24 July 2025

1QFY26 Results Update | Sector: Financials

Indian Bank

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	INBK IN
Equity Shares (m)	1347
M.Cap.(INRb)/(USDb)	878.6 / 10.2
52-Week Range (INR)	659 / 474
1, 6, 12 Rel. Per (%)	5/22/12
12M Avg Val (INR M)	1084

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	251.8	259.9	287.3
OP	190.0	196.2	216.0
NP	109.2	118.5	127.8
NIM (%)	3.1	2.9	3.0
EPS (INR)	81.1	87.9	94.9
EPS Gr. (%)	30.3	8.5	7.9
BV/Sh. (INR)	490	545	619
ABV/Sh. (INR)	477	537	610
Ratios			
RoA (%)	1.3	1.3	1.3
RoE (%)	18.9	17.7	16.9
Valuations			
P/E(X)	8.1	7.5	6.9
P/BV (X)	1.3	1.2	1.1
P/ABV (X)	1.4	1.2	1.1

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	73.8	73.8	73.8
DII	18.1	17.8	16.9
FII	4.6	4.7	5.4
Others	3.6	3.7	3.9

CMP: INR652 TP: INR750 (+15%) Buy

Steady quarter; lower provisions aid earnings

Asset quality ratio improves

- Indian Bank (INBK) reported 1QFY26 PAT of INR29.7b (up 23.7% YoY/flat QoQ, 5% beat), driven by lower provisions.
- NII was up 2.9% YoY/flat QoQ at INR63.6b (inline). NIM dipped 14bp QoQ to 3.23%.
- Net advances grew 12% YoY/2.3% QoQ, while deposits grew 9.3% YoY/1.0% QoQ. Consequently, the C/D ratio increased 100bp QoQ to 78.5%. CASA ratio moderated to 37.2%, with domestic CASA ratio at 39%.
- Fresh slippages improved to INR13.7b vs. INR14.3b in 4QFY25. GNPA/NNPA ratios continued to improve by 8bp/1bp QoQ to 3.01%/0.18%. PCR stood at 94.3%.
- We increase our earnings estimates by 6%/4% for FY26/FY27 and anticipate the bank to deliver FY27E RoA/RoE of 1.29%/16.9%. **Reiterate BUY with a TP of INR750 (premised on 1.2x FY27E BV).**

Credit growth guidance maintained at 10-12% ; NIM moderated 14bp QoQ

- INBK's reported 1QFY26 PAT of INR29.7b (23.7% YoY/ flat QoQ, 5% beat), driven by lower provisions.
- NII was up 2.9% YoY/flat QoQ at INR63.6b (in line). NIM dipped 14bp QoQ to 3.23% during the quarter. The bank continues to guide for FY26 NIMs in the range of ~3.15%-3.30%.
- Other income grew 28% YoY (down 11% QoQ) to INR24.4b (in line), resulting in 9% YoY growth (3.7% QoQ drop) in total revenue (in line). Treasury income stood at INR3.8b vs. INR1.9b in 4QFY25.
- Opex grew 12.4% YoY (down 2.1% QoQ, 4% above est.). As a result, C/I ratio slightly increased to 45.8% from 45% in 4QFY25. PPoP grew ~6% YoY (down 4.9% QoQ) to INR47.7b (6% miss).
- Advances grew 12.1% YoY/2.3% QoQ to ~INR5.8t, led by retail and agri. Retail loans grew 16.6% YoY/3.8% QoQ. Within retail, housing grew 2.3% QoQ and VF rose 7.3% QoQ. Agri advances grew 4.7% QoQ.
- Deposits grew 9.3% YoY (1% QoQ), with CASA ratio moderating 114bp QoQ to 37.2% and domestic CASA ratio standing at 39%. C/D ratio increased by 100bp QoQ to 78.5%.
- Fresh slippages improved to INR13.7b vs. INR14.3b in 4QFY25. GNPA/NNPA ratios continued to improve by 8bp/1bp QoQ to 3.01%/0.18%. PCR stood at 94.3%.
- SMA-2 book rose to INR45.9b due to two large PSU accounts, which the bank did not expect to slip. The restructured portfolio fell to INR45.6b or 0.78% of loans (vs. 0.85% in 4QFY25).

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Highlights from the management commentary

- **FY26 guidance:** Deposit growth guidance is maintained at ~8-10%. GNPA ratio is expected to be below 3% (likely 2.5%). The bank plans to open 119 branches in FY26.
- The quantum of margin decline will reduce from 2Q onward as bulk deposits will also start repricing and retail term deposits and SA deposits will also reprice.
- MCLR book is 52%, out of which one year linked is 41%. On 40% of book which is EBLR linked, rate cut impact has already been passed on.

Valuation and view

INBK reported healthy earnings, as provisions were significantly lower than expected. However, margins contracted 14bp QoQ and are expected to moderate further due to rate cuts. Advances growth was higher than deposit growth; hence, the CD ratio inched up. Management expects margins to be in the range of 3.15-3.3%, while the growth outlook remains healthy. The bank 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-2 has seen an increase; however, the bank does not anticipate any slippages from these accounts. We increase our earnings estimates by 6%/4% for FY26/FY27 and anticipate the bank to deliver FY27E RoA/RoE of 1.29%/16.9%. **Reiterate BUY with a TP of INR750 (premised on 1.2x FY27E BV).**

Quarterly performance (INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY25E	v/s our
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE			1QE	Est
Net Interest Income	**61.8**	**61.9**	**65.1**	**63.9**	**63.6**	**62.0**	**65.1**	**69.2**	**251.8**	**259.9**	**64.2**	**-1%**
% Change (YoY)	8.3	7.9	12.0	6.2	2.9	0.1	0.0	8.4	8.2	3.2	3.9	
Other Income	19.1	24.2	25.0	27.4	24.4	25.7	25.0	29.1	92.2	104.2	25.3	-3%
Total Income	**80.8**	**86.2**	**90.1**	**91.3**	**88.0**	**87.7**	**90.1**	**98.3**	**344.0**	**364.2**	**89.5**	**-2%**
Operating Expenses	35.8	38.9	41.1	41.1	40.3	41.5	41.1	45.0	154.0	167.9	38.8	4%
Operating Profit	**45.0**	**47.3**	**49.0**	**50.2**	**47.7**	**46.2**	**49.0**	**53.3**	**190.0**	**196.2**	**50.6**	**-6%**
% Change (YoY)	8.9	9.9	19.6	16.6	6.0	-2.2	0.0	6.2	12.8	3.3	12.5	
Provisions	12.6	11.0	10.3	7.9	6.9	9.1	10.3	11.5	42.1	37.9	12.7	-45%
Profit before Tax	**32.4**	**36.3**	**38.7**	**42.2**	**40.8**	**37.1**	**38.7**	**41.8**	**147.9**	**158.4**	**38.0**	**7%**
Tax	8.4	9.2	9.8	12.7	11.1	9.4	9.8	9.7	38.7	39.9	9.6	
Net Profit	**24.0**	**27.1**	**28.9**	**29.6**	**29.7**	**27.8**	**28.9**	**32.0**	**109.2**	**118.5**	**28.4**	**5%**
% Change (YoY)	40.6	36.2	36.6	31.6	23.7	2.6	0.0	8.3	35.4	8.5	18.1	
Operating Parameters												
Deposits (INR b)	6,812	6,931	7,791	7,372	7,443	7,628	7,791	7,998	7,372	7,998	7,484	-1%
Loans (INR b)	5,208	5,329	6,082	5,711	5,841	5,938	6,082	6,265	5,711	6,265	5,819	0%
Deposit Growth (%)	9.6	8.2	19.1	7.1	9.3	10.1	0.0	8.5	7.1	8.5	9.9	
Loan Growth (%)	14.1	13.2	24.2	10.9	12.1	11.4	0.0	9.7	10.9	9.7	11.7	
Asset Quality												
Gross NPA (%)	3.8	3.5	3.0	3.1	3.0	3.0	3.0	2.8	4.0	2.8	3.1	
Net NPA (%)	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.4	0.2	0.2	
PCR (%)	90.0	92.5	94.1	93.9	94.3	94.0	94.1	94.2	89.5	94.2	93.1	

E: MOFSL Estimates

Quarterly snapshot

	FY25				FY26	Change (%)	
	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Profit and Loss (INRb)							
Net Interest Income	**61.8**	**61.9**	**64.1**	**63.9**	**63.6**	**3**	**0**
Other Income	**19.1**	**24.2**	**21.5**	**27.4**	**24.4**	**28**	**-11**
Core Fees	7.9	8.9	9.3	9.2	7.9	0	-14
Trading profits	2.6	3.3	2.6	1.9	3.8	45	98
Total Income	**80.8**	**86.2**	**85.7**	**91.3**	**88.0**	**9**	**-4**
Operating Expenses	**35.8**	**38.9**	**38.2**	**41.1**	**40.3**	**12**	**-2**
Employee	23.0	24.6	24.2	27.0	26.1	14	-3
Others	12.8	14.2	14.0	14.1	14.1	10	0
Operating Profits	**45.0**	**47.3**	**47.5**	**50.2**	**47.7**	**6**	**-5**
Core Operating Profits	**42.4**	**44.0**	**44.9**	**48.3**	**43.9**	**4**	**-9**
Provisions	12.6	11.0	10.6	7.9	6.9	-45	-13
PBT	**32.4**	**36.3**	**36.9**	**42.2**	**40.8**	**26**	**-3**
Taxes	8.4	9.2	8.4	12.7	11.1	32	-13
PAT	**24.0**	**27.1**	**28.5**	**29.6**	**29.7**	**24**	**1**
Balance Sheet (INRb)							
Loans	5,208	5,329	5,421	5,711	5,841	12	2
Deposits	6,812	6,931	7,023	7,372	7,443	9	1
CASA Deposits	2,659	2,694	2,691	2,829	2,771	4	-2
-Savings	2,314	2,332	2,335	2,432	2,389	3	-2
-Current	345	362	356	396	382	11	-4
Loan mix (%)							
Agri Advances	24.6	25.0	25.0	25.2	25.9	129	74
MSME Advances	16.6	16.9	17.3	17.2	17.2	58	-7
Large Industry	37.7	36.7	35.7	35.8	34.7	-301	-111
Retail Loans	21.1	21.4	22.1	21.8	22.2	114	44
Asset Quality (INRb)							
GNPA	203.0	191.5	182.1	181.8	180.7	-11	-1
NNPA	20.3	14.5	11.3	11.1	10.4	-49	-7
Slippages	19.6	13.8	10.2	14.3	13.8	-30	-4
Asset Quality Ratios (%)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**YoY(bp)**	**QoQ(bp)**
GNPA	3.8	3.5	3.3	3.1	3.0	-76	-8
NNPA	0.4	0.3	0.2	0.2	0.2	-21	-1
PCR (Cal.)	90.0	92.5	93.8	93.9	94.3	425	37
PCR (Inc. TWO)	96.7	97.6	98.1	98.1	98.2	154	10
Credit Cost	0.7	0.7	0.5	0.8	0.5	-23	-31
Business Ratios (%)							
CASA	39.0	38.9	38.3	38.4	37.2	-180	-114
Loan/Deposit	76.5	76.9	77.2	77.5	78.5	202	101
Other income/Total Income	23.6	28.1	25.1	30.0	27.7	415	-232
Cost to Income	44.3	45.1	44.6	45.0	45.8	146	73
Cost to Assets	1.9	2.0	2.1	2.0	1.9	0	-7
Tax Rate	25.9	25.4	22.7	30.0	27.1	123	-289
Capitalisation Ratios (%)							
CAR	16.5	16.6	15.9	17.9	17.8	133	-14
Tier-1	13.9	14.0	13.8	15.9	15.7	181	-11
- CET 1	13.4	13.5	13.3	15.4	15.3	184	-10
Tier-2	2.5	2.5	2.2	2.1	2.1	-48	-3
LCR	121.6	120.5	123.1	126.6	NA	NA	NA
Profitability Ratios (%)							
Yield on loans	8.7	8.8	8.9	8.6	8.6	-11	-6
Yield On Investments	7.2	7.2	7.1	7.2	7.0	-19	-27
Cost of Funds	5.1	5.2	5.3	5.2	5.2	11	2
Margins	3.5	3.5	3.6	3.5	3.4	-18	-13
ROA	1.2	1.3	1.4	1.4	1.3	14	-3
ROE	19.8	21.0	21.0	21.0	20.3	50	-75
Other Details							
Branches	5,846	5,856	5,877	5,901	5,909	63	8
ATM	5,093	5,217	5,224	5,268	5,466	373	198

CONFERENCE CALL

Highlights from the management commentary

Opening remarks

- The bank delivered an inline performance and crossed INR13.5t in total business.
- CD ratio increased to 78.5%.
- RAM share increased to 65.3% in 1QFY26.
- In NBFC, balance O/S has come down to INR560b. Total sanction stood at INR270b in 1QFY26 vs. INR180b in 4QFY25.
- Interest on IT refund was INR1.8b, and INR860mn in penal charges recovered.
- 1Q RoE/RoA stood at 20.26%/1.34%.
- C/I ratio inched up to 45.8% on account of a reduction in other income.
- Cost of deposits increased as repricing of deposits is yet to happen, which will start from this quarter.
- Slippage ratio at 0.94%. Recovery has been consistently higher than slippages.
- SMA-2 increased due to two PSU accounts that came from SMA-1.
- CRAR stood at 17.8% and CET-1 at 15.26%.
- EBLR-linked loan increased to 40.46% as jewel loan is classified as retail loan.
- INBK has made recovery of INR4.51b from NCLT in 1QFY26.
- About 1,217k savings accounts were opened in 1QFY26.
- Digital adoption has been a key focus area, with significant investments made in the past 2-3 years.
- Some initiatives on CASA taken by launching five products on CASA.
- Opened 51 branches, which will help to garner new CASA business.
- Planning to open 119 branches in FY26.

Advances and deposits

- Deposits stood at INR7.4t, up 9.3% YoY and 1% QoQ.
- Focusing on increasing the MSME business on the digital side.
- Not yet prepared for co-lending digitally.
- RAM and corporate mix stood at 65% and 35%, respectively.
- Improving the CASA ratio will be a challenge as the government is adopting JIT in many states. Moreover, people are shifting their SA accounts to other investment avenues. CASA ratio of 40% will also be a challenge for the bank.
- In the PLI sector, INBK is seeing some traction, but the amount of private capex is not as per expected levels.
- Some stress was there in textile business, but signs of revival can be seen now.
- IT spends will be ~INR15b for FY26; ~3,000 fresh hiring will be done in FY26.
- In Mumbai, Gujarat, and Rajasthan, the bank is seeing potential to open some branches.

Digital

- Launched its own UPI app, Ind UPI, and MSME business app.
- Launched AI for collections, which will control SMA and slippages.
- Customer service improvement is a priority, with a new next-gen call center. New CRM vendors have been onboarded.
- UPI transactions have increased substantially; launched 11 digital journeys, taking the total to 132 journeys.

Yield, cost and margin

- Bulk rate has come down by more than 100bp, the impact of which will be reflected in 2QFY26.
- ~INR860b will get repriced going further. Margin is expected to be maintained at ~3.15-3.3%.
- On SMA-2, INBK has a policy of providing 10%.
- MCLR book is 52%, out of which one-year linked is 41%. On 40% of book, which is EBLR linked, rate cut impact has already been passed on.
- MCLR has come down by 5bp and will reduce further as the cost of deposits will decline.
- There will be further margin reduction in 2QFY26 as well.
- INBK is not taking bulk aggressively as it costs more.
- Quantum of margin decline will reduce from 2Q onward as bulk will also start repricing as retail TDs will also reprice and SA rates will also reprice.
- Retail TDs stood at INR2,500b, out of which INR860b will get repriced in the next 3-6 months.
- 50% of bulk deposits will mature in one year, and thereafter another 50% will mature below one year.
- ~INR330b of bulk deposits will get repriced in the current quarter.
- Profit booking will be there in treasury if rates are cut further.

Asset quality

- In SMA-2, there were two PSU accounts of INR33b, which the bank did not expect to slip.
- Credit cost guidance is less than 1%; expects to settle between 50bp and 70bp.
- In the restructured book, ~25% provisions have been taken.
- Recovery from written-off accounts has been healthy, as one big account of INR3.4b has been resolved in this quarter.
- AUCA recovery guidance of INR20b; in the next quarter, ~INR4-5b of recovery will come.
- ~INR2.58b of PSLCs booked in this quarter; the bank has already sold PSLCs and expects ~INR10b recovery income in FY26.
- Gross NPA guidance remains <3% and can go below this; Net NPA to be maintained at current levels.

FY26 guidance

- Deposit growth guidance is maintained at ~8-10%.
- Credit growth guidance is ~10-12% for FY26 overall.
- NIM: 3.15-3.30%
- GNPA: <3% and can go up to 2.5% | NNPA: Maintain at current levels
- Credit cost guidance is less than 1%; expect to settle between 50bp and 70bp.
- Slippage Ratio: <1%
- Recovery Target: INR55-65b
- Assets under collection book recovery: INR20b
- Planning to open 119 branches in FY26.

Story in charts

Exhibit 1: Loan book up ~12% YoY (up 2.3% QoQ)

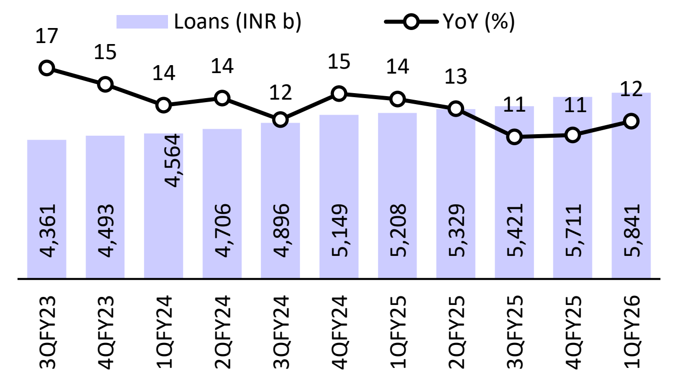


Exhibit 2: Deposits grew ~9.3% YoY (up 1% QoQ)

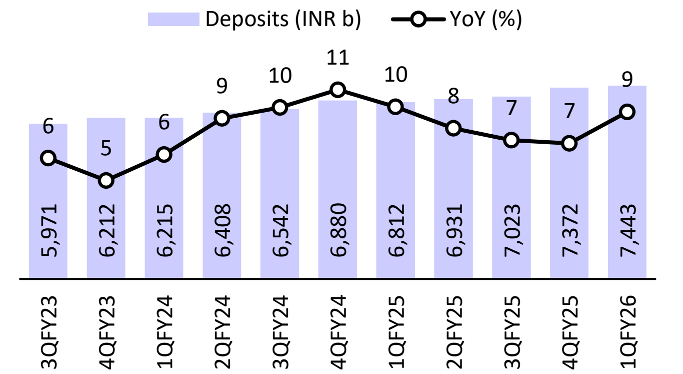


Exhibit 3: Domestic NIM dipped 13bp QoQ to 3.35%

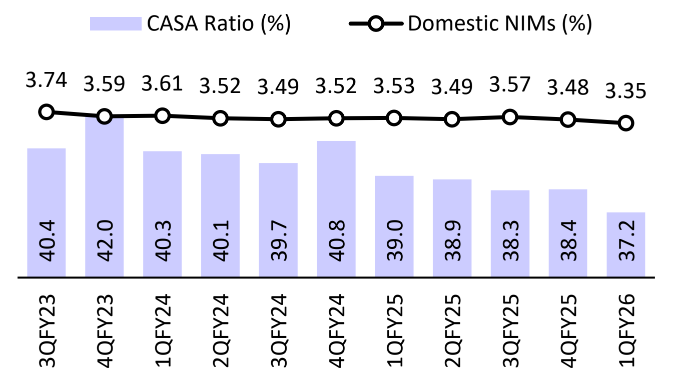


Exhibit 4: Yields on advances moderated 6bp QoQ to 8.58%

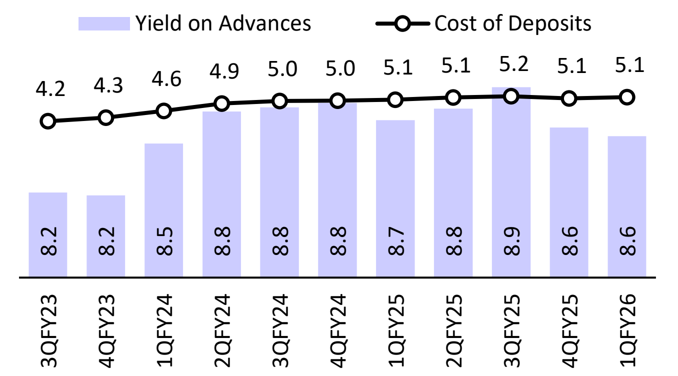


Exhibit 5: C/I ratio increased slightly 73bp QoQ to 45.8%

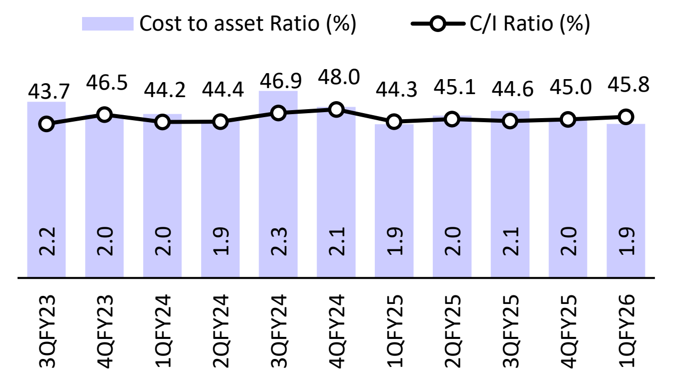


Exhibit 6: CD ratio increased to 78.5%

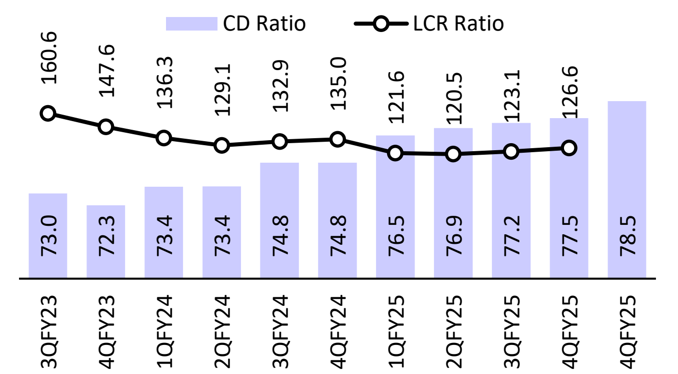
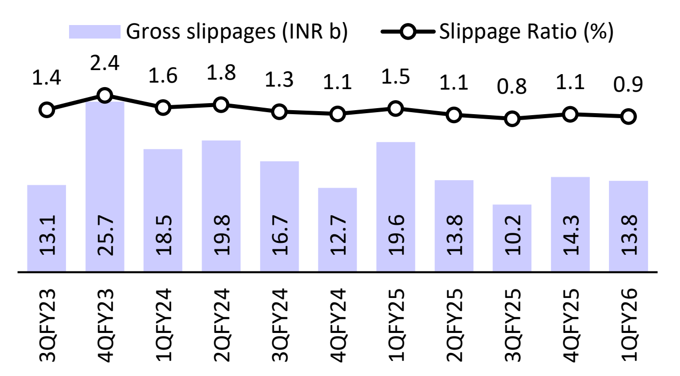
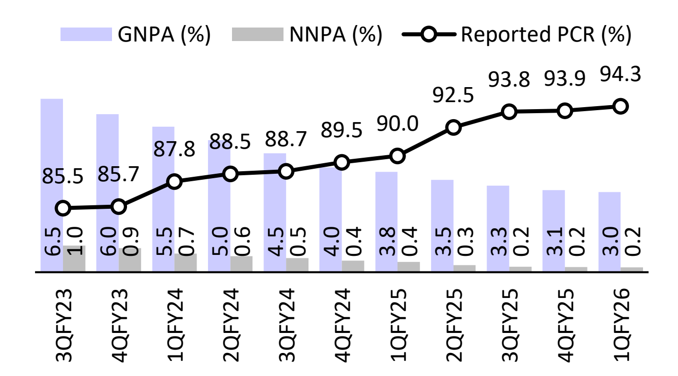


Exhibit 7: Slippages improved to INR13.8b in 1QFY26



Source: MOFSL, Company

Exhibit 8: GNPA/NNPA ratios improved 8bp/1bp QoQ



Source: MOFSL, Company

Valuation and view: Reiterate BUY with a TP of INR750

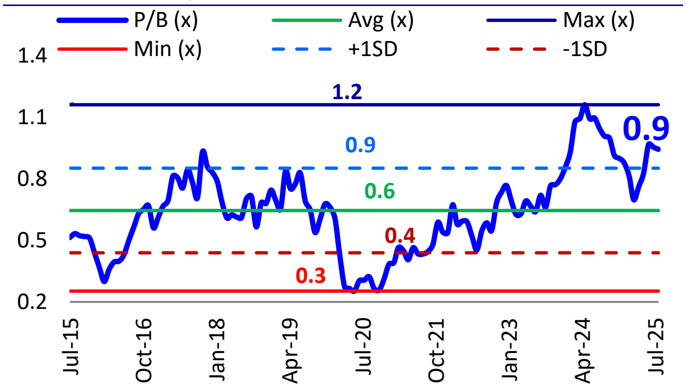
- INBK reported healthy earnings as provisions were significantly lower than expected. However, margins moderated 14bp QoQ and are expected to moderate further due to rate cuts. Advances growth was higher than deposit growth; therefore, the CD ratio inched up. Management expects margins to be in the range of 3.15-3.3%, while the growth outlook remains healthy.
- The bank 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-2 has seen an increase; however, the bank does not anticipate any slippages from these accounts.
- **We increase our earnings estimates by 6% and 4% for FY26/27 and anticipate the bank to deliver FY27E RoA/RoE of 1.29%/16.9%. Reiterate BUY with a TP of INR750 (premised on 1.2x FY27E BV).**

Exhibit 9: Changes to our earnings estimates

INR B	Old est.		Rev est		Change(%/bps)	
	FY26	FY27	FY26	FY27	FY26	FY27
Net Interest Income	**265.1**	**292.4**	**259.9**	**287.3**	**-1.9**	**-1.7**
Other Income	98.7	108.6	104.2	111.5	5.6	2.7
Total Income	**363.8**	**401.0**	**364.2**	**398.9**	**0.1**	**-0.5**
Operating Expenses	165.9	180.3	167.9	182.8	1.2	1.4
Operating Profit	**197.8**	**220.7**	**196.2**	**216.0**	**-0.8**	**-2.1**
Provisions	48.4	55.6	37.9	45.1	-21.7	-18.8
PBT	**149.5**	**165.1**	**158.4**	**170.9**	**6.0**	**3.5**
Tax	37.7	41.6	39.9	43.1	6.0	3.5
PAT	**111.8**	**123.5**	**118.5**	**127.8**	**6.0**	**3.5**
Loans	6,310	6,992	6,265	6,916	-0.7	-1.1
Deposits	7,998	8,718	7,998	8,694	0.0	-0.3
Margins (%)	3.0	3.0	2.9	3.0	-0.1	0.0
Credit Cost (%)	0.8	0.8	0.6	0.7	-17.0	-15.0
RoA (%)	**1.2**	**1.2**	**1.30**	**1.29**	**0.1**	**0.0**
RoE (%)	**16.8**	**16.5**	**17.7**	**16.9**	**0.9**	**0.4**
EPS	83.0	91.7	87.9	94.9	6.0	3.5
BV	**539.9**	**610.6**	**544.9**	**618.7**	0.9	1.3
ABV	531.5	601.2	537.3	610.3	1.1	1.5

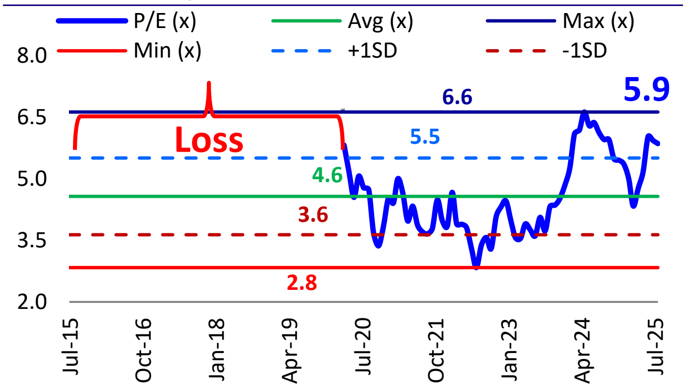
Source: MOFSL, Company

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 (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	6.50	7.40	7.44	7.14	7.06	7.02
Interest Expense	3.58	4.30	4.42	4.28	4.16	4.08
Net Interest Income	**2.93**	**3.10**	**3.02**	**2.86**	**2.90**	**2.94**
Fee income	0.99	0.87	0.98	0.94	0.90	0.88
Trading and others	0.04	0.17	0.13	0.21	0.23	0.25
Other Income	**1.03**	**1.05**	**1.11**	**1.15**	**1.13**	**1.13**
Total Income	**3.96**	**4.14**	**4.13**	**4.00**	**4.03**	**4.06**
Operating Expenses	**1.75**	**1.90**	**1.85**	**1.85**	**1.85**	**1.84**
Employees	1.09	1.23	1.19	1.18	1.18	1.18
Others	0.66	0.67	0.66	0.66	0.67	0.67
Operating Profits	**2.21**	**2.24**	**2.28**	**2.16**	**2.18**	**2.22**
Core operating Profits	**2.17**	**2.07**	**2.16**	**1.95**	**1.95**	**1.97**
Provisions	**1.35**	**0.78**	**0.51**	**0.42**	**0.46**	**0.49**
PBT	**0.86**	**1.46**	**1.78**	**1.74**	**1.73**	**1.73**
Tax	0.09	0.38	0.46	0.44	0.43	0.44
RoA	**0.76**	**1.07**	**1.31**	**1.30**	**1.29**	**1.29**
Leverage (x)	17.4	15.9	14.4	13.6	13.1	12.7
RoE	**13.3**	**17.1**	**18.9**	**17.7**	**16.9**	**16.4**

Source: MOFSL, Company

Financials and valuations

Income Statement						(INRb)
Y/E March	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Interest Income	449.4	556.1	620.0	649.1	699.3	763.9
Interest Expense	247.2	323.4	368.3	389.2	412.0	444.2
Net Interest Income	**202.3**	**232.7**	**251.8**	**259.9**	**287.3**	**319.7**
- growth (%)	20.9	15.1	8.2	3.2	10.5	11.3
Non Interest Income	71.4	78.7	92.2	104.2	111.5	122.7
Total Income	**273.7**	**311.4**	**344.0**	**364.2**	**398.9**	**442.4**
- growth (%)	15.8	13.8	10.5	5.9	9.5	10.9
Operating Expenses	121.0	143.0	154.0	167.9	182.8	200.5
PPoP	**152.7**	**168.4**	**190.0**	**196.2**	**216.0**	**241.8**
- growth (%)	20.1	10.3	12.8	3.3	10.1	12.0
Core PPoP	**149.8**	**155.3**	**179.5**	**177.4**	**193.4**	**214.7**
- growth (%)	31.0	3.7	15.6	-1.2	9.0	11.0
Provisions	93.6	58.9	42.1	37.9	45.1	53.5
PBT	**59.1**	**109.5**	**147.9**	**158.4**	**170.9**	**188.3**
Tax	6.3	28.9	38.7	39.9	43.1	47.5
Tax Rate (%)	10.7	26.4	26.2	25.2	25.2	25.2
PAT	**52.8**	**80.6**	**109.2**	**118.5**	**127.8**	**140.8**
- growth (%)	33.9	52.7	35.4	8.5	7.9	10.2

Balance Sheet						
Y/E March	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Share Capital	12	13	13	13	13	13
Equity Share Capital	12.5	13.5	13.5	13.5	13.5	13.5
Reserves & Surplus	467.3	570.4	679.6	753.3	852.7	960.0
Net Worth	**479.7**	**583.9**	**693.1**	**766.8**	**866.2**	**973.5**
Deposits	**6,211.7**	**6,880.0**	**7,371.5**	**7,998.1**	**8,694.0**	**9,511.2**
- growth (%)	4.6	10.8	7.1	8.5	8.7	9.4
- CASA Dep	**2,608.1**	**2,804.9**	**2,828.5**	**3,079.3**	**3,468.9**	**3,871.1**
- growth (%)	5.2	7.5	0.8	8.9	12.7	11.6
Borrowings	220.7	231.3	415.1	403.0	454.2	562.8
Other Liabilities & Prov.	192.9	231.0	254.4	292.6	333.5	380.2
Total Liabilities	**7,105.0**	**7,926.2**	**8,734.1**	**9,460.5**	**10,347.8**	**11,427.7**
Current Assets	501.3	421.1	548.7	554.5	553.5	599.4
Investments	1,859.9	2,125.5	2,253.0	2,399.5	2,610.6	2,879.5
- growth (%)	6.5	14.3	6.0	6.5	8.8	10.3
Loans	**4,493.0**	**5,148.9**	**5,710.7**	**6,264.7**	**6,916.2**	**7,649.3**
- growth (%)	15.4	14.6	10.9	9.7	10.4	10.6
Fixed Assets	74.6	75.2	88.3	92.7	98.2	104.1
Other Assets	176.2	155.5	133.4	149.2	169.3	195.3
Total Assets	**7,105.0**	**7,926.2**	**8,734.1**	**9,460.5**	**10,347.8**	**11,427.7**

Asset Quality	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
GNPA (INR b)	281.8	211.1	211.1	182.8	192.4	205.2
NNPA (INR b)	40.4	22.2	22.2	10.7	11.9	13.4
GNPA Ratio (%)	6.0	4.0	4.0	2.8	2.7	2.6
NNPA Ratio (%)	0.9	0.4	0.4	0.2	0.2	0.2
Slippage Ratio(%)	1.7	1.4	1.1	1.1	1.2	1.2
Credit Cost (%)	2.2	1.2	0.8	0.6	0.7	0.7
PCR (Excl Tech. write off)	85.7	89.5	89.5	94.2	93.8	93.4

E: MOSL Estimates

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield- on Earning Assets	**6.8**	**7.6**	**7.7**	**7.3**	**7.2**	**7.2**
Avg. Yield on loans	7.6	8.4	8.3	8.0	7.9	7.9
Avg. Yield on Investments	6.5	6.8	7.0	6.9	6.8	6.7
Avg. Cost of Int. Bear. Liab.	**3.9**	**4.8**	**4.9**	**4.8**	**4.7**	**4.6**
Avg. Cost of Deposits	3.8	4.7	4.9	4.9	4.8	4.7
Interest Spread	**2.8**	**2.9**	**2.7**	**2.5**	**2.6**	**2.6**
Net Interest Margin	**3.0**	**3.2**	**3.1**	**2.9**	**3.0**	**3.0**
Capitalisation Ratios (%)						
CAR	16.5	16.4	17.9	16.4	16.3	16.0
Tier I	13.5	14.0	15.9	14.6	14.7	14.6
- CET-1	*12.9*	*13.5*	*15.4*	*14.1*	*14.3*	*14.2*
Tier II	3.0	2.4	2.1	1.7	1.5	1.4
Business Ratios (%)						
Loans/Deposit Ratio	72.3	74.8	77.5	78.3	79.6	80.4
CASA Ratio	42.0	40.8	38.4	38.5	39.9	40.7
Cost/Assets	1.7	1.8	1.8	1.8	1.8	1.8
Cost/Total Income	44.2	45.9	44.8	46.1	45.8	45.3
Cost/Core income	44.7	47.9	46.2	48.6	48.6	48.3
Int. Expense/Int.Income	55.0	58.2	59.4	60.0	58.9	58.2
Fee Income/Total Income	25.0	21.1	23.8	23.5	22.3	21.6
Non Int. Inc./Total Income	26.1	25.3	26.8	28.6	28.0	27.7
Empl. Cost/Total Expense	62.2	64.8	64.2	64.2	63.9	63.8
Efficiency Ratios (INRm)						
Employee per branch (in nos)	7.0	6.9	6.8	6.9	6.9	6.9
Staff cost per employee (INR m)	1.8	2.3	2.5	2.6	2.7	2.9
CASA per branch (INRm)	450.7	479.4	479.0	505.8	558.6	611.2
Deposits per branch (INRm)	1,073.4	1,175.9	1,248.4	1,313.7	1,400.0	1,501.6
Business per Employee (INR m)	262.5	298.8	326.5	340.6	365.5	393.9
Proift per Employee (INR m)	1.3	2.0	2.7	2.8	3.0	3.2

Profitability Ratios and Valuation

	FY23	FY24	FY25	FY26E	FY27E	FY28E
RoE	13.3	17.1	18.9	17.7	16.9	16.4
RoA	0.8	1.1	1.3	1.3	1.3	1.3
RoRWA	1.6	2.0	2.7	2.4	2.3	2.2
Book Value (INR)	358	409	490	545	619	698
- growth (%)	10.7	14.2	19.8	11.2	13.5	12.9
Price-BV (x)	**1.8**	**1.6**	**1.3**	**1.2**	**1.1**	**0.9**
Adjusted BV (INR)	334	396	477	537	610	689
Price-ABV (x)	**2.0**	**1.7**	**1.4**	**1.2**	**1.1**	**1.0**
EPS (INR)	42.4	62.2	81.1	87.9	94.9	104.6
- growth (%)	27.7	46.7	30.3	8.5	7.9	10.2
Price-Earnings (x)	**15.5**	**10.5**	**8.1**	**7.5**	**6.9**	**6.3**
Dividend Per Share (INR)	0.0	12.0	16.3	18.0	21.2	25.1
Dividend Yield (%)	**0.0**	**1.8**	**2.5**	**2.7**	**3.2**	**3.8**

E: MOSL Estimates

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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