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RATING	
Business	★★★
Management	★★★★
Valuation	★★★★
Financial	★★★

Ranking 1 to 5, denoting lowest and 5 highest

INDIAN BANK

DATE: 14-08-2024

BUY RANGE: @ 540-530 | **TARGET : @ 652** | **RATING : BUY** | **Research Report**

Stock Info	Amount
Mkt Cap(cr)	76,507.55
52-weeks high	632.70
52-weeks low	343.35
No. of eq shares(cr)	134.70
Face Value	10.00
Bse Code	532814
Nse Code	INDIAN BANK
Free Float Mcap(cr)	19891.96

Source : BSE,NSE

Particulars	ShareHolding
Promoter Holding	73.84%
DIIs Holding	16.87%
FIIs Holding	5.38%
Public	3.90%
Total	**100.00%**

Source : BSE,NSE

(In cr)

Particulars	Jan-00	Jan-00
Yield on Advances	7.76	0.54
Cost of Deposits	4.1	0.0
Net Interest Margin	3.4	4.0
Net Interest Margin (Domestic	3.4	3.5
Cost Income ratio	44.20	45.92
Return on Assets	0.77	1.07
Return on Equity	14.73	1.07

Source : Company Research

Source : Company Report

About:

Established in 1907 and headquartered in Chennai, Indian Bank is a public sector bank serving over 100 million customers with 40,187 employees. It operates 5,847 branches and 4,937 ATMs and cash deposit machines, with a total business of ₹1,221,773 crore (US$150 billion) as of March 31, 2024. The bank's systems meet standards, and it has international branches in Colombo and Singapore, along with 227 correspondent banks in 75 countries. Owned by the Government of India since 1969, Indian Bank became the seventh-largest bank in India after merging with Allahabad Bank on April 1, 2020.

Key Highlights:

- In the first quarter fy25 , the bank reported strong growth across key metrics, with total business expanding by 11% year-on-year (YoY). Deposits increased by 10%, driven by a 6% rise in CASA deposits, maintaining a CASA ratio of around 41%. Advances grew by 12% YoY, with significant contributions from RAM (Retail, Agri, MSME) credit, which increased by 13%. Retail loans saw a 14% growth, with housing loans up by 13%, jewel loans by 10%, and auto loans by a remarkable 55%. Agricultural lending surged by 18%, with crop loans rising by 17% and gold loans by 25%. Corporate loans also performed well, growing by 9% YoY.
- The bank's profitability improved, with net profit surging by 41% YoY to ₹2,403 crore, driven by a 9% increase in operating profit and an 8% rise in Net Interest Income (NII). Non-interest income grew by 11%, supported by a 17% increase in fee income and ₹504 crore in bad debt recovery. The bank’s asset quality continued to improve, with Gross NPA reducing to 3.77% and Net NPA to 0.39%. The Provision Coverage Ratio (PCR) increased to 96.66%, and capital adequacy remained strong, with a slight improvement to 16.47%.
- On the digital front, the bank made significant progress, with digital transactions now accounting for 90% of total transactions. The number of mobile banking users grew by 33% YoY, while UPI transactions surged by 56% YoY. Internet banking users increased by 26%, and credit card usage grew by 40% YoY. The bank also expanded its POS terminal network by 66% YoY and saw substantial growth in digital business volumes, particularly in e-RAM and e-deposits.
- The bank's global business grew by 12% YoY to ₹12.21 lakh crore, with global deposits rising by 11% to ₹6.88 lakh crore and global advances increasing by 13% to ₹5.34 lakh crore. Priority sector lending exceeded targets, with agriculture credit growing by 19% YoY to ₹1.21 lakh crore. Retail credit saw a 15% YoY growth, while corporate credit expanded by 10% YoY. The bank also enhanced its support for MSMEs and launched several new initiatives .
- In the international segment, overseas credit grew by 20% YoY to ₹35,613 crore. The bank's forex business also experienced growth, with export credit increasing by 6% YoY to ₹2,944 crore. Noteworthy initiatives included the introduction of UPI PayNow for cross-border remittances and API integration with the Directorate General of Foreign Trade (DGFT) for issuing Electronic Bank Realization Certificates (eBRC).

Key Risks

- Interest rate risk affects a bank's profitability due to fluctuations in interest rates, impacting its net interest margin. Managing this risk involves conducting interest rate gap analysis and using derivatives to hedge against potential losses.
- Credit risk arises when borrowers fail to meet their obligations, leading to non-performing assets (NPAs) that erode the bank's capital and profitability. Effective management requires strong credit appraisal processes and ongoing monitoring to maintain financial health.

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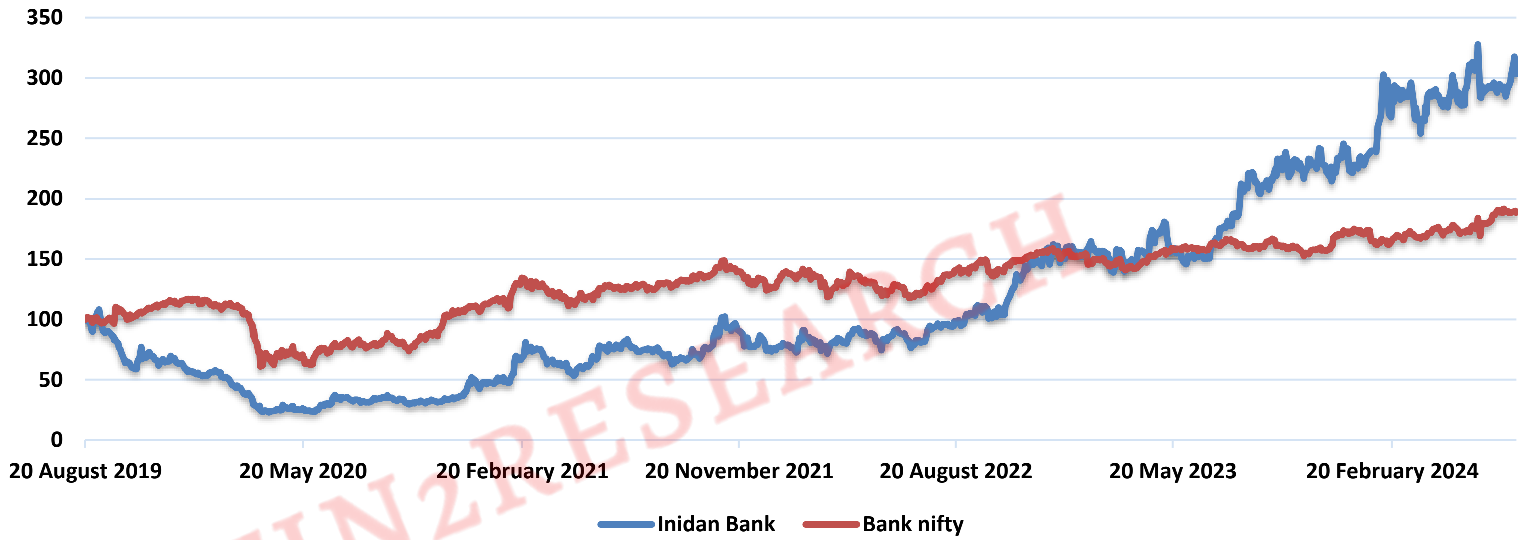
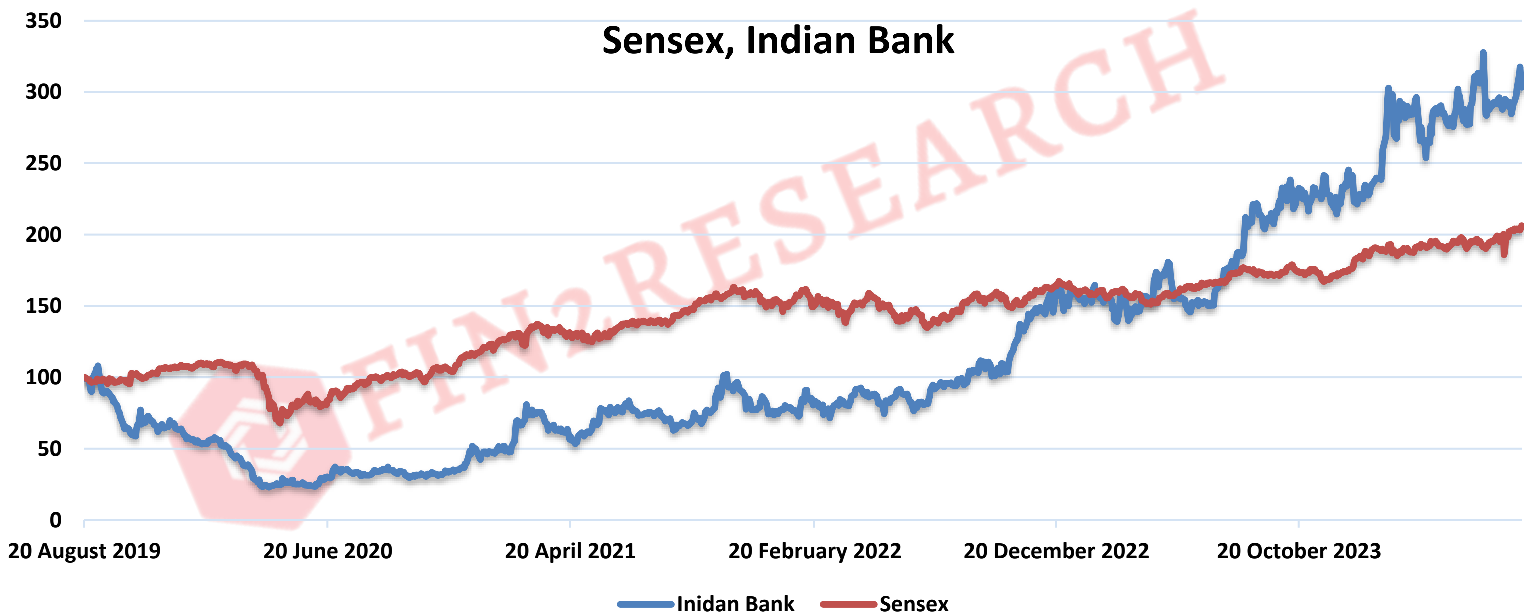
BankNifty , Indian Bank



Price Performance					
Time	**1M**	**3M**	**6M**	**YEAR**	**YTD**
Inidan Bank	2.15%	11.29%	14.25%	45.92%	35.28%
Bank nifty	-3.11%	6.07%	12.86%	14.89%	5.07%

Sensex, Indian Bank



Price Performance					
Time	**1M**	**3M**	**6M**	**YEAR**	**YTD**
Inidan Bank	2.15%	11.29%	14.25%	45.92%	35.28%
Sensex	-72.00%	9.84%	12.47%	22.15%	10.54%

Source : Company Report

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What Is a Bank?

For Example

You've got $1,000 you don't need for, say, a year and want to earn income from the money until then. Or you want to buy a house and need to borrow $100,000 and pay it back over 30 years. It would be difficult, if not impossible, for someone acting alone to find either a potential borrower who needs exactly $1,000 for a year or a lender who can spare $100,000 for 30. That's where banks come in.

Banks, play a crucial role in ensuring smooth economic functioning. They efficiently allocate capital, manage risk, and provide liquidity, thereby supporting investment, consumption, and overall economic stability

Although banks do many things, their primary role is to take in funds—called deposits—from those with money, pool them, and lend them to those who need funds. Banks are intermediaries between depositors (who lend money to the bank) and borrowers (to whom the bank lends money).
The amount banks pay for deposits and the income they receive on their loans are both called interest. Depositors can be individuals and households, financial and nonfinancial firms, or national and local governments. Borrowers are, well, the same. Deposits can be available on demand (a checking account, for example) or with some restrictions (such as savings and time deposits

Role of Banks in the Economy

Making Loans
Banks use the deposits they receive from customers to make longer-term loans. This process, known as maturity transformation, involves converting short-term liabilities (deposits) into long-term assets (loans). Banks pay depositors less interest than they charge borrowers, and this interest rate spread accounts for most of their income.

Funding Sources
Besides traditional deposits, banks obtain funding by borrowing in the money and capital markets. They can issue securities like commercial paper or bonds, or engage in repurchase agreements (repos). Additionally, banks can securitize loans, selling them as securities to raise more funds for lending.

Payments System
Banks are essential to both domestic and international payments systems. They facilitate the transfer of funds, processing everything from personal checks to large electronic payments. This network includes local, national, and international banks, central banks, and private clearing facilities. A well-functioning payments system is crucial for economic stability and growth.

Creating Money
Banks create money by lending out deposits while keeping a fraction as reserves. These reserves are held in cash or quickly convertible securities, as mandated by central bank regulations. The process of lending and relending deposits results in the multiplier effect, where initial deposits lead to the creation of more money.

Income Sources
Banks generate income from several activities:

- **Interest Spread**: The difference between the interest paid on deposits and the interest received from loans.
- **Trading Securities**: Income from buying and selling securities.
- **Service Fees**: Charges for services such as checking accounts, loan servicing, and financial advisory.

Economic Impact
Banks play a critical role in matching creditors and borrowers, ensuring efficient capital allocation, and supporting economic growth. They are also vital to the payments system, facilitating transactions that are essential for trade and commerce.

Source : Company Report

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Major Factor of Banking

Economic Conditions

- **Interest Rates:** Central bank policies on interest rates impact loan and deposit rates, affecting bank profitability and lending volumes.
- **Inflation:** High inflation can erode purchasing power and increase credit risk, while low inflation may signal weak economic activity.

Monetary Policy

- **Central Bank Policies:** Decisions on interest rates, reserve requirements, and monetary supply influence bank liquidity and lending capabilities.
- **Quantitative Easing/Tightening:** Policies to inject or withdraw money from the economy can affect the availability of credit and overall economic conditions.

Fiscal Policy

- **Government Spending and Taxation:** Changes in government spending and tax policies can influence economic activity and, indirectly, bank operations.
- **Budget Deficits/Surpluses:** Large deficits may lead to increased borrowing costs or changes in monetary policy, affecting banks' funding costs and liquidity.

Financial Markets

- **Capital Markets:** Fluctuations in stock and bond markets can affect banks' investment portfolios and the valuation of financial assets.
- **Liquidity Conditions:** Access to capital markets for raising funds and managing liquidity needs is crucial for banks

Regulatory Environment

- **Banking Regulations:** Compliance with regulatory requirements, such as capital adequacy ratios and stress tests, impacts operational flexibility and risk management.
- **Changes in Regulations:** New regulations or amendments can affect banks' lending practices, capital requirements, and overall risk profile

Credit Risk

- **Loan Performance:** The health of borrowers and the quality of the loan portfolio impact banks' financial stability and profitability.
- **Economic Cycles:** Economic downturns can increase default rates and affect the bank's asset quality.

Operational Efficiency

- **Technology and Innovation:** Investments in technology and digital banking solutions can improve operational efficiency and customer service.
- **Cost Management:** Effective cost control measures influence profitability and operational sustainability

Geopolitical and External Factors

- **Global Economic Conditions:** International economic developments can affect cross-border banking activities and investment strategies.
- **Political Stability:** Political events and instability can impact market confidence and financial flows.

Market Competition

- **Competitor Actions:** The strategies and performance of other banks and financial institutions can influence market share and profitability.
- **Innovation and Services:** Banks need to adapt to competitive pressures by offering innovative products and services.

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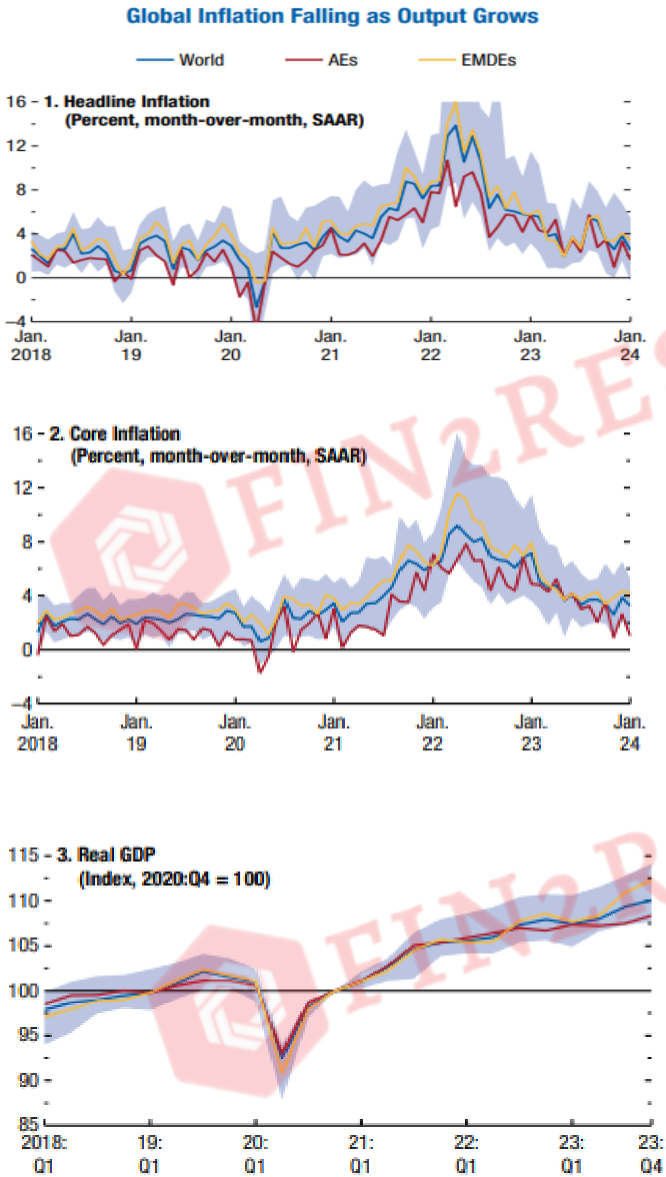
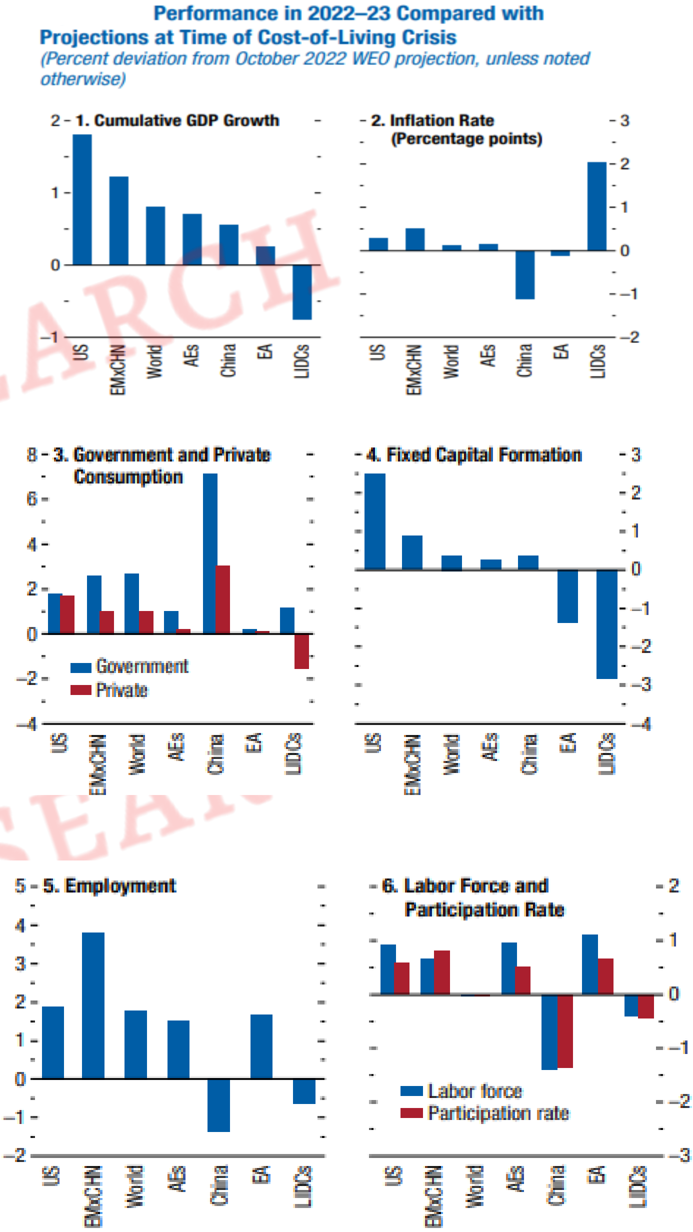
Global Economy





Source : IMF

The global economy has shown remarkable resilience despite facing multiple overlapping shocks and significant monetary tightening. Economic growth in the United States and several major emerging market economies (EMEs) has exceeded expectations, primarily driven by the strength of the services sector, which has compensated for the subdued performance of the manufacturing sector.

Inflation has moderated in many countries, with headline inflation rates coming down. However, the reduction in core and services inflation has been slower. This is largely due to strong household spending and persistent tightness in labor markets, which have maintained wage pressures. In response, major central banks in advanced economies have kept policy rates steady, aiming to bring inflation closer to their targets.

Despite tight financial conditions and the potential for increased energy prices amid geopolitical tensions, which pose risks to faster economic growth, the International Monetary Fund (IMF) in its April 2024 "World Economic Outlook" has projected that the global economy will continue to grow at a rate of 3.2% in both 2024 and 2025, maintaining the same pace as in 2023. This steady growth rate reflects a balance between the supportive aspects of economic resilience and the restraining influences of the identified risks.

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Strong economic growth to propel banking sector expansion

According to the Reserve Bank of India (RBI), India's banking sector is well-capitalized and highly regulated. The country's financial and economic conditions are notably superior to many other nations worldwide. Studies on credit, market, and liquidity risks indicate that Indian banks are generally resilient and have effectively weathered global economic downturns.
The Indian banking industry has recently introduced innovative models such as payments banks and small finance banks. In recent years, there has been a concerted effort to expand the reach of the banking sector through initiatives like the Pradhan Mantri Jan Dhan Yojana and postal payment banks. These schemes, along with significant reforms in the banking sector, including digital payments, neo-banking, the rise of Indian Non-Banking Financial Companies (NBFCs), and fintech, have substantially enhanced financial inclusion and stimulated the credit cycle in India.
The Indian fintech industry is projected to reach US$150 billion by 2025, making India the third-largest fintech ecosystem globally. India is recognized as one of the fastest-growing fintech markets in the world.
There are currently over 2,000 DPIIT-recognized fintech businesses in India, with this number rapidly increasing. The digital payments system in India has evolved the most among 25 countries, with India's Immediate Payment Service (IMPS) being the only system rated at level five in the Faster Payments Innovation Index (FPII). Additionally, India's Unified Payments Interface (UPI) has revolutionized real-time payments and has been expanding its global reach in recent years.

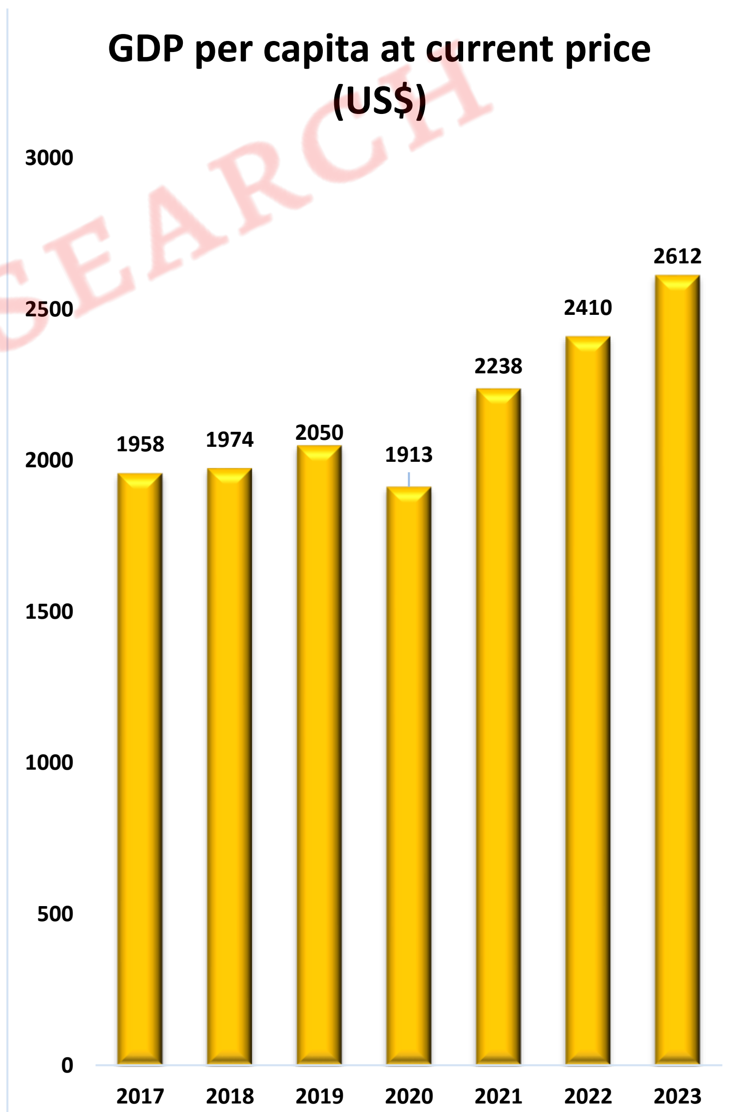
The IMF's April 2024 "World Economic Outlook" estimates India's nominal GDP per capita for 2024 to be US$2,731 at current prices. This increase in per capita income is anticipated to elevate the proportion of the Indian population utilizing banking services.

From 2017 to 2023, India's GDP per capita has risen from US$1,958 to US$2,613, reflecting a compound annual growth rate (CAGR) of 4.92%. This steady growth underscores the broader economic improvements and increased affluence among the Indian populace.

Looking ahead, the population in the 15-64 age group is expected to experience significant growth, which is likely to further boost the number of individuals engaging with the banking sector. The Economic Survey for 2018-19 projects that the working-age population will expand by 9.7 million annually between 2021 and 2031, and by 4.2 million per year from 2031 to 2041.

Several industries are undergoing transformation towards gig-based models, including textiles, banking and financial services, utilities such as electricity, gas, and water, real estate, IT and IT-enabled services, education, and personal services. The Indian Brand Equity Foundation (IBEF) reports that multinational corporations are increasingly adopting flexible hiring practices in response to these changes.

Additionally, according to the Chairman of the State Bank of India (SBI), the demand for credit remains strong, with expectations for credit growth to reach approximately 14%. This robust demand for credit reflects the expanding economic activities and the increasing engagement of the population with financial services



Source : IBEF

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Research Report

Indian banking sector

- Closed market.
- State-owned Imperial Bank of India was the only bank existing.

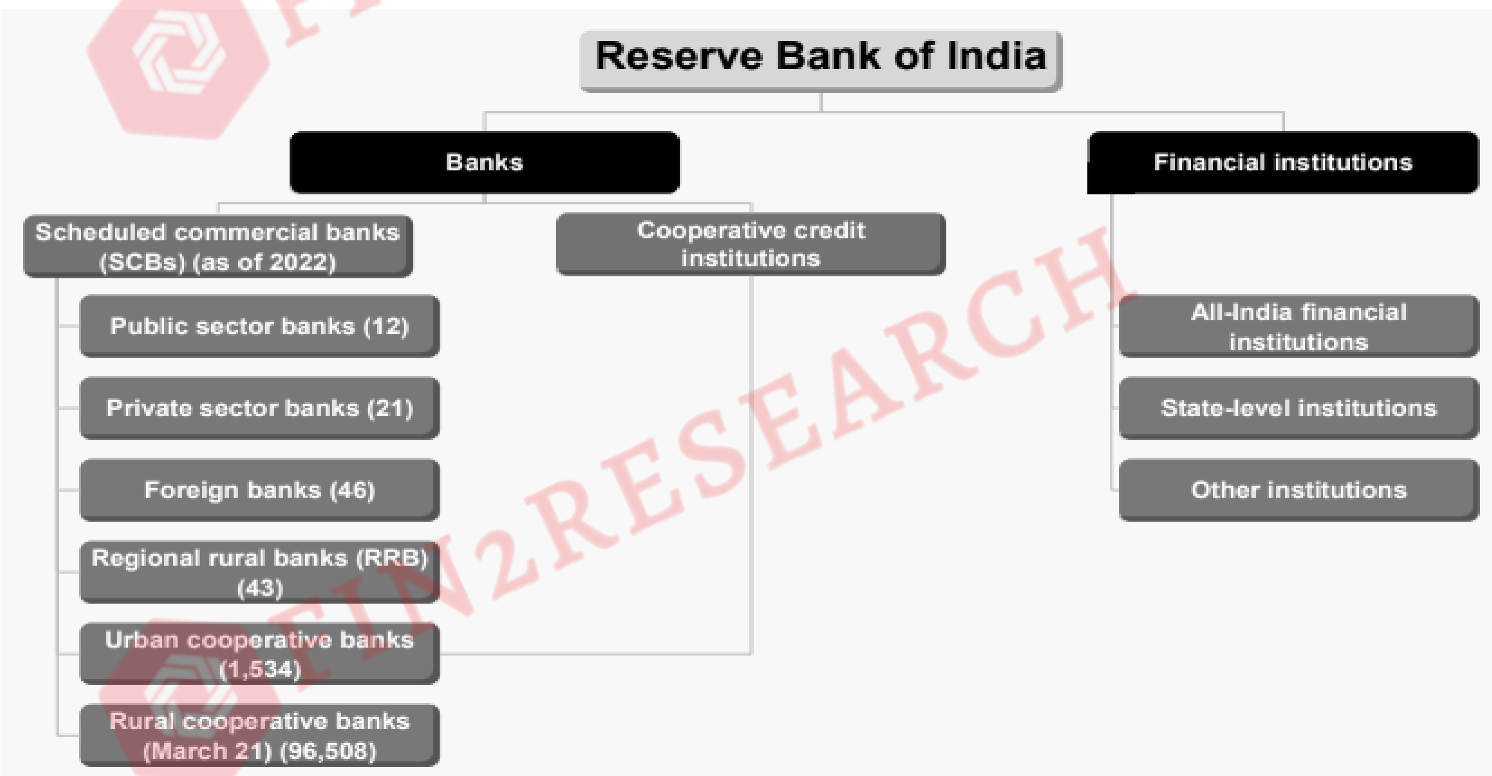
- RBI was established as the central bank of country.
- Quasi central banking role of Imperial Bank came to an end.

- Imperial Bank expanded its network to 480 branches.
- In order to increase penetration in rural areas, Imperial Bank was converted into State Bank of India.

- Nationalisation of 14 large commercial banks in 1969 & six more banks in 1980.
- Entry of private players such as ICICI intensifying the competition.
- Gradual technology upgradation in PSU banks.

- In 2003, Kotak Mahindra Finance Ltd received a banking license from RBI and became the first NBFC to be converted into a bank.
- In 2009, the Government removed the Banking Cash Transaction Tax which was introduced in 2005.

- In the recent period, technological innovations have led to marked improvements in efficiency, productivity, quality, inclusion and competitiveness in extension of financial services, especially in the area of digital lending.
- Digitalization of Agri-finance was conceptualized jointly by the Reserve Bank and the Reserve Bank Innovation Hub (RBIH). This will enable delivery of Kisan Credit Card (KCC) loans in a fully digital and hassle-free manner.
- In November 2022, RBI launched a pilot project on central bank digital currency (CBDC).



Source :IBEF

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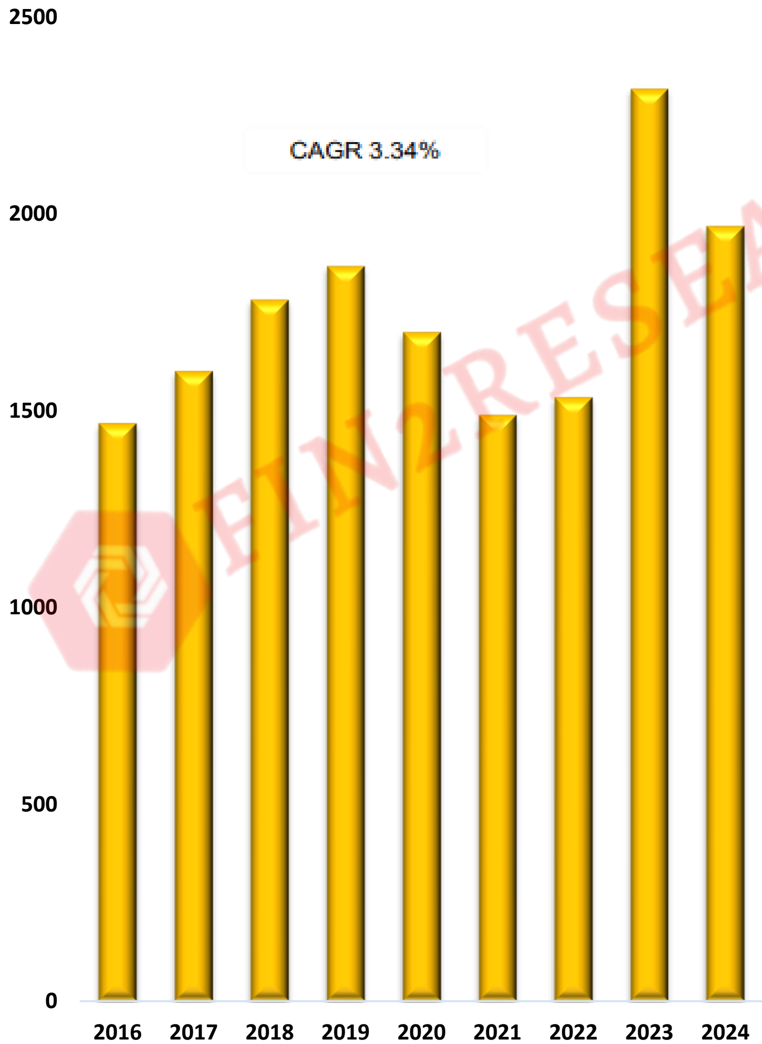
Growth in Bank Credit (US$ billion)



The Indian banking industry has been experiencing significant growth, bolstered by strong economic expansion, rising disposable incomes, increasing consumerism, and improved access to credit.
Under the Government of India's Pradhan Mantri Jan Dhan Yojana, bank accounts have accumulated deposits exceeding approximately US$25.13 billion. By December 15, 2023, the initiative had successfully banked 51.11 crore beneficiaries.
There has been a marked increase in the demand for both corporate and retail loans. Growth in credit has been particularly strong in sectors such as services, real estate, consumer durables, and agriculture-related industries.
India is emerging as one of the fastest-growing fintech markets globally. The country is home to over 2,000 Department for Promotion of Industry and Internal Trade (DPIIT)-recognized fintech businesses, with this number growing rapidly.
With its vast consumption potential, India is projected to become the third-largest consumer economy by 2030, driven by a youthful population, with 65% of the population under the age of 35.
India already ranks as the second-largest market globally for smartphone users and holds the position of the second-largest internet user market.
By 2050, India is expected to become the third-largest domestic banking sector worldwide. As of March 22, 2024, the total bank credit stood at Rs. 164.34 lakh crore (US$1,968 billion), with credit to non-food industries reaching Rs. 164.11 lakh crore (US$1,965 billion).

Access to the banking system in India has significantly improved over time, thanks to the government's continuous efforts to enhance banking technology and expand services in underbanked and non-metropolitan regions.
In the first four months of FY23, banks installed 2,796 ATMs, a notable increase compared to 1,486 in FY22 and 2,815 in FY21. This expansion reflects the ongoing commitment to increasing accessibility.
Despite global economic uncertainties, India's banking sector has remained stable, maintaining public confidence throughout various global upheavals. The sector has benefitted from high savings rates and an increase in both savings and disposable income.
Currently, there are 52.08 crore beneficiaries with a total of approximately US$27.56 billion (Rs. 2.29 trillion) held in their accounts. As of May 3, 2024, the Reserve Bank of India (RBI) reported that bank deposits amounted to Rs. 209.36 trillion (US$2,507.62 billion).
According to the RBI's Scheduled Banks' Statement, deposits across all scheduled banks surged by Rs. 2.04 lakh crore (US$2,452 billion) as of FY24, reflecting a substantial increase in the banking sector's deposits.

Source : Company Report

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Growth drivers of Indian banking sector

Enhanced Technology Integration

The adoption of Central Bank Digital Currency (CBDC), with the Reserve Bank of India (RBI) launching a pilot for retail segments utilizing blockchain technology, marks a milestone in the digitization of financial transactions. In April 2024, digital payments saw a surge, with 581 banks actively using UPI, leading to a cumulative digital transaction value of Rs. 21.4 trillion (USD 25.27 billion) for December 2023 alone. Secure loans and end-to-end digital transactions are poised to become more widespread as digital assets gain integration into the Indian financial system.

Strategic Cross-Selling

Cross-selling has emerged as a key strategy for Indian banks, enabling them to maximize revenue by offering a range of retail insurance products to their existing customer base. This approach has been instrumental in driving income growth and fostering customer loyalty within the banking sector.

Latent Demand Capture

The Open Network for Digital Commerce (ONDC) is set to revolutionize the market by providing a platform for 1.2 million sellers, particularly from the MSME sector, to connect with a large buyer base. Additionally, green financing initiatives are supporting the rising demand for environmentally friendly products, catering to the growing base of eco-conscious consumers.

Global Expansion Initiatives:

Indian banks are increasingly expanding their global footprint through subsidiaries, resulting in a 0.5% growth in employee numbers for foreign branches and a 6.2% increase in subsidiary operations. This expansion strategy is enhancing the global presence of Indian financial institutions.

Mergers and Acquisitions

The consolidation of HDFC Bank with HDFC Ltd., India's leading mortgage finance company, in July 2023, highlights the ongoing trend of mergers in the banking sector. This merger underscores the importance of strategic mergers in navigating the competitive global market, offering a pathway for Indian banks to achieve operational efficiency and strategic growth.

Privatization of Public Sector Banks

Privatization remains a central theme in the ongoing reforms in India's banking sector. The government has proposed the privatization of two public sector banks alongside one general insurance company, a move that has been widely discussed since the 2021-22 budget. This initiative is aimed at improving the efficiency and competitiveness of public sector entities.

Research Report

Growth drivers of Indian Bank

Global and Domestic Deposits Growth:
The bank's global deposits witnessed a significant increase of 10.76% year-on-year (YoY), reaching ₹6.88 lakh crore as of March 2024. Meanwhile, domestic deposits grew by 8.85%, totaling ₹6.62 lakh crore. Notably, the bank's domestic Current Account Savings Account (CASA) increased to ₹2.80 lakh crore, marking a growth of 7.60% YoY. To augment the CASA portfolio, the bank successfully mobilized 39.52 lakh new CASA accounts (excluding BSBD Savings accounts) during FY24.

Advances and Priority Sector Lending:
The bank's gross advances on a global scale grew by 12.71% YoY, reaching ₹5.34 lakh crore as of March 31, 2024, up from ₹4.74 lakh crore the previous year. Priority sector advances stood at ₹1.79 lakh crore, representing 43.82% of Adjusted Net Bank Credit (ANBC) for FY24, surpassing the mandatory target of 40.00%. Additionally, agriculture credit under the priority sector reached ₹83,590 crore, accounting for 20.52% of ANBC, exceeding the mandated 18.00%.

Non-Performing Assets and Recovery:
The bank achieved a reduction in both Gross Non-Performing Assets (NPA) and Net NPA. As of March 31, 2024, Gross NPA stood at ₹21,106 crore (3.95%), down from ₹28,181 crore (5.95%) the previous year. Net NPA also decreased to ₹2,223 crore (0.43%) from ₹4,045 crore (0.90%). The total recovery of NPAs, including cash recovery, upgradation, and recovery in AUC accounts, amounted to ₹8,799 crore, slightly up from ₹8,503 crore in FY23. The Provision Coverage Ratio (PCR) improved by 252 basis points to 96.34% in FY24, compared to 93.82% in FY23.

Branch Network and Infrastructure:
The bank expanded its domestic branch network to 5,847, comprising 1,985 rural, 1,530 semi-urban, 1,174 urban, and 1,158 metropolitan branches. The bank also operates three overseas branches and one IFSC Banking unit (GIFT City). The total number of ATMs and BNAs reached 4,937, incluAding 601 offsite ATMs/BNAs and two mobile ATMs. Additionally, the bank has 11,297 Business Correspondents, bringing the total Pan India touchpoints to 22,082.

Financial Performance and Profitability:
The bank reported a 24% increase in interest income, totaling ₹55,615 crore in FY24, up from ₹44,942 crore in FY23. Net Interest Income grew by 15%, reaching ₹23,274 crore from ₹20,225 crore. Fee-based income rose by 11% to ₹3,298 crore, and operating profit increased by 10% to ₹16,840 crore. Profit before tax surged by 85%, amounting to ₹10,951 crore, while net profit increased by 53% YoY, reaching ₹8,063 crore.

Efficiency and Returns:
The bank's yield on advances improved by 96 basis points to 8.72% in FY24, compared to 7.76% in FY23. The cost of deposits increased by 79 basis points to 4.88% from 4.09%. The domestic net interest margin (NIM) saw a 13 basis point increase, reaching 3.54% in FY24. Return on assets (RoA) improved by 30 basis points to 1.07%, while return on equity (RoE) rose by 451 basis points to 19.24%. The average business per employee increased by ₹302 lakh, totaling ₹2,657 lakh, and profit per employee grew by ₹7.08 lakh, reaching ₹20.03 lakh.

Source : Company Report

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Management

Mr. Jain is the Managing Director and CEO of Indian Bank, with over 28 years of banking experience. Previously, he was the Executive Director at Bank of Baroda, where he played a key role in the merger of Vijaya Bank and Dena Bank with BoB. His expertise spans Large Corporate Credit, Stressed Assets, and International Banking. Before his tenure at BoB, he served in various senior roles at Allahabad Bank, including Chief Financial Officer and Chief Risk Officer. A Chartered Accountant and Company Secretary by qualification, Mr. Jain is also an active member of several banking and financial committees, including the Indian Banks Association and the Insurance Advisory Committee of IRDAI.

Mr. Arun Kumar Bansal currently serves as the General Manager – Accounts / Chief Financial Officer of Indian Bank, a position he has held since 1st July 2020. With over 30 years of extensive experience in the banking sector, he has previously led the Treasury & International Division at Indian Bank. Mr. Bansal is well-qualified, holding an M.Com, an MBA, a Postgraduate Diploma in Banking & Finance from NIBM, as well as certifications in CAIIB, CFP (FPSB), and advisory roles in Mutual Funds, Derivatives, and Currency Futures.

Mr. Shenoy Vishwanath V has been serving as the Executive Director of Indian Bank since December 1, 2018. A Commerce graduate from Mumbai University, he began his banking career as a Probationary Officer at Union Bank of India on January 17, 1985. With 35 years of experience, Mr. Shenoy has worked across various roles and geographies, including branches in Rural, Semi-Urban, Urban, and Metro areas. He has held leadership positions in diverse verticals such as Credit, Vigilance, Transaction Banking, Credit Policy, MSME, and Large Corporate, among others. Mr. Shenoy was also a key member in the Verticalisation and Centralisation of Credit functions at Union Bank of India. Additionally, he serves as a Nominee Director on the Board of the Central Registry of Securitisation Asset Reconstruction and Security Interest of India.

Mr. Imran Amin Siddiqui has been serving as the Executive Director of Indian Bank since 10th March 2021. An Engineering graduate from HBTI, Kanpur, and a Certified Associate of the Indian Institute of Bankers, Mr. Siddiqui began his banking career on 28th December 1987 as an SSI Field Officer. With over 33 years of diverse experience in banking, he has held strategic roles in business development, including serving as Zonal Manager and Field General Manager across various regions such as Kolkata Urban, Barasat, West Bengal, and the North East states. At the corporate level, Mr. Siddiqui has led the Credit and Credit Monitoring Departments and was heading the Resources and Government Relationship Department at Corporate Office, Chennai, before his elevation to Executive Director.

Mr. Ashwani Kumar is the Executive Director of Indian Bank, with over 20 years of banking experience. A Chartered Accountant with a Post Graduate degree in Commerce, he is a Certified Member of the Indian Institute of Bankers. Prior to this role, he was Chief General Manager of the Mumbai Zone at Punjab National Bank (PNB). His career includes leadership positions at Bank of Baroda, Corporation Bank, Oriental Bank of Commerce, and PNB, covering Wholesale Banking and corporate finance. He has also undergone advanced training at IIMs and CAFRAL and participated in a Leadership Development Programme at IIM Bangalore.

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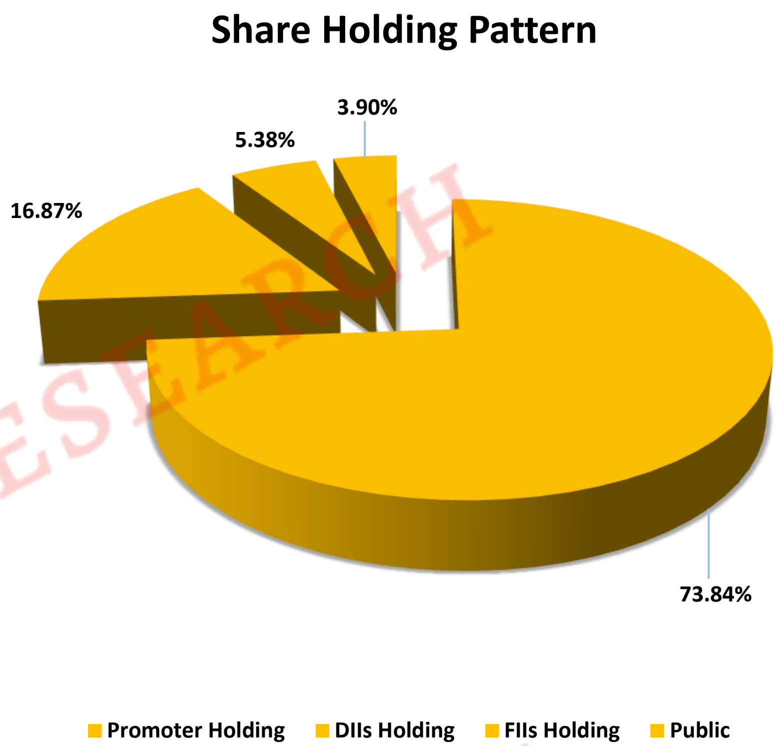
Share Holding Pattern

- As of the June 2024 quarter, the promoters' ownership in the company remains steady at 73.84%.
- Foreign Institutional Investors (FIIs) and Foreign Portfolio Investors (FPIs) have slightly increased their stake from 5.29% to 5.38%. However, the number of FII/FPI investors has decreased from 297 to 284 during the same period.
- Mutual Funds have also raised their holdings, moving from 11.71% to 11.81%. Additionally, the number of Mutual Fund schemes investing in the company has gone up from 29 to 30.
- Institutional Investors, in general, have marginally increased their holdings from 22.24% to 22.25% in the June 2024 quarter.



Source : Company Report

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Research Report

BUSINESS OVERVIEW

Domestic Deposits

Micro Small& Medium Enterprises

Forex Business

Retail Credit

Corporate Credit

Non Resident Business

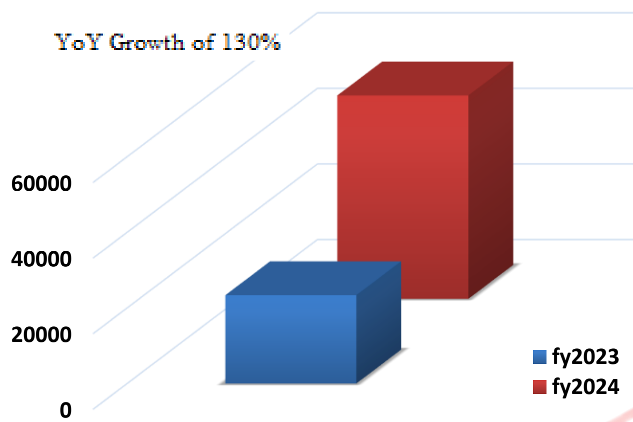
Agriculture credit

Overseas Credit

Bancassurance & Mutual Fund

Domestic Deposits

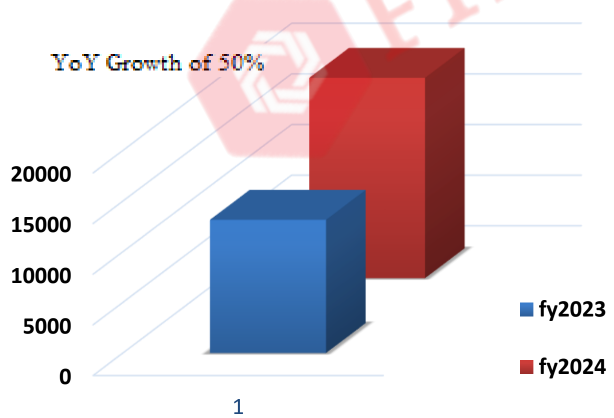
Total Domestic Deposit (In cr)



What is Domestic Deposit ?
Domestic deposits refer to the funds collected by a bank or financial institution from individuals, businesses, and other entities within the same country. These deposits are typically made through savings accounts, current accounts, fixed deposits, and other types of deposit accounts. They form a key source of funding for banks, enabling them to provide loans and other financial services. Domestic deposits are important for the stability and liquidity of a financial institution and play a crucial role in the overall economy by facilitating savings and investment.

In the financial year 2024, the bank achieved substantial growth in its domestic deposits, with an incremental increase of ₹53,799 crore compared to ₹23,366 crore in the previous year, reflecting a year-over-year growth of 130%.
The domestic CASA (Current Account Savings Account) deposits also saw significant improvement, with an incremental growth of ₹19,774 crore in FY24, up from ₹13,149 crore in FY23, marking a year-over-year growth of 50%.
The bank has enhanced its service offerings through Tab Banking by introducing 20 new savings bank products, 2 new current account products, and 12 additional services.
Furthermore, the bank has launched VKYC 2.0, an upgraded version of its Video-based Customer Identification Process (VCIP), designed to provide a more streamlined and efficient customer experience.
In its efforts to bolster Government Deposit Business, the bank has expanded its R&GR (Revenue and Government Receipts) Cells to nine additional state capitals, bringing the total number of R&GR Cells to 15.
To attract individual savings deposits, the bank is targeting Non-Resident Indians (NRIs), High Net-Worth Individuals (HNIs), and institutions by setting up 75 Resource Acquisition Centres (RACs) across the country, supported by the Customer Relationship Manager (CRM) concept.

Domestic CASA (In cr)



Source:Company Research

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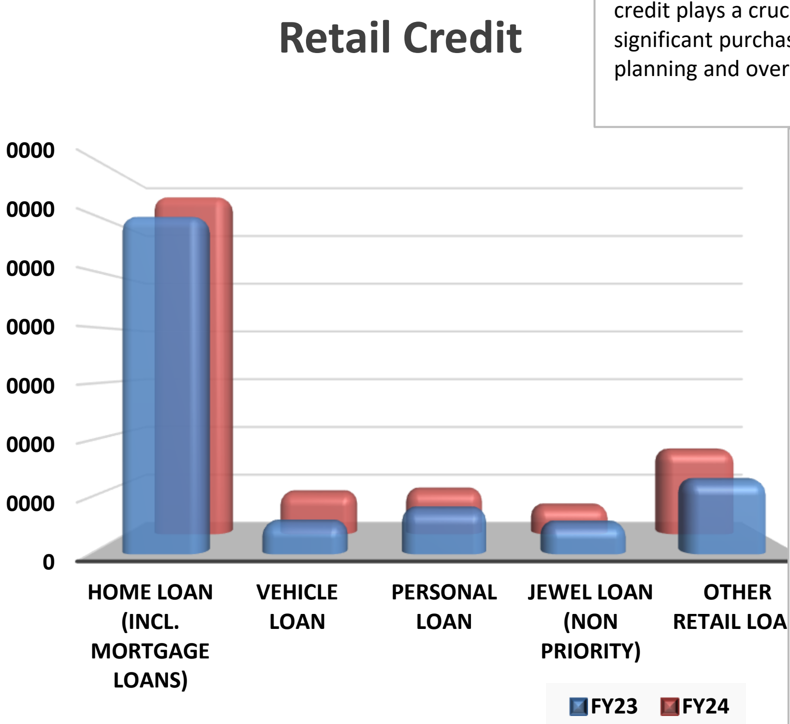
What is Retail Credit ?
Retail credit encompasses the loans and credit facilities offered by banks to individual consumers for personal use. This includes products such as personal loans, which help cover various personal expenses; home loans for purchasing or renovating homes; auto loans for buying vehicles; credit cards that allow for revolving credit up to a certain limit; and education loans for funding educational costs. By providing these financial products, retail credit plays a crucial role in assisting individuals with managing their finances, making significant purchases, and achieving personal goals, thereby contributing to effective financial planning and overall economic activity.

Retail Credit



- Retail credit has experienced significant growth of 15% year-over-year. This impressive increase is driven by a variety of factors across different types of loans. Specifically, home loans have grown by 11%, reflecting a steady demand for residential property financing. Vehicle loans have surged by an impressive 49%, indicating strong consumer interest in purchasing automobiles. Personal loans have also seen a 10% rise, highlighting continued demand for unsecured credit.
- To leverage this growth, the bank has strategically expanded its Retail Assets Processing Centres (RAPCs). New RAPCs have been established in Navi Mumbai and Bengaluru South, increasing the total number of RAPCs to 74. This expansion aims to enhance the bank's ability to process retail credit applications efficiently and tap into the growing market potential.
- In addition to expanding its physical infrastructure, the bank has strengthened its approach to home and auto loan financing by partnering with leading Corporate Direct Selling Agents (DSAs) and major four-wheeler companies. These partnerships are designed to streamline the loan application process and boost customer acquisition for these products.

Agriculture Credit

What is Agriculture Business ?
The agriculture business of a bank, often termed as agri-business, involves providing a comprehensive range of financial services tailored to the agricultural sector. This includes offering various types of agriculture loans, such as crop loans for seasonal inputs, term loans for long-term investments like machinery and land development, and the Kisan Credit Card (KCC) for flexible credit access. Banks also engage in rural development initiatives by financing infrastructure projects, and they support small farmers and rural entrepreneurs through microfinance and Self-Help Groups (SHGs). Additionally, the bank may offer crop insurance and other related products to protect farmers against risks, while also providing agri-advisory services to enhance farming practices and profitability. By supporting the entire agricultural value chain, from production to processing and marketing, the bank’s agriculture business plays a vital role in boosting agricultural productivity, fostering rural development, and contributing to economic growth.

- In FY24, the bank demonstrated strong performance in its agriculture and priority sector lending. Under the Ground Level Credit Flow to Agriculture (GLC), the bank disbursed ₹84,601 crore in farm loans, exceeding its target of ₹65,000 crore. A significant portion, ₹53,862 crore, was allocated to 50.52 lakh small and marginal farmers.
- The bank's Priority Sector Advances reached ₹1,78,527 crore, representing 43.82% of Adjusted Net Bank Credit (ANBC), surpassing the RBI's mandatory target of 40%. Within this, agriculture credit stood at ₹83,590 crore, accounting for 20.52% of ANBC against the 18% target. Additionally, lending to small/marginal farmers totaled ₹44,242 crore, 10.86% of ANBC, exceeding the 10% target, while lending to weaker sections amounted to ₹54,382 crore, 13.35% of ANBC, surpassing the 12% target. Lending to micro enterprises reached ₹47,256 crore, 11.60% of ANBC, well above the 7.5% target, and lending to non-corporate farmers totaled ₹65,364 crore, 16.05% of ANBC, surpassing the 13.78% target.
- In support of Self Help Groups (SHGs), the bank's outstanding credit stood at ₹19,243 crore, covering 4.21 lakh SHGs. During FY24, the bank disbursed ₹15,689 crore to 3.16 lakh SHGs, surpassing the National Rural Livelihood Mission (NRLM) targets. The bank focused on expanding SHG lending in emerging areas like Bihar, Rajasthan, West Bengal, Odisha, and Assam. Additionally, ₹3,159 crore was extended to 44,929 SHGs through Microsate branches, and ₹2,218 crore was disbursed to 30,325 SHGs through 57 identified SHG-intensive branches.

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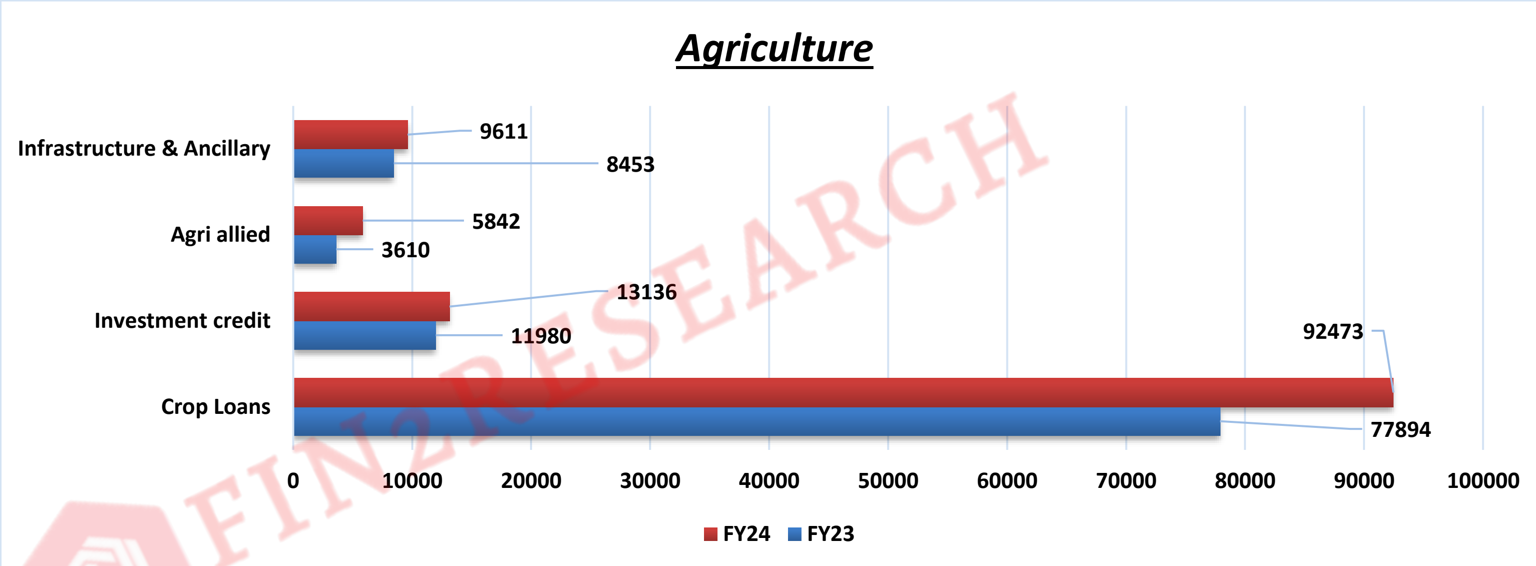

MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)

What is MSME Business ?
MSME banking refers to the range of financial services provided by banks to Micro, Small, and Medium Enterprises (MSMEs), which are vital contributors to the economy. This includes offering loans and advances such as working capital loans for day-to-day operations and term loans for capital investments like machinery or expansion. Banks also provide trade finance to support MSMEs in their export and import activities. Additionally, MSME banking often includes flexible credit facilities like overdrafts and cash credit to manage short-term cash needs. Many banks offer loans under government schemes designed to support MSMEs, such as the Pradhan Mantri Mudra Yojana (PMMY) or the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), which provide easier access to credit with reduced collateral requirements. Beyond financing, banks also offer financial advisory services to help MSMEs manage their finances effectively, improve cash flow, and plan for future growth

As of March 31, 2024, the bank's MSME portfolio grew by 6% year-over-year, reaching ₹84,121 crore, up from ₹79,656 crore in the previous year. Standard MSME advances saw a 9.65% increase. The bank introduced new products like the Merchant Credit Card for MSME traders, Lab Grown Diamond financing, and the PM Vishwakarma Scheme. To enhance MSME services, 81 MSME Processing Centres (MAPCs) were established, improving business mobilization, Turn Around Time (TAT), and lending quality. The bank also launched Supply Chain Financing (SCF) to provide short-term working capital to dealers and vendors and opened 10 Start-Up cells in major hubs across India.]

To support MSME clusters, the bank formulated 83 clusters, focusing on the North East Region and Southern States, rationalizing interest rates under these schemes. Under the PMSVANIDHI scheme, the bank provided credit to 5.94 lakh street vendors, disbursing ₹747 crore. The bank surpassed its MUDRA loan target, disbursing ₹7,745 crore, achieving 111% of the FY24 goal. In the Stand Up India scheme, the bank assisted 11,428 SC/ST and women entrepreneurs, surpassing the target.

The MSME Prerana mentoring program expanded to 12 states/UTs in 8 languages, training 1,864 entrepreneurs, including 819 women, across 57 batches. For Start-Up financing, the Ind Spring Board initiative provided ₹207 crore to 114 Start-Ups, with MOUs signed with 13 premier institutes like IITs and IIMs.

Source:Company Research

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Forex Business

The forex business of a bank encompasses a range of services related to foreign exchange transactions, including currency exchange, international payments, and remittances. The bank facilitates cross-border payments, supports businesses with trade finance products like letters of credit and export financing, and offers forex trading and hedging services to manage currency risk. Additionally, the bank provides specialized accounts and loans for exporters and importers, helping them navigate the complexities of global trade. Through these services, the bank plays a critical role in enabling international trade and investment, offering clients the tools and expertise to manage their foreign exchange needs effectively.

The bank's export credit (standard) business saw a 6% year-over-year growth, reaching ₹2,944 crore as of March 2024. To streamline export operations, the bank has enabled API integration with the Directorate General of Foreign Trade (DGFT), allowing exporters to issue Electronic Bank Realization Certificates (eBRC) themselves. Additionally, the bank now offers UPI Pay Now for cross-border remittances to Singapore in collaboration with NPCI, accessible through a mobile app.

Corporate Credit

What is Corporate Credit ?

Corporate credit refers to the suite of financial services and lending products that banks offer to businesses and corporations. This includes term loans for significant investments such as equipment purchases and facility expansions, as well as working capital loans to cover everyday operational expenses like inventory and payroll. Banks also provide overdraft facilities to help manage short-term cash flow needs and trade finance services, including letters of credit and export/import financing, to support international trade. Additionally, corporate credit involves issuing corporate bonds, syndicated loans for large-scale financing, and structured finance products tailored to specific business requirements. Revolving credit lines offer flexibility for managing liquidity, while advisory services assist with corporate restructuring, mergers, and acquisitions. These services are vital for supporting business growth, managing financial needs, and facilitating strategic investments.

As of March 2024, the bank's corporate credit portfolio stood at ₹1,88,242 crore, accounting for 38% of the total domestic credit. Over the fiscal year 2024, corporate credit grew by 10% year-over-year, with standard corporate credit increasing by 12% year-over-year. To support its corporate clients, the bank operates 9 Large Corporate Branches and 27 Mid Corporate Branches in key business centers, addressing the needs of corporate customers across high-potential locations.

Overseas Credit

Overseas credit encompasses the range of lending and financial services that banks offer for international purposes or to foreign borrowers. This includes issuing foreign loans to companies or entities outside the bank's home country for various needs, such as expansion or project financing. Banks also provide international trade finance products like letters of credit, export and import financing, and trade credit insurance to support cross-border transactions. Additionally, overseas credit includes foreign currency loans, global syndicated loans involving multiple international banks, and offshore banking services through branches or subsidiaries in foreign countries. It also covers cross-border financing for transactions or investments involving multiple countries and international project finance for large-scale projects abroad. Through these services, banks facilitate global trade, support international business activities, and manage foreign investments, playing a vital role in the global financial system.

The bank operates three foreign branches in Singapore, Colombo, and Jaffna, along with an International Financial Services Centre (IFSC) Banking Unit (IBU) in Gandhi Nagar, Gujarat. As of March 31, 2024, the total outstanding advances from these foreign branches and the IBU amounted to ₹35,613 crore, representing a 20% year-over-year growth compared to ₹29,665 crore the previous year.

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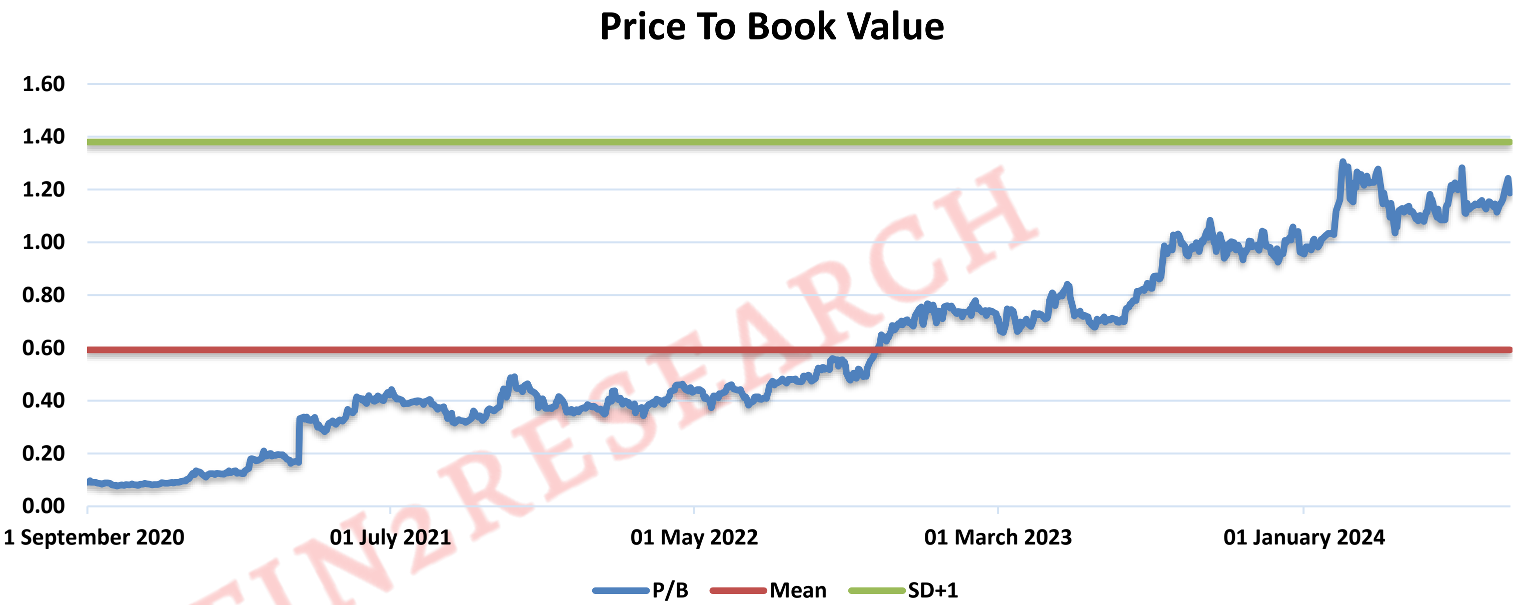
Valuation



Indian Bank's current Price to Book Value (P/BV) stands just below one standard deviation beyond its historical mean, indicating that while the valuation is relatively elevated, it remains within historical norms. This positioning suggests that the stock is neither significantly overvalued nor undervalued, offering potential for upside if key targets are met. A crucial driver for a potential 20.74% share price upside is the management's commitment to enhancing asset quality, with an ambitious recovery target of ₹70 billion for FY25. Achieving this target would significantly reduce net NPAs and strengthen the bank’s balance sheet. Additionally, the expected decline in credit costs and the projected rise in the capital adequacy ratio to over 17% following 1QFY25 profits will bolster profitability and support growth. While NIM might face some pressure due to regulatory changes, the bank’s strategic loan growth in diverse sectors is expected to mitigate this impact. With operational efficiency and a stable cost-to-income ratio maintained, the stock is well-positioned for an upward trajectory, contingent on the successful execution of these strategies.

Management Commentry

Asset Quality and Recovery Goals
The bank is focused on enhancing asset quality with an ambitious recovery target of ₹70 billion for FY25. This will be sourced from a gross NPA pool of ₹200 billion and ₹400 billion in written-off accounts (TWO), aiming to significantly reduce net NPAs and strengthen the balance sheet.

Credit Cost and Profitability
Credit costs are expected to decline further from the 71 basis points observed in 1QFY25, signaling a positive trend for future profitability. This reduction in credit costs should contribute to improved financial performance in the upcoming quarters.

Capital Adequacy Enhancement
Capital adequacy remains a robust area for the bank, with projections showing the ratio will rise above 17% once 1QFY25 profits are included. This strong capital base will support the bank’s expansion plans and provide a cushion against any unforeseen risks.

NIM and Loan Growth Strategy
Although the Net Interest Margin (NIM) might face slight pressure due to regulatory changes, the bank is prepared to offset this through strategic loan growth. Significant expansion is expected in retail, agriculture, gold, and syndication loans, contributing to a more diversified and resilient portfolio.

Cost Management and Operational Efficiency
The bank anticipates maintaining a stable cost-to-income ratio with minor fluctuations throughout FY25. By controlling operating expenses and focusing on efficiency, the bank aims to sustain its profitability in a challenging market environment.

Source:Company Research

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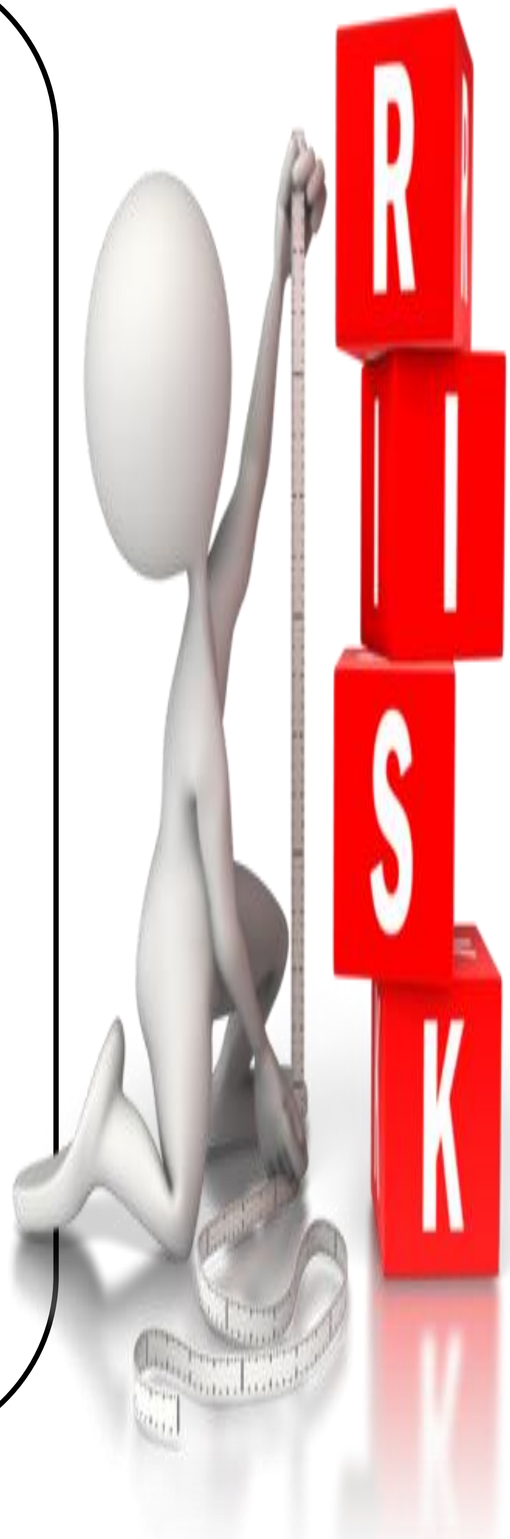
Risks

- **Credit risk** is one of the most critical, arising when borrowers fail to meet their obligations. This can lead to non-performing assets (NPAs), which erode the bank's capital base and profitability. Managing credit risk involves robust credit appraisal processes and regular monitoring to ensure the bank’s financial health.
- **Market risk** is another major concern, involving potential losses due to adverse movements in interest rates, foreign exchange rates, or equity prices. These fluctuations can directly affect the bank's investment portfolio and overall earnings. Effective management of market risk requires hedging strategies, diversification, and strict limits on exposures.
- **Liquidity risk** refers to the danger of a bank being unable to meet its short-term financial obligations, potentially triggering a liquidity crisis. This risk can severely disrupt a bank's operations and credibility. To manage liquidity risk, banks maintain adequate levels of liquid assets and ensure diversified funding sources.
- **Operational risk** arises from failures in internal processes, systems, or human errors, which can lead to financial losses, regulatory penalties, and reputational damage. Strong internal controls and a comprehensive risk management framework are essential to mitigating operational risk and maintaining smooth operations.
- **Regulatory risk** stems from changes in laws or regulations that could impose new costs, compliance challenges, or operational disruptions. Banks must stay proactive in managing regulatory risk through effective compliance management and engagement with regulators to adapt to changing environments.
- **Reputational risk** can occur if a bank's image is tarnished due to issues like poor customer service, regulatory fines, or operational failures. A damaged reputation can lead to loss of customer trust, reduced business, and a decline in stock price. Managing reputational risk involves transparent operations, strong customer relationships, and effective crisis management strategies.
- **Strategic risk** is associated with poor strategic decisions, such as unsuccessful mergers, acquisitions, or entry into new markets. These decisions can lead to significant financial losses and missed opportunities. Thorough strategic planning and continuous monitoring of internal and external environments are crucial for managing strategic risk.
- **Cybersecurity risk** has become increasingly critical as banks face the threat of cyberattacks that can result in data breaches, loss of customer information, and substantial financial penalties. Robust IT security measures, regular audits, and employee training are vital for mitigating cybersecurity risk.
- **Interest rate risk** affects a bank's profitability due to fluctuations in interest rates, impacting its net interest margin. Managing this risk involves conducting interest rate gap analysis and using derivatives to hedge against potential losses.



Source : Company Report

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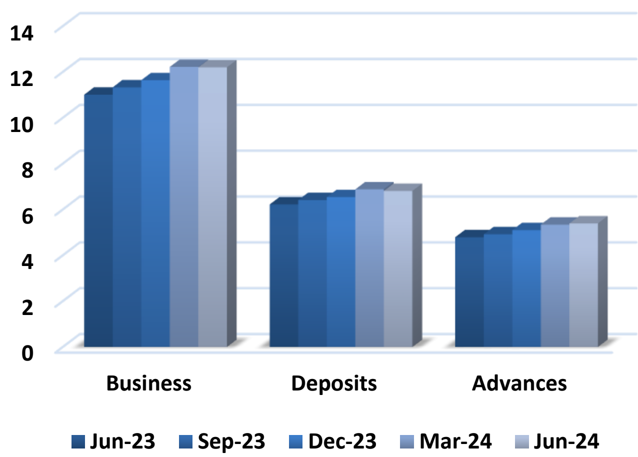
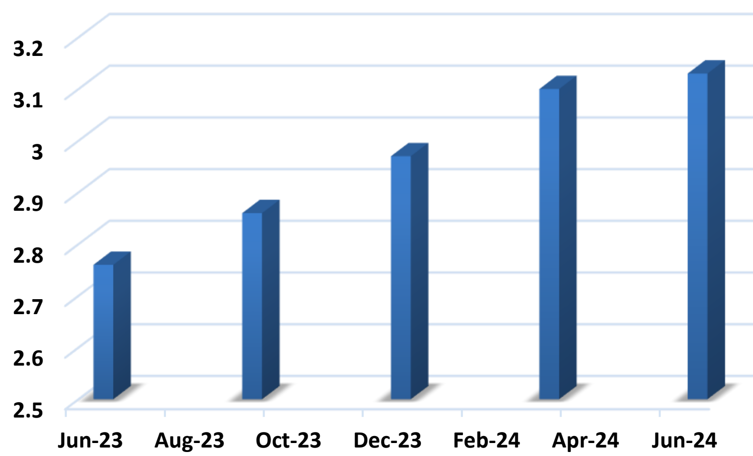
Performance Highlights Q1 FY25 (YoY)

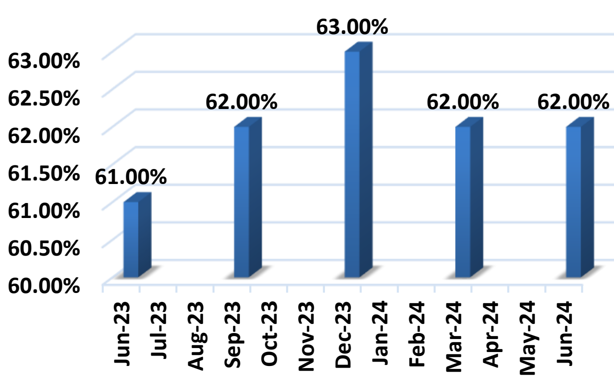
Business (₹ lakh Cr)



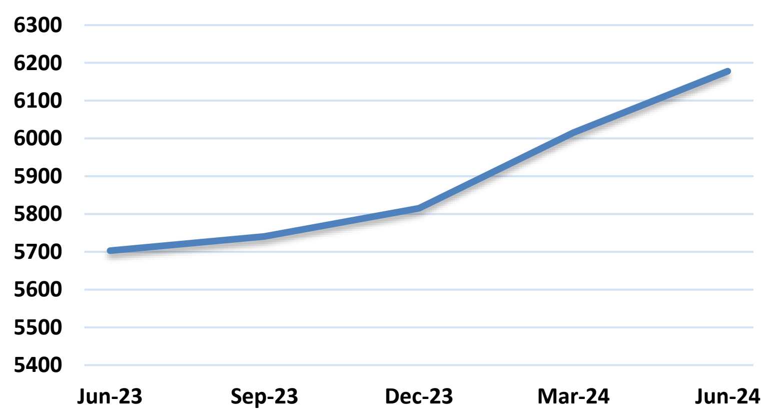
RAM (₹ lakh Cr)



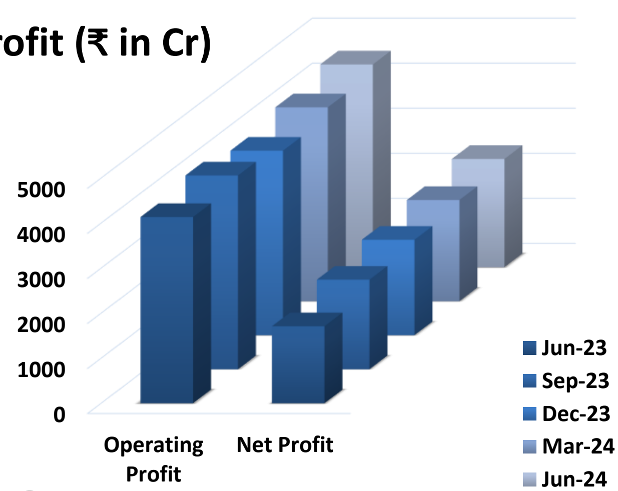
RAM Share (%) out of Domestic Advances



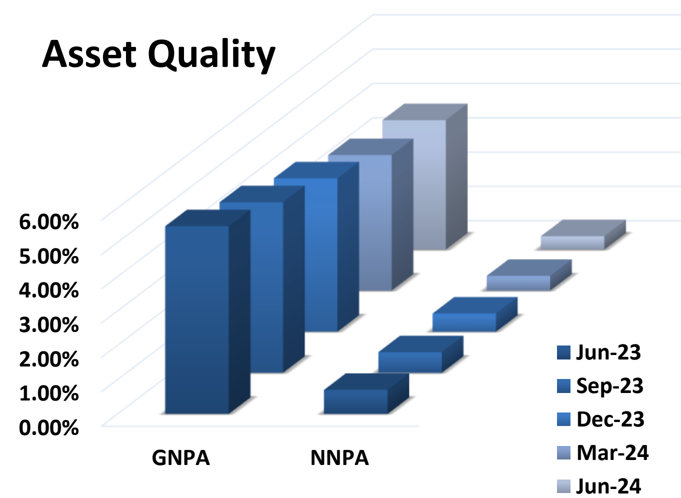
Net Interest Income (₹ in Cr)



Profit (₹ in Cr)



Asset Quality



Source:Company ppt

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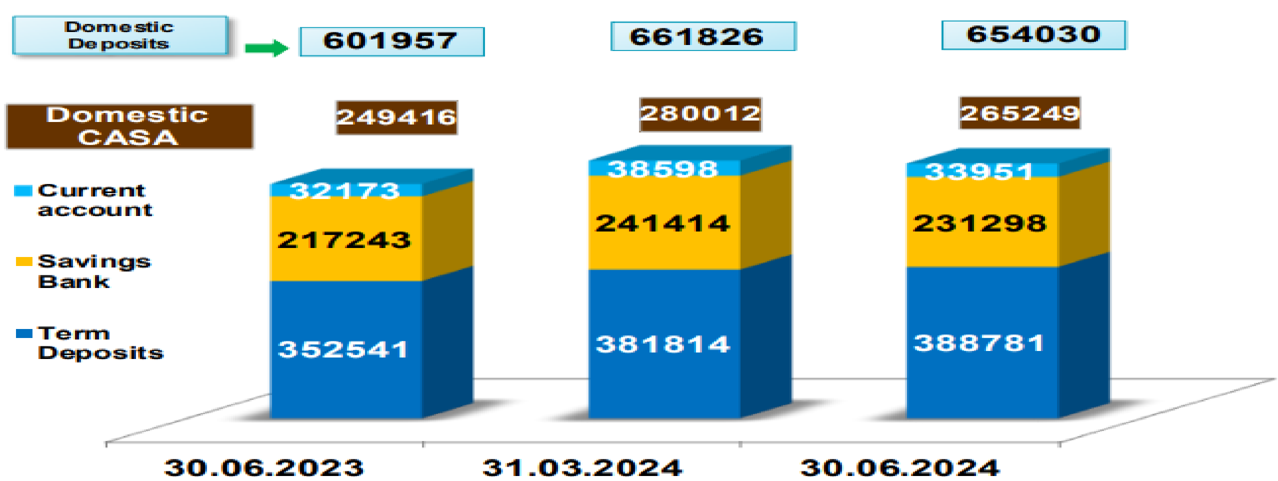
Business Snapshot

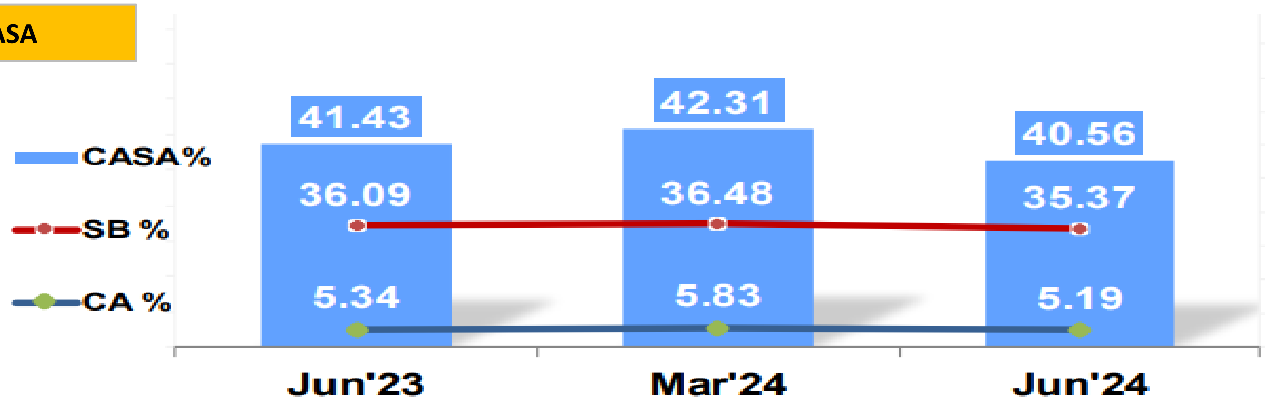
₹ in cr

Parameter	30.06.2023	31.03.2024	30.06.2024	QoQ (%)	YoY (%)
Deposits	621539	688000	681183	-1	10
Domestic	601957	661826	654030	-1	9
Overseas	19582	26174	27153	4	39
Deposits breakup					
Current	32856	38993	34487	-12	5
Savings	217386	241494	231378	-4	6
CASA	250242	280487	265865	-5	6
CASA % (Global)	40.26%	40.77%	39.03%		
CASA % (Donestic)	41.43%	42.31%	40.56%		
Term Deposits	371297	407513	415318	2	12
Advances	479404	533773	539123	1	12
Domestic	450634	498160	502618	1	12
Overseas	28770	35613	36505	3	27
CD Ratio %	77.13%	77.58%	79.15%		
Business	1100943	1221773	1220306	-0.01	11
Domestic	1052591	1159986	1156648	-0.3	10
Overseas	48352	61787	63658	3	32

Domestic Deposits



Domestic CASA



Source : Company ppt

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Business Snapshot

Advances (Domestic)

₹ in Cr

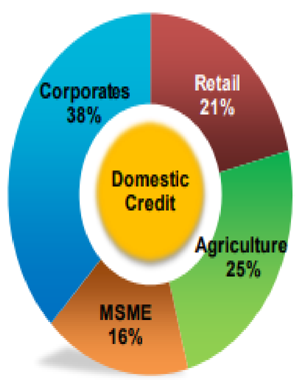
Sector	30.06.2023	31.03.2024	30.06.2024	YoY (%)
Gross Advances-Domestic	**450634**	**498160**	**502618**	**12**
Retail	93215	104735	106091	**14**
Agriculture	104710	121062	123849	**18**
MSME	78510	84121	83361	**6**
Total (RAM)	**276435**	**309918**	**313301**	**13**
RAM % to Gross Domestic Advances	*61.34%*	*62.21%*	*62.33%*	
Corporate	**174199**	**188242**	**189317**	**9**

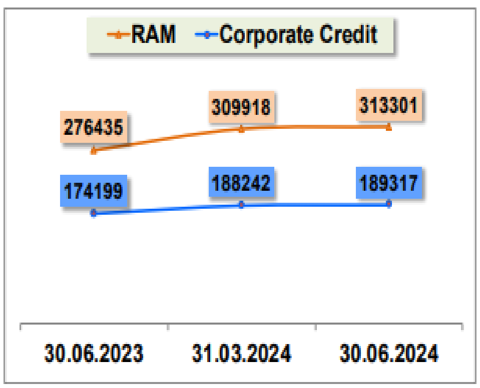
Retail	30.06.2023	31.03.2024	30.06.2024	YoY (%)
Home Loan (Incl.Mortgage loans)	60746	66423	68891	13%
Auto Loan	5588	8016	8634	55%
Personal Loan	8221	8566	8239	0.2%
Jewel Loan Non Priority	5435	5366	5965	10%
Other Retail Loan	13225	16364	14362	9%
Retail	**93215**	**104735**	**106091**	**14%**

Agriculture	30.06.2023	31.03.2024	30.06.2024	YoY (%)
Crop Loans	80343	92473	94377	17%
Investment Credit	11490	13136	12764	11%
Agri allied	3738	5842	5900	58%
Infrastructure & Ancillary	9139	9611	10808	18%
Agriculture	**104710**	**121062**	**123849**	**18%**

MSME	30.06.2023	31.03.2024	30.06.2024	YoY (%)
Micro	43481	47468	49520	14%
Small	24537	25948	23491	-4%
Medium	10492	10705	10350	-1%
MSME	**78510**	**84121**	**83361**	**6%**

30.06.2024





Priority Sector

₹ in Cr

Segment (as on 30.06.24)	RBI Benchmark (as % of ANBC)	Mandatory Target (Amount)	Achievement (Excluding PSLC)	
			Amount	%
Priority Sector	**40.00%**	**167803**	**179664**	**42.83%**
Agriculture	18.00%	75511	88222	**21.03%**
Small and Marginal Farmers	10.00%	41951	52441	**12.50%**
Weaker Section	12.00%	50341	63314	**15.09%**
Micro under MSME	7.50%	31463	46953	**11.19%**
Non Corporate farmers	13.78%	57808	81337	**19.39%**

Position as on 30.06.2024

Source:Company ppt

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Financial

Particulars	FY2023	FY2024
INCOME		
Interest earned	44985.16	55649.73
Other Income	7804.5	8581.95
TOTAL	**52789.66**	**64231.68**
EXPENDITURE		
Interest expended	24717.29	32340.76
Operating Expenses	12724.76	14952.8
Provisions & Contingencies	10017.13	8808.97
TOTAL	**47459.18**	**56102.53**
Profit / (loss)	**5330.48**	**8129.15**
Share of earnings in Associates	243.04	293.37
Net Profit	**5573.52**	**8422.52**
EPS	44.74	66.03

Balance sheet		
Particulars	**FY2023**	**FY2024**
CAPITAL & LIABILITIES		
Capital	1245.44	1346.96
Reserves & Surplus	48261.38	58901.24
Minority Interest	26.19	29.31
Deposits	621123.23	687953.07
Borrowings	22092.42	23142.88
Other Lia & Prov	20585.34	24335.36
Total	**713334**	**795708.82**
ASSETS		
Cash & Balances with Reserve Bank of	32692.73	32702.76
Balances with Banks and Money at cal	17524.1	9474.15
Investments	188366.28	215241.82
Advances	449293	514889.07
Fixed Assets	7480.67	7539.9
Other Assets	17976.27	15861.12
Total	**713333.05**	**795708.82**
Contingent Liabilities	**381370.21**	**334331.17**
Bills for Collection	**16082.16**	**15934.58**

Cash Flow		
Particulars	**FY2023**	**FY2024**
Net Profit as per p/l Account before min	5573.52	8422.52
Adjustments for :		
Provision for NPA	6516.22	3652.87
Provision for Investrnent	492.15	-377.77
Provision for Standard Assets	2294.68	1936.53
Provision for Tax	659.47	2914.51
Other Provisions and Contingencies	141.6	236.25
Depreciation on Fixed Assets	532.39	531.14
Interest on Capital Instrurnent	733.88	710.85
Loss/(profit) on sale of land and buildings	-0.16	1.91
Income taxes paid	-13.6	-889.5
PBWC*	**16930.15**	**17139.31**
(Increase)/Decrease in Operating Assets & Liabilities		
Investments	-12356.81	-26528.35
Advances	-66714.84	-69247.99
Other Assets	2778.95	3004.65
Deposits	27552.35	66829.84
Borrowings	4874.89	2050.46
Other liabilities	-958.68	-1865.18
Net cashOperations (A)	**-27893.99**	**-8617.26**
Cash flow from Investi activities		
Purchase of fixed assets	-334.36	-626.58
Sale of fixed assets	20.38	8.87
cash Investing Activities (B)	**-313.98**	**-617.71**
Cash now from Financing activities		
Payment of dividend	-809.54	-1071.08
Redemtion Of Tier-2 Bonds	0	-1000
Interest on Capital Instrument	-733.88	-733.88
Capital Received towards	0	4000
cash from financing (C)	**-1543.42**	**1195.04**
Net increase/(Decrease) (A)+(B)+(C)	**-29751.39**	**-8039.93**
cash equivalents at beginning period	**79968.22**	**50216.83**
cash equivalents at End of period	**50216.83**	**42176.91**

Source : Annual Report

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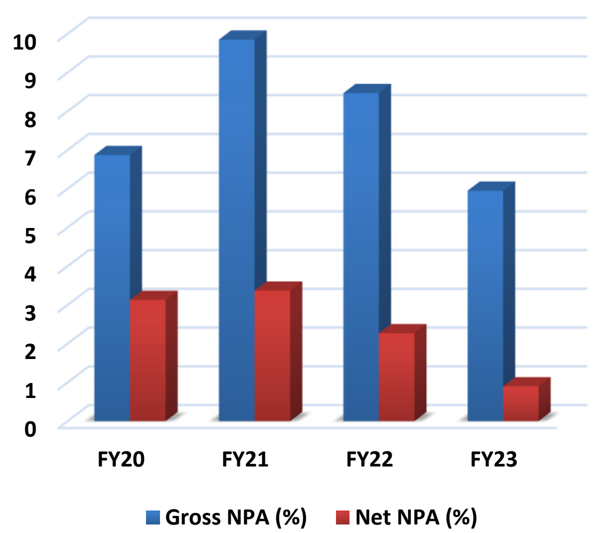
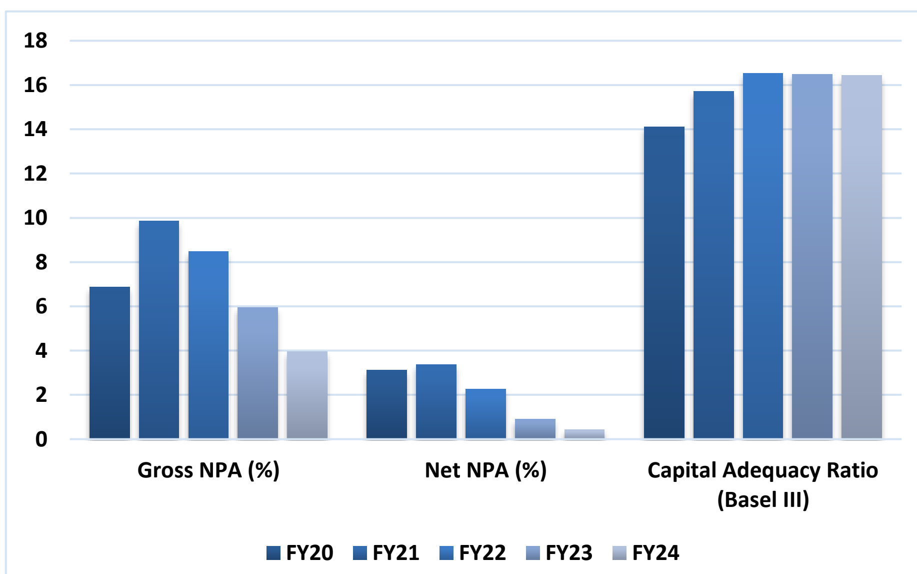
Key Ratios

Particulars	FY20	FY21	FY22	FY23	FY24
Total Business	466116	928388	1009243	1094752	1221773
Deposits (Global)	260226	538071	593618	621166	688000
Advances (Global)	205890	390317	415625	473586	533773
Investments (Gross)	82622	181991	180235	189924	216872
Interest Income	21405	39106	38856	44942	55615
Non Interest Income	3312	5650"	6915	7143	7867
Total Income	24717	44756	45771	52085	63482
Interest Expenses	13798	23440	22128	24717	32341
Operating Expenses	4421	10349	10926	12098	14301
Total Expenditure	18219	33789	33054	36815	46642
oprating Profit	6498	10967"	12717	15271	16840
Net Profit	753	3005	3945	5282	8063
cost of Deposits %	5.34	4.44	3.97	4.09	4.88
Yield on Advances (%)	8.46	7.45	721	7.76	8.72
Net Interest Margin (%)	287	281	293	3.37	3.47
Return on Assets (%)	26	0.5	0.63	0.77	1.07
Equity Share Capital	609	1129	1245	1245	1347
Reserves & Surplus	18493	31528	36252	40620	51066
Net Worth	18357	29812	33625	37431	47491
Gross NPA (%)	6.87	9.85	8.47	5.95	3.95
Net NPA (%)	3.13	3.37	2.27	0.9	0.43
Capital Adequacy Ratio (Basel III)	14.12	15.71	16.53	16.49	16.44
Earnings Per Share	14.33	26.61	32.38	42.41	63.23
Book Value per Share	301.53	263.98	269.98	300.55	352.58
Dividend per Equity Share	-	200	6.5	860	1200
No. of branches	2890	6007	5735	5787	5851
No. of employees	18758	41629	39803	41781	40251





*Figures are related to standalone Indian Bank financial results for pre- amalgamation period, hence not comparable with post amalgamation financial results.

Source : Annual Report

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• BUY – We expect the stock to deliver more than 10%-20% returns over the next 9 months.
• ACCUMULATE – We expect the stock to deliver 5% - 12% returns over the next 9 months.
• REDUCE – We expect the stock to deliver 0% - 5% returns over the next 9 months.
• SELL – We expect the stock to deliver negative returns over the next 9 months.
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