

Home First Finance

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR1,193 TP: INR1,500 (+26%)

Buy

Operationally healthy quarter; sequential NIM expansion

Asset quality stable even as bounce-rates inched up a little

- HomeFirst's 4QFY25 PAT grew 25% YoY to INR1.05b (in line). FY25 PAT grew ~25% YoY to INR3.8b. 4Q NII grew 26% YoY to INR1.7b (in line). Other income jumped 52% YoY to INR533m, aided by higher assignment income of INR300m (PY: ~INR150m).
- Opex grew 38% YoY to INR803m (in line). PPop rose ~28% YoY to INR1.46b (in line). Credit costs stood at INR77m (in line) and translated into annualized credit costs of ~25bp (PQ: ~34bp and PY: ~12bp).
- In Apr'25, HomeFirst successfully raised equity capital of INR12.5b via a QIP. After the capital raise, the proforma net worth stood at INR37.5b, leverage declined to ~3.3x and CRAR improved to ~51%.
- Reported NIMs rose ~20bp QoQ. Management stated that ~10bp of the NIM improvement was driven by lower surplus liquidity on the balance sheet, while the rest was due to mark-to-market adjustments. Additionally, the company is optimistic about getting a credit rating upgrade (to AA) within the next six months, which will further reduce its cost of borrowings.
- Management expects robust mortgage demand in FY26 and does not expect any major shifts in the competitive environment. It guided for AUM growth of ~27-30% for FY26 and reiterated its target of scaling up to ~INR350b in AUM by FY30.
- HOMEFIRST's execution has been consistently better than its peers, and the company is well-positioned to capitalize on opportunities in the affordable housing segment. We estimate a CAGR of ~27%/~30% in AUM/PAT over FY25-FY27E. Asset quality is expected to remain range-bound at current levels and credit costs are likely to remain benign at ~27-30bp over the near-to-medium-term. **Reiterate BUY with a TP of INR1,500 (based on 3.2x Mar'27E BV).**

Healthy AUM growth of ~31% YoY; BT-OUT rate inches up but lower YoY

- Disbursements grew 16% YoY to ~INR12.7b (+7% QoQ), leading to AUM growth of 31% YoY to ~INR127b. Management guided for disbursement growth of ~20-25% in FY26.
- The BT-OUT rate (annualized) in 4Q rose to 7.5% (PQ: ~7.3% and PY: ~8.3%) as competitive intensity tends to be higher in 4Q than in other quarters.

Reported NIM rose ~20bp QoQ; Minor spread compression

- Reported yield declined ~10bp QoQ to 13.5% and reported CoF was stable QoQ at 8.4%. Reported spreads (excl. co-lending) fell ~10bp QoQ to 5.1%. Management guided for spreads of ~5.0%-5.2% in FY26.
- Reported NIM rose ~20bp QoQ to 5.1%, driven by lower surplus liquidity on the balance sheet. Incremental CoF and origination yield in 4Q stood at 8.6% and 13.3%, respectively. We model an NIM of 6.2%/6.1% in FY26/FY27 (FY25: 5.7%). NIM expansion in FY26 will be driven by a decline in leverage after the equity capital raise.

Stock Info

Bloomberg	HOMEFIRS IN
Equity Shares (m)	103
M.Cap.(INRb)/(USDb)	122.8 / 1.5
52-Week Range (INR)	1383 / 777
1, 6, 12 Rel. Per (%)	16/0/27
12M Avg Val (INR M)	539
Free float (%)	87.5

Financials Snapshot (INR b)

Y/E March	FY25	FY26E	FY27E
NII	6.4	9.0	11.1
PPoP	5.3	7.4	9.0
PAT	3.8	5.3	6.5
EPS (INR)	42.4	51.4	62.8
EPS Gr. (%)	22.8	21.2	22.2
BV/Sh. (INR)	280	413	472
ABV/Sh. (INR)	269	402	458

Ratios

NIM (%)	5.7	6.2	6.1
C/I ratio (%)	35.6	33.5	33.4
RoAA (%)	3.5	3.9	3.8
RoAE (%)	16.5	15.6	14.2

Valuations

P/E (x)	28.1	23.2	19.0
P/BV (x)	4.3	2.9	2.5
P/ABV (x)	4.4	3.0	2.6
Div. Yield (%)	0.3	0.3	0.4

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	14.3	14.3	23.6
DII	19.8	18.3	11.9
FII	36.0	37.9	25.1
Others	29.9	29.5	39.5

FII includes depository receipts

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Improvement in 1+dpd and 30+dpd; Minor increase in bounce rates

- GS3 and NS3 remained largely stable QoQ at 1.7% and 1.3%, respectively. PCR was stable at ~25%.
- 1+dpd declined ~30bp QoQ to 4.5%. Bounce rates rose ~40bp QoQ to ~16.4% in 4QFY25 (vs. ~16% in 3QFY25). In Apr'25, bounce rates declined to 16.2%.

Highlights from the management commentary

- HomeFirst's new partnership with PhonePe started a few months back. In all the digital partnerships, the arrangement is to focus on new acquisitions.
- The company is very well capitalized and does not foresee the need to raise equity capital for the next four years.
- Co-lending guidelines are still under discussion, and currently, there is no cap on ticket size, which is a positive. If co-lending Model 2 is eliminated, the process may become slightly more tedious. Under Co-lending Model 1 (currently being followed by HomeFirst), disbursements must be made simultaneously by both lending entities.

Valuation and view

- HomeFirst delivered a healthy performance in 4Q, aided by robust AUM growth and stable asset quality, leading to benign credit costs. Even as spreads saw minor compression, the company reported an improvement in NIMs, driven by lower surplus liquidity on the balance sheet.
- We estimate a CAGR of ~27%/~30% in AUM/PAT over FY25-FY27E. While there will be a temporary RoE compression (on the back of the recent equity raise), we expect HomeFirst to steadily keep improving its RoE in the subsequent quarters and deliver RoE of 15.6%/14.2% in FY26/FY27.
- Asset quality is expected to remain range-bound at current levels and credit costs are likely to remain benign at ~25-30bp over the near-to-medium-term. HomeFirst trades at 2.5x FY27E P/BV and we believe that it will sustain its premium valuations over peers because of the strong execution that it has demonstrated over the last four years. **Reiterate our BUY rating on the stock with a TP of INR1,500 (premised on 3.2x Mar'27E BVPS).**
- **Key downside risks:** a) a sharp contraction in spreads and margins to sustain the business momentum; b) higher BT-outs, leading to lower AUM growth; and c) deterioration in asset quality in its LAP product and self-employed customer segments, resulting in higher credit costs.

Quarterly Performance

(InR m)

Y/E March	FY24				FY25				FY24	FY25	4Q FY25E	Act V/s Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	2,313	2,491	2,646	2,827	3,032	3,322	3,558	3,629	10,277	13,540	3,741	-3
Interest expenses	1,068	1,170	1,302	1,459	1,568	1,756	1,926	1,903	4,999	7,153	2,035	-7
Net Interest Income	1,246	1,321	1,344	1,368	1,464	1,566	1,631	1,726	5,278	6,388	1,706	1
YoY Growth (%)	32.6	30.1	21.4	22.4	17.5	18.6	21.4	26.2	26.3	21.0	24.7	
Other Income	285	289	364	351	382	421	517	533	1,289	1,852	572	-7
Net Income	1,530	1,610	1,708	1,719	1,846	1,987	2,148	2,259	6,567	8,239	2,278	-1
YoY Growth (%)	40.9	36.1	35.7	24.2	20.6	23.4	25.8	31.4	33.7	25.5	32.5	
Operating Expenses	553	565	611	584	655	726	752	803	2,313	2,936	816	-2
Operating Profit	977	1,044	1,097	1,135	1,191	1,261	1,396	1,456	4,254	5,304	1,461	0
YoY Growth (%)	39.8	40.9	34.5	24.8	21.9	20.7	27.2	28.3	34.3	24.7	28.8	
Provisions and Cont.	77	80	70	27	56	57	98	77	254	288	80	-4
Profit before Tax	900	964	1,027	1,107	1,135	1,204	1,298	1,379	4,000	5,016	1,381	0
Tax Provisions	209	221	239	273	258	281	324	332	942	1,195	342	-3
Net Profit	691	743	788	835	878	922	974	1,047	3,057	3,821	1,040	1
YoY Growth (%)	34.9	36.9	34.5	30.4	27.0	24.1	23.5	25.4	33.9	25.0	24.6	

Key Operating Parameters (%)

Other income to Net Income Ratio	18.6	17.9	21.3	20.4	20.7	21.2	24.1	23.6	19.6	22.5	
Credit Cost	0.41	0.40	0.32	0.12	0.22	0.21	0.34	0.25	1.4	1.2	
Cost to Income Ratio	36.1	35.1	35.7	34.0	35.5	36.5	35.0	35.5	35.2	35.6	
Tax Rate	23.2	23.0	23.3	24.6	22.7	23.4	25.0	24.1	23.6	23.8	

Balance Sheet Parameters

AUM (INR m)	77,760	83,654	90,137	96,978	1,04,781	1,12,294	1,19,494	1,27,127	96,978	1,27,127	
Change YoY (%)	33.3	33.3	33.5	34.7	34.7	34.2	32.6	31.1	34.7	31.1	
Loans (INR m)	65,194	70,253	75,479	81,434	87,940	94,465	1,00,649	1,06,487	81,434	1,06,487	
Change YoY (%)	38.1	36.5	34.9	35.8	34.9	34.5	33.3	30.8	35.8	30.8	
Borrowings (INR m)	68,215	72,792	82,514	87,954	95,120	1,05,869	1,10,391	1,15,592	73,021	95,507	
Change YoY (%)	41.0	39.2	42.2	47.7	39.4	45.4	33.8	31.4	51.7	30.8	
Loans/Borrowings (%)	95.6	96.5	91.5	92.6	92.5	89.2	91.2	92.1	112	111	

Asset Quality Parameters (%)

GS 3 (INR m)	1,077	1,233	1,295	1,393	1,540	1,640	1,770	1,808	1,393	1,808	
Gross Stage 3 (% on Assets)	1.6	1.7	1.7	1.7	1.7	1.7	1.74	1.68	1.70	1.68	
NS 3 (INR m)	743	859	908	979	1,116	1,202	1,319	1,353	979	1,353	
Net Stage 3 (% on Assets)	1.13	1.21	1.19	1.19	1.26	1.26	1.30	1.26	1.19	1.26	
PCR (%)	31.0	30.3	29.9	29.7	27.5	26.7	25.5	25.2	29.7	25.2	
ECL (%)	0.94	0.91	0.89	0.86	0.83	0.80	0.80	0.77	0.94	0.91	

Return Ratios (%)

ROAA (Rep)	3.9	3.8	3.7	3.6	3.6	3.4	3.4	3.9	3.8	3.5	
ROAE (Rep)	15.0	15.6	15.8	16.1	16.3	16.5	16.6	18.7	15.5	16.5	

E: MOFSL Estimates



Highlights from the management commentary

Guidance

- Spreads to be in the range of ~5.0-5.2%; NIM will expand for the next few quarters as leverage has declined post the QIP
- Opex to Assets will remain in the same range and the company will be more focused on growth for the next few years.
- Guided for disbursement growth of 20-25%, repayment rate of 17-18% (including of BT-OUT of 7.0-7.5%) and AUM growth of 27%-30%; FY30 AUM guidance of INR350b.

NIM

- Out of the ~20bp QoQ expansion in NIM, ~10bp was due to lower surplus liquidity on the balance sheet and the rest was because of some mark-to-market (MtM) activity, which gets reflected in the interest expenses line.

Asset Quality

- ECL model is refreshed annually in Mar'25. On Stage 1, it uses 12-month probability of default. This year was BSR's first audit of HomeFirst and they have done full detailed audit of the ECL.
- Early delinquencies have improved in the quarter - 1+dpd has declined 30bp QoQ to 4.5% and 30+dpd declined 10bp QoQ to 3%.
- In FY25, write-offs stood at ~INR170m and recoveries stood at ~INR20m.
- LAP GS3 stood at 1.2-1.3% and HL GS3 stood at 1.8-1.9%.
- Management overlay of INR130m in the ECL provisions.

Liabilities and CoB

- For HomeFirst's bank borrowings, usually there is a ~60% transmission (over a 12-month period) of the Repo Rate cuts.
- Shorter-tenor linked borrowings have seen some repricing benefit. If the policy rate cut had not happened, then the CoB would have stood at 8.5%. So it has already received ~10bp benefit from the ~50bp cut in the Repo Rates.
- Choice between PSU/Private bank borrowings is largely driven by relationships, and because of a large line from SBI, it is bunched up in 4Q.
- NHB mix is 16% and it will remain in the range of 15-20%. Assignments are driven by liquidity needs and pricing; however, they will remain range-bound as a % of AUM.
- Liquidity buffer of ~INR24.7b (~INR12b on balance sheet and the remaining are unutilized lines).

Yields

- No PLR changes have been made despite two repo rate cuts.
- Yields stood at 13.3% and the origination yield was around 13.0-13.5%. When it sees benefits in CoB, it will pass them on to customers and it is confident of maintaining spreads of 5.0-5.2%.
- Incremental origination yields can be maintained at 13.0-13.5%.

Credit Rating Upgrade

- Hopeful that in the next 6 months, it should be able to see initial signs of a credit rating upgrade.

Competitive Landscape

- Private sector banks are not too much focused on mortgages as yet.
- FY26 should be a year of decent mortgage demand. Competition is very uniform across several years. From a competition perspective, it will be just like any other year - not very different.

Co-lending guidelines and the way forward

- Co-lending structure is RoE accretive. In P&L, it appears in the interest income and interest expense line.
- Draft guidelines do not have the mention of the co-lending model 2.
- Co-lending guidelines are still under discussion and there is no ticket-size cap in co-lending now, which is beneficial. If co-lending model 2 is eliminated, then it will make the co-lending a little more tedious. Under Co-lending model 1, disbursements have to be done simultaneously by both the entities.

No need to raise Equity Capital for the next 4 years

- HomeFirst can easily go up to leverage of 5x and it might not need to raise equity capital for the next 4 years.
- Milestone is to get to RoE of ~15%, which will happen over the next 6 quarters.

Financial Performance

- 4Q PAT stood at ~INR1.05b and RoE of 17%.
- Spreads for 4Q (excl. co-lending) stood at 5.1% and CoB was stable QoQ at 8.4%
- Borrowing profile continues to be well diversified, reflecting prudential liability management.
- CRAR stood at 32.8% (Tier 1: 32.4%). Post the QIP, leverage of ~3.3x; CRAR stood at 51% (proforma).
- Book spreads stood at 5.1% and it runs a fully floating rate book. As the CoB evolves, it will transmit the CoB benefit to customers.

Others

- Guided for an average of 10-11 employees per branch.
- Attrition declined by 2-3% YoY. Hiring is bunched up in 1Q, since it does campus hiring. The number of people joining in the last quarter is never very high.
- The company will be able to maintain its average productivity at the same levels.
- Active Connectors stood at 3,800 and number of RMs stood at 1,200 (Top 10 contributed <4% of the business)
- Ambition is to reach from 2% (currently) to 4.0-5.0% market share in the medium term.
- Newer branches scale up to AUM of INR300m-500m within 2 years.
- Smaller branches (<INR250m AUM), mid-sized branches (INR250m-INR750m) and large branches (>INR750m AUM) - Number of branches is roughly 1/3rd each among smaller, mid-sized and large branches.
- HomeFirst pays commissions of 40-50bp to connectors. In an adhoc way, the connectors sometimes help in recoveries.

- Sweet spot for HomeFirst is in the ticket size of INR1.0m-2.5m. Average ticket size is INR1.17m and incremental ticket size on disbursement was INR1.3m-1.4m.
- LAP LTV will be <60%. LTV of >80% is in the developer-led apartment segment. Over a course of time, its participation in the developer segment has been gradually coming down.
- ~30% of the LAP customers are those who would have started the construction by borrowing from someone else and now they want to repay the loan and the remaining use it for consumption or business purposes.
- HomeFirst's new partnership with PhonePe was started a few months back. In all the digital partnerships, the arrangement is to focus on new acquisitions.
- Tamil Nadu: It has 24 branches in Tamil Nadu and it is taking a step back to see where it can expand. Some leadership changes in TN and there is recalibration happening in the state. Looking at making some changes and it will come back stronger. It has plans of re-energizing some of the states like TN and Gujarat.

Key Exhibits

Exhibit 1: Disbursements grew ~16% YoY

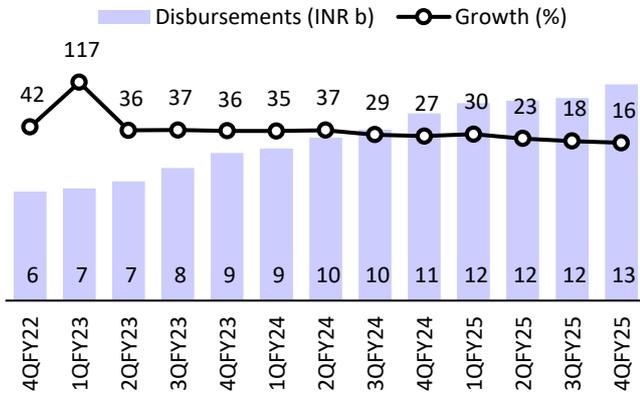


Exhibit 2: AUM grew ~31% YoY

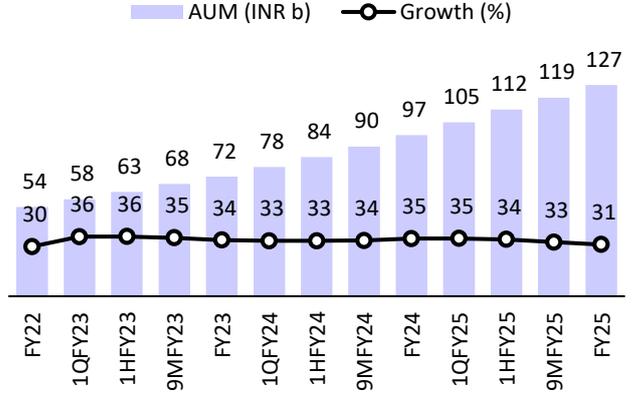


Exhibit 3: Segment-wise loan mix (%)

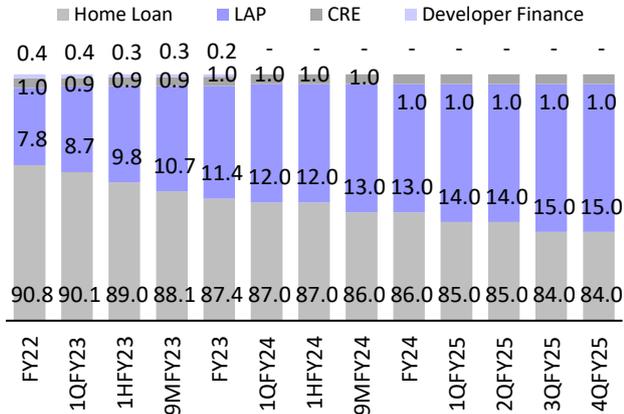


Exhibit 4: Top 6 states contributed ~77% to the loan mix (%)

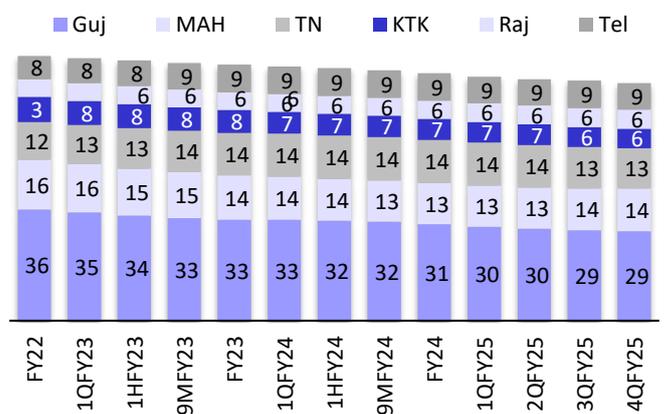
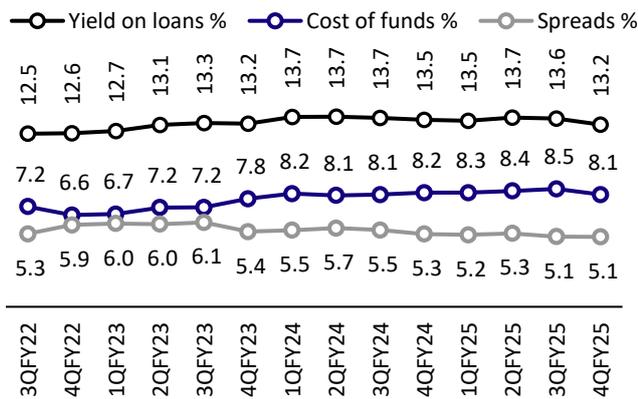
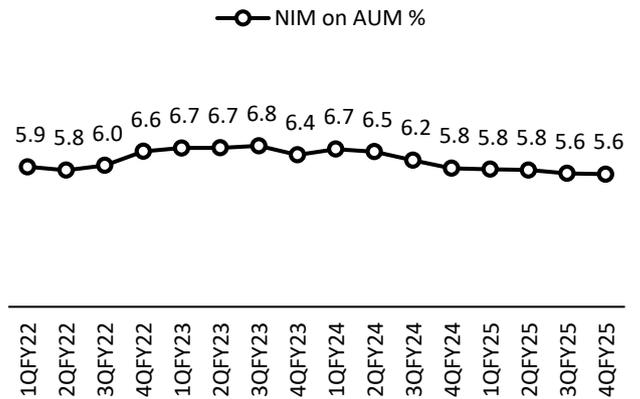


Exhibit 5: Spreads (calc.) remained stable QoQ (%)



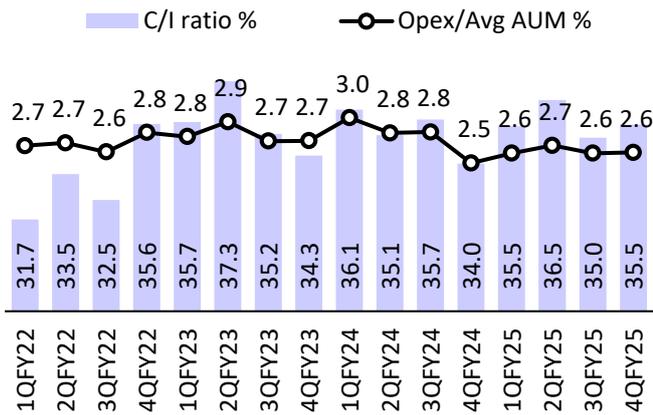
Sources: Company, MOFSL

Exhibit 6: NIMs (Calc.) was stable QoQ (%)



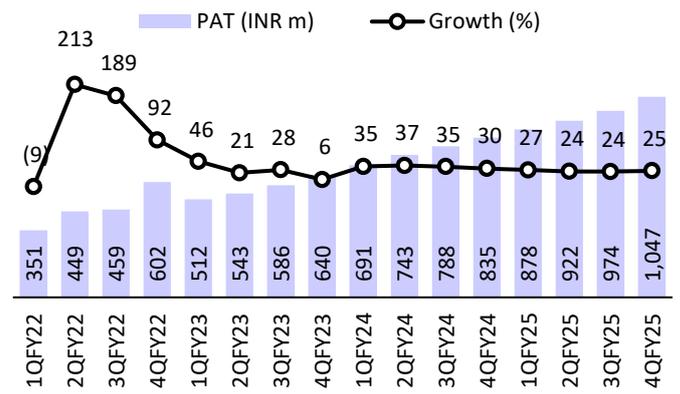
Sources: Company, MOFSL

Exhibit 7: Opex/AUM was stable QoQ (%)



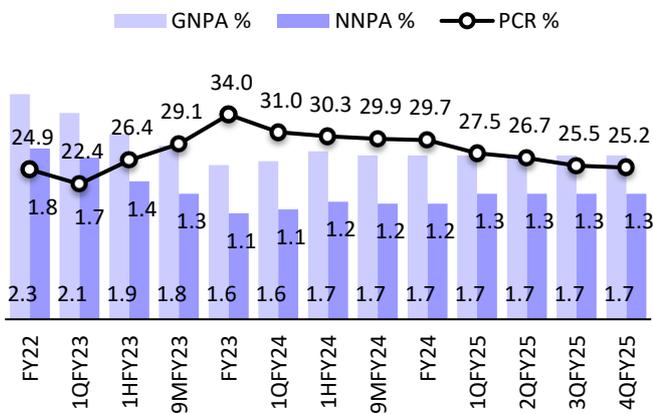
Sources: Company, MOFSL

Exhibit 8: PAT rose ~25% YoY



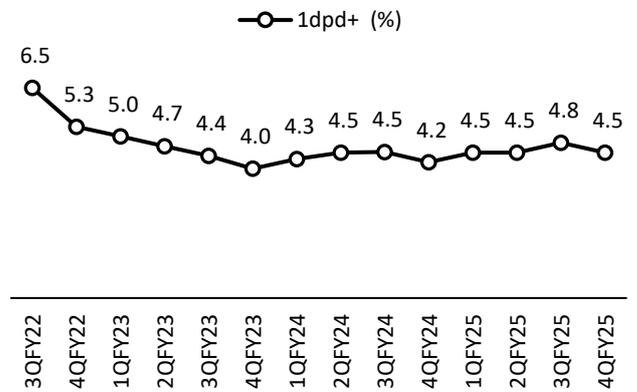
Sources: Company, MOFSL

Exhibit 9: GS3 remained stable QoQ (%)



Sources: Company, MOFSL

Exhibit 10: 1+dpd declined ~30bp QoQ to 4.5%

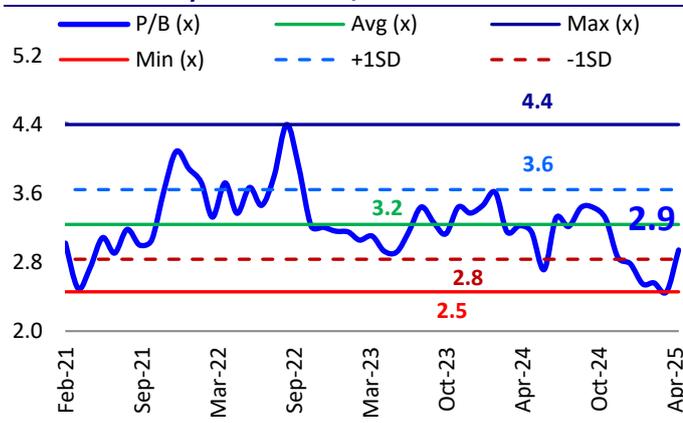


Sources: Company, MOFSL

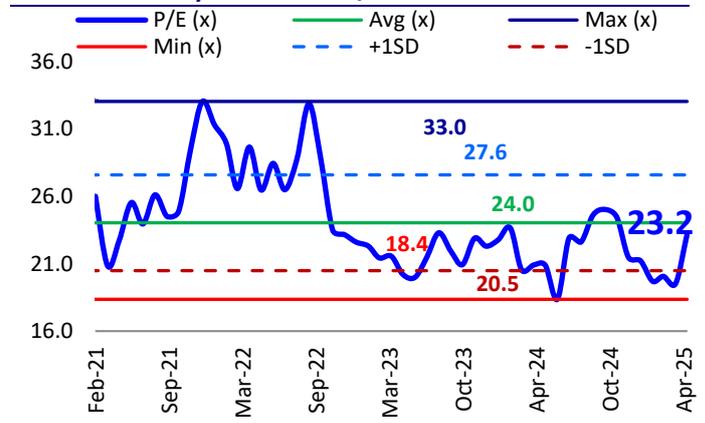
Exhibit 11: Our FY25/FY26/FY27 EPS estimates are largely unchanged

INR B	Old Est.		New Est.		% Change	
	FY26	FY27	FY26	FY27	FY26	FY27
NII	8.8	11.2	9.0	11.1	1.6	-0.7
Other operating Income	1.6	1.6	1.6	1.8	1.6	8.6
Other Income	0.7	0.8	0.6	0.7	-17.2	-13.2
Total Income	11.1	13.6	11.1	13.6	0.4	-0.2
Operating Expenses	3.7	4.5	3.7	4.5	1.0	-0.2
Operating Profits	7.4	9.1	7.4	9.0	0.1	-0.3
Provisions	0.4	0.4	0.4	0.5	15.1	14.0
PBT	7.0	8.6	7.0	8.5	-0.6	-1.0
Tax	1.7	2.1	1.7	2.0	-2.7	-3.0
PAT	5.3	6.5	5.3	6.5	0.0	-0.4
Loans	162	203	162	203	0.2	0.4
Borrowings	108	138	107	137	-0.6	-0.1
RoA	3.9	3.8	3.9	3.8	0.0	0.0
RoE	15.9	14.4	15.6	14.2	-0.2	-0.2

Sources: MOFSL, Company

Exhibit 12: One-year forward P/B


Source: MOFSL, Company

Exhibit 13: One-year forward P/E


Source: MOFSL, Company

Dupont %	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest Income	11.9	10.6	10.6	12.2	12.6	12.5	12.7	12.4
Interest Expenses	6.5	5.5	4.5	5.1	6.1	6.6	6.1	5.9
Net Interest Income	5.4	5.1	6.1	7.1	6.5	5.9	6.6	6.6
Gain on DA	1.2	1.1	1.4	0.6	0.8	0.8	0.7	0.6
Other Income (incl fees)	0.9	0.5	0.3	0.6	0.8	0.9	0.9	0.8
Total Income (net of int exp)	7.6	6.7	7.9	8.3	8.1	7.6	8.1	8.0
Operating Expenses	3.4	2.6	2.6	2.9	2.8	2.7	2.7	2.7
<i>Cost to Income Ratio (%)</i>	<i>45.2</i>	<i>38.2</i>	<i>33.2</i>	<i>35.5</i>	<i>35.2</i>	<i>35.6</i>	<i>33.5</i>	<i>33.4</i>
Employee Expenses	2.0	1.7	1.7	1.8	1.8	1.8	1.8	1.8
Other Expenses	1.4	0.9	0.9	1.1	1.0	0.9	0.9	0.9
PPoP	4.2	4.2	5.3	5.3	5.2	4.9	5.4	5.3
Provisions/write offs	0.6	0.8	0.5	0.4	0.3	0.3	0.3	0.3
PBT	3.6	3.4	4.8	5.0	4.9	4.6	5.1	5.0
Tax provisions	0.9	0.8	0.8	1.1	1.2	1.1	1.2	1.2
RoAA	2.7	2.5	3.9	3.9	3.8	3.5	3.9	3.8
Leverage (x)	4.1	3.5	3.3	3.5	4.1	4.7	4.0	3.7
RoAE	10.9	8.7	12.8	13.5	15.5	16.5	15.6	14.2

E: MOSL Estimates

Financials and Valuation

Income statement								(INR M)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest Income	3,548	4,237	5,117	7,222	10,277	13,540	17,334	21,100
Interest Expenses	1,938	2,202	2,157	3,043	4,999	7,153	8,378	9,991
Net Interest Income	1,610	2,035	2,960	4,179	5,278	6,388	8,956	11,109
Change (%)	52.6	26.4	45.4	41.2	26.3	21.0	40.2	24.0
Gain on Direct assignment	371	439	678	380	631	912	920	1,008
Fee and Commissions	38	35	13	104	99	453	664	783
Other Income	239	180	148	249	558	486	572	654
Total Income (net of interest expenses)	2,258	2,690	3,800	4,913	6,567	8,239	11,112	13,554
Change (%)	56.3	19.1	41.3	29.3	33.7	25.5	34.9	22.0
Employee Expenses	611	661	808	1,070	1,483	1,944	2,470	2,967
Depreciation	72	76	75	91	117	155	191	231
Other Operating Expenses	337	291	379	585	712	836	1,060	1,328
Operating Expenses	1,020	1,028	1,262	1,746	2,313	2,936	3,721	4,526
PPoP	1,238	1,662	2,538	3,167	4,254	5,304	7,391	9,028
Change (%)	70.6	34.2	52.7	24.8	34.3	24.7	39.4	22.1
Provisions/write offs	165	322	250	215	254	288	411	501
PBT	1,073	1,340	2,288	2,952	4,000	5,016	6,980	8,527
Tax	278	339	402	669	942	1,195	1,675	2,046
Tax Rate (%)	25.9	25.3	17.6	22.7	23.6	23.8	24.0	24.0
PAT	796	1,001	1,886	2,283	3,057	3,821	5,305	6,480
Change (%)	74	26	88	21	34	25	39	22

Balance sheet

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Capital	157	175	175	176	177	180	206	206
Reserves & Surplus	9,178	13,631	15,562	17,997	21,038	25,033	42,431	48,447
Net Worth	9,334	13,805	15,737	18,173	21,215	25,213	42,637	48,653
Borrowings	24,938	30,537	34,668	48,135	73,021	95,507	1,06,868	1,37,415
Change (%)	29.5	22.5	13.5	38.8	51.7	30.8	11.9	28.6
Other liabilities	530	759	764	1,062	1,104	1,397	1,606	1,847
Total Liabilities	34,802	45,102	51,169	67,370	95,340	1,22,117	1,51,111	1,87,915
Loans	30,139	33,265	43,049	59,957	81,434	1,06,487	1,35,964	1,70,490
Change (%)	41.2	10.4	29.4	39.3	35.8	30.8	27.7	25.4
Investments	1,456	3,750	0	2,808	3,788	3,602	3,963	4,359
Change (%)	41.4	157.6	-100.0		34.9	-4.9	10.0	10.0
Fixed Assets	210	167	202	257	302	461	530	610
Cash and cash equivalents	2,221	6,799	6,678	2,984	8,215	9,382	8,252	9,814
Other assets	777	1,121	1,239	1,364	1,600	2,184	2,402	2,642
Total Assets	34,802	45,102	51,169	67,370	95,340	1,22,117	1,51,111	1,87,915

E: MOFSL Estimates

AUM and Disbursements (in INR m)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
AUM	36,184	41,411	53,800	71,980	96,978	1,27,127	1,62,148	2,03,364
On-book Loans	30,407	33,718	43,515	60,521	82,126	1,07,308	1,37,015	1,71,843
Off-book Loans	5,777	7,693	10,285	11,459	14,852	19,819	25,133	31,521
Disbursements	16,183	10,966	20,304	30,127	39,632	48,052	58,227	70,549

Financials and Valuation

Ratios

Growth %	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
AUM	48.1	14.4	29.9	33.8	34.7	31.1	27.5	25.4
Disbursements	2.9	-32.2	85.2	48.4	31.6	21.2	21.2	21.2
Loan book (on balance sheet)	41.6	10.9	29.1	39.1	35.7	30.7	27.7	25.4
Total Assets	40.2	29.6	13.5	31.7	41.5	28.1	23.7	24.4
NII	52.6	26.4	45.4	41.2	26.3	21.0	40.2	24.0
PPOP	70.6	34.2	52.7	24.8	34.3	24.7	39.4	22.1
PAT	74.0	25.8	88.4	21.1	33.9	25.0	38.8	22.2
EPS	40.7	12.7	87.9	20.5	33.2	22.8	21.2	22.2

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Spreads and margin (%)								
Avg yield on loans	13.3	12.7	12.5	13.3	13.7	13.6	13.3	13.0
Avg. cost of funds	8.8	7.9	6.6	7.3	8.3	8.5	8.3	8.2
Interest Spread	4.5	4.8	5.9	5.9	5.5	5.1	5.0	4.8
NIM on AUM	5.3	5.2	6.2	6.6	6.2	5.7	6.2	6.1

Capital Structure & Profitability Ratios (%)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Debt-Equity ratio	2.7	2.2	2.2	2.6	3.4	3.8	2.5	2.8
CAR	49.0	56.2	58.6	49.4	39.5	33.2	47.4	43.5
Tier-I	47.7	55.2	58.1	48.9	39.1	32.8	47.0	43.2
Leverage	3.7	3.3	3.3	3.7	4.5	4.8	3.5	3.9
RoAA	2.7	2.5	3.9	3.9	3.8	3.5	3.9	3.8
RoAE	10.9	8.7	12.8	13.5	15.5	16.5	15.6	14.2
ROAAUM	2.6	2.6	4.0	3.6	3.6	3.4	3.7	3.5
Int. Expended/Int.Earned	54.6	52.0	42.1	42.1	48.6	52.8	48.3	47.4
Other Inc./Net Income	10.6	6.7	3.9	5.1	8.5	5.9	5.2	4.8
Cost/Productivity Ratios (%)								
Cost/Income	45.2	38.2	33.2	35.5	35.2	35.6	33.5	33.4
Op. Exps./Avg Assets	3.4	2.6	2.6	2.9	2.8	2.7	2.7	2.7
Op. Exps./Avg AUM	3.4	2.6	2.7	2.8	2.7	2.6	2.6	2.5
Non interest income as % of Total income	10.6	6.7	3.9	5.1	8.5	5.9	5.2	4.8
AUM/employee (INR m)	52	60	63	72	78	78	91	104
AUM/ branch (INR m)	532	575	673	648	729	820	937	1,082
Empl. Cost/Op. Exps. (%)	60	64	64	61	64	66	66	66

Asset Quality (INR m)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Gross NPA	315	622	1,015	974	1,393	1,808	2,123	2,501
GNPA %	1.0	1.8	2.3	1.6	1.7	1.7	1.5	1.5
Net NPA	234	398	763	643	979	1,353	1,571	1,826
NNPA %	0.8	1.2	1.8	1.1	1.2	1.3	1.1	1.1
PCR %	25.8	36.0	24.9	34.0	29.7	25.2	26.0	27.0
Credit cost % of avg AUM (bps)	54	83	53	34	30	26	28	27

Valuation	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
No.of Shares (m)	78.3	87.4	87.6	88.0	88.5	90.1	103.2	103.2
EPS	10.2	11.5	21.5	25.9	34.5	42.4	51.4	62.8
P/E (x)	117.3	104.1	55.4	46.0	34.5	28.1	23.2	19.0
BV (INR)	119	158	180	206	240	280	413	472
Price-BV (x)	10.0	7.5	6.6	5.8	5.0	4.3	2.9	2.5
Adjusted BV (INR)	117	155	173	201	231	269	402	458
Price-ABV (x)	10.2	7.7	6.9	5.9	5.2	4.4	3.0	2.6
DPS (INR)	0.0	0.0	0.0	2.6	3.4	3.7	4.0	4.5
Dividend yield (%)	0.0	0.0	0.0	0.2	0.3	0.3	0.3	0.4

E: MOFSL Estimates

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