

IDFC First Bank

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	IDFCFB IN
Equity Shares (m)	7339
M.Cap.(INRb)/(USDb)	527.5 / 6
52-Week Range (INR)	79 / 52
1, 6, 12 Rel. Per (%)	-1/6/-4
12M Avg Val (INR M)	2106

Financial and Valuation (INR b)

Y/E March	FY25	FY26E	FY27E
NII	192.9	214.8	266.9
OP	74.1	86.7	120.2
NP	15.2	21.9	45.3
NIM (%)	6.0	5.7	5.9
EPS (INR)	2.1	2.7	5.3
BV/Sh. (INR)	52	55	59
ABV/Sh. (INR)	50	53	57

Ratios

RoA (%)	0.5	0.6	1.0
RoE (%)	4.4	5.1	9.3

Valuations

P/E(X)	34.0	26.2	13.6
P/BV (X)	1.4	1.3	1.2
P/ABV (X)	1.4	1.4	1.3

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	0.0	0.0	35.4
DII	33.5	32.6	15.3
FII	24.6	23.8	19.6
Others	41.9	43.7	29.8

CMP: INR72 TP: INR80 (+11%) Neutral

Asset quality stress peaks out; earnings set to gain pace

Business growth remains robust

- IDFC First Bank (IDFCFB) reported 2QFY26 PAT of INR3.5b (up 76% YoY/ down 24% QoQ, in line).
- NII grew 7% YoY/3.6% QoQ to INR51.2b (in line). NIMs declined 12bp QoQ to 5.6%. Opex grew 13% YoY to INR51.2b (in line).
- Net advances rose 20% YoY/5.5% QoQ. Deposit growth was robust at 24% YoY/4.5% QoQ, with CASA mix improving to 50.1% (up 210bp QoQ).
- GNPA/NNPA ratios declined by 11bp/3bp QoQ to 1.86%/0.52%. PCR ratio was stable at 72.2%.
- **We fine-tune our estimates for the bank and expect a healthy CAGR of 20% in loans and 63% PAT during FY25-28E. We estimate RoA/RoE of 1.0%/9.3% for FY27E. Retain our Neutral rating with a TP of INR80, based on 1.4x FY27E ABV.**

NIM decline controlled at 12bp QoQ; CASA mix improves to ~50%

- IDFCFB reported 2QFY26 PAT of INR3.5b (up 75% YoY/down 24% QoQ; in line), aided by a lower tax rate, which was partly offset by lower other income.
- NII grew 7% YoY/4% QoQ to INR51.1b (in line). NIMs declined by 12bp QoQ to 5.59%, while provisions stood broadly in line at INR14.5b. Other income grew 9.5% YoY/fell 15.1% QoQ to INR18.9b (6% miss).
- Opex grew 12.5% YoY/4.1% QoQ to INR51.2b (in line). C/I ratio thus rose to 73.2%. PPOp declined 4% YoY/16% QoQ to INR18.8b (largely in line).
- On the business front, net advances grew 19.5% YoY/5.5% QoQ, led by 5.9% QoQ growth in retail finance, 7% QoQ growth in wholesale, and 8% in business banking. Within retail, growth was led by VF (12% QoQ), gold (11% QoQ), credit card (7% QoQ) and consumer (8% QoQ). The share of consumer & rural finance was ~67.4% as of 2QFY26.
- Deposit growth remained robust at 24% YoY/4.5% QoQ, with the CASA mix increasing 210bp QoQ to 50.1%. CD ratio was up 93bp QoQ at 93%.
- GNPA/NNPA ratios declined by 11bp/3bp QoQ to 1.86%/0.52%. PCR ratio was stable at 72.2%. Gross slippages declined to INR22.6b vs. INR24.9b in 1QFY26. SMA book declined to 0.9% vs. 1.01% in 1QFY26.
- Excluding MFI, slippage ratio improved to 3.4% vs. 3.54% in 1QFY26. Excl. MFI, the credit cost for the bank stood at 2.03%. With the stress easing out, the bank expects the credit cost to improve from hereon.

Highlights from the management commentary

- NIMs are expected to improve sequentially and reach ~5.8% in 4QFY26, factoring in one rate cut by the RBI.
- Credit cost is expected at 2.1% for FY26, trending lower at ~1.8% in 2H.
- C/I ratio should trend lower as operating leverage improves from MFI normalization kick-in.
- ECL transition is still under assessment; initial view suggests higher Stage-1/2 provisioning, but overall impact is likely to be neutral or slightly positive when factoring in operational risk weights.

Valuation and view: Maintain Neutral with TP of INR80

IDFCFB reported an in-line quarter, with NII, PPoP, and PAT broadly meeting expectations. The 12bp sequential decline in NIMs was also in line with estimates, and the bank expects margins to improve to 5.8% by 4QFY26, factoring in one repo rate cut. On the business front, deposit traction remained robust, with the CASA mix improving to 50%, while loan growth remained healthy, led by steady momentum across Retail and Business Banking segments. Asset quality saw a marginal improvement, with the SMA book remaining well contained at 0.9%. We expect the C/I ratio to moderate from 70.3% in FY26 to 66.2% in FY27, as revenue growth gains pace and operating leverage begins to play out. **We fine-tune our estimates for the bank and expect a healthy loan CAGR of 20% and PAT CAGR of 63% over FY25-28E. We estimate RoA/RoE of 1.0%/9.3% for FY27E and retain our Neutral rating with a TP of INR80, based on 1.4x FY27E ABV.**

Quarterly performance

	FY25				FY26E				FY25	FY26E	FY26E	V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Est
Net Interest Income	46.9	47.9	49.0	49.1	49.3	51.1	55.2	59.1	192.9	214.8	50.1	2%
% Change (Y-o-Y)	25.4	21.2	14.4	9.8	5.1	6.8	12.6	20.5	17.3	11.3	4.6	
Other Income	16.2	17.3	17.8	19.0	22.3	18.9	19.9	21.1	70.2	82.2	20.1	-6%
Total Income	63.1	65.2	66.8	68.0	71.6	70.0	75.1	80.2	263.1	296.9	70.1	0%
Operating Expenses	44.3	45.5	49.2	49.9	49.2	51.2	53.6	56.2	189.0	210.2	50.8	1%
Operating Profit	18.8	19.6	17.6	18.1	22.4	18.8	21.5	24.0	74.1	86.7	19.3	-3%
% Change (Y-o-Y)	25.5	29.9	12.6	8.9	19.0	-4.2	22.0	32.6	18.9	16.9	-1.7	
Provisions	9.9	17.3	13.4	14.5	16.6	14.5	13.9	13.6	55.1	58.6	14.7	-1%
Profit before Tax	8.9	2.3	4.2	3.6	5.8	4.3	7.6	10.4	19.0	28.1	4.6	-7%
Tax	2.1	0.3	0.8	0.6	1.2	0.8	1.8	2.4	3.8	6.2	1.2	-35%
Net Profit	6.8	2.0	3.4	3.0	4.6	3.5	5.8	8.0	15.2	21.9	3.4	2%
% Change (Y-o-Y)	-11.0	-73.3	-52.6	-58.0	-32.0	75.5	69.5	161.5	-48.4	43.3	71.5	
Operating Parameters												
Deposit (INR b)	2,097	2,236	2,369	2,521	2,650	2,768	2,905	3,078	2,521	3,078	2,755	0%
Deposit Growth (%)	35.8	30.6	29.8	25.7	26.4	23.8	22.6	22.1	25.7	22.1	23.2	
Loan (INR b)	2,026	2,151	2,231	2,331	2,437	2,571	2,676	2,853	2,331	2,809	2,540	1%
Loan Growth (%)	21.0	20.7	20.3	19.8	20.3	19.5	19.9	22.4	19.8	20.5	18.1	
Asset Quality												
Gross NPA (%)	1.9	1.9	1.9	1.9	2.0	1.9	1.9	1.8	1.9	1.9	2.0	
Net NPA (%)	0.6	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.6	
PCR (%)	69.4	75.3	73.6	72.3	72.3	72.2	72.3	72.5	72.3	72.5	72.2	

Source: MOFSL, Company

Quarterly snapshot

Particulars	FY25				FY26		YoY (%)	QoQ (%)
Profit and Loss (INR b)	1Q	2Q	3Q	4Q	1Q	2Q		
Net Interest Income	46.9	47.9	49.0	49.1	49.3	51.1	6.8	3.6
Other Income	16.2	17.3	17.8	19.0	22.3	18.9	9.5	-15.1
Trading profits	0.2	1.1	3.1	1.9	5.0	0.6	-47.2	-88.8
Total Income	63.1	65.2	66.8	68.0	71.6	70.0	7.5	-2.2
Operating Expenses	44.3	45.5	49.2	49.9	49.2	51.2	12.5	4.1
Employee	13.4	14.2	14.2	15.3	15.0	14.9	4.6	-0.4
Others	30.9	31.3	35.0	34.6	34.2	36.3	16.1	6.1
Operating Profits	18.8	19.6	17.6	18.1	22.4	18.8	-4.2	-16.0
Core Operating Profits	18.6	18.6	14.5	16.2	17.4	18.2	-1.7	4.7
Provisions	9.9	17.3	13.4	14.5	16.6	14.5	-16.2	-12.5
PBT	8.9	2.3	4.2	3.6	5.8	4.3	86.3	-26.2
Taxes	2.1	0.3	0.8	0.6	1.2	0.8	159.8	-35.5
PAT	6.8	2.0	3.4	3.0	4.6	3.5	75.5	-23.8
Balance Sheet								
Loans	2,026	2,151	2,231	2,331	2,437	2,571	19.5	5.5
-Growth (%)	21	21	20	20	20	20	-5.8	-3.7
Deposits	2,097	2,236	2,369	2,521	2,650	2,768	23.8	4.5
-Growth (%)	36	31	30	26	26	24	-22.3	-9.9
-CASA Deposits	977	1,093	1,131	1,182	1,272	1,386	26.8	9.0
Loan mix								
Retail Finance	1,255.9	1,307	1,350	1,414	1,475.0	1,563	19.5	5.9
-Home loan	246.6	255	263	272	272.4	0	-100.0	-100.0
-Vehicle loan	218.2	237	252	263	270.2	302	27.9	11.9
-Consumer + education loan	302.2	311	323	328	351.8	380	22.3	8.1
-Credit card	59.4	63	69	75	80.8	86	36.4	7.0
Rural Finance	245.2	259	252	248	239.2	235	-9.2	-1.6
Loan mix (%)								
Retail Finance	60.0	58.7	58.4	58.5	58.2	58.6	-10	37
-Vehicle loan	10.4	10.6	10.9	10.9	10.7	11.3	72	68
-Consumer + education loan	14.4	14.0	14.0	13.6	13.9	14.3	29	37
-Credit card	2.8	2.8	3.0	3.1	3.2	3.2	40	5
Rural Finance	11.7	11.6	10.9	10.2	9.4	8.8	-282	-62
Asset Quality								
GNPA	39.0	42.0	44.0	44.3	48.7	48.4	15.4	-0.5
NNPA	12.0	10.4	11.6	12.3	13.5	13.5	29.7	-0.1
Asset quality ratios (%)							YoY (bp)	QoQ (bp)
GNPA	1.90	1.92	1.94	1.87	1.97	1.86	-6	-11
NNPA	0.59	0.48	0.52	0.53	0.55	0.52	4	-3
PCR (Exc TWO)	69.4	75.3	73.6	72.3	72.3	72.2	-306	-14
SMA 1&2	1.0	1.0	1.0	1.1	1.0	0.9	-7	-11
Credit Cost	2.2	3.5	2.6	2.7	3.0	2.5	-106	-51
Business ratios (%)								
CASA (Reported)	46.6	48.9	47.7	46.9	48.0	50.1	120	210
Loan/Deposit	96.6	96.2	94.2	92.5	92.0	92.9	-329	93
Other income/Total Income	25.6	26.5	26.6	27.9	31.1	27.0	49	-410
Cost to Asset	1.6	1.6	1.6	1.6	1.5	1.5	-10	-1
Cost to Income	70.2	69.9	73.7	73.4	68.7	73.2	327	443
Tax Rate	23.4	12.7	19.4	15.8	20.3	17.7	502	-255
Capitalisation Ratios (%)								
Tier-1 (incl profit)	13.3	13.8	13.7	13.2	12.8	12.3	-157	-53
-CET-1 (incl profit)	13.3	13.8	13.7	13.2	12.8	12.3	-157	-53
CAR (incl profit)	15.9	16.4	16.1	15.5	15.0	14.3	-202	-67
RWA / Total Assets	78.3	79.9	79.0	80.4	80.1	79.3	-60	-84
LCR	118.0	115.8	113.5	NA	117.7	0.0	NA	NA
Profitability ratios (%)								
YoA	15.9	15.4	15.5	14.9	14.6	14.1	-133	-49
YoF	14.1	13.5	13.6	12.9	12.7	12.4	-112	-31
CoF*	6.9	6.7	6.5	6.5	6.6	6.6	-18	-5
Margins	6.22	6.18	6.04	5.95	5.71	5.59	-59	-12
Other Details								
Branches	955	961	971	1,003	1,016	1,041	80	25



Highlights from the management commentary

Opening remarks by management

- Customer deposits grew 23% YoY to INR2.69t, supported by healthy growth in retail deposits and traction in bulk deposits. 2Q-end CASA ratio stood at ~50%, with the bank opening 25 branches during the quarter.
- Loan book grew 19.7% YoY to INR2.67t, led by mortgages, consumer loans, and business banking segments.
- Disbursements improved sequentially. The MFI book declined, though disbursements in this segment have started picking up again.
- Credit card base crossed 4m, with spends growing at a healthy pace; launched a co-branded card with IndiGo during the quarter.
- Asset quality and SMA ratios improved sequentially.
- NIMs declined by 12bp QoQ due to the lagged impact of repo transmission seen in 1Q; management indicated that NIMs have now bottomed out.
- Excluding trading gains, core operating profit rose 4.6% QoQ, supported by lower provisioning.
- Provisions declined 12.9% QoQ, led by normalization in the MFI book; ex-MFI, credit cost stood at 2%, broadly stable.
- The bank utilized INR750m from its MFI contingent buffer and continues to hold ~INR2.40b of additional contingent provisions.
- Average LCR stood at 115%, within the guided range.
- Management noted continued improvement in the rural economy and regulatory environment (credit risk weights and LCR relaxation).
- Focus remains on building capabilities, with parallel investments in wealth management and cash management offerings.
- CD ratio was at 94%, with continued focus on strengthening the deposit franchise and repayment of high-cost borrowings.
- Management reiterated that the MFI stress is largely behind, and trends should improve from hereon.

Opex and Other Income

- The C/I ratio has increased temporarily due to asset-side pressures but is expected to improve as operating leverage plays out, once the MFI book stabilizes.
- Digitization and network readiness position the bank well to benefit from scaling efficiencies as growth normalizes.

Loan and deposits

- The bank continues to gain market share in two-wheelers, with a visible pickup in VF demand during the quarter-end.
- MFI disbursements have improved and are expected to stabilize by year-end; the segment remains critical for PSL fulfillment. The pace of decline should moderate in 3Q-4Q.
- CA deposits form 14% of CASA, with efforts underway to deepen the CA base.
- The bank remains selective in co-lending, focusing instead on its proprietary origination.

Yields and margins

- NIMs are expected to improve in 3Q and 4Q, with management guiding for ~5.8% NIMs in 4QFY26, even after factoring in repo rate cuts.
- The bank continues to offer higher SA rates (5.85%), lower than comparable FD rates, as part of a strategic focus on SA-driven funding.
- A 50bp reduction in TD rates has already been implemented, and further SA repricing levers exist to aid NIMs structurally.
- Management emphasized that rate actions are long-term franchise-led decisions, not short-term cost plays.

Asset quality

- MFI slippages halved QoQ, while overall slippage ratio (ex-MFI) improved to 3.39% from 3.54%.
- Credit cost expected at 2.1% for FY26, trending lower at ~1.8% in 2H and likely to stabilize in 4Q.
- Unutilized provisions of INR2.4b may be released as MFI conditions normalize further.

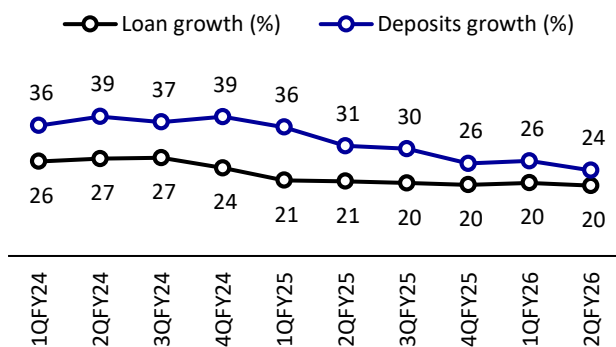
Others

- Credit risk RWAs expected to remain positive for capital ratios.
- ECL transition still under assessment; initial view suggests higher Stage-1/2 provisioning, but overall impact likely neutral to slightly positive when factoring in operational risk weights.
- The bank has 5-6 clients with US exposure, all well-rated with secured positions in LAP; management does not foresee material risk.
- Business instalment loans (unsecured) portfolio remains stable; primary exposure to local businesses with improving behavior trends.

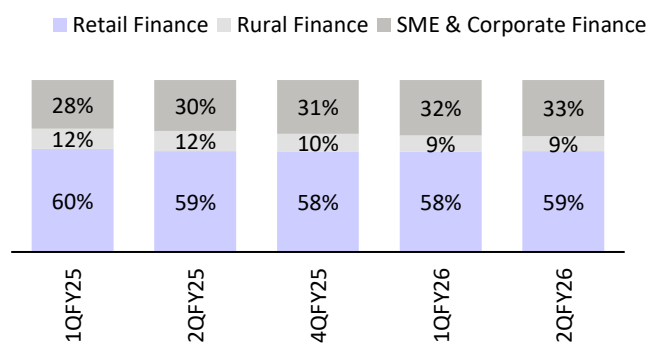
Guidance

- NIMs expected to improve sequentially, likely to reach ~5.8% in 4QFY26.
- C/I ratio to trend lower as operating leverage gains from MFI normalization.
- Credit cost to decline to ~1.8% in 2H, supported by better recoveries and improving unsecured performance.
- Unutilized provisions of INR2.4b to act as a buffer and potential write-back upside.

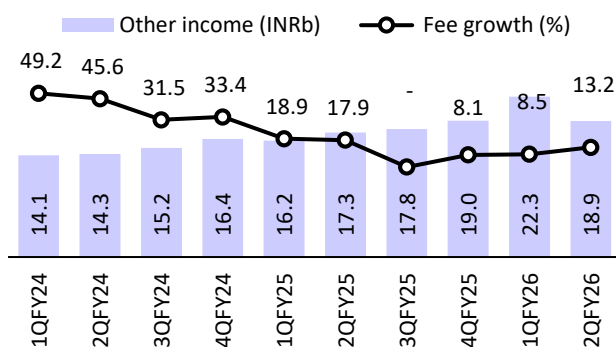
Story in charts

Exhibit 1: Loans/deposits grew 20.3%/23.8% YoY


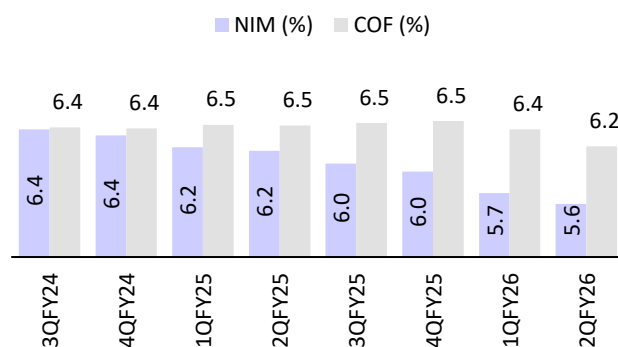
Source: MOFSL, Company

Exhibit 2: Consumer & Rural Finance formed 68% of loans


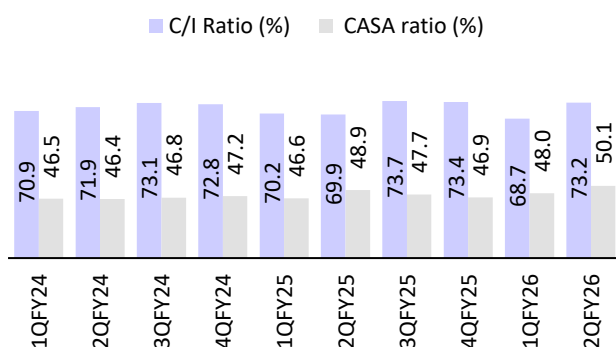
Source: MOFSL, Company

Exhibit 3: Fee income grew 10.9% YoY to INR13.2b


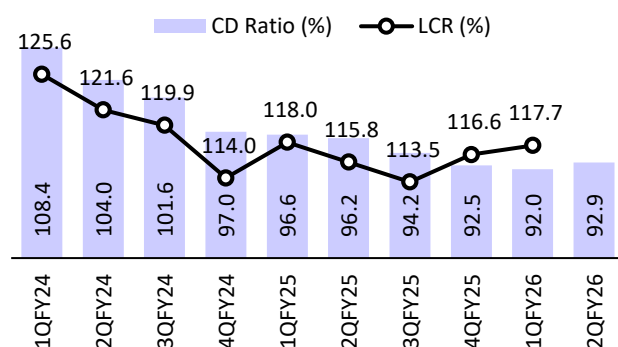
Source: MOFSL, Company

Exhibit 4: NIMs moderated 12bp QoQ to 5.59%


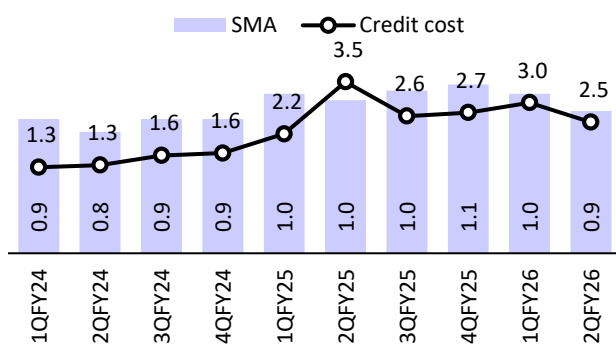
Source: MOFSL, Company

Exhibit 5: C/I ratio increased to 73.2%; CASA ratio at 48%


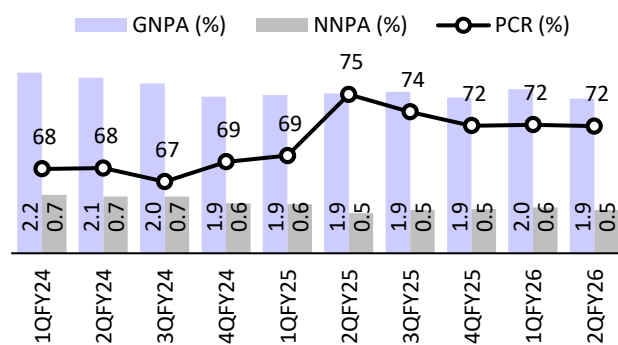
Source: MOFSL, Company

Exhibit 6: CD ratio increased to 93% in 2QFY26


Source: MOFSL, Company

Exhibit 7: Credit costs declined to 2.5%; SMA at 0.9%


Source: MOFSL, Company

Exhibit 8: GNPA/NNPA ratios fell to 1.9%/0.5%; PCR at 72%


Source: MOFSL, Company

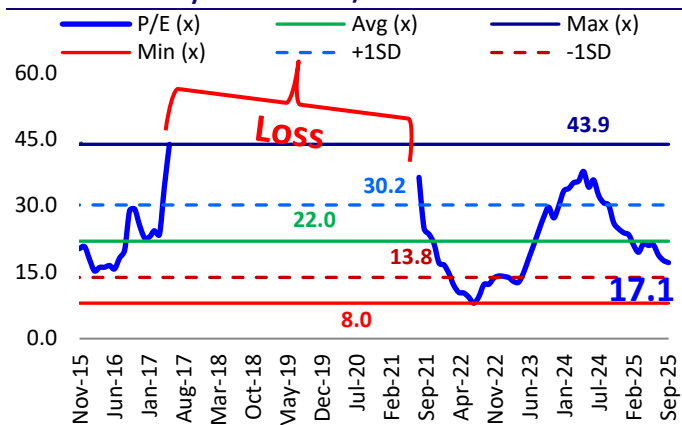
Valuation and view

- IDFCFB reported an in-line quarter, with NII, PPOP, and PAT broadly meeting expectations. The 12bp sequential decline in NIMs was also in line with estimates, and the bank expects margins to improve toward 5.8% by 4QFY26, factoring in one repo rate cut.
- On the business front, deposit traction remained robust, with the CASA mix improving to 50%, while loan growth remained healthy, led by steady momentum across Retail and Business Banking segments.
- Asset quality saw a marginal improvement, with the SMA book remaining well contained at 0.9%. We expect the C/I ratio to moderate from 70.3% in FY26 to 66.2% in FY27, as revenue growth gains pace and operating leverage begins to play out.
- **We fine-tune our estimates for the bank, and expect a healthy CAGR of 20% in loans and 63% in PAT during FY25-28E. We estimate RoA/RoE of 1.0%/9.3% for FY27E and retain our Neutral rating with a TP of INR80, based on 1.4x FY27E ABV.**

Exhibit 9: Changes to our estimates

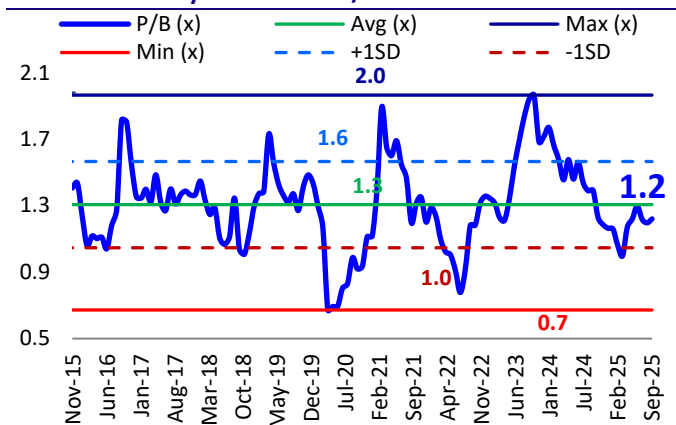
INR bn	Old Est.			New Est.			Change (%/bps)		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
Net Interest Income	213.5	260.9	309.1	214.8	266.9	322.2	0.6	2.3	4.2
Other Income	84.3	95.2	111.4	82.2	93.7	110.5	-2.5	-1.6	-0.8
Total Income	297.8	356.1	420.5	296.9	360.5	432.7	-0.3	1.2	2.9
Operating Expenses	210.9	236.7	267.2	210.2	240.4	275.6	-0.3	1.6	3.1
Operating Profits	86.9	119.4	153.3	86.7	120.2	157.2	-0.2	0.6	2.5
Provisions	57.9	59.0	67.5	58.6	59.9	69.3	1.3	1.6	2.8
PBT	29.0	60.4	85.9	28.1	60.2	87.8	-3.3	-0.3	2.3
Tax	6.8	14.9	21.2	6.2	14.9	21.7	-8.7	-0.3	2.3
PAT	22.2	45.5	64.7	21.9	45.3	66.1	-1.7	-0.3	2.3
Loans	2,809	3,379	4,069	2,809	3,379	4,069	0.0	0.0	0.0
Deposits	3,078	3,764	4,585	3,078	3,764	4,585	0.0	0.0	0.0
Margins (%)	5.63	5.73	5.66	5.7	5.9	5.9	3	13	24
Credit Cost (%)	2.20	1.85	1.75	2.2	1.9	1.8	3	3	5
RoA (%)	0.6	1.0	1.2	0.6	1.0	1.2	(1)	(0)	3
RoE (%)	5.2	9.3	12.1	5.1	9.3	12.4	(9)	(2)	27
EPS	2.8	5.3	7.5	2.7	5.3	7.7	-1.7	-0.3	2.3
BV	55.1	59.2	65.6	55.0	59.1	65.7	-0.1	-0.1	0.2
ABV	53.0	57.0	63.0	53.0	56.8	63.0	-0.1	-0.2	0.1

Exhibit 10: One-year forward P/E



Source: MOFSL, Company

Exhibit 11: One-year forward P/B



Source: MOFSL, Company

Exhibit 12: DuPont Analysis

Y/E MARCH (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	10.6	11.3	11.4	10.9	10.8	10.7
Interest Expense	4.7	5.2	5.4	5.3	5.0	4.8
Net Interest Income	5.9	6.1	6.0	5.7	5.9	5.9
Fee income	0.6	1.5	1.2	1.7	1.7	1.7
Trading and others	1.5	0.8	1.0	0.5	0.4	0.3
Non Interest income	2.1	2.2	2.2	2.2	2.1	2.0
Total Income	8.0	8.4	8.2	7.8	7.9	7.9
Operating Expenses	5.7	6.1	5.9	5.5	5.3	5.0
Employee cost	1.7	1.8	1.8	1.7	1.6	1.5
Others	3.9	4.2	4.1	3.9	3.7	3.5
Operating Profit	2.3	2.3	2.3	2.3	2.6	2.9
Core Operating Profit	0.8	1.6	1.3	1.8	2.2	2.6
Provisions	0.8	0.9	1.7	1.5	1.3	1.3
PBT	1.5	1.4	0.6	0.7	1.3	1.6
Tax	0.4	0.3	0.1	0.2	0.3	0.4
RoA	1.1	1.1	0.5	0.6	1.0	1.2
Leverage (x)	9.2	9.3	9.1	8.9	9.3	10.2
RoE	10.4	10.2	4.4	5.1	9.3	12.4

Financials and valuations

Income Statement						(INRb)
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	227.3	303.2	365.0	414.2	492.6	586.0
Interest Expense	100.9	138.7	172.1	199.4	225.8	263.8
Net Interest Income	126.4	164.5	192.9	214.8	266.9	322.2
-growth (%)	30.2	30.2	17.3	11.3	24.3	20.7
Non Interest Income	44.7	60.0	70.2	82.2	93.7	110.5
Total Income	171.0	224.5	263.1	296.9	360.5	432.7
-growth (%)	32.3	31.3	17.2	12.8	21.4	20.0
Operating Expenses	121.7	162.2	189.0	210.2	240.4	275.6
Pre Provision Profits	49.3	62.4	74.1	86.7	120.2	157.2
-growth (%)	50.2	26.5	18.9	16.9	38.6	30.8
Core PPOp	46.1	60.3	71.0	84.8	118.4	155.4
-growth (%)	68.6	30.8	17.6	19.4	39.6	31.3
Provisions (excl tax)	16.6	23.8	55.1	58.6	59.9	69.3
PBT	32.7	38.6	19.0	28.1	60.2	87.8
Tax	8.3	9.0	3.8	6.2	14.9	21.7
Tax Rate (%)	25.4	23.3	19.7	22.1	24.7	24.7
PAT	24.4	29.6	15.2	21.9	45.3	66.1
-growth (%)	1,575.3	21.3	-48.4	43.3	107.5	45.9
Balance Sheet						
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	66.2	70.7	73.2	85.7	85.7	85.7
Reserves & Surplus	190.7	250.3	306.1	385.8	421.2	477.4
Net Worth	256.8	321.0	379.3	471.5	506.9	563.1
Deposits	1,446.4	2,005.8	2,520.7	3,077.7	3,764.0	4,584.6
-growth (%)	36.9	38.7	25.7	22.1	22.3	21.8
-CASA Dep	719.8	947.7	1,182.4	1,535.8	1,870.7	2,283.1
-growth (%)	40.7	31.7	24.8	29.9	21.8	22.0
Borrowings	572.1	509.4	389.7	419.7	490.6	573.4
Other Liabilities & Prov.	123.7	124.4	147.0	173.5	204.7	241.5
Total Liabilities	2,399.0	2,960.6	3,436.7	4,142.5	4,966.2	5,962.7
Current Assets	139.0	124.8	151.0	179.1	200.0	221.8
Investments	611.2	747.1	807.2	979.9	1,185.7	1,434.7
-growth (%)	32.5	22.2	8.0	21.4	21.0	21.0
Loans	1,517.9	1,945.9	2,331.1	2,809.0	3,379.2	4,068.6
-growth (%)	28.8	28.2	19.8	20.5	20.3	20.4
Fixed Assets	20.9	26.2	26.6	33.0	37.0	41.4
Other Assets	110.4	117.1	122.3	141.5	164.4	196.3
Total Assets	2,399.4	2,961.2	3,438.2	4,142.5	4,966.2	5,962.7
Asset Quality						
	FY23	FY24	FY25	FY26E	FY27E	FY28E
GNPA	38.8	37.2	44.3	53.1	59.0	69.8
NNPA	13.0	11.6	12.3	14.6	16.5	19.2
GNPA Ratio (%)	2.6	1.9	1.9	1.9	1.7	1.7
NNPA Ratio (%)	0.9	0.6	0.5	0.5	0.5	0.5
Slippage Ratio (%)	3.4	3.0	3.8	3.1	2.8	2.7
Credit Cost (%)	1.2	1.4	2.6	2.2	1.9	1.8
PCR (Excl Tech. write off) (%)	66.4	68.8	72.3	72.5	72.0	72.4
E: MOFSL Estimates						

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield-Earning Assets	11.2	11.9	12.0	11.4	11.3	11.2
Avg. Yield on loans	14.2	15.0	14.4	13.7	13.5	13.4
Avg. Yield on Investments	6.1	6.1	6.9	6.8	6.7	6.7
Avg. Cost-Int. Bear. Liab.	5.6	6.1	6.3	6.2	5.8	5.6
Avg. Cost of Deposits	5.0	5.9	6.2	6.0	5.6	5.4
Interest Spread	9.2	9.1	8.2	7.7	7.9	7.9
Net Interest Margin	6.5	6.8	6.6	6.2	6.4	6.4
Capitalisation Ratios (%)						
CAR	16.8	16.1	15.5	16.0	14.6	13.7
Tier I	14.2	13.4	13.2	14.1	12.9	12.3
-CET-1	14.2	13.4	13.2	14.1	12.9	12.3
Tier II	2.6	2.8	2.3	2.0	1.7	1.4
Business Ratios (%)						
Loans/Deposit Ratio	104.9	97.0	92.5	91.3	89.8	88.7
CASA Ratio	49.8	47.2	46.9	49.9	49.7	49.8
Cost/Assets	5.1	5.5	5.5	5.1	4.8	4.6
Cost/Total Income	71.2	72.2	71.8	70.8	66.7	63.7
Cost/Core Income	72.5	72.9	72.7	71.3	67.0	63.9
Int. Expense/Int.Income	44.4	45.7	47.1	48.1	45.8	45.0
Fee Income/Total Income	24.3	25.8	25.5	27.0	25.5	25.1
Non Int. Inc./Total Income	26.1	26.7	26.7	27.7	26.0	25.5
Empl. Cost/Total Expense	30.7	30.2	30.2	30.1	30.1	30.2
Efficiency Ratios (INRm)						
CASA per branch	889.8	1,003.9	1,180.0	2,559.6	3,117.9	3,805.2
Employee per branch (in nos)	43.7	43.6	42.1	84.4	94.5	105.8
Staff exp per employee	1.1	1.2	1.4	1.3	1.3	1.3
Busi. per Empl.	83.8	96.1	115.0	116.3	126.0	136.3
NP per Empl.	0.7	0.7	0.4	0.4	0.8	1.0

Profitability Ratios and Valuation

RoE	10.4	10.2	4.4	5.1	9.3	12.4
RoA	1.1	1.1	0.5	0.6	1.0	1.2
RoRWA	1.6	1.5	0.6	0.7	1.3	1.6
Book Value (INR)	39	45	52	55	59	66
-growth (%)	15.0	17.0	14.1	6.2	7.5	11.1
Price-BV (x)	1.9	1.6	1.4	1.3	1.2	1.1
Adjusted BV (INR)	37	44	50	53	57	63
Price-ABV (x)	2.0	1.7	1.4	1.4	1.3	1.1
EPS (INR)	3.8	4.3	2.1	2.7	5.3	7.7
-growth (%)	1,452.3	13.8	-50.9	29.8	92.3	45.9
Price-Earnings (x)	19.0	16.7	34.0	26.2	13.6	9.3

E: MOFSL Estimates

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