

SELL

TP: Rs 747 | ▼ 7%

INDUSIND BANK

| Banking

| 29 July 2025

Structural overhaul in progress, key metrics still weak

- Focus areas to rebuild investors' confidence; leadership transition underway
- Profitability metrics improving but remained below its historical performance; asset quality deteriorated
- Maintain SELL with revised TP of Rs 747 (Rs 694 earlier), set at 0.7x Jun'27E ABV

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Key focus areas to improve performance and gain investor-confidence:

Management highlighted five key focus areas to improve performance:

a) profitability first approach – involves measures like cut in savings account rates, calibrate growth in lower return segments, etc., to improve profitability b) stringent cost management – contain opex to single-digit YoY growth in future vs 20%+ CAGR in the last 3 years c) focus on recoveries – increase collection efforts to recover dues from slippages d) building the one IndusInd Bank franchise – generate synergies among its diverse businesses, resulting in a better risk-adjusted growth e) effective engagement with stakeholders – to rebuild trust in the bank. In addition, the recommendation for the appointment of CEO was submitted within the prescribed timelines for RBI's approval.

Profitability metrics improving but remained below its historical performance:

IIB reported positive PPOP and PAT of Rs 25.7bn and Rs 6.0bn, respectively in Q1FY26 vs negative PPOP and net loss of Rs 4.9bn and Rs 23.3bn, respectively in Q4FY25. The bank's cost-to-income ratio remains elevated at 62.2% due to muted revenue, owing to the excess average surplus liquidity of Rs 527bn in Q1FY26. Hence, net advances reported de-growth of 4.1% YoY to Rs 3.3trn. Management expects to resume asset growth, coupled with strict cost control to result in a reduction in cost to income ratio. Return ratios stay muted with RoA and RoE of 0.45% and 3.7%, respectively in Q1FY26 vs 1.6% and 13.1%, respectively in Q1FY25.

Asset quality deteriorated: GNPA ratio was up 3.64% in Q1FY26 vs 3.13% in Q4FY25. IIB's ability to write-off GNPA remains limited as their PPOP remains muted. Slippage remains elevated at Rs 25.7bn or slippage ratio of 3.0% vs Rs 15.4bn or 1.8% in Q1FY25. Around 90% of the slippage was from consumer segment. Management expects slippages to stabilise by Q3 or Q4 of FY26.

Maintain SELL: We expect muted loan growth at 9% CAGR in FY25-28E with lower return metrics vs previous performance. We maintain SELL and roll over valuation to 0.7x Jun'27E ABV with revised TP of Rs 747 (earlier Rs 694).

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	IIB IN/Rs 802
Market cap	US\$ 7.2bn
Free float	84%
3M ADV	US\$ 71.5mn
52wk high/low	Rs 1,498/Rs 606
Promoter/FPI/DII	16%/34%/33%

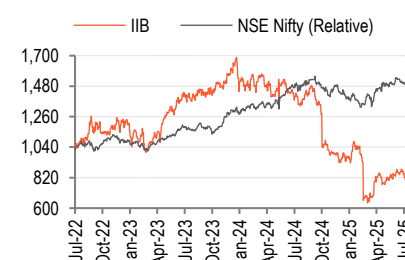
Source: NSE | Price as of 28 Jul 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	1,90,313	2,18,086	2,51,337
NII growth (%)	(7.7)	14.6	15.2
Adj. net profit (Rs mn)	25,754	66,572	81,259
EPS (Rs)	33.1	85.5	104.3
Consensus EPS (Rs)	33.1	69.6	91.8
P/E (x)	24.3	9.4	7.7
P/BV (x)	1.0	0.9	0.8
ROA (%)	0.5	1.2	1.3
ROE (%)	4.0	9.8	10.8

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly snapshot: Income statement

(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Income Statement							
Interest Income	1,03,520	1,04,061	1,04,932	83,398	96,506	(6.8)	15.7
Income on investments	18,023	18,570	20,057	19,980	18,944	5.1	(5.2)
Int. on bal. with RBI & inter-bank funds & Others	3,925	4,231	3,018	2,961	7,190	83.2	142.8
Interest income	1,25,468	1,26,863	1,28,008	1,06,338	1,22,639	(2.3)	15.3
Interest expense	71,391	73,390	75,727	75,855	76,241	6.8	0.5
Net interest income	54,076	53,473	52,281	30,483	46,398	(14.2)	52.2
Growth YoY (%)	11.1	5.3	(1.3)	(43.3)	(14.2)		
Non-interest income	24,416	21,850	23,550	7,088	21,569	(11.7)	204.3
Growth YoY (%)	10.5	(4.2)	(1.7)	(71.7)	(11.7)		
Total income	78,492	75,322	75,831	37,572	67,967	(13.4)	80.9
Growth YoY (%)	10.9	2.4	(1.4)	(52.3)	(13.4)		
Staff expenses	14,384	15,049	14,828	16,017	18,053	25.5	12.7
Other operating expenses	24,590	24,275	24,997	26,464	24,242	(1.4)	(8.4)
Operating expenses	38,974	39,324	39,825	42,480	42,294	8.5	(0.4)
Pre-Provisioning Profit (PPoP)	39,518	35,998	36,007	(4,909)	25,673	(35.0)	(623.0)
Growth YoY (%)	3.1	(7.9)	(10.9)	(112.0)	(35.0)		
Provisions	10,498	18,201	17,436	25,221	17,600	67.6	(30.2)
Growth YoY (%)	5.9	86.9	79.9	165.4	67.6		
PBT	29,020	17,797	18,570	(30,130)	8,073	(72.2)	(126.8)
Tax	7,312	4,485	4,547	(6,840)	2,033	(72.2)	(129.7)
PAT	21,707	13,313	14,024	(23,289)	6,041	(72.2)	(125.9)
Growth YoY (%)	2.2	(39.5)	(39.1)	(199.1)	(72.2)		
Per Share							
FV (Rs)	10	10	10	10	10	0.0	0.0
EPS (Rs)	28	17	18	(30)	17	(40.4)	(155.6)
Book Value (Rs)	752	732	747	712	851	13.2	19.6

Source: Company, BOBCAPS Research

Fig 2 – Quarterly snapshot: Balance sheet & other metrics

(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Deposits	39,85,130	41,23,968	40,94,380	41,08,623	39,71,440	(0.3)	(3.3)
Growth YoY (%)	14.8	14.7	11.0	6.8	(0.3)		
Advances	34,78,980	35,71,586	36,68,890	34,50,186	33,36,940	(4.1)	(3.3)
Growth YoY (%)	15.5	13.2	12.2	0.5	(4.1)		
Investment	10,10,240	11,13,147	11,88,510	11,44,567	10,91,470	8.0	(4.6)
Equity	6,63,570	6,64,806	6,78,850	6,56,147	6,62,940	(0.1)	1.0
Assets	53,01,650	54,34,065	54,94,990	55,41,071	53,95,520	1.8	(2.6)
Growth YoY (%)	13.5	13.7	12.4	7.6	1.8	(1,176bps)	(580bps)
Yield (%)							
Yield on Funds	10.15	9.98	9.93	8.21	9.57	(58bps)	136bps
Cost of Funds	6.53	6.53	6.61	6.57	6.67	15bps	11bps
Spread	3.62	3.46	3.32	1.64	2.90	(72bps)	126bps
Net Interest Margin (Cal)	4.38	4.21	4.05	2.35	3.62	(75bps)	127bps
Ratios (%)							
Other Income / Net Income	31.1	29.0	31.1	18.9	31.7	63bps	1,287bps
Cost to Income ratio	49.7	52.2	52.5	113.1	62.2	1,257bps	(5,084bps)
CASA ratio	36.7	35.9	34.9	32.8	31.5	(520bps)	(133bps)
C/D ratio	87.3	86.6	89.6	84.0	84.0	(328bps)	5bps
Investment to Assets	19.1	20.5	21.6	20.7	20.2	117bps	(43bps)
Assets Quality							
GNPA	71,268	76,385	83,753	1,10,460	1,24,806	75.1	13.0
NNPA	20,955	22,820	24,958	32,870	37,215	77.6	13.2
Provision	50,313	53,565	58,795	77,590	87,590	74.1	12.9
GNPA (%)	2.02	2.11	2.25	3.13	3.64	162bps	51bps
NNPA (%)	0.60	0.64	0.68	0.95	1.12	52bps	17bps
Provision (%)	70.60	70.12	70.20	70.24	70.18	(42bps)	(6bps)
Others (nos)							
Branches	6,692	6,786	6,836	6,877	6,914	222	37
ATMs	2,988	3,011	2,993	3,027	3,052	64	25

Source: Company, BOBCAPS Research

Earnings Call Highlights

Operating performance

- NII came in at Rs 46.4bn, down 14% YoY. This was primarily on account of the bank's strategy to conserve liquidity, which resulted in de-growth of advances.
- Operating expenses were contained at 9% YoY and remained flat QoQ.

Asset quality

- IIB's gross slippages during Q1FY26 stood at Rs 25.6bn vs Rs 15.3bn in Q1FY25, with MFI contributing the most (Rs 8.9bn), though management expects normalisation in H2FY26, as legacy stress subsides and new disbursements perform steadily.
- GNPA/NNPA stood at 3.64%/1.12% up by 51bps/17bps QoQ, respectively. Provision coverage on loans is 70.2%.
- Restructured book declined to 10bps from 12bps in Q4 of loans, largely due to upgrades and recoveries.

Loan book

- Loan growth moderated and was down 4% YoY (-3% QoQ) in Q1FY26. Vehicle loans up 7% YoY (growth moderated given the slowdown in tractors) and non-vehicle loans grew 4% YoY. However, corporate loans were down 16% YoY.
- With degrowth in corporate book, the mix of retail to corporates increased to 60:40 vs 54:46 in Q4FY25.
- Focus on loan book diversification with increasing the share of retail secured assets, particularly through home loans and MSME lending.

Deposits

- Deposits de-grew 3% QoQ and remained flat YoY, as the bank exited certain non-accretive wholesale deposits. As per LCR, retail deposits grew 6% YoY, contributing 46% of the overall deposits vs 44% in Q1FY25.
- CASA declined to 31.5% down 133bps QoQ and 520bps YoY, on account of slower growth in current accounts.

Margins

- Reported NIM were up 121 bps QoQ and stood at 3.46% vs 2.25% in Q4, largely driven by an increase in yield on advances by 217bps and lower cost of deposits (-6bps QoQ), effect of 11 bps was due to one-time NPA recovery and a one-off interest income from an income tax refund received during the quarter.

Microfinance

- MFI loan book outstanding was at Rs 284bn vs Rs 309bn in Q4, declining 23% YoY, and now contributes 8% to total advances. Management remains cautious in lending to this segment.

- Gross NPA% of MFI portfolio was 16.4% vs 13.2% in Q4.
- Management expects slippages to normalise in the next 3-6 months in this segment.

Vehicle finance

- Vehicle finance grew 7% YoY and 1% QoQ to Rs 963.6bn vs Rs 956bn in Q4.
- Stress from vehicle finance is mainly due to 2Ws and tractors with GNPA of 10.21% and 4.67% respectively.
- Demand for vehicle finance is expected to be muted in FY26. However, there will be support from rural uptick with strong monsoons, government infrastructure spending as well as interest rate cuts.

Other points

- Treasury department has stopped internal deals.
- No SMA 1 or SMA 2 accounts in gems & jewellery portfolio.

Fig 3 – Actuals vs Estimates

(Rs mn)	Q1FY26A	Q1FY26E	Actual vs. Estimates (%)
Loan	33,36,940	33,44,770	(0.23)
Deposits	39,71,440	39,72,330	(0.02)
Assets	53,95,520	52,21,845	3.33
NII	46,398	42,062	10.31
PPOP	25,673	23,598	8.79
Provision	17,600	14,864	18.41
PAT	6,041	6,542	(7.66)

Source: Company, BOBCAPS Research

Fig 4 – Portfolio mix (Absolute)

(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Chg (YoY %)	Chg (QoQ %)
Large Corporates	8,50,450	9,07,060	9,26,740	7,67,020	7,26,990	(14.5)	(5.2)
Mid Corporates	5,42,320	5,66,500	5,77,980	4,99,130	4,59,320	(15.3)	(8.0)
Small Corporates	1,79,960	1,87,620	1,97,640	1,68,480	1,37,900	(23.4)	(18.2)
Corporate and Commercial Banking	15,72,730	16,61,180	17,02,360	14,34,630	13,24,210	(15.8)	(7.7)
Commercial Vehicle Loans	3,38,340	3,41,830	3,48,190	3,56,790	3,59,860	6.4	0.9
Small CV	-	-	-	-	-	NA	NA
Two-Wheeler Loans	40,600	40,910	42,130	43,110	43,660	7.5	1.3
Car Loans	50,400	49,140	52,910	53,300	52,520	4.2	(1.5)
Tractor	2,66,290	2,74,380	2,87,880	2,96,310	3,01,260	13.1	1.7
Equipment Financing	85,720	81,560	79,770	76,910	76,080	(11.2)	(1.1)
Vehicle Finance	1,16,830	1,18,370	1,24,980	1,29,530	1,30,190	11.4	0.5
Credit Card	8,98,180	9,06,190	9,35,860	9,55,950	9,63,570	7.3	0.8
LAP	1,07,860	1,09,320	1,09,410	1,10,850	1,10,590	2.5	(0.2)
BBG	1,11,690	1,14,010	1,19,860	1,23,870	1,24,810	11.7	0.8
Other (BL, PL, GL, AHL, Others)	1,66,830	1,74,990	1,77,690	1,82,320	1,79,730	7.7	(1.4)
Microfinance (incl. BHAFIN)	2,51,230	2,78,670	2,98,070	3,33,480	3,49,950	39.3	4.9
Non- Vehicle Finance	3,70,460	3,27,230	3,25,640	3,09,090	2,84,080	(23.3)	(8.1)
Consumer Finance	10,08,070	10,04,220	10,30,670	10,59,610	10,49,160	4.1	(1.0)
Total	19,06,250	19,10,410	19,66,530	20,15,560	20,12,730	5.6	(0.1)

Source: Company, BOBCAPS Research

Fig 5 – Portfolio mix (% share)

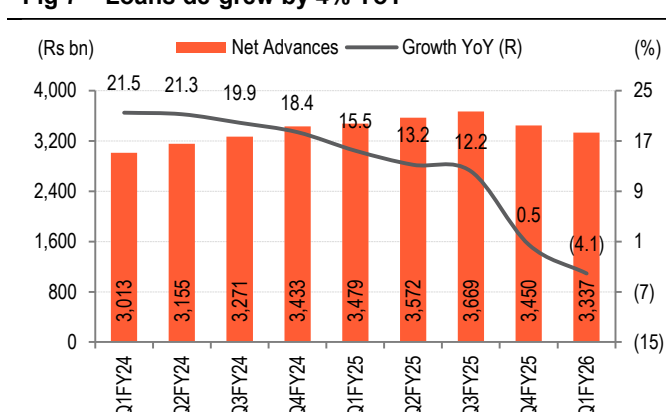
Segment (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Chg (YoY)	Chg (QoQ)
Large Corporates	24.4	25.4	25.3	22.2	21.8	(266bps)	(45bps)
Mid Corporates	15.6	15.9	15.8	14.5	13.8	(182bps)	(70bps)
Small Corporates	5.2	5.3	5.4	4.9	4.1	(104bps)	(75bps)
Corporate and Commercial Banking	45.2	46.5	46.4	41.6	39.7	(552bps)	(190bps)
Commercial Vehicle Loans	9.7	9.6	9.5	10.3	10.8	106bps	44bps
Utility Vehicle Loans	0.0	0.0	0.0	0.0	0.0	0bps	0bps
Small CV	1.2	1.1	1.1	1.2	1.3	14bps	6bps
Two-Wheeler Loans	1.4	1.4	1.4	1.5	1.6	13bps	3bps
Car Loans	7.7	7.7	7.8	8.6	9.0	137bps	44bps
Tractor	2.5	2.3	2.2	2.2	2.3	(18bps)	5bps
Equipment Financing	3.4	3.3	3.4	3.8	3.9	54bps	15bps
Vehicle Finance	25.8	25.4	25.5	27.7	28.9	306bps	117bps
Credit Card	3.1	3.1	3.0	3.2	3.3	21bps	10bps
LAP	3.2	3.2	3.3	3.6	3.7	53bps	15bps
BBG	4.8	4.9	4.8	5.3	5.4	59bps	10bps
Other (BL, PL, GL, AHL, Others)	7.2	7.8	8.1	9.7	10.5	327bps	82bps
Microfinance (incl. BHAFIN)	10.6	9.2	8.9	9.0	8.5	(214bps)	(45bps)
Non-Vehicle Finance	29.0	28.1	28.1	30.7	31.4	246bps	73bps
Consumer Finance	54.8	53.5	53.6	58.4	60.3	552bps	190bps
Total Loan	100.0	100.0	100.0	100.0	100.0		

Source: Company, BOBCAPS Research

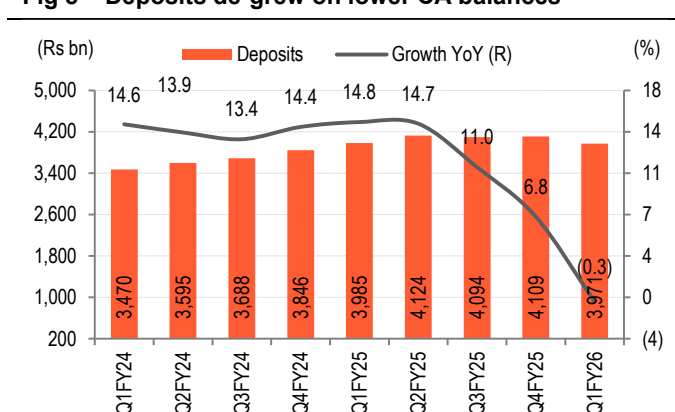
Fig 6 – Yield profile

(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Chg (YoY %)	Chg (QoQ %)
Corporate and Commercial Banking	15,72,730	16,61,180	17,02,360	14,34,630	13,24,210	(15.8)	(7.7)
% of Loan	45.2	46.5	46.4	41.6	39.7	(552bps)	(190bps)
Yield (%)	9.0	8.9	8.8	8.1	8.4	(52bps)	37bps
Consumer Finance	19,06,250	19,10,410	19,66,530	20,15,560	20,12,730	5.6	(0.1)
% of Loan	54.8	53.5	53.6	58.4	60.3	552bps	190bps
Yield (%)	15.4	15.1	14.9	10.5	13.7	(169bps)	314bps
Total Loan	34,78,980	35,71,590	36,68,890	34,50,190	33,36,940	(4.1)	(3.3)
Yield (%)	12.6	12.3	12.2	9.5	11.6	(95bps)	217bps

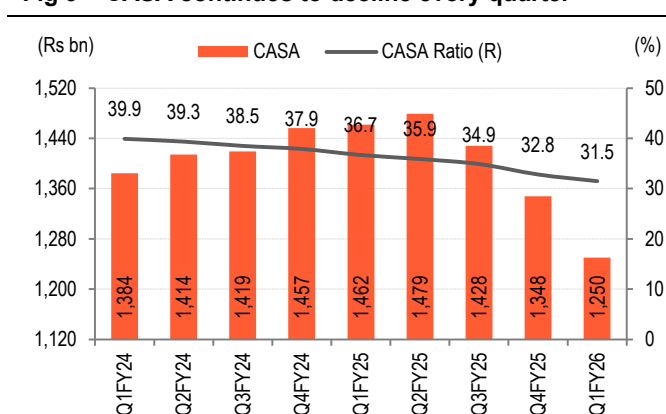
Source: Company, BOBCAPS Research

Fig 7 – Loans de-grew by 4% YoY


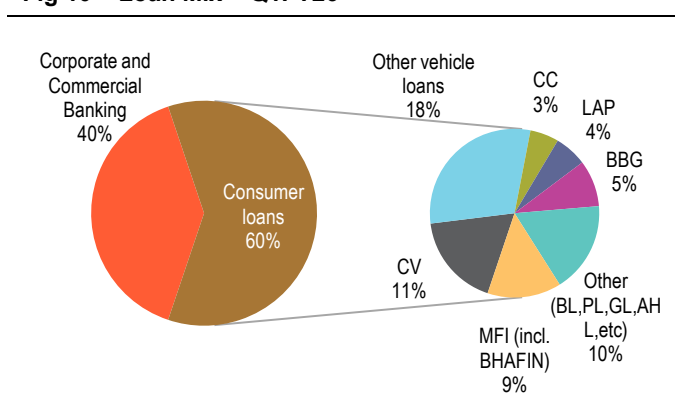
Source: Company, BOBCAPS Research

Fig 8 – Deposits de-grew on lower CA balances


Source: Company, BOBCAPS Research

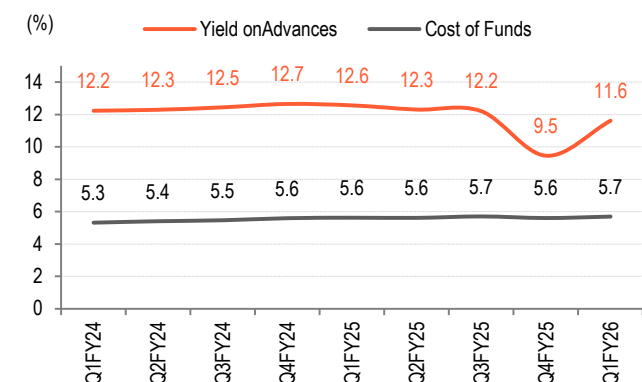
Fig 9 – CASA continues to decline every quarter


Source: Company, BOBCAPS Research

Fig 10 – Loan Mix – Q1FY26


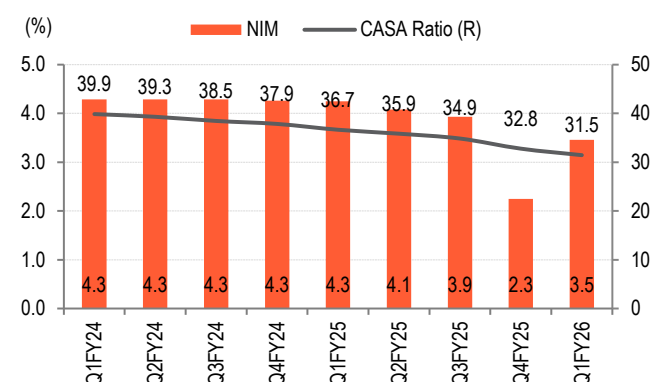
Source: Company, BOBCAPS Research

Fig 11 – Yields are down 95bps YoY; CoF stable



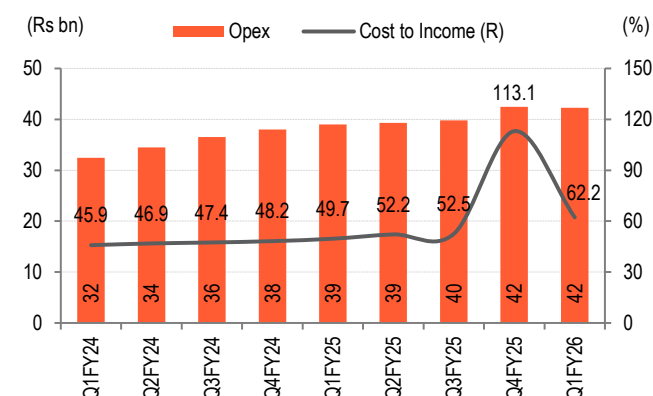
Source: Company, BOBCAPS Research

Fig 12 – Reported NIM up by 217bps in 3.5%



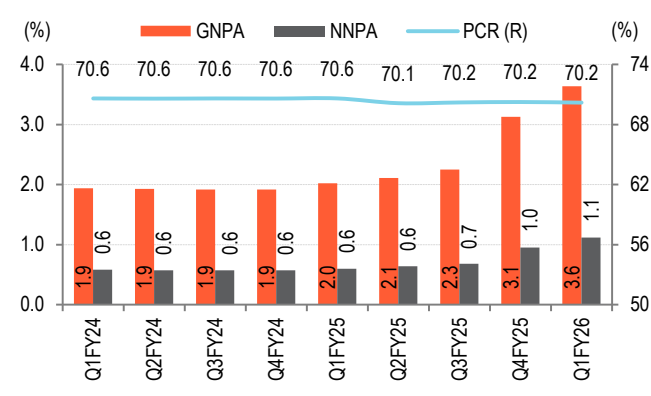
Source: Company, BOBCAPS Research

Fig 13 – C/I to increased due lower income



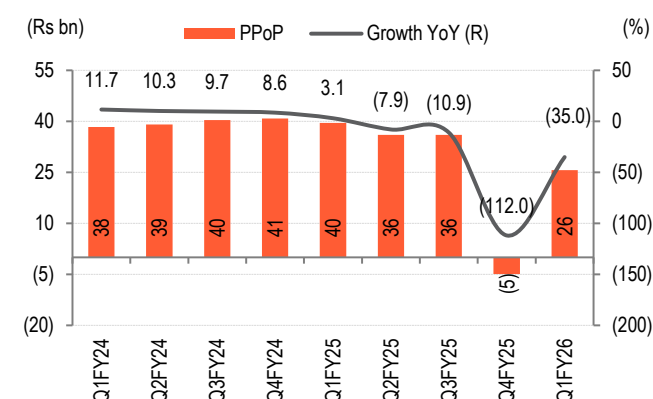
Source: Company, BOBCAPS Research

Fig 14 – Asset quality deteriorated



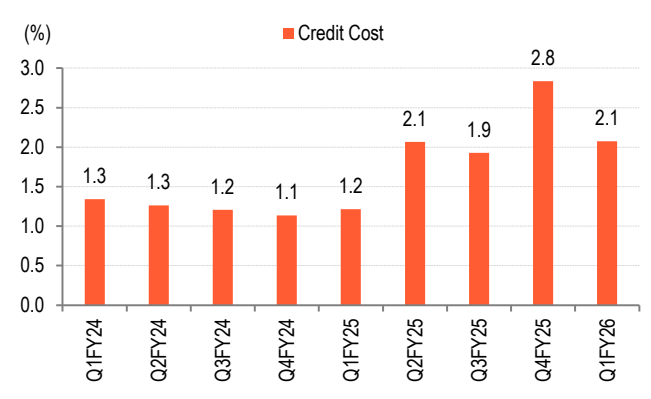
Source: Company, BOBCAPS Research

Fig 15 – PPOp down 35% YoY



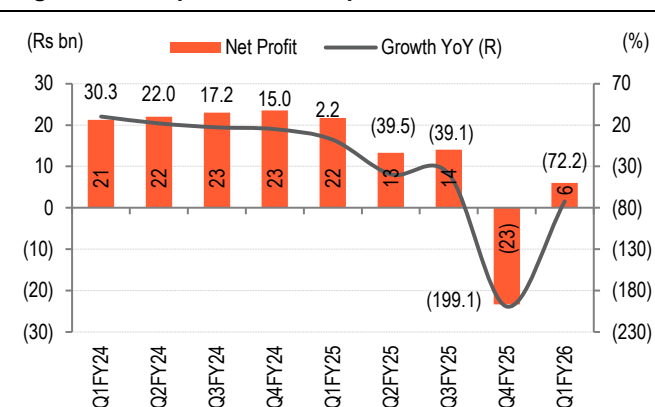
Source: Company, BOBCAPS Research

Fig 16 – Credit cost remains elevated



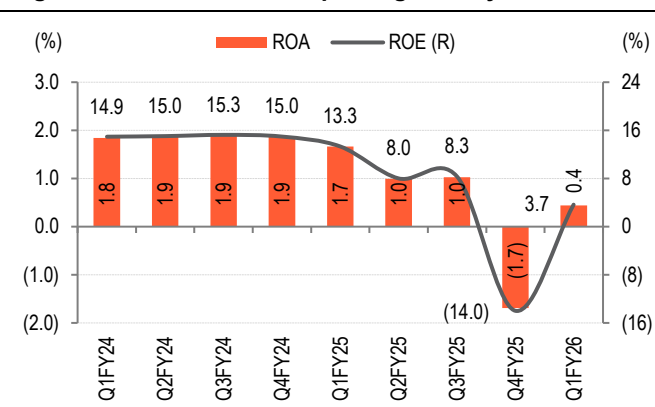
Source: Company, BOBCAPS Research

Fig 17 – PAT up due to lower provisions



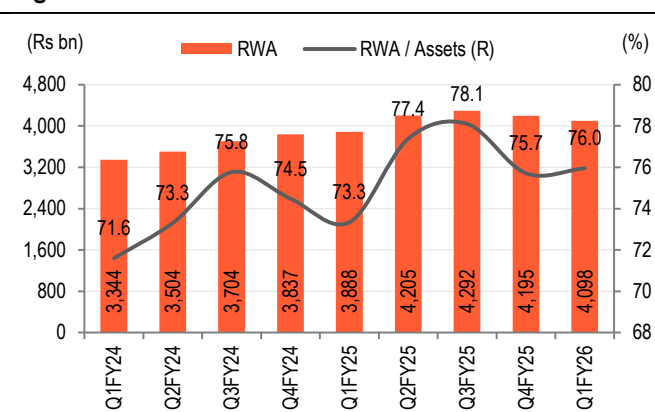
Source: Company, BOBCAPS Research

Fig 18 – Return ratios to improve gradually



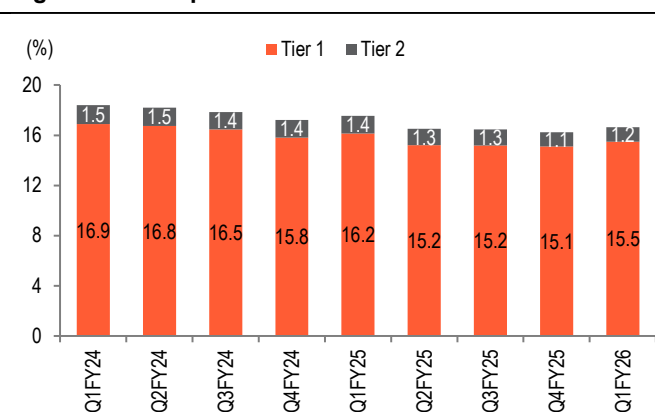
Source: Company, BOBCAPS Research

Fig 19 – RWA/Assets ratio



Source: Company, BOBCAPS Research

Fig 20 – Well capitalised with CAR at 16.6%



Source: Company, BOBCAPS Research

Valuation Methodology

We expect loan growth to stay below the industry average at 9% CAGR in FY25-28E with lower return metrics vs previous performance. With the RBI's approval, IIB is presently managed by a committee of executives till a permanent CEO is appointed, resulting in management uncertainty. Management stated that recommendation for the appointment of CEO was submitted within the prescribed timelines for RBI's approval. We maintain SELL and roll over valuation to 0.7x Jun'27E ABV with revised TP of Rs 747 (earlier Rs 694).

Fig 21 – Key valuation assumptions

Components of Gordon growth model	Assumptions (%)
Cost of equity (%)	14.0
Blended ROE (%)	12.1
Initial high growth period (yrs)	10.0
Payout ratio of high-growth phase (%)	20.0
Long-term growth (%)	6
Long-term dividend payout ratio (%)	50
Justified P/BV (x)	0.7

Source: BOBCAPS Research

Fig 22 – Key operational assumptions

(%)	FY25	FY26E	FY27E	FY28E
Advances growth	0.5	7.0	9.5	10.5
NII growth	(7.7)	14.6	15.2	12.8
PPoP growth	(32.8)	37.5	15.4	13.1
PAT growth	(71.3)	158.5	22.1	15.6
NIM	3.8	4.1	4.4	4.5
GNPA	3.1	2.9	2.4	2.0
CAR	16.2	16.4	16.0	15.7

Source: Company, BOBCAPS Research

Key risks

Key upside risks to our estimates:

- Higher-than expected business growth resulting in improved return metrics
- Faster improvement in the asset quality cycle than expected

Glossary

Glossary of Abbreviations			
AUCA	Advance Under Collection Account	LCR	Liquidity Coverage Ratio
ARC	Asset Reconstruction Company	MCLR	Marginal Cost of Funds-based Lending Rate
BRDS	Bills Rediscounting Scheme	MFI	Micro Finance Institutions
CASA	Current Account and Savings Account	MHCV	Medium and Heavy Commercial Vehicle
CAR	Capital Adequacy Ratio	MTM	Mark to Market
CCB	Corporate & Commercial Banking	NII	Net Interest Income
CET1	Common Equity Tier 1	NIM	Net Interest Margin
CD	Credit-Deposit Ratio	NNPA	Net Non-Performing Assets
CFD	Consumer Finance Division	PCR	Provision Coverage Ratio
C/I	Cost-Income Ratio	PPOP	Pre-Provision Operating Profit
CoF	Cost of Funds	PSU	Public Sector Unit
CRB	Commercial and Rural Banking	RWA	Risk-weighted Assets
DPD	Days Past Due	SLR	Statutory Liquidity Ratio
EBLR	External Benchmark-based Lending Rate	SMA	Special Mention Account
ECL	Expected Credit Loss	SME	Small and Medium-sized Enterprises
GNPA	Gross Non-Performing Assets	SR	Security Receipts
IBPC	Interbank Participation Certificate		

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	2,06,159	1,90,313	2,18,086	2,51,337	2,83,629
NII growth (%)	17.2	(7.7)	14.6	15.2	12.8
Non-interest income	93,958	76,904	1,03,146	1,08,808	1,19,014
Total income	3,00,117	2,67,218	3,21,232	3,60,145	4,02,643
Operating expenses	1,41,476	1,60,604	1,74,618	1,90,987	2,11,295
PPOP	1,58,641	1,06,614	1,46,614	1,69,158	1,91,348
PPOP growth (%)	10.0	(32.8)	37.5	15.4	13.1
Provisions	38,849	71,357	57,135	59,939	65,096
PBT	1,19,792	35,258	89,479	1,09,219	1,26,252
Tax	30,022	9,503	22,907	27,960	32,320
Reported net profit	89,770	25,754	66,572	81,259	93,931
Adjustments	0	0	0	0	0
Adjusted net profit	89,770	25,754	66,572	81,259	93,931

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity capital	7,783	7,791	7,791	7,791	7,791
Reserves & surplus	6,24,292	6,40,566	7,07,138	7,80,271	8,62,931
Net worth	6,32,076	6,48,357	7,14,929	7,88,062	8,70,721
Deposits	38,45,857	41,08,623	44,16,769	48,36,362	53,34,508
Borrowings	4,76,114	5,37,036	4,94,073	5,01,484	5,09,006
Other liab. & provisions	1,96,893	2,47,056	2,30,485	2,43,432	2,88,797
Total liab. & equities	51,50,940	55,41,071	58,56,256	63,69,340	70,03,032
Cash & bank balance	3,69,074	5,93,755	5,45,625	6,10,707	6,71,277
Investments	10,64,865	11,44,567	12,42,345	13,16,956	14,25,623
Advances	34,32,983	34,50,186	36,91,699	40,42,411	44,66,864
Fixed & Other assets	2,84,018	3,52,563	3,76,587	3,99,266	4,39,267
Total assets	51,50,940	55,41,071	58,56,256	63,69,340	70,03,032
Deposit growth (%)	14.4	6.8	7.5	9.5	10.3
Advances growth (%)	18.4	0.5	7.0	9.5	10.5

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	115.5	33.1	85.5	104.3	120.6
Dividend per share	16.5	0.0	0.0	10.4	14.5
Book value per share	812.1	832.2	917.7	1,011.6	1,117.7

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	6.9	24.3	9.4	7.7	6.7
P/BV	1.0	1.0	0.9	0.8	0.7
Dividend yield (%)	2.1	0.0	0.0	1.3	1.8

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	4.2	3.6	3.8	4.1	4.2
Non-interest income	1.9	1.4	1.8	1.8	1.8
Operating expenses	2.9	3.0	3.1	3.1	3.2
Pre-provisioning profit	3.3	2.0	2.6	2.8	2.9
Provisions	0.8	1.3	1.0	1.0	1.0
PBT	2.5	0.7	1.6	1.8	1.9
Tax	0.6	0.2	0.4	0.5	0.5
ROA	1.8	0.5	1.2	1.3	1.4
Leverage (x)	8.2	8.4	8.4	8.1	8.1
ROE	15.2	4.0	9.8	10.8	11.3

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Net interest income	17.2	(7.7)	14.6	15.2	12.8
Pre-provisioning profit	10.0	(32.8)	37.5	15.4	13.1
EPS	20.3	(71.4)	158.4	22.1	15.6
Profitability & Return ratios (%)					
Net interest margin	4.5	3.8	4.1	4.4	4.5
Fees / Avg. assets	0.3	0.4	0.4	0.4	0.4
Cost-Income	47.1	60.1	54.4	53.0	52.5
ROE	15.2	4.0	9.8	10.8	11.3
ROA	1.8	0.5	1.2	1.3	1.4
Asset quality (%)					
GNPA	1.9	3.1	2.9	2.4	2.0
NNPA	0.6	1.0	0.9	0.7	0.6
Slippage ratio	2.1	3.1	2.2	1.9	1.8
Credit cost	1.2	2.1	1.6	1.6	1.5
Provision coverage	70.0	69.3	69.3	69.5	69.6
Ratios (%)					
Credit-Deposit	89.3	84.0	83.6	83.6	83.7
Investment-Deposit	27.7	27.9	28.1	27.2	26.7
CAR	17.2	16.2	16.4	16.0	15.7
Tier-1	15.8	15.1	15.4	15.1	14.9

Source: Company, BOBCAPS Research

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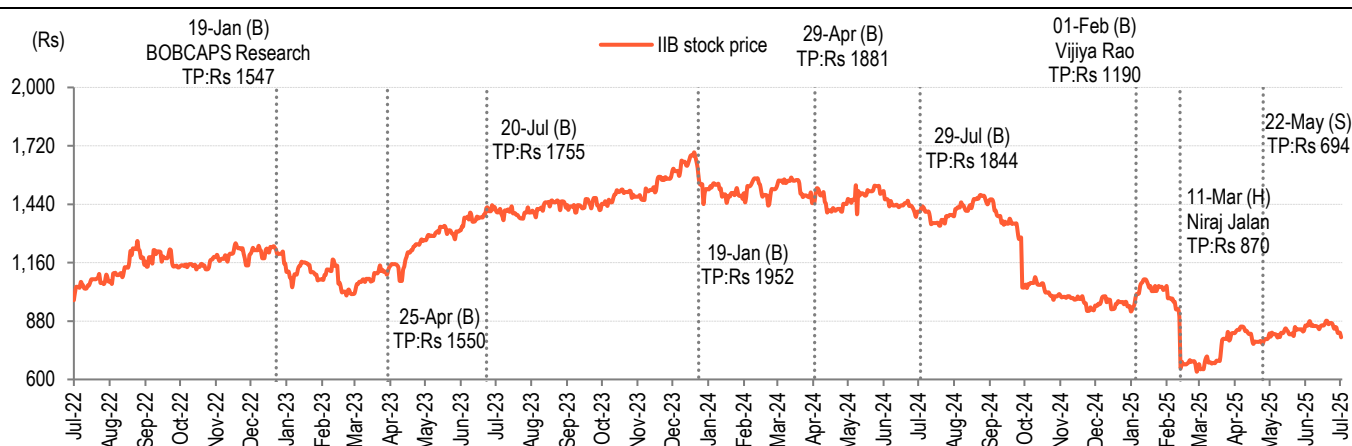
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