

Estimate change



TP change



Rating change



Bloomberg	INBK IN
Equity Shares (m)	1347
M.Cap.(INRb)/(USDb)	791 / 9.4
52-Week Range (INR)	633 / 336
1, 6, 12 Rel. Per (%)	4/8/44
12M Avg Val (INR M)	1231

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	232.7	253.4	280.7
OP	168.4	184.7	204.9
NP	80.6	101.8	115.2
NIM (%)	3.2	3.1	3.2
EPS (INR)	62.2	75.6	85.5
EPS Gr. (%)	46.7	21.5	13.1
BV/Sh. (INR)	409	469	537
ABV/Sh. (INR)	396	452	517

Ratios

RoE (%)	17.1	18.0	17.7
RoA (%)	1.1	1.2	1.3

Valuations

P/E(X)	9.4	7.8	6.9
P/BV (X)	1.4	1.3	1.1
P/ABV (X)	1.5	1.3	1.1

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	73.8	73.8	79.9
DII	16.9	17.0	11.6
FII	5.4	5.3	4.0
Others	3.9	3.9	4.6

CMP: INR587

TP: INR670 (+14%)

Buy

NII, PPOp in line; earnings outlook buoyant

Guides for controlled credit cost

- Indian Bank (INBK) reported 1QFY25 PAT of INR24b (41% YoY, 9% beat), driven by lower provisions (as the bank reversed INR970m on account of the sale of stressed assets in 1Q).
- NII growth was healthy at 8.3% YoY (in line). Margin was broadly flat with a 1bp QoQ increase to 3.53%.
- Net advances grew 14% YoY/1.2% QoQ, while deposits rose 9.6% YoY but fell 1% QoQ. Consequently, the C/D ratio increased by 162bp QoQ to 76.5%. The CASA ratio moderated 174bp QoQ to 39%.
- Fresh slippages increased to INR19.6b, mainly due to seasonality. Healthy recoveries/upgrades resulted in 18bp/4bp QoQ improvements in GNPA/NNPA ratios to 3.8%/0.4%. SMA book stood at 0.5% of loans during the quarter.
- We raise our earnings estimates by 4% for FY25 and expect the bank to deliver RoA/RoE of 1.3%/17.7%. **Reiterate BUY with a revised TP of INR670 (premised on 1.2x FY26E BV).**

Operational performance in line; guides for NIM at ~3.4-3.5%

- PAT growth was healthy at 41% YoY/7% QoQ to INR24b (9% beat), led by lower provisions (as the bank reversed INR970m on account of the sale of stressed assets in 1Q).
- NII grew 8.3% YoY/2.7% QoQ to INR62b (in line). Margin was broadly flat, with a 1bp QoQ increase to 3.53% as funding costs remained under control.
- Other income grew 11.5% YoY/declined 16% QoQ to INR19.1b (in line), resulting in 9% YoY growth in total revenue (in line). Treasury income stood at INR2.6b vs. INR1.9b in 4QFY24.
- Opex grew 9% YoY/declined 10% QoQ (3% lower than MOFSLe). As a result, the C/I ratio moderated 368bp QoQ to 44.3%. PPOp grew 9% YoY (in line) to INR45b in 1QFY25.
- Gross advances grew 12.5% YoY (up 1% QoQ) to ~INR5.4t, led by Retail and Agri. Within Retail, housing and vehicle maintained healthy growth momentum. Deposit growth was modest at 9.6% YoY (down 1% QoQ). CASA ratio thus declined 174bp QoQ to 39%. C/D ratio increased by 162bp QoQ to 76.5%. The management expects to maintain CD ratio at around 80%.
- Fresh slippages increased to INR19.6b vs. INR12.7b in 4QFY24. Healthy recoveries/upgrades resulted in 18bp/4bp QoQ improvements in GNPA/NNPA to 3.8%/0.4%. Specific PCR remained strong at ~90%.
- SMA book stood at 0.5% of loans during the quarter. The total restructured portfolio declined to 1.5% of loans (vs. ~1.7% in 4QFY24).

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilalosal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Highlights from the management commentary

- The guidelines for ECL are still in draft form and their impact is expected to be minimal. The bank will also pass on charges to customers. The ECL impact is spread over a five-year period, resulting in a minimal effect.
- Deposits are expected to grow by 8-10%. Advances are projected to grow by 11-13%.
- 61% of the loan book is based on MCLR, with an external T-bill exposure of INR10b. Of the MCLR loans, 80% are linked to one-year MCLR.
- NIM guidance is 3.4% (± 10 bp), with the bank aiming to exceed this guidance.

Valuation and view

INBK reported a healthy quarter, with earnings led by lower provisions and controlled opex. Loan growth remained healthy, while deposit growth was modest, which led to an increase in the CD ratio. INBK has gradually raised its MCLR-linked loans, which should provide cushion to its margins, particularly as the rate cycle turns. The management expects margins at $\sim 3.4\%$ in FY25 and the growth trend to remain steady. It will continue to focus on profitable growth. Slippages were higher primarily due to seasonality, heatwaves, and the elections. However, the management has successfully recovered INR3.12b of these slippages so far and anticipates further recoveries in 2Q. Despite this, asset quality ratios have improved, with the bank maintaining a best-in-class coverage ratio, which, along with a low SMA book, provided comfort on incremental credit costs. We raise our earnings estimates by 4% for FY25 and expect the bank to deliver RoA/RoE of 1.3%/17.7%.

Reiterate BUY with a revised TP of INR670 (premised on 1.2x FY26E BV).

Quarterly performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	v/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Interest Income	57.0	57.4	58.1	60.2	61.8	62.8	63.6	65.3	232.7	253.4	61.5	1%
% Change (YoY)	25.8	22.5	5.7	9.2	8.3	9.4	9.3	8.6	15.1	8.9	7.8	
Other Income	17.1	19.9	19.0	22.6	19.1	21.1	21.9	23.7	78.7	85.7	19.4	-2%
Total Income	74.1	77.3	77.2	82.8	80.8	83.9	85.4	89.0	311.4	339.2	80.9	0%
Operating Expenses	32.8	34.3	36.2	39.7	35.8	37.3	38.8	42.5	143.0	154.5	36.8	-3%
Operating Profit	41.3	43.0	41.0	43.0	45.0	46.6	46.6	46.5	168.4	184.7	44.1	2%
% Change (YoY)	16.0	18.6	0.9	7.2	8.9	8.2	13.8	8.0	10.3	9.7	6.6	
Provisions	17.4	15.5	13.5	12.5	12.6	12.2	11.9	11.9	58.9	48.6	14.6	-14%
Profit before Tax	23.9	27.5	27.5	30.6	32.4	34.3	34.8	34.6	109.5	136.1	29.5	10%
Tax	6.9	7.6	6.3	8.1	8.4	8.6	8.8	8.5	28.9	34.3	7.4	
Net Profit	17.1	19.9	21.2	22.5	24.0	25.7	26.0	26.1	80.6	101.8	22.1	9%
% Change (YoY)	40.8	62.2	51.8	55.3	40.6	29.1	22.7	16.1	52.7	26.2	29.1	
Operating Parameters												
Deposits (INR b)	6,215	6,408	6,542	6,880	6,812	7,128	7,282	7,499	6,880	7,499	7,009	-3%
Loans (INR b)	4,564	4,706	4,896	5,149	5,208	5,386	5,534	5,741	5,149	5,741	5,214	0%
Deposit Growth (%)	6.4	8.8	9.6	10.8	9.6	11.2	11.3	9.0	10.8	9.0	11.0	
Loan Growth (%)	13.6	14.2	12.3	14.6	14.1	14.4	13.0	11.5	14.6	11.5	13.6	
Asset Quality												
Gross NPA (%)	5.5	5.0	4.5	4.0	3.8	3.6	3.4	3.1	4.0	3.1	3.8	
Net NPA (%)	0.7	0.6	0.5	0.4	0.4	0.4	0.4	0.5	0.4	0.5	0.4	
PCR (%)	87.8	88.5	88.7	89.5	90.0	89.6	89.8	83.6	89.5	83.6	89.5	

E: MOFSL Estimates

Quarterly snapshot

	FY24				FY25	Change (%)	
	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Profit and Loss (INRm)							
Net Interest Income	57.0	57.4	58.1	60.2	61.8	8	3
Other Income	17.1	19.9	19.0	22.6	19.1	11	-16
Core Fees	6.7	8.1	8.5	9.7	7.9	17	-19
Trading profits	4.6	3.2	3.3	1.9	2.6	-44	36
Total Income	74.1	77.3	77.2	82.8	80.8	9	-2
Operating Expenses	32.8	34.3	36.2	39.7	35.8	9	-10
Employee	21.2	21.8	23.4	26.3	23.0	9	-13
Others	11.6	12.5	12.8	13.4	12.8	10	-4
Operating Profits	41.3	43.0	41.0	43.0	45.0	9	5
Core Operating Profits	36.7	39.8	37.7	41.1	42.4	15	3
Provisions	17.4	15.5	13.5	12.5	12.6	-28	1
PBT	23.9	27.5	27.5	30.6	32.4	35	6
Taxes	6.9	7.6	6.3	8.1	8.4	23	4
PAT	17.1	19.9	21.2	22.5	24.0	41	7
Balance Sheet (INRb)							
Loans	4,564	4,706	4,896	5,149	5,208	14	1
Deposits	6,215	6,408	6,542	6,880	6,812	10	-1
CASA Deposits	2,502	2,570	2,595	2,805	2,659	6	-5
-Savings	2,174	2,236	2,257	2,415	2,314	6	-4
-Current	329	334	338	390	345	5	-12
Loan mix (%)							
Agri Advances	23.2	24.1	24.1	24.3	24.6	140	34
MSME Advances	17.4	17.5	17.5	16.9	16.6	-84	-30
Large Industry	38.7	37.7	37.4	37.8	37.7	-99	-12
Retail Loans	20.7	20.8	20.9	21.0	21.1	42	8
Asset Quality (INRb)							
GNPA	262.3	244.9	227.9	211.1	203.0	-23	-4
NNPA	32.0	28.3	25.8	22.2	20.3	-37	-9
Slippages	18.5	19.8	16.7	12.7	19.6	6	54
Asset Quality Ratios (%)							
	1Q	2Q	3Q	4Q	1Q	YoY(bp)	QoQ(bp)
GNPA	5.5	5.0	4.5	4.0	3.8	-170	-18
NNPA	0.7	0.6	0.5	0.4	0.4	-31	-4
PCR (Cal.)	87.8	88.5	88.7	89.5	90.0	221	55
PCR (Inc. TWO)	95.1	95.6	95.9	96.3	96.7	156	32
Credit Cost	0.9	0.8	0.8	0.7	0.7	-13	-1
Business Ratios (%)							
CASA	40.3	40.1	39.7	40.8	39.0	-123	-174
Loan/Deposit	73.4	73.4	74.8	74.8	76.5	304	162
Other income/Total Income	23.1	25.8	24.6	27.3	23.6	51	-376
Cost to Income	44.2	44.4	46.9	48.0	44.3	9	-368
Cost to Assets	2.0	1.9	2.3	2.1	1.9	-12	-21
Tax Rate	28.6	27.8	22.9	26.5	25.9	-273	-61
Capitalisation Ratios (%)							
CAR	15.8	15.5	15.6	16.4	16.5	69	3
Tier-1	12.9	12.6	12.9	14.0	13.9	105	-10
- CET 1	12.3	12.1	12.4	13.5	13.4	111	-10
Tier-2	2.9	2.9	2.7	2.4	2.5	-36	13
LCR	136.3	129.1	132.9	135.0	NA	NA	NA
Profitability Ratios (%)							
Yield on loans	8.5	8.8	8.8	8.8	8.7	16	-12
Yield On Investments	6.7	6.8	6.8	6.9	7.2	43	27
Cost of Funds	4.8	5.0	5.1	5.1	5.1	37	-1
Margins	3.6	3.5	3.5	3.5	3.5	-8	1
ROA	1.0	1.1	1.1	1.2	1.2	25	5
ROE	17.9	19.9	19.9	19.1	19.8	188	70
Other Details							
Branches	5,798	5,823	5,835	5,847	5,846	48	-1
ATM	4,804	4,866	4,899	4,937	5,093	289	156



Highlights from the management commentary

Balance sheet and P&L

- Business grew 11%, deposits up 10%, and advances rose 12%. CASA increased by 6% with a stable ratio of 41%.
- Among segments, RAM grew 13%, with Retail up 14%, Agri rose 18%, and MSME up 6%.
- PAT increased by 41%, and operating profit grew by 9%, driven by NII growth.
- Bad debt recovery was INR 5.04b. PSLC amortized, and the income for the current quarter was INR1.57b.
- NIMs improved from 3.52% to 3.53%.
- RoA was 1.02%, and the CI ratio was 44%.
- Yields have decreased due to penal charges now being recognized in other income, interest reversal, and lower recovery in the MOI.
- Yield on investments increased to 7.15%.
- Collection efficiency stood at 95%.
- Slippages were at 1.5% due to seasonality, with INR9b from MSME, INR6b from the retail book, and the rest from other segments.
- Recovery stood at INR19.37b compared to INR20.17b in 4Q.
- CAR is above 17%, indicating strong capitalization.
- Digital transactions account for 90% of the total, with 18.2m UPI users. The number of transactions grew by 56% YoY.
- The bank completed six digital journeys and plans for 44 more this fiscal year.
- INBK launched an omni-channel app, which is on-boarding 2.37m customers.

Advances and deposits

- There is no RBI prescription for LDR. Both deposits and advances have grown by INR600b. The bank aims to maintain LDR at around 80%.
- There are challenges in raising CASA deposits, and multiple steps have been taken to address this.
- The bank holds an excess SLR of INR440b and maintains LCR of 120%.
- Garnering deposits is a challenge as competition is intense, while credit growth is high.
- In retail, 70% of the portfolio consists of housing loans, with 80-90% of customers having a good CIBIL score. Retail repayments are steady, and the bank is actively sanctioning loans, ensuring growth in retail and agriculture segments.
- The bank is performing well in the SHG segment, where asset quality is also strong.
- It focuses on robust underwriting, often on-boarding low-risk assets.
- The international book is growing well, with advances up 27%. The focus is shifting from buyer's credit/trade finance to loan syndication due to better margins.
- The bank has started mid-corporate centers and it is seeing growth of 25-30% with good margins. INBK has 27 mid-corporate branches and is adding 2 more in Tamil Nadu.
- Gold loans stood at INR810b, with sufficient measures in place to ensure asset quality.

- 61% of the loan book is based on MCLR, with an external T-bill exposure of INR10b. Of the MCLR loans, 80% of them are linked to one-year MCLR.

Yields, costs and margins

- Since 61% of the loan book is based on MCLR, an increase in MCLR will help to offset the rise in costs.
- Interest rates will take time to decrease. If they do, the cost of deposits will decline. With a significant portion of the book linked to MCLR, the bank will be better positioned to maintain its margins.
- The cost-to-income ratio has decreased to 44%. The goal is to reduce it further, ideally below 40%. However, the bank will need time to see the benefits of its technology investments.
- The cost of deposits may increase by 3-5bp. The bank's higher share of MCLR, which was raised by 5bp in the previous two months, ensures that NIMs remain stable.

Investment re-valuation

- AFS stands at INR2.04b, with a decline of INR2b of general reserve.
- Investment yields have risen, partly due to amortization allowed in AFS.
- AFS is contributing to the AFS reserve. The bank has reclassified its investment book. The HTM yield is 7.08%, the AFS book is INR650b, and there is an excess SLR of INR440b available for use. The FVTPL yield is 7.79%.

Other income

- PSLC has an amortization cost of INR6.27b, with INR1.57b booked and the remaining to be recorded in subsequent periods.
- INR420m of penal interest has been shifted from interest income to other income.

Asset quality

- Slippages are higher due to seasonality, elections, and heatwaves. The bank has recovered INR3.12b of slippages, mostly from farm credit.
- The bank has guided for AUCA recovery of about INR20b (INR5b already recovered). The remaining INR15b is expected to be recovered, mainly from the TWO book.

RBI new draft paper on LCR

- The RBI has raised its 5% run-off factor for deposits linked to IMB. The market value of the excess SLR is higher than its book value.
- The bank may see a 4-5% impact on its LCR, resulting in a new LCR of 115%.

ECL

- The guidelines are still in draft form and their impact is expected to be minimal. The bank will also pass on charges to customers. The ECL impact is spread over a five-year period, resulting in a minimal effect.

Budget announcement related to loans to MSMEs

- In the budget proposal for MSME loans, the bank uses GST returns, CMR scores, and various models to determine loan eligibility for customers. This model is being improved further to enhance asset quality stability.
- For MUDRA and Tarun loans, the bank can always extend additional loans as long as previous loans have been repaid.

Guidance

- Deposits are expected to grow by 8-10%.
- Advances are projected to grow by 11-13%.
- The CD ratio will be maintained at around 80%.
- NIM guidance is 3.4% (± 10 bp), with the bank aiming to exceed this guidance.
- The current credit cost is 0.71%, and is expected to decrease in the future.
- The goal is to maintain or improve the current RoA level.

Story in charts

Exhibit 1: Loan book up ~14% YoY (up 1.2% QoQ)

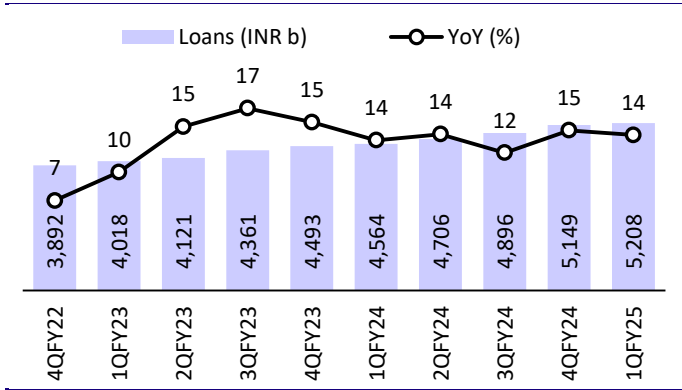


Exhibit 2: Deposits grew ~9.6% YoY (down 1% QoQ)

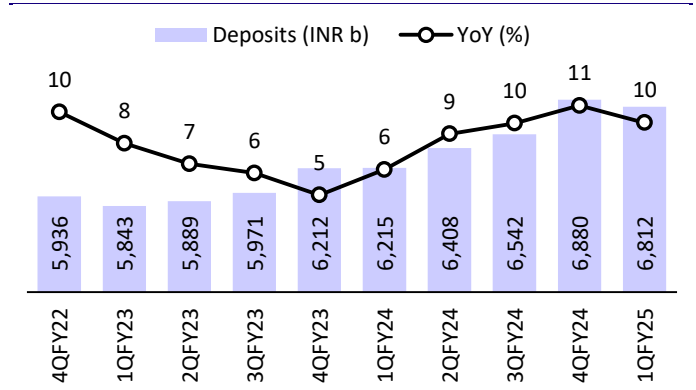


Exhibit 3: NIMs stood at 3.53%; CASA ratio at 39%

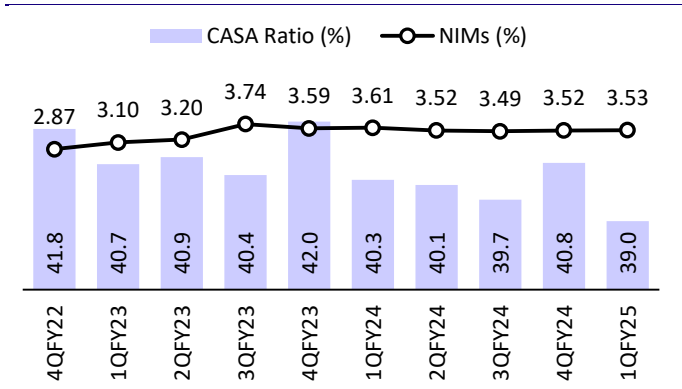


Exhibit 4: Yields moderated to 8.7%/CoD at 5.1%

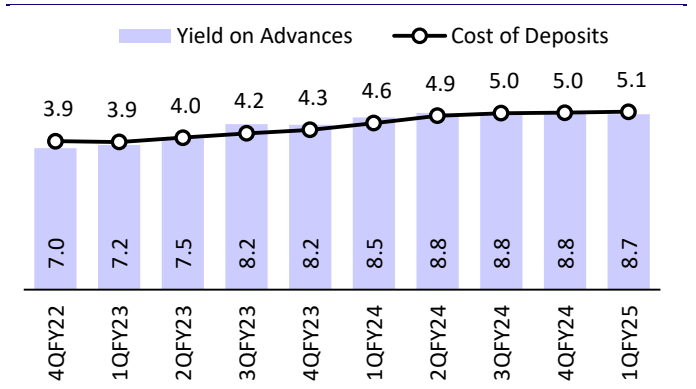


Exhibit 5: C/I ratio moderated to 44.3% in 1QFY25

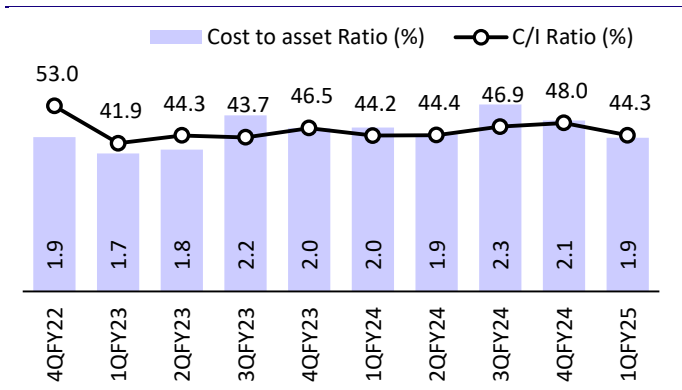


Exhibit 6: CD ratio increased to 76.5%

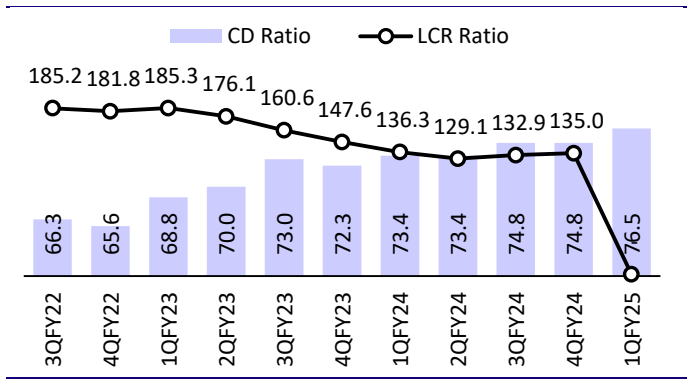


Exhibit 7: Slippages increased to INR19.6b in 1QFY25

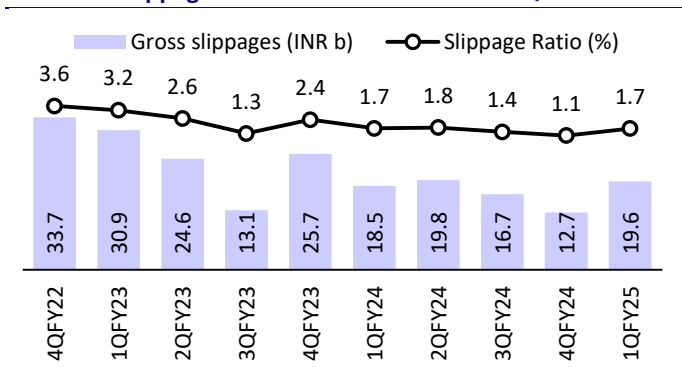
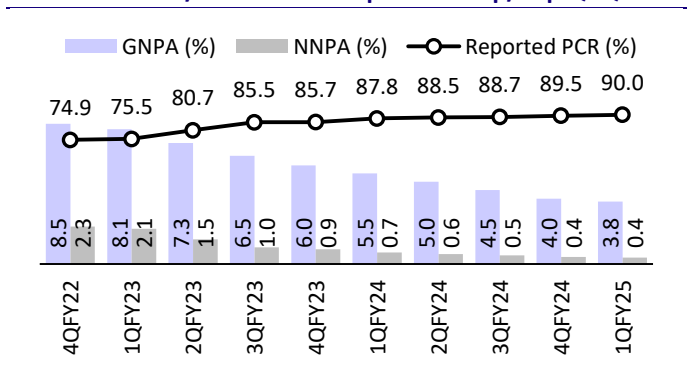


Exhibit 8: GNPA/NNPA ratios improved 18bp/4bp QoQ



Source: MOFSL, Company

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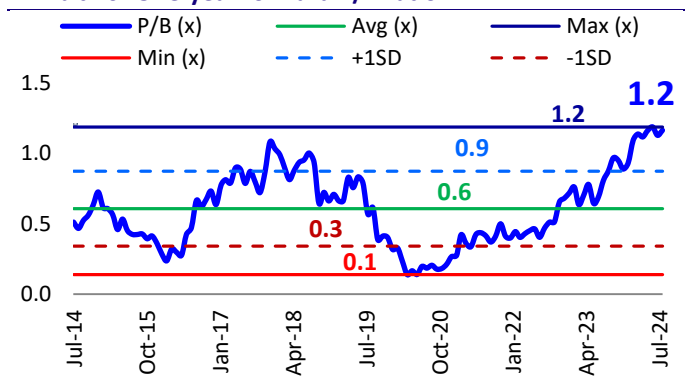
Valuation and view: Maintain BUY with a TP of INR670

- INBK reported a healthy quarter with earnings led by lower provisions and controlled opex. Loan growth remained healthy while deposit growth stood modest which led CD ratio to increase. INBK has gradually raised its MCLR-linked loans, which should provide cushion to its margins, particularly as the rate cycle turns. Management has guided margins at ~3.4% for FY25. The bank expects this growth trend to remain steady and it will continue to focus on profitable growth.
- Slippages were higher primarily due to seasonality, heat wave, and the elections. However, management has successfully recovered INR3.12b of these slippages so far and anticipates further recoveries in the second quarter. Despite this, asset quality ratios have improved, with the bank maintaining a best-in-class coverage ratio which, along with a low SMA book, provided comfort on incremental credit costs.
- We raise our earnings estimates by 4% each for FY25 and expect the bank to deliver an RoA/RoE of 1.3%/17.7%. **Reiterate BUY with a revised TP of INR670 (premised on 1.2x FY26E BV).**

Exhibit 9: Changes to our estimates

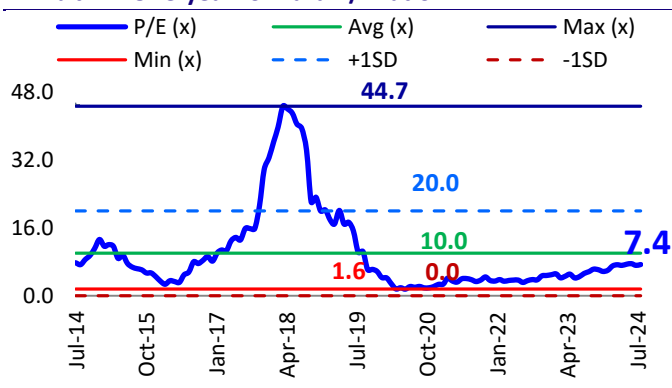
INR B	Old est.		Rev est		Change(%/bps)	
	FY25	FY26	FY25	FY26	FY25	FY26
Net Interest Income	258.8	290.7	253.4	280.7	-2.1	-3.4
Other Income	86.5	96.1	85.7	95.2	-0.9	-0.9
Total Income	345.3	386.8	339.2	375.9	-1.8	-2.8
Operating Expenses	155.4	173.5	154.5	171.0	-0.6	-1.4
Operating Profit	189.9	213.3	184.7	204.9	-2.8	-3.9
Provisions	59.3	58.0	48.6	51.0	-18.1	-12.2
PBT	130.6	155.3	136.1	154.0	4.2	-0.8
Tax	32.9	39.1	34.3	38.8	4.2	-0.8
PAT	97.7	116.2	101.8	115.2	4.2	-0.8
Loans	5,777	6,488	5,741	6,373	-0.6	-1.8
Deposits	7,637	8,515	7,499	8,212	-1.8	-3.6
Margins (%)	3.2	3.2	3.1	3.2	0.0	0.0
Credit Cost (%)	1.0	0.9	0.8	0.8	-19.1	-10.0
RoA (%)	1.2	1.2	1.2	1.3	0.1	0.0
RoE (%)	17.4	17.9	18.0	17.7	0.7	-0.3
EPS	72.5	86.2	75.6	85.5	4.2	-0.8
BV	466.4	534.6	469.4	536.9	0.7	0.4
ABV	454.0	521.0	451.8	517.1	-0.5	-0.7

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 return ratios to improve gradually

	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Interest Income	7.26	6.57	6.00	6.50	7.41	7.65	7.62
Interest Expense	4.68	3.94	3.42	3.58	4.31	4.59	4.54
Net Interest Income	2.58	2.63	2.58	2.93	3.10	3.06	3.08
Fee income	0.83	0.66	0.87	0.99	0.87	0.84	0.84
Trading and others	0.30	0.28	0.20	0.04	0.17	0.19	0.21
Other Income	1.12	0.95	1.07	1.03	1.05	1.03	1.04
Total Income	3.70	3.58	3.65	3.96	4.15	4.09	4.13
Operating Expenses	1.50	1.74	1.69	1.75	1.91	1.86	1.88
Employees	0.84	1.07	1.03	1.09	1.23	1.18	1.18
Others	0.66	0.67	0.65	0.66	0.67	0.68	0.70
Operating Profits	2.20	1.84	1.96	2.21	2.24	2.23	2.25
Core operating Profits	1.91	1.56	1.77	2.17	2.07	2.04	2.04
Provisions	1.74	1.35	1.47	1.35	0.78	0.59	0.56
PBT	0.47	0.49	0.49	0.86	1.46	1.64	1.69
Tax	0.21	-0.02	-0.11	0.09	0.38	0.41	0.43
RoA	0.26	0.50	0.61	0.76	1.07	1.23	1.26
Leverage (x)	16.7	19.4	18.5	17.4	15.9	14.7	14.0
RoE	4.3	9.8	11.2	13.3	17.1	18.0	17.7

Financials and valuations

Income Statement							(INR b)	
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	
Interest Income	214.0	391.1	388.6	449.4	556.1	634.4	694.2	
Interest Expense	138.0	234.4	221.3	247.2	323.4	381.0	413.5	
Net Interest Income	76.1	156.7	167.3	202.3	232.7	253.4	280.7	
- growth (%)	8.4	106.0	6.8	20.9	15.1	8.9	10.8	
Non Interest Income	33.1	56.5	69.2	71.4	78.7	85.7	95.2	
Total Income	109.2	213.2	236.4	273.7	311.4	339.2	375.9	
- growth (%)	22.7	95.2	10.9	15.8	13.8	8.9	10.8	
Operating Expenses	44.2	103.5	109.3	121.0	143.0	154.5	171.0	
PPoP	65.0	109.7	127.2	152.7	168.4	184.7	204.9	
- growth (%)	33.1	68.8	16.0	20.1	10.3	9.7	11.0	
Core PPoP	56.2	92.7	114.3	149.8	155.3	169.0	186.1	
- growth (%)	19.4	65.0	23.3	31.0	3.7	8.8	10.1	
Provisions	51.3	80.6	95.1	93.6	58.9	48.6	51.0	
PBT	13.7	29.1	32.0	59.1	109.5	136.1	154.0	
Tax	6.2	-1.0	-7.4	6.3	28.9	34.3	38.8	
Tax Rate (%)	45.1	-3.4	-23.1	10.7	26.4	25.2	25.2	
PAT	7.5	30.0	39.4	52.8	80.6	101.8	115.2	
- growth (%)	134.0	298.8	31.3	33.9	52.7	26.2	13.1	
Balance Sheet								
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	
Share Capital	6	11	12	12	13	13	13	
Equity Share Capital	6.1	11.3	12.5	12.5	13.5	13.5	13.5	
Reserves & Surplus	214.8	372.8	424.6	467.3	570.4	651.7	742.6	
Net Worth	220.9	384.1	437.1	479.7	583.9	665.1	756.1	
Deposits	2,602.3	5,380.7	5,936.2	6,211.7	6,880.0	7,499.2	8,211.6	
- growth (%)	7.5	106.8	10.3	4.6	10.8	9.0	9.5	
- CASA Dep	901.6	2,275.9	2,479.3	2,608.1	2,804.9	3,104.7	3,432.5	
- growth (%)	7.3	152.4	8.9	5.2	7.5	10.7	10.6	
Borrowings	208.3	247.3	172.1	220.7	231.3	248.3	273.1	
Other Liabilities & Prov.	63.2	222.1	171.3	192.9	231.0	265.6	305.5	
Total Liabilities	3,094.7	6,234.3	6,716.7	7,105.0	7,926.2	8,678.3	9,546.3	
Current Assets	139.2	514.6	799.2	501.3	421.1	418.4	458.2	
Investments	812.4	1,765.4	1,745.6	1,859.9	2,104.9	2,283.8	2,477.9	
- growth (%)	25.0	117.3	-1.1	6.5	13.2	8.5	8.5	
Loans	1,978.9	3,626.7	3,891.9	4,493.0	5,148.9	5,741.0	6,372.5	
- growth (%)	9.2	83.3	7.3	15.4	14.6	11.5	11.0	
Fixed Assets	39.0	73.8	76.8	74.6	75.2	81.2	87.7	
Other Assets	125.2	253.8	203.2	176.2	155.5	154.0	150.1	
Total Assets	3,094.7	6,234.3	6,716.7	7,105.0	7,905.5	8,678.3	9,546.3	
Asset Quality								
	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	
GNPA (INR b)	141.5	384.6	352.1	281.8	211.1	183.0	178.7	
NNPA (INR b)	61.8	122.7	88.5	40.4	22.2	30.0	33.8	
GNPA Ratio (%)	6.9	9.9	8.5	6.0	4.0	3.1	2.7	
NNPA Ratio (%)	3.1	3.4	2.3	0.9	0.4	0.5	0.5	
Slippage Ratio(%)	2.8	3.4	2.7	1.7	1.6	1.5	1.5	
Credit Cost (%)	2.7	2.3	2.5	2.2	1.2	0.8	0.8	
PCR (Excl Tech. write off)	56.3	68.1	74.9	85.7	89.5	83.6	81.1	

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY20	FY23	FY24	FY25E	FY26E
Yield and Cost Ratios (%)							
Avg. Yield- on Earning Assets	7.7	6.9	6.3	6.8	7.7	7.9	7.8
Avg. Yield on loans	8.4	7.8	7.2	7.6	8.4	8.7	8.6
Avg. Yield on Investments	7.3	6.6	6.3	6.5	6.8	7.0	6.9
Avg. Cost of Int. Bear. Liab.	5.2	4.3	3.8	3.9	4.8	5.1	5.1
Avg. Cost of Deposits	5.2	4.3	3.7	3.8	4.7	5.2	5.2
Interest Spread	2.5	2.6	2.5	2.8	2.9	2.7	2.7
Net Interest Margin	2.7	2.8	2.7	3.0	3.2	3.1	3.2

Capitalisation Ratios (%)

CAR	14.6	16.0	16.8	16.5	16.4	16.3	16.2
Tier I	12.5	12.3	13.5	13.5	14.0	14.2	14.3
- CET-1		11.3	12.5	12.9	13.5	0.0	0.0
Tier II	2.0	3.8	3.4	3.0	2.4	2.1	1.8

Business Ratios (%)

Loans/Deposit Ratio	76.0	67.4	65.6	72.3	74.8	76.6	77.6
CASA Ratio	34.6	42.3	41.8	42.0	40.8	41.4	41.8
Cost/Assets	1.4	1.7	1.6	1.7	1.8	1.8	1.8
Cost/Total Income	40.5	48.6	46.2	44.2	45.9	45.5	45.5
Cost/Core income	44.0	52.7	48.9	44.7	47.9	47.8	47.9
Int. Expense/Int.Income	64.5	59.9	56.9	55.0	58.2	60.1	59.6
Fee Income/Total Income	22.3	18.6	23.8	25.0	21.1	20.7	20.3
Non Int. Inc./Total Income	30.3	26.5	29.2	26.1	25.3	25.3	25.3
Empl. Cost/Total Expense	55.9	61.6	61.3	62.2	64.8	63.3	62.9

Efficiency Ratios (INRm)

Employee per branch (in nos)		6.9	6.9	7.0	6.9	6.9	6.9
Staff cost per employee (INR m)		1.5	1.7	1.8	2.3	2.4	2.6
CASA per branch (INRm)		378.9	432.3	450.7	479.4	520.2	563.9
Deposits per branch (INRm)		895.7	1,035.1	1,073.4	1,175.9	1,256.6	1,349.0
Business per Employee (INR m)	0.0	216.4	246.9	262.5	298.8	322.5	348.3
Proft per Employee (INR m)	0.0	0.7	1.0	1.3	2.0	2.5	2.8

Profitability Ratios and Valuation

RoE	4.3	9.8	11.2	13.3	17.1	18.0	17.7
RoA	0.3	0.5	0.6	0.8	1.1	1.2	1.3
RoRWA	0.5	1.0	1.3	1.6	2.1	2.4	2.4
Book Value (INR)	336	312	324	358	409	469	537
- growth (%)	-8.8	-7.1	3.7	10.7	14.2	14.7	14.4
Price-BV (x)	1.7	1.9	1.8	1.6	1.4	1.3	1.1
Adjusted BV (INR)	263	234	272	334	396	452	517
Price-ABV (x)	2.2	2.5	2.2	1.8	1.5	1.3	1.1
EPS (INR)	13.8	26.6	33.2	42.4	62.2	75.6	85.5
- growth (%)	106.4	92.3	24.9	27.7	46.7	21.5	13.1
Price-Earnings (x)	42.4	22.1	17.7	13.8	9.4	7.8	6.9
Dividend Per Share (INR)	0.0	2.0	6.5	8.6	12.0	15.2	18.0
Dividend Yield (%)	0.0	0.3	1.1	1.5	2.0	2.6	3.1

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