

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	IIB IN
Equity Shares (m)	779
M.Cap.(INRb)/(USDb)	624.8 / 7.2
52-Week Range (INR)	1499 / 605
1, 6, 12 Rel. Per (%)	-3/-22/-42
12M Avg Val (INR M)	7017

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
NII	190.3	181.8	210.1
OP	106.6	98.4	115.4
NP	25.8	31.6	44.5
NIM (%)	3.6	3.2	3.4
EPS (INR)	33.1	40.6	57.1
EPS Gr. (%)	-71.4	22.7	40.8
BV/Sh. (INR)	830	865	912
ABV/Sh. (INR)	801	837	885
Ratios			
RoA (%)	0.5	0.6	0.7
RoE (%)	4.0	4.8	6.4
Valuations			
P/E (X)	24.1	19.7	14.0
P/BV (X)	1.0	0.9	0.9
P/ABV (X)	1.0	1.0	0.9

Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	15.1	15.1	15.1
DII	32.0	35.0	27.8
FII	36.8	32.8	43.2
Others	16.2	17.1	13.9

FII includes depository receipts

CMP: INR802

TP: INR830 (+3%)

Neutral

Operating metrics regaining stability after 4Q reset

Asset quality deteriorates; Adjusted NIM declines 12bp QoQ

- IndusInd Bank (IIB) reported a 1QFY26 PAT of ~INR6b (72% YoY decline, 6% beat) led by better NII. Due to several one-offs in 4QFY25, the bank reported a loss; however, it has now returned to profitability.
- NII declined 14% YoY to INR46.4b (12% beat), as reported NIMs stood at 3.46% (down 79bp YoY/ and up 121bp QoQ). Adjusted for one-offs, NIM contracted by 12bp QoQ.
- IIB's other income declined 12% YoY (up 204% QoQ) to INR21.6b (11% miss). Operating expenses were up 8.5% YoY/flat QoQ at INR42.3b (in line). The C/I ratio stood at 62.2% for the quarter.
- Loan book declined 3.3% QoQ (down 4.1% YoY), while deposits also declined 3.3% QoQ (flat YoY). The CD ratio thus stood at 84%.
- Fresh slippages were INR25.7b vs. INR50b in 4QFY25 (due to one-offs) and INR15.4b in 1QFY25. Asset quality deteriorated, with the GNPA/NNPA ratio rising 51bp/17bp QoQ to 3.64%/1.12%. The PCR stood stable at 70.2%.
- We marginally raise our earnings estimates by 2.6%/2.3% for FY26/FY27 and project IIB's RoA/RoE at 0.7%/6.4% for FY27. Reiterate NEUTRAL with a TP of INR830 (premised on 0.9x FY27E BV).**

Business growth muted; retail mix rises to 60%

- IIB returned to profitability in 1QFY26, with a PAT of INR6b (72% YoY decline, 6% beat). NII declined 14% YoY to INR46.4b (12% beat). Adjusted for one-offs, NIM contracted 12bp QoQ. The bank delivered 11bp of positive impact on NIM due to the one-offs from interest reversal on IT refund and interest recovery in one account.
- Other income dipped 12% YoY to INR21.6b (11% miss) amid lower fee income. Treasury income stood at INR6.3b vs INR3.6b in 4QFY25. Operating expenses were up 8.5% YoY/flat QoQ at INR42.3b (in line). The C/I ratio stood at 62.2%. The PPoP thus stood at INR25.7b (35% YoY decline; 13% above MOFSLe).
- On the business front, IIB's loans declined 4% YoY (down 3.3% QoQ), due to a sharp drop in the corporate and commercial books (down 16% YoY/7.7% QoQ), as the bank has run down certain corporate assets. Meanwhile, the consumer book remained flat QoQ, despite the MFI book declining 8% QoQ. Within the consumer business, the VF business grew 7.3% YoY/0.8% QoQ, while the cards business remained flat sequentially.
- Deposits declined 3.3% QoQ (flat YoY), while the CASA book declined 14.5% YoY/ 7.3% QoQ. IIB's CASA ratio declined 133bp QoQ to 31.5%. Retail deposits as per LCR increased to 46% for the quarter.
- Fresh slippages stood elevated at INR25.7b vs INR50b in 4QFY25 (due to one-offs) and INR15.4b in 1QFY25. Asset quality deteriorated, with the GNPA/NNPA ratio rising 51bp/17bp QoQ to 3.64% / 1.12%. The PCR stood stable at 70.2%. During the quarter, IIB's restructured book declined 2bp QoQ to 0.10%.

Highlights from the management commentary

- The Board is focused on five key priorities: 1) The profitability-first approach (reduced deposit rates), 2) stringent cost management (implemented by all business units), working on containing opex to single digits, 3) heightened focus on recoveries, 4) building the One IndusInd franchise, and 5) effective engagement with stakeholders.
- IIB exited bulk and CD funding, resulting in higher retail and granular deposits.
- Bank book mix: Fixed stood at 55-58%, EBLR at 27%, and MCLR at 13%.
- MFI will take six months to stabilize and has come down to INR9b of slippages, although it is still elevated. Other slippages, ex-MFI, were quite stable.

Valuation and view

IIB returned to profitability in 1QFY26 after reporting a loss in previous quarters due to several one-offs. Other income was hit by lower fee income, but treasury gains and NII led to a slight beat on earnings. Adj. NIM contracted 12bp QoQ.. The advances book declined as the bank strategically reduced its corporate lending. Management expects vehicle finance demand to remain subdued. Deposit growth remained muted as the bank exited bulk and CD funding, though the CD ratio remained comfortable at 84%. The asset quality deteriorated primarily due to MFI, and management expects it to take six months to stabilize. **We slightly raise our earnings estimates by 2.6%/2.3% for FY26/27 as the bank is focusing on containing costs and is adopting a profitability-first approach. We estimate an RoA/RoE of 0.7%/6.4% for FY27. Reiterate NEUTRAL with a TP of INR830 (premised on 0.9x FY27E BV). The appointment of a new CEO and the pace of business recovery will be the key near-term monitorables.**

Quarterly performance

									(INR b)			
	FY25				FY26E				FY25	FY26E	FY26E	V/S our
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE	Est	
Net Interest Income	54.1	53.5	52.3	30.5	46.4	43.1	45.9	46.4	190.3	181.8	41.6	12%
% Change (YoY)	11.1	5.3	-1.3	-43.3	-14.2	-19.4	-12.2	52.2	-7.7	-4.5	-23.1	
Other Income	24.4	21.8	23.6	7.1	21.6	22.1	22.7	26.0	76.9	92.3	24.2	-11%
Total Income	78.5	75.3	75.8	37.6	68.0	65.2	68.6	72.4	267.2	274.1	65.8	3%
Operating Expenses	39.0	39.3	39.8	42.5	42.3	43.6	44.1	45.7	160.6	175.7	43.1	-2%
Operating Profit	39.5	36.0	36.0	-4.9	25.7	21.6	24.5	26.6	106.6	98.4	22.7	13%
% Change (YoY)	3.1	-7.9	-10.9	-112.0	-35.0	-40.0	-32.0	-642.5	-32.8	-7.7	-42.5	
Provisions	10.5	18.2	17.4	25.2	17.6	13.5	13.4	11.7	71.4	56.2	15.1	17%
Profit before Tax	29.0	17.8	18.6	-30.1	8.1	8.1	11.1	14.9	35.3	42.2	7.6	6%
Tax	7.3	4.5	4.5	-6.8	2.0	2.0	2.8	3.7	9.5	10.6	1.9	6%
Net Profit	21.7	13.3	14.0	-23.3	6.0	6.1	8.3	11.2	25.8	31.6	5.7	6%
% Change (YoY)	2.2	-39.5	-39.1	-199.1	-72.2	-54.4	-40.7	-148.0	-71.3	22.7	-73.7	
Operating Parameters												
Deposit (INR b)	3,985	4,124	4,094	4,109	3,971	4,135	4,256	4,376	4,109	4,376	4,002	
Loan (INR b)	3,479	3,572	3,669	3,450	3,337	3,486	3,583	3,692	3,450	3,692	3,354	
Deposit Growth (%)	14.8	14.7	11.0	6.8	-0.3	0.3	3.9	6.5	6.8	6.5	0.4	
Loan Growth (%)	15.5	13.2	12.2	0.5	-4.1	-2.4	-2.3	7.0	0.5	7.0	-3.6	
Asset Quality												
Gross NPA (%)	2.0	2.1	2.3	3.1	3.6	3.7	3.8	2.8	3.1	2.8	3.4	
Net NPA (%)	0.6	0.6	0.7	1.0	1.1	1.1	1.1	0.8	1.0	0.8	1.0	
PCR (%)	70.6	70.1	70.2	70.2	70.2	70.8	71.2	71.0	70.2	71.0	70.5	

E: MOFSL Estimates

Quarterly snapshot

INR b		FY25				FY26	Variation (%)	
		1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Profit and Loss								
Net Interest Income	54.1	53.5	52.3	30.5	46.4	-14	52	
Other Income	24.4	21.8	23.6	7.1	21.6	-12	204	
Trading profits	0.9	0.6	2.3	3.6	6.3	572	72	
Total Income	78.5	75.3	75.8	37.6	68.0	-13	81	
Operating Expenses	39.0	39.3	39.8	42.5	42.3	9	0	
Employee	14.4	15.0	14.8	16.0	18.1	26	13	
Others	24.6	24.3	25.0	26.5	24.2	-1	-8	
Operating Profits	39.5	36.0	36.0	-4.9	25.7	-35	-623	
Core PPoP	38.6	35.4	33.7	-8.5	19.4	-50	-327	
Provisions	10.5	18.2	17.4	25.2	17.6	68	-30	
PBT	29.0	17.8	18.6	-30.1	8.1	-72	-127	
Taxes	7.3	4.5	4.5	-6.8	2.0	-72	-130	
PAT	21.7	13.3	14.0	-23.3	6.0	-72	-126	
Balance Sheet (INR b)								
Loans	3,479	3,572	3,669	3,450	3,337	-4	-3	
- CCBG Advances	1,566	1,679	1,688	1,449	1,335	-15	-8	
- CFD Advances	1,913	1,893	1,981	2,001	2,002	5	0	
Deposits	3,985	4,124	4,094	4,109	3,971	0	-3	
CASA Deposits	1,461	1,479	1,428	1,348	1,250	-14	-7	
- Savings	977	953	969	940	911	-7	-3	
- Current	485	526	459	408	339	-30	-17	
Loan mix (%)								
Consumer	54.8	53.5	53.6	58.4	60.3	552	190	
- of which Vehicle	25.8	25.4	25.5	27.7	28.9	306	117	
- of which Unsecured	10.3	10.9	10.2	11.6	12.3	198	73	
- of which MFI	10.6	9.2	8.9	9.0	8.5	-214	-45	
- others	8.0	8.1	9.0	10.2	10.6	262	45	
Corporate & Commercial	45.2	46.5	46.4	41.6	39.7	-552	-190	
Asset Quality (INR b)								
GNPA	71.27	76.39	83.75	110.46	124.81	75	13	
NNPA	20.95	22.82	24.96	32.87	37.22	78	13	
Slippages	15.4	18.0	22.0	50.1	25.7	67	-49	
Asset Quality Ratios (%)		1Q	2Q	3Q	4Q	1Q	YoY (Bp)	QoQ (Bp)
GNPA	2.0	2.1	2.3	3.1	3.6	162	51	
NNPA	0.6	0.6	0.7	1.0	1.1	52	17	
PCR (Cal.)	70.6	70.1	70.2	70.2	70.2	-42	-6	
Slippage	1.9	2.1	2.5	5.8	3.0	112	-281	
Business Ratios (%)								
CASA	36.7	35.9	34.9	32.8	31.5	-519	-133	
Loan/Deposit	87.3	86.6	89.6	84.0	84.0	-328	5	
Other income/Total Income	31.1	29.0	31.1	18.9	31.7	63	1,287	
Cost to Income	49.7	52.2	52.5	113.1	62.2	1,257	-5,084	
Cost to Assets	3.1	3.1	3.1	3.2	3.2	4	-2	
Tax Rate	25.2	25.2	24.5	22.7	25.2	-2	248	
Capitalisation Ratios (%)								
CAR	17.6	16.5	16.5	16.2	16.6	-92	39	
Tier 1	16.2	15.2	15.2	15.1	15.5	-67	38	
- CET 1	16.2	15.2	15.2	15.1	15.5	-67	38	
RWA / Total Assets	73.3	77.4	78.1	75.7	76.0	261	24	
LCR	122.0	118.0	118.0	118.0	141.0	1,900	2,300	
Profitability Ratios (%)								
Yield on loans	12.6	12.3	12.2	9.5	11.6	-95	217	
Yield on funds	9.9	9.7	9.6	7.9	9.2	-72	130	
Cost of deposits	6.5	6.6	6.6	6.5	6.4	-9	-6	
Cost of funds	5.6	5.6	5.7	5.6	5.7	7	9	
Margins	4.25	4.08	3.93	2.25	3.46	-79	121	
Other details								
Branches	3,013	3,040	3,063	3,081	3,110	97	29	
ATMs	2,988	3,011	2,993	3,027	3,052	64	25	



Highlights from the management commentary

Opening remarks

- The board and management have invested significant time in addressing treasury, legacy, and accounting concerns.
- Internal treasury transactions have been discontinued.
- A Project Management Office has been established to resolve operational gaps.
- 1QFY26 results were reported cleanly, with no legacy irregularities carried forward.
- The CEO appointment process has progressed significantly.
- No change in the CEO nomination process; both internal and external candidates are being considered.
- The management team is robust, operating under a strong governance framework.
- The Board is focused on five key priorities: 1) The profitability-first approach (reduced deposit rates), 2) stringent cost management (implemented by all business units), working on containing opex to single digits, 3) heightened focus on recoveries, 4) building the One IndusInd franchise, and 5) effective engagement with stakeholders.
- Vehicle Finance and Consumer Finance disbursements remained stable; MFI disbursements were calibrated.
- Corporate lending was moderated but is now gaining momentum.
- The bank has exited bulk and CD funding, resulting in higher retail and granular deposits.
- 1Q had no one-offs. CET-1 improved to 15.48%, supported by efficient capital use.
- Financial performance remains below potential, but business recovery is on track with steady momentum.
- C/I ratio was elevated due to surplus liquidity; cost efficiency is a key focus area.
- MFI slippages remained high but showed early signs of stabilization.
- Gross slippages: VF – INR7.43b, Corporate – INR2.45b, Other Retail – INR6.92b, MFI – INR8.88b.
- CEO succession is progressing well; confident of a strong leadership pipeline.
- SMA1+2 stood at 14bps; Net Security Receipts at 22bps; Restructured book at 10bps of total loans.

Retail

- Other retail assets grew 18% YoY.
- SME book grew 8% YoY, scale of home loans continues with 113% YoY growth.
- LAP book 12% YoY.
- Market share in credit cards stood at 4.8% as per the latest data.
- Credit cost remains elevated but stable.
- The bank is focused on secured retail assets.

MFI business

- MFI book was down 6% QoQ and 16% YoY.
- IIB took a cautious stance in the MFI business in 1Q, including KYC checks. These measures hurt disbursements in 1Q.

- Management expects slippages to stabilize from 3Q and 4Q.
- The bank continues to remain cautious with the asset quality trend as well.

Vehicle segment

- VF grew 7% YoY and 1% QoQ. Disbursements were steady on a YoY basis. 1H is a weak quarter, but 2H is expected to be better.
- Tractor loans declined amid a tight underwriting process.
- Expect slippages to be range-bound in this business.
- Have not sold any NPAs to ARCs.
- The restructuring book is now at INR850m.
- VF demand is expected to remain muted; however, IIB expects better monsoon and government incentives to boost the subdued demand.

Corporate

- Corporate disbursements were muted. With liquidity issues now resolved, the bank is expecting disbursements to resume in this segment.
- Jems and Jewels have strong asset quality with no SMA1, and 2 accounts.
- Corporate slippages are expected to improve going ahead.
- Restructured book reduced to INR1320m.

Deposits

- Deposits acquisition improved in 1Q, although it has not reached ahead of the March disclosure.
- The share of retail deposits stood at 46.5%.
- The bank has exited the unhealthy wholesale deposits. As a result, deposits dipped 3% QoQ.
- The bank has taken a rate action of 200bp on SA deposits. There is further scope to cut both the SA as well as TD rates.
- The bank has let go of some of the CDs raised in March.
- IIB has an average LCR of 141%.

Loans and deposits related

- CDs are still there and have a maturity of six months. CDs are slightly elevated and aspire to bring this down.
- The bank is combining the affluent as well as NR deposits for better client offerings.
- The bank's ambition is to show improvement on a QoQ basis in terms of business growth.
- The bank has done INR65b in BFIL, and the last quarter was INR75b. The bank is in a wait-and-watch situation as many states are going through elections.
- Bank book mix - Fixed is at 55-58%, EBLR - 27%, MCLR - 13%.
- The bank is letting go of unprofitable accounts in retail. The focus is on the retail deposits to make it more stable and sustainable.
- SA cuts are yet to be fully implemented into the cost of deposits.
- IIB has INR480b of surplus liquidity and is optimizing its balance sheet by exiting low-margin corporate loans and focusing on retail.

Margins, yields, cost

- The bank has a one-off interest reversal on the tax refund. Interest recovery on one account. Both of these have resulted in 11bp of positive impact on NIM.
- Last quarter, SA cuts are still left to accrue in the profits. There are another 40-50bp of SA cuts too possible.
- Corporate yields have been down 20bp as the bulk of EBLR repricing has already happened.
- Over a term of 3-6 months, the repricing should have been largely done on the EBLR side.

Asset quality-related

- MFI will take six months to stabilize and has come down to INR9b of slippages, although it is still elevated. There were changes related to the MFI guidelines as well as state-related changes.
- Other slippages, ex-MFI, were quite stable. GNPA and NNPA write-offs have not been taken into consideration as of now.
- Slippages in the CV will be better than last year.
- The bank has operated at 50-60bp of NNPA. If the bank had enough profit pool, the bank would have operated in this range.
- The book that was written 6 to 9 months ago also had some stress showing up in these loans.

Other income and opex

- Fee income this quarter was hit by lower disbursements. But there are no one-offs in the fee income.
- Expect fee income to go up from 2Q and better from the 2H onwards.
- Fee to assets is down at 1.1%. 1Q is a seasonally weak quarter.
- There were some restatements in terms of the employee expenses. There was an accounting change of INR1.14b in the employee expenses, and it will stay at this level from hereon.
- Given the environment is muted, the disbursements in the VF will come down as a result, and the opex shall be lower.
- Slower growth and investment in tech, which has already happened, shall lead to slower opex growth in the coming quarters.

Others

- The bank continues to seek shareholder approval at each AGM for enabling resolutions.
- There are no fresh developments regarding an increase in promoter shareholding.
- BFIL, a subsidiary, reported a loss this quarter, leading to consolidated profits being lower than standalone profits.
- The CEO appointment process is on track, pending regulatory approval. The bank is evaluating both internal and external candidates to fill leadership gaps, with several key roles expected to be filled soon.

Story in charts

Exhibit 1: Loans/deposits dipped 4.1%/0.3% YoY

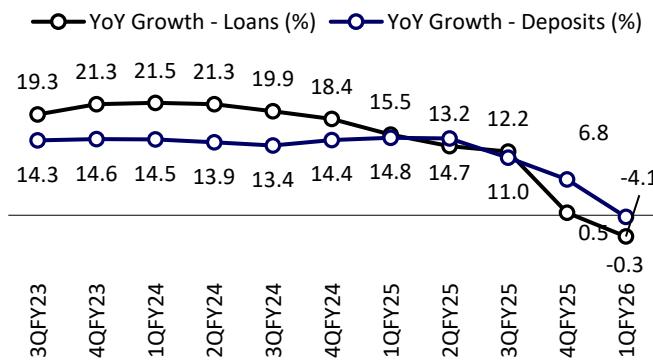


Exhibit 2: CFD mix stood at 60%, while CCB stood at 40%

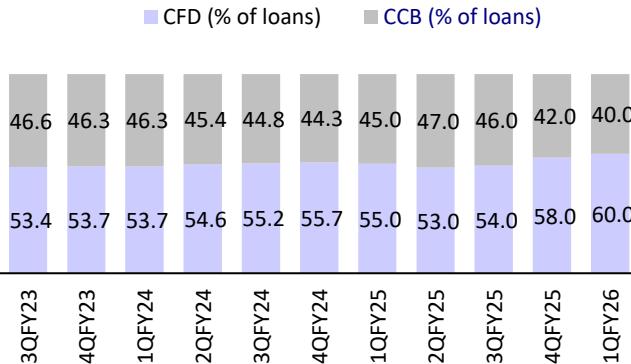


Exhibit 3: NIM stood at 3.46%; CASA ratio declined to 31.5%

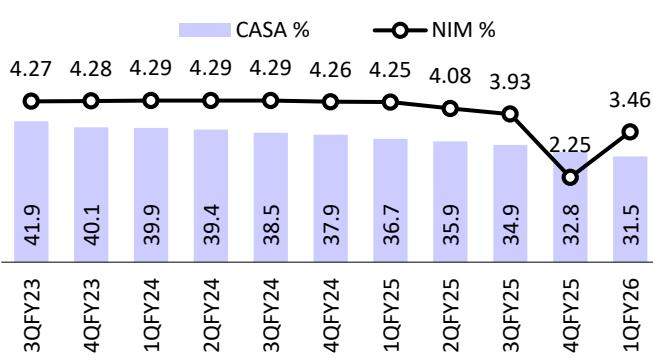


Exhibit 4: YoA increased to 11.6%; CoF stood at 5.7%

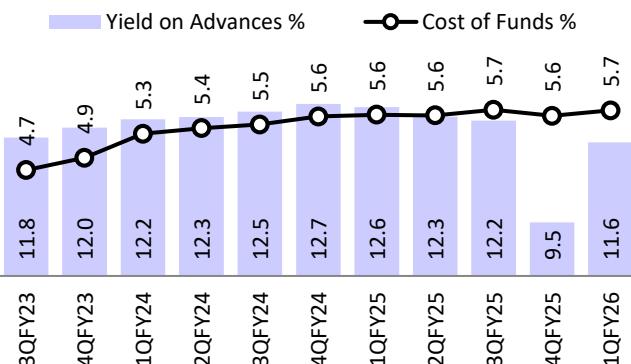


Exhibit 5: C/I ratio stood at 62.2%; C/A stood at 3.16%

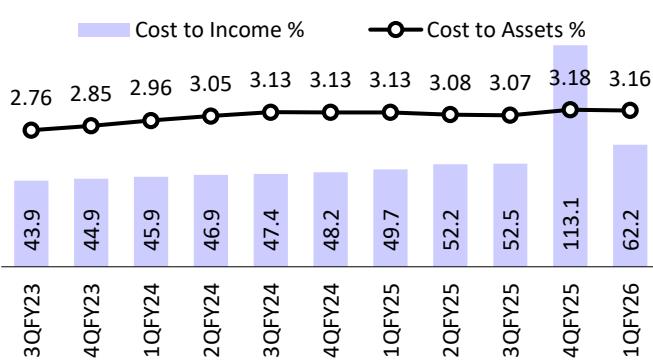


Exhibit 6: CD ratio comfortable at 84%; LCR ratio increased to 141%

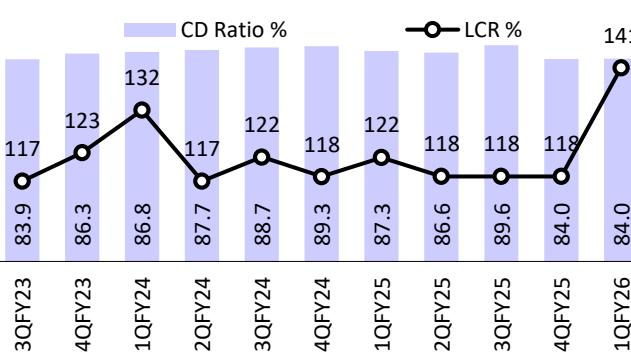
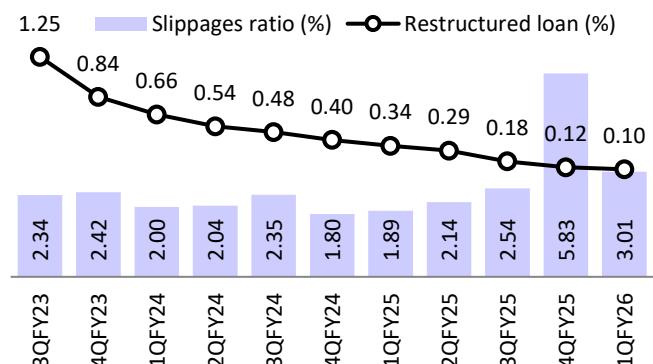
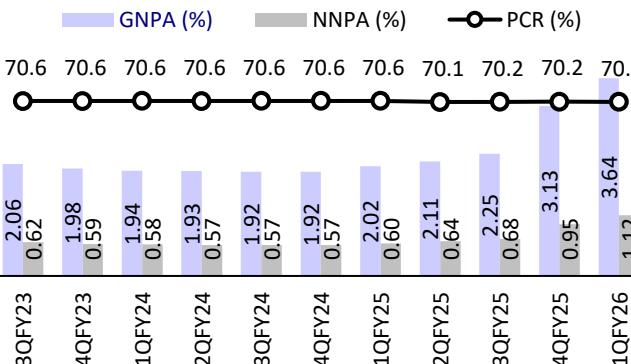


Exhibit 7: Slippage ratio elevated at 3.01%



Source: MOFSL, Company

Exhibit 8: GNPA/NNPA ratios increased to 3.64%/1.12%



Source: MOFSL, Company

Valuation and view: Reiterate NEUTRAL with TP of INR830

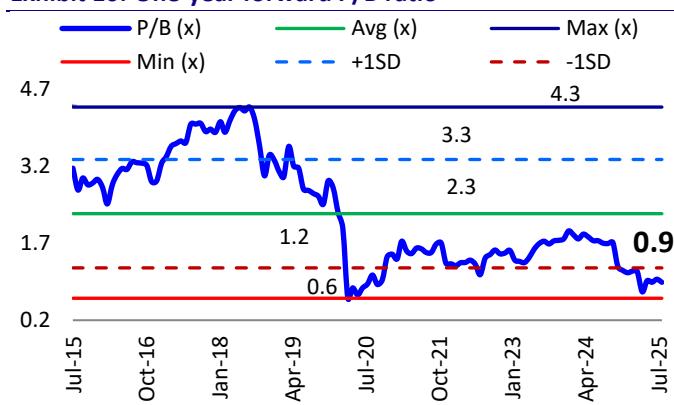
- IIB returned to profitability in 1QFY26 after reporting a loss in previous quarters due to several one-offs. Other income was hit by lower fee income, but treasury gains and NII led to a slight beat on earnings. Adj. NIM contracted 12bp QoQ.. The advances book declined as the bank strategically reduced its corporate lending. Management expects vehicle finance demand to remain subdued. Deposit growth remained muted as the bank exited bulk and CD funding, though the CD ratio remained comfortable at 84%. The asset quality deteriorated primarily due to MFI, and management expects it to take six months to stabilize.
- We slightly raise our earnings estimates by 2.6%/2.3% for FY26/27 as the bank is focusing on containing costs and is adopting a profitability-first approach. We estimate an RoA/RoE of 0.7%/6.4% for FY27. Reiterate NEUTRAL with a TP of INR830 (premised on 0.9x FY27E BV). The appointment of a new CEO and the pace of business recovery will be the key near-term monitorables.**

Exhibit 9: Revisions to our earnings estimates

INRb	Old Estimates		New Estimates		Change (%/bps)	
	FY26	FY27	FY26	FY27	FY26	FY27
Net Interest Income	180.0	207.9	181.8	210.1	1.0	1.0
Other Income	93.1	104.2	92.3	103.3	(0.8)	(0.9)
Total Income	273.1	312.2	274.1	313.3	0.4	0.4
Operating Expenses	175.7	198.1	175.7	197.9	(0.0)	(0.1)
Operating Profits	97.3	114.0	98.4	115.4	1.1	1.2
Provisions	56.2	55.9	56.2	55.9	-	-
PBT	41.1	58.1	42.2	59.4	2.6	2.3
Tax	10.3	14.6	10.6	14.9	2.6	2.3
PAT	30.8	43.5	31.6	44.5	2.6	2.3
Loans	3,691.7	4,097.8	3,691.7	4,097.8	-	-
Deposits	4,375.7	4,835.1	4,375.7	4,835.1	-	-
Margins (%)	3.14	3.34	3.17	3.37	3.1	3.3
Credit Cost (%)	1.6	1.4	1.6	1.4	-	-
RoA (%)	0.54	0.70	0.55	0.72	1.4	1.6
RoE (%)	4.7	6.3	4.8	6.4	12.0	13.6
BV	863.7	909.5	864.7	911.8	0.1	0.3
ABV	836.0	883.0	837.1	885.4	0.1	0.3
EPS	39.5	55.8	40.6	57.1	2.6	2.3

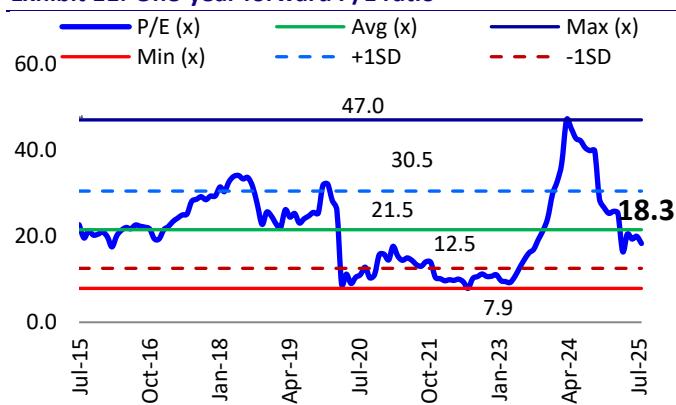
Source: MOFSL, Company

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 0.7%/6.4% for FY27

Y/E March (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	8.46	9.40	9.10	8.47	8.53	8.49
Interest Expense	4.37	5.17	5.54	5.29	5.15	4.97
Net Interest Income	4.09	4.24	3.56	3.17	3.37	3.52
Core Fee Income	1.89	1.85	1.35	1.52	1.56	1.59
Trading and others	0.02	0.08	0.09	0.09	0.10	0.10
Non-Interest income	1.90	1.93	1.44	1.61	1.66	1.70
Total Income	5.99	6.17	5.00	4.78	5.03	5.22
Operating Expenses	2.64	2.91	3.00	3.07	3.18	3.24
- Employee cost	0.97	1.10	1.13	1.15	1.19	1.21
- Others	1.67	1.80	1.88	1.92	1.99	2.03
Operating Profit	3.35	3.26	1.99	1.72	1.85	1.98
Core operating Profits	3.34	3.18	1.91	1.62	1.75	1.88
Provisions	1.04	0.80	1.33	0.98	0.90	0.71
NPA	0.90	0.63	1.33	0.97	0.88	0.68
Others	0.14	0.16	0.00	0.01	0.02	0.03
PBT	2.31	2.46	0.66	0.74	0.95	1.28
Tax	0.58	0.62	0.18	0.18	0.24	0.32
RoA	1.73	1.85	0.48	0.55	0.72	0.96
Leverage (x)	8.4	8.3	8.4	8.7	9.0	9.4
RoE	14.5	15.3	4.0	4.8	6.4	9.0

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	181.8	210.1	244.3
-growth (%)	17.3	17.2	-7.7	-4.5	15.5	16.3
Non-Interest Income	81.7	94.0	76.9	92.3	103.3	117.7
Total Income	257.6	300.1	267.2	274.1	313.3	362.0
-growth (%)	15.3	16.5	-11.0	2.6	14.3	15.5
Operating Expenses	113.5	141.5	160.6	175.7	197.9	224.4
Pre Provision Profits	144.2	158.6	106.6	98.4	115.4	137.6
-growth (%)	10.6	10.0	-32.8	-7.7	17.3	19.3
Core PPoP	143.5	154.6	101.9	93.0	109.2	130.5
-growth (%)	15.4	7.7	-34.1	-8.8	17.4	19.5
Provisions	44.9	38.8	71.4	56.2	55.9	49.0
PBT	99.3	119.8	35.3	42.2	59.4	88.6
Tax	24.9	30.0	9.5	10.6	14.9	22.2
Tax Rate (%)	25.1	25.1	27.0	25.1	25.1	25.1
PAT	74.4	89.8	25.8	31.6	44.5	66.3
-growth (%)	54.9	20.6	-71.3	22.7	40.8	49.0
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	667.5	704.2	762.0
Net Worth	549.6	631.0	646.9	675.3	712.0	769.8
Deposits	3,361.2	3,845.9	4,108.6	4,375.7	4,835.1	5,434.7
-growth (%)	14.6	14.4	6.8	6.5	10.5	12.4
- CASA Dep	1,347.3	1,456.7	1,347.9	1,474.6	1,658.4	1,923.9
-growth (%)	7.5	8.1	-7.5	9.4	12.5	16.0
Borrowings	490.1	476.1	537.0	580.3	652.5	746.2
Other Liabilities & Prov.	177.0	196.9	247.1	286.6	332.4	385.6
Total Liabilities	4,578.4	5,150.9	5,541.1	5,917.9	6,532.1	7,336.3
Current Assets	567.8	369.1	593.8	535.3	537.8	574.8
Investments	830.8	1,064.9	1,144.6	1,259.0	1,397.5	1,551.2
-growth (%)	17.1	28.2	7.5	10.0	11.0	11.0
Loans	2,899.2	3,433.0	3,450.2	3,691.7	4,097.8	4,634.6
-growth (%)	21.3	18.4	0.5	7.0	11.0	13.1
Fixed Assets	20.8	23.2	25.0	27.0	29.5	31.9
Other Assets	259.8	260.8	327.6	404.9	469.5	543.7
Total Assets	4,578.4	5,150.9	5,541.1	5,917.9	6,532.1	7,336.3
Asset Quality						
GNPA	58.3	66.9	110.5	106.2	102.7	96.8
NNPA	17.8	20.4	32.9	30.8	29.5	30.9
Slippage	68.9	60.3	105.5	78.6	74.0	74.2
GNPA Ratio (%)	2.0	1.9	3.1	2.8	2.5	2.1
NNPA Ratio (%)	0.6	0.6	1.0	0.8	0.7	0.7
Slippage Ratio (%)	2.61	1.91	3.06	2.20	1.90	1.70
Credit Cost (%)	1.70	1.23	2.07	1.55	1.40	1.08
PCR (Excl Technical write off) (%)	69.4	69.5	70.2	71.0	71.3	68.0

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	9.2	9.2
Avg. Yield on loans	11.3	12.0	11.5	11.0	11.1	11.0
Avg. Yield on Investments	6.0	5.8	6.2	6.6	6.9	6.7
Avg. Cost-Int. Bear. Liab.	5.2	6.1	6.6	6.3	6.1	5.9
Avg. Cost of Deposits	5.0	6.0	6.2	6.1	5.8	5.6
Interest Spread	4.0	4.0	3.5	3.0	3.4	3.6
Net Interest Margin	5.0	4.8	4.1	3.7	3.9	4.1
Capitalisation Ratios (%)						
CAR	17.9	17.2	16.9	16.2	15.0	14.1
Tier I	16.4	15.8	15.1	14.5	13.4	12.6
-CET-1	15.9	15.8	15.1	14.5	13.4	12.6
Tier II	1.5	1.4	1.8	1.7	1.6	1.5
Business Ratios (%)						
Loans/Deposit Ratio	86.3	89.3	84.0	84.4	84.8	85.3
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	3.1
Cost/Total Income	44.0	47.1	60.1	64.1	63.2	62.0
Cost/Core Income	44.1	47.8	61.2	65.4	64.5	63.2
Int. Expense/Int.Income	51.6	54.9	60.9	62.5	60.4	58.5
Fee Income/Total Income	31.5	29.9	27.0	31.7	31.0	30.5
Non Int. Inc./Total Income	31.7	31.3	28.8	33.7	33.0	32.5
Empl. Cost/Total Expense	36.8	38.0	37.5	37.4	37.4	37.3
Efficiency Ratios (INRm)						
Employee per branch (in nos)	14.7	15.3	16.0	16	17	17
Staff cost per employee	1.1	1.2	1.2	1.2	1.2	1.3
CASA per branch	517	488	426	438	460	497
Deposits per branch	1,290	1,289	1,299	1,299	1,341	1,403
Business per Employee	164.0	159.5	149.2	146.8	149.1	153.5
Profit per Employee	1.9	2.0	0.5	0.6	0.7	1.0
Profitability Ratios and Valuations						
RoA	1.7	1.8	0.5	0.6	0.7	1.0
RoE	14.5	15.3	4.0	4.8	6.4	9.0
RoRWA	2.2	2.3	0.7	0.8	1.0	1.3
Book Value (INR)	707	810	830	865	912	986
-growth	14.4	14.6	2.5	4.2	5.5	8.1
Price-BV (x)	1.1	1.0	1.0	0.9	0.9	0.8
Adjusted BV (INR)	691	792	801	837	885	958
Price-ABV (x)	1.2	1.0	1.0	1.0	0.9	0.8
EPS (INR)	96.0	115.5	33.1	40.6	57.1	85.2
-growth	54.7	20.3	-71.4	22.7	40.8	49.0
Price-Earnings (x)	8.3	6.9	24.1	19.7	14.0	9.4
Dividend Per Share (INR)	8.5	14.0	10.0	8.0	10.0	11.0
Dividend Yield	1.1	1.7	1.3	1.0	1.3	1.4

E: MOFSL Estimates

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