

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	IDFCFB IN
Equity Shares (m)	6618
M.Cap.(INRb)/(USDb)	619.8 / 7.5
52-Week Range (INR)	101 / 52
1, 6, 12 Rel. Per (%)	-2/0/28
12M Avg Val (INR M)	3153

Financial and Valuation Summary (INR b)

Y/E March	FY23	FY24E	FY25E
NII	126.4	164.1	198.5
OP	49.3	62.5	81.9
NP	24.4	30.3	39.7
NIM (%)	5.9	6.3	6.3
EPS (INR)	3.8	4.5	5.8
BV/Sh. (INR)	39	47	53
ABV/Sh. (INR)	37	45	51

Ratios

RoE (%)	10.4	10.5	11.7
RoA (%)	1.1	1.2	1.3

Valuations

P/E(X)	23.2	19.5	15.1
P/BV (X)	2.3	1.9	1.7
P/ABV (X)	2.4	2.0	1.7

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	37.5	39.4	36.4
DII	10.4	9.5	13.9
FII	24.3	24.5	19.8
Others	27.9	27.5	30.0

FII Includes depository receipts

CMP: INR88

TP: INR85 (-3%)

Neutral

Higher provisions dent earnings; cost ratios stay elevated

Liability franchise growing steadily

- IDFC First Bank (IDFCFB) reported 3QFY24 PAT of INR7.2b (up 18.4% YoY, 8% miss) due to higher provisions and opex.
- NII grew 30.5% YoY, led by healthy loan growth and improvement in margins (up 10bp QoQ at 6.42%). Other income grew 31.6% YoY to INR15.2b. Opex grew 33.5% YoY to INR42.4b, resulting in a 115bp QoQ increase in the C/I ratio to 73.1%.
- Loan book (incl. credit subs) grew 27%YoY/4.2% QoQ. Deposit growth was robust at 37% YoY, with CASA mix increasing 40bp QoQ to 46.8%.
- **We estimate the bank to deliver a ~30% earnings CAGR over FY24-26, with RoA/RoE of 1.3%/13.5% in FY26. Maintain Neutral with a revised TP of INR85.**

Margins improve 10bp QoQ; Asset quality ratios stable

- IDFCFB reported 3QFY24 PAT of INR7.2b (up 18.4% YoY; 8% miss), led by higher provisions and operating expenses. Provisions increased by 45.4% YoY to INR6.5b (17% higher than our estimate).
- NII grew 30.5% YoY to INR42.9b (in line), driven by healthy loan growth (up 27% YoY) and improved margins at 6.42% (up 10bp QoQ). The bank expects the margins to remain stable and has introduced Guidance 2.0 with an RoA target of 1.9-2.0% by FY29.
- Other income grew 32% YoY with steady 31% YoY growth in core fees. Opex grew 33.5% YoY, with C/I ratio staying elevated at 73.1%. PPOP rose 24% YoY to INR15.6b (in line).
- On the business front, gross loans and advances grew 24.5% YoY/3.4% QoQ, led by 47.4%/29.3% YoY growth in Rural/Retail finance. The SME & Corporate book also grew 15.6% YoY. Within retail, growth was led by housing (19% YoY), vehicle finance (31% YoY), consumer loan (37.6% YoY) and cards (57% YoY). The share of consumer and rural finance stood at 71% as on 3QFY24.
- Deposit grew 37% YoY (up 6.6% QoQ), along with healthy growth in CASA deposits. CASA ratio thus improved 40bp QoQ to 46.8%.
- Asset quality remained stable, with GNPA ratio declining by 7bp QoQ to 2.0% and NNPA ratio remaining unchanged at 0.68%. PCR moderated slightly to ~67%. SMA book rose marginally to 0.85% (0.77% in 2QFY24), while restructured book declined to 0.35% of funded assets in 3QFY24.

Highlights from the management commentary

- IDFCB has unveiled Guidance 2.0, under which it targets a 24.8% CAGR in deposits and 20.3% CAGR in loans over FY24-29.
- The bank has guided for 1.9-2.0% RoA and 17-18% RoE by FY29.

- Cost-income ratio is higher at 73.1%, as the bank is in the expansion phase. The drag is mainly coming from the liability side of the book and the bank expects it improve successively from FY25-end.
- In credit cards, the bank expects to break-even by FY25 and report profit by FY26.

Valuation and view

IDFCFB delivered a mixed quarter, with a miss in earnings (due to higher provisions) and improvements in margins sequentially. Deposit traction remained robust, while CASA mix improved sequentially, defying the systemic trend. RoA stood at 1.16% as high opex remained a drag. We believe that the C/I ratio may remain elevated in the near term, mainly due to the need for deposit mobilization at a healthy run rate and continued investments in business, technology, and branches. We estimate margins to remain stable, benefiting from steady loan growth, limited deposit re-pricing, and further replacement of high-cost borrowings in FY25. We estimate the bank to deliver a ~30% earnings CAGR over FY24-26, with RoA/RoE of 1.3%/13.5% in FY26.

Maintain Neutral with a revised TP of INR85 (1.6x Sep'25E ABV).

Quarterly performance (INR b)

	FY23				FY24E				FY23	FY24E	FY24E	V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Interest Income	27.5	30.0	32.9	36.0	37.5	39.5	42.9	44.2	126.4	164.1	41.8	3%
% Change (Y-o-Y)	25.9	32.1	27.3	34.7	36.1	31.6	30.5	23.0	30.2	29.8	27.2	
Other Income	8.6	10.6	11.5	14.0	14.1	14.3	15.2	15.8	44.7	59.4	15.0	1%
Total Income	36.1	40.6	44.4	49.9	51.6	53.8	58.0	60.0	171.0	223.5	56.8	2%
Operating Expenses	26.6	28.9	31.8	34.4	36.6	38.7	42.4	43.3	121.7	160.9	40.7	4%
Operating Profit	9.4	11.7	12.6	15.6	15.0	15.1	15.6	16.8	49.3	62.5	16.0	-2%
% Change (Y-o-Y)	-5.1	68.7	63.8	88.6	59.0	29.2	23.9	7.8	50.2	26.8	27.1	
Provisions	3.1	4.2	4.5	4.8	4.8	5.3	6.5	5.8	16.6	22.4	5.6	17%
Profit before Tax	6.4	7.4	8.1	10.8	10.2	9.8	9.1	11.0	32.7	40.1	10.4	-13%
Tax	1.6	1.9	2.1	2.7	2.6	2.3	1.9	3.0	8.3	9.8	2.6	-27%
Net Profit	4.7	5.6	6.0	8.0	7.7	7.5	7.2	8.0	24.4	30.3	7.8	-8%
% Change (Y-o-Y)	NM	266.1	115.1	134.2	61.3	35.2	18.4	-0.4	NM	24.4	28.5	
Operating Parameters												
Deposit (INR b)	1,133	1,234	1,330	1,446	1,544	1,712	1,825	1,909	1,446	1,909	1,792	
Deposit Growth (%)	24.1	36.8	43.4	36.9	36.2	38.7	37.2	32.0	36.9	32.0	34.7	
Loan (INR b)	1,326	1,402	1,457	1,564	1,674	1,781	1,855	1,919	1,518	1,919	1,865	
Loan Growth (%)	22.0	37.1	25.2	26.0	26.3	27.0	27.3	22.7	28.8	26.4	26.8	
Asset Quality												
Gross NPA (%)	3.4	3.2	3.0	2.5	2.2	2.1	2.0	2.0	2.6	2.1	2.1	
Net NPA (%)	1.3	1.1	1.0	0.9	0.7	0.7	0.7	0.6	0.9	0.6	0.7	
PCR (%)	62.0	66.3	66.0	66.4	68.1	68.2	66.9	69.1	66.4	69.1	68.6	

Source: MOFSL, Company

Quarterly snapshot

	FY23				FY24			Change (%)	
Profit and Loss (INR m)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY	QoQ
Net Interest Income	27,511	30,022	32,853	35,968	37,451	39,502	42,866	30	9
Other Income	8,557	10,613	11,525	13,975	14,138	14,296	15,166	32	6
Total Income	36,068	40,635	44,378	49,942	51,589	53,798	58,031	31	8
Operating Expenses	26,630	28,948	31,770	34,356	36,586	38,696	42,407	33	10
Employee	8,302	9,186	9,528	10,407	11,528	11,901	12,217	28	3
Others	18,328	19,762	22,242	23,949	25,059	26,795	30,190	36	13
Operating Profits	9,438	11,687	12,608	15,587	15,003	15,103	15,625	24	3
Core Operating Profits	9,878	10,527	12,248	13,427	14,273	14,563	15,149	24	4
Provisions	3,080	4,242	4,502	4,824	4,762	5,284	6,548	45	24
PBT	6,358	7,445	8,105	10,762	10,242	9,819	9,077	12	-8
Taxes	1,615	1,890	2,059	2,736	2,590	2,306	1,920	-7	-17
PAT	4,743	5,556	6,046	8,026	7,652	7,513	7,157	18	-5
Balance Sheet (INR B)									
Loans	1,326	1,402	1,457	1,564	1,674	1,781	1,855	27	4
Investments	471	466	510	578	563	598	604	18	1
Deposits	1,133	1,234	1,330	1,446	1,544	1,712	1,825	37	7
CASA Deposits	567	633	665	720	718	795	855	29	8
Borrowings	557	566	544	572	557	532	451	-17	-15
Total Assets	2,006	2,128	2,214	2,399	2,490	2,647	2,707	22	2
Asset Quality									
GNPA	43,548	43,962	43,026	38,845	36,034	37,478	37,754	-12	1
NNPA	16,538	14,800	14,642	13,041	11,490	11,925	12,503	-15	5
Ratios (%)									
Asset quality ratios									
GNPA	3.4	3.2	3.0	2.5	2.2	2.1	2.0	-92	-7
NNPA	1.3	1.1	1.0	0.9	0.7	0.7	0.7	-35	0
PCR (Calculated)	62.0	66.3	66.0	66.4	68.1	68.2	66.9	91	-130
Credit Cost	1.0	1.4	1.4	1.4	1.3	1.3	1.6	21	25
Business ratios									
CASA (Reported)	50.0	51.3	50.0	49.8	46.5	46.4	46.8	-320	40
Loan/Deposit	116.9	113.6	109.5	108.1	108.4	104.0	101.6	-793	-240
Non Int. to Total Income	23.7	26.1	26.0	28.0	27.4	26.6	26.1	16	-44
Cost to Income	73.8	71.2	71.6	68.8	70.9	71.9	73.1	149	115
Tax Rate	25.4	25.4	25.4	25.4	25.3	23.5	21.2	-426	-233
CAR	15.8	15.4	16.1	16.8	17.0	16.5	16.7	67	19
Tier I	14.0	13.7	13.5	14.2	13.7	13.5	14.0	46	46
Profitability ratios									
YoA	13.8	15.2	15.3	15.4	15.6	15.9	16.3	104	40
YoI	5.9	7.3	8.0	7.7	7.3	7.3	7.4	-54	16
YoF	11.9	13.2	13.7	13.5	13.6	13.9	14.2	52	39
CoF	5.6	6.1	6.3	6.3	6.6	6.7	6.9	58	19
RoA	1.0	1.1	1.1	1.4	1.3	1.2	1.2	5	0
Margins	5.8	6.0	6.1	6.4	6.3	6.3	6.4	29	10
Other Details									
Branches	651	670	707	809	824	862	897	190	35

Source: MOFSL, Company



Highlights from the management commentary

Balance sheet and P&L

- CASA ratio improved 40bp QoQ to 46.8%; 79% of the book is now retail deposits.
- Asset-side book is well diversified; mortgage book forms 28% of the overall book, VF at 10%, CV at 3%, Rural at 11%, Consumer loan at 14%, etc.
- The bank has not been impacted by the RBI's recent AIF investment guidance.
- In Oct'23, the bank successfully raised INR30b through QIP.
- The balance sheet expanded 22% YoY; lending and deposit mobilization stay strong.
- Customer deposits grew 43% YoY and retail deposits grew 47% YoY in 3QFY24.
- Overall funded assets grew 24.5% YoY in 3QFY24.
- The bank issued more than 2.2m credit card as on 3QFY24.
- NIM increased 10bp QoQ to 6.42% vs 6.32% in 2QFY24.
- The bank has maintained LCR on consistent basis. Average LCR stood at 121% in 3QFY24.
- Cost-income ratio is higher at 73.1%, as the bank is in the expansion phase. The drag is mainly coming from the liability side of the book and the bank expects it to improve successively from FY25-end.
- The bank's tier 1 ratio has decreased due to the RBI regulation on risk weights despite raising capital in Oct'23.
- The bank is focusing more on used car finance as there are less margins in new car finance. Also, credit quality is better in used car loans.
- CD ratio stood at 101.6%, which the bank expects to come down to below 100 by the end of FY24.
- Incremental CD ratio for the quarter was just 60% and 80% for the year.
- In FY25, the bank expects opex to increase by ~20% and income to increase by ~24-25%.
- By FY29-end, the bank expects C/I ratio of ~58% and margins to remain stable.
- Digital loan portfolio, portfolio buyout and revolver book are growing well.
- In credit cards, the bank expects to break-even by FY25 and report profit by FY26.
- Retail deposits are growing at a faster rate. TD too grew faster at 59% YoY as customers are looking to lock in at a higher rate.
- The bank expects positive momentum in C/I ratio, RoA and RoE by FY25, and therefore the expense ratio will decline going forward.
- Funded assets grew 24.5% YoY. Infra book is 1.6% of the overall asset. Retail book grew 29% YoY, SME grew 16% YoY.

Asset quality

- On retail side, GNPA was 1.5% and NNPA was 0.5% in 3QFY24.
- ~0.35% of funded asset is restructured book. More than 90% of restructured book is secured in nature.
- Gross slippages of the bank stood at INR14b and net slippages stood at ~INR8.50b.
- Credit cost stood at 1.26% for 9MFY24 and the bank has guided for 1.5-1.6% going forward.

- Collection efficiency also remains stable at 99.6%. The bank is quite comfortable on its asset quality and slippages.
- The bank expects fewer recoveries and some provisions due to ageing but also expects to normalize from here on.
- IDFCB remains extra careful on the credit card business. For better asset quality, the bank gives credit cards to existing customers.
- GNPA came down to 2.0% and NNPA was 0.68%. GNPA without infra was 1.66%, while NNPA stood at 0.47%.
- SMA stood high at 0.85% in 3QFY24 vs. 0.77% in 2QFY24.

Guidance 2.0 (FY24-FY29)

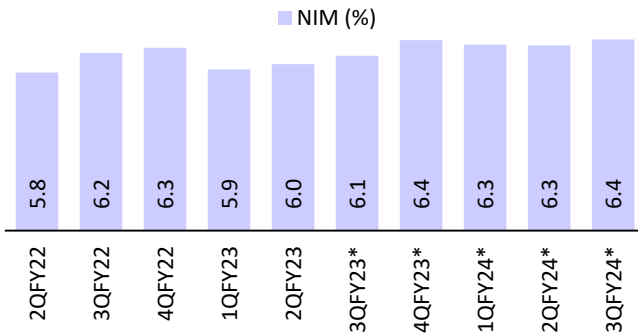
- IDFCB unveiled Guidance 2.0, under which it targets a 24.8% CAGR in deposits and 20.3% CAGR in loans over FY24-29.
- The bank has guided for 1.9-2.0% RoA and 17-18% RoE.
- It has guided for GNPA/NNPA ratio to be ~1.5%/0.4% by FY29.
- IDFCB expects consistent balance sheet growth of ~20% with profit of INR120b-130b by FY29.
- In next five years, the bank expects to open ~1,700-1,800 branches.

Valuation and view

- **Robust liability franchise:** IDFCB continues to witness strong growth in Retail deposits and has succeeded in building a robust liability franchise over the past years, led by attractive customer service levels, higher interest rates, a strong brand, and transparent products and services. In 3QFY24, deposits grew 37% YoY (up 6.6% QoQ), with healthy growth in CASA deposits at 28.6% YoY/7.6% QoQ. Thus, the CASA ratio improved 40bp QoQ to 46.8%.
- **Asset quality continued to improve,** with GNPA ratio declining by 7bp QoQ to 2.0% and NNPA ratio remaining stable at 0.7%. PCR stood at ~67%. Further, the SMA book rose to 0.85% as on 3QFY24 vs. 0.77% in 2QFY24. The Restructured book declined to 0.35% of funded assets in 3QFY24.
- **Reiterate BUY with a TP of INR85:** IDFCB delivered a mixed quarter, with a miss in earnings (due to higher provisions) and improvements in margins sequentially. Deposit traction remained robust, while the CASA mix improved sequentially, defying the systemic trend. RoA stood at 1.16% as high opex remained a drag. We believe that the C/I ratio may remain elevated in the near term, mainly due to the need for deposit mobilization at a healthy run rate and continued investments in business, technology, and branches. We estimate margins to remain stable, benefiting from steady loan growth, limited deposit re-pricing, and further replacement of high-cost borrowings in FY25. We estimate the bank to deliver a ~30% earnings CAGR over FY24-26, with RoA/RoE of 1.3%/13.5% in FY26. Maintain Neutral with a revised TP of INR85 (1.6x Sep'25E ABV).

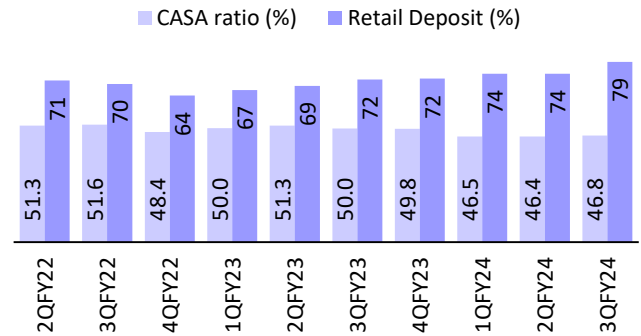
Story in charts

Exhibit 1: NIM increased 10bp QoQ at 6.42%



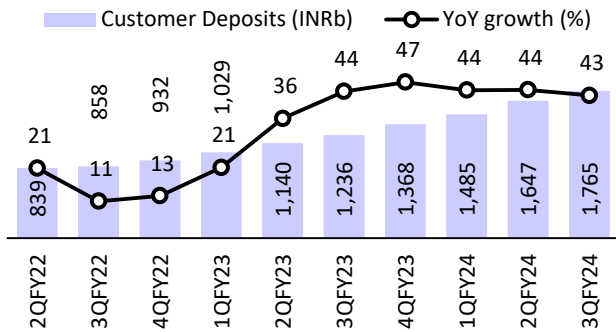
*NIMs reported are gross of IBPC and Sell-down Source: MOFSL, Company

Exhibit 2: CASA ratio increased 40bp QoQ to 46.8%



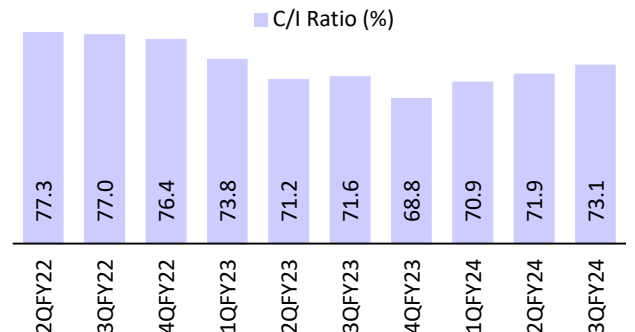
Source: MOFSL, Company

Exhibit 3: Customer deposits grew 43% YoY to INR1.8t



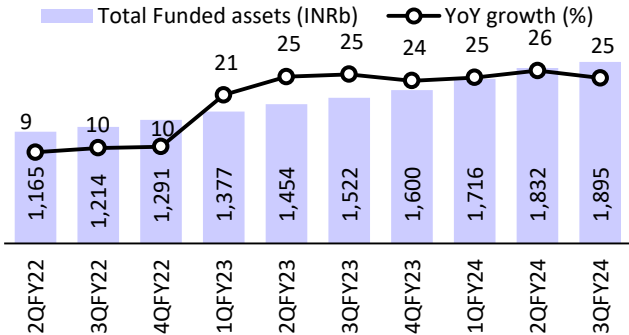
Source: MOFSL, Company

Exhibit 4: Cost-to-income ratio remained elevated at 73%



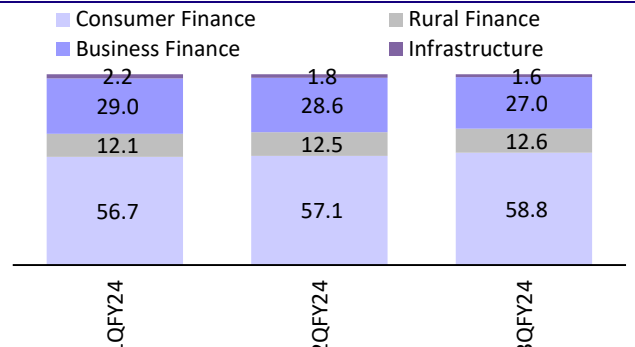
Source: MOFSL, Company

Exhibit 5: Total funded assets grew 25% YoY in 3QFY24



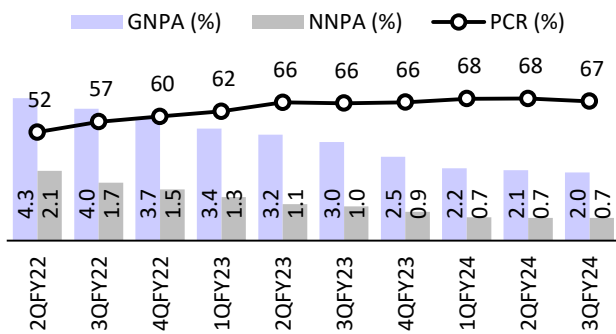
Source: MOFSL, Company

Exhibit 6: Consumer & Rural Finance forms ~71.4% of loans



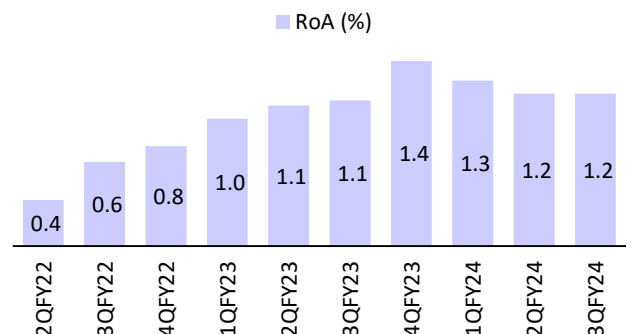
Source: MOFSL, Company

Exhibit 7: GNPA ratios moderated 7bp to 2.0% and NNPA ratio remained stable at 0.7%; PCR stood at ~67%



Source: MOFSL, Company

Exhibit 8: RoA remained at 1.2% (annualized) for 3QFY24



Source: MOFSL, Company

Exhibit 9: DuPont Analysis – Return ratios to improve gradually with RoA at 1.3% and RoE recovering to 13.5% by FY26E

Y/E MARCH	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	10.3	10.2	9.7	10.6	11.3	11.4	11.3
Interest Expense	6.5	5.5	4.2	4.7	5.1	5.1	5.1
Net Interest Income	3.8	4.7	5.5	5.9	6.3	6.3	6.2
Fee income	-1.4	-2.4	-1.3	0.6	1.1	1.5	1.7
Trading and others	2.5	3.8	3.1	1.5	1.2	0.9	0.7
Non Interest income	1.1	1.4	1.8	2.1	2.3	2.4	2.4
Total Income	4.9	6.1	7.3	8.0	8.5	8.6	8.6
Operating Expenses	3.7	4.5	5.5	5.7	6.1	6.1	5.9
Employee cost	1.0	1.3	1.5	1.7	1.8	1.8	1.7
Others	2.7	3.3	3.9	3.9	4.3	4.3	4.2
Operating Profit	1.2	1.6	1.9	2.3	2.4	2.6	2.7
Core Operating Profit	-1.2	-2.2	-1.2	0.8	1.2	1.7	2.0
Provisions	2.7	1.3	1.8	0.8	0.9	0.9	0.9
PBT	-1.5	0.3	0.1	1.5	1.5	1.7	1.8
Tax	0.3	0.0	0.0	0.4	0.4	0.4	0.5
RoA	-1.8	0.3	0.1	1.1	1.2	1.3	1.3
Leverage (x)	9.4	9.4	9.1	9.2	9.1	9.3	10.0
RoE	-17.1	2.7	0.7	10.4	10.5	11.7	13.5

Financials and valuations

Income Statement									(INRb)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	
Interest Income	119.5	163.1	159.7	171.7	227.3	297.0	360.2	438.0	
Interest Expense	87.5	102.3	85.9	74.7	100.9	132.9	161.7	198.1	
Net Interest Income	32.0	60.8	73.8	97.1	126.4	164.1	198.5	239.9	
Growth (%)	77.9	89.9	21.5	31.5	30.2	29.8	21.0	20.9	
Non-Interest Income	8.5	17.2	22.1	32.2	44.7	59.4	74.9	93.6	
Total Income	40.5	78.0	95.9	129.3	171.0	223.5	273.4	333.5	
Growth (%)	38.9	92.5	23.0	34.8	32.3	30.7	22.3	22.0	
Operating Expenses	58.9	58.6	70.9	96.4	121.7	160.9	191.5	228.0	
Pre Provision Profits	-18.4	19.4	25.0	32.8	49.3	62.5	81.9	105.5	
Growth (%)	-245.3	-205.5	29.0	31.4	50.2	26.8	30.9	28.9	
Core PPP	-18.7	15.5	19.0	27.4	46.1	59.5	79.0	102.8	
Growth (%)	-315.1	-182.8	23.0	44.0	68.6	29.0	32.7	30.1	
Provisions (excl tax)	14.6	43.2	20.2	31.1	16.6	22.4	28.9	36.0	
PBT	-33.0	-23.8	4.8	1.8	32.7	40.1	53.0	69.5	
Tax	-13.5	4.9	0.2	0.3	8.3	9.8	13.3	17.4	
Tax Rate (%)	41.0	-20.4	4.9	16.9	25.4	24.4	25.1	25.1	
PAT	-19.4	-28.6	4.5	1.5	24.4	30.3	39.7	52.1	
Growth (%)	NM	NM	NM	-67.8	1,575.3	24.4	30.9	31.1	

Balance Sheet								
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	47.8	48.1	56.8	62.2	66.2	67.9	67.9	67.9
Reserves & Surplus	133.8	105.3	121.3	147.7	190.7	252.7	292.3	344.4
Net Worth	181.6	153.4	178.1	209.9	256.8	320.5	360.2	412.3
Deposits	704.8	651.1	886.9	1,056.3	1,446.4	1,909.2	2,482.0	3,176.9
Growth (%)	46.2	-7.6	36.2	19.1	36.9	32.0	30.0	28.0
of which CASA Dep	91.1	209.4	459.0	511.7	719.8	891.6	1,151.6	1,493.2
Growth (%)	59.6	129.8	119.2	11.5	40.7	23.9	29.2	29.7
Borrowings	699.8	574.0	457.9	529.6	572.1	492.6	502.4	527.3
Other Liabilities & Prov.	85.6	113.5	108.6	105.8	123.7	124.9	131.2	140.4
Total Liabilities	1,671.8	1,492.0	1,631.4	1,901.7	2,399.0	2,847.3	3,475.8	4,256.9
Current Assets	95.7	41.9	58.3	157.6	139.0	136.9	176.1	214.8
Investments	584.8	454.0	454.1	461.4	611.2	660.1	812.0	998.7
Growth (%)	-4.5	-22.4	0.0	1.6	32.5	8.0	23.0	23.0
Loans	863.0	856.0	1,005.5	1,178.6	1,517.9	1,918.7	2,321.6	2,832.4
Growth (%)	65.4	-0.8	17.5	17.2	28.8	26.4	21.0	22.0
Fixed Assets	9.5	10.4	12.7	13.6	20.9	26.4	32.8	40.7
Other Assets	118.9	129.7	100.9	90.6	110.4	105.1	133.4	170.3
Total Assets	1,671.8	1,492.0	1,631.4	1,901.8	2,399.4	2,847.3	3,475.8	4,256.9

Asset Quality	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
GNPA (INR m)	21.4	22.8	43.0	44.7	38.8	39.5	48.1	59.1
NNPA (INR m)	11.1	8.1	18.8	18.1	13.0	12.2	13.2	15.8
GNPA Ratio	2.5	2.7	4.3	3.8	2.6	2.1	2.1	2.1
NNPA Ratio	1.3	0.9	1.9	1.5	0.9	0.6	0.6	0.6
Slippage Ratio	3.4	3.1	6.0	6.9	3.4	3.2	3.1	3.0
Credit Cost	2.1	5.0	2.2	2.8	1.2	1.3	1.3	1.3
PCR (Excl Tech. write off)	48.2	64.5	56.2	59.5	66.4	69.1	72.6	73.3

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Yield and Cost Ratios (%)								
Avg. Yield-Earning Assets	8.8	11.3	11.1	10.4	11.2	11.9	12.0	11.9
Avg. Yield on loans	11.3	14.0	13.6	13.0	14.2	14.7	14.5	14.5
Avg. Yield on Investments	6.6	7.6	6.8	5.8	6.1	6.5	7.0	7.0
Avg. Cost-Int. Bear. Liab.	7.1	7.8	6.7	5.1	5.6	6.0	6.0	5.9
Avg. Cost of Deposits	6.6	7.0	6.2	4.4	5.0	5.8	5.8	5.8
Interest Spread	4.7	7.1	7.4	8.6	9.2	8.8	8.7	8.7
Net Interest Margin	2.4	4.3	5.3	6.1	6.4	6.8	6.9	6.8

Capitalisation Ratios (%)

CAR	15.5	13.4	13.8	16.7	16.8	16.7	15.3	14.2
Tier I	15.3	13.3	13.3	14.9	14.2	14.1	13.1	12.4
Tier II	0.2	0.1	0.5	1.9	2.6	2.6	2.2	1.9

Business and Efficiency Ratios (%)

Loans/Deposit Ratio	122.5	131.5	113.4	111.6	104.9	100.5	93.5	89.2
CASA Ratio	12.9	32.2	51.7	48.4	49.8	46.7	46.4	47.0
Cost/Assets	3.5	3.9	4.3	5.1	5.1	5.7	5.5	5.4
Cost/Total Income	145.3	75.2	74.0	74.6	71.2	72.0	70.1	68.4
Cost/Core Income	146.5	79.1	78.9	77.9	72.5	73.0	70.8	68.9
Int. Expense/Int.Income	73.2	62.7	53.8	43.5	44.4	44.8	44.9	45.2
Fee Income/Total Income	20.2	17.1	16.8	20.7	24.3	25.2	26.3	27.2
Non Int. Inc./Total Income	21.0	22.1	23.1	24.9	26.1	26.6	27.4	28.1
Empl. Cost/Total Expense	19.0	26.1	27.9	28.0	30.7	29.3	29.1	28.8
Investment/Deposit Ratio	83.0	69.7	51.2	43.7	42.3	34.6	32.7	31.4

Profitability Ratios and Valuation

RoE	-11.6	-17.1	2.7	0.7	10.4	10.5	11.7	13.5
RoA	-1.3	-1.8	0.3	0.1	1.1	1.2	1.3	1.3
RoRWA	-2.0	-2.6	0.4	0.1	1.6	1.5	1.6	1.8
Book Value (INR)	38	32	31	34	39	47	53	61
Growth (%)	-15.3	-16.0	-1.6	7.6	15.0	21.7	12.4	14.5
Price-BV (x)	2.3	2.8	2.8	2.6	2.3	1.9	1.7	1.4
Adjusted BV (INR)	35	30	28	31	37	45	51	58
Price-ABV (x)	2.5	3.0	3.2	2.9	2.4	2.0	1.7	1.5
EPS (INR)	-4.8	-6.0	0.9	0.2	3.8	4.5	5.8	7.7
Growth (%)	NM	NM	NM	-71.6	1,452.3	19.1	29.3	31.1
Price-Earnings (x)	NM	NM	102.0	NM	23.2	19.5	15.1	11.5
Dividend Per Share (INR)	0.75	0.75	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield (%)	0.9	0.9	0.0	0.0	0.0	0.0	0.0	0.0

E: MOFSL Estimates

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NOTES

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