

Shriram Finance

Estimate change 

TP change 

Rating change 

CMP: INR2,499 TP: INR2,950 (+18%)

Buy

Execution getting better; earnings in line

NIM stable QoQ; asset quality improved with higher PCR on standard loans

Bloomberg	SHFL IN
Equity Shares (m)	375
M.Cap.(INRb)/(USDb)	939 / 11.3
52-Week Range (INR)	2606 / 1306
1, 6, 12 Rel. Per (%)	3/20/52
12M Avg Val (INR M)	2965

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Total Income	202	237	285
PPOP	142	169	209
PAT	71.9	84.4	103.7
EPS (INR)	191	225	276
EPS Gr. (%)	20	17	23
Standalone BV (INR)	1,292	1,472	1,693

Valuations

NIM on AUM (%)	9.2	9.1	9.3
C/I ratio (%)	29.7	28.7	26.7
RoAA (%)	3.3	3.3	3.3
RoE (%)	15.7	16.2	17.4
Div. Payout (%)	23.5	22.3	21.8

Valuations

P/E (x)	13.1	11.1	9.1
P/BV (x)	1.9	1.7	1.5
Div. Yield (%)	1.8	2.0	2.4

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	25.4	25.4	25.5
DII	15.7	15.8	11.8
FII	53.9	54.0	49.8
Others	5.0	4.8	13.0

FII Includes depository receipts

- Shriram Finance's (SHFL) 4QFY24 PAT grew ~49% YoY to ~INR19.5b (in line) and PPOP grew 27% YoY to ~INR39.1b (in line). FY24 PAT grew ~20% YoY to ~INR71.9b. YoY numbers may not be comparable because of a few one-off items in 4QFY23.
- 4Q NII grew 22% YoY to INR50.9b (in line). Reported NIM rose ~3bp QoQ to ~9%, aided by improvement in product mix and only a ~5bp QoQ increase in CoB. Credit costs at INR12.6b (in line) translated into annualized credit costs of ~2.3% (3QFY24: 2.4% and 4QFY23: 2.6%).
- The management shared that it does not expect a further rise in CoB and that higher-yielding products such as PL, 2W, and Gold will continue to grow faster than the CV segment. We model NIMs (on AUM) of 9.1%/9.3% for FY25E/FY26E.
- More cross-selling opportunities for non-vehicle products from improved distribution should translate into a CAGR of ~18%/~20% in AUM/PAT over FY24-26E. This will result in RoA/RoE of ~3.3%/~17.4% in FY26E.
- As a merged entity, SHFL is well positioned to capitalize on the diversified AUM mix, improved access to liabilities, and enhanced cross-selling opportunities. The potential monetization of its stake in Shriram Housing can further unlock optionality value, improve its capital adequacy, and help it engage constructively with credit rating agencies. **Reiterate BUY with a TP of INR2,950 (premised on 1.7x FY26E BVPS).**

AUM up 21% YoY; NON-CV products continue to grow faster than CV

- In 4Q, disbursements grew ~27% YoY to ~INR393b and AUM rose ~21% YoY to INR2.25t. AUM growth of ~5% QoQ was driven by healthy growth across non-CV segments, like MSME (+14% QoQ), farm equipment (+11% QoQ), gold (up 7% QoQ), and PV (+4% QoQ). PL declined ~6% QoQ primarily because the company calibrated its growth in this segment.
- As and when non-CV products, such as MSME and gold, are gradually introduced to more branches, we anticipate the momentum to remain intact in disbursement and AUM. We model an AUM CAGR of ~18% over FY24-26E.

Asset quality improves with higher PCR on standard loans

- GS3 declined ~20bp QoQ to ~5.5%, while NS3 was stable QoQ at 2.7%. PCR on Stage 3 declined ~160bp QoQ to ~52%.
- SHFL has also increased the PCR on S1 loans by ~15bp QoQ and on S2 loans by ~30bp QoQ. Write-offs (calc.) stood at INR6.8b (4QFY23: INR6.3b), which translates into ~1.5% of TTM AUM (4QFY23: 1.6%).
- The management continued to guide for credit costs of ~2.0%, while our credit cost estimates are marginally higher at ~2.5% for FY25/FY26E.

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Highlights from the management commentary

- The management continued to guide for CV AUM growth of ~12% and other products to grow >20% to deliver total AUM growth of ~15%
- The company shared that it does not expect any significant increase in its CoB from hereon and was confident of maintaining its NIM at ~9%
- The company does not expect any residual one-offs or moving pieces on the accounting side from the merger.

Valuation and View

- SHFL reported an operationally healthy quarter with healthy AUM growth and broadly stable NIM. It is yet to fully utilize its distribution network for products like MSME and gold loans. As it does this over the next one year, AUM growth in MSME, PL and gold loans will remain stronger than that in other segments.
- With an expanded geographical presence and a larger workforce, SHFL can leverage cross-selling opportunities to reach new customers and introduce new products, leading to improved operating metrics and a solid foundation for sustainable growth. The current valuation of 1.5x FY26E BVPS is attractive for a 20% PAT CAGR over FY24-26E and RoA/RoE of ~3.3%/17.4% in FY26E. **Reiterate BUY with a TP of INR2,950 (based on 1.7x FY26E BVPS).**

Quarterly Performance**(INR M)**

Y/E March	FY23				FY24E				FY23	FY24	4QFY24E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	67,796	70,024	73,099	74,232	76,880	82,166	86,179	90,773	2,86,074	3,35,997	90,573	0
Interest Expenses	29,516	32,249	31,178	32,422	34,875	36,219	37,069	39,898	1,25,458	1,48,061	40,099	0
Net Interest Income	38,280	37,775	41,921	41,810	42,004	45,947	49,110	50,874	1,60,616	1,87,935	50,474	1
YoY Growth (%)	33.8	24.2	30.8	19.9	20.0	21.6	17.1	21.7	27.5	17.0	20.7	
Other Income	2,237	4,162	3,022	3,460	3,167	3,479	3,094	4,206	11,955	13,980	3,381	24
Total Income	40,517	41,937	44,944	45,270	45,171	49,426	52,204	55,080	1,72,571	2,01,915	53,855	2
YoY Growth (%)	31.8	29.6	28.9	21.1	22.0	17.9	16.2	21.7	27.5	17.0	19.0	
Operating Expenses	10,841	11,999	11,928	14,459	13,908	14,618	15,311	16,024	49,131	59,895	15,866	1
Operating Profit	29,676	29,938	33,016	30,810	31,262	34,808	36,893	39,056	1,23,441	1,42,020	37,989	3
YoY Growth (%)	32.3	30.4	31.4	13.9	17.3	16.3	11.7	26.8	26.5	15.1	23.3	
Provisions & Loan Losses	11,597	8,976	9,173	11,846	8,786	11,286	12,497	12,615	41,592	45,183	12,268	3
Profit before Tax	18,079	20,962	23,844	18,964	22,476	23,523	24,396	26,441	81,849	96,836	25,721	3
Tax Provisions	4,690	5,411	6,074	5,881	5,722	6,014	6,213	6,983	22,056	24,932	6,561	6
Net Profit	13,390	15,551	17,770	13,083	16,754	17,508	18,183	19,459	59,793	71,905	19,161	2
YoY Growth (%)	254.3	47.6	82.6	-5.8	30.8	12.6	2.3	48.7	57.7	20.3	46.5	
Key Parameters (Calc., %)												
Yield on loans	16.9	16.9	16.9	16.4	16.2	16.6	16.5	16.5				
Cost of funds	7.9	8.3	8.0	8.3	8.7	8.9	8.7	8.8				
Spread	9.0	8.5	8.9	8.0	7.5	7.8	7.9	7.8				
NIM	9.5	9.1	9.7	9.2	8.9	9.3	9.4	9.3				
C/I ratio	26.8	28.6	26.5	31.9	30.8	29.6	29.3	29.1				
Credit cost	2.9	2.2	2.1	2.6	1.9	2.3	2.4	2.3				
Tax rate	25.9	25.8	25.5	31.0	25.5	25.6	25.5	26.4				
Balance Sheet Parameters												
Disbursements (INR b)	246	258	292	311	305	346	378	393				
Growth (%)	42.3	21.1	26.5	26.7	23.8	34.2	29.2	26.6				
AUM (INR b)	1,630	1,694	1,775	1,857	1,932	2,026	2,142	2,249				
Growth (%)	9.4	11.4	13.2	17.7	18.6	19.7	20.7	21.1				
Borrowings (INR b)	1,521	1,582	1,533	1,579	1,619	1,653	1,775	1,858				
Growth (%)	15.7	17.1	7.7	8.8	6.4	4.5	15.7	17.7				
Asset Quality Parameters												
GS 3 (INR B)	101.3	105.8	110.6	113.8	115.1	115.6	119.5	120.8				
GS 3 (%)	6.3	6.3	6.3	6.2	6.0	5.8	5.7	5.5				
NS 3 (INR B)	52.1	53.9	54.5	56.7	54.6	54.2	55.7	58.2				
NS 3 (%)	3.4	3.4	3.3	3.3	3.1	2.9	2.8	2.8				
PCR (%)	48.6	49.1	50.7	50.1	52.5	53.1	53.4	51.8				

E: MOFSL estimates



Highlights from the management commentary

Economic outlook, CV sales and monsoons

- IMD has predicted normal monsoons at 106% of the long-period average and Skymet has also predicted normal monsoons at 102% of the long-period average.
- Mar'24 GST collections rose 11.5% YoY and FY24 GST collections grew 11.7% YoY.
- Total CV sales in 4QFY24 stood at 268K (vs. 279k YoY). Typically, CV sales slowed in anticipation of lower economic activity during the election period.

Business outlook

- Economic activity starts slowing when the elections are announced. The entire government machinery shifts to the election process, resulting in delays in payment/proposals, which is visible in the sales decline in HCVs and CEs.
- Used vehicle demand is good and the utilization of vehicles is good. The government reduced the fuel price by INR2/liter, which has helped truckers earn slightly better margins.
- Demand has been robust in non-CV segments like SME, gold and 2W.
- Asset quality improved for the seventh successive quarter, with GS3/NS3 of ~5.45%/2.7%.

Guidance

- Expect ~11-12% growth in CVs, >20% growth in other products and ~15% growth in total AUM
- Two months of election-led slowdown will affect overall AUM growth
- Intends to maintain NIM of ~9%; with the change in the product mix, it expects to build higher proportion of higher-yielding products in the mix
- Will improve efficiencies to boost profits faster than revenue
- Continued to guide for credit costs of ~2% and the cost-income ratio of ~26-27%
- Targets Gross Stage 3 of ~5% and Net Stage 3 of ~2.5% with PCR of ~50%
- Does not expect any one-offs or moving pieces on the accounting side from the merger

Asset Quality

- Plans to keep Stage 3 PCR above 50% since there is a soft nudge from the regulator.
- Write-offs stood at INR8.05b and ECL provisions stood at INR4.56b.
- Stage 1 and 2 PCR are driven by the PD and LGD assumptions. LGD has declined due to reassessment of historical data.
- Every year it does ECL model refresh in March, wherein it considers the last five-year data. Also, it now considers daily stamping in the ECL model, which was implemented 18 months ago.

Liabilities and borrowing costs

- Compared to its peers, SHFL has done well in terms of raising resources.
- Diversified its liabilities by introducing innovative products on the liability side.
- The short-term borrowing rate shot up in 4Q but SHFL was not impacted since it never had any significant CPs.
- Large ECB loan borrowings come at a lower rate compared to bonds (fully landed and hedged cost of ~8.75-8.8%).
- Weighted avg. CoB rose ~5bp QoQ and ~20bp YoY.

- Weighted average CoB was 9% and incremental CoB stood at ~9%. The company does not expect CoB to go up significantly over the next few quarters. Incremental CoB can be maintained at current levels of ~9%.
- Total borrowings of INR1.86t. Borrowing mix included term loans (25%), ECB (14%), capital market borrowings (20%) and FD (24%)
- Increased the deposit rates by 5-10bp. Only in one bucket, it has increased the deposit rates by ~20bp. Domestic rates are holding up and there is no increase there.

Cross-sell Personal Loans

- Tightened the eligibility norms in the cross-sell PL book
- Growth in PL slowed because of the negative perception of the PL book in the market

Shriram Housing

- The housing finance subsidiary requires capital and the company is evaluating all the options. It did not comment on the ongoing developments in the monetization of stake in Shriram Housing.

Distribution of Gold and MSME

- Not all products are available in all branches. Gold loans are being offered across 800-900 branches and MSME in 600 branches. MSME will be done under the Hub-and-Spoke model.

Gold Finance

- The regulator has not spoken to any other gold finance companies; it has not put any restriction on cash disbursements above INR20k.
- Guidelines allow for NBFCs to collect up to INR200k in cash repayments.

Two Wheelers

- Honda and TVSL are the only brands in the scooter market. Bajaj Chetak EV has been picking up.
- Underwriting policies differ from one manufacturer to another and from model to model.

Others

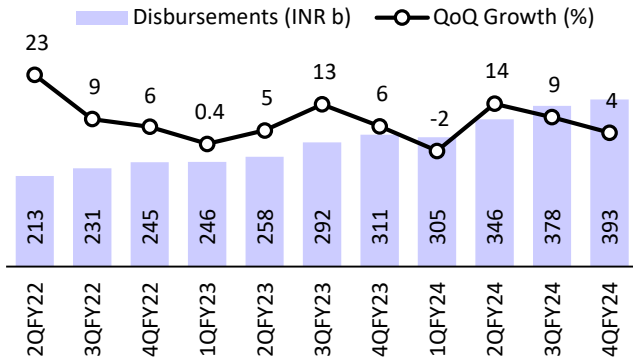
- Used vehicle prices went up by 7-8% in FY24 vs. a ~25% jump in FY23.
- CV AUM grew ~15% in FY24 (~5% from price growth and ~10% from volume growth).
- Focused on granular, small-ticket and higher-yielding products - Focus on growing profits faster than revenue.
- No open areas or observations from the regulator, which have not been attended to by the company.
- The supply of used vehicles is restricted today because of weak sales of new vehicles between 2019-22.
- Transactions are slower in FY25. It expects that used vehicle demand will surge after 1-2 years (since new vehicles sales were good over the last two years). NIM can be maintained at the current levels.
- Confident that large-scale fraud cannot happen at SHFL because of a strong 150-member internal audit team and 200 member operational audit team, which visits ~2,300 branches.

LGD stood at 38.08%

	EAD (%)	PCR (%)	PD (%)
Stage 1	87.8	3.3	8.85
Stage 2	6.8	7.4	20.12
Stage 3	5.5	51.8	

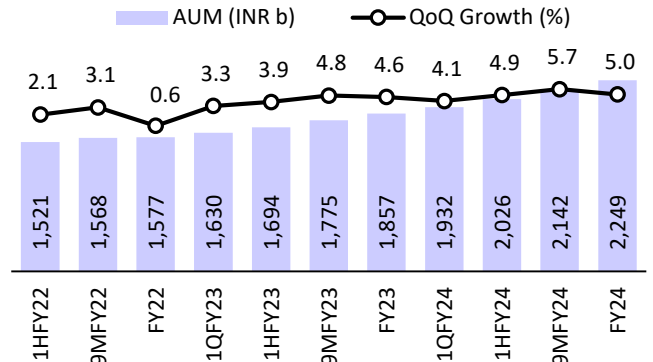
Key exhibits

Exhibit 1: Disbursements grew 27% YoY...



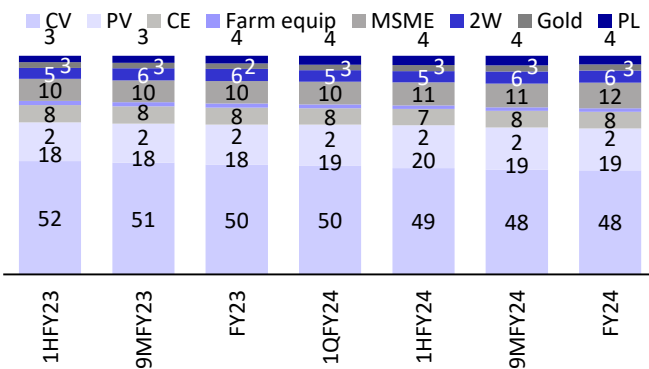
Source: MOFSL, Company

Exhibit 2: ...leading to an AUM growth of 21% YoY



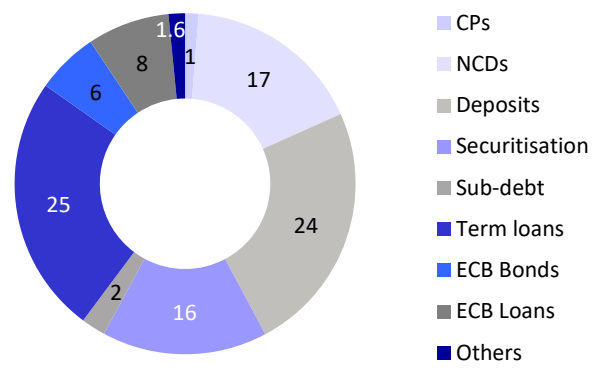
Source: MOFSL, Company

Exhibit 3: Non-auto contributed ~18% to the AUM mix (%)



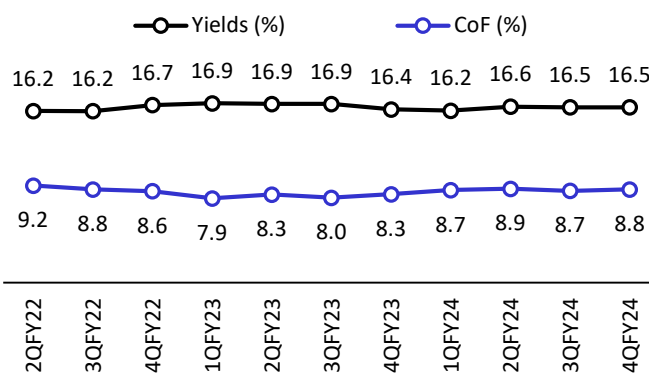
Source: MOFSL, Company

Exhibit 4: Borrowing mix (%)



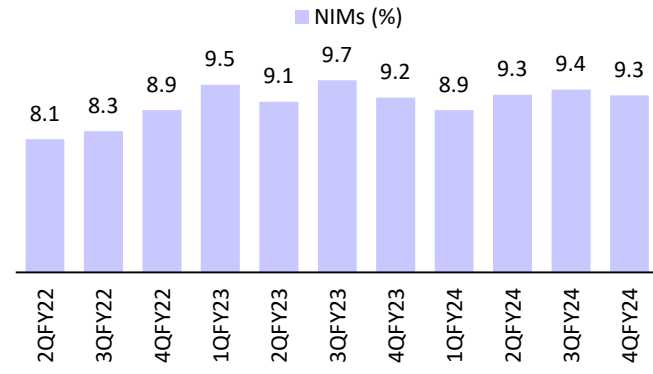
Source: MOFSL, Company

Exhibit 5: CoF (calc.) rose ~15bp QoQ (%)



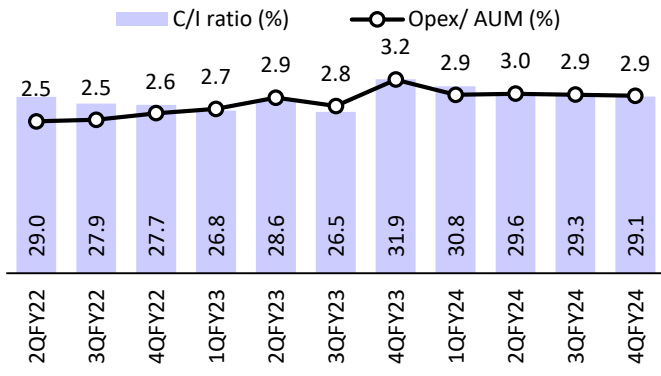
Source: MOFSL, Company

Exhibit 6: NIM (calc.) declined ~15bp QoQ (%)



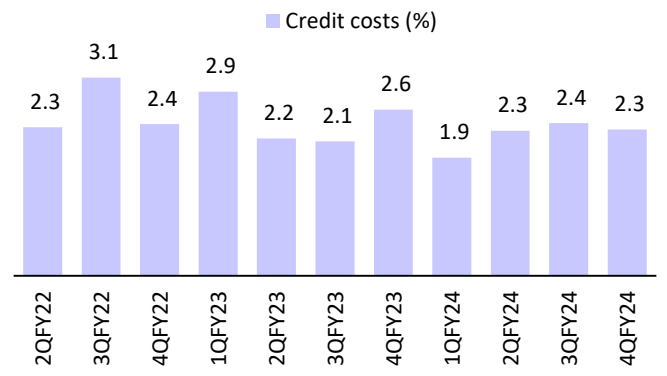
Source: MOFSL, Company

Exhibit 7: Cost-to-Income ratio improved ~25bp QoQ



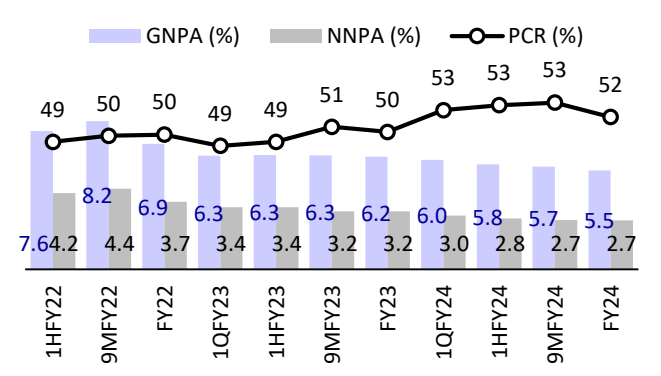
Source: MOFSL, Company

Exhibit 8: Credit costs declined ~10bp QoQ



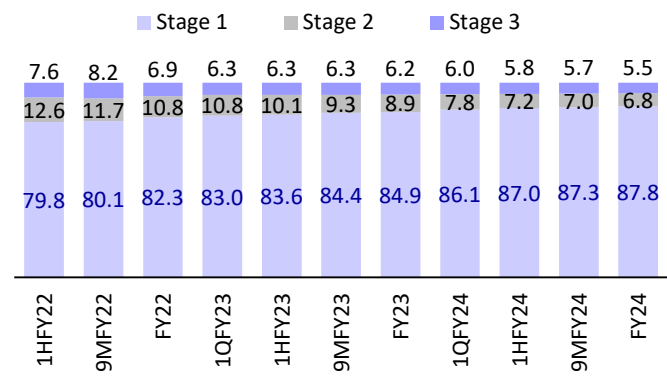
Source: MOFSL, Company

Exhibit 9: Asset quality continued to improve



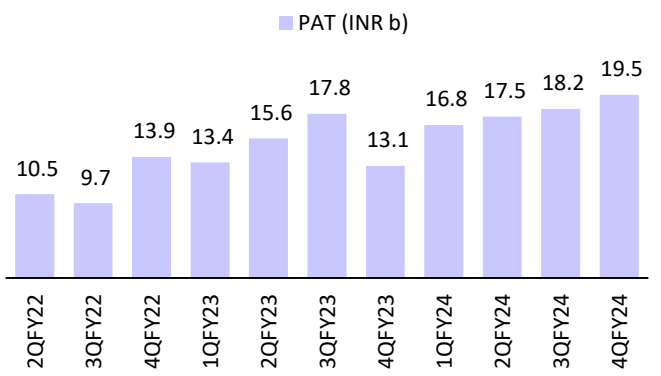
Source: MOFSL, Company

Exhibit 10: Gradual improvement in 30+ dpd (%)



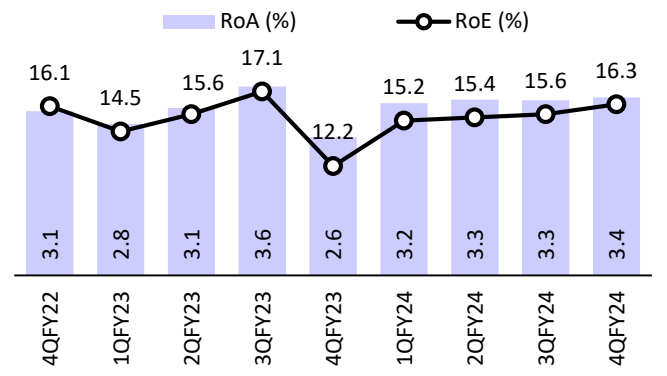
Source: MOFSL, Company

Exhibit 11: PAT surged 49% YoY



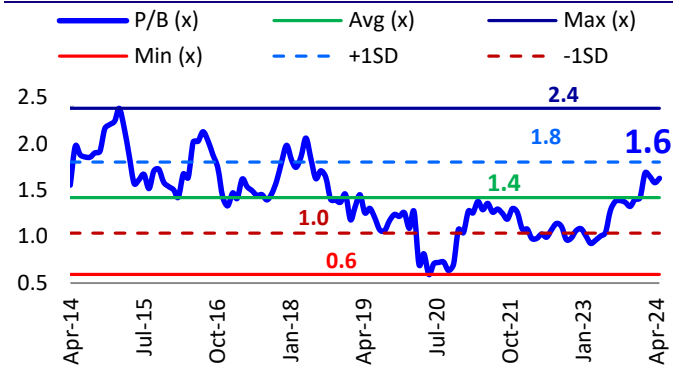
Source: MOFSL, Company

Exhibit 12: 4QFY24 RoA increased to ~3.4%



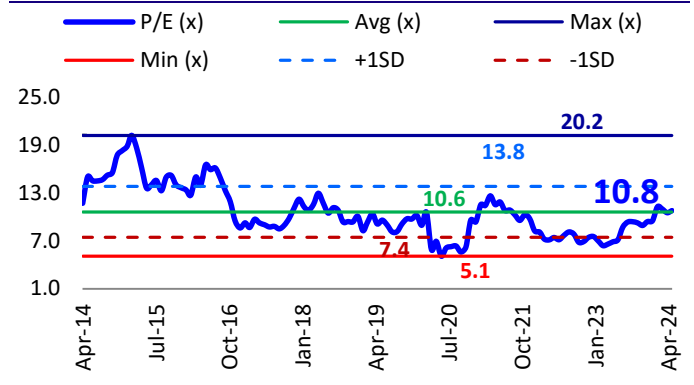
Source: MOFSL, Company, Reported

Exhibit 1: One-year forward P/B



Source: MOSL, Company

Exhibit 2: One-year forward P/E



Source: MOSL, Company

Exhibit 3: We increase our EPS estimates for FY26 by ~3% to factor slightly higher NIM and better other income

(INR b)	Old Est.			New Est.			Change (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
NII (incl. assignments)	187.5	222.8	266.7	187.9	222.2	269.4	0.2	-0.3	1.0
Other Income	13.1	14.0	14.7	14.0	14.9	15.7	6.5	6.4	6.4
Total Income	200.7	236.8	281.4	201.9	237.1	285.1	0.6	0.1	1.3
Operating Expenses	59.7	67.9	76.0	59.9	68.1	76.2	0.3	0.3	0.3
Operating Profits	141.0	168.9	205.4	142.0	169.0	208.8	0.8	0.0	1.7
Provisions	44.8	56.2	69.8	45.2	55.7	69.7	0.8	-0.8	-0.2
PBT	96.1	112.8	135.6	96.8	113.3	139.2	0.7	0.5	2.6
Tax	24.5	28.8	34.6	24.9	28.9	35.5	1.7	0.5	2.6
PAT	71.6	84.0	101.0	71.9	84.4	103.7	0.4	0.5	2.6
AUM	2,262	2,676	3,109	2,249	2,660	3,107	-0.6	-0.6	-0.1
Loans	2,096	2,488	3,050	2,079	2,468	3,060	-0.8	-0.8	0.3
Borrowings	1,889	2,248	2,705	1,858	2,234	2,703	-1.6	-0.6	-0.1
NIM	9.1	9.0	9.2	9.2	9.1	9.3			
Credit Cost (%)	2.4	2.5	2.5	2.2	2.5	2.5			
RoA	3.2	3.2	3.3	3.3	3.3	3.3			
RoE	15.5	16.0	16.8	15.7	16.2	17.4			

Sources: MOFSL, Company

Financials and valuation

Income Statement								(INR M)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Interest Income	210,407	219,646	226,997	248,605	286,074	335,997	403,089	490,597
Interest Expenses	94,975	104,105	111,881	122,668	125,458	148,061	180,893	221,181
Net Interest Income	115,432	115,541	115,116	125,936	160,616	187,935	222,196	269,416
Change (%)	12.7	0.1	-0.4	9.4	27.5	17.0	18.2	21.3
Other Operating Income	2,605	4,748	4,514	9,214	11,648	13,648	14,492	15,217
Other Income	258	235	237	227	307	332	382	439
Total Income	118,295	120,524	119,867	135,378	172,571	201,915	237,070	285,072
Change (%)	11.3	1.9	-0.5	12.9	27.5	17.0	17.4	20.2
Total Operating Expenses	33,666	35,803	33,500	37,805	49,131	59,895	68,074	76,228
Change (%)	12.6	6.3	-6.4	12.8	30.0	21.9	13.7	12.0
Employee Expenses	17,210	18,585	16,699	19,695	25,061	32,156	37,944	44,015
Depreciation	742	2,232	2,172	2,137	5,242	5,688	5,874	6,017
Other Operating Expenses	15,715	14,986	14,629	15,973	18,828	22,051	24,256	26,196
Operating Profit	84,629	84,721	86,367	97,573	123,441	142,020	168,996	208,844
Change (%)	10.8	0.1	1.9	13.0	26.5	15.1	19.0	23.6
Total Provisions	31,643	36,786	39,693	47,485	41,592	45,183	55,700	69,651
% Loan loss provisions to Avg loans ratio	2.5	2.7	2.8	3.1	2.4	2.2	2.5	2.5
PBT	52,986	47,935	46,674	50,088	81,849	96,836	113,295	139,193
Tax Provisions	17,457	12,913	11,692	12,164	22,056	24,932	28,890	35,494
Tax Rate (%)	32.9	26.9	25.1	24.3	26.9	25.7	25.5	25.5
PAT	35,529	35,022	34,982	37,925	59,793	71,905	84,405	103,698
Change (%)	12.0	-1.4	-0.1	8.4	57.7	20.3	17.4	22.9
Balance Sheet								(INR M)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	2,929	2,929	3,191	3,371	3,744	3,758	3,758	3,758
Reserves & Surplus	217,432	247,288	291,764	343,760	429,322	481,926	549,421	632,460
Net Worth	220,361	250,217	294,954	347,132	433,066	485,684	553,178	636,218
Borrowings	1,104,851	1,175,376	1,317,617	1,451,285	1,579,063	1,858,411	2,234,189	2,702,898
Change (%)	6.7	6.4	12.1	10.1	8.8	17.7	20.2	21.0
Other liabilities	21,865	25,436	26,317	23,320	24,509	28,665	31,531	34,684
Total Liabilities	1,347,077	1,451,029	1,638,888	1,821,754	2,036,639	2,372,760	2,818,899	3,373,800
Cash and bank balances	52,657	103,773	216,562	229,679	158,174	108,126	162,251	120,800
Investments	48,653	35,326	42,152	86,455	85,651	106,566	104,435	102,346
Loans	1,237,406	1,288,442	1,357,232	1,476,890	1,719,846	2,079,294	2,467,679	3,060,177
Change (%)	6.2	4.1	5.3	8.8	16.5	20.9	18.7	24.0
Fixed Assets	2,283	7,181	6,599	6,467	6,997	8,458	8,881	9,325
Deferred tax Assets	1,241	694	6,964	9,109	17,439	28,840	25,956	20,765
Goodwill					14,067	14,067	14,067	14,067
Other Assets	4,838	15,613	9,379	13,137	34,465	27,408	35,630	46,319
Total Assets	1,347,077	1,451,029	1,638,888	1,821,737	2,036,639	2,372,760	2,818,899	3,373,800

E: MOFSL Estimates

AUM Mix (%)								
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
AUM	1,340,643	1,388,342	1,468,128	1,577,122	1,856,829	2,248,620	2,659,749	3,106,779
YoY growth (%)	8	4	6	7	18	21	18	17
Disbursements	728,076	705,733	521,985	862,135	1,106,899	1,421,675	1,700,345	1,980,650
YoY growth (%)	-5	-3	-26	65	28	28	20	16

Financials and valuation

Ratios	(INR M)							
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Spreads Analysis (%)								
Avg. Yield on Loans	17.5	17.4	17.2	17.5	17.9	17.7	17.7	17.8
Avg Cost of Funds	8.9	9.1	9.0	8.9	8.3	8.6	8.8	9.0
Spread of loans	8.6	8.3	8.2	8.7	9.6	9.1	8.9	8.8
NIM (on loans)	9.6	9.1	8.7	8.9	10.0	9.9	9.8	9.7
NIM (on AUM)	9.0	8.5	8.1	8.3	9.4	9.2	9.1	9.3
C/I ratio	28.5	29.7	27.9	27.9	28.5	29.7	28.7	26.7
Profitability Ratios (%)								
RoE	17.3	14.9	12.8	11.8	15.3	15.7	16.2	17.4
RoA	2.7	2.5	2.3	2.2	3.1	3.3	3.3	3.3
Int. Expended / Int.Earned	45.1	47.4	49.3	49.3	43.9	44.1	44.9	45.1
Other Inc. / Net Income	2.4	4.1	4.0	7.0	6.9	6.9	6.3	5.5
Efficiency Ratios (%)								
Op. Exps. / Net Income	28.5	29.7	27.9	27.9	28.5	29.7	28.7	26.7
Empl. Cost/Op. Exps.	51.1	51.9	49.8	52.1	51.0	53.7	55.7	57.7
Asset-Liability Profile (%)								
Loans/Borrowings Ratio	1.1	1.1	1.0	1.0	1.1	1.1	1.1	1.1
Assets/Equity	6.1	5.8	5.6	5.2	4.7	4.9	5.1	5.3
Asset quality (%)								
GNPA	111,930	114,400	101,688	109,762	113,822	120,812	136,328	154,611
NNPA	65,678	66,256	51,523	49,731	56,749	58,244	62,711	69,575
GNPA ratio	8.5	8.3	6.9	6.9	6.2	5.5	5.2	5.1
NNPA ratio	5.0	4.8	3.5	3.1	3.1	2.6	2.4	2.3
PCR	41.3	42.1	49.3	54.7	50.1	51.8	54.0	55.0
Credit Costs (% of loans)	2.5	2.7	2.8	3.1	2.4	2.2	2.5	2.5
Valuations								
Book Value (INR)	752	854	924	1,030	1,157	1,292	1,472	1,693
BV Growth (%)	16	14	8	11	12	12	14	15
P/BV	3.3	2.9	2.7	2.4	2.2	1.9	1.7	1.5
EPS (INR)	121	120	110	112	160	191	225	276
EPS Growth (%)	12.0	-1.4	-8.3	2.6	42.0	19.8	17.4	22.9
P/E	20.6	20.9	22.8	22.2	15.7	13.1	11.1	9.1
DPS	14	5	21	23	35	45	50	60
Dividend Yield (%)	0.6	0.2	0.8	0.9	1.4	1.8	2.0	2.4

E: MOFSL Estimates

Du-Pont (% of average assets)	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Interest Income	16.2	15.7	14.7	14.4	14.8	15.2	15.5	15.8
Interest Expended	7.3	7.4	7.2	7.1	6.5	6.7	7.0	7.1
Net Interest Income	8.9	8.3	7.5	7.3	8.3	8.5	8.6	8.7
Non-interest income	0.2	0.4	0.3	0.5	0.6	0.6	0.6	0.5
Net Total Income	9.1	8.6	7.8	7.8	8.9	9.2	9.1	9.2
Operating Expenses	2.6	2.6	2.2	2.2	2.5	2.7	2.6	2.5
- Employee expenses	1.3	1.3	1.1	1.1	1.3	1.5	1.5	1.4
- Other expenses	1.3	1.2	1.1	1.0	1.2	1.3	1.2	1.0
PPoP	6.5	6.1	5.6	5.6	6.4	6.4	6.5	6.7
Provisions/write offs	2.4	2.6	2.6	2.7	2.2	2.0	2.1	2.2
PBT	4.1	3.4	3.0	2.9	4.2	4.4	4.4	4.5
Tax	1.3	0.9	0.8	0.7	1.1	1.1	1.1	1.1
RoA	2.7	2.5	2.3	2.2	3.1	3.3	3.3	3.3
Avg. Leverage	6.3	5.9	5.7	5.4	4.9	4.8	5.0	5.2
RoE	17.3	14.9	12.8	11.8	15.3	15.7	16.2	17.4

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NOTES

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