

January 19, 2023

Q3FY23 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY24E	FY25E	FY24E	FY25E
Rating	BUY		BUY	
Target Price	1,500		1,450	
NII (Rs. m)	1,99,904	2,31,652	1,97,206	2,24,999
% Chng.	1.4	3.0		
Op. Profit (Rs. m)	1,67,910	1,98,230	1,66,374	1,95,403
% Chng.	0.9	1.4		
EPS (Rs.)	111.1	135.9	109.9	134.3
% Chng.	1.0	1.2		

Key Financials - Standalone

Y/e Mar	FY22	FY23E	FY24E	FY25E
NII (Rs m)	1,50,008	1,76,185	1,99,904	2,31,652
Op. Profit (Rs m)	1,28,386	1,43,934	1,67,910	1,98,230
PAT (Rs m)	46,111	72,564	87,935	1,07,623
EPS (Rs.)	58.3	93.6	111.1	135.9
Gr. (%)	60.1	60.6	18.6	22.4
DPS (Rs.)	4.9	11.2	11.7	14.3
Yield (%)	0.4	0.9	1.0	1.2
NIM (%)	4.2	4.4	4.3	4.3
RoAE (%)	10.2	14.2	15.2	16.2
RoAA (%)	1.2	1.7	1.8	1.9
P/BV (x)	2.0	1.7	1.6	1.4
P/ABV (x)	2.1	1.8	1.6	1.4
PE (x)	21.0	13.1	11.0	9.0
CAR (%)	18.4	18.6	18.4	18.0

Key Data

INBK.BO | IIB IN

52-W High / Low	Rs.1,276 / Rs.763
Sensex / Nifty	61,046 / 18,165
Market Cap	Rs.948bn/ \$ 11,673m
Shares Outstanding	775m
3M Avg. Daily Value	Rs.3581.78m

Shareholding Pattern (%)

Promoter's	16.51
Foreign	44.79
Domestic Institution	25.07
Public & Others	13.63
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(0.5)	43.7	35.9
Relative	(0.1)	28.3	35.3

Gaurav Jani

gauravjani@plindia.com | 91-22-66322235

Palak Shah

palakshah@plindia.com | 91-22-66322257

IndusInd Bank (IIB IN)

Rating: BUY | CMP: Rs1,223 | TP: Rs1,500

NIM movement next quarter could be superior

Quick Pointers:

- Core PPOP at Rs35.4bn was +6% more to PLe led by better NII/fees/opex.
- Core PAT (Rs18.6bn) was 18% higher due to use of Rs4.6bn buffer provisions.

IIB saw another good quarter with core PPOP at Rs33.5bn (+6% to PLe) led by slight beat on NII, fees and opex. Loan growth at ~5% QoQ was largely led by vehicle finance (+7%), other retail (+6%) and corporate (+4%). Bank expects current run-rate of vehicle disbursements to sustain in Q4FY23E. Due to recent SA rate hike of 150bps in Oct'22, NIM only saw a 2bps QoQ rise to 4.6%. However, NIM in Q4 could surprise positively (PLe +5bps QoQ), compared to a fall in case of peers, as 35-40% of the portfolio is fixed rate in nature, which reprices to rate hikes with a lag. Provisions were lower due to utilization of Rs4.6bn buffer provisions (now 80bps) while OTR pool decreased QoQ from 1.5% to 1.25%. We like IIB, although approval of MD&CEO term by RBI and RTD accretion remain key monitorable. We raise FY23E PAT by ~6% due to better revenues/lower provisions and increase TP to Rs1,500 from Rs1,450, maintain multiple at 1.8x on Sep'24 ABV. Retain BUY.

- Core PPOP slightly ahead, lower provisions led PAT beat:** NII at Rs44.9bn was slightly ahead and grew by 18.5% YoY, while credit growth was 19.3% YoY. NIM was tad higher by 3bps at 4.6%. Deposit growth was 14.3% YoY with TD/CASA growing by 15%/14% YoY. Other income was at Rs20.7bn with core fee income being higher at Rs19.4bn (PLe Rs18.7bn). Opex was tad lower at Rs28.9bn due to lower other expense. Hence, core PPOP at Rs35.4bn was ahead of PLe by ~6%. Asset quality was in-line and GNPA/NNPA came in at 2.1%/0.6% as lower slippages were offset by softer recoveries. Provisions were lower at Rs10.6bn (PLe Rs12.5bn) as Rs4.6bn of buffer provisions were utilized. PAT was higher at Rs19.5bn while core PAT beat PLe by 18%.
- Healthy credit growth outlook:** Loan growth at 4.9% QoQ was driven by both, consumer finance (+5.6%) and wholesale (+4.3%). Vehicle (VF) disbursements touched record high of Rs127bn (+19% QoQ) in Q3; 9MFY23 number was Rs334.5bn (52% YoY). Hence VF saw a healthy growth of 7% QoQ led by CV, UV, cars and CE. 2W/3W that were stagnant since covid, saw a pick-up. Bank expects freight industry to do well that would translate to VF credit flow being maintained. In retail, non-vehicle, non-MFI book saw acceleration (+6% QoQ) led by CC, PL and BuB. HL was rolled out in Q3 across markets and disbursements touched Rs2bn+. Within corporate, large, mid and small grew by 3%/4%/11%. Segments driving credit accretion were steel, services and petroleum.
- Steady retail deposit accretion; NIM could surprise positively in Q4FY23:** Retail deposit saw healthy accretion in Q3 with addition being Rs80bn (highest in 6 quarters). SA fall of 3.4% QoQ was due to customers moving to FD and IIB letting go of expensive accounts to ensure SA rate hike of 150bps in Oct'22 was contained. While NIM only saw a 2bps QoQ increase due to SA rate hike, Q4FY23E NIM could surprise positively (PLe +5bps QoQ), compared to a fall in case of peers, as 35-40% of the portfolio is fixed rate in nature.

Exhibit 1: Good quarter

NII growth was 18.5% YoY with loan growth higher at 19.3% YoY.

Fee income growth was driven by Trade/TPP distribution

Staff opex has been marginally higher, however offset by lower other opex

Provisions reduce as slippages from standard & OTR book come off.

Deposits continue to grow driven by higher TD.

NIMs remain steady sequentially

Slippages were lower; PCR maintained at >70%

CASA ratio comes off mainly due to reduction in SA account.

Financial Statement (Rs mn)	Q3FY23	Q3FY22	YoY gr. (%)	Q2FY23	QoQ gr. (%)
Interest Income	94,574	77,375	22.2	87,080	8.6
Interest Expense	49,621	39,439	25.8	44,060	12.6
Net interest income (NII)	44,954	37,936	18.5	43,021	4.5
Treasury income	1,360	3,580	(62.0)	1,390	(2.2)
Fee income	19,410	15,190	27.8	18,720	3.7
Other income	20,763	18,769	10.6	20,108	3.3
Total income	65,717	56,704	15.9	63,129	4.1
Operating expenses	28,913	24,653	17.3	27,932	3.5
-Staff expenses	7,992	6,200	28.9	7,347	8.8
-Other expenses	20,921	18,453	13.4	20,585	1.6
Operating profit	36,804	32,051	14.8	35,197	4.6
Core operating profit	35,444	28,471	24.5	33,807	4.8
Total provisions	10,647	16,541	(35.6)	11,411	(6.7)
Profit before tax	26,157	15,511	68.6	23,786	10.0
Tax	6,565	3,898	68.4	5,919	10.9
Profit after tax	19,592	11,613	68.7	17,867	9.7
Deposits (Rs bn)	3,253	2,845	14.3	3,155	3.1
Advances (Rs bn)	2,728	2,286	19.3	2,601	4.9
Profitability ratios					
RoAA	1.9	1.4	51	1.8	8
RoAE	15.2	10.9	435	14.5	78
NIM	4.3	4.1	17	4.3	-
Yield on Advances	9.0	8.4	63	8.7	34
Cost of Deposits	5.5	4.7	81	5.1	37
Asset Quality ratios					
Gross NPL (Rs m)	57,108	57,793	(1.2)	55,671	2.6
Net NPL (Rs m)	16,815	16,332	3.0	15,840	6.2
Gross NPL ratio	2.1	2.5	(42)	2.1	(4)
Net NPL ratio	0.6	0.7	(9)	0.6	1
Coverage ratio	70.6	71.7	(118)	71.5	(99)
Business & Other Ratios					
Low-cost deposit mix	41.9	42.1	(22)	42.3	(39)
Cost-income ratio	44.0	43.5	52	44.2	(25)
Non int. inc / total income	31.6	33.1	(150)	31.9	(26)
Credit deposit ratio	83.9	80.4	350	82.4	141
CAR	18.0	18.1	(5)	18.0	-
Tier-I	16.5	16.4	10	16.4	3

Source: Company, PL

Q3FY23 Concall Highlights

Assets/Liabilities

- Disbursements in segments like vehicle finance barring 2W & MFI have been at all-time high, non-vehicle finance portfolio saw good traction especially in Credit Card, LAP and strong growth from Corporate. Management expects deposit growth to be led by growth in Retail Liabilities, with loan growth of 20-25% from FY24 onwards and would be driven by retail & MSME. CD ratio would be 85-93%
- **Corporate Banking** segment grew by 20.4%YoY/4.3% QoQ led by Large & small corporate group. The sectors driving growth were Steel, services and petroleum. Average rating in the corporate segment improved to 2.64 while slippages were contained at Rs.1.2bn. Focus would be on higher rated, granular & shorter duration book. Corporate book – 40% MCLR linked (3M – 1 Year repricing), 40% EBLR (immediate repricing) and balance 20% is short term (2M – 6M repricing)
- **Other advances: Credit Card** spends have improved significantly (Rs. 200bn) while bank acquired 88,000 cards in Dec'22. Yields on credit card have declined in last 4 quarters and revolver rates have come down as well. **Vehicle Finance** is emanating from cyclical low; hence traction would continue (Q1 is seasonally slow). **MFI** would see growth however bank is cautious as the pace of rural recovery is slower than expected (Rs15-20bn per quarter). Due to issues in the eastern states, bank has slowed down disbursements in those areas and have been focusing on collections. Growth of **diamond** business would depend Russia – Ukraine war.
- **Deposits** growth has been strong at 14.8% YoY majorly driven by retail deposit growth which is the key focus of Bank. CASA declined marginally to 41.9% from 42.3% in Q2FY23 due to lower SA. CA is more volatile, however bank has hold in Cash Management, Trade/Fx and dividend mandate from government for PSU. The savings accounts saw a reduction QoQ primarily due to shift towards TD. All key segments of branch banking, affluent and NRI contributed towards the retailisation momentum. Deposit rate hike taken in Q3FY23 on SA book, with further repo rate hike in Feb'23, deposit rate would go up further by 15-20bps.
- **Key themes of PC6** – 1) Deposit retailisation by adding new boosters for customer acquisition and digitization 2) Loan momentum driven by retail segments 3) Invest in franchise through distribution, technology, employees, adding and scaling new initiatives to diversify our revenue pools 4) Improve overall return ratios with normalisations in credit costs 5) focus on scaling up businesses further, the growth will be achieved with constant focus on governance and sustainability of the franchise.

Fees/NIMs/Branches

- NIM were flat at 4.27% as cost of funds increased by 31 bps sequentially, while yield on assets increased by 34bps sequentially, due to slower repricing of consumer finance book. Management reiterates NIM guidance in the range of 4.15% - 4.25% with improvement in higher yielding loans like 2W/3W.

- **Fee Income** – Fee income grew 28% YoY & 3.7% QoQ driven by general Trade, TPP and Loan Processing fees. Share of retail fees maintained at 71%.
- **Branch Expansion** – Management guided for expanding the branch network to 2,500 by Mar'23.

Asset Quality

- **Restructuring:** Restructuring book stood at Rs. 34bn or 1.3% of loans declining from Rs. 39bn or 1.5% of loans in Q2FY23. Restructured asset provision stood at Rs.4.6bn
- **Slippages** came off marginally to Rs14.7bn v/s slippages of Rs15.7bn in Q2FY23. Break-up of slippages – Standard Book Rs11.35bn & Restructured book Rs3.32bn. Of the slippages, Consumer Finance book – Rs6.2bn, Corporate – Rs.1.2bn, MFI – Rs4.1bn, Other retail – Rs.32bn. MFI 30-90 DPD book including restructured customers was at 2.4% on Dec-22 compared to 2.0% at the end of Sep'22
- **Provisions** – PCR stable at 71%. Bank continues to carry provisions at Rs74.3bn or 2.7% of the loans in addition to contingent provisions of Rs.21.9bn. During the quarter, bank utilized contingent provisions of Rs3.5bn towards restructured slippages. Telco exposure stood at Rs.17.3bn from of which rs.10bn is Fund Based.
- **SMA 1 & SMA – 2** book stood at 8bps and 24bps respectively.

Exhibit 2: Corporate growth remains strong, CFD picks up pace

Loan Book mix	Q3FY23	Q3FY22	YoY gr. (%)	Q2FY23	QoQ gr. (%)
CV Loans	268,190	226,180	18.6	253,400	5.8
UV Loans	83,110	56,970	45.9	74,670	11.3
3W/Small CV	33,650	30,350	10.9	31,960	5.3
2W Loans	47,490	47,230	0.6	43,340	9.6
Car Loans	99,930	82,650	20.9	93,260	7.2
Tractors	91,590	76,660	19.5	86,110	6.4
Equipment Financing	92,690	86,040	7.7	88,930	4.2
Credit Card	77,140	53,010	45.5	70,980	8.7
LAP	95,020	86,640	9.7	92,480	2.7
Others	143,380	97,720	46.7	127,200	12.7
MFI	296,880	274,430	8.2	296,170	0.2
BBG	128,390	113,140	13.5	125,120	2.6
Consumer Finance (incl BBG)	1,457,460	1,231,020	18.4	1,383,620	5.3
Corporate Finance	1,270,100	1,054,810	20.4	1,217,660	4.3
Loan Mix					
Vehicle Finance	26.3%	26.5%	(0.2)	25.8%	(50)
Non-Vehicle Consumer	27.2%	27.3%	(0.2)	27.4%	(45)
Consumer Finance	53.4%	53.9%	(0.4)	53.2%	(95)
Corporate Finance	46.6%	46.1%	0.4	46.8%	(5)

Source: Company, PL Research; Note – BBG reclassified in Consumer Fin

UV, Cars, Tractors, CV and Car Loans see strong growth; 3W ameliorates, while 2W remain subdued.

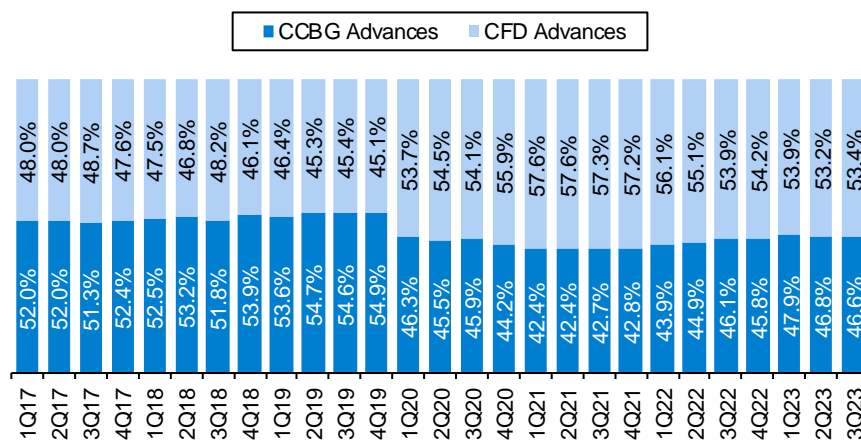
Credit Card business continues to deliver.

LAP to see uptick in disbursements with improved underwriting.

MFI growth to improve with better demand.

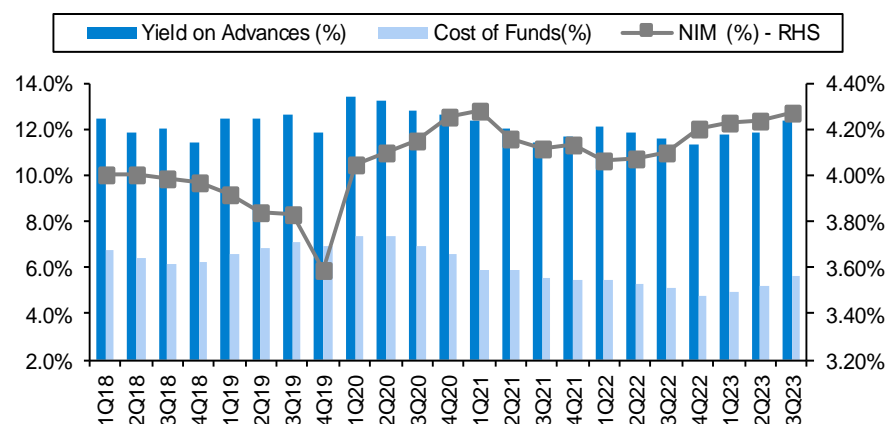
Corporate book saw good growth particularly from large & small corp.

Exhibit 3: CCBG: CFD mix remains stable at 47:53



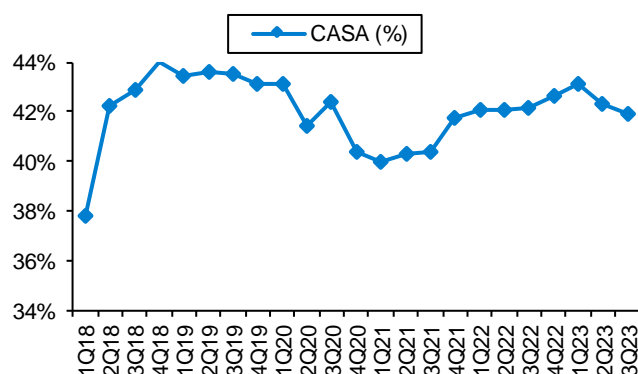
Source: Company, PL Research

Exhibit 4: Margins steady as yields and CoF increase in tandem



Source: Company, PL Research

Exhibit 5: CASA drops marginally to 42% due to lower SA



Source: Company, PL

Exhibit 6: NIM goes up marginally by 5bps

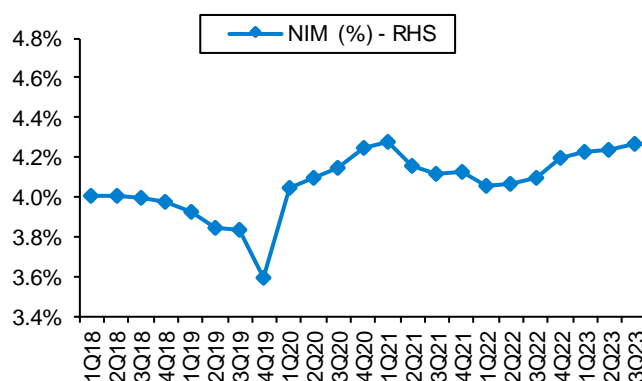
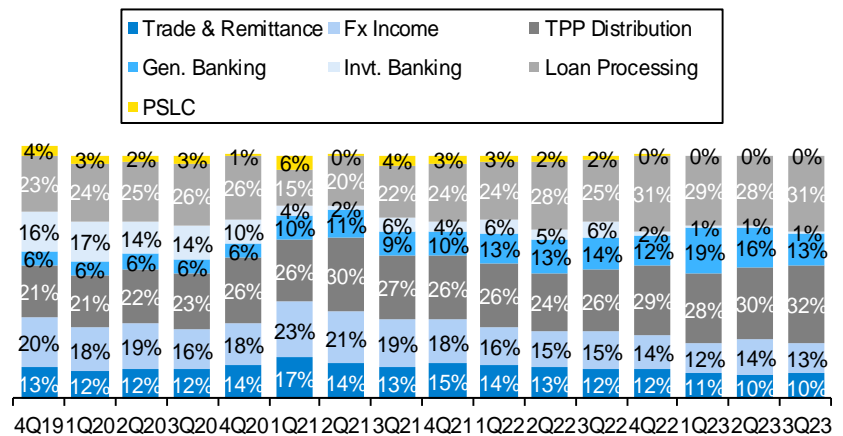
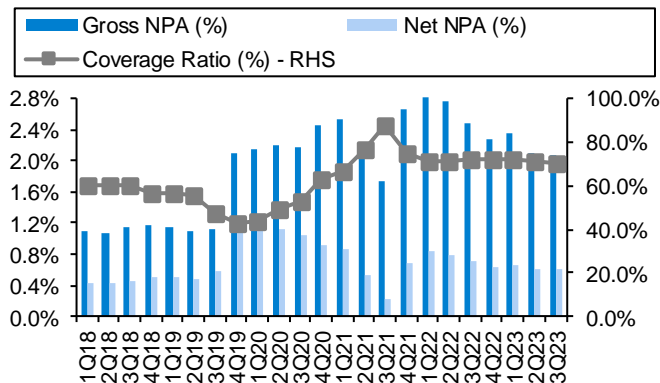
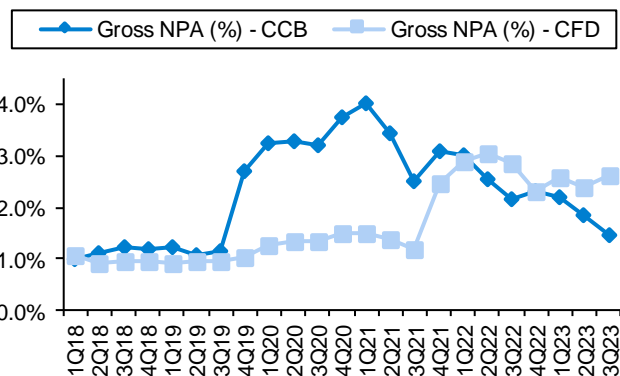

Source: Company, PL **Note – Not comparable due to merger**

Exhibit 7: TPP distribution and loan processing see sharp uptick


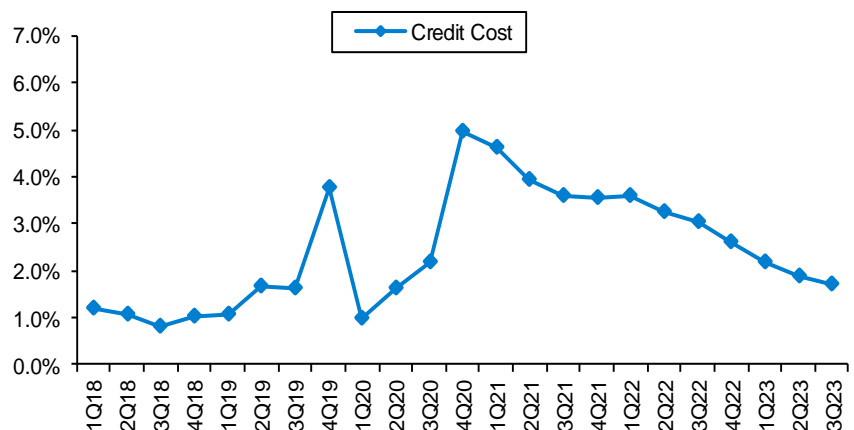
Source: Company, PL Research

Exhibit 8: Asset quality sees improves, PCR steady


Source: Company, PL **Note-2Q/3Q21 on reported basis**

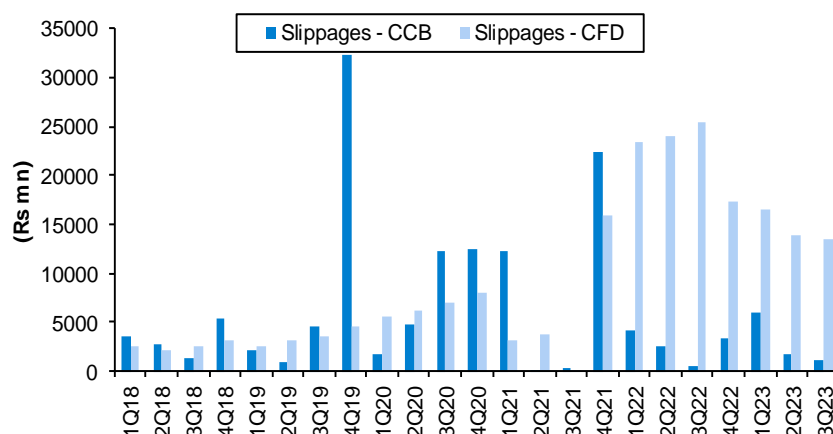
Exhibit 9: Slippages come off sharply


Source: Company, PL **Note-2Q/3Q21 on reported basis**

Exhibit 10: Credit cost decreases led by lower slippages


Source: Company, PL

Exhibit 11: Slippages higher in retail led by MFI and CV



Source: Company, PL Research

Exhibit 12: ROEs to improve on core earnings performance & lower provision

RoE decomposition (%)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Interest income	8.6	9.6	9.7	8.7	8.1	8.5	9.5	9.9
Interest expenses	4.9	5.5	5.6	4.6	4.1	4.4	5.5	5.9
Net interest income	3.7	4.1	4.1	4.0	3.9	4.1	4.0	4.0
Other Inc. from operations	2.4	2.3	2.3	2.0	1.9	1.9	2.0	1.9
Total income	6.1	6.4	6.4	6.0	5.9	6.0	6.0	6.0
Employee expenses	0.9	0.9	0.7	0.7	0.7	0.7	0.7	0.7
Other operating expenses	1.9	1.9	2.0	1.8	1.8	1.9	1.9	1.8
Operating profit	3.3	3.7	3.6	3.5	3.4	3.3	3.4	3.4
Tax	0.9	0.8	0.6	0.3	0.4	0.6	0.6	0.6
Loan loss provisions	0.6	1.2	1.6	2.4	1.7	1.1	1.0	0.9
RoAA	1.8	1.6	1.5	0.8	1.2	1.7	1.8	1.9
RoAE	16.5	15.0	13.6	7.3	10.2	14.2	15.2	16.2

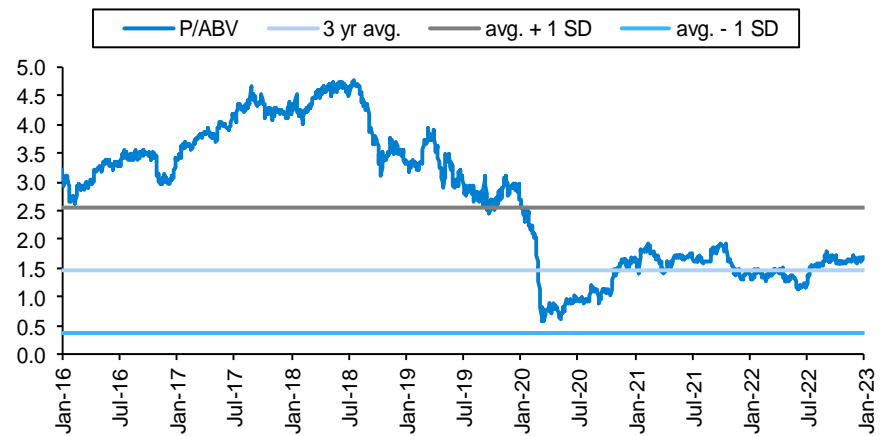
Source: Company, PL Research

Exhibit 13: We slightly tweak estimates and credit cost assumptions

Estimates Change Table Rs (mn)	Old			Revised			% Change		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Net interest income	174,465	197,206	224,999	176,185	199,904	231,652	1.0	1.4	3.0
Operating profit	140,203	166,374	195,403	143,934	167,910	198,230	2.7	0.9	1.4
Net profit	68,360	87,033	106,344	72,564	87,935	107,623	6.1	1.0	1.2
Loan Growth (%)	18.8	16.5	17.3	19.1	17.1	17.1	0.3	0.6	(0.1)
Credit Cost (bps)	181.3	158.1	144.1	174.3	158.3	146.1	(7.1)	0.3	2.1
EPS, Rs.	88.2	109.9	134.3	93.6	111.1	135.9	6.2	1.0	1.2
ABV per share, Rs.	670.9	748.6	865.5	681.6	753.0	873.2	1.6	0.6	0.9
Price target, Rs.		1,450			1,500			3.5	
Recommendation		BUY			BUY				

Source: Company, PL

Exhibit 14: One year forward P/ABV valuation chart



Source: Company, PL

Income Statement (Rs. m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
Int. Earned from Adv.	2,51,434	3,01,064	3,86,318	4,73,054
Int. Earned from invt.	40,529	46,409	55,635	66,614
Others	3,378	2,803	4,656	5,383
Total Interest Income	3,08,224	3,65,036	4,73,499	5,74,829
Interest Expenses	1,58,216	1,88,852	2,73,595	3,43,177
Net Interest Income	1,50,008	1,76,185	1,99,904	2,31,652
Growth(%)	10.9	17.4	13.5	15.9
Non Interest Income	73,970	81,845	98,328	1,12,595
Net Total Income	2,23,979	2,58,030	2,98,232	3,44,247
Growth(%)	7.5	16.9	28.0	20.2
Employee Expenses	24,883	30,414	35,417	40,320
Other Expenses	67,497	83,682	94,905	1,05,697
Operating Expenses	95,593	1,14,096	1,30,321	1,46,017
Operating Profit	1,28,386	1,43,934	1,67,910	1,98,230
Growth(%)	9.5	12.1	16.7	18.1
NPA Provision	41,466	42,023	28,226	31,336
Total Provisions	66,650	47,068	50,350	54,349
PBT	61,737	96,866	1,17,560	1,43,881
Tax Provision	15,625	24,302	29,625	36,258
Effective tax rate (%)	25.3	25.1	25.2	25.2
PAT	46,111	72,564	87,935	1,07,623
Growth(%)	62.6	57.4	21.2	22.4

Balance Sheet (Rs. m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
Face value	10	10	10	10
No. of equity shares	791	775	792	792
Equity	7,907	7,750	7,917	7,917
Networth	4,76,972	5,47,911	6,17,561	7,13,884
Growth(%)	10.0	14.9	12.7	15.6
Adj. Networth to NNPA's	15,298	16,607	18,324	19,438
Deposits	29,36,813	33,65,887	39,11,813	45,06,271
Growth(%)	14.6	14.6	16.2	15.2
CASA Deposits	12,56,645	13,87,418	16,31,766	19,04,891
% of total deposits	42.8	41.2	41.7	42.3
Total Liabilities	40,19,746	45,99,551	53,82,149	61,78,864
Net Advances	23,90,515	28,47,540	33,33,556	39,05,221
Growth(%)	12.4	19.1	17.1	17.1
Investments	7,09,708	7,74,154	8,62,164	9,62,877
Total Assets	40,19,746	45,99,551	53,82,149	61,78,864
Growth (%)	10.7	14.4	17.0	14.8

Asset Quality

Y/e Mar	FY22	FY23E	FY24E	FY25E
Gross NPAs (Rs m)	55,172	57,612	65,427	70,129
Net NPAs (Rs m)	15,298	16,607	18,324	19,438
Gr. NPAs to Gross Adv.(%)	2.2	2.0	1.9	1.7
Net NPAs to Net Adv. (%)	0.6	0.6	0.5	0.5
NPA Coverage %	72.3	71.2	72.0	72.3

Profitability (%)

Y/e Mar	FY22	FY23E	FY24E	FY25E
NIM	4.2	4.4	4.3	4.3
RoAA	1.2	1.7	1.8	1.9
RoAE	10.2	14.2	15.2	16.2
Tier I	16.8	17.0	16.7	16.3
CRAR	18.4	18.6	18.4	18.0

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q4FY22	Q1FY23	Q2FY23	Q3FY23
Interest Income	78,599	81,818	87,080	94,574
Interest Expenses	38,747	40,565	44,060	49,621
Net Interest Income	39,852	41,253	43,021	44,954
YoY growth (%)	12.7	15.8	17.6	18.5
CEB	16,440	17,860	18,720	19,410
Treasury	-	-	-	-
Non Interest Income	19,020	19,287	20,108	20,763
Total Income	97,619	1,01,105	1,07,189	1,15,338
Employee Expenses	6,585	6,604	7,347	7,992
Other expenses	19,001	19,999	20,585	20,921
Operating Expenses	25,587	26,603	27,932	28,913
Operating Profit	33,285	33,937	35,197	36,804
YoY growth (%)	8.7	8.4	10.9	14.8
Core Operating Profits	30,675	32,477	33,807	35,444
NPA Provision	-	-	-	-
Others Provisions	14,635	12,510	11,411	10,647
Total Provisions	14,635	12,510	11,411	10,647
Profit Before Tax	18,650	21,427	23,786	26,157
Tax	5,036	5,394	5,919	6,565
PAT	13,614	16,033	17,867	19,592
YoY growth (%)	55.4	64.4	60.5	68.7
Deposits	29,36,814	30,27,190	31,55,320	32,52,780
YoY growth (%)	14.8	13.3	14.5	14.3
Advances	23,90,515	24,79,600	26,01,288	27,27,540
YoY growth (%)	12.4	17.7	17.8	19.3

Key Ratios

Y/e Mar	FY22	FY23E	FY24E	FY25E
CMP (Rs)	1,223	1,223	1,223	1,223
EPS (Rs)	58.3	93.6	111.1	135.9
Book Value (Rs)	599	703	776	898
Adj. BV (Rs)	580	682	753	873
P/E (x)	21.0	13.1	11.0	9.0
P/BV (x)	2.0	1.7	1.6	1.4
P/ABV (x)	2.1	1.8	1.6	1.4
DPS (Rs)	4.9	11.2	11.7	14.3
Dividend Payout Ratio (%)	8.4	12.0	10.5	10.5
Dividend Yield (%)	0.4	0.9	1.0	1.2

Efficiency

Y/e Mar	FY22	FY23E	FY24E	FY25E
Cost-Income Ratio (%)	42.7	44.2	43.7	42.4
C-D Ratio (%)	81.4	84.6	85.2	86.7
Business per Emp. (Rs m)	159	170	185	202
Profit per Emp. (Rs lacs)	14	20	23	26
Business per Branch (Rs m)	2,352	2,594	2,881	3,192
Profit per Branch (Rs m)	20	30	35	41

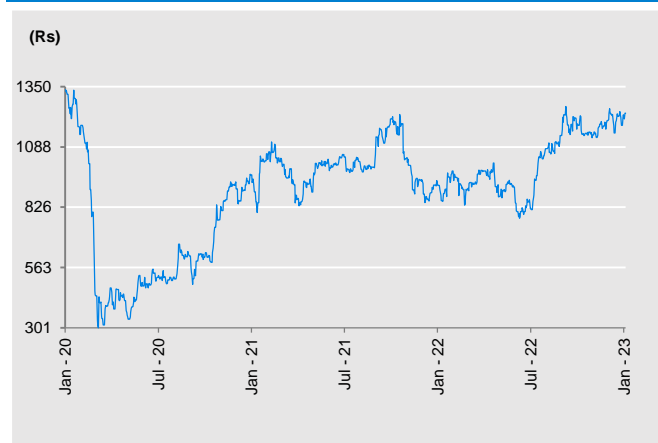
Du-Pont

Y/e Mar	FY22	FY23E	FY24E	FY25E
NII	3.92	4.09	4.01	4.01
Total Income	5.86	5.99	5.98	5.96
Operating Expenses	2.50	2.65	2.61	2.53
PPoP	3.36	3.34	3.36	3.43
Total provisions	1.74	1.09	1.01	0.94
RoAA	1.21	1.68	1.76	1.86
RoAE	10.20	14.25	15.17	16.24

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	05-Jan-23	BUY	1,450	1,216
2	20-Oct-22	BUY	1,450	1,218
3	05-Oct-22	BUY	1,300	1,217
4	28-Jul-22	BUY	1,300	1,018
5	21-Jul-22	BUY	1,300	879
6	08-Jul-22	BUY	1,297	861
7	30-Apr-22	BUY	1,297	979
8	09-Apr-22	BUY	1,297	986
9	31-Jan-22	BUY	1,297	904

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Accumulate	2,250	1,750
2	Axis Bank	BUY	1,100	949
3	Bank of Baroda	BUY	220	181
4	Can Fin Homes	BUY	700	545
5	City Union Bank	BUY	220	178
6	DCB Bank	BUY	150	130
7	Federal Bank	BUY	175	140
8	HDFC	BUY	3,000	2,622
9	HDFC Bank	BUY	1,850	1,601
10	ICICI Bank	BUY	1,090	879
11	IDFC First Bank	UR	-	60
12	IndusInd Bank	BUY	1,450	1,216
13	Kotak Mahindra Bank	Accumulate	2,100	1,820
14	LIC Housing Finance	Accumulate	410	420
15	Punjab National Bank	UR	-	57
16	State Bank of India	BUY	730	605

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Gaurav Jani- CA, CFA Level 2, Ms. Palak Shah- CA, B.Com Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is in the process of applying for certificate of registration as Research Analyst under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Gaurav Jani- CA, CFA Level 2, Ms. Palak Shah- CA, B.Com Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com