

July 24, 2024

**RESULT REPORT Q1 FY25** | Sector: Banks

# Federal Bank Ltd

**A top pick since June 2021, FED continues to deliver**

## Our view – Most parts of RoA tree behaving reasonably well

**Asset Quality** – Asset quality remains truly pristine as even a moderate rise in slippages keeps slippage ratio well below 1%: Gross NPA additions amounted to Rs. 4.24bn for 1QFY25, translating to an annualized slippage ratio of 0.8% for the quarter. Gross NPA additions had amounted to Rs. 3.71bn during 4QFY24. Provisions were Rs 1.44bn, as against write back of -Rs. 0.95bn in 4QFY24 and provision of Rs. 1.56bn in 1QFY24, translating to calculated annualised credit cost of 27 bps. The guidance for normalized credit cost is in the range of 30-35 bps.

**Net Interest Margin** – NIM declined sequentially somewhat and wasn't cause for particular alarm: NIM was at 3.16%, down -5bps QoQ and -4bps YoY. The yield on advances was down 5 bps QoQ. It may be noted that 4Q seasonally benefits in terms of yield due to higher recoveries. Cost of deposits has remained under control for the bank and is actually down 6 bps QoQ. The bank did benefit from a seasonal one off in terms of interest payable, which emerged in March, which explains the decline in cost of deposits. NIM is expected to remain at 1Q levels for the next 2 quarters.

**Balance sheet growth** – Balance sheet growth outcomes were admirable on both sides of the balance sheet: The deposits were at Rs. 2,661 bn, up by 5.4% QoQ and 19.6% YoY. The bank is working towards a deposit growth of 18-20%. Non-resident deposits were tapering off earlier but have made a comeback during the quarter. The advances for the bank stood at Rs. 2,208 bn, up by 5.4% QoQ and 20.3% YoY.

**We maintain 'Buy' rating on FED, which has been one of our top picks since June 2021, with a revised price target of Rs 245:** We value the standalone bank at 1.5x FY26 P/BV for an FY25E/26E RoE profile of 14.1%/15.0%. We assign a value of Rs 13.9 per share to the subsidiaries, on SOTP. (See our [sector report dated June 2021](#)).

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

## Other Aspects (See "Our View" above for elaboration and insight)

- **Opex control:** Total opex fell/rose -7.2%/26.5% QoQ/YoY, staff expenses fell/rose -16.8%/19.7% QoQ/YoY and other expenses rose 1.7%/32.3% QoQ/YoY
- **Fee income:** Fee income rose 6.1%/20.4% QoQ/YoY, sequentially driven higher by general service charges which had a reversal of Rs 670 mn in 4QFY24.

## Exhibit 1: Result table

Particulars (Rs mn)	Q1 FY25	Q4 FY24	% qoq	Q1 FY24	% yoy
Total Interest Income	63,309	59,784	5.9	50,245	26.0
Interest Expense	(40,389)	(37,832)	6.8	(31,059)	30.0
Net Interest Income	22,920	21,951	4.4	19,186	19.5
Fee Income	(6,080)	(5,730)	6.1	(5,050)	20.4
Non-fee Income	15,232	13,269	14.8	12,374	23.1
Total Non-Interest Income	9,152	7,539	21.4	7,324	25.0
Total Income	32,072	29,490	8.8	26,510	21.0
Employee Expense	(7,380)	(8,869)	(16.8)	(6,167)	19.7
Non-employee Opex	(9,682)	(9,518)	1.7	(7,319)	32.3
Total Operating expenses	(17,063)	(18,386)	(7.2)	(13,487)	26.5
PPOP	15,009	11,104	35.2	13,024	15.2
Provisions	(1,443)	946	NA	(1,556)	(7.3)
PBT	13,566	12,050	12.6	11,468	18.3
Tax	(3,471)	(2,987)	16.2	(2,930)	18.5
PAT	10,095	9,063	11.4	8,537	18.2

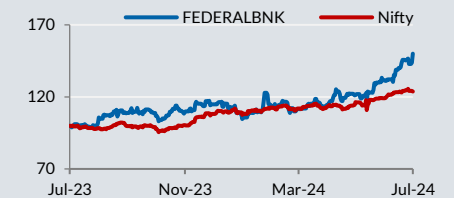
Source: Company, YES Sec-Research

Recommendation	: BUY
Current Price	: Rs 201
Target Price	: Rs 245
Potential Return	: +22%

## Stock data (as on July 24, 2024)

Nifty	24,414
52 Week h/l (Rs)	204 / 131
Market cap (Rs/USD mn)	484655 / 5792
Outstanding Shares (mn)	2,448
6m Avg t/o (Rs mn):	2,286
Div yield (%):	0.7
Bloomberg code:	FB IN
NSE code:	FEDERALBNK

## Stock performance



	1M	3M	1Y
Absolute return	14.4%	31.0%	50.2%

## Shareholding pattern (As of Mar'24 end)

Promoter	0.0%
FII+DII	73.2%
Others	25.8%

## Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	245	220

## Financial Summary

(Rs mn)	FY24	FY25E	FY26E
NII	82,935	98,896	117,943
PPOP	51,745	67,473	83,518
Net Profit	37,206	43,884	53,693
Growth (%)	23.6	17.9	22.4
EPS (Rs)	15.3	18.0	22.0
BVPS (Rs)	119	136	157
P/E (x)	12.3	10.4	8.5
P/BV (x)	1.6	1.4	1.2
ROE (%)	14.7	14.1	15.0
ROA (%)	1.3	1.3	1.4
Tier-1 (%)	14.6	13.7	13.1

## in earnings estimates

Rs. bn	FY24E	FY25E	FY26E
PAT (New)	NA	43.9	53.7
PAT (Old)	NA	43.9	52.7
% change	NA	0.0%	1.9%

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## COMPREHENSIVE CON-CALL TAKEAWAYS

### Asset quality

- **Slippages**
  - Gross NPA additions amounted to Rs. 4.24bn for 1QFY25, translating to an annualized slippage ratio of 0.8% for the quarter. (Gross NPA additions had amounted to Rs. 3.71bn during 4QFY24.)
  - **Segmental breakup**
    - About 55-60% of the slippages have come from the retail segment.
    - The segmental mix of slippages has remained similar.
- **Recoveries and upgrades**
  - Recoveries and upgrades amounted to Rs. 2.1bn for 1QFY25, implying net NPA addition of Rs. 2.2bn for the quarter.
- **Provisions**
  - Provisions were Rs 1.44bn, as against write back of -Rs. 0.95bn in 4QFY24 and provision of Rs. 1.56bn in 1QFY24, translating to calculated annualised credit cost of 27 bps.
  - **Guidance**
    - The guidance for normalized credit cost would be in the range of 30-35 bps.
- **Restructured book**
  - Standard Restructured book stood at around Rs. 18.25bn or 0.8% of gross advances.
- **NPA ratios**
  - GNPA ratio stands at 2.1%, down -2bps QoQ and -27bps YoY while NNPA ratio stands at 0.6%, flat QoQ but down by -9bps YoY.

### Net interest margin

- **NIM for the quarter**
  - NIM was at 3.16%, down -5bps QoQ and -4bps YoY.
- **Yield on advances**
  - The yield on advances was down 5 bps QoQ.
  - It may be noted that 4Q seasonally benefits in terms of yield due to higher recoveries.
  - **Gold loan yield**
    - There was a price war earlier, which seems to be normalizing now and the interest rates in this market have bottomed out.
- **Cost of deposits**
  - Cost of deposits has remained under control for the bank and is actually down 6 bps QoQ.
  - The bank does not want to grow too far ahead of deposits growth and hence, is not going into bulk deposits in a big way.
  - The bank is also actively retiring high cost borrowings.
  - However, the bank did benefit from a seasonal one off in terms of interest payable, which emerged in March, which explains the decline in cost of deposits.
- **Liquidity**
  - The bank wishes to operate in an LCR band of 105-120%.
  - LCR for the quarter was around 111-112%.

(Con call takeaways continue on the next page)

## ▪ Guidance

- NIM is expected to remain at 1Q levels for the next 2 quarters.

## Other Income

### ▪ Miscellaneous income

- There is a positive delta of about Rs 0.8bn compared with the same quarter last year.
- The PSLC income has risen from Rs 0.5bn to Rs 0.9bn.
- The revaluation of investments was about Rs 0.45bn.

### ▪ More on PSLC

- PSL was in deficit 2-3 years ago but is now a revenue opportunity.

### ▪ Fee income

- The bank is working to take fee income to assets to 1%.

## Impact of new investment portfolio norms

- There was a positive impact of Rs 3.39bn on reserves.
- The positive impact on investment yield would be about 10 bps.

## Operating expenses

### ▪ Total opex

- Total Opex, at Rs. 17.1bn, is down -7.2% QoQ but up 26.5% YoY.
- Consequently, cost/income ratio came in at 53.2%, down by -915bps QoQ but up by 233bps YoY.
- **Guidance**
  - The bank is targeting reaching a cost to income ratio of 50% over 4-5 quarters.
  - Some of the cost is good cost, which the bank does not want to cut down.
  - IT and distribution, which is the good cost, is up 75% YoY.

### ▪ Staff opex

- The staff opex is down by -16.8% QoQ but up by 19.7% YoY.
- The Bank had made a provision of Rs. 1.62bn during 4QFY24 towards final increase in wage revision.
- The staff opex of Rs 7.38bn for the quarter is a good indicator for the run rate expected for the year, barring minor changes to non-IBA staff.
- **Staff count**
  - The staff count is about 15,500.
  - About 10% of the staff is non-IBA.

### ▪ Non-staff opex

- Non-staff opex in up by 1.7% QoQ and 32.3% YoY.
- There is no one off in non-staff opex for the quarter.
- **Branch expansion**
  - 210 branches have been added in a 18-month period of which 140 were added in FY24.
  - The bank intends to add 100 plus FY25, of which 40 odd would be in the first half.

(Con call takeaways continue on the next page)

## Loan growth

- The advances for the bank stood at Rs. 2,208 bn, up by 5.4% QoQ and 20.3% YoY.
- Personal loans have been slowed due to the current environment.

## Deposits accretion

- The deposits were at Rs. 2,661 bn, up by 5.4% QoQ and 19.6% YoY.
- The bank is working towards a deposits growth of 18-20%.
- **Non-resident deposits**
  - There were tapering off earlier but have made a comeback during the quarter.

## RoA guidance

- RoA can be expected to improve from 1.27% to 1.30-1.35% by the exit quarter of FY25.

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

Particulars (Rs mn)	Q1FY25#	Q4FY24	% qoq	Q1FY24	% yoy	Q1FY25*	chg qoq*	chg yoy*
Total gross advances	2,241,610	2,125,590	5.5	1,865,930	20.1	100	0bps	0bps
Core retail	650,940	627,290	3.8	540,820	20.4	29	-47bps	6bps
Agri	76,840	75,140	2.3	67,510	13.8	3	-11bps	-19bps
Business Banking	181,590	170,730	6.4	150,400	20.7	8	7bps	4bps
CV/CE	37,280	34,420	8.3	24,570	51.7	2	4bps	35bps
MFI	37,880	34,470	9.9	18,250	107.6	2	7bps	71bps
CoB	226,870	214,870	5.6	183,690	23.5	10	1bps	28bps
Corporate	765,890	735,960	4.1	682,620	12.2	34	-46bps	-242bps
Gold	274,310	252,260	8.7	209,270	31.1	12	37bps	102bps
Total deposits	2,660,650	2,525,340	5.4	2,224,960	19.6	100	0bps	0bps
CA deposits	164,230	152,390	7.8	141,820	15.8	6	14bps	-20bps
SA deposits	614,610	589,610	4.2	566,720	8.5	23	-25bps	-237bps
Term deposits	1,881,810	1,783,340	5.5	1,516,420	24.1	71	11bps	257bps
Investments	638,320	608,595	4.9	519,420	22.9	NA	NA	NA
Investments/(Invest. + Net Adv.) (%)	22.4	22.5	-9bps	22.1	36bps	NA	NA	NA
Borrowings	217,100	180,264	20.4	211,780	2.5	NA	NA	NA
Borrowings/(Borr. + Deposits) (%)	7.5	6.7	88bps	8.7	-115bps	NA	NA	NA
Risk-weighted assets	1,971,350	1,896,750	3.9	1,627,420	21.1	NA	NA	NA

Source: Company, YES Sec – Research, \*Share in total and change in share, #The total gross advances figure is adjusted for IBPC but the individual segment figures are not.

## Exhibit 3: Key quarterly ratios

(%)	Q1FY25	Q4FY24	chg qoq	Q1FY24	chg yoy
Net interest margin	3.16	3.21	-5bps	3.20	-4bps
Yield on advances	9.43	9.48	-5bps	9.21	22bps
Cost of deposits	5.84	5.90	-6bps	5.32	52bps
CASA ratio	29.3	29.4	-11bps	31.9	-258bps
Loan to Deposit ratio	83.0	82.9	7bps	82.5	52bps
Non-interest income/Total income	28.5	25.6	297bps	27.6	91bps
Fee Income to Avg. Total Assets	0.8	0.8	1bps	0.8	1bps
Cost to Income ratio	53.2	62.3	-915bps	50.9	233bps
Opex to Avg. Total Assets	2.1	2.4	-29bps	2.0	13bps
Credit Cost	0.3	0.0	26bps	0.4	-14bps
Annualised Slippage Ratio*	0.8	0.7	6bps	1.1	-32bps
Provision Coverage	82.1	82.7	-62bps	82.7	-59bps
Gross NPA	2.1	2.1	-2bps	2.4	-27bps
Net NPA	0.6	0.6	0bps	0.7	-9bps
Capital adequacy ratio	15.6	16.1	-56bps	14.3	129bps
Tier 1 capital ratio	14.2	14.6	-44bps	12.5	163bps

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

## Exhibit 4: Retail Loan Mix - Quarterly

Particulars (Rs mn)	Q1FY25	Q4FY24	% qoq	Q1FY24	% yoy	Q1FY25*	chg qoq*	chg yoy*
Agri	76,840	75,140	2.3	67,510	13.8	6.1	-19bps	-57bps
Business Banking	181,590	170,730	6.4	150,400	20.7	14.4	13bps	-45bps
CV/CE	37,280	34,420	8.3	24,570	51.7	3.0	8bps	53bps
MFI	37,880	34,470	9.9	18,250	107.6	3.0	12bps	120bps
Housing	287,250	280,210	2.5	255,170	12.6	22.8	-64bps	-243bps
LAP	123,860	117,640	5.3	103,900	19.2	9.8	-1bps	-44bps
Gold	274,310	252,260	8.7	209,270	31.1	21.8	67bps	109bps
Auto	78,000	73,020	6.8	57,700	35.2	6.2	8bps	49bps
Personal	39,280	38,450	2.2	27,990	40.3	3.1	-10bps	35bps
Credit Cards	32,400	30,600	5.9	18,770	72.6	2.6	1bps	72bps
Others	90,150	87,380	3.2	77,290	16.6	7.2	-15bps	-48bps
Total retail loans	1,258,840	1,194,320	5.4	1,010,820	24.5	100.0	0bps	0bps

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

## Exhibit 5: Quarterly Actuals Vs Estimates

Q1FY25 (Rs. mn)	Actuals	Estimates	Diff, %
Net Interest Income	22,920	23,049	(0.6)
Pre-Prov. Operating Profit	15,009	13,275	13.1
Profit After Tax	10,095	9,455	6.8

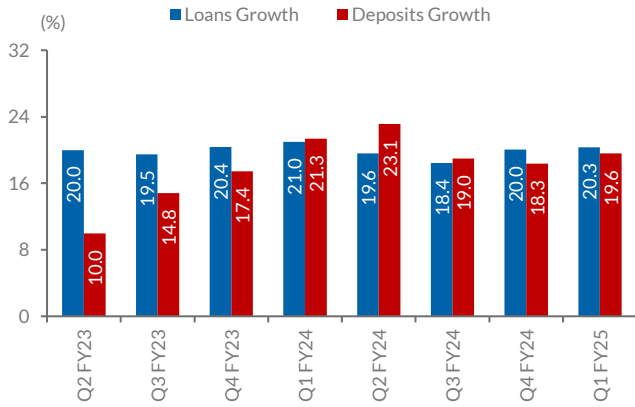
Source: Company, YES Sec – Research

## Exhibit 6: Non-Interest Income Break-up

(Rs mn)	Q1FY25	Q4FY24	% qoq	Q1FY24	% yoy
Total Fee Income (A)	6,080	5,730	6.1	5,050	20.4
Cards	1,910	2,070	(7.7)	1,530	24.8
Para banking	460	560	(17.9)	270	70.4
Banking Comm. & Exch.	720	700	2.9	650	10.8
Proc. Fee & charges on Loans	1,740	1,860	(6.5)	1,580	10.1
General Service charges	1,250	540	131.5	1,020	22.5
Total Other Income (B)	3,072	1,809	69.8	2,274	35.1
Sale of Investments	350	420	(16.7)	330	6.1
Exchange	440	470	(6.4)	300	46.7
Others (inc. recovery and revaluation)	2,282	919	148.3	1,644	38.8
<b>Total Non-Interest Income (A+B)</b>	<b>9,152</b>	<b>7,539</b>	<b>21.4</b>	<b>7,324</b>	<b>25.0</b>

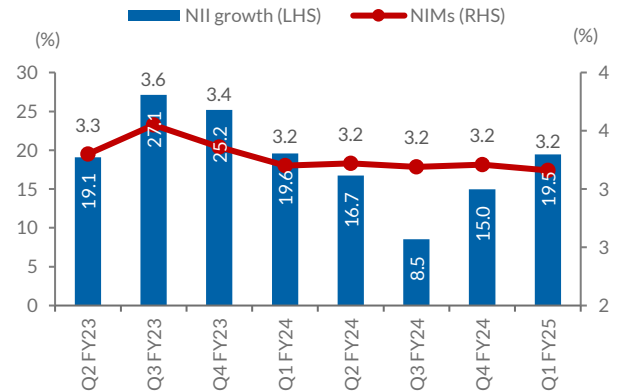
Source: Company, YES Sec – Research

**Exhibit 7: Loans and Deposits growth (YoY %)**



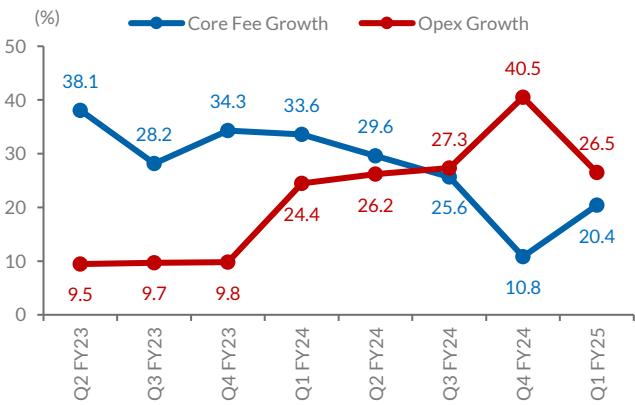
Source: Company, YES Sec – Research

**Exhibit 8: NII growth (YoY %) and NIM**



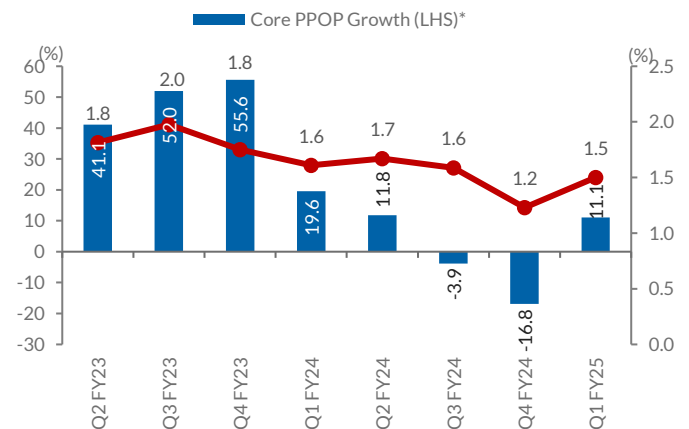
Source: Company, YES Sec – Research

**Exhibit 9: Core Fee and Opex growth (YoY %)**



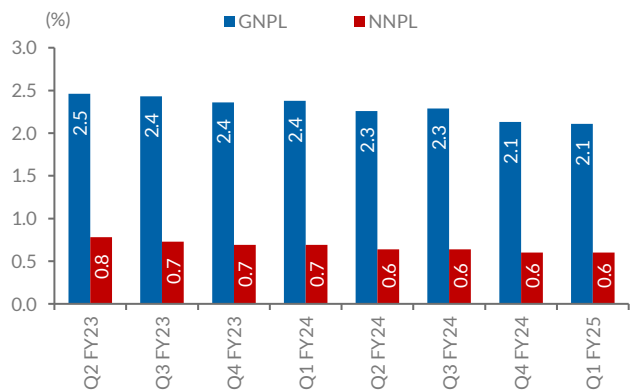
Source: Company, YES Sec – Research

**Exhibit 10: Core PPOP growth (YoY %) and Core PPOP margin (%)**



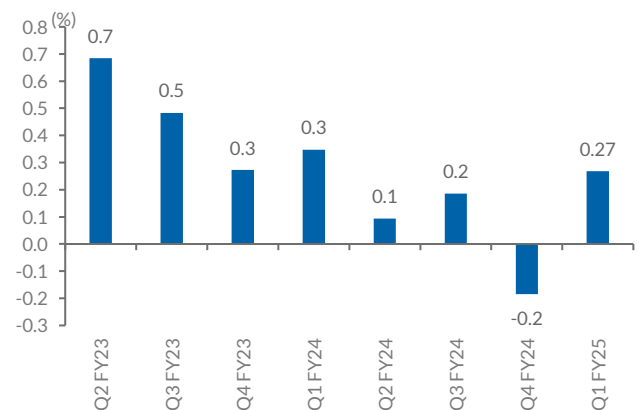
Source: Company, YES Sec – Research, \* Core PPOP is derived by adjusting PPOP for gain/loss on sale of investments and misc. income

**Exhibit 11: Gross NPA and Net NPA (%)**



Source: Company, YES Sec – Research

**Exhibit 12: Credit Cost (%)**



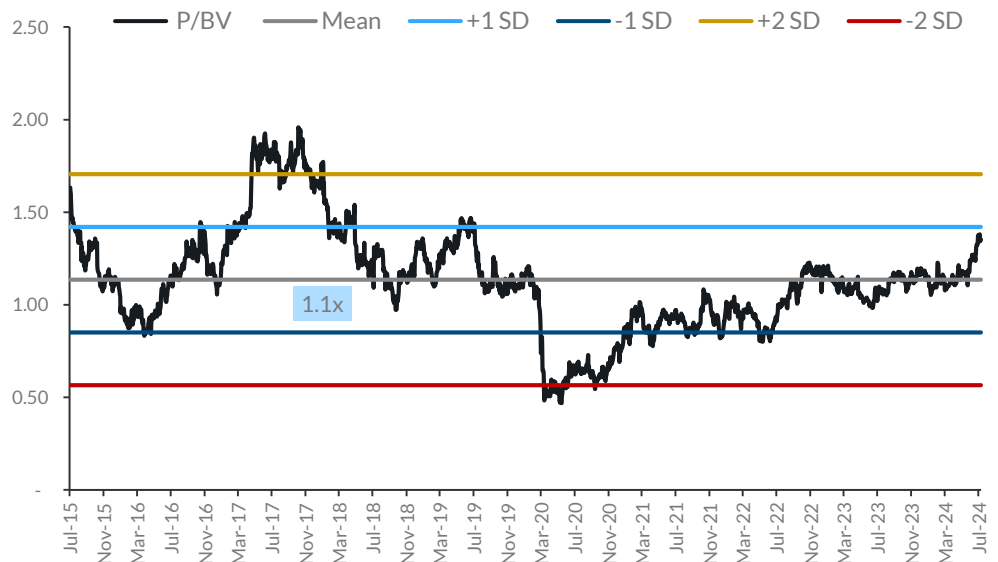
Source: Company, YES Sec – Research

**Exhibit 13: 1-year rolling P/BV band**



Source: Company, YES Sec – Research, N.B. Valuations in this chart are not adjusted / netted out for subsidiaries' value

**Exhibit 14: 1-yr rolling P/BV vis-a-vis the mean and standard deviations**



Source: Company, YES Sec – Research, N.B. Valuations in this chart are not adjusted / netted out for subsidiaries' value



## ANNUAL FINANCIALS

### Exhibit 15: Balance sheet

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Total cash & equivalents	210,103	176,887	189,629	223,762	264,040
Investments	391,795	489,833	608,595	711,335	831,888
Advances	1,449,283	1,744,469	2,094,033	2,470,959	2,915,732
Fixed assets	6,339	9,340	10,201	11,221	12,343
Other assets	151,942	182,889	180,660	207,759	238,922
<b>Total assets</b>	<b>2,209,463</b>	<b>2,603,418</b>	<b>3,083,118</b>	<b>3,625,036</b>	<b>4,262,925</b>
Net worth	187,938	215,062	290,944	331,905	382,676
Deposits	1,817,006	2,133,860	2,525,340	2,977,651	3,511,379
Borrowings	153,931	193,193	180,264	235,085	298,295
Other liabilities	50,588	61,303	86,570	80,395	70,575
<b>Total liabilities incl. Equity</b>	<b>2,209,463</b>	<b>2,603,418</b>	<b>3,083,118</b>	<b>3,625,036</b>	<b>4,262,925</b>

Source: Company, YES Sec – Research

### Exhibit 16: Income statement

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Interest Income	136,608	168,036	221,883	264,579	314,415
Interest expense	(76,988)	(95,715)	(138,948)	(165,683)	(196,472)
<b>Net interest income</b>	<b>59,620</b>	<b>72,322</b>	<b>82,935</b>	<b>98,896</b>	<b>117,943</b>
Non-interest income	20,891	23,300	30,793	37,592	44,273
<b>Total income</b>	<b>80,510</b>	<b>95,622</b>	<b>113,728</b>	<b>136,488</b>	<b>162,216</b>
Operating expenses	(42,932)	(47,678)	(61,983)	(69,015)	(78,698)
<b>PPoP</b>	<b>37,579</b>	<b>47,944</b>	<b>51,745</b>	<b>67,473</b>	<b>83,518</b>
Provisions	(12,218)	(7,499)	(1,961)	(8,829)	(11,764)
<b>Profit before tax</b>	<b>25,361</b>	<b>40,445</b>	<b>49,784</b>	<b>58,644</b>	<b>71,754</b>
Taxes	(6,463)	(10,339)	(12,578)	(14,761)	(18,060)
<b>Net profit</b>	<b>18,898</b>	<b>30,106</b>	<b>37,206</b>	<b>43,884</b>	<b>53,693</b>

Source: Company, YES Sec – Research

## Exhibit 17: Du Pont Analysis (RoA tree)

Y/e 31 Mar (%)	FY22	FY23	FY24	FY25E	FY26E
Interest Income	6.5	7.0	7.8	7.9	8.0
Interest expense	-3.6	-4.0	-4.9	-4.9	-5.0
<b>Net interest income</b>	<b>2.8</b>	<b>3.0</b>	<b>2.9</b>	<b>2.9</b>	<b>3.0</b>
Non-interest income	1.0	1.0	1.1	1.1	1.1
<b>Total income</b>	<b>3.8</b>	<b>4.0</b>	<b>4.0</b>	<b>4.1</b>	<b>4.1</b>
Operating expenses	-2.0	-2.0	-2.2	-2.1	-2.0
<b>PPoP</b>	<b>1.8</b>	<b>2.0</b>	<b>1.8</b>	<b>2.0</b>	<b>2.1</b>
Provisions	-0.6	-0.3	-0.1	-0.3	-0.3
<b>Profit before tax</b>	<b>1.2</b>	<b>1.7</b>	<b>1.8</b>	<b>1.7</b>	<b>1.8</b>
Taxes	-0.3	-0.4	-0.4	-0.4	-0.5
<b>Net profit</b>	<b>0.9</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.4</b>

Source: Company, YES Sec – Research

## Exhibit 18: Sum of the Parts (SOTP) - Subsidiaries

Subsidiaries/JVs	Market Cap / Assigned value (Rs mn)	Valuation metric	Metric value (Rs mn)	Trailing multiple (Implied / Assigned)	Stake (%)	Stake value (Rs mn)	Per share (Rs)
FedBank Financial	45,632	BV	23,222	2.0	61.7%	28,132	11.6
IDBI Federal Life	22,174	EV	20,158	1.1	26.0%	5,765	2.4
<b>Value of Subsidiaries</b>						<b>33,897</b>	<b>13.9</b>

Source: Company, YES Sec – Research

## Exhibit 19: Change in Annual Estimates

Y/e 31 Mar (Rs. mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net Interest Income	NA	98,896	117,943	NA	98,896	117,943	NA	0.0	0.0
Pre-Prov. Operating Profit	NA	67,473	83,518	NA	67,473	82,171	NA	0.0	1.6
Profit after tax	NA	43,884	53,693	NA	43,884	52,686	NA	0.0	1.9

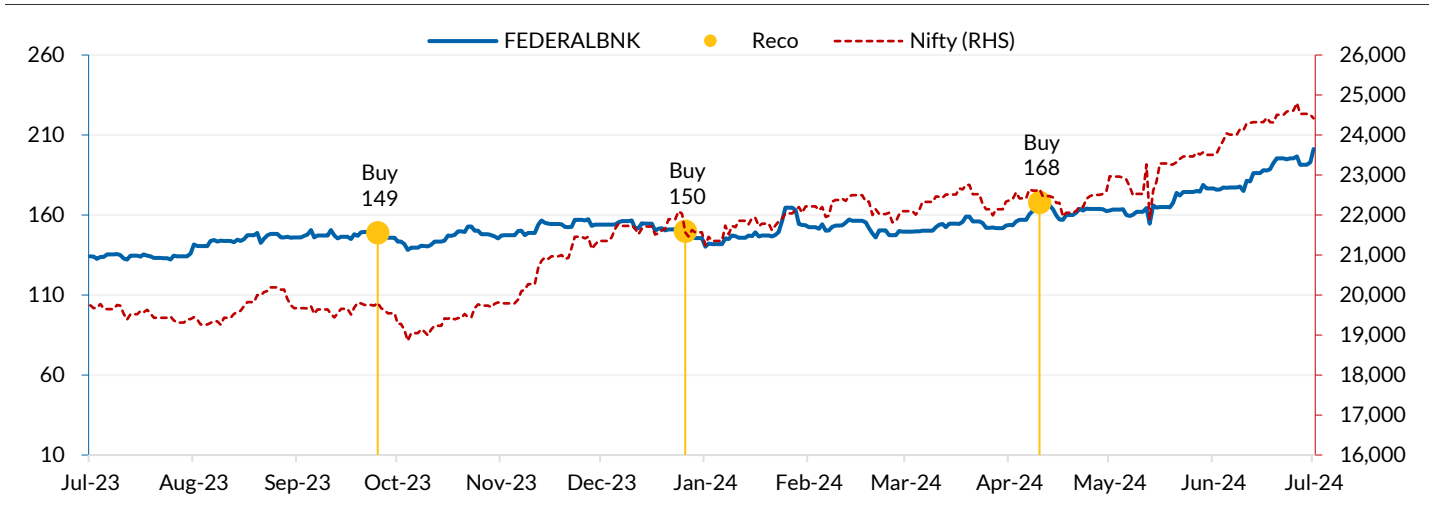
Source: Company, YES Sec – Research

## Exhibit 20: Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24	FY25E	FY26E
<b>Growth matrix (%)</b>					
Net interest income	7.7	21.3	14.7	19.2	19.3
PPoP	-0.8	27.6	7.9	30.4	23.8
Net profit	18.8	59.3	23.6	17.9	22.4
Loans	9.9	20.4	20.0	18.0	18.0
Deposits	5.2	17.4	18.3	17.9	17.9
<b>Profitability Ratios (%)</b>					
Net interest margin	3.2	3.3	3.2	3.2	3.3
Return on Average Equity	10.8	14.9	14.7	14.1	15.0
Return on Average Assets	0.9	1.3	1.3	1.3	1.4
<b>Per share figures (Rs)</b>					
EPS	9.0	14.2	15.3	18.0	22.0
BVPS	89	102	119	136	157
ABVPS	83	96	114	128	146
<b>Valuation multiples</b>					
P/E	20.8	13.2	12.3	10.4	8.5
P/BV	2.1	1.8	1.6	1.4	1.2
P/ABV	2.3	2.0	1.6	1.5	1.3
<b>NIM internals (%)</b>					
Yield on loans	7.8	8.4	9.2	9.3	9.4
Cost of deposits	4.1	4.4	5.5	5.6	5.6
Loan-deposit ratio	79.8	81.8	82.9	83.0	83.0
CASA ratio	37.1	32.9	29.4	29.5	29.8
<b>Opex control (%)</b>					
Cost/Income ratio	53.3	49.9	54.5	50.6	48.5
Cost to average assets	2.0	2.0	2.2	2.1	2.0
<b>Capital adequacy (%)</b>					
Tier 1 capital ratio	14.4	13.0	14.6	13.7	13.1
<b>Asset quality (%)</b>					
Slippage ratio	1.4	1.1	0.9	1.0	1.0
Gross NPL ratio	2.8	2.4	2.1	2.0	1.9
Credit cost	0.4	0.4	0.2	0.3	0.4
Net NPL ratio	1.0	0.7	0.6	0.8	1.0

Source: Company, YES Sec – Research; Valuations are the implied valuation of standalone entity net of subsidiaries

## Recommendation Tracker



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