

IDFC First Bank

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	IDFCFB IN
Equity Shares (m)	6237
M.Cap.(INRb)/(USDb)	407.5 / 5
52-Week Range (INR)	64 / 29
1, 6, 12 Rel. Per (%)	10/9/51
12M Avg Val (INR M)	1773

Financial and Valuation Summary (INR b)

Y/E March	FY23	FY24E	FY25E
NII	126.4	162.7	197.5
OP	49.3	66.6	84.9
NP	24.4	32.4	41.9
NIM (%)	6.5	6.7	6.5
EPS (INR)	3.8	4.9	6.3
EPS Gr. (%)	NM	28.8	29.6
BV/Sh. (INR)	39	44	50
ABV/Sh. (INR)	36	41	47

Ratios

RoE (%)	10.4	11.9	13.5
RoA (%)	1.1	1.2	1.3

Valuations

P/E(X)	16.2	12.6	9.7
P/BV (X)	1.6	1.4	1.2
P/ABV (X)	1.7	1.5	1.3

*Adjusted for Investment in subsidiaries

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	40.0	36.4	36.5
DII	18.8	21.4	13.8
FII	12.2	12.2	13.5
Others	29.1	30.0	36.2

FII Includes depository receipts

CMP: INR62
TP: INR75 (+22%)
Buy

Treasury gains boost earnings; outlook remains healthy

Asset quality continues to improve

- IDFC First Bank (IDFCFB) reported a PAT of INR8b (25% beat, +134% YoY) in 4QFY23, boosted by trading gains of INR2.2b. NII grew by 35% YoY, with margins expanding 5bp QoQ to 6.41%.
- Business growth remained strong as the loan book was driven by healthy growth in Commercial Finance retail loans. The wholesale book declined 6% YoY. Deposits grew at a healthy 37% YoY, with CASA deposits up 8% QoQ. Thus, the CASA ratio stood strong at ~50%.
- IDFCFB is entering a phase of strong loan growth as the drag from the wholesale book continues to moderate. This will be aided by a strong pickup in profitability due to the replacement of high-cost borrowings, better cost trends and controlled credit costs. We thus estimate a 31% earnings CAGR over FY23-25 and RoA/RoE of 1.3%/13.5% in FY25.

Maintain BUY.

Margin expands 5bp QoQ to 6.41%

- IDFCFB reported a PAT of INR8.0b (+134% YoY; 25% beat) in 4QFY23, boosted by treasury gains of INR2.2b and healthy NII and fee income. For FY23, PAT grew sharply to INR24.4b v/s INR1.5b in FY22.
- NII grew 35% YoY to INR36b (3% beat), driven by strong loan growth (+29% YoY) and 5bp QoQ expansion in margin to 6.41%. The bank expects margin to remain stable as it seeks to utilize the benefits of lower CoF by running down the legacy high-cost borrowings.
- Other income grew 68% YoY, with strong growth in core fee income (+40% YoY) and strong treasury income. Opex grew 29% YoY, with the C/I ratio moderating to 68.8%. The bank expects operating leverage to play out over the medium term. PPOp rose 89% YoY to INR15.6b. Core PPOp was at INR13b.4 in 4QFY23 (2.36% of average assets).
- On the business front, funded assets grew 24% YoY/6% QoQ, led by 34%/57% YoY growth in Retail/Commercial finance. The wholesale book declined by 6% YoY. Within retail, growth was led by housing (39% YoY), vehicle finance (53% YoY) and cards (74% YoY, low base). The share of retail and commercial finance increased to 79%.
- Deposits grew 37% YoY (+9% QoQ), with CASA deposits up 8% QoQ. The bank reported an average CASA ratio of 47.7% for 4QFY23, while the period-end CASA ratio stood at 49.8% (this was aided by CA deposits of INR21.3b received from large Government Banking client during the closing days of 4QFY23).
- Asset quality continues to improve, with GNPA/NNPA ratios declining by 45bp/17bp QoQ to 2.51%/0.86%. The PCR ratio was stable at ~66%. Further, the SMA book in retail/corporate stands controlled at 1.0% / 0.2% in 4QFY23. The restructuring book too declined to 0.6% of funded assets v/s 0.9% in 3QFY23.

Nitin Aggarwal - Research Analyst (Nitin.Aggarwal@MotilalOswal.com)

Yash Agarwal - Research Analyst (Yash.Agarwal@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Highlights from the management commentary

- PPOP is likely to see a ~40% CAGR over FY23-25 v/s 50% growth in FY23.
- Credit card business is expected to breakeven by FY25. ~24-25% of the credit card book is revolvers. EMI + Revolver mix would be ~50% of the total loans.
- The bank expects RoE to reach 13-15% by FY25.
- The LCR ratio is stable at 120% and the bank aims to maintain it at >110%.

Valuation and view

IDFCFB delivered a strong quarter with healthy growth across key parameters. Strong treasury gains boosted earnings, which were prudently utilized to increase coverage. Margin too saw further expansion. Business growth was healthy and we estimate a 25% CAGR in loans during FY23-25. The bank expects new businesses such as Commercial Banking, Credit Cards and Home Loans to drive loan growth and earnings. IDFCB has scaled up retail deposits (76% of loans), with a strong CASA ratio of ~50%. It has invested well in digital capabilities, branch and product expansion and has presence across retail products. Cost ratios are elevated but will moderate as scale benefits come into effect, while the retirement of legacy high-cost borrowings will aid NII growth. We estimate a 31% CAGR in PPOP during FY23-25, while controlled credit costs will drive a 31% CAGR in PAT over the similar period. We thus estimate RoA/RoE to reach 1.3%/13.5% by FY25. **Maintain BUY with a TP of INR75 (1.6x Sep'24E BV).**

Quarterly performance (INR b)

	FY22				FY23				FY22	FY23	FY23E	V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Est
Net Interest Income	21.8	22.7	25.8	26.7	27.5	30.0	32.9	36.0	97.1	126.4	34.9	3%
% Change (Y-o-Y)	25.3	27.4	36.3	36.2	25.9	32.1	27.3	34.7	31.5	30.2	30.6	
Other Income	8.4	7.8	7.7	8.3	8.6	10.6	11.5	14.0	32.2	44.7	11.7	19%
Total Income	30.3	30.5	33.5	35.0	36.1	40.6	44.4	49.9	129.3	171.0	46.6	7%
Operating Expenses	20.3	23.6	25.8	26.7	26.6	28.9	31.8	34.4	96.4	121.7	33.2	3%
Operating Profit	9.9	6.9	7.7	8.3	9.4	11.7	12.6	15.6	32.8	49.3	13.3	17%
% Change (Y-o-Y)	11.6	-13.4	2.3	32.7	-5.1	68.7	63.8	88.6	31.4	50.2	61.4	
Provisions	18.7	4.7	3.9	3.7	3.1	4.2	4.5	4.8	31.1	16.6	4.7	3%
Profit before Tax	-8.8	2.2	3.8	4.6	6.4	7.4	8.1	10.8	1.8	32.7	8.6	25%
Tax	-2.5	0.7	1.0	1.1	1.6	1.9	2.1	2.7	0.3	8.3	2.2	25%
Net Profit	-6.3	1.5	2.8	3.4	4.7	5.6	6.0	8.0	1.5	24.4	6.4	25%
% Change (Y-o-Y)	NM	50.5	117.1	168.2	NM	266.1	115.1	134.2	-67.8	NM	88.0	
Operating Parameters												
Deposit (INR t)	0.9	0.9	0.9	1.1	1.1	1.2	1.3	1.4	1.1	1.4	1.4	3%
Deposit Growth (%)	30.8	19.0	10.0	19.1	24.1	36.8	43.4	36.9	19.1	36.9	33.0	392
Loan (INR b)	1.1	1.0	1.2	1.2	1.3	1.4	1.5	1.5	1.2	1.5	1.5	-1%
Loan Growth (%)	10.9	13.6	9.6	17.2	22.0	37.1	26.4	28.8	17.2	28.8	30.0	(121)
Asset Quality												
Gross NPA (%)	4.6	4.3	4.0	3.7	3.4	3.2	3.0	2.5	3.8	2.6	2.9	(40)
Net NPA (%)	2.3	2.1	1.7	1.5	1.3	1.1	1.0	0.9	1.5	0.9	1.0	(11)
PCR (%)	50.9	52.1	57.1	59.5	62.0	66.3	66.0	66.4	59.5	66.4	66.5	(8)

Source: MOFSL, Company

Quarterly snapshot (INR b)

Profit and Loss (INR m)	FY21				FY22				FY23				Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
Net Interest Income	17,438	17,839	18,923	19,603	21,848	22,722	25,800	26,692	27,511	30,022	32,853	35,968	35	9
Other Income	4,849	6,260	8,510	8,183	8,425	7,797	7,686	8,312	8,557	10,613	11,525	13,975	68	21
Total Income	22,286	24,099	27,433	27,786	30,273	30,519	33,486	35,005	36,068	40,635	44,378	49,942	43	13
Operating Expenses	13,370	16,101	19,906	21,556	20,323	23,593	25,789	26,740	26,630	28,948	31,770	34,356	28	8
Employee	4,432	4,887	5,255	5,196	5,544	6,358	7,217	7,846	8,302	9,186	9,528	10,407	33	9
Others	8,938	11,214	14,651	16,360	14,779	17,235	18,571	18,893	18,328	19,762	22,242	23,949	27	8
Operating Profits	8,916	7,998	7,527	6,230	9,949	6,926	7,697	8,265	9,438	11,687	12,608	15,587	89	24
Core Operating Profits	5,546	4,648	4,837	4,050	6,019	5,706	7,447	8,355	9,878	10,527	12,248	15,587	87	27
Provisions	7,641	6,740	5,740	5,799	18,723	4,749	3,919	3,695	3,080	4,242	4,502	4,824	31	7
PBT	1,275	1,258	1,787	431	-8,774	2,176	3,779	4,571	6,358	7,445	8,105	10,762	135	33
Taxes	340	250	492	-847	-2,473	659	968	1,143	1,615	1,890	2,059	2,736	139	33
PAT	935	1,008	1,295	1,278	-6,300	1,517	2,811	3,427	4,743	5,556	6,046	8,026	134	33
Balance Sheet (INR B)														
Loans	979	900	1,063	1,006	1,086	1,023	1,164	1,179	1,326	1,402	1,471	1,518	29	3
Investments	359	453	330	454	414	418	316	461	471	466	510	611	32	20
Deposits	698	758	843	887	913	902	928	1,056	1,133	1,234	1,330	1,446	37	9
CASA Deposits	235	302	406	459	464	463	479	512	567	633	665	720	41	8
Borrowings	524	477	408	458	484	526	508	530	557	566	544	572	8	5
Total Assets	1,506	1,527	1,557	1,631	1,690	1,725	1,742	1,902	2,006	2,128	2,214	2,399	26	8
Asset Quality														
GNPA	17,417	14,861	12,892	43,030	46,671	44,855	44,569	44,691	43,548	43,962	43,026	38,845	-13	-10
NNPA	4,366	3,910	3,206	18,833	22,932	21,503	19,140	18,081	16,538	14,800	14,642	13,041	-28	-11
Funded Credit Mix (%)														
Retail	53.9	56.0	53.4	55.8	56.8	58.7	61.6	63.8	65.8	66.4	67.3	68.6	8	2
Commercial Finance	0.0	0.0	8.2	8.6	8.3	8.5	8.7	7.9	7.8	9.1	9.4	9.9	26	5
Wholesale	36.5	34.6	38.4	35.6	34.9	32.8	29.8	28.3	26.4	24.6	23.3	21.5	-24	-8
PSL Buyouta	7.4	7.2	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Stressed Assets	2.3	2.2	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Ratios (%)														
Asset quality ratios	FY21				FY22				FY23				Change (bp)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
GNPA	2.0	1.6	1.3	4.2	4.6	4.3	4.0	3.7	3.4	3.2	3.0	2.5	-119	-45
NNPA	0.5	0.4	0.3	1.9	2.3	2.1	1.7	1.5	1.3	1.1	1.0	0.9	-67	-17
PCR (Calculated)	74.9	73.7	75.1	56.2	50.9	52.1	57.1	59.5	62.0	66.3	66.0	66.4	689	46
Credit Cost	3.0	3.1	2.2	2.5	7.3	2.0	1.4	1.4	1.0	1.4	1.4	1.4	8	6
Business ratios														
CASA (Reported)	33.7	40.4	48.3	51.8	50.9	51.3	51.6	48.4	50.0	51.3	50.0	49.8	133	-23
Loan/Deposit	140.3	118.7	126.1	113.4	119.0	113.3	125.5	111.6	116.9	113.6	110.6	104.9	-662	-563
Non Int. to Total Income	21.8	26.0	31.0	29.5	27.8	25.5	23.0	23.7	23.7	26.1	26.0	28.0	424	201
Cost to Income	60.0	66.8	72.6	77.6	67.1	77.3	77.0	76.4	73.8	71.2	71.6	68.8	-760	-280
Tax Rate	26.7	19.9	27.5	-196.4	28.2	30.3	25.6	25.0	25.4	25.4	25.4	25.4	41	2
CAR	15.0	14.7	14.3	13.8	15.6	15.6	15.4	16.7	15.8	15.4	16.1	16.8	8	76
Tier I	14.6	14.3	13.8	13.3	14.9	14.9	14.8	14.9	14.0	13.7	13.5	14.2	-68	71
Profitability ratios														
YoA	12.1	14.1	12.3	13.8	12.9	14.2	12.9	14.0	13.8	15.2	15.2	16.0	197	80
YoI	7.3	5.8	8.7	6.0	7.3	5.5	8.5	5.4	5.9	7.3	8.0	7.1	167	-86
YoF	11.0	11.2	11.6	11.5	11.5	11.7	12.3	11.8	11.9	13.2	13.7	13.6	188	-3
CoF	6.7	6.5	6.8	6.3	5.8	5.5	5.5	5.1	5.6	6.1	6.3	6.3	113	-7
RoA	0.2	0.3	0.3	0.3	-1.5	0.4	0.6	0.8	1.0	1.1	1.1	1.4	65	30
Margins	4.9	4.9	5.0	5.1	5.5	5.8	6.2	6.3	5.9	6.0	6.4	6.4	14	5
Other Details														
Branches	503	523	576	596	601	599	599	641	651	670	707	809	168	102

Source: MOFSL, Company



Highlights from the management commentary

Balance sheet and P&L

- The bank reported a Core PPOP of INR13b in Q4FY23 (2.36% of average assets v/s 1.86% in 4QFY22).
- CASA + TD <INR50m constitute 83% of the total deposits, while Retail deposits constitute 76% of the total deposits.
- The LCR ratio is stable at 120% and the bank aims to maintain it at >110%.
- IDFCFB aims to reduce the legacy long-term borrowings from INR177b in FY23 to INR48b in FY26.
- PPOP is likely to see a ~40% CAGR over FY23-25 v/s 50% growth in FY23.
- **Loan Growth across segments:** Home loan book grew by 39% YoY. Wheels business grew by 53% YoY. Consumer loans grew by 20% YoY growth. Rural business grew by 48% YoY, while Corporate (Non-Infra) book grew by 9% YoY.
- Credit card business grew by 74% YoY (low base) to INR35b in 4QFY23. IDFCB has issued 1.5m cards from Jan'21 to Mar'23 and has reached monthly spends of INR18b.
- Credit card business is expected to breakeven by FY25. ~24-25% of the credit card book is revolvers. EMI + Revolver mix would be ~50% of the total loans.
- Legacy Infrastructure book declined by 32% YoY and constitutes 2.9% of total funded assets as on 4QFY23.
- The bank has a high CE of 99.6% as on 4QFY23 and a low cheque bounce rate of 6.6%. It does not expect CE to drop below 99.5% due to stringent underwriting policies.
- Retail fees constitute 91% of the total fees income, which is granular and sustainable.
- Treasury income came from the redemption of venture capitalist investment that the bank was holding.
- The Retail C/I ratio improved to 55% from 63% in FY22, while the Wholesale book C/I ratio improved to 31.6% from 38%. IDFCFB expects the C/I ratio to improve further with an increase in customers and deposits.
- The bank expects RoE to reach 13-15% by FY25.

Asset quality

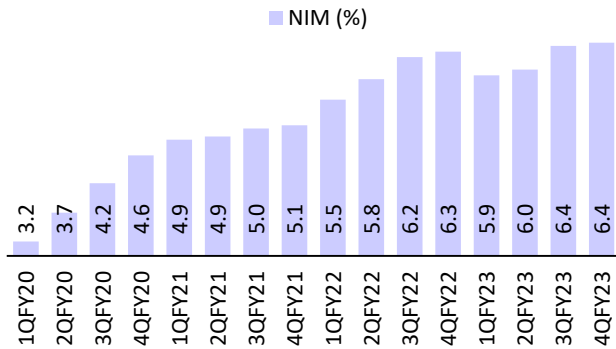
- GNPA/NNPA ratios of the Retail and Commercial book stood at 1.65%/0.55% as on FY23.
- The Restructured book declined to 0.6% v/s 0.9% in 3QFY23 with provision coverage of 25%.
- SMA 1 and 2 in retail book stands at 1% as on 4QFY23 v/s 2.2% YoY, while SMA 1 and 2 in the corporate book stands at 0.2%.
- The bank reported a credit cost of 1.26% in FY23 v/s guidance of 1.5%.

Valuation and view

- **Robust liability franchise:** IDFCFB continues to witness strong growth in Retail deposits and has succeeded in building a robust liability franchise over the past three years, led by attractive customer service levels, higher interest rates, a strong brand and transparent products and services. In 4QFY23, the bank delivered a healthy deposit growth, with CASA deposits witnessing a sequential rise of 8%. The bank is confident of maintaining this traction in deposits despite strong competitive intensity.
- **Asset quality improved,** with a 45bp/17bp QoQ moderation in the GNPA/NNPA ratios to 2.51%/0.86%. The PCR ratio was stable at 66%. Retail PCR rose to 82.43%, with Retail and Commercial GNPA/NNPA of 1.65%/0.55% in 4QFY23. Further, the SMA book in retail/corporate declined to 1.0%/0.2% in 4QFY23 and the bank expects the credit cost to remain within the guidance of 1.5% for FY23. We estimate a credit cost of 1.3-1.4% over FY23-25. The restructured book declined to 0.6% of net advances.
- **Maintain BUY with a TP of INR75:** IDFCFB delivered a strong quarter with healthy growth across key parameters. Strong treasury gains boosted earnings, which were prudently utilized to increase the coverage. Margins too saw a further expansion. Business growth was healthy and we estimate a 25% CAGR in loans during FY23-25. The bank expects new businesses such as Commercial Banking, Credit Cards and Home Loans to drive loan growth and earnings. It has scaled up retail deposits (76% of loans), with a strong CASA ratio of ~50%. It has invested well in digital capabilities, branch and product expansion and has presence across retail products. Cost ratios are elevated but will moderate as scale benefits come into effect, while the retirement of legacy high-cost borrowings will aid NII growth. We estimate a 31% CAGR in PPoP during FY23-25, while controlled credit costs will drive a 31% CAGR in PAT over the similar period. We thus estimate RoA/RoE to reach 1.3%/13.5% by FY25. Maintain BUY with a TP of INR75 (1.6x Sep'24E BV).

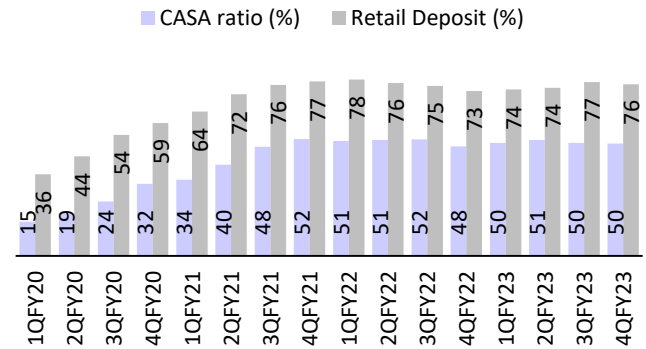
Story in charts

Exhibit 1: NIM expands 5bp QoQ to 6.41%



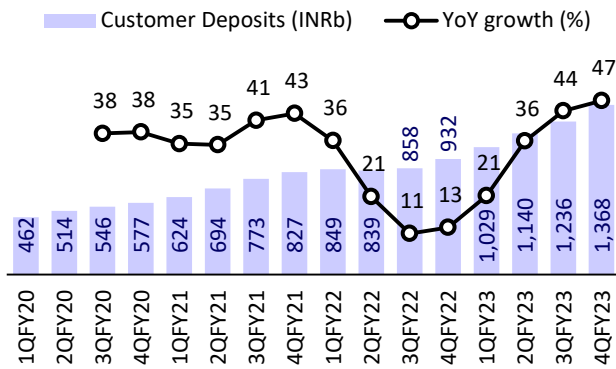
Source: MOFSL, Company

Exhibit 2: CASA ratio moderates 20bp QoQ to 49.8%



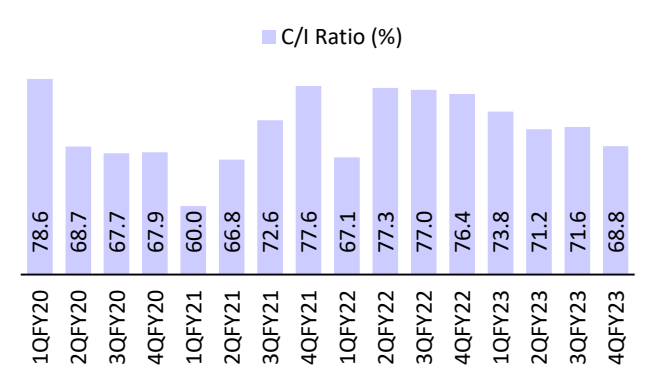
Source: MOFSL, Company

Exhibit 3: Customer deposits grow 47% YoY to INR1.4t



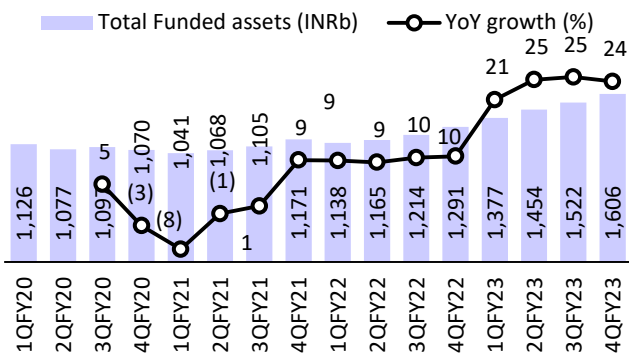
Source: MOFSL, Company

Exhibit 4: Cost-to-income ratio moderates to 68.8%



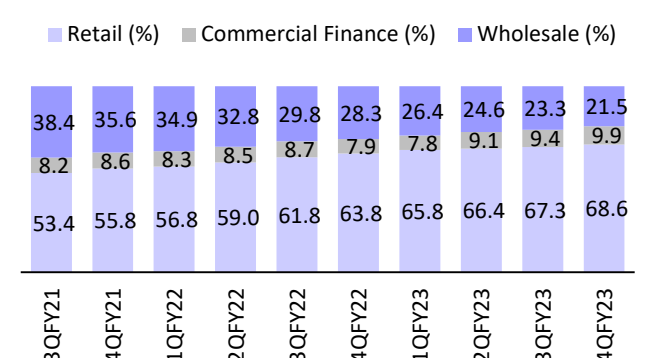
Source: MOFSL, Company

Exhibit 5: Total funded assets up 24% YoY in 4QFY23



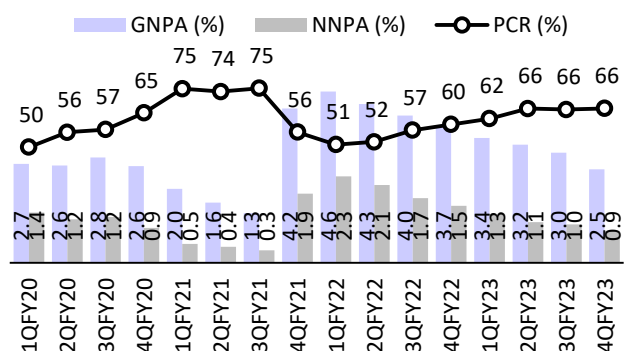
Source: MOFSL, Company

Exhibit 6: Retail & Commercial Finance forms ~79% of loans



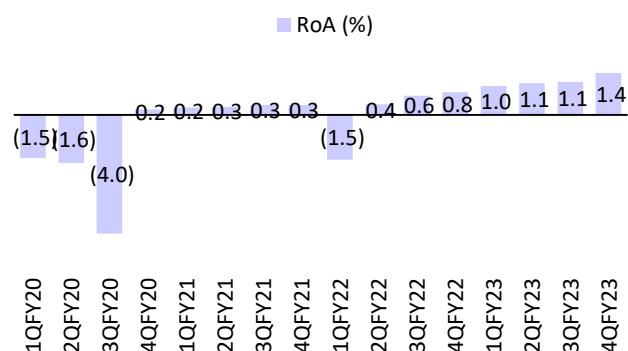
Source: MOFSL, Company

Exhibit 7: GNPA/NNPA ratios moderate 45bp/17bp QoQ to 2.5%/0.86% as of Mar'23; PCR healthy at ~66%



Source: MOFSL, Company

Exhibit 8: RoA trajectory improves further with 1.4% (annualized) for 4QFY23



Source: MOFSL, Company

Exhibit 9: DuPont Analysis – Return ratios to pick up gradually led by a gradual moderation in opex

Y/E MARCH	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	7.5	8.1	10.3	10.2	9.7	10.6	11.0	11.1
Interest Expense	6.0	6.0	6.5	5.5	4.2	4.7	5.0	5.1
Net Interest Income	1.5	2.2	3.8	4.7	5.5	5.9	6.1	5.9
Fee income	0.6	0.6	0.8	1.0	1.5	1.8	1.8	1.9
Trading and others	0.3	0.0	0.2	0.4	0.3	0.2	0.2	0.1
Non-Interest income	0.9	0.6	1.1	1.4	1.8	2.1	2.0	2.0
Total Income	2.4	2.8	4.9	6.1	7.3	8.0	8.1	8.0
Operating Expenses	1.4	4.0	3.7	4.5	5.5	5.7	5.6	5.4
Employee cost	0.6	0.8	1.0	1.3	1.5	1.7	1.7	1.6
Others	0.8	3.2	2.7	3.3	3.9	4.0	3.9	3.8
Operating Profit	1.1	-1.2	1.2	1.6	1.9	2.3	2.5	2.5
Core Operating Profit	0.7	-1.3	1.0	1.2	1.5	2.1	2.3	2.4
Provisions	0.2	1.0	2.7	1.3	1.8	0.8	0.9	0.9
NPA	-0.5	-0.1	0.3	0.6	0.1	0.9	0.9	0.9
Others	0.7	1.1	2.4	0.7	1.6	-0.1	-0.1	0.0
PBT	0.9	-2.2	-1.5	0.3	0.1	1.5	1.6	1.7
Tax	0.1	-0.9	0.3	0.0	0.0	0.4	0.4	0.4
RoA	0.7	-1.3	-1.8	0.3	0.1	1.1	1.2	1.3
Leverage (x)	8.0	8.8	9.4	9.4	9.1	9.2	9.8	10.8
RoE	5.7	-11.6	-17.1	2.7	0.7	10.4	11.9	13.5

Financials and valuations

Income Statement							(INR b)	
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	89.3	119.5	163.1	159.7	171.7	227.3	297.0	368.2
Interest Expense	71.3	87.5	102.3	85.9	74.7	100.9	134.2	170.7
Net Interest Income	18.0	32.0	60.8	73.8	97.1	126.4	162.7	197.5
Growth (%)	-10.9	77.9	89.9	21.5	31.5	30.2	28.8	21.4
Non-Interest Income	11.2	8.5	17.2	22.1	32.2	44.7	54.5	68.1
Total Income	29.2	40.5	78.0	95.9	129.3	171.0	217.2	265.6
Growth (%)	-3.8	38.9	92.5	23.0	34.8	32.3	27.0	22.3
Operating Expenses	16.5	58.9	58.6	70.9	96.4	121.7	150.6	180.7
Pre Provision Profits	12.6	-18.4	19.4	25.0	32.8	49.3	66.6	84.9
Growth (%)	-27.9	-245.3	-205.5	29.0	31.4	50.2	35.1	27.4
Core PPP	8.7	-18.7	15.5	19.0	27.4	44.1	61.7	80.2
Growth (%)	-26.9	-315.1	-182.8	23.0	44.0	61.2	39.8	30.0
Provisions (exc. tax)	2.4	14.6	43.2	20.2	31.1	16.6	23.2	28.7
PBT	10.3	-33.0	-23.8	4.8	1.8	32.7	43.4	56.2
Tax	1.7	-13.5	4.9	0.2	0.3	8.3	11.0	14.3
Tax Rate (%)	16.4	41.0	-20.4	4.9	16.9	25.4	25.4	25.4
PAT	8.6	-19.4	-28.6	4.5	1.5	24.4	32.4	41.9
Growth (%)	-15.7	NM	NM	NM	-67.8	NM	32.8	29.6

Balance Sheet								
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	34.0	47.8	48.1	56.8	62.2	66.2	66.2	66.2
Reserves & Surplus	118.5	133.8	105.3	121.3	147.7	191.0	222.6	264.6
Net Worth	152.6	181.6	153.4	178.1	209.9	257.2	288.8	330.8
Deposits	482.0	704.8	651.1	886.9	1,056.3	1,446.4	1,923.7	2,539.3
Growth (%)	19.9	46.2	-7.6	36.2	19.1	36.9	33.0	32.0
of which CASA Deposits	57.1	91.1	209.4	459.0	511.7	711.6	933.0	1,213.8
Growth (%)	172.6	59.6	129.8	119.2	11.5	39.1	31.1	30.1
Borrowings	572.9	699.8	574.0	457.9	529.6	572.1	635.9	678.9
Other Liabilities & Prov.	57.8	85.6	113.5	108.6	105.8	123.7	129.9	136.4
Total Liabilities	1,265.2	1,671.8	1,492.0	1,631.4	1,901.7	2,399.4	2,978.3	3,685.3
Current Assets	48.9	95.7	41.9	58.3	157.6	139.0	153.6	177.0
Investments	612.0	584.8	454.0	454.1	461.4	611.2	764.0	947.4
Growth (%)	21.3	-4.5	-22.4	0.0	1.6	32.5	25.0	24.0
Loans	521.6	863.0	856.0	1,005.5	1,178.6	1,517.9	1,912.6	2,390.8
Growth (%)	5.6	65.4	-0.8	17.5	17.2	28.8	26.0	25.0
Fixed Assets	7.8	9.5	10.4	12.7	13.6	20.9	22.4	24.9
Other Assets	74.8	118.9	129.7	100.9	90.6	110.4	125.6	145.3
Total Assets	1,265.2	1,671.8	1,492.0	1,631.4	1,901.8	2,399.4	2,978.3	3,685.3

Asset Quality								
	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
GNPA (INR m)	17.8	21.4	22.8	43.0	44.7	38.8	47.7	58.1
NNPA (INR m)	8.9	11.1	8.1	18.8	18.1	13.0	13.8	15.2
GNPA Ratio	3.4	2.5	2.7	4.3	3.8	2.6	2.5	2.4
NNPA Ratio	1.7	1.3	0.9	1.9	1.5	0.9	0.7	0.6
Slippage Ratio	2.5	3.4	3.1	6.0	6.9	2.4	2.1	2.1
Credit Cost	-0.5	2.1	5.0	2.2	2.8	1.2	1.4	1.3
PCR (Exc. Tech. write off)	49.9	48.2	64.5	56.2	59.5	66.4	71.1	73.8

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Yield and Cost Ratios (%)								
Avg. Yield-Earning Assets	8.0	8.8	11.3	11.1	10.4	11.2	11.6	11.6
Avg. Yield on loans	9.3	11.3	14.0	13.6	13.0	14.2	14.3	14.1
Avg. Yield on Investments	7.3	6.6	7.6	6.8	5.8	6.1	7.0	7.1
Avg. Cost-Int. Bear. Liab.	7.3	7.1	7.8	6.7	5.1	5.6	5.9	5.9
Avg. Cost of Deposits	6.0	6.6	7.0	6.2	4.4	5.0	5.5	5.6
Interest Spread	3.3	4.7	7.1	7.4	8.6	9.3	8.8	8.5
Net Interest Margin	1.7	2.4	4.3	5.3	6.1	6.5	6.7	6.5

Capitalisation Ratios (%)

CAR	18.0	15.5	13.4	13.8	16.7	16.8	14.8	13.3
Tier I	17.7	15.3	13.3	13.3	14.9	14.2	12.7	11.7
Tier II	0.3	0.2	0.1	0.5	1.9	2.6	2.1	1.6

Business and Efficiency Ratios (%)

Loans/Deposit Ratio	108.2	122.5	131.5	113.4	111.6	104.9	99.4	94.2
CASA Ratio	11.8	12.9	32.2	51.7	48.4	49.2	48.5	47.8
Cost/Assets	1.3	3.5	3.9	4.3	5.1	5.1	5.1	4.9
Cost/Total Income	56.7	145.3	75.2	74.0	74.6	71.2	69.3	68.0
Cost/Core Income	65.6	146.5	79.1	78.9	77.9	73.4	70.9	69.3
Int. Expense/Int. Income	79.9	73.2	62.7	53.8	43.5	44.4	45.2	46.4
Fee Income/Total Income	24.8	20.2	17.1	16.8	20.7	23.1	22.8	23.9
Non Int. Inc./Total Income	38.3	21.0	22.1	23.1	24.9	26.1	25.1	25.6
Emp. Cost/Total Expense	40.9	19.0	26.1	27.9	28.0	29.2	30.0	30.4
Investment/Deposit Ratio	127.0	83.0	69.7	51.2	43.7	42.3	39.7	37.3

Profitability Ratios and Valuation

RoE	5.7	-11.6	-17.1	2.7	0.7	10.4	11.9	13.5
RoA	0.7	-1.3	-1.8	0.3	0.1	1.1	1.2	1.3
RoRWA	1.0	-2.0	-2.6	0.4	0.1	1.6	1.6	1.7
Book Value (INR)	45	38	32	31	34	39	44	50
Growth (%)	3.8	-15.3	-16.0	-1.6	7.6	15.1	12.3	14.5
Price-BV (x)	1.4	1.6	1.9	2.0	1.8	1.6	1.4	1.2
Adjusted BV (INR)	41	35	30	28	31	36	41	47
Price-ABV (x)	1.5	1.8	2.1	2.2	2.0	1.7	1.5	1.3
EPS (INR)	2.5	-4.8	-6.0	0.9	0.2	3.8	4.9	6.3
Growth (%)	-15.9	NM	NM	NM	-71.6	NM	28.8	29.6
Price-Earnings (x)	24.4	-13.0	-10.3	71.4	NM	16.2	12.6	9.7

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NOTES

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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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