

February 24, 2025

## Analyst Meet Update

☑ Change in Estimates | ■ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	210		210	
NII (Rs. m)	1,09,639	1,26,635	1,09,423	1,24,671
% Chng.	0.2	1.6		
Op. Profit (Rs. m)	68,680	80,689	70,589	81,228
% Chng.	(2.7)	(0.7)		
EPS (Rs.)	17.8	21.0	18.4	21.1
% Chng.	(3.2)	(0.8)		

### Key Financials - Standalone

Y/e Mar	FY24	FY25E	FY26E	FY27E
NII (Rs m)	82,935	95,727	1,09,639	1,26,635
Op. Profit (Rs m)	51,745	62,207	68,680	80,689
PAT (Rs m)	37,206	40,229	43,650	51,497
EPS (Rs.)	15.3	16.4	17.8	21.0
Gr. (%)	7.4	7.3	8.5	18.0
DPS (Rs.)	1.0	1.6	1.8	2.1
Yield (%)	0.5	0.9	1.0	1.2
NIM (%)	3.1	3.1	3.1	3.1
RoAE (%)	14.7	12.9	12.4	13.0
RoAA (%)	1.3	1.2	1.2	1.2
P/BV (x)	1.5	1.3	1.2	1.1
P/ABV (x)	1.6	1.4	1.2	1.1
PE (x)	11.8	11.0	10.1	8.6
CAR (%)	16.1	16.1	15.9	15.8

### Key Data

FED.BO | FB IN

52-W High / Low	Rs.217 / Rs.140
Sensex / Nifty	75,311 / 22,796
Market Cap	Rs.441bn/ \$ 5,091m
Shares Outstanding	2,454m
3M Avg. Daily Value	Rs.1687.66m

### Shareholding Pattern (%)

Promoter's	-
Foreign	26.32
Domestic Institution	48.90
Public & Others	24.78
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(6.5)	(11.5)	17.0
Relative	(5.8)	(4.9)	12.8

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## Good strategy but better execution a key

### Quick Pointers:

- Target is to upgrade to a higher peer set and be among the top private banks.
- NIM/fees expansion, CASA mix and opex efficiency are key focus areas.

**MD&CEO Mr. Manian well articulated FB's medium-term strategy (FY25-28E) which includes CASA/NIM/fee expansion and opex efficiency. Branches would be re-oriented to be more customer centric and sales driven. FB aspires to be among the top pvt. sector banks by improving return ratios which would entail superior balance sheet management by focusing on profitable growth and better asset/liability mix. FY24 NIM/core RoA was 3.1%/1.1% while for larger peers it ranged between 3.5-4.9% and 1.6-2.3% suggesting that execution and consistency are a key. In our view, if the strategy is executed well, benefits may flow over medium-term although near-term could see upfront investments. We maintain multiple of 1.3x on Sep'26 ABV and keep TP of Rs210. Retain 'BUY'.**

- Aspiration for NIM to be near large private peers:** NIM increase strategy would weigh more on liability mix as compared to assets. NIM is guided to be between top-3 and next-3 banks led by 1) increasing CASA share 2) improving share of mid/high yielding assets while avoiding aggressive growth in low yielding products and (3) introducing RARoC based pricing. Aim is to enhance the product bouquet and increase the share of secured high-yielding products like used vehicle finance, tractor loans, micro-LAP and affordable housing. Real estate lending is another lucrative segment.
- Target to scale-up CASA:** CA share for FB is currently below industry average; CASA ratio is aimed to increase from 30% to 36% by FY28E (industry at 37%). This will be achieved by rise in SA by 2% and CA by 4% led by lower base and untapped opportunities even in dominant markets like Kerala. Branch strategy would be re-oriented towards garnering higher CASA by strengthening NR segment and expanding CA offerings, digital onboarding and RM coverage. Govt. business/institutional CASA is an important segment as well.
- Focus on improving fee income:** Fee to avg. assets for FB is lower at ~90bps compared to 120-165bps for top-5 private peers. Overall increase in fees will be achieved through cross sell and introducing more products to customers. New staff may be required, which would entail re-skilling as well. Aim is to increase sources of trade/forex income while introducing insurance products and wealth/cash management services. Reducing dependency on third party and increasing self-originated credit cards and could also improve fees.
- Higher productivity to be preferred over cost control:** Branch turnaround coupled with digitization is aimed over 3-5 years. Focus is on 'free the branch' initiative by shifting work through automation, centralization, outsourcing to Fedserv and regionalizing. This would free bandwidth which would be utilized towards sales/customer engagement. Aim is to increase organic sourcing of credit cards through 'feet on street'. This overall strategy could increase costs in short-term but improve medium-term profitability thru better productivity.

## Key highlights from MD & CEO strategy

### Strategies and target for next 3-5 years

- The MD&CEO, Mr. Manian laid out and articulated well FB's medium term strategy (3-5 years), 'Breakthrough-4.0'; target is to be among the top-5 banks in terms of metrics irrespective of size.
- Focus will be primarily on improving margins, CASA (led by CA) and fee income. Profitability will be enhanced through lower funding costs, improved yields, increased fees and better cost management (higher productivity).
- Initial costs may be higher considering investments towards improving technology and expanding RM base.
- FB intends to improve its visibility outside Kerala and increase international presence by focusing on marketing, improving product portfolio, changing branch expansion strategy and technological improvements. These goals of 'Project Breakthrough' will be achieved through 12 elements.
- FB aims to grow at 1.5x of the nominal GDP considering normalization at industry level aided by government spends, Capex, rate-cuts and liquidity.

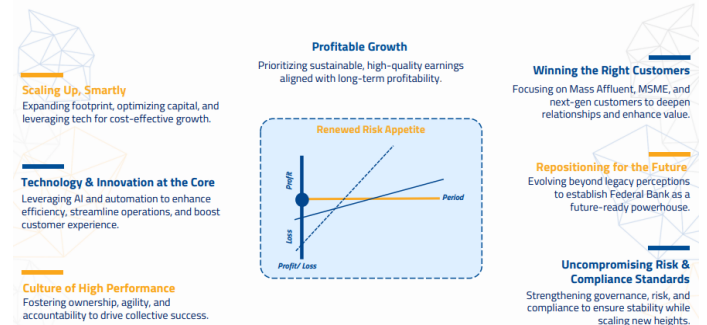
#### Exhibit 1: Focus areas for upcoming 3-5 years



Source: Company, PL

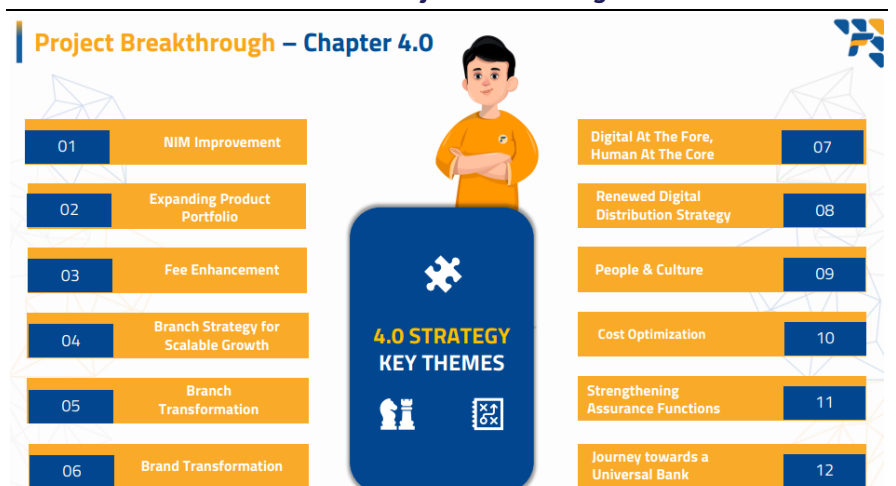
#### Exhibit 2: Strategy and expected outcome over next 3-5 years

##### Breakthrough – Chapter 4.0



Source: Company, PL

#### Exhibit 3: 12 elements to achieve 'Project Breakthrough'

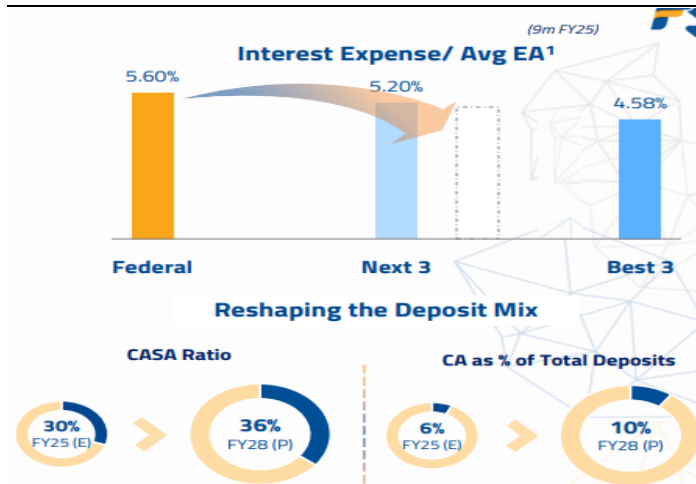


Source: Company, PL

### Theme 1 – NIM Improvement

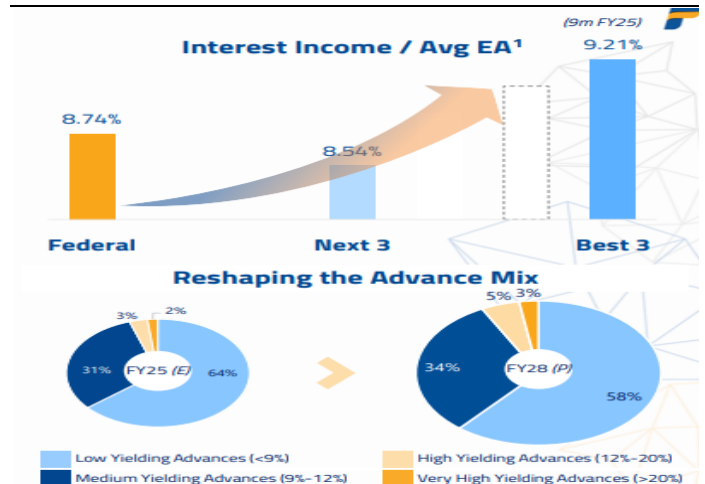
- FB aims to position margins between top-3 and next-3 banks facilitated by 1) improving the liability mix, especially CASA 2) increasing mid-yielding asset portfolio while avoiding aggressive growth in low and high yielding segments. CASA ratio is aimed to scale up from 30% to 36% by FY28E (industry at 37%).
- Mid-yielding products usually have a balance of risk and return. RARoC model would be used to improve pricing strategy. Increasing income through PSL is also a target area.
- High-yielding products like unsecured is expected to gain pace once stress in the environment reduces.
- This additional 6% will be achieved by rise in CA balances (4%) due to lower base and untapped opportunities even in dominant markets like Kerala. CA balance for FB is currently below industry average
- CASA granularity will aid LCR and improve cost-efficiency. Focus is on garnering asset/liability business from SME customers having loan accounts, also by introducing of capital market product.

**Exhibit 4: Focus on increasing CASA, led by CA share**



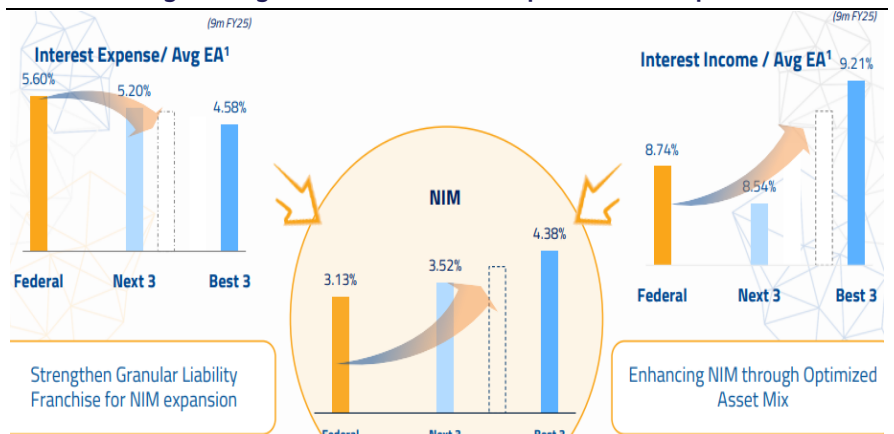
Source: Company, PL

**Exhibit 5: Advance mix to incline towards mid-yielding loans**



Source: Company, PL

**Exhibit 6: Margins are guided to be between top-3 and next-3 private banks**



Source: Company, PL

## Theme 2 – Expanding Product Portfolio

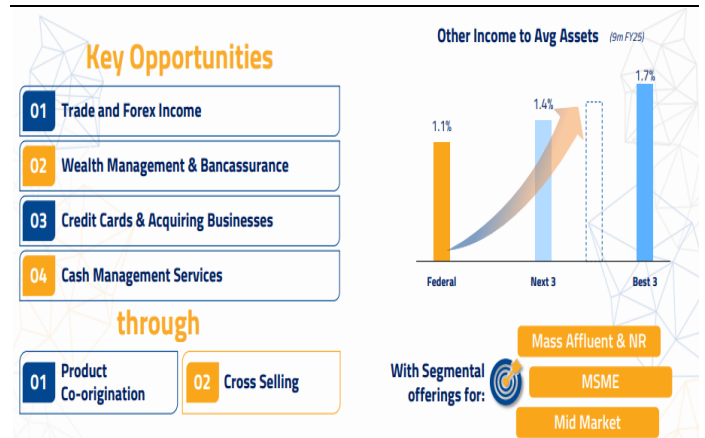
- Product portfolio is expected to be improved by leveraging the network leading to quicker growth over next 3-5 years.
- Currently, vehicle business forms ~5.4% of the book. Scaling up of business is expected through disbursal of high-yielding used vehicle finance.
- Secured high-yielding products, namely micro-LAP loans, affordable housing and tractor loans are expected to enhance the product bouquet.
- Real estate lending is a potential product candidate since asset quality has been pristine. Products to cater to corporate needs is also expected to be launched for increase in loan book and fee income.
- Introduction of capital market and wealth management business is likely to boost fees and CASA as customers tend to maintain balance in accounts from which they trade.

**Exhibit 7: Potential products to improve product bouquet**



Source: Company, PL

**Exhibit 8: Fee enhancement opportunity and strategy**



Source: Company, PL

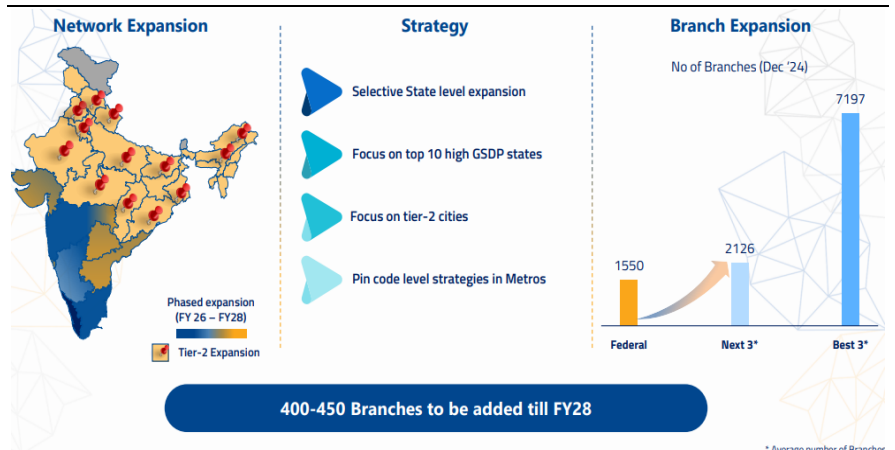
## Theme 3 – Fee enhancement

- Aim is to increase sources of trade/forex income. Introduction of wealth management services and insurance products would aid in elevating fees.
- Self-originated credit cards and reducing dependency on third party could also improve fees. Cash management services may increase CASA and fees.
- Overall increase in fee income will be leveraged through cross selling and introducing more products to new customers. New staff may be required for these areas and re-skilling may also be required.

## Theme 4 – Branch strategy

- FB dominates the Kerala market. Aim is to expand to other states with a concentrated and phased approach. In this approach, particular locations will be identified, with most potential and multiple branches are expected to be opened to ensure visibility.
- Initially, top-10 cities would be targeted (80-90% of branches) with metro cities being identified by pin-code. Few potential Tier-2 cities are being targeted. Maharashtra already has some penetration.
- 400-450 branches are guided to be opened. Pace of branch opening will depend on outcomes from branches.
- Branch expansion may not be very aggressive and overall branch base in 3-5 years would not be comparable to top-6 private peers since there is still scope for increasing productivity of existing branches.

**Exhibit 9: Number of branches to be lower than next-3 banks**



Source: Company, PL

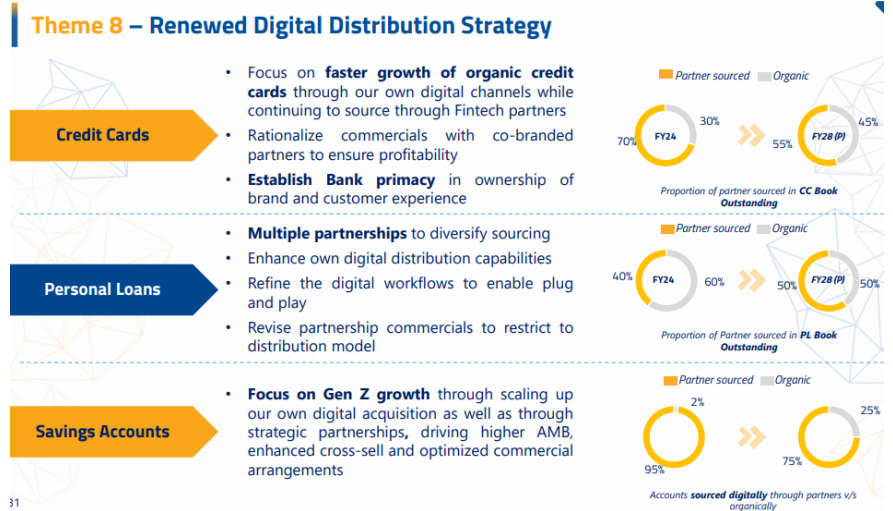
## Theme 5 – Branch transformation

- Branch activities are guided to include accretion of assets and liabilities by introduction of scorecards.
- Focus is on transferring operational workload through 'Free the branch' initiative to focus more on sales and customer engagement. Work would be transferred from branches through automation, centralization, outsourcing to Fedserv, regionalizing and creating centers of excellence. This will enable cost optimization and improving efficiency.
- Improved branch efficiency will help free-up bandwidth to increase feet on street and sales force. Focus would be to expand the role of branch manager to increase customer engagement through reward initiatives.
- Personal banking and business banking will be segregated to cater to different needs of customers. A holistic branch turnaround is aimed in 3-5 years coupled with digitization.

## Other Themes

- **Brand transformation** – FB conducted a survey in non-Kerala states and found out there is scope of improvement in brand recognition. Focus will be on assigning teams to redesign and improve marketing to change perception.
- **Digitalisation** – For improved **user interface**, mobile app is to be transformed to make it more user friendly. Further, chatbots and AI integration will be adopted. 1-stop corporate/SME solutions will be enabled through a comprehensive product bouquet.
- For better **employee enablement**, improved digitalization would enable faster service execution, AI-driven automations, streamlined loan processing and easier regulatory compliance. Also, turnaround time (TAT) is expected to be reduced to improve engagement and onboarding of customers.
- **Digital distribution** – Majority of credit cards are distributed via co-branded partners. Focus is on organic sourcing through feet on street which will reduce dependence and improve fee income as well. This strategy could increase costs in short-term but improve profitability over medium term. Focus is on self-origination of PL and increasing partnerships to diversify dependence.

### Exhibit 10: Digital distribution of assets and liabilities to be a key focus



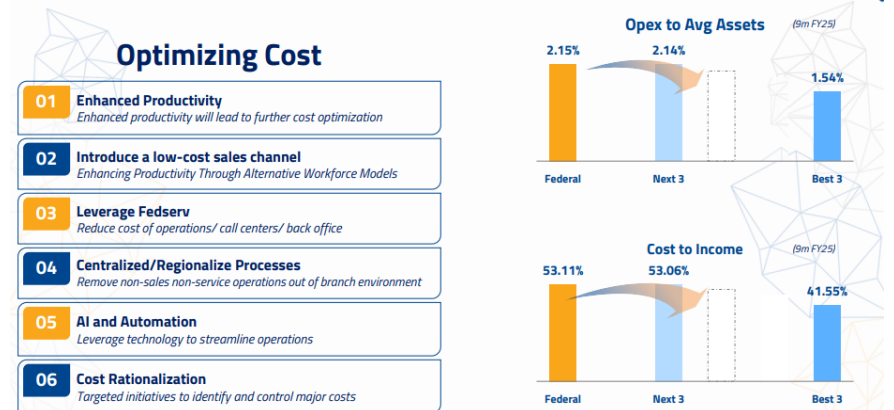
Source: Company, PL

- **People and Culture** – Areas will be identified where employee would need to become specialists from generalists; this may lead to increased hiring/training.
- **Opex** – Focus is on improving productivity by tracking performance through scorecards for employees/branches. Further, Fedserv is to be leveraged by transferring back-office operations.
- New initiative costs are targeted to be offset by cost optimization. However, a downtrend of costs may not be visible in the near future.



**Exhibit 11: Cost optimization will be a key lever to fund new initiatives**

**Theme 10 – Cost Optimization**



Source: Company, PL

- **Strengthen Assurance** – 1) RAROC based pricing and creating a framework for processes to help with risk management. 2) In-house auditing capabilities to be introduced to reduce risk and dependence.

**Exhibit 12: Multiple segments are to be introduced, organically and inorganically**

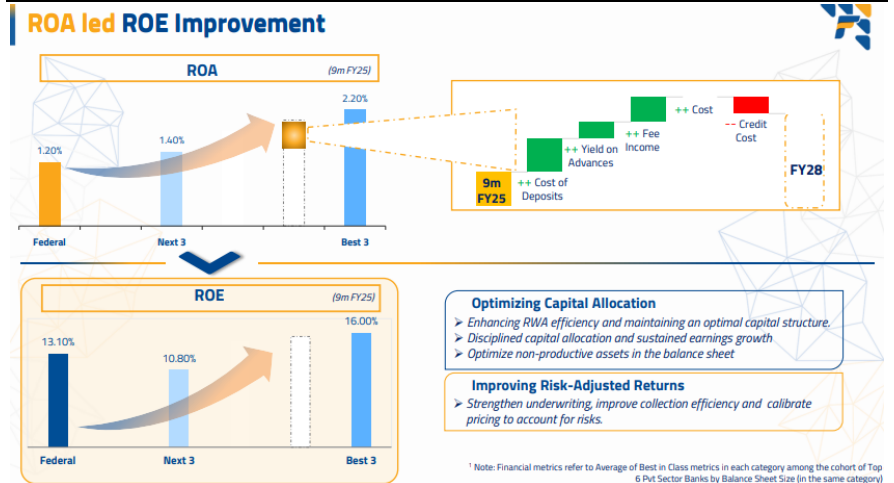
**Theme 12 - Evolution Towards a Universal Bank**



Source: Company, PL

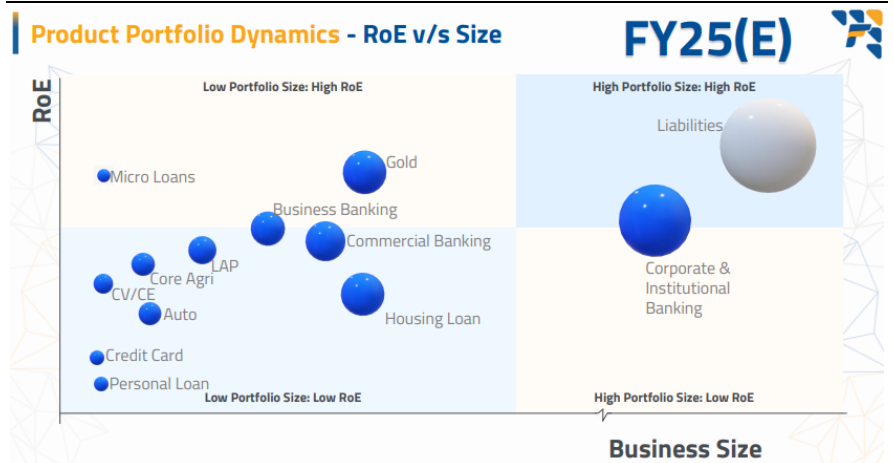
- Focus is on entering new segments, organically or inorganically, to enhance profitability and provide holistic solutions to customers.
- Execution will play a pivotal role in achieving the intended outcomes. Product portfolio is divided into 150 projects which are assigned to respective individuals and teams.
- Progress is tapped through milestone mapping and performance tracking via KPI. Strategic partners may also be used to enhance program management and timely execution.

Exhibit 13: Profitable growth will lead to improved RoA and RoE



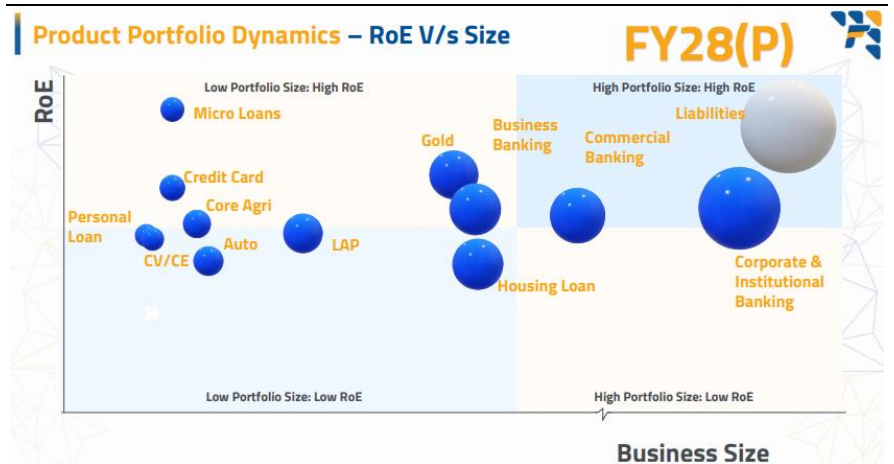
Source: Company, PL

Exhibit 14: Product portfolio and their current returns



Source: Company, PL

Exhibit 15: Product portfolio and their returns targeted by FY28E



40 Note: CI: Corporate and Institutional Banking; CB: Commercial Banking; BB: Business banking; ML: Micro Loans; CV/CE: Commercial vehicle and construction equipment financing

Source: Company, PL



## Balance Sheet

- **Deposit mobilization** – Focus reiterated on retail granular deposits. This can be achieved by leveraging dominance in Kerala and gaining CA, increasing presence in other states, non-GCC and offering products which expand CA.
- Increase in number of RMs and sales force, focus of branches primarily on deposit accretion and digitalization to assist further in deposit mobilization.
- Deposit rates are not expected to soften in the near term.
- Advances – Focus is on increasing book size mid-yielding loans which would assist in more pristine asset quality and better risk-reward.
- Share of non-fund based to fund based is relatively lower implying higher risk taking capability; share of non-fund based could increase going forward.

## Retail Banking

- Majority of CC are sourced through partners. FB aims to bring feet on street, enhance expertise, cross-sell and organically expand. Commercial card would be introduced SME segment. EMI conversion option is also introduced.
- CC would be more lucrative than PL. Pop-up to change limits during transactions has improved customer experience leading to rise in CC spends.
- **Embargo**-issuance of CCs may restart once embargo is lifted. Embargo was lifted on 1 partner where issuance has restarted
- **PL** – FB may be conservative amid stress environment but with easing liquidity, plan is to disburse these higher yielding loans to existing and new to bank customers through a dedicated sourcing team.
- **Auto Loans** – Credit quality is good, and yield is higher (adjusted for risk) in used car loans. Thus, focus is on improving book share. Majority loans are given digitally leading to reduced TAT. Loan against car will be disbursed further to existing customers. Tractor loans may be introduced as well.
- **Loan against property (LAP)** – LAP is a mid-yielding product, which will be a focus segment and distribution will be expanded by increasing RMs and sales force leading to reduction in cost of sourcing.
- **Home Loans (HL)** – HL is targeted not only for yields but also for deposit mobilization. 85% of HL customers opened savings account leading to CASA accretion. HL is a price sensitive product and aim is to reduce costs to provide competitive pricing. HL also forms part of PSL.
- **Business Banking (BuB)** – Yields in BuB are attractive and loans are 100% collateralized. BuB also forms part of PSL which is an added advantage. Forex and trade have equal potential which can support fee income increase.

## Wholesale Banking

- **Corporate**— A conscious call was taken to focus more on commercial banking over corporate banking leading to modest growth in corporate. More filtering is being done for better profitability. Product offering is largely exhaustive. Focus iterated on disbursals to MNCs and building stronger relationships.
- **Commercial Banking** – Target is on improving geographical presence and offerings to Tier-2/3 cities. Reducing TAT will improve customer experience. Transaction banking is key focus in this segment.
- **Gold Loans** – FB is the leader in private sector. 2 new products are planned to be announced while gold loans version 3 will be introduced to reduce TAT. Loan origination will be done organically and through partners.
- **Inclusive Finance** – This is an unsecured portfolio, inclusive of MFI. Growth is expected to moderate even in long run. This segment has the highest C/I ratio and digitalization would help bring it down. BC outlets may be increased and affordable housing and micro-LAP will be introduced through BC outlets.

### Exhibit 16: Gross loan growth at 14.5% YoY with growth across segments

Advances break-up (Rs m)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)
<b>Gross Advances</b>					
Retail	680,090	650,410	4.6	674,400	0.8
SME	448,030	374,540	19.6	436,140	2.7
CV/CE	42,350	30,570	38.5	39,320	7.7
Corporate	774,650	719,780	7.6	779,540	(0.6)
<b>Total</b>	<b>2,337,490</b>	<b>2,041,770</b>	<b>14.5</b>	<b>2,338,250</b>	<b>(0.0)</b>
<b>Retail Loans break-up</b>					
Housing	295,650	272,260	8.6	293,630	0.7
LAP	133,540	113,520	17.6	131,070	1.9
Auto	84,700	67,750	25.0	82,560	2.6
Personal	37,740	36,470	3.5	39,250	(3.8)
Others	128,460	115,010	11.7	127,890	0.4

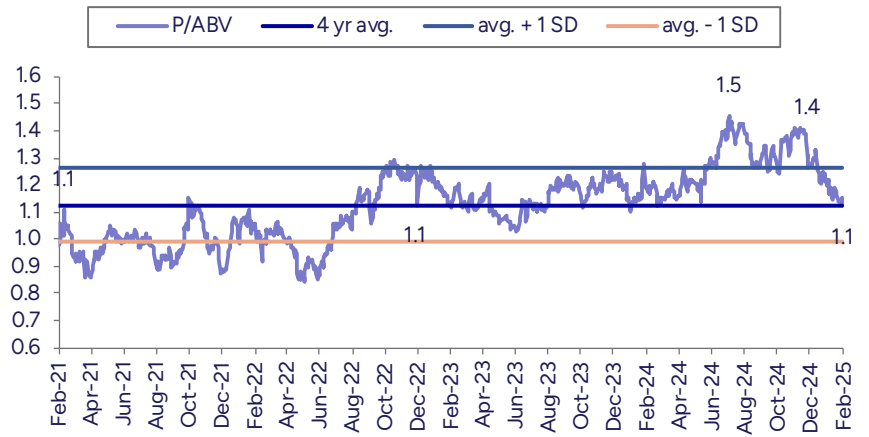
Source: Company, PL

### Exhibit 17: Return ratios to range from 12-13% in FY26-27E

DuPont Analysis	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>NII/Assets</b>	<b>2.7</b>	<b>2.9</b>	<b>2.8</b>	<b>3.0</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>3.0</b>
Other inc./Assets	1.1	1.0	1.0	1.0	1.1	1.1	1.1	1.1
<b>Net revenues/Assets</b>	<b>3.9</b>	<b>3.9</b>	<b>3.8</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>
Opex/Assets	2.0	1.9	2.0	2.0	2.2	2.1	2.2	2.1
Provisions/Assets	0.7	0.9	0.6	0.3	0.1	0.3	0.3	0.3
Taxes/Assets	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4
<b>ROA (%)</b>	<b>0.9</b>	<b>0.8</b>	<b>0.9</b>	<b>1.3</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>
<b>ROE (%)</b>	<b>11.1</b>	<b>10.4</b>	<b>10.8</b>	<b>14.9</b>	<b>14.7</b>	<b>12.9</b>	<b>12.4</b>	<b>13.0</b>

Source: Company, PL

**Exhibit 18: One-year forward P/ABV trades at 1.1x**



Source: Company, PL

**Income Statement (Rs. m)**

Y/e Mar	FY24	FY25E	FY26E	FY27E
Int. Earned from Adv.	1,77,345	2,13,338	2,41,134	2,69,341
Int. Earned from invt.	36,916	45,873	51,244	57,299
Others	4,232	3,630	3,700	3,700
Total Interest Income	2,21,883	2,67,149	3,00,991	3,35,622
Interest Expenses	1,38,948	1,71,422	1,91,352	2,08,987
<b>Net Interest Income</b>	<b>82,935</b>	<b>95,727</b>	<b>1,09,639</b>	<b>1,26,635</b>
Growth(%)	14.7	15.4	14.5	15.5
Non Interest Income	30,793	36,940	39,367	44,920
Net Total Income	1,13,728	1,32,667	1,49,005	1,71,554
Growth(%)	32.1	20.3	11.9	11.8
Employee Expenses	28,231	30,898	35,380	40,023
Other Expenses	31,600	39,561	44,945	50,843
Operating Expenses	61,983	70,460	80,326	90,866
<b>Operating Profit</b>	<b>51,745</b>	<b>62,207</b>	<b>68,680</b>	<b>80,689</b>
Growth(%)	7.9	20.2	10.4	17.5
NPA Provision	4,012	7,291	8,682	9,955
Total Provisions	1,961	8,359	10,089	11,566
<b>PBT</b>	<b>49,784</b>	<b>53,848</b>	<b>58,591</b>	<b>69,123</b>
Tax Provision	12,578	13,618	14,941	17,626
Effective tax rate (%)	25.3	25.3	25.5	25.5
<b>PAT</b>	<b>37,206</b>	<b>40,229</b>	<b>43,650</b>	<b>51,497</b>
Growth(%)	23.6	8.1	8.5	18.0

**Balance Sheet (Rs. m)**

Y/e Mar	FY24	FY25E	FY26E	FY27E
Face value	2	2	2	2
No. of equity shares	2,435	2,455	2,455	2,455
Equity	4,871	4,910	4,910	4,910
Networth	2,90,944	3,32,347	3,71,632	4,18,764
Growth(%)	35.3	14.2	11.8	12.7
Adj. Networth to NNPA's	12,553	11,498	12,257	13,699
Deposits	25,25,340	27,27,466	31,35,532	35,88,623
Growth(%)	18.3	8.0	15.0	14.5
CASA Deposits	7,46,508	8,30,793	9,57,803	11,14,030
% of total deposits	29.6	30.5	30.5	31.0
<b>Total Liabilities</b>	<b>30,83,118</b>	<b>34,73,701</b>	<b>39,67,164</b>	<b>45,18,695</b>
Net Advances	20,94,033	23,45,167	26,74,609	30,50,330
Growth(%)	20.0	12.0	14.0	14.0
Investments	6,08,595	6,81,867	7,83,883	8,97,156
<b>Total Assets</b>	<b>30,83,118</b>	<b>34,73,701</b>	<b>39,67,164</b>	<b>45,18,695</b>
Growth (%)	18.4	12.7	14.2	13.9

**Asset Quality**

Y/e Mar	FY24	FY25E	FY26E	FY27E
Gross NPAs (Rs m)	45,289	46,054	49,027	54,824
Net NPAs (Rs m)	12,553	11,498	12,257	13,699
Gr. NPAs to Gross Adv.(%)	2.1	1.9	1.8	1.8
Net NPAs to Net Adv. (%)	0.6	0.5	0.5	0.4
NPA Coverage %	72.3	75.0	75.0	75.0

**Profitability (%)**

Y/e Mar	FY24	FY25E	FY26E	FY27E
NIM	3.1	3.1	3.1	3.1
RoAA	1.3	1.2	1.2	1.2
RoAE	14.7	12.9	12.4	13.0
Tier I	14.6	14.6	14.4	14.3
CRAR	16.1	16.1	15.9	15.8

Source: Company Data, PL Research

**Quarterly Financials (Rs. m)**

Y/e Mar	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Interest Income	59,784	63,309	65,773	68,087
Interest Expenses	37,832	40,389	42,101	43,774
<b>Net Interest Income</b>	<b>21,951</b>	<b>22,920</b>	<b>23,672</b>	<b>24,313</b>
YoY growth (%)	15.0	19.5	15.1	14.5
CEB	6,200	6,520	7,840	7,560
Treasury	-	-	-	-
Non Interest Income	7,539	9,152	9,640	9,162
<b>Total Income</b>	<b>67,322</b>	<b>72,461</b>	<b>75,412</b>	<b>77,249</b>
Employee Expenses	8,869	7,380	7,777	7,832
Other expenses	9,518	9,682	9,882	9,949
Operating Expenses	18,386	17,063	17,658	17,781
<b>Operating Profit</b>	<b>11,104</b>	<b>15,009</b>	<b>15,654</b>	<b>15,695</b>
YoY growth (%)	(16.8)	15.2	18.2	9.2
Core Operating Profits	10,684	14,659	14,814	14,695
NPA Provision	-	-	-	-
Others Provisions	(946)	1,443	1,584	2,923
Total Provisions	(946)	1,443	1,584	2,923
<b>Profit Before Tax</b>	<b>12,050</b>	<b>13,566</b>	<b>14,070</b>	<b>12,771</b>
Tax	2,987	3,471	3,503	3,217
<b>PAT</b>	<b>9,063</b>	<b>10,095</b>	<b>10,567</b>	<b>9,554</b>
YoY growth (%)	0.4	18.2	10.8	(5.1)
<b>Deposits</b>	<b>25,25,340</b>	<b>26,60,650</b>	<b>26,91,066</b>	<b>26,63,750</b>
YoY growth (%)	18.3	19.6	15.6	11.2
<b>Advances</b>	<b>20,94,033</b>	<b>22,08,070</b>	<b>23,03,122</b>	<b>23,03,700</b>
YoY growth (%)	20.0	20.3	19.4	15.7

**Key Ratios**

Y/e Mar	FY24	FY25E	FY26E	FY27E
CMP (Rs)	180	180	180	180
EPS (Rs)	15.3	16.4	17.8	21.0
Book Value (Rs)	119	135	151	171
Adj. BV (Rs)	114	131	146	165
P/E (x)	11.8	11.0	10.1	8.6
P/BV (x)	1.5	1.3	1.2	1.1
P/ABV (x)	1.6	1.4	1.2	1.1
DPS (Rs)	1.0	1.6	1.8	2.1
Dividend Payout Ratio (%)	-	-	-	-
Dividend Yield (%)	0.5	0.9	1.0	1.2

**Efficiency**

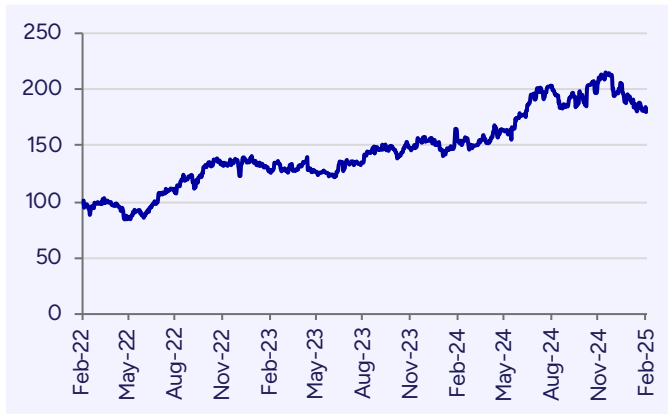
Y/e Mar	FY24	FY25E	FY26E	FY27E
Cost-Income Ratio (%)	54.5	53.1	53.9	53.0
C-D Ratio (%)	82.9	86.0	85.3	85.0
Business per Emp. (Rs m)	304	315	342	371
Profit per Emp. (Rs lacs)	24	25	26	29
Business per Branch (Rs m)	3,071	3,162	3,410	3,680
Profit per Branch (Rs m)	25	25	26	29

**Du-Pont**

Y/e Mar	FY24	FY25E	FY26E	FY27E
NII	2.92	2.92	2.95	2.98
Total Income	4.00	4.05	4.01	4.04
Operating Expenses	2.18	2.15	2.16	2.14
PPoP	1.82	1.90	1.85	1.90
Total provisions	0.07	0.25	0.27	0.27
RoAA	1.31	1.23	1.17	1.21
RoAE	14.71	12.91	12.40	13.03

Source: Company Data, PL Research

**Price Chart**



**Recommendation History**

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	28-Jan-25	BUY	210	184
2	08-Jan-25	BUY	220	197
3	29-Oct-24	BUY	220	185
4	07-Oct-24	BUY	210	194
5	25-Jul-24	BUY	210	205
6	08-Jul-24	BUY	195	186
7	03-May-24	BUY	195	168
8	09-Apr-24	BUY	180	155

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Accumulate	1,900	1,705
2	Axis Bank	BUY	1,350	1,038
3	Bank of Baroda	BUY	285	222
4	Can Fin Homes	BUY	860	708
5	City Union Bank	BUY	200	171
6	DCB Bank	BUY	155	117
7	Federal Bank	BUY	210	184
8	HDFC Asset Management Company	BUY	4,700	3,865
9	HDFC Bank	BUY	1,950	1,666
10	ICICI Bank	BUY	1,550	1,209
11	IndusInd Bank	BUY	1,500	991
12	Kotak Mahindra Bank	BUY	2,230	1,759
13	LIC Housing Finance	BUY	650	558
14	Nippon Life India Asset Management	BUY	725	653
15	State Bank of India	BUY	900	754
16	UTI Asset Management Company	BUY	1,320	1,296

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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