

# Indusind Bank Ltd

## New management makes accelerated provisions

### Accelerated provisions only an upfronting, underlying stress not rising

**Asset Quality** – Gross slippages declined on sequential basis but new management moved to make accelerated provisions: Gross NPA additions amounted to Rs 25.4bn for 2QFY26 (Rs 26.8bn during 1QFY26), translating to an annualized slippage ratio of 3.0% for the quarter. Gross slippages remained stable YoY across CV, PV, three-wheeler, and construction equipment segments, while the tractor and two-wheeler segments witnessed higher YoY slippages but showed sequential moderation. MFI slippages moderated but remained elevated in 2Q and the Bank remains cautious for the coming quarters. Provisions were Rs 26.2bn, up by 50.9% QoQ and 44.1% YoY, translating to calculated annualised all-inclusive credit cost of 318 bps. The Bank made accelerated provisions to rationalize the outstanding MFI NPA book.

**Net Interest Margin** – Margin declined on sequential basis but is expected to hold at current levels: NIM was at 3.32%, down -14bps QoQ and -76bps YoY. Sequential decline is attributed to a one-off recovery in 1Q and lower MFI loan disbursements, contributing approximately 14 bps and 20 bps decline, respectively. Margins are expected to hold at current NIM levels in the short term and improve gradually as the Bank focuses on increasing MFI disbursements, boosting asset yields.

**Balance sheet growth** – Loan book de-grew on sequential basis driven by material de-growth in microfinance: The advances for the bank stood at Rs. 3,259 bn, down by -2.3% QoQ and -8.8% YoY. The Vehicle Finance loan book was at 962bn flat QoQ but up 6% YoY whereas the Micro finance loan book was at Rs 213bn, down -25% QoQ and -35% YoY. The deposits were at Rs 3,898 bn, down by -1.9% QoQ and -5.5% YoY. Retail LCR deposits' share inched up to 47.2% in 2Q as against 46.5% in 1Q.

We maintain a relatively recent 'BUY' rating on IIB with a revised target of Rs 900: We value the bank at 1.0x FY27 P/BV for an FY26/27/28E RoE profile of 1.9/6.8/8.8%.

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

### Other Highlights (See "Our View" above for elaboration and insight)

- **Opex control:** Total cost to income ratio at 66.5% was up by 554/1421bps QoQ/YoY and the Cost to assets was at 3.0% down/up by -1/9bps QoQ/YoY.
- **Fee income:** Core fee income to average assets was at 1.2%, up/down 4/-43bps QoQ/YoY.

#### Exhibit 1: Result table

Particulars (Rs mn)	Q2FY26	Q1FY26	% qoq	Q2FY25	% yoy
Total Interest Income	116,086	122,639	(5.3)	126,863	(8.5)
Interest Expense	(71,993)	(76,241)	(5.6)	(73,390)	(1.9)
<b>Net Interest Income</b>	<b>44,094</b>	<b>46,398</b>	<b>(5.0)</b>	<b>53,473</b>	<b>(17.5)</b>
Fee Income	15,430	15,320	0.7	21,250	(27.4)
Non-fee Income	1,050	6,242	(83.2)	589	78.2
<b>Total Non-Interest Income</b>	<b>16,480</b>	<b>21,562</b>	<b>(23.6)</b>	<b>21,839</b>	<b>(24.5)</b>
<b>Total Income</b>	<b>60,573</b>	<b>67,961</b>	<b>(10.9)</b>	<b>75,312</b>	<b>(19.6)</b>
Employee Expense	(12,671)	(12,958)	(2.2)	(10,927)	16.0
Non-employee Opex	(27,622)	(28,481)	(3.0)	(28,467)	(3.0)
<b>Total Operating expenses</b>	<b>(40,293)</b>	<b>(41,439)</b>	<b>(2.8)</b>	<b>(39,394)</b>	<b>2.3</b>
<b>PPOP</b>	<b>20,280</b>	<b>26,522</b>	<b>23.5</b>	<b>35,918</b>	<b>(43.5)</b>
Provisions	(26,224)	(17,378)	50.9	(18,201)	44.1
<b>PBT</b>	<b>(5,944)</b>	<b>9,144</b>	<b>(165.0)</b>	<b>17,717</b>	<b>(133.5)</b>
Tax	1,460	(2,301)	(163.4)	(4,462)	(132.7)
<b>PAT</b>	<b>(4,484)</b>	<b>6,843</b>	<b>165.5</b>	<b>13,255</b>	<b>(133.8)</b>

Source: Company, YES Sec-Research, QoQ and YoY are not comparable due to reclassifications and one-offs

Recommendation : **BUY**

Current price : Rs 751

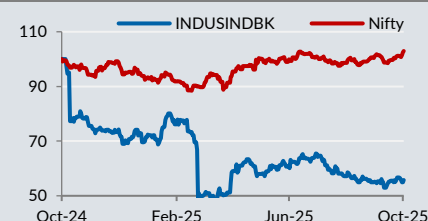
Target price : Rs 900

Potential return : +20%

#### Stock data (as on October 18, 2025)

Nifty	25,710
52 Week h/l (Rs)	1374 / 606
Market cap (Rs/USD mn)	576127 / 6549
Outstanding Shares (mn)	779
6m Avg t/o (Rs mn):	5,189
Div yield (%):	-
Bloomberg code:	IIB IN
NSE code:	INDUSINDBK

#### Stock performance



	1M	3M	1Y
Absolute return	2.1%	-13.7%	-44.3%

#### Shareholding pattern (As of Jun'25 end)

Promoter	15.1%
FII+DII	64.1%
Others	16.2%

#### Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	900	950

#### Financial Summary

(Rs mn)	FY26E	FY27E	FY28E
NII	175,883	195,566	227,682
PPOP	100,155	114,520	144,535
Net Profit	12,250	46,026	64,893
Growth (%)	-53.6	275.7	41.0
EPS (Rs)	15.7	59.1	83.3
BVPS (Rs)	844	903	986
P/E (x)	47.8	12.7	9.0
P/BV (x)	0.9	0.8	0.8
ROE (%)	1.9	6.8	8.8
ROA (%)	0.2	0.8	1.1
Tier-1 (%)	15.5	14.8	13.8

#### Δ in earnings estimates

Rs.	FY26E	FY27E	FY28E
EPS (New)	15.7	59.1	83.3
EPS (Old)	68.7	92.3	115.1
% change	-77.1%	-36.0%	-27.6%

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## COMPREHENSIVE CON-CALL TAKEAWAYS

### Asset quality

- **Slippages**
  - Gross NPA additions amounted to Rs. 25.4bn for 2QFY26, translating to an annualized slippage ratio of 3.0% for the quarter. (Gross NPA additions had amounted to Rs. 26.8bn during 1QFY26.)
  - Gross slippages remained stable YoY across CV, PV, three-wheeler, and construction equipment segments, while the tractor and two-wheeler segments witnessed higher YoY slippages but showed sequential moderation.
  - **Microfinance slippages**
    - MFI slippages moderated but remained elevated in 2Q and the Bank remains cautious for the coming quarters.
    - MFI slippages stood at Rs. 10.83bn in 2Q.
    - The Bank has written off Rs. 15.79bn of MFI loans in 2Q.
    - The Bank has strengthened MFI underwriting standards by conducting income assessments, additional voter ID checks, and enhanced field verifications for loans above internal limits.
  - **CV slippages**
    - CV slippages stood at Rs. 6.94bn in 2Q Vs Rs. 7.43bn in last quarter.
- **Recoveries and Upgrades**
  - Recoveries and upgrades amounted to Rs. 4.43bn for 2QFY26, implying net NPA addition of Rs. 20.94bn for the quarter.
  - Bank has opted for in-house collections instead of selling assets to ARCs.
- **Restructured Advances**
  - The restructured advances book has come down to Rs 2.68bn or 0.08% of advances.
- **Provisions**
  - **P&L provisions**
    - Provisions were Rs 26.2bn, up by 50.9% QoQ and 44.1% YoY, translating to calculated annualised all-inclusive credit cost of 318 bps.
    - The Bank made accelerated provisions to rationalize the outstanding MFI NPA book.
- **GNPA ratio**
  - GNPA ratio stands at 3.6%, down -4bps QoQ but up 149bps YoY while NNPA ratio stands at 1.0%, down -8bps QoQ but up 40bps YoY.
  - **Net NPA Guidance**
    - Management reiterated its aim to maintain the Net NPA ratio within 50–60 bps over the medium term.

### Net interest margin

- **NIM for the quarter**
  - NIM was at 3.32%, down -14bps QoQ and -76bps YoY.
  - Sequential decline is attributed to a one-off recovery in 1Q and lower MFI loan disbursements, contributing approximately 14 bps and 20 bps decline, respectively.
- **NIM outlook**
  - Margins are expected to hold at current NIM levels in the short term and improve gradually as the Bank focuses on increasing MFI disbursements, boosting asset yields.

(Con call takeaways continue on the next page)

- **Cost of Deposits**
  - Cost of Deposits was at 6.23% for 2QFY26, down by -21bps QoQ.
  - Sequential decline due to savings account repricing, and additionally, the Bank has reduced its dependence on bulk sourcing, i.e., CDs and borrowings.
- **Yield on Advances**
  - Yield on Advances was at 11.23% for 2QFY26, down by -39bps QoQ.
- **LCR**
  - The average LCR for 2QFY26 was 132%.

## Fee income

- **Fee income for the quarter**
  - The core fee income was at Rs 15.43bn, up 0.7% QoQ but down -27.4% YoY.
- **Fee to Assets Guidance**
  - Management intends to achieve 1.5% in the long term.

## Capital adequacy

- The total capital adequacy ratio was at 17.1%, up by 47bps YoY.
- The CET1 ratio was at 15.9%, up by 40bps YoY.

## Operating expenses

- **Total opex**
  - Total Opex, at Rs. 40.3bn, is down -2.8% QoQ but up 2.3% YoY.
  - Cost to income ratio came in at 66.5%.
- **Staff expenses**
  - The staff opex was down by -2.2% QoQ but up 16.0% YoY.
  - The Bank filled key positions during the quarter. In the next three months, the Head of HR, new Head of Digital, and other key roles are expected to be filled in the medium term.
- **Non-staff expenses**
  - Non-staff opex was down by -3.0% each QoQ and YoY.

## Loan growth

- **Loan growth outcomes**
  - The advances for the bank stood at Rs. 3,259 bn, down by -2.3% QoQ and -8.8% YoY.
  - Loan book declined sequentially due to a cautious stance and seasonally weaker demand.
  - **Vehicle finance**
    - The Vehicle Finance loan book was at 962bn flat QoQ but up 6% YoY.
    - The Vehicle finance disbursements were down -4.0% YoY.
    - Vehicle disbursements were impacted by deferred purchases amid GST rationalization; however, disbursements picked up sharply after September 25, and the Bank expects this momentum to continue in Q3.

(Con call takeaways continue on the next page)

- **Gems and Jewellery Loans**
  - The Bank has no SMA-1 or SMA-2 accounts in this book.
  - Additionally, Bank has not observed any client rating downgrades in this book amid US tariffs.
- **Microfinance**
  - The Micro finance loan book was at Rs 213bn, down -25% QoQ and -35% YoY.
- **Merchant loans**
  - The merchant loan book was at Rs 72.6bn, down -0.6% QoQ but up 25.4% YoY.
  - The Bank aims to scale its Bharat Superstore Shop (merchant acquiring business) to strengthen its rural presence.
  - The CGTMSE MSME guarantee covers 63% of this book.
- **Corporate banking**
  - The corporate book has down -1.0% QoQ and -21.1% YoY.
  - **Outlook**
    - The Bank resumed corporate banking disbursements, which had been tactically slowed in the previous quarters.
- **Other retail**
  - The other retail book was up 13% YoY.
  - Within this, LAP is up 10% YoY and 1% QoQ.
  - Market share in credit spend stood at 4.9%.
  - Home loan book was up by 84% YoY and 11% QoQ.
  - **More on Home Loan**
    - Currently, Bank has a minimal presence in the home loan segment but aims to scale this book despite the cost-of-fund disadvantage.

## Deposits growth

- The deposits were at Rs 3,898 bn, down by -1.9% QoQ and -5.5% YoY.
- Wholesale deposits declined 3% QoQ.
- Retail LCR deposits have grown 1.2% YoY with share inching up to 47.2% in 2Q as against 46.5% in 1Q.

## Return ratios

- The RoA for 2Q was at -0.33% and RoE was at -2.68% due to the accelerated provisions made on the MFI book.
- **ROA Guidance**
  - Management expects to achieve a RoA of 1.0% in the medium term.
  - Management stated that to say profitability will be constrained in the second half would be a pessimistic view even though some write offs would continue.

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

(Rs mn)	Q2FY26	Q1FY26	% qoq	Q2FY25	% yoy	Q2FY26*	chg qoq*	chg yoy*
Loan book	3,258,810	3,336,940	(2.3)	3,571,590	(8.8)	100.0	0bps	0bps
Corporate & Comm. Banking	1,311,210	1,324,210	(1.0)	1,661,180	(21.1)	40.2	55bps	-628bps
Large Corporates	716,270	726,990	(1.5)	907,060	(21.0)	22.0	19bps	-342bps
Mid size Corporates	459,200	459,320	(0.0)	566,500	(18.9)	14.1	33bps	-177bps
Small Corporates	135,740	137,900	(1.6)	187,620	(27.7)	4.2	3bps	-109bps
Consumer Finance	1,947,600	2,012,730	(3.2)	1,910,410	1.9	59.8	-55bps	628bps
Commercial vehicle loans	358,800	359,860	(0.3)	341,830	5.0	11.0	23bps	144bps
Small CV	44,240	43,660	1.3	40,910	8.1	1.4	5bps	21bps
2Wheeler loans	49,670	52,520	(5.4)	49,140	1.1	1.5	-5bps	15bps
PV	304,900	301,260	1.2	274,380	11.1	9.4	33bps	167bps
Tractor	75,080	76,080	(1.3)	81,560	(7.9)	2.3	2bps	2bps
Equipment financing	129,390	130,190	(0.6)	118,370	9.3	4.0	7bps	66bps
Business Banking	181,950	179,730	1.2	174,990	4.0	5.6	20bps	68bps
Loan against property	125,810	124,810	0.8	114,010	10.3	3.9	12bps	67bps
Credit cards	107,470	110,590	(2.8)	109,320	(1.7)	3.3	-2bps	24bps
Personal Loans	108,040	106,810	1.2	87,320	23.7	3.3	11bps	87bps
Merchant Advances	72,620	73,040	(0.6)	57,900	25.4	2.2	4bps	61bps
BL, AHL, Others	176,420	170,100	3.7	133,450	32.2	5.4	32bps	168bps
Microfinance	213,210	284,080	(24.9)	327,230	(34.8)	6.5	-197bps	-262bps
Deposits	3,897,874	3,971,440	(1.9)	4,126,792	(5.5)	100.0	0bps	0bps
Current	319,160	338,920	(5.8)	526,060	(39.3)	8.2	-35bps	-456bps
Saving	878,540	911,130	(3.6)	953,380	(7.8)	22.5	-40bps	-56bps
Term	2,700,174	2,721,390	(0.8)	2,647,352	2.0	69.3	75bps	512bps
Investments	1,240,475	1,091,470	13.7	1,113,548	11.4	NA	NA	NA
Investments/(Invest. + Net Adv.) (%)	27.6	24.6	292bps	23.8	380bps	NA	NA	NA
Borrowings	453,503	522,030	(13.1)	447,161	1.4	NA	NA	NA
Borrowings/(Borr. + Deposits) (%)	10.4	11.6	-120bps	9.8	65bps	NA	NA	NA

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

## Exhibit 3: Key quarterly ratios

(%)	Q2FY26	Q1FY26	chg qoq	Q2FY25	chg yoy
Net Interest Margin	3.32	3.46	-14bps	4.08	-76bps
Yield on Advances	11.23	11.62	-39bps	12.31	-108bps
Cost of Deposits	6.23	6.44	-21bps	6.55	-32bps
CASA ratio	31.0	31.0	0bps	36.0	-500bps
Loan to Deposit Ratio	83.6	84.0	-42bps	86.5	-294bps
Non-int. income / Total income	27.2	31.7	-452bps	29.0	-179bps
Fee Income to Avg. Total Assets	1.2	1.1	4bps	1.6	-43bps
Cost to Income ratio	66.5	61.0	554bps	52.3	1421bps
Opex to Avg. Total Assets	3.0	3.0	-1bps	2.9	9bps
Credit Cost	3.2	2.0	113bps	2.1	112bps
RoA	(0.3)	0.5	-84bps	1.0	-132bps
Annualised Slippage Ratio*	3.0	3.0	4bps	2.0	99bps
Provision Coverage Ratio	72.0	70.0	200bps	70.0	200bps
Gross NPA	3.6	3.6	-4bps	2.1	149bps
Net NPA	1.0	1.1	-8bps	0.6	40bps
Capital adequacy ratio	17.1	16.6	47bps	16.5	59bps
Tier I capital ratio	15.9	15.5	40bps	15.2	67bps
Common equity tier I capital ratio	15.9	15.5	40bps	15.2	67bps

Source: Company, YES Sec – Research, \* Annualised Gross NPA Addition Ratio, QoQ and YoY are not comparable due to reclassifications and one-offs

## Exhibit 4: Quarterly Actuals Vs Estimates

Q2FY26 (Rs. mn)	Actuals	Estimates	Diff, %
Net Interest Income	44,094	47,053	(6.3)
Pre-Prov. Operating Profit	20,280	22,742	(10.8)
Profit After Tax	(4,484)	7,287	(161.5)

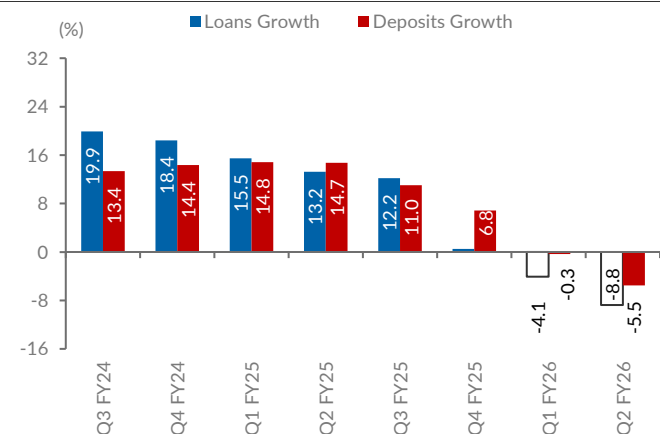
Source: Company, YES Sec – Research

## Exhibit 5: Non-Interest Income Break-up

(Rs mn)	Q2FY26	Q1FY26	% qoq	Q2FY25	% yoy
<b>Total Fee Income (A)</b>	15,430	15,320	0.7	21,250	(27.4)
Trade and remittances	2,040	2,220	(8.1)	2,500	(18.4)
Foreign exchange	1,380	1,490	(7.4)	2,560	(46.1)
Cards and Distribution Fees	3,260	2,960	10.1	5,930	(45.0)
General banking fees	3,460	3,140	10.2	4,610	(24.9)
Loan processing fees	5,150	5,410	(4.8)	5,410	(4.8)
Investment banking	140	100	40.0	240	(41.7)
<b>Total Other Income (B)</b>	1,080	6,250	(82.7)	600	80.0
Securities/MM/FX Trading/Others	1,080	6,250	(82.7)	600	80.0
One-Off Derivative Impact	0	0	NA	0	NA
<b>Total Non-Interest Income (A+B)</b>	<b>16,510</b>	<b>21,570</b>	<b>(23.5)</b>	<b>21,850</b>	<b>(24.4)</b>

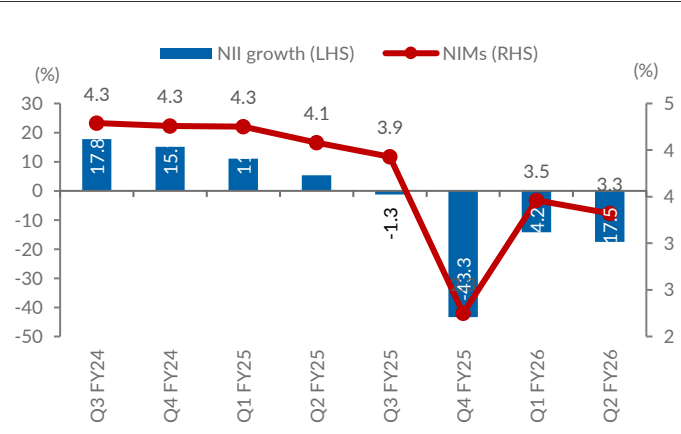
Source: Company, YES Sec – Research, QoQ and YoY are not comparable due to reclassifications and one-offs

**Exhibit 6: Loans and Deposits growth (YoY %)**



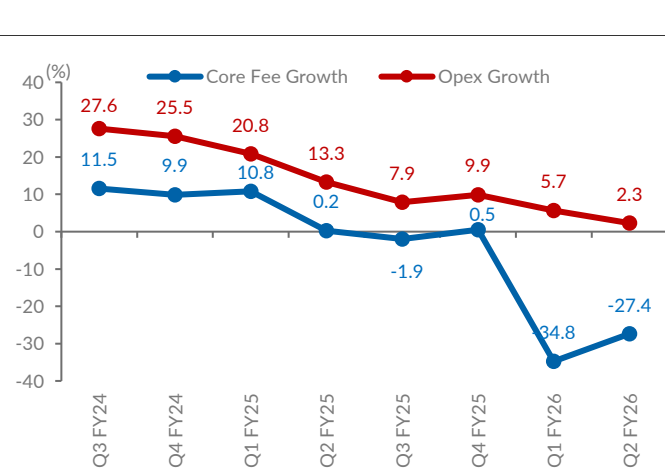
Source: Company, YES Sec – Research

**Exhibit 7: NII growth (YoY %) and NIM**



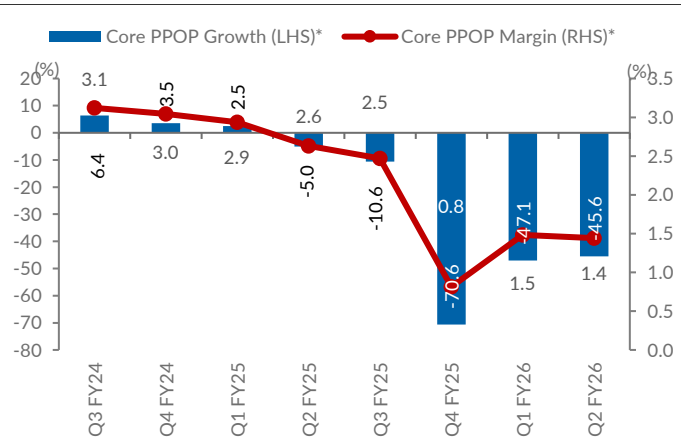
Source: Company, YES Sec – Research

**Exhibit 8: Core Fee and Opex growth (YoY %)**



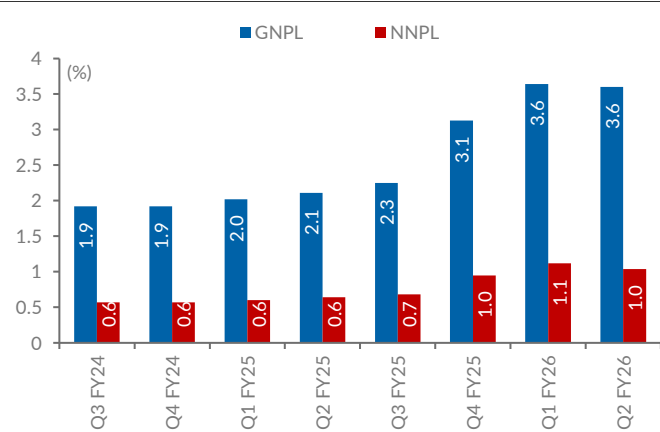
Source: Company, YES Sec – Research

**Exhibit 9: Core PPOP growth (YoY %) and Core PPOP margin**



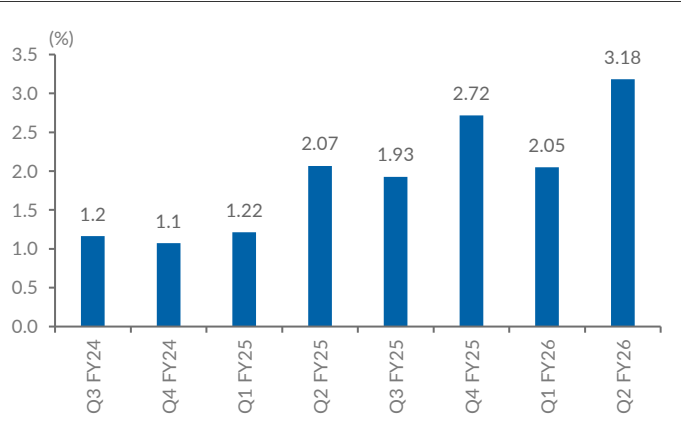
Source: Company, YES Sec – Research, \* Core PPOP is derived by adjusting PPOP for gain/loss on sale of investments and misc. income

**Exhibit 10: Gross NPA and Net NPA (%)**



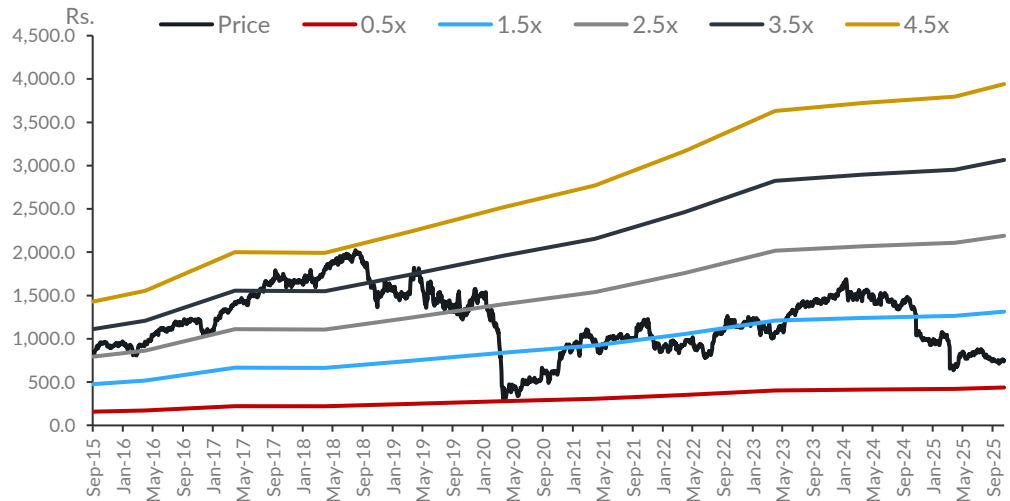
Source: Company, YES Sec – Research

**Exhibit 11: Provisions/Average Advances (%)**



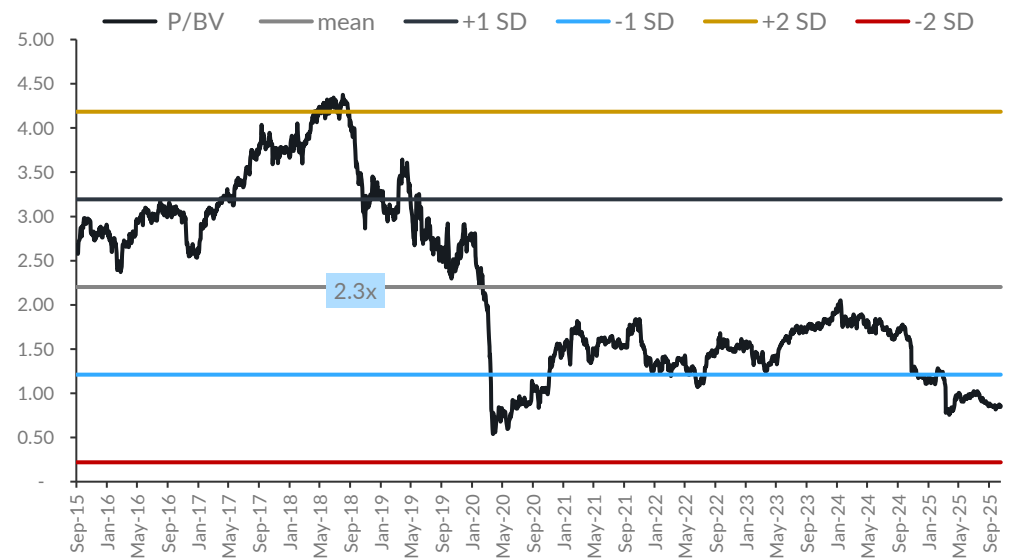
Source: Company, YES Sec – Research

**Exhibit 12: 1-year rolling P/BV band**



Source: Company, YES Sec - Research

**Exhibit 13: 1-yr rolling P/BV vis-a-vis the mean and standard deviations**



Source: Company, YES Sec - Research



## ANNUAL FINANCIALS

**Exhibit 14: Balance sheet**

Y/e 31 Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Total cash & equivalents	368,016	591,658	371,930	409,123	470,492
Investments	1,065,267	1,144,968	1,065,307	1,167,451	1,331,602
Advances	3,432,983	3,450,186	3,381,183	3,719,301	4,277,196
Fixed assets	21,977	23,558	25,914	28,505	31,356
Other assets	261,108	329,814	395,777	435,355	478,890
<b>Total assets</b>	<b>5,149,351</b>	<b>5,540,184</b>	<b>5,240,111</b>	<b>5,759,735</b>	<b>6,589,536</b>
Net worth	627,971	644,926	657,176	703,202	768,095
Deposits	3,847,929	4,110,781	4,038,327	4,410,258	5,023,942
Borrowings	476,114	537,036	219,854	263,905	358,316
Other liabilities	197,337	247,442	324,754	382,370	439,183
<b>Total liabilities incl. Equity</b>	<b>5,149,351</b>	<b>5,540,184</b>	<b>5,240,111</b>	<b>5,759,735</b>	<b>6,589,536</b>

Source: Company, YES Sec – Research

**Exhibit 15: Income statement**

Y/e 31 Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Interest income	457,482	486,677	466,099	487,261	556,211
Interest expense	(251,323)	(296,364)	(290,216)	(291,695)	(328,530)
<b>Net interest income</b>	<b>206,159</b>	<b>190,313</b>	<b>175,883</b>	<b>195,566</b>	<b>227,682</b>
Non-interest income	93,878	76,842	83,102	89,939	109,178
<b>Total income</b>	<b>300,038</b>	<b>267,155</b>	<b>258,985</b>	<b>285,505</b>	<b>336,859</b>
Operating expenses	(142,635)	(160,707)	(158,830)	(170,985)	(192,325)
<b>PPoP</b>	<b>157,403</b>	<b>106,449</b>	<b>100,155</b>	<b>114,520</b>	<b>144,535</b>
Provisions	(37,987)	(70,301)	(83,822)	(53,152)	(58,012)
<b>Profit before tax</b>	<b>119,415</b>	<b>36,147</b>	<b>16,334</b>	<b>61,368</b>	<b>86,523</b>
Taxes	(29,918)	(9,718)	(4,083)	(15,342)	(21,631)
<b>Net profit</b>	<b>89,498</b>	<b>26,429</b>	<b>12,250</b>	<b>46,026</b>	<b>64,893</b>

Source: Company, YES Sec – Research

## Exhibit 16: Du Pont Analysis (RoA tree)

Y/e 31 Mar (%)	FY24	FY25	FY26E	FY27E	FY28E
Interest income	9.4	9.1	8.6	8.9	9.0
Interest expense	-5.2	-5.5	-5.4	-5.3	-5.3
<b>Net interest income</b>	<b>4.2</b>	<b>3.6</b>	<b>3.3</b>	<b>3.6</b>	<b>3.7</b>
Non-interest income	1.9	1.4	1.5	1.6	1.8
<b>Total income</b>	<b>6.2</b>	<b>5.0</b>	<b>4.8</b>	<b>5.2</b>	<b>5.5</b>
Operating expenses	-2.9	-3.0	-2.9	-3.1	-3.1
<b>PPoP</b>	<b>3.2</b>	<b>2.0</b>	<b>1.9</b>	<b>2.1</b>	<b>2.3</b>
Provisions	-0.8	-1.3	-1.6	-1.0	-0.9
<b>Profit before tax</b>	<b>2.5</b>	<b>0.7</b>	<b>0.3</b>	<b>1.1</b>	<b>1.4</b>
Taxes	-0.6	-0.2	-0.1	-0.3	-0.4
<b>Net profit</b>	<b>1.8</b>	<b>0.5</b>	<b>0.2</b>	<b>0.8</b>	<b>1.1</b>

Source: Company, YES Sec – Research

## Exhibit 17: Change in annual estimates

Y/e 31 Mar (Rs mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Interest Income	175,883	195,566	227,682	200,427	230,840	268,863	(12.2)	(15.3)	(15.3)
Pre-Prov. Operating Profit	100,155	114,520	144,535	132,587	157,111	188,272	(24.5)	(27.1)	(23.2)
Profit after tax	12,250	46,026	64,893	53,548	71,916	89,667	(77.1)	(36.0)	(27.6)

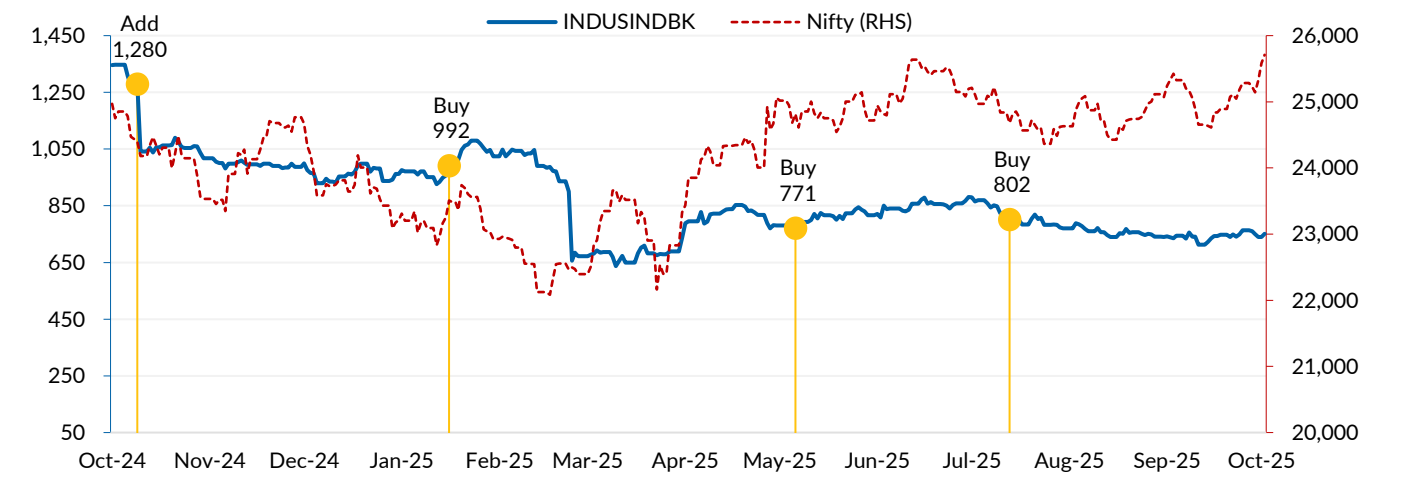
Source: Company, YES Sec – Research

## Exhibit 18: Ratio analysis

Y/e 31 Mar	FY24	FY25	FY26E	FY27E	FY28E
<b>Growth matrix (%)</b>					
Net interest income	17.2	-7.7	-7.6	11.2	16.4
PPoP	9.7	-32.4	-5.9	14.3	26.2
Net profit	21.1	-70.5	-53.6	275.7	41.0
Loans	18.4	0.5	-2.0	10.0	15.0
Deposits	14.4	6.8	-1.8	9.2	13.9
<b>Profitability Ratios (%)</b>					
Net interest margin	4.3	3.6	3.4	3.7	3.8
Return on Average Equity	15.2	4.2	1.9	6.8	8.8
Return on Average Assets	1.8	0.5	0.2	0.8	1.1
<b>Per share figures (Rs)</b>					
EPS	115.0	33.9	15.7	59.1	83.3
BVPS	807	828	844	903	986
ABVPS	782	786	818	874	954
<b>Valuation multiples</b>					
P/E	7.0	23.6	47.8	12.7	9.0
P/BV	1.0	1.0	0.9	0.8	0.8
P/ABV	1.0	1.0	0.9	0.9	0.8
<b>NIM internals (%)</b>					
Yield on loans	12.0	11.5	11.0	11.3	11.5
Cost of deposits	6.0	6.6	6.5	6.5	6.5
Loan-deposit ratio	89.2	83.9	83.7	84.3	85.1
CASA ratio	37.9	32.8	33.0	33.0	33.0
<b>Opex control (%)</b>					
Cost/Income ratio	47.5	60.2	61.3	59.9	57.1
Cost to average assets	2.9	3.0	2.9	3.1	3.1
<b>Capital adequacy (%)</b>					
Tier 1 capital ratio	15.8	15.1	15.5	14.8	13.8
<b>Asset quality (%)</b>					
Slippage ratio	1.9	3.1	3.0	2.5	2.2
Gross NPL ratio	1.9	3.1	3.4	2.8	2.4
Credit cost	1.0	1.5	2.3	1.3	1.3
Net NPL ratio	0.6	1.0	0.6	0.6	0.6

Source: Company, YES Sec – Research

## Recommendation Tracker



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