

January 19, 2023

## IndusInd Bank

Current Price: ₹ 1222.50

### STOCK DATA

BSE Code	532187
NSE Symbol	INDUSINDBK
Reuters	INBK.BO
Bloomberg	IIB IN

### VALUE PARAMETERS

52 W H/L(Rs)	1275.25/763.75
Mkt. Cap.(Rs Cr)	94794.49
Latest Equity(Subscribed)	775.42
Latest Reserve (cons.)	49775.68
Latest EPS (cons.) -Unit Curr.	78.39
Latest P/E Ratio -cons	15.60
Latest Bookvalue (cons.) -Unit Curr.	651.92
Latest P/BV - cons	1.88
Dividend Yield -%	0.69
Face Value	10

### SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2022
Foreign	42.52
Institutions	23.03
Non Promoter Corp. Hold.	3.23
Promoters	15.16
Public & Others	16.08

### Financial Results

In Cr.

Particulars	Qtr Ended	Qtr Ended	Var %
	Dec. 22	Dec. 21	
Interest Earned	9457.40	7737.49	22
Interest Expended	4962.06	3943.92	26
Net Interest Income	4495.34	3793.57	18
Other Income	2076.34	1876.78	11
Net Total Income	6571.68	5670.35	16
Operating Expenses	2891.30	2465.28	17
Operating Profits	3680.38	3205.07	15
Provisions & Contingencies	1064.73	1654.05	-36
Profit Before Tax	2615.65	1551.02	69
Provision for tax	656.45	389.75	68
PAT	1959.20	1161.27	69
EPS (Rs)	25.32	16.03	

### During Q3FY23, Strong loan growth, margins and asset quality improves, beats estimates

Indusind Bank has reported 69% growth in net profit at Rs 1959.20 crore for the quarter ended December 2022 (Q3FY2023). The bank has posted healthy 18% growth in net interest income (NII), while the core fee income of the bank also improved 31% in Q3FY2023. The Net Interest Margin (NIM) of the bank improved to 4.27% in Q3FY2023 compared to 4.10% in the corresponding quarter of previous year. On business front, the bank has posted 17% growth in business with strong 19% increase in loan book. The asset quality of the bank was stable in Q3FY2023. Bank has substantially improved the credit to deposit ratio to 83.9% at end December 2022 from 80.4% at end December 2021. The CASA ratio of the bank was also stable at 41.9% at end December 2022 from 42.1% at end December 2021.

**Asset quality improves:** The bank has improved asset quality with decline in fresh slippages of loans in Q3FY2023.

The fresh slippages of loans stood at Rs 1467 crore in Q3FY2023 compared with 1572 crore in previous quarter and Rs 2598 crore in the corresponding quarter last year.

The recoveries of NPAs stood at Rs 353 crore, upgradations at Rs 175 crore and the write-off of loans was at Rs 795 crore in Q3FY2023.

The standard restructured loan book of the bank declined to Rs 3409 crore end December 2022.

Provision coverage ratio eased slightly to 71% at end December 2022 compared to 72% a quarter ago and 72% a year ago.

The capital adequacy ratio of the bank stood at 18.0% with Tier I ratio at 16.5% at end December 2022.

### Business Highlights:

**Healthy business growth:** The business of the bank has increased 17% YoY to Rs 598032 crore end December 2022, driven by 19% surge in advances to Rs 272754 crore. Deposits increased 14% to Rs 325278 crore at end December 2022.

## Asset Quality Indicators: Indusind Bank

In Cr.

Particulars	Qtr Ended	Qtr Ended	Qtr Ended	Qtr Ended	Qtr Ended	Variation		
	Dec-22	Sept-22	Jun-22	Mar-22	Dec-21	QoQ	YTD	YoY
Gross NPA (Rs Crore)	5710.78	5567.12	5932.9	5517.15	5779.27	3	4	-1
Net NPA (Rs Crore)	1681.45	1583.95	1661.21	1529.83	1633.21	6	10	3
% Gross NPA	2.06	2.11	2.35	2.27	2.48	5bps	21bps	42bps
% Net NPA	0.62	0.61	0.67	0.64	0.71	1bps	2bps	9bps
% PCR	71	72	72	72	72	0	0	0
% CRAR - Basel III	18.01	18.01	18.14	18.42	18.06	0	-41	-5
% CRAR - Tier I - Basel III	16.47	16.44	16.55	16.8	16.37	3	-33	10

Variation in basis points for figures given in percentages and in % for figures in Rs crore

**CASA deposits ratio stable:** The CASA deposits of the bank increased 14% YoY to Rs 136379 crore at end December 2022. The CASA ratio was nearly stable at 41.9% at end December 2022 compared to 42.1% at end December 2021, and 42.3% end September 2022 against the declining industry trend.

**Strong loan growth:** Advances growth was driven by retail loans rising 18% YoY to Rs 145744 crore at end December 2022, while MSME loan moved up 8% to Rs 55957 crore at end December 2022. The corporate credit has surged 32% to Rs 71053 crore end December 2022.

Investment book of the bank rose 5% YoY to Rs 76174 crore at end December 2022.

**Margins improve:** The bank has showed sharp 81 bps YoY increase in cost of deposits to 5.47%, while yield on advances increased 39 bps YoY to 11.75% in Q3FY2023. NIM has improved 17 bps YoY and 3 bps QoQ to 4.27% in Q3FY2023.

**Branch expansion:** The bank has added 64 branches and 87 ATMs in Q3FY2023, taking overall tally to 2384 branches and 2894 ATM`s end December 2022.

**Book value** of the bank stood at Rs 678.4 per share at end December 2022, while the adjusted book value (net of NNPA and 10% of restructured advances) was Rs 652.0 per share at end December 2022.

### Quarterly Performance

**NII rises as NIM improves:** Bank has recorded 22% increase in the interest earned at Rs 9457.40 crore, while interest expenses increased 26% to Rs 4962.06 crore in Q3FY2023. NII improved 18% to Rs 4495.34 crore in the quarter ended December 2022.

**Healthy growth in the core fee income:** Bank has posted strong 31% growth in core fee income to Rs 1692 crore, while forex income rose 9% to Rs 249 crore. However, the treasury income declined -62% to Rs 136 crore, allowing moderate 11% growth in the overall non-interest income to Rs 2076.34 crore in the quarter ended December 2022.

**Expenses ratio up marginally:** The operating expenses of the bank increased 17% to Rs 2891.30 crore, as other expenses moved up 13% to Rs 2092.12 crore, while employee expenses jumped 29% to Rs 799.18 crore in Q3FY2023. Cost to income ratio rose marginally to 44.0% in Q3FY2023 compared with 43.5% in Q3FY2022, helping the Operating Profit to increase 15% to Rs 3680.38 crore.

**Provisions and contingencies decline:** The bank has showed -36% decline in provisions to Rs 1064.73 crore.

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