ADD IDFC First Bank

All-round performance (correction)

BFSI - Banks | Result Update | **July 26, 2026**

CMP (Rs): 81 | TP (Rs): 85

IDFC First Bank reported a strong PAT of Rs10.8bn (ROA: 1.0%), significantly ahead of expectations, driven by higher NII and other income (4%/8% above estimates) and lower provisions (12% below estimates). Credit growth remained robust at 21% yoy/5% qoq, while NIM improved 3bps qoq to ~6.0% on a 4bps decline in COF. The management expects COF to be broadly stable at ~6%, while normalization of the investment book and growth in lower-yielding segments could moderate margins (FY27 NIM guided at ~5.8%). The GNPA ratio continues to improve to 1.5%. The bank received Rs5.15bn under the CGFMU guarantee scheme, which was utilized toward building contingency provisions. On ECL transition, the management expects the impact on CRAR to be broadly neutral. The bank remains confident of sustaining healthy credit growth and maintaining ~500bps of positive operating jaws (income growth > cost growth), supporting further improvement in the C/I ratio. This, coupled with lower credit cost (guidance revised down to 150–160bps from 170–180bps earlier), supports a gradual ROA improvement. We expect the bank to report ROA of 0.8-1.2% over FY27-29E and maintain ADD, while revising our TP by ~13.3% to Rs85 (from Rs75 earlier), implying 1.3x Jun-28E ABV.

Healthy growth momentum; margins expand qoq

IDFCB reported strong credit growth of 20.9% yoy/5.0% qoq, led by retail, MSME, and corporate book. In retail, the bank saw healthy traction in LAP, consumer loans, gold loans, and credit cards, while the MFI book remained flat qoq. Deposits remained robust, growing 17.7% yoy/5.9% qoq with the CASA ratio improving 102bps qoq to 50.8%. NIM expanded 3bps qoq to ~6.0%, supported by a 4bps decline in cost of funds. Adjusting for one-off factors, including an 8bps day-count benefit in 4QFY26 and a 6bps interest on IT refund benefit in 1QFY27, underlying NIM improved 5bps qoq, from 5.85% to 5.90%. The management expects COF to be broadly stable at ~6%, while moderation in the investment book and growth in relatively low-yielding segments (ROI accertive) could moderate margins; it expects FY27 NIM at ~5.8%.

GNPA continues to improve; guides for credit cost of 150-160bps

Gross slippage was stable at Rs17.4bn/2.8% of loans, while higher recoveries and write-offs led to a 10bps qoq improvement in the GNPA ratio to 1.5%. The SMA (1+2) book was stable at 0.77%, with the MFI SMA ratio improving to 0.71%. The bank received Rs5.15bn under the CGFMU guarantee scheme, which was utilized toward building contingency provisions. The management expects the impact of ECL on CRAR to be broadly neutral, while credit cost guidance was revised down to 150–160bps from 170–180bps earlier.

We retain ADD on IDFCB with TP of Rs85

We largely maintain our FY27 estimates and expect the bank to report ROA of 0.8-1.2% over FY27-29E, driven by lower opex and easing credit costs. We maintain ADD while revising our TP by ~13.3% to Rs85 (from Rs75 earlier) implying 1.3x Jun-28E ABV.

Correction: Change the TP revision from ~6% to 13.3%

IDFC First Bank: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profit	15,248	16,364	35,339	55,936	74,934
Loan growth (%)	19.8	20.3	22.1	24.5	24.5
NII growth (%)	17.3	10.0	18.3	24.7	22.7
NIM (%)	6.3	6.0	6.0	6.1	6.1
PPOP growth (%)	18.9	(2.7)	36.7	34.2	25.7
Adj. EPS (Rs)	2.1	1.9	4.1	6.5	8.7
Adj. EPS growth (%)	(50.2)	(8.7)	116.0	58.3	34.0
Adj. BV (INR)	50.7	53.9	57.6	64.1	72.2
Adj. BVPS growth (%)	14.7	6.2	6.8	11.3	12.6
RoA (%)	0.5	0.4	0.8	1.1	1.2
RoE (%)	4.3	3.8	7.2	10.5	12.6
P/E (x)	38.8	42.5	19.7	12.4	9.3
P/ABV (x)	1.6	1.5	1.4	1.3	1.1

Source: Company, Emkay Research

Target Price – 12M	Jun-27
Change in TP (%)	**13.3**
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	4.9

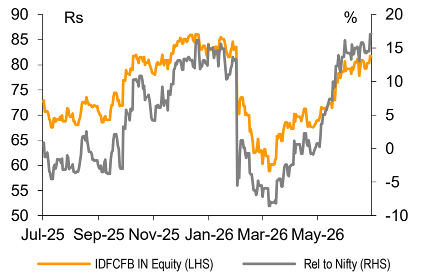
Stock Data	**IDFCFB IN**
52-week High (Rs)	87
52-week Low (Rs)	58
Shares outstanding (mn)	8,616.9
Market-cap (Rs bn)	696
Market-cap (USD mn)	7,209
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	38.3
ADTV-3M (Rs mn)	1,924.7
ADTV-3M (USD mn)	19.9
Free float (%)	84.4
Nifty-50	23,767.4
INR/USD	96.6

Shareholding,Jun-26	
Promoters (%)	0.0
FPIs/MFs (%)	36.1/24.4

Price Performance

(%)	1M	3M	12M
Absolute	2.0	20.2	10.8
Rel. to Nifty	3.1	20.8	16.9

1-Year share price trend (Rs)



Avinash Singh
avinash.singh@emkayglobal.com
+91-22-66121327

Nikhil Vaishnav
nikhil.vaishnav@emkayglobal.com
+91-22-66242485

Aman Mehta
aman.mehta@emkayglobal.com
+91-22-66121275

Key concall takeaways

Outlook on loans, deposits, and NIM

- The MFI portfolio stood at Rs67bn as of Jun-26, witnessing a marginal sequential increase, with 93% of the portfolio covered under the CGFMU guarantee scheme.
- The bank is targeting ~15% yoy growth in the MFI book by end-FY27, supported by a recovery in disbursement trends.
- The credit card franchise remained strong, with cards in force increasing to 4.8mn, while the outstanding card book grew 19% yoy to Rs96bn. Credit card spends also registered a healthy 22% yoy growth.
- The bank's NRI deposit portfolio currently stands at ~Rs250bn, representing ~1.7% market share of the overall NRI deposit market. Through a combination of balance sheet leverage and the SBL (secured borrowing/lending) structure, the bank aims to further expand its presence and increase its NRI deposit market share to ~2.5%.
- Reported NIM improved 3bps qoq to 5.96%, compared with 5.93% in 4QFY26. Adjusting for one-off factors (an 8bps day-count benefit in 4QFY26 and a 6bps interest on income tax refund benefit in 1QFY27), the underlying NIM expanded 5bps qoq from 5.85% to 5.90%.
- The improvement in underlying margins was primarily driven by a decline in the cost of funds, which was reduced from 6.00% to 5.96% during the quarter.
- The management revised its FY27 NIM guidance upward to ~5.8% from the earlier guidance of 5.75%, reflecting a better-than-expected margin trajectory.
- The management noted that 1Q margins also benefited from a lower investment book and expects this tailwind to moderate over the remainder of the year.
- It expects some pressure on margins from a change in the asset mix, as the bank continues to grow certain lower-yielding businesses that are NIM-dilutive but ROI-accretive.
- The cost of funds is expected to be broadly stable at ~6%, limiting any significant funding cost tailwinds going forward.

Asset quality

- The Retail, Rural, and MSME portfolio also witnessed improvement, with the GNPA ratio declining 7bps qoq to 1.40% and the NNPA ratio improving 4bps qoq to 0.52%.
- Collection efficiency was robust and stable at 99.5%, sustaining the strong recovery trend seen over the past several quarters.
- SMA-1 and SMA-2 accounts continued to improve, with the SMA ratio declining to 0.77% from 0.78% qoq and 1.10% yoy.
- MFI asset quality improved significantly, with the SMA-1 and SMA-2 ratio normalizing to 0.71%, indicating that stress in the portfolio has largely subsided.
- The bank received Rs5.15bn under the CGFMU guarantee scheme against the MFI portfolio during the quarter, which it utilized for contingency provision on a prudent basis.
- On the better-than-expected asset quality performance, the management revised its credit cost guidance downward to 150–160bps from 170–180bps.
- On ECL, the management expects the overall impact on capital adequacy to be broadly neutral at the time of transition.

Others

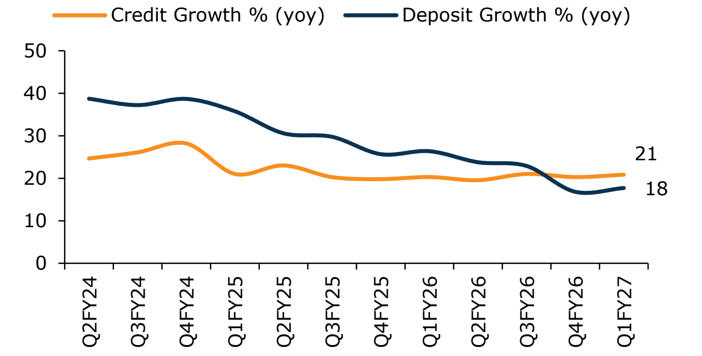
- Liquidity remained comfortable, with the average LCR at 116%, broadly in line with the management's guided range.
- The management reiterated confidence that the cost-to-income ratio will continue to improve, supported by operating leverage as the franchise matures. It attributed the

recent stagnation in the cost-to-income ratio primarily to the downsizing of the MFI portfolio, which reduced interest income despite continued productivity improvements.

- The management noted that the reported ROA for the quarter includes certain non-recurring benefits, such as treasury gains and interest on income tax refunds. Adjusting for these one-offs, underlying ROA would be closer to ~90bps vs the reported level of just above 1%.
- The bank's internal projections indicate ROA is expected to improve beyond 1% over time, rather than plateau at that level. The improvement is primarily driven by lower-than-expected credit costs, while NIMs are expected to be broadly stable and operating leverage should continue to support profitability.
- Channel sourcing expenses currently account for ~20% of total expenses and have been broadly stable over the past few quarters.
- The management expects the gap between income growth and operating expense growth to remain favorable, although both revenue and costs may see some movement in the coming quarters; it expressed confidence in maintaining at least the 500bps of operating jaws over the remaining quarters.
- The management emphasized that the key objective remains maintaining healthy operating jaws of ~450–500bps, with income growth consistently outpacing expense growth. If sustained into FY28, this could translate into a ~350bps reduction in the cost-to-income ratio, purely from the operating jaws impact.
- The bank continues to purchase PSL certificates, resulting in a negative financial impact, particularly as market rates have increased. The bank incurred a PSL-related cost of ~Rs2.5–2.6bn last year, with the impact for the current year dependent on prevailing market rates.

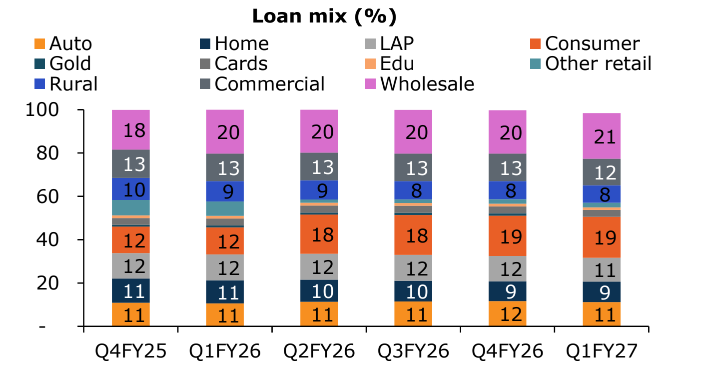
Story in charts

Exhibit 1: Credit growth remains robust, whereas deposit growth inched up led by healthy growth in CASA



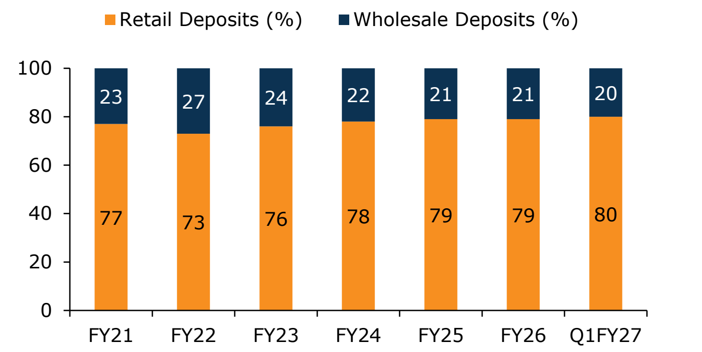
Source: Company, Emkay Research

Exhibit 2: A well-diversified loan book, with a stronger retail book



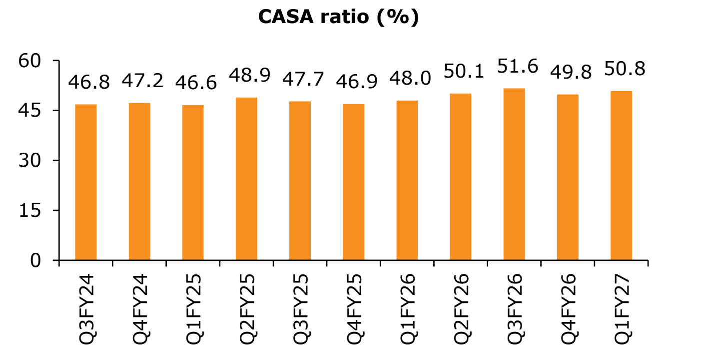
Source: Company, Emkay Research; The bank has reclassified its consumer and other retail loans and accordingly changes are made for the quarters.

Exhibit 3: Retail deposits share marginally increased, improving the granularity of the book



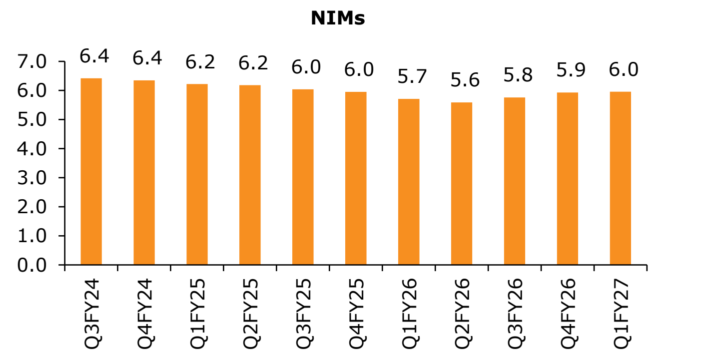
Source: Company, Emkay Research

Exhibit 4: CASA ratio inched up led by healthy SA growth



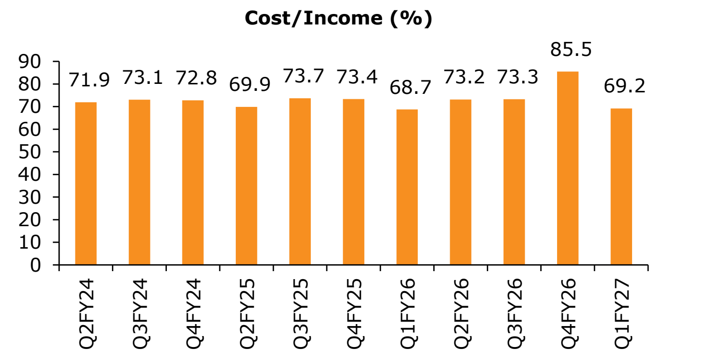
Source: Company, Emkay Research

Exhibit 5: NIM marginally expanded led by a decline in COF



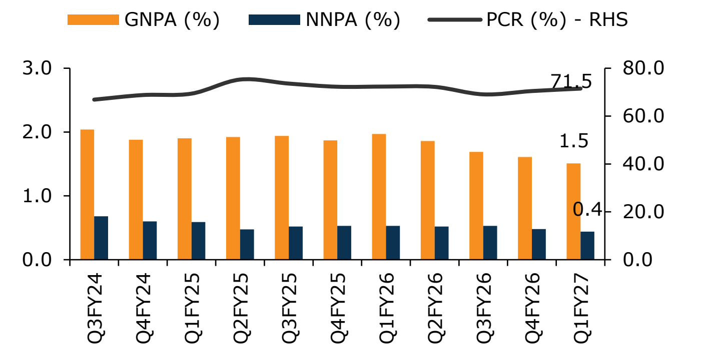
Source: Company, Emkay Research

Exhibit 6: Opex improved qoq led by a decline in other opex



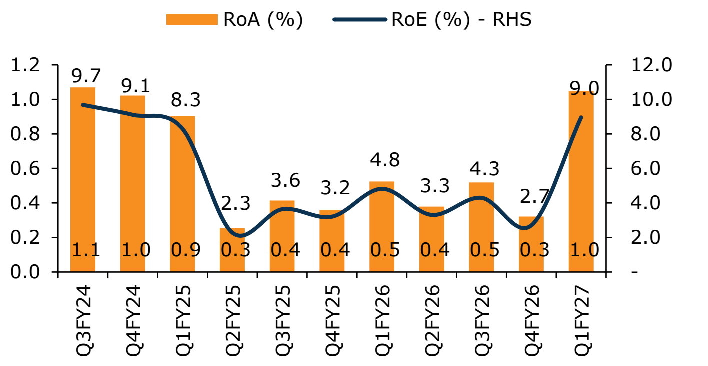
Source: Company, Emkay Research

Exhibit 7: Stable slippages with higher write-offs led to an improvement in GNPA



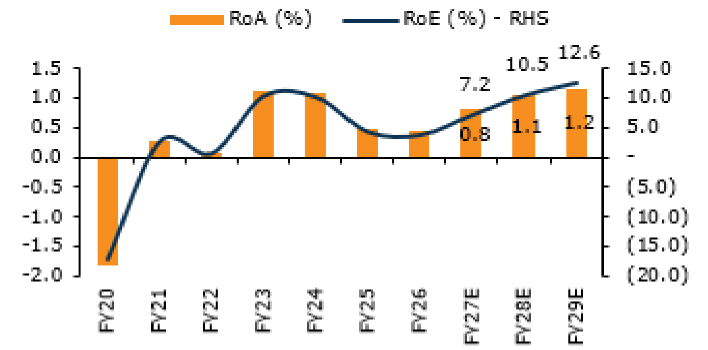
Source: Company, Emkay Research

Exhibit 8: Higher NIM, other income, lower opex, and provisions led to ROA improvement



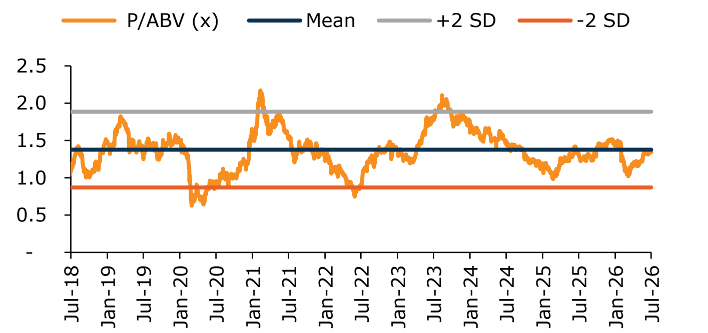
Source: Company, Emkay Research

Exhibit 9: ROA set to improve to 0.8-1.2% by FY27-29E



Source: Emkay Research

Exhibit 10: The stock is currently trading near its mean valuations



Source: Bloomberg, Emkay Research

Exhibit 11: Actuals vs estimates (Q1FY27)

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	82,818	78,781	74,343	5%	11%	Higher NII and other income led to a beat
PPOP	25,526	21,317	22,278	20%	15%	Higher net income and in-line opex led to PPOP beat
PAT	10,750	6,238	6,802	72%	58%	Higher PPOP and lower provisions led to a beat

Source: Emkay Research

Exhibit 12: Quarterly summary

(Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)	FY26	FY27E	yoy (%)
Interest earned	96,421	99,369	104,170	105,528	110,511	15	5	405,488	467,145	15.2
Interest expenses	47,091	48,243	49,246	48,756	50,787	8	4	193,336	216,227	11.8
Net interest income	49,331	51,126	54,924	56,772	59,724	21	5	212,153	250,918	18.3
Global NIMs (reported)	5.7	5.6	5.8	5.9	6.0	-2bps	17bps	6.0	6.0	0bps
Non-interest income	22,268	18,915	21,250	16,300	23,094	4	42	78,733	93,691	19.0
Operating expenses	49,205	51,239	55,841	62,487	57,293	16	(8)	218,772	246,056	12.5
Pre-provisioning profit	22,394	18,801	20,334	10,585	25,526	14	141	72,114	98,553	36.7
Provision and contingencies	16,591	14,519	13,983	8,692	11,439	(31)	32	53,786	52,358	-2.7
PBT	5,803	4,282	6,350	1,893	14,087	143	644	18,328	46,194	152.0
Income tax expenses (gain)	1,177	759	1,325	-1,296	3,337	184	(357)	1,965	10,856	452.6
Net profit/(Loss)	4,626	3,523	5,025	3,189	10,750	132	237	16,364	35,339	116.0
Gross NPA (%)	2.0	1.9	1.7	1.6	1.5	-26bps	-8bps	1.6	1.5	-10bps
Net NPA (%)	0.5	0.5	0.5	0.5	0.4	-5bps	-5bps	0.5	0.4	-4bps
Deposits (Rs bn)	2,650	2,768	2,911	2,945	3,119	18	6	2,945	3,636	23.5
Net advances (Rs bn)	2,437	2,571	2,700	2,804	2,945	21	5	2,804	3,423	22.1

Source: Company, Emkay Research

Exhibit 13: Revision in estimates

Y/E Mar (Rs mn)	FY27E			FY28E			FY29E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
NII	254,494	250,918	-1.4%	316,012	312,869	-1.0%	390,404	383,843	-1.7%
PPOP	99,644	98,553	-1.1%	140,406	132,287	-5.8%	183,847	166,328	-9.5%
PAT	35,202	35,339	0.4%	61,817	55,936	-9.5%	88,038	74,934	-14.9%
EPS (Rs)	4.1	4.1	0.4%	7.2	6.5	-9.5%	10.2	8.7	-14.9%
BV (Rs)	58.5	58.5	0.0%	65.2	64.5	-1.0%	74.9	72.7	-2.9%

Source: Emkay Research

Exhibit 14: Key assumptions

(%)	FY26A	FY27E	FY28E	FY29E
Loan growth	20.3	22.1	24.5	24.5
Deposit growth	16.8	23.5	26.1	27.6
NIM	6.0	6.0	6.1	6.1
GNPA	1.6	1.5	1.5	1.4
Credit cost	1.9	1.7	1.5	1.4

Source: Emkay Research

Exhibit 15: Key ratios and trends

Particulars	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Loans (Rs mn)	**2,025,681**	**2,150,613**	**2,231,039**	**2,331,125**	**2,436,789**	**2,571,007**	**2,699,878**	**2,803,906**	**2,944,808**
Growth yoy (%)	*21.0*	*23.0*	*20.3*	*19.8*	*20.3*	*19.5*	*21.0*	20.3	*20.8*
Growth qoq (%)	4.1	6.2	*3.7*	*4.5*	*4.5*	*5.5*	*5.0*	3.9	*5.0*
Composition (%)									
- Corporate	16.9	17.6	18.8	19.0	21.2	20.5	20.9	20.6	21.8
- SME/BB	12.3	13.1	13.0	13.6	13.3	13.3	13.1	13.1	12.7
- Retail (incl agri)	74.1	72.8	71.8	71.3	70.3	69.9	69.5	69.3	80.2
Liability profile and margin									
CASA (%)	46.6	48.9	47.7	46.9	48.0	50.1	51.6	49.8	54.8
Asset quality (%)									
GNPA (%)	1.9	1.9	1.9	1.9	2.0	1.9	1.7	1.6	1.5
NNPA (%)	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4
PCR (%)	69.4	75.3	73.6	72.3	72.3	72.2	69.1	70.5	71.5
Capital adequacy									
CAR (%)	17.2	16.6	16.1	15.5	15.0	14.3	16.2	15.6	15.1
Tier I (%)	13.3	13.8	13.7	13.2	12.8	12.3	14.2	13.7	13.3
ROE decomposition (%)									
NII	**6.2**	**6.1**	**6.0**	**5.8**	**5.6**	**5.5**	**5.7**	**5.7**	**5.8**
Other income	2.1	2.1	2.1	2.0	2.0	2.0	2.1	1.8	2.1
Treasury	0.0	0.1	0.0	0.2	0.6	0.1	0.1	(0.2)	0.2
Net income	**8.4**	**8.3**	**8.1**	**8.0**	**8.1**	**7.5**	**7.9**	**7.4**	**8.1**
Opex	5.9	5.8	6.0	5.9	5.6	5.5	5.8	6.3	5.6
PPOP	**2.5**	**2.5**	**2.1**	**2.1**	**2.5**	**2.0**	**2.1**	**1.1**	**2.5**
Provisions	1.3	2.2	1.6	1.7	1.9	1.6	1.4	0.9	1.1
PBT	**1.2**	**0.3**	**0.5**	**0.4**	**0.7**	**0.5**	**0.7**	**0.2**	**1.4**
Tax	0.3	0.0	0.1	0.1	0.1	0.1	0.1	(0.1)	0.3
ROA	**0.9**	**0.3**	**0.4**	**0.4**	**0.5**	**0.4**	**0.5**	**0.3**	**1.0**
ROE	**8.3**	**2.3**	**3.6**	**3.2**	**4.8**	**3.3**	**4.3**	**2.7**	**9.0**

Source: Company, Emkay Research

IDFC First Bank: Standalone Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	365,015	405,488	467,145	562,777	679,931
Interest Expense	172,095	193,336	216,227	249,908	296,089
Net interest income	**192,920**	**212,153**	**250,918**	**312,869**	**383,843**
NII growth (%)	17.3	10.0	18.3	24.7	22.7
Other income	70,217	78,733	93,691	109,777	128,898
Total Income	**263,137**	**290,886**	**344,609**	**422,646**	**512,740**
Operating expenses	188,988	218,772	246,056	290,359	346,412
PPOP	**74,148**	**72,114**	**98,553**	**132,287**	**166,328**
PPOP growth (%)	18.9	(2.7)	36.7	34.2	25.7
Core PPOP	**69,342**	**67,234**	**94,649**	**128,578**	**162,248**
Provisions & contingencies	55,147	53,786	52,358	57,506	66,149
PBT	**19,001**	**18,328**	**46,194**	**74,781**	**100,179**
Extraordinary items	0	0	0	0	0
Tax expense	3,753	1,965	10,856	18,845	25,245
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	**15,248**	**16,364**	**35,339**	**55,936**	**74,934**
PAT growth (%)	(48.4)	7.3	116.0	58.3	34.0
Adjusted PAT	**15,248**	**16,364**	**35,339**	**55,936**	**74,934**
Diluted EPS (Rs)	**2.1**	**1.9**	**4.1**	**6.5**	**8.7**
Diluted EPS growth (%)	(50.2)	(8.7)	116.0	58.3	34.0
DPS (Rs)	**0**	**0.3**	**0.3**	**0.5**	**0.5**
Dividend payout (%)	**0**	**13.1**	**7.3**	**7.7**	**5.7**
Effective tax rate (%)	19.7	10.7	23.5	25.2	25.2
Net interest margins (%)	6.3	6.0	6.0	6.1	6.1
Cost-income ratio (%)	71.8	75.2	71.4	68.7	67.6
Shares outstanding (mn)	7,322.1	8,601.7	8,601.7	8,601.7	8,601.7

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	73,221	86,017	86,017	86,017	86,017
Reserves & surplus	307,559	387,502	420,459	471,875	542,310
Net worth	**380,780**	**473,519**	**506,476**	**557,892**	**628,327**
Deposits	2,520,652	2,944,746	3,636,352	4,587,065	5,854,653
Borrowings	389,748	366,207	376,499	362,629	349,552
Interest bearing liab.	**2,910,401**	**3,310,952**	**4,012,851**	**4,949,694**	**6,204,205**
Other liabilities & prov.	**147,006**	**213,330**	**263,786**	**334,193**	**294,184**
Total liabilities & equity	**3,438,187**	**3,997,801**	**4,783,113**	**5,841,780**	**7,126,716**
Net advances	2,331,125	2,803,906	3,422,812	4,262,977	5,309,237
Investments	807,155	859,663	1,016,054	1,209,867	1,426,633
Cash, other balances	150,974	127,624	144,775	153,910	162,654
Interest earning assets	**3,289,254**	**3,791,192**	**4,583,642**	**5,626,754**	**6,898,524**
Fixed assets	26,626	25,573	27,634	29,002	30,441
Other assets	122,306	181,036	171,837	186,023	197,751
Total assets	**3,438,187**	**3,997,801**	**4,783,113**	**5,841,780**	**7,126,716**
BVPS (Rs)	52.0	54.7	58.5	64.5	72.7
Adj. BVPS (INR)	50.7	53.9	57.6	64.1	72.2
Gross advances	2,363,158	2,835,751	3,459,616	4,307,222	5,362,491
Credit to deposit (%)	92.5	95.2	94.1	92.9	90.7
CASA ratio (%)	46.9	49.8	49.2	49.2	49.9
Cost of deposits (%)	6.2	6.1	5.7	5.4	5.2
Loans-to-Assets (%)	67.8	70.1	71.6	73.0	74.5
Net advances growth (%)	19.8	20.3	22.1	24.5	24.5
Deposit growth (%)	25.7	16.8	23.5	26.1	27.6
Book value growth (%)	14.3	5.2	7.0	10.2	12.7

Source: Company, Emkay Research

Asset quality and other metrics

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
Gross NPLs	44,332	45,194	51,836	63,207	76,077
Net NPLs	12,299	13,349	15,032	18,962	22,823
GNPA ratio (%)	1.9	1.6	1.5	1.5	1.4
NNPA ratio (%)	0.5	0.5	0.4	0.4	0.4
Provision coverage (%)	72.3	70.5	71.0	70.0	70.0
Gross slippages	80,550	86,150	83,031	94,759	107,250
Gross slippage ratio (%)	3.4	3.0	2.4	2.2	2.0
LLP ratio (%)	2.4	1.9	1.7	1.5	1.4
NNPA to networth (%)	3.2	2.8	2.9	3.3	3.5
Capital adequacy					
Total CAR (%)	15.5	15.6	14.9	14.4	14.2
Tier-1 (%)	13.2	13.7	13.2	12.7	12.6
CET-1 (%)	13.2	13.7	13.2	12.7	12.6
RWA-to-Total Assets (%)	80.4	82.8	77.0	76.0	76.0
Miscellaneous					
Total income growth (%)	19.8	11.3	15.8	19.9	20.3
Opex growth (%)	16.5	15.8	12.5	18.0	19.3
Core PPOP growth (%)	15.0	(3.0)	40.8	35.8	26.2
PPOP margin (%)	17.0	14.9	17.6	19.7	20.6
PAT/PPOP (%)	20.6	22.7	35.9	42.3	45.1
LLP-to-Core PPOP (%)	79.5	80.0	55.3	44.7	40.8
Yield on advances (%)	14.5	13.4	12.9	12.7	12.5
Cost of funds (%)	6.3	6.2	5.9	5.6	5.3

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	38.8	42.5	19.7	12.4	9.3
P/B (x)	1.6	1.5	1.4	1.3	1.1
P/ABV (x)	1.6	1.5	1.4	1.3	1.1
P/PPOP (x)	9.4	9.7	7.1	5.3	4.2
Dividend yield (%)	0	0.3	0.4	0.6	0.6
DuPont-RoE split (%)					
NII/avg assets	6.0	5.7	5.7	5.9	5.9
Other income	2.2	2.1	2.1	2.1	2.0
Fee income	2.0	2.0	2.0	2.0	1.9
Opex	5.9	5.9	5.6	5.5	5.3
PPOP	**2.3**	**1.9**	**2.2**	**2.5**	**2.6**
Core PPOP	2.2	1.8	2.2	2.4	2.5
Provisions	1.7	1.4	1.2	1.1	1.0
Tax expense	0.1	0.1	0.2	0.4	0.4
RoA (%)	**0.5**	**0.4**	**0.8**	**1.1**	**1.2**
Leverage ratio (x)	9.1	8.7	9.0	10.0	10.9
RoE (%)	**4.3**	**3.8**	**7.2**	**10.5**	**12.6**

Quarterly data

Rs mn	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
NII	49,331	51,126	54,924	56,772	59,724
NIM (%)	5.7	5.6	5.8	5.9	6.0
PPOP	22,394	18,801	20,334	10,585	25,526
PAT	4,626	3,523	5,025	3,189	10,750
EPS (Rs)	2.5	1.6	2.3	1.5	5.0

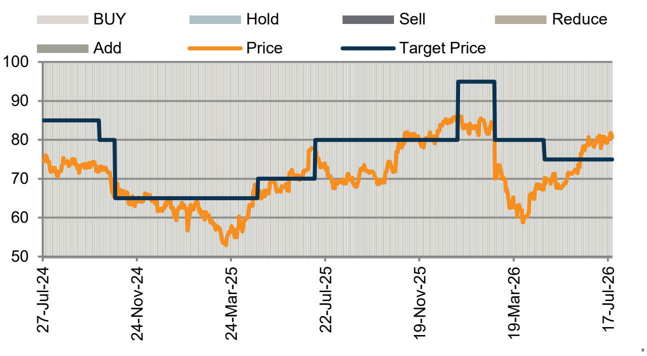
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
10-Jul-26	81	75	Add	Avinash Singh
27-Apr-26	70	75	Add	Anand Dama
23-Feb-26	70	80	Add	Anand Dama
01-Feb-26	82	95	Add	Anand Dama
07-Jan-26	84	95	Add	Anand Dama
19-Oct-25	72	80	Add	Anand Dama
29-Sep-25	70	80	Add	Anand Dama
27-Jul-25	71	80	Add	Anand Dama
09-Jul-25	77	80	Add	Anand Dama
27-Apr-25	66	70	Add	Anand Dama
09-Apr-25	59	65	Add	Anand Dama
26-Jan-25	62	65	Add	Anand Dama
27-Oct-24	66	65	Add	Anand Dama
07-Oct-24	72	80	Add	Anand Dama
27-Jul-24	74	85	Add	Anand Dama

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL . All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons1 may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests2 in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

[1] An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

[2] Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report-:

1. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of July 26, 2026
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report

Disclosure of previous investment recommendation produced:

3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of July 26, 2026
5. EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the July 26, 2026
6. EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
7. EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
8. EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.
CIN - L67120MH1995PLC084899
7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) -:

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

Seshadri Kumar Sen

Digitally signed by Seshadri Kumar Sen
Date: 2026.07.26 23:07:09 +05'30'