

Indian Bank

Estimate change



TP change



Rating change



Bloomberg	INBK IN
Equity Shares (m)	1347
M.Cap.(INRb)/(USDb)	1038.6 / 11.8
52-Week Range (INR)	806 / 474
1, 6, 12 Rel. Per (%)	10/27/46
12M Avg Val (INR M)	1140

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	251.8	265.8	289.8
OP	190.0	200.5	216.4
NP	109.2	125.5	129.9
NIM (%)	3.1	3.0	3.0
EPS (INR)	81.1	93.1	96.4
EPS Gr. (%)	30.3	14.9	3.5
BV/Sh. (INR)	490	550	625
ABV/Sh. (INR)	477	541	615

Ratios

RoA (%)	1.3	1.4	1.3
RoE (%)	18.9	18.6	17.0

Valuations

P/E(X)	9.6	8.3	8.0
P/BV (X)	1.6	1.4	1.2
P/ABV (X)	1.6	1.4	1.3

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: INR771

TP: INR900 (+17%)

Buy

Steady quarter; asset quality remains robust

Well on track to bridge ECL provisioning gap in Year 1 itself

- Indian Bank (INBK) reported 2QFY26 PAT of INR30.2b (up 11.5% YoY/1.5% QoQ, 3% beat), aided by steady margins and lower provisions.
- NII was up 5.8% YoY/3% QoQ at INR65.5b (3% beat). Reported NIMs stood flat QoQ at 3.23%.
- Business growth was healthy, with net advances growing 13.6% YoY/3.6% QoQ and deposits up 12.1% YoY/4.4% QoQ. Consequently, the C/D ratio decreased 59bp QoQ to 77.9%. CASA ratio was flat at 37.2%, with domestic CASA ratio at 38.9%.
- Fresh slippages improved to INR11.6b vs. INR13.8b in 1QFY26 and INR14.3b in 4QFY25. GNPA/NNPA ratios continued to improve by 41bp/2bp QoQ to 2.6%/0.16%. PCR stood at 93.9%. The bank has commenced accelerated provisioning on SMA-1 and SMA-2 exposures and aims to bridge the entire provisioning gap within the first year of the ECL transition against a prescribed timeline of five years even as it maintains a similar PCR.
- We increase our earnings estimates marginally by 2.3%/1% for FY26/FY27 and anticipate the bank to deliver FY27E RoA/RoE of 1.31%/17.0%. **Reiterate BUY with a TP of INR900 (premised on 1.4x FY27E BV).**

NIMs stood flat; Bank makes SMA-1 provisioning of INR4b

- INBK reported 2QFY26 PAT of INR30.2b (up 11.5% YoY/1.5% QoQ), aided by steady NII and lower-than-expected provisions.
- NII increased 5.8% YoY/3% QoQ to INR65.5b. NIM stood flat QoQ at 3.23%. With 40% of the MCLR-linked book due for repricing in 3Q, the bank expects NIMs to bottom out in 3Q, followed by an improvement in 4Q.
- Other income grew 2.7% YoY (up 2% QoQ) to INR24.9b (in line), resulting in 4.9% YoY growth (2.7% QoQ) in total revenue (in line). Treasury income declined to INR1.4b vs. INR3.8b in 1QFY26.
- Opex grew 8.1% YoY (up 4.3% QoQ, largely in line). As a result, C/I ratio inched up to 46.5% from 45.8% in 1QFY26. PPoP grew ~2.3% YoY (up 1.4% QoQ) to INR48.4b (in line).
- Advances grew by a healthy 13.6% YoY/3.6% QoQ to ~INR6.05t, led by retail and MSME loans. Retail loans grew 18.6% YoY/5.5% QoQ. Within retail, housing grew 4.7% QoQ and VF rose 12.2% QoQ. Agri advances grew 1.4% QoQ, while corporate grew by 2.7% QoQ.
- Deposits grew 12.1% YoY (4.4% QoQ), with CASA growth at 7.2% YoY/4.2% QoQ. Domestic CASA ratio was largely flat at 38.9% (down 10bp QoQ). C/D ratio moderated 59bp QoQ to 77.9%.
- Fresh slippages improved to INR11.6b vs. INR13.8b in 1QFY26 and INR14.3b in 4QFY25. GNPA/NNPA ratios continued to improve by 41bp/2bp QoQ to 2.6%/0.16%. PCR stood at 93.9%.

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- SMA-2 book declined to INR14.5b. The restructured portfolio fell to INR43.5b or 0.72% of loans (vs. 0.78% in 1QFY26).

Highlights from the management commentary

- Around 40% of the MCLR-linked book will reprice in 3Q, but the overall impact is expected to be limited.
- Approximately 50-60% of the book has already undergone repricing, with the remaining one-year MCLR loans set to reprice in 3Q.
- The bank has started making provisions of 5% on SMA-1 and 10% on SMA-2 exposures. It has thus provided INR4b during 2QFY26.

Valuation and view

INBK reported steady performance, driven by stable margins and lower-than-expected provisions. With 40% of MCLR book to be repriced, the bank expects NIMs to bottom out in 3Q, with improvement starting to show up from 4Q onward. Business growth was healthy, with good traction in both advances and deposits. The bank has commenced accelerated provisioning on SMA-1 and SMA-2 exposures and aims to bridge the entire provisioning gap within the first year of the ECL transition against a prescribed timeline of five years even as it maintains a similar PCR. Asset quality ratios improved, with INBK maintaining the best-in-class coverage ratio and lower slippages, which provides comfort on incremental credit costs. We increase our earnings estimates marginally by 2.3%/1% for FY26/FY27 and anticipate the bank to deliver FY27E RoA/RoE of 1.31%/17.0%. **Reiterate BUY with a revised TP of INR900 (premised on 1.4x FY27E BV).**

Quarterly performance

(INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	v/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Est
Net Interest Income	61.8	61.9	67.2	63.9	63.6	65.5	67.2	69.5	251.8	265.8	63.3	3%
% Change (YoY)	8.3	7.9	15.5	6.2	2.9	5.8	0.0	8.8	8.2	5.6	2.2	
Other Income	19.1	24.2	25.8	27.4	24.4	24.9	25.8	30.1	92.2	105.1	25.2	-1%
Total Income	80.8	86.2	92.9	91.3	88.0	90.4	92.9	99.7	344.0	370.9	88.6	2%
Operating Expenses	35.8	38.9	42.3	41.1	40.3	42.0	42.3	45.9	154.0	170.4	40.8	3%
Operating Profit	45.0	47.3	50.7	50.2	47.7	48.4	50.7	53.8	190.0	200.5	47.8	1%
% Change (YoY)	8.9	9.9	23.6	16.6	6.0	2.3	0.0	7.2	12.8	5.6	1.0	
Provisions	12.6	11.0	9.5	7.9	6.9	7.4	9.5	9.0	42.1	32.8	8.5	-13%
Profit before Tax	32.4	36.3	41.2	42.2	40.8	41.0	41.2	44.8	147.9	167.7	39.2	4%
Tax	8.4	9.2	9.9	12.7	11.1	10.8	9.9	10.5	38.7	42.3	9.9	
Net Profit	24.0	27.1	31.2	29.6	29.7	30.2	31.2	34.3	109.2	125.5	29.4	3%
% Change (YoY)	40.6	36.2	47.4	31.6	23.7	11.5	0.0	16.1	35.4	14.9	8.4	
Operating Parameters												
Deposits (INR b)	6,812	6,931	7,791	7,372	7,443	7,769	7,791	7,998	7,372	7,998	7,653	2%
Loans (INR b)	5,208	5,329	6,082	5,711	5,841	6,052	6,082	6,265	5,711	6,265	5,960	2%
Deposit Growth (%)	9.6	8.2	19.1	7.1	9.3	12.1	0.0	8.5	7.1	8.5	10.4	
Loan Growth (%)	14.1	13.2	24.2	10.9	12.1	13.6	0.0	9.7	10.9	9.7	11.8	
Asset Quality												
Gross NPA (%)	3.8	3.5	2.6	3.1	3.0	2.6	2.6	2.8	4.0	2.8	3.0	
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	93.9	94.1	92.5	89.5	92.5	94.0	

E: MOSL Estimates

Quarterly snapshot

	FY25				FY26		Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
Profit and Loss (INRb)								
Net Interest Income	61.8	61.9	64.1	63.9	63.6	65.5	6	3
Other Income	19.1	24.2	21.5	27.4	24.4	24.9	3	2
Core Fees	7.9	8.9	9.3	9.2	7.9	8.3	-7	5
Trading profits	2.6	3.3	2.6	1.9	3.8	1.4	-57	-62
Total Income	80.8	86.2	85.7	91.3	88.0	90.4	5	3
Operating Expenses	35.8	38.9	38.2	41.1	40.3	42.0	8	4
Employee	23.0	24.6	24.2	27.0	26.1	26.5	8	1
Others	12.8	14.2	14.0	14.1	14.1	15.5	9	10
Operating Profits	45.0	47.3	47.5	50.2	47.7	48.4	2	1
Core Operating Profits	42.4	44.0	44.9	48.3	43.9	46.9	7	7
Provisions	12.6	11.0	10.6	7.9	6.9	7.4	-33	7
PBT	32.4	36.3	36.9	42.2	40.8	41.0	13	0
Taxes	8.4	9.2	8.4	12.7	11.1	10.8	17	-2
PAT	24.0	27.1	28.5	29.6	29.7	30.2	12	2
Balance Sheet (INRb)								
Loans	5,208	5,329	5,421	5,711	5,841	6,052	14	4
Deposits	6,812	6,931	7,023	7,372	7,443	7,769	12	4
CASA Deposits	2,659	2,694	2,691	2,829	2,771	2,888	7	4
-Savings	2,314	2,332	2,335	2,432	2,389	2,486	7	4
-Current	345	362	356	396	382	403	11	6
Loan mix (%)								
Agri Advances	24.6	25.0	25.0	25.2	25.9	25.5	50	-44
MSME Advances	16.6	16.9	17.3	17.2	17.2	17.3	36	9
Large Industry	37.7	36.7	35.7	35.8	34.7	34.5	-218	-16
Retail Loans	21.1	21.4	22.1	21.8	22.2	22.8	132	51
Asset Quality (INRb)								
GNPA	203.0	191.5	182.1	181.8	180.7	161.3	-16	-11
NNPA	20.3	14.5	11.3	11.1	10.4	9.8	-32	-5
Slippages	19.6	13.8	10.2	14.3	13.8	11.6	-16	-16
Asset Quality Ratios (%)								
GNPA	3.8	3.5	3.3	3.1	3.0	2.6	-88	-41
NNPA	0.4	0.3	0.2	0.2	0.2	0.2	-11	-2
PCR (Cal.)	90.0	92.5	93.8	93.9	94.3	93.9	146	-36
PCR (Inc. TWO)	96.7	97.6	98.1	98.1	98.2	98.3	68	8
Credit Cost	0.7	0.7	0.5	0.8	0.5	0.5	-15	2
Business Ratios (%)								
CASA	39.0	38.9	38.3	38.4	37.2	37.2	-168	-6
Loan/Deposit	76.5	76.9	77.2	77.5	78.5	77.9	100	-59
Other income/Total Income	23.6	28.1	25.1	30.0	27.7	27.5	-60	-21
Cost to Income	44.3	45.1	44.6	45.0	45.8	46.5	136	71
Cost to Assets	1.9	2.0	2.1	2.0	1.9	1.9	-7	3
Tax Rate	25.9	25.4	22.7	30.0	27.1	26.3	92	-78
Capitalisation Ratios (%)								
CAR	16.5	16.6	15.9	17.9	17.8	17.3	76	-49
Tier-1	13.9	14.0	13.8	15.9	15.7	15.3	126	-47
- CET 1	13.4	13.5	13.3	15.4	15.3	14.8	129	-46
Tier-2	2.5	2.5	2.2	2.1	2.1	2.0	-50	-2
LCR	121.6	120.5	123.1	126.6	NA	0.0	NA	NA
Profitability Ratios (%)								
Yield on loans	8.7	8.8	8.9	8.6	8.6	8.4	-37	-18
Yield On Investments	7.2	7.2	7.1	7.2	7.0	7.0	-14	7
Cost of Funds	5.1	5.2	5.3	5.2	5.2	5.1	-13	-14
Margins	3.5	3.5	3.6	3.5	3.4	3.3	-15	-1
ROA	1.2	1.3	1.4	1.4	1.3	1.3	-1	-2
ROE	19.8	21.0	21.0	21.0	20.3	19.6	-146	-68
Other Details								
Branches	5,846	5,856	5,877	5,901	5,909	5,955	99	46
ATM	5,093	5,217	5,224	5,268	5,466	5,565	348	99



Highlights from the management commentary

Opening remarks

- The bank has performed reasonably well in terms of credit and NIMs.
- Total CASA grew 4.23%. The bank has been able to maintain the same CASA of last year at 38.87%.
- It has sold INR120b of INBPC and generated funds at a lower cost, which will give benefits in the upcoming quarter.
- INBK was able to hold global NIMs at 3.23%, while domestic NIMs too stood stable.
- The cost-to-income ratio has gone up as few cost items have been expensed in this quarter and will not occur in the upcoming quarters; hence, the ratio will continue to decline.
- CRAR//CET-1 are healthy at 17.31%/14.8%.
- All asset quality ratios have seen meaningful improvements.
- CASA continues to be a challenge and the bank has released six products. It has opened 27 agri business sales offices and two micro branches catering to the needs of the SHG.
- ECL – Still assessing the impact. The bank has made SMA-1 provisions of INR4b and will maintain them going forward. The impact is miniscule and the bank may be managing the same in the 1 year itself.
- The RBI has come out with an ease of doing business strategy and there was easing in AIF. New lower credit risk is beneficial for the bank and can lower the capital requirements for the bank.
- NCLT recovery was subdued and a few accounts will come in the upcoming quarter.

Advances and deposits

- The bank has reiterated its guidance of 11-12% credit growth and aims to outperform this in FY26.
- CA portfolio remains volatile; the bank is implementing various strategies and focusing on improving collections in this segment.
- Greater emphasis is being placed on SA deposits, especially salary accounts, which also offer cross-sell potential.
- Agri book stands at INR1.04t, and the total gold loan book stands at INR140b. There has been no change in gold loan LTV norms.
- The bank continues to see healthy consumption demand, with good traction in vehicle loans.
- The mid-corporate segment is also witnessing strong momentum, supported by recent rate cuts.
- In the micro-enterprise segment, the decline was due to IBPC sales. The bank has tightened internal controls — requiring higher-level approvals for new disbursements — reflecting a cautious stance.

Yield, cost and margin

- NIMs remained flat during the quarter. Around 40% of the MCLR-linked book will reprice in 3Q, but the overall impact is expected to be limited.
- Assuming no further rate cuts, management expects NIMs to improve in 4Q.
- Approximately 50-60% of the book has already undergone repricing, with the remaining one-year MCLR loans set to reprice in 3Q.

Other income and opex

- PSLC income is being amortized over multiple quarters, which will continue to support other income going forward.
- Treasury income was impacted by MTM losses related to a resolved account; the bank made provisions of INR870m against it.
- Core fee income was affected by the waiver of minimum account balance requirements, which impacted income by ~INR1.5b.
- Interest received on IT refunds has been recorded under other income.

Asset quality

- The bank continues to assess the ECL impact; initial estimates suggest the entire effect can be absorbed within the first year.
- Recovery in AUCA during 1Q was exceptional. The bank maintains its annual recovery guidance of INR20b, which remains on track.
- SMA-1 accounts stood at INR107.04b, SMA-2 at INR82.96b, totaling INR190b.
- The bank made INR4b of SMA-related provisions in 2Q.
- Provisions on the SMA-2 book are at 5%, with the bank already providing for these accounts.
- SMA-1 and SMA-2 exposures serve as a good proxy for Stage 2 assets.
- Some SMA-2 accounts have reverted to Stage 0 status.
- The bank has started making provisions of 5% on SMA-1 and 10% on SMA-2 exposures.
- Stage 1 provisioning requirement is estimated at 1.5%, compared to the current level of 40bp.

Others

- There is no discussion related to the merger.
- There will be a minimal improvement of 5-10bp in the capital due to the reduction in the credit risk weights.

FY26 guidance

- Deposit growth guidance to be maintained at ~8-10%.
- Credit growth guidance of ~10-12% for FY26 overall and the bank aims to remain on a higher side of this guidance.
- NIM: 3.15-3.30%
- GNPA: <2% and NNPA: Maintain at current levels
- Credit cost is expected to be below 1% and the bank expects to settle it between 50bp and 70bp.
- Slippage Ratio: <1%
- Recovery Target: INR55b-65b (the bank has been able to recover INR37b so far).
- Assets under collection book recovery: INR20b
- Planning to open 119 branches for FY26.

Story in charts

Exhibit 1: Loan book up ~13.6% YoY (up 3.6% QoQ)

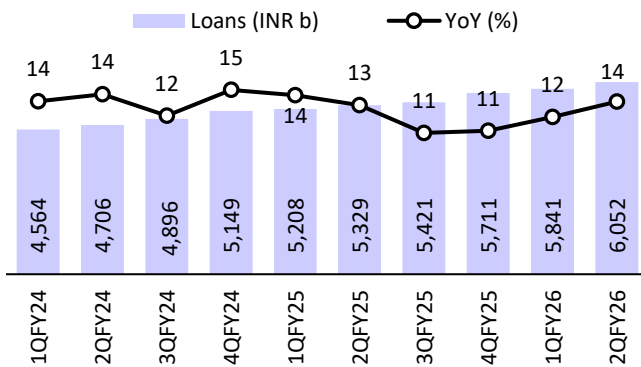


Exhibit 2: Deposits grew ~12.1% YoY (up 4.4% QoQ)

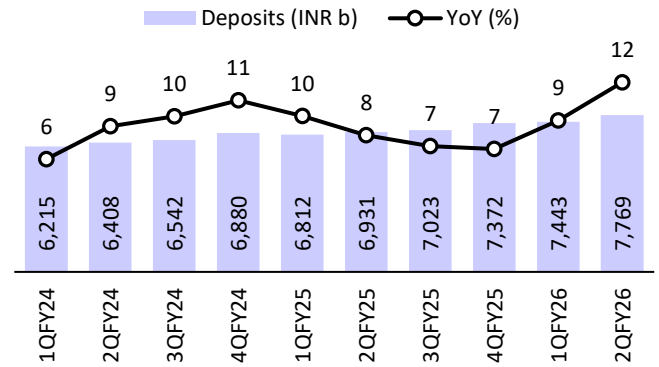


Exhibit 3: Domestic NIM dipped 1bp QoQ to 3.34%

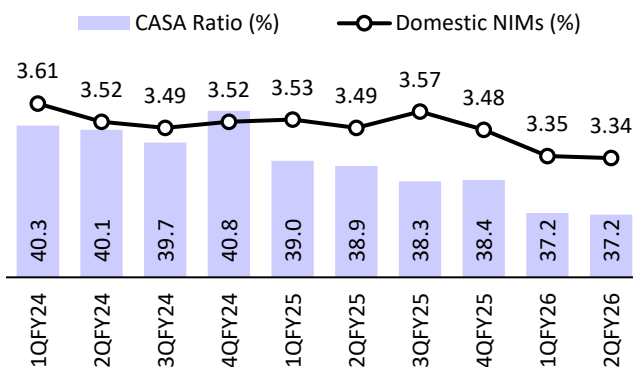


Exhibit 4: Yields on advances moderated 18bp QoQ to 8.4%

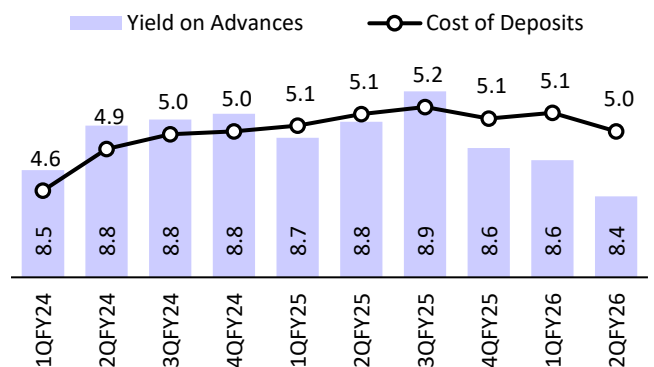


Exhibit 5: C/I ratio increased slightly 71bp QoQ to 46.5%

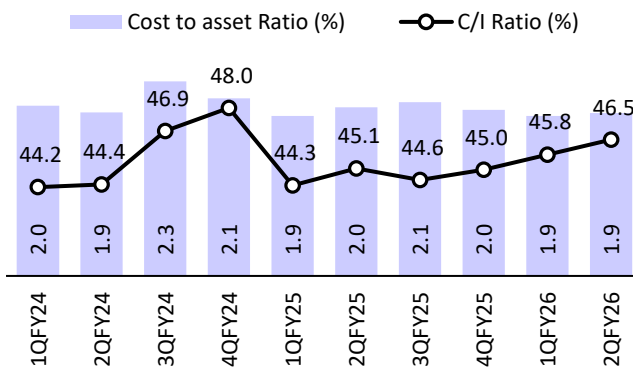


Exhibit 6: CD ratio declined to 77.9%

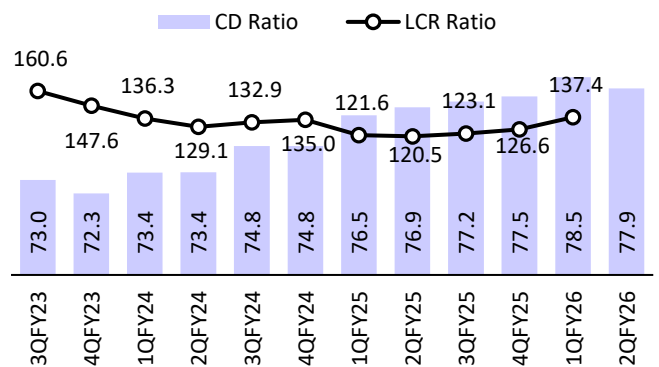


Exhibit 7: Slippages declined to INR11.6b in 2QFY26

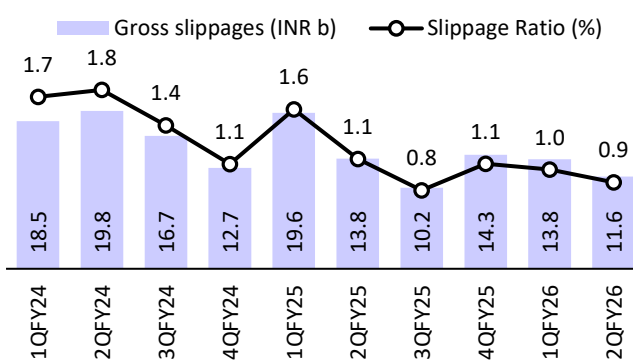
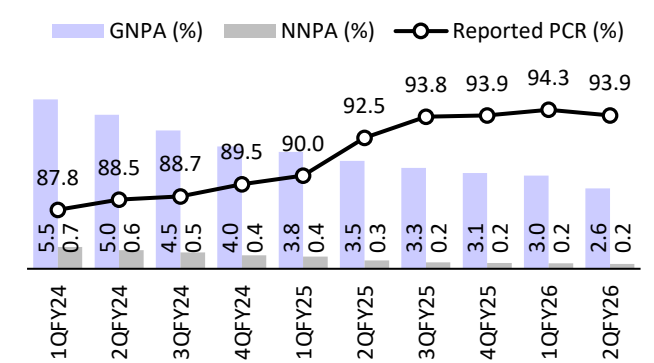


Exhibit 8: GNPA/NNPA ratios improved 41bp/2bp QoQ



Source: MOFSL, Company

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Valuation and view: Reiterate BUY with a TP of INR900

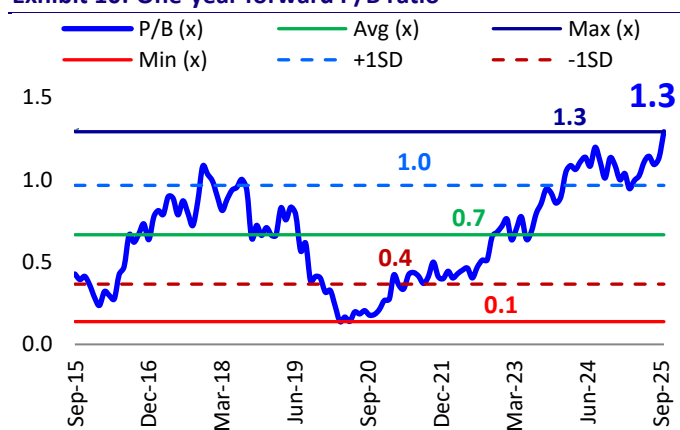
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- The bank has commenced accelerated provisioning on SMA-1 and SMA-2 exposures and aims to bridge the entire provisioning gap within the first year of the ECL transition against a prescribed timeline of five years even as it maintains a similar PCR.
- Asset quality ratios improved, with INBK maintaining the best-in-class coverage ratio and lower slippages, which provides comfort on incremental credit costs.
- We increase our earnings estimates marginally by 2.3%/1% for FY26/FY27 and anticipate the bank to deliver FY27E RoA/RoE of 1.31%/17.0%. **Reiterate BUY with a revised TP of INR900 (premised on 1.4x FY27E BV).**

Exhibit 9: Changes to our earnings estimates

INR B	Old est.			Rev est			Change(%/bps)		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
Net Interest Income	262.3	287.3	319.7	265.8	289.8	322.7	1.3	0.8	0.9
Other Income	105.1	112.5	123.8	105.1	112.5	123.8	0.0	0.0	0.0
Total Income	367.4	399.8	443.5	370.9	402.3	446.5	1.0	0.6	0.7
Operating Expenses	167.9	182.8	200.5	170.4	185.8	203.8	1.5	1.6	1.6
Operating Profit	199.5	217.0	242.9	200.5	216.4	242.7	0.5	-0.3	-0.1
Provisions	35.5	45.1	49.9	32.8	42.8	49.5	-7.5	-5.1	-0.7
PBT	164.0	171.9	193.0	167.7	173.6	193.1	2.3	1.0	0.0
Tax	41.3	43.3	48.6	42.3	43.8	48.7	2.3	1.0	0.0
PAT	122.7	128.6	144.4	125.5	129.9	144.5	2.3	1.0	0.0
Loans	6,265	6,916	7,649	6,265	6,916	7,649	0.0	0.0	0.0
Deposits	7,998	8,694	9,511	7,998	8,694	9,511	0.0	0.0	0.0
Margins (%)	3.0	3.0	3.0	3.0	3.0	3.0	0.0	0.0	0.0
Credit Cost (%)	0.6	0.7	0.7	0.5	0.6	0.7	-4.0	-3.0	0.0
RoA (%)	1.3	1.3	1.3	1.4	1.3	1.3	0.0	0.0	0.0
RoE (%)	18.3	16.9	16.7	18.6	17.0	16.6	0.4	0.1	-0.1
EPS	91.1	95.5	107.2	93.1	96.4	107.2	2.3	1.0	0.0
BV	548.0	622.4	704.7	550.1	625.4	707.7	0.4	0.5	0.4
ABV	540.1	613.7	693.1	540.9	614.7	694.6	0.1	0.2	0.2

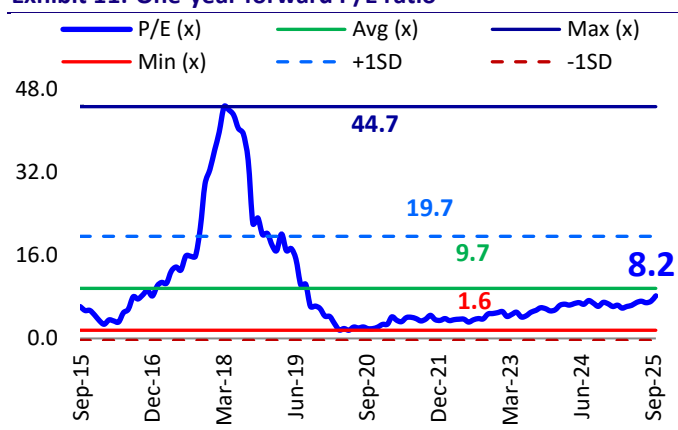
Source: MOFSL, Company

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	7.15	7.06	7.01
Interest Expense	3.58	4.30	4.42	4.22	4.13	4.05
Net Interest Income	2.93	3.10	3.02	2.92	2.92	2.96
Fee income	0.99	0.87	0.98	0.95	0.91	0.89
Trading and others	0.04	0.17	0.13	0.21	0.23	0.25
Other Income	1.03	1.05	1.11	1.16	1.14	1.14
Total Income	3.96	4.14	4.13	4.08	4.06	4.10
Operating Expenses	1.75	1.90	1.85	1.87	1.87	1.87
Employees	1.09	1.23	1.19	1.19	1.19	1.19
Others	0.66	0.67	0.66	0.68	0.68	0.68
Operating Profits	2.21	2.24	2.28	2.20	2.18	2.23
Core operating Profits	2.17	2.07	2.16	2.00	1.96	1.98
Provisions	1.35	0.78	0.51	0.36	0.43	0.45
PBT	0.86	1.46	1.78	1.84	1.75	1.77
Tax	0.09	0.38	0.46	0.46	0.44	0.45
RoA	0.76	1.07	1.31	1.38	1.31	1.33
Leverage (x)	17.4	15.9	14.4	13.5	13.0	12.5
RoE	13.3	17.1	18.9	18.6	17.0	16.6

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	650.3	699.3	763.9
Interest Expense	247.2	323.4	368.3	384.5	409.6	441.2
Net Interest Income	202.3	232.7	251.8	265.8	289.8	322.7
- growth (%)	20.9	15.1	8.2	5.6	9.0	11.4
Non Interest Income	71.4	78.7	92.2	105.1	112.5	123.8
Total Income	273.7	311.4	344.0	370.9	402.3	446.5
- growth (%)	15.8	13.8	10.5	7.8	8.4	11.0
Operating Expenses	121.0	143.0	154.0	170.4	185.8	203.8
PPoP	152.7	168.4	190.0	200.5	216.4	242.7
- growth (%)	20.1	10.3	12.8	5.6	7.9	12.1
Core PPoP	149.8	155.3	179.5	181.7	193.9	215.6
- growth (%)	31.0	3.7	15.6	1.2	6.7	11.2
Provisions	93.6	58.9	42.1	32.8	42.8	49.5
PBT	59.1	109.5	147.9	167.7	173.6	193.1
Tax	6.3	28.9	38.7	42.3	43.8	48.7
Tax Rate (%)	10.7	26.4	26.2	25.2	25.2	25.2
PAT	52.8	80.6	109.2	125.5	129.9	144.5
- growth (%)	33.9	52.7	35.4	14.9	3.5	11.2

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	760.4	861.8	972.7
Net Worth	479.7	583.9	693.1	773.8	875.3	986.1
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	9,467.5	10,356.9	11,440.3
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	156.2	178.4	208.0
Total Assets	7,105.0	7,926.2	8,734.1	9,467.5	10,356.9	11,440.3

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	13.8	16.4	20.6
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	0.3
Slippage Ratio(%)	1.7	1.4	1.1	1.1	1.2	1.2
Credit Cost (%)	2.2	1.2	0.8	0.5	0.6	0.7
PCR (Excl Tech. write off)	85.7	89.5	89.5	92.5	91.5	90.0

E: MOFSL 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	4.7	4.7	4.6
Avg. Cost of Deposits	3.8	4.7	4.9	4.8	4.7	4.7
Interest Spread	2.8	2.9	2.7	2.6	2.6	2.6
Net Interest Margin	3.0	3.2	3.1	3.0	3.0	3.0

Capitalisation Ratios (%)

CAR	16.5	16.4	17.9	16.5	16.5	16.1
Tier I	13.5	14.0	15.9	14.8	14.9	14.8
- CET-1	12.9	13.5	15.4	14.2	14.4	14.4
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	45.9	46.2	45.7
Cost/Core income	44.7	47.9	46.2	48.4	48.9	48.6
Int. Expense/Int.Income	55.0	58.2	59.4	59.1	58.6	57.8
Fee Income/Total Income	25.0	21.1	23.8	23.3	22.4	21.6
Non Int. Inc./Total Income	26.1	25.3	26.8	28.3	28.0	27.7
Empl. Cost/Total Expense	62.2	64.8	64.2	63.8	63.5	63.4

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	2.8	3.0
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
Proft per Employee (INR m)	1.3	2.0	2.7	3.0	3.0	3.3

Profitability Ratios and Valuation

RoE	13.3	17.1	18.9	18.6	17.0	16.6
RoA	0.8	1.1	1.3	1.4	1.3	1.3
RoRWA	1.6	2.0	2.7	2.5	2.3	2.3
Book Value (INR)	358	409	490	550	625	708
- growth (%)	10.7	14.2	19.8	12.2	13.7	13.2
Price-BV (x)	2.2	1.9	1.6	1.4	1.2	1.1
Adjusted BV (INR)	334	396	477	541	615	695
Price-ABV (x)	2.3	2.0	1.6	1.4	1.3	1.1
EPS (INR)	42.4	62.2	81.1	93.1	96.4	107.2
- growth (%)	27.7	46.7	30.3	14.9	3.5	11.2
Price-Earnings (x)	18.3	12.5	9.6	8.3	8.0	7.2
Dividend Per Share (INR)	0.0	12.0	16.3	18.0	21.2	25.1
Dividend Yield (%)	0.0	1.5	2.1	2.3	2.7	3.2

E: MOFSL Estimates

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