

# IDFC First Bank Ltd

## Not enough happening for an upgrade

### Valuation comfort not there and model still needs reworking

**Asset Quality** – Gross slippages declined somewhat driven by declined in MFI slippages: Gross NPA additions amounted to Rs 22.6bn for 2QFY26, translating to an annualized slippage ratio of 3.6% for the quarter. (Gross NPA additions had amounted to Rs 24.86bn during 1QFY26.). Gross slippages declined 9% QoQ and net slippages fell 13% QoQ, largely driven by the MFI portfolio. The bank expects slippages to moderate going forward. Provisions for 1QFY26 were Rs 14.59bn, down by -12.5% QoQ and -16.2% YoY. Sequential decline is driven by lower provisioning in the MFI book. Bank has utilized Rs. 750 mn from the MFI buffer provision during 2Q. Post this, the bank has a contingency provision of Rs. 2.4bn for MFI. Management reiterated credit cost for FY26 is expected to be 205-210 bps.

**Net Interest Margin** – Margin declined on sequential basis as management called a margin bottom: NIM was at 5.60%, down -11bps QoQ and -58bps YoY. The sequential 11 bps decline was driven by the repo rate cut, changes in asset mix, and de-growth in the MFI portfolio. NIM has bottomed out in 2Q and is expected to improve in Q3 and Q4, likely recovering to 5.8% by Q4, factoring in one additional repo rate cut.

**Balance sheet growth** – Healthy loan growth continued as it has since long: Total gross funded assets grew by 5.3% QoQ and 19.7% YoY. The loan to deposit ratio was around 92.9% as of September 2025 as compared to 96.2% as of September 2024. The Bank is working on disbursing 1 million loans per month going forward. The deposits were at Rs 2,767 bn, up by 4.5% QoQ and 23.8% YoY.

We maintain a cautious 'ADD' rating on IDFCB with a unchanged price target of Rs 80: We value the bank at 1.2x FY27 P/BV for an FY26/27/28E RoE profile of 3.2/8.8/12.5%. We had initiated IDFCB with a cautionary [report dated March 2023](#) and reiterated our cautious stance in another [report dated April 2024](#).

(See Comprehensive con call takeaways on page 2 for significant incremental colour.)

### Result Highlights (See "Our View" above for elaboration and insight)

- **Opex control:** Total cost to income ratio at 73.2% was up by 443/327bps QoQ/YoY and the Cost to assets was at 5.5% down by -7/-29bps QoQ/YoY
- **Fee income:** Core fee income to average assets was at 2.0%, up/down 1/-9bps QoQ/YoY.

### Exhibit 1: Result table

Particulars (Rs mn)	Q2FY26	Q1FY26	% qoq	Q2FY25	% yoy
Total Interest Income	99,369	96,421	3.1	89,569	10.9
Interest Expense	(48,243)	(47,091)	2.4	(41,691)	15.7
<b>Net Interest Income</b>	<b>51,126</b>	<b>49,331</b>	<b>3.6</b>	<b>47,879</b>	<b>6.8</b>
Fee Income	18,360	17,310	6.1	16,220	13.2
Non-fee Income	555	4,958	(88.8)	1,053	(47.3)
<b>Total Non-Interest Income</b>	<b>18,915</b>	<b>22,268</b>	<b>(15.1)</b>	<b>17,273</b>	<b>9.5</b>
<b>Total Income</b>	<b>70,040</b>	<b>71,599</b>	<b>(2.2)</b>	<b>65,152</b>	<b>7.5</b>
Employee Expense	(14,901)	(14,956)	(0.4)	(14,241)	4.6
Non-employee Opex	(36,338)	(34,249)	6.1	(31,292)	16.1
<b>Total Operating expenses</b>	<b>(51,239)</b>	<b>(49,205)</b>	<b>4.1</b>	<b>(45,533)</b>	<b>12.5</b>
PPOP	18,801	22,394	(16.0)	19,619	(4.2)
Provisions	(14,519)	(16,591)	(12.5)	(17,319)	(16.2)
<b>PBT</b>	<b>4,282</b>	<b>5,803</b>	<b>(26.2)</b>	<b>2,299</b>	<b>86.3</b>
Tax	(759)	(1,177)	(35.5)	(292)	159.8
<b>PAT</b>	<b>3,523</b>	<b>4,626</b>	<b>(23.8)</b>	<b>2,007</b>	<b>75.5</b>

Source: Company, YES Sec-Research

Recommendation : **ADD**

Current Price : Rs 72

Target Price : Rs 80

Potential Return : +11%

### Stock data (as on October 18, 2025)

Nifty	25,710
52 Week h/l (Rs)	78 / 52
Market cap (Rs/USD mn)	585963 / 6661
Outstanding Shares (mn)	8,152
6m Avg t/o (Rs mn):	1,852
Div yield (%):	0.3
Bloomberg code:	IDFCFB IN
NSE code:	IDFCFIRSTB

### Stock performance



### Shareholding pattern (As of Jun'25 end)

Promoter	0.0%
FII+DII	57.4%
Others	42.6%

### Δ in stance

(1-Yr)	New	Old
Rating	ADD	ADD
Target Price	80	80

### Financial Summary

(Rs mn)	FY26E	FY27E	FY28E
NII	214,880	270,460	329,375
PPOP	75,878	115,451	153,249
Net Profit	13,492	42,692	66,493
Growth (%)	-11.5	216.4	55.8
EPS (Rs)	1.6	5.0	7.8
BVPS (Rs)	55	59	65
P/E (x)	45.7	14.4	9.3
P/BV (x)	1.3	1.2	1.1
ROE (%)	3.2	8.8	12.5
ROA (%)	0.4	0.9	1.2
Tier-1 (%)	13.4	12.0	11.1

### Δ in earnings estimates

Rs. bn	FY26E	FY27E	FY28E
EPS (New)	1.6	5.0	7.8
EPS (Old)	2.5	5.1	7.9
% change	-35.8%	-2.6%	-2.0%

**SHIVAJI THAPLIYAL**  
Head of Research (Overall)  
& Lead Sector Research Analyst  
☎ +91 22 6992 2932



**HEMANT KADIAN**, Associate  
**HIMANSHU BAROT**, Associate

## COMPREHENSIVE CON-CALL TAKEAWAYS

### Asset quality

- **Slippages**
  - Gross NPA additions amounted to Rs 22.6bn for 2QFY26, translating to an annualized slippage ratio of 3.6% for the quarter. (Gross NPA additions had amounted to Rs 24.86bn during 1QFY26.)
  - Gross slippages declined 9% QoQ and net slippages fell 13% QoQ, largely driven by the MFI portfolio.
  - **Net Slippages**
    - The net slippages were at Rs 17.38bn in 2Q.
  - **Guidance**
    - The bank expects slippages to moderate going forward.
- **Provisions**
  - **P&L provisions**
    - Provisions for 1QFY26 were Rs 14.59bn, down by -12.5% QoQ and -16.2% YoY.
    - Sequential decline is driven by lower provisioning in the MFI book.
    - Credit cost for 2QFY26 was 2.3% on annualised basis.
    - Bank has utilized Rs. 750 mn from the MFI buffer provision during 2Q.
    - Post this, the bank has a contingency provision of Rs. 2.4bn for MFI.
  - **Directional credit cost guidance**
    - The bank expects credit cost on MFI to decline further in H2.
  - **Guidance**
    - Management reiterated credit cost for FY26 is expected to be 205-210 bps.
  - **SMA position**
    - In 2Q, overall SMA improved from 1.01% to 0.90%.
    - Excluding MSME, the improvement was 7 bps, while the MFI portfolio saw a significant reduction in SMA of 88 bps.
    - **Collection efficiency**
      - Collection Efficiency in overall micro-finance book for 2Q was 99.1%, as against 99.0% in 1QFY26.
      - Collection efficiency (ex-MFI) stood at 99.5% in 2Q.
  - **PCR**
    - Provision Coverage ratio was at 72.2%, down -14 bps QoQ and by -306bps YoY.
- **GNPA ratio**
  - GNPA ratio stands at 1.90%, down -11bps QoQ and -6bps YoY while NNPA ratio stands at 0.52%, down -3bps QoQ but up 4bps YoY.
  - Excluding micro-finance business, the GNPA was at 1.52% for 2QFY26, down -11bps QoQ.
  - Gross NPA of the Retail, Rural and MSME Finance stood at 1.73% for 2QFY26.

### Net interest margin

- **NIM for the quarter**
  - NIM was at 5.60%, down -11bps QoQ and -58bps YoY.

(Con call takeaways continue on the next page)

- **Reason for QoQ lower NIM**
  - The sequential 11 bps decline was driven by the repo rate cut, changes in asset mix, and de-growth in the MFI portfolio.
- **Guidance**
  - NIM has bottomed out in 2Q.
  - NIM is expected to improve in Q3 and Q4, likely recovering to 5.8% by Q4, factoring in one additional repo rate cut.
- **Cost of funds**
  - Cost of funds was at 6.23% for 2QFY26, down by -19bps QoQ.
  - Cost of deposits was at 6.22%, stable QoQ.
  - Blended cost of saving accounts in 2Q was 5.85%.

## Operating expenses

- **Total opex**
  - Total Opex, at Rs. 51.23 bn, is up 4.1% QoQ and 12.5% YoY.
  - Cost to income ratio came in at 73.8%, up by 443bps QoQ and 327bps YoY.
- **Staff expenses**
  - The staff opex is down by -0.4% QoQ but up 4.6% YoY.
- **Non-staff expenses**
  - Other opex is up by 6.1% QoQ and by 16.1% YoY.
  - **Branch expansion**
    - 14 branches were added during the quarter, taking the total branch count to 1016.

## Capital adequacy

- The capital adequacy ratio was at 14.3% while CET-1 ratio was at 12.3% as on September 2025.
- **Capital Raise**
  - Post conversion of capital raised through CCPS of Rs. 7,500 crore into equity, the CRAR and TIER-I would be 16.82% and 14.75%.

## Loan growth

- **Overall growth outcome**
  - Gross advances grew 5.3% QoQ and 19.7% YoY.
  - In 2Q, the Bank witnessed healthy growth across the Vehicle, Mortgage, and Business Banking segments, along with a recovery in growth within the Consumer Loans portfolio.
- **Segmental growth**
  - Mortgage segment is up 14.7% YoY.
  - Vehicle loans is up 27.9% YoY.
  - Business Banking has grown by 30.8%.
  - Credit card and Gold Loan growth is also healthy albeit at a low base.
  - MFI loans is down by -12.5% QoQ and -41.6 YoY.
  - Currently, bank does not do much of Co-lending.

(Con call takeaways continue on the next page)

- **MFI Book**
  - MFI book declined QoQ as higher run-offs offset the pickup in disbursements during Q2.
  - MFI portfolio constitutes 2.7% of the total loan book.
  - Insurance coverage on the outstanding MFI book touched 77%.
  - Management expects the MFI portfolio to stabilize by the end of FY26 and return to a growth trajectory thereafter.
- **Credit cards**
  - 4.0mn cards were issued till date.
  - The credit card outstanding book was Rs 86.38bn, up 36.4% YoY.
  - Card spends rose by 36% in H1FY26.
  - During the quarter, the bank has launched co-branded credit card in partnership with Indigo.
- **Loan guidance**
  - The Bank is working on disbursing 1 million loans per month going forward.
- **LCR**
  - Average LCR was at 115% for 2QFY26 as compared to 117% in 1QFY26.
- **Loan to deposit ratio**
  - The loan to deposit ratio was around 92.9% as of September 2025 as compared to 96.2% as of September 2024.

## Deposit growth

- The deposits were at Rs 2,767 bn, up by 4.5% QoQ and 23.8% YoY.
- **CASA deposits**
  - CASA ratio was at 50.1%, up by 208bps QoQ.
  - CASA deposits rose 26.8% YoY.
  - Average CASA deposits have rose 32% YoY.
  - CD ratio stands at 94% (including credit substitutes). The Bank is further focusing on building its deposit franchise to reduce the CD ratio and rely less on borrowings.
- **Retail deposits**
  - The retail deposits grew 21% YoY.

## Fee income

- Fee income has grown by 6.1% YoY in 2QFY26.
- 91% of the fee income is from retail banking operations.

## RoA

- The RoA for the quarter was 0.38%, down -15bps QoQ.

## Exhibit 2: Key quarterly balance sheet / business data

(Rs mn)	Q2FY26	Q1FY26	% qoq	Q2FY25	% yoy	Q2FY26	chg qoq	chg yoy
Gross Advances								
Consumer Finance	2,665,790	2,532,330	5.3	2,226,130	19.7	100.0	0bps	0bps
Home Loan	1,562,530	1,475,020	5.9	1,307,040	19.5	58.6	37bps	-10bps
Loan Against Property	270,530	272,360	(0.7)	254,940	6.1	10.1	-61bps	-130bps
Wheels	320,140	305,690	4.7	260,220	23.0	12.0	-6bps	32bps
Consumer Loans	302,460	270,200	11.9	236,550	27.9	11.3	68bps	72bps
Education Loans	344,640	318,830	8.1	282,930	21.8	12.9	34bps	22bps
Credit Card	35,650	32,980	8.1	28,120	26.8	1.3	3bps	7bps
Gold Loan	86,380	80,750	7.0	63,320	36.4	3.2	5bps	40bps
Others	26,680	24,090	10.8	16,040	66.3	1.0	5bps	28bps
Rural Finance	176,050	170,130	3.5	164,920	6.7	6.6	-11bps	-80bps
Micro-Finance Loans	235,420	239,220	(1.6)	259,340	(9.2)	8.8	-62bps	-282bps
Others	73,060	83,540	(12.5)	125,200	(41.6)	2.7	-56bps	-288bps
Business Finance	162,360	155,680	4.3	134,140	21.0	6.1	-6bps	6bps
of which CV/CE Financing	867,840	818,090	6.1	633,210	37.1	32.6	25bps	411bps
of which Business Banking	86,210	83,170	3.7	68,970	25.0	3.2	-5bps	14bps
of which Wholesale	109,340	101,400	7.8	83,580	30.8	4.1	10bps	35bps
of which Others	526,730	492,790	6.9	389,360	35.3	19.8	30bps	227bps
Total Deposits	145,560	140,730	3.4	117,840	23.5	5.5	-10bps	17bps
CASA	2,767,713	2,649,713	4.5	2,236,067	23.8	100.0	0bps	0bps
Term	1,385,830	1,271,580	9.0	1,092,920	26.8	50.1	208bps	119bps
Investments	1,381,883	1,378,133	0.3	1,143,147	20.9	49.9	-208bps	-119bps
Investments/(Invest.+Net Adv.), %	917,794	863,793	6.3	763,283	20.2	NA	NA	NA
Borrowings	26.3	26.2	14bps	26.2	11bps	NA	NA	NA
Borrowings/(Borr.+Dep.), %	407,812	428,057	(4.7)	463,444	(12.0)	NA	NA	NA
RWA	12.8	13.9	-107bps	17.2	-433bps	NA	NA	NA

Source: Company, YES Sec – Research, \*Share in total and change in share

## Exhibit 3: Key quarterly ratios

(%)	Q2FY26	Q1FY26	qoq	Q2FY25	yoy
Net interest margin	5.60	5.71	-11bps	6.18	-58bps
CASA	50.1	48.0	208bps	48.9	119bps
Loan to Deposit ratio	92.9	92.0	93bps	96.2	-329bps
Non-interest income/Total income	27.0	31.1	-410bps	26.5	49bps
Fee Income to Avg. Total Assets	2.0	2.0	1bps	2.1	-9bps
Cost to Income	73.2	68.7	443bps	69.9	327bps
Opex to Avg. Total Assets	5.5	5.6	-7bps	5.8	-29bps
Credit Cost	2.3	2.7	-46bps	3.3	-99bps
RoE	3.3	4.8	-151bps	2.3	103bps
RoA	0.4	0.5	-15bps	0.3	13bps
Annualised Slippage Ratio*	3.6	4.1	-55bps	3.8	-28bps
Gross NPA	1.9	2.0	-11bps	1.9	-6bps
Net NPA	0.5	0.6	-3bps	0.5	4bps
Provision Coverage	72.2	72.3	-14bps	75.3	-306bps
Capital adequacy ratio	14.3	15.0	-67bps	16.0	-167bps
Tier I capital ratio	12.3	12.8	-53bps	13.8	-157bps

Source: Company, YES Sec – Research, \* Annualised Gross NPA Addition Ratio

## Exhibit 4: Quarterly Actuals Vs Estimates

Q2FY26 (Rs. mn)	Actuals	Estimates	Diff, %
Net Interest Income	51,126	51,458	(0.6)
Pre-Prov. Operating Profit	18,801	19,565	(3.9)
Profit After Tax	3,523	1,937	81.9

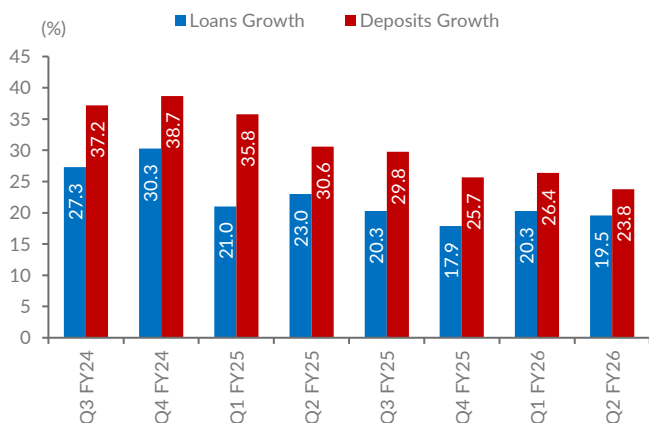
Source: Company, YES Sec – Research

## Exhibit 5: Non-Interest Income Break-up

(Rs mn)	Q2FY26	Q1FY26	% qoq	Q2FY25	% yoy
Total Fee Income (A)	18,360	17,310	6.1	16,220	13.2
Loan Origination fees	6,059	5,712	6.1	4,869	24.4
Credit Card & Toll	4,223	3,981	6.1	3,082	37.0
Trade & Client Fx	1,836	1,731	6.1	1,460	25.8
Wealth Management & 3 <sup>rd</sup> Party Products	2,203	2,077	6.1	3,076	(28.4)
General Banking Fees	4,039	3,808	6.1	3,733	8.2
Total Other Income (B)	555	4,958	(88.8)	1,053	(47.3)
Treasury	560	4,950	(88.7)	1,050	(46.7)
Others	(6)	8	(166.3)	3	(283.3)
<b>Total Non-Interest Income (A+B)</b>	<b>18,915</b>	<b>22,268</b>	<b>(15.1)</b>	<b>17,273</b>	<b>9.5</b>

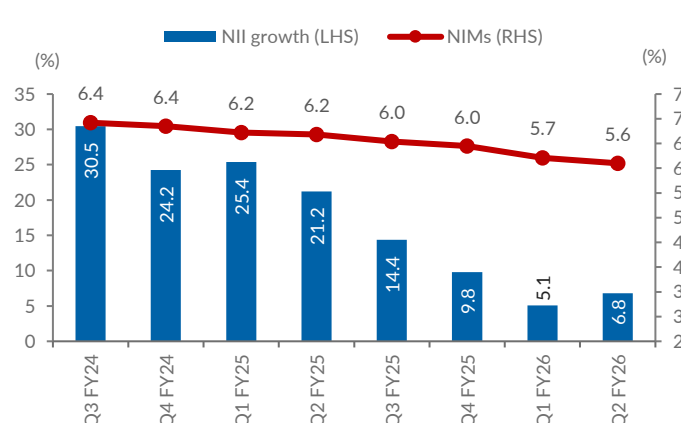
Source: Company, YES Sec – Research

**Exhibit 6: Loans and Deposits growth (YoY %)**



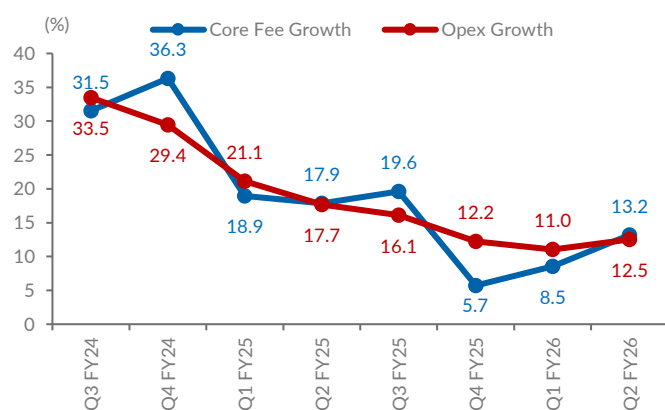
Source: Company, YES Sec – Research

**Exhibit 7: NII growth (YoY %) and NIM**



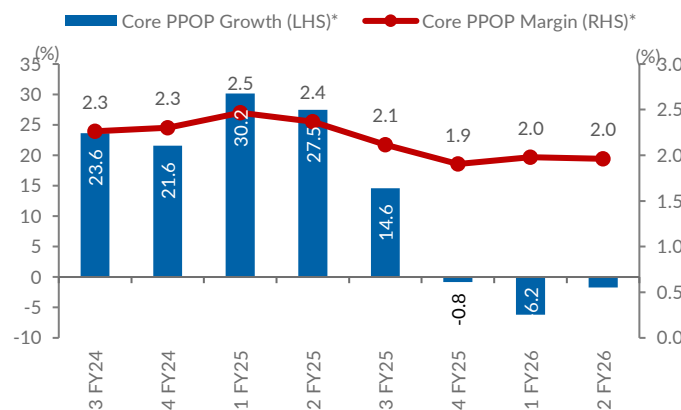
Source: Company, YES Sec – Research

**Exhibit 8: Core Fee and Opex growth (YoY %)**



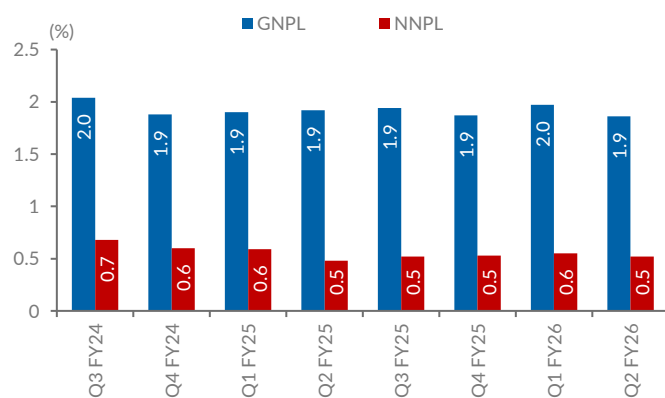
Source: Company, YES Sec – Research

**Exhibit 9: Core PPOP growth (YoY %) and Core PPOP margin (%)**



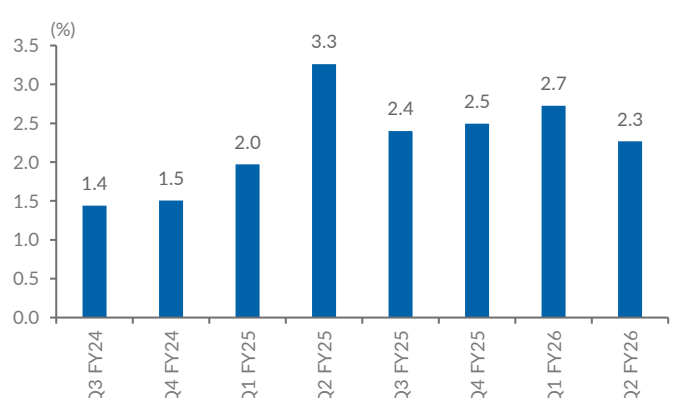
Source: Company, YES Sec – Research, \* Core PPOP is derived by adjusting PPOP for gain/loss on sale of investments and misc. income

**Exhibit 10: Gross NPA and Net NPA (%)**



Source: Company, YES Sec – Research

**Exhibit 11: Credit Cost (%)**



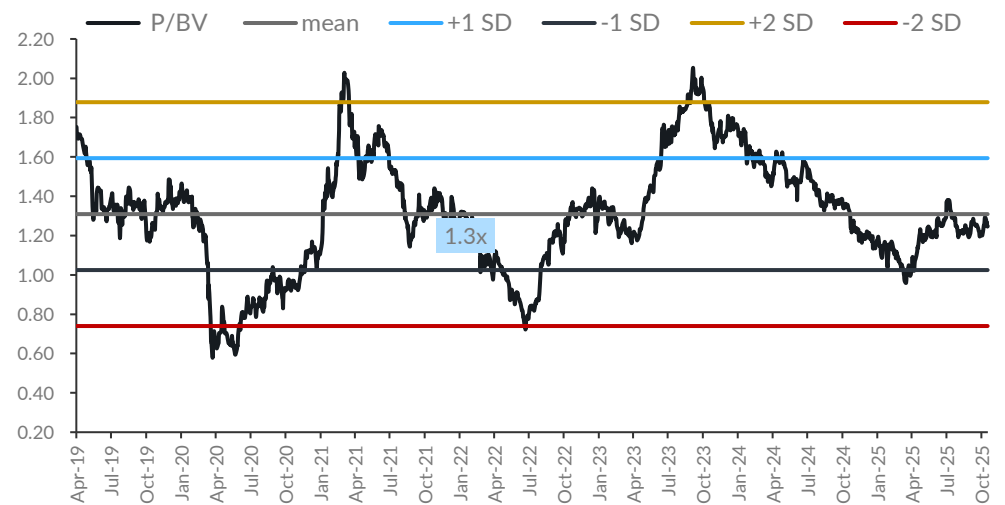
Source: Company, YES Sec – Research

**Exhibit 12: 1-year rolling P/BV band**



Source: Company, YES Sec – Research

**Exhibit 13: 1-yr rolling P/BV vis-a-vis the mean and standard deviations**



Source: Company, YES Sec – Research



## ANNUAL FINANCIALS

**Exhibit 14: Balance sheet**

Y/e 31 Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Total cash & equivalents	124,802	150,974	223,788	268,546	322,255
Investments	747,104	807,155	952,443	1,123,883	1,326,182
Advances	1,945,924	2,331,125	2,797,350	3,356,820	4,028,184
Fixed assets	26,194	26,626	29,289	32,218	35,440
Other assets	117,127	122,306	140,652	161,750	186,012
<b>Total assets</b>	<b>2,961,151</b>	<b>3,438,187</b>	<b>4,143,523</b>	<b>4,943,217</b>	<b>5,898,073</b>
Net worth	321,613	380,780	467,249	503,537	560,055
Deposits	2,005,763	2,520,652	3,125,609	3,844,499	4,690,289
Borrowings	509,356	389,748	370,261	351,748	334,161
Other liabilities	124,419	147,006	180,404	243,433	313,568
<b>Total liabilities incl. Equity</b>	<b>2,961,151</b>	<b>3,438,187</b>	<b>4,143,523</b>	<b>4,943,217</b>	<b>5,898,073</b>

Source: Company, YES Sec – Research

**Exhibit 15: Income statement**

Y/e 31 Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	303,225	365,015	417,245	509,773	615,275
Interest expense	(138,717)	(172,095)	(202,365)	(239,312)	(285,900)
<b>Net interest income</b>	<b>164,508</b>	<b>192,920</b>	<b>214,880</b>	<b>270,460</b>	<b>329,375</b>
Non-interest income	60,020	70,217	81,326	99,042	120,593
<b>Total income</b>	<b>224,527</b>	<b>263,137</b>	<b>296,206</b>	<b>369,502</b>	<b>449,967</b>
Operating expenses	(162,158)	(188,988)	(220,328)	(254,051)	(296,718)
<b>PPoP</b>	<b>62,370</b>	<b>74,148</b>	<b>75,878</b>	<b>115,451</b>	<b>153,249</b>
Provisions	(23,817)	(55,147)	(57,888)	(58,529)	(64,592)
<b>Profit before tax</b>	<b>38,553</b>	<b>19,001</b>	<b>17,990</b>	<b>56,922</b>	<b>88,657</b>
Taxes	(8,988)	(3,753)	(4,497)	(14,231)	(22,164)
<b>Net profit</b>	<b>29,565</b>	<b>15,248</b>	<b>13,492</b>	<b>42,692</b>	<b>66,493</b>

Source: Company, YES Sec – Research

## Exhibit 16: Du Pont Analysis (RoA tree)

Y/e 31 Mar (%)	FY24	FY25	FY26E	FY27E	FY28E
Interest income	11.3	11.4	11.0	11.2	11.4
Interest expense	-5.2	-5.4	-5.3	-5.3	-5.3
<b>Net interest income</b>	<b>6.1</b>	<b>6.0</b>	<b>5.7</b>	<b>6.0</b>	<b>6.1</b>
Non-interest income	2.2	2.2	2.1	2.2	2.2
<b>Total income</b>	<b>8.4</b>	<b>8.2</b>	<b>7.8</b>	<b>8.1</b>	<b>8.3</b>
Operating expenses	-6.1	-5.9	-5.8	-5.6	-5.5
<b>PPoP</b>	<b>2.3</b>	<b>2.3</b>	<b>2.0</b>	<b>2.5</b>	<b>2.8</b>
Provisions	-0.9	-1.7	-1.5	-1.3	-1.2
<b>Profit before tax</b>	<b>1.4</b>	<b>0.6</b>	<b>0.5</b>	<b>1.3</b>	<b>1.6</b>
Taxes	-0.3	-0.1	-0.1	-0.3	-0.4
<b>Net profit</b>	<b>1.1</b>	<b>0.5</b>	<b>0.4</b>	<b>0.9</b>	<b>1.2</b>

Source: Company, YES Sec – Research

## Exhibit 17: Change in annual estimates

Y/e 31 Mar (Rs mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Interest Income	214,880	270,460	329,375	218,517	270,460	329,375	(1.7)	0.0	0.0
Pre-Prov. Operating Profit	75,878	115,451	153,249	79,516	115,451	153,249	(4.6)	0.0	0.0
Profit after tax	13,492	42,692	66,493	21,029	43,846	67,877	(35.8)	(2.6)	(2.0)

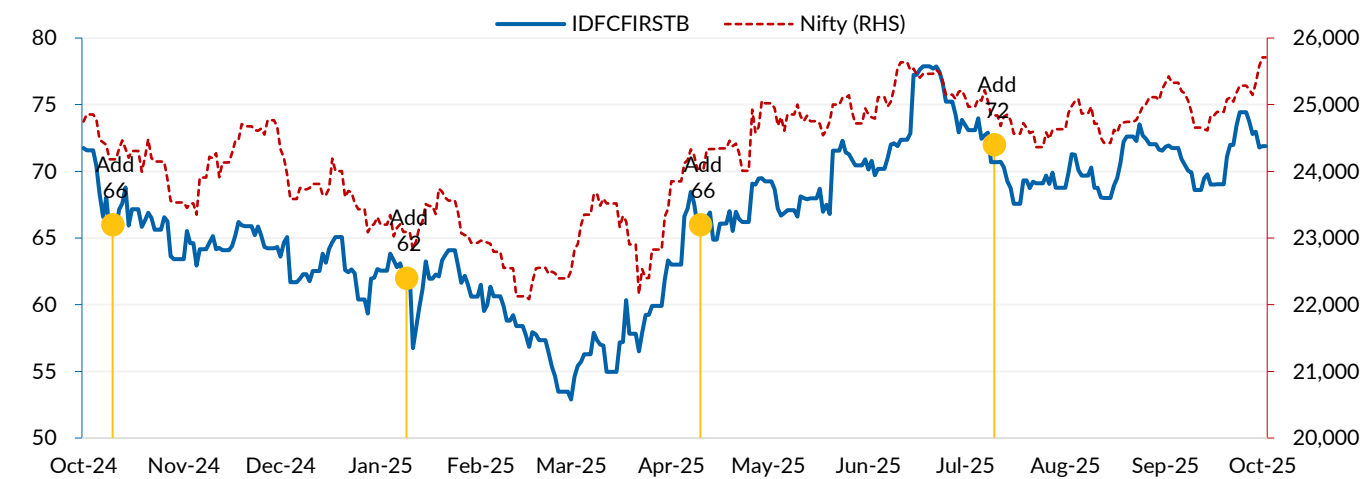
Source: Company, YES Sec – Research

## Exhibit 18: Ratio analysis

Y/e 31 Mar	FY24	FY25	FY26E	FY27E	FY28E
<b>Growth matrix (%)</b>					
Net interest income	30.2	17.3	11.4	25.9	21.8
PPoP	26.5	18.9	2.3	52.2	32.7
Net profit	21.3	-48.4	-11.5	216.4	55.8
Loans	28.2	19.8	20.0	20.0	20.0
Deposits	38.7	25.7	24.0	23.0	22.0
<b>Profitability Ratios (%)</b>					
Net interest margin	6.6	6.1	5.7	6.0	6.1
Return on Average Equity	10.2	4.3	3.2	8.8	12.5
Return on Average Assets	1.1	0.5	0.4	0.9	1.2
<b>Per share figures (Rs)</b>					
EPS	4.2	2.1	1.6	5.0	7.8
BVPS	45	52	55	59	65
ABVPS	44	50	52	56	63
<b>Valuation multiples</b>					
P/E	17.3	34.7	45.7	14.4	9.3
P/BV	1.6	1.4	1.3	1.2	1.1
P/ABV	1.7	1.4	1.4	1.3	1.1
<b>NIM internals (%)</b>					
Yield on loans	15.0	14.4	14.0	14.2	14.3
Cost of deposits	5.9	6.2	6.2	6.1	6.1
Loan-deposit ratio	97.0	92.5	89.5	87.3	85.9
CASA ratio	47.2	46.9	46.0	46.0	46.0
<b>Opex control (%)</b>					
Cost/Income ratio	72.2	71.8	74.4	68.8	65.9
Cost to average assets	6.1	5.9	5.8	5.6	5.5
<b>Capital adequacy (%)</b>					
Tier 1 capital ratio	13.4	13.2	13.4	12.0	11.1
<b>Asset quality (%)</b>					
Slippage ratio	3.0	3.8	3.5	3.0	2.8
Gross NPL ratio	1.9	1.9	2.8	2.5	2.3
Credit cost	1.5	2.5	2.1	1.8	1.6
Net NPL ratio	0.6	0.5	0.8	0.6	0.5

Source: Company, YES Sec – Research

## Recommendation Tracker



## STANDARD DISCLAIMER:

**YES Securities (India) Limited, Registered Address:** 2<sup>nd</sup> Floor, North Side, YES BANK House, Off Western Express Highway, Santacruz East, Mumbai - 400055. Maharashtra, India | **Correspondence Add:** 7<sup>th</sup> Floor, Urmi Estate Tower A, Ganpatrao Kadam Marg, Opp. Peninsula Business Park, Lower Parel (West), Mumbai - 400 013, Maharashtra, India. | Website: [www.yesinvest.in](http://www.yesinvest.in) | Email: [customer.service@ysil.in](mailto:customer.service@ysil.in)

**Registration Nos.:** CIN: U74992MH2013PLC240971 | SEBI Registration No.: NSE, BSE, MCX & NCDEX : INZ000185632 | Member Code: BSE - 6538, NSE - 14914, MCX - 56355 & NCDEX - 1289 | CDSL & NSDL: IN-DP-653-2021 | RESEARCH ANALYST: INH000002376 | INVESTMENT ADVISER: INA000007331 | Sponsor and Investment Manager to YSL Alternates Alpha Plus Fund (Cat III AIF) and YES Wealth Maximiser AIF (Cat III AIF) SEBI Registration No.: IN/AIF3/20- 21/0818 | AMFI ARN Code - 94338

**Details of Compliance Officer:** Aditya Goenka | Email: [compliance@ysil.in](mailto:compliance@ysil.in) / Contact No.: 022-65078127 | **Grievances Redressal Cell:** [customer.service@ysil.in](mailto:customer.service@ysil.in) / [igc@ysil.in](mailto:igc@ysil.in)

**Standard Disclaimer:** Investment in securities market are subject to market risks; read all the related documents carefully before investing. Above representation provides an overview related to our past performance neither does it provide any guarantee of future performance, nor we are ensuring any guaranteed returns. Actual Client returns may vary depending upon time premium, volatility Index, intrinsic value of the script, open interest, other geopolitical conditions and choice of the customer to execute the recommendation in full or part. All recommendations are published under Research Analyst License of YES Securities (India) Limited (YSIL); execution of the recommendation is at complete discretion of customer without any intervention by the research publisher.

Contents which are exclusively for Non-Broking Products/Services e.g. Mutual Fund, Mutual Fund-SIP, Research reports, Insurance, etc. where the YSIL is just a distributor. These are not Exchange traded product and the YSIL is just acting as distributor. Kindly note that all disputes with respect to the distribution activity, would not have access to Exchange investor redressal forum or Arbitration mechanism.

YSIL is a subsidiary of YES Bank Limited. Savings, Current, PIS and Demat Account are offered by YES Bank Limited. Please note Brokerage would not exceed the SEBI prescribed limit. YSIL also acts in the capacity of distributor for Products such as IPOs, Mutual Funds, Mutual Fund-SIPs, NCD/Bonds, etc., All disputes with respect to the distribution activity, would not have access to Exchange investor redressal forum or Arbitration mechanism.

Margin Trading Funding (MTF) is an exchange approved product offered to YSIL trading account holders, as per the regulation and guideline of SEBI Circular: CIR/MRD/DP/54/2017 dated June 13, 2017. For product specification, T&C, rights and obligations statement issued by the YSIL visit [https://yesinvest.in/standard\\_documents\\_policies](https://yesinvest.in/standard_documents_policies)

## DISCLAIMER

Investments in securities market are subject to market risks, read all the related documents carefully before investing.

The information and opinions in this report have been prepared by YSIL and are subject to change without any notice. The report and information contained herein are strictly confidential and meant solely for the intended recipient and may not be altered in any way, transmitted to, copied or redistributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of YSIL.

The information and opinions contained in the research report have been compiled or arrived at from sources believed to be reliable and have not been independently verified and no guarantee, representation of warranty, express or implied, is made as to their accuracy, completeness, authenticity or validity. No information or opinions expressed constitute an offer, or an invitation to make an offer, to buy or sell any securities or any derivative instruments related to such securities. Investments in securities are subject to market risk. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Investors should note that Price of each of the securities or value may rise or fall and, accordingly, investors may even receive amounts which are less than originally invested. The investor is advised to take into consideration all risk factors including their own financial condition, suitability to risk return profile and the like, and take independent professional and/or tax advice before investing. Opinions expressed are our current opinions as of the date appearing on this report. Investor should understand that statements regarding future prospects may not materialize and are of general nature which may not be specifically suitable to any particular investor. Past performance may not necessarily be an indicator of future performance. Actual results may differ materially from those set forth in projections. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. YES Securities (India) Limited conforms with the rules and regulations enumerated in the Securities and Exchange Board of India (Research Analysts) Regulations, 2014 as amended from time to time.

Technical analysis reports focus on studying the price movement and trading turnover charts of securities or its derivatives, as opposed to focussing on a company's fundamentals and opinions, as such, may not match with reports published on a company's fundamentals.

YSIL, its research analysts, directors, officers, employees and associates accept no liabilities for any loss or damage of any kind arising out of the use of this report. This report is not directed 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, regulation or which would subject YSIL and associates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

YES Securities (India) Limited distributes research and engages in other approved or allowable activities with respect to U.S. Institutional Investors through Rule 15a-6 under the Securities Exchange Act of 1934 (the "Exchange Act")<sup>[1]</sup> and regulations under an exclusive chaperone arrangement with Brasil Plural Securities LLC. The views and sentiments expressed in this research report and any findings thereof accurately reflect YES Securities (India) Limited analyst's truthful views about the subject securities and or issuers discussed herein. YES Securities (India) Limited is not registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and is not a member of the Securities Investor Protection Corporation ("SIPC"). Brasil Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC. For questions or additional information, please contact Gil Aikins (gil.aikins@brasilplural.com) or call +1 212 388 5600.

This research report is the product of YES Securities (India) Limited. YES Securities (India) Limited is the employer of the research analyst(s), the authors of this research report. YES Securities (India) Limited is the concerned representatives (employees) of YES Securities (India) Limited, are responsible for the content of this research report including but not limited to any material conflict of interest of YES Securities (India) Limited in relation the issuer(s) or securities as listed in this research report. This YES Securities (India) Limited research report is distributed in the United States through Brasil Plural Securities LLC (BPS). The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and is/ 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 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. As per SEC Rule 15a-6, the U.S. broker-dealer must accompany any third party research report it distributes with, or provide a web address that directs a recipient to, disclosure of any material conflict of interest that can reasonably be expected to have influenced the choice of a third-party research report provider or the subject company of a third-party research.

FINRA Rules 2241 and 2242, which govern the conduct of research analysts and the content of equity and debt research reports, respectively, apply to all research distributed by a FINRA member firm, including research prepared by a foreign broker-dealer under Rule 15a-6.

- Research reports prepared by a foreign broker-dealer and distributed by a U.S. broker-dealer are deemed to be third party research reports, as reports produced by a person other than a FINRA member.
- Prior to distributing any third party research, a U.S. broker-dealer must assure that such report contains the required disclosures under FINRA Rule 2241(h) or 2242(g)(3), as applicable.

This report is intended for distribution by YES Securities (India) Limited only 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). As per Rule 15a-6(b)(4) of the Exchange Act, 1934, "Major U.S. institutional investor" means a U.S. institutional investor with assets, or assets under management, in excess of US\$100 million, or a registered investment adviser with assets under management in excess of US\$100 million. 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 or entity. Transactions in securities discussed in this research report should be effected through Brasil Plural Securities LLC (BPS) or another U.S. registered broker dealer/Entity as informed by YES Securities (India) Limited from time to time.

<sup>[1]</sup> Rule 15a-6 under the Securities Exchange Act of 1934 provides conditional exemptions from broker-dealer registration for foreign broker-dealers that engage in certain specified activities involving U.S. investors. These activities include:

- (a) Effecting unsolicited securities transactions;
- (b) Providing research reports to major U.S. institutional investors, and effecting transactions in the subject securities with or for those investors;
- (c) Soliciting and effecting transactions with or for U.S. institutional investors or major U.S. institutional investors through a "chaperoning broker-dealer"; and
- (d) Soliciting and effecting transactions with or for registered broker-dealers, banks<sup>3</sup> acting in a broker or dealer capacity, certain international organizations, foreign persons temporarily present in the U.S., U.S. citizens resident abroad, and foreign branches and agencies of U.S. persons.

In adopting Rule 15a-6, the SEC sought "to facilitate access to foreign markets by U.S. institutional investors through foreign broker-dealers and the research that they provide, consistent with maintaining the safeguards afforded by broker-dealer registration." [Rule 15a-6 Adopting Release at 54 FR 30013; see also Registration Requirements for Foreign Broker-Dealers, Exchange Act Release No. 25801 (June 14, 1988), 53 FR 23645 (June 23, 1988)].

## DISCLOSURE OF INTEREST

Name of the Research Analyst : Shivaji Thapliyal, Hemant Kadian, Himanshu Barot

The analyst hereby certifies that opinion expressed in this research report accurately reflect his or her personal opinion about the subject securities and no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendation and opinion expressed in this research report.

Sr. No.	Particulars	Yes/No
1	Research Analyst or his/her relative's or YSIL's financial interest in the subject company(ies)	No
2	Research Analyst or his/her relative or YSIL's actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the research report	No
3	Research Analyst or his/her relative or YSIL has any other material conflict of interest at the time of publication of the research report	No
4	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
5	YSIL has received any compensation from the subject company in the past twelve months	No
6	YSIL has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
7	YSIL has received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
8	YSIL has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9	YSIL has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10	Research Analyst or YSIL has been engaged in market making activity for the subject company(ies)	No

Since YSIL and its associates are engaged in various businesses in the financial services industry, they may have financial interest or may have received compensation for investment banking or merchant banking or brokerage services or for any other product or services of whatsoever nature from the subject company(ies) in the past twelve months or associates of YSIL may have managed or co-managed public offering of securities in the past twelve months of the subject company(ies) whose securities are discussed herein.

Associates of YSIL may have actual/beneficial ownership of 1% or more and/or other material conflict of interest in the securities discussed herein.

## RECOMMENDATION PARAMETERS FOR FUNDAMENTAL REPORTS

Analysts assign ratings to the stocks according to the expected upside/downside relative to the current market price and the estimated target price. Depending on the expected returns, the recommendations are categorized as mentioned below. The performance horizon is 12 to 18 months unless specified and the target price is defined as the analysts' valuation for a stock. No benchmark is applicable to the ratings mentioned in this report.

**BUY:** Upside greater than 20% over 12 months

**ADD:** Upside between 10% to 20% over 12 months

**NEUTRAL:** Upside between 0% to 10% over 12 months

**REDUCE:** Downside between 0% to -10% over 12 months

**SELL:** Downside greater than -10% over 12 months

**NOT RATED / UNDER REVIEW**

Lead Analyst signature	Associate signature	Associate signature
------------------------	---------------------	---------------------

## ABOUT YES SECURITIES (INDIA) LIMITED

YES Securities (India) Limited ("YSIL") is a subsidiary of YES BANK LIMITED. YSIL is a Securities and Exchange Board of India (SEBI) registered Stock broker holding membership of National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Multi Commodity Exchange (MCX) & National Commodity & Derivatives Exchange (NCDEX). YSIL is also a SEBI-registered Investment Adviser and Research Analyst. YSIL is also a Sponsor and Investment Manager of Alternate Investment Fund - Category III (YSL Alternates) and AMFI registered Mutual Fund Distributor. The Company is also a registered Depository Participant with CDSL and NSDL.