LIC Housing Finance (LICHF)

NBFC | 4QFY25 Result Update

BUY

CMP: Rs621 | Target Price (TP): Rs781 | Upside: 26%

May 18, 2025

Disbursement Rebound; Margins to Stay Subdued in FY26

Key Points

- LICHF's 4QFY25 reported set of numbers for NII / PPOP were in line with our estimates (2.9% / -0.3%). PAT was at a variation of -2.9% vs. our estimates due to higher than estimated provisions.
- Disbursements grew by 24% QoQ / 5% YoY with broad-based growth across regions except for the east which forms a smaller part of loan book. The company has guided for a double-digit AUM growth in FY26 and we build in a growth rate of 12% for FY26.
- 4QFY25 NIMs improved by 16bps QoQ to 2.86%. We expect NIMs to be under pressure due to competition from other banks and NBFCs and the current volatile interest rate scenario. We expect NIMs to be 2.7% in FY26.
- Asset quality trend improved; expect additional resolutions to come through in FY26.
- We have estimated loan / earnings CAGR of 12% / 10% in FY25-FY27E resulting in RoA /RoE of 1.8% /14.9% in FY27E. Roll forward our valuation to Mar'27 with a multiple of 1x ABVPS (same as earlier) resulting in a TP of Rs 781. Our target multiple is at a 12.6% discount to past 5-year average multiple of 1.1x. Maintain BUY as the stock is attractively priced.

Hyderabad & Bangalore Rebound, Disbursements Poised for 12% Growth in FY26: In Q4FY25, disbursements witnessed strong momentum, growing 24% QoQ/ 5% YoY to reach Rs 191.56 bn. This growth was broad-based across all regions, except the East (comprising West Bengal, Assam, and the Seven Sister States), which underperformed slightly compared to expectations. However, the East continues to contribute only a small portion to the overall book. Previously, in Q3, disbursements were impacted by region-specific issues—approximately Rs 7-8 bn of disbursement was deferred due to disruptions in Hyderabad (related to HYDRA) and Bangalore (related to E-Khata). These issues significantly affected Q3 volumes. In Q4, Hyderabad fully recovered, delivering strong disbursement performance. Bangalore too has largely recovered—about 95% back on track—though a minor backlog (~5%) still persists due to delays in electronic registrations that began piling up in Q3 and continued into Q4. Management commentary in Q4 confirmed that both Hyderabad and Bangalore are now largely operational, which significantly contributed to the sharp sequential uptick in disbursements. April was satisfactory, as expected after a seasonally strong March, and May is showing signs of acceleration. The company is targeting at least 10–12% growth in disbursements. Overall loan book growth was soft (+7% YoY) to Rs 3,077.32 bn. The composition of the loan book in terms of Individual/LAP/Project loans stood at 85.0%/12.0%/3.0%. The company is strategically focusing on balancing growth with margins by reducing its dependence on the intensely competitive Individual Home Loan segment and shifting toward higher-yielding products such as Affordable Housing, Non-Housing Corporate Loans, and Builder Loans. A new offering in the affordable housing space—targeted primarily at self-employed customers and priced 250–300 bps higher than standard home loans—is already witnessing strong traction. The company is gradually scaling up its presence in this segment and plans to invest in infrastructure and operational capacity to support its growth. For FY26, the management has set a disbursement target of Rs 20 bn in the affordable housing segment alone. Overall, it continues to aim for double-digit AUM growth in FY26, supported by the strong recovery in Q4 and normalization of operations across geographies. We build in 12% for loan growth in FY26.

Est Change	No Change
TP Change	Upwards
Rating Change	No change

Company Data and Valuation Summary

Reuters	LICH.BO
Bloomberg	LICHF IN Equity
Market Cap (Rsbn / US$bn)	341.6 / 4.0
52 Wk H / L (Rs)	827 / 484
ADTV-3M (mn) (Rs / US$)	974.4 / 11.3
Stock performance (%) 1M/6M/1yr	4.6 / 2.1 / (4.9)
Nifty 50 performance (%) 1M/6M/1yr	11.7 / 8.4 / 11.4

Shareholding	2QFY25	3QFY25	4QFY25
Promoters	45.2	45.2	45.2
DIIs	20.5	21.4	21.3
FIIs	22.0	21.2	21.6
Others	12.3	12.1	11.9
Pro pledge	0.0	0.0	0.0

Financial and Valuation Summary

Particulars (Rsmn)	FY24	FY25	FY26E	FY27E
NII	86,509	81,295	88,024	98,675
% growth	*36.7*	*(6.0)*	*8.3*	*12.1*
NIM %	*3.1*	2.7	2.7	2.8
C/I Ratio %	*13.0*	16.2	15.0	15.0
Operating Profit	76,976	71,416	80,250	89,485
% growth	*40.0*	*(7.2)*	*12.4*	*11.5*
Adjusted PAT	47,654	54,290	58,824	65,616
% growth	*64.8*	*13.9*	*8.4*	*11.5*
ABVPS (INR /share)	487	591	674	770
P/ABV	1.3	1.1	0.9	0.8
RoA (%)	*1.7*	1.8	1.8	1.8
Leverage (x)	9.7	8.9	8.6	8.4
RoE (%)	*16.3*	16.0	15.2	14.9

Source: Bloomberg, Company, Nirmal Bang Institutional Equities Research

Key Links - 4QFY25 Presentation | Result

Please refer to the disclaimer towards the end of the document.

Rati J Pandit, CFA
Research Analyst
rati.pandit@nirmalbang.com
+91-22-6273-8068

Expect NIMs to be under pressure likely staying within the 2.6%-2.8% range for FY26: FY25 reported yield on advances stood at 9.79% in FY25 vs 9.89% in FY24(9.73% in 9MFY25) and the company's cost of funds (CoF) improved marginally by 3 bps, declining to 7.73% in FY25, compared to 7.76% in FY24 (and 7.78% in 9MFY25). This improvement was primarily driven by the successful renegotiation of rates on certain existing borrowings. Since April, the CoF has further reduced to 7.3% (7.66% in Q4). The total borrowing book stands at approximately Rs 2,706.27 bn. A significant portion of this book comprises term loans linked to the repo rate, which respond quickly to any reduction in benchmark rates. Around 45% of the borrowings are floating-rate, meaning any softening in the interest rate environment will lead to a benefit in borrowing costs. Additionally, some older borrowings were taken at higher rates. As these mature or are prepaid, they will be replaced with new borrowings at lower current market rates. Spread came to 2.06% (vs. 2.13% in FY24). Q4FY25 NIMs expanded by 16bps and stood at 2.86% in 4QFY25 vs 2.70% in 3QFY25 (3.15% in 4QFY24). The company follows a differentiated strategy through its LHPLR-based lending rate, which is not directly linked to the repo rate. As a result, rate cuts are not automatically passed on to customers. Instead, the company adjusts lending rates only after actual borrowing costs come down, particularly on the liabilities side. Given the volatile interest rate environment, any benefit from expected repo rate cuts may take time to reflect in lower CoF. Meanwhile, the company is scaling up its affordable housing portfolio, which offers higher yields but will take time to materially contribute to margins. Until then, we expect NIMs to remain under pressure in the short term due to excess competition from banks and other HFCs in the IHL portfolio and the current volatile interest rate scenario. The company has guided for NIMs in the 2.6–2.8% range, with spreads expected to stay near 2.0%. We build in 2.7 NIMs for FY26. C/I ratio stood at 19.4% during the quarter (vs. 16.9% in 3QFY25); we expect it to trend at ~15% in FY26E.

Improving asset quality trend: Asset quality improved with Gross Stage 3 at 2.47% vs. 2.75% in 3QFY25. PCR on Stage 3 assets stood at 51.23% vs 48% in Q3FY25(51.35% in Q4FY24), while total ECL provision stood at Rs 48.99 bn as of FY25.The company has been actively working on resolving large, sticky project loans, which currently make up 21–24% of the total stressed book. In Q3, one large loan (~Rs 2.5 bn) was successfully resolved through ARC. Another significant loan of Rs 4.5 bn has recently been approved for restructuring by the board's executive committee, with the restructuring becoming effective in May. As per RBI norms, the loan will continue to be classified as NPA for a year post-restructuring, and is expected to exit NPA status by May next year. In addition to ARC, the company is exploring other resolution routes, including direct settlements and legal proceedings through DRT, CLT, and NCLT, though these processes are time-consuming. A previous attempt to sell a bundle of loans received no interest, leading the company to consider breaking up such portfolios into smaller, more digestible chunks for better market response. Despite the ongoing challenges, management remains optimistic about asset quality. The company aims to bring GS3 down to below 2.2%. Credit cost remains low, at just 15bps, and is expected to stay within 9–15 bps even in the worst-case scenario. We build in a 15bps credit cost of for FY26.

Exhibit 1: Quarterly Performance

Particulars (Rsmn)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	FY24	FY25	4Q25E	Devi (%)	YoY (%)	QoQ (%)
Net interest income	**22,094**	**21,066**	**20,972**	**22,376**	**19,891**	**19,739**	**20,001**	**21,664**	**86,509**	**81,295**	**21,051**	***2.9***	***-3.2%***	***8.3%***
YoY Change (%)	*37.2*	*81.2*	*30.6*	*12.4*	*-10.0*	*-6.3*	*-4.6*	*-3.2*	*36.7*	*-6.0*	*-5.9*	-	-	-
Non-interest income	429	521	488	493	446	784	1,057	1,661	1,931	3,948	1,110	*49.6*	*236.7%*	*57.1%*
Net Revenue	**22,523**	**21,587**	**21,460**	**22,869**	**20,336**	**20,522**	**21,058**	**23,325**	**88,440**	**85,243**	**22,161**	***5.3***	***2.0%***	***10.8%***
Operating Expenses	2,425	2,595	2,615	3,829	2,621	3,105	3,564	4,536	11,463	13,826	3,324	*36.4*	*18.5%*	*27.3%*
Operating profit	**20,098**	**18,993**	**18,845**	**19,041**	**17,715**	**17,417**	**17,494**	**18,790**	**76,976**	**71,416**	**18,837**	*-0.3*	*-1.3%*	*7.4%*
YoY Change (%)	*38.8*	*101.1*	*39.0*	*8.7*	*-11.9*	*-8.3*	*-7.2*	*-1.3*	*40.0*	*-7.2*	*-1.1*	-	-	-
Provisions	3,608	4,192	4,358	4,279	1,431	773	-440	1,094	16,437	2,858	767	***42.7***	***-74.4%***	***NA***
Profit before Tax	**16,490**	**14,801**	**14,487**	**14,762**	**16,284**	**16,644**	**17,934**	**17,696**	**60,539**	**68,558**	**18,070**	***-2.1***	***19.9%***	***-1.3%***
Tax	3,253	2,920	2,858	3,854	3,282	3,355	3,615	4,016	12,885	14,268	3,975	*1.0*	***4.2%***	***11.1%***
ETR (%)	*19.7*	*19.7*	*19.7*	*26.1*	*20.2*	*20.2*	*20.2*	*22.7*	*21.3*	*20.8*	*22.0*	-	-	-
Net Profit	**13,237**	**11,881**	**11,629**	**10,908**	**13,002**	**13,289**	**14,319**	**13,680**	**47,654**	**54,290**	**14,095**	***-2.9***	***25.4%***	***-4.5%***
YoY Change (%)	*43.0*	*289.6*	*142.1*	*-7.6*	*-1.8*	*11.9*	*23.1*	*25.4*	*64.8*	*13.9*	*29.2*	-	-	-
Business Metrics														
Loan Book (Rs bn)	2,764	2,780	2,812	2,806	2,887	2,946	2,991	3,028	2,806	3,028	3,066	***-1.2***	***7.9%***	***1.2%***
YoY Change (%)	*8.1*	*6.0*	*4.8*	*4.8*	*4.4*	*6.0*	*6.4*	*7.9*	*4.8*	*7.9*	*9.3*	-	-	-
Borrowings (Rs bn)	2,414	2,436	2,451	2,525	2,537	2,574	2,626	2,706	2,525	2,706	2,666	***1.5***	***7.2%***	***3.1%***
YoY Change (%)	*6.8*	*4.6*	*2.0*	*3.2*	*5.1*	*5.7*	*7.1*	*7.2*	*3.2*	*7.2*	*5.6*	-	-	-
Asset Quality Metrics														
GS-3 (%)	*4.96*	*4.33*	*4.26*	*3.31*	*3.30*	*3.06*	*2.75*	*2.47*	*3.31*	*2.47*	*2.70*	*23 bps*	*-84 bps*	*-28 bps*
NS-3 (%)	*2.86*	*2.55*	*2.19*	*1.61*	*1.66*	*1.55*	*1.44*	*1.20*	*1.61*	*1.20*	*1.40*	*20 bps*	*-40 bps*	*-24 bps*
PCR (%)	*42.3*	*41.2*	*48.6*	*51.4*	*49.7*	*49.0*	*48.0*	*51.2*	*51.4*	*51.2*	*48.1*	*-312 bps*	*-12 bps*	*323 bps*

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 2: Change in our estimates

Earning Revision	Revised Estimate			Earlier Estimate			*% Revision*		
	FY25A	FY26E	FY27E	FY25E	FY26E	FY27E	*FY25*	*FY26E*	*FY27E*
Net Interest Income (Rs mn)	81,295	88,024	98,675	80,682	95,135	1,04,585	*0.8*	*-7.5*	*-5.7*
Net Interest Margin (%)	*2.7*	*2.7*	*2.8*	*2.7*	*2.9*	*2.9*	*-1 bps*	*-21 bps*	*-13 bps*
Operating Profit (Rs mn)	71,416	80,250	89,485	71,463	85,681	94,283	*-0.1*	*-6.3*	*-5.1*
Profit after tax (Rs mn)	54,290	58,824	65,616	54,705	59,575	65,216	*-0.8*	*-1.3*	*0.6*
ABVPS (Rs)	591	674	770	565	650	745	*4.8*	*3.7*	*3.3*

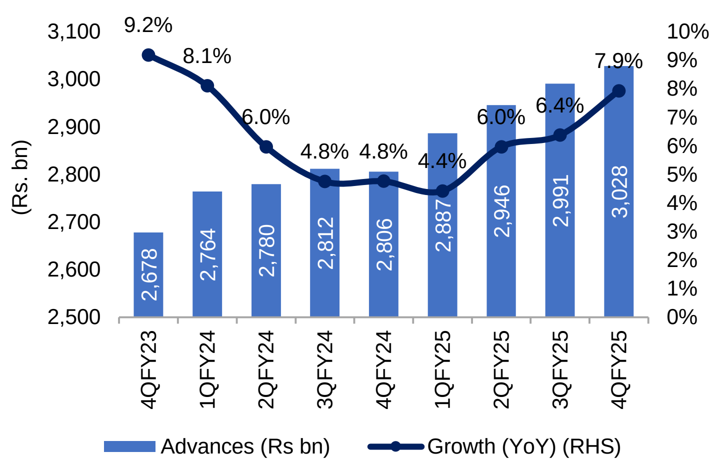
Source: Company, Nirmal Bang Institutional Equities Research

Con-call Key Takeaways

- Loan book grew by 7% on a YoY basis to Rs 3,077.32 bn as on Q4FY25, IHL book grew by 7% YoY to Rs 2985.19 bn. Project loan expanded by 15% YoY and stood at Rs 92.13 bn . The share of project loans in the overall loan book composition marginally increased from 2.8% in Q4FY24 to 3.0% in Q4FY25. Loan book composition for Q4FY25 are as follows: Individual home loans/Non housing individual/project loans/NHC-others 85.0%/10.3%/3.0%/1.7%. The company is strongly building capacity to build its yield accretive affordable loans and targets disbursement of ~Rs 20 bn in this segment for FY26. The company targets an overall AUM growth of double digit in FY26.
- The proportion of pure floating loans in the overall loan book remains at 99% as on FY25.
- Total disbursements grew by 5%/24% YoY/QoQ and stood at Rs 191.56 bn. Within this, the individual home loan segment registered a disbursement of Rs. 153.83 bn and grew by 8% YoY. Disbursements under non-housing individual loans grew by 21% YoY and stood at Rs 26.76 bn. Non-housing commercial loan came in flat at Rs 2.22 bn. Project finance disbursements declined YoY by 42% to Rs 8.75bn.
- Previously, in Q3, disbursements were impacted by region-specific issues—approximately Rs 7-8 bn of disbursement was deferred due to disruptions in Hyderabad (related to HYDRA) and Bangalore (related to E-Khata). These issues significantly affected Q3 volumes. In Q4, Hyderabad fully recovered, delivering strong disbursement performance. Bangalore too has largely recovered—about 95% back on track—though a minor backlog (~5%) still persists due to delays in electronic registrations that began piling up in Q3 and continued into Q4. Management commentary in Q4 confirmed that both Hyderabad and Bangalore are now largely operational, which significantly contributed to the sharp sequential uptick in disbursements. April was satisfactory, as expected after a seasonally strong March, and May is showing signs of acceleration. The company is targeting at least 10–12% growth in disbursements in FY26.
- Customer segmentation remained largely stable, with the Salaried: Self Employed ratio at 87%:13%.
- NII came in at Rs21.67bn (down by 3.2% YoY and up 8.3% QoQ). Interest income grew by 3%/2% YoY/QoQ and stood at 71.17bn as of Q4FY5 while interest expense remained flat QoQ and grew by 6.5% YoY and came in at Rs 49.51bn.
- NIMs expanded by 16 bps to 2.86% in Q4FY25 vs 2.70% in Q3FY25(3.15% in Q4FY24). However on a full year basis FY25 NIMs contracted by 35 bps to 2.73% vs 3.08% in FY24.The company targets NIMs to be in the range of 2.6%-2.8% in FY26.
- Yield on advances declined by 10 bps and stood at 9.79% in FY25 vs 9.89% in FY24(9.73% in 9MFY25).
- Cost of funds declined marginally by 3 bps to 7.73% in FY25, compared to 7.76% in FY24(7.78% in 9MFY25),
- Incremental cost of funds stood at 7.66% for Q4 FY25(7.75% as of Q3FY25).For full year Incremental cost of funds stood at 7.73%
- Spreads declined on a full yearly basis by 7 bps to 2.06% in FY25 vs 2.13% in FY24(1.95% in 9MFY25). Management remains confident of maintaining spreads around ~2.0%
- GS3 for the quarter stood at 2.47% as against 2.75% in 3QFY25 & 3.31% in 4QFY24.

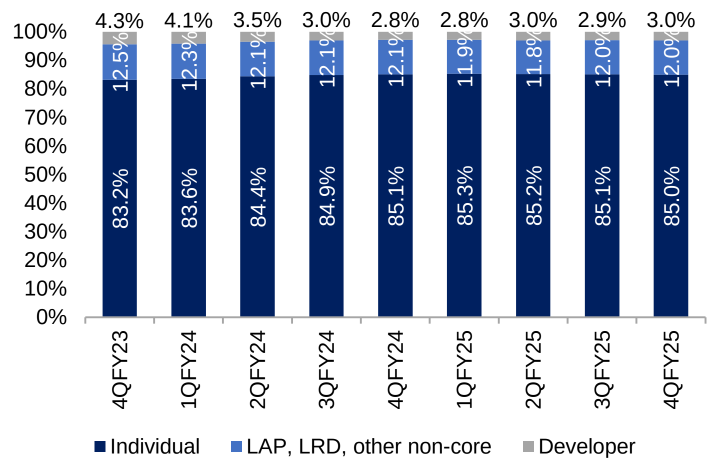
- Total provisions on a full yearly basis stood at Rs 48.99 bn as of FY25 vs Rs 48.74 bn in FY24.Management remains steadfast in improving asset quality and the company aims to bring GS3 down to below 2.2%.
- PCR for Q4FY25 is at comfortable level of 51.23% vs 48% in Q3FY25(51.35% in Q4FY24).
- Technical write-offs of Rs 1.71 bn were undertaken during the quarter and Rs 13.68 bn for the full year.
- Of the Rs 90bn defaulted loans that the bank is carrying, the management will aim for recovery of above Rs 15bn in FY26.
- The company has been actively working on resolving large, sticky project loans, which currently make up 21–24% of the total stressed book. In Q3, one large loan (~Rs 2.5 bn) was successfully resolved through ARC. Another significant loan of Rs 4.5 bn has recently been approved for restructuring by the board's executive committee, with the restructuring becoming effective in May. As per RBI norms, the loan will continue to be classified as NPA for a year post-restructuring, and is expected to exit NPA status by May next year. In addition to ARC, the company is exploring other resolution routes, including direct settlements and legal proceedings through DRT, CLT, and NCLT, though these processes are time-consuming. A previous attempt to sell a bundle of loans received no interest, leading the company to consider breaking up such portfolios into smaller, more digestible chunks for better market response. Despite the ongoing challenges, management remains optimistic about asset quality.
- Full-year credit cost guidance remains at 9-15 bps on a steady state basis.
- In Q3, the company launched a special product in the affordable housing segment in select centers and is already seeing traction in this space. This product is priced 250-300 basis points higher than retail mortgages. While it is still in the early stages, the company plans to gradually build the book over time (2-3 years), with a dedicated infrastructure setup, separate from the prime and salaried-class business. The focus is on gradual expansion as the management believes affordable housing will be a key growth driver in the coming years.
- The company's expansion into affordable housing will not come at the expense of the prime segment or its existing high-quality business. The management recognizes that affordable housing is a cost-intensive and a slightly riskier segment with the potential for higher delinquencies. However, the approach remains measured and strategic, avoiding any sudden or aggressive entry.

Exhibit 3: Advances (Rsbn) and Advances growth (YoY, %)



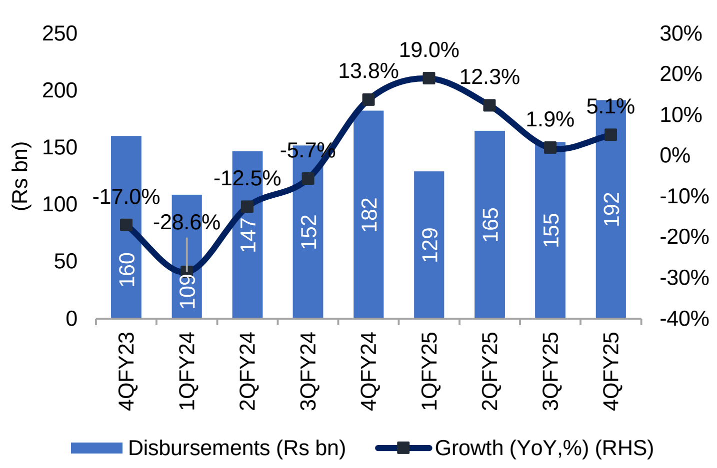
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 4: Advances Mix (%)



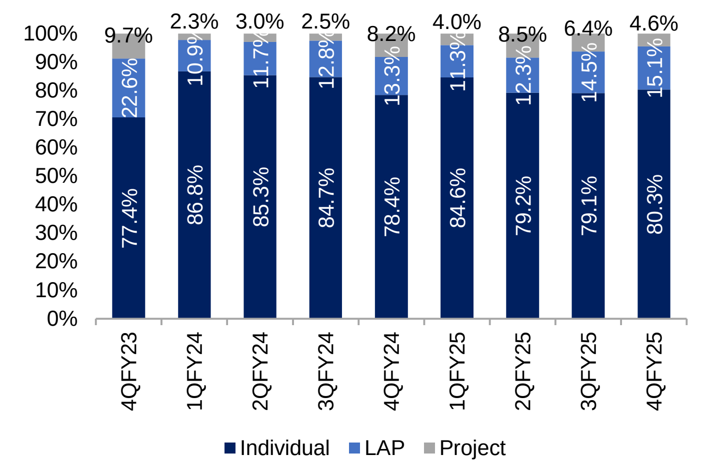
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 5: Disbursements (Rsbn) and Disbursements growth (YoY, %)



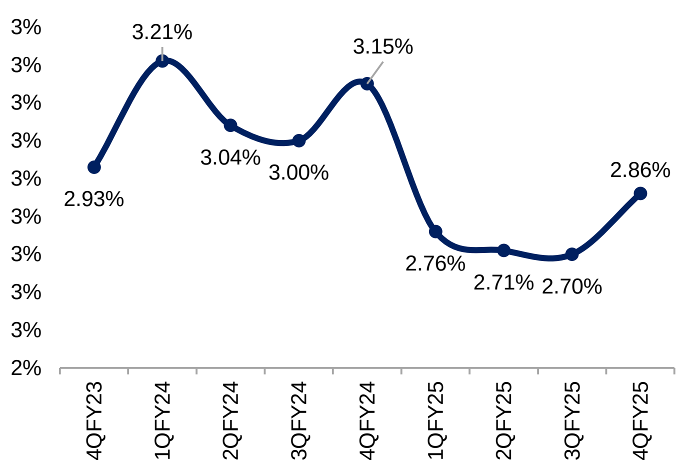
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 6: Disbursements Mix (%)



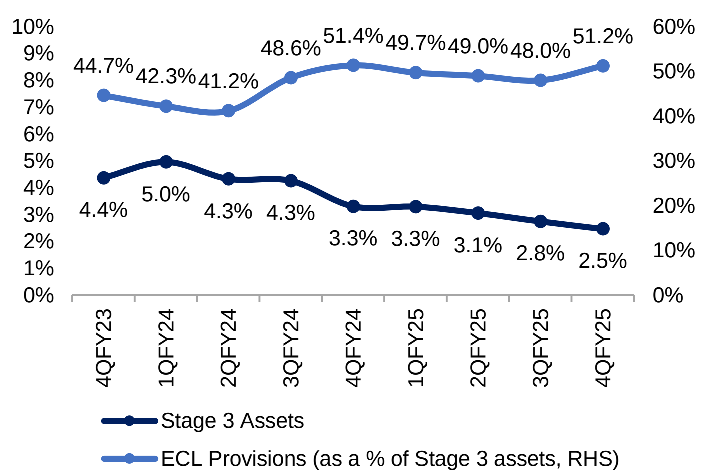
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 7: NIM (%) (reported)



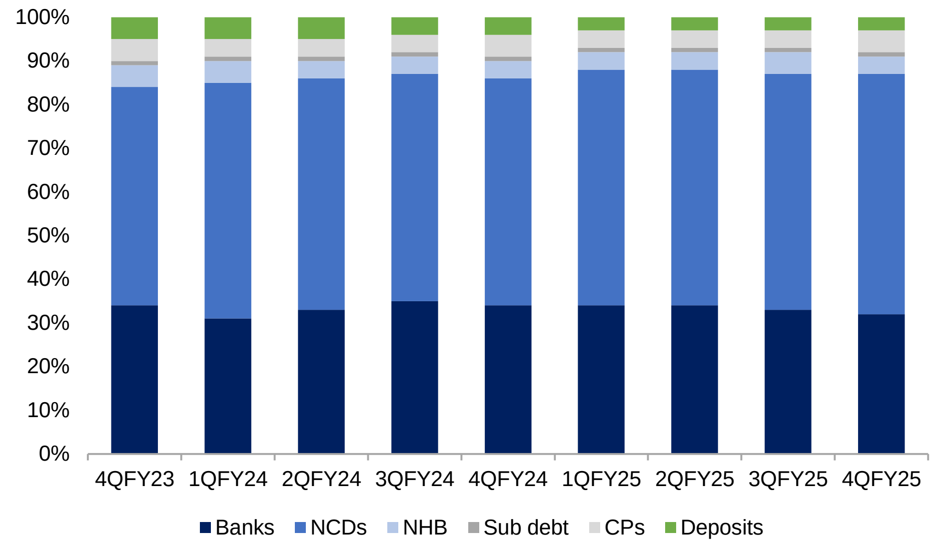
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 8: Asset quality metrics (%)



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 9: Borrowings break-up (%)



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 10: Financial summary

Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
Net Interest Income	63,303	86,509	81,295	88,024	98,675
Pre-Provisioning Operating profit	55,000	76,976	71,416	80,250	89,485
PAT	28,910	47,654	54,290	58,824	65,616
EPS (Rs)	52.6	86.6	98.6	106.9	119.2
BV (Rs)	492.7	570.7	658.7	749.6	850.9
P/E (x)	12.1	7.3	6.3	5.8	5.2
P/BV (x)	1.3	1.1	0.9	0.8	0.7
ROA (%)	*1.1*	*1.7*	*1.8*	*1.8*	*1.8*
ROE (%)	*11.2*	*16.3*	*16.0*	*15.2*	*14.9*
Gross NPA (%)	*4.4*	*3.3*	*2.5*	*2.4*	*2.3*
Net NPA (%)	*2.4*	*1.6*	*1.2*	*1.1*	*1.0*

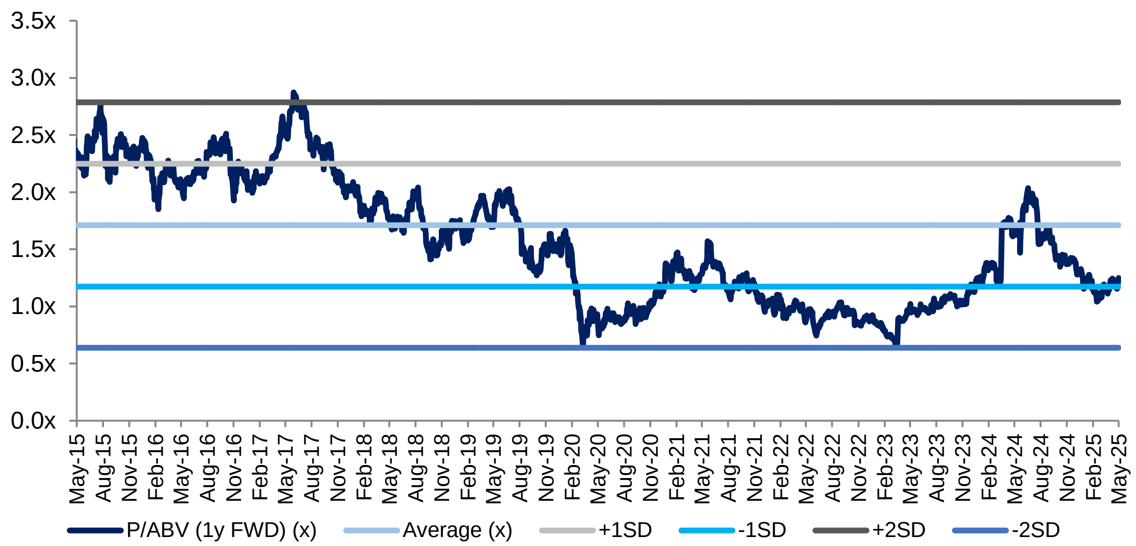
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 11: Actual performance versus our estimates

						NBIE		Bloomberg	
(Rsmn)	Q4FY25	Q3FY25	Q4FY24	*QoQ (%)*	*YoY (%)*	Q4FY25E	*Devi. (%)*	Q4FY25E	*Devi. (%)*
Net interest income	21,664	20,001	22,376	*8.3*	*(3.2)*	21,051	*2.9*	20,739	*4.5*
Pre-Provisioning Operating profit	18,790	17,494	19,041	*7.4*	*(1.3)*	18,837	*(0.3)*	17,543	*7.1*
PAT	13,680	14,319	10,908	*(4.5)*	*25.4*	14,095	*(2.9)*	10,908	*25.4*

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 12: One-year forward P/ABV



Source: Company, Nirmal Bang Institutional Equities Research

Financials

Exhibit 13: Income statement

Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
Interest Income	2,25,162	2,70,416	2,76,615	3,03,396	3,34,953
Interest Expense	1,61,860	1,83,907	1,95,320	2,15,373	2,36,278
Net Interest Income	**63,303**	**86,509**	**81,295**	**88,024**	**98,675**
Non-Interest Income	1,580	1,931	3,948	6,388	6,601
Net Revenue	**64,882**	**88,440**	**85,243**	**94,412**	**1,05,276**
Operating expenses	9,883	11,463	13,826	14,162	15,791
Operating profit	**55,000**	**76,976**	**71,416**	**80,250**	**89,485**
Provisions	19,430	16,437	2,858	4,835	5,361
PBT	35,570	60,539	68,558	75,415	84,123
Tax	6,660	12,885	14,268	16,591	18,507
PAT	**28,910**	**47,654**	**54,290**	**58,824**	**65,616**

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 14: Balance sheet

Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
Share capital	1,100	1,101	1,101	1,101	1,101
Reserves & surplus	2,69,903	312,846	3,61,467	4,11,467	4,67,241
Shareholders' funds	**2,71,003**	**313,946**	**3,62,568**	**4,12,568**	**4,68,342**
Borrowings	24,47,742	2,524,968	27,05,972	30,30,380	33,76,321
Other liability & provisions	65,375	73,132	70,726	64,884	56,330
Total liabilities	**27,84,120**	**2,912,046**	**31,39,266**	**35,07,833**	**39,00,993**
Fixed Assets	3,570	3,292	3,266	3,970	4,826
Investments	69,764	62,770	71,421	72,861	74,329
Loans	26,78,348	2,805,898	30,28,458	33,91,528	37,78,696
Cash	7,419	15,726	14,045	15,203	16,456
Other assets	25,020	24,360	22,074	24,271	26,686
Total assets	**27,84,120**	**2,912,046**	**31,39,266**	**35,07,833**	**39,00,993**

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 15: Key ratios

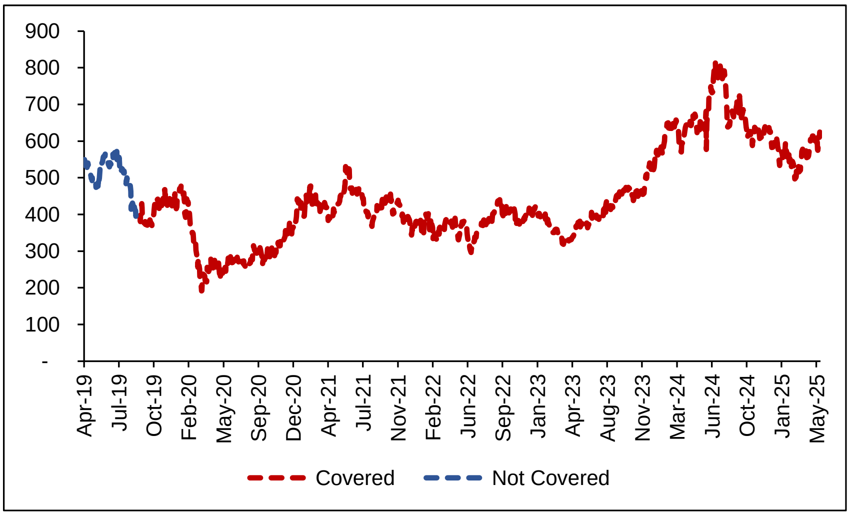
Y/E March	FY23	FY24	FY25E	FY26E	FY27E
Growth (%)					
Net Interest Income	14.4	36.7	-6.0	8.3	12.1
Operating Profit	15.4	40.0	-7.2	12.4	11.5
Profit After Tax	26.4	64.8	13.9	8.4	11.5
Business (%)					
Advance Growth	6.7	4.8	7.9	12.0	11.4
Spreads (%)					
Yield on loans	8.6	9.8	9.9	9.4	9.3
Cost of Borrowings	6.9	7.4	7.8	7.5	7.4
Spread	1.6	2.4	2.1	1.9	2.0
NIMs	2.4	3.1	2.7	2.7	2.8
Operational Efficiency (%)					
Cost to Income	15.2	13.0	16.2	15.0	15.0
Cost to AUM	0.4	0.4	0.5	0.4	0.4
CRAR (%)					
Tier I	16.1	19.2	20.0	18.7	19.1
Tier II	2.0	1.6	1.5	2.0	2.0
Total	18.1	20.8	21.5	20.7	21.1
Asset Quality (%)					
Gross NPA	4.4	3.3	2.5	2.4	2.3
Net NPA	2.4	1.6	1.2	1.1	1.0
PCR	44.7	51.4	51.2	52.3	55.6
Credit Cost	0.7	0.6	0.1	0.1	0.1
Return Ratio (%)					
ROE	11.2	16.3	16.0	15.2	14.9
ROA	1.1	1.7	1.8	1.8	1.8
Per Share (%)					
EPS	53	87	99	107	119
BV	493	571	659	750	851
ABV	372	487	591	674	770
Valuation (x)					
P/E	12.1	7.2	6.3	5.8	5.2
P/BV	1.3	1.1	0.9	0.8	0.7
P/ABV	1.7	1.3	1.1	0.9	0.8

Source: Company, Nirmal Bang Institutional Equities Research

Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
17 September 2019	Buy	394	517
7 October 2019	Buy	373	528
22 October 2019	Buy	375	518
8 January 2020	Buy	421	518
31 January 2020	Buy	437	512
27 March 2020	Buy	239	296
9 April 2020	Buy	224	296
23 June 2020	Hold	269	291
9 July 2020	Hold	282	291
25 August 2020	Hold	299	299
23 September 2020	Hold	287	328
7 October 2020	Hold	289	328
12 November 2020	Hold	313	331
26 November 2020	Hold	323	343
08 January 2021	Hold	435	401
31 January 2021	Hold	396	424
21 February 2021	Hold	449	490
16 June 2021	Hold	494	489
31 July 2021	Hold	410	438
26 September 2021	Hold	429	479
24 October 2021	Buy	407	469
29 January 2022	Buy	390	487
19 May 2022	Buy	356	491
06 August 2022	Buy	380	513
19 September 2022	Buy	430	534
03 November 2022	Buy	367	500
07 February 2023	Buy	376	468
22 March 2023	Buy	341	448
17 May 2023	Buy	370	443
7 August 2023	Hold	427	448
2 November 2023	Hold	448	470
5 February 2024	Hold	644	620
16 May 2024	Hold	630	700
05 August 2024	Hold	689	750
29 October 2024	Buy	637	775
03 February 2025	Buy	558	750
18 May 2025	Buy	621	781

Rating track graph



DISCLOSURES

This Report is published by Nirmal Bang Equities Private Limited (hereinafter referred to as "NBEPL") for private circulation. NBEPL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH000001436. NBEPL is also a registered Stock Broker with National Stock Exchange of India Limited and BSE Limited in cash and derivatives segments.

NBEPL has other business divisions with independent research teams separated by Chinese walls, and therefore may, at times, have different or contrary views on stocks and markets.

NBEPL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market. NBEPL, its associates or analyst or his relatives do not hold any financial interest in the subject company. NBEPL or its associates or Analyst do not have any conflict or material conflict of interest at the time of publication of the research report with the subject company. NBEPL or its associates or Analyst or his relatives do not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

NBEPL or its associates / analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. NBEPL or its associates have not received any compensation or other benefits from the company covered by Analyst or third party in connection with the research report. Analyst has not served as an officer, director or employee of Subject Company and NBEPL / analyst has not been engaged in market making activity of the subject company.

Analyst Certification: I, Rati J Pandit, research analyst and the author(s) of this report, hereby certify that the views expressed in this research report accurately reflects my/our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst is principally responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Disclaimer

Stock Ratings Absolute Returns

BUY > 15%

HOLD -5% to14%

SELL < -5%

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. NBEPL is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing this research, we did not take into account the investment objectives, financial situation and particular needs of the reader.

This research has been prepared for the general use of the clients of NBEPL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NBEPL will not treat recipients as customers by virtue of their receiving this report. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NBEPL& its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. NBEPL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NBEPL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This information is subject to change without any prior notice. NBEPL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, NBEPL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of this research, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of NBEPL accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Here it may be noted that neither NBEPL, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profit that may arise from or in connection with the use of the information contained in this report.

*"Registration granted by SEBI and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors."

Our reports are also available on our website www.nirmalbang.com

Access all our reports on Bloomberg, Thomson Reuters and Factset.

Team Details:			
Name		**Email Id**	**Direct Line**
Rahul Arora	CEO	rahul.arora@nirmalbang.com	-
Krishnan Sambamoorthy	Head of Research	krishnan.s@nirmalbang.com	+91 22 6273 8210
Dealing			
Ravi Jagtiani	Dealing Desk	ravi.jagtiani@nirmalbang.com	+91 22 6273 8230, +91 22 6636 8833
Michael Pillai	Dealing Desk	michael.pillai@nirmalbang.com	+91 22 6273 8102/8103, +91 22 6636 8830

Nirmal Bang Equities Pvt. Ltd.

Correspondence Address

B-2, 301/302, Marathon Innova,

Nr. Peninsula Corporate Park,

Lower Parel (W), Mumbai-400013.

Board No. : 91 22 6273 8000/1; Fax. : 022 6273 8010