

LIC Housing Finance

Estimate change

TP change

Rating change



Bloomberg	LICHF IN
Equity Shares (m)	550
M.Cap.(INRb)/(USD\$)	313.8 / 3.5
52-Week Range (INR)	658 / 484
1, 6, 12 Rel. Per (%)	-4/-11/-16
12M Avg Val (INR M)	965

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	81.3	82.4	89.2
PPP	71.4	74.8	80.3
PAT	54.3	54.7	56.9
EPS (INR)	98.6	99.3	103.3
EPS Gr. (%)	13.9	0.7	4.0
BV/Sh (INR)	659	737	819

Ratios

NIM (%)	2.8	2.6	2.7
C/I ratio (%)	16.2	14.8	14.9
RoAA (%)	1.8	1.7	1.7
RoE (%)	16.0	14.2	13.3
Payout (%)	10.1	10.8	10.4

Valuations

P/E (x)	5.8	5.7	5.5
P/BV (x)	0.9	0.8	0.7
Div. Yield (%)	1.8	1.9	1.9

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	45.2	45.2	45.2
DII	22.2	22.2	20.5
FII	20.2	20.3	22.0
Others	12.5	12.3	12.3

FII Includes depository receipts

CMP: INR570

TP: INR630 (+10%)

Neutral

Profitability taking precedence over loan growth

Disbursement weak and BT-OUT elevated; Asset quality continues to improve

- LIC Housing Finance's (LICHF) 2QFY26 PAT grew ~2% YoY to ~INR13.5b (in line). NII in 2QFY26 rose ~3% YoY to ~INR20.4b (in line). Fee and other income grew 74% YoY to INR1.4b.
- Opex declined ~3% YoY to INR3b (~12% lower than est.) and the cost-income ratio declined ~120bp YoY to ~13.9% (PY: ~15.1% and PQ: ~13.4%). PPOP grew ~8% YoY to ~INR18.7b (in line).
- Reported yields declined ~20bp QoQ to 9.4%, while CoB declined ~8bp QoQ to ~7.4%. This resulted in spreads declining ~12bp QoQ to ~1.98%. NIM in 2QFY26 declined ~6bp QoQ to ~2.62%.
- The muted loan growth was driven by both a weakness in disbursements as well as higher repayments (from elevated BT-OUTs). Banks (particularly PSU banks) continue to remain aggressive in both the IHL (individual home loans) and non-IHL segments. Management shared that it will prioritize NIM (and profitability) over aggressive loan growth. The company continued to guide for NIM of ~2.6-2.8% in FY26, and we estimate NIM of 2.6%/2.7% in FY26/FY27.
- LICHF plans to review its organizational structure and distribution channels to improve loan growth. It plans to expand its direct sourcing through lead generation and improve the share of its subsidiary-sourced business. We model loan growth/disbursements CAGR of 7%/ 8% for FY25-FY28.
- The company reported a minor improvement in asset quality, which is expected to improve further, with 2-3 large accounts (ticket size > INR2b) in their final stages of resolution and expected to be resolved in 2HFY26. The increase in Stage 3 PCR during the quarter was attributed to the creation of management overlays on a few long outstanding stressed assets.
- We estimate a CAGR of ~7%/4% in advances/PAT over FY25-28 and RoA/RoE of 1.7%/13% by FY28. LICHF is planning to engage with a consultant to evaluate areas for process improvement and reorganization. However, these changes are often long-drawn with no real certainty of a turnaround. Meanwhile, as shared by the company, it will continue to prioritize NIM (and profitability), which will keep the loan growth in mid-to-high single digits over the medium term. With no near-term catalyst, **we reiterate our Neutral rating on the stock with a TP of INR630 (based on 0.7x Sep'27E P/BV).**

Weak disbursements and higher repayments lead to subdued growth

- Loan disbursements in IHL grew ~3% YoY, while non-IHL disbursements rose 23% YoY. Non-housing commercial disbursements declined ~19% YoY. Builder/project loan disbursements declined ~73% YoY.

- Loan growth was sluggish, driven by both weak disbursements and higher repayments. Total disbursements declined ~1% YoY to ~INR163b. Overall loan book grew ~6% YoY and ~1% QoQ to INR3.12t. Home loans grew ~7% YoY, while the developer loan book grew ~17% YoY. Repayments stood at 18.2% (PQ and PY both at 14.6%).
- Management expects a better disbursement momentum in 3Q and 4QFY26, especially with a strong pipeline in the construction finance segment.

Marginal improvement in asset quality

- GS3/NS3 declined ~10bp each QoQ to ~2.5%/1.2%, respectively. Stage 3 PCR improved ~230bp QoQ to ~53% (PQ: ~51%). Stage 1 PCR declined to ~17bp (PQ: ~18bp), and Stage 2 PCR rose ~15bp QoQ to ~3.9% (PQ: 3.7%).
- Stage 2 + 3 assets (30+ dpd) declined ~30bp QoQ to 5.9% (vs. ~6.2% in Jun'25). ECL/EAD remained stable QoQ at ~1.63%. Management shared that most of the Stage 3 loans are legacy stressed accounts. About 2-3 large corporate loans (Ticket size >INR2b) are expected to be resolved in 2HFY26, which will further improve the asset quality.
- Credit costs stood at ~INR1.7b (~25% higher than MOFSLe) and translated into annualized credit costs of 22bp (PY: ~11bp and PQ: 25bp). Despite credit costs of 22-25bp in 1HFY26, the management expects FY26 credit costs to be contained between 15bp and 20bp. We model credit costs of ~18bp/25bp in FY26/FY27.

Highlights from the management commentary

- The company's ~43% of borrowings are repo-linked and benefit directly from lower market rates, while ~53% are fixed-rate NCDs that will reprice gradually.
- The construction finance segment witnessed a slowdown due to home loan-like interest rates offered by banks. However, the company has a strong pipeline in this segment, which is expected to support overall disbursements in 2H.

Valuation and view

- LICHF reported a tepid quarter, marked by muted loan growth and weak disbursements. NIM continued to remain under pressure due to the realization of the full impact of the ~25bp PLR cut taken in Apr'25. Management indicated that NIMs have bottomed out and are now expected to see improvement in subsequent quarters.
- We believe that the declining interest rate environment, coupled with aggression from banks (in the home loan as well as construction finance segments), will weigh on LICHF's loan growth and its consequent trade-off with margins.
- LICHF's valuation of ~0.7x FY27E P/BV reflects the inability of the franchise to deliver stronger loan growth. **We estimate a CAGR of ~7%/4% in advances/PAT over FY25-28E and RoA/RoE of 1.7%/13% by FY28. We reiterate our Neutral rating on the stock with a TP of INR630 (based on 0.7x Sep'27E BV).**
- **Key risks:** a) an elongated period of weak loan growth due to high competitive intensity and b) volatility in the NIM profile.

Quarterly Performance

(INR M)

Y/E March	FY25				FY26				FY25	FY26	2QFY26E	Act. v/s est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	67,391	68,534	69,516	71,173	71,131	70,335	70,898	71,488	2,76,615	2,83,852	70,348	0
Interest Expenses	47,501	48,796	49,515	49,508	50,473	49,951	50,251	50,818	1,95,320	2,01,493	50,422	-1
Net Interest Income	19,891	19,739	20,001	21,664	20,658	20,385	20,648	20,670	81,295	82,360	19,926	2
YoY Growth (%)	-10.0	-6.3	-4.6	-3.2	3.9	3.3	3.2	-4.6	-6.0	1.3	0.9	
Fees and other income	446	784	1,057	1,661	1,201	1,362	1,480	1,349	3,948	5,392	1,375	-1
Net Income	20,337	20,522	21,059	23,326	21,859	21,747	22,128	22,019	85,243	87,751	21,300	2
YoY Growth (%)	-9.7	-4.9	-1.9	2.0	7.5	6.0	5.1	-5.6	-3.6	2.9	3.8	
Operating Expenses	2,621	3,105	3,564	4,536	2,938	3,018	3,279	3,711	13,826	12,946	3,416	-12
Operating Profit	17,715	17,417	17,495	18,790	18,920	18,729	18,849	18,308	71,416	74,806	17,885	5
YoY Growth (%)	-11.9	-8.3	-7.2	-1.3	6.8	7.5	7.7	-2.6	-7.2	4.7	2.7	
Provisions and Cont.	1,431	773	-440	1,094	1,929	1,682	1,345	648	2,858	5,604	1,350	25
Profit before Tax	16,285	16,644	17,934	17,696	16,992	17,047	17,504	17,660	68,558	69,202	16,535	3
Tax Provisions	3,282	3,355	3,615	4,016	3,392	3,508	3,623	4,008	14,268	14,532	3,307	6
Net Profit	13,002	13,289	14,320	13,680	13,599	13,539	13,880	13,651	54,290	54,669	13,228	2
YoY Growth (%)	-2	12	23	25	5	2	-3	0	14	1	6	
Key Operating Parameters (%)												
Yield on loans (Cal)	9.37	9.40	9.37	9.38	9.22	9.06	9.01	8.89	9.5	9.1		
Cost of funds (Cal)	7.50	7.64	7.62	7.43	7.46	7.35	7.28	7.21	7.5	7.3		
Spreads (Cal)	1.87	1.76	1.75	1.95	1.76	1.70	1.73	1.68	2.0	1.9		
Margins (Cal)	2.76	2.71	2.69	2.86	2.68	2.62	2.62	2.57	2.7	2.6		
Credit Cost (Cal)	0.20	0.11	-0.06	0.14	0.25	0.22	0.17	0.08	0.1	0.2		
Cost to Income Ratio	12.9	15.1	16.9	19.4	13.4	13.9	14.8	16.9	16.2	14.8		
Tax Rate	20.2	20.2	20.2	22.7	20.0	20.6	20.7	22.7	20.8	21.0		
Balance Sheet Parameters												
Loans (INR B)	2,887	2,946	2,991	3,077	3,096	3,118	3,178	3,253	3028	3198		
Change YoY (%)	4.4	6.0	6.4	7.3	7.2	5.8	6.2	5.7	7.9	5.6		
Indiv. Disb. (INR B)	124	151	145	183	130	159	167	183	602	639		
Change YoY (%)	16.9	6.0	-2.1	9.3	4.6	5.7	15.1	0.0	6.9	6.0		
Borrowings (INR B)	2,537	2,574	2,626	2,706	2,709	2,725	2,796	2,841	2706	2841		
Change YoY (%)	5.1	5.7	7.1	7.0	6.8	5.8	6.5	5.0	7.2	5.0		
Loans/Borrowings (%)	113.8	114.4	113.9	113.7	114.3	114.4	113.6	114.5	111.9	112.6		
Asset Quality Parameters												
GS 3 (INR B)	95.3	90.1	82.3	76.0	81.1	78.3			76.0	71.2		
Gross Stage 3 (% on Assets)	3.30	3.06	2.75	2.47	2.62	2.51			2.5	2.2		
NS 3 (INR B)	48.0	45.7	43.2	37.1	39.9	36.7			37.1	60.7		
Net Stage 3 (% on Assets)	1.69	1.58	1.47	1.22	1.31	1.20			1.2	1.9		
PCR (%)	49.6	49.3	47.5	51.2	50.8	53.1			51.2	14.8		
ECL (%)	1.96	1.85	1.66	1.59	1.63	1.63						
Loan Mix (%)												
Home loans	85.3	85.2	85.1	85.0	84.8	84.7						
LAP	12.7	12.9	13.2	13.3	13.6	13.7						
Non Individual loans	2.0	1.9	1.7	1.7	1.6	1.6						
Borrowing Mix (%)												
Banks	34.0	34.0	33.0	32.0	31.0	35.0						
NCD	54.0	54.0	54.0	55.0	55.0	53.0						
Sub Debt	1.0	1.0	1.0	1.0	0.0	0.0						
Deposits	3.0	3.0	3.0	3.0	4.0	4.0						
NHB	4.0	4.0	5.0	4.0	5.0	4.0						
CP	4.0	4.0	4.0	5.0	5.0	4.0						

E: MOFSL Estimates



Highlights from the management commentary

Guidance

- The company reiterated its NIM guidance of 2.6-2.8% for FY26.
- It expects to achieve ~10% disbursements and loan growth, driven by an improved business momentum and normalized BT-outs in 3Q/4QFY26.
- It has guided for credit costs to remain within the range of 15-20bp in FY26.
- The company sees potential to reach 13-14% annual growth over the next couple of years through structural and organizational improvements.

Economy

- RBI, in its October meeting, kept the repo rate unchanged and maintained a neutral stance.
- Monetary conditions remain stable. Retail inflation is under control.
- The housing sector demonstrated resilient demand in 2Q compared to 1Q.
- The overall environment reflects sustained demand; the company aims to gain market share and expects better performance in 3Q and 4Q.

BT-Outs and lending rates

- Growth remained largely flat QoQ and grew 6% YoY, impacted by high balance transfers (BT-out) during 2Q.
- BT-out stood at INR41.1b vs a normal quarterly run rate of around INR20b, primarily due to competitive rates from PSU banks.
- PSU banks are offering housing loan rates as low as ~7.35–7.5%.
- The company consciously avoided cutting rates earlier in the year to protect margins, but has now lowered its rewriting rates.
- The company will not be aggressive in reducing rates from here on with a focus to protect spreads and NIMs.
- The company has repriced PLR quarterly, with a 25bp reduction earlier in April.
- Going forward, management does not foresee any further PLR cuts unless there is a major change in repo rates, given recent adjustments in both rewriting rates and PLR.
- Rewriting rates reduced to 8% (7.5% base + 50 bps), depending on borrower risk profile and CIBIL score. With the new rewriting rates in place, Oct'25 data indicates normalization of BT outflows, suggesting stabilization and improved customer retention from 3Q onwards.
- Management estimated that higher BT outflows resulted in a loss of about INR20b in business during the quarter. It also indicated that an earlier rate cut could have boosted loan growth by an additional INR15b.
- Focus remains on protecting margins and spreads rather than aggressive rate cuts.

Growth

- Disbursements grew 24% QoQ, though only ~3% YoY, which management views as an early sign of revival. 3Q and 4Q are traditionally stronger quarters, and the company remains hopeful of achieving its full-year disbursement and loan book growth guidance of ~10%, supported by improving momentum and reduced BT pressure.

- A strategic relook at the organizational structure is underway, focusing on offices, distribution, and channels.
- A consultant is being onboarded for a 3-6 month restructuring and productivity analysis exercise. The focus will be to improve agency productivity, especially from freelance agents who also work with other lenders.
- The company is developing two alternate channels for growth: 1) Increased focus on direct business channels and lead generation: INR8b loans were sourced through leads last year and INR7.5b sourced in 1HFY26; this channel is cost-effective, and 2) focus on growing subsidiary-sourced business from 10% currently to ~25% going forward by strengthening recruitment and sales capacity.
- The company remains cautious in construction finance, though undisbursed sanctions are expected to come through in 4Q (INR50b crore targeted in 3Q-4Q).
- Yields in project finance improved from last year.
- It is targeting overall growth of 13-14% after growth improvement measures are implemented.
- Customers are not overly sensitive to 20-25bp rate differences; BT-out levels are expected to remain contained.
- The company is exploring new methods such as co-lending, direct lending, and direct assignments for driving growth.
- Business momentum has stabilized in both Karnataka and Hyderabad.

Disbursement

- 2Q disbursement trends offer optimism; 3Q and 4Q are typically stronger quarters.
- Expect disbursements in 2HFY25 to be closer to the double-digit growth guidance.

Margins

- Around 43% of borrowings are repo-linked and benefit directly from lower market rates, while 53% are fixed-rate NCDs that will reprice gradually.
- Transmission of reduced PLR was fully reflected in 2Q as one-third of the book resets monthly and two-thirds quarterly (reset in July). ~100% of the book has been repriced with a 25bp reduction.
- CoB declined from 7.5% to 7.42%. The company expects further reduction in CoF as INR140-150b of NCDs get repriced. This should lead to a decline of ~10-12bp in CoF, leading to a modest NIM expansion.
- Incremental borrowing rates from banks are 6.75-6.9%; NCDs are around 6.9%.
- Incremental yields (by segment): Individual housing: 9.03% (portfolio 9.24%), Non-housing individual: 9.21% (portfolio 10.22%), Non-housing corporate (including project finance): 10.47% (portfolio 10.54%), and the overall average yield: ~9.4%.
- Incremental spreads are expected to improve as CoB declines.

Asset Quality/Credit Cost

- Asset quality remains stable and is expected to improve further.

- Despite higher credit costs in 1H FY26, the company continued to guide for credit cost of ~15-20bp for FY26. Management expects lower credit costs in 2H FY26 as several legacy stressed accounts (three large exposures) approach final resolution stages through NCLT, legal, or negotiated settlements.
- The company has made slightly higher provisions, leading to improved PCR. One of the reasons for increasing PCR was the higher management overlay on a few stressed assets, which have been outstanding from a long period of time. Though ECL did not require making provisions, the company has done it due to its internal policy.
- Management follows a 6-point formula-driven overlay approach, which has increased provisions but strengthened balance sheet quality.
- Most of Stage 3 loans pertain to legacy accounts (10–12 large exposures under NCLT, SARFAESI, etc.).
- 2–3 large loans (INR2b) are in final stages of resolution, likely by next quarter.
- During the quarter, one large corporate account with principal outstanding of INR1.4 saw partial stage 3 recoveries of around INR600m from corporate segment; others were largely retail.
- Stage 2 exposure: Individual housing: 1.15%, Project + non-housing commercial: 23%.
- PD and LGD are calculated using 10-year data.
- Legacy loan recoveries are progressing well through legal channels.

Opex

- Operating expenses remain low, mainly due to provisions for wage revisions.
- Employee cost expected at INR1.5b in 3Q; no major new hiring planned

Others

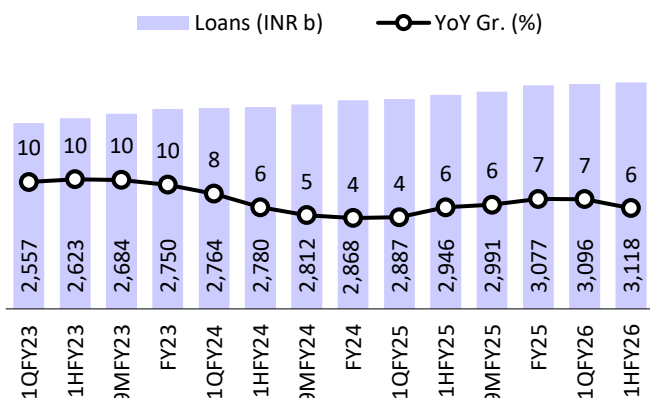
- The company continues to borrow more from banks.
- The construction finance portfolio was muted this year due to aggressive bank competition offering home loan-like rates.
- It expects undisbursed sanctions in construction finance to flow in 4Q.
- The company continues to balance growth with profitability, preferring margin stability over rapid expansion.
- LIC Housing operates mainly in the individual housing segment (85%), with 10% self-employed and 5% non-housing corporate exposure.

Exhibit 1: Segment-wise split of Stage 3

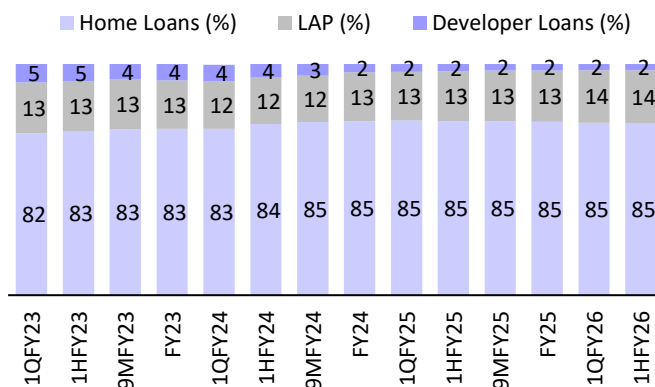
	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Individual home loans (IHL)	1.7	1.5	1.4	1.3	1.2	1.1	1.2	1.2
Non-housing individual (NHI)	6.5	5.5	5.4	5.0	4.6	3.9	4.3	4.0
Non-housing commercial (NHC)	40.8	30.7	33.1	30.1	27.0	24.5	24.8	22.9
Project loans								

*NHC includes project loans

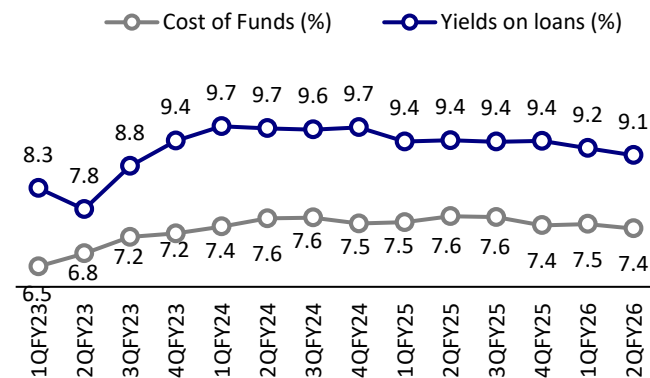
Story in charts

Exhibit 2: Loan book grew 6% YoY


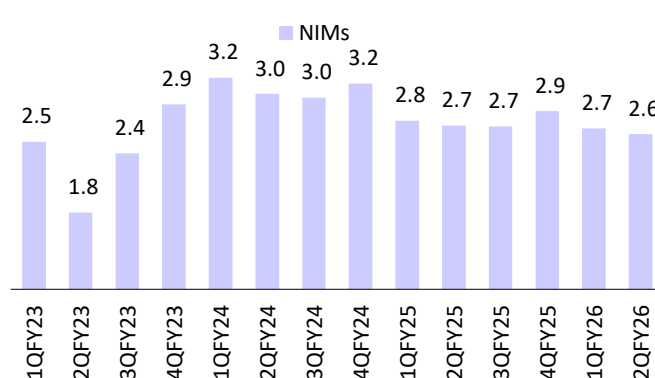
Source: MOFSL, Company

Exhibit 3: Loan mix stable QoQ (%)


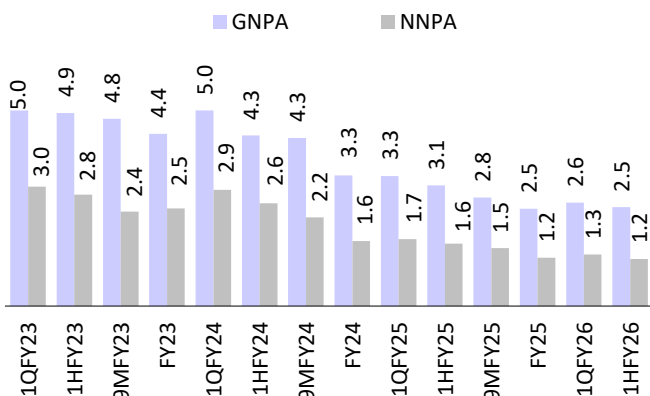
Source: MOFSL, Company

Exhibit 4: Calculated yields declined ~15bp QoQ


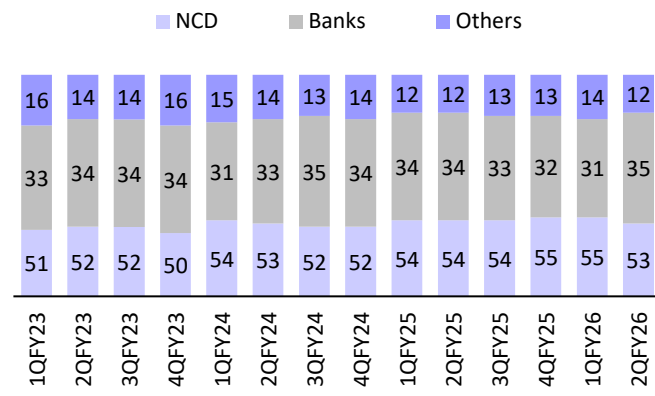
Source: MOFSL, Company

Exhibit 5: NIM contracted ~6bp QoQ (%)


Source: MOFSL, Company

Exhibit 6: GS3 declined ~10bp QoQ to ~2.5%


Source: MOFSL, Company

Exhibit 7: Share of bank borrowings rose QoQ (%)


Source: MOFSL, Company

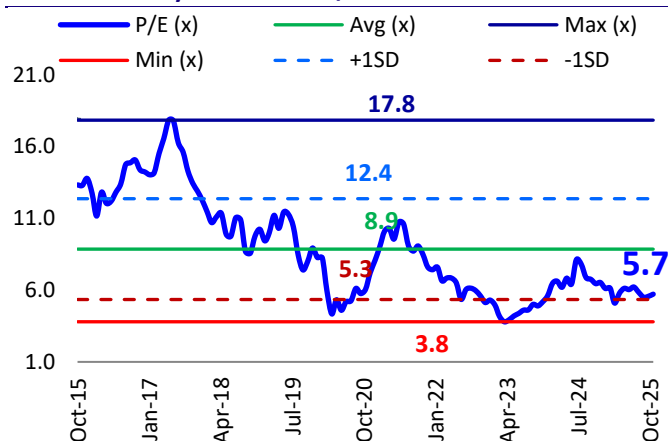
Exhibit 8: We cut our FY27/FY28 EPS estimates by 2% each to factor in lower loan growth

We largely maintain our earnings estimates

INR B	Old Est.			New Est.			% Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
NII	82.4	93.2	102.0	82.4	89.2	97.3	0.0	-4.3	-4.6
Other Income	5.4	4.9	4.5	5.4	5.2	5.0	-0.3	4.8	9.9
Net Income	87.8	98.2	106.6	87.8	94.4	102.3	-0.1	-3.8	-4.0
Operating Expenses	14.6	16.1	17.9	12.9	14.1	15.4	-11.3	-12.6	-13.9
Operating Profits	73.2	82.0	88.7	74.8	80.3	86.9	2.2	-2.1	-2.0
Provisions	5.3	8.4	9.1	5.6	8.3	8.9	5.0	-1.8	-2.0
PBT	67.9	73.6	79.6	69.2	72.0	78.0	2.0	-2.2	-2.0
Tax	14.3	15.5	16.7	14.5	15.1	16.4	2.0	-2.2	-2.0
PAT	53.6	58.1	62.9	54.7	56.9	61.6	2.0	-2.2	-2.0
Loans	3,248	3,507	3,800	3,198	3,438	3,721	-1.5	-2.0	-2.1
Borrowings	2,891	3,112	3,363	2,841	3,043	3,284	-1.7	-2.2	-2.4
Spreads (%)	1.85	1.98	2.00	1.85	1.90	1.92			
RoAA (%)	1.6	1.7	1.7	1.7	1.7	1.7			
RoAE (%)	14.0	13.6	13.2	14.2	13.3	13.0			

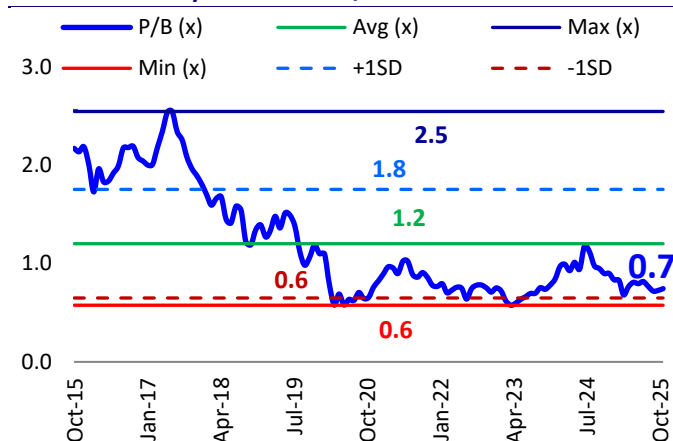
Source: MOFSL, Company

Exhibit 9: One-year forward P/E



Source: MOFSL, Company

Exhibit 10: One-year forward P/B



Source: MOFSL, Company

Financials and valuations

Income Statement								(INR M)		
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	1,71,628	1,96,054	1,96,971	1,96,885	2,25,162	2,70,416	2,76,615	2,83,852	2,94,551	3,14,939
Interest Expense	1,28,915	1,47,839	1,44,526	1,41,537	1,61,860	1,83,907	1,95,320	2,01,493	2,05,344	2,17,629
Net Interest Income	42,713	48,215	52,445	55,348	63,303	86,509	81,295	82,360	89,207	97,310
Change (%)	21.3	12.9	8.8	5.5	14.4	36.7	-6.0	1.3	8.3	9.1
Fee Income	348	394	788	982	448	491	371	384	425	465
Other Income	1,669	250	718	1,664	1,132	1,440	3,577	5,007	4,757	4,519
Net Income	44,730	48,859	53,951	57,994	64,882	88,440	85,243	87,751	94,389	1,02,295
Change (%)	21.0	9.2	10.4	7.5	11.9	36.3	-3.6	2.9	7.6	8.4
Operating Expenses	4,754	6,167	7,015	9,994	9,883	11,463	13,826	12,946	14,107	15,373
Operating Profits	39,976	42,692	46,936	48,000	55,000	76,976	71,416	74,806	80,282	86,922
Change (%)	22.7	6.8	9.9	2.3	14.6	40.0	-7.2	4.7	7.3	8.3
Provisions/write offs	6,181	10,002	13,450	20,218	19,430	16,437	2,858	5,604	8,296	8,949
PBT	33,796	32,690	33,486	27,782	35,570	60,539	68,558	69,202	71,986	77,973
Tax	9,486	8,672	6,142	4,909	6,660	12,885	14,268	14,532	15,117	16,374
Tax Rate (%)	28.1	26.5	18.3	17.7	18.7	21.3	20.8	21.0	21.0	21.0
PAT	24,310	24,018	27,343	22,873	28,910	47,654	54,290	54,669	56,869	61,598
Change (%)	21.4	-1.2	13.8	-16.3	26.4	64.8	13.9	0.7	4.0	8.3
Adjusted PAT	24,310	24,018	27,343	22,873	28,910	47,654	54,290	54,669	56,869	61,598
Change (%)	21.4	-1.2	13.8	-16.3	26.4	64.8	13.9	0.7	4.0	8.3
Proposed Dividend	4,471	4,040	4,292	4,678	4,678	4,954	5,504	5,893	5,926	6,471

Balance Sheet

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Capital	1,010	1,010	1,010	1,101	1,101	1,101	1,101	1,101	1,101	1,101
Reserves & Surplus	1,61,583	1,80,921	2,04,203	2,45,618	2,69,903	3,12,846	3,61,467	4,04,739	4,49,789	4,98,991
Net Worth	1,62,593	1,81,931	2,05,213	2,46,718	2,71,003	3,13,946	3,62,568	4,05,840	4,50,890	5,00,092
Borrowings	17,06,670	19,13,317	20,78,615	22,36,582	24,47,742	25,24,968	27,05,972	28,40,966	30,42,825	32,83,595
Change (%)	17.5	12.1	8.6	7.6	9.4	3.2	7.2	5.0	7.1	7.9
Other liabilities	1,36,572	72,808	72,505	62,375	65,374	73,132	70,726	74,262	77,975	81,874
Total Liabilities	20,05,835	21,68,056	23,56,333	25,45,675	27,84,120	29,12,046	31,39,266	33,21,067	35,71,690	38,65,560
Investments	35,951	54,964	46,357	61,986	69,764	62,770	71,421	78,564	86,420	95,062
Change (%)	82.3	52.9	-15.7	33.7	12.5	-10.0	13.8	10.0	10.0	10.0
Loans	19,29,927	20,79,880	22,81,143	24,52,963	26,78,348	28,05,898	30,28,458	31,98,205	34,38,220	37,20,787
Change (%)	16.1	7.8	9.7	7.5	9.2	4.8	7.9	5.6	7.5	8.2
Net Fixed Assets	1,359	2,544	2,469	2,876	3,570	3,609	3,781	3,970	4,168	4,376
Other assets	38,598	30,669	26,364	27,849	32,439	39,770	35,605	40,329	42,882	45,335
Total Assets	20,05,835	21,68,056	23,56,333	25,45,675	27,84,120	29,12,046	31,39,266	33,21,067	35,71,690	38,65,560

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Spreads Analysis (%)										
Yield on loans	9.6	9.8	9.0	8.3	8.8	9.9	9.5	9.1	8.9	8.8
Cost of funds	8.2	8.2	7.2	6.6	6.9	7.4	7.5	7.3	7.0	6.9
Spreads Analysis (%)	1.4	1.6	1.8	1.76	1.87	2.46	2.01	1.85	1.90	1.92
Margins	2.4	2.4	2.4	2.3	2.5	3.2	2.8	2.6	2.7	2.7

Profitability Ratios (%)

Adj RoAE	15.9	13.9	14.1	10.1	11.2	16.3	16.0	14.2	13.3	13.0
Adj RoAA	1.3	1.2	1.2	0.9	1.1	1.7	1.8	1.7	1.7	1.7
Int. Expended/Int.Earned	75.1	75.4	73.4	71.9	71.9	68.0	70.6	71.0	69.7	69.1
Other Inc./Net Income	3.7	0.5	1.3	2.9	1.7	1.6	4.2	5.7	5.0	4.4

Efficiency Ratios (%)

Fees/Operating income	0.2	0.2	0.4	0.5	0.2	0.2	0.1	0.1	0.1	0.1
Op. Exps./Net Income	10.6	12.6	13.0	17.2	15.2	13.0	16.2	14.8	14.9	15.0
Empl. Cost/Op. Exps.	52.1	48.5	41.8	56.4	47.9	53.2	50.8	50.1	50.6	51.0

Asset-Liability Profile (%)

Loans/Borrowings Ratio	113.1	108.7	109.7	109.7	109.4	111.1	111.9	112.6	113.0	113.3
Debt/Equity (x)	10.5	10.5	10.1	9.1	9.0	8.0	7.5	7.0	6.7	6.6
Gross NPAs (Rs m)	30,754	59,594	95,585	1,16,520	1,20,196	94,945	76,010	71,212	69,493	71,354
Gross NPAs to Adv.	1.6	2.8	4.1	4.6	4.4	3.3	2.5	2.2	2.0	1.9
Net NPAs (Rs m)	15,514	33,474	57,414	66,314	66,383	46,178	37,071	60,674	51,765	45,893
Net NPAs to Adv.	0.8	1.6	2.5	2.7	2.5	1.6	1.2	1.9	1.5	1.2

Valuation	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Book Value (INR)	322	360	406	448	492	570	659	737	819	909
Growth (%)	14.2	11.9	12.8	10.3	9.8	15.8	15.5	11.9	11.1	10.9
Price-BV (x)	1.8	1.6	1.4	1.3	1.2	1.0	0.9	0.8	0.7	0.6
Adjusted BV (INR)	313.7	342.4	375.7	415.7	459.8	547.7	640.6	707.6	793.8	886.1
Price-ABV (x)	1.8	1.6	1.4	1.3	1.2	1.0	0.9	0.8	0.7	0.6
OPS (INR)	79.2	84.5	93.0	87.2	99.9	139.9	129.8	135.9	145.9	157.9
Growth (%)	22.7	6.8	9.9	-6.2	14.6	40.0	-7.2	4.7	7.3	8.3
Price-OP (x)	7.2	6.7	6.1	6.5	5.7	4.1	4.4	4.2	3.9	3.6
EPS (INR)	48.1	47.6	54.2	41.6	52.5	86.6	98.6	99.3	103.3	111.9
Growth (%)	21.4	-1.2	13.8	-23.3	26.4	64.8	13.9	0.7	4.0	8.3
Price-Earnings (x)	11.8	12.0	10.5	13.7	10.9	6.6	5.8	5.7	5.5	5.1
Adj. EPS (INR)	48.1	47.6	54.2	41.6	52.5	86.6	98.6	99.3	103.3	111.9
Growth (%)	21.4	-1.2	13.8	-23.3	26.4	64.8	13.9	0.7	4.0	8.3
Price-Earnings (x)	11.8	12.0	10.5	13.7	10.9	6.6	5.8	5.7	5.5	5.1
Dividend Per Share	7.6	8.0	8.5	8.5	8.5	9.0	10.0	10.7	10.8	11.8
Dividend Yield (%)	1.3	1.4	1.5	1.5	1.5	1.6	1.8	1.9	1.9	2.1

E: MOFSL Estimates

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