

Estimate change



TP change



Rating change



Bloomberg	INBK IN
Equity Shares (m)	1245
M.Cap.(INRb)/(USD\$b)	392.9 / 4.8
52-Week Range (INR)	335 / 137
1, 6, 12 Rel. Per (%)	6/21/95
12M Avg Val (INR M)	489

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	202.3	228.2	247.5
OP	152.7	175.1	191.3
NP	52.8	72.8	88.7
NIM (%)	3.0	3.2	3.2
EPS (INR)	42.4	58.4	71.2
EPS Gr. (%)	27.7	37.8	21.8
BV/Sh. (INR)	358	408	469
ABV/Sh. (INR)	333	387	451

Ratios

RoE (%)	13.3	16.2	17.1
RoA (%)	0.8	1.0	1.1

Valuations

P/E(X)	7.4	5.4	4.4
P/BV (X)	0.9	0.8	0.7
P/ABV (X)	0.9	0.8	0.7

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	79.9	79.9	79.9
DII	11.6	11.9	11.1
FII	4.2	3.6	1.7
Others	4.4	4.6	7.3

FII Includes depository receipts

CMP: INR315

TP: INR360 (+15%)

Buy

PPoP in line; prudent provisioning adversely impacts earnings

Margins moderate 15bp QoQ; asset quality outlook steady

- Indian Bank (INBK) reported a PAT of INR14.5b (up 47% YoY; 11% miss), supported by 29% YoY growth in NII, while provisions came in higher as the bank created additional standard asset provisioning to strengthen its balance sheet. Margins moderated 15bp QoQ to 3.6%. Loan growth came in healthy at ~15% YoY, while deposit growth stood modest at 4%.
- GNPA/NNPA ratio improved 58bp/10bp QoQ to 5.95%/0.9%. This was primarily driven by the increase in recoveries and upgrades, despite elevated slippages of ~INR25b (2.6% annualized), which were influenced by a surge in MSME slippages. However, SMA book stands controlled at 0.54% of loans.
- We estimate FY25 RoA/RoE at 1.1%/17.1% and reiterate our Buy rating on the stock.

Healthy traction in CASA deposits; SMA book moderates to 0.54% of loans

- Indian Bank (INBK) reported a PAT of INR14.5b (up 47% YoY; 11% miss), supported by healthy NII growth even as provisions stood higher at INR26b. NII was flat QoQ (up 29% YoY) to INR55.1b (3% miss), due to 15bp QoQ moderation in margins to 3.59%. For FY23, NII/ PPoP/PAT rose 21%/20%/34% YoY to INR202.3b/INR152.7b/INR52.8b.
- Fee income grew 12% YoY to INR9.0b, while total 'other income' grew 27% YoY to INR20b. This was aided by higher recovery of bad debts of INR8.1b in 4QFY23 v/s INR4.3b in 3QFY23. Treasury income stood modest at INR820m.
- Opex grew 13% YoY (up 11% QoQ), fueled by 11% QoQ increase in employee expenses as the bank provided INR1b toward wage revision. Consequently, PPoP rose 47% YoY (flat QoQ) to INR40.2b (in line). Thus, the C/I ratio increased to 46.5% in 4QFY23 from 43.7% in 3QFY23.
- On the business front, gross advances grew 14% YoY (up 4.9% QoQ) to ~INR4.7t, led by healthy growth in Retail (up 4.4% QoQ), Corporate portfolio (up 6.1% YoY), and International Advances (up 7.9% QoQ). Deposits increased ~4% YoY and QoQ each, while CASA deposits grew 8% QoQ. Thus, the CASA mix improved 159bp QoQ to ~42%.
- Asset quality improved QoQ, led by healthy recoveries/upgrades (INR39b) despite slippages increasing 95% QoQ to INR25.7b (~2.6% annualized). GNPA/NNPA ratio thus improved 58bp/10bp QoQ to 6.0%/0.9%. PCR stood steady at ~85.7%.
- SMA 1/2 book (>INR50m) stood at 0.54% v/s 0.77% in 3QFY23. The total restructured portfolio though stands elevated at 2.5% of loans (v/s ~3.4% in 3QFY23). The bank's collection efficiency in the restructuring book is 92%, while the bank's overall efficiency stands at 95%.

Highlights from the management commentary

- NIM for FY23 stood at 3.41% and the bank expects margins to remain around the similar levels.
- Credit growth guidance stands at 10-12% for FY24 and deposit growth at 8-10%.
- The bank expects a higher provision requirement for the restructured book and the SMA book under the ECL provisioning requirement.
- LCR is stable at 158% as on 4QFY23. Further, the bank has excess SLR of INR350b as on 4QFY23.

Valuation and view

INBK reported a modest quarter with a slight miss in NII/PPOP, while higher provisioning impacted earnings. Margins too moderated 15bp QoQ, though the bank expects FY24 margin to be similar to that of FY23. Loan growth was steady, led by the Retail, Agri, and Corporate segments and the management expects the positive momentum to continue. Deposit growth was modest though CASA witnessed a healthy improvement. Asset quality improved, supported by higher reductions despite higher slippages. While the SMA / Restructured book saw moderation, it remains elevated, and thus, we keep a watch on the asset quality.

We estimate FY25E RoA/RoE at 1.1%/17.1% and reiterate our Buy rating on the stock with a revised TP of INR360 (0.9x Sep'24E ABV).

Quarterly performance

(INR b)

Y/E March	FY22				FY23				FY22	FY23	FY23E 4QE	v/s our Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Interest Income	39.9	40.8	44.0	42.6	45.3	46.8	55.0	55.1	167.3	202.3	57.0	-3%
% Change (YoY)	3.1	-1.5	1.9	27.6	13.5	14.7	25.1	29.5	6.8	20.9	33.9	
Other Income	18.2	19.7	15.6	15.7	16.0	18.3	17.2	19.9	69.2	71.4	18.4	9%
Total Income	58.1	60.5	59.5	58.3	61.4	65.1	72.2	75.0	236.4	273.7	75.3	0%
Operating Expenses	24.0	27.7	26.6	30.9	25.7	28.8	31.5	34.9	109.3	121.0	34.3	2%
Operating Profit	34.2	32.8	32.9	27.4	35.6	36.3	40.6	40.2	127.2	152.7	41.0	-2%
% Change (YoY)	24.1	11.3	15.5	14.8	4.3	10.8	23.5	46.7	16.0	20.1	49.7	
Provisions	25.6	25.5	24.9	19.1	22.2	20.6	25.2	25.6	95.1	93.6	20.6	24%
Profit before Tax	8.6	7.3	7.9	8.2	13.5	15.7	15.5	14.5	32.0	59.1	20.4	-29%
Tax	-3.2	-3.6	1.1	-1.6	1.3	3.5	1.5	0.1	-7.4	6.3	4.1	
Net Profit	11.8	10.9	6.9	9.8	12.1	12.3	14.0	14.5	39.4	52.8	16.3	-11%
% Change (YoY)	220.0	164.2	34.1	-42.4	2.7	12.5	102.4	47.0	31.3	33.9	65.1	
Operating Parameters												
Deposits (INR b)	5,401	5,515	5,626	5,936	5,843	5,889	5,971	6,212	5,936	6,212	6,174	1%
Loans (INR b)	3,644	3,584	3,731	3,892	4,018	4,121	4,361	4,493	3,892	4,493	4,448	1%
Deposit Growth (%)	10.4	9.9	7.9	10.3	8.2	6.8	6.1	4.6	10.3	4.6	4.0	
Loan Growth (%)	7.3	5.5	2.8	7.3	10.3	15.0	16.9	15.4	7.3	15.4	14.3	
Asset Quality												
Gross NPA (%)	9.7	9.6	9.1	8.5	8.1	7.3	6.5	6.0	8.5	6.0		
Net NPA (%)	3.5	3.3	2.7	2.3	2.1	1.5	1.0	0.9	2.3	0.9		
PCR (%)	66.5	68.1	72.2	74.9	75.5	80.7	85.5	85.7	74.9	85.7		

E:MOFSL Estimates

Quarterly snapshot

	FY21				FY22				FY23				Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
Profit and Loss (INRm)														
Net Interest Income	38.7	41.4	43.1	33.3	39.9	40.8	44.0	42.6	45.3	46.8	55.0	55.1	29	0
Other Income	13.3	15.6	11.4	15.8	18.2	19.7	15.6	15.7	16.0	18.3	17.2	19.9	27	16
Trading profits	6.3	5.8	1.5	2.9	5.6	4.0	2.5	0.8	-1.3	1.4	2.0	0.8	-2	-59
Forex Income	0.5	0.8	1.1	1.7	1.5	1.2	1.5	2.7	3.6	3.1	2.9	0.5	-83	-84
Recoveries	2.0	2.3	2.8	4.7	6.4	8.5	5.0	4.0	7.5	6.5	5.2	9.5	137	84
Core Fees	4.5	6.7	6.0	6.6	4.7	6.1	6.7	8.1	6.3	7.2	7.0	9.1	12	30
Total Income	52.0	57.0	54.6	49.2	58.1	60.5	59.5	58.3	61.4	65.1	72.2	75.0	29	4
Operating Expenses	24.5	27.6	26.1	25.3	24.0	27.7	26.6	30.9	25.7	28.8	31.5	34.9	13	11
Employee	16.5	17.5	15.7	14.0	14.7	17.1	15.7	19.5	15.4	17.8	19.9	22.2	14	11
Others	7.9	10.1	10.4	11.3	9.3	10.6	11.0	11.4	10.3	11.1	11.6	12.7	11	9
Operating Profits	27.5	29.4	28.5	23.9	34.2	32.8	32.9	27.4	35.6	36.3	40.6	40.2	47	-1
Core Operating Profits	21.2	23.6	26.9	20.9	28.6	28.8	30.4	26.5	37.0	34.9	38.6	39.3	48	2
Provisions	21.4	22.3	20.6	15.9	25.6	25.5	24.9	19.1	22.2	20.6	25.2	25.6	34	2
NPA provisions	18.3	18.8	7.4	28.7	17.5	22.2	24.4	20.5	20.0	20.0	14.7	10.4	-49	-29
PBT	6.1	7.1	7.8	8.0	8.6	7.3	7.9	8.2	13.5	15.7	15.5	14.5	76	-6
Taxes	2.4	3.0	2.7	-9.1	-3.2	-3.6	1.1	-1.6	1.3	3.5	1.5	0.1	-103	-96
PAT	3.7	4.1	5.1	17.1	11.8	10.9	6.9	9.8	12.1	12.3	14.0	14.5	47	4
Balance Sheet (INRb)														
Deposits	4,891.1	5,019.6	5,212.5	5,380.7	5,400.8	5,514.7	5,625.8	5,936.2	5,842.5	5,888.6	5,971.1	6,211.7	5	4
Loans	3,394.8	3,396.6	3,628.2	3,626.7	3,643.7	3,583.7	3,730.6	3,891.9	4,018.1	4,120.7	4,360.7	4,493.0	15	3
Asset Quality (INRb)														
GNPA	399.7	362.0	352.4	384.6	377.6	368.9	365.4	352.1	345.7	319.6	294.8	281.8	-20	-4
NNPA	127.5	100.5	85.4	122.7	126.5	117.5	101.5	88.5	84.7	61.7	42.7	40.4	-54	-5
Slippages	6.1	3.2	2.0	83.1	44.1	39.5	28.1	33.7	30.9	24.6	13.1	25.7	-24	95
Ratios (%)														
Asset Quality Ratios														
GNPA	10.9	9.9	9.0	9.9	9.7	9.6	9.1	8.5	8.1	7.3	6.5	6.0	-252	-58
NNPA	3.8	3.0	2.4	3.4	3.5	3.3	2.7	2.3	2.1	1.5	1.0	0.9	-137	-10
PCR (Cal.)	68.1	72.2	75.8	68.1	66.5	68.1	72.2	74.9	75.5	80.7	85.5	85.7	1,078	14
PCR (Inc. TWO)	80.5	84.4	86.5	82.1	82.0	83.3	85.5	87.4	88.1	91.1	93.6	93.8	644	23
Credit Cost	2.8	2.9	1.1	4.1	2.0	2.5	2.7	2.2	2.1	2.1	1.5	1.0	-118	-47
Business Ratios (%)														
Fees to Total Income	13.4	17.2	18.1	26.2	21.7	26.0	22.0	25.5	28.3	25.9	21.0	25.5	-6	448
Cost to Core Income	53.6	53.9	49.2	54.7	45.6	49.1	46.7	53.8	41.1	45.3	45.0	47.0	-681	202
Tax Rate	39.9	42.0	34.5	-114.7	-37.8	-49.5	13.2	-19.5	9.8	22.0	9.7	0.4	1,986	-934
CASA	41.5	41.9	40.9	42.3	40.9	40.9	41.7	41.8	40.7	40.9	40.4	42.0	22	159
Loan/Deposit	69.4	67.7	69.6	67.4	67.5	65.0	66.3	65.6	68.8	70.0	73.0	72.3	677	-70
Profitability Ratios (%)														
Yield on loans	7.6	7.8	7.6	6.3	7.1	7.0	7.2	7.0	7.2	7.5	8.2	8.2	117	-2
Yield On Investments	6.7	6.6	6.5	6.4	6.2	6.1	6.2	6.4	6.3	6.9	6.5	6.6	19	10
Cost of Deposits	4.8	4.6	4.3	4.1	4.1	3.9	3.9	3.9	3.9	4.0	4.2	4.3	45	14
Margins	2.8	3.1	3.1	2.3	2.9	2.9	3.0	2.9	3.1	3.2	3.7	3.6	72	-15
ROA	0.3	0.3	0.4	1.1	0.8	0.7	0.4	0.6	0.7	0.7	0.8	0.8	20	2



Highlights from the management commentary

P&L and balance sheet related

- The bank is focusing on growing mid corporate segment as it has better margins.
- NIM for FY23 stood at 3.41% and the bank expects margins to hover around similar levels.
- While credit growth guidance stands at 10-12% and deposit growth stands at 8-10% for FY24.
- LCR is stable at 158% as on 4QFY23. Further, the bank has excess SLR of INR350b as on 4QFY23.
- UPI transactions from mobile banking have increased 109% to INR2b in FY23.
- The bank has increased churning in its investment book, and hence, the yield from the ATS investment has been higher
- **Loan Mix:** MCLR (59%), Repo linked (34%), and Fixed rate book (6-7%). Around 40% of the total book is tied to the one-year MCLR and 14% is linked to six-months MCLR, which is expected to boost yields.
- INR16b has been spent on technological developments in FY23 and INR5b is expected to be spent in FY24.
- The bank has created higher standard provision this quarter, and hence, the DTA increased in 4QFY23.
- Higher employee cost of INR1b is due to wage revision provision.
- The bank saw an interest reversal of INR2.36b in 4Q v/s INR1.3b in 3Q.

Asset quality

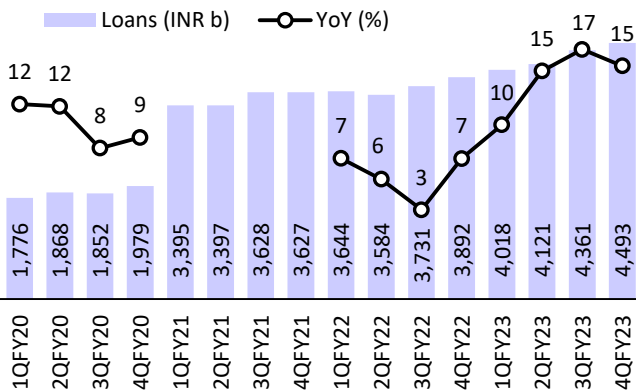
- The bank has guided for GNPA of less than 5% by FY24.
- In the subsequent quarters, the NPA provision will reduce substantially, since the NNPA has reduced below 1%.
- SMA 1 and 2 book stands at INR24b, i.e., 0.54% of loans.
- Slippages from the MSME book came in at INR13b, of which, INR7b has slipped from the restructuring book.
- Total slippage from the ECLGS book has been at INR5.3b.
- The bank expects a higher provision requirement for the restructured book and the SMA book under the ECL provisioning requirement.
- Accounts amounting to INR62b have been identified by NARCL and half of the accounts have been transferred. The bank has made a 100% provision for these accounts and will only recognize income when it receives cash payments against it.
- Covid Restructuring book stands at INR110b as on 4QFY23. Restructuring book has seen an NPA of 7-8%.

Exhibit 1: DuPont Analysis: We expect return ratios to improve gradually

	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	7.27	7.20	7.26	6.57	6.00	6.50	7.25	7.30
Interest Expense	4.61	4.57	4.68	3.94	3.42	3.58	4.17	4.24
Net Interest Income	2.66	2.63	2.58	2.63	2.58	2.93	3.08	3.06
Fee income	0.74	0.64	0.83	0.66	0.87	0.94	0.98	0.98
Trading and others	0.28	0.07	0.30	0.28	0.20	0.09	0.10	0.11
Other Income	1.02	0.71	1.12	0.95	1.07	1.03	1.08	1.09
Total Income	3.68	3.34	3.70	3.58	3.65	3.96	4.16	4.15
Operating Expenses	1.56	1.51	1.50	1.74	1.69	1.75	1.79	1.79
Employees	0.89	0.83	0.84	1.07	1.03	1.09	1.13	1.12
Others	0.67	0.67	0.66	0.67	0.65	0.66	0.67	0.67
Operating Profits	2.12	1.83	2.20	1.84	1.96	2.21	2.36	2.37
Provisions	1.67	1.73	1.74	1.35	1.47	1.35	1.05	0.90
NPA	1.47	1.36	1.47	1.23	1.30	1.35	1.02	0.87
Others	0.19	0.37	0.27	0.12	0.16	0.00	0.03	0.03
PBT	0.46	0.11	0.47	0.49	0.49	0.86	1.31	1.47
Tax	-0.08	-0.01	0.21	-0.02	-0.11	0.09	0.33	0.37
RoA	0.53	0.12	0.26	0.50	0.61	0.76	0.98	1.10
Leverage (x)	15.5	16.6	16.7	19.4	18.5	17.4	16.5	15.6
RoE	8.3	2.0	4.3	9.8	11.2	13.3	16.2	17.1

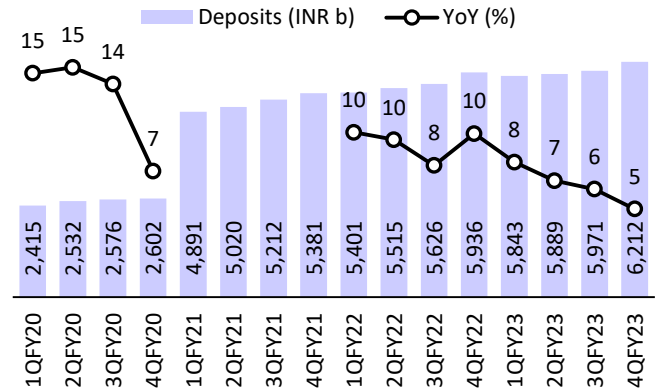
Story in charts

Exhibit 2: Loan book up ~15% YoY (up 3% QoQ)



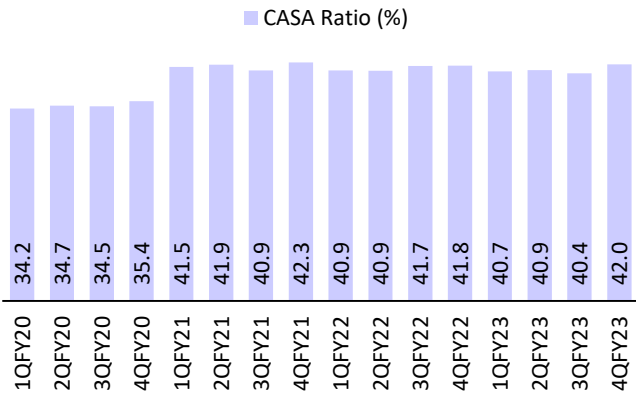
Source: MOFSL, Company

Exhibit 3: Deposit growth at ~5% YoY (up 4% QoQ)



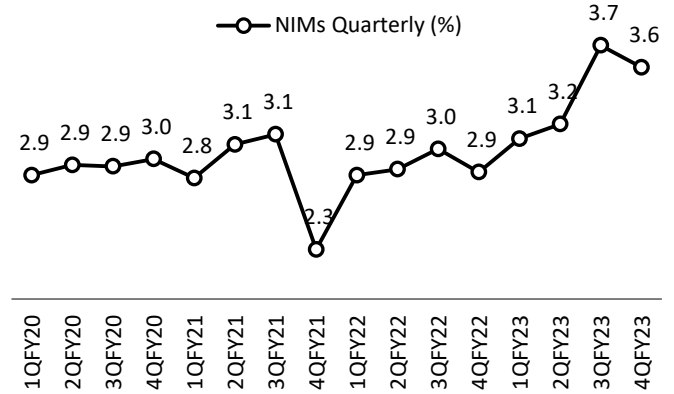
Source: MOFSL, Company

Exhibit 4: CASA ratio moderated 159bp QoQ to 42%



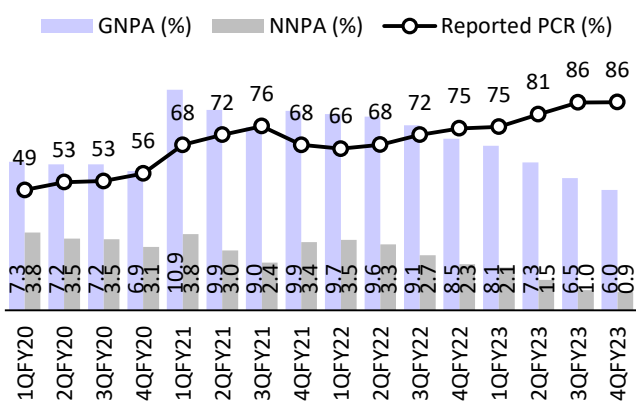
Source: MOFSL, Company

Exhibit 5: NIMs declined 15bp QoQ to 3.6%



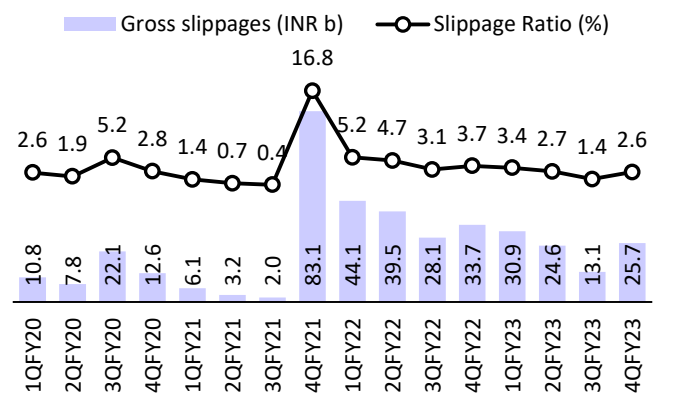
Source: MOFSL, Company

Exhibit 6: GNPA/NNPA ratio improves 58bp/10bp QoQ



Source: MOFSL, Company

Exhibit 7: Slippages rose 95% QoQ to INR25.6b



Source: MOFSL, Company

Financials and valuations

Income Statement

	(INRb)							
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	171.1	191.8	214.0	391.1	388.6	449.4	537.4	590.1
Interest Expense	108.5	121.7	138.0	234.4	221.3	247.2	309.2	342.6
Net Interest Income	62.6	70.2	76.1	156.7	167.3	202.3	228.2	247.5
Growth (%)	21.7	12.0	8.4	106.0	6.8	20.9	12.8	8.5
Non-Interest Income	24.1	18.8	33.1	56.5	69.2	71.4	80.0	88.0
Total Income	86.7	89.0	109.2	213.2	236.4	273.7	308.2	335.5
Growth (%)	17.8	2.7	22.7	95.2	10.9	15.8	12.6	8.9
Operating Expenses	36.7	40.2	44.2	103.5	109.3	121.0	133.0	144.2
Pre Provision Profits	50.0	48.8	65.0	109.7	127.2	152.7	175.1	191.3
Growth (%)	25.0	-2.4	33.1	68.8	16.0	20.1	14.7	9.2
Core PPOP	43.4	47.1	56.2	92.7	114.3	146.3	167.4	182.0
Growth (%)	38.7	8.4	19.4	65.0	23.3	27.9	14.5	8.7
Provisions (excl. tax)	39.2	46.0	51.3	80.6	95.1	93.6	77.8	72.7
PBT	10.8	2.8	13.7	29.1	32.0	59.1	97.3	118.6
Tax	-1.8	-0.4	6.2	-1.0	-7.4	6.3	24.5	29.9
Tax Rate (%)	-17.0	-13.3	45.1	-3.4	-23.1	10.7	25.2	25.2
PAT	12.6	3.2	7.5	30.0	39.4	52.8	72.8	88.7
Growth (%)	-10.4	-74.4	134.0	298.8	31.3	33.9	37.8	21.8

Balance Sheet

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	4.8	4.8	6.1	11.3	12.5	12.5	12.5	12.5
Reserves & Surplus	179.7	189.1	214.8	372.8	424.6	467.3	530.1	606.3
Net Worth	184.5	193.9	220.9	384.1	437.1	479.7	542.6	618.8
Deposits	2,082.9	2,420.8	2,602.3	5,380.7	5,936.2	6,211.7	6,721.0	7,312.5
Growth (%)	14.1	16.2	7.5	106.8	10.3	4.6	8.2	8.8
of which CASA Deposits	769.7	840.2	901.6	2,275.9	2,479.3	2,528.1	2,722.0	2,946.9
Growth (%)	13.7	9.2	7.3	152.4	8.9	2.0	7.7	8.3
Borrowings	197.6	121.4	208.3	247.3	171.4	220.7	244.1	272.8
Other Liabilities & Prov.	62.1	64.6	63.2	222.1	172.0	192.9	212.2	233.4
Total Liabilities	2,527.2	2,800.7	3,094.7	6,234.3	6,716.7	7,105.0	7,719.8	8,437.5
Current Assets	129.3	200.2	139.2	514.6	799.2	501.3	522.4	546.1
Investments	714.0	649.9	812.4	1,765.4	1,745.6	1,859.9	1,971.5	2,097.6
Growth (%)	5.7	-9.0	25.0	117.3	-1.1	6.5	6.0	6.4
Loans	1,565.7	1,812.6	1,978.9	3,626.7	3,891.9	4,493.0	4,987.2	5,535.8
Growth (%)	22.6	15.8	9.2	83.3	7.3	15.4	11.0	11.0
Fixed Assets	34.2	39.6	39.0	73.8	76.8	74.6	80.6	87.0
Other Assets	84.0	98.3	125.2	253.8	203.2	176.2	158.2	170.9
Total Assets	2,527.2	2,800.7	3,094.7	6,234.3	6,716.7	7,105.0	7,719.8	8,437.5

Asset Quality	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
GNPA (INR m)	119.9	133.5	141.5	384.6	352.1	281.8	259.3	240.1
NNPA (INR m)	59.6	67.9	61.8	122.7	88.5	40.4	33.8	29.8
GNPA Ratio	7.4	7.1	6.9	9.9	8.5	6.0	5.0	4.2
NNPA Ratio	3.8	3.7	3.1	3.4	2.3	0.9	0.7	0.5
Slippage Ratio	3.5	3.8	2.8	3.4	2.7	2.3	2.2	2.1
Credit Cost	2.4	2.1	2.7	2.3	2.5	2.2	1.6	1.3
PCR (Excl. Tech. write off)	50.3	49.1	56.3	68.1	74.9	85.7	87.0	87.6

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY20	FY23	FY24E	FY25E
Yield and Cost Ratios (%)								
Avg. Yield- on Earning Assets	7.7	7.6	7.7	6.9	6.3	6.8	7.5	7.5
Avg. Yield on loans	8.3	8.3	8.4	7.8	7.2	7.6	8.4	8.4
Avg. Yield on Investments	7.4	7.5	7.3	6.6	6.3	6.5	6.9	7.0
Avg. Cost of Int. Bear. Liab.	5.1	5.0	5.2	4.3	3.8	3.9	4.6	4.7
Avg. Cost of Deposits	5.2	5.0	5.2	4.3	3.7	4.2	4.7	4.7
Interest Spread	2.5	2.5	2.5	2.6	2.5	2.8	2.9	2.8
Net Interest Margin	2.8	2.8	2.7	2.8	2.7	3.0	3.2	3.2

Capitalisation Ratios (%)

CAR	12.8	13.5	14.6	16.0	16.8	16.5	16.9	16.9
<i>Tier I</i>	<i>11.5</i>	<i>11.5</i>	<i>12.5</i>	<i>12.3</i>	<i>13.5</i>	<i>13.5</i>	<i>14.1</i>	<i>14.4</i>
<i>Tier II</i>	<i>1.2</i>	<i>1.9</i>	<i>2.0</i>	<i>3.8</i>	<i>3.4</i>	<i>3.0</i>	<i>2.8</i>	<i>2.5</i>

Business and Efficiency Ratios (%)

Loans/Deposit Ratio	75.2	74.9	76.0	67.4	65.6	72.3	74.2	75.7
CASA Ratio	37.0	34.7	34.6	42.3	41.8	40.7	40.5	40.3
Cost/Assets	1.5	1.4	1.4	1.7	1.6	1.7	1.7	1.7
Cost/Total Income	42.3	45.2	40.5	48.6	46.2	44.2	43.2	43.0
Cost/Core income	45.8	46.1	44.0	52.7	48.9	45.3	44.3	44.2
Int. Expense/Int. Income	63.4	63.4	64.5	59.9	56.9	55.0	57.5	58.1
Fee Income/Total Income	20.1	19.2	22.3	18.6	23.8	23.8	23.5	23.5
Non Int. Inc./Total Income	27.8	21.2	30.3	26.5	29.2	26.1	26.0	26.2
Emp. Cost/Total Expense	57.3	55.3	55.9	61.6	61.3	62.2	62.8	62.6
Investment/Deposit Ratio	34.3	26.8	31.2	32.8	29.4	29.9	29.3	28.7

RoE	8.3	2.0	4.3	9.8	11.2	13.3	16.2	17.1
RoA	0.5	0.1	0.3	0.5	0.6	0.8	1.0	1.1
RoRWA	0.8	0.2	0.5	1.0	1.3	1.6	2.0	2.1
Book Value (INR)	354	368	336	312	324	358	408	469
Growth (%)	8.5	4.0	-8.8	-7.1	3.7	10.6	14.1	15.0
Price-BV (x)	0.9	0.9	0.9	1.0	1.0	0.9	0.8	0.7
Adjusted BV (INR)	265	267	263	234	272	333	387	451
Price-ABV (x)	1.2	1.2	1.2	1.3	1.2	0.9	0.8	0.7
EPS (INR)	26.2	6.7	13.8	26.6	33.2	42.4	58.4	71.2
Growth (%)	-10.4	-74.4	106.4	92.3	24.9	27.7	37.8	21.8
Price-Earnings (x)	12.0	47.0	22.8	11.8	9.5	7.4	5.4	4.4

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SELL	< - 10%
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UNDER REVIEW	Rating may undergo a change
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