

October 26, 2023

**RESULT REPORT Q2 FY24** | Sector: Banks

# Indian Bank Ltd

Initiated as BUY in March 2022, INBK multiplies more than 2.5x but still has material upside

## Result Highlights (See "Our View" for further elaboration)

- **Asset quality:** Gross NPA additions amounted to Rs 19.82bn (annualized NPA addition ratio of 1.6%), while recoveries and upgrades amounted to Rs 14.15bn
- **Margin picture:** Domestic NIM at 3.52% was down -9bps QoQ, due to cost of deposits rising more than yield on advances
- **Asset growth:** Gross advances grew 2.7%/12.4% QoQ/YoY, driven sequentially by Overseas loans and Agri Loans
- **Opex control:** Total opex grew 4.6%/19% QoQ/YoY, Employee Exp. grew 2.8%/22.5% QoQ/YoY and other expense rose 8.1%/13.3% QoQ/YoY
- **Fee income:** Core fee income rose 20%/11.3% QoQ/YoY, driven higher sequentially by growth in Transaction fees and Loan Processing Charges

## Our view - Initiated as BUY in March 2022, INBK multiplies more than 2.5x but still has material upside

Management continues to make material standard asset provisions in what seems like groundwork for the ECL regime: Provisions were Rs 15.51bn, down by -10.9% QoQ and -24.7% YoY, translating to calculated annualised credit cost of 134bps. While provisions were lower sequentially, they include a Rs 5.74bn provision on standard assets. Management stated that buffer provisions are made in good times and have been made on a prudential basis i.e. not against specific assets. Management had guided for a credit cost of 125 bps on annualised basis whereas, the delivery has been 81 bps for 1H, if only NPA provisions are considered.

A key factor protecting margin is the large MCLR book, which comprises 64% of total loan book: The MCLR book keeps coming for repricing and Rs 400bn is to reprice in the current quarter. A further Rs 460bn is to reprice in 4Q. Furthermore, the duration of the term liability book is 1.6 years and has been largely repriced. Notably, the rise in treasury yield has also aided margin. Management reiterated prior NIM guidance that NIM would be protected at the FY23 level of 3.41%.

The bank has an approval for capital raise, which may also help it meet shareholding norms: The bank has approval for a capital raise of Rs 40bn, which it is working on and will carry out at the right time. The bank has approval for government holding till August 2024 i.e. to keep it above 75%, whereas it is 79.86% as of September 2023.

We maintain 'BUY' rating on INBK with a revised price target of Rs 540: We initiated on INBK with BUY, in our [report released in March 2022](#), and as only our 3<sup>rd</sup> PSB pick, as our thumbs up to the PSU bank theme. Since then, INBK has returned 160%. We value the bank at 1.1x FY25 P/BV for an FY24E/25E/26E RoE profile of 13.6/14.8/15.6%.

(See Comprehensive con call takeaways on page 2 for significant incremental colour.)

### Exhibit 1: Result table

(Rs mn)	Q2 FY24	Q1 FY24	% qoq	Q2 FY23	% yoy
Total Interest Income	137,433	130,494	5.3	107,099	28.3
Interest expended	(80,031)	(73,459)	8.9	(60,259)	32.8
<b>Net Interest Income</b>	<b>57,402</b>	<b>57,035</b>	<b>0.6</b>	<b>46,840</b>	<b>22.5</b>
Other income	19,930	17,096	16.6	18,281	9.0
<b>Total Income</b>	<b>77,332</b>	<b>74,131</b>	<b>4.3</b>	<b>65,121</b>	<b>18.8</b>
Operating expenses	(34,304)	(32,784)	4.6	(28,828)	19.0
<b>PPoP</b>	<b>43,027</b>	<b>41,347</b>	<b>4.1</b>	<b>36,293</b>	<b>18.6</b>
Provisions	(15,507)	(17,406)	(10.9)	(20,586)	(24.7)
<b>PBT</b>	<b>27,521</b>	<b>23,940</b>	<b>15.0</b>	<b>15,707</b>	<b>75.2</b>
Tax	(7,643)	(6,852)	11.6	(3,455)	121.2
<b>PAT</b>	<b>19,878</b>	<b>17,088</b>	<b>16.3</b>	<b>12,252</b>	<b>62.2</b>

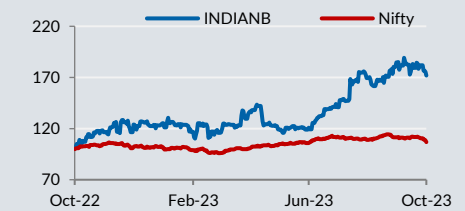
Source: Company, YES Sec-Research

Recommendation	: BUY
Current price	: Rs 401
Target price	: Rs 540
Potential return	: 35%

### Stock data (as on October 26, 2023)

Nifty	18,857
52 Week h/l (Rs)	447 / 228
Market cap (Rs/USD mn)	509261 / 6119
Outstanding Shares (mn)	1,245
6m Avg t/o (Rs mn):	626
Div yield (%):	2.1
Bloomberg code:	INBK IN
NSE code:	INDIANB

### Stock performance



### Shareholding pattern (As of Sept'23 end)

Promoter	79.9%
FII+DII	16.1%
Others	4.1%

### Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	540	545

### Financial Summary

(Rs mn)	FY24E	FY25E	FY26E
NII	222,812	254,011	287,709
PPOP	170,636	197,843	230,351
Net Profit	70,783	88,504	105,741
Growth (%)	34.0	25.0	19.5
EPS (Rs)	52.6	65.8	78.6
BVPS (Rs)	416	472	539
P/E (x)	7.6	6.1	5.1
P/BV (x)	1.0	0.8	0.7
ROE (%)	13.6	14.8	15.6
ROA (%)	0.9	1.0	1.1
Tier-1 (%)	14.1	13.5	13.0

### Δ in earnings estimates

Rs.	FY24E	FY25E	FY26E
EPS (New)	52.6	65.8	78.6
EPS (Old)	54.7	69.4	82.4
% change	-3.8%	-5.2%	-4.6%

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## COMPREHENSIVE CON-CALL TAKEAWAYS

### Asset quality

- **Provisions**
  - **P&L provisions**
    - Provisions were Rs 15.51bn, down by -10.9% QoQ and -24.7% YoY, translating to calculated annualised credit cost of 134bps.
    - This credit cost number includes a Rs 5.74bn provision on standard assets.
    - Management stated that buffer provisions are made in good times and have been made on a prudential basis (i.e. not against specific assets).
    - **Credit cost guidance**
      - Management had guided for a credit cost of 125 bps on annualised basis.
      - The delivery has been 81 bps for 1H (if only NPA provisions are considered).
  - **Outstanding provisions**
    - Total standard asset provisions amount to Rs 50bn.
    - 7<sup>th</sup> June provisions, etc are not included in this number.
- **Slippages**
  - Gross NPA additions amounted to Rs 19.82bn for 2QFY24, translating to an annualized slippage ratio of 1.6% for the quarter. (Gross NPA additions had amounted to Rs 18.52bn during 1QFY24.)
- **Recoveries and upgrades**
  - Recoveries and upgrades amounted to Rs 14.15bn for 2QFY24, implying net NPA addition of Rs 5.67bn for the quarter.
  - Cash recovery amounted to Rs 10.93bn whereas upgrades amounted to Rs 3.22bn.
  - **Recovery target**
    - The recovery target for the year remains Rs 80bn.
    - In 1H, Rs 42.72bn of this has been achieved.
- **Restructured book**
  - The standard COVID restructured loans were at Rs. 99.8bn or 2.0% of gross advances.
  - The provision held on this book provides a cover of 27%.
  - Other forms of restructuring largely subsumed into the number of Rs 99.8bn, other than a Rs 2.21bn book.
  - **Cumulative restructuring**
    - The original amount of restructuring done was Rs 184bn, which has declined by Rs 80bn.
    - Rs 20bn of the decline is due to slippage into NPA and the remaining due to recovery.

### Net interest margin

- **NIM for the quarter**
  - The domestic NIM for 2Q was 3.52%, down 9 bps QoQ.
  - An interest reversal of Rs 2.61bn impacted NIM negatively by 12 bps for the quarter (presumably, the 12 bps impact is not incremental / differential with 1Q, since there would have been a reversal in 1Q as well).
- **NIM guidance**
  - Management reiterated prior NIM guidance that NIM would be protected at the FY23 level of 3.41%.

(Con call takeaways continue on the next page)

- **Loan book by rate category**
  - MCLR – 64%
  - Repo rate – 31-32%
- **MCLR repricing**
  - The MCLR book keeps coming for repricing and Rs 400bn is to reprice in the current quarter.
  - A further Rs 460bn is to reprice in 4Q.
- **LCR**
  - The LCR has been 131%.
- **Liability repricing**
  - The duration of the term liability book is 1.6 years and has been largely repriced.
- **Treasury yield**
  - Rise in treasury yield has also aided margin.

## Deposits growth

- Total deposits are up 9% YoY.
- SA deposits are up 8% YoY.
- Term deposits are up 10% YoY.
- **Liability strategy**
  - The bank is focusing on garnering deposits from government centres in key cities.
  - The bank will also be focusing on garnering NR deposits via remittances.
  - The bank has also decided to focus on 200 centres for retail deposits, of which 51 have already been tapped.
- **Deposit growth guidance**
  - The deposit growth guidance remains 8-10%.

## Loan growth

- Total loan growth is 12% YoY.
- RAM loan growth is 12% YoY.
- **Corporate loans**
  - Corporate loan growth is 11% YoY, within which standard corporate loan growth is 14% YoY.
- **Retail loans**
  - Retail loan growth is 14% YoY.
  - **Retail segmental growth**
    - Home loans are up 13% YoY.
    - Auto loans are up 36% YoY.
    - Personal loans are up 49% YoY.
- **Agri loans**
  - Agri loan growth was 16% YoY, within which crop loan growth is 17% YoY.
  - Within crop loans, gold loans, which is 75% of crop loan, is up 28% YoY.
- **Loan growth guidance**
  - The overall loan growth guidance remains 10-12%.

(Con call takeaways continue on the next page)

## Fee income

- Fee income is up 11% YoY.
- Loan processing charges are up 17% YoY.
- PSLC income is up 52% YoY.

## Capital adequacy

- CRAR amounts to 15.53%.
- Including 6M profit, it would amount to 16.53%.
- Internal accrual is adequate to take care of growth.
- **QIP / capital raise**
  - The bank has approval for a capital raise of Rs 40bn.
  - The bank is working on the same and will carry it out at the right time.
  - The bank has approval for government holding till August 2024 (i.e. to keep it above 75%; it is 79.86% as of September 2023).

## Operating expenses

- **Total opex**
  - Total opex, at Rs. 34.3 bn, is up 4.6% QoQ and 19% YoY.
  - Consequently, cost/income ratio came in at 44.4%, up by 13bps QoQ and 9bps YoY.
  - **Guidance**
    - Management had guided for a cost to income ratio of 44% and delivered 44.29% for 1H.
- **Staff opex**
  - The staff opex is up by 2.8% QoQ and 22.5% YoY.
  - The total staff expense number consists of salary, wage revision and PLI (performance-linked incentive).
  - The wage revision for the quarter amounts to Rs 2.71bn and cumulatively, Rs 6.89bn.
  - PLI depends on rise in operating profit.
  - Excluding wage revision and PLI, salary was up 5%.
  - The bank is adequately provided on wages.
- **Other opex**
  - Other opex in up by 8.1% QoQ and 13.3% YoY.

## Treasury

- The yield on the AFS book is 7.02%, which has improved.
- The modified duration is 2.84, which is on the higher side.
- The size and modified duration of the AFS book has been deliberately increased in order to benefit from the fixed income markets.

## Exhibit 2: Key quarterly balance sheet / business data

(Rs mn)	Q2FY24	Q1FY24	% qoq	Q2FY23	% yoy	Q2FY24*	chg QoQ*	chg YoY*
Global Gross Advances	4,922,880	4,794,040	2.7	4,379,410	12.4	100.0	0bps	0bps
Overseas Gross Advances	336,070	287,700	16.8	264,430	27.1	6.8	83bps	79bps
Domestic Gross Advances	4,586,810	4,506,340	1.8	4,114,980	11.5	93.2	-83bps	-79bps
Corporate Loans	1,727,900	1,741,990	(0.8)	1,562,420	10.6	35.1	-124bps	-58bps
MSME	801,160	785,100	2.0	763,870	4.9	16.3	-10bps	-117bps
Agri	1,104,040	1,047,100	5.4	952,140	16.0	22.4	59bps	69bps
Retail Loans	953,710	932,150	2.3	836,550	14.0	19.4	-7bps	27bps
Home Loan	622,890	607,460	2.5	553,090	12.6	12.7	-2bps	2bps
Auto Loan	62,910	55,880	12.6	46,250	36.0	1.3	11bps	22bps
Personal Loan	86,680	82,210	5.4	58,360	48.5	1.8	5bps	43bps
Jewel Loan Non Priority	54,220	54,350	(0.2)	53,040	2.2	1.1	-3bps	-11bps
Others	127,010	132,250	(4.0)	125,810	1.0	2.6	-18bps	-29bps
Total Deposits	6,408,027	6,215,390	3.1	5,888,600	8.8	100.0	0bps	0bps
CA	334,470	328,560	1.8	333,130	0.4	5.2	-7bps	-44bps
SA	2,235,800	2,173,860	2.8	2,077,650	7.6	34.9	-8bps	-39bps
Term	3,837,757	3,712,970	3.4	3,477,820	10.3	59.9	15bps	83bps
RWA	3,537,190	3,479,870	1.6	3,157,440	12.0	NA	NA	NA

Source: Company, YES Sec – Research, \*Share in total and change in share

## Exhibit 3: Key quarterly ratios

(%)	Q2 FY24	Q1 FY24	chg qoq	Q2 FY23	chg yoy
Net interest margin-Global	3.46	3.56	-10bps	3.18	28bps
Net interest margin-Domestic	3.52	3.61	-9bps	3.20	32bps
Yield on advances	8.75	8.53	22bps	7.48	127bps
Cost of deposits	4.89	4.60	29bps	4.02	87bps
Loan to Deposit ratio	73.4	73.4	2bps	70.0	347bps
Non-interest income/Total income	25.8	23.1	271bps	28.1	-230bps
Fee Income to Avg. Total Assets	0.4	0.4	7bps	0.4	1bps
Cost to Income	44.4	44.2	13bps	44.3	9bps
Opex to Avg. Total Assets	1.9	1.8	5bps	1.7	17bps
RoE	19.9	17.9	202bps	13.8	607bps
RoA	1.1	1.0	11bps	0.7	35bps
Capital adequacy ratio	15.5	15.8	-25bps	16.2	-62bps
Common equity tier 1	12.1	12.3	-24bps	12.3	-19bps
Tier I capital ratio	12.6	12.9	-25bps	12.9	-26bps
Annualised Slippage Ratio*	1.6	1.6	8bps	2.3	-65bps
Provision Coverage	95.6	95.1	54bps	91.1	456bps
Gross NPA	5.0	5.5	-50bps	7.3	-233bps
Net NPA	0.6	0.7	-10bps	1.5	-90bps

Source: Company, YES Sec – Research, \* Annualised Gross NPA Addition Ratio

## Exhibit 4: Quarterly Actuals Vs Estimates

Q2FY24 (Rs. mn)	Actuals	Estimates	Diff, %
Net Interest Income	57,402	58,379	(1.7)
Pre-Prov. Operating Profit	43,027	42,384	1.5
Profit After Tax	19,878	18,288	8.7

Source: Company, YES Sec – Research

## Exhibit 5: Operating Expense Break-up

(Rs mn)	Q2FY24	Q1FY24	% qoq	Q2FY23	% yoy
Employee Expense	21,769	21,186	2.8	17,766	22.5
Other Operating Expense	12,535	11,599	8.1	11,062	13.3
<b>Total Operating Expense</b>	<b>34,304</b>	<b>32,784</b>	<b>4.6</b>	<b>28,828</b>	<b>19.0</b>

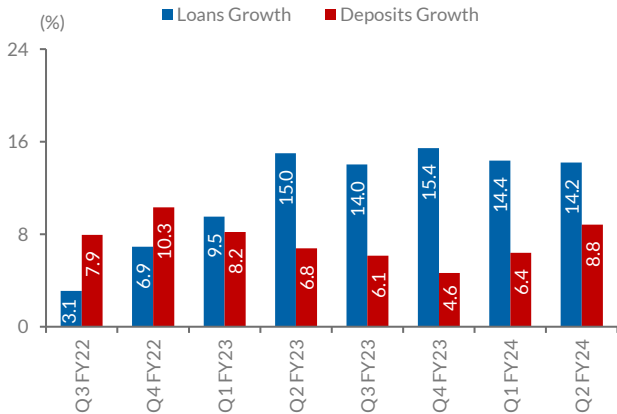
Source: Company, YES Sec – Research

## Exhibit 6: Non-Interest Income Break-up

(Rs mn)	Q2FY24	Q1FY24	% qoq	Q2FY23	% yoy
Total Fee Income (A)	8,050	6,710	20.0	7,230	11.3
Transaction fees	2,090	1,700	22.9	1,900	10.0
Loan processing charges	2,000	1,370	46.0	1,710	17.0
Commission on Govt. business	180	180	0.0	240	(25.0)
Commission on LC/BG	940	960	(2.1)	1,050	(10.5)
Cross Selling	420	240	75.0	290	44.8
Income from PFMS operations	20	60	(66.7)	110	(81.8)
Rent on Lockers	350	400	(12.5)	300	16.7
Misc fee Income	2,050	1,800	13.9	1,630	25.8
<b>Total Other Income (B)</b>	<b>11,880</b>	<b>10,386</b>	<b>14.4</b>	<b>11,051</b>	<b>7.5</b>
Forex Income	880	1,980	(55.6)	3,120	(71.8)
Treasury Income	3,230	4,640	(30.4)	1,420	127.5
Bad Debts Recovered	5,080	1,800	182.2	4,780	6.3
PSLC Commission	1,690	1,520	11.2	1,110	52.3
Others	1,000	446	124.2	621	61.0
<b>Total Non-Interest Income (A+B)</b>	<b>19,930</b>	<b>17,096</b>	<b>16.6</b>	<b>18,281</b>	<b>9.0</b>

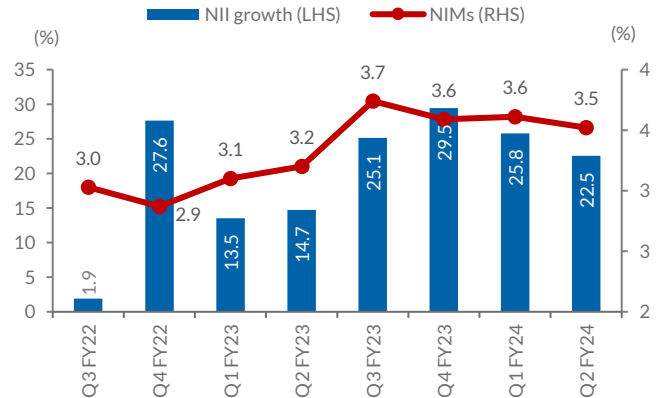
Source: Company, YES Sec – Research

**Exhibit 7: Loans and Deposits growth (YoY %)**



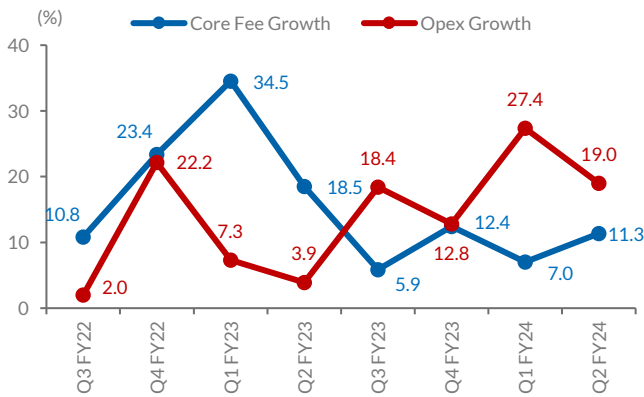
Source: Company, YES Sec – Research

**Exhibit 8: NII growth (YoY %) and NIM (%)**



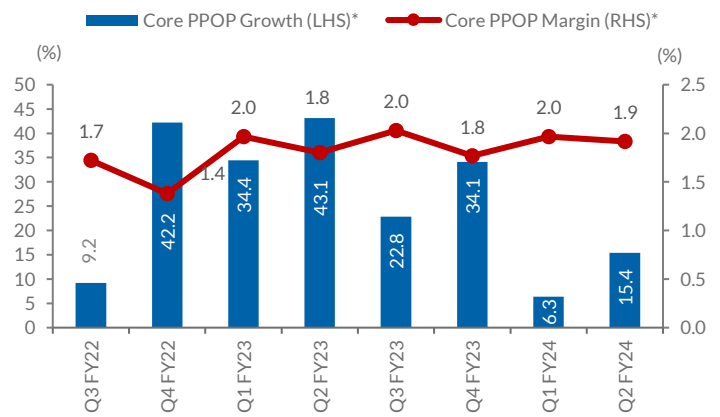
Source: Company, YES Sec – Research

**Exhibit 9: Core Fee and Opex growth (YoY %)**



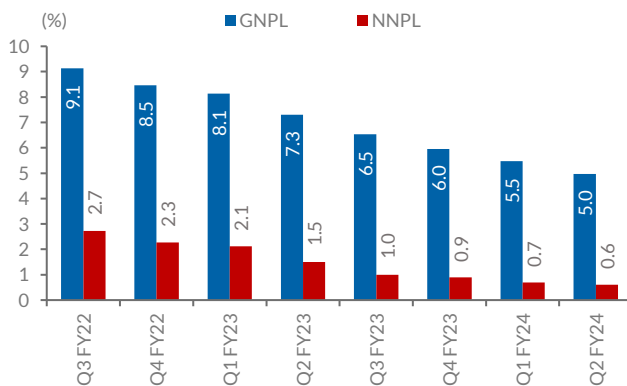
Source: Company, YES Sec – Research

**Exhibit 10: Core PPOP growth (YoY %) and Core PPOP margin (%)**



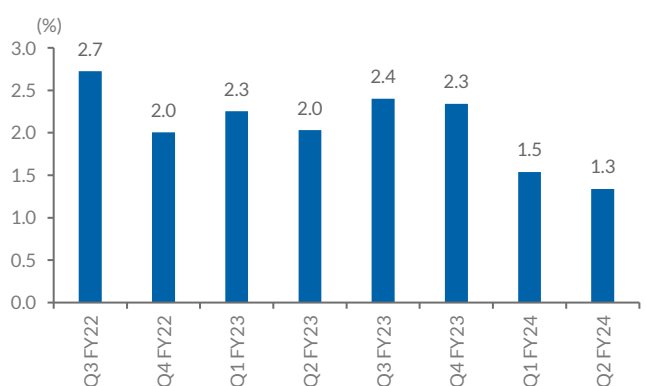
Source: Company, YES Sec – Research. \* Core PPOP is derived by adjusting PPOP for gain/loss on sale of investments and misc. income

**Exhibit 11: Gross NPA and Net NPA (%)**



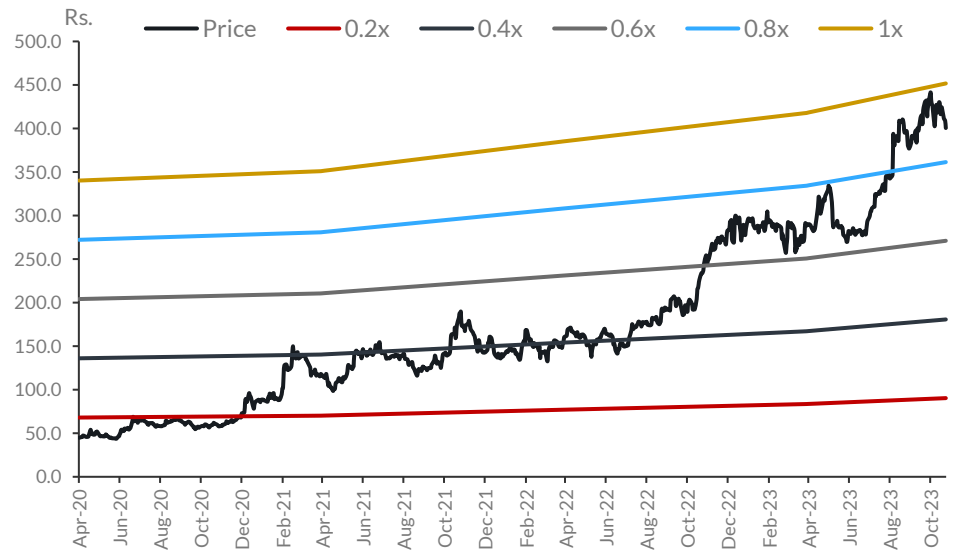
Source: Company, YES Sec – Research

**Exhibit 12: Provisions/Average Advances (%)**



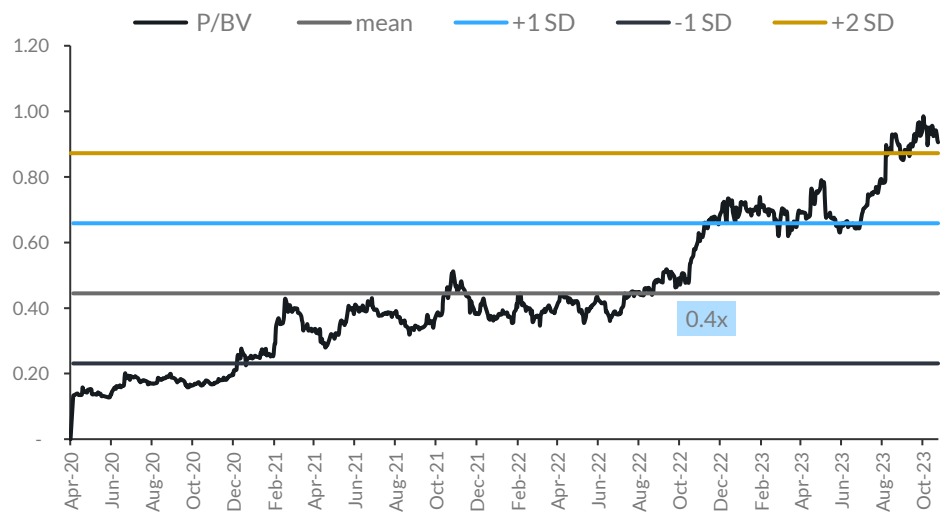
Source: Company, YES Sec – Research

**Exhibit 13: 1-year rolling P/BV band**



Source: Company, YES Sec – Research

**Exhibit 14: 1-yr rolling P/BV vis-a-vis the mean and standard deviations**



Source: Company, YES Sec – Research



## ANNUAL FINANCIALS

### Exhibit 15: Balance sheet

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Total cash & equivalents	799,161	501,326	629,015	704,497	789,037
Investments	1,745,586	1,859,883	2,045,871	2,291,375	2,566,340
Advances	3,891,861	4,492,967	5,032,123	5,635,978	6,312,296
Fixed assets	76,837	74,590	82,049	90,254	99,280
Other assets	203,236	176,241	197,390	221,077	247,606
<b>Total assets</b>	<b>6,716,681</b>	<b>7,105,007</b>	<b>7,986,449</b>	<b>8,943,182</b>	<b>10,014,559</b>
Net worth	437,088	479,728	559,821	635,049	724,929
Deposits	5,936,178	6,211,658	6,832,823	7,652,762	8,571,094
Borrowings	171,443	220,730	247,218	276,884	310,110
Other liabilities	171,971	192,892	346,587	378,487	408,426
<b>Total liabilities incl. Equity</b>	<b>6,716,681</b>	<b>7,105,007</b>	<b>7,986,449</b>	<b>8,943,182</b>	<b>10,014,559</b>

Source: Company, YES Sec – Research

### Exhibit 16: Income statement

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Interest income	388,562	449,422	505,853	571,062	642,576
Interest expense	(221,283)	(247,168)	(283,041)	(317,050)	(354,867)
<b>Net interest income</b>	<b>167,280</b>	<b>202,255</b>	<b>222,812</b>	<b>254,011</b>	<b>287,709</b>
Non-interest income	69,154	71,431	83,634	93,373	104,577
<b>Total income</b>	<b>236,434</b>	<b>273,685</b>	<b>306,446</b>	<b>347,384</b>	<b>392,286</b>
Operating expenses	(109,265)	(120,979)	(135,811)	(149,540)	(161,935)
<b>PPoP</b>	<b>127,169</b>	<b>152,706</b>	<b>170,636</b>	<b>197,843</b>	<b>230,351</b>
Provisions	(95,127)	(93,562)	(76,043)	(79,570)	(89,044)
<b>Profit before tax</b>	<b>32,042</b>	<b>59,144</b>	<b>94,592</b>	<b>118,274</b>	<b>141,308</b>
Taxes	7,406	(6,327)	(23,809)	(29,770)	(35,567)
<b>Net profit</b>	<b>39,448</b>	<b>52,817</b>	<b>70,783</b>	<b>88,504</b>	<b>105,741</b>

Source: Company, YES Sec – Research

## Exhibit 17: Du Pont Analysis (RoA tree)

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Interest income	6.0	6.5	6.7	6.7	6.8
Interest expense	-3.4	-3.6	-3.8	-3.7	-3.7
<b>Net interest income</b>	<b>2.6</b>	<b>2.9</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>
Non-interest income	1.1	1.0	1.1	1.1	1.1
<b>Total income</b>	<b>3.6</b>	<b>4.0</b>	<b>4.1</b>	<b>4.1</b>	<b>4.1</b>
Operating expenses	-1.7	-1.8	-1.8	-1.8	-1.7
<b>PPoP</b>	<b>2.0</b>	2.2	2.3	2.3	2.4
Provisions	-1.5	-1.4	-1.0	-0.9	-0.9
<b>Profit before tax</b>	<b>0.5</b>	<b>0.9</b>	<b>1.3</b>	<b>1.4</b>	<b>1.5</b>
Taxes	0.1	-0.1	-0.3	-0.4	-0.4
<b>Net profit</b>	<b>0.6</b>	<b>0.8</b>	<b>0.9</b>	<b>1.0</b>	<b>1.1</b>

Source: Company, YES Sec – Research

## Exhibit 18: Change in annual estimates

Y/e 31 Mar (Rs mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net Interest Income	222,812	254,011	287,709	222,812	254,011	287,709	0.0	0.0	0.0
Pre-Prov. Operating Profit	170,636	197,843	230,351	174,343	204,291	237,180	(2.1)	(3.2)	(2.9)
Profit after tax	70,783	88,504	105,741	73,558	93,329	110,850	(3.8)	(5.2)	(4.6)

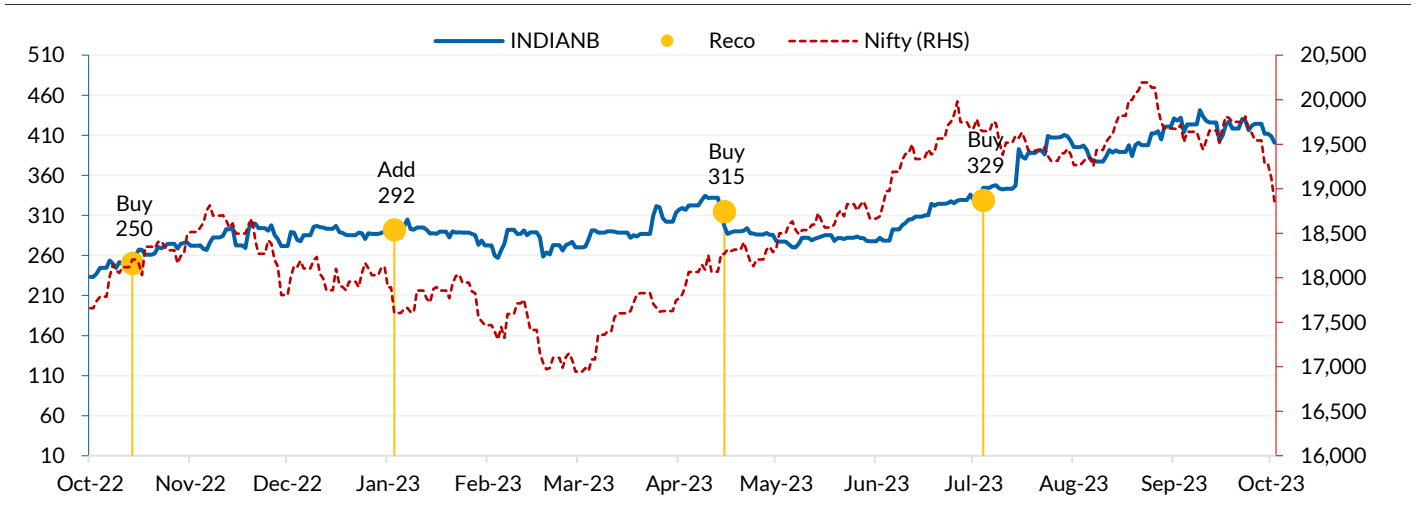
Source: Company, YES Sec – Research

## Exhibit 19: Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24E	FY25E	FY26E
<b>Growth matrix (%)</b>					
Net interest income	6.8	20.9	10.2	14.0	13.3
PPoP	11.6	20.1	11.7	15.9	16.4
Net profit	31.3	33.9	34.0	25.0	19.5
Loans	6.9	15.4	12.0	12.0	12.0
Deposits	10.3	4.6	10.0	12.0	12.0
<b>Profitability Ratios (%)</b>					
Net interest margin	2.9	3.4	3.4	3.5	3.5
Return on Average Equity	9.6	11.5	13.6	14.8	15.6
Return on Average Assets	0.6	0.8	0.9	1.0	1.1
<b>Per share figures (Rs)</b>					
EPS	31.7	42.4	52.6	65.8	78.6
BVPS	351	385	416	472	539
ABVPS	280	353	391	447	512
<b>Valuation multiples</b>					
P/E	12.6	9.4	7.6	6.1	5.1
P/BV	1.1	1.0	1.0	0.8	0.7
P/ABV	1.4	1.1	1.0	0.9	0.8
<b>NIM internals (%)</b>					
Yield on loans	7.2	7.6	7.7	7.8	7.8
Cost of deposits	3.7	3.8	4.1	4.2	4.2
Loan-deposit ratio	65.6	72.3	73.6	73.6	73.6
CASA ratio	41.8	42.0	42.0	42.3	42.3
<b>Opex control (%)</b>					
Cost/Income ratio	46.2	44.2	44.3	43.0	41.3
Cost to average assets	1.7	1.8	1.8	1.8	1.7
<b>Capital adequacy (%)</b>					
Tier 1 capital ratio	13.2	13.5	14.1	13.5	13.0
<b>Asset quality (%)</b>					
Slippage ratio	2.7	1.7	2.0	2.0	2.0
Gross NPL ratio	8.5	6.0	5.5	5.3	5.1
Credit cost	2.2	1.6	1.4	1.3	1.3
Net NPL ratio	2.3	0.9	0.7	0.6	0.6

Source: Company, YES Sec – Research

## Recommendation Tracker



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