

Pick of *the week*

IndusInd Bank

Recommendation: **Buy**

Target Price: **₹1,800**

Current Price: **₹1,512**

Time Period: **12 Months**

Date: **24th June 2024**



- The bank has been cautiously working through the choices between loan mix and maintaining NIM.
- Prudent in its growth expectations and has calibrated in riskier places.
- It has delivered ~15% RoE, loan growth of ~18-20% and managed to hold up its NIM through the entire upward interest rate cycle.
- IIB is building a stable franchise to deliver fewer negative surprises than before.
- It is a Co. that is likely to deliver similar RoEs and marginally better loan growth than frontline banks.
- IIB is an interesting absolute return opportunity.
- We maintain BUY valuing the bank at Rs1,800, which implies 1.8X book and 13X FY2026 EPS.

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 24th June, 2024, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

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