

Indian Bank

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	INBK IN
Equity Shares (m)	1347
M.Cap.(INRb)/(USD\$)	751.7 / 8.9
52-Week Range (INR)	633 / 474
1, 6, 12 Rel. Per (%)	1/-5/-6
12M Avg Val (INR M)	1017

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	251.8	263.8	293.6
OP	190.0	200.3	225.3
NP	109.2	113.7	127.0
NIM (%)	3.1	3.0	3.0
EPS (INR)	81.1	84.4	94.3
EPS Gr. (%)	30.3	4.1	11.7
BV/Sh. (INR)	490	541	614
ABV/Sh. (INR)	482	533	605

Ratios

RoA (%)	1.3	1.2	1.3
RoE (%)	18.9	17.0	16.9

Valuations

P/E(X)	6.9	6.6	5.9
P/BV (X)	1.1	1.0	0.9
P/ABV (X)	1.2	1.0	0.9

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	73.8	73.8	73.8
DII	17.8	17.6	17.0
FII	4.7	4.8	5.3
Others	3.7	3.7	3.9

CMP: INR558 **TP: INR670 (+20%)** **Buy**

A mixed quarter; slight earnings beat amid NIM pressure

Asset quality ratios improve, while slippages mount sequentially

- Indian Bank (INBK) reported a 4QFY25 PAT of INR29.6b (up 31.6% YoY/ 3.6% QoQ; 4% beat), driven by lower provisions and higher other income.
- NII grew 6.2% YoY/flat QoQ (in line) at INR63.9b. NIM dipped 8bp QoQ to 3.37% during the quarter.
- Net advances grew 10.9% YoY/5.3% QoQ, while deposits grew 7.1% YoY/5.0% QoQ. Consequently, the C/D ratio increased 28bp QoQ to 77.5%. CASA ratio stood flat at 38.4%.
- Fresh slippages increased to INR14.3b vs. INR10.2b in 3QFY25, amid higher Agri and MSME slippages. GNPA/NNPA ratios, though, continued to improve by 17bp/2bp QoQ to 3.09%/0.19%. PCR stood flat at 93.9%.
- We tweak our earnings estimates and anticipate the bank to deliver an FY27E RoA/RoE of 1.3%/16.9%. **Reiterate BUY with a TP of INR670 (premised on 1.1x FY27E ABV).**

Business growth healthy; NIM outlook revised downwards

- INBK's PAT growth was healthy at 32% YoY/3.6% QoQ to INR29.6b, led by lower provisions and higher other income. FY25 PAT stood at INR109b (up 35% YoY); the bank expects FY26E growth to be 4% YoY at INR113.7b.
- NII grew 6.2% YoY/ flat QoQ (in line) to INR63.9b. NIM dipped 8bp QoQ to 3.37%. The bank expects NIM to be in the range of 3.15-3.30% in FY26.
- Other income grew 21.1% YoY/27.4% QoQ to INR27.4b amid higher recovery from bad debt and healthy fee income. Treasury income stood at INR1.9b vs INR2.6b in 3QFY25.
- Opex grew 3.5% YoY (up 7.8% QoQ, inline). As a result, the C/I ratio increased 48bp QoQ to 45%. PPop grew 16.6% YoY/ 5.7% QoQ (4% beat) to INR50.2b in 4QFY25.
- Advances growth was healthy at 10.9% YoY/ 5.3% QoQ to ~INR5.7t, led by broad-based growth across segments. Retail loans grew 13.7% YoY/3.7% QoQ. Within Retail, housing grew 3.3% QoQ, and VF rose 7.2% QoQ. The Corporate segment grew 5.3% QoQ, while MSME increased 4.6% QoQ.
- Deposits growth stood healthy at 5.0% QoQ (up 7.1% YoY), led by CASA deposits (up 5.1% QoQ). CASA ratio (domestic) improved by 16bp QoQ to 40.2%. C/D ratio increased by 28bp QoQ to 77.5%.
- Fresh slippages increased to INR14.3b vs INR10.2b in 3QFY25. However, better recovery, write-offs, and healthy loan growth led to a 17bp/2bp QoQ reduction in GNPA/NNPA ratios to 3.09%/0.19%. PCR stood flat at 93.9%.
- SMA-1 book rose 59.4% QoQ, as two large accounts entered into SMA-1, but management does not expect these accounts to slip into NPA. The overall SMA pool was down 35.5% QoQ. The restructured portfolio dipped to INR48.8b/0.85% of loans (vs. 1.23% in 3QFY25 and 1.34% in 2QFY25).

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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

- **Guidance for FY26:** Deposit growth: 8-10%; CASA ratio: 40%; Credit growth: 10-12%; NIM: 3.15-3.30%; and ROA: 1.20%.
- Two large accounts entered SMA-1, but management does not expect these accounts to slip into NPA.
- Recovery from Bhushan Power (outstanding exposure of INR26b with recovery of INR12.5b as per the resolution plan). Management believes that scrapping the IRP plan should be a net positive, as the enterprise value of the company is likely to have improved—compared to the earlier 60% haircut the banks were facing. The asset is operational, and significant capacity has been added over the past 3–4 years; hence, it shall be positive for the bank.

Valuation and view

INBK reported healthy earnings in 4QFY25, fueled by other income, controlled provisions, and opex. Business growth rebounded after the sluggish growth in 3Q, while the CD ratio inched up. NIM contracted 8bp, while the outlook for NIM has been revised slightly downwards. Management expects margins to be in the range of 3.15-3.3%, while the growth outlook continues to remain healthy. The bank has a focus on profitable growth and guides for a healthy asset quality outlook. The asset quality ratio improved with INBK maintaining the best-in-class coverage ratio and lower slippages, which provides comfort on incremental credit costs. SMA-1 has seen an increase; however, the bank does not anticipate any slippages from these accounts. We tweak our estimates and expect the bank to deliver an F27E RoA/RoE of 1.3%/16.9%. **Reiterate BUY with a TP of INR670 (based on 1.1x FY'27E ABV).**

Quarterly performance

(INR b)											
Y/E March	FY24				FY25				FY25	FY26E	FY25E v/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE Est
Net Interest Income	57.0	57.4	58.1	60.2	61.8	61.9	64.1	63.9	251.8	263.8	65.4 -2%
% Change (YoY)	25.8	22.5	5.7	9.2	8.3	7.9	10.3	6.2	8.2	4.8	8.8
Other Income	17.1	19.9	19.0	22.6	19.1	24.2	21.5	27.4	92.2	104.2	24.1 14%
Total Income	74.1	77.3	77.2	82.8	80.8	86.2	85.7	91.3	344.0	368.0	89.5 2%
Operating Expenses	32.8	34.3	36.2	39.7	35.8	38.9	38.2	41.1	154.0	167.7	41.5 -1%
Operating Profit	41.3	43.0	41.0	43.0	45.0	47.3	47.5	50.2	190.0	200.3	48.0 4%
% Change (YoY)	16.0	18.6	0.9	7.2	8.9	9.9	15.9	16.6	12.8	5.4	11.6
Provisions	17.4	15.5	13.5	12.5	12.6	11.0	10.6	7.9	42.1	48.4	9.1 -12%
Profit before Tax	23.9	27.5	27.5	30.6	32.4	36.3	36.9	42.2	147.9	151.9	39.0 8%
Tax	6.9	7.6	6.3	8.1	8.4	9.2	8.4	12.7	38.7	38.3	10.4
Net Profit	17.1	19.9	21.2	22.5	24.0	27.1	28.5	29.6	109.2	113.7	28.5 4%
% Change (YoY)	40.8	62.2	51.8	55.3	40.6	36.2	34.6	31.6	35.4	4.1	27.1
Operating Parameters											
Deposits (INR b)	6,215	6,408	6,542	6,880	6,812	6,931	7,023	7,372	7,372	7,998	7,370 0%
Loans (INR b)	4,564	4,706	4,896	5,149	5,208	5,329	5,421	5,711	5,711	6,310	5,711 0%
Deposit Growth (%)	6.4	8.8	9.6	10.8	9.6	8.2	7.4	7.1	7.1	8.5	7.1
Loan Growth (%)	13.6	14.2	12.3	14.6	14.1	13.2	10.7	10.9	10.9	10.5	10.9
Asset Quality											
Gross NPA (%)	5.5	5.0	4.5	4.0	3.8	3.5	3.3	3.1	3.1	2.8	3.1
Net NPA (%)	0.7	0.6	0.5	0.4	0.4	0.3	0.2	0.2	0.2	0.2	0.2
PCR (%)	87.8	88.5	88.7	89.5	90.0	92.5	93.8	93.9	93.7	93.2	93.8

Quarterly snapshot

	FY24				FY25				Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
Profit and Loss (INRm)										
Net Interest Income	57.0	57.4	58.1	60.2	61.8	61.9	64.1	63.9	6	0
Other Income	17.1	19.9	19.0	22.6	19.1	24.2	21.5	27.4	21	27
Core Fees	6.7	8.1	8.5	9.7	7.9	8.9	9.3	9.2	-5	-1
Trading profits	4.6	3.2	3.3	1.9	2.6	3.3	2.6	1.9	-1	-26
Total Income	74.1	77.3	77.2	82.8	80.8	86.2	85.7	91.3	10	7
Operating Expenses	32.8	34.3	36.2	39.7	35.8	38.9	38.2	41.1	4	8
Employee	21.2	21.8	23.4	26.3	23.0	24.6	24.2	27.0	3	12
Others	11.6	12.5	12.8	13.4	12.8	14.2	14.0	14.1	5	1
Operating Profits	41.3	43.0	41.0	43.0	45.0	47.3	47.5	50.2	17	6
Core Operating Profits	36.7	39.8	37.7	41.1	42.4	44.0	44.9	48.3	17	7
Provisions	17.4	15.5	13.5	12.5	12.6	11.0	10.6	7.9	-36	-25
PBT	23.9	27.5	27.5	30.6	32.4	36.3	36.9	42.2	38	14
Taxes	6.9	7.6	6.3	8.1	8.4	9.2	8.4	12.7	56	51
PAT	17.1	19.9	21.2	22.5	24.0	27.1	28.5	29.6	32	4
Balance Sheet (INRb)										
Loans	4,564	4,706	4,896	5,149	5,208	5,329	5,421	5,711	11	5
Deposits	6,215	6,408	6,542	6,880	6,812	6,931	7,023	7,372	7	5
CASA Deposits	2,502	2,570	2,595	2,805	2,659	2,694	2,691	2,829	1	5
-Savings	2,174	2,236	2,257	2,415	2,314	2,332	2,335	2,432	1	4
-Current	329	334	338	390	345	362	356	396	2	11
Loan mix (%)										
Agri Advances	23.2	24.1	24.1	24.3	24.6	25.0	25.0	25.2	89	23
MSME Advances	17.4	17.5	17.5	16.9	16.6	16.9	17.3	17.2	35	-7
Large Industry	38.7	37.7	37.4	37.8	37.7	36.7	35.7	35.8	-202	12
Retail Loans	20.7	20.8	20.9	21.0	21.1	21.4	22.1	21.8	78	-28
Asset Quality (INRb)										
GNPA	262.3	244.9	227.9	211.1	203.0	191.5	182.1	181.8	-14	0
NNPA	32.0	28.3	25.8	22.2	20.3	14.5	11.3	11.1	-50	-2
Slippages	18.5	19.8	16.7	12.7	19.6	13.8	10.2	14.3	13	41
Asset Quality Ratios (%)										
GNPA	5.5	5.0	4.5	4.0	3.8	3.5	3.3	3.1	-86	-17
NNPA	0.7	0.6	0.5	0.4	0.4	0.3	0.2	0.2	-24	-2
PCR (Cal.)	87.8	88.5	88.7	89.5	90.0	92.5	93.8	93.9	443	9
PCR (Inc. TWO)	95.1	95.6	95.9	96.3	96.7	97.6	98.1	98.1	176	1
Credit Cost	0.9	0.8	0.8	0.7	0.7	0.7	0.5	0.8	6	34
Business Ratios (%)										
CASA	40.3	40.1	39.7	40.8	39.0	38.9	38.3	38.4	-240	5
Loan/Deposit	73.4	73.4	74.8	74.8	76.5	76.9	77.2	77.5	263	28
Other income/Total Income	23.1	25.8	24.6	27.3	23.6	28.1	25.1	30.0	271	491
Cost to Income	44.2	44.4	46.9	48.0	44.3	45.1	44.6	45.0	-295	48
Cost to Assets	2.0	1.9	2.3	2.1	1.9	2.0	2.1	2.0	-14	-9
Tax Rate	28.6	27.8	22.9	26.5	25.9	25.4	22.7	30.0	352	731
Capitalisation Ratios (%)										
CAR	15.8	15.5	15.6	16.4	16.5	16.6	15.9	17.9	150	202
Tier-1	12.9	12.6	12.9	14.0	13.9	14.0	13.8	15.9	182	208
- CET 1	12.3	12.1	12.4	13.5	13.4	13.5	13.3	15.4	184	209
Tier-2	2.9	2.9	2.7	2.4	2.5	2.5	2.2	2.1	-32	-6
LCR	136.3	129.1	132.9	135.0	121.6	120.5	123.1	17.9	-11,707	-10,515
Profitability Ratios (%)										
Yield on loans	8.5	8.8	8.8	8.8	8.7	8.8	8.9	8.6	-17	-28
Yield On Investments	6.7	6.8	6.8	6.9	7.2	7.2	7.1	7.2	35	11
Cost of Funds	4.8	5.0	5.1	5.1	5.1	5.2	5.3	5.2	8	-6
Margins	3.6	3.5	3.5	3.5	3.5	3.5	3.6	3.5	-4	-9
ROA	1.0	1.1	1.1	1.2	1.2	1.3	1.4	1.4	22	-2
ROE	17.9	19.9	19.9	19.1	19.8	21.0	21.0	21.0	-806	-843
Other Details										
Branches	5,798	5,823	5,835	5,847	5,846	5,856	5,877	5,901	54	24
ATM	4,804	4,866	4,899	4,937	5,093	5,217	5,224	5,268	331	44



Highlights from the management commentary

Opening remarks

- The bank delivered a strong performance both quarterly and annually.
- Crossed INR 13t in total business and INR 100b in PAT for FY25 for the first time.
- ROE remained flat at 21.01% for 4QFY25 and 20.76% for the full year of FY25.
- The C/I ratio stood at 45% for 4QFY25.
- Digital adoption has been a key area of focus, with significant investments made in the past 2–3 years.
- The bank has increased capacity-building efforts for leadership and middle management, particularly in credit and forex.
- Customer service improvement is a priority, with a new next-gen call center and onboarding of new CRM vendors.
- Plans are underway to launch the bank's own UPI app.
- Management is confident of achieving FY26 guidance.
- The recovery strategy relies on small borrowers, which delivered the highest recovery in FY25.
- The bank anticipates further rate cuts, given inflation remains under control.
- Recovery is more than slippages since FY22.

Advances & deposits

- Deposits stood at INR 7.4t with 7.1%YoY and QoQ 5.0% growth.
- CASA ratio maintained at a strong 40.2%, though management acknowledged that maintaining >40% is challenging in a competitive market.
- Advance growth fell short of FY25 guidance due to competitive pricing; growth in FY26 was targeted at 10–12%, with 9% growth in corporate advances.
- The MSME segment grew by 12% YoY, a significant increase from its usual 5–6% growth.
- Opened 55 lakh new savings accounts during FY25.
- The average balance in new accounts increased to INR 30,000.
- Planning branch expansion in western India due to strong response from recent openings.
- The bank is enhancing cross-sell capabilities via resource acquisition centers.
- CASA ratio above 40% remains challenging amid high competition.
- Lending to NBFCs will continue but selectively, only to entities with good track records.
- Advance growth target for FY25 was missed due to pricing competition.

P&L related

- Other income showed strong sequential growth of 27.4% and YoY growth of 21.2%; treasury profits will be booked as required, with expectations of further gains from forex trading.
- ROA moderation is because of increasing assets and can be seen to 1.20% in FY26.

Yield, Cost & Margin

- Net Interest Income saw a marginal sequential decline, attributed to two repo rate cuts.

- The yield on advances declined 28bp, with an impact from EBLR pass-through (40% of the book is EBLR-linked). About 50bp has already been passed on.
- Immediate rate cut pass-through to the loan book is being executed.
- NIM is expected to moderate to 3.15%–3.30% in FY26.

Asset quality

- SMA book declined significantly from INR 76.8b to INR 49.5b; total SMA book at INR 459.2b (6% of loans) as of Mar 2025. The SMA ratio fell to 0.86%.
- Two large accounts entered SMA-1, but the bank does not expect them to slip into NPA.
- Credit cost rose to 0.815% from 0.47% in Q3FY25, due to one major slippage in the non-fund-based book.
- The slippage ratio increased in 4Q due to higher Agri as well as MSME slippages.
- PCR improved by 1bp QoQ to 98.10%.
- Gross NPA guidance remains <3%; Net NPA will be maintained at current levels.
- Recoveries in FY25 stood maximum portion from small borrower accounts.
- Recovery from Bhushan Power of INR 26b outstanding; only 40% (INR 12.5b) recovery expected under IRP earlier. However, management believes that scrapping the IRP plan should be a net positive, as the enterprise value of the company is likely to have improved—compared to the earlier 60% haircut the bank was facing. The asset is operational, and significant capacity has been added over the past 3–4 years; hence, it shall be positive for the bank.

Others

- CAR remains strong at >17%; management believes current capital is more than adequate but retained for potential opportunities.
- If the draft gold loan guidelines are implemented “as-is”, the bank expects an adverse impact on gold loan growth and margins.

Guidance for FY26

- Deposit Growth: 8–10%
- Credit Growth: 10–12% overall; 9% in corporate
- CASA Ratio: 40%
- LDR: 80%
- NIM: 3.15–3.30%
- GNPA: <3% & NNPA: Maintain at current levels
- Credit Cost: <1%
- Slippage Ratio: <1%
- Recovery Target: INR 55b–65b
- Assets Under Collection book: INR 20b
- ROA: 1.20%
- Cost-to-Income Ratio: Maintain at 45%
- Technology Spend: INR 13b–14b annually (over the next few years)

Story in charts

Exhibit 1: Loan book up ~10.9% YoY (up 5.3% QoQ)

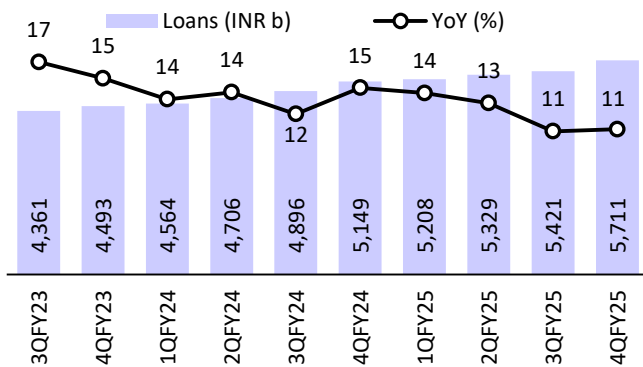


Exhibit 2: Deposits grew ~7.1% YoY (up 5.0% QoQ)

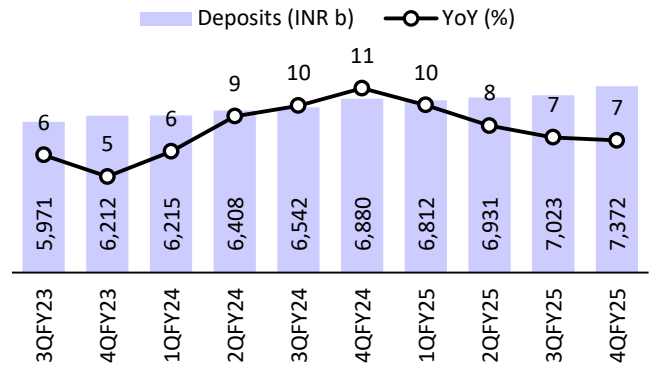


Exhibit 3: Domestic NIM dipped 9bp QoQ to 3.48%

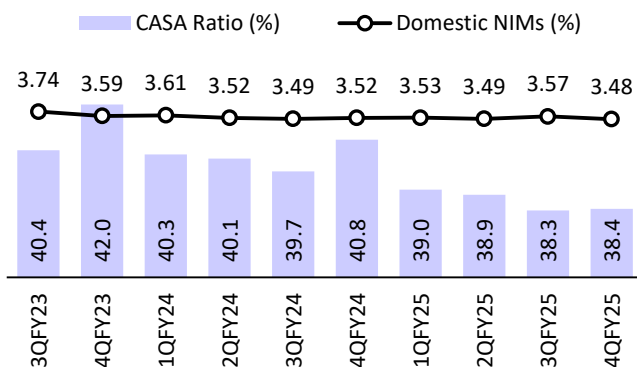


Exhibit 4: Yields declined to 8.6%/CoD at 5.1%

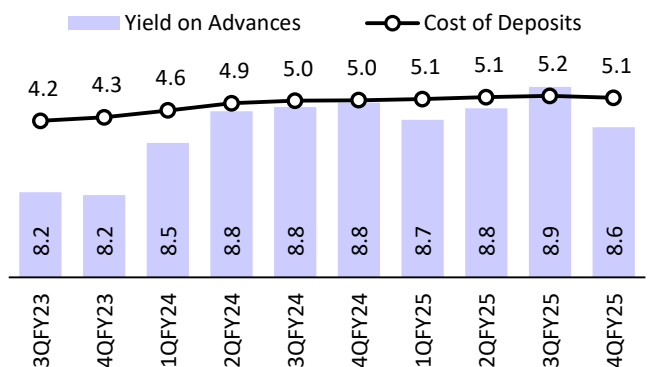


Exhibit 5: C/I ratio increased 48bp QoQ to 45%

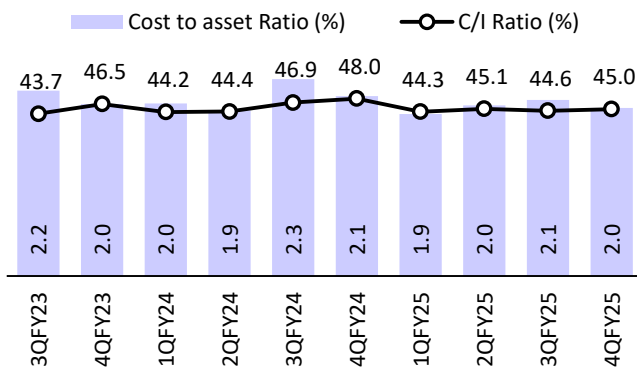


Exhibit 6: CD ratio increased to 77.5%

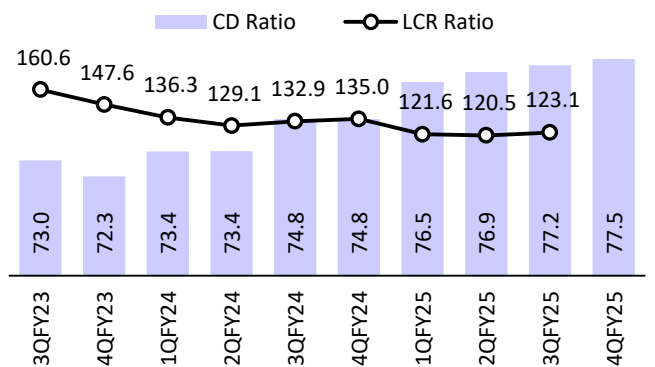


Exhibit 7: Slippages increased to INR14.3b in 4QFY25

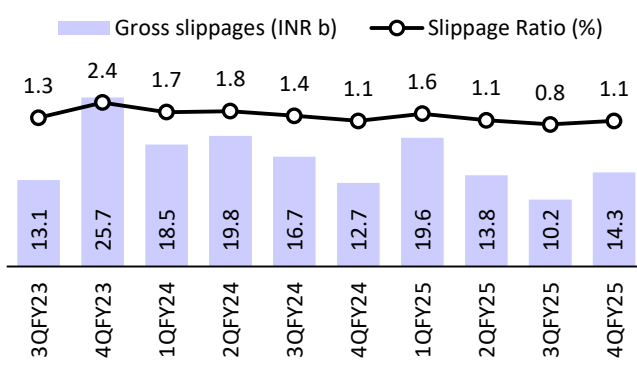
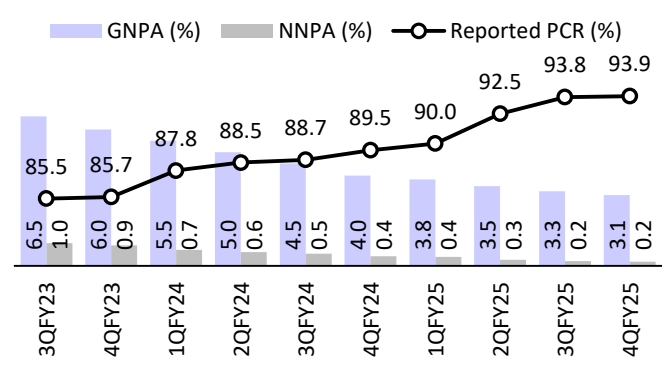


Exhibit 8: GNPA/NNPA ratios improved 17bp/2bp QoQ



Source: MOFSL, Company

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Valuation and view: Reiterate BUY with a TP of INR670

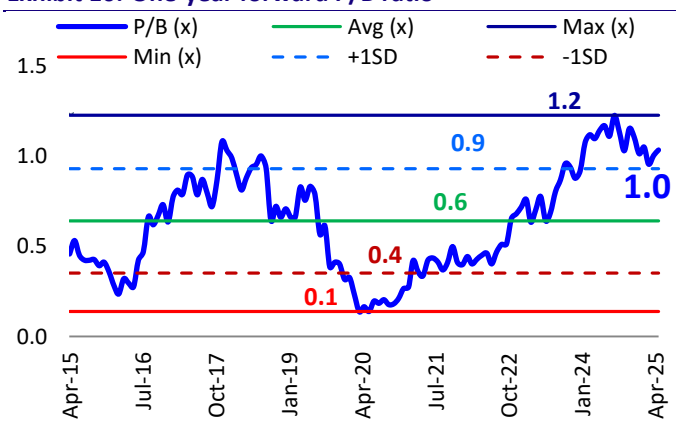
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- NIM contracted 8bp, while the outlook for NIM has been revised slightly downwards. Management expects margins to be in the range of 3.15-3.3%, while the growth outlook continues to remain healthy. The bank has a focus on profitable growth and guides for a healthy asset quality outlook.
- The asset quality ratio improved with INBK maintaining the best-in-class coverage ratio and lower slippages, which provides comfort on incremental credit costs. SMA-1 has seen an increase; however, the bank does not anticipate any slippages from these accounts.
- We tweak our estimates and expect the bank to deliver an F27E RoA/RoE of 1.3%/16.9%. **Reiterate BUY with a TP of INR670 (based on 1.1x FY'27E ABV).**

Exhibit 9: Changes to our earnings estimates

INR b	Old est.			Rev est			Change(%/bps)		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
Net Interest Income	253.3	265.5	293.1	251.8	263.8	293.6	-0.6	-0.6	0.2
Other Income	88.9	100.5	111.5	92.2	104.2	114.6	3.8	3.8	2.8
Total Income	342.2	365.9	404.6	344.0	368.0	408.3	0.5	0.6	0.9
Operating Expenses	154.3	168.0	183.3	154.0	167.7	182.9	-0.2	-0.2	-0.2
Operating Profit	187.8	197.9	221.4	190.0	200.3	225.3	1.1	1.2	1.8
Provisions	43.2	47.4	54.8	42.1	48.4	55.6	-2.6	2.1	1.4
PBT	144.6	150.5	166.6	147.9	151.9	169.7	2.3	1.0	1.9
Tax	36.4	37.9	42.0	38.7	38.3	42.8	6.2	1.0	1.9
PAT	108.2	112.6	124.6	109.2	113.7	127.0	0.9	1.0	1.9
Loans	5,674	6,259	6,891	5,711	6,310	6,992	0.6	0.8	1.5
Deposits	7,368	8,017	8,770	7,372	7,998	8,718	0.0	-0.2	-0.6
Margins (%)	3.2	3.0	3.0	3.1	3.0	3.0	0.0	-0.1	0.0
Credit Cost (%)	0.8	0.8	0.8	0.8	0.8	0.8	1.6	1.0	0.0
RoA (%)	1.3	1.2	1.3	1.31	1.25	1.28	0.0	0.0	0.0
RoE (%)	19.0	17.2	16.7	18.9	17.0	16.9	-0.2	-0.1	0.2
EPS	80.3	83.6	92.5	81.1	84.4	94.3	0.9	1.0	1.9
BV	474.1	539.7	611.0	490.2	541.3	614.3	3.4	0.3	0.5
ABV	466.3	530.0	599.8	482.2	532.6	604.8	3.4	0.5	0.8

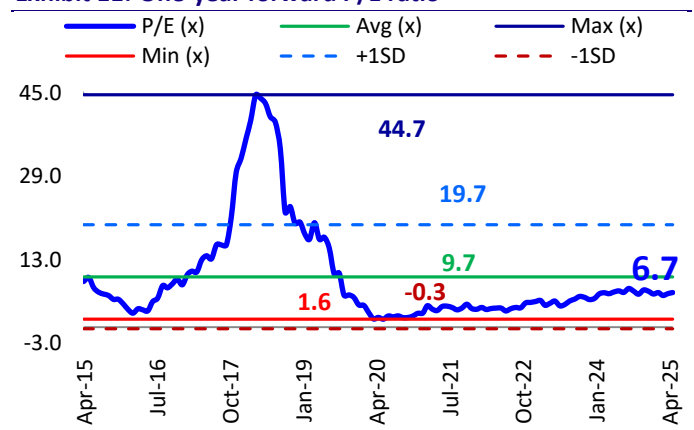
Source: MOFSL, Company

Exhibit 10: One-year forward P/B ratio



Source: MOFSL, Company

Exhibit 11: One-year forward P/E ratio



Source: MOFSL, Company

DuPont Analysis: We estimate RoA to sustain at 1.3% over FY27E

Y/E March (%)	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest Income	6.00	6.50	7.40	7.44	7.46	7.41
Interest Expense	3.42	3.58	4.30	4.42	4.56	4.45
Net Interest Income	2.58	2.93	3.10	3.02	2.90	2.96
Fee income	0.87	0.99	0.87	0.92	0.94	0.93
Trading and others	0.20	0.04	0.17	0.19	0.21	0.23
Other Income	1.07	1.03	1.05	1.11	1.15	1.16
Total Income	3.65	3.96	4.14	4.13	4.05	4.12
Operating Expenses	1.69	1.75	1.90	1.85	1.84	1.85
Employees	1.03	1.09	1.23	1.19	1.18	1.19
Others	0.65	0.66	0.67	0.66	0.66	0.66
Operating Profits	1.96	2.21	2.24	2.28	2.20	2.27
Core operating Profits	1.77	2.17	2.07	2.09	2.00	2.05
Provisions	1.47	1.35	0.78	0.51	0.53	0.56
PBT	0.49	0.86	1.46	1.78	1.67	1.71
Tax	-0.11	0.09	0.38	0.46	0.42	0.43
RoA	0.61	0.76	1.07	1.31	1.25	1.28
Leverage (x)	18.5	17.4	15.9	14.4	13.6	13.2
RoE	11.2	13.3	17.1	18.9	17.0	16.9

Source: MOFSL, Company

Financials and valuations

Income Statement					(INRb)	
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest Income	388.6	449.4	556.1	620.0	678.9	734.9
Interest Expense	221.3	247.2	323.4	368.3	415.1	441.3
Net Interest Income	167.3	202.3	232.7	251.8	263.8	293.6
- growth (%)	6.8	20.9	15.1	8.2	4.8	11.3
Non-Interest Income	69.2	71.4	78.7	92.2	104.2	114.6
Total Income	236.4	273.7	311.4	344.0	368.0	408.3
- growth (%)	10.9	15.8	13.8	10.5	7.0	10.9
Operating Expenses	109.3	121.0	143.0	154.0	167.7	182.9
PPoP	127.2	152.7	168.4	190.0	200.3	225.3
- growth (%)	16.0	20.1	10.3	12.8	5.4	12.5
Core PPoP	114.3	149.8	155.3	174.3	181.5	202.7
- growth (%)	23.3	31.0	3.7	12.2	4.1	11.7
Provisions	95.1	93.6	58.9	42.1	48.4	55.6
PBT	32.0	59.1	109.5	147.9	151.9	169.7
Tax	-7.4	6.3	28.9	38.7	38.3	42.8
Tax Rate (%)	-23.1	10.7	26.4	26.2	25.2	25.2
PAT	39.4	52.8	80.6	109.2	113.7	127.0
- growth (%)	31.3	33.9	52.7	35.4	4.1	11.7

Balance Sheet

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E
Share Capital	12	12	13	13	13	13
Equity Share Capital	12.5	12.5	13.5	13.5	13.5	13.5
Reserves & Surplus	424.6	467.3	570.4	679.6	748.5	846.9
Net Worth	437.1	479.7	583.9	693.1	762.0	860.4
Deposits	5,936.2	6,211.7	6,880.0	7,371.5	7,998.1	8,717.9
- growth (%)	10.3	4.6	10.8	7.1	8.5	9.0
- CASA Dep	2,479.3	2,608.1	2,804.9	2,904.4	3,207.2	3,530.8
- growth (%)	8.9	5.2	7.5	3.5	10.4	10.1
Borrowings	172.1	220.7	231.3	415.1	403.0	454.2
Other Liabilities & Prov.	171.3	192.9	231.0	254.4	292.6	336.4
Total Liabilities	6,716.7	7,105.0	7,926.2	8,734.1	9,455.7	10,368.9
Current Assets	799.2	501.3	421.1	548.7	495.7	498.0
Investments	1,745.6	1,859.9	2,125.5	2,253.0	2,419.8	2,637.5
- growth (%)	-1.1	6.5	14.3	6.0	7.4	9.0
Loans	3,891.9	4,493.0	5,148.9	5,710.7	6,310.3	6,991.9
- growth (%)	7.3	15.4	14.6	10.9	10.5	10.8
Fixed Assets	76.8	74.6	75.2	88.3	92.7	98.2
Other Assets	203.2	176.2	155.5	133.4	137.2	143.2
Total Assets	6,716.7	7,105.0	7,926.2	8,734.1	9,455.7	10,368.9

Asset Quality	FY22	FY23	FY24	FY25	FY26E	FY27E
GNPA (INR b)	352.1	281.8	211.1	181.8	183.0	193.3
NNPA (INR b)	88.5	40.4	22.2	11.5	12.5	13.9
GNPA Ratio (%)	8.5	6.0	4.0	3.1	2.8	2.7
NNPA Ratio (%)	2.3	0.9	0.4	0.2	0.2	0.2
Slippage Ratio (%)	2.7	1.7	1.4	1.1	1.1	1.2
Credit Cost (%)	2.5	2.2	1.2	0.8	0.8	0.8
PCR (Excl Tech. write off)	74.9	85.7	89.5	93.7	93.2	92.8

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E
Yield and Cost Ratios (%)						
Avg. Yield- on Earning Assets	6.3	6.8	7.6	7.7	7.7	7.6
Avg. Yield on loans	7.2	7.6	8.4	8.3	8.5	8.4
Avg. Yield on Investments	6.3	6.5	6.8	7.0	6.8	6.8
Avg. Cost of Int. Bear. Liab.	3.8	3.9	4.8	4.9	5.1	5.0
Avg. Cost of Deposits	3.7	3.8	4.7	5.2	5.2	5.1
Interest Spread	2.5	2.8	2.9	2.7	2.5	2.6
Net Interest Margin	2.7	3.0	3.2	3.1	3.0	3.0

Capitalisation Ratios (%)

CAR	16.8	16.5	16.4	16.1	16.3	16.1
Tier I	13.5	13.5	14.0	14.2	14.6	14.6
- CET-1	12.5	12.9	13.5	13.7	14.0	14.1
Tier II	3.4	3.0	2.4	1.9	1.7	1.5

Business Ratios (%)

Loans/Deposit Ratio	65.6	72.3	74.8	77.5	78.9	80.2
CASA Ratio	41.8	42.0	40.8	39.4	40.1	40.5
Cost/Assets	1.6	1.7	1.8	1.8	1.8	1.8
Cost/Total Income	46.2	44.2	45.9	44.8	45.6	44.8
Cost/Core income	48.9	44.7	47.9	46.9	48.0	47.4
Int. Expense/Int.Income	56.9	55.0	58.2	59.4	61.1	60.0
Fee Income/Total Income	23.8	25.0	21.1	22.3	23.2	22.5
Non Int. Inc./Total Income	29.2	26.1	25.3	26.8	28.3	28.1
Empl. Cost/Total Expense	61.3	62.2	64.8	64.2	64.2	64.4

Efficiency Ratios (INRm)

Employee per branch (in nos)	6.9	7.0	6.9	6.9	6.9	6.9
Staff cost per employee (INR m)	1.7	1.8	2.3	2.4	2.6	2.8
CASA per branch (INRm)	432.3	450.7	479.4	486.7	526.9	568.6
Deposits per branch (INRm)	1,035.1	1,073.4	1,175.9	1,235.2	1,313.9	1,404.1
Business per Employee (INR m)	246.9	262.5	298.8	318.6	341.7	367.8
Profit per Employee (INR m)	1.0	1.3	2.0	2.7	2.7	3.0

Profitability Ratios and Valuation

RoE	11.2	13.3	17.1	18.9	17.0	16.9
RoA	0.6	0.8	1.1	1.3	1.2	1.3
RoRWA	1.3	1.6	2.0	2.4	2.3	2.3
Book Value (INR)	324	358	409	490	541	614
- growth (%)	3.7	10.7	14.2	19.8	10.4	13.5
Price-BV (x)	1.7	1.6	1.4	1.1	1.0	0.9
Adjusted BV (INR)	272	334	396	482	533	605
Price-ABV (x)	2.1	1.7	1.4	1.2	1.0	0.9
EPS (INR)	33.2	42.4	62.2	81.1	84.4	94.3
- growth (%)	24.9	27.7	46.7	30.3	4.1	11.7
Price-Earnings (x)	16.8	13.2	9.0	6.9	6.6	5.9
Dividend Per Share (INR)	6.5	8.6	12.0	15.2	18.0	21.2
Dividend Yield (%)	1.2	1.5	2.2	2.7	3.2	3.8

E: MOFSL Estimates

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www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj 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/NCDEX); 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.