

Manappuram Finance

Estimate change

TP change

Rating change


Bloomberg	MGFL IN
Equity Shares (m)	846
M. Cap. (INR b)/(USD b)	93.1 / 1.1
52-Week Range (INR)	134 / 82
1, 6, 12 Rel. Per (%)	-16/1/-7
12M Avg Val (INR m)	864

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	42.5	51.6	60.5
PPP	23.5	28.6	33.1
PAT	15.0	18.5	21.1
EPS (INR)	17.7	21.8	25.0
EPS Gr. (%)	12.9	23.0	14.6
BV/Sh.(INR)	114	132	153

Ratios

NIM (%)	13.5	13.8	13.7
C/I ratio (%)	48.5	47.7	48.1
RoA (%)	4.1	4.3	4.2
RoE (%)	16.7	17.7	17.5
Payout (%)	16.9	16.5	16.0

Valuations

P/E (x)	6.2	5.0	4.4
P/BV (x)	1.0	0.8	0.7
Div. Yld. (%)	2.7	3.3	3.6

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	35.2	35.2	35.1
DII	13.5	11.6	15.8
FII	30.2	30.1	29.8
Others	21.1	23.2	19.3

FII Includes depository receipts

CMP: INR110
TP: INR150 (+36%)
Buy
Healthy sequential growth in gold loans without the trade-offs
Kerala High Court stays investigation by the Enforcement Directorate (ED)

- Manappuram Finance (MGFL) reported a ~6% QoQ growth in gold AUM to ~INR198b in 4QFY23 after recording two consecutive quarters of gold AUM decline in each of 2Q/3QFY23. Gold AUM declined 2% YoY in FY23.
 - While optically, there was a ~150bp QoQ decline to 21% in the reported gold loan yields, it was because of the rise in gold loan tenors to six months from three months. The component of overdue interest was much lower in 4QFY23. **Management shared that the overdue interest component has started actualizing from Apr'23 onwards and that gold loan yields as on end-Apr'23 had already recovered to 21.4%. It guided for gold loan yields to recover to ~22% by end-Jun'23.**
 - Mr. Nandakumar shared that his legal counsel had filed a petition on his behalf and in the Kerala High Court hearing on 12th May'23, the honorable judge has pronounced a stay order on the ED investigation. The company is likely to receive the written order later in the evening.
 - MGFL's 4QFY23 consolidated PAT grew 60% YoY to ~INR4.15b, NII grew 25% YoY to ~INR11.3b and PPOP rose 21% YoY to ~INR6.1b. Consolidated credit costs declined ~10bp QoQ to ~55bp (annualized). FY23 consolidated PAT grew ~13% YoY to ~INR15b.
 - To mitigate the cyclicity in the gold loan segment, MGFL has been actively diversifying into non-gold segments with the share of non-gold products in the company's AUM mix rising to 44% (PY: 33%). We believe MGFL should tread carefully in the non-gold segments as it is yet to exhibit any clear 'right to win' in these segments. Healthy execution over the next few quarters will help build more confidence in its ability to scale non-gold products without associated risks on asset quality.
 - Importantly, if MGFL is able to demonstrate the guided recovery in gold loan yields to ~22% and deliver a healthy gold loan growth (which will be aided by higher gold prices as well), it will give credence to the management attribution of gold loan growth to: a) lesser aggression from banks and b) return of the core gold NBFC customers back to the gold-lending fold.
 - We raise our FY24E EPS by ~4% to factor in stronger growth in the non-gold segments. We estimate an 8%/18% AUM CAGR in gold/consolidated book, over FY23-25. We model a consolidated PAT CAGR of 19% over the same period to arrive at a consolidated RoA/RoE of ~4.2%/18.0% in FY25.
 - Valuation at 0.7x FY25E P/BV reflects the recent concerns around the impact of the ED investigation and the muted gold loan growth expectations.
- Reiterate BUY with a TP of INR150 (based on 1.0x FY25E consolidated BVPS).**

Healthy AUM growth led to stable tonnage despite higher gold prices

- Sequentially stable gold tonnage at 60t and rise in gold prices aided the ~6% QoQ gold AUM growth.
- LTV in Gold loans declined ~200bp QoQ to 60%, while the average ticket size in gold loans increased to INR57.5k (PQ: INR55k). Gold loan customer base was stable at 2.3m during the quarter.

Strong growth and asset quality improvement across non-gold products

- MFI AUM grew 40% YoY and 15% QoQ to ~INR93b. Annualized credit costs for Asirvad MFI rose to 2.6% (PQ: 1.9%) in 4QFY23. This was primarily led by the management efforts to reduce the stressed MFI book through ARC sales. GS3 for Asirvad declined ~4pp QoQ to 2.7% (PQ: 6.7%).
- Vehicle Finance AUM grew 49% YoY to ~INR24.6b. GS3 in this segment declined to 2.7% (PQ: 3.1%) in 4QFY23.
- On-lending AUM grew ~68 QoQ to INR8.7b and the AUM in MSME, Personal Loans grew 27% QoQ to ~INR19.8b. MSME/personal loan products are being sold across 45 branches and have a healthy asset quality with GS3 at ~1.5% as on Mar'23.

Highlights from the management commentary

- Guided for 10% gold AUM growth in FY24 and gold loan yields of ~22%.
- The company does not plan to open new branches in the MFI business and the existing distribution is equipped to scale the business even up to 3x by leveraging the existing branches.
- Guided for 35%, 35% and 50% YoY growth in MFI, HFC and MSME segments, respectively.

Valuation and view

- While the going was strong (also aided by higher gold prices) in the gold lending business, we will continue to monitor the sustainability of this demand at gold loan yields of 21-22% offered by MGFL. In the past, the management had articulated that it does not wish to pursue growth at the cost of a compression in spreads, which will continue to be a big driver for higher profitability.
- MGFL trades at 0.7x FY25E P/BV and we believe that there is a scope for a re-rating in valuation multiples for a franchise that can deliver an RoE of 17%-18%. Risk-reward for MGFL is favorable (unless there are any new developments on the ED investigation front) and **we reiterate our BUY rating with a TP of INR150 (based on 1.0x FY25E consolidated BVPS).**
- We believe that the Kerala High Court's stay order on ED investigation will provide more credibility to the management clarifications on the event ([Report Link](#)). For a stronger re-rating in the valuation multiples based on business fundamentals, it will be important to establish the sustainability of decent gold loan growth without the associated trade-offs with margin/spreads.

Quarterly Performance												(INR m)
Y/E March	FY22				FY23				FY22	FY23	4QFY23E	Act v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	15,216	14,787	14,461	13,933	14,612	16,078	16,574	17,141	58,397	64,404	17,595	-3
Interest Expenses	4,931	4,924	5,311	4,948	5,046	5,284	5,657	5,891	20,114	21,878	6,105	-4
Net Interest Income	10,285	9,863	9,151	8,985	9,566	10,795	10,917	11,250	38,284	42,526	11,490	-2
YoY Growth (%)	13.2	1.0	-11.6	-14.5	-7.0	9.4	19.3	25.2	-3.6	11.1	27.9	
Other income	521	758	607	980	416	1,063	772	845	2,866	3,095	1,025	-18
Net Income	10,806	10,621	9,758	9,965	9,981	11,858	11,688	12,095	41,149	45,622	12,516	-3
Operating Expenses	3,720	4,593	5,228	4,912	4,890	5,525	5,769	5,955	18,453	22,140	6,138	-3
Operating Profits	7,086	6,028	4,530	5,053	5,091	6,333	5,919	6,139	22,697	23,482	6,378	-4
YoY Growth (%)	11.1	-7.6	-38.6	-30.7	-28.2	5.1	30.7	21.5	-17.6	3.5	26.2	
Provisions	1,223	1,078	1,048	1,514	1,283	805	509	474	4,862	3,071	581	-18
PBT	5,864	4,950	3,482	3,539	3,808	5,527	5,410	5,666	17,835	20,410	5,797	-2
Tax Provisions	1,495	1,252	872	930	989	1,433	1,475	1,513	4,548	5,409	1,568	-4
PAT	4,369	3,699	2,610	2,610	2,819	4,095	3,935	4,153	13,287	15,002	4,229	-2
YoY Growth (%)	18.7	-8.8	-46.0	-44.3	-35.5	10.7	50.8	59.1	-23.0	12.9	62.1	
Key Ratios (%)												
Yield on loans	24.1	22.8	20.1	19.0	20.0	21.9	22.3	21.2	21.1	20.4		
Cost of funds (Cal)	9.3	8.8	8.7	8.2	8.4	8.3	8.4	8.5	8.6	8.3		
Spreads (Cal)	14.8	14.0	11.4	10.7	11.6	13.6	13.9	12.7	12.5	12.1		
NIMs (Cal)	16.3	15.2	12.7	12.2	13.1	14.7	14.7	13.9	13.8	13.5		
C/I ratio	34.4	43.2	53.6	49.3	49.0	46.6	49.4	49.2	44.8	48.5		
Credit Cost	1.9	1.6	1.4	2.0	1.7	1.0	0.65	0.56	1.8	1.0		
Tax Rate	25.5	25.3	25.0	26.3	26.0	25.9	27.3	26.7	25.5	26.5		
Balance Sheet Parameters												
Consol. AUM (INR b)	248	284	304	303	308	307	319	355				
Change YoY (%)	-2.3	5.6	10.0	11.2	24.3	7.9	4.9	17.2				
Gold loans (INR b)	165	187	205	202	205	192	186	197				
Change YoY (%)	-6.8	-5.2	1.2	5.7	23.8	2.5	-9.0	-2.1				
Gold stock (tonnes)	58	65	69	68	67	63	60	60				
Gold loans/branch (INR m)	47	53	54	53	53	49	47	50				
Consol. Borrowings (INR b)	197	250	241	241	240	268	270	285				
Change YoY (%)	-17.7	1.2	3.0	6.2	21.4	6.9	12.2	18.1				
Borrowings Mix (%)												
Debentures	41.0	33.9	31.5	27.6	25.4	25.4	24.9	23.4				
CPs	5.0	5.6	6.2	2.9	0.9	2.5	0.2	0.0				
WC/CC	14.0	25.4	29.9	31.1	31.3	23.1	19.8	22.9				
TL	26.0	24.2	20.9	27.0	30.5	38.5	44.2	52.6				
ECB	14.0	10.9	11.4	11.5	11.9	10.4	10.6	1.1				
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0				
Debt/Equity (x)	1.3	1.6	1.5	2.9	1.4	1.5	1.4	3.0				
Asset Quality Parameters (%)												
GNPL ratio (Standalone)	2.0	1.6	1.4	3.0	1.4	2.0	1.6	1.3				
NNPL ratio (Standalone)	1.6	1.3	1.0	2.7	1.3	1.8	1.4	1.1				
Return Ratios (%)												
RoA (Rep)	5.8	4.7	3.1	3.1	3.3	4.6	4.2	4.3				
RoE (Rep)	23.3	18.9	12.9	12.6	13.3	18.6	17.2	17.5				

E: MOFSL estimates



Highlights from the management commentary

Update on the ED investigation

- In the hearing that happened today (12th May'23) in the Kerala High Court, the honorable judge has pronounced a stay order on the ED investigation. The company is yet to receive a written order and expects to obtain it by (today) evening.
- Mr. Nandakumar's legal counsel is confident of getting the FIR and ED investigation quashed in the next hearing.

Guidance

- Guided for Gold loan AUM growth of 10% in FY24 and plans to operate at gold loan yields of 22%.
- Guided for gold loan yields of 22.5% by Mar'24 and 22% (on stock basis) by Jun'23. Average gold yields for 1QFY24 will still be between 21% and 22%
- Growth guidance in non-gold product segments: MFI - 35% YoY | HFC - 35%-40% YoY | MSME - 50% YoY
- Gold loan schemes of 12% p.a. will be maintained and will range between 8-10% of the Gold AUM. Blended yield on gold loans will be 22.5% by 3QFY24.

Gold loans

- Gold loans contributed ~56% to the consolidated AUM.
- Gold net yields declined because of the increase in the tenor of gold loans from 3M to 6M.
- Revised the tenors to 6M from 3M because a lot of surplus in auctions was happening. Increase in tenor to 6M is not a big price risk. Other lenders are offering tenor of 12M for the same LTV in gold loans.
- Ticket size above INR200K contributes 35% of the Gold AUM.
- Management shared that it does not believe reducing the gold loan lending rates by 100-200bp will position it better for higher gold loan growth.

Gold loan yields

- Transitory impact of lower overdue interest for three months when the gold loan tenors were moved to 6M from 3M.
- Started moving the tenor to 6M from 3M a few months back but this transition was more pronounced in the Jan-Mar'23 quarter
- Earlier, immediately after three months of date of pledge, the loan becomes eligible for overdue interest. Now the overdue interest is available only after 6M contracted tenor and this has led to decline in gold loan yields.
- Gold loan yields have already started improving from Apr'23 onwards and stood at 21.4% by end-Apr.

The RBI inspection for FY21

- From 2014 onwards, the gold loan scheme structure was such that the initial tenor was 3M and if the customer serviced the full outstanding interest, then the loan tenor was extended by another 3M. In the FY21 RBI inspection, however, the regulator had pointed out that the above scheme structure would be interpreted as rollover of loans.

- Because of change in gold loan schemes and change in accounting, there was a transitory spike in GNPA as a result of the RBI response. Management is discussing this issue with the RBI and is expecting a positive response from the regulator.

Asirvad MicroFinance

- Asirvad's AUM stood at INR100.4b and grew 43% YoY. Asirvad's AUM includes Gold AUM of ~INR7.05.
- 4QFY23 MFI disbursements stood at ~INR30b.
- NNPA stood at 1.15%. CRAR of ~19.6%.
- 4QFY23 RoA stood at 4.5% and ~27%
- A recent Supreme Court (SC) judgment relaxed operations of MFIs in Andhra Pradesh. Money Lenders Act was annulled by the SC. Micro Finance will be entirely under the purview of the RBI and no state can enact money lending acts separately.
- There is no expansion plan in this year. It has branch capacity to treble the business and it does not plan to add any more branches in the MFI business.

Asirvad capital raise

- MFI business has a CRAR of ~20% and will need equity capital for growth.
- MGFL will infuse equity capital of ~INR5b. It also plans to raise capital in Asirvad MFI either through an IPO or external investors.
- It has spoken to a few merchant bankers already who are awaiting 4QFY23 results. It will now start scouting for capital from external investors.

Housing finance

- Home Loan AUM grew ~30% YoY to INR110b. In the HFC business, the focus is on lower-ticket housing loans.

Vehicle finance

- Focus is on increasing the penetration in rural and semi-urban India. GNPA at 2.7% (PQ: 3.1%)

On-lending book and MSME

- Strong growth (on a low base) in the on-lending AUM book and MSME as well as others segment.
- GNPA in MSME and others stood at 1.5% (PQ: 1.2%)
- On-lending AUM stood at INR8.7b and grew 68% QoQ (on a low base)
- Small ticket unsecured loans have yields of ~25%. Total AUM at INR1.4-1.5b.

Competitive landscape

- Larger part of the Gold Loan AUM is still with the unorganized sector and it will be 3x of the organized sector.
- Enough opportunities for the organized players to wean away the customers from the unorganized sector.
- Bank and non-bank customers are different; rural economy has started coming back and the competitive intensity will come down.

Liabilities

- Dollar bond at interest rates of 11.5% was repaid in the beginning of 4QFY23
- In Asirvad MFI, the cost of borrowings are not going up in line with the repo rates and it is able to get better pricing on its borrowings in both Asirvad and the HFC.
- If there are no more repo rate hikes, it will be able to continue at the current cost of borrowing
- HDFC Bank has renewed its lending lines. MGFL has enough undrawn lines and even post the event it was able to get the disbursements from a few lenders.
- The growth aspirations will not change and it does not expect any liquidity challenges that can constrain growth.

Penal charges

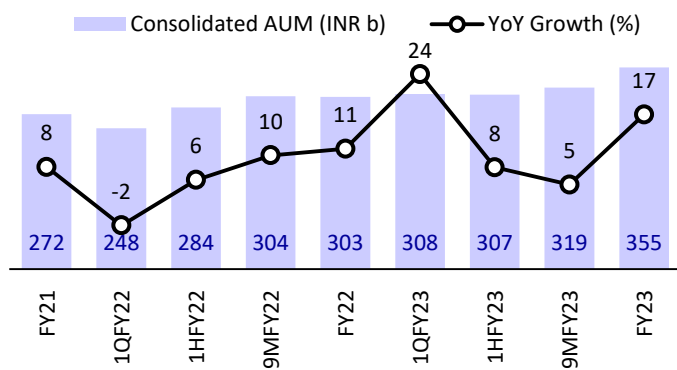
- It will abide by the RBI circular on penal charges but it can restructure the products such that by end of FY24, it will reach gold loan yields of 22.5%.

Business update

- Gold AUM stood at ~INR197.5b and grew ~6% QoQ while consolidated AUM stood at ~INR355b and grew ~17% YoY/11% QoQ.
- Will continue to follow its policy of becoming a diversified NBFC.
- Launched an app known as MA-Money, which will offer all the loan products of the company.
- Standalone AUM grew 5.4% QoQ and Standalone PAT declined 3% QoQ to INR3.1b
- 4QFY23 Consolidated PAT stood at INR4.15b and grew ~6% QoQ and 59% YoY. FY23 consolidated PAT stood at ~INR15b and grew ~13% YoY.
- Board has declared an interim dividend of INR0.75/share

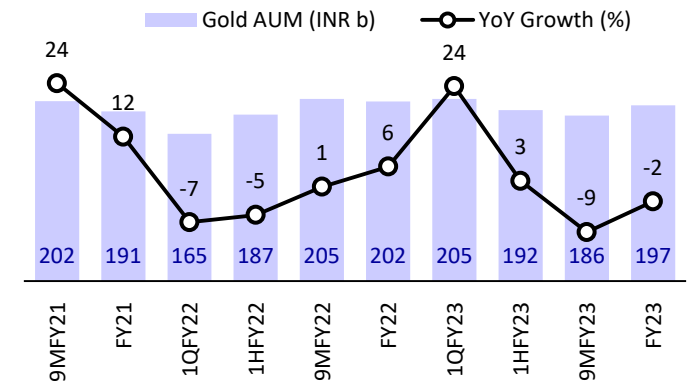
Key Exhibits

Exhibit 1: Consolidated AUM grew 11% QoQ...



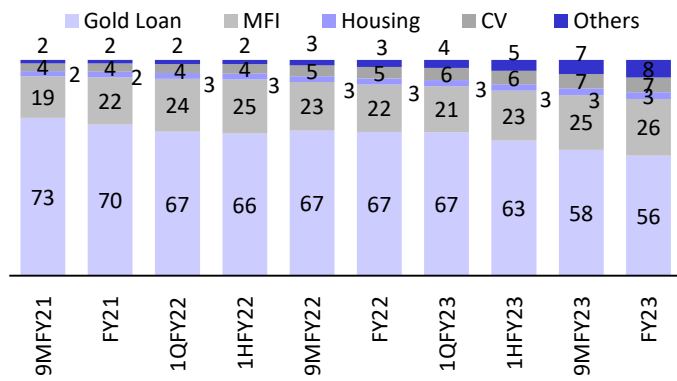
Source: MOFSL, Company

Exhibit 2: ...while Gold AUM grew ~6% QoQ



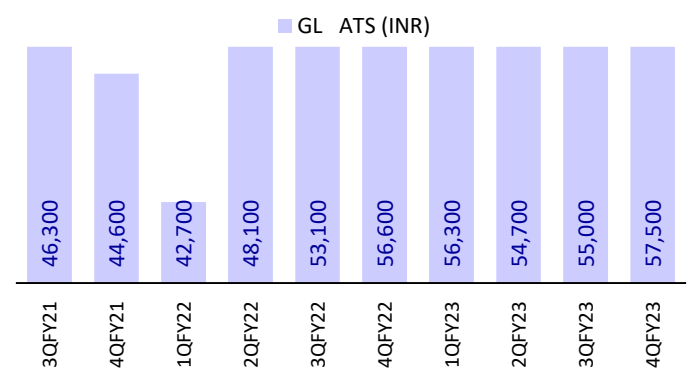
Source: MOFSL, Company

Exhibit 3: Share of non-Gold loans increased ~2pp QoQ (%)



Source: MOFSL, Company

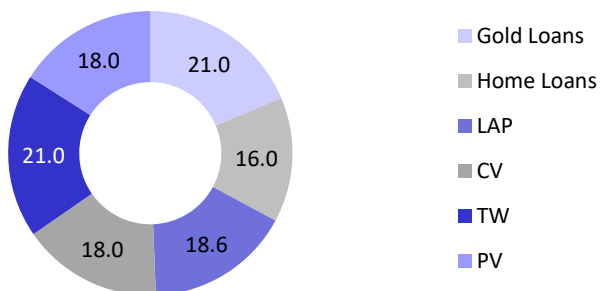
Exhibit 4: ATS in Gold loans increased QoQ to INR57.5k



Source: MOFSL, Company

Exhibit 5: Consol. yield was at ~21% as of 4QFY23

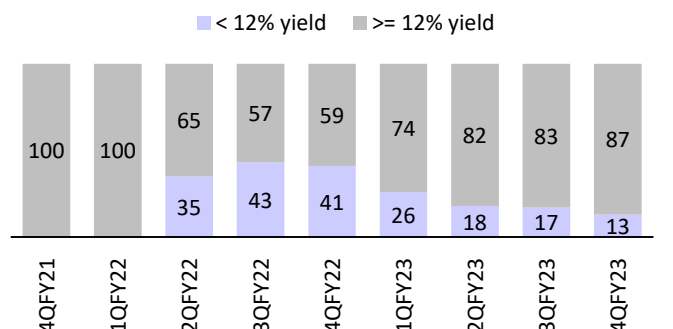
Product-wise yields



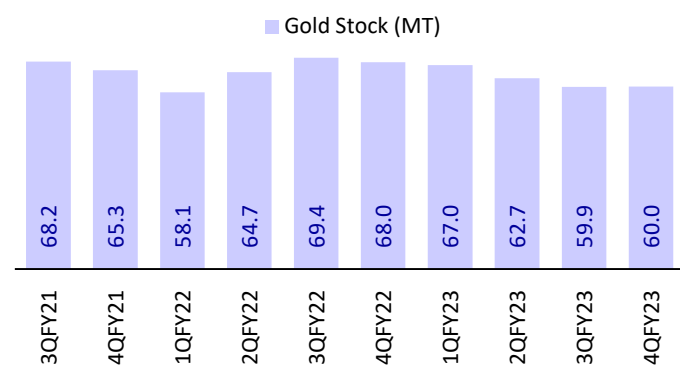
Source: MOFSL, Company

Exhibit 6: Gradual decline in loans having <12% yields

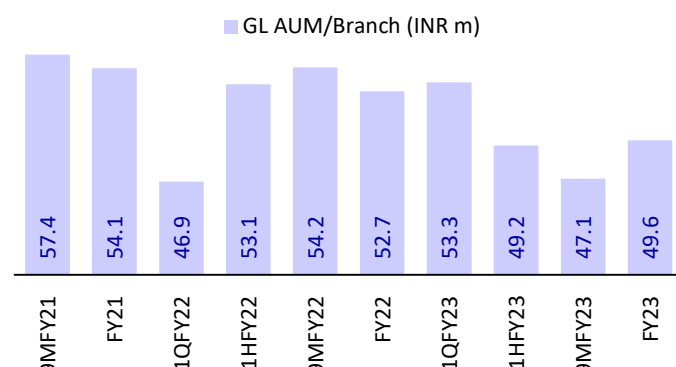
Gold AUM split by Yield



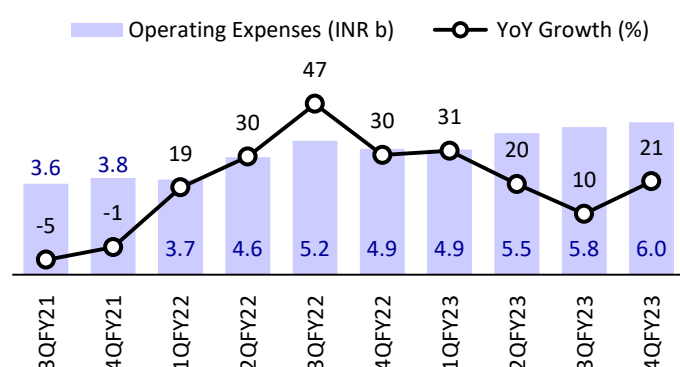
Source: MOFSL, Company

Exhibit 7: Gold tonnage stable QoQ

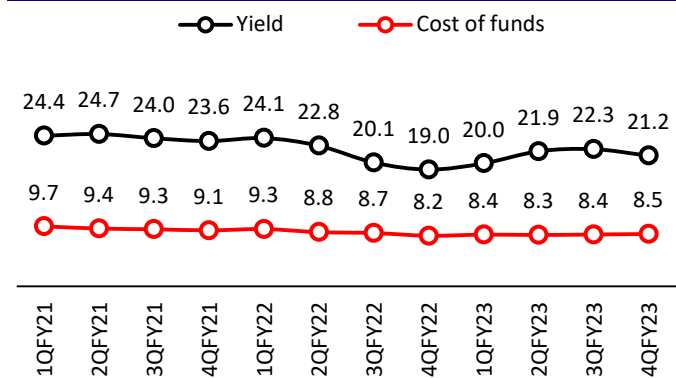
Source: MOFSL, Company

Exhibit 8: Branch productivity improved sequentially

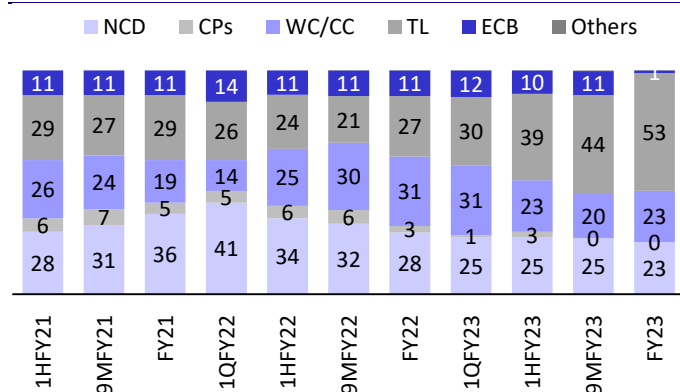
Source: MOFSL, Company

Exhibit 9: Opex grew ~21% YoY, led by employee expenses

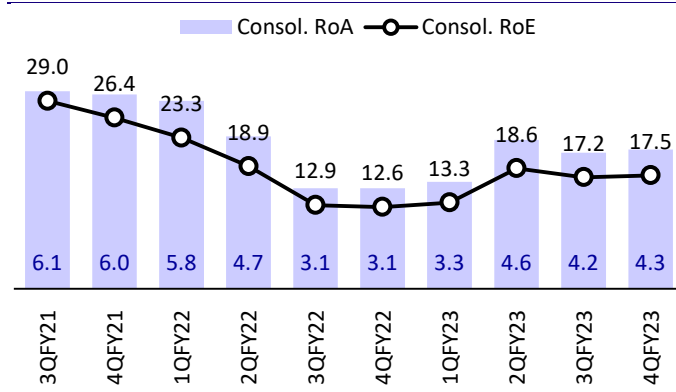
Source: MOFSL, Company

Exhibit 10: Consolidated spreads contracted ~115bp QoQ primarily driven by decline in gold loan yields (%)

Source: MOFSL, Company

Exhibit 11: Consolidated borrowing mix (%)

Source: MOFSL, Company

Exhibit 12: Sequential expansion in RoA/RoE (%)

Source: MOFSL, Company

Valuation and view

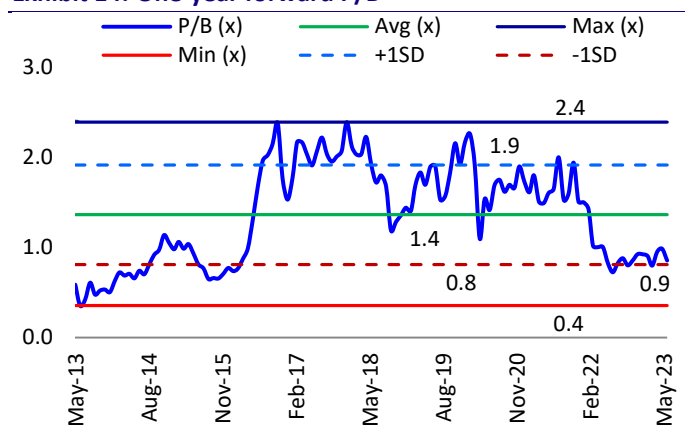
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- MGFL trades at 0.7x FY25E P/BV and we believe that there is a scope for a re-rating in valuation multiples for a franchise that can deliver an RoE of 17%-18%. Risk-reward for MGFL is favorable (unless there are any new developments on the ED investigation front) and **we reiterate our BUY rating with a TP of INR150 (based on 1.0x FY25E consolidated BVPS).**
- We believe that the Kerala High Court's stay order on ED investigation will provide more credibility to the management clarifications on the event ([Report Link](#)). For a stronger re-rating in the valuation multiples based on business fundamentals, it will be important to establish the sustainability of decent gold loan growth without the associated trade-offs with margin/spreads.

Exhibit 13: Increase our FY24E EPS by ~4% to factor in higher growth in non-gold segments

INR B	Old Est.		New Est.		% Change	
	FY24	FY25	FY24	FY25	FY24	FY25
NII	49.4	58.2	51.6	60.5	4.5	3.9
Other Income	3.6	3.8	3.0	3.2	-14.8	-17.5
Net Income	53.0	62.0	54.7	63.7	3.2	2.6
Operating Expenses	25.9	29.4	26.1	30.6	0.9	3.9
Operating Profits	27.1	32.6	28.6	33.1	5.4	1.4
Provisions	3.2	4.4	3.6	4.4	9.8	-0.6
PBT	23.9	28.2	25.0	28.7	4.8	1.8
Tax	6.2	7.3	6.6	7.5	6.5	3.3
PAT	17.7	20.9	18.5	21.1	4.3	1.2
Loans	394	460	408	475	3.7	3.2
Borrowings	358	419	340	396		
RoA (%)	4.0	4.0	4.3	4.2		
RoE (%)	17.2	17.7	17.7	17.5		

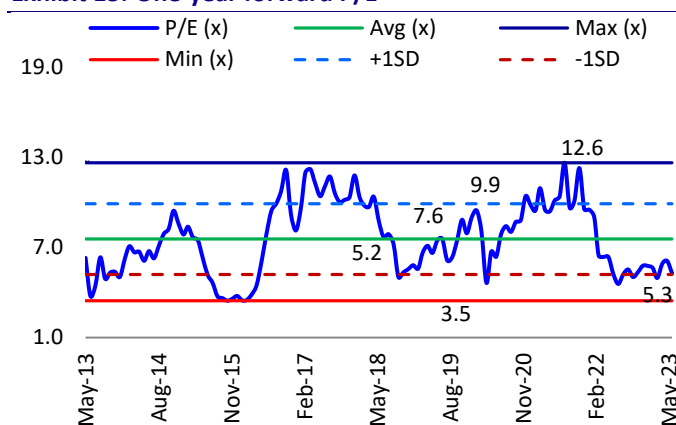
Source: MOFSL, Company

Exhibit 14: One-year forward P/B



Source: MOFSL, Company

Exhibit 15: One-year forward P/E



Source: MOFSL, Company

Financials and valuations

INCOME STATEMENT								(INR m)
Y/E MARCH	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	33,540	40,461	52,805	61,896	58,397	64,404	79,139	93,616
Interest Expense	10,304	13,449	18,322	22,190	20,114	21,878	27,499	33,119
Net Interest Income	23,235	27,012	34,483	39,706	38,284	42,526	51,639	60,497
Change (%)	5.3	16.3	27.7	15.1	-3.6	11.1	21.4	17.2
Other operating income	668	1,334	1,848	1,410	2,213	2,436	2,331	2,448
Total Income	23,903	28,346	36,331	41,116	40,496	44,963	53,971	62,945
Change (%)	7.8	18.6	28.2	13.2	-1.5	11.0	20.0	16.6
Other income	584	625	859	441	653	659	692	727
Net Income	24,487	28,971	37,190	41,557	41,149	45,622	54,663	63,672
Change (%)	9.3	18.3	28.4	11.7	-1.0	10.9	19.8	16.5
Operating Expenses	12,345	13,858	14,741	13,996	18,453	22,140	26,094	30,600
Operating Profits	12,142	15,113	22,449	27,561	22,697	23,482	28,569	33,072
Change (%)	-4.8	24.5	48.5	22.8	-17.6	3.5	21.7	15.8
Provisions	1,773	547	2,376	4,401	4,862	3,071	3,563	4,416
PBT	10,369	14,566	20,073	23,160	17,835	20,410	25,006	28,656
Tax	3,609	5,080	5,270	5,911	4,548	5,409	6,552	7,508
Tax Rate (%)	34.8	34.9	26.3	25.5	25.5	26.5	26.2	26.2
PAT	6,760	9,486	14,803	17,250	13,287	15,002	18,454	21,148
Change (%)	-10.9	40.3	56.1	16.5	-23.0	12.9	23.0	14.6
Dividend (Excl Tax)	1,684	1,812	2,372	1,777	2,539	2,539	3,045	3,384

BALANCE SHEET								
Y/E MARCH	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	1,685	1,686	1,690	1,693	1,693	1,693	1,693	1,693
Reserves & Surplus	36,447	43,561	55,771	71,382	81,991	94,756	1,10,166	1,27,930
Networth (Post OCI)	38,132	45,247	57,461	73,074	83,683	96,449	1,11,858	1,29,623
Non-Controlling Interest	292	459	583	472	161	203	228	253
Borrowings	1,26,071	1,52,972	2,25,735	2,27,163	2,41,185	2,84,830	3,40,154	3,95,820
Change (%)	14.7	21.3	47.6	0.6	6.2	18.1	19.4	16.4
Other liabilities	5,802	5,862	11,572	12,669	13,076	13,559	14,915	16,407
Change (%)	-5.2	1.0	97.4	9.5	3.2	3.7	10.0	10.0
Total Liabilities	1,70,296	2,04,540	2,95,351	3,13,378	3,38,106	3,95,041	4,67,156	5,42,103
Loans	1,52,439	1,78,119	2,42,971	2,65,076	2,89,710	3,41,945	4,08,185	4,74,984
Change (%)	13.7	16.8	36.4	9.1	9.3	18.0	19.4	16.4
Investments	49	1,738	905	3,380	4,207	5,340	5,874	6,462
Change (%)	0.4	3,428.0	-47.9	273.6	24.5	26.9	10.0	10.0
Goodwill	356	356	356	356	356	356	356	356
Net Fixed Assets	2,746	3,319	7,705	8,980	10,295	10,748	11,823	13,006
Other assets	14,707	21,009	43,414	35,586	33,538	36,652	40,918	47,297
Total Assets	1,70,296	2,04,540	2,95,351	3,13,378	3,38,106	3,95,041	4,67,156	5,42,103

E: MOFSL Estimates

Financials and valuations

RATIOS							(%)	
Y/E MARCH	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Spreads Analysis (%)								
Avg Yield on loans	23.4	24.5	25.1	24.4	21.1	20.4	21.1	21.2
Avg Cost of funds	8.7	9.6	9.7	9.8	8.6	8.3	8.8	9.0
Spreads	14.7	14.8	15.4	14.6	12.5	12.1	12.3	12.2
Net Interest Margins	16.2	16.3	16.4	15.6	13.8	13.5	13.8	13.7
Profitability Ratios (%)								
RoAE	18.8	22.8	28.8	26.4	17.0	16.7	17.7	17.5
RoAA	4.2	5.1	5.9	5.7	4.1	4.1	4.3	4.2
Cost to Income	50.4	47.8	39.6	33.7	44.8	48.5	47.7	48.1
Empl. Cost/Op. Exps.	50.7	52.0	56.3	60.2	61.0	66.4	67.6	69.2
Asset Quality								
GNPL (INR m)	695	826	1,677	3,951	6,623	4,445	5,715	6,650
GNPL ratio (%)	0.5	0.5	0.9	1.9	2.9	1.3	1.4	1.4
NNPL (INR m)	427	481	1,092	2,092	5,674	2,889	3,714	4,322
NNPL ratio (%)	0.3	0.3	0.6	0.8	2.0	1.1	0.9	0.9
PCR (%)	38.5	41.7	34.9	47.1	14.3	35.0	35.0	35.0
Valuations								
Book Value (INR)	45	54	68	86	99	114	132	153
Price-BV (x)			1.6	1.3	1.1	1.0	0.8	0.7
EPS (INR)	8.0	11.3	17.5	20.4	15.7	17.7	21.8	25.0
Change YoY (%)	-10.9	40.3	55.7	16.3	-23.0	12.9	23.0	14.6
Price-Earnings (x)			6.3	5.4	7.0	6.2	5.0	4.4
Dividend	2.0	2.1	2.8	2.1	3.0	3.0	3.6	4.0
Dividend Payout (%)	30.0	23.0	19.3	10.3	19.1	16.9	16.5	16.0
Dividend Yield (%)			2.6	1.9	2.7	2.7	3.3	3.6
E: MOFSL Estimates								

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NOTES

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UNDER REVIEW	Rating may undergo a change
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