

Resilient franchise amidst yearly return shortfalls

IDFC First Bank (IDFCBK) reported 1QFY25 numbers with lower opex and higher provisions. NII for the quarter came in line at Rs47bn (up +25%/+5% YoY/QoQ) in line with our expectations. Other income witnessed an increase of +15%/down 4% YoY/QoQ. However, opex came in at Rs44.5bn (up +30%/5.4% YoY/QoQ) below our expectations. CTI for the quarter came in at 70.5% (down 213bps sequentially), respectively. Resultantly, PPOP came in at Rs18.5bn, up +25%/up +10.5% YoY/QoQ growth and +12% above our estimates. However, credit cost for the quarter was much higher at Rs9.9bn vs. Rs7.2bn in 4QFY24 (2.2%Q1FY25 Vs 1.7% in Q4FY24 of avg advances). Hence, PAT came in at Rs6.4bn (down 12% YoY /QoQ) vs. our expectations of Rs6.5bn. GNPA increase sequentially and came in at 1.90% which is higher by 12bps QoQ, NNPA at 0.60% which also flattish sequentially. CRAR came in at 15.59%. IDFCBK has been consistently missing its guidance on achieving improvement in return profile and we see FY25 as no different hence we cut our target multiple to 1.7x on FY26 ABV and arrive at a revised TP of Rs93 (Rs106). Maintain BUY.

Lower opex leads to higher PPOP

NII for the quarter came in line at Rs47bn (up +25%/+5% YoY/QoQ), marginally exceeded our estimated NII of Rs46.1bn primarily due to better product mix – Consumer (29%/+5% YoY/QoQ) and Rural Finance (+18%/~3% YoY/QoQ). CTI came for the quarter lower at 70.5% (PQ: 72.7% PY: 71.2%) due to lower Opex. PPOP came at Rs18.5bn, (+25% YoY/10.5% QoQ) higher than our estimates. PAT lower at Rs6.4bn due to higher provision cost for the quarter which came in at Rs9.9bn vs. Rs7.3bn in 4QFY24 primarily due to MFI (CGFMU cover taken on JLG). Credit cost on avg. advances (annualized) was at 2.0% Vs.1.5% in Q4FY24.

Advances growth led by consumer segment

Gross advances showed robust growth, increasing by an impressive 21% YoY /4.1% QoQ, reaching at Rs2.05tr. Further, this growth was driven by retailisation of advances. Consumer segment grew by 29% and 5.4% YoY/QoQ. The infrastructure loan book reduced by 29% on YoY and fattish sequentially basis. GNPA for the quarter is higher by 12 bps at 1.90% and NNPA remain same at 0.60%.

Deposit growth continues to impress at 7% QoQ

On the liability front, total deposits grew by +39%/7% YoY/QoQ; the total TDs grew +39%/8% YoY/QoQ respectively. CASA decline by 177 QoQ at 45.5% (PQ: 47.2% PY: 46.5%) – still impressive compared to peers. While the LCR ratio came in higher at 118% vs. 114% in 4QFY24. Management indicated they are confident that recent draft LCR guidelines impact would be cushioned by strong retail deposit franchise.

Return profile gets delayed to FY26

IDFCBK has been consistently delivering on balance sheet front despite headwinds in macro environment. However, on opex front the improvement has been elusive. Add to that, this year it is expected the bank to have higher provisioning cost which would impact the return profile of the company. Therefore, we believe the expected return profile from investors will only be attained by the bank post FY26 and hence we cut our target multiple to 1.7x (earlier 2x) on FY26 ABV and arrive at a revised TP of Rs93 (earlier TP Rs106).

Financial and valuation summary

YE Mar (Rs mn)	1QFY25A	1QFY24A	YoY (%)	4QFY24A	QoQ (%)	FY24A	FY25E	FY26E
NII	46,954	37,465	25.3	44,705	5.0	1,64,548	2,09,629	2,63,579
PPOP	18,470	14,724	25.4	16,707	10.6	62,388	82,679	1,10,089
Provisions	9,944	4,762	108.8	7,223	37.7	23,817	45,564	46,970
Net profit	6,426	7,315	(12.2)	7,319	(12.2)	29,424	27,837	47,340
Loan growth (%)	21.0	26.3	(19.9)	28.2	(25.4)	28.2	23.0	23.0
NIM (%)	6.6	6.5	0.9	6.7	(1.3)	6.6	6.8	6.9
Cost/income (%)	70.5	71.2	(0.9)	72.7	(2.9)	72.1	70.3	68.4
GNPA (%)	1.9	2.2	(12.4)	1.9	1.1	1.9	2.3	2.3
RoA (%)	0.9	1.3	(29.1)	1.1	(15.5)	1.1	0.8	1.1
RoE (%)	8.6	12.2	(29.0)	10.1	(14.2)	10.1	7.9	11.6
P/ABV (x)						1.7	1.5	1.4

Source: Company, Centrum Broking

Result Update

India I BFSI

28 July, 2024

BUY

Price: Rs74

Target Price: Rs93

Forecast return: 26%

Institutional Research

Market Data

Bloomberg:	IDFCFB IN
52 week H/L:	101/71
Market cap:	Rs557.0bn
Shares Outstanding:	7478.0mn
Free float:	57.2%
Avg. daily vol. 3mth:	4,39,69,480

Source: Bloomberg

Changes in the report

Rating:	Unchanged
Target price:	93; Changed by -12.3%
ABV:	FY25E; 48.7 FY26E; 54.1

Source: Centrum Broking

Shareholding pattern

	Jun-24	Mar-24	Dec-23	Sep-23
Promoter	37.4	37.4	37.5	39.4
FIIs	21.0	23.7	24.3	24.5
DIIIs	11.6	10.5	10.4	9.5
Public/other	30.0	28.4	27.9	26.6

Source: BSE

Centrum estimates vs Actual results

YE Mar (Rs mn)	Centrum Q1FY25	Actual Q1FY25	Variance (%)
NII	46,101	46,954	1.9%
PPOP	16,444	18,470	12.3%
Provision	7,721	9,944	28.8%
PAT	6,525	6,426	(1.5%)

Source: Bloomberg, Centrum Broking



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Thesis Snapshot

Estimate revision

YE Mar (Rs bn)	FY25E New	FY25E Old	% chg	FY26E New	FY26E Old	% chg
NII	209.6	209.6	-	263.5	262.5	0.4
PPOP	82.6	74.8	10.4	110.1	99.5	10.7
PAT	27.9	29.2	(4.5)	47.3	44.6	6.1

Source: Centrum Broking

IDFC First Bank versus NIFTY Midcap 100

	1m	6m	1 year
IDFCFB IN	(10.0)	(7.0)	(12.0)
NIFTY Midcap 100	4.6	22.4	55.9

Source: Bloomberg, NSE

Key assumptions

YE Mar	FY25E	FY26E
AUM Growth	24.2	23.6
NII Growth	27.4	25.7
Other Inc./Asset	2.0	2.0
Opex/Assets	5.8	5.7
Provision Cost/Avg. AUM	2.1	1.7

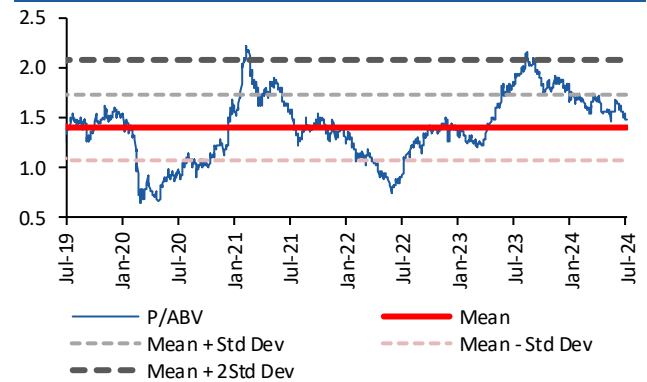
Source: Centrum Broking

Valuations

IDFCBK has been consistently missing its guidance on achieving improvement in return profile and we see FY25 as no different hence we cut our target multiple to 1.7x on FY26 ABV and arrive at a revised TP of Rs93 (Rs106). Maintain BUY.

Valuations	Rs/share
ABV/Share (FY26E)	54.4
Multiple (x)	1.7
Target Price (Rs)	93
Upside to CMP	26%

P/ABV mean and standard deviation



Peer comparison

Company	EPS (Rs)				BVPS (Rs)				RoAA (%)				RoAE (%)			
	FY23A	FY24A	FY25E	FY26E	FY23A	FY24A	FY25E	FY26E	FY23A	FY24A	FY25E	FY26E	FY23A	FY24A	FY25E	FY26E
City Union Bank	12.6	13.6	14.8	16.4	100.7	113.4	124.6	139.3	1.5	1.5	1.5	1.5	13.4	12.8	12.3	12.3
Federal Bank	14.1	15.3	16.2	21.2	101.6	119.5	134.4	154.2	1.3	1.3	1.2	1.3	14.9	14.7	12.7	14.7
Bandhan Bank	13.6	13.8	22.1	25.8	121.6	134.1	153.2	176.0	1.5	1.3	1.9	1.9	11.9	10.8	15.6	16.0
RBL BANK	15.3	20.8	21.9	34.3	225.6	245.2	263.9	295.7	0.8	1.0	0.9	1.1	7.1	8.9	8.6	12.3
Average	13.9	15.9	18.8	24.4	137.4	153.1	169.0	191.3	1.3	1.3	1.4	1.5	11.8	11.8	12.3	13.8
IDFCBK	3.7	4.2	3.7	6.3	39.1	45.6	51.2	57.5	1.1	1.1	0.8	1.1	10.1	10.1	7.9	11.6

Company	Mcap (Rs bn)	P/E (x)				P/BV (x)			
		FY23A	FY24A	FY25E	FY26E	FY23A	FY24A	FY25E	FY26E
City Union Bank	118	12.7	11.7	10.9	9.7	1.5	1.4	1.3	1.2
Federal Bank	485	9.3	13.0	12.2	9.3	1.3	1.7	1.5	1.3
Bandhan Bank	311	16.6	9.6	7.8	6.6	1.9	1.3	1.1	1.0
RBL BANK	143	15.4	11.3	10.8	6.9	1.9	1.0	0.9	0.8
Average		13.5	11.4	10.4	8.1	1.7	1.4	1.2	1.1
IDFCBK	527	20.3	18.0	20.1	11.8	1.9	1.6	1.5	1.3

Source: Company, Centrum Broking; Peers: Bloomberg estimates

Earnings concall KTAs

Opening remarks

- Bank has reduced the retail deposit rate to 3% for 0-Rs5 lakhs bucket few days ago which should help CoF.
- Since merger Bank has repaid Rs65,000cr of Legacy borrowing and certificate of deposits.
- Early bucket CE has come down from 99.7% to 99.2%. For May 2024 it is back to 99.6%. Provision in this quarter was mainly regarding this.
- Reduction of delinquency in new portfolio by 65% on like to like vintage basis because of continuous improvement in underwriting. This gives a comfort on longer term picture of credit.
- There is an impact of JLG portfolio largely in Tamil Nadu (60% of portfolio) as TN had floods in December which impacted the book. Traditionally JLG portfolio had low NPA and credit cost of 1.61%. It is expected to go upto 1.85% till end of FY25. By Q3 the impact will go away. Rest of the book is 1.65% CC as guided earlier.
- Since January of this year bank has been insuring incremental JLG loans with credit guarantee from CGFMU.
- SMA and SMA 2 has not moved much except JLG book.
- CTI: In just 5 year deposit per branch has reached Rs212cr. Incremental basis Rs55-60Cr per branch. Next 3 years , the requirement in deposit for bank will come down. Need for branches will come down. Bank will grow branches at 10% annually. Deposit to grow by 25% in line with credit in future. Combined CTI will come down to 65% by FY27.
- Added 11 branches in current quarter. High cost legacy borrowing has come down to Rs10,000cr. Target is to reduce by 50% more by end of year.
- By end of year infra book will come down to 1% of total loan book.

Guidance

- Opex to grow by 20% for FY25 which will keep CTI lower. Income to grow by 23-24% for FY25.
- ROA will be flat this year and for FY26: 1.2% and 1.4% by FY27.
- Deposit growth to be very strong next quarter. Loan growth to be moderated. Provision will be elevated next quarter also.
- FY25 credit cost expected to be at – 1.65%.
- Next 5 years plan is take the book to Rs6 Lakh crore.
- Cost of fund currently is 647bps. When the high cost money of 10,000cr goes off, Bank is expecting it to come down to 636bps. Lowest amongst mid-size bank.
- FY25 to be similar like FY24 and can see good rise in profitability from FY26-29.

Advances and deposits

- Digital consumer durable loans are done through an online store. Buy now pay later in 1 month product comes in digital consumer business where more delinquencies are visible.
- Interest rate Tweaked from 7% to 7.25%. Rs0-5lakhs dropped to interest rate of 3%.

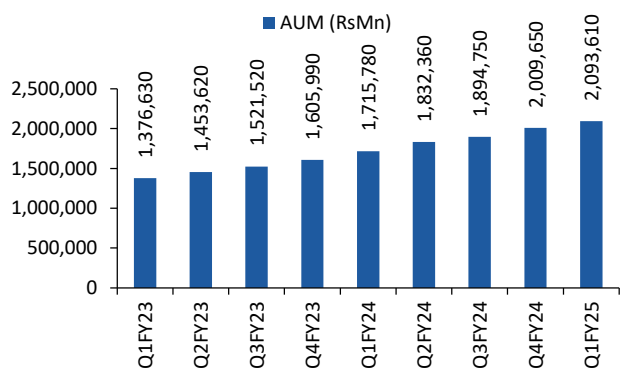
Margins and Asset quality

- Draft guidelines won't have much impact on Bank. Maintaining high base on retail deposits will be an advantage. Management is quite confident since deposits are coming in strongly which will be help to mobilise this requirement.
- Core book in SMA is 0.95% excluding JLG impact.
- Provisions for MFI book increased on sequential basis by ~Rs150cr. Some effects for CE got impacted in April and may due to elections and heat waves.
- Rs1657cr Gross slippages.

Others

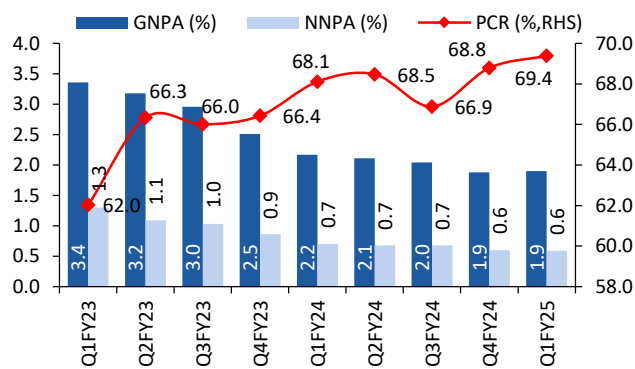
- Merger confirmation: End of Q2 the reverse merger will be done. NCLT hearing date still awaited.
- LCR maintained at 118%.

Exhibit 1: AUM growth pick up pace with...



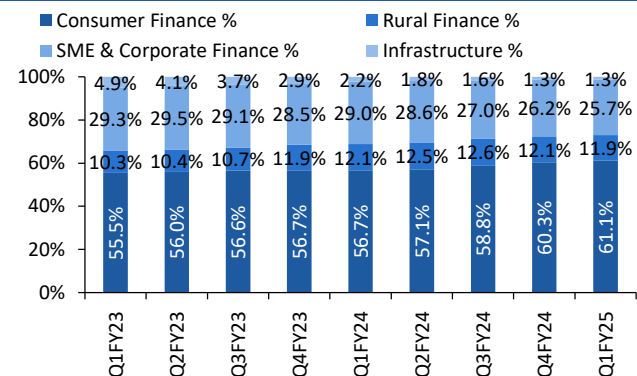
Source: Company Data, Centrum Broking

Exhibit 2: GNPA and NNPA trend



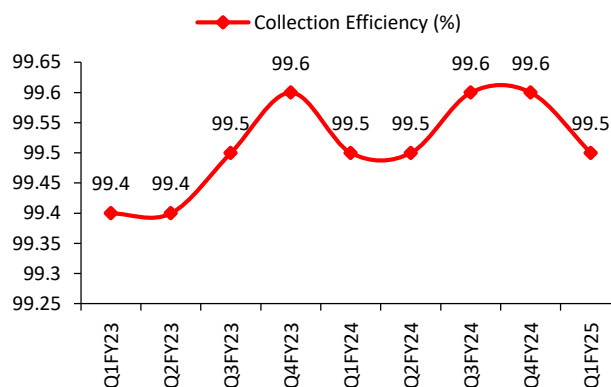
Source: Company Data, Centrum Broking

Exhibit 3: Advances with increasing share of Consumer Finance...



Source: Company, Centrum Broking

Exhibit 4: ...Impressive Collection Efficiency



Source: Company, Centrum Broking

Exhibit 5: Quaterly financial Snapshot

Income statement	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
Interest earned	45,536	49,217	54,698	59,119	64,244	68,689	73,563	78,795	82,205	87,887
Interest expended	18,842	21,704	24,673	26,259	28,271	31,224	34,056	35,924	37,500	40,933
Net Interest Income	26,695	27,514	30,025	32,860	35,974	37,465	39,507	42,872	44,705	46,954
Other income	8,312	8,556	10,614	11,524	13,978	13,636	14,095	15,166	16,420	15,740
Total Income	35,007	36,070	40,639	44,384	49,952	51,101	53,602	58,037	61,125	62,694
Operating Expenses	26,612	26,488	28,795	31,615	34,184	36,377	38,490	42,192	44,418	44,225
Employees	8,974	9,562	10,447	10,880	11,897	13,331	13,773	14,046	15,187	15,342
Others	17,638	16,926	18,349	20,735	22,286	23,046	24,717	28,146	29,232	28,883
Operating profit	8,395	9,582	11,843	12,769	15,768	14,724	15,112	15,846	16,707	18,470
Provisions	3,695	3,080	4,242	4,502	4,824	4,762	5,284	6,548	7,223	9,944
Profit before tax	4,701	6,502	7,602	8,267	10,944	9,962	9,828	9,297	9,484	8,526
Taxes	1,177	1,652	1,930	2,101	2,783	2,647	2,360	1,977	2,165	2,100
Net Profit	3,523	4,850	5,672	6,166	8,161	7,315	7,469	7,321	7,319	6,426
Balance sheet										
Shareholders funds	2,10,821	2,14,850	2,21,528	2,26,980	2,58,476	2,65,310	2,77,637	3,14,510	3,22,736	3,29,162
Borrowings	5,29,626	5,56,880	5,66,430	5,44,060	5,72,121	5,57,410	5,31,655	4,51,090	5,09,357	5,28,580
Deposits	10,55,396	11,33,490	12,34,141	13,30,380	14,44,695	15,44,270	17,11,148	18,25,490	20,05,702	20,96,282
Other liabilities	1,05,614	1,00,440	1,06,069	1,12,320	1,23,529	1,22,510	1,26,763	1,16,290	1,24,303	1,29,394
Total liabilities	19,01,457	20,05,650	21,28,168	22,13,740	23,98,821	24,89,500	26,47,203	27,07,380	29,62,098	30,83,418
Cash&bank	1,57,024	1,07,610	1,48,505	1,23,190	1,37,787	1,32,070	1,30,498	1,14,330	1,24,812	1,29,924
Advances	11,78,578	13,25,550	13,47,619	14,71,090	15,17,945	16,73,740	17,48,138	18,55,030	19,45,924	20,25,681
Investments	4,59,346	4,70,950	5,03,762	5,10,160	6,09,133	5,62,690	6,29,224	6,03,960	7,45,001	7,75,514
Fixed assets	13,873	14,560	16,466	19,020	21,331	22,850	25,164	25,020	26,746	27,841
Other assets	92,637	86,980	1,11,815	90,280	1,12,625	98,150	1,14,179	1,09,040	1,19,616	1,24,458
Total assets	19,01,457	20,05,650	21,28,168	22,13,740	23,98,821	24,89,500	26,47,203	27,07,380	29,62,098	30,83,418
Balance sheet(%)										
Loan growth	17.2	22.0	31.8	26.4	28.8	26.3	29.7	26.1	28.2	21.0
Deposit growth	19.2	24.1	36.8	43.4	36.9	36.2	38.7	37.2	38.8	35.7
Loans/Deposits	111.7	116.9	109.2	110.6	105.1	108.4	102.2	101.6	97.0	96.6
Investment /Deposits	43.5	41.5	40.8	38.3	42.2	36.4	36.8	33.1	37.1	37.0
Capital Adequacy										
Tier-1	14.9	14.0	13.7	13.5	14.2	13.7	13.5	14.0	13.4	13.3
Tier-2	1.9	1.8	1.7	2.6	2.6	3.3	3.1	2.8	2.8	2.3
CRAR	16.7	15.8	15.4	16.1	16.8	17.0	16.5	16.7	16.1	15.6
Profitability(%)										
Yield on assets	11.2	11.2	12.4	12.6	12.9	12.9	13.6	13.5	13.1	13.3
Cost of funds	5.1	5.6	6.1	6.3	6.3	6.6	6.7	6.9	6.6	6.9
NIM	6.6	6.3	6.8	7.0	7.2	7.0	7.3	7.3	7.1	7.1
Other income/Assets	1.9	1.9	2.2	2.3	2.6	2.4	2.4	2.5	2.5	2.3
Cost/Income	76.0	73.4	70.9	71.2	68.4	71.2	71.8	72.7	72.7	70.5
Employees	25.6	26.5	25.7	24.5	23.8	26.1	25.7	24.2	24.8	24.5
Others	50.4	46.9	45.2	46.7	44.6	45.1	46.1	48.5	47.8	46.1
Cost/Assets	6.0	5.7	6.0	6.4	6.4	6.5	6.4	6.9	6.6	6.3
RoA	0.8	1.0	1.2	1.2	1.5	1.3	1.3	1.2	1.1	0.9
RoE	7.2	9.3	10.7	11.4	13.9	12.2	12.0	10.8	10.1	8.6
Asset quality(%)										
GNPA	3.7	3.36	3.18	2.96	2.51	2.17	2.11	2.04	1.88	1.90
NNPA	1.53	1.3	1.09	1.03	0.86	0.7	0.68	0.68	0.6	0.6
PCR	59.5	62.0	66.3	66.0	66.4	68.1	68.5	66.9	68.8	69.4
Credit Cost on gross AUM	1.2	1.0	1.3	1.3	1.3	1.2	1.3	1.5	1.6	2.1
Loan/Deposit	122.3	121.5	117.8	114.4	111.2	111.1	107.1	103.8	100.2	99.9

Source: Company, Centrum Broking

Exhibit 6: ROAE Tree

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Total Assets	1,263,820	1,670,989	1,491,586	1,630,715	1,901,457	23,98,821	29,62,098	37,70,179	46,30,566
<i>Average total assets</i>	1,192,232	1,467,405	1,581,287	1,561,150	1,766,086	21,50,139	26,80,459	33,66,138	42,00,372
Equity	152,741	181,994	154,035	178,997	210,821	2,58,476	3,22,736	3,82,851	4,30,190
<i>Average Equity</i>	149,757	167,367	168,014	166,516	194,909	2,34,648	2,90,606	3,52,793	4,06,521
Interest Income on term loans/ Average total assets	4.1%	5.3%	7.6%	8.1%	8.0%	8.9%	9.7%	9.8%	9.8%
Income on investments/money with RBI/other banks / Average total assets	3.4%	2.7%	2.5%	2.0%	1.6%	1.6%	1.6%	1.5%	1.5%
Non-Interest Income/ Average total assets	0.9%	0.6%	1.1%	1.4%	1.8%	2.0%	2.2%	2.0%	2.0%
Total Income/ Average total assets	8.4%	8.6%	11.2%	11.5%	11.4%	12.5%	13.5%	13.4%	13.3%
Interest on Deposits, borrowings and debt securities / Average total assets	6.0%	6.0%	6.5%	5.5%	4.2%	4.7%	5.17%	5.21%	5.15%
Net Interest Income / Average total assets	1.7%	2.2%	3.8%	4.7%	5.5%	5.9%	6.1%	6.2%	6.3%
Net Total Income/ Average total assets	2.6%	2.8%	4.9%	6.1%	7.3%	7.9%	8.4%	8.3%	8.3%
Operating Expenses / Average total assets	1.5%	2.4%	3.6%	4.5%	5.4%	5.6%	6.0%	5.8%	5.7%
PPOP/Average total assets	1.1%	0.4%	1.2%	1.6%	1.9%	2.3%	2.3%	2.5%	2.6%
Provision Cost / Average total assets	0.1%	0.3%	0.4%	1.3%	1.8%	0.8%	0.9%	1.4%	1.1%
Profit before tax / Average total assets	1.0%	0.0%	0.8%	0.3%	0.1%	1.5%	1.4%	1.1%	1.5%
Tax expense/ Average total assets	0.2%	-0.9%	0.3%	0.0%	0.0%	0.4%	0.3%	0.3%	0.4%
One-time adjustment/Average Total Assets	0.0%	1.7%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RoAA (before Share of Associate)	0.8%	1.0%	0.5%	0.3%	0.1%	1.1%	1.1%	0.8%	1.1%
Leverage (Average total assets/average Equity or average Net-worth)	7.96	8.77	9.41	9.38	9.06	9.16	9.22	9.54	10.33
RoAE	6.4%	8.4%	4.9%	2.9%	0.7%	10.1%	10.1%	7.9%	11.6%

Source: Company, Centrum Broking

P&L					
YE Mar (Rs mn)	FY22A	FY23A	FY24A	FY25E	FY26E
Interest earned	1,71,727	2,27,278	3,03,251	3,85,004	4,79,882
Interest expended	74,651	1,00,906	1,38,703	1,75,375	2,16,302
Net Interest Income	97,076	1,26,372	1,64,548	2,09,629	2,63,579
Other income	31,726	43,532	59,317	68,881	84,621
Total Income	1,28,802	1,69,904	2,23,865	2,78,510	3,48,201
Operating Expenses	95,967	1,21,082	1,61,477	1,95,831	2,38,111
Employees	30,999	42,786	56,337	70,634	86,915
Others	64,968	78,297	1,05,141	1,25,197	1,51,196
PPoP	32,836	48,821	62,388	82,679	1,10,089
Provisions	31,086	16,648	23,817	45,564	46,970
Profit before tax	1,750	32,173	38,572	37,115	63,119
Taxes	427	8,465	9,148	9,279	15,780
Net Profit	1,323	23,708	29,424	27,837	47,340

Ratios					
YE Mar	FY22A	FY23A	FY24A	FY25E	FY26E
Growth (%)					
Loans	17.2	28.8	28.2	23.0	23.0
Deposits	19.2	36.9	38.8	31.1	31.7
RWA growth	6.1	28.8	29.7	29.8	24.4
NII	31.5	30.2	30.2	27.4	25.7
Other income	0.4	(17.4)	11.6	13.3	11.8
Opex	317.0	290.6	277.4	21.3	21.6
PPoP	29.2	48.7	27.8	32.5	33.2
Provisions	53.7	(46.4)	43.1	91.3	3.1
Net profit	(72.6)	1,752.3	20.1	(5.4)	70.1
Profitability (%)					
Yield on assets	10.0	11.2	12.2	12.5	12.6
Cost of funds	7.4	5.6	6.1	6.1	5.9
NIM	5.6	6.3	6.6	6.8	6.9
Other income / Total inc.	24.6	25.6	26.5	24.7	24.3
Other inc. / avg assets	1.8	2.0	2.2	2.0	2.0
Cost/Income	74.5	71.3	72.1	70.3	68.4
Employee	24.1	46.1	25.2	25.4	25.0
Other	50.4	46.1	47.0	45.0	43.4
Opex/ Avg assets	5.4	5.6	6.0	5.8	5.7
Provisioning cost	4.6	1.2	1.4	2.1	1.8
Tax rate	24.4	26.3	23.7	25.0	25.0
RoE	0.7	10.4	10.1	7.9	11.6
RoA	0.1	1.1	1.1	0.8	1.1
RoRWA	0.1	1.6	1.5	1.1	1.4
Du-pont (%)					
Interest income	9.7	10.6	11.3	11.4	11.4
Interest expenses	4.2	4.7	5.2	5.2	5.1
NII	5.5	5.9	6.1	6.2	6.3
Other income	1.8	2.0	2.2	2.0	2.0
Total income	7.3	7.9	8.4	8.3	8.3
Operating expenses	5.4	5.6	6.0	5.8	5.7
Employee	1.8	2.0	2.1	2.1	2.1
Other	3.7	3.6	3.9	3.7	3.6
PPOP	1.9	2.3	2.3	2.5	2.6
Provisions	1.8	0.8	0.9	1.4	1.1
PBT	0.1	1.5	1.4	1.1	1.5
Tax	0.0	0.4	0.3	0.3	0.4
RoA	0.1	1.1	1.1	0.8	1.1

Source: Company, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY22A	FY23A	FY24A	FY25E	FY26E
Share capital	62,338	66,552	71,289	75,536	75,536
Reserves & surplus	1,48,483	1,91,923	2,51,447	3,07,315	3,54,655
Deposits	10,55,396	14,44,695	20,05,702	26,30,205	34,63,515
Borrowings	5,29,626	5,72,121	5,09,356	6,30,936	6,14,050
Other Liabilities	1,05,614	1,23,529	1,24,305	1,26,187	1,22,810
Total liabilities	19,01,457	23,98,821	29,62,098	37,70,179	46,30,566
Cash balances with RBI	1,12,812	1,05,623	1,09,885	2,02,963	2,07,811
Balances with banks	44,211	32,164	14,927	32,878	45,026
Investments	4,59,346	6,09,133	7,45,001	9,20,572	11,42,960
Advances	11,78,578	15,17,945	19,45,924	23,93,486	29,43,988
Fixed Assets	13,873	21,331	26,746	34,769	46,939
Other Assets	92,637	1,12,625	1,19,616	1,85,511	2,43,843
Total assets	19,01,457	23,98,821	29,62,098	37,70,179	46,30,566

Ratios					
YE Mar (Rs mn)	FY22A	FY23A	FY24A	FY25E	FY26E
Balance Sheet (%)					
Loans / Deposits	111.7	105.1	97.0	91.0	85.0
Investments / Deposits	43.5	42.2	37.1	35.0	33.0
CASA	48.4	49.7	47.2	46.5	46.5
Assets/equity (x)	9.0	9.3	9.2	9.8	10.8
RWA / Total assets	71.4	72.9	76.5	78.0	79.0
Capital ratios (%)					
CET-1	14.9	14.2	13.8	12.7	11.5
Tier-1	14.9	14.2	13.8	12.7	11.5
Tier-2	1.9	2.6	2.7	2.1	1.7
CRAR	16.7	16.8	16.5	14.7	13.1
Asset quality ratios (%)					
GNPA (Rs mn)	44,691	38,845	37,180	56,340	69,381
NNPA (Rs mn)	18,081	13,041	11,605	18,642	25,296
GNPA	3.5	2.4	1.9	2.3	2.3
NNPA	1.5	0.9	0.6	0.8	0.9
PCR	59.5	66.4	68.8	66.9	63.5
Slippage	6.4	3.5	3.3	0.0	0.0
NNPA / Equity	8.6	5.0	3.6	4.9	5.9
Per share					
EPS	0.2	3.7	4.2	3.7	6.3
BVPS	33.9	39.1	45.6	51.2	57.5
ABVPS	31.0	37.1	44.0	48.7	54.1
Valuation (x)					
P/E	352.5	20.3	18.0	20.1	11.8
P/BV	2.2	1.9	1.6	1.5	1.3
P/ABV	2.4	2.0	1.7	1.5	1.4

Source: Company, Centrum Broking

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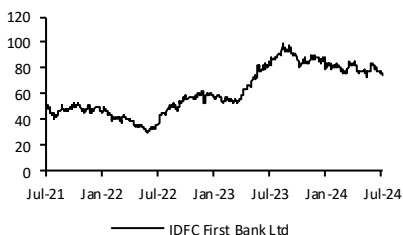
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IDFC First Bank



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