BUY (Maintained)

CMP: **INR 1,496** Target Price: **INR 2,000** ▲ 34%

ICICI Securities

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26 April 2024

India | Equity Research | Q4FY24 results review

IndusInd Bank

Banking

Improvement in slippages across sub-segments; PPOP growth soft, but RoA remains strong

Despite elevated opex, IndusInd Bank (IIB) reported Q4FY24 PAT of INR 23.5bn, up 15% YoY driven by 15% NII growth and ~13% YoY decline in provisioning. RoA remained strong at 1.9% for Q4FY24 as well as FY24. Gross slippages improved QoQ across sub-segments, though the bank has part consumed contingent provisions. We believe IIB is well placed on growth, NIM and asset quality troika. IIB has delivered amongst the highest CAGR (FY21-24) in retail deposits, which should sustain, fuelling superior ~18% CAGR in loans over FY24-26. NIM is likely to remain stable, resulting in sector-leading ~17% CAGR in NII and PPoP for FY24-26E. In our view, the bank has 5–15bps improvement scope in each of NIM, opex to assets and credit costs over FY24-26E. Yet, we conservatively factor in cumulative ~5bps RoA expansion to 1.9% (FY25-26E), as we believe IIB would be re-investing in the franchise and/or add contingent provision and/or elongate growth trajectory. Retain **BUY;** TP unchanged at INR 2,000.

Well placed on growth, NIM and AQ troika; maintain BUY

As mentioned in our recent report (link), we see IIB delivering sector-leading NII and PPOP growth over FY24-26E, driven by steady NIM and superior loan growth. Unlike moderating PAT growth over FY24-26E at systemic levels, IIB should deliver 18-20% CAGR. We estimate FY25-26E RoA at ~1.9%, which is significantly higher than the last ten years' average (~1.6%), while valuations at ~1.4x FY26E ABV are much attractive. CET 1 at 15.8% is more-than-adequate. Reiterate **BUY** with an unchanged TP of INR 2,000. Key risk: Less than three-year term renewal of incumbent MD & CEO.

Steady NIM and improvement in slippages; RoA stable at 1.9%

IIB reported Q4FY24 PAT of INR 23.5bn, up 15% YoY on the back of 15% NII growth and ~13% YoY decline in provisioning. Due to continued investment in franchise (branches/head-count/digital), PPOP growth for Q4FY24 (up 7% YoY) and FY24 (up 10% YoY) was slower than NII growth. The bank has fully recovered its funded exposure from stressed telco during the quarter. Credit costs have been in-line, though the bank has consumed INR 3bn of contingent provisions. Yield expansion has been healthy, broadly offsetting rise in cost of funds; thus, stable NIM. Deposits accretion QoQ was impacted by some one-offs, though regulatory retail deposits growth YoY remains strong. Importantly, the bank has formulated contingent provisions policy (at 2% of MFI and 0.5% of MHCV loans) to address earnings volatility ahead. The bank also has shared more details on diversifying within vehicle and MFI loans and thus, remains confident of sustaining >18% loan CAGR over FY24-26.

Financial Summary

Y/E March	FY23A	FY24A	FY25E	FY26E
NII (INR bn)	175.9	206.2	240.5	284.9
Op. profit (INR bn)	143.5	157.4	187.1	224.6
Net Profit (INR bn)	73.9	89.5	107.4	126.8
EPS (INR)	95.2	115.0	137.9	162.9
EPS % change YoY	59.9	20.7	20.0	18.1
ABV (INR)	683.6	785.4	899.8	1,037.0
P/BV (x)	2.1	1.9	1.6	1.4
P/ABV (x)	2.2	1.9	1.7	1.4
Return on Assets (%)	1.7	1.8	1.9	1.9
Return on Equity (%)	14.5	15.3	16.0	16.4

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Market Data

Market Cap (INR)	1,164bn
Market Cap (USD)	13,977mn
Bloomberg Code	IIB IN
Reuters Code	INBK.BO
52-week Range (INR)	1,695 /1,065
Free Float (%)	85.0
ADTV-3M (mn) (USD)	63.8

Price Performance (%)	3m	6m	12m
Absolute	(1.1)	5.9	33.4
Relative to Sensex	(6.2)	(10.2)	9.7

Earnings Revisions (%)	FY25E	FY26E
PAT	-	1

Previous Reports

22-03-2024: Company Update

19-01-2024: Q3FY24 results review

Loan growth strong at 18% YoY; guidance unchanged at 18-23%

Loan book rose to INR 3.4trn, up 18% YoY and 5% QoQ. Within this, retail growth was higher at 23% YoY driven by 32% rise in non-vehicle, non-MFI loans (off low base with several recently launched products gaining traction), 22% growth in MFI and 18% growth in vehicle.

Corporate growth, was bit slower at 13% YoY. Within which, small corporate grew 33% YoY, mid-corporate grew 8% YoY and large corporate grew by 13% YoY. Retail: wholesale mix stood at 56:44 vs. 54:46 YoY, in-line with bank's strategy of *retailisation*.

Importantly, the bank is diversifying within its vehicle finance portfolio, as reflected by the decline in MHCV share (down to 6% of total loan vs. 11% in Mar'18), ~3x rise in LCV disbursements over the past three years and rising share of PV in total vehicle finance book. Overall, IIB has adhered to its PC-6 loan growth guidance for FY24 and intends to grow at 18–23% YoY range for the next two years. We are conservatively modelling-in loan growth at 18% CAGR (unchanged) for FY24–26.

Deposits growth healthy though impacted by few one-offs

Deposits growth stood at 14% YoY driven by TD growth of 19% YoY while CASA growth was relatively slow at 8% YoY. CASA ratio fell to 37.9% vs. 40% YoY and 38.5% QoQ. On a QoQ-basis, the CA saw 6% drop, mainly due to large float moving away. During Q4FY24, retail deposits as per LCR (clubbed under SA) saw a one-time net outflow of INR 27.6bn, following regulatory actions on a fin-tech partner of the bank. Despite that, retail deposits (as per LCR) were up 18% YoY, but QoQ growth was contained at 2%. Excluding the impact of a one-time net outflow, retail deposits (as per LCR) growth would have been 20% YoY and 4% QoQ. The bank's LDR inched-up to 89.2% vs. 88.7% QoQ (flattish adjusted for one-time outflow). In order to replenish the gap of a one-time deposit outflow, the bank resorted to borrowings (up 18% QoQ). LCR declined QoQ to 118% vs 122% QoQ. IIB guides for 16–18% growth in deposits to fund the envisaged loan growth with additional support from stable refinancing.

NIM stable QoQ; PPOP growth bit soft due to elevated opex

Cost of deposits was well contained at 4bps QoQ to 6.48%. However, cost of funds increased 13bps QoQ to 5.59% as bank resorted to borrowings in order to replenish one-time outflow and maintain LCR. Loan yields improved 21bps QoQ to 12.66% driven by 38bps QoQ rise in consumer banking yields to 15.45%. As a result, NIM was broadly stable (down 3bps) QoQ at 4.26%.

The bank expects NIM to be stable with an upward bias as and when the interest rate cycle turns, driven by 50% fixed rate book. We are building in broadly stable margins for FY24-26E.

Overall NII growth was bit softer at 1.5% QoQ (~2% miss). Opex remained elevated though in-line. The bank continues to invest across distribution, digital, human capital and marketing initiatives. It added 256 branches during the quarter. It also added around 2,100 employees during the quarter (over 11,000 during FY24) across group distribution. Overall operating earnings were flattish QoQ (up 7% YoY).

Slippages improve QoQ across segments; utilised INR 3bn of contingency buffer

IIB delivered healthy outcomes on asset quality with QoQ reduction in overall (and sub-segments) gross slippage, full repayment of stressed telco exposure and contained credit costs, though it utilised part contingent provisions during the quarter.

Despite expectations of a likely increase in microfinance slippages due to environment, the bank saw a decline in slippages to INR 3.35bn, or 3.4% (annualised) vs. INR 3.63bn QoQ (4.1%). Slippages also improved QoQ for vehicle, other retail and corporate segment. Overall, slippages declined ~19% QoQ to INR 14.3bn or 1.7% (annualised) vs. INR 17.7bn or 2.2% QoQ. GNPA/NNPA (in absolute terms) was up 5% QoQ, while GNPA/NNPA ratio was flat QoQ at 1.92% and 0.57%, respectively. PCR was also flattish QoQ at 70.6%.

The bank has seen full repayment of its funded exposure (INR 9.9bn) from telco during the quarter. It has utilised INR 3bn of contingent provisions during the quarter and O/s contingent provisions now stand at INR 10bn which is roughly equivalent to ~2% of microfinance and 0.5% of MHCV portfolio. IIB is confident of maintaining this contingent buffer without tweaking its credit cost guidance of 110-130bps. We are building in broadly stable GNPA/NNPA with credit cost at ~1.2% for FY24-26E.

Exhibit 1: Q4FY24 result review

	Q4FY23	Q4FY24	YOY (%)	Q3FY24	QoQ (%)
Financial Highlights (INR mn)					
Interest Earned	1,00,207	1,21,985	21.7	1,15,723	5.4
Interest Expended	53,513	68,221	27.5	62,766	8.7
Net Interest Income	**46,695**	**53,765**	**15.1**	**52,956**	**1.5**
Other Income	21,505	25,005	16.3	23,959	4.4
Total Income	1,21,712	1,46,990	20.8	1,39,681	5.2
Total Net Income	**68,200**	**78,769**	**15.5**	**76,915**	**2.4**
Staff Expenses	8,363	10,491	25.5	10,267	2.2
Other opex	22,310	28,007	25.5	26,626	5.2
Operating Profit	**37,528**	**40,271**	**7.3**	**40,022**	**0.6**
Provision & Contingencies	10,301	8,991	(12.7)	9,342	(3.8)
Provision for tax	6,822	7,812	14.5	7,701	1.4
Reported Profit	**20,405**	**23,468**	**15.0**	**22,979**	**2.1**
Other Highlights (INR bn)					
Loans	2,899	3,433	18.4	3,271	5.0
Deposits	3,364	3,848	14.4	3,688	4.3
Gross NPA	58	67	14.9	64	5.0
Gross NPA (%)	1.98	1.92	-6 bps	1.92	0 bps
Net NPA	17	20	14.8	19	5.0
Net NPA (%)	0.59	0.57	-2 bps	0.57	0 bps
Provision Coverage (%)	70.6	70.6	2 bps	70.6	-1 bps

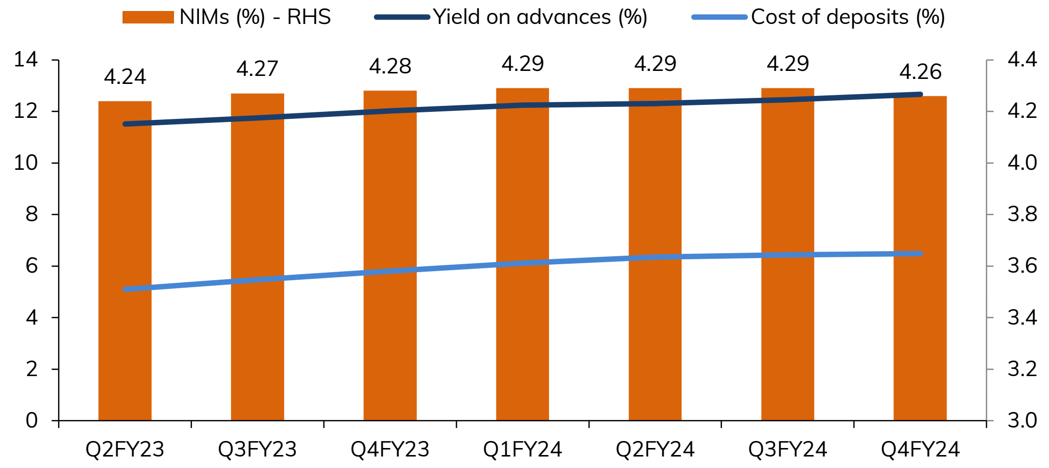
Source: Company data, I-Sec research

Exhibit 2: Deposits trend

Particulars (INR mn)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Deposits	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	36,87,930	38,47,929
YoY % change	*20.6*	*19.0*	*14.6*	*13.3*	*14.8*	*14.3*	*14.6*	*14.6*	*13.9*	*13.4*	*14.4*
QoQ % change	3.0	3.3	3.2	3.1	4.4	3.0	3.4	3.2	3.7	2.5	4.3
CASA Deposits	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	14,19,240	14,56,650
YoY % change	26.1	24.1	17.4	16.2	15.2	13.7	7.5	6.1	5.9	4.1	8.1
QoQ % change	3.1	3.5	4.5	4.1	2.3	2.1	-1.2	2.8	2.2	0.3	2.6
CASA Ratio (%)	42.1	42.1	42.7	43.1	42.3	41.9	40.0	39.9	39.3	38.5	37.9
Term Deposits	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	22,68,690	23,91,279
YoY % change	*16.9*	*15.5*	*12.7*	*11.2*	*14.4*	*14.8*	*19.8*	*21.1*	*19.7*	*20.1*	*18.6*
QoQ % change	2.9	3.2	2.3	2.3	5.9	3.6	6.8	3.4	4.7	3.9	5.4

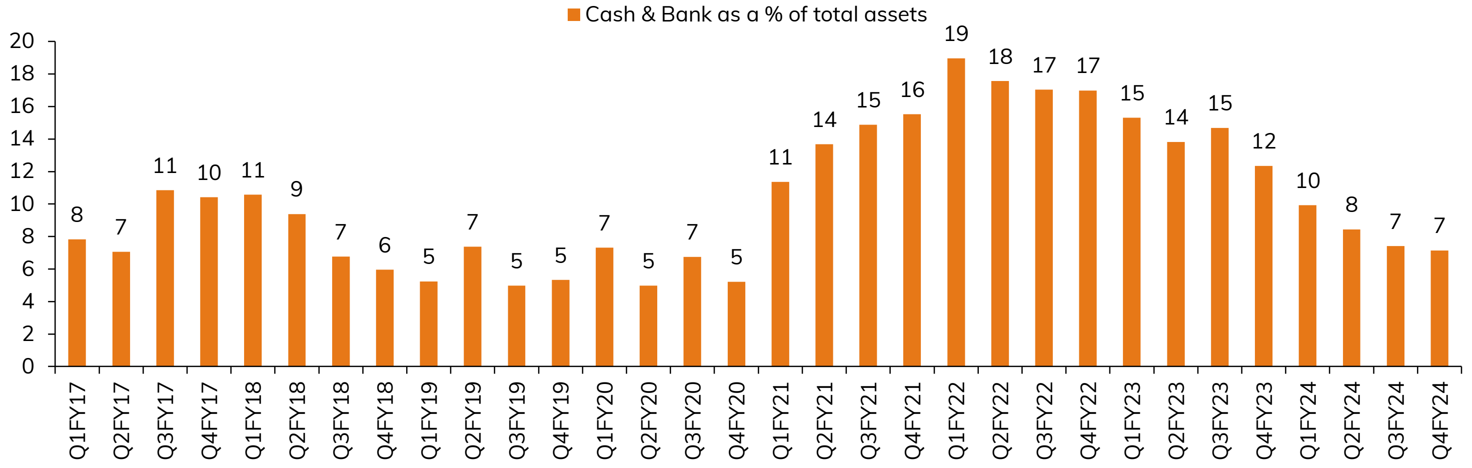
Source: Company data, I-Sec research

Exhibit 3: Rising cost of deposits broadly offset by rise in yield



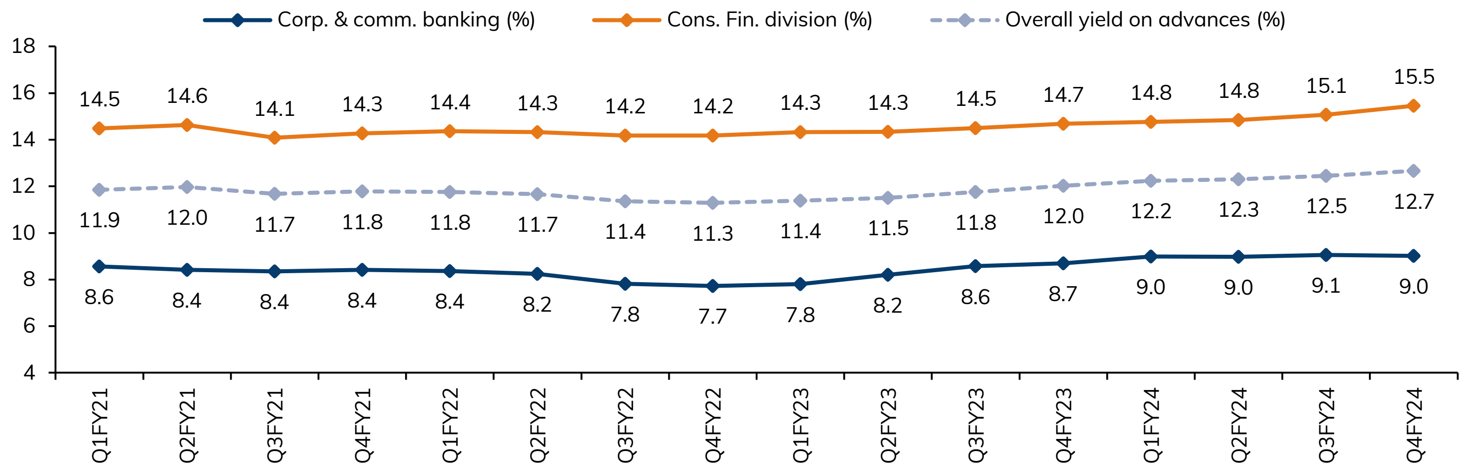
Source: Company data, I-Sec research

Exhibit 4: Liquidity drag continues to recede



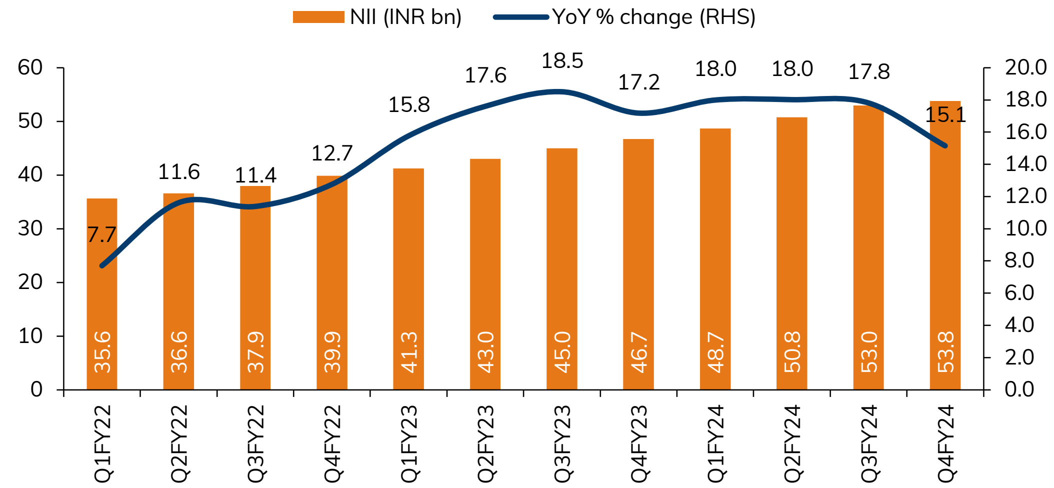
Source: Company data, I-Sec research

Exhibit 5: Huge differential in yields between wholesale/retail



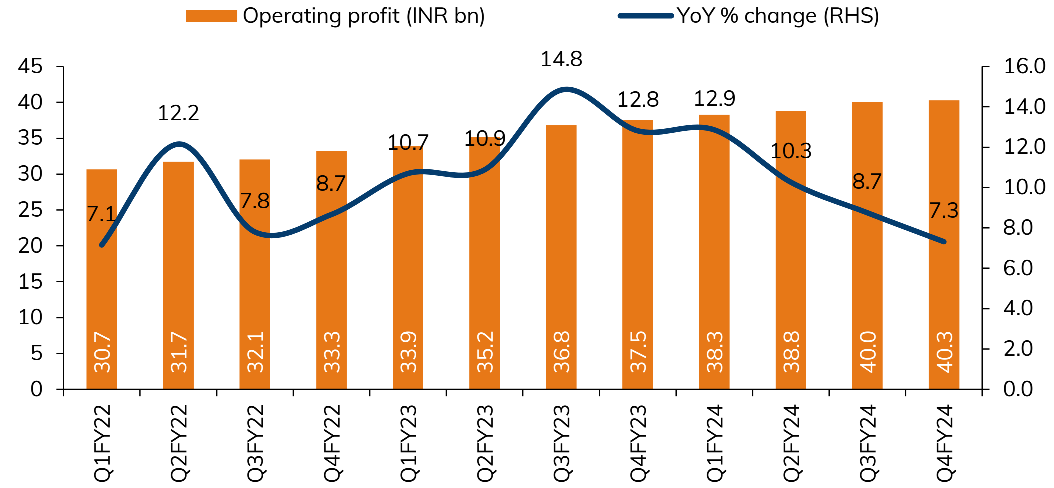
Source: Company data, I-Sec research

Exhibit 6: NII trajectory



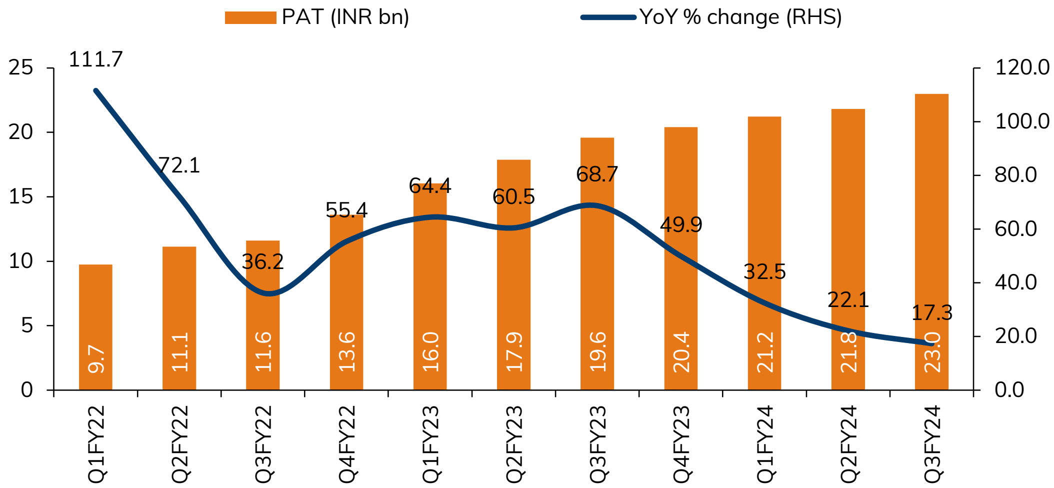
Source: Company data, I-Sec research

Exhibit 7: Operating profit trajectory



Source: Company data, I-Sec research

Exhibit 8: PAT growth trajectory



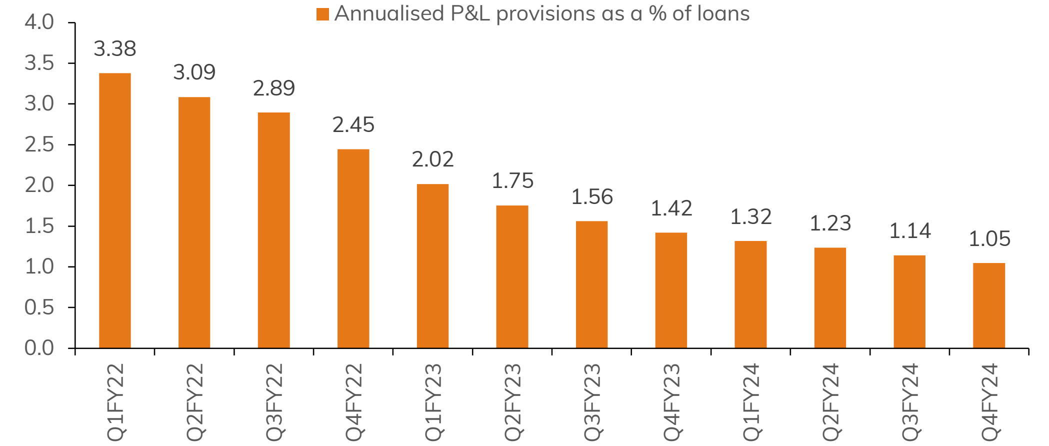
Source: Company data, I-Sec research

Exhibit 9: Headline GNPA as well as NNPA ratio flat QoQ

(%)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (bps)	QoQ (bps)
GNPA	2.77	2.48	2.27	2.35	2.11	2.06	1.98	1.94	1.93	1.92	1.92	(6)	-
NNPA	0.80	0.71	0.64	0.67	0.61	0.62	0.59	0.58	0.57	0.57	0.57	(2)	-
PCR	71.6	71.7	72.3	72.0	71.5	70.6	70.6	70.6	70.6	70.6	70.6	2	(1)

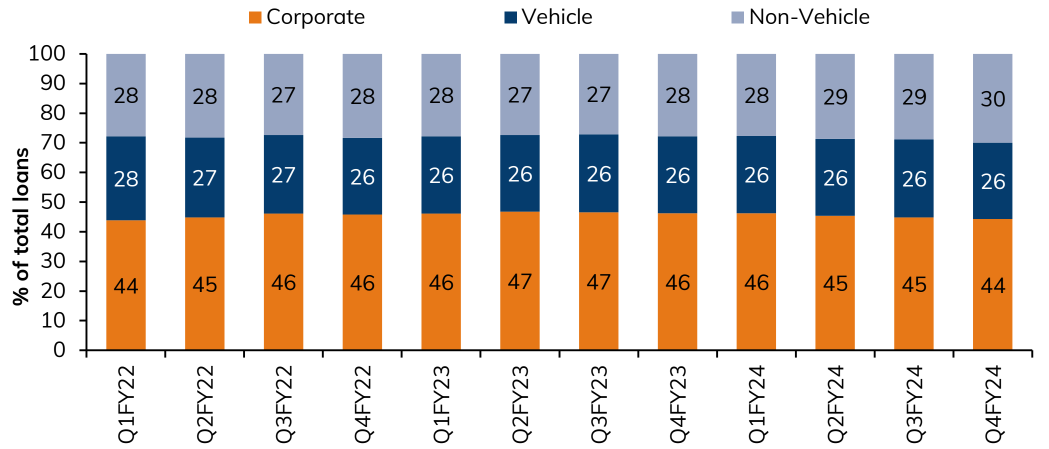
Source: Company data, I-Sec research

Exhibit 10: Credit cost has been easing and well-within guidance



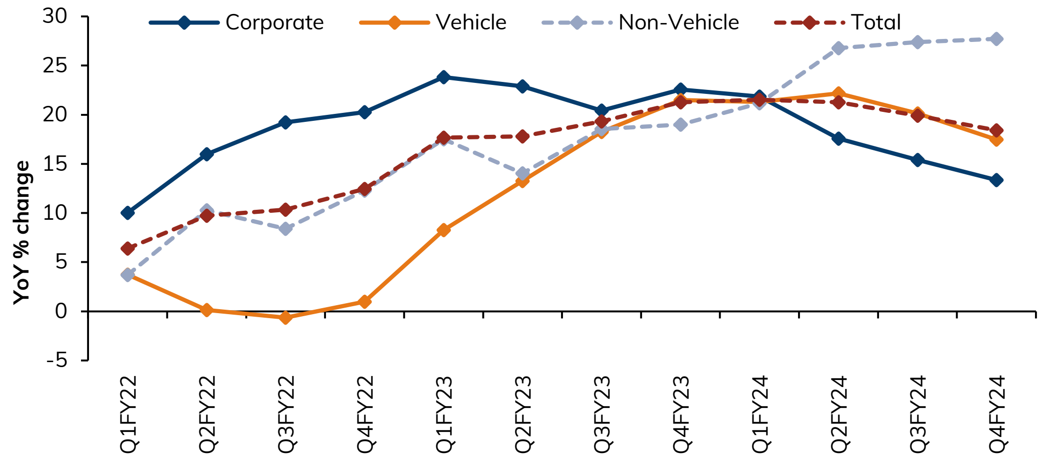
Source: Company data, I-Sec research

Exhibit 11: Loan mix changing in favour of retail



Source: Company data, I-Sec research

Exhibit 12: Strong loan growth in non-corporate



Source: Company data, I-Sec research

Q4FY24 earnings call: Key takeaways

Outlook

- **Believes that loan book will continue to grow in the range of 18-22% and liability growth would be 16-18%**
- **Aim to grow ahead of the industry**
- **Remain comfortable on margins with potential upside when interest cycle turns**
- **C/I should be range bound in near-term**
- **Asset quality is in steady state**
- **Overall profitability of franchise should be stable and should improve as levers related to margins and operating efficiency kick-in**

Asset quality

- GNPA and NNPA was steady QoQ
- **Improvement in asset quality metrics with decline in gross slippages, net slippages, restructured book and security receipts**
- **Net SR at 0.34% of loan book vs. 0.37% QoQ**
- **INR 910mn of SR provisions made during the quarter**
- SMA 1 + SMA 2 at 0.25%
- 113bps credit cost for FY24 in-line with bank's initial guidance
- Bank has utilised INR3bn of contingent provisions
- **Bank will continue to keep contingency buffers as under:**
    - **1.5% - 2.0% of microfinance book**
    - **0.5% of MHCV book**
- **Bank believes that it is carrying enough provisions to take care of any volatility in microfinance and MHCV book**

Margins

- **As far as there being large gap in savings and TD, there would be a rise in cost of deposits by 3-4bps every quarter**
- **Cost of deposits up 4bps QoQ due to mix change in favour of TD**
- **Getting deposits is the not the issue anymore, but it is about the cost of deposits**

Deposits and borrowings

- Retail TD up 4% QoQ and 20% YoY (excluding fintech partner deposit withdrawal of ~INR40bn)
- Bank has lowered its dependence on bulk deposits
- Borrowings are up QoQ, since bank has a withdrawal of deposits from a fintech partner; the bank resorted to short term borrowings for the same. **This was done because IIB wants to ensure that in any case, its LCR does not fall below 115%.**

Retail loan

- Loan mix moving in favour of retail loans
- Retail assets up 9% QoQ and 32% YoY
- **Cautiously moderated growth in unsecured segments**
- Credit card spends market share at 4.9% as per latest RBI data
- **Other non-vehicle loans of ~INR 250bn includes:**
    - Merchant acquiring loans at INR 55bn
    - Affordable housing at INR 19.88bn
    - KCC at INR 29.66bn
    - Home loans at INR 17.92bn
    - PL, LAS, gold loans at INR 51.23bn

Vehicle finance

- Gradually dependency on MHCV segment which now constitutes 6% of loan book vs. 11% in Mar'18
- Scaled-up passenger vehicle book
- Expect a very good monsoon and tractors will come back
- Bank has enough levers in vehicle finance book to ensure that overall loan book growth is in the range of 18-22%.
- During the quarter, it completed migration of around 5mn vehicle customers to Finacle from the legacy system. This caused couple of weeks of impact on business but it was a critical transition for the bank.

Microfinance

- Microfinance industry size at INR 3.9trn
- Continued progress on transitioning Bharat Financial business via Bharat Super Shop
- **Bharat Super Shop loan book at INR 55.65bn growing at 35% YoY**
- Closed to 18mn accounts via Bharat Financial with deposits of more than INR 29bn
- **Bank believes that microfinance book should not be more than 11-13% of the total book**
- **Microfinance lending rate continues to remain at 21%**

MSME loan book

- MSME book continues to see traction
- **New MSME acquisitions at all-time high for FY24**
- Majority of MSME new acquisitions are granular and less than INR 20mn ticket size

Corporate loan

- Book up 13% YoY. Within this, small corporate up 33% YoY
- Mid corporate up 19% YoY excluding gems and jewellery
- **Gems and jewellery continue to see weak demand due to slow global demand**
- Asset quality in gems and jewellery continue to be robust with nil SMA 1/SMA
- **Bank has got its recovery from large telecom exposure on 8th February**
- On corporate, bank does very specific segments in this and focuses on very specific deals
- **Bank will grow its large corporate book in-line with system growth and not very much above system growth**
- **Large corporate growth helps the bank to manage capital well**

Opex

- **Attrition levels have come down to 35-36% vs 51% YoY**
- **Cost to Income has been elevated since bank is making investments for future**
- Tech cost as a % of total opex at 9.5%
- **Reasons for rise in opex:**
  - Staff cost has risen and bank would like to acknowledge this fact
  - Bank has 30-35% attrition, which is also adding to rising opex
  - Branch expansion cost
  - Cost of technology has risen
  - Payments cost has increased at a very fast pace
  - If bank wants to be ahead, then it has to invest in technology
  - Digital initiatives cost is front ended

Digital

- Digital platform continues to see robust growth
- During the year, bank acquired 2mn clients digitally
- More than 9mn transactions are performed on INDIE platform monthly and transactions are doubling MoM

Q3FY24 earnings call: Key takeaways

Asset quality

- Slippages were higher QoQ on both corporate and retail. The bank acknowledged that it has missed the guidance on slippages. However, it is confident that slippages run-rate should improve to INR 12-13bn over the next couple of quarters.
- Slippages include one corporate account, INR 1.4bn, which is not a surprise to the bank (as it was in stress for some time). INR 670mn slippages have been recovered in the quarter itself.
- Retail slippages have been impacted by vehicle portfolio, which was a bit disappointing. Vehicle book slippages increased due to adverse weather (rainfall, floods) impacting collections. However, situation has since stabilised. Agri business slippages were higher by INR 250mn. Merchant acquisition slippages were higher by INR 350mn.
- **The bank had prepared a large chunk of contingency provision towards a specific account – likely to be paid in Feb'24.** If the account is repaid, bank will not reverse the account's related provision, but use it towards contingent provisions.
- **MFI business would continue to run at 250-300bps credit cost.**
- Gross SR: INR 23.78bn; Net SR: INR 12.11bn or 37bps.
- MFI 30-90dpd is 1.7%
- 95% of the NBFCs is rated A and above.
- SMA 1+2 stands small at 19bps.
- The election time need not lead to higher delinquencies. The bank anyway does not have any concentrated exposure in any of the geography.
- Retains guidance of 110-130bps credit costs for the year.

Vehicle finance

- The bank will look towards doing INR 140bn disbursements in Q4
- Overall, the bank is looking to grow vehicle finance book at 20%.
- Demand for MH CV business is not looking very strong at this point of time. With election approaching, MH CV and LCV demand is likely to remain slow. Tractor is also doing slow at this point of time.
- However, bank would look to fill the gaps via auto loans/used vehicles financing.

Profit and Loss

- *Benefits which the bank is deriving by sponsoring cricket matches is fare more than the cost incurred.*
- *Cost to income should be 45-46% in the near term. With time, it should improve to 41-43%, as operating leverages play-out despite the change in mix towards retail.*

CD ratio

- The bank has not heard anything from the regulator regarding CD ratio.
- 85-90% is the comfortable range for LDR. The bank is confident that it would not go beyond 90%.
- Retail deposits have grown at 20% since the beginning of the hardened rate cycle.
- Share of certificate of deposits has declined from 3% to 2.5%.

Margins

- Bank will not compromise on the granularisation journey on the liabilities side. Hence, it will always be 50-75bps higher than industry.
- NIM were flattish as hike in cost of deposits was offset by better loan yields. Loan yields was achieved by better loan mix in favour of retail.
- Margins will continue to be in the range of 420-430bps with the current deposit rates
- Rate cut is likely to happen latest in H2FY24 and not before that.

Advances

- Bank would not have retail share of more than 55-57% at any point of time.

Capital

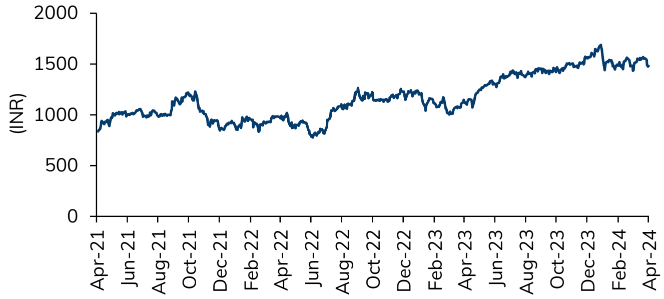
- Bank will look to raise capital before its CET-1 touches 14%.
- It is not in a hurry to raise capital as its internal accruals are enough to manage growth currently.
- It believes that it is still 6-8 quarters away from raising capital.

Exhibit 13: Shareholding pattern

	Sep'23	Dec'23	Mar'24
Promoters	16.5	16.5	16.4
Institutional investors	69.6	68.9	68.8
MFs and others	16.4	15.6	17.8
FIs/Bank	3.2	3.7	0.1
Insurance Cos.	8.5	7.1	7.1
FIIs	41.5	42.5	43.8
Others	13.9	14.6	14.8

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	FY24A	FY25E	FY26E
Interest income	363,679	457,482	542,126	636,549
Interest expense	187,758	251,323	301,672	351,660
Net interest income	**175,921**	**206,159**	**240,454**	**284,889**
Non-interest income	81,664	93,879	112,294	130,651
Operating income	**257,585**	**300,038**	**352,747**	**415,540**
Operating expense	114,120	142,635	165,669	190,956
Staff expense	30,305	38,953	43,944	48,959
Operating profit	**143,465**	**157,403**	**187,079**	**224,584**
Core operating profit	**142,811**	**154,903**	**181,079**	**217,584**
Provisions & Contingencies	44,868	37,987	43,605	55,126
Pre-tax profit	**98,596**	**119,415**	**143,474**	**169,458**
Tax (current + deferred)	24,699	29,918	36,112	42,653
Net Profit	**73,897**	**89,498**	**107,362**	**126,806**
Adjusted net profit	**73,897**	**89,498**	**107,362**	**126,806**

Source Company data, I-Sec research

Exhibit 16: Balance sheet

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Cash and balance with RBI/Banks	565,111	368,016	443,594	520,486
Investments	831,162	1,065,267	1,216,882	1,384,105
Advances	2,899,237	3,432,983	4,048,396	4,773,919
Fixed assets	19,926	21,978	25,111	28,324
Other assets	262,604	261,108	323,356	400,623
Total assets	**4,578,041**	**5,149,352**	**6,057,339**	**7,107,457**
Deposits	3,364,381	3,847,929	4,574,286	5,403,905
Borrowings	490,112	476,114	524,500	578,692
Other liabilities and provisions	177,330	197,337	239,325	297,847
Share capital	7,759	7,783	7,783	7,783
Reserve & surplus	538,458	620,188	711,445	819,230
Total equity & liabilities	**4,578,041**	**5,149,352**	**6,057,339**	**7,107,457**
% Growth	13.9	12.5	17.6	17.3

Source Company data, I-Sec research

Exhibit 17: Growth ratios

(%, year ending March)

	FY23A	FY24A	FY25E	FY26E
Net Interest Income	17.3	17.2	16.6	18.5
Operating profit	11.7	9.7	18.9	20.0
Core operating profit	16.6	8.5	16.9	20.2
Profit after tax	60.3	21.1	20.0	18.1
EPS	59.9	20.7	20.0	18.1
Advances	21.3	18.4	17.9	17.9
Deposits	14.6	14.4	18.9	18.1
Book value per share	14.4	14.9	14.6	15.0
Adj Book value per share	14.5	14.9	14.6	15.2

Source Company data, I-Sec research

Exhibit 18: Key ratios

(Year ending March)

	FY23A	FY24A	FY25E	FY26E
No. of shares and per share data				
Adjusted EPS	95.2	115.0	137.9	162.9
Book Value per share	700	804	922	1,060
Adjusted BVPS	684	785	900	1,037
Valuation ratio				
PER (x)	15.7	13.0	10.8	9.2
Price/ Book (x)	2.1	1.9	1.6	1.4
Price/ Adjusted book (x)	2.2	1.9	1.7	1.4
Dividend Yield (%)	0.9	1.1	1.4	1.6
Profitability ratios (%)				
Yield on advances	11.3	12.0	12.1	12.1
Yields on Assets	8.5	9.4	9.7	9.7
Cost of deposits	5.0	6.1	6.4	6.3
Cost of funds	4.4	5.2	5.4	5.3
NIMs	4.4	4.5	4.6	4.6
Cost/Income	44.3	47.5	47.0	46.0
Dupont Analysis (as % of Avg Assets)				
Interest Income	8.5	9.4	9.7	9.7
Interest expended	4.4	5.2	5.4	5.3
Net Interest Income	**4.1**	**4.2**	**4.3**	**4.3**
Non-interest income	1.9	1.9	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**	**6.2**	**6.3**	**6.3**
Total Cost	**2.7**	**2.9**	**3.0**	**2.9**
Staff costs	0.7	0.8	0.8	0.7
Non-staff costs	1.9	2.1	2.2	2.2
Operating Profit	**3.3**	**3.2**	**3.3**	**3.4**
Core Operating Profit	3.3	3.2	3.2	3.3
Non-tax Provisions	1.0	0.8	0.8	0.8
PBT	**2.3**	**2.5**	**2.6**	**2.6**
Tax Provisions	0.6	0.6	0.6	0.6
Return on Assets (%)	**1.7**	**1.8**	**1.9**	**1.9**
Leverage (x)	8.5	8.3	8.3	8.5
Return on Equity (%)	**14.5**	**15.3**	**16.0**	**16.4**
Asset quality ratios (%)				
Gross NPA	2.0	1.9	2.0	2.0
Net NPA	0.6	0.6	0.6	0.5
PCR	70.6	70.6	72.0	75.0
Gross Slippages	2.9	2.1	2.1	2.0
LLP / Avg loans	1.5	1.0	1.1	1.1
Total provisions / Avg loans	1.7	1.2	1.2	1.2
Net NPA / Networth	3.1	3.1	3.2	2.9
Capitalisation ratios (%)				
Core Equity Tier 1	15.9	15.8	15.4	14.9
Tier 1 cap. adequacy	16.4	15.8	15.4	14.9
Total cap. adequacy	17.9	17.2	16.6	15.9

Source Company data, I-Sec research

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