

SELL

TP: Rs 704 | ▼ 7%

INDUSIND BANK

| Banking

| 23 October 2025

Earnings hit by MFI w/offs with strategic reset underway

- Profitability metrics severely impacted, driven by accelerated provisions on MFI book
- Leadership and strategic reset underway; asset quality improvement masked by higher w/offs
- Maintain SELL with revised TP of Rs 704 (Rs 747 earlier), set at 0.8x Sep'27E ABV

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Profitability severely hit by MFI provision surge: IIB reported net loss of Rs 4.4bn in Q2FY26 vs net profit of Rs 6bn in Q1FY26. Net loss was largely due to the accelerated provisions of Rs 8.9bn on the MFI book write-off of Rs 15.8bn. Further, a decline in the share of high-yielding MFI book to 6.5% of total loans (Q2FY26) from 9.2% (Q2FY25), coupled with degrowth in net loans (-8.8% YoY), resulted in lower NII of Rs 44.1bn (-17.5% YoY). As a result, NIMs also declined to 3.3% (-76bps YoY; -14bps QoQ). With lower NII and non-interest income, C/I ratio deteriorated to 66.2% (+14% YoY; +4% QoQ). Management stated that the medium-term objective is to achieve an RoA of 1%, mainly by improving cost to assets (0.8% in Q2FY26) and reducing the cost of funds (5.43% in Q2FY26).

Leadership & strategic reset: IIB saw a leadership overhaul with Rajiv Anand assuming the charge as MD & CEO in Aug'25 and swiftly reorganising senior management across finance, internal audit, legal, business transformation, and marketing. The immediate focus is platform stabilisation and improving process controls, while medium-term (3Y) strategy is to aim for sustainable growth through retail deposit mobilisation, scaling vehicle finance, MFI, MSME, HL, AHL products to build granular and resilient franchise. Management will share a detailed plan for this.

AQ improvement masked by higher w/offs: Asset quality (AQ) improved with the GNPA ratio falling to 3.6% (-4bps QoQ) and NNPA ratio of 1.04% (-8bps QoQ). This improvement was masked by higher w/offs of Rs 25.2bn (+3.8x QoQ), largely coming from the MFI segment. MFI witnessed high GNPA ratio of 18.8% in Q2FY26 vs 16.4% in Q1FY26. MFI accounted for 43% of total slippages (Rs 25.4bn) in Q2FY26. Management expects the accelerated provisioning to subside in subsequent quarters and report NNPA ratio of 50-60bps in the medium term.

Maintain SELL: We expect muted loan growth at 6% CAGR in FY25-28E with lower return metrics vs previous performance. We maintain SELL and roll over valuation to 0.8x Sep'27E ABV with revised TP of Rs 704 (earlier Rs 747).

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	IIB IN/Rs 758
Market cap	US\$ 6.7bn
Free float	84%
3M ADV	US\$ 37.7mn
52wk high/low	Rs 1,312/Rs 606
Promoter/FPI/DII	16%/34%/33%

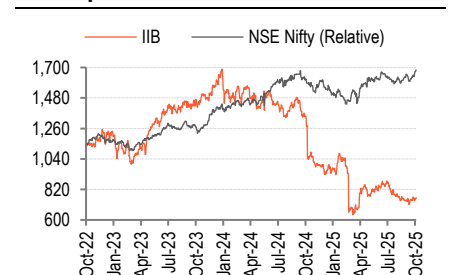
Source: NSE | Price as of 21 Oct 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	1,90,313	1,86,726	2,13,063
NII growth (%)	(7.7)	(1.9)	14.1
Adj. net profit (Rs mn)	25,754	12,523	39,175
EPS (Rs)	33.1	16.1	50.3
Consensus EPS (Rs)	33.1	44.8	66.3
P/E (x)	22.9	47.2	15.1
P/BV (x)	0.9	0.9	0.8
ROA (%)	0.5	0.2	0.7
ROE (%)	4.0	1.9	5.8

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly snapshot: Income statement

(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Income Statement							
Interest Income	1,04,061	1,04,932	83,398	96,506	91,936	(11.7)	(4.7)
Income on investments	18,570	20,057	19,980	18,944	19,545	5.3	3.2
Int. on bal. with RBI & inter-bank funds & Others	4,231	3,018	2,961	7,190	4,605	8.8	(36.0)
Interest income	1,26,863	1,28,008	1,06,338	1,22,639	1,16,086	(8.5)	(5.3)
Interest expense	73,390	75,727	75,855	76,241	71,993	(1.9)	(5.6)
Net interest income	53,473	52,281	30,483	46,398	44,094	(17.5)	(5.0)
Growth YoY (%)	5.3	(1.3)	(43.3)	(14.2)	(17.5)		
Non-interest income	21,850	23,550	7,088	21,569	16,513	(24.4)	(23.4)
Growth YoY (%)	(4.2)	(1.7)	(71.7)	(11.7)	(24.4)		
Total income	75,322	75,831	37,572	67,967	60,607	(19.5)	(10.8)
Growth YoY (%)	2.4	(1.4)	(52.3)	(13.4)	(19.5)		
Staff expenses	15,049	14,828	16,017	18,053	16,641	10.6	(7.8)
Other operating expenses	24,275	24,997	26,464	24,242	23,492	(3.2)	(3.1)
Operating expenses	39,324	39,825	42,480	42,294	40,133	2.1	(5.1)
Pre-Provisioning Profit (PPoP)	35,998	36,007	(4,909)	25,673	20,473	(43.1)	(20.3)
Growth YoY (%)	(7.9)	(10.9)	(112.0)	(35.0)	(43.1)		
Provisions	18,201	17,436	25,221	17,600	26,312	44.6	49.5
Growth YoY (%)	86.9	79.9	165.4	67.6	44.6		
PBT	17,797	18,570	(30,130)	8,073	(5,839)	(132.8)	(172.3)
Tax	4,485	4,547	(6,840)	2,033	(1,469)	(132.8)	(172.3)
PAT	13,313	14,024	(23,289)	6,041	(4,369)	(132.8)	(172.3)
Growth YoY (%)	(39.5)	(39.1)	(199.1)	(72.2)	(132.8)		
Per Share							
FV (Rs)	10	10	10	10	10	0.0	0.0
EPS (Rs)	17	18	(30)	17	(6)	(132.9)	(133.8)
Book Value (Rs)	732	747	712	719	706	(3.5)	(1.8)

Source: Company, BOBCAPS Research

Fig 2 – Quarterly snapshot: Balance sheet & other metrics

(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Deposits	41,23,968	40,94,380	41,08,623	39,71,440	38,96,001	(5.5)	(1.9)
Growth YoY (%)	14.7	11.0	6.8	(0.3)	(5.5)		
Advances	35,71,586	36,68,890	34,50,186	33,36,940	32,58,807	(8.8)	(2.3)
Growth YoY (%)	13.2	12.2	0.5	(4.1)	(8.8)		
Investment	11,13,147	11,88,510	11,44,567	10,91,470	12,40,075	11.4	13.6
Equity	6,64,806	6,78,850	6,56,147	6,62,940	6,58,374	(1.0)	(0.7)
Assets	54,34,065	54,94,990	55,41,071	53,95,520	52,74,898	(2.9)	(2.2)
Growth YoY (%)	13.7	12.4	7.6	1.8	(2.9)	(1,663bps)	(470bps)
Yield (%)							
Yield on Funds	9.98	9.93	8.21	9.57	9.33	(66bps)	(25bps)
Cost of Funds	6.53	6.61	6.57	6.67	6.51	(1bps)	(16bps)
Spread	3.46	3.32	1.64	2.90	2.82	(64bps)	(9bps)
Net Interest Margin	4.08	3.93	2.25	3.46	3.32	(76bps)	(14bps)
Ratios (%)							
Other Income / Net Income	29.0	31.1	18.9	31.7	27.2	(176bps)	(449bps)
Cost to Income ratio	52.2	52.5	113.1	62.2	66.2	1,401bps	399bps
CASA ratio	35.9	34.9	32.8	31.5	30.7	(513bps)	(73bps)
C/D ratio	86.6	89.6	84.0	84.0	83.6	(296bps)	(38bps)
Investment to Assets	20.5	21.6	20.7	20.2	23.5	302bps	328bps
Assets Quality							
GNPA	76,385	83,753	1,10,460	1,24,806	1,20,578	57.9	(3.4)
NNPA	22,820	24,958	32,870	37,215	33,994	49.0	(8.7)
Provision	53,565	58,795	77,590	87,590	86,584	61.6	(1.1)
GNPA (%)	2.11	2.25	3.13	3.64	3.60	149bps	(4bps)
NNPA (%)	0.64	0.68	0.95	1.12	1.04	40bps	(8bps)
Provision (%)	70.12	70.20	70.24	70.18	71.81	168bps	163bps
Others (nos)							
Branches	6,786	6,836	6,877	6,914	6,854	68	(60)
ATMs	3,011	2,993	3,027	3,052	3,054	43	2

Source: Company, BOBCAPS Research

Earnings Call Highlights

Loan book

- Loan growth moderated and was down 8.8% YoY (-2.3% QoQ) in Q2FY26.
- **Micro Finance (MFI):** The segment saw a significant contraction of 25% QoQ, ending the quarter at Rs 213bn. Management maintains a cautious stance due to elevated slippages. MFI disbursements were muted, impacting yields on the asset side. MFI segment remains integral to the bank's financial inclusion and Priority Sector Lending (PSL) strategy.
- **Vehicle Finance (VF):** VF loan book remained stable QoQ at Rs 962bn. Disbursements were initially affected by GST-related deferments, but picked up significantly post-September 22, supported by the festive season. VF remains a key growth pillar, and management believes the segment is poised to benefit from the long-overdue auto up-cycle.
- **Corporate and Retail** disbursements remained steady. The bank has resumed disbursements after tactically decelerating for efficient balance sheet management. Focus continues to be on granular mid-and-small corporates, moving selectively in the large corporate space. Approximately, 77% of the book is focused on 'A' and above-rated customer.
- Management identified key opportunities for growth outside of core domains (CV and MFI), particularly in the MSME space (where presence is currently minimal) and traditional retail assets, including home loans, Loan Against Property (LAP), and gold loans. The scaling up of these segments is likely to build a more granular, diversified, and less volatile portfolio.
- The mix of retail to corporates stayed at ~60:40, which was the same as in the last quarter.

Deposits and Liabilities

- Total deposits declined 2% QoQ and 6% YoY to Rs 3,896bn. The fall was attributed to the strategy to optimise deposit mix by letting go of non-LCR-accretive wholesale deposits and Certificates of Deposit (CDs), which were reduced by 16% QoQ.
- **CASA:** CASA deposits stood at Rs 1,198bn. CASA ratio decreased 73 bps QoQ to 30.7%.
- **Retail Focus:** Retail deposits (as per the LCR definition) remained stable QoQ at Rs 1,841.4bn, improving their share to 47.3% (vs 46.5% QoQ).
- **Cost of Funds:** Cost of deposits improved by 21bps QoQ to 6.23%, mainly due to the savings account repricing.
- **Liquidity:** Liquidity remains robust with an average LCR of 132% for Q2 FY26.

Profitability

- Financial results were severely impacted by the provisioning and a drop in treasury gains.
- **NIM:** Net Interest Margin (NIM) declined 14 bps QoQ to 3.32%. Decline in MFI share also resulted in this contraction.
- **Other Income:** Total other income fell 23% QoQ to Rs 16.51bn. This drop was mainly due to lower treasury income (Rs 1.1bn in Q2 vs Rs 6.3bn in Q1FY26) and recovery gains present in the prior quarter. However, core fee income grew 1.6% QoQ.
- **PPOP & C/I:** Operating Profit (PPOP) declined 20% QoQ to Rs 20.5bn. The Cost-to-Income (C/I) ratio increased significantly by 399 bps QoQ to 66.2%.

Asset Quality

- Headline asset quality ratios showed sequential improvement, largely driven by the accelerated write-offs.
- Gross NPA improved 4 bps QoQ to 3.60% (vs 3.64% Q1FY26). Net NPA improved 8 bps QoQ to 1.04% (vs 1.12% Q1 FY26).
- Provisioning Coverage Ratio (PCR) improved 163bps QoQ to 71.8%.
- Slippages: Total fresh slippages were broadly unchanged QoQ at Rs 25.4bn.
 - MFI gross slippages remained elevated at Rs 10.83bn (vs Rs 8.88bn in Q1FY26).
 - Slippages (excluding MFI) remained steady, with net slippages improving to 0.36% from 0.42% last quarter.
 - MFI early stress bucket (31-90 DPD) rose to 3.2% in Sep'25 (from 2.2% in Jun'25).
- Write-offs: During the quarter, the bank undertook accelerated write-offs of Rs 15.8bn of MFI loans. Total write-offs were Rs 25.2bn.
- Credit Costs Outlook: Management confirmed that they do not anticipate further accelerated write-offs in subsequent quarters.

Guidance and Management Outlook

- New MD & CEO Rajiv Anand stressed the immediate focus on stabilising the platform, strengthening processes, and formalising leadership structure before accelerating growth.
- **RoA Target:** The primary medium-term objective is to achieve 1.0% Return on Assets (RoA). The bank is currently developing a 3Y plan to define the precise timeline.
- **Net NPA Target:** Management aims to bring the Net NPA ratio down to the vicinity of 50-60bps in the medium term.

- **Fee Income Target:** The bank aims for a fee-to-average assets ratio of approximately 1.5% over a period of time.
- **Leadership/Gaps:** Key senior leaders, including the CFO (Viral Damania), Head Internal Audit, Legal Counsel, Head Business Transformation, and Head of Marketing, have been onboarded. Key future hires expected in the coming months include the new Head of HR, Head of Digital, and the CEO of Bharat Financial Inclusion Limited (BFIL).
- **Credit Quality Management:** The bank has started availing Credit Guarantee Scheme (CGFMU coverage) for MFI disbursements, which now covers 22% of the standard MFI book. This mechanism, along with tighter internal norms, should help reduce extreme swings in credit costs through the cycle.
- **BFIL Audit:** The auditor of BFIL gave a qualified report regarding investigations on operational losses, but management stated that this is not material to the group's financial results, and corrective actions are being taken.

Fig 3 – Portfolio mix (% share)

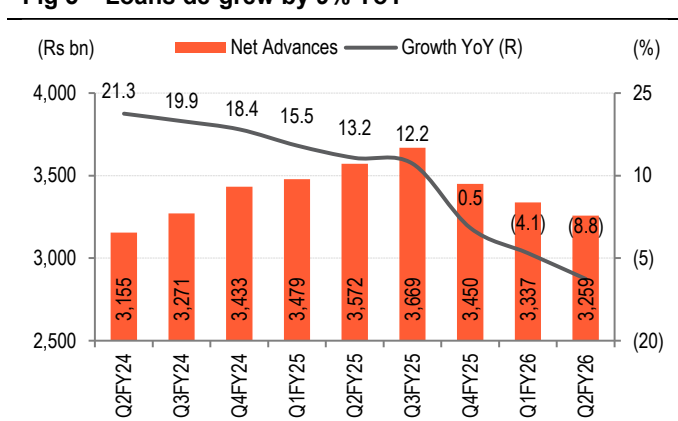
Segment (%)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Chg(YoY)	Chg(QoQ)
Large Corporates	25.4	25.3	22.2	21.8	22.0	(342bps)	19bps
Mid Corporates	15.9	15.8	14.5	13.8	14.1	(177bps)	33bps
Small Corporates	5.3	5.4	4.9	4.1	4.2	(109bps)	3bps
Corporate and Commercial Banking	46.5	46.4	41.6	39.7	40.2	(628bps)	55bps
Commercial Vehicle Loans	9.6	9.5	10.3	10.8	11.0	144bps	23bps
Small CV	1.1	1.1	1.2	1.3	1.4	21bps	5bps
Two-Wheeler Loans	1.4	1.4	1.5	1.6	1.5	15bps	(5bps)
Car Loans	7.7	7.8	8.6	9.0	9.4	167bps	33bps
Tractor	2.3	2.2	2.2	2.3	2.3	2bps	2bps
Equipment Financing	3.3	3.4	3.8	3.9	4.0	66bps	7bps
Vehicle Finance	25.4	25.5	27.7	28.9	29.5	415bps	65bps
Credit Card	3.1	3.0	3.2	3.3	3.3	24bps	(2bps)
LAP	3.2	3.3	3.6	3.7	3.9	67bps	12bps
BBG	4.9	4.8	5.3	5.4	5.6	68bps	20bps
Other (BL, PL, GL, AHL, Others)	7.8	8.1	9.7	10.5	11.0	315bps	47bps
Microfinance (incl. BHAFIN)	9.2	8.9	9.0	8.5	6.5	(262bps)	(197bps)
Non- Vehicle Finance	28.1	28.1	30.7	31.4	30.2	212bps	(120bps)
Consumer Finance	53.5	53.6	58.4	60.3	59.8	628bps	(55bps)
Total Loan	100.0	100.0	100.0	100.0	100.0		

Source: Company, BOBCAPS Research

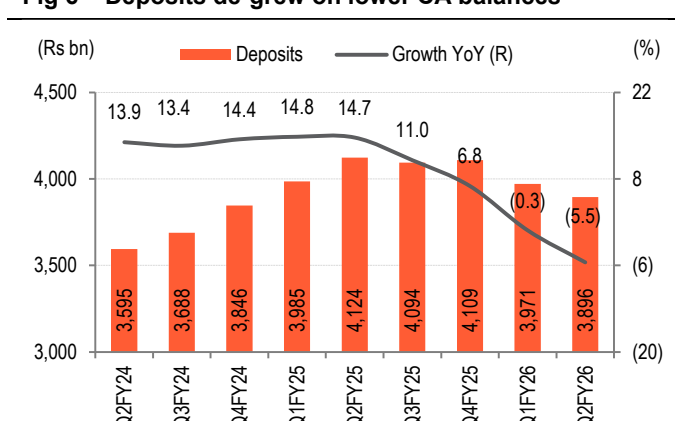
Fig 4 – Yield profile

(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Chg(YoY)	Chg(QoQ)
Corporate and Commercial Banking	16,61,180	17,02,360	14,34,630	13,24,210	13,11,210	(21.1)	(1.0)
% of Loan	46.5	46.4	41.6	39.7	40.2	(628bps)	55bps
Yield (%)	8.9	8.8	8.1	8.4	7.8	(105bps)	(60bps)
Consumer Finance	19,10,410	19,66,530	20,15,560	20,12,730	19,47,600	1.9	(3.2)
% of Loan	53.5	53.6	58.4	60.3	59.8	628bps	(55bps)
Yield (%)	15.1	14.9	10.5	13.7	13.5	(162bps)	(21bps)
Total Loan	35,71,590	36,68,890	34,50,190	33,36,940	32,58,810	(8.8)	(2.3)
Yield (%)	12.3	12.2	9.5	11.6	11.2	(108bps)	(39bps)

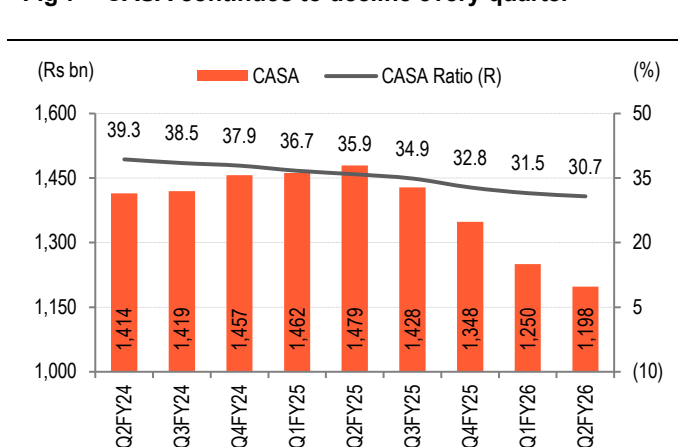
Source: Company, BOBCAPS Research

Fig 5 – Loans de-grew by 9% YoY


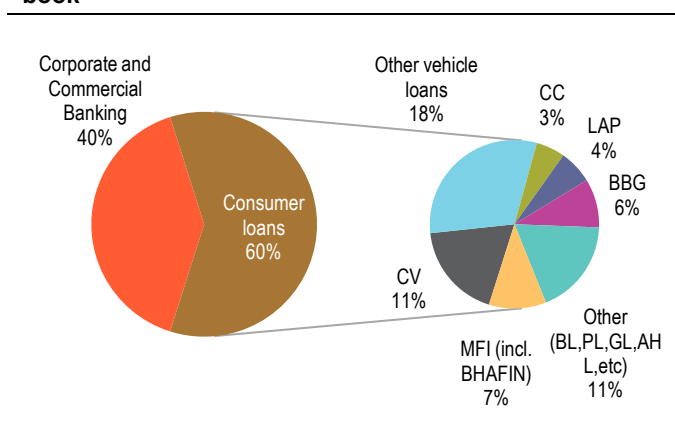
Source: Company, BOBCAPS Research

Fig 6 – Deposits de-grew on lower CA balances


Source: Company, BOBCAPS Research

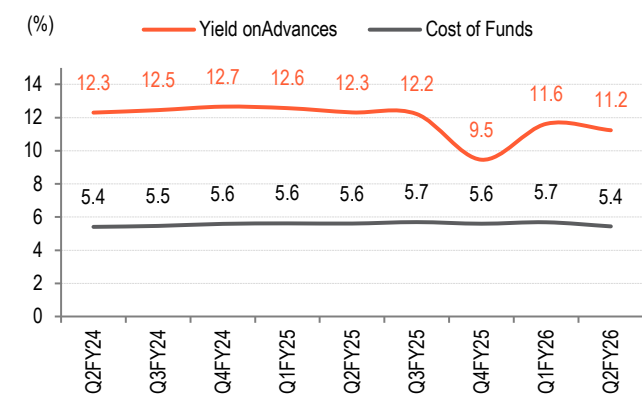
Fig 7 – CASA continues to decline every quarter


Source: Company, BOBCAPS Research

Fig 8 – Vehicle portfolio contributes 30% to total loan book


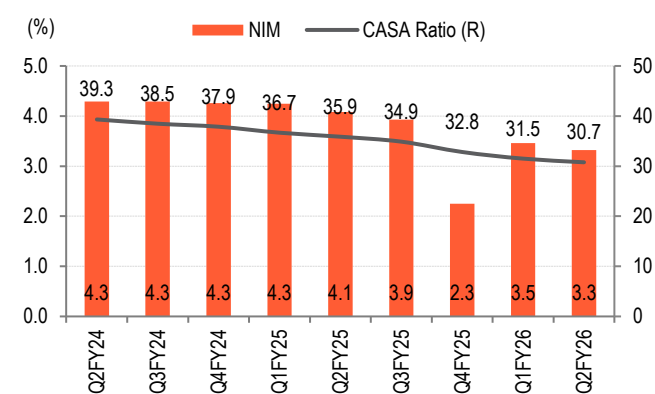
Source: Company, BOBCAPS Research

Fig 9 – Yields down on passing of repo rate cuts



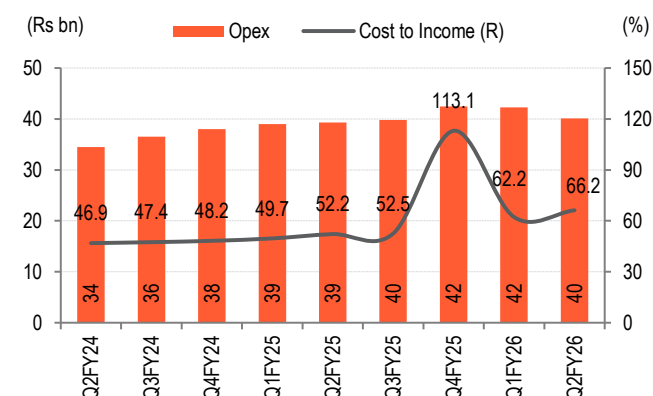
Source: Company, BOBCAPS Research

Fig 10 – Reported NIM down by 14bps QoQ



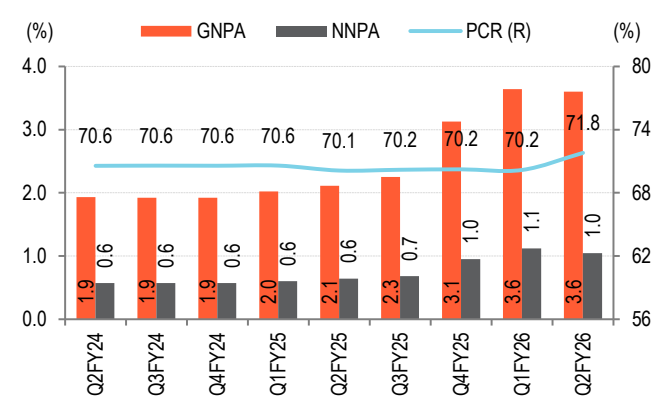
Source: Company, BOBCAPS Research

Fig 11 – C/I to increased due lower income



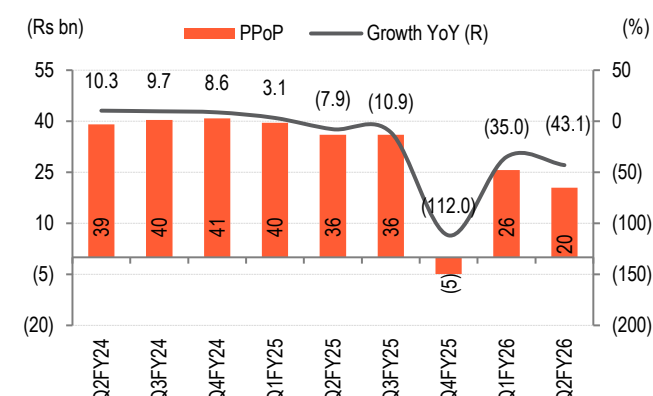
Source: Company, BOBCAPS Research

Fig 12 – Asset quality marginally improved QoQ



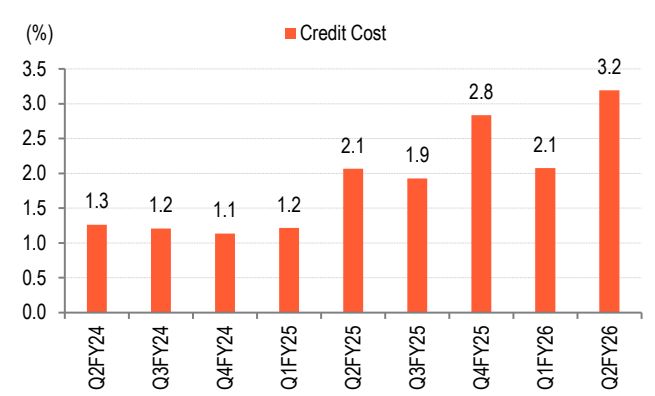
Source: Company, BOBCAPS Research

Fig 13 – PPOp down 43% YoY



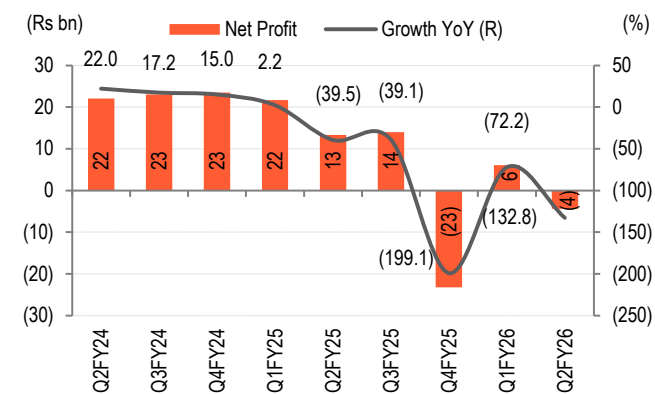
Source: Company, BOBCAPS Research

Fig 14 – Credit cost remains elevated



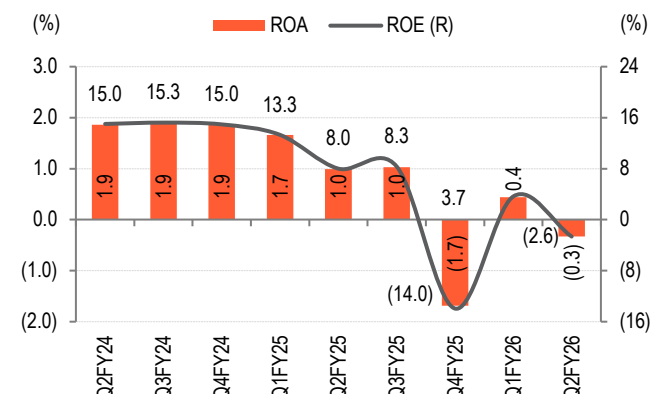
Source: Company, BOBCAPS Research

Fig 15 – PAT down due to higher provisions



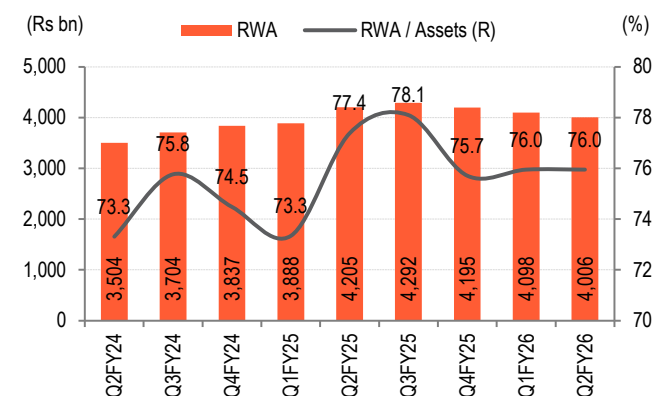
Source: Company, BOBCAPS Research

Fig 16 – IIB targets RoA to be >1% in medium term



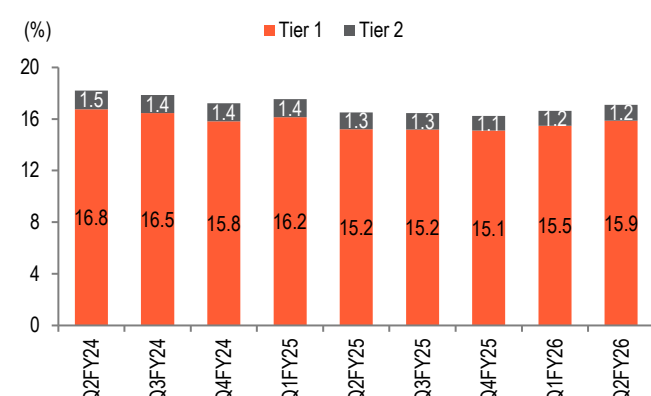
Source: Company, BOBCAPS Research

Fig 17 – RWA/Assets ratio stable



Source: Company, BOBCAPS Research

Fig 18 – Well capitalised with CAR at 17.1%



Source: Company, BOBCAPS Research

Valuation Methodology

We expect muted loan growth at 6% CAGR in FY25-28E with lower return metrics vs previous performance. We maintain SELL and roll over valuation to 0.8x Sep'27E ABV with revised TP of Rs 704 (earlier Rs 747).

Fig 19 – Actuals vs Estimates

(Rs mn)	Q2FY26A	Q2FY26E	Actual vs. Estimates (%)
Loan	32,58,807	32,73,490	(0.45)
Deposits	38,96,001	38,98,030	(0.05)
Assets	52,74,898	52,50,437	0.47
NII	44,094	44,716	(1.39)
PPOP	20,473	23,573	(13.15)
Provision	26,312	17,352	51.63
PAT	(4,369)	4,659	(193.78)

Source: Company, BOBCAPS Research

Fig 20 – Key valuation assumptions

Components of Gordon growth model	Assumptions (%)
Cost of equity (%)	13.7
Blended ROE (%)	12.2
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)	0.8

Source: BOBCAPS Research

Fig 21 – Revised estimates

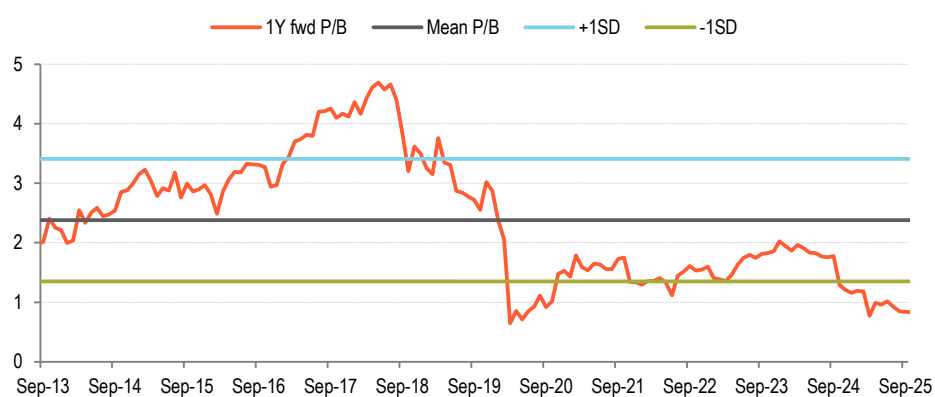
Key Parameters (Rs mn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Loan	34,84,688	37,63,463	41,39,809	36,91,699	40,42,411	44,66,864	(5.6)	(6.9)	(7.3)
Deposits	41,49,709	45,23,183	49,75,501	44,16,769	48,36,362	53,34,508	(6.0)	(6.5)	(6.7)
Assets	55,86,486	59,52,451	65,14,713	58,56,256	63,69,340	70,03,032	(4.6)	(6.5)	(7.0)
NII	1,86,726	2,13,063	2,40,574	2,18,086	2,51,337	2,83,629	(14.4)	(15.2)	(15.2)
PPOP	92,423	1,08,827	1,31,785	1,46,614	1,69,158	1,91,348	(37.0)	(35.7)	(31.1)
Provision	75,590	56,173	60,460	57,135	59,939	65,096	32.3	(6.3)	(7.1)
PAT	12,523	39,175	53,066	66,572	81,259	93,931	(81.2)	(51.8)	(43.5)
ABV (Rs)	803	853	916	875	974	1,084	(8)	(12)	(15)

Source: Company, BOBCAPS Research

Fig 22 – Key operational assumptions

(%)	FY25	FY26E	FY27E	FY28E
Advances growth	0.5	1.0	8.0	10.0
NII growth	(7.7)	(1.9)	14.1	12.9
PPoP growth	(32.8)	(13.3)	17.7	21.1
PAT growth	(71.3)	(51.4)	212.8	35.5
NIM	3.8	3.6	4.0	4.1
GNPA	3.1	3.3	2.8	2.3
CAR	16.2	16.0	15.3	14.5

Source: Company, BOBCAPS Research

Fig 23 – PB band chart


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	1,86,726	2,13,063	2,40,574
Nil growth (%)	17.2	(7.7)	(1.9)	14.1	12.9
Non-interest income	93,958	76,904	77,893	86,542	1,05,971
Total income	3,00,117	2,67,218	2,64,619	2,99,605	3,46,545
Operating expenses	1,41,476	1,60,603	1,72,196	1,90,777	2,14,760
PPOP	1,58,641	1,06,614	92,423	1,08,827	1,31,785
PPOP growth (%)	10.0	(32.8)	(13.3)	17.8	21.1
Provisions	38,849	71,357	75,590	56,173	60,460
PBT	1,19,792	35,258	16,832	52,654	71,325
Tax	30,022	9,503	4,309	13,480	18,259
Reported net profit	89,770	25,754	12,523	39,175	53,066
Adjustments	0	0	0	0	0
Adjusted net profit	89,770	25,754	12,523	39,175	53,066

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	6,53,090	6,88,347	7,35,045
Net worth	6,32,076	6,48,357	6,60,880	6,96,137	7,42,835
Deposits	38,45,857	41,08,623	41,49,709	45,23,183	49,75,501
Borrowings	4,76,114	5,37,036	4,94,073	5,01,484	5,09,006
Other liab. &	1,96,893	2,47,056	2,81,824	2,31,647	2,87,370
Total liab. & equities	51,50,940	55,41,071	55,86,486	59,52,451	65,14,713
Cash & bank balance	3,69,074	5,93,755	5,28,533	5,72,411	6,26,913
Investments	10,64,865	11,44,567	12,07,627	12,42,396	13,39,920
Advances	34,32,983	34,50,186	34,84,688	37,63,463	41,39,809
Fixed & Other assets	2,84,018	3,52,563	3,65,637	3,74,181	4,08,070
Total assets	51,50,940	55,41,071	55,86,486	59,52,451	65,14,713
Deposit growth (%)	14.4	6.8	1.0	9.0	10.0
Advances growth (%)	18.4	0.5	1.0	8.0	10.0

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	115.5	33.1	16.1	50.3	68.1
Dividend per share	16.5	0.0	0.0	5.0	8.2
Book value per share	812.1	832.2	848.3	893.6	953.5

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	6.6	22.9	47.2	15.1	11.1
P/BV	0.9	0.9	0.9	0.8	0.8
Dividend yield (%)	2.2	0.0	0.0	0.7	1.1

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	4.2	3.6	3.4	3.7	3.9
Non-interest income	1.9	1.4	1.4	1.5	1.7
Operating expenses	2.9	3.0	3.1	3.3	3.4
Pre-provisioning profit	3.3	2.0	1.7	1.9	2.1
Provisions	0.8	1.3	1.4	1.0	1.0
PBT	2.5	0.7	0.3	0.9	1.1
Tax	0.6	0.2	0.1	0.2	0.3
ROA	1.8	0.5	0.2	0.7	0.9
Leverage (x)	8.2	8.4	8.5	8.5	8.7
ROE	15.2	4.0	1.9	5.8	7.4

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Net interest income	17.2	(7.7)	(1.9)	14.1	12.9
Pre-provisioning profit	10.0	(32.8)	(13.3)	17.8	21.1
EPS	20.3	(71.4)	(51.4)	212.8	35.5
Profitability & Return ratios (%)					
Net interest margin	4.5	3.8	3.6	4.0	4.1
Fees / Avg. assets	0.3	0.4	0.4	0.4	0.4
Cost-Income	47.1	60.1	65.1	63.7	62.0
ROE	15.2	4.0	1.9	5.8	7.4
ROA	1.8	0.5	0.2	0.7	0.9
Asset quality (%)					
GNPA	1.9	3.1	3.3	2.8	2.3
NNPA	0.6	1.0	1.0	0.8	0.7
Slippage ratio	2.1	3.1	2.5	2.3	2.2
Credit cost	1.2	2.1	2.2	1.6	1.5
Provision coverage	70.0	69.3	69.2	69.4	69.5
Ratios (%)					
Credit-Deposit	89.3	84.0	84.0	83.2	83.2
Investment-Deposit	27.7	27.9	29.1	27.5	26.9
CAR	17.2	16.2	16.0	15.3	14.5
Tier-1	15.8	15.1	14.9	14.3	13.6

Source: Company, BOBCAPS Research

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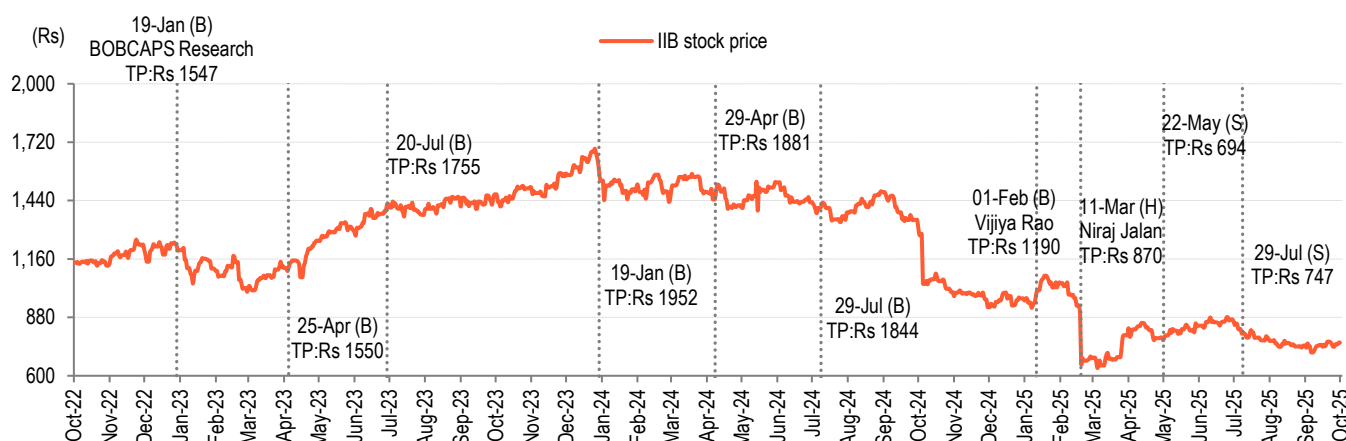
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