

January 19, 2024

## Q3FY24 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
<b>Rating</b>	<b>BUY</b>		<b>BUY</b>	
<b>Target Price</b>	<b>1,740</b>		<b>1,620</b>	
NII (Rs. m)	2,37,531	2,79,286	2,33,621	2,73,481
% Chng.	1.7	2.1		
Op. Profit (Rs. m)	1,79,499	2,13,867	1,78,082	2,11,173
% Chng.	0.8	1.3		
EPS (Rs.)	123.6	150.2	126.0	152.7
% Chng.	(1.9)	(1.6)		

### Key Financials - Standalone

Y/e Mar	FY23	FY24E	FY25E	FY26E
NII (Rs m)	1,75,921	2,07,245	2,37,531	2,79,286
Op. Profit (Rs m)	1,43,465	1,56,175	1,79,499	2,13,867
PAT (Rs m)	73,897	87,650	1,01,395	1,23,231
EPS (Rs.)	90.1	112.7	123.6	150.2
Gr. (%)	54.5	25.0	9.7	21.5
DPS (Rs.)	8.0	11.8	13.0	15.8
Yield (%)	0.5	0.7	0.8	1.0
NIM (%)	4.4	4.6	4.6	4.6
RoAE (%)	14.5	15.0	15.2	16.2
RoAA (%)	1.7	1.8	1.8	1.9
P/BV (x)	2.4	2.0	1.9	1.6
P/ABV (x)	2.5	2.1	1.9	1.7
PE (x)	17.9	14.3	13.0	10.7
CAR (%)	17.9	17.5	17.4	17.3

### Key Data

INBK.BO | IIB IN

52-W High / Low	Rs.1,695 / Rs.990
Sensex / Nifty	71,187 / 21,462
Market Cap	Rs.1,254bn/ \$ 15,091m
Shares Outstanding	778m
3M Avg. Daily Value	Rs.5652.11m

### Shareholding Pattern (%)

Promoter's	16.45
Foreign	42.46
Domestic Institution	26.70
Public & Others	14.39
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	3.6	16.0	31.9
Relative	3.8	8.9	13.1

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# IndusInd Bank (IIB IN)

**Rating: BUY | CMP: Rs1,613 | TP: Rs1,740**

## Balance sheet management the key monitorable

### Quick Pointers:

- Core PPOp in-line; NIM beat offset by lower fees and higher opex.
- Retail deposit share improving but deposit growth needs to increase.

**IIB saw a mixed quarter; while NIM at 4.84% was 11bps ahead of PLe, asset quality was a miss due to higher slippages and buffer provisions were further utilized. Deposit franchise continues to improve as RTD share enhanced by 240bps YoY to 44.8%. To fund existing run-rate of asset growth, deposit accretion should scale up to 16-17% YoY (~14% over FY22-24E), given bank would not like to surpass an LDR of 90%. With banking system witnessing liquidity squeeze, either loan growth for IIB will have to taper down or bank would resort to wholesale funding, which may affect margins. Hence despite we factoring a 17% loan CAGR over FY24-26E and stable NIM, there are downside risks to our estimates. While IIB has guided to increase provision buffer by Rs3bn in near term, it again utilized Rs2.2bn in the quarter; we would prefer a higher provision buffer. Maintaining multiple at 1.8x, our TP increases to Rs1,740 from Rs1620 as we roll forward to Mar'26. Retain BUY.**

- Core PPOp in-line but NII higher; slight blip on asset quality:** NII was ahead at Rs53.0bn (PLe Rs52.0bn), +17.8% YoY while credit growth was 19.9% YoY. NIM was a beat at 4.8% (PLe 4.7%) mainly driven by lower funding cost. Deposit growth was 13.4% YoY. Other income was higher at Rs24.0bn (PLe Rs22.9bn) mainly led by treasury income; fee income was a slight miss. Opex was more at Rs36.9bn (PLe 36.2bn) due to staff cost. Core PPOp was largely in-line at Rs37.7bn while PPOp at Rs40.0bn was 3% higher to PLe due to treasury. Asset quality was a drag since GNPA was 1.92% led by a miss on net slippages which were Rs9.27bn. Provisions were lower at Rs9.34bn (PLe Rs11bn). PAT was a beat at Rs22.98bn while core PAT at Rs21.25bn was 5.7% ahead of PLe due to softer provisions.
- LDR guided to be at or below 90%; deposit accretion a key:** Loan growth at 3.7% QoQ was mainly led by CFD (+4.9%); corporate growth was softer at 2.4%. VF was sluggish (+3.2% QoQ) due to muted demand. Disbursals were strong in UV, cars and equipment financing while momentum continued in MFI (+4.4% QoQ) driven by customer addition. On liabilities, share of retail TD as per LCR continues to enhance and inched up to 44.8% (vs 42.4% a year ago). LDR is at 88.7% and as per the bank it would not surpass 90%. Deposit growth YoY in FY25/26E needs to be higher at 16-17% as compared to FY24 (+13.7%) while system liquidity is tight, implying that IIB may resort to wholesale funding to sustain current loan momentum.
- NIM surprises again, more buffer provisions utilized:** Despite declining margins across banks, NIM improved by 4bps QoQ due to (1) credit flow led by higher yielding consumer banking business and (2) increase in LDR by 100bps to 88.7%. Healthy retail growth may sustain over medium term which would cushion margins, however, softer liability accretion would create NIM headwinds. On asset quality, net slippages were a miss owing to stress in corporate, vehicle finance and agri. Bank has utilized contingent provisions of Rs20.3bn (62bps) in last 7 quarters and current balance is 40bps. Hence provision cost estimate remains a key monitorable which could rise.

**Exhibit 1: PAT beat at Rs.22.9bn led by higher NII and lower provisions**

NII growth was higher at 22.4% YoY

Other Income grew by 15.4% YoY led by higher fee income.

Opex grew 27.6% YoY due to slightly higher staff cost.

Provisions came lower at Rs9.3bn.

Deposits continue to grow at 13.4% YoY driven by higher TD growth of 5% QoQ

NIM increased 4bps QoQ to 4.8% led by better yields on advances.

Slippages were higher at Rs14.5bn, while PCR stable at 70.6%

CASA ratio declined at 38.5%.

Financial Statement (Rs mn)	Q3FY24	Q3FY23	YoY gr. (%)	Q2FY24	QoQ gr. (%)
Interest Income	115,723	94,574	22.4	112,478	2.9
Interest Expense	62,766	49,621	26.5	61,711	1.7
<b>Net interest income (NII)</b>	<b>52,956</b>	<b>44,954</b>	<b>17.8</b>	<b>50,767</b>	<b>4.3</b>
Treasury income	2,310	1,360	69.9	1,618	42.8
Fee income	21,650	19,410	11.5	21,200	2.1
Other income	<b>23,959</b>	<b>20,763</b>	<b>15.4</b>	<b>22,818</b>	<b>5.0</b>
<b>Total income</b>	<b>76,915</b>	<b>65,717</b>	<b>17.0</b>	<b>73,585</b>	<b>4.5</b>
Operating expenses	36,893	28,913	27.6	34,776	6.1
-Staff expenses	10,267	7,992	28.5	9,566	7.3
-Other expenses	26,626	20,921	27.3	25,210	5.6
<b>Operating profit</b>	<b>40,022</b>	<b>36,804</b>	<b>8.7</b>	<b>38,809</b>	<b>3.1</b>
<b>Core operating profit</b>	<b>37,712</b>	<b>35,444</b>	<b>6.4</b>	<b>37,191</b>	<b>1.4</b>
Total provisions	9,342	10,647	(12.3)	9,738	(4.1)
<b>Profit before tax</b>	<b>30,680</b>	<b>26,157</b>	<b>17.3</b>	<b>29,071</b>	<b>5.5</b>
Tax	7,701	6,565	17.3	7,256	6.1
<b>Profit after tax</b>	<b>22,979</b>	<b>19,592</b>	<b>17.3</b>	<b>21,815</b>	<b>5.3</b>
Deposits (Rs bn)	3,688	3,253	13.4	3,598	2.5
Advances (Rs bn)	3,271	2,728	19.9	3,155	3.7
<b>Profitability ratios</b>					
RoAA	1.9	1.9	7	1.9	3
RoAE	15.5	15.2	22	15.3	12
<b>NIM (calc.)</b>	<b>4.8</b>	<b>4.6</b>	<b>24</b>	<b>4.8</b>	<b>4</b>
Yield on Advances	9.8	9.0	76	9.7	6
Cost of Deposits	6.4	5.5	97	6.4	9
<b>Asset Quality ratios</b>					
Gross NPL (Rs m)	63,771	57,108	11.7	61,642	3.5
Net NPL (Rs m)	18,752	16,815	11.5	18,138	3.4
Gross NPL ratio	1.9	2.1	(14)	1.9	(0)
Net NPL ratio	0.6	0.6	(4)	0.6	(0)
Coverage ratio	70.6	70.6	4	70.6	2
<b>Business &amp; Other Ratios</b>					
Low-cost deposit mix	38.5	41.9	(344)	39.3	(83)
Cost-income ratio	48.0	44.0	397	47.3	71
Non int. inc / total income	31.1	31.6	(45)	31.0	14
Credit deposit ratio	88.7	83.9	483	87.7	100
CAR	17.9	18.0	(15)	18.2	(34)
Tier-I	16.5	16.5	-	16.8	(28)

Source: Company, PL

## Q3FY24 Concall Highlights

### Assets/Liabilities

- **Corporate Banking segment grew by 15%YoY/2% QoQ** led by small corporate group (+17%YoY 3%QoQ) driven by seasonal uplift in agri portfolio while growth in large and mid-corporates stood at 2% QoQ. A & above rated customers stood at 77%. Average rating in the corporate segment improved to 2.54% vs 2.64% in Q3FY23. Focus would be on building a granular & diverse book.
- **Vehicle Finance grew at 20%YoY/5% QoQ** with strong disbursements in Cars, UV, construction equipment and 2W segment whereas there was muted demand in CV and 3W. Going forward, management would aim on diversifying the portfolio to sustain the growth rate by increasing focus on CV and used commercial vehicle loans.
- **MFI grew by 20% YoY/4% QoQ** driven by consistent customer addition. Active customer base stood at 9.4mn with 0.7mn new customers added in Q3FY24 and avg loan o/s per customer reduced by 1% QoQ. Loan book through BFIL stood at Rs405.4bn while liability mobilized stood at Rs25.41bn growing 56% YoY. Merchant acquiring business under Bharat Super shop grew by 55% YoY to Rs47.83bn on the back of strong demand are growth opportunities. Management believes MFI business to pick up later in the year and aspires to become micro banker from micro financier.
- **Diamond and jewelry book declined 8% QoQ** on account of global challenges leading to working capital utilization running down however the asset quality for the book remains healthy.
- **Consumer banking business witnessed robust growth of 31% YoY/8% QoQ** – MSME book grew by 24% YoY/3% QoQ and remains the focus segment. Bank has redefined MSME branches by enhancing capabilities and upscaling staff which has led to higher efficiencies.
- **Other retail loans** showed a broad based growth. Unsecured loans constitute of 5.5% of total loan book and is expected to remain range bound at current levels. Credit card growth was driven by new card additions and highest ever quarterly spends of Rs254.4bn in the quarter. Home loan book is Rs13.8bn witnessing strong growth of 37% QoQ. Bank to remain cautious on unsecured consumption spends and would grow the book at gradual pace.
- **Deposits growth were robust at 13% YoY/3% QoQ** majorly driven by retail deposit growth, which is bank's key focus. Overall CASA ratio remained stable at 38.5%. The accretion in SA as driven by customer acquisition through Indus app launch marketing efforts. NR deposit market share stands at 3.3% as per last available data. Retail deposit contributed 75% of new deposits while share improved from 43.7% in Q2FY24 to 44.8% in Q3FY24.
- **LDR for Q3FY24 stood at 89%**, management guided to maintain the ratio in the range of 86% to 90%. LCR for the quarter improved from 117% in Q2FY24 to 122% in Q3FY24 representing healthy liquidity position.

## Fees/NIMs/Branches

- **NIM at 4.29% was stable QoQ** which was driven by moderate growth in CoD of 9bps offset by 15bps increase in YoA. Increase in YoA was driven by loan mix changes in favor of retail. Management guided margins to remain stable between 4.2%-4.3%.
- **Other income grew by 15% YoY/ 5% QoQ** while core fee income ex-trading fee grew 12% YoY.
- Growth in opex was mainly led by expansion activities, employee addition, marketing expenditure and tech spends. **C/I would remain elevated at 47.4%** for Q3FY24 and may come down to ~41-43% in FY25 led by new lines of business like merchant banking, mortgage business, affordable housing.
- **Focus on digital initiatives continue** with the launch of INDIE app, bank has acquired 8.8mn customers on the platform. Indus mobile registered monthly active base growth of 15% YoY.

## Asset Quality

- **GNPA were down QoQ at 1.92% while NNPA remained stable at 0.57%.** Retail slippages came at Rs14.53mn v/s slippages of Rs12.51bn in Q2FY24. Corporate net slippages stood at Rs1.55bn led by one big account to the tune of Rs1.4bn. Vehicle finance gross slippages increased by 9bps QoQ to 0.73% in Q3FY24 due to adverse unseasonal weather conditions whereas MFI net slippages improved to 2.55%. Going ahead slippages are expected to be in the range of Rs11bn to Rs12bn.
- **Restructuring book stood at 0.48% vs 0.54% in Q2FY24** led by upgrades and recoveries. VF restructured book stood at Rs7.1bn vs Rs.9.1bn in Q2FY24.
- **Provisions – PCR stable at 71%.** Bank utilized contingent provisions of Rs2.2bn in the quarter. Endeavor would be to keep credit cost in the range of 110-130bps and increase contingent provisions by Rs3bn in FY24.
- **SMA1+2 book was at 0.19% vs 0.26% in Q2FY24 of loan book.** Net SR book increased to 0.37% of loan book vs 0.34% QoQ. SR net of provision stood at Rs23.8bn for the quarter.

UV, Cars, CV and Car Loans see strong growth; while 2W and tractor growth remain muted QoQ.

Credit Card business continues to deliver with 32.7% YoY growth.

MFI witnessed improvement and grew by 20.5% YoY/4.1% QoQ

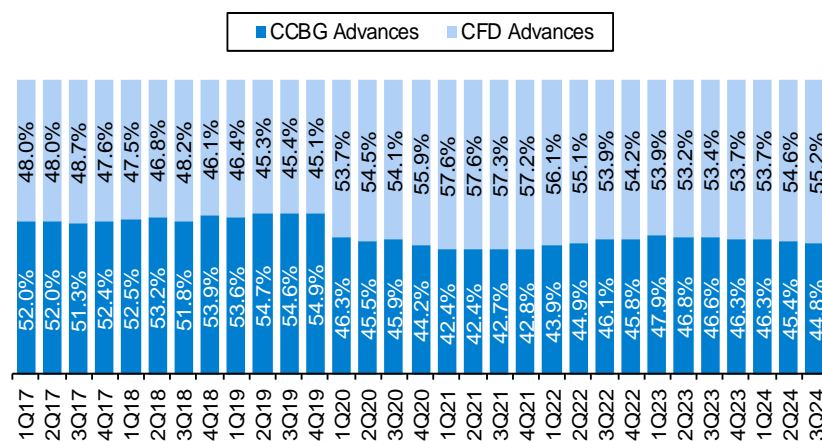
Corporate book saw good growth at 15.4% YoY particularly from small corp.

**Exhibit 2: Corporate and CFD grow strong at +20% YoY**

Loan Book mix	Q3FY24	Q3FY23	YoY gr. (%)	Q2FY24	QoQ gr. (%)
CV Loans	318,630	268,190	18.8	308,790	3.2
UV Loans	119,510	83,110	43.8	107,290	11.4
3W/Small CV	39,400	33,650	17.1	37,730	4.4
2W Loans	51,840	47,490	9.2	48,040	7.9
Car Loans	126,710	99,930	26.8	117,840	7.5
Tractors	94,460	91,590	3.1	95,800	(1.4)
Equipment Financing	110,370	92,690	19.1	105,020	5.1
Credit Card	102,390	77,140	32.7	94,620	8.2
LAP	104,700	95,020	10.2	101,810	2.8
Others	220,140	143,380	53.5	208,790	5.4
MFI	357,610	296,880	20.5	343,630	4.1
BBG	158,940	128,390	23.8	153,640	3.4
<b>Consumer Finance (incl BBG)</b>	<b>1,804,700</b>	<b>1,457,460</b>	<b>23.8</b>	<b>1,723,000</b>	<b>4.7</b>
<b>Corporate Finance</b>	<b>1,465,870</b>	<b>1,270,100</b>	<b>15.4</b>	<b>1,431,540</b>	<b>2.4</b>
<b>Loan Mix</b>					
Vehicle Finance	26.3%	26.3%	0.0	26.0%	(21)
Non-Vehicle Consumer	28.9%	27.2%	1.7	28.6%	141
<b>Consumer Finance</b>	<b>55.2%</b>	<b>53.4%</b>	<b>1.7</b>	<b>54.6%</b>	<b>120</b>
<b>Corporate Finance</b>	<b>44.8%</b>	<b>46.6%</b>	<b>(1.7)</b>	<b>45.4%</b>	<b>(220)</b>

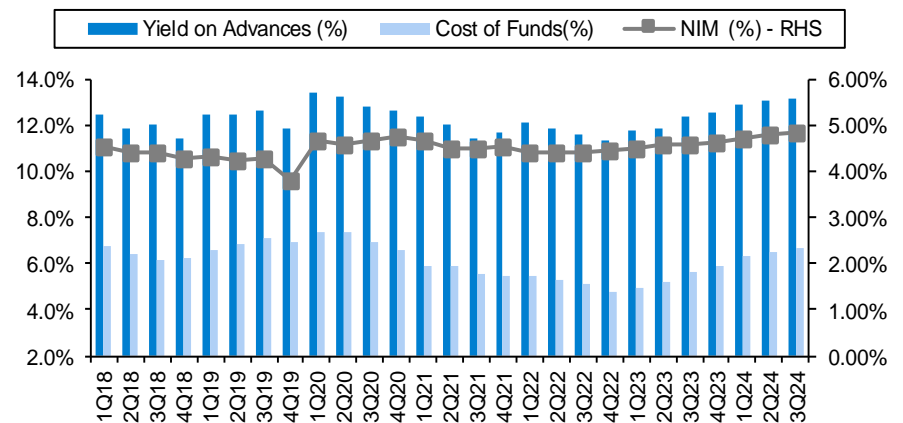
Source: Company, PL Research; Note – BBG reclassified in Consumer Fin

**Exhibit 3: CCBG: CFD mix remains stable at 45:55**



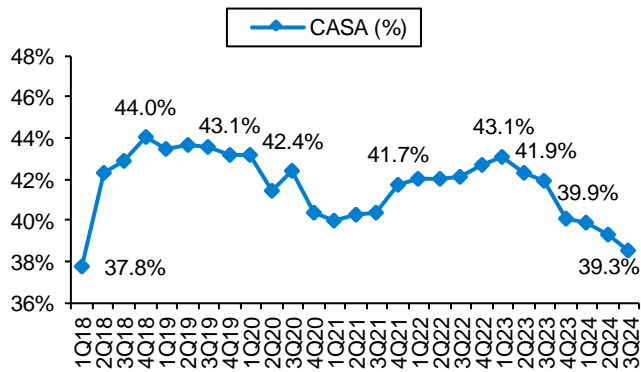
Source: Company, PL Research

Exhibit 4: Margins improve as yields increase faster than CoF



Source: Company, PL

Exhibit 5: CASA further declines to 39.3%



Source: Company, PL

Exhibit 6: NIM rises by 8bps to 4.8% led by higher yields

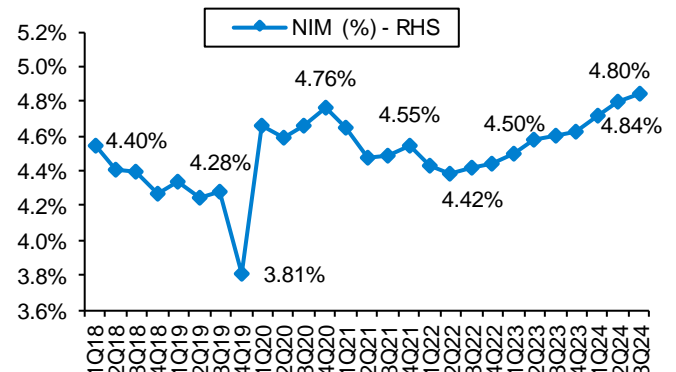
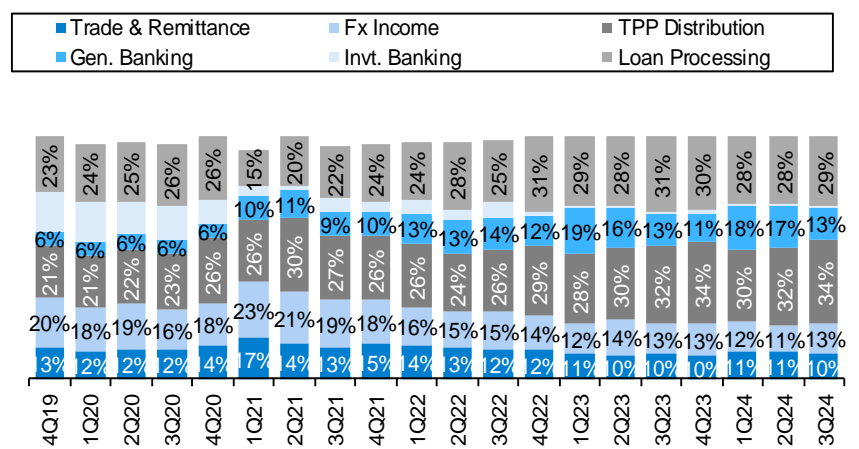
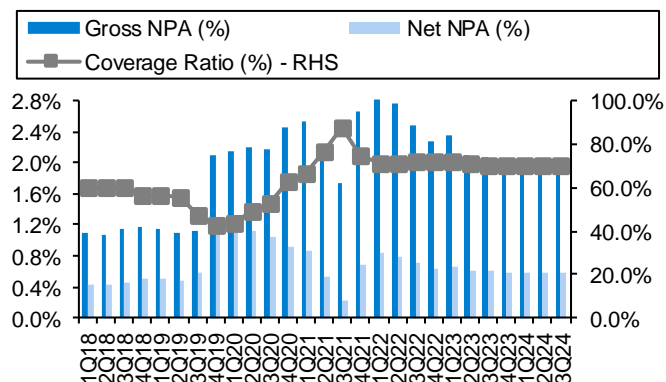

Source: Company, PL **Note – Not comparable due to merger**

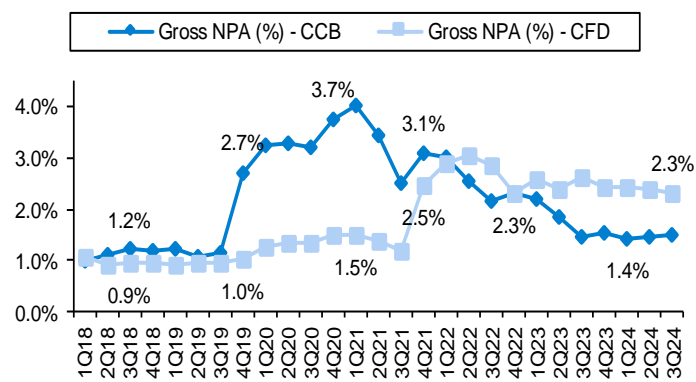
Exhibit 7: TPP distribution share increased to 32%



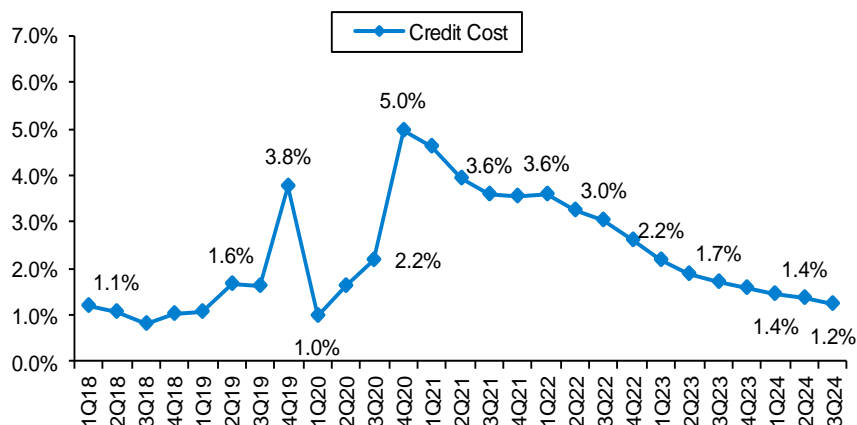
Source: Company, PL

**Exhibit 8: GNPA/NNPA remains stable at 1.9%/0.6%**


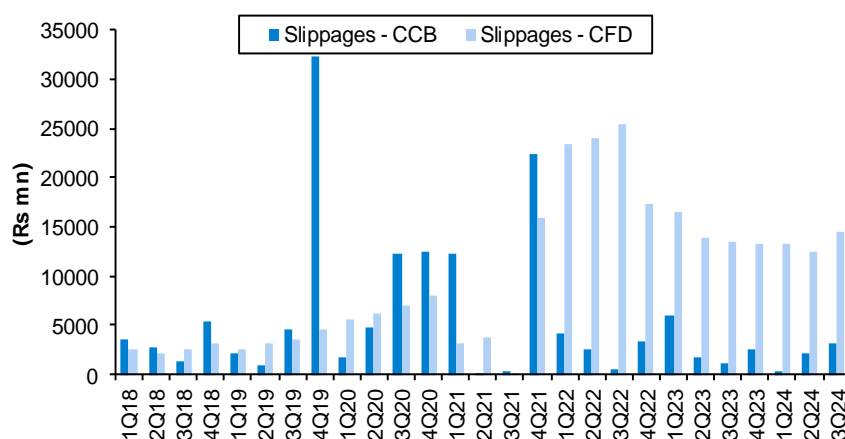
Source: Company, PL **Note-2Q/3Q21 on reported basis**

**Exhibit 9: Slippages ratio were lower at 2.27%**


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

**Exhibit 10: Credit cost decreases by 11bps to 1.25%**


Source: Company, PL

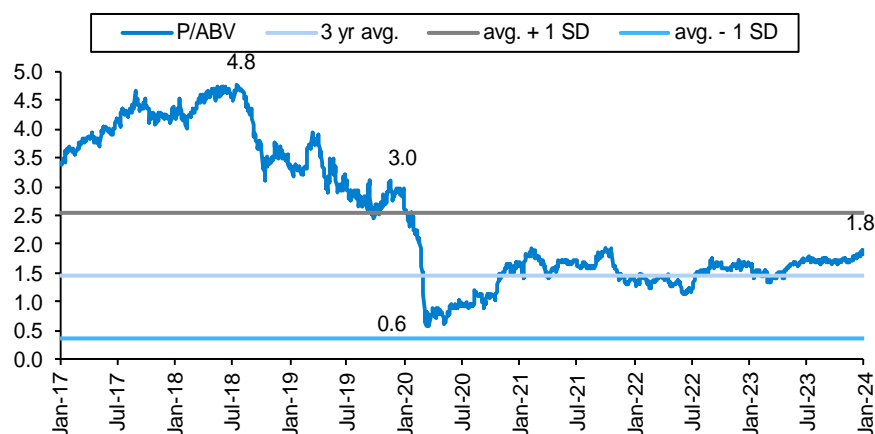
**Exhibit 11: Retail slippages higher led by vehicle finance**


Source: Company, PL

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

RoE decomposition (%)	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest income	9.6	9.7	8.7	8.1	8.5	9.5	9.4	9.3
Interest expenses	5.5	5.6	4.6	4.1	4.4	5.2	5.1	5.0
<b>Net interest income</b>	<b>4.1</b>	<b>4.1</b>	<b>4.0</b>	<b>3.9</b>	<b>4.1</b>	<b>4.3</b>	<b>4.3</b>	<b>4.3</b>
Other Inc. from operations	2.3	2.3	2.0	1.9	1.9	1.9	1.9	1.9
<b>Total income</b>	<b>6.4</b>	<b>6.4</b>	<b>6.0</b>	<b>5.9</b>	<b>6.0</b>	<b>6.2</b>	<b>6.2</b>	<b>6.3</b>
Employee expenses	0.9	0.7	0.7	0.7	0.7	0.8	0.8	0.8
Other operating expenses	1.9	2.0	1.8	1.8	1.9	2.2	2.2	2.2
<b>Operating profit</b>	<b>3.7</b>	<b>3.6</b>	<b>3.5</b>	<b>3.4</b>	<b>3.3</b>	<b>3.2</b>	<b>3.2</b>	<b>3.3</b>
Tax	0.8	0.6	0.3	0.4	0.6	0.6	0.6	0.6
Loan loss provisions	1.2	1.6	2.4	1.7	1.0	0.8	0.8	0.8
<b>RoAA</b>	<b>1.6</b>	<b>1.5</b>	<b>0.8</b>	<b>1.2</b>	<b>1.7</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>
<b>RoAE</b>	<b>15.0</b>	<b>13.6</b>	<b>7.3</b>	<b>10.2</b>	<b>14.5</b>	<b>15.0</b>	<b>15.2</b>	<b>16.2</b>

Source: Company, PL

**Exhibit 13: One year forward P/ABV of IIB trades at 1.8x**


Source: Company, PL



### Income Statement (Rs. m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
Int. Earned from Adv.	2,99,445	3,80,914	4,41,747	5,10,341
Int. Earned from invt.	46,916	61,856	64,103	74,705
Others	2,895	2,714	3,839	4,514
Total Interest Income	3,63,679	4,56,398	5,19,788	6,02,157
Interest Expenses	1,87,758	2,49,154	2,82,257	3,22,871
<b>Net Interest Income</b>	<b>1,75,921</b>	<b>2,07,245</b>	<b>2,37,531</b>	<b>2,79,286</b>
Growth(%)	17.3	17.8	14.6	17.6
Non Interest Income	81,664	92,173	1,05,219	1,25,607
Net Total Income	2,57,585	2,99,418	3,42,750	4,04,894
Growth(%)	16.5	23.2	13.9	16.4
Employee Expenses	30,305	39,345	43,344	48,973
Other Expenses	80,080	1,03,898	1,19,907	1,42,053
Operating Expenses	1,14,120	1,43,243	1,63,251	1,91,026
<b>Operating Profit</b>	<b>1,43,465</b>	<b>1,56,175</b>	<b>1,79,499</b>	<b>2,13,867</b>
Growth(%)	11.7	8.9	14.9	19.1
NPA Provision	38,856	22,348	26,476	30,181
Total Provisions	44,868	38,996	43,944	49,119
<b>PBT</b>	<b>98,596</b>	<b>1,17,179</b>	<b>1,35,555</b>	<b>1,64,748</b>
Tax Provision	24,699	29,529	34,160	41,516
Effective tax rate (%)	25.1	25.2	25.2	25.2
<b>PAT</b>	<b>73,897</b>	<b>87,650</b>	<b>1,01,395</b>	<b>1,23,231</b>
Growth(%)	60.3	18.6	15.7	21.5

### Balance Sheet (Rs. m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
Face value	10	10	10	10
No. of equity shares	820	778	820	820
Equity	8,202	7,780	8,202	8,202
Networth	5,46,217	6,29,592	7,09,978	8,20,270
Growth(%)	14.5	15.3	12.8	15.5
Adj. Networth to NNPA's	17,150	19,053	21,999	25,211
Deposits	33,64,381	38,26,019	44,30,505	51,78,120
Growth(%)	14.6	13.7	15.8	16.9
CASA Deposits	13,50,463	14,53,887	16,83,185	19,75,595
% of total deposits	40.1	38.0	38.0	38.2
<b>Total Liabilities</b>	<b>45,78,041</b>	<b>50,70,299</b>	<b>59,77,937</b>	<b>69,71,255</b>
Net Advances	28,99,237	34,24,287	40,06,282	46,87,770
Growth(%)	21.3	18.1	17.0	17.0
Investments	8,31,162	9,56,505	11,11,171	12,98,672
<b>Total Assets</b>	<b>45,78,041</b>	<b>50,70,299</b>	<b>59,77,937</b>	<b>69,71,255</b>
Growth (%)	13.9	10.8	17.9	16.6

### Asset Quality

Y/e Mar	FY23	FY24E	FY25E	FY26E
Gross NPAs (Rs m)	58,263	66,273	76,714	87,627
Net NPAs (Rs m)	17,150	19,053	21,999	25,211
Gr. NPAs to Gross Adv.(%)	1.9	1.9	1.9	1.8
Net NPAs to Net Adv. (%)	0.6	0.5	0.5	0.5
NPA Coverage %	70.6	71.3	71.3	71.2

### Profitability (%)

Y/e Mar	FY23	FY24E	FY25E	FY26E
NIM	4.4	4.6	4.6	4.6
RoAA	1.7	1.8	1.8	1.9
RoAE	14.5	15.0	15.2	16.2
Tier I	16.4	16.4	15.8	15.7
CRAR	17.9	17.5	17.4	17.3

Source: Company Data, PL Research

### Quarterly Financials (Rs. m)

Y/e Mar	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Interest Income	1,00,207	1,07,297	1,12,478	1,15,723
Interest Expenses	53,513	58,625	61,711	62,766
<b>Net Interest Income</b>	<b>46,695</b>	<b>48,671</b>	<b>50,767</b>	<b>52,956</b>
YoY growth (%)	17.2	18.0	18.0	17.8
CEB	20,870	21,190	21,200	21,650
Treasury	-	-	-	-
Non Interest Income	21,505	22,098	22,818	23,959
<b>Total Income</b>	<b>1,21,712</b>	<b>1,29,394</b>	<b>1,35,295</b>	<b>1,39,681</b>
Employee Expenses	8,363	8,629	9,566	10,267
Other expenses	22,310	23,839	25,210	26,626
Operating Expenses	30,672	32,468	34,776	36,893
<b>Operating Profit</b>	<b>37,528</b>	<b>38,301</b>	<b>38,809</b>	<b>40,022</b>
YoY growth (%)	12.7	12.9	10.3	8.7
Core Operating Profits	36,858	37,393	37,191	37,712
NPA Provision	-	-	-	-
Others Provisions	10,301	9,916	9,738	9,342
Total Provisions	10,301	9,916	9,738	9,342
<b>Profit Before Tax</b>	<b>27,227</b>	<b>28,385</b>	<b>29,071</b>	<b>30,680</b>
Tax	6,822	7,149	7,256	7,701
<b>PAT</b>	<b>20,405</b>	<b>21,236</b>	<b>21,815</b>	<b>22,979</b>
YoY growth (%)	49.9	32.5	22.1	17.3
<b>Deposits</b>	<b>33,64,381</b>	<b>34,70,470</b>	<b>35,97,865</b>	<b>36,87,930</b>
YoY growth (%)	14.6	14.6	14.0	13.4
<b>Advances</b>	<b>28,99,237</b>	<b>30,13,170</b>	<b>31,54,541</b>	<b>32,70,570</b>
YoY growth (%)	21.3	21.5	21.3	19.9

### Key Ratios

Y/e Mar	FY23	FY24E	FY25E	FY26E
CMP (Rs)	1,613	1,613	1,613	1,613
EPS (Rs)	90.1	112.7	123.6	150.2
Book Value (Rs)	662	805	862	996
Adj. BV (Rs)	641	781	835	966
P/E (x)	17.9	14.3	13.0	10.7
P/BV (x)	2.4	2.0	1.9	1.6
P/ABV (x)	2.5	2.1	1.9	1.7
DPS (Rs)	8.0	11.8	13.0	15.8
Dividend Payout Ratio (%)	8.9	10.5	10.5	10.5
Dividend Yield (%)	0.5	0.7	0.8	1.0

### Efficiency

Y/e Mar	FY23	FY24E	FY25E	FY26E
Cost-Income Ratio (%)	44.3	47.8	47.6	47.2
C-D Ratio (%)	86.2	89.5	90.4	90.5
Business per Emp. (Rs m)	164	172	189	209
Profit per Emp. (Rs lacs)	19	21	23	26
Business per Branch (Rs m)	2,404	2,566	2,690	2,868
Profit per Branch (Rs m)	28	31	32	36

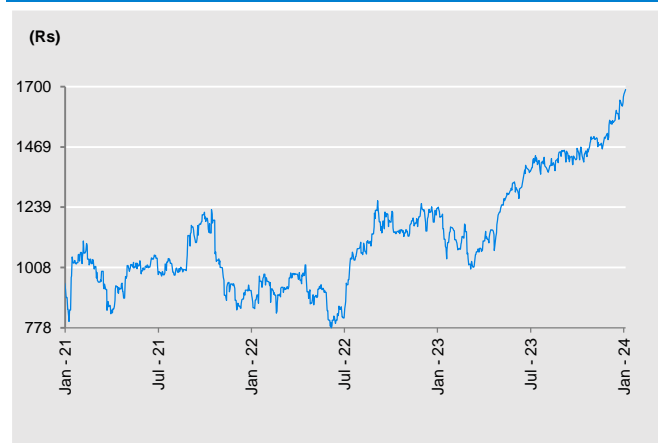
### Du-Pont

Y/e Mar	FY23	FY24E	FY25E	FY26E
NII	4.09	4.30	4.30	4.31
Total Income	5.99	6.21	6.20	6.25
Operating Expenses	2.65	2.97	2.96	2.95
PPoP	3.34	3.24	3.25	3.30
Total provisions	1.04	0.81	0.80	0.76
RoAA	1.72	1.82	1.84	1.90
RoAE	14.53	14.99	15.21	16.17

Source: Company Data, PL Research

## Price Chart

## Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jan-24	BUY	1,620	1,643
2	19-Oct-23	BUY	1,620	1,420
3	07-Oct-23	BUY	1,530	1,435
4	19-Jul-23	BUY	1,530	1,390
5	06-Jul-23	BUY	1,530	1,390
6	25-Apr-23	BUY	1,530	1,102
7	11-Apr-23	BUY	1,500	1,069

## Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Hold	1,560	1,566
2	Axis Bank	BUY	1,250	1,137
3	Bank of Baroda	BUY	240	235
4	Can Fin Homes	BUY	900	781
5	City Union Bank	Accumulate	160	153
6	DCB Bank	BUY	160	158
7	Federal Bank	BUY	180	150
8	HDFC Asset Management Company	BUY	3,900	3,501
9	HDFC Bank	BUY	2,000	1,679
10	ICICI Bank	BUY	1,280	994
11	IndusInd Bank	BUY	1,620	1,643
12	Kotak Mahindra Bank	BUY	2,250	1,848
13	LIC Housing Finance	Hold	460	575
14	State Bank of India	BUY	770	642
15	UTI Asset Management Company	BUY	900	875

## PL's Recommendation Nomenclature (Absolute Performance)

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

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