HOLD
TP: Rs 936 | ▲ 12%

INDUSIND BANK

| Banking | 24 October 2026

FY27 RoA guidance maintained at 1%; NIMs recovery expected

- **Loan/ deposit growth return to double digit growth, management expects loan growth to be in-line with system in FY27**
- **AQ improving across all segments, focus on scaling retail secured/MSME and calibrated MFI growth to continue n H2**
- **Maintain HOLD with revised TP of Rs 936 (earlier Rs 861) and roll over valuation to 1x Sep'28E ABV**

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Robust business growth and fee income drive PAT recovery: PAT grew 16.9% QoQ to Rs 12.2bn, continuing its recovery from a loss in Q2FY26 and maintaining an upward trajectory, supported by strong business growth, healthy fee income and a 54% YoY decline in provisions amid improving AQ and lower fresh stress. Reported NIM fell 34bp QoQ to 3.23%, narrowing to 12bp after adjusting for I-T refund interest, with 7–8bp attributable to FCNR. USD 3.5 bn FCNR mobilisation reduced high-cost CDs to 3.3% of deposits from 5.9%, while CoD edged up to 5.96% due to a lower CASA mix (due to FCNR mobilization) despite SA/TD repricing downwards. Q2 RoA improved to 0.87% vs Q1 RoA of 0.78%. Management expects margin recovery over the next 2 quarters and gradual credit-cost moderation, retaining its FY27E exit RoA target of 1%.

Loans and deposits return to double-digit growth: Advances grew 11% YoY, led by Consumer Banking (38% YoY/36% QoQ), Insti & Govt (23%/8%) and SME (12%/13%); corporate book grew 8% QoQ. VF disbursements rose10% QoQ, exc tractors/2-wheelers. Microloan portfolio grew 8% QoQ after ~8 quarters of decline; disbursements rose 25% QoQ, with 89% CGFMU coverage. Merchant finance grew 7% QoQ, while KCC/rural loans were stable QoQ. Calibrated MFI growth is expected to continue in H2, with drought, fuel and inflation risks monitored. USD 3.51bn FCNR mobilisation accounted for 6.3% of Q2 average deposits. Focus remains on CASA, retail deposits and CoD optimisation; FY27 loan growth is expected in line with the banking system as per commentary.

AQ improving gradually: Slippages declined to Rs 14.6bn (1.6% of loans), improving across MFI, wholesale and VF. Higher write-offs alongside lower slippages drove a 52bp QoQ reduction in GNPA to ~2.7%. Management sees further scope to reduce MFI stress. ECL transition is expected to entail a one-time pre-tax impact of ~1.1% of loans.

Maintain HOLD: Double-digit loan/ deposit growth has resumed from -ve growth in Q2FY26, alongside broad-based AQ improvement. NIMs recovery over the next 2 quarters and gradual credit-cost moderation should lead to FY27E ROA of ~1%

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	IIB IN/Rs 835
Market cap	US$ 6.9bn
Free float	84%
3M ADV	US$ 18.2mn
52wk high/low	Rs 1,078/Rs 751
Promoter/FPI/DII	16%/30%/41%

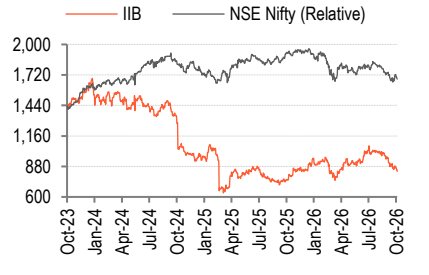
Source: NSE | Price as of 23 Oct 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
NII (Rs mn)	179,823	194,756	225,945
NII growth (%)	(5.5)	8.3	16.0
Adj. net profit (Rs mn)	8,892	51,800	76,082
EPS (Rs)	11.4	66.5	97.6
P/E (x)	73.2	12.6	8.6
P/BV (x)	1.0	0.9	0.8
ROA (%)	0.2	0.9	1.2
ROE (%)	1.7	7.6	10.3

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Quarterly snapshot: Income statement

(Rs mn)	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27	YoY (%)	QoQ (%)
Income Statement							
Interest Income	91,936	89,323	86,040	87,073	93,054	1.2	6.9
Income on investments	19,545	20,287	20,328	18,980	18,998	(2.8)	0.1
Int. on bal. with RBI & inter-bank funds & Others	4,605	4,119	3,687	7,047	5,908	28.3	(16.2)
Interest income	**1,16,086**	**1,13,729**	**1,10,054**	**1,13,099**	**1,17,960**	**1.6**	**4.3**
Interest expense	71,993	68,112	66,339	66,252	72,265	0.4	9.1
Net interest income	**44,094**	**45,617**	**43,715**	**46,847**	**45,695**	**3.6**	**(2.5)**
Growth YoY (%)	(18.5)	(12.7)	43.4	1.0	3.6		
Non-interest income	**16,513**	**17,072**	**17,137**	**17,865**	**22,179**	**34.3**	**24.1**
Growth YoY (%)	(32.4)	(27.5)	141.8	(17.2)	34.3		
Total income	**60,607**	**62,689**	**60,851**	**64,713**	**67,874**	**12.0**	**4.9**
Growth YoY (%)	(22.8)	(17.3)	62.0	(4.8)	12.0		
Staff expenses	16,641	19,049	17,170	17,917	18,031	8.4	0.6
Other operating expenses	23,492	20,943	20,729	19,061	21,398	(8.9)	12.3
Operating expenses	**40,133**	**39,992**	**37,899**	**36,978**	**39,429**	**(1.8)**	**6.6**
Pre-Provisioning Profit (PPoP)	**20,473**	**22,696**	**22,953**	**27,735**	**28,445**	**38.9**	**2.6**
Growth YoY (%)	(48.2)	(37.0)	(567.6)	8.0	38.9		
Provisions	**26,312**	**20,958**	**14,821**	**13,843**	**12,226**	**(53.5)**	**(11.7)**
Growth YoY (%)	150.6	20.2	(41.2)	(21.3)	(53.5)		
PBT	**(5,839)**	**1,739**	**8,131**	**13,892**	**16,218**	**NA**	**16.7**
Tax	(1,469)	459	2,190	3,521	4,100	**NA**	16.4
PAT	**(4,369)**	**1,279**	**5,941**	**10,370**	**12,118**	**NA**	**16.9**
Growth YoY (%)	(120.1)	(90.9)	(125.5)	71.7	(377.3)		
Per Share							
FV (Rs)	10	10	10	10	10	**0.0**	**0.0**
EPS (Rs)	(6)	2	8	13	16	**NA**	**16.9**
Book Value (Rs)	835	837	844	860	872	**4.4**	**1.4**

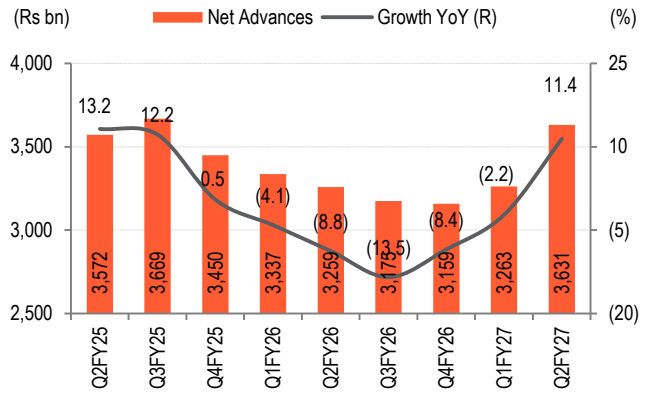
Source: Company, BOBCAPS Research

Fig 2 – Quarterly snapshot: Balance sheet & other metrics

(Rs mn)	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27	YoY (%)	QoQ (%)
Deposits	**38,96,001**	**39,38,150**	**39,99,308**	**41,47,660**	**42,88,319**	**10.1**	**3.4**
Growth YoY (%)	(2.2)	(3.8)	(2.7)	4.4	10.1		
Advances	**32,58,807**	**31,75,360**	**31,58,714**	**32,62,740**	**36,31,043**	**11.4**	**11.3**
Growth YoY (%)	(6.3)	(13.5)	(8.4)	(2.2)	11.4		
Investment	12,40,075	12,28,980	12,50,071	11,48,020	10,63,912	**(14.2)**	**(7.3)**
Equity	6,50,583	6,51,740	6,57,396	6,69,792	6,79,212	**4.4**	**1.4**
Assets	52,74,898	52,55,950	54,33,939	55,49,260	58,01,484	**10.0**	**4.5**
Growth YoY (%)	(0.5)	(4.4)	(1.9)	2.8	10.0	(1,528bps)	242bps
Yield (%)							
Yield on Funds	9.33	9.37	9.07	9.07	9.07	(26bps)	0bps
Cost of Funds	6.51	6.28	6.06	5.88	6.14	(37bps)	26bps
Spread	2.82	3.09	3.01	3.19	2.93	11bps	(26bps)
Net Interest Margin	**3.32**	**3.52**	**3.39**	**3.55**	**3.23**	(9bps)	(32bps)
Ratios (%)							
Other Income / Net Income	27.2	27.2	28.2	27.6	32.7	543bps	507bps
Cost to Income ratio	66.2	63.8	62.3	57.1	58.1	(813bps)	95bps
CASA ratio	30.7	30.2	31.2	29.4	27.9	(281bps)	(150bps)
C/D ratio	83.6	80.6	79.0	78.7	84.7	103bps	601bps
Investment to Assets	23.5	23.4	23.0	20.7	18.3	(517bps)	(235bps)
Assets Quality							
GNPA	1,20,578	1,16,050	1,10,950	1,08,487	1,01,057	**(16.2)**	**(6.8)**
NNPA	33,994	33,040	31,690	31,005	30,124	**(11.4)**	**(2.8)**
Provision	86,584	83,010	79,260	77,481	70,932	**(18.1)**	**(8.5)**
GNPA (%)	3.60	3.56	3.43	3.25	2.73	(87bps)	(52bps)
NNPA (%)	1.04	1.04	1.00	0.95	0.83	(21bps)	(12bps)
Provision (%)	71.81	71.53	71.44	71.42	70.19	(162bps)	(123bps)

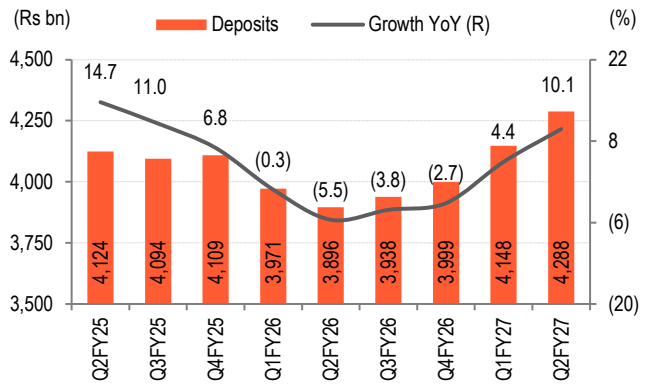
Source: Company, BOBCAPS Research

Fig 3 – Loans grew by 11.4% YoY, aided by FCNR scheme



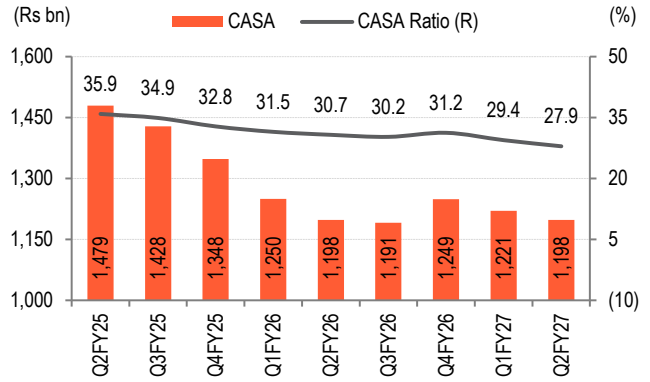
Source: Company, BOBCAPS Research

Fig 4 – Deposits grew by 10.1% YoY, aided by FCNR



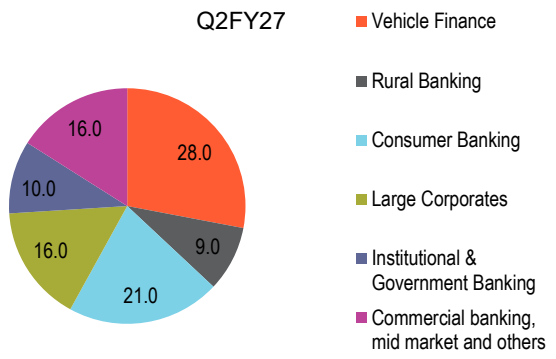
Source: Company, BOBCAPS Research

Fig 5 – CASA ratio deteriorates QoQ due to FCNR inflow



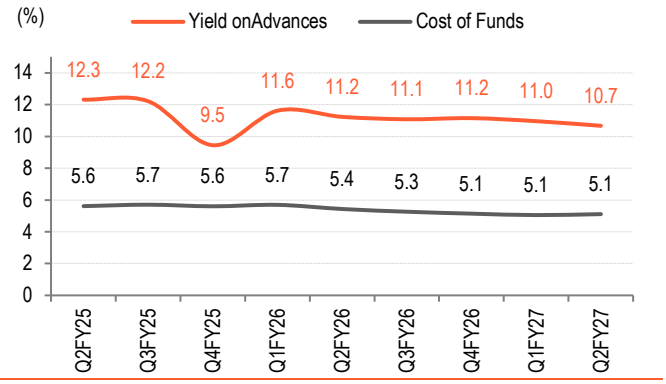
Source: Company, BOBCAPS Research

Fig 6 – Portfolio mix as on Q2FY27



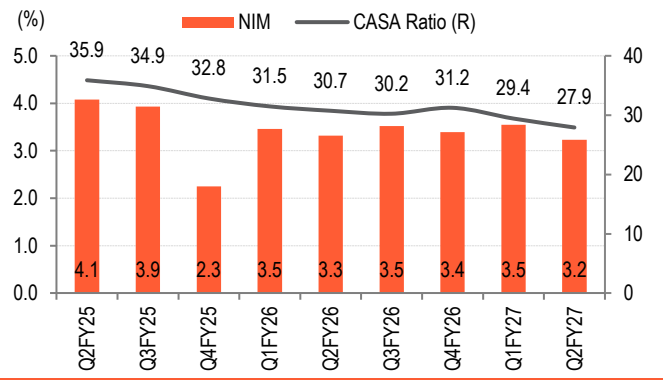
Source: Company, BOBCAPS Research

Fig 7 – Yields decline; COF inched up



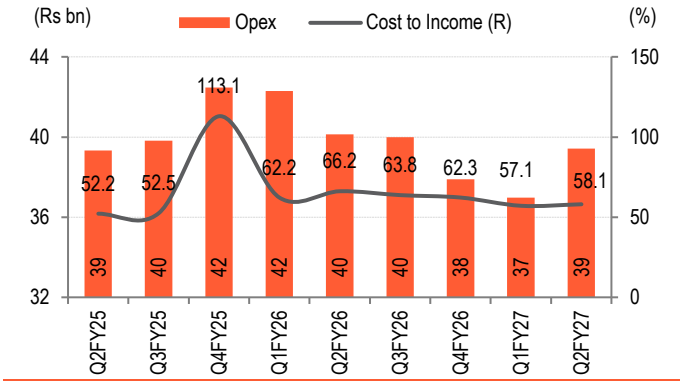
Source: Company, BOBCAPS Research

Fig 8 – Reported NIMs down QoQ largely due to FCNR scheme



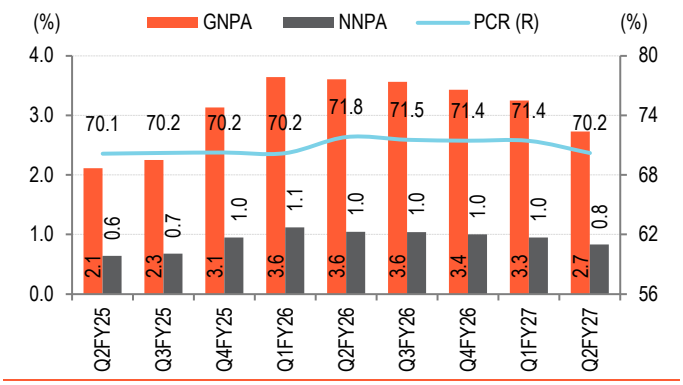
Source: Company, BOBCAPS Research

Fig 9 – C/I inched up QoQ



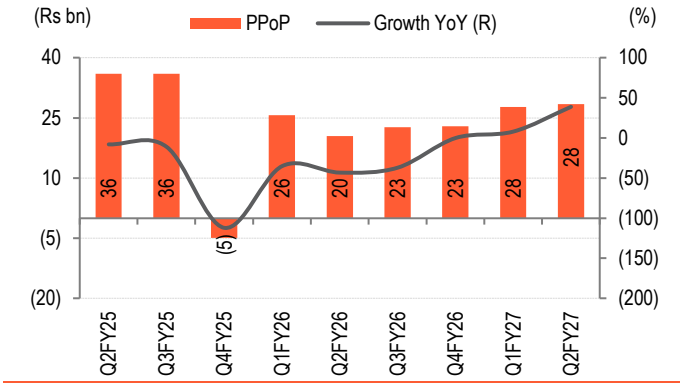
Source: Company, BOBCAPS Research

Fig 10 – Asset quality improved QoQ



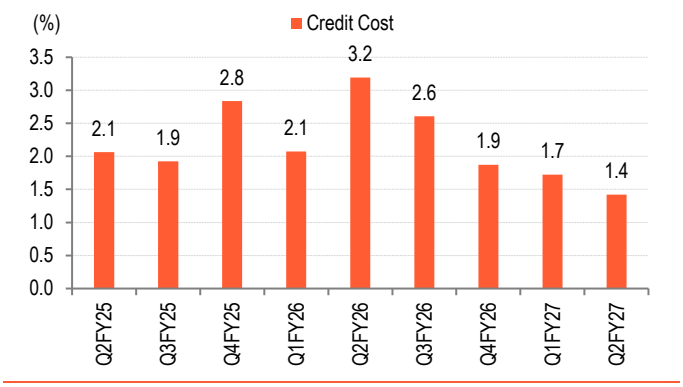
Source: Company, BOBCAPS Research

Fig 11 – PPoP improved YoY due to strong other income



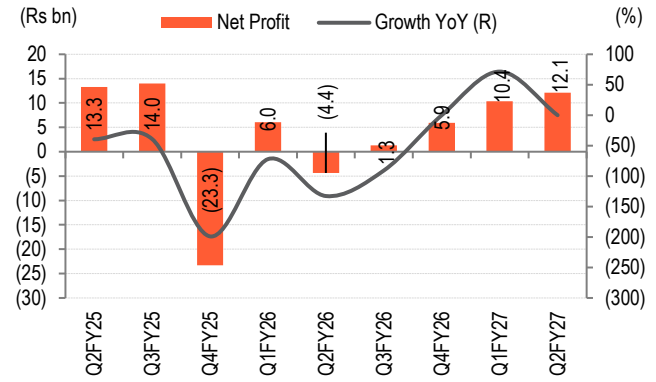
Source: Company, BOBCAPS Research

Fig 12 – Credit cost improved QoQ



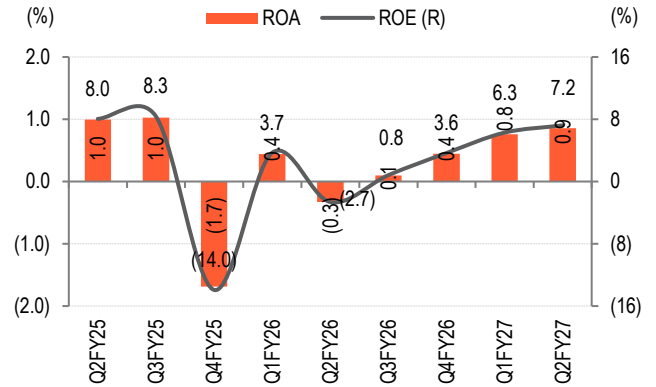
Source: Company, BOBCAPS Research

Fig 13 – PAT supported by lower provisions, healthy other income



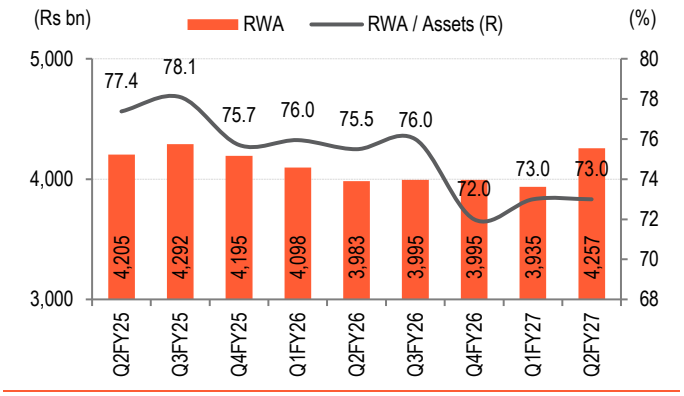
Source: Company, BOBCAPS Research

Fig 14 – IIB targets RoA to be ~1% by FY27-end



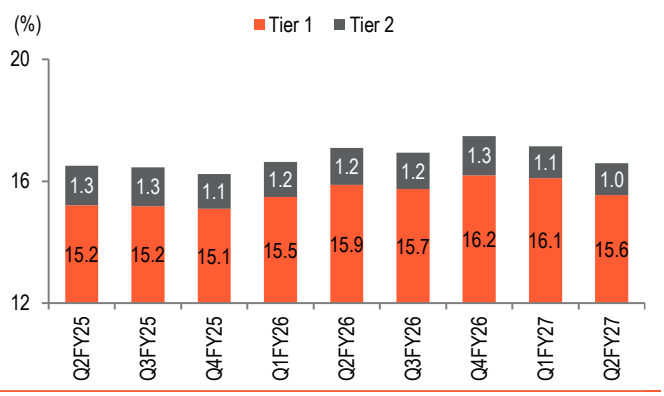
Source: Company, BOBCAPS Research

Fig 15 – RWA/Assets ratio stable



Source: Company, BOBCAPS Research

Fig 16 – Well capitalised with CAR at 16.59%



Source: Company, BOBCAPS Research

Earnings Call Highlights

1. Advances

- Advances grew 11% YoY, while average advances increased 6% QoQ, excluding FCNR(B)-related lending, reflecting improving momentum across retail and wholesale businesses.
- Retail advances grew 12% QoQ, excluding FCNR(B)-related lending, supported by stronger disbursements in vehicle finance, rural banking and traditional retail. The wholesale book grew 10% QoQ, with healthy growth across commercial and mid-market and SME portfolios.
- Vehicle finance AUM crossed ~Rs 1,000bn, up 5% YoY. Disbursements rose 17% YoY to ~Rs 119.7bn, led by commercial and passenger vehicles. Excluding tractors and two-wheelers, disbursements grew 24% YoY, indicating stronger momentum in focus segments.
- Microfinance returned to growth after nearly eight quarters of contraction, with the portfolio rising 8% QoQ to ~Rs 175.7bn, supported by improved underwriting.
- Merchant finance grew 20% YoY/7% QoQ to ~Rs 86.9bn, contributing 33% of BFIL-originated loans versus 25% YoY. Affordable housing grew 18% YoY, supporting diversification beyond traditional group microfinance lending.
- The bank continues to prioritise risk-adjusted returns in unsecured lending. Credit card and personal loan portfolios declined 3%/2% QoQ following earlier risk actions; improving originations and customer acquisition are expected to support a return to book growth over the coming quarters.
- The wholesale loan book grew 10% QoQ/YoY, led by 13% QoQ growth in CMML, while institutional banking and corporate banking grew 8% QoQ. New-to-bank wholesale credit relationships increased 43% QoQ, with growth diversified across sectors.
- Wholesale fee income increased 9% QoQ/37% YoY to ~Rs 4.46bn, with transaction banking contributing 52%. The bank plans to scale up supply-chain finance, trade finance, cash management and capital-markets solutions to deepen customer relationships and improve fee intensity.

- Of the loan book, 45% is floating-rate, of which ~63% is repo-linked, with the remainder linked to MCLR and other external benchmarks. This provides asset-side repricing flexibility if policy rates rise, although the ultimate margin impact will depend on deposit repricing and pass-through timing.

2. Deposits

- Deposits grew 10% YoY, supported by FCNR mobilisation. Retail deposits under the LCR definition rose 11% QoQ to 50% of total deposits, reflecting an improved funding mix.
- The bank mobilised ~USD 3.51bn of FCNR deposits, representing 2.75% market share versus its natural market share of ~1.5%. FCNR deposits accounted for 6.3% of Q2 average deposits, with a relatively higher share of retail and non-leveraged deposits supporting funding quality.
- FCNR(B) proceeds were deployed to repay high-cost bulk funding, reducing CDs to 3.3% from 5.9% in Q1FY27. The bank also reduced certain wholesale deposits, with further benefits from lower CD balances expected in subsequent quarters.
- Savings account deposits declined 5% QoQ, partly due to migration of NRI savings balances into FCNR(B) deposits and outflows from government-related deposits. Excluding these movements, savings deposits would have been broadly flat.
- CoD increased marginally to 5.96% from 5.93% in Q1, as the lower CASA mix following FCNR(B) mobilisation offset the benefit of downward repricing in savings and term deposit rates. The benefit from repayment of high-cost bulk deposits is expected to become visible in Q3FY27.
- Management expects some increase in system deposit rates in H2FY27 as liquidity tightens and potential rate hikes materialise.

3. Asset Quality

- GNPA/NNPA improved QoQ to 2.73%/0.83%, while annualised gross slippages declined to 1.8% from 2.1% in Q1FY27.
- Net slippages moderated to 1.1% from 1.5% QoQ, while PCR stood at 70%. Normalised provisions declined 12% QoQ to Rs 12.2bn, reflecting lower fresh stress.
- Vehicle finance asset quality remained stable, with annualised net slippages declining 34bp QoQ, supported by disciplined underwriting and collections.
- Microfinance asset quality improved materially, with annualised net slippages declining to 2.2% from 3.4% QoQ/14.1% YoY. The 31–90 DPD portfolio declined to 0.4% from 0.6% QoQ.
- Approximately 89% of the microfinance portfolio is covered under the CGFMU guarantee scheme, including disbursements for which coverage is being processed.
- Wholesale asset quality remained robust, with annualised gross slippages at 0.07% and net slippages negative, as recoveries and upgrades exceeded fresh slippages.

- Credit costs are expected to moderate further as the balance sheet expands and asset quality normalises. However, the contribution of incremental credit-cost reductions to RoA improvement is likely to be lower than in recent quarters.

4. NIMs and Profitability

- Normalised NII increased 4% QoQ to Rs 45.7bn, while NIM declined to 3.23% from 3.35%, primarily due to FCNR -related balance-sheet expansion and mix changes.
- FCNR mobilisation contributed ~7–8bp to the sequential NIM decline. Management expects to recoup the compression over the next two quarters through retail loan growth, improved asset yields and lower CD balances.
- Loan yields declined during the quarter, largely due to FCNR(B)-related leveraged lending. Excluding this impact, yields declined ~19bp QoQ; the remaining moderation was partly attributable to a higher contribution from wholesale lending relative to certain retail segments.
- Fee income improved across retail and wholesale businesses, supported by loan disbursements, insurance distribution and transaction banking, providing a more sustainable source of earnings growth.

5. ECL Transition and IRDAI Impact on banca income

- The expected one-time transition impact from the ECL framework was revised to ~1.1% of loans on a pre-tax basis, lower than the previously discussed 1.5–1.7%.
- The recurring impact on credit costs is expected to be relatively modest at 5–6bp.
- Proposed changes to insurance commission regulations could materially affect the bank on an as-is basis, given its branch-led insurance distribution and credit-life businesses. The final impact remains uncertain pending clarity on commission structures, customer pricing and volumes.
- The bank expects its diversified product suite and distribution franchise to help mitigate the overall profitability impact.

6. Guidance

- Loan growth is expected to converge towards system growth, supported by improving momentum across retail, MSME and wholesale segments.
- Targeting an exit RoA of ~1% in FY27, driven by improving asset quality, fee income and margins. Medium-term RoA aspiration remains 1.75–1.80%.
- Credit costs are expected to decline as the balance sheet expands and the credit cost-to-assets ratio normalises. The next leg of profitability improvement will increasingly be driven by fee income, margin recovery and operating efficiencies.
- Plans to add ~100 branches in H2FY27, focusing on underpenetrated geographies and select markets where expansion had previously moderated.
- NIMs are expected to recover over the next two quarters, supported by a higher retail loan mix, liability-side optimisation and lower CD balances.

- Deposit costs may face upward pressure in H2FY27 amid potential rate hikes, tighter system liquidity and seasonal currency leakage. Lending rates are expected to adjust correspondingly, although with possible lead-lag effects.
- The bank will continue calibrated microfinance growth, monitoring drought-affected geographies while building on improving portfolio quality and recovering disbursements.

7. Other Updates

- The bank added 124 outlets during the quarter, primarily within BFIL, and plans to add ~100 branches in H2FY27.
- Around 4,300 employees were added across the bank, largely in sourcing roles, to strengthen distribution and support the recovery in business growth.

Valuation Methodology

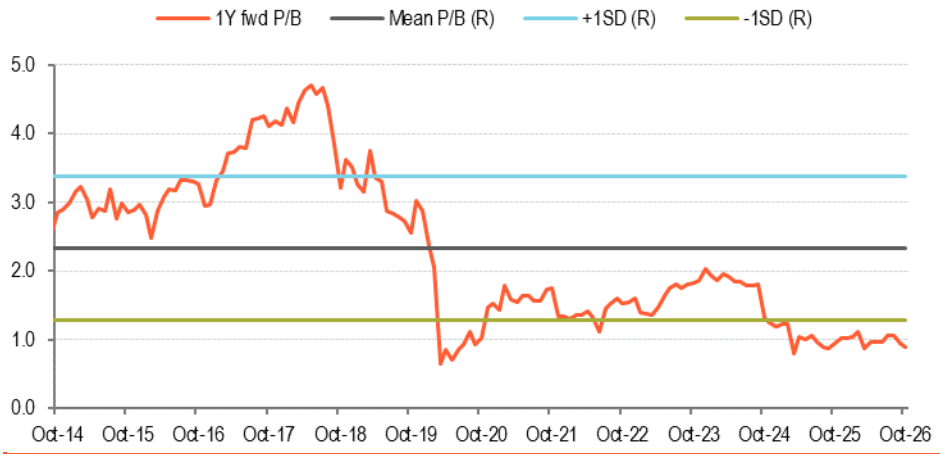
IIB reported a strong quarter, with PAT recovering from a loss in Q2FY26, supported by robust business growth, healthy fee income and a 54% YoY decline in provisions amid improving asset quality. Business momentum improved, with both loan and deposit growth returning to double digits from negative growth in Q2FY26, alongside a sequential recovery in disbursements across segments. Asset quality strengthened across segments, with GNPA declining to 2.73% in Q2FY27 from 3.60% in Q2FY26, driven by improvements in MFI, wholesale book and vehicle finance, along with lower fresh stress across segment. Management expects loan growth to remain near system levels, Q2 margin compression to reverse over the next two quarters and credit costs to moderate gradually, alongside continued asset quality improvement, while retaining its FY27E exit RoA target of 1%. We believe IIB, under its new management, is on a firm path towards a calibrated turnaround and can deliver 0.9%/7.6% RoA/ RoE in FY27.However, we believe the improving return trajectory is largely reflected in current valuations. We maintain HOLD with a target price of Rs 936, based on 1.x Sep-28E ABV.

Fig 17 – Key operational assumptions

(%)	FY26	FY27e	FY28e	FY29e
Advances growth	(8.4)	17.3	18.5	20.2
NII growth	(5.5)	8.3	16.0	21.5
PPoP growth	(11.6)	20.5	27.6	31.8
PAT growth	(65.5)	482.6	46.9	43.2
NIM	3.6	3.7	3.8	3.9
GNPA	3.4	2.5	2.2	2.0
CAR	17.5	16.8	16.3	15.7

Source: Company, BOBCAPS Research

Fig 18 – PB band chart



Source: Company, BOBCAPS Research

Key Risks

Key downside risks to our estimates:

- Slower improvement in the deposit mix leading to sustaining reliance on high-cost wholesale funding, thereby weighing on margins.
- Proposed changes to insurance commission regulations could materially affect the bank on an as-is basis, given its branch-led insurance distribution and credit-life businesses. The final impact remains uncertain pending clarity on commission structures, customer pricing and volumes.

Glossary

Glossary of Abbreviations			
AUCA	Advance Under Collection Account	**LCR**	Liquidity Coverage Ratio
ARC	Asset Reconstruction Company	**MCLR**	Marginal Cost of Funds-based Lending Rate
BRDS	Bills Rediscounting Scheme	**MFI**	Micro Finance Institutions
CASA	Current Account and Savings Account	**MHCV**	Medium and Heavy Commercial Vehicle
CAR	Capital Adequacy Ratio	**MTM**	Mark to Market
CCB	Corporate & Commercial Banking	**NII**	Net Interest Income
CET1	Common Equity Tier 1	**NIM**	Net Interest Margin
CD	Credit-Deposit Ratio	**NNPA**	Net Non-Performing Assets
CFD	Consumer Finance Division	**PCR**	Provision Coverage Ratio
C/I	Cost-Income Ratio	**PPOP**	Pre-Provision Operating Profit
CoF	Cost of Funds	**PSU**	Public Sector Unit
CRB	Commercial and Rural Banking	**RWA**	Risk-weighted Assets
DPD	Days Past Due	**SLR**	Statutory Liquidity Ratio
EBLR	External Benchmark-based Lending Rate	**SMA**	Special Mention Account
ECL	Expected Credit Loss	**SME**	Small and Medium-sized Enterprises
GNPA	Gross Non-Performing Assets	**SR**	Security Receipts
IBPC	Interbank Participation Certificate		

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Net interest income	**190,313**	**179,823**	**194,756**	**225,945**	**274,622**
NII growth (%)	(7.7)	(5.5)	8.3	16.0	21.5
Non-interest income	76,904	74,795	77,412	87,977	103,383
Total income	267,218	254,618	272,168	313,922	378,004
Operating expenses	160,603	160,318	158,491	168,827	186,738
PPOP	106,614	94,300	113,676	145,095	191,266
PPOP growth (%)	(32.8)	(11.6)	20.5	27.6	31.8
Provisions	71,357	79,691	44,609	43,652	46,000
PBT	35,258	14,609	69,067	101,443	145,266
Tax	9,503	3,213	17,267	25,361	36,317
Reported net profit	**25,754**	**8,892**	**51,800**	**76,082**	**108,950**
Adjustments	0	0	0	0	0
Adjusted net profit	**25,754**	**8,892**	**51,800**	**76,082**	**108,950**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Equity capital	7,791	7,791	7,791	7,791	7,791
Reserves & surplus	640,566	649,605	696,079	763,031	857,818
Net worth	648,357	657,396	703,870	770,823	865,609
Deposits	4,108,623	3,999,308	4,391,906	5,133,536	6,130,701
Borrowings	537,036	427,892	515,959	490,160	539,178
Other liab. & provisions	247,056	349,343	508,311	616,321	657,032
Total liab. & equities	**5,541,071**	**5,433,939**	**6,120,046**	**7,010,840**	**8,192,520**
Cash & bank balance	593,755	489,324	543,605	566,070	603,889
Investments	1,144,567	1,250,071	1,314,784	1,466,337	1,685,445
Advances	3,450,186	3,158,714	3,704,175	4,388,188	5,276,380
Fixed & Other assets	352,563	535,831	557,482	590,245	626,806
Total assets	**5,541,071**	**5,433,939**	**6,120,046**	**7,010,840**	**8,192,520**
Deposit growth (%)	6.8	(2.7)	9.8	16.9	19.4
Advances growth (%)	0.5	(8.4)	17.3	18.5	20.2

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
EPS	33.1	11.4	66.5	97.6	139.8
Dividend per share	0.0	0.0	6.6	11.7	18.2
Book value per share	832.2	843.8	903.4	989.3	1,111.0

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
P/E	25.2	73.2	12.6	8.6	6.0
P/BV	1.0	1.0	0.9	0.8	0.8
Dividend yield (%)	0.0	0.0	0.8	1.4	2.2

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Net interest income	3.6	3.3	3.4	3.4	3.6
Non-interest income	1.4	1.4	1.3	1.3	1.4
Operating expenses	3.0	2.9	2.7	2.6	2.5
Pre-provisioning profit	2.0	1.7	2.0	2.2	2.5
Provisions	1.3	1.5	0.8	0.7	0.6
PBT	0.7	0.3	1.2	1.5	1.9
Tax	0.2	0.1	0.3	0.4	0.5
ROA	0.5	0.2	0.9	1.2	1.4
Leverage (x)	8.4	8.4	8.5	8.9	9.3
ROE	4.0	1.7	7.6	10.3	13.3

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Net interest income	(7.7)	(5.5)	8.3	16.0	21.5
Pre-provisioning profit	(32.8)	(11.6)	20.5	27.6	31.8
EPS	(71.4)	(65.5)	482.5	46.9	43.2
Profitability & Return ratios (%)					
Net interest margin	3.8	3.6	3.7	3.8	3.9
Fees / Avg. assets	0.4	0.3	0.3	0.3	0.3
Cost-Income	60.1	63.0	58.2	53.8	49.4
ROE	4.0	1.7	7.6	10.3	13.3
ROA	0.5	0.2	0.9	1.2	1.4
Asset quality (%)					
GNPA	3.1	3.4	2.5	2.2	2.0
NNPA	1.0	1.0	0.8	0.6	0.6
Slippage ratio	3.1	2.8	2.6	2.6	2.6
Credit cost	2.1	2.4	1.3	1.1	1.0
Provision coverage	69.3	70.4	70.0	70.2	70.2
Ratios (%)					
Credit-Deposit	84.0	79.0	84.3	85.5	86.1
Investment-Deposit	27.9	31.3	29.9	28.6	27.5
CAR	16.2	17.5	16.8	16.3	15.7
Tier-1	15.1	16.2	15.4	15.1	14.6

Source: Company, BOBCAPS Research

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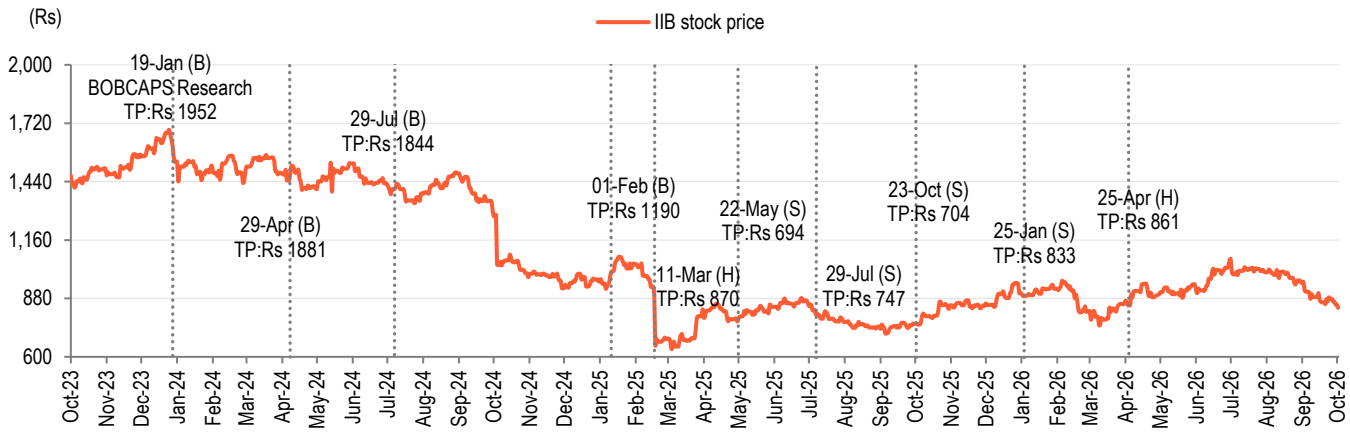
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SELL – Expected return <-6%

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