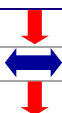


LIC Housing Finance

Estimate change

TP change

Rating change



Bloomberg	LICHF IN
Equity Shares (m)	550
M.Cap.(INRb)/(USD\$)	341.6 / 4
52-Week Range (INR)	827 / 484
1, 6, 12 Rel. Per (%)	-2/-4/-17
12M Avg Val (INR M)	1519

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	81.3	84.4	93.3
PPP	71.4	73.0	80.2
PAT	54.3	52.7	56.6
EPS (INR)	98.6	95.7	102.9
EPS Gr. (%)	13.9	-2.9	7.4
BV/Sh (INR)	659	734	815

Ratios

NIM (%)	2.8	2.7	2.7
C/I ratio (%)	16.2	17.2	17.3
RoAA (%)	1.8	1.6	1.6
RoE (%)	16.0	13.7	13.3
Payout (%)	10.1	11.0	10.7

Valuations

P/E (x)	6.3	6.5	6.1
P/BV (x)	0.9	0.9	0.8
Div. Yield (%)	1.6	1.7	1.8

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	45.2	45.2	45.2
DII	21.3	21.5	22.3
FII	21.6	21.2	22.3
Others	11.9	12.1	10.2

FII Includes depository receipts

CMP: INR621 TP: INR670 (+8%) Downgrade to Neutral

Tough balancing act in FY26; NIMs to moderate

Loan growth to remain muted given its trade-off with NIM in a declining rate cycle

- LICHF's 4QFY25 PAT grew ~25% YoY to ~INR13.7b (~7% beat). FY25 PAT grew ~14% YoY to INR54.3b.
- 4Q NII declined ~3% YoY to ~INR21.7b (~6% beat). The beat was primarily driven by NIM expansion of ~15bp QoQ, which in turn was aided by better surplus liquidity management and a ~10bp PLR hike taken by the company in 4Q. Fee and other income jumped 240% YoY to INR1.6b, primarily because of recoveries from the written-off accounts.
- Opex was elevated and grew ~18% YoY to INR4.5b and the cost-income ratio rose ~250bp QoQ to ~19.4% (PY: ~16.7% and PQ: ~16.9%). PPoP at ~INR18.8b (~8% beat) declined ~1% YoY.
- Reported yields in FY25 stood at 9.8% (9MFY25: 9.73%), while CoB declined to ~7.73% (9MFY25: 7.78%). This resulted in spreads improving to ~2.05% (9MFY25: 1.95%).
- Management acknowledged that NIMs are likely to remain under pressure in FY26, and emphasized that it is a tightrope walk between loan growth and margins, given that banks would remain aggressive in a declining interest rate environment.
- LICHF has reduced its PLR by ~25bp, effective 1st Apr'25. Given that the majority portion of its loan book is subject to a quarterly reset, the lower rates will come into effect for borrowers effective Jul'25, which will put some pressure on yields and margins. Given that there are more Repo rate cuts, which are expected through the course of this calendar year, it could further intensify NIM pressure on LICHF.
- Management guided for NIMs of ~2.6%-2.8% in FY26. We estimate NIM of 2.7% each in FY26/FY27 (vs. ~2.8% in FY25). LICHF shared that the home loan market has become increasingly competitive, with heightened pressure from banks. It has guided for double-digit loan growth in FY26.
- Our FY26E EPS is unchanged and we cut our FY27E EPS by ~4% to factor in lower loan growth and NIM compression. We estimate a CAGR of ~9%/2% in advances/PAT over FY25-27 and RoA/RoE of 1.6%/13% by FY27.
- The declining interest rate environment, coupled with intensifying aggression from banks (particularly in the prime ticket-size segment), will weigh on LICHF's loan growth and the consequent trade-off with margins. LICHF is making efforts to diversify into the affordable housing segment and focus on non-housing segment to drive incremental growth and support margins, but we believe that this strategic shift will be challenging and slow, given the company's limited track record and operational capability in these segments. **We downgrade our rating on the stock to NEUTRAL with an unchanged TP of INR670 (premised on 0.8x Mar'27E P/BV).**

Loan growth muted; disbursements grew 5% YoY

- Loan disbursements in individual home loans (IHL) grew ~8% YoY, while non-housing individual/commercial disbursements rose 19% YoY. Builder/ project loan disbursements declined ~42% YoY.
- Total disbursements rose ~5% YoY and ~24% QoQ to ~INR192b.
- Overall loan book grew ~7.3% YoY and ~3% QoQ to INR3.08t. Home loans grew ~7% YoY, while the developer loan book declined ~13% YoY. We estimate total loan growth of ~8% YoY in FY26.

Asset quality improves with GNPA declining ~30bp QoQ

- GS3/NS3 improved ~30bp/25bp QoQ to ~2.45%/1.2%. Stage 3 PCR rose ~4pp QoQ to ~51.3% (PQ: ~47.5%). Stage 1 PCR was largely stable at ~20bp (PQ: ~18bp), and Stage 2 PCR declined 70bp QoQ to 4% (PQ: 4.7%).
- Stage 2 + 3 assets (30+ dpd) declined ~85bp QoQ to 5.9% (vs. ~6.75% in 3QFY25). ECL/EAD declined ~7bp QoQ to ~1.6% (vs. 1.66% in 3QFY25).
- Credit costs stood at ~INR1.1b (~36% lower than MOFSLe), translating into annualized credit costs of 14bp (PY: ~60bp and PQ: -6bp). Management shared that net recoveries in FY25 stood at INR18b and it expects recoveries of INR15b in FY26. We model credit costs of ~20bp/25bp in FY26/FY27 (FY25: 10bp).

Highlights from the management commentary

- Hyderabad and Bengaluru saw some business impact in 3QFY25. However, Hyderabad has fully recovered, while Bengaluru is ~95% back on track, with the remaining 5% lag attributed to slower property registrations. Management shared that both these markets have largely stabilized.
- The Executive Committee of LICHF has approved the restructuring of another wholesale account in May'25, with an exposure of ~INR4.5b. This account will continue to be classified as an NPA until May'26.
- Management acknowledged the BT-out pressure in 4QFY25 as banks were aggressively cutting lending rates during the quarter.

Valuation and view

- LICHF delivered a mixed quarter wherein there was an earnings beat driven by NIM expansion and lower credit costs. However, loan growth remained muted despite disbursements being marginally better than estimates. Looking ahead, the company expects FY26 to be a difficult year, with sustained pressure on both margins and loan growth amid intensifying competition from banks, particularly in the prime home loan segment.
- LICHF's valuation of ~0.8x FY27E P/BV reflects the inability of the franchise to deliver stronger loan growth. **We estimate a CAGR of just ~9%/2% in advances/PAT over FY25-27E and RoA/RoE of 1.6%/13% by FY27. We downgrade our rating on the stock to Neutral with an unchanged TP of INR670 (based on 0.8x Mar'27E BV).**
- **Key risks:** a) an elongated period of weak loan growth because of high competitive intensity; and b) volatility in the NIM profile and ECL provisioning.

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	67,037	67,066	67,437	68,875	67,391	68,534	69,516	71,173	2,70,416	2,76,615	71,077	0
Interest Expenses	44,942	46,000	46,465	46,499	47,501	48,796	49,515	49,508	1,83,907	1,95,320	50,557	-2
Net Interest Income	22,094	21,066	20,972	22,376	19,891	19,739	20,001	21,664	86,509	81,295	20,520	6
YoY Growth (%)	37.2	81.2	30.6	12.4	-10.0	-6.3	-4.6	-3.2	36.7	-6.0	-8.3	
Fees and other income	429	521	488	493	446	784	1,057	1,661	1,931	3,948	742	124
Net Income	22,523	21,587	21,460	22,869	20,337	20,522	21,059	23,326	88,440	85,243	21,262	10
YoY Growth (%)	36.4	79.1	30.6	12.8	-9.7	-4.9	-1.9	2.0	36.3	-3.6	-7.0	
Operating Expenses	2,425	2,595	2,615	3,829	2,621	3,105	3,564	4,536	11,463	13,826	3,941	15
Operating Profit	20,098	18,993	18,845	19,041	17,715	17,417	17,495	18,790	76,976	71,416	17,320	8
YoY Growth (%)	38.8	101.1	39.0	8.7	-11.9	-8.3	-7.2	-1.3	40.0	-7.2	-9.0	
Provisions and Cont.	3,608	4,192	4,358	4,279	1,431	773	-440	1,094	16,437	2,858	1,716	-36
Profit before Tax	16,490	14,801	14,487	14,762	16,285	16,644	17,934	17,696	60,539	68,558	15,604	13
Tax Provisions	3,253	2,920	2,858	3,854	3,282	3,355	3,615	4,016	12,885	14,268	2,841	41
Net Profit	13,237	11,881	11,629	10,908	13,002	13,289	14,320	13,680	47,654	54,290	12,763	7
YoY Growth (%)	43	290	142	-8	-2	12	23	25	65	14	17	
Key Operating Parameters (%)												
Yield on loans (Cal)	9.72	9.68	9.65	9.70	9.37	9.40	9.37	9.38	9.9	9.5		
Cost of funds (Cal)	7.40	7.59	7.61	7.47	7.50	7.64	7.62	7.43	7.4	7.5		
Spreads (Cal)	2.33	2.09	2.04	2.23	1.87	1.76	1.75	1.95	2.5	2.0		
Margins (Cal)	3.21	3.04	3.00	3.15	2.76	2.71	2.69	2.86	3.1	2.7		
Credit Cost (Cal)	0.52	0.60	0.62	0.60	0.20	0.11	-0.06	0.14	0.6	0.1		
Cost to Income Ratio	10.8	12.0	12.2	16.7	12.9	15.1	16.9	19.4	13.0	16.2		
Tax Rate	19.7	19.7	19.7	26.1	20.2	20.2	20.2	22.7	21.3	20.8		
Balance Sheet Parameters												
Loans (INR B)	2,764	2,780	2,812	2,868	2,887	2,946	2,991	3,077	2806	3028		
Change YoY (%)	8.1	6.0	4.8	4.3	4.4	6.0	6.4	7.3	4.8	7.9		
Indiv. Disb. (INR B)	106	142	148	167	124	151	145	183	564	602		
Change YoY (%)	-28.8	-13.1	-5.5	15.6	16.9	6.0	-2.1	9.3	-8.2	6.9		
Borrowings (INR B)	2,414	2,436	2,451	2,530	2,537	2,574	2,626	2,706	2525	2706		
Change YoY (%)	6.8	4.6	2.0	3.4	5.1	5.7	7.1	7.0	3.2	7.2		
Loans/Borrowings (%)	114.5	114.1	114.7	113.4	113.8	114.4	113.9	113.7	111.1	111.9		
Asset Quality Parameters												
GS 3 (INR B)	137.1	120.4	119.8	94.9	95.3	90.1	82.3	76.0	94.9	76.0		
Gross Stage 3 (% on Assets)	5.0	4.33	4.26	3.31	3.30	3.06	2.75	2.47	3.3	2.5		
NS 3 (INR B)	79.2	70.8	61.6	46.2	48.0	45.7	43.2	37.1	46.2	37.1		
Net Stage 3 (% on Assets)	2.9	2.61	2.25	1.65	1.69	1.58	1.47	1.22	1.6	1.2		
PCR (%)	42.3	41.2	48.6	51.4	49.6	49.3	47.5	51.3	51.4	51.2		
ECL (%)	2.75	2.34	2.45	2.19	1.96	1.85	1.66	1.59				
Loan Mix (%)												
Home loans	83.2	84.4	84.9	85.1	85.3	85.2	85.1	85.0				
LAP	12.3	12.1	12.1	12.8	12.7	12.9	13.2	13.3				
Non Individual loans	4.3	3.5	3.0	2.1	2.0	1.9	1.7	1.7				
Borrowing Mix (%)												
Banks	31.0	33.0	35.0	34.0	34.0	34.0	33.0	32.0				
NCD	54.0	53.0	52.0	52.0	54.0	54.0	54.0	55.0				
Sub Debt	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0				
Deposits	5.0	5.0	4.0	4.0	3.0	3.0	3.0	3.0				
NHB	5.0	4.0	4.0	4.0	4.0	4.0	5.0	4.0				
CP	4.0	4.0	4.0	5.0	4.0	4.0	4.0	5.0				

E: MOFSL Estimates



Highlights from the management commentary

Guidance

- Guided for disbursement growth of 10-15% and a double-digit loan growth.
- Guided for NIM of 2.6-2.8% and spreads of ~2%. It will be a tight balancing act - LICHF would need to increase the loan disbursements to margin-accretive segments - LRD, LAP, Project Loans, and Affordable Housing, where yields are much better. It will have to diversify into non-housing segments and work on its cost of liabilities.
- Guided for GNPA to decline to <2.2% and credit costs guidance of 9-15bp.
- Net recoveries of INR18b in FY25 and INR6.15b in 4QFY25. Guided that it will target net recoveries of ~INR15b in FY26.

Yields and PLR changes

- Due to an increase in the borrowing costs, LICHF had earlier taken an increase in its PLR of ~10bp in 4QFY25.
- LICHF reduced its PLR by ~25bp effective from 1st Apr'25 onward. There are some loans, which it resets every month and they would have got reset already. LICHF's major chunk of the IHL book has a quarterly reset and the ~25bp reset on the back book will happen from the 1st Jul'25.
- Majority of LICHF's loans are repriced quarterly so the PLR cut taken in Apr'25 will be effective for customers effective Jul'25.
- Incremental CoF stood at 7.66% in 4QFY25 and stood at 7.3% in May'25.
- LICHF revisits/reprices its PLR rate at the beginning of every quarter.

Margins

- NIM will be under pressure and it will require deft handling on the part of the company so that it does not lose out on the spreads and NIM.

Liabilities

- 55% Fixed and 45% Floating (linked to the Repo Rate and EBLR)
- NHB borrowings under the affordable housing fund come at 5.5-6.0%. But the rest of the NHB borrowings are costlier than other sources of borrowings.
- Out of 32% of bank borrowings, most of them are linked to repo rate and T-Bill. A small proportion of bank loans are linked to MCLR.
- ~INR300b of NCDs will mature in FY26 and they will be re-priced at lower rates.

Competitive landscape

- Focused on individual HL and competition is with banks which have CASA benefits. Competition is intense and rate on new Home loans is down to 8%.
- IHL market is getting very competitive as banks are becoming aggressive. Mortgage demand is there and there is a segment of customers who do not need home loans at lowest rates of 8%. LICHF will look to balance both Loan growth and NIM.
- It will be careful in passing on Repo rate cuts to borrowers and it will be flexible in passing on rate cuts to the customers based on the competitive intensity.

Loan Growth

- Hyderabad and BLR were impacted in 3Q; HYD is 100% back on track and BLR is 95% back on track (still experiencing ~5% pain because of slower registrations). Both these regions are back on track. East regions (WB, Assam and NE) are still behind expectations even though they represent a much smaller proportion of the loan mix.
- 4Q trends gives LICHF optimism about healthier growth in the subsequent quarters.
- BT pressure was witnessed in 4Q; banks were aggressive in cutting their lending rates. LICHF will have a tightrope walk compared to banks.

Change in CFO

- Mr. Sudipto Sil (ex CFO) needed some exposure in other lines of business and he has been moved into marketing.
- Mr. Vikas Mundra (new CFO) is an old hand with LIC of India and is a Chartered Accountant.

Asset quality

- Asset quality will continue to improve; Legacy-wise it still has ~INR80-90b of project portfolio. It also did an ARC transaction earlier this year to resolve one stressed developer loan.
- Its Executive Committee has agreed to restructure one more account in May'25 where the exposure is ~INR4.5b; It will remain in NPA for one more year till May'26.
- Big-ticket Project loans are lying in default; Project Loans are slightly tricky since they are in litigation in various courts; It is extending an offer to various delinquent accounts for settlement. However, it will not settle accounts below the principal outstanding.

Opex

- Elevated opex in 4QFY25 was because of marketing spends, promotions, competition contests in 4Q, and CSR spending. Fees and Commissions also rose.
- In Feb'25, it concluded the wage revisions at 17% (vs. usually at 15%) (this happens once in 5 years).
- Until last year, technology spending was under the capex model and from now on, it will be leasing the hardware, which will make it an opex.

Project Finance

- Project Finance book has shrunk since it has multiple large accounts (where lending was earlier done at 11.0-11.5%), which have gone out. LICHF has decided that it will not lend at rates of 8.5%-9.0% to builders/developers.
- In FY26, LICHF targets INR100b of disbursements in Project Finance.
- In 4QFY25, there were no large builder loans that were resolved. What is left now are the difficult loans in the Developer Stage 3 book. It is hopeful that there will be 2-3 resolutions in project finance in FY26.

Affordable segment

- Guided for disbursements of INR20b in affordable housing. It will take another 2-3 years for this segment to ramp up.

Business Update and Financial Performance

- Project Loans stood at <2% of the loan mix
- NIM in 4Q stood at 2.86% (3Q: 2.70%)
- Board declared a dividend of INR10/share
- Total ECL provisions stood at ~INR49b. Stage 3 PCR stood at ~51%.
- Technical write-offs stood at INR13.68b in FY25

Others

- Affordable Housing yields of 11-12%. LAP yields of 10.5%-11%.
- Benefit in interest income from the NPA recoveries is INR160m (FY25: INR4b)
- Recoveries from written-off accounts are part of the other income and they led to higher other income during the quarter.

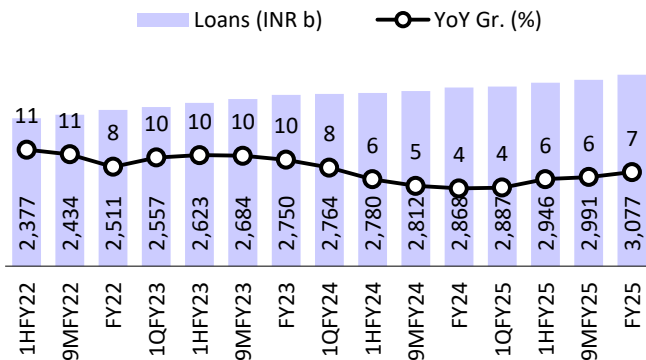
Exhibit 1: Segment-wise split of Stage 3

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Individual home loans (IHL)	2.20%	1.2%	1.7%	1.5%	1.4%	1.3%	1.2%	1.1%
Non-housing individual (NHI)	7.8%	7.1%	6.5%	5.5%	5.4%	5.0 %	4.6 %	3.8%
Non-housing commercial (NHC)	24.0%	35.5%*	40.8%*	30.7%*				
Project loans	42.2%	45.6%	40.0%	42.1%	33.1%*	30.1%*	27%*	24.5%*

*Including Project loans

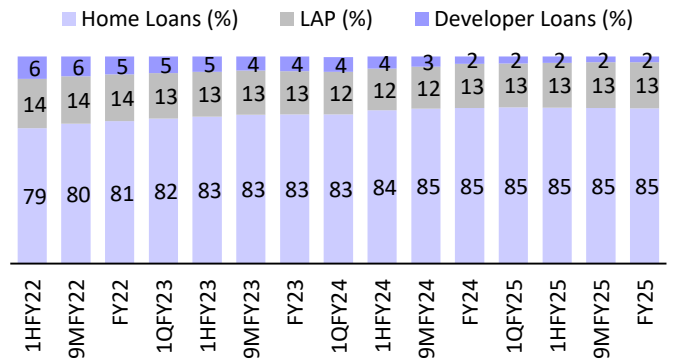
Story in charts

Exhibit 2: Loan book grew 7% YoY



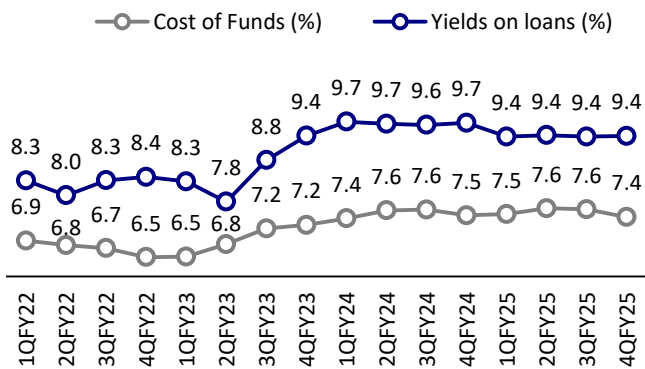
Source: MOFSL, Company

Exhibit 3: Loan mix stable QoQ (%)



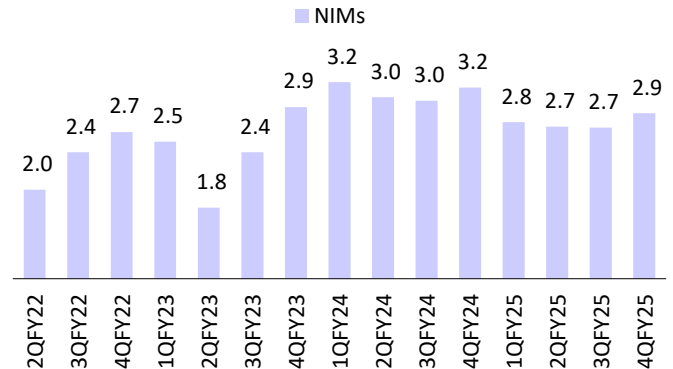
Source: MOFSL, Company

Exhibit 4: Calculated yields stable QoQ



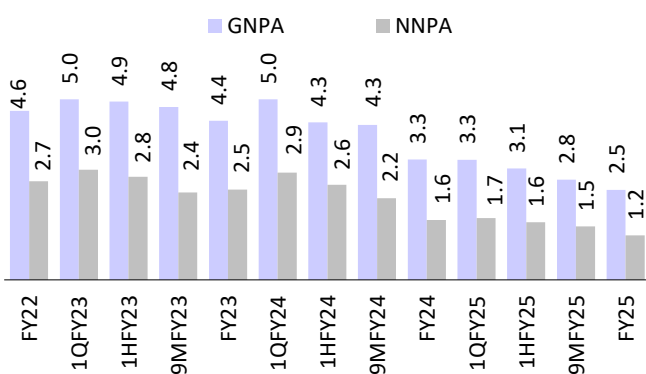
Source: MOFSL, Company

Exhibit 5: NIM rose ~15bp QoQ (%)



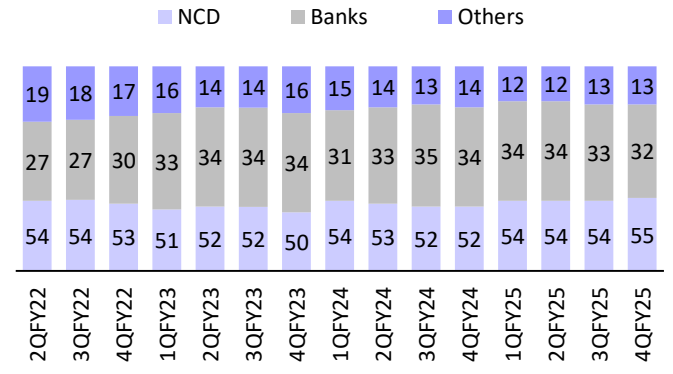
Source: MOFSL, Company

Exhibit 6: GS3 improved ~30bp QoQ to ~2.5%



Source: MOFSL, Company

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

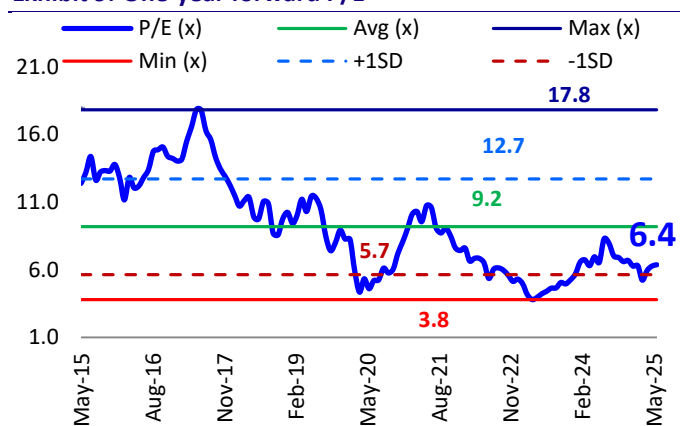


Source: MOFSL, Company

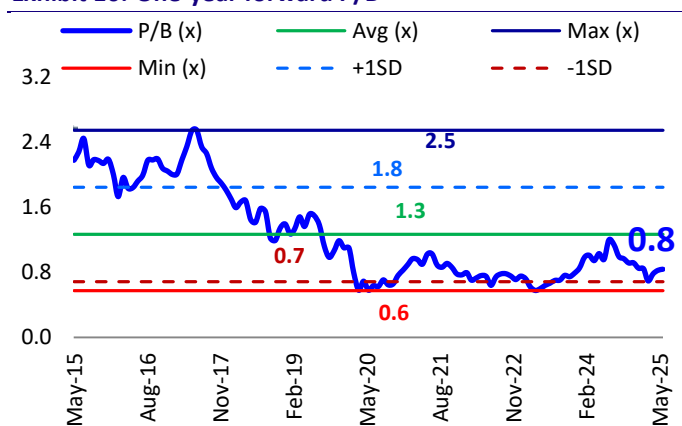
Exhibit 8: We cut our FY27 EPS estimates by ~4% to factor in lower loan growth and NIM compression

INR B	Old Est.		New Est.		% Change	
	FY26	FY27	FY26	FY27	FY26	FY27
NII	83.8	95.9	84.4	93.3	0.7	-2.7
Other Income	3.2	3.4	3.8	3.7	18.2	7.1
Net Income	87.0	99.4	88.2	97.0	1.3	-2.4
Operating Expenses	14.3	15.8	15.2	16.8	6.4	6.5
Operating Profits	72.8	83.6	73.0	80.2	0.3	-4.0
Provisions	7.8	10.2	6.3	8.6	-19.0	-15.8
PBT	65.0	73.4	66.7	71.7	2.6	-2.4
Tax	12.8	14.5	14.0	15.0		
PAT	52.2	59.0	52.7	56.6	1.0	-4.0
Loans	3,240	3,539	3,282	3,571	1.3	0.9
Borrowings	2,879	3,138	2,924	3,172	1.6	1.1
Spreads (%)	1.88	2.02	1.90	1.95		
RoAA (%)	1.6	1.7	1.6	1.6		
RoAE (%)	13.8	14.0	13.7	13.3		

Source: MOFSL, Company

Exhibit 9: One-year forward P/E


Source: MOFSL, Company

Exhibit 10: One-year forward P/B


Source: MOFSL, Company

Financials and valuations

Income Statement									(INR M)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest Income	1,71,628	1,96,054	1,96,971	1,96,885	2,25,162	2,70,416	2,76,615	2,86,226	3,08,245
Interest Expense	1,28,915	1,47,839	1,44,526	1,41,537	1,61,860	1,83,907	1,95,320	2,01,850	2,14,915
Net Interest Income	42,713	48,215	52,445	55,348	63,303	86,509	81,295	84,376	93,331
Change (%)	21.3	12.9	8.8	5.5	14.4	36.7	-6.0	3.8	10.6
Fee Income	348	394	788	982	448	491	371	415	460
Other Income	1,669	250	718	1,664	1,132	1,440	3,577	3,398	3,228
Net Income	44,730	48,859	53,951	57,994	64,882	88,440	85,243	88,189	97,019
Change (%)	21.0	9.2	10.4	7.5	11.9	36.3	-3.6	3.5	10.0
Operating Expenses	4,754	6,167	7,015	9,994	9,883	11,463	13,826	15,176	16,794
Operating Profits	39,976	42,692	46,936	48,000	55,000	76,976	71,416	73,013	80,225
Change (%)	22.7	6.8	9.9	2.3	14.6	40.0	-7.2	2.2	9.9
Provisions/write offs	6,181	10,002	13,450	20,218	19,430	16,437	2,858	6,311	8,566
PBT	33,796	32,690	33,486	27,782	35,570	60,539	68,558	66,702	71,659
Tax	9,486	8,672	6,142	4,909	6,660	12,885	14,268	14,007	15,048
Tax Rate (%)	28.1	26.5	18.3	17.7	18.7	21.3	20.8	21.0	21.0
PAT	24,310	24,018	27,343	22,873	28,910	47,654	54,290	52,695	56,611
Change (%)	21.4	-1.2	13.8	-16.3	26.4	64.8	13.9	-2.9	7.4
Adjusted PAT	24,310	24,018	27,343	22,873	28,910	47,654	54,290	52,695	56,611
Change (%)	21.4	-1.2	13.8	-16.3	26.4	64.8	13.9	-2.9	7.4
Proposed Dividend	4,471	4,040	4,292	4,678	4,678	4,954	5,504	5,781	6,052

Balance Sheet

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Capital	1,010	1,010	1,010	1,101	1,101	1,101	1,101	1,101	1,101
Reserves & Surplus	1,61,583	1,80,921	2,04,203	2,45,618	2,69,903	3,12,846	3,61,467	4,02,877	4,47,655
Net Worth	1,62,593	1,81,931	2,05,213	2,46,718	2,71,003	3,13,946	3,62,568	4,03,978	4,48,756
Borrowings	17,06,670	19,13,317	20,78,615	22,36,582	24,47,742	25,24,968	27,05,972	29,24,425	31,72,441
Change (%)	17.5	12.1	8.6	7.6	9.4	3.2	7.2	8.1	8.5
Other liabilities	1,36,572	72,808	72,505	62,375	65,374	73,132	70,726	74,262	77,975
Total Liabilities	20,05,835	21,68,056	23,56,333	25,45,675	27,84,120	29,12,046	31,39,266	34,02,664	36,99,172
Investments	35,951	54,964	46,357	61,986	69,764	62,770	71,421	78,564	86,420
Change (%)	82.3	52.9	-15.7	33.7	12.5	-10.0	13.8	10.0	10.0
Loans	19,29,927	20,79,880	22,81,143	24,52,963	26,78,348	28,05,898	30,28,458	32,82,183	35,70,558
Change (%)	16.1	7.8	9.7	7.5	9.2	4.8	7.9	8.4	8.8
Net Fixed Assets	1,359	2,544	2,469	2,876	3,570	3,609	3,781	3,970	4,168
Other assets	38,598	30,669	26,364	27,849	32,439	39,770	35,605	37,949	38,026
Total Assets	20,05,835	21,68,056	23,56,333	25,45,675	27,84,120	29,12,046	31,39,266	34,02,664	36,99,172

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Spreads Analysis (%)									
Yield on loans	9.6	9.8	9.0	8.3	8.8	9.9	9.5	9.1	9.0
Cost of funds	8.2	8.2	7.2	6.6	6.9	7.4	7.5	7.2	7.1
Spreads Analysis (%)	1.4	1.6	1.8	1.76	1.87	2.46	2.01	1.90	1.95
Margins	2.4	2.4	2.4	2.3	2.5	3.2	2.8	2.7	2.7
Profitability Ratios (%)									
Adj RoAE	15.9	13.9	14.1	10.1	11.2	16.3	16.0	13.7	13.3
Adj RoAA	1.3	1.2	1.2	0.9	1.1	1.7	1.8	1.6	1.6
Int. Expended/Int.Earned	75.1	75.4	73.4	71.9	71.9	68.0	70.6	70.5	69.7
Other Inc./Net Income	3.7	0.5	1.3	2.9	1.7	1.6	4.2	3.9	3.3
Efficiency Ratios (%)									
Fees/Operating income	0.2	0.2	0.4	0.5	0.2	0.2	0.1	0.1	0.1
Op. Exps./Net Income	10.6	12.6	13.0	17.2	15.2	13.0	16.2	17.2	17.3
Empl. Cost/Op. Exps.	52.1	48.5	41.8	56.4	47.9	53.2	50.8	50.9	51.5
Asset-Liability Profile (%)									
Loans/Borrowings Ratio	113.1	108.7	109.7	109.7	109.4	111.1	111.9	112.2	112.5
Debt/Equity (x)	10.5	10.5	10.1	9.1	9.0	8.0	7.5	7.2	7.1
Gross NPAs (Rs m)	30,754	59,594	95,585	1,16,520	1,20,196	94,945	76,010	67,804	58,878
Gross NPAs to Adv.	1.6	2.8	4.1	4.7	4.4	3.3	2.5	2.1	1.6
Net NPAs (Rs m)	15,514	33,474	57,414	66,314	66,383	46,178	37,071	56,560	40,173
Net NPAs to Adv.	0.8	1.6	2.5	2.7	2.5	1.6	1.2	1.7	1.1

Valuation	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Book Value (INR)	322	360	406	448	492	570	659	734	815
Growth (%)	14.2	11.9	12.8	10.3	9.8	15.8	15.5	11.4	11.1
Price-BV (x)	1.9	1.7	1.5	1.4	1.3	1.1	0.9	0.9	0.8
Adjusted BV (INR)	313.7	342.4	375.7	415.7	459.8	547.7	640.6	706.2	795.6
Price-ABV (x)	1.9	1.7	1.5	1.4	1.3	1.1	0.9	0.9	0.8
OPS (INR)	79.2	84.5	93.0	87.2	99.9	139.9	129.8	132.7	145.8
Growth (%)	22.7	6.8	9.9	-6.2	14.6	40.0	-7.2	2.2	9.9
Price-OP (x)	7.9	7.4	6.7	7.2	6.3	4.5	4.8	4.7	4.3
EPS (INR)	48.1	47.6	54.2	41.6	52.5	86.6	98.6	95.7	102.9
Growth (%)	21.4	-1.2	13.8	-23.3	26.4	64.8	13.9	-2.9	7.4
Price-Earnings (x)	13.0	13.1	11.5	15.0	11.9	7.2	6.3	6.5	6.1
Adj. EPS (INR)	48.1	47.6	54.2	41.6	52.5	86.6	98.6	95.7	102.9
Growth (%)	21.4	-1.2	13.8	-23.3	26.4	64.8	13.9	-2.9	7.4
Price-Earnings (x)	13.0	13.1	11.5	15.0	11.9	7.2	6.3	6.5	6.1
Dividend Per Share	7.6	8.0	8.5	8.5	8.5	9.0	10.0	10.5	11.0
Dividend Yield (%)	1.2	1.3	1.4	1.4	1.4	1.4	1.6	1.7	1.8

E: MOFSL Estimates

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