

BUY
 TP: Rs 1,190 | ▲ 18%

INDUSIND BANK

| Banking

| 01 February 2025

Missed on most metrics

- Subdued quarter with moderate growth in advances and deposits, MFI book under stress
- NIM contracted 15bps QoQ on account of slower growth in VF and de-growth in MFI book
- We assume coverage with BUY and a TP of Rs 1,190 (from Rs 1,844), valuing at 1.3x Dec'26 ABV

Continued muted business growth: IIB reported subdued growth with advances increasing 12% YoY (3% QoQ), while deposits rose 11% YoY (down 1% QoQ). Loan book was soft on account of moderate vehicle finance and de-growth in the MFI book. Deposits were lower on account of lower wholesale deposits. This led to an increase in the share of retail deposits to 46.1% vs. 44.1% in Q2FY25. Other income declined 2% QoQ (up 8% YoY). Core fee income was flat QoQ and down 2% YoY on account of lower loan processing fees and cards and distribution fees.

NIM compression persists: NIM contracted 15bps QoQ (36bps YoY) to 3.93% owing to moderate growth in vehicle finance (VF) and MFI book, decline in yield on advances and interest reversals. Yields on advances declined 10bps QoQ to 12.2%, while cost of funds rose 9bps QoQ to 5.7% in Q3FY25. Loan growth was moderate compared to our estimates primarily on account of de-growth in the MFI portfolio and slower VF book.

Asset quality deteriorates: GNPA ratio was up 2.25% in Q3 vs. 2.11% in Q2FY25 led by slippages in the MFI book (GNPA at 7.05% vs. 6.54% in Q2FY25) and corporate book. Credit cost was at 1.93% vs. 2.07% in Q2FY25, despite utilisation of contingency buffer to the tune of Rs 2bn during Q3FY25. Management opined that the incremental stress is showing signs of stability in the current quarter and would continue to remain cautious on MFI segment. Loan-related provisions stood at Rs 87.9bn, 2.4% of loans and ~105% of the GNPA.

Assume coverage with a BUY on IIB: Growth in terms of advances was moderate during the quarter with elevated credit costs. We believe that the advances growth may pick up in 1HFY27 and expect growth CAGR of ~12% in FY24-FY27E. Management is cautious on the unsecured book and believes that the stress is currently moderating. Credit cost is likely to remain elevated in the near term due to the MFI segment. We expect IIB to deliver healthy return ratios (ROA/ROE of 1.4-1.6% and 11-13% in FY25-FY27E). We assume coverage on IIB with a BUY and a TP of Rs 1,190 (earlier Rs 1,844), valuing at 1.3x Dec'26 ABV.

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Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	IIB IN/Rs 1,009
Market cap	US\$ 9.1bn
Free float	84%
3M ADV	US\$ 50.8mn
52wk high/low	Rs 1,576/Rs 924
Promoter/FPI/DII	16%/38%/30%

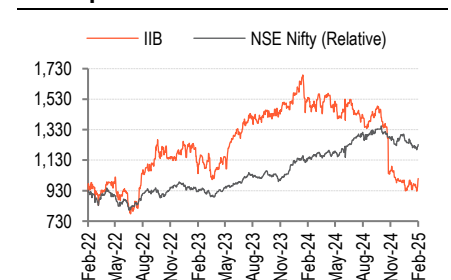
Source: NSE | Price as of 1 Feb 2025

Key financials

Y/E 31 Mar	FY24A	FY25E	FY26E
NII (Rs mn)	2,06,159	2,20,548	2,47,016
NII growth (%)	17.2	7.0	12.0
Adj. net profit (Rs mn)	89,770	74,240	95,955
EPS (Rs)	115.5	95.3	123.2
Consensus EPS (Rs)	115.6	125.0	158.0
P/E (x)	8.7	10.6	8.2
P/BV (x)	1.2	1.2	1.0
ROA (%)	1.8	1.4	1.6
ROE (%)	15.2	11.4	13.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly snapshot: Income statement

(Rs mn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	YoY (%)	QoQ (%)
Income Statement							
Interest Income	96,945	1,02,088	1,03,520	1,04,061	1,04,932	8.2	0.8
Income on investments	15,892	16,531	18,023	18,570	20,057	26.2	8.0
Int. on bal. with RBI & inter-bank funds & Others	2,886	3,367	3,925	4,231	3,018	4.6	(28.7)
Interest income	1,15,723	1,21,985	1,25,468	1,26,863	1,28,008	10.6	0.9
Interest expense	62,766	68,221	71,391	73,390	75,727	20.6	3.2
Net interest income	52,956	53,765	54,076	53,473	52,281	(1.3)	(2.2)
Growth YoY (%)	17.8	15.1	11.1	5.3	(1.3)		
Non-interest income	23,959	25,081	24,416	21,850	23,550	(1.7)	7.8
Growth YoY (%)	15.4	16.5	10.5	(4.2)	(1.7)		
Total income	76,916	78,846	78,492	75,322	75,831	(1.4)	0.7
Growth YoY (%)	17.0	15.6	10.9	2.4	(1.4)		
Staff expenses	13,907	14,102	14,384	15,049	14,828	6.6	(1.5)
Other operating expenses	22,585	23,928	24,590	24,275	24,997	10.7	3.0
Operating expenses	36,492	38,030	38,974	39,324	39,825	9.1	1.3
Pre-Provisioning Profit (PPoP)	40,423	40,815	39,518	35,998	36,007	(10.9)	0.0
Growth YoY (%)	9.7	8.6	3.1	(7.9)	(10.9)		
Provisions	9,693	9,502	10,498	18,201	17,436	79.9	(4.2)
Growth YoY (%)	(9.0)	(7.7)	5.9	86.9	79.9		
PBT	30,731	31,313	29,020	17,797	18,570	(39.6)	4.3
Tax	7,717	7,822	7,312	4,485	4,547	(41.1)	1.4
PAT	23,014	23,491	21,707	13,313	14,024	(39.1)	5.3
Growth YoY (%)	17.2	15.0	2.2	(39.5)	(39.1)		
Per Share							
FV (Rs)	10	10	10	10	10	0.0	0.0
EPS (Rs)	30	30	28	17	18	(39.2)	5.4
Book Value (Rs)	725	726	752	732	747	3.0	2.1

Source: Company, BOBCAPS Research

Fig 2 – Quarterly snapshot: Balance sheet & other metrics

(Rs mn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	YoY (%)	QoQ (%)
Deposits	36,87,930	38,45,857	39,85,130	41,23,968	40,94,380	11.0	(0.7)
Growth YoY (%)	13.4	14.4	14.8	14.7	11.0		
Advances	32,70,570	34,32,983	34,78,980	35,71,586	36,68,890	12.2	2.7
Growth YoY (%)	19.9	18.4	15.5	13.2	12.2		
Investment	9,74,290	10,64,865	10,10,240	11,13,147	11,88,510	22.0	6.8
Equity	6,15,590	6,39,859	6,63,570	6,64,806	6,78,850	10.3	2.1
Assets	48,88,650	51,50,940	53,01,650	54,34,065	54,94,990	12.4	1.1
Growth YoY (%)	10.0	12.5	13.5	13.7	12.4	242bps	(130bps)
Yield (%)							
Yield on Funds	10.16	10.30	10.15	9.98	9.93	(24bps)	(6bps)
Cost of Funds	6.20	6.49	6.53	6.53	6.61	40bps	8bps
Spread	3.96	3.81	3.62	3.46	3.32	(64bps)	(14bps)
Net Interest Margin (Cal)	4.65	4.54	4.38	4.21	4.05	(60bps)	(15bps)
Ratios (%)							
Other Income / Net Income	31.2	31.8	31.1	29.0	31.1	(9bps)	205bps
Cost to Income ratio	47.4	48.2	49.7	52.2	52.5	507bps	31bps
CASA ratio	38.5	37.9	36.7	35.9	34.9	(360bps)	(99bps)
C/D ratio	88.7	89.3	87.3	86.6	89.6	92bps	300bps
Investment to Assets	19.9	20.7	19.1	20.5	21.6	170bps	114bps
Assets Quality							
GNPA	63,771	66,934	71,268	76,385	83,753	31.3	9.6
NNPA	18,752	19,689	20,955	22,820	24,958	33.1	9.4
Provision	45,019	47,245	50,313	53,565	58,795	30.6	9.8
GNPA (%)	1.92	1.92	2.02	2.11	2.25	33bps	14bps
NNPA (%)	0.57	0.57	0.60	0.64	0.68	11bps	4bps
Provision (%)	70.59	70.58	70.60	70.12	70.20	(39bps)	8bps
Others (nos)							
Branches	6,305	6,604	6,692	6,786	6,836	531	50
ATMs	2,939	2,956	2,988	3,011	2,993	54	(18)

Source: Company, BOBCAPS Research

Earnings call highlights

Operating performance

- NII came in at Rs 52.3bn, down 1% YoY (2% QoQ). This is primarily on account of lower advances growth. Advances was impacted by moderate growth in the VF book and degrowth in the MFI portfolio, both high yielding book.
- Operating expenses was contained, which grew 9% YoY and 1% QoQ.
- PAT came in at Rs 14bn, down 39% YoY (up 5% QoQ) vs. our expectation of Rs 13.7bn. This was primarily on account of lower provisions than our estimates.
- PAT moderated in the last two quarters largely on account of higher provisions on unsecured segment and lower NII growth.
- C/I ratio increased to 52.5% up 507bps YoY and 31bps QoQ due to the increase in branches and hiring new employees.

Asset quality

- IIB's gross slippages during Q3FY25 stood at Rs 18.0bn vs. Rs 22.0bn in Q2FY25, driven by delinquencies in the MFI book.
- GNPA/NNPA stood at 2.25%/0.68% up by 14bps/4bps QoQ respectively. Provision coverage on the loans is 70.2%.
- The restructured book declined to 18bps from 29bps in Q2 of loans, largely due to upgrades and recoveries.
- Stress in tractors & two-wheelers was seen in Q3 but Q4 is expected to be a strong quarter for recoveries.
- Contingency buffer of Rs 2bn was used against MFI at Rs 1.6bn and corporate book at Rs 400mn.

Loan book

- Loans grew 12% YoY in Q3FY25 with corporate loans up 16% (focus on mid-to-small accounts), vehicle loans up 9% (growth moderated due to slowdown in tractor and two-wheeler loans) and non-vehicle finance rising 9%.
- The mix of retail to corporates stood at 54:46, in line with target.

Deposits

- Deposits grew 11% YoY but declined 1% QoQ, as the bank reduced non-LCR deposits.
- CASA declined to 34.9% down 99bps QoQ and 360bps YoY on account of slower growth in Current accounts.

Margins

- Reported NIM declined QoQ at 3.93% vs. 4.08% in Q2, wherein cost of deposits increased by 3bps and cost of fund increased by 9bps while yield on advances decreased by 10bps on the back of a change in mix and loan repricing.
- NIM compression was largely due to lower disbursements in the MFI segment, EBLR loan repricing and higher CoF due to deposit repricing.
- Management is waiting until Q4 before giving NIM guidance as potential RBI rate cut and deposit repricing could impact margins.

Microfinance

- MFI loan book outstanding stood at Rs 325.64bn vs. Rs 327.23bn in Q2 declining 9% YoY on account of slowdown in disbursements.
- Slippages to remain high in Q4, but early signs of stability are visible from December and January data.
- Gross NPA% of MFI portfolio is 7.05% vs 6.54% in Q2.
- Resolution rates remain low in forward buckets of microfinance loans, so provisioning needs to continue.
- Bharat Vikas Banking initiative to diversify MFI exposure into small business lending.
- Impact of new guidelines (MFIN 2.0) could be key to watch since management indicated 16% of the bank's MFI portfolio consists of customers who already have two existing lenders (BFIL +2) so collection efficiency in this pool is relatively lower. If these customers do not get refinanced, stress could spill into Q1FY26.

Vehicle finance

- Vehicle finance grew 9% YoY and 3% QoQ to Rs 935.86bn vs Rs 906.19bn in Q2.
- Stress from vehicle finance is mainly due to two-wheelers and tractors with GNPA of 8.7% and 2.4% respectively.

Other points

- The CFO resigned, but management emphasised stable leadership team and planned succession.
- No SMA 1 or SMA 2 accounts in gems & jewellery portfolio; loan growth remains subdued.

Fig 3 – Actuals vs Estimates

(Rs mn)	Q3FY25A	Q3FY25E	Variance (%)
Loan	36,68,890	36,71,660	(0.1)
Deposits	40,94,380	40,95,700	0.0
Assets	54,94,990	55,16,724	(0.4)
NII	52,281	54,055	(3.3)
PPOP	36,007	37,248	(3.3)
Provision	17,436	19,014	(8.3)
PAT	14,024	13,658	2.7

Source: Company, BOBCAPS Research

Fig 4 – Portfolio mix (Absolute)

(Rs mn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	YoY (%)	QoQ (%)
Large Corporates	8,09,720	8,40,270	8,50,450	9,07,060	9,26,740	14.5	2.2
Mid Corporates	4,88,450	5,01,010	5,42,320	5,66,500	5,77,980	18.3	2.0
Small Corporates	1,67,700	1,79,250	1,79,960	1,87,620	1,97,640	17.9	5.3
Corporate and Commercial Banking	14,65,870	15,20,530	15,72,730	16,61,180	17,02,360	16.1	2.5
Commercial Vehicle Loans	3,18,630	3,32,390	3,38,340	3,41,830	3,48,190	9.3	1.9
Utility Vehicle Loans	1,19,510	-	-	-	-	NA	NA
Small CV	39,400	40,180	40,600	40,910	42,130	6.9	3.0
Two-Wheeler Loans	51,840	51,030	50,400	49,140	52,910	2.1	7.7
Car Loans	1,26,710	2,56,580	2,66,290	2,74,380	2,87,880	127.2	4.9
Tractor	94,460	89,550	85,720	81,560	79,770	(15.6)	(2.2)
Equipment Financing	1,10,370	1,14,220	1,16,830	1,18,370	1,24,980	13.2	5.6
Vehicle Finance	8,60,920	8,83,950	8,98,180	9,06,190	9,35,860	8.7	3.3
Credit Card	1,02,390	1,07,310	1,07,860	1,09,320	1,09,410	6.9	0.1
LAP	1,04,700	1,08,110	1,11,690	1,14,010	1,19,860	14.5	5.1
BBG	1,58,940	1,67,320	1,66,830	1,74,990	1,77,690	11.8	1.5
Other (BL, PL, GL, AHL, Others)	2,20,140	2,53,840	2,51,230	2,78,670	2,98,070	35.4	7.0
Microfinance (incl. BHAFIN)	3,57,610	3,91,920	3,70,460	3,27,230	3,25,640	(8.9)	(0.5)
Non- Vehicle Finance	9,43,780	10,28,500	10,08,070	10,04,220	10,30,670	9.2	2.6
Consumer Finance	18,04,700	19,12,450	19,06,250	19,10,410	19,66,530	9.0	2.9
Total	32,70,570	34,32,980	34,78,980	35,71,590	36,68,890	12.2	2.7

Source: Company, BOBCAPS Research

Fig 5 – Portfolio mix (% share)

Segment (%)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	YoY (%)	QoQ (%)
Large Corporates	24.8	24.5	24.4	25.4	25.3	50bps	(14bps)
Mid Corporates	14.9	14.6	15.6	15.9	15.8	82bps	(11bps)
Small Corporates	5.1	5.2	5.2	5.3	5.4	26bps	13bps
Corporate and Commercial Banking	44.8	44.3	45.2	46.5	46.4	158bps	(11bps)
Commercial Vehicle Loans	9.7	9.7	9.7	9.6	9.5	(25bps)	(8bps)
Utility Vehicle Loans	3.7	0.0	0.0	0.0	0.0	NA	NA
Small CV	1.2	1.2	1.2	1.1	1.1	(6bps)	0bps
Two-Wheeler Loans	1.6	1.5	1.4	1.4	1.4	(14bps)	7bps
Car Loans	3.9	7.5	7.7	7.7	7.8	397bps	16bps
Tractor	2.9	2.6	2.5	2.3	2.2	(71bps)	(11bps)
Equipment Financing	3.4	3.3	3.4	3.3	3.4	3bps	9bps
Vehicle Finance	26.3	25.7	25.8	25.4	25.5	(82bps)	14bps
Credit Card	3.1	3.1	3.1	3.1	3.0	(15bps)	(8bps)
LAP	3.2	3.1	3.2	3.2	3.3	7bps	7bps
BBG	4.9	4.9	4.8	4.9	4.8	(2bps)	(6bps)
Other (BL, PL, GL, AHL, Others)	6.7	7.4	7.2	7.8	8.1	139bps	32bps
Microfinance (incl. BHAFIN)	10.9	11.4	10.6	9.2	8.9	(206bps)	(29bps)
Non-Vehicle Finance	28.9	30.0	29.0	28.1	28.1	(76bps)	(2bps)
Consumer Finance	55.2	55.7	54.8	53.5	53.6	(158bps)	11bps
Total Loan	100.0	100.0	100.0	100.0	100.0	100bps	

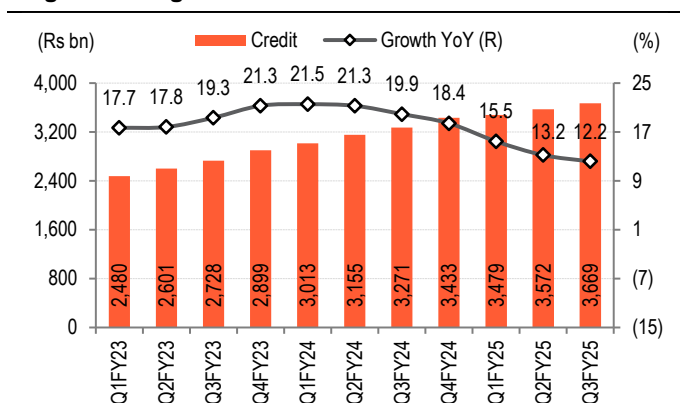
Source: Company, BOBCAPS Research

Fig 6 – Yield profile

(Rs mn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	YoY (%)	QoQ (%)
Corporate and Commercial Banking	14,65,870	15,20,530	15,72,730	16,61,180	17,02,360	16.1	2.5
% of Loan	44.8	44.3	45.2	46.5	46.4	158bps	(11bps)
Yield (%)	9.1	9.0	9.0	8.9	8.8	(26bps)	(9bps)
Consumer Finance	18,04,700	19,12,450	19,06,250	19,10,410	19,66,530	9.0	2.9
% of Loan	55.2	55.7	54.8	53.5	53.6	(158bps)	11bps
Yield (%)	15.1	15.5	15.4	15.1	14.9	(18bps)	(18bps)
Total Loan	32,70,570	34,32,980	34,78,980	35,71,590	36,68,890	12.2	2.7
Yield (%)	12.5	12.7	12.6	12.3	12.2	(24bps)	(10bps)

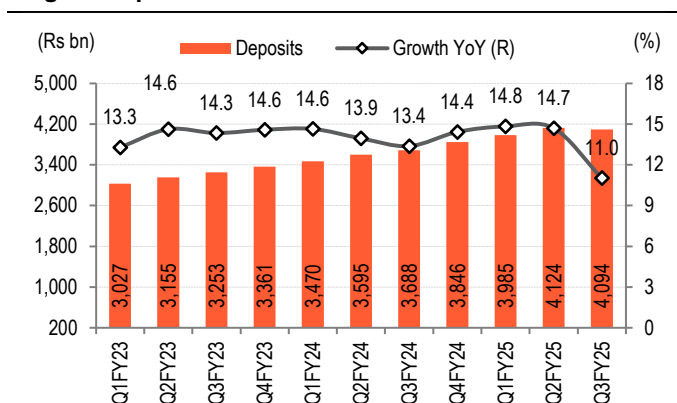
Source: Company, BOBCAPS Research

Fig 7 – Loan growth moderated QoQ



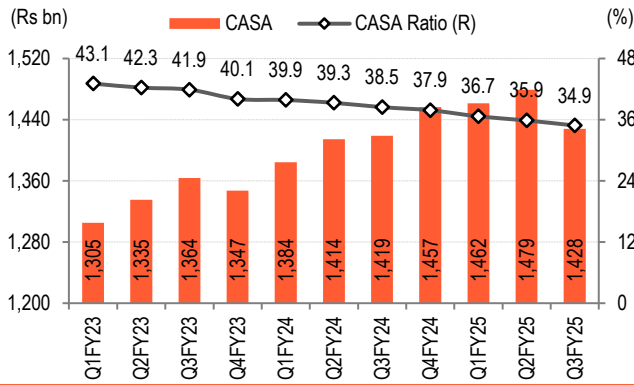
Source: Company, BOBCAPS Research

Fig 8 – Deposits moderated on account of lower CASA



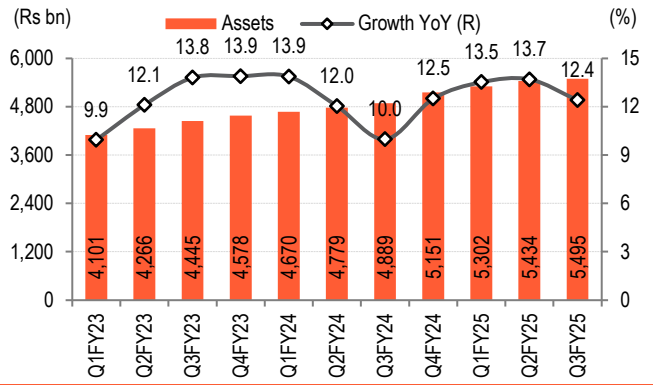
Source: Company, BOBCAPS Research

Fig 9 – CASA continues to decline every quarter



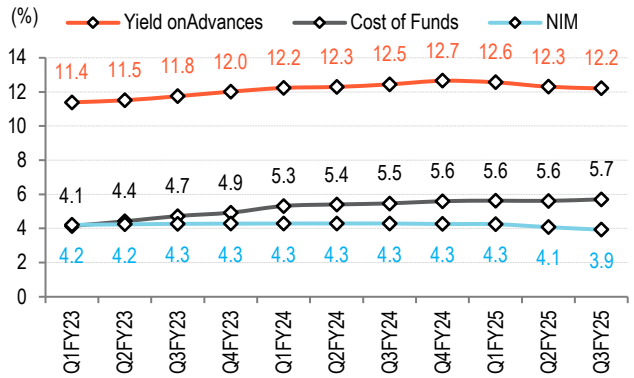
Source: Company, BOBCAPS Research

Fig 10 – Assets grew 12.4% YoY



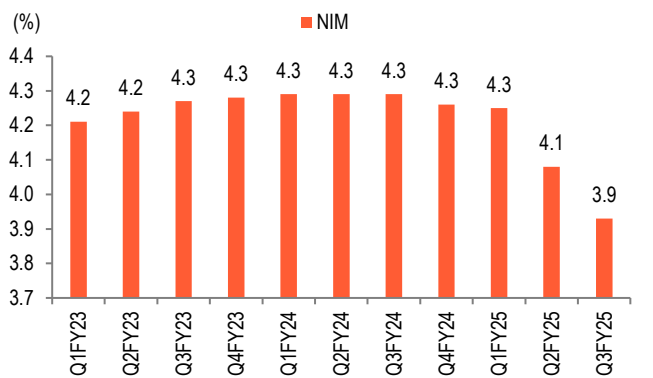
Source: Company, BOBCAPS Research

Fig 11 – Declining yields & increasing CoF dropped NIMs



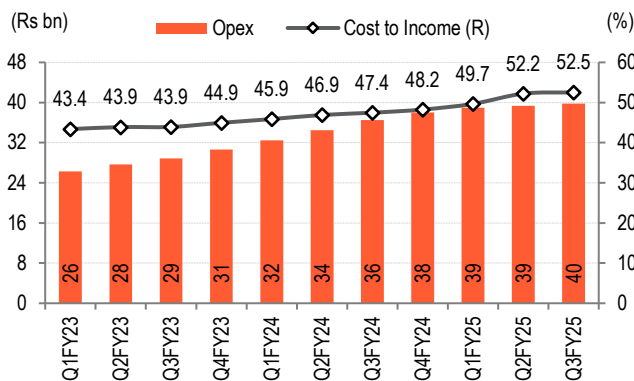
Source: Company, BOBCAPS Research

Fig 12 – Reported NIM slipped to 3.93% (down 15bps/36bps on QoQ/YoY basis)



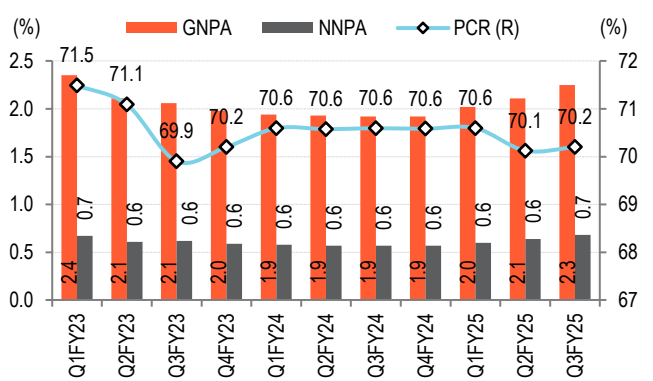
Source: Company, BOBCAPS Research

Fig 13 – C/I to remain elevated with continued investment



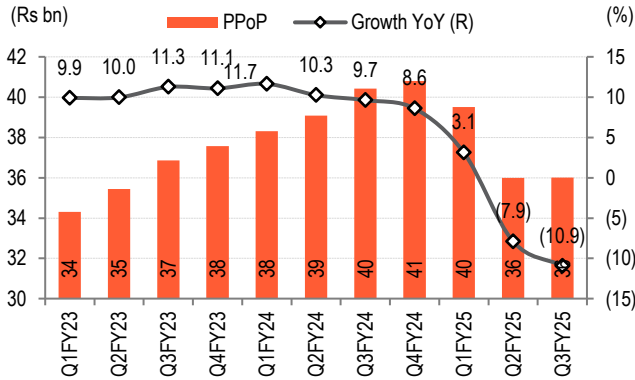
Source: Company, BOBCAPS Research

Fig 14 – Asset quality remained stable



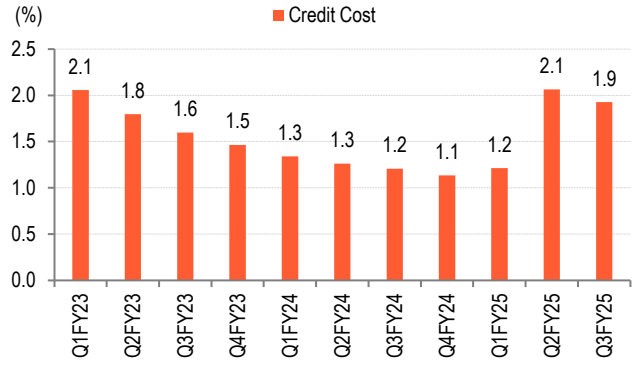
Source: Company, BOBCAPS Research

Fig 15 – Lower topline led to muted PPOP



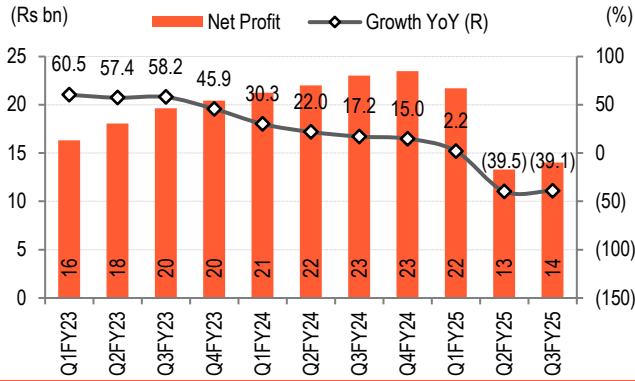
Source: Company, BOBCAPS Research

Fig 16 – Credit cost higher on account of higher provisions



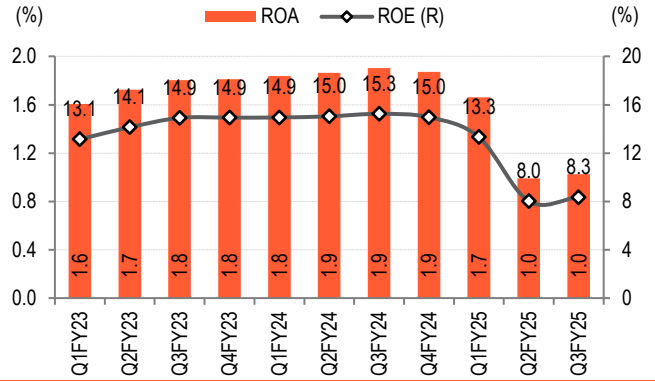
Source: Company, BOBCAPS Research

Fig 17 – PAT decline on lower topline and higher provision



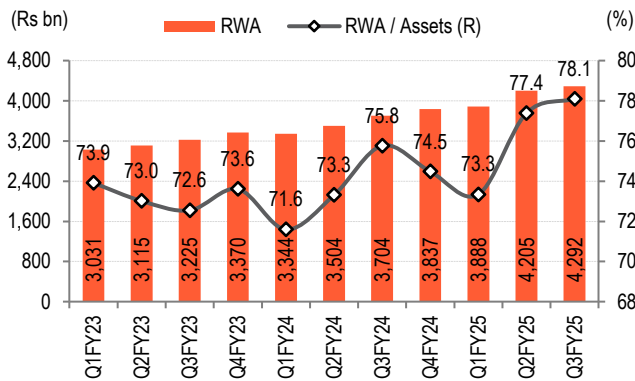
Source: Company, BOBCAPS Research

Fig 18 – Reversal in return ratios likely to be seen in coming few quarters



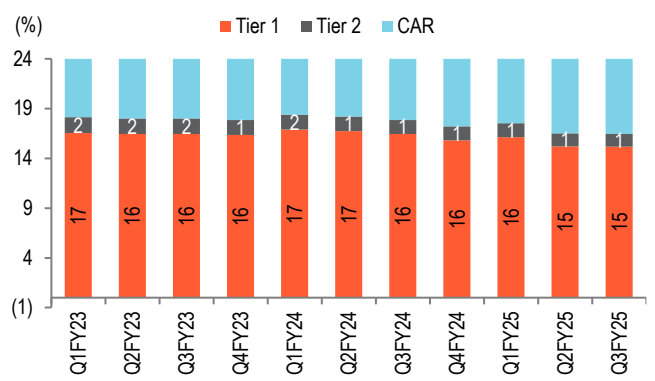
Source: Company, BOBCAPS Research

Fig 19 – RWA/Assets ratio increased on account of credit risk & market risk



Source: Company, BOBCAPS Research

Fig 20 – Well capitalised with Tier-1 at 16.5%



Source: Company, BOBCAPS Research

Valuation methodology

Growth in terms of advances was moderate during the quarter with elevated credit costs. We believe that the advances growth may pick up in 1HFY27 and expect growth CAGR of ~12% in FY24-FY27E. Management is cautious on the unsecured book and believes that the stress is currently moderating. Credit cost is likely to remain elevated in the near term due to MFI segment. We expect IIB to deliver healthy return ratios (ROA/ROE of 1.4-1.6% and 11-13% in FY25-FY27E). We assume coverage on IIB with a BUY and a TP of Rs 1,190 (earlier Rs 1,844), valuing it at 1.3x Dec'26 ABV.

Fig 21 – Key valuation assumptions

Components of Gordon growth model	Assumptions (%)
Cost of equity (%)	13.7
Blended ROE (%)	14.6
Initial high growth period (yrs)	10.0
Payout ratio of high-growth phase (%)	20.0
Long-term growth (%)	7
Long-term dividend payout ratio (%)	50
Justified P/BV (x)	1.3

Source: BOBCAPS Research

Fig 22 – Key operational assumptions

(%)	FY24A	FY25E	FY26E	FY27E
Advances growth	18.4	12.5	13.2	14.5
NII growth	17.2	7.0	12.0	7.8
PPoP growth	10.0	(2.6)	18.1	3.9
PAT growth	20.6	(17.3)	29.3	1.5
NIM	4.1	4.0	4.0	3.8
GNPA	1.9	2.2	2.0	1.9
CAR	17.2	16.5	17.0	16.3

Source: Company, BOBCAPS Research

Key risks

Key downside risks to our estimates are:

- inability to sustain business growth, mainly in the vehicle finance book, and
- further deterioration in asset quality, which may lead to higher provisioning.

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)	FY23A	FY24A	FY25E	FY26E	FY27E
Net interest income	1,75,921	2,06,159	2,20,548	2,47,016	2,66,200
NilI growth (%)	17.3	17.2	7.0	12.0	7.8
Non-interest income	81,728	93,958	93,201	1,18,358	1,32,318
Total income	2,57,649	3,00,117	3,13,749	3,65,373	3,98,518
Operating expenses	1,13,459	1,41,476	1,59,252	1,82,880	2,08,907
PPOP	1,44,190	1,58,641	1,54,498	1,82,493	1,89,612
PPOP growth (%)	10.6	10.0	(2.6)	18.1	3.9
Provisions	44,868	38,849	54,713	53,521	58,658
PBT	99,322	1,19,792	99,784	1,28,972	1,30,954
Tax	24,891	30,022	25,545	33,017	33,524
Reported net profit	74,431	89,770	74,240	95,955	97,430
Adjustments	0	0	0	0	0
Adjusted net profit	74,431	89,770	74,240	95,955	97,430

Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Equity capital	7,759	7,783	7,790	7,790	7,790
Reserves & surplus	5,42,287	6,24,292	6,63,232	7,44,794	8,27,609
Net worth	5,50,046	6,32,076	6,71,022	7,52,584	8,35,399
Deposits	33,61,202	38,45,857	43,65,047	50,19,804	57,72,775
Borrowings	4,90,112	4,76,114	4,57,070	5,07,347	5,32,715
Other liab. & provisions	1,77,006	1,96,893	3,50,005	2,06,053	3,01,510
Total liab. & equities	45,78,366	51,50,940	58,43,145	64,85,789	74,42,399
Cash & bank balance	5,67,768	3,69,074	4,69,498	5,06,782	5,82,799
Investments	8,30,757	10,64,865	12,14,840	12,41,912	14,37,666
Advances	28,99,237	34,32,983	38,62,106	43,71,903	50,05,829
Fixed & Other assets	2,80,605	2,84,018	2,96,701	3,65,191	4,16,105
Total assets	45,78,366	51,50,940	58,43,145	64,85,789	74,42,399
Deposit growth (%)	14.6	14.4	13.5	15.0	15.0
Advances growth (%)	21.3	18.4	12.5	13.2	14.5

Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25E	FY26E	FY27E
EPS	96.0	115.5	95.3	123.2	125.1
Dividend per share	14.0	0.0	14.3	18.5	18.8
Book value per share	708.9	812.1	861.4	966.1	1,072.4

Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25E	FY26E	FY27E
P/E	10.5	8.7	10.6	8.2	8.1
P/BV	1.4	1.2	1.2	1.0	0.9
Dividend yield (%)	1.4	0.0	1.4	1.8	1.9

DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25E	FY26E	FY27E
Net interest income	4.1	4.2	4.0	4.0	3.8
Non-interest income	1.9	1.9	1.7	1.9	1.9
Operating expenses	2.6	2.9	2.9	3.0	3.0
Pre-provisioning profit	3.4	3.3	2.8	3.0	2.7
Provisions	1.0	0.8	1.0	0.9	0.8
PBT	2.3	2.5	1.8	2.1	1.9
Tax	0.6	0.6	0.5	0.5	0.5
ROA	1.7	1.8	1.4	1.6	1.4
Leverage (x)	8.3	8.2	8.4	8.7	8.8
ROE	14.4	15.2	11.4	13.5	12.3

Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
YoY growth (%)					
Net interest income	17.3	17.2	7.0	12.0	7.8
Pre-provisioning profit	10.6	10.0	(2.6)	18.1	3.9
EPS	56.7	20.3	(17.5)	29.2	1.5
Profitability & Return ratios (%)					
Net interest margin	4.1	4.1	4.0	4.0	3.8
Fees / Avg. assets	0.3	0.3	0.4	0.4	0.4
Cost-Income	44.0	47.1	50.8	50.1	52.4
ROE	14.4	15.2	11.4	13.5	12.3
ROA	1.7	1.8	1.4	1.6	1.4
Asset quality (%)					
GNPA	2.0	1.9	2.2	2.0	1.9
NNPA	0.6	0.6	0.7	0.6	0.6
Slippage ratio	2.9	2.1	2.3	1.8	1.8
Credit cost	1.7	1.2	1.5	1.3	1.3
Provision coverage	70.0	70.0	70.3	71.4	71.4
Ratios (%)					
Credit-Deposit	86.3	89.3	88.5	87.1	86.7
Investment-Deposit	24.7	27.7	27.8	24.7	24.9
CAR	17.9	17.2	16.5	17.0	16.3
Tier-1	16.4	15.8	15.2	15.6	15.1

Source: Company, BOBCAPS Research

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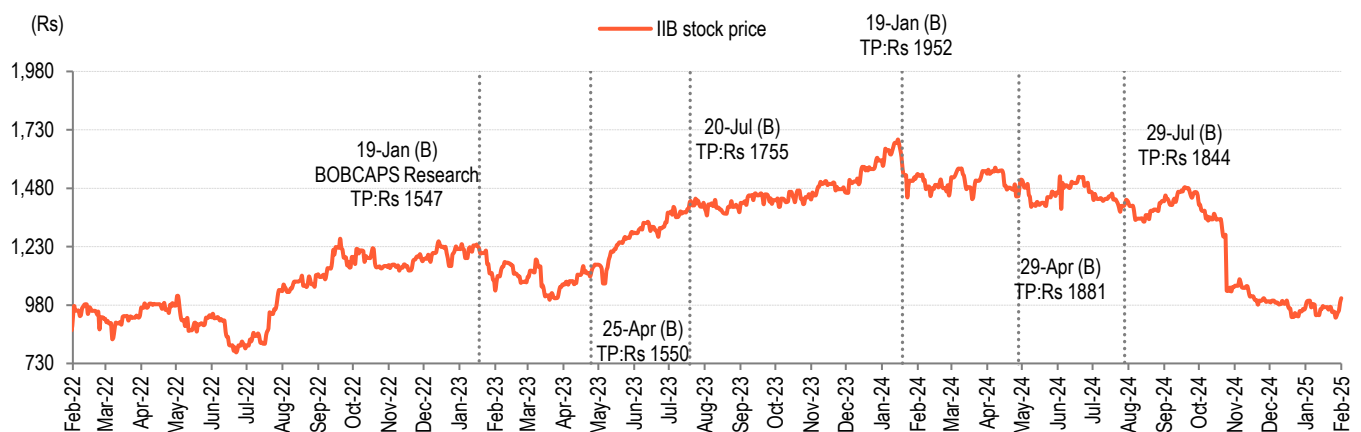
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