

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	FB IN
Equity Shares (m)	2448
M.Cap.(INRb)/(USD\$)	492.5 / 5.9
52-Week Range (INR)	204 / 131
1, 6, 12 Rel. Per (%)	11/28/26
12M Avg Val (INR M)	2361

Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
NII	82.9	96.7	116.0
OP	51.7	63.3	78.1
NP	37.2	42.5	50.5
NIM (%)	3.3	3.2	3.3
EPS (INR)	16.3	17.4	20.7
EPS Gr. (%)	14.5	6.7	18.9
BV/Sh. (INR)	119	134	153
ABV/Sh. (INR)	112	127	143

Ratios

ROE (%)	14.7	13.7	14.5
ROA (%)	1.3	1.3	1.3

Valuations

P/E(X)	12.4	11.6	9.7
P/BV (X)	1.7	1.5	1.3
P/ABV (X)	1.8	1.6	1.4

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	0.0	0.0	0.0
DII	44.7	44.9	41.8
FII	29.4	29.3	27.1
Others	25.9	25.8	31.1

CMP: INR201

TP: INR230 (+14%)

Buy

Steady quarter; asset quality remains stable

Restructured book declines to ~0.8%

- Federal Bank (FB) reported a 4% beat on PAT at INR10.1b fueled by controlled provisions and healthy other income.
- NII stood broadly in line, while NIM contracted 5bp QoQ to 3.16%. Slippages inched up following a dip in 4QFY24, while income from PSLC, revaluation of investments, and recoveries from w-off accounts led to higher other income.
- Business growth was robust, with advances growing 20.3% YoY/5.4% QoQ, while deposits grew 19.6% YoY/5.4% QoQ. CASA mix dipped 11bp QoQ to 29.3%.
- Fresh slippages increased marginally to INR4.2b/0.8% from INR3.5b/0.8% in 4QFY24. GNPA/NNPA stood largely flat at 2.11%/0.6%, while the restructured book declined ~14bp QoQ to 0.8%.
- We broadly maintain our estimates with an RoA/RoE of 1.3%/14.5% for FY26. **We reiterate our BUY rating on the stock with a TP of INR230.**

Business growth healthy; NIM contracts 5bp QoQ to 3.16%

- FB reported an earnings beat of 4% at INR10.1b amid controlled provisions and healthy other income. NII stood broadly in line at INR22.9b (up 19.5% YoY/ 4.4% QoQ), while NIM contracted 5bp QoQ to 3.16%. The bank expects NIM to be broadly at the same level over the next two quarters.
- Other income rose 25% YoY/21.4% QoQ to INR9.15b (11% above est.) amid higher PSLC fees of INR9b (seasonal in 1Q), revaluation and MTM on investments at INR5b, and a recovery from the w-off pool to the tune of INR4b.
- Opex stood at INR17.1b (3% higher than MOFSLe) mainly due to the increase in other opex, as FB maintains its guidance of continuous investments in the franchise. C/I ratio stood at 53.2%, while the bank guided for achieving about 50% C/I over the next 4-6 quarters, with income being the driver. Thus, PPOp increased 15.2% YoY/ 35.2% QoQ to INR15b (4% higher than MOFSLe).
- On the business front, advances growth stood robust at 20% YoY/5.4% QoQ to INR2.2t, led by broad-based growth. Retail grew 3.8% QoQ, while SME rose 5.9% QoQ, and corporate growth was 5.7% QoQ. Deposits too grew at a faster rate at 19.6% YoY/ 5.4% QoQ amid healthy growth in CASA as well as TDs. The CASA ratio contracted marginally by 11bp QoQ to 29.3%. FB has seen a revival in the NR deposit segment over the past two quarters.
- Fresh slippages inched up to INR4.24b/0.8% from INR3.7b/0.8% in 4QFY24, while GNPA/NNPA ratios stood broadly flat at 2.11%/0.6%. PCR stood healthy at 71.9% in 1QFY25. Restructured book declined ~14bp QoQ to 0.8%.

Highlights from the management commentary

- Credit costs were contained within 30bp, significantly lower than normalized levels. The expected range for credit costs is 30-35bp, and credit quality should remain stable.
- NIM is likely to remain at the same level for the next two quarters.
- Recoveries from W-off accounts stood at INR400m; revaluation from investments stood at INR500m, and income from PSLC and dividends from the life insurance subsidiary stood at INR900m.

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Valuation and view: Reiterate BUY with a TP of INR230

Overall, FB reported a healthy quarter characterized by a slight earnings beat, robust business growth, and healthy asset quality. Other income was healthy, while opex inched up. Credit costs remained in check due to controlled slippages, and FB guided steady trends. NIM contracted 5bp QoQ, while management guided stable margin. We believe that FB is well placed among the mid-size private sector banks to deliver a healthy earnings trajectory aided by steady business growth and further improvement in operating leverage. We broadly maintain our earnings estimates and project FY26E RoA/RoE at 1.3%/14.5%. **We reiterate our BUY rating on the stock with a TP of INR230 (premised on 1.5x FY26E ABV).**

Quarterly performance**(INR b)**

	FY24				FY25E				FY24	FY25E	FY24E	V/s our
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE			1QE	Est
Net Interest Income	19.2	20.6	21.2	22.0	22.9	23.8	24.6	25.4	82.9	96.7	22.9	0.1%
% Change (YoY)	19.6	16.7	8.5	15.0	19.5	15.9	15.7	15.7	14.7	16.6	19.3	
Other Income	7.3	7.3	8.6	7.5	9.2	8.9	9.3	8.9	30.8	36.3	8.2	11%
Total Income	26.5	27.9	29.9	29.5	32.1	32.7	33.9	34.3	113.7	133.0	31.1	3%
Operating Expenses	13.5	14.6	15.5	18.4	17.1	17.2	17.6	17.9	62.0	69.7	16.6	3%
Operating Profit	13.0	13.2	14.4	11.1	15.0	15.6	16.3	16.4	51.7	63.3	14.5	3%
% Change (YoY)	33.8	9.3	12.8	-16.8	15.2	17.4	13.6	47.8	7.9	22.3	11.4	
Provisions	1.6	0.4	0.9	-0.9	1.4	1.5	1.8	1.6	2.0	6.3	1.5	-5%
Profit before Tax	11.5	12.8	13.5	12.0	13.6	14.1	14.5	14.8	49.8	57.0	13.0	4%
Tax	2.9	3.3	3.4	3.0	3.5	3.5	3.7	3.9	12.6	14.5	3.3	6%
Net Profit	8.5	9.5	10.1	9.1	10.1	10.5	10.9	11.0	37.2	42.5	9.7	4%
% Change (YoY)	42.1	35.5	25.3	0.4	18.2	10.4	8.0	21.0	23.6	14.2	13.8	
Operating Parameters												
Deposit (INR b)	2,225	2,329	2,396	2,525	2,661	2,753	2,857	2,980	2,525	2,980	2,661	
Loan (INR b)	1,835	1,928	1,992	2,094	2,208	2,280	2,366	2,467	2,094	2,467	2,208	
Deposit Growth (%)	21.3	23.1	19.0	18.3	19.6	18.2	19.3	18.0	18.3	18.0	19.6	
Loan Growth (%)	21.0	19.6	18.4	20.0	20.3	18.3	18.8	17.8	20.0	17.8	20.3	
Asset Quality												
Gross NPA (%)	2.4	2.3	2.3	2.1	2.1	2.1	2.0	2.0	2.1	2.0	2.1	
Net NPA (%)	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.5	0.6	
PCR (%)	71.3	72.3	72.3	72.3	71.9	72.2	72.5	72.6	72.3	72.6	72.0	

E: MOFSL Estimates

Quarterly snapshot

INRm	FY24				FY25 1Q	Change (%)	
	1Q	2Q	3Q	4Q		YoY	QoQ
Profit and Loss							
Interest Income	50,245	54,553	57,301	59,784	63,309	26	6
Interest Expenses	31,059	33,989	36,067	37,832	40,389	30	7
Net Interest Income	19,186	20,564	21,234	21,951	22,920	19	4.4
Other Income	7,324	7,304	8,626	7,539	9,152	25	21.4
Trading profits	1,970	700	2,210	1,340	2,620	33	95.5
Total Income	26,510	27,868	29,859	29,490	32,072	21	8.8
Operating Expenses	13,487	14,624	15,486	18,386	17,063	27	-7.2
Employee	6,167	6,263	6,932	8,869	7,380	20	-16.8
Others	7,319	8,361	8,554	9,518	9,682	32	1.7
Operating Profits	13,024	13,245	14,373	11,104	15,009	15	35.2
Core Operating Profits	11,054	12,545	12,163	9,764	12,389	12	26.9
Provisions	1,556	439	912	-946	1,443	-7	-252.5
NPA provisions	1,820	610	1,510	70	1,440	-21	1,957.1
PBT	11,468	12,806	13,461	12,050	13,566	18	12.6
Taxes	2,930	3,267	3,394	2,986	3,471	18	16.2
PAT	8,537	9,538	10,067	9,064	10,095	18	11.4
Balance sheet (INR b)							
Deposits	2,225	2,329	2,396	2,525	2,661	20	5.4
CASA Deposits	709	726	734	742	779	10	5.0
-Savings	142	157	153	152	164	16	7.8
-Current	567	569	581	590	615	8	4.2
Loans	1,835	1,928	1,992	2,094	2,208	20	5.4
Loan mix (%)							
Retail	32.9	31.2	31.9	33.7	24.4	-854.7	-939
SME	20.3	19.4	18.4	20.8	15.3	-24.8	-26.3
Agriculture	4.1	12.7	13.1	4.0	2.9	-30.0	-28.9
Corporate	41.5	35.6	35.3	39.6	29.1	-29.9	-26.5
MFI	1.1	1.2	1.4	1.9	1.4	27.4	-23.6
Asset Quality (INR m)							
GNPA	44,348	44,361	46,288	45,289	47,384	7	4.6
NNPA	12,746	12,298	12,844	12,553	13,304	4	6.0
Slippages	5,010	3,730	4,960	3,710	4,240	-15	14.3
Asset Quality Ratios (%)	1Q	2Q	3Q	4Q	1Q	YoY (bp)	QoQ (bp)
GNPA	2.37	2.26	2.29	2.13	2.11	-26.00	-2
NNPA	0.74	0.64	0.64	0.60	0.60	-14.00	0
PCR (Exc TWO)	71	72	72	72	72	66	-36
Slippage Ratio	1.2	0.8	1.1	0.8	0.8	-35.7	7
Credit Cost	0.4	0.1	0.3	0.0	0.3	-14.9	27
Business Ratios (%)							
CASA	31.9	31.2	30.6	29.4	29.3	-258.0	-11.0
Loan/Deposit	1.5	1.3	1.3	1.3	0.9	-56.3	-42.1
Other income/Total Income	27.6	26.2	28.9	25.6	28.5	90.8	297.2
Cost to Income	50.9	52.5	51.9	62.3	53.2	232.8	-914.7
Tax Rate	25.6	25.5	25.2	24.8	25.6	3.3	80.5
Capitalisation Ratios (%)							
Tier I	12.5	13.8	13.5	14.6	14.2	163.0	-44.0
- CET 1	12.5	13.8	13.5	14.6	14.2	163.0	-44.0
CAR	14.3	15.5	15.0	16.1	15.6	129.0	-56.0
RWA / Total Assets	59.4	58.9	61.1	61.5	60.1	75.5	-141.8
LCR	125.0	124.8	119.9	127.8	0.0	-12,501.0	-12,784.0
Profitability Ratios (%)							
Yield on loans	9.2	9.4	9.4	9.5	9.4	22.0	-5
Yield on Funds	9.2	9.5	9.5	9.4	9.5	27.3	3
Cost of Funds	5.4	5.6	5.8	6.0	5.9	48.0	-7
Cost of Deposits	5.3	5.5	5.7	5.9	5.8	52.0	-6
Margins	3.20	3.22	3.19	3.21	3.16	-4.00	-5
Others							
Branches	1,366	1,389	1,418	1,504	1,518	15,200	1,400
ATMs	1,920	1,937	1,962	2,015	2,041	12,100	2,600



Highlights from the management commentary

Opening remarks

- FB has achieved the highest ever PAT, NII, and other income during the quarter.
- The first quarter sets a strong foundation for FY25, with the bank experiencing significant business growth despite the challenging environment.
- Deposits growth was robust, driven by the launch of several new products.
- The environment is becoming more challenging, yet the bank has managed to grow and gain market share.
- Deposit growth outpaced peers, with NRE-led deposits growth rebounding and gaining momentum.
- The successor has been identified, ensuring the franchise will continue to grow at a solid pace.

Opex related

- The long-term target for the C/I ratio is 50%. Some costs, such as technology, personnel, and expansion, are considered beneficial. Income is expected to improve and approach the 50% C/I target over the next few quarters.
- The bank has invested in IT and distribution, focusing on making investments in the right areas.
- There are no one-off expenses in terms of non-staff operating costs.
- The new high-margin businesses are still growing slowly. The bank has a cautious approach to these parts of the business and is investing in collection costs. These businesses are not large enough to significantly increase costs.

Deposits related

- The bank added 114 branches last fiscal year and plans to add 100 branches this fiscal year, aiming to add about 40 in the first half and the remainder in the second half. BC and other models will help expand the bank's reach into deeper geographies.
- Deposits growth is very strong, at twice the system rate. Although NR deposits declined in the last two quarters, the bank is now back to growth path. Over the past 3-4 quarters, the bank has focused on frontline initiatives, with most deposits being branch-led. Various process improvements, digital advancements, and new products have also contributed to deposits growth.
- FB will launch new products every quarter and continues to gain market share in the deposits segment.
- Deposits growth has been strong while the cost of deposits has been declining. The bank aims to grow credit at a pace that does not exceed deposit growth. It avoids bulk deposits and has been successful in this strategy. The bank is also retiring high-cost borrowings, which is beneficial.
- Management is targeting high-quality deposits, maintaining an LCR band of 105-120%. It continuously calibrates its LCR and CD ratio.
- NR deposits decreased in the past few quarters, but the situation has improved as employees now target bringing funds into deposits rather than other instruments. Remittances, which previously did not convert into deposits, are now being deposited. FB's strong customer ownership has benefited this trend.

Asset Quality

- Credit costs were contained within 30bp, significantly lower than normalized levels. The business was undervalued for its conservative approach, which proved beneficial during difficult times. The expected range for credit costs is 30-35bp, and credit quality should remain stable.
- The mix of retail slippages was between INR2,100m and INR2,400m despite significant growth in the denominator. Book slippages were 0.8% in the first quarter, which were well below 1%. Of the total slippages, 60% was primarily from retail and nothing substantial that could harm the bank.
- The bank has not encountered any issues or triggers in the FLDG segment of microfinance.

Yields, costs, and margins

- Yields on advances decreased 5bp, although the high-yielding portfolio has increased. Comparisons with the first quarter are not applicable due to higher recoveries in the fourth quarter.
- FB has worked hard to balance risk and growth, aiming to be a banker rather than just a lender. In terms of margins, the bank is competitive with its peers.
- The cost of deposits has been reducing, largely due to a rise in the fourth quarter.
- NIMs are expected to remain at the same level for the next two quarters.
- The bank is targeting an RoA of 1.35%, up from the current 1.27%.

Co-branded cards

- For co-branded cards, the bank is in discussions with regulators and expects to receive the majority of clearances by the second and early third quarters. The bank is also working organically with its existing business.

New investment guidelines

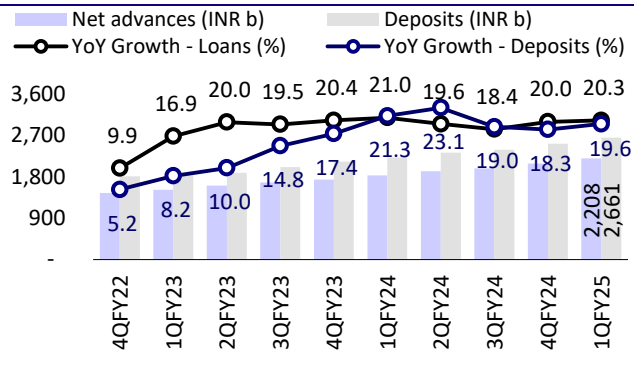
- Between the investment revaluation and PSL, the net benefit is approximately INR900m, with investment revaluation netting INR450-500m.
- Recoveries from w-off account stood at INR400m, revaluation from investments stood at INR500m, and income from PSLC and dividends from the life insurance subsidiary stood at INR900m.
- New investment guidelines had an INR3,350m impact on reserves and surplus, net of tax, and resulted in an ~10bp improvement in investment yields.

Others

- The total number of employees stood at 15,500, with the majority being IBA-linked and only 10% not linked to IBA.
- The successor is of high quality, appointed by the RBI to the bank. His presence will greatly benefit the bank.
- Every first quarter sees inflows of PSLC and dividends, and this quarter did not record any significant amounts from the write-off account.
- The BBB and below ratings have decreased, as there were no revisions in the last quarter, which appears to have positively impacted this quarter, leading to improvement in the A and above book.
- Mr. Shyam Srinivasan does not intend to pursue roles at any other institution, after retiring from the bank.

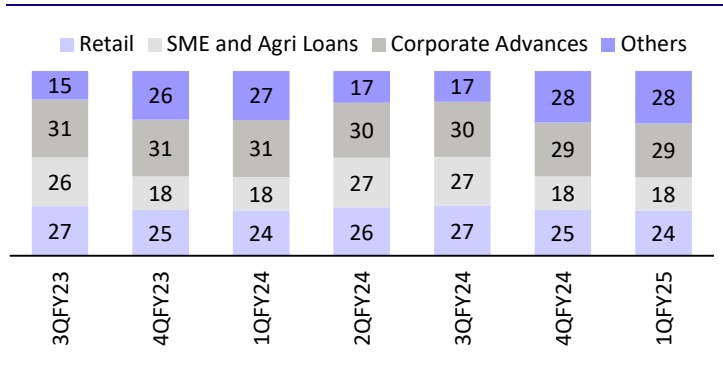
Story in charts

Exhibit 1: Advances/Deposits grew 20.3%/19.6% YoY in 1QFY25



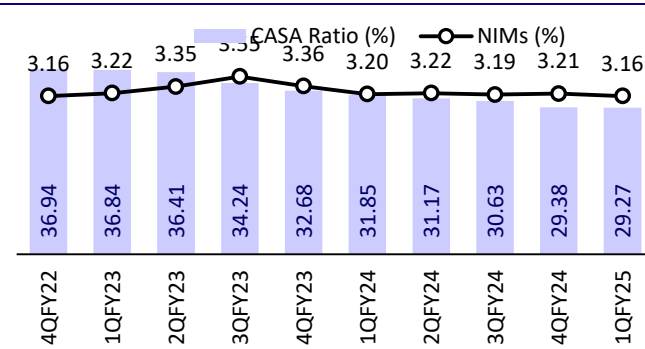
Sources: MOFSL, Company

Exhibit 2: Retail book stood at 24% and corporate at 29%



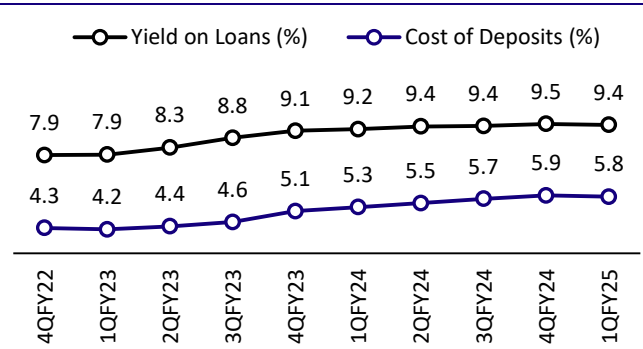
Note – Restated for 1QFY24, 4QFY24 and 1QFY25

Exhibit 3: CASA ratio moderated ~5bp QoQ to 29.3%



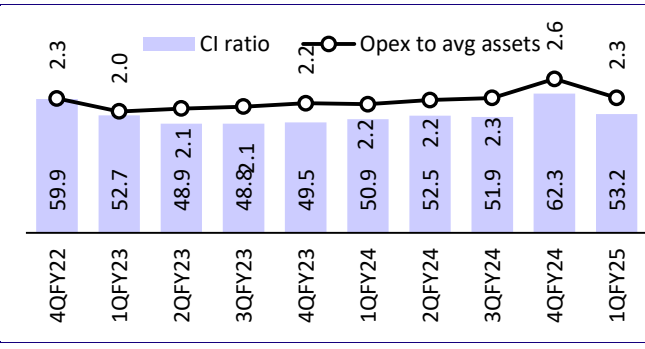
*NIM till 1QFY23 was reported on gross earning assets

Exhibit 4: YoA declined 5bp QoQ; CoD down 6bp QoQ



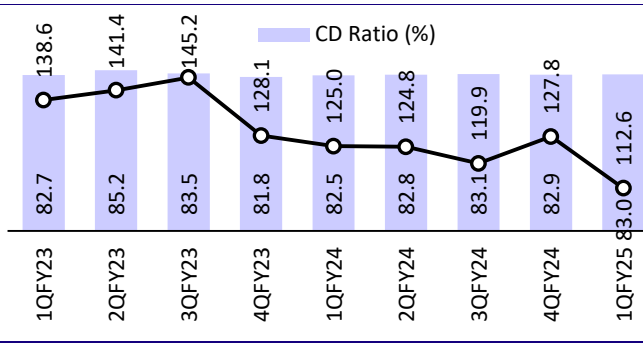
Sources: MOFSL, Company

Exhibit 5: C/I ratio declined to 53.2%



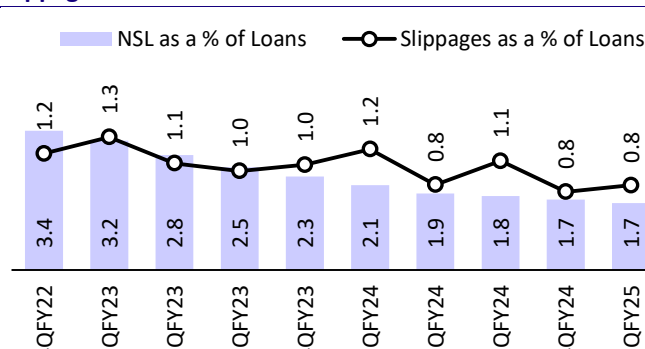
Sources: MOFSL, Company

Exhibit 6: C/D ratio stood at 83% in 1QFY25



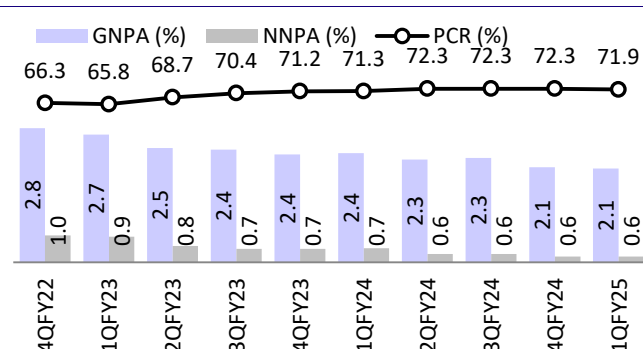
Sources: MOFSL, Company

Exhibit 7: NSL as a % of loans decreased to 1.7%, while slippages stood at 0.8%



Sources: MOFSL, Company

Exhibit 8: GNPA/NNPA ratios improved QoQ to 2.1%/0.6%; Calculated PCR at ~72%



Sources: MOFSL, Company

Valuation and view: Maintain BUY with a TP of INR230

- Overall, FB reported a healthy quarter characterized by a slight earnings beat, robust business growth, and healthy asset quality. Other income was healthy, while opex inched up.
- Credit costs remained in check due to controlled slippages, and FB guided steady trends. NIM contracted 5bp QoQ, while management guided stable margin.
- We believe that FB is well placed among the mid-size private sector banks to deliver a healthy earnings trajectory aided by steady business growth and further improvement in operating leverage.
- We broadly maintain our earnings estimates and project FY26E RoA/RoE at 1.3%/14.5%. **We reiterate our BUY rating on the stock with a TP of INR230 (premised on 1.5x FY26E ABV).**

Exhibit 9: Changes to our estimates

(INR b)	Old Estimates		Revised Estimates		Change (%)/bps	
	FY25	FY26	FY25	FY26	FY25	FY26
Net Interest Income	97.9	116.9	96.7	116.0	-1.2	-0.8
Other Income	35.7	42.1	36.3	42.5	1.7	0.9
Total Income	133.6	159.1	133.0	158.5	-0.4	-0.3
Operating Expenses	68.6	78.8	69.7	80.5	1.6	2.0
Operating Profits	65.0	80.2	63.3	78.1	-2.6	-2.7
Provisions	7.6	11.6	6.3	10.3	-17.2	-11.6
PBT	57.4	68.6	57.0	67.8	-0.6	-1.2
Tax	14.6	17.5	14.5	17.3	-0.6	-1.2
PAT	42.7	51.1	42.5	50.5	-0.6	-1.2
Loans	2,467	2,903	2,467	2,903	0.0	0.0
Deposits	2,980	3,516	2,980	3,516	0.0	0.0
Margins (%)	3.24	3.28	3.20	3.26	-4	-3
Credit Cost (%)	0.30	0.40	0.27	0.35	-3	-5
RoA (%)	1.28	1.31	1.27	1.29	-1	-2
RoE (%)	13.8	14.6	13.7	14.5	-8	-15
EPS	17.5	21.0	17.4	20.7	-0.6	-1.2
BV	134.5	153.0	134.4	152.6	-0.1	-0.2
ABV	126.6	144.1	126.5	143.4	-0.1	-0.4

Exhibit 10: DuPont Analysis: Expect return ratios to improve gradually

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Interest Income	7.77	7.20	6.47	6.98	7.80	7.75	7.73
Interest Expense	5.04	4.31	3.65	3.98	4.89	4.86	4.76
Net Interest Income	2.73	2.90	2.82	3.01	2.92	2.89	2.97
Core Fee Income	0.78	0.70	0.85	0.96	1.07	1.07	1.07
Trading and others	0.36	0.33	0.14	0.01	0.01	0.01	0.01
Non-Interest income	1.14	1.03	0.99	0.97	1.08	1.09	1.09
Total Income	3.87	3.92	3.81	3.97	4.00	3.98	4.05
Operating Expenses	1.99	1.93	2.03	1.98	2.18	2.09	2.06
-Employee cost	1.04	1.07	1.10	0.90	0.99	0.98	0.96
-Others	0.94	0.87	0.93	1.08	1.19	1.11	1.09
Operating Profits	1.89	1.99	1.78	1.99	1.82	1.89	2.00
Core Operating Profits	1.53	1.66	1.64	1.98	1.81	1.88	1.98
Provisions	0.69	0.87	0.58	0.31	0.07	0.19	0.26
PBT	1.20	1.12	1.20	1.68	1.75	1.71	1.73
Tax	0.29	0.29	0.31	0.43	0.44	0.43	0.44
RoA	0.91	0.83	0.89	1.25	1.31	1.27	1.29
Leverage (x)	12.2	12.5	12.1	11.9	11.2	10.8	11.2
RoE	11.1	10.4	10.8	14.9	14.7	13.7	14.5

Financials and valuations

Income Statement

(INRb)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Interest Income	132.1	137.6	136.6	168.0	221.9	259.1	302.3
Interest Expense	85.6	82.2	77.0	95.7	138.9	162.4	186.3
Net Interest Income	46.5	55.3	59.6	72.3	82.9	96.7	116.0
-growth (%)	11.3	19.0	7.7	21.3	14.7	16.6	20.0
Non-Interest Income	19.3	19.6	20.9	23.3	30.8	36.3	42.5
Total Income	65.8	74.9	80.5	95.6	113.7	133.0	158.5
-growth (%)	19.0	13.9	7.5	18.8	18.9	17.0	19.2
Operating Expenses	33.8	36.9	42.9	47.7	62.0	69.7	80.5
Pre Provision Profits	32.0	38.0	37.6	47.9	51.7	63.3	78.1
-growth (%)	16.0	18.6	-1.1	27.6	7.9	22.3	23.3
Provisions (excl tax)	11.7	16.6	12.2	7.5	2.0	6.3	10.3
PBT	20.3	21.4	25.4	40.4	49.8	57.0	67.8
Tax	4.9	5.5	6.5	10.3	12.6	14.5	17.3
Tax Rate (%)	24.1	25.6	25.5	25.6	25.3	25.5	25.5
PAT	15.4	15.9	18.9	30.1	37.2	42.5	50.5
-growth (%)	24.0	3.1	18.8	59.3	23.6	14.2	18.9

Balance Sheet

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Share Capital	4.0	4.0	4.2	4.2	4.9	4.9	4.9
Equity Share Capital	4.0	4.0	4.2	4.2	4.9	4.9	4.9
Reserves & Surplus	141.2	157.3	183.7	210.8	286.1	322.5	366.9
Net Worth	145.2	161.2	187.9	215.1	290.9	327.3	371.7
Deposits	1,522.9	1,726.4	1,817.0	2,133.9	2,525.3	2,979.9	3,516.3
-growth (%)	12.8	13.4	5.2	17.4	18.3	18.0	18.0
- CASA Dep	467.7	587.1	674.7	701.2	767.7	908.9	1,121.7
-growth (%)	7.0	25.5	14.9	3.9	9.5	18.4	23.4
Borrowings	103.7	90.7	153.9	193.2	180.3	198.3	218.1
Other Liabilities & Prov.	34.6	35.3	50.6	61.3	86.6	97.8	110.5
Total Liabilities	1,806.4	2,013.7	2,209.5	2,603.4	3,083.1	3,603.3	4,216.7
Current Assets	125.7	195.9	210.1	176.9	189.6	200.2	222.2
Investments	358.9	371.9	391.8	489.8	608.6	718.1	847.4
-growth (%)	12.8	3.6	5.4	25.0	24.2	18.0	18.0
Loans	1,222.7	1,318.8	1,449.3	1,744.5	2,094.0	2,466.8	2,903.4
-growth (%)	10.9	7.9	9.9	20.4	20.0	17.8	17.7
Fixed Assets	4.8	4.9	6.3	9.3	10.2	10.9	11.8
Other Assets	94.2	122.2	151.9	182.9	180.7	207.3	231.9
Total Assets	1,806.4	2,013.7	2,209.5	2,603.4	3,083.1	3,603.3	4,216.7

Asset Quality

GNPA	35.3	46.0	41.4	41.8	45.3	49.1	56.3
NNPA	16.1	15.7	13.9	13.2	12.6	13.5	15.6
Slippages	19.2	19.2	18.8	17.2	17.4	22.8	26.9
GNPA Ratio (%)	2.8	3.4	2.8	2.4	2.1	2.0	1.9
NNPA Ratio (%)	1.3	1.2	1.0	0.8	0.6	0.5	0.5
Slippage Ratio (%)	1.7	1.5	1.4	1.1	0.9	1.0	1.0
Credit Cost (%)	1.0	1.3	0.9	0.5	0.2	0.3	0.4
PCR (Excl Tech. write off) (%)	54.5	65.9	66.3	68.4	72.3	72.6	72.4

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Yield and Cost Ratios (%)							
Avg. Yield-Earning Assets	8.5	8.0	7.4	8.0	8.8	8.6	8.5
Avg. Yield on loans	9.2	8.5	7.8	8.4	9.2	9.1	9.0
Avg. Yield on Investments	6.6	6.6	6.3	6.5	6.9	7.0	6.9
Avg. Cost-Int. Bear. Liab.	5.6	4.8	4.1	4.5	5.5	5.5	5.4
Avg. Cost of Deposits	5.6	4.8	4.1	4.4	5.3	5.5	5.4
Avg. Cost of Borrowings	5.1	4.3	3.0	5.5	5.4	5.2	5.2
Interest Spread	2.9	3.2	3.3	3.6	3.2	3.0	3.1
Net Interest Margin	3.0	3.2	3.2	3.5	3.3	3.2	3.3

Capitalization Ratios (%)

CAR	14.4	14.6	15.8	14.8	15.9	15.0	14.3
Tier I	13.3	13.9	14.4	13.0	14.5	13.8	13.2
-CET-1	13.3	13.9	14.4	13.0	0		
Tier II	1.1	0.8	1.3	1.8	1.5	1.2	1.0

Business Ratios (%)

Loans/Deposit Ratio	80.3	76.4	79.8	81.8	82.9	82.8	82.6
CASA Ratio	30.7	34.0	37.1	32.9	30.4	30.5	31.9
Cost/Assets	1.9	1.8	1.9	1.8	2.0	1.9	1.9
Cost/Total Income	51.3	49.3	53.3	49.9	54.5	52.4	50.8
Cost/Core Income	56.5	53.7	55.4	50.0	54.7	52.6	50.9
Int. Expense/Int.Income	64.8	59.8	56.4	57.0	62.6	62.7	61.6
Fee Income/Net Income	20.1	17.8	22.2	24.1	26.8	27.0	26.5
Non Int. Inc./Net Income	29.4	26.1	25.9	24.4	27.1	27.3	26.8
Empl. Cost/Op. Exps.	52.5	55.1	54.1	45.6	45.5	47.0	46.8

Efficiency Ratios (INRm)

Employee/branch (in nos)	9.9	9.9	10.0	9.9	9.8	9.7	9.6
Staff cost/employee	1.4	1.6	1.8	1.6	2.0	2.2	2.4
CASA per branch	370.3	461.6	526.3	517.5	532.0	594.2	691.8
Deposits per branch	1,205.8	1,357.3	1,417.3	1,574.8	1,750.0	1,948.1	2,168.6
Busi. per Empl.	219.7	241.8	255.4	288.2	326.9	367.1	412.1
NP per Empl.	1.2	1.3	1.5	2.2	2.6	2.9	3.2

Valuation

RoE	11.1	10.4	10.8	14.9	14.7	13.7	14.5
RoA	0.9	0.8	0.9	1.3	1.3	1.3	1.3
RoRWA	1.4	1.4	1.5	1.9	1.9	1.8	1.8
Book Value (INR)	73	81	89	102	119	134	153
-growth (%)	9.0	10.9	10.7	13.7	17.6	12.5	13.6
Price-BV (x)	2.8	2.5	2.3	2.0	1.7	1.5	1.3
Adjusted BV (INR)	65	72.7	81.6	94.1	112.4	126.5	143.4
Price-ABV (x)	3.1	2.8	2.5	2.1	1.8	1.6	1.4
EPS (INR)	7.8	8.0	9.2	14.3	16.3	17.4	20.7
-growth (%)	23.4	2.8	15.6	54.8	14.5	6.7	18.9
Price-Earnings (x)	26.0	25.3	21.9	14.2	12.4	11.6	9.7
Dividend Per Share (INR)	1.7	0.7	1.8	7.1	1.9	2.5	2.5
Dividend Yield (%)	0.8	0.3	0.9	3.5	0.9	1.2	1.2

E: MOSL Estimates

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