improvement with healthy disbursements. In the consumer business, MFI books decreased by 0.5% QoQ, while cards remained flat.
- Deposits grew 11% YoY (down 0.7% QoQ), led by 0.8% QoQ growth in term deposits. CASA ratio moderated 99bp QoQ to 34.9%. The retail deposit mix as per LCR improved to 46%. The CD ratio stood at 89.6%, up 300bp QoQ.
- Fresh slippages increased 22% QoQ to INR22b, amid higher slippages in the consumer finance book at INR 19.2b. GNPA/NNPA ratios increased 14bp/4bp QoQ to 2.25%/0.68%. In 3Q, the bank utilized INR2b of contingent provisions, of which INR1.6b was towards MFI and INR0.4b for the corporate portfolio. Restructured book declined 11bp QoQ to 0.18%.

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Highlights from the management commentary

- The bank is reducing the share of MFI business and wants to bring this down to 8-10%.
- About 13% of the MFI business pertains to Karnataka, and the bank has reduced this book by 4% QoQ. Early indicators suggest that CE will be down by 1%.
- INR1.6b of the contingent buffer was used against the MFI and INR400m towards the corporate portfolio.
- VF business in good times generates 110bp of credit costs, and in bad times generates 130-140bp of credit costs.

Valuation and view

IIB reported an in-line quarter with overall weakness continuing as provisions continue to remain elevated while business growth moderated sharply. Deposits growth was subdued as the bank moved away from the non-friendly LCR deposits. On the advances side, the growth in MFI continues to remain weak, while VF business has seen some pickup after a few quarters of muted growth. Yields continued to remain weak as the bank slowed down its growth in the high-yielding business. Loan growth estimates remain on the lower side at 12-13% for FY26-27. The MF and Card businesses may continue to report stress in the near term, keeping credit costs elevated. We cut our earnings estimates by 2.8%/1.7% for FY25/26, leading to an RoA/RoE of 1.4%/12% by FY26. **Reiterate BUY with a TP of INR1,200 (premised on 1.2x Sep'26E ABV).** The RBI's approval for a fresh term for the MD and CEO remains a key near-term monitorable.

Quarterly performance**(INR b)**

	FY24				FY25E				FY24	FY25E	FY25E	V/S our
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Est
Net Interest Income	48.7	50.8	53.0	53.8	54.1	53.5	52.3	53.5	206.2	213.3	52.8	-1%
% Change (YoY)	18.0	18.0	17.8	15.1	11.1	5.3	-1.3	-0.5	17.2	3.5	-0.3	
Other Income	22.1	22.8	24.0	25.1	24.4	21.8	23.6	25.6	94.0	95.4	23.3	1%
Total Income	70.8	73.6	76.9	78.8	78.5	75.3	75.8	79.0	300.1	308.7	76.1	0%
Operating Expenses	32.5	34.5	36.5	38.0	39.0	39.3	39.8	41.4	141.5	159.5	40.0	-1%
Operating Profit	38.3	39.1	40.4	40.8	39.5	36.0	36.0	37.7	158.6	149.2	36.0	0%
% Change (YoY)	11.7	10.3	9.7	8.6	3.1	-7.9	-10.9	-7.7	10.0	-6.0	-10.8	
Provisions	9.9	9.7	9.7	9.5	10.5	18.2	17.4	17.7	38.8	63.8	16.8	3%
Profit before Tax	28.4	29.3	30.7	31.3	29.0	17.8	18.6	20.0	119.8	85.3	19.2	-3%
Tax	7.2	7.3	7.7	7.8	7.3	4.5	4.5	5.1	30.0	21.4	4.8	-6%
Net Profit	21.2	22.0	23.0	23.5	21.7	13.3	14.0	14.9	89.8	63.9	14.4	-2%
% Change (YoY)	30.3	22.0	17.2	15.0	2.2	-39.5	-39.1	-36.7	20.6	-28.8	-37.6	
Operating Parameters												
Deposit (INR b)	3,470	3,595	3,688	3,846	3,985	4,124	4,094	4,224	3,846	4,224	4,096	
Loan (INR b)	3,013	3,155	3,271	3,433	3,479	3,572	3,669	3,783	3,433	3,783	3,672	
Deposit Growth (%)	14.5	13.9	13.4	14.4	14.8	14.7	11.0	9.8	14.4	9.8	11.1	
Loan Growth (%)	21.5	21.3	19.9	18.4	15.5	13.2	12.2	10.2	18.4	10.2	12.3	
Asset Quality												
Gross NPA (%)	1.9	1.9	1.9	1.9	2.0	2.1	2.3	2.3	1.9	2.3	2.2	
Net NPA (%)	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.6	0.7	0.6	
PCR (%)	70.6	70.6	70.6	70.6	70.6	70.1	70.2	70.0	69.5	70.0	70.6	

Quarterly snapshot

INR b	FY24				FY25			Variation (%)	
Profit and Loss	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY	QoQ
Net Interest Income	48.7	50.8	53.0	53.8	54.1	53.5	52.3	-1	-2
Other Income	22.1	22.8	24.0	25.1	24.4	21.8	23.6	-2	8
Trading profits	0.9	1.6	2.3	2.2	0.9	0.6	2.3	0	287
Total Income	70.8	73.6	76.9	78.8	78.5	75.3	75.8	-1	1
Operating Expenses	32.5	34.5	36.5	38.0	39.0	39.3	39.8	9	1
Employee	12.4	13.4	13.9	14.1	14.4	15.0	14.8	7	-1
Others	20.1	21.1	22.6	23.9	24.6	24.3	25.0	11	3
Operating Profits	38.3	39.1	40.4	40.8	39.5	36.0	36.0	-11	0
Core PPOp	37.4	37.5	38.1	38.7	38.6	35.4	33.7	-12	-5
Provisions	9.9	9.7	9.7	9.5	10.5	18.2	17.4	80	-4
PBT	28.4	29.3	30.7	31.3	29.0	17.8	18.6	-40	4
Taxes	7.2	7.3	7.7	7.8	7.3	4.5	4.5	-41	1
PAT	21.2	22.0	23.0	23.5	21.7	13.3	14.0	-39	5
Balance Sheet (INR b)									
Loans	3,013	3,155	3,271	3,433	3,479	3,572	3,669	12	3
- CCBG Advances	1,394	1,432	1,466	1,521	1,566	1,679	1,688	15	1
- CFD Advances	1,619	1,723	1,805	1,912	1,913	1,893	1,981	10	5
Deposits	3,470	3,595	3,688	3,846	3,985	4,124	4,094	11	-1
CASA Deposits	1,384	1,414	1,419	1,457	1,461	1,479	1,428	1	-3
- Savings	891	915	919	987	977	953	969	6	2
- Current	493	499	500	470	485	526	459	-8	-13
Loan mix (%)									
Consumer	53.7	54.6	55.2	55.7	54.8	45.8	45.8	-943	-5
- of which Vehicle	26.0	26.0	26.3	25.7	25.8	17.7	17.7	-866	-3
- of which Unsecured	8.9	9.6	9.9	10.5	10.3	10.9	10.2	39	-61
- of which MFI	10.6	10.9	10.9	11.4	10.6	9.2	8.9	-206	-29
- others	8.2	8.1	8.1	8.0	8.0	8.1	9.0	91	88
Corporate & Commercial	46.3	45.4	44.8	44.3	45.2	46.5	46.4	158	-11
Asset Quality (INR b)									
GNPA	59.41	61.64	63.77	66.93	71.27	76.39	83.75	31	10
NNPA	17.47	18.14	18.75	19.69	20.95	22.82	24.96	33	9
Slippages	0.4	2.1	3.1	1.6	0.5	1.2	2.8	-14	189
Asset Quality Ratios (%)									
GNPA	1.9	1.9	1.9	1.9	2.0	2.1	2.3	33	14
NNPA	0.6	0.6	0.6	0.6	0.6	0.6	0.7	11	4
PCR (Cal.)	70.6	70.6	70.6	70.6	70.6	70.1	70.2	-39	8
Slippage	2.0	2.0	2.4	1.8	1.9	2.1	2.5	18	40
Business Ratios (%)									
CASA	39.9	39.4	38.5	37.9	36.7	35.9	34.9	-360	-99
Loan/Deposit	86.8	87.7	88.7	89.3	87.3	86.6	89.6	92	300
Other income/Total Income	31.2	31.0	31.2	31.8	31.1	29.0	31.1	-9	205
Cost to Income	45.9	46.9	47.4	48.2	49.7	52.2	52.5	507	31
Cost to Assets	3.0	3.1	3.1	3.1	3.1	3.1	3.1	-6	-1
Tax Rate	25.2	25.0	25.1	25.0	25.2	25.2	24.5	-63	-71
Capitalisation Ratios (%)									
CAR	18.4	18.2	17.7	17.2	17.6	16.5	16.5	-122	-5
Tier 1	16.6	16.8	16.1	15.8	16.2	15.2	15.2	-89	-3
- CET 1	16.4	16.3	16.1	15.8	16.2	15.2	15.2	-89	-3
RWA / Total Assets	71.6	73.3	75.8	74.5	73.3	77.4	78.1	233	72
LCR	132.0	117.0	122.1	118.0	122.0	118.0	118.0	-410	0
Profitability Ratios (%)									
Yield on loans	12.2	12.3	12.5	12.7	12.6	12.3	12.2	-24	-10
Yield on funds	9.6	9.7	9.8	9.9	9.9	9.7	9.6	-12	-6
Cost of deposits	6.1	6.4	6.4	6.5	6.5	6.6	6.6	14	3
Cost of funds	5.3	5.4	5.5	5.6	5.6	5.6	5.7	24	9
Margins	4.29	4.29	4.29	4.26	4.25	4.08	3.93	-36	-15
Other details									
Branches	2,606	2,631	2,728	2,984	3,013	3,040	3,063	335	2,300
ATMs	2,875	2,903	2,939	2,956	2,988	3,011	2,993	54	-1,800



Highlights from the management commentary

Opening Remarks

- Recent trends suggest that the economy has been recovering. Any rural support from the budget can help the MFI business.
- IIB had let go of some of the unattractive LCRs.
- Management is very cautious in the MFI business and has calibrated loan growth.
- Yields on advances were due to lower due to EBLR repricing and lower average outstanding.
- Higher fee income was due to MFI disbursements and an uptick in the CV business.
- Have a corporate account slippage and as a result, the contingent provisions were used against the same.
- CRAR was healthy at 16.46%.
- Asset quality outside the MFI business continues to remain healthy with no major signs of stress.

Loan Related

- Loan book grew 32% YoY.

Retail

- Growth at 19% YoY, MSME grew 12% YoY.
- 80% of the NTB is from granular less than INR20m.
- LAP grew 14% YoY and continued to scale the home loan book.
- Credit cards grew 12% YoY. Share of PL and CC is maintained at 5-6% of the loan book.

MFI business

- MFI saw an improvement amid pent-up demand.
- Remain cautious in the MFI business.
- MH and Orrisa saw an improvement in growth.
- Incremental stress in the MFI has been peaking out.
- Management remains watchful of the new MFIN guidelines.
- The bank remains cautious on overall customer indebtedness.
- The segment is showing early signs of stability.

Vehicle segment

- Have seen improvement in terms of disbursements.
- The quarter has reversed the trends of the last several quarters.
- PVs had seen some drop.
- RSA in VF continues to reduce with the majority of reduction from upgrades and recoveries.
- Remain well positioned once the sector sees a recovery.

Corporate

- Loan book growth is healthy at 16% YoY.
- The diamond business is subdued due to weak industry demand.
- Gross slippages stood at INR2.81b due to one restructured account as it passed the DDCO deadline.
- SMA book stands at 20bp of the overall book.

Deposits

- Deposits declined 1% as the bank let go of some of the LCR unfriendly deposits.
- Share of Retail deposits as per LCR stood at 46%.
- SA grew 2% QoQ.
- Affluent and NRI show robust traction. Affluent grew 20% YoY. NRI segment grew 39% YoY.
- Reliance on bulk deposits remained low.
- The share of the top 20 depositors remained at 15.4%.
- LCR stood at 118%.
- Indie continued to scale as an app open to all customers of the bank.

Loans related

- The bank is reducing the share of MFI business and the bank wants to bring this down to 8-10%.
- The bank will start divesting the business from the MFI to the rural business.
- MFI will give 2.5-3% in the normalized rate. MFI is a very efficient business and operates credit costs at 2.5-3%.
- 86% of the business is BFIL +2, for the other existing customers the bank will maximum allow +1 lender.
- The MFI industry will continue to grow at 16%+ amid under-penetration in the geography.
- SCVs – The interest rate is at 18% and IIB expects the slippages to come down in 4Q.
- About 13% of the MFI business is exposed in Karnataka and have reduced this book by 4% QoQ. Early indicators suggest that CE will be down by 1%. Its stress and collection efficiency are manageable.
- BFIL+3 customers and the bank gives loans to very selective customers. The bank is very low in the overall amount disbursed to the customer.
- The bank is cautious about the overall disbursements and not looking at any number and will continue to operate in the center where asset quality is stable.
- CV business is expected to grow as same as the GDP. Next quarter too will be similar to 3Q.
- The bank doesn't do any cross-selling of other products to the MFI customers.
- CV is doing well and continues to improve.
- Unsecured is a very small business and will keep at 6% of the overall book, while 3% is CC and 2.5% is PL. Credit Card's GNPA are elevated and most of the retail slippages are coming from CC. 24% of the base is revolver.
- Most of the customers in CC are salaried customers and some of them are self-employed.

Margins, yields, Cost

- NIM guidance is difficult and will wait for the MFI business to settle. The bank is looking at the policy announcements very closely.
- Corporate yields have been declining in the last 4 quarters. SBL has been growing faster than the corporate. EBLR repricing has happened which has affected yields.

Asset Quality related

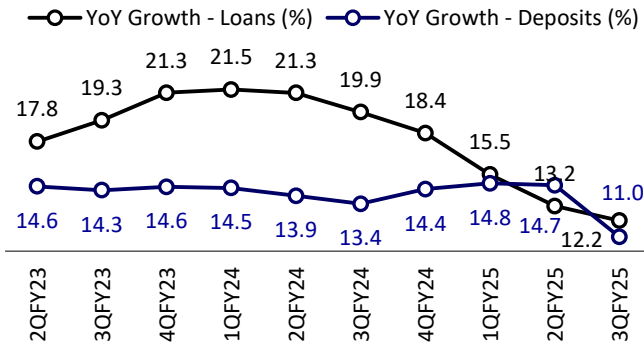
- INR1600m of contingent buffer was used against the MFI and INR400m towards the corporate portfolio.
- October and November were bad for the MFI business and the forward flows continue to be low in the MFI business.
- Flow rates have moderated to 99.5% in the 0+ bucket and forward flows have reduced considerably and have happened in December as well as January.
- VF business in good times gives 110bp of credit cost and in bad times gives 130-140bp of credit costs.
- Elevated slippages are from the credit card flows and the industry is going through the stress.
- Forward flows in the MFI are looking better, but the bank will continue to remain cautious.
- Forward flows look better in 0+ bucket and 90+ bucket has some flows. But forward flows in 0+ have stabilized and have improved gradually.
- Don't have any SMA book in the Jewel business and there are no signs of stress in this book.
- CV in terms of asset quality is very best in 4Q.
- The contingent provision is 4% of the MFI loans; the bank doesn't have any view on the contingent provisions. Bank should also carry the enough contingent provision due to the ECL.

Deposits

- The bank will continue to reduce the dependency on the bulk deposits. LDR guidance is at 88-89%.
- Stable deposits are at 5% of the overall retail deposits.

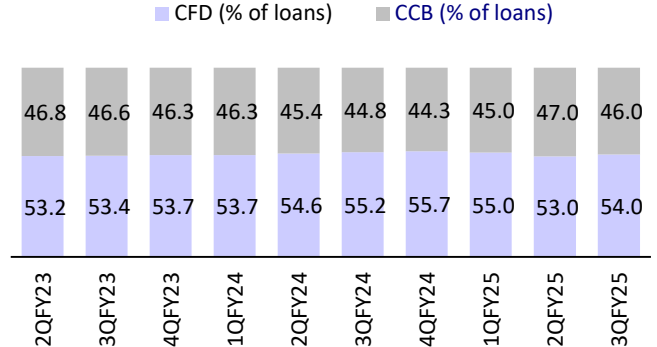
Story in charts

Exhibit 1: Loans/deposits grew 12.2%/11% YoY



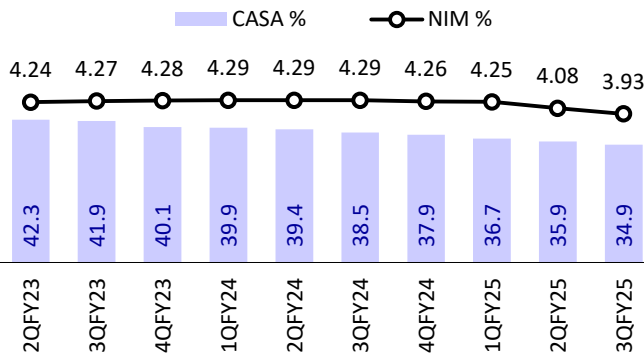
Source: MOFSL, Company

Exhibit 2: CFD mix stood at 54%, while CCB stood at 46%



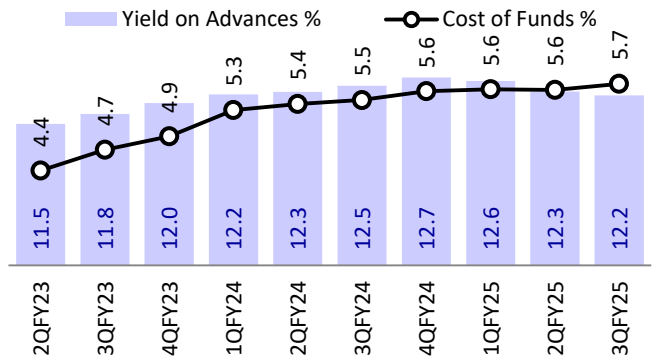
Source: MOFSL, Company

Exhibit 3: NIM contracted to 3.93%; CASA ratio declined to 34.9%



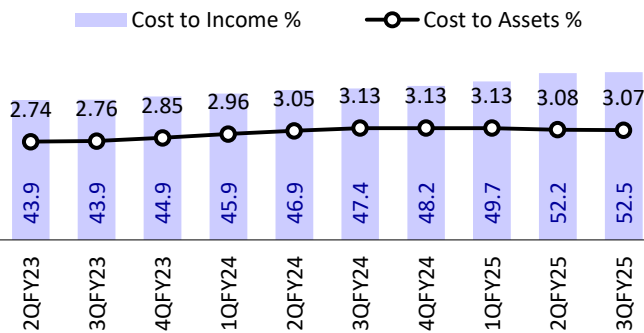
Source: MOFSL, Company

Exhibit 4: YoA moderated to 12.2%; CoF increased to 5.7%



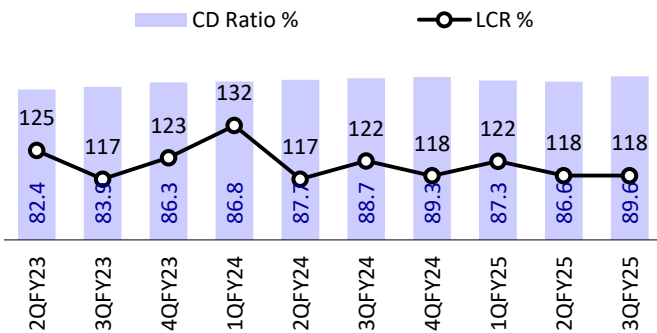
Source: MOFSL, Company

Exhibit 5: C/I ratio increased to 52.5%; C/A stood at 3.07%



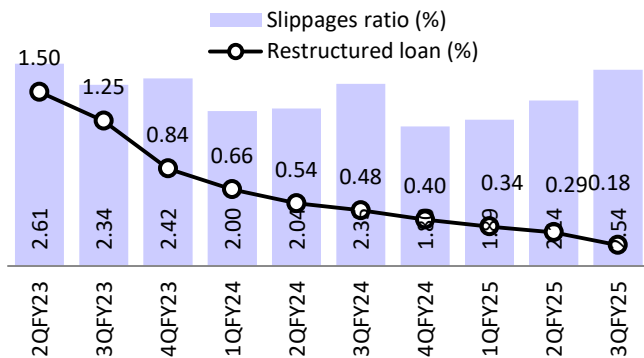
Source: MOFSL, Company

Exhibit 6: CD ratio at 89.6%; LCR ratio stood at 118%



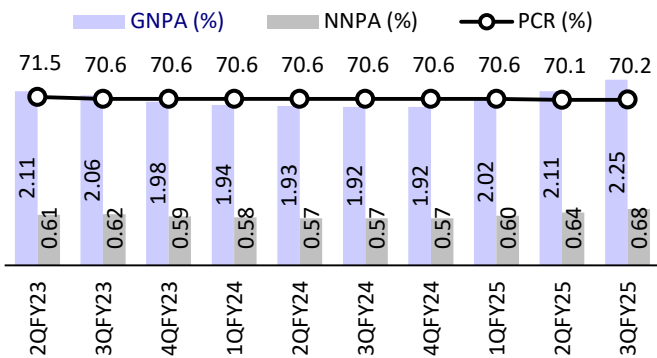
Source: MOFSL, Company

Exhibit 7: Restructured book moderated to 18bp QoQ



Source: MOFSL, Company

Exhibit 8: GNPA/NNPA ratios increased to 2.25%/0.68%



Source: MOFSL, Company

Valuation and view:

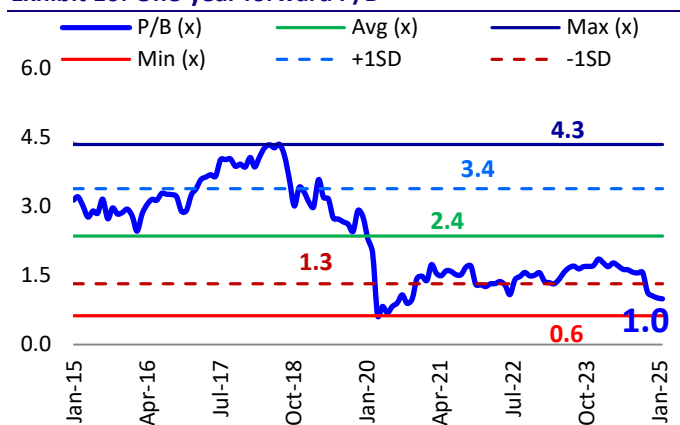
- IIB reported an in-line quarter with overall weakness continuing as provisions continue to remain elevated while business growth moderated sharply.
- Deposits growth was subdued as the bank moved away from the non-friendly LCR deposits. On the advances side, the growth in MFI continues to remain weak, while VF business has seen some pickup after a few quarters of muted growth.
- Yields continued to remain weak as the bank slowed down its growth in the high-yielding business. Loan growth estimates remain on the lower side at 12-13% for FY26-27.
- The MF and Card businesses may continue to report stress in the near term, keeping credit costs elevated.
- We cut our earnings estimates by 2.8%/1.7% for FY25/26, leading to an RoA/RoE of 1.4%/12% by FY26.
- **Reiterate BUY with a TP of INR1,200 (premised on 1.2x Sep'26E ABV). The RBI's approval for a fresh term for the MD and CEO remains a key near-term monitorable.**

Exhibit 9: Changes to our earnings estimates

INRb	Old Estimates			New Estimates			Change (%/bps)		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
Net Interest Income	214.5	248.2	289.3	213.3	241.9	277.1	(0.5)	(2.5)	(4.2)
Other Income	93.5	108.4	126.9	95.4	110.6	129.4	2.0	2.0	2.0
Total Income	307.9	356.6	416.2	308.7	352.5	406.5	0.2	(1.2)	(2.3)
Operating Expenses	159.5	181.6	207.8	159.5	180.6	204.8	(0.0)	(0.5)	(1.4)
Operating Profits	148.4	175.0	208.5	149.2	171.9	201.7	0.5	(1.8)	(3.2)
Provisions	60.6	58.3	60.8	63.8	57.2	59.9	5.3	(1.9)	(1.5)
PBT	87.8	116.7	147.7	85.3	114.7	141.8	(2.8)	(1.7)	(4.0)
Tax	22.0	29.3	37.1	21.4	28.8	35.6	(2.8)	(1.7)	(4.0)
PAT	65.8	87.4	110.6	63.9	85.9	106.2	(2.8)	(1.7)	(4.0)
Loans	3,817.5	4,355.7	5,057.0	3,783.1	4,259.8	4,847.7	(0.9)	(2.2)	(4.1)
Deposits	4,349.7	4,967.3	5,702.5	4,224.3	4,773.4	5,417.9	(2.9)	(3.9)	(5.0)
Margins (%)	3.95	4.06	4.15	3.94	4.01	4.06	(0.2)	(5.1)	(9.0)
Credit Cost (%)	1.6	1.4	1.2	1.7	1.4	1.3	10.0	-	3.0
RoA (%)	1.21	1.43	1.59	1.18	1.43	1.56	(2.8)	(0.6)	(3.0)
RoE (%)	10.0	12.2	13.7	9.8	12.0	13.3	(26.6)	(16.6)	(45.1)
BV	878.3	973.6	1,099.2	875.9	969.3	1,089.3	(0.3)	(0.4)	(0.9)
ABV	855.1	949.1	1,071.8	851.8	943.1	1,060.6	(0.4)	(0.6)	(1.0)
EPS	84.5	112.3	142.1	82.1	110.4	136.5	(2.8)	(1.7)	(4.0)

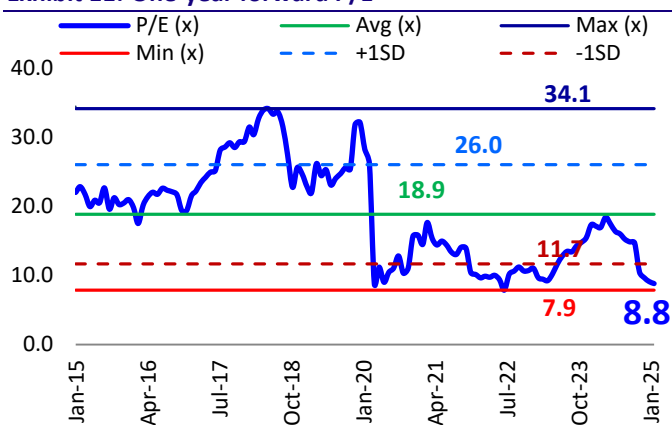
Source: MOFSL, Company

Exhibit 10: One-year forward P/B



Source: MOFSL, Company

Exhibit 11: One-year forward P/E



Source: MOFSL, Company

Exhibit 12: DuPont Analysis – Return ratios to pick up after a subdued FY25E

Y/E March (%)	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	8.46	9.40	9.33	9.25	9.13
Interest Expense	4.37	5.17	5.39	5.23	5.07
Net Interest Income	4.09	4.24	3.94	4.01	4.06
Core Fee Income	1.89	1.85	1.68	1.75	1.80
Trading and Others	0.02	0.08	0.09	0.09	0.09
Non-Interest Income	1.90	1.93	1.76	1.84	1.90
Total Income	5.99	6.17	5.71	5.85	5.95
Operating Expenses	2.64	2.91	2.95	3.00	3.00
- Employee Cost	0.97	1.10	1.12	1.15	1.16
- Others	1.67	1.80	1.83	1.85	1.84
Operating Profit	3.35	3.26	2.76	2.85	2.95
Core operating Profits	3.34	3.18	2.67	2.76	2.86
Provisions	1.04	0.80	1.18	0.95	0.88
NPA	0.90	0.63	1.16	0.92	0.85
Others	0.14	0.16	0.02	0.03	0.03
PBT	2.31	2.46	1.58	1.90	2.08
Tax	0.58	0.62	0.40	0.48	0.52
RoA	1.73	1.85	1.18	1.43	1.56
Leverage (x)	8.4	8.3	8.3	8.4	8.5
RoE	14.5	15.3	9.8	12.0	13.3

Source: MOFSL, Company

Financials and valuations

Income Statement					(INRb)
Y/E March	FY23	FY24	FY25E	FY26E	FY27E
Net Interest Income	175.9	206.2	213.3	241.9	277.1
-growth (%)	17.3	17.2	3.5	13.4	14.6
Non-interest Income	81.7	94.0	95.4	110.6	129.4
Total Income	257.6	300.1	308.7	352.5	406.5
-growth (%)	15.3	16.5	2.9	14.2	15.3
Operating Expenses	113.5	141.5	159.5	180.6	204.8
Pre Provision Profits	144.2	158.6	149.2	171.9	201.7
-growth (%)	10.6	10.0	-6.0	15.2	17.4
Core PPop	143.5	154.6	144.5	166.5	195.5
-growth (%)	15.4	7.7	-6.5	15.2	17.4
Provisions	44.9	38.8	63.8	57.2	59.9
PBT	99.3	119.8	85.3	114.7	141.8
Tax	24.9	30.0	21.4	28.8	35.6
Tax Rate (%)	25.1	25.1	25.1	25.1	25.1
PAT	74.4	89.8	63.9	85.9	106.2
-growth (%)	54.9	20.6	-28.8	34.4	23.6

Balance Sheet					
Y/E March	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	7.8	7.8	7.8	7.8	7.8
Reserves & Surplus	541.8	623.3	675.6	748.3	841.7
Net Worth	549.6	631.0	683.4	756.1	849.5
Deposits	3,361.2	3,845.9	4,224.3	4,773.4	5,417.9
-growth (%)	14.6	14.4	9.8	13.0	13.5
- CASA Dep	1,347.3	1,456.7	1,203.9	1,876.0	2,137.3
-growth (%)	7.5	8.1	-17.4	55.8	13.9
Borrowings	490.1	476.1	521.7	589.5	679.2
Other Liabilities & Prov.	177.0	196.9	234.3	274.1	318.0
Total Liabilities	4,578.4	5,150.9	5,663.7	6,393.2	7,264.5
Current Assets	567.8	369.1	360.7	407.6	445.1
Investments	830.8	1,064.9	1,195.8	1,358.5	1,548.7
-growth (%)	17.1	28.2	12.3	13.6	14.0
Loans	2,899.2	3,433.0	3,783.1	4,259.8	4,847.7
-growth (%)	21.3	18.4	10.2	12.6	13.8
Fixed Assets	20.8	23.2	24.9	27.4	30.4
Other Assets	259.8	260.8	299.1	339.9	392.7
Total Assets	4,578.4	5,150.9	5,663.7	6,393.2	7,264.5

Asset Quality					
GNPA	58.3	66.9	89.4	100.4	111.1
NNPA	17.8	20.4	26.9	29.2	32.0
Slippage	68.9	60.3	79.4	78.0	84.0
GNPA Ratio (%)	2.0	1.9	2.3	2.3	2.3
NNPA Ratio (%)	0.6	0.6	0.7	0.7	0.7
Slippage Ratio (%)	2.61	1.91	2.2	1.9	1.8
Credit Cost (%)	1.70	1.23	1.7	1.4	1.3
PCR (Excl Technical write off) (%)	69.4	69.5	70.0	71.0	71.2
E: MOFSL Estimates					

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25E	FY26E	FY27E
Yield and Cost Ratios (%)					
Avg. Yield-Earning Assets	9.0	10.0	9.9	9.8	9.7
Avg. Yield on Loans	11.3	12.0	11.7	11.5	11.4
Avg. Yield on Investments	6.0	5.8	6.2	6.6	6.7
Avg. Cost-Int. Bear. Liab.	5.2	6.1	6.4	6.2	6.0
Avg. Cost of Deposits	5.0	6.0	6.2	6.0	5.8
Interest Spread	4.0	4.0	3.7	3.8	3.9
Net Interest Margin	5.0	4.8	4.3	4.4	4.5

Capitalisation Ratios (%)

CAR	17.9	17.2	17.4	16.6	16.0
Tier I	16.4	15.8	15.7	15.0	14.5
-CET-1	15.9	15.8	15.6	14.9	14.4
Tier II	1.5	1.4	1.7	1.6	1.4

Business Ratios (%)

Loans/Deposit Ratio	86.3	89.3	89.6	89.2	89.5
CASA Ratio	40.1	37.9	28.5	39.3	39.5
Cost/Assets	2.5	2.7	2.8	2.8	2.8
Cost/Total Income	44.0	47.1	51.7	51.2	50.4
Cost/Core Income	44.1	47.8	52.5	52.0	51.2
Int. Expense/Int. Income	51.6	54.9	57.7	56.6	55.6
Fee Income/Total Income	31.5	29.9	29.4	29.9	30.3
Non Int. Inc./Total Income	31.7	31.3	30.9	31.4	31.8
Empl. Cost/Total Expense	36.8	38.0	38.1	38.3	38.5

Efficiency Ratios (INRm)

Employee Per Branch (in nos)	14.7	15.3	16	16	17
Staff Cost Per Employee	1.1	1.2	1	1	1
CASA Per Branch	517	488	381	554	590
Deposits Per Branch	1,290	1,289	1,336	1,410	1,496
Business Per Employee	164.0	159.5	158.1	163.6	170.6
Profit Per Employee	1.9	2.0	1.3	1.6	1.8

Profitability Ratios and Valuations

RoA	1.7	1.8	1.2	1.4	1.6
RoE	14.5	15.3	9.8	12.0	13.3
RoRWA	2.2	2.3	1.5	1.8	2.0
Book Value (INR)	707	810	876	969	1,089
-growth	14.4	14.6	8.1	10.7	12.4
Price-BV (x)	1.4	1.2	1.1	1.0	0.9
Adjusted BV (INR)	691	792	852	943	1,061
Price-ABV (x)	1.4	1.3	1.2	1.1	0.9
EPS (INR)	96.0	115.5	82.1	110.4	136.5
-growth	54.7	20.3	-28.9	34.4	23.6
Price-Earnings (x)	10.3	8.6	12.1	9.0	7.3
Dividend Per Share (INR)	8.5	14.0	16.0	17.0	16.5
Dividend Yield	0.9	1.4	1.6	1.7	1.7

E: MOFSL Estimates

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