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India | Equity Research | Results Update

## South Indian Bank

Banking

### Strong quarter with growth/NIM/RoA uptick and comfortable asset quality

South Indian bank (SIB) delivered better-than-expected performance on growth, NIM and asset quality (AQ), with overall PAT of INR 3.7bn (>15% beat). Growth was led by gold and LAP, while MSME saw a healthy revival for the second consecutive quarter. RoA sustained at ~1% level for the 10<sup>th</sup> straight quarter. In our view, SIB may now have been past the hump on NIM and MSME growth. AQ remains strong with negligible net slippages and contained SMA2. We increase our FY26/27 PAT estimates by over 10% each and expect the bank to deliver 1–1.1% RoA for FY26–28E. We raise our TP to INR 53 (vs. INR 42), as we increase the multiple to ~1x (vs. ~0.9x earlier) and roll forward to FY28E ABV (vs. FY27E earlier). Maintain **BUY**. Risks are slower-than-expected growth in MSME and rise in stress in MSME.

#### Growth led by gold, MSME and LAP; NIM stages uptick

Advances grew 5% QoQ (12% YoY) led by strong growth in gold (13% QoQ), LAP (15% QoQ) and MSME (4%), while home loan de-grew 5% QoQ. After multiple quarters, corporate growth (10% YoY) was lower than overall growth, suggesting that its contribution may now be receding. NII growth was strong at 9% QoQ. Reported NIM was up 6bps QoQ to 2.86% and seems driven by agile balance sheet management. Other income was supported by core fee, treasury and TWO recovery (INR 850mn). Opex remained muted at 4% YoY (and flat QoQ).

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#### Slippages improve sharply; net NPA improve further

Slippages improved sharply to 0.75% vs. 0.9% QoQ and 1.4% YoY. Gross NPA declined 26bp QoQ to 2.67%. Net NPA improved 11bps QoQ to 0.45%. Corporate slippages were nil. MSME/agri slippages were also contained at INR 340mn/INR 150mn, though retail slippages were sizeable at INR 1.06bn, primarily led by credit card and buy-out/DA portfolio. SMA-2 loans remain muted at 0.4%. SIB expects recoveries to outpace slippages in the near term. CET1 stood at 16.88%.

#### Raise PAT estimate; FY27–28 RoA upgraded to 1–1.1%

We estimate a loan CAGR of ~13% for FY25–28, with growth likely to be driven by MSME and secured retail. We believe, NIM has additional tailwinds from loan mix change in favour of MSME. While SIB would need to accelerate opex, overall RoA would be supported by rising NIM and muted credit costs. We increase our PAT estimate and believe the bank will likely deliver RoA of 1–1.1% for FY26–28E.

#### Financial Summary

| Y/E March            | FY25A | FY26E | FY27E | FY28E |
|----------------------|-------|-------|-------|-------|
| NII (INR bn)         | 34.9  | 34.3  | 40.8  | 47.5  |
| Op. profit (INR bn)  | 22.7  | 22.8  | 24.8  | 27.8  |
| Net Profit (INR bn)  | 13.0  | 13.8  | 15.9  | 17.0  |
| EPS (INR)            | 5.0   | 5.3   | 6.1   | 6.5   |
| EPS % change YoY     | (2.4) | 6.1   | 14.7  | 7.5   |
| ABV (INR)            | 35.3  | 40.9  | 46.7  | 52.6  |
| P/BV (x)             | 1.2   | 1.0   | 0.9   | 0.8   |
| P/ABV (x)            | 1.2   | 1.1   | 0.9   | 0.8   |
| Return on Assets (%) | 1.1   | 1.0   | 1.1   | 1.0   |
| Return on Equity (%) | 14.3  | 13.3  | 13.5  | 12.9  |

#### Market Data

|                     |         |
|---------------------|---------|
| Market Cap (INR)    | 115bn   |
| Market Cap (USD)    | 1,267mn |
| Bloomberg Code      | SIB IN  |
| Reuters Code        | SIBK.BO |
| 52-week Range (INR) | 45 / 22 |
| Free Float (%)      | 99.0    |
| ADTV-3M (mn) (USD)  | 17.8    |

| Price Performance (%) | 3m   | 6m   | 12m  |
|-----------------------|------|------|------|
| Absolute              | 33.5 | 42.6 | 64.9 |
| Relative to Sensex    | 33.4 | 41.5 | 56.4 |

| ESG Score   | 2024 | 2025 | Change |
|-------------|------|------|--------|
| ESG score   | NA   | NA   | NA     |
| Environment | NA   | NA   | NA     |
| Social      | NA   | NA   | NA     |
| Governance  | NA   | NA   | NA     |

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

Source: SES ESG, I-sec research

| PAT Revisions (%) | FY26E | FY27E |
|-------------------|-------|-------|
| EPS               | 14    | 10    |

#### Previous Reports

30-12-2025: [Q3FY26 Banking Preview](#)

18-10-2025: [Q2FY26 results review](#)

## Q3FY26 conference call highlights

### Guidance

- SIB maintains loan growth guidance at ~12% in the medium term. Management reiterated that its growth strategy stays calibrated to prioritise retail, MSME and gold loans over aggressive corporate expansion to aid NIM.
- Over the medium term, corporate loan share could moderate to 33% vs. 40% currently.
- NIM is expected to be steady in Q4, and may improve with deposit repricing.
- Incremental NII growth is expected to be in-line with advances growth.
- RoA is expected to remain above 1%, with a target to reach a 1.15% exit run rate in the next 12 months, subject to a steady interest rate environment.

### Loan growth

- **MSME segment:** Management highlighted that growth in the MSME segment has been broad based. SIB has two sub-segments under MSME:
  - **MBG:** Internally originated – low average ticket size, templatised offering with high margin business (NIM ~400–500bps). The bank had peak disbursement of INR 3bn in the month of Dec'25 and aims to double disbursements in the near future.
  - Originated by RMs: Higher ticket size loans targeting large business across end-use like working capital, brownfield capex and term loans.
  - Others in MSME is classified as others as they do not qualify for MSME due to Udyam certification. The loans also include some transaction banking products such as LC.
- **Housing segment:** Management attributed lower growth in the housing segment to currently lower yields, especially prime housing loans. PSU banks are operating at yields of ~7.1% or even lower. Management intends to participate in the housing loan market only at comfortable yields; but, as housing loans are highly price sensitive, it may impact volumes.
- **Gold loan:** Management indicated an increase in price competition in the segment. The bank has been able to differentiate itself by gaining trust, as it has been operating the geographies. Exposure to gold loan ~22% of the overall book and company has risk management policy in place to monitor exposure in-sync with volatility in gold prices. The bank has also launched new products in the segment such as SIB Gold Xpress.
- ~INR 15bn of the total INR 19bn co-lending portfolio is gold.

### NIM

- Management highlighted that 20% of the deposit book be repriced ~80bps lower in the near term due to rate cuts.
- NIMs are expected to remain stable in Q4, as the deposit repricing will likely broadly offset the impact of 25bps of repo rate cuts in Dec'25.
- SIB has transmitted the rate cut benefits to eligible customers in T+1, and NIM will likely improve as deposit repricing kicks in.

### Asset quality

- Recoveries have been higher than fresh slippages. Management expects the trend of higher recoveries to continue.
- Corporate slippages are nil.
- Retail slippages amounted to INR 1.06bn, of which INR 930mn is from new book. ~INR 500mn of the retail slippages (out of INR 930mn) is from credit card. Credit card book has been running down as fresh issuance from co-lending channel has been stopped.
- Additional INR 170mn retail slippages are from DA/purchased portfolios.
- The bank has been receiving a few requests under the MSME government scheme. Apart from the assistance, the rate of interest is also lower, which is also making it attractive.
- TWO recoveries are INR 850mn vs. INR 650mn QoQ.
- Management indicated no material change in credit cost outlook for FY27, unless there is a very significant event.

### Exhibit 1: Q3FY26 result review

|                                      | Q3FY25        | Q3FY26        | YoY (%)     | Q2FY26        | QoQ (%)    |
|--------------------------------------|---------------|---------------|-------------|---------------|------------|
| <b>Financial Highlights (INR mn)</b> |               |               |             |               |            |
| Interest Earned                      | 23,707        | 25,175        | 6.2         | 24,071        | 4.6        |
| Interest Expended                    | 15,015        | 16,369        | 9.0         | 15,983        | 2.4        |
| <b>Net Interest Income</b>           | <b>8,693</b>  | <b>8,807</b>  | <b>1.3</b>  | <b>8,088</b>  | <b>8.9</b> |
| Other Income                         | 4,092         | 4,859         | 18.7        | 5,157         | -5.8       |
| Total Income                         | 27,800        | 30,035        | 8.0         | 29,228        | 2.8        |
| <b>Total Net Income</b>              | <b>12,785</b> | <b>13,666</b> | <b>6.9</b>  | <b>13,245</b> | <b>3.2</b> |
| Staff Expenses                       | 4,149         | 4,287         | 3.3         | 4,198         | 2.1        |
| Other operating expenses             | 3,347         | 3,536         | 5.6         | 3,692         | -4.2       |
| <b>Operating Profit</b>              | <b>5,288</b>  | <b>5,843</b>  | <b>10.5</b> | <b>5,356</b>  | <b>9.1</b> |
| Provision & Contingencies            | 660           | 804           | 21.8        | 633           | 27.1       |
| Provision for tax                    | 1,209         | 1,296         | 7.2         | 1,209         | 7.2        |
| <b>Net Profit</b>                    | <b>3,419</b>  | <b>3,743</b>  | <b>9.5</b>  | <b>3,514</b>  | <b>6.5</b> |
| <b>Other Highlights (INR bn)</b>     |               |               |             |               |            |
| Advances                             | 844           | 947           | 12.2        | 902           | 5.0        |
| Deposits                             | 1,054         | 1,182         | 12.2        | 1,156         | 2.2        |
| Gross NPA                            | 37            | 26            | -30.9       | 27            | -4.5       |
| Gross NPA (%)                        | 4.30          | 2.67          | -163 bps    | 2.93          | -26 bps    |
| Net NPA                              | 11            | 4             | -59.7       | 5             | -15.8      |
| Net NPA (%)                          | 1.25          | 0.45          | -80 bps     | 0.56          | -11 bps    |
| Provision Coverage (%)               | 71.7          | 83.5          | 1177 bps    | 81.3          | 221 bps    |

Source: Company data, I-Sec research

### Exhibit 2: Reported NIM improves QoQ

| (%)               | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | YoY chg | QoQ chg |
|-------------------|--------|--------|--------|--------|--------|--------|---------|---------|
| Yield on advances | 9.06   | 9.01   | 9.02   | 8.89   | 8.56   | 8.42   | -59 bps | -14 bps |
| Yield on funds    | 7.68   | 7.64   | 7.83   | 7.44   | 7.13   | 7.34   | -30 bps | 21 bps  |
| Cost of deposits  | 5.35   | 5.42   | 5.58   | 5.49   | 5.41   | 5.34   | -8 bps  | -7 bps  |
| Cost of funds     | 4.80   | 4.84   | 4.96   | 4.82   | 4.74   | 4.77   | -7 bps  | 3 bps   |
| NIMs - Quarterly  | 3.24   | 3.19   | 3.21   | 3.03   | 2.80   | 2.86   | -33 bps | 6 bps   |

Source: Company data, I-Sec research

### Exhibit 3: GNPA improves QoQ and YoY

| (%)            | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | YoY chg  | QoQ chg |
|----------------|--------|--------|--------|--------|--------|--------|----------|---------|
| Gross NPA      | 4.40   | 4.30   | 3.20   | 3.15   | 2.93   | 2.67   | -163 bps | -26 bps |
| Net NPA        | 1.31   | 1.25   | 0.92   | 0.68   | 0.56   | 0.45   | -80 bps  | -11 bps |
| Coverage ratio | 71.2   | 71.7   | 71.8   | 78.9   | 81.3   | 83.5   | 1177 bps | 221 bps |

Source: Company data, I-Sec research

### Exhibit 4: Movement of NPA

| (INR mn)               | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | YoY chg | QoQ chg |
|------------------------|--------|--------|--------|--------|--------|--------|---------|---------|
| GNPA (Opening Balance) | 37,199 | 37,313 | 37,356 | 27,998 | 28,066 | 27,035 | -27.5%  | -3.7%   |
| Fresh Additions        | 3,210  | 2,970  | 2,130  | 1,920  | 2,020  | 1,770  | -40.4%  | -12.4%  |
| Write-off              | 273    | 669    | 9,095  | 425    | 350    | 500    | -25.3%  | 42.9%   |
| Total Reductions       | 3,096  | 2,928  | 11,487 | 1,853  | 3,051  | 2,990  | 2.1%    | -2.0%   |
| GNPA (Closing Balance) | 37,313 | 37,356 | 27,998 | 28,066 | 27,035 | 25,815 | -30.9%  | -4.5%   |

Source: Company data, I-Sec research

### Exhibit 5: Net SRs at 0.13% of loans

|                                 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | YoY chg | QoQ chg |
|---------------------------------|--------|--------|--------|--------|--------|--------|---------|---------|
| Restructured portfolio (INR mn) | 4,760  | 4,040  | 3,170  | 2,770  | 2,410  | 2,150  | -46.8%  | -10.8%  |
| As a % of loan-book             | 0.58   | 0.48   | 0.37   | 0.32   | 0.27   | 0.23   | -25 bp  | -4 bp   |
| Security receipts (INR mn)      | 0      | 0      | 1,193  | 1,193  | 1,193  | 1,193  | NA      | 0.0%    |
| As a % of loan-book             | 0.00   | 0.00   | 0.14   | 0.14   | 0.13   | 0.13   | NA      | -1 bp   |

Source: Company data, I-Sec research

### Exhibit 6: Geography loan mix stable

| Loan book by geography (%) | Q2FY25     | Q3FY25     | Q4FY25     | Q1FY26     | Q2FY26     | Q3FY26     | YoY chg  | QoQ chg |
|----------------------------|------------|------------|------------|------------|------------|------------|----------|---------|
| Kerala                     | 33.0       | 30.0       | 30.0       | 30.0       | 31.0       | 31.0       | 100 bps  | 0 bps   |
| South India (Ex-Kerala)    | 33.0       | 34.0       | 33.0       | 33.0       | 32.0       | 32.0       | -200 bps | 0 bps   |
| Rest of India              | 34.0       | 36.0       | 37.0       | 37.0       | 37.0       | 37.0       | 100 bps  | 0 bps   |
| <b>Total</b>               | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> |          |         |

Source: Company data, I-Sec research

### Exhibit 7: Loan mix

| (INR mn)              | Q2FY25          | Q3FY25          | Q4FY25          | Q1FY26          | Q2FY26          | Q3FY26          | YoY chg      | QoQ chg     |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|-------------|
| Corporate             | 3,39,610        | 3,49,560        | 3,61,980        | 3,71,100        | 3,70,080        | 3,83,530        | 9.7%         | 3.6%        |
| Retail                | 2,13,530        | 2,21,430        | 2,24,050        | 2,42,220        | 2,61,550        | 2,72,210        | 22.9%        | 4.1%        |
| MSME                  | 1,29,140        | 1,30,420        | 1,26,860        | 1,26,600        | 1,34,240        | 1,40,190        | 7.5%         | 4.4%        |
| Agriculture           | 1,64,860        | 1,68,250        | 1,62,900        | 1,52,060        | 1,56,990        | 1,71,710        | 2.1%         | 9.4%        |
| <b>Gross Advances</b> | <b>8,47,140</b> | <b>8,69,660</b> | <b>8,75,790</b> | <b>8,91,980</b> | <b>9,22,860</b> | <b>9,67,640</b> | <b>11.3%</b> | <b>4.9%</b> |
| <b>(% of total)</b>   |                 |                 |                 |                 |                 |                 |              |             |
| Corporate             | 40.1            | 40.2            | 41.3            | 41.6            | 40.1            | 39.6            | -56 bps      | -47 bps     |
| Retail                | 25.2            | 25.5            | 25.6            | 27.2            | 28.3            | 28.1            | 267 bps      | -21 bps     |
| MSME                  | 15.2            | 15.0            | 14.5            | 14.2            | 14.5            | 14.5            | -51 bps      | -6 bps      |
| Agriculture           | 19.5            | 19.3            | 18.6            | 17.0            | 17.0            | 17.7            | -160 bps     | 73 bps      |
| <b>Gross Advances</b> | <b>100</b>      | <b>100</b>      | <b>100</b>      | <b>100</b>      | <b>100</b>      | <b>100</b>      |              |             |

Source: Company data, I-Sec research

Please note that there has been some re-classification between Corporate and MSME beginning FY24 and thus figures may not be comparable

**Exhibit 8: Retail loan mix**

| (INR mn)                  | Q2FY25          | Q3FY25          | Q4FY25          | Q1FY26          | Q2FY26          | Q3FY26          | YoY chg      | QoQ chg     |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|-------------|
| Housing                   | 70,720          | 81,950          | 78,770          | 84,777          | 88,490          | 84,300          | 2.9%         | -4.7%       |
| Gold                      | 29,894          | 26,572          | 31,367          | 48,444          | 57,541          | 65,330          | 145.9%       | 13.5%       |
| Mortgage Loans            | 35,910          | 35,030          | 38,140          | 31,489          | 39,290          | 45,340          | 29.4%        | 15.4%       |
| Business Loans            | 18,280          | 19,380          | 19,870          | 21,800          | 22,880          | 23,930          | 23.5%        | 4.6%        |
| Vehicle Loans             | 4,879           | 5,648           | 4,372           | 4,844           | 6,270           | 7,034           | 24.5%        | 12.2%       |
| Personal Loans            | 22,970          | 22,490          | 22,405          | 21,800          | 20,924          | 21,777          | -3.2%        | 4.1%        |
| Credit Card               | 15,930          | 14,860          | 13,443          | 14,533          | 13,078          | 10,888          | -26.7%       | -16.7%      |
| Others                    | 14,947          | 15,500          | 15,684          | 14,533          | 13,078          | 13,611          | -12.2%       | 4.1%        |
| <b>Total retail loans</b> | <b>2,13,530</b> | <b>2,21,430</b> | <b>2,24,050</b> | <b>2,42,220</b> | <b>2,61,550</b> | <b>2,72,210</b> | <b>22.9%</b> | <b>4.1%</b> |
| <b>(% of total)</b>       |                 |                 |                 |                 |                 |                 |              |             |
| Housing                   | 33.1            | 37.0            | 35.2            | 35.0            | 33.8            | 31.0            | -604 bps     | -286 bps    |
| Gold                      | 14.0            | 12.0            | 14.0            | 20.0            | 22.0            | 24.0            | 1200 bps     | 200 bps     |
| Mortgage Loans            | 16.8            | 15.8            | 17.0            | 13.0            | 15.0            | 16.7            | 84 bps       | 163 bps     |
| Business Loans            | 8.6             | 8.8             | 8.9             | 9.0             | 8.7             | 8.8             | 4 bps        | 4 bps       |
| Vehicle Loans             | 2.3             | 2.6             | 2.0             | 2.0             | 2.4             | 2.6             | 3 bps        | 19 bps      |
| Personal Loans            | 10.8            | 10.2            | 10.0            | 9.0             | 8.0             | 8.0             | -216 bps     | 0 bps       |
| Credit Card               | 7.5             | 6.7             | 6.0             | 6.0             | 5.0             | 4.0             | -271 bps     | -100 bps    |
| Others                    | 7.0             | 7.0             | 7.0             | 6.0             | 5.0             | 5.0             | -200 bps     | 0 bps       |
| <b>Total</b>              | <b>100</b>      | <b>100</b>      | <b>100</b>      | <b>100</b>      | <b>100</b>      | <b>100</b>      |              |             |

Source: Company data, I-Sec research

**Exhibit 9: Shareholding pattern**

| %                       | Mar'25 | Jun'25 | Sep'25 |
|-------------------------|--------|--------|--------|
| Promoters               | 0.0    | 0.0    | 0.0    |
| Institutional investors | 22.4   | 28.7   | 29.8   |
| MFs and other           | 8.3    | 9.6    | 10.0   |
| Banks/ Fls              | 0.9    | 1.1    | 1.5    |
| Insurance Cos.          | 1.2    | 0.5    | 0.4    |
| FII                     | 12.0   | 17.6   | 17.9   |
| Others                  | 77.6   | 71.3   | 70.2   |

Source: Bloomberg, I-Sec research

**Exhibit 10: Price chart**


Source: Bloomberg, I-Sec research

## Financial Summary

### Exhibit 11: Profit & Loss

(INR mn, year ending March)

|                              | FY25A         | FY26E         | FY27E         | FY28E         |
|------------------------------|---------------|---------------|---------------|---------------|
| Interest income              | 94,133        | 98,397        | 1,09,781      | 1,24,690      |
| Interest expense             | 59,277        | 64,106        | 69,008        | 77,217        |
| <b>Net interest income</b>   | <b>34,856</b> | <b>34,291</b> | <b>40,772</b> | <b>47,473</b> |
| Non-interest income          | 18,134        | 20,755        | 21,021        | 22,562        |
| <b>Operating income</b>      | <b>52,991</b> | <b>55,047</b> | <b>61,793</b> | <b>70,035</b> |
| Operating expense            | 30,290        | 32,295        | 37,035        | 42,255        |
| Staff expense                | 16,527        | 17,392        | 19,965        | 22,711        |
| <b>Operating profit</b>      | <b>22,701</b> | <b>22,751</b> | <b>24,758</b> | <b>27,780</b> |
| <b>Core operating profit</b> | <b>19,749</b> | <b>19,051</b> | <b>21,758</b> | <b>24,780</b> |
| Provisions & Contingencies   | 5,132         | 4,265         | 3,553         | 4,988         |
| <b>Pre-tax profit</b>        | <b>17,569</b> | <b>18,487</b> | <b>21,205</b> | <b>22,792</b> |
| Tax (current + deferred)     | 4,540         | 4,659         | 5,344         | 5,744         |
| <b>Net Profit</b>            | <b>13,029</b> | <b>13,828</b> | <b>15,861</b> | <b>17,049</b> |
| <b>Adjusted net profit</b>   | <b>13,029</b> | <b>13,828</b> | <b>15,861</b> | <b>17,049</b> |

Source Company data, I-Sec research

### Exhibit 12: Balance sheet

(INR mn, year ending March)

|                                       | FY25A            | FY26E            | FY27E            | FY28E            |
|---------------------------------------|------------------|------------------|------------------|------------------|
| Cash and balance with RBI/Banks       | 1,22,601         | 96,089           | 1,03,370         | 1,16,299         |
| Investments                           | 2,17,772         | 2,69,847         | 2,93,935         | 3,21,198         |
| Advances                              | 8,56,821         | 9,72,834         | 11,01,098        | 12,48,019        |
| Fixed assets                          | 10,183           | 11,718           | 13,124           | 14,699           |
| Other assets                          | 39,175           | 48,424           | 58,686           | 71,332           |
| <b>Total assets</b>                   | <b>12,46,551</b> | <b>13,98,911</b> | <b>15,70,213</b> | <b>17,71,547</b> |
| Deposits                              | 10,75,256        | 12,07,660        | 13,40,502        | 15,15,124        |
| Borrowings                            | 43,005           | 40,244           | 37,760           | 35,524           |
| Other liabilities and provisions      | 27,291           | 37,563           | 64,231           | 77,836           |
| Share capital                         | 2,616            | 2,616            | 2,616            | 2,616            |
| Reserve & surplus                     | 98,383           | 1,10,828         | 1,25,103         | 1,40,447         |
| <b>Total equity &amp; liabilities</b> | <b>12,46,551</b> | <b>13,98,911</b> | <b>15,70,213</b> | <b>17,71,547</b> |
| % Growth                              | 6.2              | 12.2             | 12.2             | 12.8             |

Source Company data, I-Sec research

### Exhibit 13: Key ratios

(Year ending March)

|   | FY25A       | FY26E       | FY27E       | FY28E       |
|---|-------------|-------------|-------------|-------------|
| <b>No. of shares and per share data</b>     |             |             |             |             |
| No. of shares (mn)                          | 2,616       | 2,616       | 2,616       | 2,616       |
| Adjusted EPS                                | 5.0         | 5.3         | 6.1         | 6.5         |
| Book Value per share                        | 37          | 42          | 48          | 53          |
| Adjusted BVPS                               | 35          | 41          | 47          | 53          |
| <b>Valuation ratio</b>                      |             |             |             |             |
| PER (x)                                     | 8.8         | 8.3         | 7.3         | 6.8         |
| Price/ Book (x)                             | 1.2         | 1.0         | 0.9         | 0.8         |
| Price/ Adjusted book (x)                    | 1.2         | 1.1         | 0.9         | 0.8         |
| Dividend Yield (%)                          | 0.9         | 1.2         | 1.4         | 1.5         |
| <b>Profitability ratios (%)</b>             |             |             |             |             |
| Yield on advances                           | 9.2         | 8.5         | 8.4         | 8.5         |
| Yields on Assets                            | 7.8         | 7.4         | 7.4         | 7.5         |
| Cost of deposits                            | 5.4         | 5.2         | 5.0         | 5.0         |
| Cost of funds                               | 4.9         | 4.8         | 4.6         | 4.6         |
| NIMs  | 3.0         | 2.7         | 2.9         | 3.0         |
| Cost/Income                                 | 57.2        | 58.7        | 59.9        | 60.3        |
| <b>Dupont Analysis (as % of Avg Assets)</b> |             |             |             |             |
| Interest Income                             | 7.8         | 7.4         | 7.4         | 7.5         |
| Interest expended                           | 4.9         | 4.8         | 4.6         | 4.6         |
| <b>Net Interest Income</b>                  | <b>2.9</b>  | <b>2.6</b>  | <b>2.7</b>  | <b>2.8</b>  |
| Non-interest income                         | 1.5         | 1.6         | 1.4         | 1.4         |
| Trading gains                               | 0.2         | 0.3         | 0.2         | 0.2         |
| Fee income                                  | 1.3         | 1.3         | 1.2         | 1.2         |
| <b>Total Income</b>                         | <b>4.4</b>  | <b>4.2</b>  | <b>4.2</b>  | <b>4.2</b>  |
| <b>Total Cost</b>                           | <b>2.5</b>  | <b>2.4</b>  | <b>2.5</b>  | <b>2.5</b>  |
| Staff costs                                 | 1.4         | 1.3         | 1.3         | 1.4         |
| Non-staff costs                             | 1.1         | 1.1         | 1.1         | 1.2         |
| <b>Operating Profit</b>                     | <b>1.9</b>  | <b>1.7</b>  | <b>1.7</b>  | <b>1.7</b>  |
| Core Operating Profit                       | 1.6         | 1.4         | 1.5         | 1.5         |
| Non-tax Provisions                          | 0.4         | 0.3         | 0.2         | 0.3         |
| <b>PBT</b>                                  | <b>1.5</b>  | <b>1.4</b>  | <b>1.4</b>  | <b>1.4</b>  |
| Tax Provisions                              | 0.4         | 0.4         | 0.4         | 0.3         |
| <b>Return on Assets (%)</b>                 | <b>1.1</b>  | <b>1.0</b>  | <b>1.1</b>  | <b>1.0</b>  |
| Leverage (x)                                | 13.3        | 12.7        | 12.7        | 12.7        |
| <b>Return on Equity (%)</b>                 | <b>14.3</b> | <b>13.3</b> | <b>13.5</b> | <b>12.9</b> |
| <b>Asset quality ratios (%)</b>             |             |             |             |             |
| Gross NPA                                   | 3.2         | 2.3         | 1.5         | 1.2         |
| Net NPA                                     | 0.9         | 0.5         | 0.3         | 0.2         |
| PCR   | 71.8        | 80.0        | 80.0        | 80.0        |
| Gross Slippages                             | 1.5         | 1.1         | 1.0         | 1.1         |
| LLP / Avg loans                             | 0.7         | 0.5         | 0.3         | 0.4         |
| Total provisions / Avg loans                | 0.6         | 0.5         | 0.3         | 0.4         |
| Net NPA / Networth                          | 7.8         | 4.0         | 2.7         | 2.0         |
| <b>Capitalisation ratios (%)</b>            |             |             |             |             |
| Core Equity Tier 1                          | 18.0        | 17.5        | 16.9        | 16.8        |
| Tier 1 cap. adequacy                        | 18.0        | 17.5        | 16.9        | 16.8        |
| Total cap. adequacy                         | 19.3        | 19.9        | 18.9        | 18.6        |

Source Company data, I-Sec research

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