motilal oswal
Financial Services

26 July 2026
1QFY27 Results Update | Sector: Financials

IDFC First Bank

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	IDFCFB IN
Equity Shares (m)	8596
M.Cap.(INRb)/(USDb)	696.2 / 7.2
52-Week Range (INR)	87 / 58
1, 6, 12 Rel. Per (%)	3/2/16
12M Avg Val (INR M)	2355

Financial and Valuation (INR b)

Y/E March	FY26	FY27E	FY28E
NII	212.2	253.7	301.8
OP	72.1	107.4	141.0
NP	16.4	43.5	60.0
NIM (%)	5.7	5.7	5.7
EPS (INR)	2.1	5.1	7.0
BV/Sh. (INR)	55	59	64
ABV/Sh. (INR)	53	57	62
Ratios			
RoA (%)	0.4	1.0	1.1
RoE (%)	3.9	8.9	11.3
Valuations			
P/E(X)	39.4	16.0	11.6
P/BV (X)	1.5	1.4	1.3
P/ABV (X)	1.5	1.4	1.3

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	0.0	0.0	0.0
DII	32.2	30.5	32.6
FII	36.1	36.5	23.8
Others	31.7	32.9	43.7

CMP: INR81 TP: INR90 (+11%) Neutral

Steady quarter; guides for FY27 RoA at 1%

Credit cost guidance scaled down to ~1.6%

- IDFC First Bank (IDFCFB) reported 1QFY27 PAT of INR10.7b (up 132% YoY/237% QoQ, 34% beat on MOFSLe), led by healthy operating performance and lower-than-expected provisioning.
- The bank received claims of INR5.1b under the CGFMU scheme against its MFI portfolio, which the bank utilized to create a contingency provision of INR5.2b, factoring in macro and geopolitical uncertainties.
- NII grew 21% YoY/5% QoQ to INR59.7b (largely in line). NIM expanded 3bp QoQ to 5.96% (excl. impact of interest on IT refund, NIMs stood at 5.90%).
- Business growth picked up, with advances growth at 20.8% YoY/5.0% QoQ and deposit growth at 17.7% YoY/5.9% QoQ. CASA mix improved to 50.8% (+100bp QoQ).
- Slippages declined marginally to INR17.4b from INR17.7b in 4QFY26. GNPA ratio improved 10bp QoQ to 1.51%, while NNPA ratio improved 4bp QoQ to 0.44%. PCR improved 102bp QoQ to 71.5%.
- **We raise our FY27/28E earnings by 21%/12%, factoring in an improved asset quality outlook, and estimate RoA/RoE of ~1.0%/8.9% for FY27. Reiterate Neutral with a revised TP of INR90 (1.4x Mar'28E ABV).**

Deposit growth robust; asset quality ratio improves

- IDFCFB reported 1QFY27 PAT of INR10.7b, led by healthy operating performance and lower-than-expected provisioning. Adjusted for one-offs, RoA stood at ~0.90% against the reported 1.06%.
  NII grew 21% YoY/5% QoQ to INR59.7b (largely in line). NIM expanded 3bp QoQ to 5.96% (excl. impact of interest on IT refund, NIMs stood at 5.90%). It has raised its FY27 NIM guidance to 5.80% from 5.75% earlier.
- Other income improved 4% YoY/42% QoQ to INR23.1b (9% beat), led by healthy fee income and treasury gain of INR1.8b. Reported opex stood at INR57.3b in 1QFY27, up 16% YoY (largely in line). Thus, PPoP stood at INR25.5b (14% YoY, 7% beat on the back of strong other income).
- Business growth picked up, with net advances growing 20.8% YoY/5.0% QoQ, led by broad-based growth in retail (up 21.5% YoY/4.5% QoQ) and wholesale (11.0% QoQ), while CV grew 6.7% QoQ. Within Retail, VF/ Mortgage/CC grew 1.8%/1.6%/4.5 QoQ.
- Deposit growth stood at 17.7% YoY/5.9% QoQ, with strong traction in CASA deposits and QoQ uptick in CDs. The CASA mix improved further to 50.8% (up 100bp QoQ). The CD ratio declined to 94.4%.
- Slippages declined to INR17.4b from INR17.7b in 4QFY26. The GNPA ratio improved 10bp to 1.51%, while the NNPA ratio declined 4bp QoQ to 0.44%. The credit cost improved to 1.53% vs. 1.63% in 4QFY26. The bank reduced its credit cost guidance to 1.5-1.6% for FY27 from 1.7-1.8%.

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Highlights from the management commentary

- Management raised FY27 NIM guidance by 5bp to around 5.80%.
- Reflecting improving portfolio performance, management reduced FY27 credit cost guidance to 1.5-1.6% from the earlier 1.7%-1.8%.
- The transition to the ECL framework is expected to have a broadly capital-neutral impact, with EIR benefits largely offsetting higher provisioning requirements.
- The bank created a voluntary floating contingency provision of INR5.15b against recoveries under the CGFMU scheme for the MFI portfolio, reflecting a prudent provisioning approach.

Valuation and view: Reiterate Neutral with a revised TP of INR90

IDFCFB reported a strong quarter on the back of healthy operating performance and better asset quality metrics, aided by one-off interest on IT refund and strong treasury gains. Adj. NIMs declined 3bp QoQ to 5.9%, and management expects further contraction during the year, guiding for NIM of 5.8%. Deposit growth was healthy, driven by strong traction in CASA deposits and higher CDs. Loan growth was strong, led by steady traction across retail and pick-up in wholesale segments. The bank received claims of INR5.1b under the CGFMU scheme against its MFI portfolio, which the bank utilized to create a contingency provision of INR5.2b. Management has guided for 1% RoA for FY27 and lowered its credit cost guidance by 20bps to 1.5-1.6%. **We raise our FY27/28E earnings by 21%/12%, factoring in an improved asset quality outlook, and estimate RoA/RoE of ~1.0%/8.9% for FY27. Reiterate Neutral with a revised TP of INR90 (premised on 1.4x Mar'28E ABV).**

Quarterly performance (INRb)

	FY26				FY27E				FY26	FY27E	FY26E	V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	Est
Net Interest Income	**49.3**	**51.1**	**54.9**	**56.8**	**59.7**	**61.9**	**64.4**	**67.6**	**212.2**	**253.7**	**58.7**	**2%**
% Change (Y-o-Y)	5.1	6.8	12.0	15.7	21.1	21.1	17.3	19.1	10.0	19.6	19.0	
Other Income	22.3	18.9	21.2	16.3	23.1	22.5	23.0	23.5	78.7	92.1	21.3	9%
Total Income	**71.6**	**70.0**	**76.2**	**73.1**	**82.8**	**84.4**	**87.5**	**91.1**	**290.9**	**345.8**	**80.0**	**4%**
Operating Expenses	49.2	51.2	55.8	62.5	57.3	58.6	60.1	62.4	218.8	238.4	56.2	2%
Operating Profit	**22.4**	**18.8**	**20.3**	**10.6**	**25.5**	**25.7**	**27.4**	**28.8**	**72.1**	**107.4**	**23.8**	**7%**
% Change (Y-o-Y)	19.0	-4.2	15.6	-41.6	14.0	36.8	34.7	171.6	-2.7	48.9	6.2	
Provisions	16.6	14.5	14.0	8.7	11.4	12.2	12.8	13.5	53.8	49.9	13.1	-13%
Profit before Tax	**5.8**	**4.3**	**6.4**	**1.9**	**14.1**	**13.5**	**14.6**	**15.2**	**18.3**	**57.4**	**10.7**	**32%**
Tax	1.2	0.8	1.3	-1.3	3.3	3.3	3.5	3.7	2.0	13.9	2.6	27%
Net Profit	**4.6**	**3.5**	**5.0**	**3.2**	**10.7**	**10.2**	**11.1**	**11.5**	**16.4**	**43.5**	**8.0**	**34%**
% Change (Y-o-Y)	-32.0	75.5	48.1	4.9	132.4	189.8	119.9	261.6	7.3	166.1	73.7	
Operating Parameters												
Deposit (INR b)	2,650	2,768	2,911	2,945	3,119	3,267	3,439	3,631	2,945	3,631	3,091	1%
Deposit Growth (%)	26.4	23.8	22.9	16.8	17.7	18.0	18.1	23.3	16.8	23.3	16.7	
Loan (INR b)	2,437	2,571	2,700	2,804	2,945	3,054	3,225	3,414	2,804	3,370	2,914	1%
Loan Growth (%)	20.3	19.5	21.0	20.3	20.8	18.8	19.5	21.8	20.3	20.2	19.6	
Asset Quality												
Gross NPA (%)	2.0	1.9	1.7	1.6	1.5	1.5	1.5	1.4	1.6	1.5	1.6	
Net NPA (%)	0.6	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.5	0.4	0.5	
PCR (%)	72.3	72.2	69.1	70.5	71.5	71.7	71.4	72.0	70.5	72.0	70.7	

Source: MOFSL, Company

Quarterly Snapshot

Particulars	FY26				FY27	YoY (%)	QoQ (%)
Profit and Loss (INR b)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**		
Net Interest Income	**49.3**	**51.1**	**54.9**	**56.8**	**59.7**	**21.1**	**5.2**
Other Income	22.3	18.9	21.2	16.3	23.1	3.7	41.7
Trading profits	5.0	0.6	1.0	-4.3	1.8	-63.5	-141.8
Total Income	**71.6**	**70.0**	**76.2**	**73.1**	**82.8**	**15.7**	**13.3**
Operating Expenses	49.2	51.2	55.8	62.5	57.3	16.4	-8.3
Employee	15.0	14.9	16.0	15.9	17.0	13.4	6.4
Others	34.2	36.3	39.8	46.5	40.3	17.8	-13.4
Operating Profits	**22.4**	**18.8**	**20.3**	**10.6**	**25.5**	**14.0**	**141.1**
Core Operating Profits	**17.4**	**18.2**	**19.4**	**14.9**	**23.7**	**36.0**	**59.0**
Provisions	16.6	14.5	14.0	8.7	11.4	-31.1	31.6
PBT	**5.8**	**4.3**	**6.4**	**1.9**	**14.1**	**142.8**	**644.2**
Taxes	1.2	0.8	1.3	-1.3	3.3	183.6	-357.4
PAT	**4.6**	**3.5**	**5.0**	**3.2**	**10.7**	**132.4**	**237.0**
Balance Sheet							
Loans	**2,437**	**2,571**	**2,700**	**2,804**	**2,945**	**20.8**	**5.0**
-Growth (%)	20	20	21	20	21	2.7	2.8
Deposits	**2,650**	**2,768**	**2,911**	**2,945**	**3,119**	**17.7**	**5.9**
-Growth (%)	26	24	23	17	18	-32.9	5.2
-CASA Deposits	1,272	1,386	1,504	1,467	1,585	24.6	8.1
Loan mix							
Retail Finance	1,475	1,562.5	1,641	1,715	1,792	21.5	4.5
-Vehicle loan	270	302.5	320	335	341	26.4	1.8
-Consumer + education loan	352	517.2	550	574	615	74.7	7.1
-Credit card	81	86.4	91	92	96	18.6	4.5
Rural Finance	239	235.4	235	241	244	2.1	1.2
Business Finance	818	867.8	918	947	1,018	24.4	7.5
Loan mix (%)							
Retail Finance	58.2	58.6	58.7	59.1	58.7	-6	-88
-Vehicle loan	10.7	11.3	11.5	11.6	11.3	65	-24
-Consumer + education loan	13.9	19.4	19.7	19.8	19.2	527	-60
-Credit card	3.2	3.2	3.3	3.2	3.2	-1	2
Rural Finance	9.4	8.8	8.4	8.3	8.1	-135	-22
Business Finance	32.3	32.6	32.8	32.6	33.7	142	111
Asset Quality							
GNPA	48.7	48.4	46.1	45.6	45.1	-7.3	-1.1
NNPA	13.5	13.5	14.3	13.5	12.9	-4.4	-4.5
Asset quality ratios (%)						**YoY (bp)**	**QoQ (bp)**
GNPA	1.97	1.86	1.69	1.61	1.51	-46	-10
NNPA	0.55	0.52	0.53	0.48	0.44	-11	-4
PCR (Exc TWO)	72.3	72.2	69.1	70.5	71.5	-87	102
SMA 1&2	1.0	0.9	0.9	0.8	0.8	-24	-1
Credit Cost (cal.)	3.0	2.5	2.3	1.4	1.7	-127	35
Business ratios (%)							
CASA (Reported)	48.0	50.1	51.6	49.8	50.8	280	100
Loan/Deposit	92.0	92.9	92.7	95.2	94.4	245	-80
Other income/Total Income	31.1	27.0	27.9	22.3	27.9	-322	558
Cost to Asset	1.5	1.5	1.5	1.7	1.5	-1	-22
Cost to Income	68.7	73.2	73.3	85.5	69.2	46	-1,634
Tax Rate	20.3	17.7	20.9	-68.5	23.7	341	9,217
Capitalisation Ratios (%)							
Tier-1 (incl profit)	12.8	12.3	14.2	13.7	13.3	53	-40
-CET-1 (incl profit)	12.8	12.3	14.2	13.7	13.3	53	-40
CAR (incl profit)	15.0	14.3	16.2	15.6	15.1	4	-55
RWA / Total Assets	80.1	79.3	80.9	82.8	84.4	428	164
LCR	117.7	115.0	115.2	114.0	116.0	-165	200
Profitability ratios (%)							
YoA	14.6	14.1	14.2	14.0	14.0	-56	6
YoF	12.6	12.3	12.4	12.4	12.3	-29	-8
CoF*	6.6	6.6	6.1	6.0	6.1	-47	15
RoA	0.5	0.4	0.5	0.3	1.1	53	73
Margins	5.71	5.59	5.76	5.93	5.96	25	3
Other Details							
Branches	1,016	1,041	1,066	1,147	1,155	139	8

CONFERENCE CALL

Highlights from the management commentary

Opening remarks by management

- Loans and advances, including credit substitutes, grew 20.6% YoY to INR3.05t, with healthy traction across mortgages, vehicle loans, consumer loans and corporate banking.
- Total deposits grew 16.6% YoY/5.3% QoQ, while customer deposits increased 17.7% YoY, reflecting continued strength in the liability franchise.
- CASA ratio stood at 50.8%, while average CASA was 50.1% (vs. 50.8% in 4QFY26), with strong growth in granular CASA balances.
- Fee income increased 22.9% YoY, led by resilient businesses, such as trade finance, FX and commercial banking, and healthy gains in treasury income of INR1.81b.
- Reported NIM included a 6bp benefit from interest on income-tax refund. Core NIM, excluding this benefit, stood at around 5.90% (down 3bp QoQ).
- Asset quality trends remained healthy across portfolios, with management highlighting a strong start to FY27.
- The bank created a voluntary floating contingency provision of INR5.15b against recoveries under the CGFMU scheme for the MFI portfolio.
- Management upgraded its FY27 RoA guidance to 1.0%, led by ~5bp improvement in NIM guidance and 20bp reduction in expected credit cost.

Opex and other income

- Fee income remained robust with 22.9% YoY growth, supported by trade finance, foreign exchange and commercial banking businesses.
- Treasury income contributed positively during the quarter with gains of around INR1.81b.
- Operating expenses remained well controlled, with core opex growing 2.3% QoQ, significantly lower than growth in operating income.
- Management reiterated its operating leverage target of maintaining around 500bp positive jaws (operating income growth exceeding operating expense growth).
- Technology investments remain elevated at around 9% of total opex, with significant investments in building its proprietary cloud infrastructure and modern technology architecture.

Loan and deposits

- Management continues to target healthy loan growth while maintaining a focus on higher-quality borrowers.
- Institutional deposits witnessed healthy traction during the quarter; however, the long-term strategy remains to grow granular retail deposits faster than institutional deposits.
- Average CA a/c deposits grew ~30% YoY, while SA a/c deposits increased by 25% YoY, reflecting continued strength in the retail liability franchise.
- The bank currently has an NRI deposit base of around INR250b, representing nearly 1.7% market share, with management targeting around 2.5% market share over time.
- FCNR(B) mobilization is still at an early stage and management will give an update in the coming quarters.

Yields and margins

- Reported NIM saw a ~6bp benefit due to interest income on the income-tax refund; excluding this one-off benefit, core NIM stood at ~5.90%.
- Management raised has its FY27 NIM guidance by 5bp to ~5.80%.
- While the increasing mix of corporate and other secured businesses could be slightly margin dilutive, the lower cost of funds and an improving business mix are expected to support overall profitability.
- Cost of funds is expected to continue improving and remain ~6%, with no assumption of future policy rate hikes embedded in the guidance.
- Management emphasized that business mix decisions will continue to prioritize RoA improvement rather than maximizing headline NIM.

Asset quality

- Gross slippages declined 2% QoQ, while net slippages improved 4% QoQ.
- Slippage ratio improved to 2.49% from 2.68% in the previous quarter.
- MFI book remained stable at around INR67b, with 93% insurance cover under the CGFMU scheme.
- MFI slippages remained low, while MFI disbursements more than doubled YoY, with management targeting ~15% YoY growth in MFI disbursements.
- Reflecting improving portfolio performance, management reduced its FY27 credit cost guidance to 150-160bp from the earlier 170-180bp.
- The bank created an additional floating provision of INR5.15b as a prudent measure despite improving asset quality.
- Management indicated that recoveries under the CGFMU scheme for the year have largely been completed.

Others

- The transition to the ECL framework is expected to have a broadly capital-neutral impact, with EIR benefits largely offsetting higher provisioning requirements.
- On the fraud incident disclosed in the previous quarter, management stated that investigations and recovery efforts are progressing well, although no specific timeline was provided.
- Channel sourcing expenses account for nearly 20% of operating expenses and are expected to remain broadly range-bound, with greater focus on increasing in-house sourcing over time.
- The bank continues to invest heavily in technology, including proprietary cloud infrastructure and modern digital architecture, to improve long-term scalability and operating efficiency.
- Management indicated that PSLC income continues to be driven primarily through balance sheet management, with further opportunities expected as the organic PSL portfolio expands.

Story in charts

Exhibit 1: Loans/deposits grew 21%/18% YoY

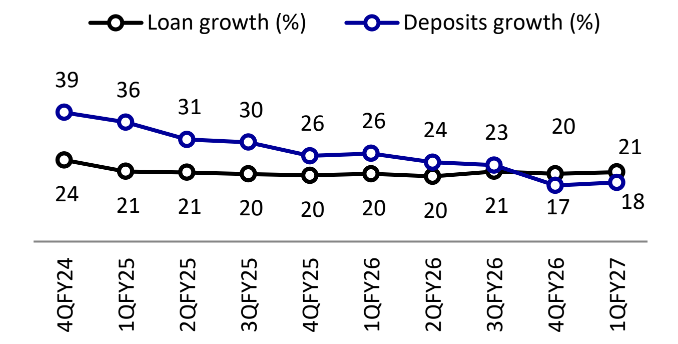


Exhibit 2: Consumer & Rural Finance formed 67% of loans

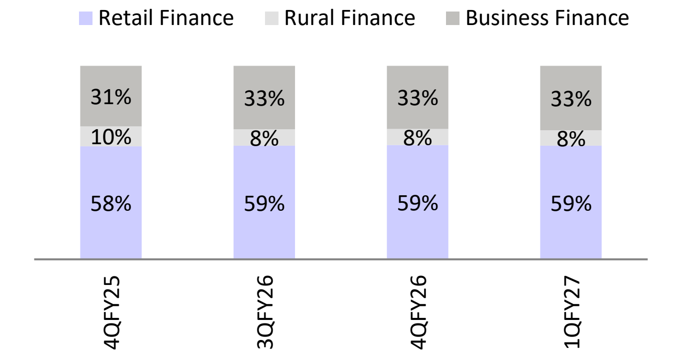


Exhibit 3: Fee income grew 23% YoY to INR20.6b

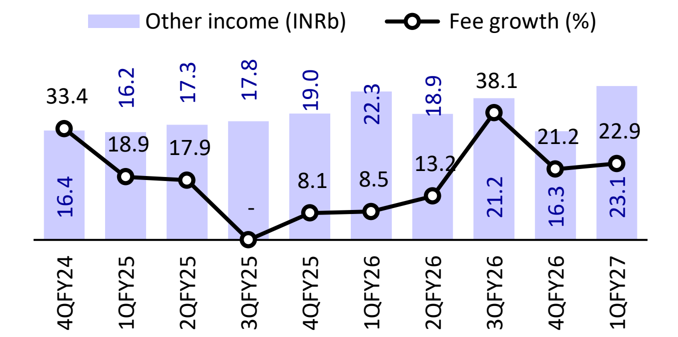


Exhibit 4: NIMs expanded 3bp QoQ to 5.96%

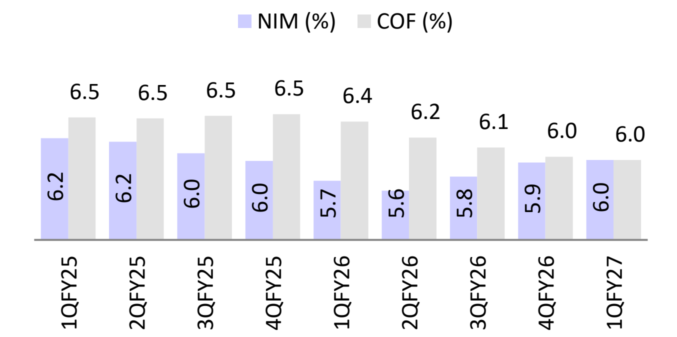


Exhibit 5: C/I ratio declined to 69.2%; CASA ratio at 50.8%

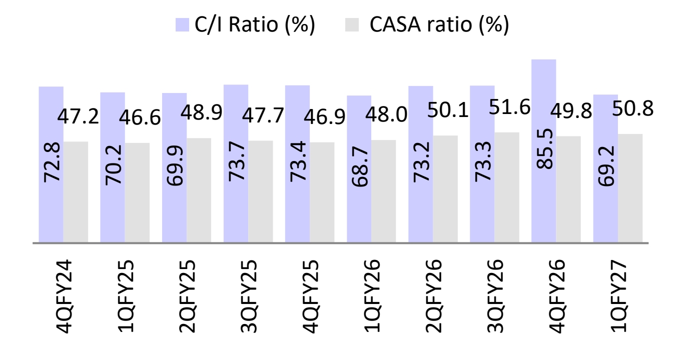


Exhibit 6: C/D ratio reduced to 94.4% in 1QFY27

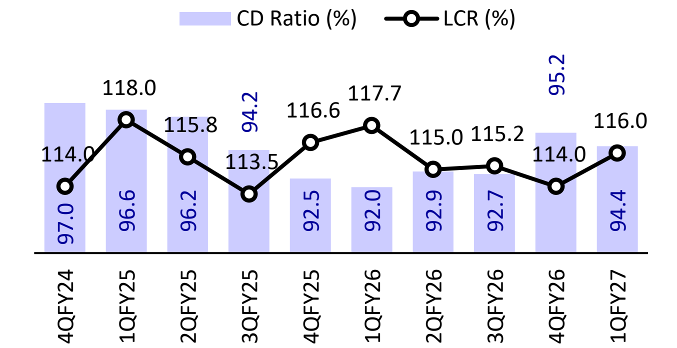
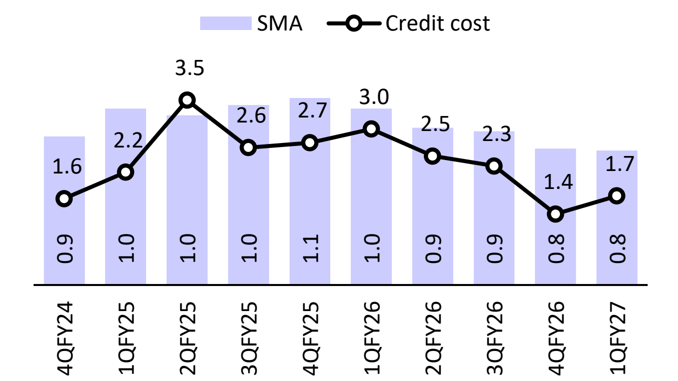
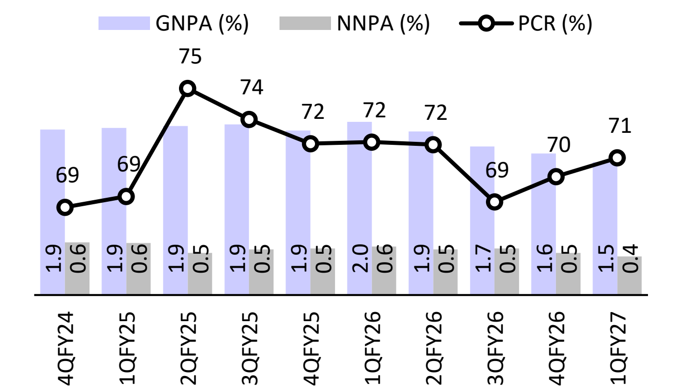


Exhibit 7: Credit costs (cal.) rose to 1.7%; SMA flat at 0.8%



Source: MOFSL, Company

Exhibit 8: GNPA/NNPA fell to 1.51%/0.44%; PCR at 71.5%



Source: MOFSL, Company

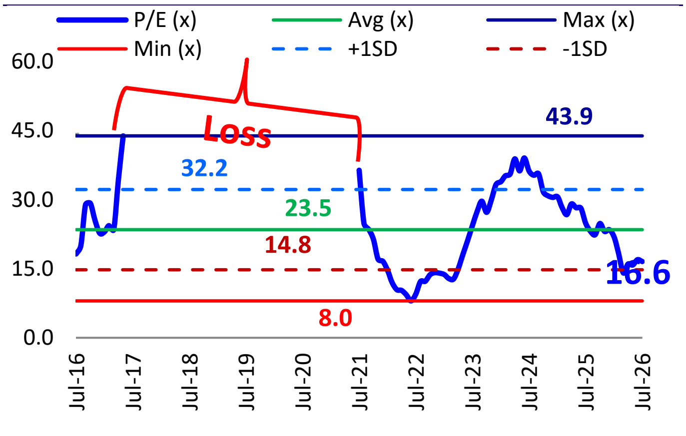
Valuation and view – Maintain Neutral with revised TP of INR90

- IDFCFB reported a strong quarter on the back of healthy operating performance and better asset quality metrics, aided by one-offs of interest on IT refund and strong treasury gains.
- Adj. NIMs declined 3bp QoQ to 5.9%, and management expects further contraction during the year, guiding for NIM of 5.8%.
- Deposit growth was healthy, driven by strong traction in CASA deposits and higher CDs. Loan growth was strong, led by steady traction across retail and a pickup in wholesale segments.
- The bank received claims of INR5.1b under the CGFMU scheme against its MFI portfolio, which the bank utilized to create a contingency provision of INR5.2b. Management has guided for RoA of 1% for FY27 and lowered its credit cost guidance by 20bp to 1.5-1.6%.
- We raise our FY27/28E earnings by 21%/12%, factoring in an improved asset quality outlook, and estimate RoA/RoE of ~1.0%/8.9% for FY27. Reiterate Neutral with a revised TP of INR90 (premised on 1.4x Mar'28E ABV).

Exhibit 9: Changes to our estimates – Raise earnings estimates by 21%/12% for FY27/FY28E

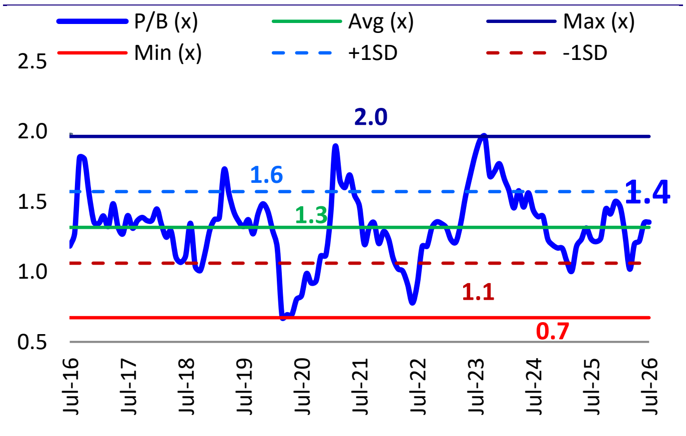
INR bn	Old Est.		New Est.		Change (%/bps)	
	FY27	FY28	FY27	FY28	FY27	FY28
Net Interest Income	250.8	298.5	253.7	301.8	1.1	1.1
Other Income	89.8	105.0	92.1	108.7	2.6	3.5
Total Income	**340.6**	**403.5**	**345.8**	**410.5**	**1.5**	**1.7**
Operating Expenses	237.0	267.9	238.4	269.5	0.6	0.6
Operating Profits	**103.5**	**135.6**	**107.4**	**141.0**	**3.7**	**4.0**
Provisions	56.1	65.1	49.9	61.9	-11.0	-4.9
PBT	**47.4**	**70.5**	**57.4**	**79.1**	**21.1**	**12.2**
Tax	11.5	17.1	13.9	19.2	21.1	12.2
PAT	**35.9**	**53.5**	**43.5**	**60.0**	**21.1**	**12.2**
Loans	3,370	4,058	3,370	4,038	0.0	-0.5
Deposits	3,593	4,383	3,631	4,448	1.1	1.5
Margins (%)	5.7	5.6	5.7	5.7	6	5
Credit Cost (%)	1.8	1.7	1.6	1.6	(20)	(8)
RoA (%)	**0.81**	**1.00**	**0.98**	**1.12**	**17**	**12**
RoE (%)	**7.4**	**10.3**	**8.9**	**11.3**	**150**	**102**
EPS	4.2	6.2	5.1	7.0	21.1	12.2
BV	57.7	62.8	58.6	64.4	1.5	2.6
ABV	55.7	60.2	56.7	62.2	1.8	3.2

Exhibit 10: One-year forward P/E



Source: MOFSL, Company

Exhibit 11: One-year forward P/B



Source: MOFSL, Company

Exhibit 12: DuPont Analysis – We expect RoA of 0.98% in FY27

Y/E MARCH (%)	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	10.57	11.31	11.41	10.91	10.67	10.62
Interest Expense	4.69	5.18	5.38	5.20	4.94	4.96
Net Interest Income	**5.88**	**6.14**	**6.03**	**5.71**	**5.73**	**5.65**
Fee income	0.60	1.48	1.21	1.69	1.74	1.77
Trading and others	1.48	0.76	0.99	0.43	0.34	0.27
Non-Interest income	**2.08**	**2.24**	**2.19**	**2.12**	**2.08**	**2.04**
Total Income	**7.95**	**8.38**	**8.22**	**7.82**	**7.81**	**7.69**
Operating Expenses	**5.66**	**6.05**	**5.91**	**5.88**	**5.39**	**5.05**
Employee cost	1.74	1.83	1.78	1.66	1.58	1.49
Others	3.92	4.22	4.12	4.22	3.81	3.56
Operating Profit	**2.29**	**2.33**	**2.32**	**1.94**	**2.43**	**2.64**
Core Operating Profit	**0.81**	**1.57**	**1.33**	**1.51**	**2.09**	**2.37**
Provisions	**0.77**	**0.89**	**1.72**	**1.45**	**1.13**	**1.16**
PBT	**1.52**	**1.44**	**0.59**	**0.49**	**1.30**	**1.48**
Tax	0.39	0.34	0.12	0.05	0.31	0.36
RoA	**1.13**	**1.10**	**0.48**	**0.44**	**0.98**	**1.12**
Leverage (x)	9.22	9.28	9.14	8.75	9.08	10.08
RoE	**10.44**	**10.23**	**4.35**	**3.85**	**8.93**	**11.33**

Financials and valuations

Income Statement (INRb)

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	227.3	303.2	365.0	405.5	472.3	566.6
Interest Expense	100.9	138.7	172.1	193.3	218.6	264.8
Net Interest Income	**126.4**	**164.5**	**192.9**	**212.2**	**253.7**	**301.8**
-growth (%)	30.2	30.2	17.3	10.0	19.6	19.0
Non-Interest Income	44.7	60.0	70.2	78.7	92.1	108.7
Total Income	**171.0**	**224.5**	**263.1**	**290.9**	**345.8**	**410.5**
-growth (%)	32.3	31.3	17.2	10.5	18.9	18.7
Operating Expenses	121.7	162.2	189.0	218.8	238.4	269.5
Pre Provision Profits	**49.3**	**62.4**	**74.1**	**72.1**	**107.4**	**141.0**
-growth (%)	50.2	26.5	18.9	-2.7	48.9	31.3
Core PPoP	**46.1**	**60.3**	**71.0**	**70.5**	**105.9**	**139.6**
-growth (%)	68.6	30.8	17.6	-0.6	50.1	31.8
Provisions (excl tax)	16.6	23.8	55.1	53.8	49.9	61.9
PBT	**32.7**	**38.6**	**19.0**	**18.3**	**57.4**	**79.1**
Tax	8.3	9.0	3.8	2.0	13.9	19.2
Tax Rate (%)	25.4	23.3	19.7	10.7	24.2	24.2
PAT	**24.4**	**29.6**	**15.2**	**16.4**	**43.5**	**60.0**
-growth (%)	1,575.3	21.3	-48.4	7.3	166.1	37.8

Balance Sheet

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	66.2	70.7	73.2	86.0	86.0	86.0
Reserves & Surplus	190.7	250.3	306.1	384.6	418.2	468.2
Net Worth	**256.8**	**321.0**	**379.3**	**470.6**	**504.2**	**554.2**
Deposits	**1,446.4**	**2,005.8**	**2,520.7**	**2,944.7**	**3,630.9**	**4,447.8**
-growth (%)	36.9	38.7	25.7	16.8	23.3	22.5
-CASA Dep	**719.8**	**947.7**	**1,182.4**	**1,469.4**	**1,804.5**	**2,215.0**
-growth (%)	40.7	31.7	24.8	24.3	22.8	22.7
Borrowings	572.1	509.4	389.7	366.2	465.6	521.1
Other Liabilities & Prov.	123.7	124.4	147.0	213.3	251.7	297.0
Total Liabilities	**2,399.0**	**2,960.6**	**3,436.7**	**3,994.9**	**4,852.4**	**5,820.1**
Current Assets	139.0	124.8	151.0	127.6	192.5	233.5
Investments	**611.2**	**747.1**	**807.2**	**859.7**	**1,023.0**	**1,217.4**
-growth (%)	32.5	22.2	8.0	6.5	19.0	19.0
Loans	**1,517.9**	**1,945.9**	**2,331.1**	**2,803.9**	**3,370.3**	**4,037.6**
-growth (%)	28.8	28.2	19.8	20.3	20.2	19.8
Fixed Assets	20.9	26.2	26.6	25.6	37.0	41.4
Other Assets	110.4	117.1	122.3	181.0	229.6	290.2
Total Assets	**2,399.4**	**2,961.2**	**3,438.2**	**3,997.8**	**4,852.4**	**5,820.1**

Asset Quality	FY23	FY24	FY25	FY26	FY27E	FY28E
GNPA	38.8	37.2	44.3	45.6	49.2	58.2
NNPA	13.0	11.6	12.3	13.5	13.8	16.1
GNPA Ratio (%)	2.6	1.9	1.9	1.6	1.5	1.4
NNPA Ratio (%)	0.9	0.6	0.5	0.5	0.4	0.4
Slippage Ratio (%)	3.4	3.0	3.8	3.6	3.1	2.9
Credit Cost (%)	1.2	1.4	2.6	2.3	1.6	1.6
PCR (Excl Tech. write off) (%)	66.4	68.8	72.3	70.5	72.0	72.4

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield-Earning Assets	**11.2**	**11.9**	**12.0**	**11.5**	**11.3**	**11.2**
Avg. Yield on loans	14.2	15.0	14.4	13.3	13.2	13.2
Avg. Yield on Investments	6.1	6.1	6.9	7.2	6.7	6.8
Avg. Cost-Int. Bear. Liab.	**5.6**	**6.1**	**6.3**	**6.2**	**5.9**	**5.8**
Avg. Cost of Deposits	5.0	5.9	6.2	5.9	5.6	5.6
Interest Spread	**9.2**	**9.1**	**8.2**	**7.4**	**7.6**	**7.6**
Net Interest Margin	**6.5**	**6.8**	**6.6**	**6.2**	**6.3**	**6.2**
Capitalisation Ratios (%)						
CAR	16.8	16.1	15.5	15.6	14.2	13.2
Tier I	14.2	13.4	13.2	13.7	12.6	11.9
-CET-1	14.2	13.4	13.2	13.7	12.6	11.9
Tier II	2.6	2.8	2.3	1.9	1.6	1.4
Business Ratios (%)						
Loans/Deposit Ratio	104.9	97.0	92.5	95.2	92.8	90.8
CASA Ratio	49.8	47.2	46.9	49.9	49.7	49.8
Cost/Assets	5.1	5.5	5.5	5.5	4.9	4.6
Cost/Total Income	71.2	72.2	71.8	75.2	68.9	65.6
Cost/Core Income	72.5	72.9	72.7	75.6	69.2	65.9
Int. Expense/Int.Income	44.4	45.7	47.1	47.7	46.3	46.7
Fee Income/Total Income	24.3	25.8	25.5	26.5	26.2	26.1
Non Int. Inc./Total Income	26.1	26.7	26.7	27.1	26.6	26.5
Empl. Cost/Total Expense	30.7	30.2	30.2	28.3	29.3	29.6
Efficiency Ratios (INRm)						
CASA per branch	889.8	1,003.9	1,180.0	1,281.1	3,007.6	3,691.7
Employee per branch (in nos)	43.7	43.6	42.1	44.1	94.5	105.8
Staff exp per employee	1.1	1.2	1.4	1.2	1.2	1.3
Busi. per Empl.	83.8	96.1	115.0	113.5	123.5	133.6
NP per Empl.	0.7	0.7	0.4	0.3	0.8	0.9

Profitability Ratios and Valuation

	FY23	FY24	FY25	FY26	FY27E	FY28E
RoE	10.4	10.2	4.4	3.9	8.9	11.3
RoA	1.1	1.1	0.5	0.4	1.0	1.1
RoRWA	1.6	1.5	0.6	0.5	1.2	1.4
Book Value (INR)	39	45	52	55	59	64
-growth (%)	15.0	17.0	14.1	5.6	7.1	9.9
Price-BV (x)	**2.1**	**1.8**	**1.6**	**1.5**	**1.4**	**1.3**
Adjusted BV (INR)	37	44	50	53	57	62
Price-ABV (x)	**2.2**	**1.9**	**1.6**	**1.5**	**1.4**	**1.3**
EPS (INR)	3.8	4.3	2.1	2.1	5.1	7.0
-growth (%)	1,452.3	13.8	-50.9	-3.0	146.3	37.8
Price-Earnings (x)	**21.3**	**18.7**	**38.2**	**39.4**	**16.0**	**11.6**

E: MOFSL Estimates

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BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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