BUY (Maintained)

CMP: **INR 1,420** Target Price: **INR 1,750 (INR 1,700)** ▲ 23%

ICICI Securities

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19 October 2023

India | Equity Research | Q2FY24 Result Review

IndusInd Bank

Banking

Steady quarter with stable NIM; rise in corporate slippages a one-off

Driven by strong growth and stable NIM, IndusInd Bank (IIB) reported steady Q2FY24 PAT at INR 21.8bn with RoA at 1.9%. Despite a better top-line (1.5% beat) and in-line provisions, PAT was ~5% lower than our estimates due to higher opex. Retail slippages continued their improving trajectory, though rise in corporate slippages led by an isolated exposure (INR 1.68bn) disappointed. IIB, however, while keeping its credit costs guidance intact, has reassured of a moderation in overall slippages going ahead and a beefing-up of contingent provisions. We estimate the bank to deliver 18–19% CAGR in loan growth with broadly steady NIM. We see RoAs rising from 1.7% in FY23 to ~1.9% for FY24–25E with RoE rising to ~16%. We raise our TP to INR 1,750 (prior: INR 1,700) based on ~1.9x FY25E ABV. Maintain **BUY**.

Strong growth driven by retail; NIM stable despite rise in CoD

Overall, growth remains strong at 4.7% QoQ (up 21% YoY) led by strong growth in MFI (up 7% QoQ), vehicle (up 4.7%) and small corporates (8% QoQ). Deposits growth was healthy at 14% YoY, within which LCR retail deposits grew 21% YoY. Despite a 9bps rise in cost of funds (CoD up 23bps), IIB saw stable NIM at 4.29% aided by a rise in yields (6bps QoQ) and better LDR.

Headline asset quality stable; corporate slippages rise

Retail slippages continued their improving trajectory, coming in at 2.9% annualised versus 3.3% QoQ. However, the bank saw a rise in corporate slippages (to INR 2.1bn vs. INR 0.4bn QoQ), led by one corporate slippage (INR 1.68bn). IIB mentioned that the account is an isolated case of being in stress for the last few quarters. Net NPA were stable QoQ at 57bps. Overall restructured loans have reduced to 54bps versus 66bps QoQ. The bank expects healthy reduction in overall gross slippages for the next two quarters given a better macro environment. The bank has utilised INR 3bn contingent provisions in Q2, but intends to beef-up the buffer in H2FY24.

Maintain BUY; target price revised higher to INR 1,750

We estimate the bank to deliver 18-19% CAGR in loan growth with broadly steady NIM. We see RoAs rising from 1.7% in FY23 to ~1.9% for FY24-25E with RoE rising to ~16%. We raise our target price to INR 1,750 (from INR 1,700) based on ~1.9x FY25E ABV. Maintain **BUY**. Key risks are a rise in wholesale stress and pressure on NIM due to steep rise in funding costs.

Financial Summary

Y/E March	FY23A	FY24E	FY25E	FY26E
NII (INR bn)	175.9	204.3	237.0	275.0
Op. profit (INR bn)	143.5	160.6	189.7	220.5
Net Profit (INR bn)	73.9	91.1	107.1	124.4
EPS (INR)	95.2	117.3	138.0	160.3
EPS % change YoY	59.9	23.2	17.7	16.1
ABV (INR)	683.6	783.7	901.4	1,034.7
P/BV (x)	2.0	1.8	1.5	1.3
P/ABV (x)	2.1	1.8	1.6	1.4
Return on Assets (%)	1.7	1.9	1.9	1.9
Return on Equity (%)	14.5	15.6	16.1	16.3

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Market Data

Market Cap (INR)	1,104bn
Market Cap (USD)	13,255mn
Bloomberg Code	IIB IN
Reuters Code	INBK.BO
52-week Range (INR)	1,476 /990
Free Float (%)	84.0
ADTV-3M (mn) (USD)	47.0

Price Performance (%)	3m	6m	12m
Absolute	2.2	25.2	17.4
Relative to Sensex	3.2	13.8	4.2

ESG Disclosure	2021	2022	Change
ESG score	**66.6**	**64.7**	**(1.9)**
Environment	51.1	51.1	-
Social	61.1	55.4	(5.7)
Governance	87.4	87.4	-

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: Bloomberg, I-sec research

Earnings Revisions (%)	FY24E	FY25E
PAT	-	1

Previous Reports

19-07-2023: Q1FY24 results review

24-04-2023: Q4FY23 results review

Exhibit 1: Q2FY24 results review

	Q2FY23	Q2FY24	YoY (%)	Q1FY24	QoQ (%)
Financial Highlights (INR mn)					
Interest Earned	87,080	1,12,478	29.2	1,07,297	4.8
Interest Expended	44,060	61,711	40.1	58,625	5.3
Net Interest Income	**43,021**	**50,767**	**18.0**	**48,671**	**4.3**
Other Income	20,108	22,818	13.5	22,098	3.3
Total Income	1,07,189	1,35,295	26.2	1,29,394	4.6
Total Net Income	**63,129**	**73,585**	**16.6**	**70,769**	**4.0**
Staff Expenses	7,347	9,566	30.2	8,629	10.9
Other operating expenses	20,585	25,210	22.5	23,839	5.7
Operating Profit	**35,197**	**38,809**	**10.3**	**38,301**	**1.3**
Provision & Contingencies	11,411	9,738	(14.7)	9,916	(1.8)
Provision for tax	5,919	7,256	22.6	7,149	1.5
Net Profit	**17,867**	**21,815**	**22.1**	**21,236**	**2.7**
Other Highlights (INR bn)					
Advances	2,601	3,155	21.3	3,013	4.7
Deposits	3,159	3,598	13.9	3,470	3.7
Gross NPA	56	62	10.7	59	3.8
Gross NPA (%)	2.11	1.93	-18 bps	1.94	-1 bps
Net NPA	16	18	14.5	17	3.8
Net NPA (%)	0.61	0.57	-4 bps	0.58	-1 bps
Provision Coverage (%)	71.5	70.6	-97 bps	70.6	-2 bps

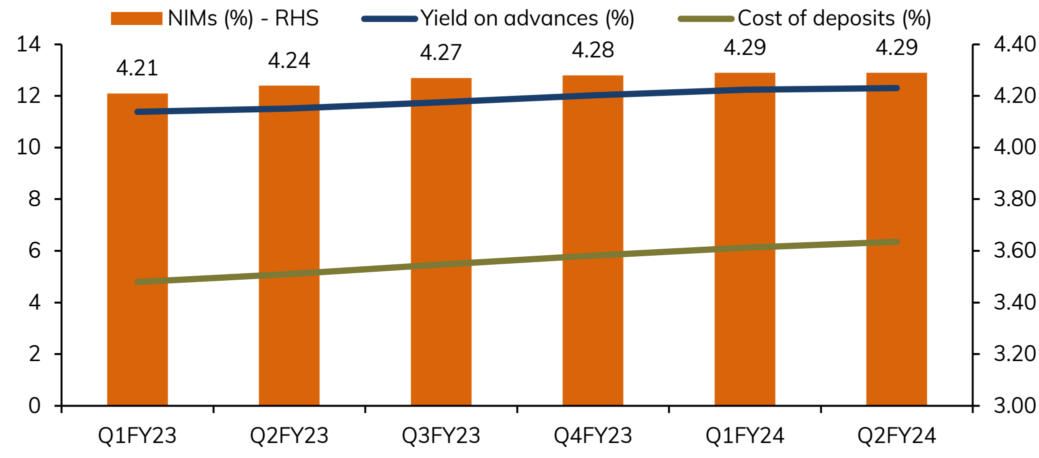
Source: Company data, I-Sec research

Exhibit 2: Deposits trend

Particulars (INR mn)	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Deposits	26,72,330	27,52,880	28,44,840	29,36,814	30,27,190	31,59,205	32,52,780	33,64,381	34,70,470	35,97,865
YoY % change	26.5	20.6	19.0	14.6	13.3	14.8	14.3	14.6	14.6	13.9
QoQ % change	4.3	3.0	3.3	3.2	3.1	4.4	3.0	3.4	3.2	3.7
CASA Deposits	11,23,490	11,58,630	11,98,940	12,53,330	13,05,080	13,35,250	13,63,790	13,47,280	13,84,400	14,14,370
YoY % change	33.0	26.1	24.1	17.4	16.2	15.2	13.7	7.5	6.1	5.9
QoQ % change	5.2	3.1	3.5	4.5	4.1	2.3	2.1	-1.2	2.8	2.2
CASA Ratio (%)	42.0	42.1	42.1	42.7	43.1	42.3	41.9	40.0	39.9	39.3
Term Deposits	15,48,840	15,94,250	16,45,900	16,83,484	17,22,110	18,23,955	18,88,990	20,17,101	20,86,070	21,83,495
YoY % change	22.2	16.9	15.5	12.7	11.2	14.4	14.8	19.8	21.1	19.7
QoQ % change	3.7	2.9	3.2	2.3	2.3	5.9	3.6	6.8	3.4	4.7

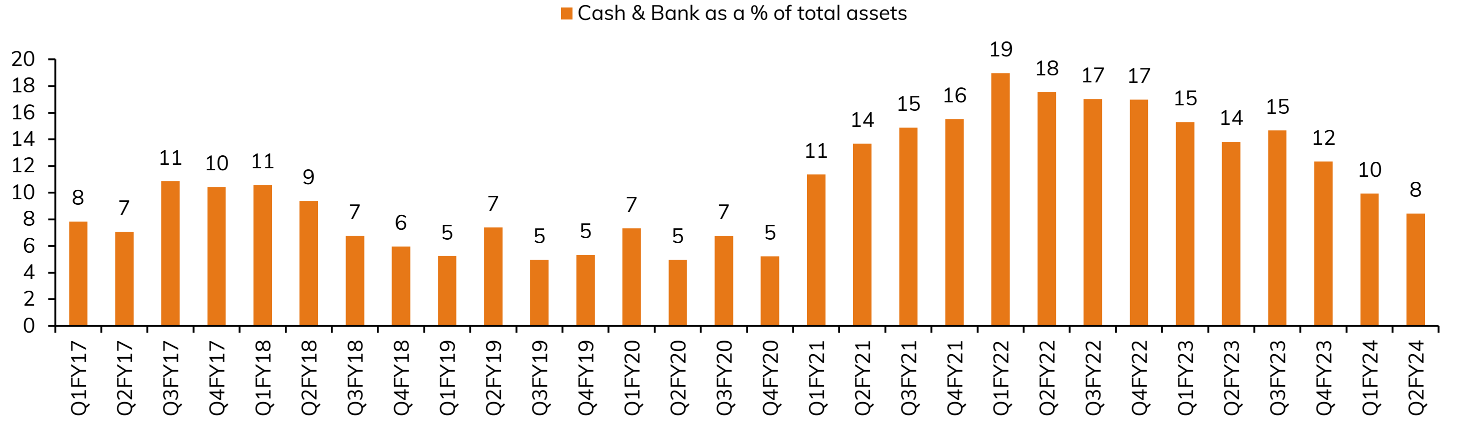
Source: Company data, I-Sec research

Exhibit 3: NIM stable despite rise in CoD



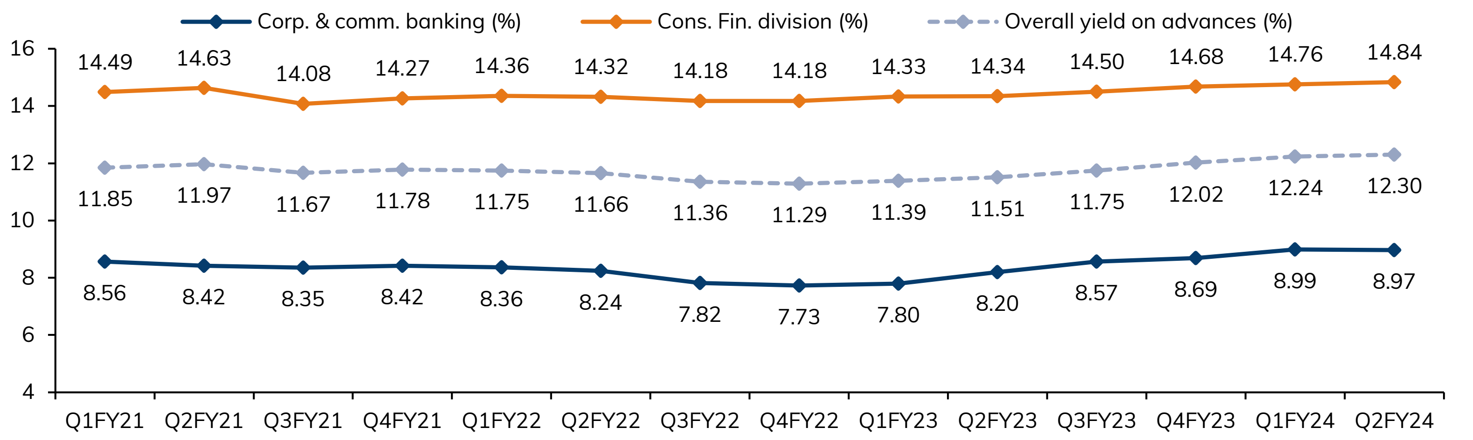
Source: Company data, I-Sec research

Exhibit 4: Liquidity drag should continue to recede going forward as well



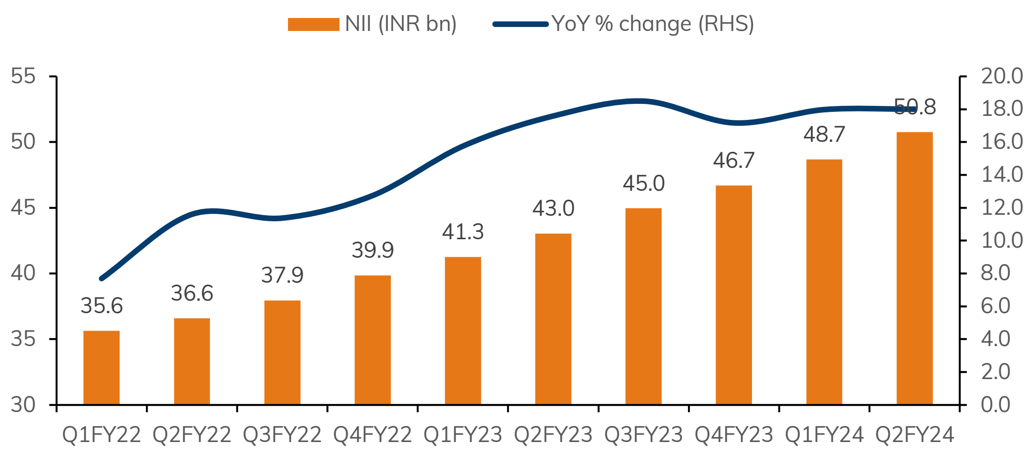
Source: Company data, I-Sec research

Exhibit 5: Huge differential in yields between wholesale / retail



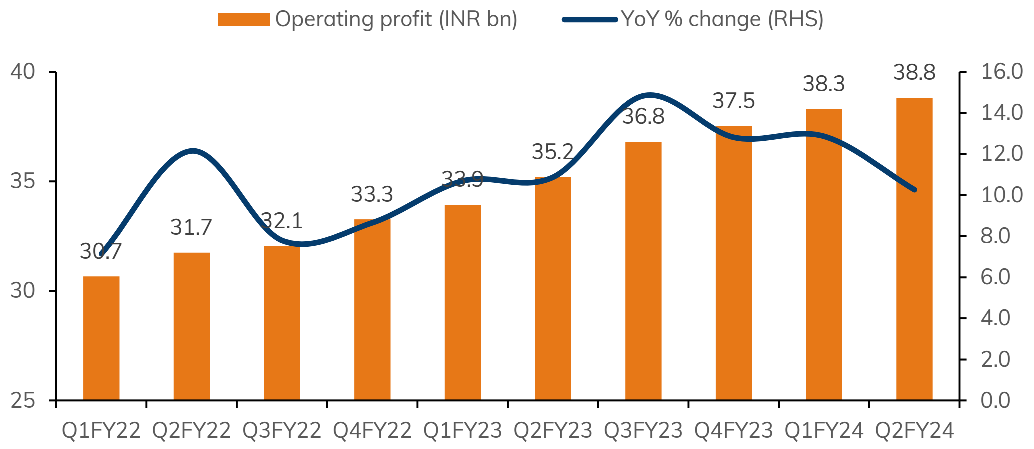
Source: Company data, I-Sec research

Exhibit 6: NII trajectory



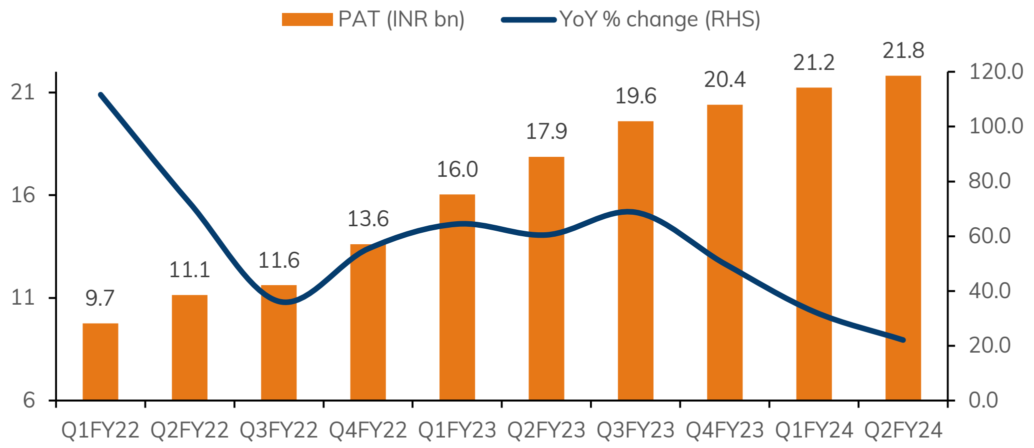
Source: Company data, I-Sec research

Exhibit 7: Operating profit trajectory



Source: Company data, I-Sec research

Exhibit 8: PAT growth trajectory



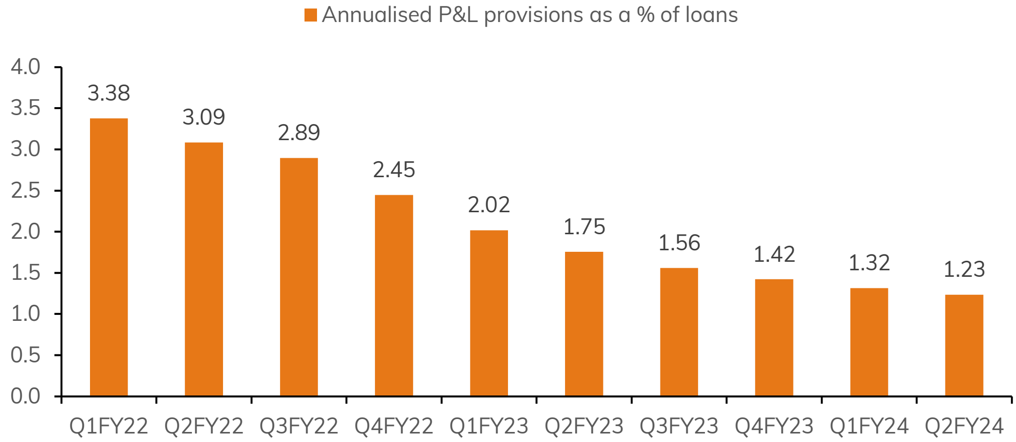
Source: Company data, I-Sec research

Exhibit 9: Headline NPA ratios fall on QoQ as well as YoY basis

(%)	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (bps)	QoQ (bps)
GNPA	2.88	2.77	2.48	2.27	2.35	2.11	2.06	1.98	1.94	1.93	(18)	(1)
NNPA	0.84	0.80	0.71	0.64	0.67	0.61	0.62	0.59	0.58	0.57	(4)	(1)
PCR	71.6	71.6	71.7	72.3	72.0	71.5	70.6	70.6	70.6	70.6	(97)	(2)

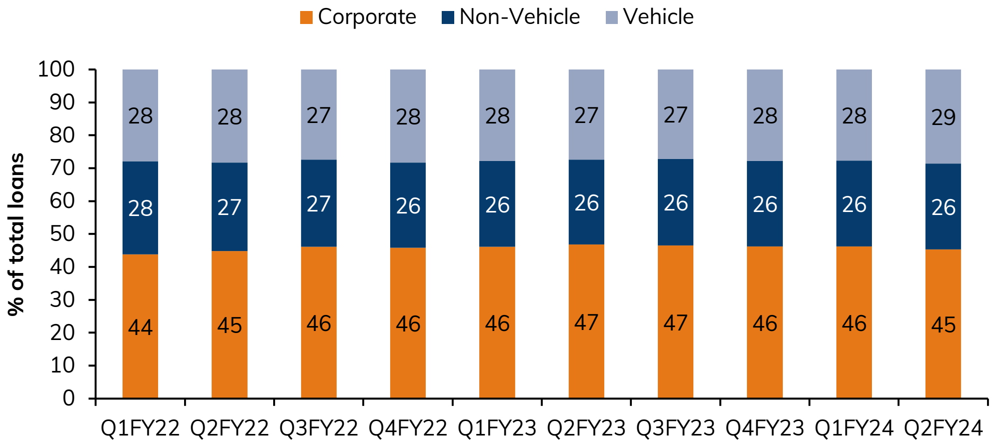
Source: Company data, I-Sec research

Exhibit 10: Credit cost has been easing



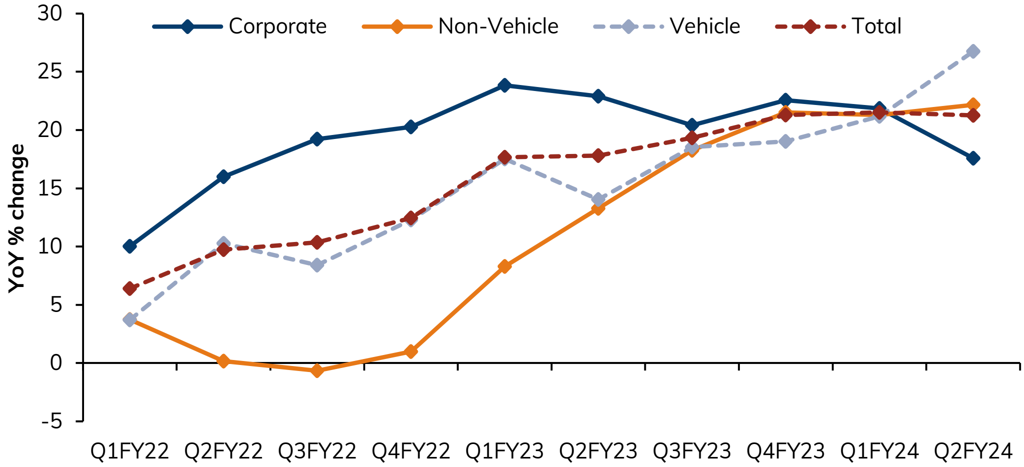
Source: Company data, I-Sec research

Exhibit 11: Loan mix changing in favour of retail



Source: Company data, I-Sec research

Exhibit 12: Loan growth pick-up at Retail and Vehicle



Source: Company data, I-Sec research

Q2FY24 earnings call: Key takeaways

Advances

- Loan growth strong at 21% YoY and 5% QoQ
- Retail momentum strong with 25% YoY and 6% QoQ growth
- **IIB expects to maintain retail growth momentum despite competition**

Margins

- NII up 4% QoQ and 18% YoY
- Margins flat QoQ at 4.29% and up 5bps YoY
- **Maximum rise expected in cost of deposits over the next two quarters – could be 20bps**
- **IIB has enough levers to absorb any rise in cost of deposits and hence margins are expected to remain in the range of 4.2–4.3%**

Slippages

- **Slippages for the year should settle between INR 48bn–51bn in FY24 (~INR 28bn in H1)**
- **Slippages expected run-rate would moderate to INR 12bn–13bn on a quarterly-basis**
- **Improvement could be seen in retail slippages in H2, particularly vehicle finance and microfinance**
- **INR 1.68bn relates to one account, which was under SMA in previous quarter – has now slipped into NPA. This account was persistently under SMA-2 since the past ~3 years. Bank has adequate collateral against this account.**
- Merchant acquiring business had gross slippage of 4%, but it also runs at a high yield of 28%
- Saw slightly higher slippages from cards business; and credit cost of 3.5% vs. banks own estimate of 2.8%
- Steady state expected slippage of 2.75%–3% and 1.1%–1.2% credit cost for retail
- SMA1 at 6bps, SMA2 at 20bps and total of SMA1+SMA2 at 26bps
- Corporate slippages rise due to one account slipping into NPA

Provisions

- **Annualised credit cost at 123bps for Q2 and aims to close the year between 110–130bps**
- **IIB has utilised contingent provision of INR 18.08bn during the past six quarters. Going ahead, bank will not be utilising any contingent provisions.**
- From H2 onwards, bank remains committed to creating buffer

Restructuring / SR

- INR 2.74bn decline in restructured book during the quarter to 0.54% vs. 0.66% QoQ
- Bulk of reduction was due to upgrades and recoveries
- The bank made additional provision of INR 1.43bn towards SR book during the quarter
- **Net SR book o/s is 0.39%**

Liabilities

- Retail deposits as per LCR up 21% YoY and 4% QoQ
- Average LCR at 117% and **average surplus liquidity at INR 370bn**
- IIB would look to maintain surplus liquidity of at least INR 200bn and average LCR in the range of 115–125%
- Borrowings down 11% QoQ and these are usually of long tenure
- *Improving share of retail deposits in total LCR remains cornerstone of liability strategy mobilisation*

Opex

- Opex growth of 6% QoQ was driven by human capital digital launches and marketing initiatives
- Added ~3,500 employee during the quarter and ~7,600 employees during H1
- Opex is likely to moderate as digital initiatives play out
- Credit card acquisition cost per card is INR 1.8k and should come down to INR 1k gradually which used to be INR 6k when bank started this business

Vehicle finance

- Light CV market share has now crossed 10% vs. 5% few years' back
- **Gross slippages at 0.64% vs. 0.77% QoQ**
- **Restructuring at INR 9.1bn vs. INR 11.82bn QoQ**
- CE remain comfortable with bulk reduction happening through upgrades and recoveries
- **H1 is usually weak in terms of disbursals and asset quality; hence, H2 should be even better with some pick-up already seen in Q2**
- Gross flows should see reduction in Q3 and Q4
- Steady state expected slippage of 2% and 1% credit cost

Microfinance

- Microfinance book up 7% QoQ and 16% YoY
- **Net slippages at INR 1.82bn vs. INR 3.11bn QoQ**
- CE at 99.1%
- **30–90 dpd at 1.94% vs 2.36% QoQ**
- Gross flows should see reduction in Q3 and Q4
- Steady state expected slippage of 3.5% and 2.5%-3% credit cost

Bharat Super Shop

- **Bharat Super Shop at INR 49bn, up 83% YoY/18% QoQ**
- CE for standard book at 99.1%
- 117 active Bharat money stores

Gems and Jewellery

- **Reducing demand for working capital has resulted in 12% QoQ deceleration in portfolio**
- No SMA1, SMA2 and nil restructured portfolio

Credit card

- Credit card spends highest ever
- Spends market share at 4.7% as per latest RBI data
- **Watchful on unsecured and hence maintaining balance between secured and unsecured**

Corporate

- 18% YoY and 3% QoQ growth
- Overall growth led by small corporate. Within small corporate, focus on business with less than INR 5bn has been bearing result with being up 52% YoY
- Apart from this, there were 2 other accounts of INR 100mn and INR80mn.
- **Entire book is floating in nature**
- **Two-thirds of the book is EBLR linked and balance is MCLR linked**

Digital

- Launched digital banking offer Indie during the quarter and has already 1.8mn downloads and 400k customers

Q1FY24 earnings call: Key takeaways

Asset quality

- It has utilized Rs2bn of contingent provisions in this quarter. Utilisation of contingent buffers is mostly done away with and the bank will look to add contingent buffers in FY24.
- Asset quality improved for all business expect vehicle finance, due to seasonality
- ***The bank is comfortable with credit cost guidance of 1.1-1.3% for FY24.*** FY24 segment-wise credit cost estimate are as follows - **Microfinance 2.5%, Consumer bank 1.5%-1.8%, Vehicle finance 1.0% and Corporate 10-20bps (assuming 44-45% of book).**
- While the IndAS guidelines are not finalized, the bank had estimated ECL impact 1-1.5% of the total book. It is anyway building contingent.
- Security receipts net of provision at Rs13.33bn or 44bps. The gross SR is Rs24bn so, the bank has ~45% PCR. The bank has provided Rs1.29 bn in 1Q towards SRs.
- MFI Slippages declined from Rs5.99bn to Rs3.69bn QoQ. Slippages in CV increased from Rs3.81 bn to Rs5.8bn on seasonality (1QFY23 slippages were Rs6.86bn).
- MFI 30dpd book is 1.1%

Loan-book and deposits

- Focus area for the quarter was loan growth momentum which was up 22% YoY and 4% QoQ
- ***It has soft launched digital platform Indie, which is open for public use***
- Home loan pilot has reached Rs6.65bn
- Top 20 accounts now comprise 12-13% of total corporate book
- Bank's comfort level for CD ratio is 86-89%
- G&J loans are down 7% QoQ on lower working capital utilization amidst poor global demand. However, there is no asset quality implications.
- Overall loan growth is 22% YoY. Corporate growth is ~22% YoY, Vehicle is 21%, MFI is 8% YoY and non-MFI / non-vehicle is higher. The mix of Retail : Corporate is broadly unchanged on both YoY and QoQ at 54:46. The bank sees overall retail growth to be higher than wholesale and mix changing in favor of Retail to 55-56% by FY24. Current quarter retail growth has been bit impacted due to muted MFI growth (MFI book is up 9% YoY and down 1% QoQ).
- Disbursement was strong in CV, UV and Cars and soft in Tractor and 2Wheelers.

Deposits

- Deposits up 15% YoY and 3% QoQ
- ***Share of retail deposits in LCR at 43.4%, progressing towards its ambition of 45-50% in PC-6***
- Affluent deposits up 22% YoY
- *CA moderated as some of previous quarter end flows saw run-down*
- NR deposits up 39% YoY and 9% QoQ
- ***Continue to gain market share in NR segment with current market share around 3%***
- ***Average surplus liquidity was at Rs440bn during the quarter***

Opex

- 12,600 employees hired in the past 12 months which has resulted in higher opex
- ***Looking to add 250-300 branches during the year***
- ***CI for Q1 was 45.9%. Looking to close FY24 around 45% in C/I and then to 41-43% by FY25.***
- ***Expansion in retail and microfinance, employee addition led to elevated opex***

Margins

- Margins up 1bps QoQ and 8bps YoY to 4.29%, with effective balance sheet management
- ***Cost of deposits is likely to peak out in Q2FY24. By Q4, bank is expecting a decline of 10-15bps in deposit cost***
- *During Q1FY24, a lot of low-cost TD were due for renewal and hence this led to rise in deposit cost*
- *The rise in overall Yield QoQ is higher than segmental rise in Yields due to daily averages.*

Vehicle finance

- ***Loan growth of 21% YoY and disbursement growth of 18% YoY***
- Maintained or improved market share across categories
- Historically, Q1 has been seasonally weak quarter and Q4 has been seasonally strong quarter. Usually, H2 is strong vs. H1 and expect this trend to continue in FY24 as well.
- Slippages are epxected to come down as the year progresses
- ***Restructured book at Rs11.82bn vs. Rs14.75 QoQ.*** Bulk of reduction in restructured book was through upgrades and recoveries.
- ***Slippages at Rs5.83bn***

Microfinance

- Rs84.0bn disbursements, up 12% YoY
- Historically, Q1 has been seasonally weak quarter and Q4 has been seasonally strong quarter.
- ***MFI slippages at Rs3.69bn vs. Rs.5.99bn QoQ***
- *MFI 30dpd book is 1.1%*
- Disbursements are expected to pick-up as the year progresses
- Looking at 18-20% YoY growth going ahead
- Usually growth is higher in H2 for microfinance business as compared to H1

Corporate banking portfolio

- Loan-book up 4% QoQ
- Overall growth continued to be led by growth in small corporate
- Within small corporate, focused strategy on corporates with less than Rs5bn turnover is playing out well.
- Yield in corporate book improved 10bps QoQ. Yields going ahead would be muted with benchmark yields stabilising.
- ***Small business share in corporate is targeted to reach 20% of corporate book in the next 2-3 years from 10.5% currently and around 4%, which was 3 years back***

Diamond portfolio

- ***Remain comfortable on the diamond portoflio asset quality***
- G&J loans are down 7% QoQ on lower working capital utilization amidst poor global demand. However, there is no asset quality implications.
- Growth will depend on global recovery. Looking at 10-12% growth.
- No SMA1 and SMA2 in this business

Capital

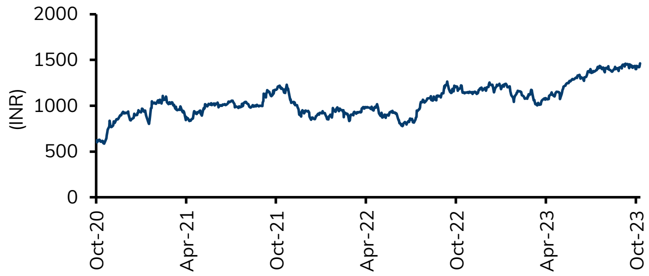
- Despite 4% QoQ loan growth, RWA have declined QoQ. The reasons for lower RWA density are select Unrated facilities got rated and some un-utilized limits ran-off and thus RWA risks weights came off.
- Bank did not clarify much on promoter raising stake. It mentioned that it does not need capital as of now

Exhibit 13: Shareholding pattern

	Dec'22	Mar'23	Jun'23
Promoters	16.5	16.5	16.5
Institutional investors	69.9	69.2	69.0
MFs and others	14.4	15.6	15.2
FIs/Bank	0.2	0.2	0.1
Insurance Cos.	7.9	8.2	8.3
FIIs	47.4	45.2	45.5
Others	13.6	14.3	14.5

Source: Bloomberg, I-Sec research

Exhibit 14: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 15: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Interest income	363,679	453,861	542,765	640,553
Interest expense	187,758	249,569	305,798	365,524
Net interest income	**175,921**	**204,292**	**236,967**	**275,029**
Non-interest income	81,664	96,226	114,693	132,111
Operating income	**257,585**	**300,518**	**351,660**	**407,140**
Operating expense	114,120	139,897	161,949	186,680
Staff expense	30,305	38,300	42,678	47,549
Operating profit	**143,465**	**160,621**	**189,711**	**220,460**
Core operating profit	**142,811**	**156,121**	**181,711**	**212,460**
Provisions & Contingencies	44,868	38,943	46,557	54,274
Pre-tax profit	**98,596**	**121,678**	**143,154**	**166,186**
Tax (current + deferred)	24,699	30,626	36,032	41,829
Net Profit	**73,897**	**91,052**	**107,122**	**124,357**
Adjusted net profit	**73,897**	**91,052**	**107,122**	**124,357**

Source Company data, I-Sec research

Exhibit 16: Balance sheet

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Cash and balance with RBI/Banks	565,111	542,142	560,897	535,160
Investments	831,162	866,902	988,372	1,135,727
Advances	2,899,237	3,438,705	4,076,482	4,851,313
Fixed assets	19,926	24,432	29,676	36,188
Other assets	262,604	331,025	426,674	550,761
Total assets	**4,578,041**	**5,203,206**	**6,082,101**	**7,109,148**
Deposits	3,364,381	3,959,536	4,688,600	5,569,530
Borrowings	490,112	448,119	410,462	376,688
Other liabilities and provisions	177,330	171,939	268,373	342,562
Share capital	7,759	7,760	7,760	7,760
Reserve & surplus	538,458	615,852	706,905	812,609
Total equity & liabilities	**4,578,041**	**5,203,206**	**6,082,101**	**7,109,148**
% Growth	13.9	13.7	16.9	16.9

Source Company data, I-Sec research

Exhibit 17: Growth ratios

(%, year ending March)

	FY23A	FY24E	FY25E	FY26E
Net Interest Income	17.3	16.1	16.0	16.1
Operating profit	11.7	12.0	18.1	16.2
Core operating profit	16.6	9.3	16.4	16.9
Profit after tax	60.3	23.2	17.7	16.1
EPS	59.9	23.2	17.7	16.1
Advances	21.3	18.6	18.5	19.0
Deposits	14.6	17.7	18.4	18.8
Book value per share	14.4	14.2	14.7	14.9
Adj Book value per share	14.5	14.7	15.0	14.8

Source Company data, I-Sec research

Exhibit 18: Key ratios

(Year ending March)

	FY23A	FY24E	FY25E	FY26E
Per share data				
Adjusted EPS	95.2	117.3	138.0	160.3
Book Value per share	700	800	917	1,053
Adjusted BVPS	684	784	901	1,035
Valuation ratio				
PER (x)	14.9	12.1	10.3	8.9
Price/ Book (x)	2.0	1.8	1.5	1.3
Price/ Adjusted book (x)	2.1	1.8	1.6	1.4
Dividend Yield (%)	1.0	1.2	1.5	1.7
Profitability ratios (%)				
Yield on advances	11.3	11.9	12.3	12.3
Yields on Assets	8.5	9.3	9.6	9.7
Cost of deposits	5.0	5.5	5.8	6.1
Cost of funds	4.4	5.1	5.4	5.5
NIMs	4.4	4.5	4.5	4.5
Cost/Income	44.3	46.6	46.1	45.9
Dupont Analysis (as % of Avg Assets)				
Interest Income	8.5	9.3	9.6	9.7
Interest expended	4.4	5.1	5.4	5.5
Net Interest Income	**4.1**	**4.2**	**4.2**	**4.2**
Non-interest income	1.9	2.0	2.0	2.0
Trading gains	0.0	0.1	0.1	0.1
Fee income	1.9	1.9	1.9	1.9
Total Income	**6.0**	**6.1**	**6.2**	**6.2**
Total Cost	**2.7**	**2.9**	**2.9**	**2.8**
Staff costs	0.7	0.8	0.8	0.7
Non-staff costs	1.9	2.1	2.1	2.1
Operating Profit	**3.3**	**3.3**	**3.4**	**3.3**
Core Operating Profit	3.3	3.2	3.2	3.2
Non-tax Provisions	1.0	0.8	0.8	0.8
PBT	**2.3**	**2.5**	**2.5**	**2.5**
Tax Provisions	0.6	0.6	0.6	0.6
Return on Assets (%)	**1.7**	**1.9**	**1.9**	**1.9**
Leverage (x)	8.5	8.4	8.5	8.6
Return on Equity (%)	**14.5**	**15.6**	**16.1**	**16.3**
Asset quality ratios (%)				
Gross NPA	2.0	1.7	1.6	1.6
Net NPA	0.6	0.5	0.4	0.4
PCR	70.6	72.0	75.0	75.0
Gross Slippages	2.9	1.9	1.7	1.7
LLP / Avg loans	1.5	1.0	0.9	0.9
Total provisions / Avg loans	1.7	1.2	1.2	1.2
Net NPA / Networth	3.1	2.7	2.3	2.4
Capitalisation ratios (%)				
Core Equity Tier 1	15.9	15.7	15.1	14.4
Tier 1 cap. adequacy	16.4	16.1	15.4	14.7
Total cap. adequacy	17.9	18.0	17.0	16.0

Source Company data, I-Sec research

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