

IndusInd Bank

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	IIB IN
Equity Shares (m)	779
M.Cap.(INRb)/(USD\$)	695.3 / 7.6
52-Week Range (INR)	1087 / 605
1, 6, 12 Rel. Per (%)	9/6/-16
12M Avg Val (INR M)	6062

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
NII	190.3	179.0	194.7
OP	106.6	91.3	98.8
NP	25.8	4.8	33.9
NIM (%)	3.6	3.3	3.4
EPS (INR)	33.1	6.2	43.5
EPS Gr. (%)	-71.4	-81.3	603.2
BV/Sh. (INR)	830	827	860
ABV/Sh. (INR)	800	799	832

Ratios

RoA (%)	0.5	0.1	0.6
RoE (%)	4.0	0.7	5.2

Valuations

P/E (X)	27.2	145.3	20.7
P/BV (X)	1.1	1.1	1.0
P/ABV (X)	1.1	1.1	1.1

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	15.1	15.1	15.1
DII	33.7	30.5	39.7
FII	34.8	37.4	30.3
Others	16.4	17.1	15.0

FII includes depository receipts

CMP: INR892 **TP: INR930 (+4%)** **Neutral**

Earnings in line; operating performance to recover gradually

Adj NIMs expand 3bp QoQ

- IndusInd Bank (IIB) reported 3QFY26 PAT of INR1.3b (in line with our estimate of INR1.3b profit) amid better NII, offset by accelerated provisions.
- NII declined 13% YoY (up 3.5% QoQ) to INR45.6b (6% beat). Adj NIMs expanded 3bp QoQ to 3.35% (refund on IT aided reported NIMs by 20bp QoQ to 3.52%).
- Other income declined 27.5% YoY (up 3.4 % QoQ, in line). Opex stood flat YoY/ QoQ to INR39.9b (the bank has recognized an impact of INR2.3b for the new labor codes).
- Loan book declined 2.6% QoQ (down 13.5% YoY), while deposits grew 1.1% QoQ (down 3.8% YoY).
- Fresh slippages were flat QoQ at INR25.6b in 3QFY26. GNPA ratio improved 4bp QoQ to 3.56%, while NNPA ratio remained flat at 1.04%. PCR stood flat at 71.5%.
- **We largely maintain our earnings estimate for FY27/28E and project IIB's RoA/RoE at 0.6%/5.2% for FY27. Reiterate Neutral with a TP of INR930 (premised on 1.0x Sep'27E ABV).**

Business growth muted; PCR ratio stable

- IIB reported 3QFY26 PAT of ~INR1.3b (vs our estimate of INR1.3b profit) amid better NII, while provisions continue to stay elevated.
- NII stood better than estimates at INR45.6b (6% beat). Adj NIMs expanded marginally 3bp QoQ to 3.35% (while interest on IT refund aided reported NIMs by 20bp QoQ to 3.52%).
- Other income grew 3.4% QoQ (down 27.5% YoY) to INR17b (in line) amid flat treasury income. Opex stood flat YoY/QoQ at INR39.9b (INR2.3b pertaining to the new labor code impact). C/I ratio, thus, declined to 63.8% vs 66.2%. PPOP stood at INR22.7b (23% higher than MOFSLe).
- Provisions stood higher than our estimate at INR20.9b (down 20% QoQ/ up 20% YoY), as higher slippages and aggressive provisions in the MFI pool continue for the bank.
- The loan book declined 13.5% YoY and 2.6% QoQ to INR3.2t, driven by a run-down in the corporate book (down 40% YoY/9% QoQ), and in Inst & Govt banking (down 26% YoY and 8% QoQ), while retail declined 4% YoY/0.9% QoQ. Within retail, VF grew 2.7% YoY/2.1% QoQ, and consumer banking stood flat QoQ.
- Deposits book grew 1% QoQ (down 4% YoY), as the bank has de-bulked its large bulk deposits. CASA book stood largely flat QoQ (down 16.6% YoY). As a result, the CASA book declined marginally to 30.2%.
- Fresh slippages were largely flat QoQ at INR25.6b vs INR25.4b in 2QFY26, amid elevated slippages in MFI. Asset quality ratios improved marginally, with GNPA ratio reducing 4bp QoQ to 3.56% and NNPA remaining flat QoQ at 1.04%. PCR stood flat at 71.5%.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

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Highlights from the management commentary

- The bank aims to achieve a 1% ROA over the medium term, led by lower cost-to-assets, better productivity, and reduced funding costs through diversification. Management stated it is too early to define a timeline, as a three-year plan is still being developed.
- The bank aims for ~1.5% fee to avg assets over a period of time.
- Gross slippages: VF – INR6.94b, Corporate – INR640m, Other Retail – INR6.97b, MFI – INR10.83b.
- SMA levels improved to 26bp (vs. 33 bps YoY), while net SR declined to 17bp (vs. 31bp YoY).

Valuation and view

IIB reported a largely in-line PAT, while provisions remained elevated due to continued slippages in the MFI segment. Other income was broadly in line, with treasury income remaining flat, while opex stayed largely stable. Adjusted NIMs expanded 3bp QoQ, while reported NIMs expanded 20bp QoQ, supported by interest income from IT refunds. Business growth remained modest, driven by the continued de-bulking of corporate advances as well as bulk deposits. Deposit growth was, therefore, marginal at ~1% QoQ, leading to a decline in the CD ratio to 80.6%. Slippages continued to remain elevated, primarily due to higher stress in the MFI segment. The bank expects loan growth to broadly align with industry growth by the exit quarter of FY27, with growth likely to outpace the industry in FY28. **We largely maintain our earnings estimate for FY27/28E and project IIB's RoA/RoE at 0.6%/5.2% for FY27. Reiterate Neutral with a TP of INR930 (premised on 1.0x Sep'27E ABV).**

Quarterly performance

(INR b)

	FY25				FY26E				FY25	FY26E	FY26E	V/S our
	1Q	2Q	3Q	4Q	1Q	2Q	3QA	4QE			3QE	Est
Net Interest Income	54.1	53.5	52.3	30.5	46.4	44.1	45.6	42.9	190.3	179.0	42.9	6%
% Change (YoY)	11.1	5.3	-1.3	-43.3	-14.2	-17.5	-12.7	40.6	-7.7	-6.0	-18.0	
Other Income	24.4	21.8	23.6	7.1	21.6	16.5	17.1	18.3	76.9	73.4	17.1	0%
Total Income	78.5	75.3	75.8	37.6	68.0	60.6	62.7	61.1	267.2	252.4	59.9	5%
Operating Expenses	39.0	39.3	39.8	42.5	42.3	40.1	40.0	38.7	160.6	161.1	41.4	-3%
Operating Profit	39.5	36.0	36.0	-4.9	25.7	20.5	22.7	22.4	106.6	91.3	18.5	23%
% Change (YoY)	3.1	-7.9	-10.9	-112.0	-35.0	-43.1	-37.0	-556.8	-32.8	-14.4	-48.6	
Provisions	10.5	18.2	17.4	25.2	17.6	26.3	21.0	20.0	71.4	84.8	16.8	25%
Profit before Tax	29.0	17.8	18.6	-30.1	8.1	-5.8	1.7	2.5	35.3	6.4	1.8	-1%
Tax	7.3	4.5	4.5	-6.8	2.0	-1.5	0.5	0.6	9.5	1.6	0.4	4%
Net Profit	21.7	13.3	14.0	-23.3	6.0	-4.4	1.3	1.9	25.8	4.8	1.3	-2%
% Change (YoY)	2.2	-39.5	-39.1	NA	-72.2	NA	-90.9	NA	-71.3	-81.3	-90.6	
Operating Parameters												
Deposit (INR b)	3,985	4,124	4,094	4,109	3,971	3,896	3,938	4,018	4,109	4,018	3,825	
Loan (INR b)	3,479	3,572	3,669	3,450	3,337	3,259	3,175	3,278	3,450	3,278	3,185	
Deposit Growth (%)	14.8	14.7	11.0	6.8	-0.3	-5.5	-3.8	-2.2	6.8	-2.2	-6.6	
Loan Growth (%)	15.5	13.2	12.2	0.5	-4.1	-8.8	-13.5	-5.0	0.5	-5.0	-13.2	
Asset Quality												
Gross NPA (%)	2.0	2.1	2.3	3.1	3.6	3.6	3.6	3.4	3.1	3.4	3.3	
Net NPA (%)	0.6	0.6	0.7	1.0	1.1	1.0	1.0	0.9	1.0	0.9	1.0	
PCR (%)	70.6	70.1	70.2	70.2	70.2	71.8	71.5	72.6	69.6	72.6	69.0	

E: MOFSL Estimates

Quarterly snapshot

INR b	FY25				FY26			Variation (%)	
Profit and Loss	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY	QoQ
Net Interest Income	54.1	53.5	52.3	30.5	46.4	44.1	45.6	-13	3
Other Income	24.4	21.8	23.6	7.1	21.6	16.5	17.1	-28	3
Trading profits	0.9	0.6	2.3	3.6	6.3	1.1	1.4	-41	26
Total Income	78.5	75.3	75.8	37.6	68.0	60.6	62.7	-17	3
Operating Expenses	39.0	39.3	39.8	42.5	42.3	40.1	40.0	0	0
Employee	14.4	15.0	14.8	16.0	18.1	16.6	19.0	28	14
Others	24.6	24.3	25.0	26.5	24.2	23.5	20.9	-16	-11
Operating Profits	39.5	36.0	36.0	-4.9	25.7	20.5	22.7	-37	11
Core PPOp	38.6	35.4	33.7	-8.5	19.4	19.4	21.3	-37	10
Provisions	10.5	18.2	17.4	25.2	17.6	26.3	21.0	20	-20
PBT	29.0	17.8	18.6	-30.1	8.1	-5.8	1.7	-91	-130
Taxes	7.3	4.5	4.5	-6.8	2.0	-1.5	0.5	-90	-131
PAT	21.7	13.3	14.0	-23.3	6.0	-4.4	1.3	-91	-129
Balance Sheet (INR b)									
Loans	3,479	3,572	3,669	3,450	3,337	3,259	3,175	-13	-3
- CCBG Advances	1,531	1,607	1,724	1,587	1,335	1,304	0	-100	-100
- CFD Advances	1,948	1,964	1,945	1,863	2,002	1,955	0	-100	-100
Deposits	3,985	4,124	4,094	4,109	3,971	3,896	3,938	-4	1
CASA Deposits	1,461	1,479	1,428	1,348	1,250	1,198	1,191	-17	-1
- Savings	977	953	969	940	911	879	877	-10	0
- Current	485	526	459	408	339	319	314	-32	-2
Loan mix (%)									
Consumer	54.8	53.5	53.6	58.4	60.3	59.8	8.8	-4,480	-5,097
- of which Vehicle	25.8	25.4	25.5	27.7	28.9	29.5	0.0	-2,551	-2,952
- of which Unsecured	21.0	20.0	19.1	20.5	20.8	19.1	3.2	-1,589	-1,586
- of which MFI	10.6	9.2	8.9	9.0	8.5	6.5	5.6	-331	-98
- others	-2.6	-1.1	0.1	1.2	2.1	4.6	0.0	-9	-460
Corporate & Commercial	45.2	46.5	46.4	41.6	39.7	40.2	0.0	-4,640	-4,024
Asset Quality (INR b)									
GNPA	71.27	76.39	83.75	110.46	124.81	120.58	116.05	39	-4
NNPA	20.95	22.82	24.96	32.87	37.22	33.99	33.04	32	-3
Slippages	15.4	18.0	22.0	50.1	25.7	25.4	25.6	16	1
Asset Quality Ratios (%)									
GNPA	2.0	2.1	2.3	3.1	3.6	3.6	3.6	131	-4
NNPA	0.6	0.6	0.7	1.0	1.1	1.0	1.0	36	0
PCR (Cal.)	70.6	70.1	70.2	70.2	70.2	71.8	71.5	133	-28
Slippage	1.9	2.1	2.5	5.8	3.0	3.0	3.0	46	2
Business Ratios (%)									
CASA	36.7	35.9	34.9	32.8	31.5	30.7	30.2	-464	-50
Loan/Deposit	87.3	86.6	89.6	84.0	84.0	83.6	80.6	-898	-301
Other income/Total Income	31.1	29.0	31.1	18.9	31.7	27.2	27.2	-382	-1
Cost to Income	49.7	52.2	52.5	113.1	62.2	66.2	63.8	1,128	-242
Cost to Assets	3.1	3.1	3.1	3.2	3.2	3.0	3.0	-9	-2
Tax Rate	25.2	25.2	24.5	22.7	25.2	25.2	26.4	192	125
Capitalisation Ratios (%)									
CAR	17.6	16.5	16.5	16.2	16.6	17.1	16.9	48	-16
Tier 1	16.2	15.2	15.2	15.1	15.5	15.9	15.7	56	-14
- CET 1	16.2	15.2	15.2	15.1	15.5	15.9	15.7	56	-14
RWA / Total Assets	73.3	77.4	78.1	75.7	76.0	75.5	76.0	-210	50
LCR	122.0	118.0	118.0	118.0	141.0	132.0	122.0	400	-1,000
Profitability Ratios (%)									
Yield on loans	12.6	12.3	12.2	9.5	11.6	11.2	11.1	-113	-15
Yield on funds	9.9	9.7	9.6	7.9	9.2	8.8	8.8	-85	3
Cost of deposits	6.5	6.6	6.6	6.5	6.4	6.2	6.1	-49	-14
Cost of funds	5.6	5.6	5.7	5.6	5.7	5.4	5.3	-44	-17
Margins	4.25	4.08	3.93	2.25	3.46	3.32	3.52	-41	20
Other details									
Branches	3,013	3,040	3,063	3,081	3,110	3,116	3,120	57	4
ATMs	2,988	3,011	2,993	3,027	3,052	3,054	3,063	70	9



Highlights from the management commentary

Opening remarks

- The bank has exited inefficient assets and liabilities. Deposits increased ~1% QoQ, despite a deliberate reduction in bulk deposits.
- VF disbursements remained strong during the quarter.
- Slippages remained elevated, similar to the previous quarter; however, incremental stress formation is moderating.
- Cost of funds declined, supported by a reduction in bulk deposits, with the CD ratio down 3% QoQ and borrowings lower by 13% QoQ.
- Average deposits declined 1% QoQ, driven by lower bulk deposits.
- NIMs expanded 20bp QoQ, aided by a 17bp benefit from IT refunds. Adjusted NIM stood at 3.35%, supported by term deposit repricing.
- Operating expenses included a one-off impact of INR2.29b.
- Slippages remained range-bound; SMA-1 and SMA-2 improved to 17bp from 26bp QoQ.

Retail

- KCC and other rural loan portfolios remained stable on a QoQ basis.
- Certain rural products have achieved scale.
- Home loans witnessed a strong momentum, growing 10% QoQ. Personal loans grew 12% YoY, while credit cards declined 6% YoY.
- The bank has rationalized credit card spending to improve portfolio quality.

MFI business

- BFIL is led by Mr. Tapobradh Chaudhary. The bank has tightened MFI norms this year.
- The bank is aiming for normalized collections in the MFI segment.
- It has revived micro banking disbursements.
- Disbursements were towards high and better profile customers. The CGFMU cover will be at 38% for the bank.

SME banking

- There is a large segment in this book. Mr. Ramaswamy has joined the bank and is a veteran with two decades of experience.
- The portfolio has a robust scope in the years to grow.

Vehicle segment

- The segment saw robust growth amid GST changes. VF disbursements increased 26% QoQ; as a result, the loan book grew 2% QoQ.
- The bank saw broad-based disbursements in the VF book.

Corporate

- Mr. Ganesh has joined the wholesale banking department. The bank has revised its coverage model.
- The bank has started rationalizing exposures; as a result, the book declined in 3Q.
- Asset quality is healthy.

- Gems and Jewel does not have an SMA book, and the asset quality continues to perform well.

Loans and deposits related

- Management aims for loan growth to align with industry growth by the end of FY27.
- MFI remains a strategically important business. As the industry evolves, the SMF category may face challenges but continues to qualify under PSL norms.
- CGFMU coverage is currently ~38%, with an intent to scale it up to 100% over time, which should mitigate MFI-related headwinds.
- FY26–27 growth is expected to be in line with the market; FY27–28 is expected to see market share gains, and FY28–29 is expected to be a phase of dominance in the bank's core expertise areas.
- In Vehicle Finance, the bank currently holds ~7.5% market share, with an aim to increase it to ~9%.
- Deposit mobilization remains the key determinant of growth.
- The SMF portfolio has declined over the past 2–3 quarters, while MFI disbursements have increased since Oct'25. The full benefit of higher disbursements is expected in 4Q, as disbursements outpace repayments.

Margins, yields, costs, and RoA

- RoA improvement is a medium-term (three-year) journey, with a targeted RoA of ~1%.
- Cost-to-assets remains elevated; however, there is scope for operating leverage as asset growth improves. Management expects this normalization over a three-year period.
- A significant part of RoA improvement will be driven by lower credit costs. As MFI share reduces, overall credit costs are expected to moderate, providing upside across segments.

Other income and opex

- The bank has already absorbed INR2.3b related to revised employee labor norms.
- Management is focused on reducing the opex ratio, given the available operating leverage.

Asset quality related

- Net NPA stood at 1.04%. The bank continues to follow a consistent provisioning and write-off strategy.
- Gross slippages have remained stable; the bank writes off 100% of eligible accounts, which has led to a decline in PCR.
- SMA exposure in the MFI book stands at ~2.4%.
- NNPA trajectory will depend on slippage trends; with slippages moderating, credit costs are expected to decline.
- The bank will continue to follow a conservative provisioning approach.
- ECL guidelines are awaited; the estimated impact is ~1.5–1.7% of the loan book.
- VF slippages are expected to be lower by ~20bp in the next financial year compared to the current year.

- In the MFI segment, the bank writes off accounts 365 days post-NPA recognition.
- Exposure to the Adani Group has declined over the past two years.

Others

- The bank is currently focused on the liability side. Growth capital is not required as of now, and the bank has sufficient capital for the next 12-18 months.
- There will be a small impact from changes in LCR due to the new norms.

Story in charts

Exhibit 1: Loans/deposits dipped 13.5%/3.8% YoY

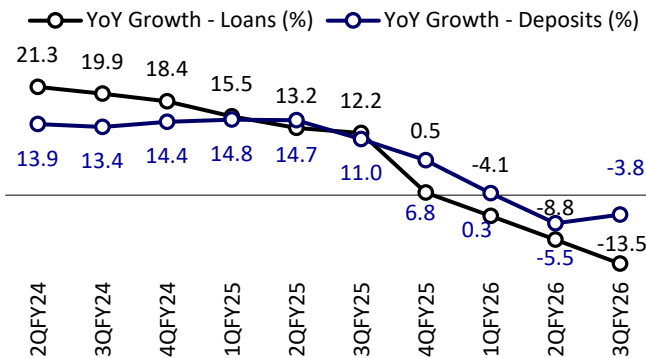


Exhibit 2: Retail mix stood at 51%, wholesale mix at 35%

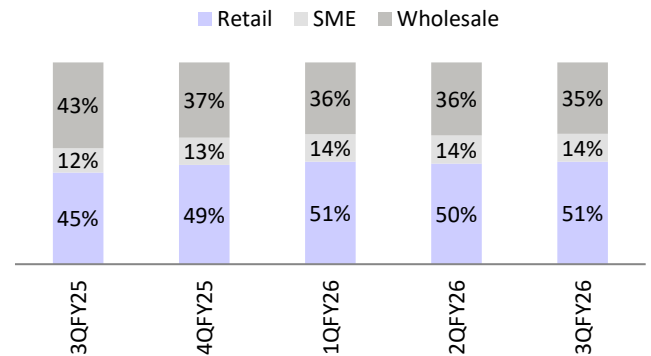


Exhibit 3: Adj NIMs stood at 3.35% (reported NIMs at 3.52%)

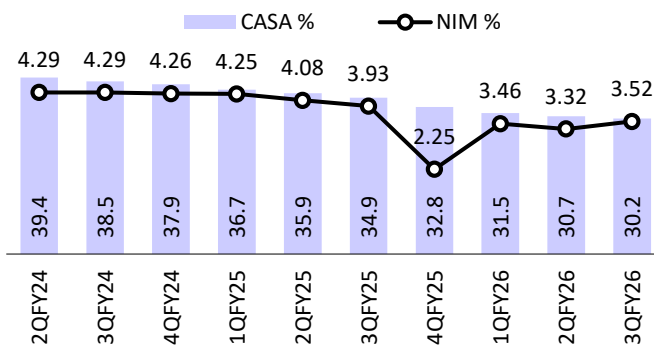


Exhibit 4: YoA declined to 11.1%; CoF stood at 5.3%

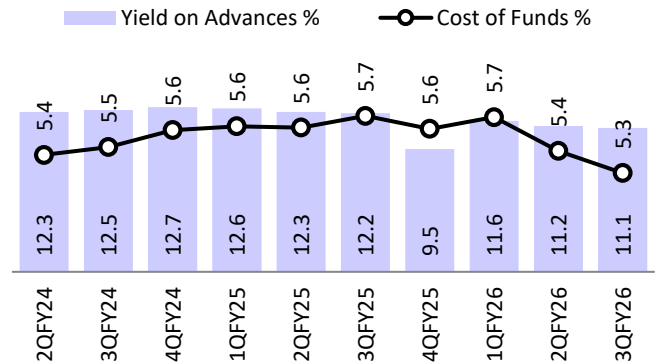


Exhibit 5: C/I ratio declined to 63.8%; C/A stood at 2.98%

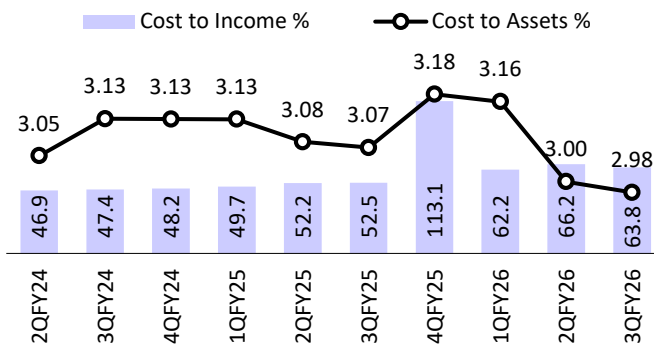


Exhibit 6: CD ratio declined to 80.6%; LCR ratio at 122%

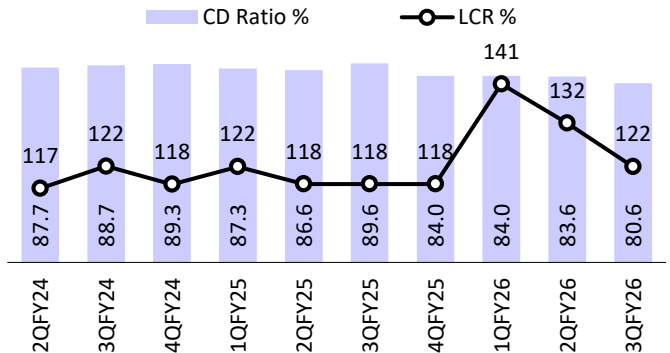


Exhibit 7: Slippage ratio stood at 2.99%

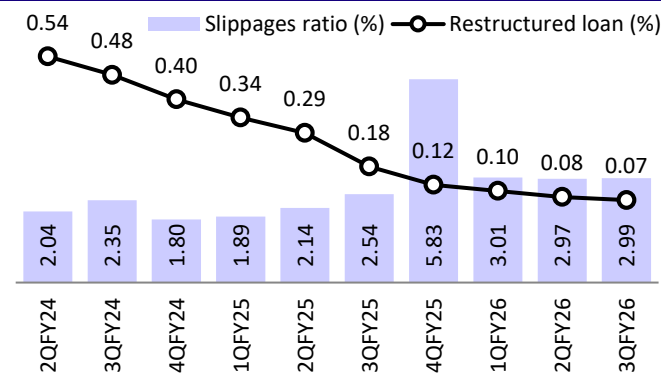
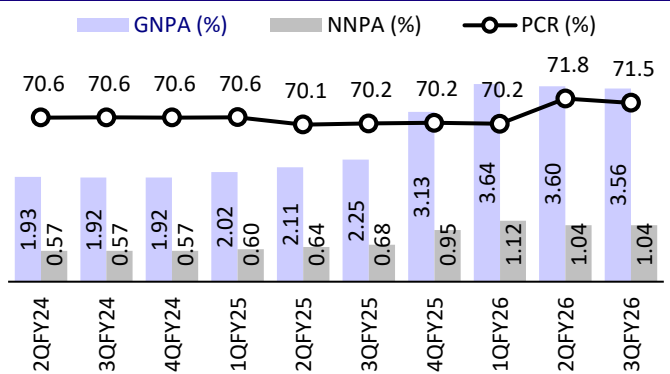


Exhibit 8: GNPA/NNPA ratios improved to 3.56%/1.04%



Source: MOFSL, Company

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Valuation and view: Reiterate Neutral with a TP of INR930

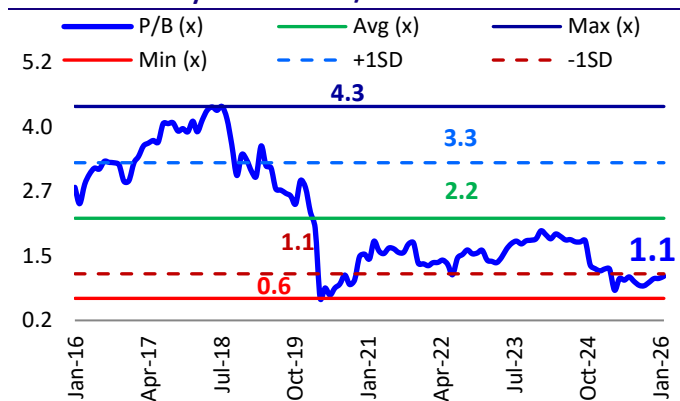
- IIB reported a largely in-line PAT, while provisions remained elevated due to continued slippages in the MFI segment. Other income was broadly in line, with treasury income remaining flat, while opex stayed largely stable.
- Adjusted NIMs expanded 3bp QoQ, while reported NIMs expanded by 20bp QoQ, supported by interest income from IT refunds.
- Business growth remained modest, driven by the continued de-bulking of corporate advances as well as bulk deposits. Deposit growth was, therefore, marginal at ~1% QoQ, leading to an 80.6% decline in the CD ratio.
- Slippages continued to remain elevated, primarily due to higher stress in the MFI segment. The bank expects loan growth to broadly align with industry growth by the exit quarter of FY27, with growth likely to outpace the industry in FY28.
- **We largely maintain our earnings estimate for FY27/28E and project IIB's RoA/RoE at 0.6%/5.2% for FY27. Reiterate Neutral with a TP of INR930 (premised on 1.0x Sep'27E ABV).**

Exhibit 9: Revisions to our earnings estimates

INRb	Old Estimates			New Estimates			Change (%/bps)		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
Net Interest Income	175.3	194.5	226.8	179.0	194.7	226.4	2.1	0.1	(0.1)
Other Income	73.1	82.6	94.1	73.4	82.3	93.8	0.5	(0.4)	(0.4)
Total Income	248.3	277.0	320.9	252.4	277.0	320.2	1.7	(0.0)	(0.2)
Operating Expenses	166.4	184.1	206.6	161.1	178.2	200.8	(3.2)	(3.2)	(2.8)
Operating Profits	81.9	93.0	114.3	91.3	98.8	119.5	11.4	6.3	4.5
Provisions	74.2	47.4	45.6	84.8	53.6	50.5	14.4	13.1	10.7
PBT	7.7	45.6	68.7	6.4	45.2	69.0	(17.0)	(0.8)	0.4
Tax	1.9	11.4	17.2	1.6	11.3	17.3	(17.0)	(0.8)	0.4
PAT	5.8	34.1	51.5	4.8	33.9	51.7	(17.0)	(0.8)	0.4
Loans	3,329.4	3,738.9	4,232.5	3,277.7	3,680.8	4,177.7	(1.6)	(1.6)	(1.3)
Deposits	3,985.4	4,403.8	4,949.9	4,018.2	4,460.2	5,040.1	0.8	1.3	1.8
Margins (%)	3.18	3.38	3.54	3.28	3.44	3.58	10.2	6.9	4.4
Credit Cost (%)	2.2	1.3	1.1	2.5	1.5	1.2	34.0	20.0	14.0
RoA (%)	0.11	0.59	0.80	0.09	0.60	0.82	(1.7)	0.6	1.4
RoE (%)	0.9	5.2	7.4	0.7	5.2	7.5	(15.2)	(3.4)	4.2
BV	827.8	861.6	916.7	826.5	860.0	915.3	(0.2)	(0.2)	(0.1)
ABV	799.4	831.3	884.4	798.7	831.6	885.3	(0.1)	0.0	0.1
EPS	7.4	43.8	66.1	6.2	43.5	66.3	(17.0)	(0.8)	0.4

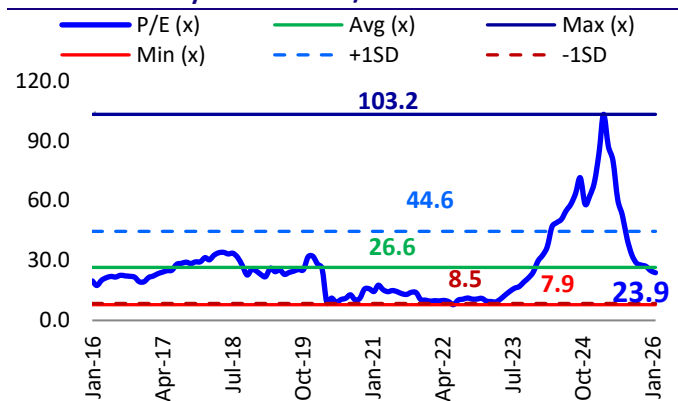
Source: MOFSL, Company

Exhibit 10: One-year forward P/B ratio



Source: MOFSL, Company

Exhibit 11: One-year forward P/E ratio



Source: MOFSL, Company

Exhibit 12: DuPont Analysis – we estimate an RoA/RoE at 0.6%/5.2% for FY27

Y/E March (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	8.46	9.40	9.10	8.47	8.37	8.38
Interest Expense	4.37	5.17	5.54	5.19	4.92	4.79
Net Interest Income	4.09	4.24	3.56	3.28	3.44	3.58
Core Fee Income	1.89	1.85	1.34	1.25	1.35	1.37
Trading and others	0.02	0.08	0.10	0.10	0.11	0.11
Non Interest income	1.90	1.93	1.44	1.35	1.46	1.48
Total Income	5.99	6.17	5.00	4.63	4.90	5.07
Operating Expenses	2.64	2.91	3.00	2.95	3.15	3.18
- Employee cost	0.97	1.10	1.13	1.30	1.41	1.44
- Others	1.67	1.80	1.88	1.65	1.74	1.74
Operating Profit	3.35	3.26	1.99	1.67	1.75	1.89
Core operating Profits	3.34	3.18	1.90	1.57	1.64	1.78
Provisions	1.04	0.80	1.33	1.56	0.95	0.80
NPA	0.90	0.63	1.34	1.57	0.92	0.77
Others	0.14	0.16	0.00	-0.01	0.02	0.03
PBT	2.31	2.46	0.66	0.12	0.80	1.09
Tax	0.58	0.62	0.18	0.03	0.20	0.27
RoA	1.73	1.85	0.48	0.09	0.60	0.82
Leverage (x)	8.4	8.3	8.4	8.5	8.6	9.2
RoE	14.5	15.3	4.0	0.7	5.2	7.5

Source: MOFSL, Company

Financials and valuations

Income Statement						(INRb)
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Interest Income	175.9	206.2	190.3	179.0	194.7	226.4
-growth (%)	17.3	17.2	-7.7	-6.0	8.8	16.3
Non Interest Income	81.7	94.0	76.9	73.4	82.3	93.8
Total Income	257.6	300.1	267.2	252.4	277.0	320.2
-growth (%)	15.3	16.5	-11.0	-5.5	9.7	15.6
Operating Expenses	113.5	141.5	160.6	161.1	178.2	200.8
Pre Provision Profits	144.2	158.6	106.6	91.3	98.8	119.5
-growth (%)	10.6	10.0	-32.8	-14.4	8.2	20.9
Core PPOP	143.5	154.6	101.4	85.9	92.6	112.3
-growth (%)	15.4	7.7	-34.4	-15.3	7.8	21.3
Provisions	44.9	38.8	71.4	84.8	53.6	50.5
PBT	99.3	119.8	35.3	6.4	45.2	69.0
Tax	24.9	30.0	9.5	1.6	11.3	17.3
Tax Rate (%)	25.1	25.1	27.0	25.1	25.1	25.1
PAT	74.4	89.8	25.8	4.8	33.9	51.7
-growth (%)	54.9	20.6	-71.3	-81.3	603.2	52.7

Balance Sheet						
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	7.8	7.8	7.8	7.8	7.8	7.8
Reserves & Surplus	541.8	623.3	639.1	637.7	663.8	706.9
Net Worth	549.6	631.0	646.9	645.5	671.6	714.7
Deposits	3,361.2	3,845.9	4,108.6	4,018.2	4,460.2	5,040.1
-growth (%)	14.6	14.4	6.8	-2.2	11.0	13.0
- CASA Dep	1,347.3	1,456.7	1,347.9	1,354.1	1,529.9	1,784.2
-growth (%)	7.5	8.1	-7.5	0.5	13.0	16.6
Borrowings	490.1	476.1	537.0	415.8	470.2	536.6
Other Liabilities & Prov.	177.0	196.9	247.1	286.6	338.2	402.4
Total Liabilities	4,578.4	5,150.9	5,541.1	5,366.1	5,940.2	6,693.7
Current Assets	567.8	369.1	593.8	452.3	493.0	552.1
Investments	830.8	1,064.9	1,144.6	1,224.7	1,310.4	1,441.5
-growth (%)	17.1	28.2	7.5	7.0	7.0	10.0
Loans	2,899.2	3,433.0	3,450.2	3,277.7	3,680.8	4,177.7
-growth (%)	21.3	18.4	0.5	-5.0	12.3	13.5
Fixed Assets	20.8	23.2	25.0	26.2	28.3	30.6
Other Assets	259.8	260.8	327.6	385.3	427.6	491.9
Total Assets	4,578.4	5,150.9	5,541.1	5,366.1	5,940.2	6,693.7

Asset Quality						
GNPA	58.3	66.9	110.5	113.3	119.8	128.4
NNPA	17.8	20.4	33.6	31.0	31.7	33.4
Slippage	68.9	60.3	105.5	102.3	83.5	86.4
GNPA Ratio (%)	2.0	1.9	3.1	3.4	3.2	3.0
NNPA Ratio (%)	0.6	0.6	1.0	0.9	0.9	0.8
Slippage Ratio (%)	2.61	1.91	3.06	3.04	2.40	2.20
Credit Cost (%)	1.70	1.23	2.07	2.54	1.50	1.24
PCR (Excl Technical write off) (%)	69.4	69.5	69.6	72.6	73.6	74.0

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield-Earning Assets	9.0	10.0	9.7	9.1	9.1	9.1
Avg. Yield on loans	11.3	12.0	11.5	11.0	10.9	10.9
Avg. Yield on Investments	6.0	5.8	6.2	6.6	7.0	6.9
Avg. Cost-Int. Bear. Liab.	5.2	6.1	6.6	6.2	5.9	5.8
Avg. Cost of Deposits	5.0	6.0	6.4	6.0	5.7	5.5
Interest Spread	4.0	4.0	3.3	3.1	3.3	3.5
Net Interest Margin	5.0	4.8	4.1	3.9	4.0	4.2

Capitalisation Ratios (%)

CAR	17.9	17.2	16.2	17.5	16.5	15.7
Tier I	16.4	15.8	15.1	15.9	15.0	14.4
-CET-1	15.9	15.8	15.1	15.9	15.0	14.4
Tier II	1.5	1.4	1.1	1.6	1.5	1.4

Business Ratios (%)

Loans/Deposit Ratio	86.3	89.3	84.0	81.6	82.5	82.9
CASA Ratio	40.1	37.9	32.8	33.7	34.3	35.4
Cost/Assets	2.5	2.7	2.9	3.0	3.0	3.0
Cost/Total Income	44.0	47.1	60.1	63.8	64.3	62.7
Cost/Core Income	44.1	47.8	61.3	65.2	65.8	64.1
Int. Expense/Int.Income	51.6	54.9	60.9	61.3	58.8	57.2
Fee Income/Total Income	31.5	29.9	26.8	27.0	27.5	27.1
Non Int. Inc./Total Income	31.7	31.3	28.8	29.1	29.7	29.3
Empl. Cost/Total Expense	36.8	38.0	37.5	44.1	44.7	45.2

Efficiency Ratios (INRm)

Employee per branch (in nos)	14.7	15.3	14.6	17	17	17
Staff cost per employee	1.1	1.2	1.3	1.3	1.3	1.4
CASA per branch	517	488	437	409	432	468
Deposits per branch	1,290	1,289	1,334	1,213	1,259	1,323
Business per Employee	164.0	159.5	168.1	132.8	135.9	140.5
Profit per Employee	1.9	2.0	0.6	0.1	0.6	0.8

Profitability Ratios and Valuations

RoA	1.7	1.8	0.5	0.1	0.6	0.8
RoE	14.5	15.3	4.0	0.7	5.2	7.5
RoRWA	2.2	2.3	0.6	0.1	0.8	1.0
Book Value (INR)	707	810	830	827	860	915
-growth	14.4	14.6	2.5	-0.4	4.0	6.4
Price-BV (x)	1.3	1.1	1.1	1.1	1.0	1.0
Adjusted BV (INR)	691	792	800	799	832	885
Price-ABV (x)	1.3	1.1	1.1	1.1	1.1	1.0
EPS (INR)	96.0	115.5	33.1	6.2	43.5	66.3
-growth	54.7	20.3	-71.4	-81.3	603.2	52.7
Price-Earnings (x)	9.4	7.8	27.2	145.3	20.7	13.5
Dividend Per Share (INR)	8.5	14.0	16.5	8.0	10.0	11.0
Dividend Yield	0.9	1.6	1.8	0.9	1.1	1.2

E: MOFSL Estimates

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Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.