

BUY
 TP: Rs 79 | ▲ 18%

IDFC FIRST BANK

| Banking

| 26 April 2026

Earnings hit by one-offs; Asset quality on improving trajectory

- PAT missed estimates due to one-offs; return ratio likely to improve on operating leverage and AQ improvement
- Credit growth remains robust with a leading CASA ratio; asset quality improved with the MFI stress receding
- Maintain BUY with revised TP of Rs 79 (Rs 82 earlier), set at 1.2x Mar'28E ABV (from 1.3x) vs 5Y average P/ABV of 1.4x

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PAT missed estimates due to one-offs; return ratio likely to improve: IDFCFB reported PAT of Rs 3.2bn (-36.5% QoQ) in Q4FY26 and was below our estimates by ~18.5%. This was primarily driven by higher opex, which included ~Rs 6.46bn related to a fraud incident reported in Q4FY26, coupled with trading losses of ~Rs 1.6bn (Rs 960mn trading gain in Q3FY26). This led to a sharp spike in the C/I ratio to 85.5% (vs 73.3% in Q3FY26). NIMs improved to ~5.93% (+18bps QoQ) in Q4 driven by a) favourable day convention, b) reduction in the lower-yielding investment book, and c) decline in cost of funds (-11bps QoQ). Management expects NIMs to stabilize ~5.75% in FY27 similar to FY26 levels. Capital ratios improved with CET1 at 13.7% (+56bps YoY), partly supported by CCPS conversion into equity of Rs 75bn in Q3FY26. With portfolio expected to grow at ~20% CAGR over FY26–29E, operating leverage should improve, while credit costs decline as MFI stress subsides, supporting a gradual uptick in return ratios.

Credit growth remains robust with leading CASA ratio: The bank reported robust loan growth with net advances up by 20.3% YoY, while deposit growth moderated to 16.8% YoY; lagging the ~25% average of the past four quarters, partly impacted by trust concerns following the fraud incident. Despite this, the bank maintained an industry-leading CASA ratio of 49.8% (+2.9% YoY).

AQ improved with receding MFI stress: Asset quality (AQ) improved with GNPA ratio falling to 1.61% (-8bps QoQ) in Q4FY26. The improvement was led by a decline in slippages to Rs 17.8bn (-15% QoQ) or 2.63% (-62bps QoQ). We note that slippage in MFI book fell to Rs 0.96bn vs Rs 1.53bn (Q3FY26). Also, the SMA 1+2 pool in MFI book reduced by 70bps QoQ to 0.79%, indicating receding stress. Further, the bank utilised Rs 0.35bn of contingency provision buffer, while still maintaining Rs 1.3bn as contingency on MFI book.

Maintain BUY: We expect credit growth at ~20% CAGR in FY26-FY29E. Early signs of AQ improvement would be the key to improving RoA to 0.9-1.49% in FY27-FY29E. We maintain BUY and roll over valuation to 1.2x Mar'28E ABV (from 1.3x) vs 5Y average P/ABV of 1.4x, with revised TP of Rs 79 (Rs 82 earlier).

Key changes

| Target | Rating |
|--------|--------|
| ▼ | ◀▶ |

| | |
|------------------|-----------------|
| Ticker/Price | IDFCBK IN/Rs 67 |
| Market cap | US\$ 6.1bn |
| Free float | 100% |
| 3M ADV | US\$ 35.3mn |
| 52wk high/low | Rs 87/Rs 58 |
| Promoter/FPI/DII | 0%/37%/23% |

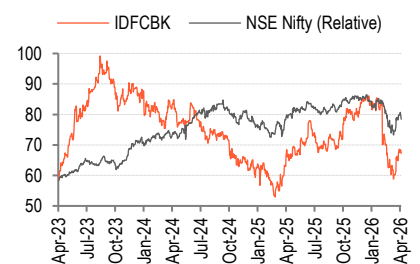
Source: NSE | Price as of 24 Apr 2026

Key financials

| Y/E 31 Mar | FY26A | FY27E | FY28E |
|-------------------------|----------|----------|----------|
| NII (Rs mn) | 2,12,153 | 2,57,114 | 3,18,355 |
| NII growth (%) | 10.0 | 21.2 | 23.8 |
| Adj. net profit (Rs mn) | 16,364 | 40,277 | 64,204 |
| EPS (Rs) | 2.1 | 4.7 | 7.5 |
| Consensus EPS (Rs) | 2.1 | 4.7 | 6.9 |
| P/E (x) | 32.7 | 14.4 | 9.0 |
| P/BV (x) | 1.2 | 1.1 | 1.0 |
| ROA (%) | 0.4 | 0.9 | 1.2 |
| ROE (%) | 3.8 | 8.2 | 11.9 |

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly snapshot: Income statement

| (Rs mn) | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | Q4FY26 | YoY (%) | QoQ (%) |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Income Statement | | | | | | | |
| Interest Income | 79,712 | 81,363 | 83,195 | 87,758 | 89,670 | 12.49 | 2.18 |
| Income on investments | 13,945 | 14,322 | 14,790 | 15,264 | 15,120 | 8.43 | (0.94) |
| Int. on bal. with RBI & inter-bank funds & Others | 472 | 737 | 1,384 | 1,148 | 737 | 56.05 | (35.79) |
| Interest income | 94,129 | 96,421 | 99,369 | 1,04,170 | 1,05,528 | 12.11 | 1.30 |
| Interest expense | 45,058 | 47,091 | 48,243 | 49,246 | 48,756 | 8.21 | (1.00) |
| Net interest income | 49,072 | 49,331 | 51,126 | 54,924 | 56,772 | 15.69 | 3.36 |
| Growth YoY (%) | 9.8 | 5.1 | 6.8 | 12.0 | 15.7 | | |
| Non-interest income | 18,954 | 22,268 | 18,915 | 21,250 | 16,300 | (14.0) | (23.3) |
| Growth YoY (%) | 15.4 | 37.5 | 9.5 | 19.4 | (14.0) | | |
| Total income | 68,026 | 71,599 | 70,040 | 76,174 | 73,072 | 7.4 | (4.1) |
| Growth YoY (%) | 11.3 | 13.4 | 7.5 | 14.0 | 7.4 | | |
| Staff expenses | 15,282 | 14,956 | 14,901 | 16,020 | 15,943 | 4.3 | (0.5) |
| Other operating expenses | 34,628 | 34,249 | 36,338 | 39,821 | 46,544 | 34.4 | 16.9 |
| Operating expenses | 49,910 | 49,205 | 51,239 | 55,841 | 62,487 | 25.2 | 11.9 |
| Pre-Provisioning Profit (PPoP) | 18,116 | 22,394 | 18,801 | 20,334 | 10,585 | (41.6) | (47.9) |
| Growth YoY (%) | 8.9 | 19.0 | (4.2) | 15.6 | (41.6) | | |
| Provisions | 14,505 | 16,591 | 14,519 | 13,983 | 8,692 | (40.1) | (37.8) |
| Growth YoY (%) | 100.8 | 66.8 | (16.2) | 4.5 | (40.1) | | |
| PBT | 3,611 | 5,803 | 4,282 | 6,350 | 1,893 | (47.6) | (70.2) |
| Tax | 571 | 1,177 | 759 | 1,325 | (1,296) | (327.2) | (197.8) |
| PAT | 3,041 | 4,626 | 3,523 | 5,025 | 3,189 | 4.9 | (36.5) |
| Growth YoY (%) | (58.0) | (32.0) | 75.5 | 48.1 | 4.9 | | |
| Per Share | | | | | | | |
| FV (Rs) | 10 | 10 | 10 | 10 | 10 | - | - |
| EPS (Rs) | 0.42 | 0.63 | 0.36 | 0.57 | 0.37 | (11.9) | (35.1) |
| Book Value (Rs) | 52.0 | 52.8 | 54.1 | 54.7 | 55.0 | 5.9 | 0.6 |

Source: Company, BOBCAPS Research

Fig 2 – Quarterly snapshot: Balance sheet & other key metrics

| (Rs mn) | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | Q4FY26 | YoY (%) | QoQ (%) |
|---------------------------|------------------|------------------|------------------|------------------|------------------|-------------|------------|
| Deposits | 25,20,653 | 26,49,713 | 27,67,713 | 29,11,334 | 29,44,746 | 16.8 | 1.1 |
| Growth YoY (%) | 25.7 | 26.4 | 23.8 | 22.9 | 16.8 | | |
| Advances | 23,31,125 | 24,36,789 | 25,71,007 | 26,99,878 | 28,03,906 | 20.3 | 3.9 |
| Growth YoY (%) | 19.8 | 20.3 | 19.5 | 21.0 | 20.3 | | |
| Investment | 8,07,155 | 8,63,793 | 9,17,794 | 9,52,699 | 8,59,663 | 6.5 | (9.8) |
| Equity | 3,80,780 | 3,87,189 | 4,64,902 | 4,70,482 | 4,73,518 | 24.4 | 0.6 |
| Assets | 34,38,187 | 36,14,240 | 38,22,178 | 39,33,570 | 39,97,801 | 16.3 | 1.6 |
| Growth YoY (%) | 16.1 | 17.8 | 19.3 | 17.1 | 16.3 | | |
| Yield (%) | | | | | | | |
| Yield on Funds | 11.6 | 11.4 | 11.2 | 11.3 | 11.2 | (43bps) | (8bps) |
| Cost of Funds | 6.3 | 6.3 | 6.2 | 6.1 | 5.9 | (37bps) | (18bps) |
| Spread | 5.3 | 5.1 | 5.0 | 5.2 | 5.3 | (6bps) | 11bps |
| Net Interest Margin (Cal) | 6.0 | 5.9 | 5.8 | 5.9 | 6.0 | (4bps) | 8bps |
| Ratios (%) | | | | | | | |
| Other Income / Net Income | 27.9 | 31.1 | 27.0 | 27.9 | 22.3 | (556bps) | (559bps) |
| Cost to Income ratio | 73.4 | 68.7 | 73.2 | 73.3 | 85.5 | 1215bps | 1221bps |
| CASA ratio | 46.9 | 48.0 | 50.1 | 51.6 | 49.8 | 289bps | (184bps) |
| C/D ratio | 92.5 | 92.0 | 92.9 | 92.7 | 95.2 | 274bps | 248bps |
| Investment to Assets | 23.5 | 23.9 | 24.0 | 24.2 | 21.5 | (197bps) | (272bps) |
| Assets Quality | | | | | | | |
| GNPA | 44,336 | 48,675 | 48,409 | 46,141 | 45,585 | 2.8 | (1.2) |
| NNPA | 12,299 | 13,461 | 13,454 | 14,269 | 13,464 | 9.5 | (5.6) |
| Provision | 32,037 | 35,214 | 34,955 | 31,872 | 32,121 | 0.3 | 0.8 |
| GNPA (%) | 1.9 | 2.0 | 1.9 | 1.7 | 1.6 | (26bps) | (8bps) |
| NNPA (%) | 0.5 | 0.6 | 0.5 | 0.5 | 0.5 | (5bps) | (5bps) |
| Provision (%) | 72.3 | 72.3 | 72.2 | 69.1 | 70.5 | (180bps) | 139bps |
| Slippages (%) | 3.9 | 4.3 | 3.7 | 3.3 | 2.6 | (127bps) | (62bps) |

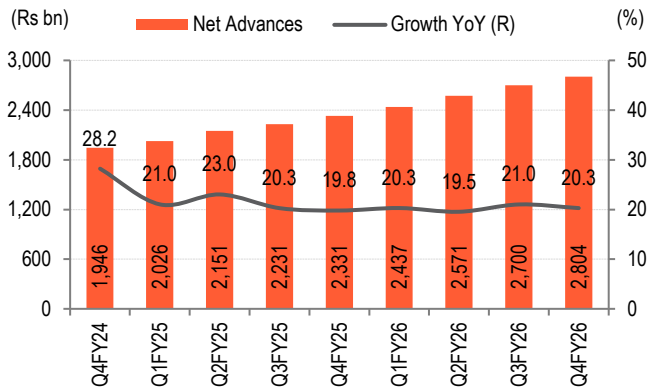
Source: Company, BOBCAPS Research

Fig 3 – Actual vs. Estimates

| (Rs mn) | Q4FY26A | Q4FY26E | Actual vs. Estimates (%) |
|-----------|-----------|-----------|--------------------------|
| Loan | 28,03,906 | 28,01,993 | 0.1 |
| Deposits | 29,44,746 | 29,28,568 | 0.6 |
| Assets | 39,97,801 | 40,93,527 | (2.3) |
| NII | 56,772 | 57,501 | (1.3) |
| PPOP | 10,585 | 22,530 | (53.0) |
| Provision | 8,692 | 17,471 | (50.2) |
| PAT | 3,189 | 3,914 | (18.5) |

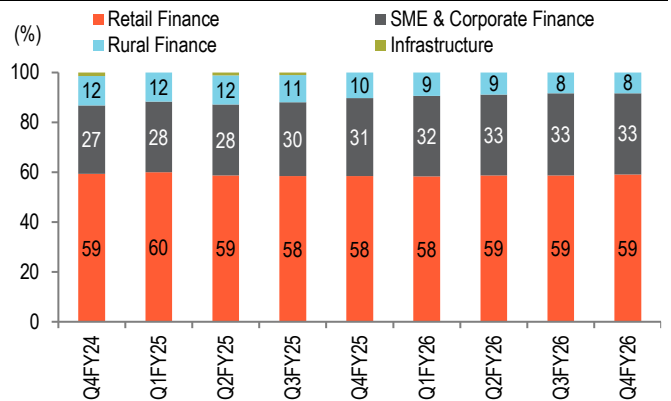
Source: Company, BOBCAPS Research

Fig 4 – Sustained healthy credit growth above system levels...



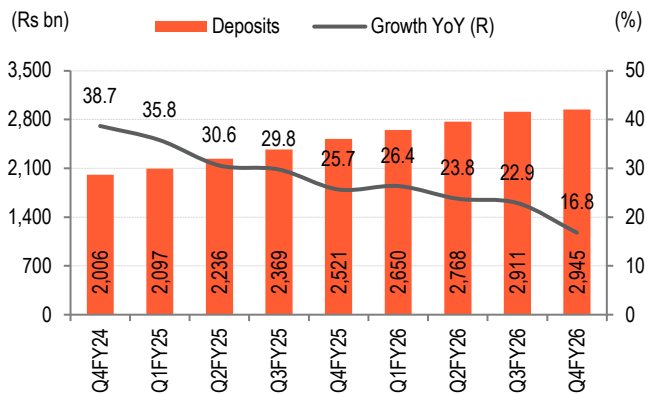
Source: Company, BOBCAPS Research

Fig 5 – ...with loan mix led by retail portfolio



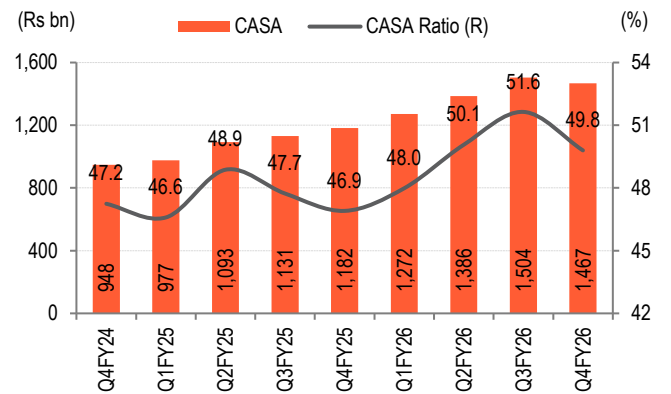
Source: Company, BOBCAPS Research

Fig 6 – Deposit growth slowed, resulting in higher CD ratio of 95.2% (Mar'26)



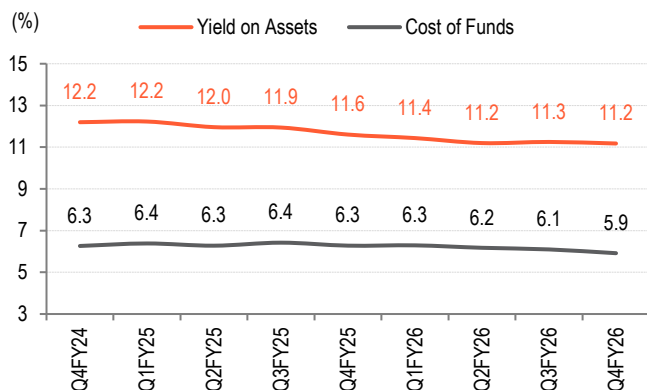
Source: Company, BOBCAPS Research

Fig 7 – CASA ratio down 184 bps QoQ



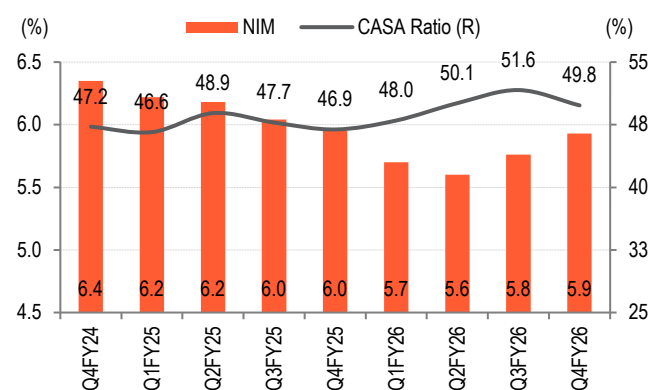
Source: Company, BOBCAPS Research

Fig 8 – COF declined due to deposit repricing...



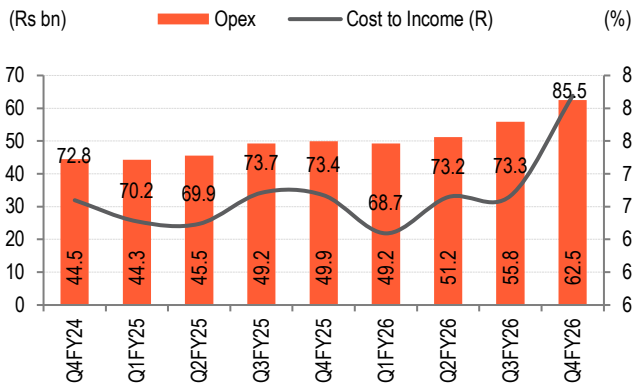
Source: Company, BOBCAPS Research

Fig 9 – ...which aided NIMs, along with a shift towards retail segments



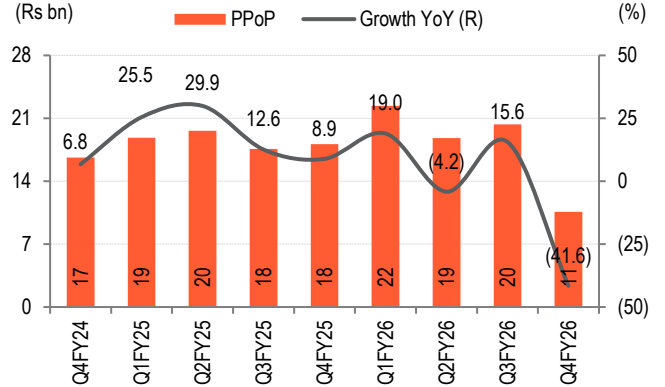
Source: Company, BOBCAPS Research

Fig 10 – Cost-to-Income is expected to improve



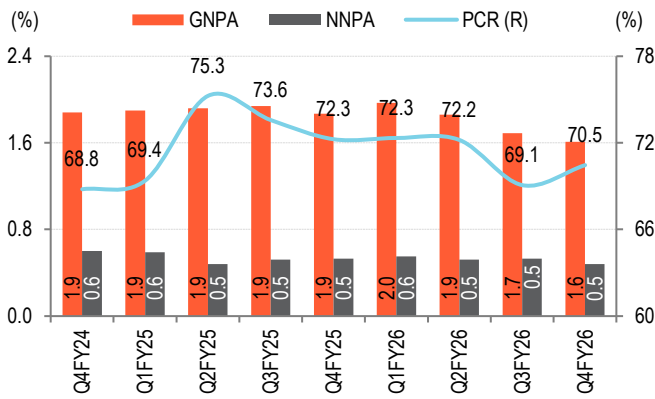
Source: Company, BOBCAPS Research

Fig 11 – PPOp declines on higher opex



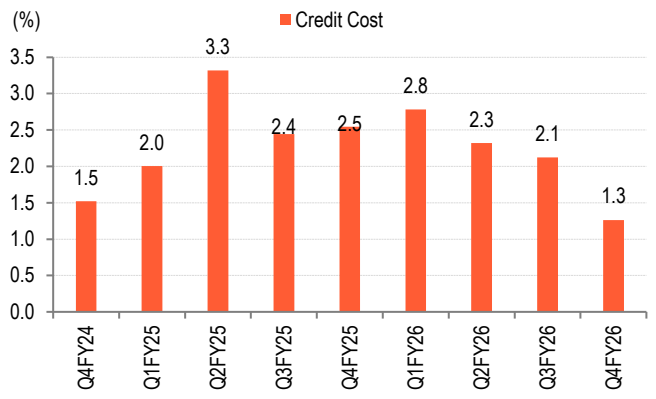
Source: Company, BOBCAPS Research

Fig 12 – Asset quality improved QoQ



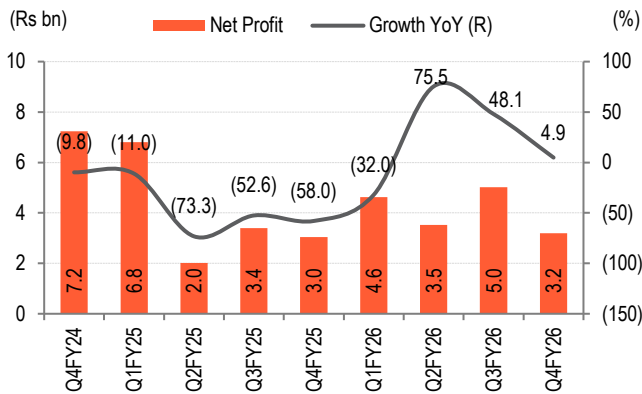
Source: Company, BOBCAPS Research

Fig 13 – Credit costs improved



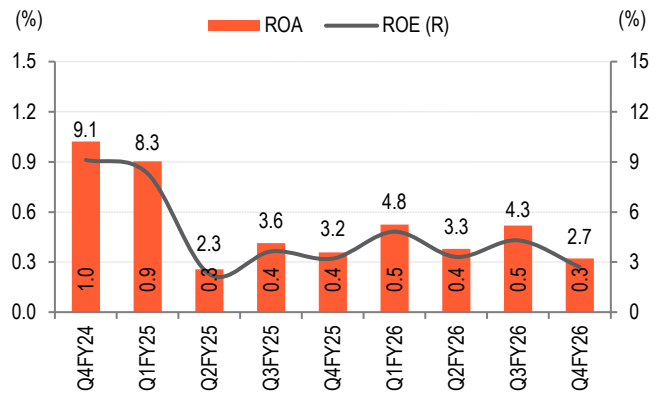
Source: Company, BOBCAPS Research

Fig 14 – PAT up 4.9% YoY



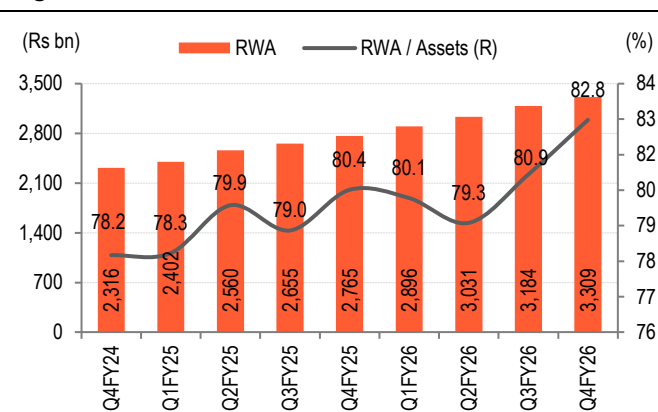
Source: Company, BOBCAPS Research

Fig 15 – Operational efficiency to be the key lever for improvement in return ratios



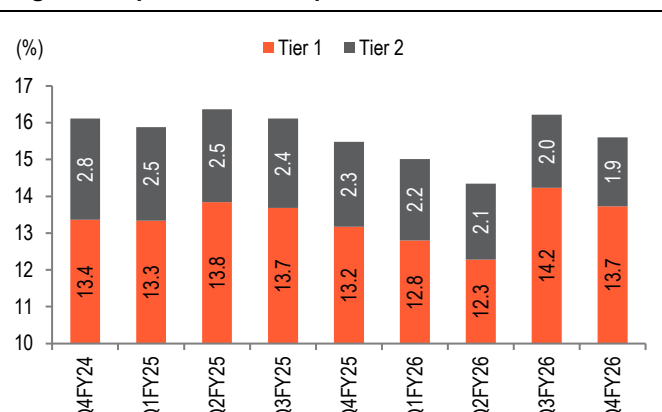
Source: Company, BOBCAPS Research

Fig 16 – Stable RWA-to-asset ratio



Source: Company, BOBCAPS Research

Fig 17 – Capital ratios adequate



Source: Company, BOBCAPS Research

Fig 18 – Deposit trend

| (Rs mn) | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | Q4FY26 | YoY (%) | QoQ (%) |
|-----------------------|------------------|------------------|------------------|------------------|------------------|-------------|------------|
| CASA Deposits | 11,82,370 | 12,71,580 | 13,85,830 | 15,03,500 | 14,66,500 | 24.0 | (2.5) |
| Term Deposits | 13,38,283 | 13,78,133 | 13,81,883 | 14,07,834 | 14,78,246 | 10.5 | 5.0 |
| Total Deposits | 25,20,653 | 26,49,713 | 27,67,713 | 29,11,334 | 29,44,746 | 16.8 | 1.1 |

Source: Company, BOBCAPS Research

Fig 19 – Deposit distribution

| (%) | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | Q4FY26 | YoY (%) | QoQ (%) |
|-----------------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|
| CASA Deposits | 46.9 | 48.0 | 50.1 | 51.6 | 49.8 | 289bps | (184bps) |
| Term Deposits | 53.1 | 52.0 | 49.9 | 48.4 | 50.2 | (289bps) | 184bps |
| Total Deposits | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 0bps | 0bps |

Source: Company, BOBCAPS Research

Fig 20 – Source of fund distribution

| (Rs mn) | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | Q4FY26 | YoY (%) | QoQ (%) |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|--------------|-------------|
| Legacy Long Term & Infra Bonds | 42,150 | 16,610 | 5,780 | 3,460 | - | (100.0) | (100.0) |
| Refinance & Other borrowings | 2,34,500 | 2,30,610 | 1,87,070 | 1,89,990 | 3,15,940 | 34.7 | 66.3 |
| Tier II Bonds | 45,000 | 45,000 | 45,000 | 4,50,000 | 4,50,000 | 900.0 | - |
| Total Borrowings | 3,21,650 | 2,92,220 | 2,37,850 | 6,43,450 | 7,65,940 | 138.1 | 19.0 |
| CASA Deposits | 11,82,370 | 12,71,580 | 13,85,830 | 15,03,500 | 14,66,500 | 24.0 | (2.5) |
| Term Deposits | 12,43,060 | 12,96,400 | 13,05,120 | 13,23,120 | 13,78,030 | 10.9 | 4.2 |
| Total Customers Deposits | 24,25,430 | 25,67,980 | 26,90,950 | 28,26,620 | 28,44,530 | 17.3 | 0.6 |
| Certificate of Deposits | 95,220 | 81,730 | 76,770 | 84,710 | 1,00,210 | 5.2 | 18.3 |
| Money Market Borrowings | 68,090 | 1,35,830 | 1,69,970 | 1,41,330 | 5,270 | (92.3) | (96.3) |
| Borrowings & Deposits | 29,10,390 | 30,77,760 | 31,75,540 | 36,96,110 | 37,15,950 | 27.7 | 0.5 |

Source: Company, BOBCAPS Research

Fig 21 – Source of fund distribution trend

| (%) | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | Q4FY26 | YoY (%) | QoQ (%) |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|-----------------|---------------|
| Legacy Long Term & Infra Bonds | 1.4 | 0.5 | 0.2 | 0.1 | - | (145bps) | (9bps) |
| Refinance & Other borrowings | 8.1 | 7.5 | 5.9 | 5.1 | 8.5 | 44bps | 336bps |
| Tier II Bonds | 1.5 | 1.5 | 1.4 | 12.2 | 12.1 | 1056bps | (7bps) |
| Total Borrowings | 11.1 | 9.5 | 7.5 | 17.4 | 20.6 | 956bps | 320bps |
| CASA Deposits | 40.6 | 41.3 | 43.6 | 40.7 | 39.5 | (116bps) | (121bps) |
| Term Deposits | 42.7 | 42.1 | 41.1 | 35.8 | 37.1 | (563bps) | 129bps |
| Total Customers Deposits | 83.3 | 83.4 | 84.7 | 76.5 | 76.5 | (679bps) | 7bps |
| Certificate of Deposits | 3.3 | 2.7 | 2.4 | 2.3 | 2.7 | (57bps) | 40bps |
| Money Market Borrowings | 2.3 | 4.4 | 5.4 | 3.8 | 0.1 | (220bps) | (368bps) |
| Borrowings & Deposits | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 0bps | 0bps |

Source: Company, BOBCAPS Research

Key Conference Call Takeaways

- The bank received an income tax refund of ~1,740 mn in Q4FY26, which was treated as a one-off item. Management stated that normalised PAT would have been ~Rs 7,460 mn in Q4FY26, after adjusting for one-offs like fraud, trading losses and IT refund.
- IDFCFB expects loan and deposit growth to gradually get normalised towards a ~20% run-rate, with improvement likely from H1FY27 rather than immediately.
- The MFI portfolio is expected to grow 15–20% in FY27 and contribute positively to top-line recovery.
- NIM is expected to remain broadly stable at ~5.75% for FY27.
- ROA is likely to move closer to ~1% by the end of FY27, although the exact timeline remains contingent on external factors.
- Core lending business profitability (pre-liability drag) is estimated at ~1.5–1.6% ROA.
- Operating expenses are expected to grow ~13–14% YoY, with some front-loading in Q1 due to increments and branch additions.
- Credit costs are guided at ~170–180 bps for FY27, indicating improvement from FY26 levels.
- The MFI segment is expected to witness recovery, aided by CGFMU support.
- The Q4 fraud-related issue is largely behind the bank, with systems strengthened to prevent recurrence.
- The bank plans to raise capital over the next 12 months to support growth.
- The impact of ECL transition (expected in 2027) is likely to be manageable through existing provisions and buffers.
- Savings account rates are unlikely to be revised in the near term, while term deposit repricing largely complete.

Valuation Methodology

Maintain BUY: We expect credit growth at ~20% CAGR in FY26-FY29E. Early signs of AQ improvement would be the key to improving RoA to 0.9-1.49% in FY27-FY29E. We maintain BUY and roll over valuation to 1.2x Mar'28E ABV (from 1.3x) vs 5Y average P/ABV of 1.4x, with revised TP of Rs 79 (Rs 82 earlier).

Fig 22 – Key operational assumptions

| Parameter (%) | FY26 | FY27E | FY28E | FY29E |
|-----------------|-------|-------|-------|-------|
| Advances Growth | 20.3 | 20.0 | 20.5 | 21.0 |
| NII Growth | 10.0 | 21.2 | 23.8 | 22.5 |
| PPoP Growth | (2.7) | 51.9 | 37.9 | 33.2 |
| PAT Growth | 7.3 | 146.1 | 59.4 | 45.2 |
| NIM | 5.8 | 5.8 | 6.0 | 6.2 |
| GNPA | 1.6 | 1.5 | 1.5 | 1.4 |
| CAR | 15.6 | 15.1 | 14.5 | 13.9 |

Source: Company, BOBCAPS Research

Fig 23 – Revised estimates

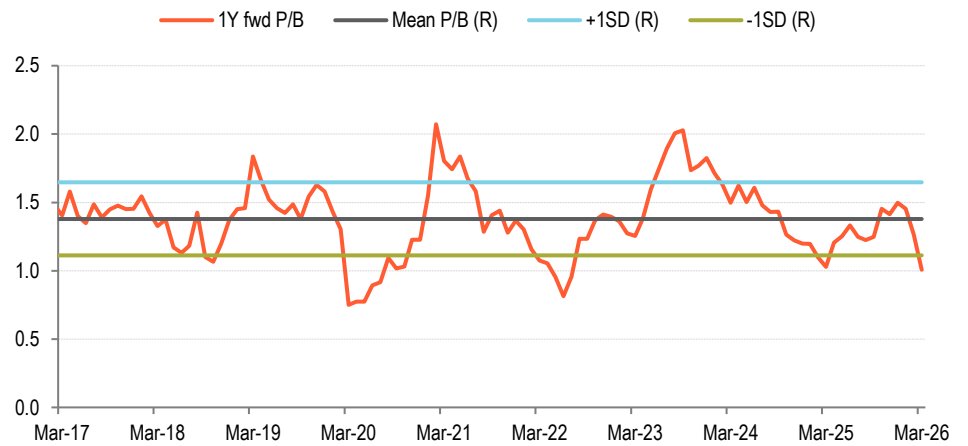
| Estimates Key Parameters (Rs mn) | New | | Old | | Change (%) | |
|-------------------------------------|-----------|-----------|-----------|-----------|------------|-------|
| | FY27E | FY28E | FY27E | FY28E | FY27E | FY28E |
| Loan | 33,64,687 | 40,54,448 | 33,68,010 | 40,34,876 | (0.1) | 0.5 |
| Deposits | 35,04,247 | 42,40,139 | 37,45,589 | 45,54,636 | (6.4) | (6.9) |
| Assets | 47,69,149 | 56,77,993 | 49,06,124 | 58,57,545 | (2.8) | (3.1) |
| NII | 2,57,114 | 3,18,355 | 2,65,044 | 3,19,069 | (3.0) | (0.2) |
| PPOP | 1,09,508 | 1,50,982 | 1,16,639 | 1,45,775 | (6.1) | 3.6 |
| Provision | 55,517 | 64,917 | 57,116 | 63,295 | (2.8) | 2.6 |
| PAT | 40,277 | 64,204 | 44,405 | 61,530 | (9.3) | 4.3 |
| ABV (Rs) | 58 | 64 | 58 | 65 | (1.5) | (0.9) |

Source: Company, BOBCAPS Research

Fig 24 – Key valuation assumptions: Gordon Growth model

| (%) | Assumptions |
|---------------------------------------|-------------|
| Cost of equity (%) | 12.9 |
| Blended ROE (%) | 13.5 |
| Initial high growth period (years) | 12.0 |
| Payout ratio of high-growth phase (%) | 15.0 |
| Long-term growth (%) | 7 |
| Long term dividend payout ratio (%) | 50 |
| Justified P/BV (x) | 1.2 |
| Implied BVPS (Rs) | 64 |
| Value per share (Rs) | 79 |

Source: Company, BOBCAPS Research

Fig 25 – PB Band Chart

Source: Company, BOBCAPS Research

Key Risks

Key downside risks to our estimates:

- The bank's inability to manage CoF, leading to compressed margin.
- Inability to control costs and improve cost efficiency.

Financials

Income Statement

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net interest income | 1,92,920 | 2,12,153 | 2,57,114 | 3,18,355 | 3,89,846 |
| Nil growth (%) | 17.3 | 10.0 | 21.2 | 23.8 | 22.5 |
| Non-interest income | 70,217 | 78,733 | 98,628 | 1,15,963 | 1,39,717 |
| Total income | 2,63,137 | 2,90,886 | 3,55,742 | 4,34,319 | 5,29,563 |
| Operating expenses | 1,88,988 | 2,18,772 | 2,46,234 | 2,83,337 | 3,28,404 |
| PPOP | 74,148 | 72,114 | 1,09,508 | 1,50,982 | 2,01,159 |
| PPOP growth (%) | 18.9 | (2.7) | 51.9 | 37.9 | 33.2 |
| Provisions | 55,147 | 53,786 | 55,517 | 64,917 | 76,163 |
| PBT | 19,001 | 18,328 | 53,991 | 86,065 | 1,24,997 |
| Tax | 3,753 | 1,965 | 13,714 | 21,860 | 31,749 |
| Reported net profit | 15,248 | 16,364 | 40,277 | 64,204 | 93,247 |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| Adjusted net profit | 15,248 | 16,364 | 40,277 | 64,204 | 93,247 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| Equity capital | 73,221 | 86,017 | 86,017 | 86,017 | 86,017 |
| Reserves & surplus | 3,07,559 | 3,87,501 | 4,24,557 | 4,83,624 | 5,69,412 |
| Net worth | 3,80,780 | 4,73,518 | 5,10,574 | 5,69,641 | 6,55,429 |
| Deposits | 25,20,652 | 29,44,746 | 35,04,247 | 42,40,139 | 51,72,970 |
| Borrowings | 3,89,748 | 3,66,207 | 4,17,476 | 4,67,573 | 5,14,330 |
| Other liab. & provisions | 1,47,006 | 2,13,330 | 3,36,852 | 4,00,640 | 5,09,914 |
| Total liab. & equities | 34,38,187 | 39,97,801 | 47,69,149 | 56,77,993 | 68,52,643 |
| Cash & bank balance | 1,50,974 | 1,27,624 | 1,36,553 | 1,51,016 | 1,74,143 |
| Investments | 8,07,155 | 8,59,663 | 10,66,820 | 12,51,268 | 15,07,277 |
| Advances | 23,31,125 | 28,03,906 | 33,64,687 | 40,54,448 | 49,05,882 |
| Fixed & Other assets | 1,48,932 | 2,06,609 | 2,01,088 | 2,21,261 | 2,65,341 |
| Total assets | 34,38,187 | 39,97,801 | 47,69,149 | 56,77,993 | 68,52,643 |
| Deposit growth (%) | 25.7 | 16.8 | 19.0 | 21.0 | 22.0 |
| Advances growth (%) | 19.8 | 20.3 | 20.0 | 20.5 | 21.0 |

Per Share

| Y/E 31 Mar (Rs) | FY25A | FY26A | FY27E | FY28E | FY29E |
|----------------------|-------|-------|-------|-------|-------|
| EPS | 2.1 | 2.1 | 4.7 | 7.5 | 10.8 |
| Dividend per share | 0.3 | 0.3 | 0.4 | 0.6 | 0.9 |
| Book value per share | 52.0 | 55.0 | 59.4 | 66.2 | 76.2 |

Valuations Ratios

| Y/E 31 Mar (x) | FY25A | FY26A | FY27E | FY28E | FY29E |
|--------------------|-------|-------|-------|-------|-------|
| P/E | 31.7 | 32.7 | 14.4 | 9.0 | 6.2 |
| P/BV | 1.3 | 1.2 | 1.1 | 1.0 | 0.9 |
| Dividend yield (%) | 0.4 | 0.4 | 0.6 | 0.9 | 1.3 |

DuPont Analysis

| Y/E 31 Mar (%) | FY25A | FY26A | FY27E | FY28E | FY29E |
|-------------------------|-------|-------|-------|-------|-------|
| Net interest income | 6.0 | 5.7 | 5.9 | 6.1 | 6.2 |
| Non-interest income | 2.2 | 2.1 | 2.3 | 2.2 | 2.2 |
| Operating expenses | 5.9 | 5.9 | 5.6 | 5.4 | 5.2 |
| Pre-provisioning profit | 2.3 | 1.9 | 2.5 | 2.9 | 3.2 |
| Provisions | 1.7 | 1.4 | 1.3 | 1.2 | 1.2 |
| PBT | 0.6 | 0.5 | 1.2 | 1.6 | 2.0 |
| Tax | 0.1 | 0.1 | 0.3 | 0.4 | 0.5 |
| ROA | 0.5 | 0.4 | 0.9 | 1.2 | 1.5 |
| Leverage (x) | 9.1 | 8.7 | 8.9 | 9.7 | 10.2 |
| ROE | 4.3 | 3.8 | 8.2 | 11.9 | 15.2 |

Ratio Analysis

| Y/E 31 Mar | FY25A | FY26A | FY27E | FY28E | FY29E |
|--|--------|-------|-------|-------|-------|
| YoY growth (%) | | | | | |
| Net interest income | 17.3 | 10.0 | 21.2 | 23.8 | 22.5 |
| Pre-provisioning profit | 18.9 | (2.7) | 51.9 | 37.9 | 33.2 |
| EPS | (50.9) | (3.0) | 127.8 | 59.4 | 45.2 |
| Profitability & Return ratios (%) | | | | | |
| Net interest margin | 6.1 | 5.8 | 5.8 | 6.0 | 6.2 |
| Fees / Avg. assets | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Cost-Income | 71.8 | 75.2 | 69.2 | 65.2 | 62.0 |
| ROE | 4.3 | 3.8 | 8.2 | 11.9 | 15.2 |
| ROA | 0.5 | 0.4 | 0.9 | 1.2 | 1.5 |
| Asset quality (%) | | | | | |
| GNPA | 1.9 | 1.6 | 1.5 | 1.5 | 1.4 |
| NNPA | 0.5 | 0.5 | 0.5 | 0.4 | 0.4 |
| Slippage ratio | 4.1 | 3.7 | 3.3 | 3.0 | 2.8 |
| Credit cost | 2.6 | 2.1 | 1.8 | 1.8 | 1.7 |
| Provision coverage | 71.9 | 70.1 | 70.7 | 71.7 | 72.7 |
| Ratios (%) | | | | | |
| Credit-Deposit | 92.5 | 95.2 | 96.0 | 95.6 | 94.8 |
| Investment-Deposit | 32.0 | 29.2 | 30.4 | 29.5 | 29.1 |
| CAR | 15.5 | 15.6 | 15.1 | 14.5 | 13.9 |
| Tier-1 | 13.2 | 13.7 | 13.5 | 12.9 | 12.5 |

Source: Company, BOBCAPS Research

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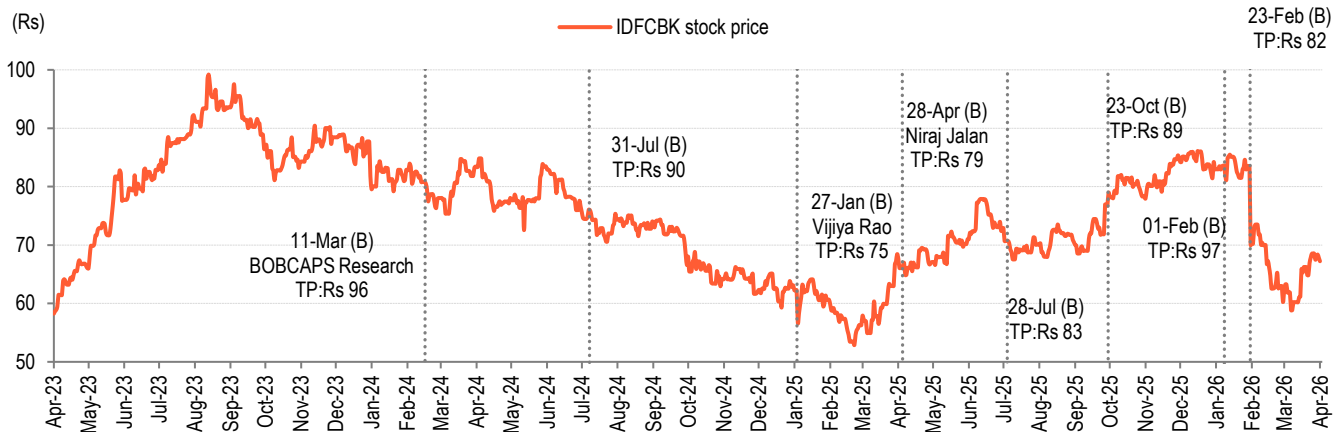
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- BUY** – Expected return >+15%
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- SELL** – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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