

SELL**TP: Rs 833 | ▼ 7%****INDUSIND BANK**

| Banking

| 25 January 2026

Earnings turn positive; credit growth lags

- Credit growth continues to decline sequentially mainly due to rundown of MFI book, however earnings turn positive
- Leadership and strategic reset underway; asset quality improvement masked by higher w/offers
- Maintain **SELL** with revised TP of Rs 833 (from Rs 704), set at 0.9x Dec'27E ABV (0.8x earlier)

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Credit growth continues to decline sequentially, however turned profitable: IIB continues to report a sequential degrowth in net advances (-2.6% QoQ) from the last four quarters. Decline in credit was mainly due to the rundown in MFI loans and risk-reward-driven calibration in the corporate book. However, IIB turned profitable with net profit of Rs 1.3bn in Q3FY26 vs net loss of Rs 4.4bn in Q2FY26. PPoP was in-line with our estimates at Rs 22.7bn (+10.9% QoQ); mainly supported by rise in NII to Rs 45.6bn (+3.5% QoQ). Management expects the RoA profile to improve largely driven by improvement in credit costs.

Leadership & strategic reset underway: IIB saw a leadership overhaul with various top management inductions including the appointment of Mr Arijit Basu with 4 decades of experience as the new part-time Chairman till Jan'29, subject to the shareholder's approval. Further, management unveiled a 3Y strategic roadmap – P.A.C.E. that focuses on protecting endowments, accelerate key priorities, customer centricity and execution excellence. Under this framework, management targets industry-aligned credit growth in FY27, market share gains from FY28, and a recovery in profitability to ~1.0% ROA by end-FY27. Management will share a detailed plan for the same.

AQ improvement masked by higher w/offers: AQ improved marginally with GNPA ratio falling to 3.56% (-4bps QoQ) and NNPA ratio of 1.04% (flat QoQ). The improvement was masked by higher w/offers of Rs 26.1bn (+4% QoQ), largely coming from the MFI segment. MFI accounted for 40% of total slippages (Rs 25.6bn) in Q3FY26. However, management stated MFI book showing improvement in early buckets with 31-90 dpd declined to 2.4% (Dec'25) vs. 3.2% (Sep'25). Management expects to increase the CGFMU cover in MFI to 100% (38% now) and report NNPA ratio of 60-70bps over a period.

Maintain SELL: We expect muted loan growth at 5% CAGR in FY25-28E with lower return metrics vs previous performance. The bank is currently trading at 1YF P/ABV of 1.0x vs 3Y avg. of 1.5x. We maintain SELL and roll over valuation to 0.9x Dec'27E ABV (0.8x earlier) with revised TP of Rs 833 (earlier Rs 704).

Key changes

	Target	Rating
	▲	◀ ▶

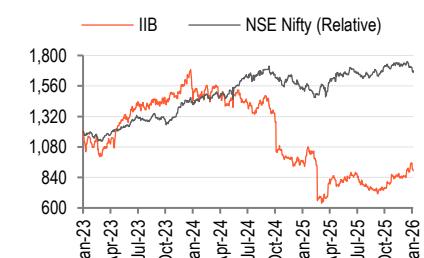
Ticker/Price	IIB IN/Rs 892
Market cap	US\$ 7.6bn
Free float	84%
3M ADV	US\$ 38.6mn
52wk high/low	Rs 1,087/Rs 606
Promoter/FPI/DII	16%/32%/35%

Source: NSE | Price as of 23 Jan 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	1,90,313	1,81,816	1,94,691
NII growth (%)	(7.7)	(4.5)	7.1
Adj. net profit (Rs mn)	25,754	7,850	38,263
EPS (Rs)	33.1	10.1	49.1
Consensus EPS (Rs)	33.1	9.6	45.6
P/E (x)	27.0	88.6	18.2
P/BV (x)	1.1	1.1	1.0
ROA (%)	0.5	0.1	0.7
ROE (%)	4.0	1.2	5.7

Source: Company, Bloomberg, BOBCAPS Research

Stock performance

Source: NSE



Fig 1 – Quarterly snapshot: Income statement

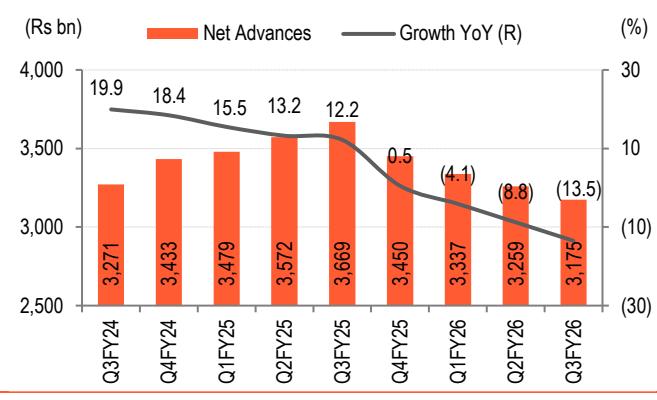
(Rs mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Income Statement							
Interest Income	1,04,932	83,398	96,506	91,936	89,323	(14.9)	(2.8)
Income on investments	20,057	19,980	18,944	19,545	20,287	1.1	3.8
Int. on bal. with RBI & inter-bank funds & Others	3,018	2,961	7,190	4,605	4,119	36.5	(10.6)
Interest income	1,28,008	1,06,338	1,22,639	1,16,086	1,13,729	(11.2)	(2.0)
Interest expense	75,727	75,855	76,241	71,993	68,112	(10.1)	(5.4)
Net interest income	52,281	30,483	46,398	44,094	45,617	(12.7)	3.5
Growth YoY (%)	3.0	(42.4)	(13.7)	(18.5)	(12.7)		
Non-interest income	23,550	7,088	21,569	16,513	17,072	(27.5)	3.4
Growth YoY (%)	3.2	(70.4)	(14.0)	(32.4)	(27.5)		
Total income	75,831	37,572	67,967	60,607	62,689	(17.3)	3.4
Growth YoY (%)	3.1	(51.2)	(13.8)	(22.8)	(17.3)		
Staff expenses	14,828	16,017	18,053	16,641	19,049	28.5	14.5
Other operating expenses	24,997	26,464	24,242	23,492	20,943	(16.2)	(10.8)
Operating expenses	39,825	42,480	42,294	40,133	39,992	0.4	(0.4)
Pre-Provisioning Profit (PPoP)	36,007	(4,909)	25,673	20,473	22,696	(37.0)	10.9
Growth YoY (%)	(7.9)	(112.1)	(37.1)	(48.2)	(37.0)		
Provisions	17,436	25,221	17,600	26,312	20,958	20.2	(20.3)
Growth YoY (%)	79.1	160.2	85.2	150.6	20.2		
PBT	18,570	(30,130)	8,073	(5,839)	1,739	(90.6)	(129.8)
Tax	4,547	(6,840)	2,033	(1,469)	459	(89.9)	(131.3)
PAT	14,024	(23,289)	6,041	(4,369)	1,279	(90.9)	(129.3)
Growth YoY (%)	(36.3)	(201.2)	(74.3)	(120.1)	(90.9)		
Per Share							
FV (Rs)	10	10	10	10	10	0.0	0.0
EPS (Rs)	18	(30)	17	(6)	2	(90.9)	(129.2)
Book Value (Rs)	747	712	719	706	708	(5.3)	0.2

Source: Company, BOBCAPS Research

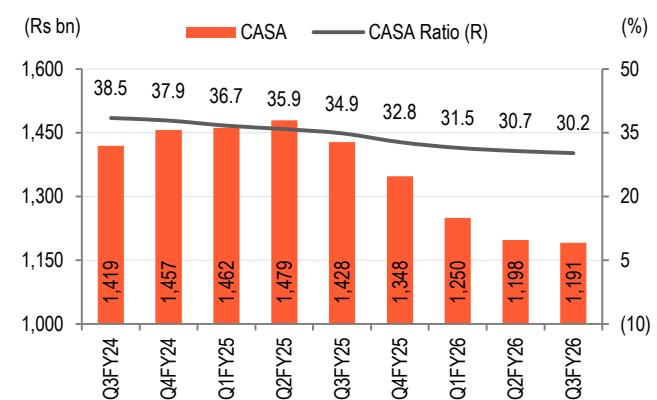
Fig 2 – Quarterly snapshot: Balance sheet & other metrics

(Rs mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Deposits	40,94,380	41,08,623	39,71,440	38,96,001	39,38,150	(3.8)	1.1
Growth YoY (%)	13.9	11.4	3.3	(2.2)	(3.8)		
Advances	36,68,890	34,50,186	33,36,940	32,58,807	31,75,360	(13.5)	(2.6)
Growth YoY (%)	16.3	5.5	(2.8)	(6.3)	(13.5)		
Investment	11,88,510	11,44,567	10,91,470	12,40,075	12,28,980	3.4	(0.9)
Equity	6,78,850	6,56,147	6,62,940	6,58,374	6,59,530	(2.8)	0.2
Assets	54,94,990	55,41,071	53,95,520	52,74,898	52,55,950	(4.4)	(0.4)
Growth YoY (%)	15.0	13.3	4.7	(0.5)	(4.4)	(1,933bps)	(385bps)
Yield (%)							
Yield on Funds	9.93	8.21	9.57	9.33	9.37	(56bps)	4bps
Cost of Funds	6.61	6.57	6.67	6.51	6.28	(33bps)	(24bps)
Spread	3.32	1.64	2.90	2.82	3.09	(23bps)	28bps
Net Interest Margin	3.93	2.25	3.46	3.32	3.52	(41bps)	20bps
Ratios (%)							
Other Income / Net Income	31.1	18.9	31.7	27.2	27.2	(382bps)	(1bps)
Cost to Income ratio	52.5	113.1	62.2	66.2	63.8	1,128bps	(242bps)
CASA ratio	34.9	32.8	31.5	30.7	30.2	(464bps)	(50bps)
C/D ratio	89.6	84.0	84.0	83.6	80.6	(898bps)	(301bps)
Investment to Assets	21.6	20.7	20.2	23.5	23.4	175bps	(13bps)
Assets Quality							
GNPA	83,753	1,10,460	1,24,806	1,20,578	1,16,050	38.6	(3.8)
NNPA	24,958	32,870	37,215	33,994	33,040	32.4	(2.8)
Provision	58,795	77,590	87,590	86,584	83,010	41.2	(4.1)
GNPA (%)	2.25	3.13	3.64	3.60	3.56	131bps	(4bps)
NNPA (%)	0.68	0.95	1.12	1.04	1.04	36bps	(0bps)
Provision (%)	70.20	70.24	70.18	71.81	71.53	133bps	(28bps)
Others (nos)							
Branches	6,836	6,877	6,914	6,854	6,894	58	40
ATMs	2,993	3,027	3,052	3,054	3,063	70	9

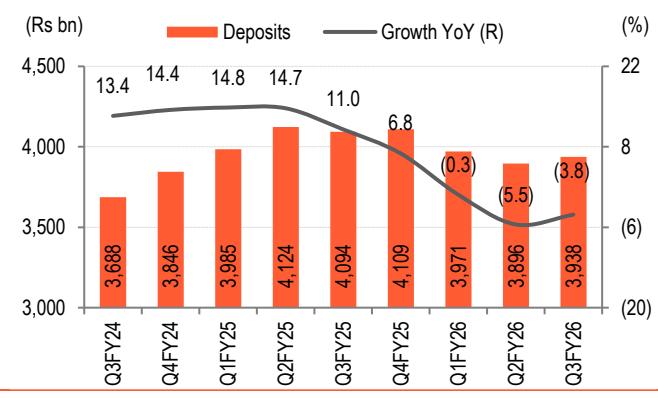
Source: Company, BOBCAPS Research

Fig 3 – Loans de-grew by 13.5% YoY

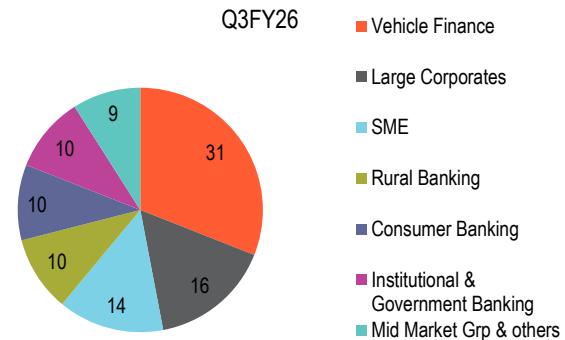
Source: Company, BOBCAPS Research

Fig 5 – CASA continues to decline every quarter

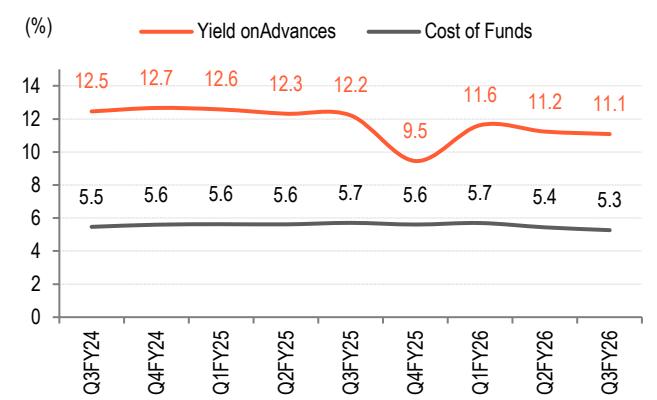
Source: Company, BOBCAPS Research

Fig 4 – Deposits de-grew on lower CA balances

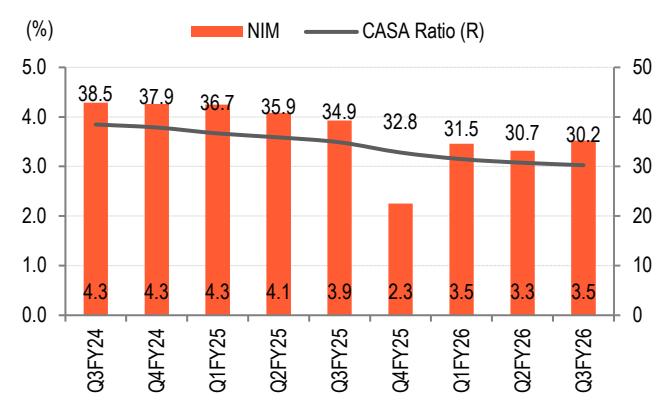
Source: Company, BOBCAPS Research

Fig 6 – Vehicle portfolio contributes 31% to total loans

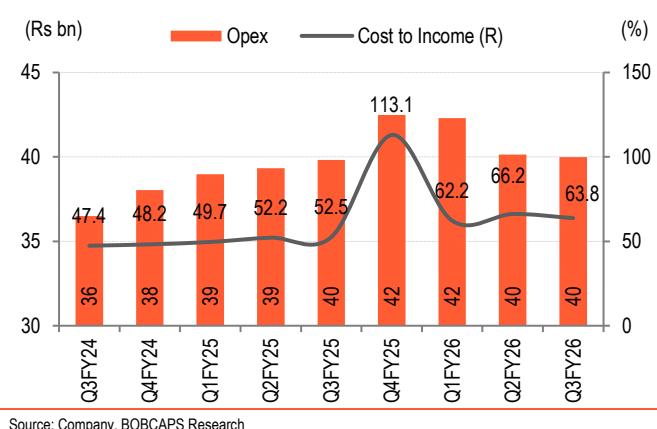
Source: Company, BOBCAPS Research

Fig 7 – Yields down on passing of repo rate cuts

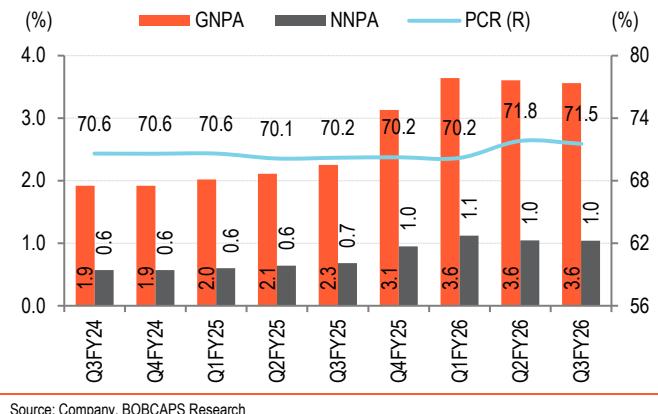
Source: Company, BOBCAPS Research

Fig 8 – Reported NIMs up by 20bps QoQ

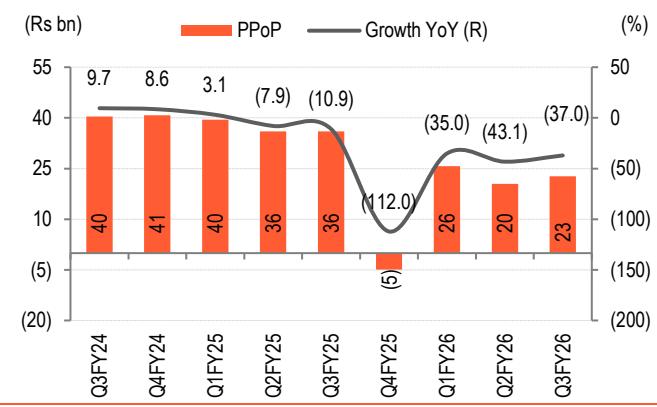
Source: Company, BOBCAPS Research

Fig 9 – C/I to improved

Source: Company, BOBCAPS Research

Fig 10 – Asset quality marginally improved QoQ

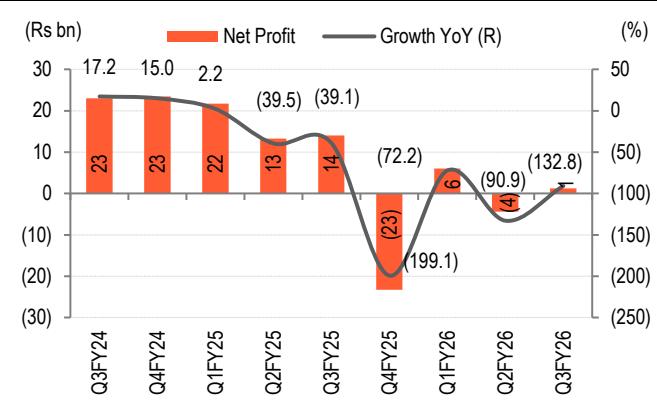
Source: Company, BOBCAPS Research

Fig 11 – PPoP down 37% YoY

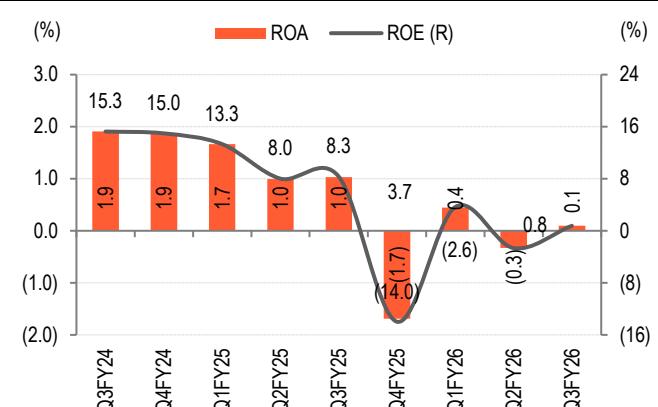
Source: Company, BOBCAPS Research

Fig 12 – Credit cost falls QoQ

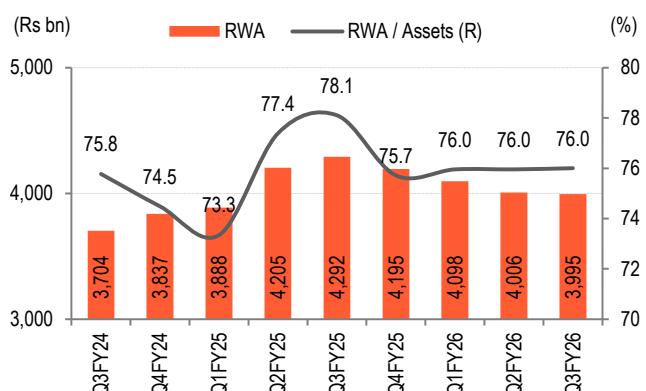
Source: Company, BOBCAPS Research

Fig 13 – PAT down due to elevated provisions

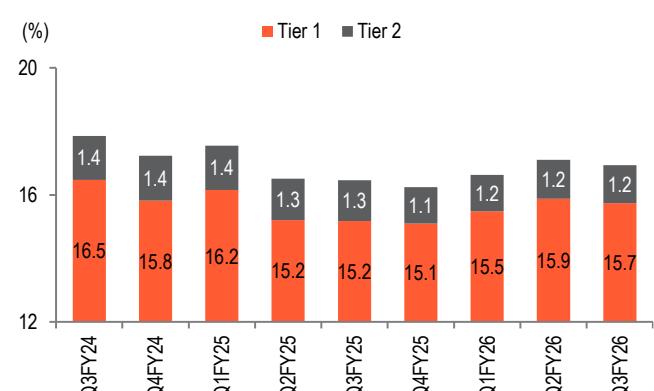
Source: Company, BOBCAPS Research

Fig 14 – IIB targets RoA to be ~1% in medium term

Source: Company, BOBCAPS Research

Fig 15 – RWA/Assets ratio stable

Source: Company, BOBCAPS Research

Fig 16 – Well capitalised with CAR at 16.9%

Source: Company, BOBCAPS Research

Earnings Call Highlights

Guidance and Management Outlook

- **Loan Growth:** FY27 loan growth is expected to be **in line with industry**. The bank targets **market share gains from FY28** and eventually dominate their focused segments by FY29.
- **RoA Target:** Management targets a **1.0% ROA by the end of FY27**, to be achieved mainly on the back of lower credit costs and cost rationalisation.
- **Net NPA:** Targeted to decline to **0.60–0.70%** over time.
- **MFI Risk Coverage:** CGFMU coverage to be increased to 100% of the standard MFI book.

Strategic roadmap - “P.A.C.E.”

- IIB has introduced a **3Y strategic roadmap** titled “**P.A.C.E.**”, marking a shift from balance sheet rightsizing to a phase of calibrated and sustainable growth.
- The strategy focuses on **protecting core franchises** (vehicle finance, rural banking, corporate banking), **accelerating priority segments** such as SME and retail deposits, enhancing **customer centricity** through a unified operating model and digital adoption, and driving **execution excellence** via tighter cost and performance discipline.

Loan book

- Loan growth moderated and was down 13.5% YoY (-2.6% QoQ) in Q3FY26.
- **Micro Finance (MFI):** The MFI segment is a pillar of the bank’s new “P.A.C.E.” strategic roadmap, specifically under the “Protect the Endowments” objective, which focuses on bolstering the bank’s unique rural strengths
- The MFI portfolio is expected to be maintained at **7–8% of assets** and achieve **100% CGFMU coverage** for the standard book to mitigate tail risks.
- **Vehicle Finance (VF):** VF remains a core endowment under the P.A.C.E. strategy, aided by 35+ years of operating history and a pan-India presence. Disbursements

grew **26% QoQ to Rs 129bn**, driven by MHCVs, tractors, and PVs. Management expects **FY26 asset quality to improve vs that in FY25** and aims to restore market share from **~7.5% to ~9%** over the medium term.

- Wholesale **segment** is being managed with an **emphasis on risk-adjusted returns** vs balance sheet expansion, resulting in a 5% QoQ decline following the exposure rationalisation.
- **SME:** SME banking is identified as a **key acceleration lever under P.A.C.E.** The bank has historically had a small presence in this area but is now aggressively reorganising structure and distribution. New leadership has been onboarded to drive granular portfolio growth across 20+ industries.

Deposits and Liabilities

- Total deposits declined 4% YoY but improved 1% QoQ to Rs 3,938bn.
- Deposit strategy focuses on building a granular, stable, and low-cost retail liabilities franchise, while consciously reducing dependence on bulk deposits.
- CASA: CASA deposits stood at Rs 1,191bn. CASA ratio decreased 50 bps QoQ to 30.2%.
- Reliance on certificates of deposit reduced further, with CDs forming 6.1% of total deposits vs 6.4% QoQ.
- Retail Focus: Retail deposits (as per the LCR definition) remained stable QoQ at Rs 1,801bn, improving their share to 47.5% (vs 47% QoQ).
- Management expects a revival in retail deposits in the coming quarters, citing improved productivity across channels and branch strengthening as a focal point for customer acquisition.
- Cost of Deposits: Cost of deposits improved by 14bps QoQ to 6.09%, mainly due to the savings account repricing.
- Liquidity: Liquidity remains robust with an average LCR of 122% for Q3FY26.

Profitability

- **NIMs:** Further, NIMs improved to 3.52% (+20bps QoQ) largely driven by a) decline in CoF to 5.26% (-17bps QoQ) from TDs repricing and lower dependence on CDs (-3% QoQ) and borrowings (-13% QoQ), and b) benefit from interest on IT refunds and a one-off interest recovery of 17bps.
- **Opex:** Q3FY26 expenses include a one-time Rs 2.3bn gratuity provision due to labour law changes; adjusted opex declined by ~Rs 2.4bn QoQ, reflecting tight cost control.
- **Other Income:** Total other income grew 3% QoQ to Rs 17.1bn. Core fee to asset ratio increased to 1.23% from 1.18% last quarter.
- **PPOP & C/I:** Operating Profit (PPOP) increased 11% QoQ to Rs 22.7bn. Cost-to-Income (C/I) ratio improved significantly by 242 bps QoQ to 63.8%.

Asset Quality

- Asset quality improved marginally in Q3FY26, supported by aggressive write-offs and stressed asset resolution, despite continued pressure in the microfinance portfolio.
- Gross NPA improved 4 bps QoQ to 3.56% (vs 3.6% Q2FY26). Net NPA stayed same QoQ at 1.04%.
- Provisioning Coverage Ratio (PCR) stood at 71.5%.
- Management continued its clean-up-first approach, prioritising balance sheet health over near-term profitability through accelerated write-offs and resolution of legacy stress.
- For microfinance segment, the policy is now to write off loans at 365 days post-NPA with a provision coverage of 78% to 80%.
- The bank remains "watchful" of asset quality trends in personal loans and credit cards. Consequently, it has rationalised certain credit card spends and slowed growth in these areas to preserve portfolio quality.
- Slippages: Total fresh slippages were up 1% QoQ at Rs 25.6bn.
- As slippages (primarily from MFI) drop in subsequent quarters, management expects a significant reduction in credit provisioning. The bank aims to return to its historical operating credit cost of approximately 130 to 140bps.

Others

- IIB saw leadership overhaul with various top management inductions including Head of Wholesale Banking, Chief Human Resources Officer, Chief Data Officer, MD & CEO - BFIL, Head of SME Banking, Head, Digital.
- Mr. Arijit Basu with 4 decades of experience as new part-time chairman till Jan'29, subject to the shareholder's approval. He has served as Chairman of the Board of HDB Financial Services Ltd. He retired as a Board Member and Managing Director of State Bank of India.

Valuation Methodology

We expect muted loan growth at 5% CAGR in FY25-28E with lower return metrics vs previous performance. The bank is currently trading at 1YF P/ABV of 1.0x vs 3Y avg. of 1.5x. We maintain SELL and roll over valuation to 0.9x Dec'27E ABV (0.8x earlier) with revised TP of Rs 833 (earlier Rs 704).

Fig 17 – Actuals vs Estimates

(Rs mn)	Q3FY26A	Q3FY26E	Actual vs. Estimates (%)
Loan	31,75,360	31,88,440	(0.41)
Deposits	39,38,150	39,40,220	(0.05)
Assets	52,55,950	51,65,564	1.75
NII	45,617	44,048	3.56
PPOP	22,696	22,577	0.53
Provision	20,958	19,342	8.35
PAT	1,279	2,423	(47.20)

Source: Company, BOBCAPS Research

Fig 18 – Key valuation assumptions

Components of Gordon growth model	Assumptions (%)
Cost of equity (%)	13.8
Blended ROE (%)	13.0
Initial high growth period (yrs)	10.0
Payout ratio of high-growth phase (%)	20.0
Long-term growth (%)	7
Long-term dividend payout ratio (%)	50
Justified P/BV (x)	0.9

Source: BOBCAPS Research

Fig 19 – Revised estimates

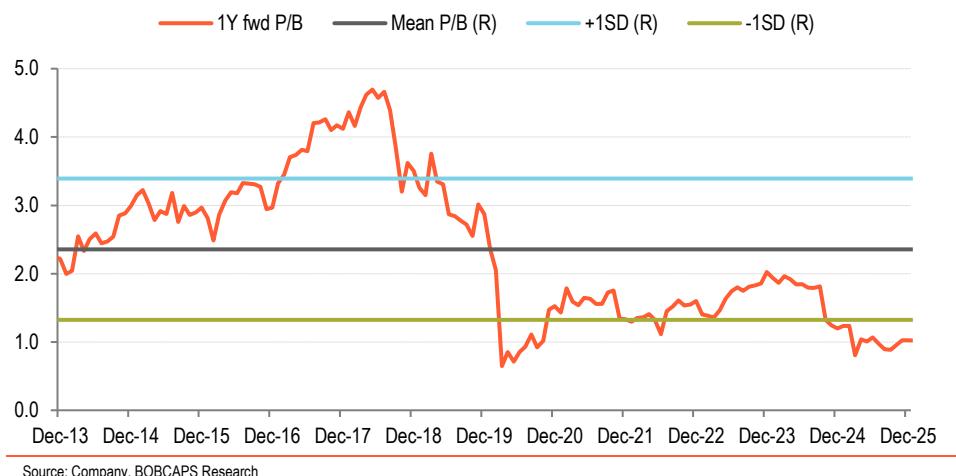
Key Parameters (Rs mn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Loan	32,43,175	35,67,493	40,31,267	34,84,688	37,63,463	41,39,809	(6.9)	(5.2)	(2.6)
Deposits	40,56,296	43,40,237	47,74,260	41,49,709	45,23,183	49,75,501	(2.3)	(4.0)	(4.0)
Assets	54,31,690	57,77,248	64,05,554	55,86,486	59,52,451	65,14,713	(2.8)	(2.9)	(1.7)
NII	1,81,816	1,94,691	2,26,217	1,86,726	2,13,063	2,40,574	(2.6)	(8.6)	(6.0)
PPOP	93,807	1,04,211	1,29,799	92,423	1,08,827	1,31,785	1.5	(4.2)	(1.5)
Provision	83,256	52,783	54,711	75,590	56,173	60,460	10.1	(6.0)	(9.5)
PAT	7,850	38,263	55,865	12,523	39,175	53,066	(37.3)	(2.3)	5.3
ABV (Rs)	802	851	917	803	853	916	(0.2)	(0.2)	0.1

Source: Company, BOBCAPS Research

Fig 20 – Key operational assumptions

(%)	FY25	FY26E	FY27E	FY28E
Advances growth	0.5	(6.0)	10.0	13.0
NII growth	(7.7)	(4.5)	7.1	16.2
PPoP growth	(32.8)	(12.0)	11.1	24.6
PAT growth	(71.3)	(69.5)	387.4	46.0
NIM	3.8	3.6	3.8	4.0
GNPA	3.1	3.4	2.8	2.3
CAR	16.2	16.3	15.6	14.9

Source: Company, BOBCAPS Research

Fig 21 – PB band chart

Key risks

Key upside risks to our estimates:

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

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	1,81,816	1,94,691	2,26,217
NII growth (%)	17.2	(7.7)	(4.5)	7.1	16.2
Non-interest income	93,958	76,904	73,554	81,265	94,417
Total income	3,00,117	2,67,218	2,55,370	2,75,956	3,20,634
Operating expenses	1,41,476	1,60,603	1,61,563	1,71,745	1,90,835
PPOP	1,58,641	1,06,614	93,807	1,04,211	1,29,799
PPOP growth (%)	10.0	(32.8)	(12.0)	11.1	24.6
Provisions	38,849	71,357	83,256	52,783	54,711
PBT	1,19,792	35,258	10,551	51,429	75,088
Tax	30,022	9,503	2,701	13,166	19,222
Reported net profit	89,770	25,754	7,850	38,263	55,865
Adjustments	0	0	0	0	0
Adjusted net profit	89,770	25,754	7,850	38,263	55,865

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	6,48,518	6,82,955	7,32,116
Net worth	6,32,076	6,48,357	6,56,309	6,90,745	7,39,907
Deposits	38,45,857	41,08,623	40,56,296	43,40,237	47,74,260
Borrowings	4,76,114	5,37,036	4,03,768	4,15,881	4,26,278
Other liab. & provisions	1,96,893	2,47,056	3,15,317	3,30,385	4,65,109
Total liab. & equities	51,50,940	55,41,071	54,31,690	57,77,248	64,05,554
Cash & bank balance	3,69,074	5,93,755	5,22,555	5,66,766	6,06,114
Investments	10,64,865	11,44,567	12,15,356	11,84,279	12,69,474
Advances	34,32,983	34,50,186	32,43,175	35,67,493	40,31,267
Fixed & Other assets	2,84,018	3,52,563	4,50,604	4,58,710	4,98,700
Total assets	51,50,940	55,41,071	54,31,690	57,77,248	64,05,554
Deposit growth (%)	14.4	6.8	(1.3)	7.0	10.0
Advances growth (%)	18.4	0.5	(6.0)	10.0	13.0

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	115.5	33.1	10.1	49.1	71.7
Dividend per share	16.5	0.0	0.0	4.9	8.6
Book value per share	812.1	832.2	842.4	886.6	949.7

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	7.7	27.0	88.6	18.2	12.4
P/BV	1.1	1.1	1.1	1.0	0.9
Dividend yield (%)	1.9	0.0	0.0	0.6	1.0

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	4.2	3.6	3.3	3.5	3.7
Non-interest income	1.9	1.4	1.3	1.5	1.6
Operating expenses	2.9	3.0	2.9	3.1	3.1
Pre-provisioning profit	3.3	2.0	1.7	1.9	2.1
Provisions	0.8	1.3	1.5	0.9	0.9
PBT	2.5	0.7	0.2	0.9	1.2
Tax	0.6	0.2	0.0	0.2	0.3
ROA	1.8	0.5	0.1	0.7	0.9
Leverage (x)	8.2	8.4	8.4	8.3	8.5
ROE	15.2	4.0	1.2	5.7	7.8

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Net interest income	17.2	(7.7)	(4.5)	7.1	16.2
Pre-provisioning profit	10.0	(32.8)	(12.0)	11.1	24.6
EPS	20.3	(71.4)	(69.5)	387.5	46.0
Profitability & Return ratios (%)					
Net interest margin	4.5	3.8	3.6	3.8	4.0
Fees / Avg. assets	0.3	0.4	0.3	0.4	0.4
Cost-Income	47.1	60.1	63.3	62.2	59.5
ROE	15.2	4.0	1.2	5.7	7.8
ROA	1.8	0.5	0.1	0.7	0.9
Asset quality (%)					
GNPA	1.9	3.1	3.4	2.8	2.3
NNPA	0.6	1.0	1.0	0.8	0.6
Slippage ratio	2.1	3.1	3.0	2.3	2.2
Credit cost	1.2	2.1	2.5	1.6	1.4
Provision coverage	70.0	69.3	71.0	71.6	72.1
Ratios (%)					
Credit-Deposit	89.3	84.0	80.0	82.2	84.4
Investment-Deposit	27.7	27.9	30.0	27.3	26.6
CAR	17.2	16.2	16.3	15.6	14.9
Tier-1	15.8	15.1	15.4	14.8	14.1

Source: Company, BOBCAPS Research

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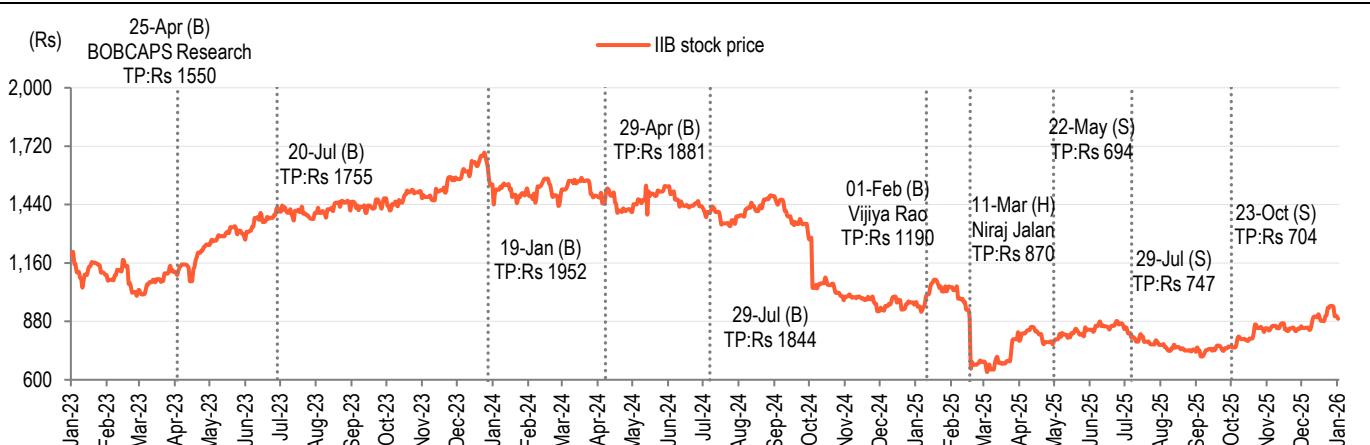
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SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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