15 October 2026
2QFY27 Results Update | Sector: Financials

Indian Bank

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	INBK IN
Equity Shares (m)	1347
M.Cap.(INRb)/(USDb)	1124.7 / 11.8
52-Week Range (INR)	1001 / 756
1, 6, 12 Rel. Per (%)	0/-7/17
12M Avg Val (INR M)	1980

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	269.1	314.5	375.2
OP	199.2	248.5	280.8
NP	121.6	143.7	165.0
NIM (%)	3.0	3.1	3.2
EPS (INR)	90.2	106.7	122.5
EPS Gr. (%)	11.3	18.2	14.8
BV/Sh. (INR)	552	628	726
ABV/Sh. (INR)	544	621	718
Ratios			
RoA (%)	1.3	1.4	1.4
RoE (%)	18.1	18.8	18.7
Valuations			
P/E(X)	9.3	7.8	6.8
P/BV (X)	1.5	1.3	1.2
P/ABV (X)	1.5	1.3	1.2

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	73.8	73.8	73.8
DII	16.7	17.0	18.6
FII	6.9	6.2	4.7
Others	2.5	3.0	2.9

CMP: INR835 **TP: INR1,025 (+23%)** **Buy**

A healthy quarter; margins expand 2bp QoQ

One-off gain in other income utilized to create a provisioning buffer

- Indian Bank (INBK) reported a 2QFY27 PAT of INR34.6b, up 15% YoY/6% QoQ (in line), as a one-off gain in other income was utilized to create a provisioning buffer (additional ECL provision of INR15b created against the INR13.8b gain from the sale and revaluation of its NSE stake).
- NII grew 18% YoY/4% QoQ to INR77.2b (in line with our est. of INR76.4b). NIM improved by 2bp QoQ to 3.31% (in line).
- Advances grew 17.5% YoY/5.7% QoQ, while deposits rose 12.5% YoY/3.5% QoQ. Consequently, the C/D ratio rose by 171bp to 81.4%. Domestic CASA came in slightly lower at 39.4% vs. 39.7% in 1QFY27.
- Slippages declined to INR12b from INR13b in 1QFY27. The bank made additional floating provisions of INR15b for the ECL transition (cumulative INR25b), with further residual provisions of INR10b expected. GNPA/NNPA ratios improved by 25bp/1bp QoQ to 1.61%/0.14%. PCR stood at 91.5%.
- **We raise our earnings estimates by ~3% for FY27/FY28 and estimate the bank to deliver an FY28E RoA/RoE of 1.4%/18.7%. Reiterate BUY with an unchanged TP of INR1,025 (premised on 1.4x Mar'28E ABV).**

Business growth steady; asset quality improves

- INBK's 2Q PAT of INR34.6b was up 15% YoY/6% QoQ (in line) as a one-off gain in other income was utilized to create a provisioning buffer.
- NII grew 18% YoY/4% QoQ to INR77.2b (in line). NIM improved 2bp QoQ to 3.31%. NIM expansion of 5-6bp expected in 3QFY27 owing to the repo hike.
- Other income showed strong growth of 59% YoY/ 50% QoQ to INR39.5b (39% higher than MOFSLe), led by the INR13.8b gain from the sale and revaluation of the NSE stake. Total revenue, thus, rose 29% YoY/16% QoQ to INR116.7b.
- Opex grew 9% YoY/2% QoQ to INR45.8b (4% lower than est.). The C/I ratio declined to ~39.3%. PPoP grew 47% YoY/ 28% QoQ (24% beat) to INR70.9b.
- Advances jumped 17.5% YoY/5.7% QoQ to ~INR7.1t, led by the Agri and MSME books. Retail loans grew 17.4% YoY/4.3% QoQ. Within retail, gold loans grew 4.1% QoQ and housing loans rose 3.7% QoQ. Agri advances rose 8.1% QoQ, MSME rose 5.5% QoQ, and corporate grew 1.3% QoQ.
- Deposits grew 12.5% YoY/3.0% QoQ aided by USD2.4b of FCNR(B) deposits. Consequently, the C/D ratio rose 171bp QoQ to 81.4%. The CASA ratio declined marginally to 35.9%, with domestic CASA at 39.4%.
- Slippages declined to INR12b from INR13b in 1QFY27. GNPA/NNPA ratios improved by 25bp/1bp QoQ to 1.61%/0.14%. PCR stood at 91.5%. Credit cost was flat at 22bp excluding the additional ECL provision.
- The total SMA book stood at 0.21% vs. 0.26% in 1QFY27 with improvement across the SMA 0, 1, and 2 buckets.

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Highlights from the management commentary

- An additional ECL provisioning of INR15b was made in 2QFY27, taking the total ECL provisioning buffer to INR25b. A residual provisioning buffer of INR10b is likely to be created on account of ECL.
- The expected rise in steady state credit cost owing to ECL provisions was maintained at 10-15bp. Management does not envisage that the increase in credit cost can be passed on to customers.
- NIM expansion of 5-6bp is expected in 3QFY27 owing to the repo hike.
- Credit growth guidance is maintained at 13-14%, marginally higher than deposit growth.

Valuation and view

INBK reported an in-line quarter, with a one-off gain in other income being offset by an additional provisioning buffer. NIM improved by 2bp QoQ to 3.31% and is further expected to improve by 5-6bp in 3QFY27 aided by rate hikes. Credit growth guidance was maintained at 13-14%, marginally higher than deposit growth. The bank made additional floating provisions of INR15b for the ECL transition impact (cumulative INR25b), with further residual provisions of INR10b expected. On asset quality, slippages and credit costs came in lower, with asset quality improving across asset classes. The bank maintains a best-in-class PCR, providing comfort regarding incremental credit costs. Further, the transition to ECL is expected to have a manageable impact alongside a manageable increase in steady-state credit costs. We raise our earnings estimates by ~3% for FY27/FY28 and anticipate the bank to deliver an FY28E RoA/RoE of 1.4%/18.7%. **Reiterate BUY with the unchanged TP of INR1,025 (premised on 1.4x Mar'28E ABV).**

Quarterly performance **(INR b)**

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	v/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Est
Net Interest Income	**63.6**	**65.5**	**69.0**	**71.1**	**74.3**	**77.2**	**79.9**	**83.1**	**269.1**	**314.5**	**76.4**	**1%**
% Change (YoY)	2.9	5.8	7.5	11.3	16.9	17.8	15.8	16.9	6.9	16.9	16.6	
Other Income	24.4	24.9	25.7	25.0	26.3	39.5	27.0	28.1	99.9	120.9	28.5	39%
Total Income	**88.0**	**90.4**	**94.6**	**96.1**	**100.7**	**116.7**	**106.8**	**111.2**	**369.1**	**435.4**	**104.9**	**11%**
Operating Expenses	40.3	42.0	44.4	43.2	45.1	45.8	47.1	48.9	169.9	186.9	47.7	-4%
Operating Profit	**47.7**	**48.4**	**50.2**	**52.9**	**55.6**	**70.9**	**59.7**	**62.3**	**199.2**	**248.5**	**57.3**	**24%**
% Change (YoY)	6.0	2.3	5.8	5.3	16.5	46.6	18.9	17.8	4.8	24.8	18.4	
Provisions	6.9	7.4	8.6	12.3	12.0	22.2	10.1	12.0	35.1	56.3	11.8	88%
Profit before Tax	**40.8**	**41.0**	**41.7**	**40.6**	**43.6**	**48.7**	**49.6**	**50.3**	**164.0**	**192.2**	**45.4**	**7%**
Tax	11.1	10.8	11.1	9.6	10.9	14.1	12.5	11.0	42.5	48.4	11.4	
Net Profit	**29.7**	**30.2**	**30.6**	**31.0**	**32.7**	**34.6**	**37.1**	**39.3**	**121.6**	**143.7**	**34.0**	**2%**
% Change (YoY)	23.7	11.5	7.3	5.0	10.1	14.7	21.1	26.6	11.3	18.2	12.6	
Operating Parameters												
Deposits (INR b)	7,443	7,769	7,909	8,277	8,446	8,740	9,053	9,328	8,277	9,328	8,733	0%
Loans (INR b)	5,841	6,052	6,255	6,549	6,729	7,114	7,339	7,505	6,549	7,505	7,092	0%
Deposit Growth (%)	9.3	12.1	12.6	12.3	13.5	12.5	14.5	12.7	12.3	12.7	12.4	
Loan Growth (%)	12.1	13.6	15.4	14.7	15.2	17.5	17.3	14.6	14.7	14.6	17.2	
Asset Quality												
Gross NPA (%)	3.0	2.6	2.2	2.0	1.9	1.6	1.5	1.6	2.0	1.6	1.8	
Net NPA (%)	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.2	0.1	0.1	
PCR (%)	94.3	93.9	93.2	92.7	92.2	91.5	92.1	92.4	90.7	92.4	92.3	

E: MOFSL Estimates

Quarterly Snapshot

	FY26				FY27		Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
Profit and Loss (INRb)								
Net Interest Income	**63.6**	**65.5**	**69.0**	**71.1**	**74.3**	**77.2**	**17.8**	**3.8**
Other Income	**24.4**	**24.9**	**25.7**	**25.0**	**26.3**	**39.5**	**59.0**	**50.1**
Core Fees	7.9	8.3	10.0	10.9	9.3	10.3	24.1	10.8
Trading profits	3.8	1.4	3.6	0.1	2.3	13.7	847.9	504.0
Total Income	**88.0**	**90.4**	**94.6**	**96.1**	**100.7**	**116.7**	**29.1**	**15.9**
Operating Expenses	**40.3**	**42.0**	**44.4**	**43.2**	**45.1**	**45.8**	**9.1**	**1.6**
Employee	26.1	26.5	27.9	27.1	30.7	30.4	14.5	-1.1
Others	14.1	15.5	16.5	16.1	14.4	15.5	-0.3	7.3
Operating Profits	**47.7**	**48.4**	**50.2**	**52.9**	**55.6**	**70.9**	**46.6**	**27.6**
Core Operating Profits	**43.9**	**46.9**	**46.6**	**52.8**	**53.3**	**57.3**	**22.0**	**7.4**
Provisions	6.9	7.4	8.6	12.3	12.0	22.2	200.9	85.9
PBT	**40.8**	**41.0**	**41.7**	**40.6**	**43.6**	**48.7**	**18.8**	**11.6**
Taxes	11.1	10.8	11.1	9.6	10.9	14.1	30.2	29.1
PAT	**29.7**	**30.2**	**30.6**	**31.0**	**32.7**	**34.6**	**14.7**	**5.8**
Balance Sheet (INRb)								
Loans	5,841	6,052	6,255	6,549	6,729	7,114	17.5	5.7
Deposits	7,443	7,769	7,909	8,277	8,446	8,740	12.5	3.5
CASA Deposits	2,771	2,888	2,957	3,135	3,195	3,286	13.8	2.8
-Savings	2,389	2,486	2,533	2,691	2,713	2,773	11.5	2.2
-Current	382	403	424	445	482	514	27.5	6.5
Loan mix (%)								
Agri Advances	25.9	25.5	25.3	24.8	25.1	26.0	47.3	87.6
MSME Advances	17.2	17.3	17.7	17.7	17.7	17.9	60.3	18.4
Large Industry	34.7	34.5	33.9	34.6	34.0	33.0	-153.6	-103.4
Retail Loans	22.2	22.8	23.0	22.9	23.2	23.2	46.0	-2.6
Asset Quality (INRb)								
GNPA	180.7	161.3	142.7	131.9	127.1	116.1	-28.0	-8.6
NNPA	10.4	9.8	9.7	9.6	9.9	9.8	0.0	-0.7
Slippages	13.8	11.6	10.1	14.0	13.0	11.8	2.3	-9.0
Asset Quality Ratios (%)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**YoY(bp)**	**QoQ(bp)**
GNPA	3.0	2.6	2.2	2.0	1.9	1.6	-99.0	-24.7
NNPA	0.2	0.2	0.2	0.2	0.1	0.1	-2.0	-0.7
PCR (Cal.)	94.3	93.9	93.2	92.7	92.2	91.5	-237.2	-67.3
PCR (Inc. TWO)	98.2	98.3	98.3	98.3	98.2	98.2	-6.0	0.0
Credit Cost	0.5	0.5	0.6	0.8	0.8	1.4	83.1	58.9
Business Ratios (%)								
CASA	35.6	35.6	35.8	36.2	36.1	35.9	37.3	-12.4
Loan/Deposit	78.5	77.9	79.1	79.1	79.7	81.4	349.6	171.4
Other income/Total Income	27.7	27.5	27.1	26.0	26.2	33.9	635.2	771.0
Cost to Income	45.8	46.5	46.9	45.0	44.8	39.3	-723.0	-554.9
Cost to Assets	1.9	1.9	2.0	1.9	1.9	1.8	-9.8	-5.7
Tax Rate	27.1	26.3	26.5	23.6	25.0	28.9	252.5	391.6
Capitalisation Ratios (%)								
CAR	17.8	17.3	16.6	17.9	17.6	16.2	-110.0	-137.0
Tier-1	15.7	15.3	14.5	16.4	16.5	15.2	-9.0	-133.0
- CET 1	15.3	14.8	14.5	16.4	16.5	15.2	38.0	-133.0
Tier-2	2.1	2.0	2.0	1.5	1.1	1.0	-101.0	-4.0
Profitability Ratios (%)								
Yield on loans	8.6	8.4	8.3	8.1	8.1	8.2	-23.0	8.0
Yield On Investments	7.0	7.0	7.0	7.0	7.0	7.0	-5.0	2.0
Margins	3.4	3.3	3.4	3.4	3.4	3.4	8.0	1.0
ROA	1.3	1.3	1.3	1.3	1.3	1.3	-1.0	-3.0
ROE	20.3	19.6	19.1	19.0	19.5	19.7	7.0	17.0
Other Details								
Branches	5,909	5,955	5,965	6,001	6,003	6,017	62.0	14.0
ATM	5,466	5,565	5,624	5,657	5,676	5,678	113.0	2.0



Highlights from the management commentary

Opening remarks

- Bulk deposits reduced from INR1.62t to INR1.52t.
- CASA QoQ came down owing to higher FCNR(B) deposit mobilization.
- RAM constitutes 67% of total domestic book.
- PPOP excluding one-off gain grew by 18% YoY.
- Overseas NIM expanded by 8bp QoQ on the back of some churning.
- C/I – 44.6% excluding one-off gain.
- Not stress visible in any of the portfolios currently
- Through CRM initiative able to add business of INR15b and via fintech solutions provided to 23 companies able to add INR50b.
- Introduced new AI relationship name assistant named Tara in order to improve customer engagement and experience will improve.
- Introduced Smart wealth AI-powered for personal finance management.

Advances and deposits

- INBK should be able to maintain 12% YoY deposit growth.
- The bank can lower its loan growth target to 14-15% if profitability gets affected.
- 10-12% growth expected in corporate book. Corporate growth has picked up with intensive training of employees.
- FCNR(B) raised was USD2.3b (INR210b) and leverage provided against the same of USD2b.
- Grew retail TD only by INR50-60b instead of INR100-110b.
- INR80b of EGCLS is sanctioned against which disbursals of INR70b is done to 31k accounts.
- Agri Gold loan book rose 22% YoY and stood at INR1.16t (INR1.04t in 1QFY27)
- LCR for 2QFY27 was 116%. Owing to higher borrowing and lower HQLA LCR is being hit.
- Housing loans are sourcing 40% via DSA and 60% through branches. In vehicle book DSA proportion is higher.
- There were 2.5L salary accounts in 1HFY27 as against 3L salary accounts in FY26.

Yield, costs, and margins

- NIM expansion of 5-6bp expected in 3QFY27 owing to repo hike.
- EBLR mix at 49.65% and MCLR at 43.19%.
- Treasury income going forward shall be muted however impact of the same shall not be severe as the bank has not booked good yielding securities yet.
- Forex income booking needs to be revisited with new RBI guidelines.
- Will be very cautious in raising bulk deposits and shall be exploring refinance or infrastructure bond route.
- Gold loan book yield at 8.85%.
- Corporate yield improved from 8.36% in 1QFY27 to 8.49% in 2QFY27.

Other income

- Booked INR2.5b and INR11.3b towards sale/MTM from NSE stake sale.
- Miscellaneous income of INR4.4b includes INR2.7b of interest on IT refund.

- MTM adversely impacted by INR0.11b for 2QFY27. AFS reserve moved from + INR5.b in 1QFY27 to -INR1.2b in 2QFY27.

Asset quality

- An additional ECL provisioning of INR15b was made in 2QFY27, taking the total ECL provisioning buffer to INR25b. A residual provisioning buffer of INR10b is likely to be created on account of ECL.
- The expected rise in steady state credit cost owing to ECL provisions was maintained at 10-15bp. Management does not envisage that the increase in credit cost can be passed on to customers.
- LGD assumption on ECL taken basis last five years.
- Drought-prone state exposure is minimal.
- Overall book - SMA 0 at INR157b, SMA 1 at INR72b, SMA2 INR63b.
- Recovery likely to be more than guidance. >INR10m loans recovery at INR 7.56bn and <INR10m at INR7.91b.
- 92% book CIBIL score is more than 750. Not comprising on quality of retail book.
- CRAR impact owing to discrepancy with RBI assessment is one-time. CRAR shall to reach to 17%-17.5% by Mar-27.

Guidance for FY27

- Credit growth guidance maintained at 13-14%, marginally higher than deposit growth.
- CASA ratio target remains at 40%.
- NIM is expected to remain within the 3.10-3.25% range.
- Believe recovery would be better than guidance of INR45b-55b.

Story in charts

Exhibit 1: Loan book grew ~17.5% YoY (up 5.7% QoQ)

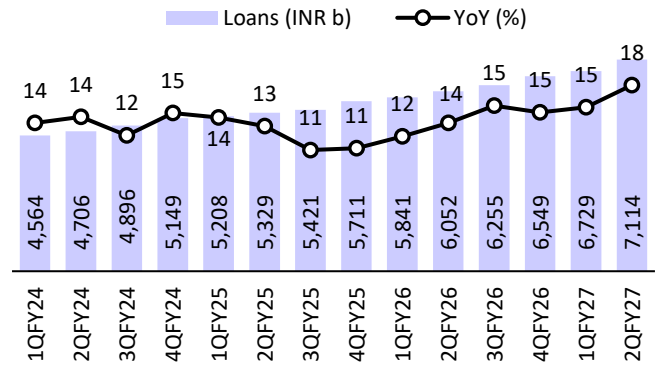


Exhibit 2: Deposits grew 12.5% YoY (up 3.5% QoQ)

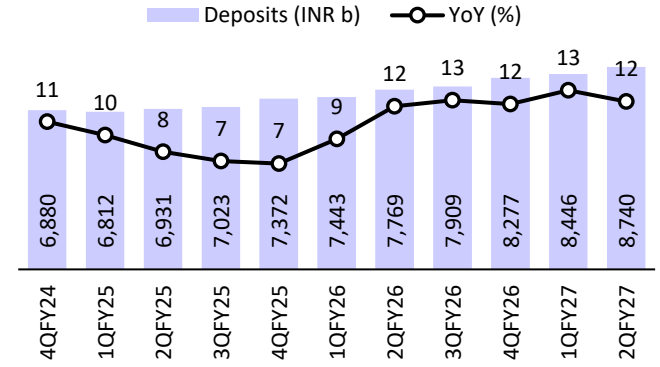


Exhibit 3: Domestic NIM improved 1bp QoQ to 3.42%

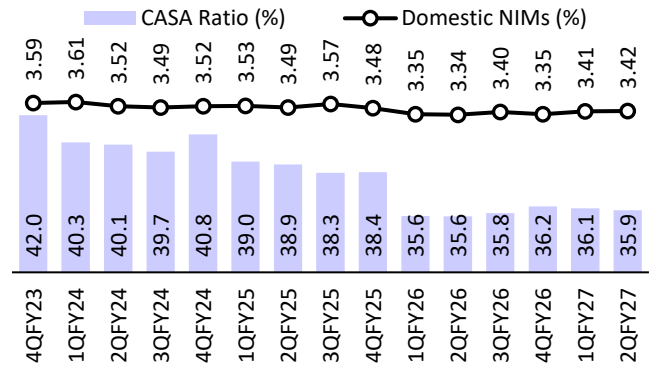


Exhibit 4: Yields on advances grew 8bp to 8.2%

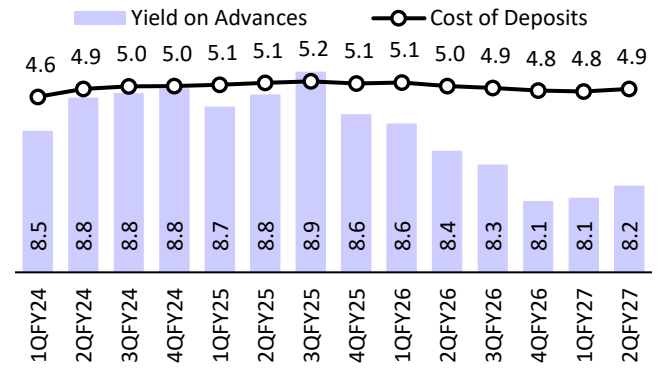


Exhibit 5: C/I ratio declined to 39.3%

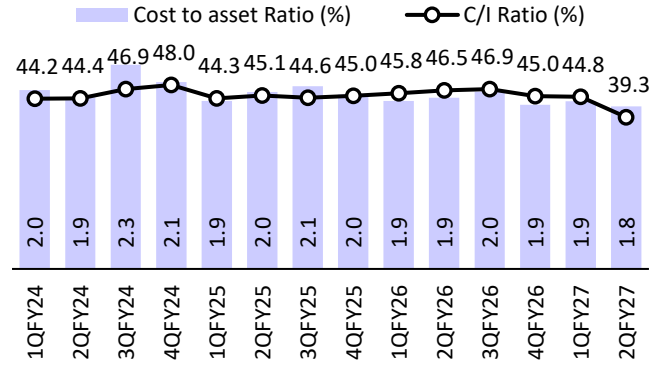


Exhibit 6: CD ratio increased to 81.4%

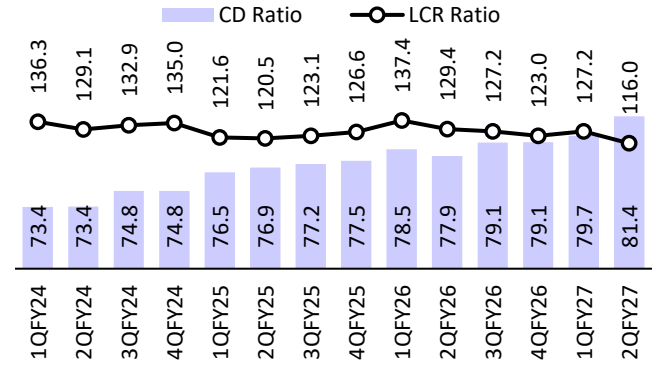
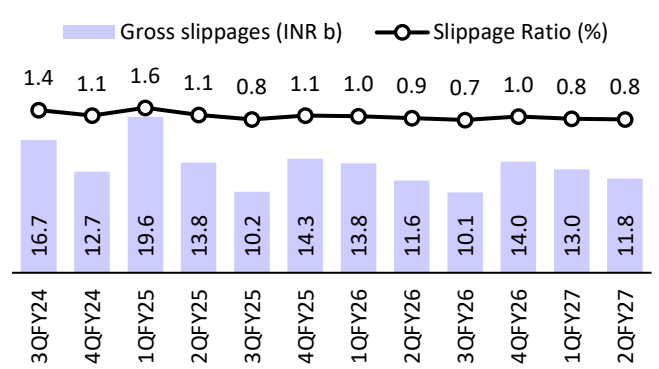
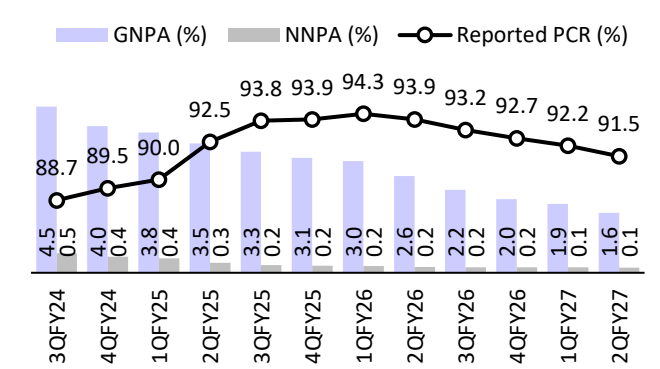


Exhibit 7: Slippages declined to ~INR12b in 2QFY27



Source: MOFSL, Company

Exhibit 8: GNPA/NNPA ratios improved 25bp/1bp QoQ



Source: MOFSL, Company

Valuation and view: Reiterate BUY with a TP of INR1,025

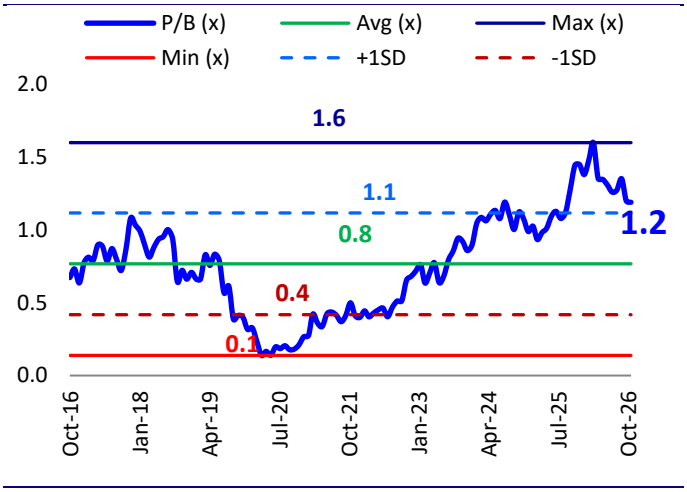
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- On asset quality, slippages and credit costs came in lower, with asset quality improving across asset classes. The bank maintains a best-in-class PCR, providing comfort regarding incremental credit costs. Further, the transition to ECL is expected to have a manageable impact alongside a manageable increase in steady-state credit costs.
- We raise our earnings estimates by ~3% for FY27/FY28 and anticipate the bank to deliver an FY28E RoA/RoE of 1.4%/18.7%. **Reiterate BUY with the unchanged TP of INR1,025 (premised on 1.4x Mar'28E ABV).**

Exhibit 9: Revisions to our earnings estimates

(INR b)	Old est.		Rev est		Change(%/bp)	
	FY27	FY28	FY27	FY28	FY27	FY28
Net Interest Income	**310.1**	**365.0**	**314.5**	**375.2**	**1.4**	**2.8**
Other Income	108.9	114.3	120.9	116.1	11.0	1.5
Total Income	**419.0**	**479.3**	**435.4**	**491.3**	**3.9**	**2.5**
Operating Expenses	186.9	210.5	186.9	210.5	0.0	0.0
Operating Profit	**232.1**	**268.8**	**248.5**	**280.8**	**7.1**	**4.4**
Provisions	45.5	53.8	56.3	60.2	23.7	11.9
PBT	**186.5**	**215.1**	**192.2**	**220.6**	**3.0**	**2.6**
Tax	47.0	54.2	48.4	55.6	3.0	2.6
PAT	**139.5**	**160.9**	**143.7**	**165.0**	**3.0**	**2.6**
Loans	7,505	8,496	7,505	8,496	0.0	0.0
Deposits	9,328	10,476	9,328	10,476	0.0	0.0
Margins (%)	3.0	3.1	3.1	3.2	0.0	0.1
Credit Cost (%)	0.6	0.6	0.5	0.7	-6.0	8.0
RoA (%)	**1.3**	**1.4**	**1.4**	**1.4**	**0.0**	**0.0**
RoE (%)	**18.3**	**18.4**	**18.8**	**18.7**	**0.5**	**0.3**
EPS	103.6	119.4	106.7	122.5	3.0	2.6
BV	**625.2**	**719.7**	**628.3**	**725.9**	0.5	0.9
ABV	617.4	709.2	621.5	718.1	0.7	1.2

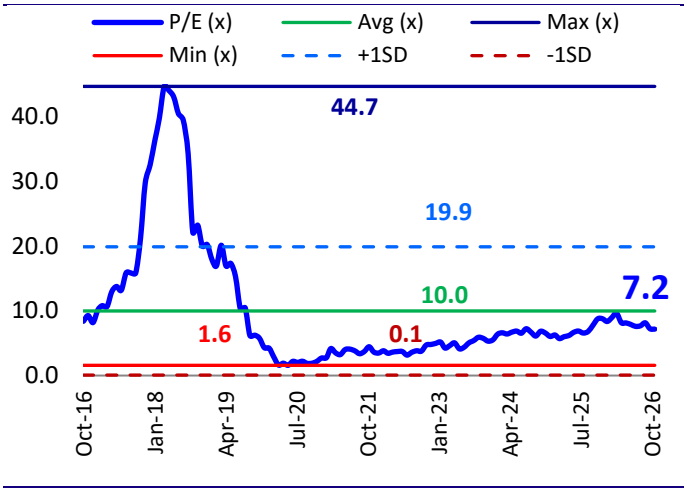
Source: MOFSL, Company

Exhibit 10: One-year forward P/B ratio



Source: MOFSL, Company

Exhibit 11: One-year forward P/E ratio



Source: MOFSL, Company

Exhibit 12: DuPont Analysis: We estimate an RoA at 1.37% over FY27

	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	6.50	7.40	7.44	7.25	7.38	7.56
Interest Expense	3.58	4.30	4.42	4.36	4.38	4.37
Net Interest Income	**2.93**	**3.10**	**3.02**	**2.89**	**3.00**	**3.19**
Fee income	0.99	0.87	0.98	0.98	1.05	0.88
Trading and others	0.04	0.17	0.13	0.10	0.10	0.11
Other Income	**1.03**	**1.05**	**1.11**	**1.07**	**1.15**	**0.99**
Total Income	**3.96**	**4.14**	**4.13**	**3.97**	**4.15**	**4.17**
Operating Expenses	**1.75**	**1.90**	**1.85**	**1.83**	**1.78**	**1.79**
Employees	1.09	1.23	1.19	1.16	1.12	1.12
Others	0.66	0.67	0.66	0.67	0.66	0.67
Operating Profits	**2.21**	**2.24**	**2.28**	**2.14**	**2.37**	**2.39**
Provisions	**1.35**	**0.78**	**0.51**	**0.38**	**0.54**	**0.51**
PBT	**0.86**	**1.46**	**1.78**	**1.76**	**1.83**	**1.87**
Tax	0.09	0.38	0.46	0.46	0.46	0.47
RoA	**0.76**	**1.07**	**1.31**	**1.31**	**1.37**	**1.40**
Leverage (x)	17.4	15.9	14.4	13.8	13.7	13.4
RoE	**13.3**	**17.1**	**18.9**	**18.1**	**18.8**	**18.7**

Source: MOFSL, Company

Financials and valuations

Income Statement						(INRb)
Y/E March	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Interest Income	449.4	556.1	620.0	674.5	773.6	890.0
Interest Expense	247.2	323.4	368.3	405.4	459.0	514.8
Net Interest Income	**202.3**	**232.7**	**251.8**	**269.1**	**314.5**	**375.2**
- growth (%)	20.9	15.1	8.2	6.9	16.9	19.3
Non-Interest Income	71.4	78.7	92.2	99.9	120.9	116.1
Total Income	**273.7**	**311.4**	**344.0**	**369.1**	**435.4**	**491.3**
- growth (%)	15.8	13.8	10.5	7.3	18.0	12.8
Operating Expenses	121.0	143.0	154.0	169.9	186.9	210.5
PPoP	**152.7**	**168.4**	**190.0**	**199.2**	**248.5**	**280.8**
- growth (%)	20.1	10.3	12.8	4.8	24.8	13.0
Core PPoP	**149.8**	**155.3**	**179.5**	**190.3**	**237.8**	**268.0**
- growth (%)	31.0	3.7	15.6	6.0	25.0	12.7
Provisions	93.6	58.9	42.1	35.1	56.3	60.2
PBT	**59.1**	**109.5**	**147.9**	**164.0**	**192.2**	**220.6**
Tax	6.3	28.9	38.7	42.5	48.4	55.6
Tax Rate (%)	10.7	26.4	26.2	25.9	25.2	25.2
PAT	**52.8**	**80.6**	**109.2**	**121.6**	**143.7**	**165.0**
- growth (%)	33.9	52.7	35.4	11.3	18.2	14.8

Balance Sheet						
Y/E March	**FY23**	**FY24**	**FY25**	**FY26**	**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	769.4	871.7	1,003.2
Net Worth	**479.7**	**583.9**	**693.1**	**782.9**	**885.2**	**1,016.7**
Deposits	**6,211.7**	**6,880.0**	**7,371.5**	**8,277.3**	**9,328.5**	**10,475.9**
- growth (%)	4.6	10.8	7.1	12.3	12.7	12.3
- CASA Dep	**2,608.1**	**2,804.9**	**2,828.5**	**3,135.5**	**3,600.8**	**4,075.1**
- growth (%)	5.2	7.5	0.8	10.9	14.8	13.2
Borrowings	220.7	231.3	415.1	466.9	474.2	501.2
Other Liabilities & Prov.	192.9	231.0	254.4	352.4	401.8	458.0
Total Liabilities	**7,105.0**	**7,926.2**	**8,734.1**	**9,879.5**	**11,089.7**	**12,451.7**
Current Assets	501.3	421.1	548.7	655.9	651.9	708.0
Investments	1,859.9	2,125.5	2,253.0	2,446.7	2,777.0	3,110.2
- growth (%)	6.5	14.3	6.0	8.6	13.5	12.0
Loans	**4,493.0**	**5,148.9**	**5,710.7**	**6,548.9**	**7,505.0**	**8,495.7**
- growth (%)	15.4	14.6	10.9	14.7	14.6	13.2
Fixed Assets	74.6	75.2	88.3	86.5	91.7	97.2
Other Assets	176.2	155.5	133.4	141.6	64.2	40.7
Total Assets	**7,105.0**	**7,926.2**	**8,734.1**	**9,879.5**	**11,089.7**	**12,451.7**

Asset Quality	FY23	FY24	FY25	FY26	FY27E	FY28E
GNPA (INR b)	281.8	211.1	211.1	131.9	121.1	132.9
NNPA (INR b)	40.4	22.2	22.2	12.2	9.2	10.6
GNPA Ratio (%)	6.0	4.0	4.0	2.0	1.6	1.5
NNPA Ratio (%)	0.9	0.4	0.4	0.2	0.1	0.1
Slippage Ratio(%)	1.7	1.4	1.1	0.8	0.9	0.9
Credit Cost (%)	2.2	1.2	0.8	0.6	0.5	0.7
PCR (Excl Tech. write off)	85.7	89.5	89.5	90.7	92.4	92.0

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield- on Earning Assets	**6.8**	**7.6**	**7.7**	**7.4**	**7.5**	**7.7**
Avg. Yield on loans	7.6	8.4	8.3	8.0	8.1	8.3
Avg. Yield on Investments	6.5	6.8	7.0	6.9	6.9	6.9
Avg. Cost of Int. Bear. Liab.	**3.9**	**4.8**	**4.9**	**4.9**	**5.0**	**5.0**
Avg. Cost of Deposits	3.8	4.7	4.9	4.8	4.8	4.8
Interest Spread	**2.8**	**2.9**	**2.7**	**2.5**	**2.6**	**2.7**
Net Interest Margin	**3.0**	**3.2**	**3.1**	**3.0**	**3.1**	**3.2**
Capitalisation Ratios (%)						
CAR	16.5	16.4	17.9	17.9	16.1	15.7
Tier I	13.5	14.0	15.9	16.4	14.9	14.7
- *CET-1*	*12.9*	*13.5*	*15.4*	*16.4*	*15.0*	*14.9*
Tier II	3.0	2.4	2.1	1.5	1.2	1.0
Business Ratios (%)						
Loans/Deposit Ratio	72.3	74.8	77.5	79.1	80.5	81.1
CASA Ratio	42.0	40.8	38.4	37.9	38.6	38.9
Cost/Assets	1.7	1.8	1.8	1.7	1.7	1.7
Cost/Total Income	44.2	45.9	44.8	46.0	42.9	42.8
Cost/Core income	44.7	47.9	46.2	47.2	44.0	44.0
Int. Expense/Int.Income	55.0	58.2	59.4	60.1	59.3	57.8
Fee Income/Total Income	25.0	21.1	23.8	24.7	25.3	21.0
Non Int. Inc./Total Income	26.1	25.3	26.8	27.1	27.8	23.6
Empl. Cost/Total Expense	62.2	64.8	64.2	63.3	62.7	62.7
Efficiency Ratios (INRm)						
Employee per branch (in nos)	7.0	6.9	6.8	6.7	6.6	6.6
Staff cost per employee (INR m)	1.8	2.3	2.5	2.7	2.9	3.2
CASA per branch (INRm)	450.7	479.4	479.0	522.1	579.4	642.8
Deposits per branch (INRm)	1,073.4	1,175.9	1,248.4	1,378.4	1,500.9	1,652.5
Business per Employee (INR m)	262.5	298.8	326.5	368.6	410.3	453.3
Profit per Employee (INR m)	1.3	2.0	2.7	3.0	3.5	3.9
Profitability Ratios and Valuation						
RoE	13.3	17.1	18.9	18.1	18.8	18.7
RoA	0.8	1.1	1.3	1.3	1.4	1.4
RoRWA	1.6	2.0	2.7	2.5	2.5	2.5
Book Value (INR)	358	409	490	552	628	726
- growth (%)	10.7	14.2	19.8	12.7	13.7	15.5
Price-BV (x)	**2.3**	**2.0**	**1.7**	**1.5**	**1.3**	**1.2**
Adjusted BV (INR)	334	396	477	544	621	718
Price-ABV (x)	**2.5**	**2.1**	**1.8**	**1.5**	**1.3**	**1.2**
EPS (INR)	42.4	62.2	81.1	90.2	106.7	122.5
- growth (%)	27.7	46.7	30.3	11.3	18.2	14.8
Price-Earnings (x)	**19.7**	**13.4**	**10.3**	**9.3**	**7.8**	**6.8**
Dividend Per Share (INR)	0.0	12.0	16.3	18.0	21.2	25.1
Dividend Yield (%)	**0.0**	**1.4**	**1.9**	**2.2**	**2.5**	**3.0**

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