motilal oswal
Financial Services

1 August 2026
1QFY27 Results Update | Sector: Financials

LIC Housing Finance

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	LICHF IN
Equity Shares (m)	550
M.Cap.(INRb)/(USDb)	287.7 / 3
52-Week Range (INR)	598 / 459
1, 6, 12 Rel. Per (%)	-9/3/-9
12M Avg Val (INR M)	862

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	84.2	81.6	87.9
PPP	76.3	73.5	79.2
PAT	56.0	56.8	59.8
EPS (INR)	101.7	103.2	108.7
EPS Gr. (%)	3.1	1.5	5.4
BV/Sh (INR)	751	834	921
Ratios			
NIM (%)	2.7	2.5	2.5
C/I ratio (%)	15.1	16.6	16.7
RoAA (%)	1.8	1.7	1.7
RoE (%)	14.4	13.0	12.4
Payout (%)	9.8	10.2	9.8
Valuations			
P/E (x)	5.1	5.1	4.8
P/BV (x)	0.7	0.6	0.6
Div. Yield (%)	1.9	2.0	2.0

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	45.2	45.2	45.2
DII	21.0	20.9	22.2
FII	21.5	21.4	20.3
Others	12.3	12.5	12.3

FII Includes depository receipts

CMP: INR523 TP: INR580 (+11%) Neutral

Loan growth remains tepid; margin pressure persists

Disbursements grew ~14% YoY; NIM declined ~20bp QoQ

- LIC Housing Finance's (LICHF) 1QFY27 PAT grew ~9% YoY to ~INR14.9b (in line). NII rose ~1% YoY to ~INR20.8b (in line). Fee and other income declined 26% YoY to INR420m.
- Opex grew ~16% YoY to INR3.4b (in line) and the cost-income ratio rose ~225bp YoY to ~16.1% (PY: ~13.8% and PQ: ~17%). Higher employee expenses were primarily attributed to an increase in employee gratuity provisions by INR220m (driven by higher G-Sec yields).
- PPoP declined ~3% YoY to ~INR17.8b (the company has reclassified recoveries from written-off loans from other operating income to credit cost line item, which is now presented net of recoveries). Credit costs (net of recoveries) stood at -INR1.1b and translated into annualized credit costs of -14bp (PY: 17bp and PQ: -4bp).
- LICHF guided for loan book growth of ~8-10% and disbursement growth of ~10-12% in FY27. To support growth, the company continues to diversify toward higher-yielding segments such as LAP, LRD, and developer finance. The company expects developer finance disbursements to improve, driven by a selective focus on Grade-B developers while maintaining pricing and underwriting discipline. It will roll out affordable housing in a calibrated manner, while ongoing digital investments are expected to improve customer acquisition, TAT, and operating efficiency.
- The company expects its borrowing costs to increase marginally by ~3-4bp. LICHF remains focused on preserving profitability while pursuing loan growth and has guided for NIM of ~2.6% in FY27. Margin pressure from intense competition in the home loan segment and elevated BT-outs is expected to be partly offset through a higher mix of better-yielding non-housing loans.
- LICHF's near-term loan growth trajectory will remain weak due to muted disbursement growth and higher competitive intensity, resulting in elevated BT-OUTs and repayments. Margins will remain a key monitorable amid high competitive intensity in the home loan segment, with the success of diversification toward higher-yielding segments being critical for improving profitability. Asset quality remained stable, supported by improving portfolio trends and recoveries from legacy stressed accounts.
- LICHF's valuation of ~0.6x FY27E P/BV reflects its inability to deliver a respectable double-digit loan growth. We estimate a CAGR of ~7%/3% in advances/PAT over FY26-28E and RoA/RoE of 1.7%/12% by FY28E. With no near-term catalyst, **we reiterate our Neutral rating on the stock with a TP of INR580 (based on 0.6x FY28E P/BV).**

Home loans grew ~4% YoY; non-housing individual segment gained traction

- Loan disbursements in individual home loans grew ~8% YoY, while non-housing individual disbursements rose 20% YoY. Non-housing commercial disbursements declined ~27% YoY. Builder/project loan disbursements stood at INR8.7b (PY: INR1.6b). Total disbursements grew ~14% YoY to ~INR150b. Repayment rate rose to 17% (PY: 14.6% and PQ: 18.6%).

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- Overall loan book was up ~4% YoY and flat QoQ at INR3.22t. Home loans grew ~4% YoY, while non-housing individual book grew ~10% YoY. We expect LICHF to deliver a loan book CAGR of ~7% over FY26-28E.

Margin headwinds persist following portfolio repricing

- NIM declined ~20bp QoQ to ~2.6%. Reported yields as of Jun'26 declined ~10bp QoQ to 9.12%, while CoB was broadly stable QoQ at ~7.28%. This resulted in spreads declining ~10bp QoQ to ~1.84%.
- We expect LICHF to deliver NIMs of ~2.5% over FY27-FY28.

Asset quality trends favorable; focus on stressed asset resolution continues

- GS3/NS3 remained broadly stable QoQ at ~2.15%/1.12%. Stage 3 PCR declined ~180bp QoQ to ~48.2% (PQ: ~50%) and Stage 2 PCR declined ~15bp QoQ to ~4.9% (PQ: 5.05%).
- Recoveries from the developer finance portfolio are expected to remain a key driver of further improvement, with multiple large accounts progressing toward resolution via legal and negotiated settlements. Consequently, the company expects credit costs to remain within the guided range of ~10-15bp and GNPA to stay below 2% in FY27. We model (net) credit costs of 5bp/10bp in FY27E/FY28E.

Highlights from the management commentary

- LICHF expects developer finance to become a meaningful growth driver. Last year was challenging from a developer finance perspective due to pricing pressures and the company remains cautious on lending below ~8% yields.
- Recovery from NPAs stood at ~INR5.4b during the quarter, with management expecting further recoveries of INR5-6b over the coming quarters.

Valuation and view

- LICHF's near-term performance will hinge on the trajectory of loan book growth and disbursement momentum, with repayments remaining elevated. While diversification toward higher-yielding non-housing segments remains a focus area for the company, its impact on margin will be an important monitorable. Asset quality remains stable, providing comfort on the benign credit cost outlook.
- We estimate a CAGR of ~7%/3% in advances/PAT over FY26-28E and RoA/RoE of 1.7%/12% by FY28E. With no near-term catalyst, we reiterate our Neutral rating on the stock with a TP of INR580 (based on 0.6x FY28E P/BV).

Quarterly Performance **(INR M)**

Y/E March	FY26				FY27E				FY26	FY27E	1Q	Act. v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			FY27E	est. (%)
Interest Income	71,131	70,335	70,439	70,093	70,236	70,446	71,151	72,931	2,81,997	2,84,764	70,653	-1
Interest Expenses	50,484	49,951	49,421	47,875	49,481	50,371	51,227	52,104	1,97,752	2,03,183	48,976	1
Net Interest Income	**20,647**	**20,385**	**21,017**	**22,218**	**20,755**	**20,075**	**19,923**	**20,827**	**84,245**	**81,581**	**21,677**	-4
YoY Growth (%)	3.8	3.3	5.1	2.6	0.5	-1.5	-5.2	-6.3	3.6	-3.2	4.9	
Fees and other income	564	1,362	1,431	677	420	1,648	1,689	2,797	5,720	6,554	1,441	-71
Net Income	**21,211**	**21,747**	**22,449**	**22,895**	**21,175**	**21,723**	**21,612**	**23,625**	**89,965**	**88,135**	**23,119**	-8
YoY Growth (%)	4.3	6.0	6.6	-1.8	-0.2	-0.1	-3.7	3.2	5.5	-2.0	5.8	
Operating Expenses	2,928	3,018	3,488	3,889	3,401	3,469	3,643	4,095	13,618	14,608	3,320	2
Operating Profit	**18,284**	**18,729**	**18,961**	**19,006**	**17,774**	**18,254**	**17,970**	**19,530**	**76,347**	**73,527**	**19,798**	-10
YoY Growth (%)	3.2	7.5	8.4	1.1	-2.8	-2.5	-5.2	2.8	6.9	-3.7	4.6	
Provisions and Cont.	1,292	1,682	1,536	-337	-1,111	-400	1,520	1,621	5,540	1,631	1,350	-182
Profit before Tax	**16,992**	**17,047**	**17,425**	**19,342**	**18,884**	**18,654**	**16,450**	**17,908**	**70,806**	**71,896**	**18,448**	2
Tax Provisions	3,392	3,508	3,586	4,368	4,001	3,731	3,454	3,912	14,855	15,098	3,911	2
Net Profit	**13,599**	**13,539**	**13,840**	**14,974**	**14,883**	**14,923**	**12,995**	**13,997**	**55,952**	**56,798**	**14,537**	2
YoY Growth (%)	5	2	-3	9	9	10	-6	-7	3	2	7	
Key Operating Parameters (%)												
Yield on loans (Cal)	9.22	9.06	9.00	8.83	8.74	8.69	8.64	8.67	9.1	8.7		
Cost of funds (Cal)	7.46	7.35	7.26	6.97	7.14	7.18	7.14	7.14	7.2	7.1		
Spreads (Cal)	1.76	1.70	1.74	1.86	1.60	1.50	1.50	1.53	1.9	1.6		
Margins (Cal)	2.68	2.62	2.69	2.80	2.58	2.48	2.42	2.48	2.7	2.5		
Credit Cost (Cal)	0.17	0.22	0.20	-0.04	-0.14	-0.05	0.18	0.19	0.2	0.1		
Cost to Income Ratio	13.8	13.9	15.5	17.0	16.1	16.0	16.9	17.3	15.1	16.6		
Tax Rate	20.0	20.6	20.6	22.6	21.2	20.0	21.0	21.8	21.0	21.0		
Balance Sheet Parameters												
Loans (INR B)	3,096	3,118	3,143	3,207	3,221	3,268	3,321	3,407	3162	3361		
Change YoY (%)	7.2	5.8	5.1	4.2	4.0	4.8	5.7	6.2	4.4	6.3		
Indiv. Disb. (INR B)	130	159	155	202	141	0	0	0	646	704		
Change YoY (%)	4.6	5.7	7.0	10.3	9.1	-100.0	-100.0	-100.0	7.2	9.0		
Borrowings (INR B)	2,709	2,725	2,721	2,775	2,768	2,843	2,896	2,941	2774	2941		
Change YoY (%)	6.8	5.8	3.6	2.5	2.2	4.3	6.5	6.0	2.5	6.0		
Loans/Borrowings (%)	114.3	114.4	115.5	115.6	116.4	114.9	114.7	115.8	114.0	114.3		
Asset Quality Parameters												
GS 3 (INR B)	81.1	78.3	77.0	69.3	68.9							
Gross Stage 3 (% on Assets)	2.62	2.51	2.45	2.16	2.14							
NS 3 (INR B)	39.9	36.7	35.0	34.6	35.7							
Net Stage 3 (% on Assets)	1.31	1.20	1.13	1.10	1.12							
PCR (%)	50.8	53.1	54.5	50.0	48.2							
ECL (%)	1.63	1.63	1.62	1.42	1.37							
Loan Mix (%)												
Home loans	84.8	84.7	84.6	84.5	84.4							
LAP	13.6	13.7	13.8	14.2	14.3							
Non-Individual loans	1.6	1.6	1.6	1.3	1.3							
Borrowing Mix (%)												
Banks	31.0	35.0	38.0	39.0	37.0							
NCD	55.0	53.0	50.0	46.0	46.0							
Sub Debt	0.0	0.0	0.0	0.0	0.0							
Deposits	4.0	4.0	4.0	4.0	4.0							
NHB	5.0	4.0	5.0	7.0	8.0							
CP	5.0	4.0	3.0	4.0	5.0							

E: MOFSL Estimates

Highlights from the management commentary

Guidance and outlook

- LICHF expects the loan book to grow at ~8-10% in FY27, supported by gradual improvement in disbursements, with disbursement growth guided at ~10-12% for the year.
- Disbursements grew ~14.5% YoY in 1QFY27, in line with guidance, and the company is targeting ~15% disbursement growth in 2QFY27.
- Management expects loan growth to remain gradual as disbursements improve, considering ongoing repayments, maturities, part prepayments, full prepayments, and balance transfers.
- The company has guided for NIM to remain around ~2.6% in FY27, while balancing growth ambitions with margin preservation.
- The company guided for credit costs of ~10-15bp for FY27, supported by improving asset quality and recoveries from stressed project loans. The company expects GNPA for FY27 to remain below ~2%.
- Management remains focused on product diversification, with increasing contribution from higher-yielding segments such as LAP and LRD to offset pressure in individual home loans.

Macro and opening remarks

- The global macroeconomic environment remains uncertain due to heightened geopolitical tensions, including renewed escalation in the US-Iran conflict, resulting in volatility in crude prices and global financial markets.
- Despite global uncertainties and cautious policy stance by major central banks, the Indian economy remains resilient, supported by strong domestic demand, healthy government capex and a robust financial sector.
- Inflation remains broadly within the RBI's comfort zone, although higher crude oil prices remain a potential upside risk. India's GDP growth is expected to remain among the strongest globally.
- A stable domestic interest rate environment is expected to support credit demand, particularly in the housing sector, while also benefiting funding costs and asset quality across the industry.

Loan growth and disbursements

- Disbursement growth stood at ~14.5% in 1QFY27, supported by business momentum, while the company continues to target higher growth through increased customer retention and origination volumes.
- BT-out activity remained elevated during the quarter, with net BT-out of ~INR15b impacting loan growth.
- LICHF continues to compete with banks in the individual home loan segment, which has resulted in some pressure on margins due to competitive pricing.
- Management highlighted the need to balance growth and profitability by increasing disbursements while maintaining NIM at ~2.6%.

Product diversification and higher-yielding segments

- LICHF has been pursuing product diversification over the past two years, with an objective to gradually reduce dependence on individual home loans and increase exposure to non-individual housing segments such as LAP and LRD.
- LAP and LRD portfolios offer ~150bp higher yields compared to individual home loans and are expected to support overall portfolio yields.
- The LAP and LRD portfolio is growing at ~20% in the current quarter, with incremental lending rates at ~9.4%. The company expects growth in higher-yielding segments to compensate for pressure on individual housing loan yields over time.

Developer finance

- The company expects developer finance to become a meaningful growth driver. Last year was challenging from a developer finance perspective due to pricing pressures from large developers, and the company remains cautious on lending below ~8% yields.
- Management is focusing on quality Grade-B developers rather than competing aggressively for large developers demanding lower pricing.
- The previous requirement of lending only to developers with a minimum BBB rating is being relaxed, enabling the company to evaluate a wider set of borrowers while maintaining credit discipline.
- The company does not have a fixed ticket size strategy for developer finance and is willing to consider loans ranging from INR250-300m for smaller developers to INR3-4b for larger developers.
- Developer finance lending rates are currently around ~10.5%, supporting the objective of balancing growth with margins.

Margins, yields and pricing

- LICHF has guided for NIMs of ~2.6% in FY27, with efforts focused on maintaining margins despite competitive pressures in the individual housing loan segment.
- Overall portfolio yields stood at ~9.12%
- The company reduced lending rates by 25bp across the portfolio in April last year, which impacted margins during the period.
- Incremental cost of funds stood at 7.06% in 1QFY27 compared to 6.86% in 4QFY26 and 6.97% in 1QFY26. Cost of borrowings is expected to increase marginally by ~3-4bp, although the company continues to benefit from diversified borrowing sources and prudent liability management.
- The company has adopted a flexible approach to repricing for select prime customers to reduce BT-out risk, with customer retention efforts focused on strong borrowers and large-ticket loans.
- A structured policy has been implemented to track large BT-outs, engage with customers, and offer competitive rates wherever retention is commercially viable.

Asset quality and recoveries

- Asset quality continued to improve sequentially, supporting confidence in achieving the guided credit cost range of ~10-15bp for FY27.

- Stage 3 in individual housing loans stood at 1.09%, while Stage 3 in non-individual housing stood at ~3.06% and project loans at ~20.53%.
- Recovery efforts remain focused on legacy stressed loans, particularly from the developer finance portfolio, with accounts progressing through various stages of resolution.
- Recovery from NPAs stood at ~INR5.4b during the quarter, with management expecting further recoveries of INR5-6b over the coming quarters.
- Several large legacy accounts are in advanced stages of resolution, which should support a meaningful reduction in NPA.
- The company continues to pursue multiple recovery mechanisms, including legal actions and one-time settlements with borrowers.

Affordable housing initiatives

- Affordable Housing remains a work in progress and has not yet been rolled out. The company plans to initiate the business during FY27.
- Management intends to adopt a cautious approach in affordable housing, with strong credit guardrails given the higher risk profile of the segment.
- The company has not set any business targets for affordable housing at this stage and will focus on building the business prudently.

Digital transformation and technology initiatives

- LICHF is undertaking a complete overhaul of its LMS and LOS to improve customer experience, service delivery and turnaround times.
- Digital initiatives are being implemented across customer onboarding, credit appraisal, straight-through processing, and analytics to improve efficiency and reduce delinquencies.
- The company is integrating multiple applications and tools to create a more efficient operating ecosystem and improve productivity.
- Digital initiatives are expected to reduce overall costs by improving processes and enabling redeployment of manpower toward higher productivity areas rather than direct workforce reduction.
- The ultimate objective is to enhance customer experience, improve cost efficiency and create a scalable operating platform.

Financial and operating highlights

- High operating costs were primarily due to an increase in employee gratuity provision (driven by higher G-Sec yields) by INR220m, while overall costs remain within the expected range.
- Technology spending is expected to increase during FY27, with significant IT investments likely to be incurred from 2QFY27 onwards.

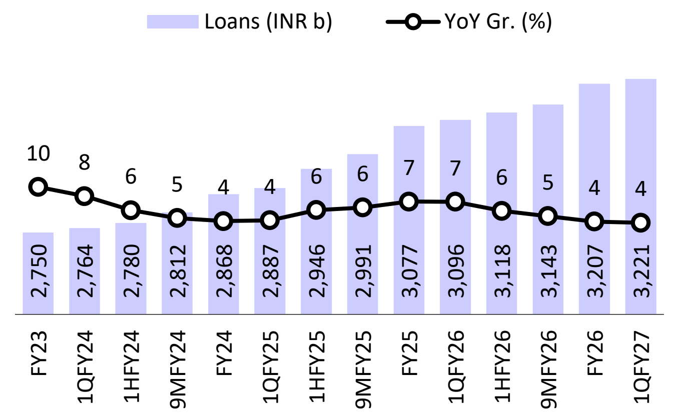
Exhibit 1: Segment-wise split of Stage 3

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Individual home loans (IHL)	1.3%	1.2%	1.1%	1.2%	1.2%	1.1%	1.0%	1.1%
Non-housing individual (NHI)	5.0%	4.6%	3.9%	4.3%	4.0%	3.8%	3.5%	3.1%
Non-housing commercial (NHC) Project loans	30.1%	27.0%	24.5%	24.8%	22.9%	24.9%	21.0%	20.5%

*NHC includes project loans

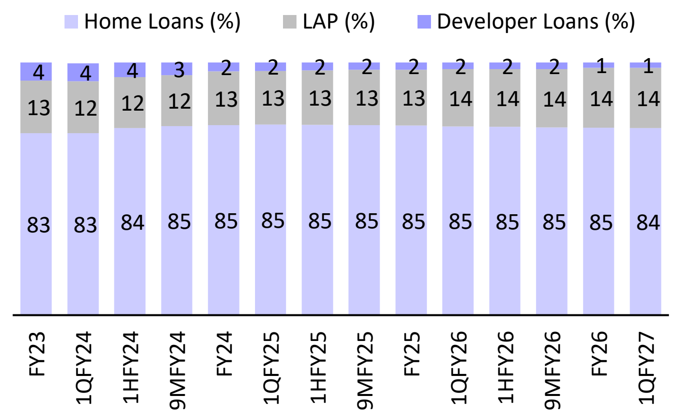
Story in charts

Exhibit 2: Loan book grew ~4% YoY



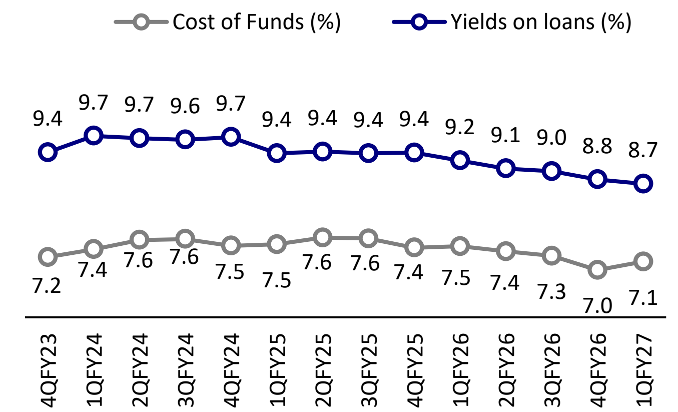
Source: MOFSL, Company

Exhibit 3: Loan mix largely stable QoQ (%)



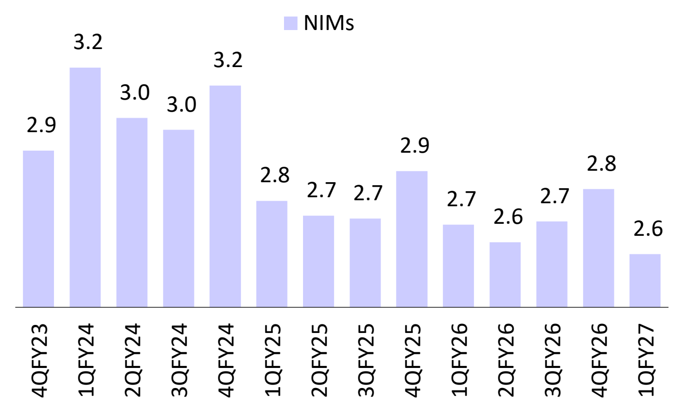
Source: MOFSL, Company

Exhibit 4: Calculated spreads declined ~25bp QoQ



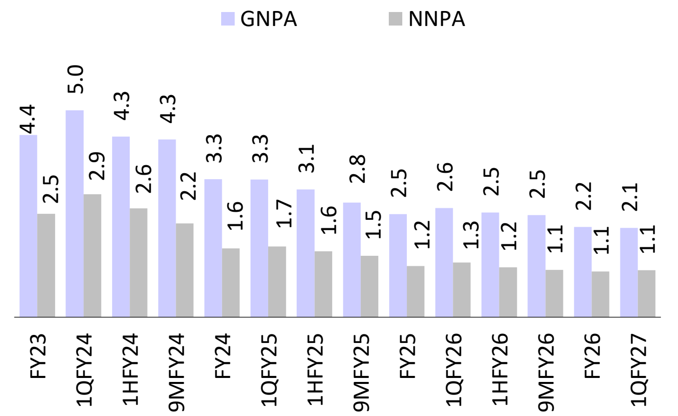
Source: MOFSL, Company

Exhibit 5: NIMs declined ~20bp QoQ (%)



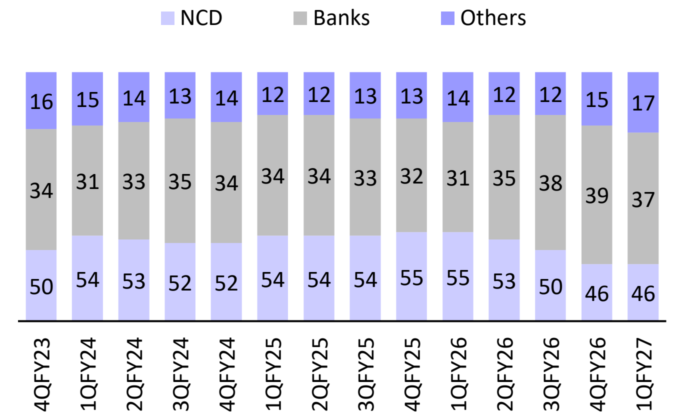
Source: MOFSL, Company

Exhibit 6: Asset quality remained stable QoQ (%)



Source: MOFSL, Company

Exhibit 7: Share of bank borrowings declined ~2pp QoQ (%)

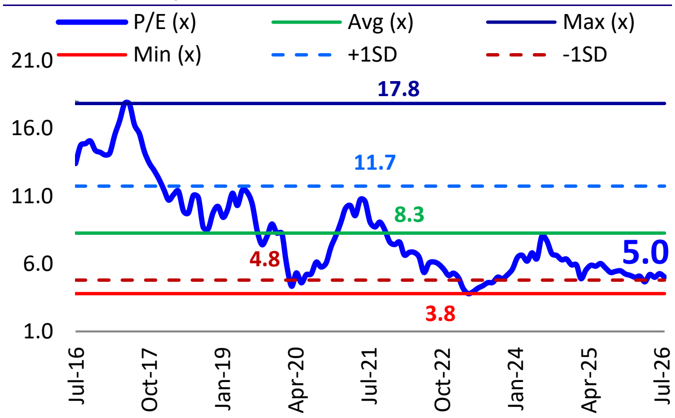


Source: MOFSL, Company

Exhibit 8: We cut our FY27 estimates by ~3% to factor in lower NIM partly offset by lower credit costs

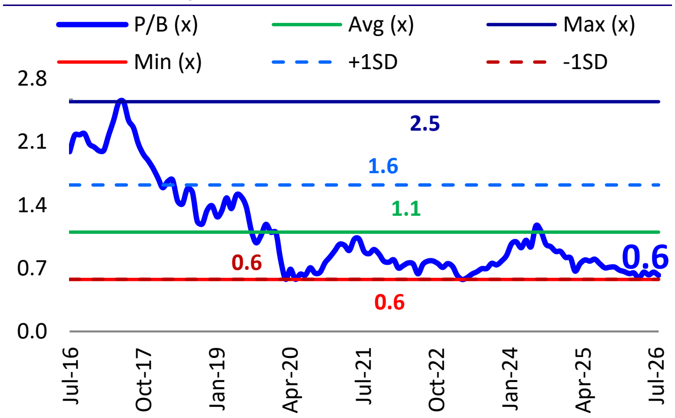
INR B	Old Est.		New Est.		% Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
NII	88.5	92.0	81.6	87.9	-7.8	-4.4
Other Income	6.5	7.2	6.6	7.2	0.1	0.1
Net Income	**95.1**	**99.2**	**88.1**	**95.1**	**-7.3**	-4.1
Operating Expenses	14.6	15.9	14.6	15.9	0.0	0.0
Operating Profits	**80.5**	**83.3**	**73.5**	**79.2**	**-8.6**	-4.9
Provisions	6.5	7.0	1.6	3.5	-75.0	-49.9
PBT	**73.9**	**76.3**	**71.9**	**75.8**	**-2.8**	-0.8
Tax	15.5	16.0	15.1	15.9	-2.8	-0.8
PAT	**58.4**	**60.3**	**56.8**	**59.8**	**-2.8**	-0.8
Loans	3,359	3,616	3,361	3,625	0.1	0.2
Borrowings	2,941	3,157	2,941	3,161	0.0	0.1
Spreads (%)	**1.85**	**1.74**	**1.62**	**1.61**		
RoAA (%)	**1.7**	**1.7**	**1.7**	**1.7**		
RoAE (%)	**13.4**	**12.4**	**13.0**	**12.4**		

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	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Interest Income	1,96,054	1,96,971	1,96,885	2,25,162	2,70,416	2,76,615	2,81,997	2,84,764	3,06,092
Interest Expense	1,47,839	1,44,526	1,41,537	1,61,860	1,83,907	1,95,320	1,97,752	2,03,183	2,18,151
Net Interest Income	**48,215**	**52,445**	**55,348**	**63,303**	**86,509**	**81,295**	**84,245**	**81,581**	**87,942**
Change (%)	12.9	8.8	5.5	14.4	36.7	-6.0	3.6	-3.2	7.8
Fee Income	394	788	982	448	491	371	788	882	966
Other Income	250	718	1,664	1,132	1,440	3,577	4,932	5,672	6,239
Net Income	**48,859**	**53,951**	**57,994**	**64,882**	**88,440**	**85,243**	**89,965**	**88,135**	**95,146**
Change (%)	9.2	10.4	7.5	11.9	36.3	-3.6	5.5	-2.0	8.0
Operating Expenses	6,167	7,015	9,994	9,883	11,463	13,826	13,618	14,608	15,897
Operating Profits	**42,692**	**46,936**	**48,000**	**55,000**	**76,976**	**71,416**	**76,347**	**73,527**	**79,249**
Change (%)	6.8	9.9	2.3	14.6	40.0	-7.2	6.9	-3.7	7.8
Provisions/write offs	10,002	13,450	20,218	19,430	16,437	2,858	5,540	1,631	3,493
PBT	**32,690**	**33,486**	**27,782**	**35,570**	**60,539**	**68,558**	**70,806**	**71,896**	**75,755**
Tax	8,672	6,142	4,909	6,660	12,885	14,268	14,855	15,098	15,909
Tax Rate (%)	26.5	18.3	17.7	18.7	21.3	20.8	21.0	21.0	21.0
PAT	**24,018**	**27,343**	**22,873**	**28,910**	**47,654**	**54,290**	**55,952**	**56,798**	**59,847**
Change (%)	-1.2	13.8	-16.3	26.4	64.8	13.9	3.1	1.5	5.4
Adjusted PAT	**24,018**	**27,343**	**22,873**	**28,910**	**47,654**	**54,290**	**55,952**	**56,798**	**59,847**
Change (%)	-1.2	13.8	-16.3	26.4	64.8	13.9	3.1	1.5	5.4
Proposed Dividend	**4,040**	**4,292**	**4,678**	**4,678**	**4,954**	**5,504**	**5,504**	**5,779**	**5,865**

Balance Sheet									
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Capital	1,010	1,010	1,101	1,101	1,101	1,101	1,101	1,101	1,101
Reserves & Surplus	1,80,921	2,04,203	2,45,618	2,69,903	3,12,846	3,61,467	4,12,155	4,57,669	5,05,872
Net Worth	**1,81,931**	**2,05,213**	**2,46,718**	**2,71,003**	**3,13,946**	**3,62,568**	**4,13,255**	**4,58,770**	**5,06,973**
Borrowings	**19,13,317**	**20,78,615**	**22,36,582**	**24,47,742**	**25,24,968**	**27,05,972**	**27,74,225**	**29,41,182**	**31,60,937**
Change (%)	12.1	8.6	7.6	9.4	3.2	7.2	2.5	6.0	7.5
Other liabilities	72,808	72,505	62,375	65,374	73,132	70,726	63,577	60,398	63,418
Total Liabilities	**21,68,056**	**23,56,333**	**25,45,675**	**27,84,120**	**29,12,046**	**31,39,266**	**32,51,057**	**34,60,350**	**37,31,328**
Investments	54,964	46,357	61,986	69,764	62,770	71,421	50,503	55,554	61,109
Change (%)	52.9	-15.7	33.7	12.5	-10.0	13.8	-29.3	10.0	10.0
Loans	**20,79,880**	**22,81,143**	**24,52,963**	**26,78,348**	**28,05,898**	**30,28,458**	**31,61,678**	**33,61,351**	**36,24,928**
Change (%)	7.8	9.7	7.5	9.2	4.8	7.9	4.4	6.3	7.8
Net Fixed Assets	2,544	2,469	2,876	3,570	3,609	3,781	3,456	3,629	3,811
Other assets	30,669	26,364	27,849	32,439	39,770	35,605	35,419	39,817	41,480
Total Assets	**21,68,056**	**23,56,333**	**25,45,675**	**27,84,120**	**29,12,046**	**31,39,266**	**32,51,057**	**34,60,350**	**37,31,328**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Spreads Analysis (%)									
Yield on loans	9.8	9.0	8.3	8.8	9.9	9.5	9.1	8.7	8.8
Cost of funds	8.2	7.2	6.6	6.9	7.4	7.5	7.2	7.1	7.2
Spreads Analysis (%)	1.6	1.8	1.76	1.87	2.46	2.01	1.9	1.6	1.61
Margins	**2.4**	**2.4**	**2.3**	**2.5**	**3.2**	**2.8**	**2.7**	**2.5**	**2.5**
Profitability Ratios (%)									
Adj RoAE	13.9	14.1	10.1	11.2	16.3	16.0	14.4	13.0	12.4
Adj RoAA	1.2	1.2	0.9	1.1	1.7	1.8	1.8	1.7	1.7
Int. Expended/Int.Earned	75.4	73.4	71.9	71.9	68.0	70.6	70.1	71.4	71.3
Other Inc./Net Income	0.5	1.3	2.9	1.7	1.6	4.2	5.5	6.4	6.6
Efficiency Ratios (%)									
Fees/Operating income	0.2	0.4	0.5	0.2	0.2	0.1	0.3	0.3	0.3
Op. Exps./Net Income	12.6	13.0	17.2	15.2	13.0	16.2	15.1	16.6	16.7
Empl. Cost/Op. Exps.	48.5	41.8	56.4	47.9	53.2	50.8	47.1	47.4	47.9
Asset-Liability Profile (%)									
Loans/Borrowings Ratio	108.7	109.7	109.7	109.4	111.1	111.9	114.0	114.3	114.7
Debt/Equity (x)	10.5	10.1	9.1	9.0	8.0	7.5	6.7	6.4	6.2
Gross NPAs (Rs m)	59,594	95,585	1,16,520	1,20,196	94,945	76,010	69,273	66,111	62,750
Gross NPAs to Adv.	2.8	4.1	4.6	4.4	3.3	2.5	2.2	1.9	1.7
Net NPAs (Rs m)	33,474	57,414	66,314	66,383	46,178	37,071	34,649	33,056	31,375
Net NPAs to Adv.	1.6	2.5	2.7	2.5	1.6	1.2	1.1	1.0	0.9

Valuation	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Book Value (INR)	360	406	448	492	570	659	751	834	921
Growth (%)	11.9	12.8	10.3	9.8	15.8	15.5	14.0	11.0	10.5
Price-BV (x)	**1.5**	**1.3**	**1.2**	**1.1**	**0.9**	**0.8**	**0.7**	**0.6**	**0.6**
Adjusted BV (INR)	342.4	375.7	415.7	459.8	547.7	640.6	733.8	817.3	905.7
Price-ABV (x)	**1.5**	**1.3**	**1.2**	**1.1**	**0.9**	**0.8**	**0.7**	**0.6**	**0.6**
OPS (INR)	84.5	93.0	87.2	99.9	139.9	129.8	138.7	133.6	144.0
Growth (%)	*6.8*	*9.9*	*-6.2*	*14.6*	*40.0*	*-7.2*	*6.9*	*-3.7*	*7.8*
Price-OP (x)	6.2	5.6	6.0	5.2	3.7	4.0	3.8	3.9	3.6
EPS (INR)	47.6	54.2	41.6	52.5	86.6	98.6	101.7	103.2	108.7
Growth (%)	-1.2	13.8	-23.3	26.4	64.8	13.9	3.1	1.5	5.4
Price-Earnings (x)	**11.0**	**9.7**	**12.6**	**10.0**	**6.0**	**5.3**	**5.1**	**5.1**	**4.8**
Adj. EPS (INR)	47.6	54.2	41.6	52.5	86.6	98.6	101.7	103.2	108.7
Growth (%)	-1.2	13.8	-23.3	26.4	64.8	13.9	3.1	1.5	5.4
Price-Earnings (x)	**11.0**	**9.7**	**12.6**	**10.0**	**6.0**	**5.3**	**5.1**	**5.1**	**4.8**
Dividend Per Share	8.0	8.5	8.5	8.5	9.0	10.0	10.0	10.5	10.7
Dividend Yield (%)	**1.5**	**1.6**	**1.6**	**1.6**	**1.7**	**1.9**	**1.9**	**2.0**	**2.0**

E: MOFSL Estimates

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