Equitas Small Finance Bank

BSE SENSEX	S&P CNX
72,489	21,996

Bloomberg	EQUITASB IN
Equity Shares (m)	1113
M.Cap.(INRb)/(USDb)	112.2 / 1.3
52-Week Range (INR)	117 / 68
1, 6, 12 Rel. Per (%)	7/-13/14
12M Avg Val (INR M)	533
Free float (%)	100.0

Financials & Valuation (INR b)

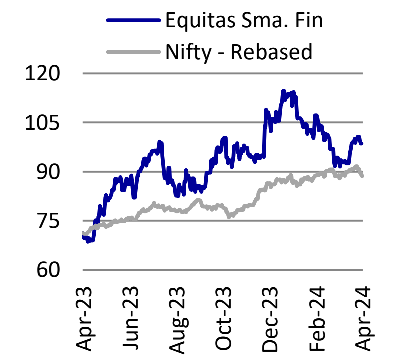
Y/E March	FY23	FY24E	FY25E
NII	25.4	30.9	36.8
OP	11.8	13.7	16.1
NP	5.7	8.0	9.4
NIM (%)	9.0	8.4	8.1
EPS (INR)	4.9	7.2	8.3
BV/Sh. (INR)	46	52	58
ABV/Sh. (INR)	44	50	56
Ratios			
RoE (%)	12.2	14.6	15.1
RoA (%)	1.9	2.0	1.9
Valuations			
P/E(X)	20.4	13.8	11.9
P/BV (X)	2.1	1.9	1.7
P/ABV (X)	2.2	2.0	1.8

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	0.0	0.0	0.0
DII	45.2	45.7	43.0
FII	19.5	19.6	22.7
Others	35.3	34.8	34.3

FII Includes depository receipts

Stock performance (one-year)



CMP: INR99 TP: INR125 (+26%) Buy

Growth outlook steady; RoA to sustain at ~2%

Estimate 24% earnings CAGR over FY24-26

- **EQUITASB has been delivering consistent performance, with steady improvements in both asset quality and return ratios. The bank is well poised to report steady operating performance, backed by robust loan growth, healthy margins, and controlled credit costs.**
- **The bank focuses on building a diversified loan book, with Small Business Loans (SBL), Vehicle Finance, and Housing Finance being the key business segments. Loan growth was strong at ~25% YoY in 9MFY24 and we estimate a 22% CAGR in loans over FY24-26E.**
- **EQUITASB has made good progress in building a granular liability franchise, with a rising mix of retail deposits. Also, the CD ratio of the bank remains comfortable at 90% (vs. ~99.5% in 3QFY23). We expect deposit traction to remain strong, led by healthy growth in retail term deposits, while CASA mix declines further.**
- **Asset quality has improved steadily with GNPA/NNPA ratios moderating to 2.5%/1.1% as of 3QFY24. We expect asset quality ratios to improve further and expect PCR to improve to 61% by FY26 from 56% currently.**
- **We estimate EQUITASB to deliver FY26E RoA/RoE of 2.0%/17.3% and value it at INR125 (1.9x FY26E ABV). Reiterate BUY.**

Growth momentum remains steady; estimate 22% loan CAGR over FY24-26

EQUITASB reported a loan growth of ~25% YoY in 3QFY24. The bank has been focusing on building a diversified loan book, with SBL, Vehicle Finance, MFI and Housing Finance being the key business segments. It has posted a 29% CAGR in AUM over the past two years (9MFY22-9MFY24), led by steady trends in these segments, which together constitutes ~92% of the total AUM. EQUITASB sees continued opportunities in SBL and HF segments and expect this to be one of the key drivers of loan growth. However, MFI business is expected to grow at a more moderate pace. We estimate a 22% CAGR in loans over FY24-26E, with an overall AUM CAGR of ~25%.

Business mix well diversified; mix of unsecured loans to sustain <20%

EQUITASB has made good progress in reducing the concentration of MFI loans, which moderated to 18% of AUM in 3QFY24 from ~54% in FY16. The mix of vehicle loans has remained broadly stable at ~25%, while the mix of SBLs has increased to 37% from 18% over the similar period. The mix of housing loans too has increased and now constitutes ~12% of AUM. The bank expects the MFI mix to remain broadly stable, possibly with a slight downward trend, and the segment contributing ~15-18% of AUM. Meanwhile, the SBL mix is expected to increase further. The bank intends to grow the unsecured personal loan and credit card segments, targeting the prime segment. However, it aims to limit the overall mix of unsecured loans at <20% to maintain stability in the overall book.

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Deposits traction robust; CD ratio improvement to continue

EQUITASB has progressed well in building a granular liability franchise and reported a 30% CAGR in total deposits over the past four years. The deposits growth is fueled by retail TDs and not bulk TDs. Also, the CD ratio of the bank has improved by ~950bp over the past one year to 90%. As per 4QFY24 business update, EQUITASB has reported 43% YoY/12% QoQ growth in deposits to INR361.3b, while CASA deposits grew 9% QoQ. The mix of retail-term deposits for the bank has also improved to 62% currently from 31% in FY18 though CASA mix has declined sharply to ~33% over the recent quarters. We estimate CASA mix to sustain at ~32%, while deposits to register a healthy CAGR of 26% over FY24-26E.

Pace of NIM moderation to ease; estimate FY26 NIM at ~8.2%

During 9MFY24, NIMs have compressed ~73bp; however, the pace of NIM decline has eased with the bank reporting 6bp QoQ moderation in margins during 3QFY24 (vs. 67bp during 1HFY24). The bank has reported a controlled 8bp QoQ increase in the cost of funds to 7.44% during 4QFY24 in its recent business update, which will limit margin damage over the coming quarters. We estimate NIMs to sustain at ~8.2% over the medium term, while the cost of funds is likely to inch up to 7.5-7.6%. With significant part of the bank's loan book being fixed rate in nature, and new loans disbursed at better yields, margin is expected to show positive trends, once the rate cycle turns and funding cost begins to recede.

Cost ratios to remain elevated due to continued business investments

The bank has been consistently investing in business by adding new branches and building digital infrastructure and capabilities, which has kept operating expenses elevated. As a result, the bank's C/I ratio increased to ~64% in 3QFY24. The bank aims to continue investing in strengthening its technological capabilities and will be more discreet with branch expansion. Accordingly, we estimate opex to stay elevated with C/I sustaining at 63% over FY26E.

Asset quality remains strong; estimate credit cost to sustain at ~1%

EQUITASB has demonstrated strong improvements in asset quality in recent years, with Ex-bucket's collection efficiency at 99.4% for MFI and 99.5% for SBLs. Slippages have moderated and recoveries and upgrades have been strong, resulting in an improvement in asset quality ratios with GNPA/NNPA at 2.5%/1.1% as of 3QFY24. We thus estimate the GNPA ratio to decline further to 2.3% by FY26E, while NNPA moderates to 0.9%, enabling credit cost to sustain at ~1%.

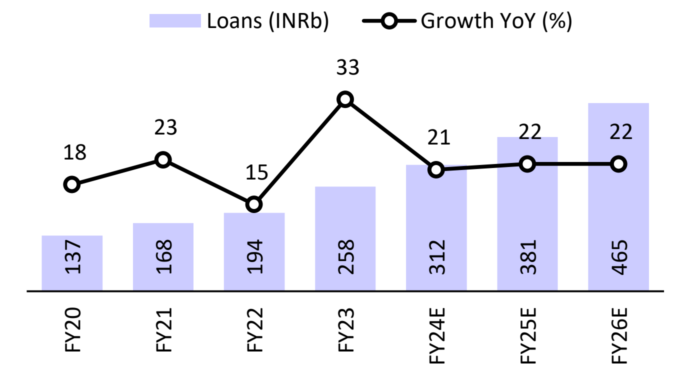
Valuation and view: Profitability to remain healthy; reiterate Buy

EQUITASB has been reporting a healthy operating performance over the past few quarters. AUM growth remains steady and well diversified while robust traction in deposits (led by retail TD) has ensured continued improvement in CD ratios. The bank has reported RoA/RoE of ~2%/~14.5% in 9MFY24 and aims to sustain this level of profitability. Asset quality remains strong with restructured book declining to 1% of loans from 7% last year, while PCR remains broadly stable at 56%. **We estimate EQUITASB to deliver FY26E RoA/RoE of 2.0%/17.3% and value it at INR125 (1.9x FY26E ABV).** We thus reiterate our BUY rating on the stock.

Growth momentum remains steady; estimate 22% loan CAGR over FY24-26

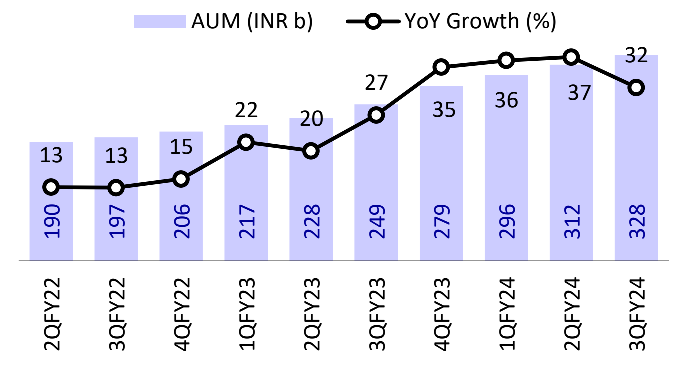
- EQUITASB reported a loan growth at ~25% YoY in 3QFY24. The bank has been focusing on building a diversified loan book, with SBL, Vehicle Finance, MFI and Housing Finance being the key business segments.
- It has posted a 29% CAGR in AUM over the past two years (9MFY22-9MFY24), led by steady trends in these segments, which together constitutes ~92% of total AUM.
- EQUITASB sees continued opportunities in the SBL and HF segments and expects this to be one of the key drivers of loan growth. However, the MFI business is expected to grow at a more moderate pace. We estimate a 22% CAGR in loans over FY24-26E, while overall AUM registers a CAGR of ~25%.

Exhibit 1: Estimate healthy 22% loan CAGR over F24-26E



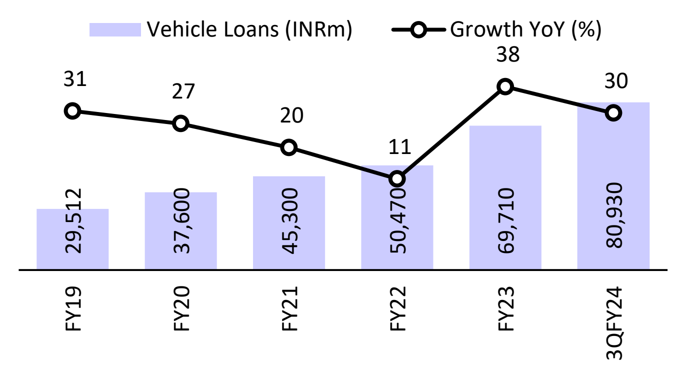
Source: MOFSL, Company

Exhibit 2: AUM growth also to remain robust



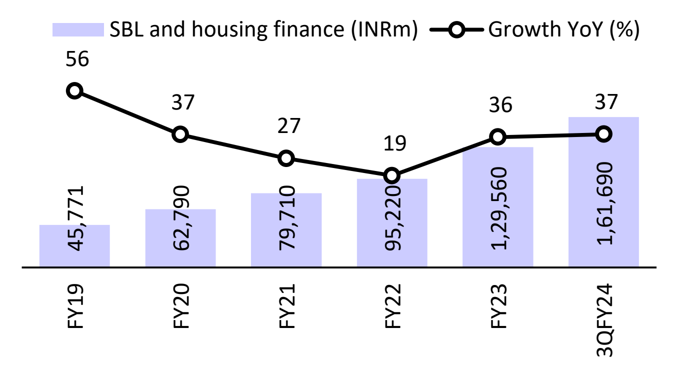
Source: MOFSL, Company

Exhibit 3: Vehicle loans grew 30% YoY in 3QFY24; expect momentum to remain healthy



Source: MOFSL, Company

Exhibit 4: SBL and HF grew 37% YoY during 3QFY24; expect growth trajectory to remain robust



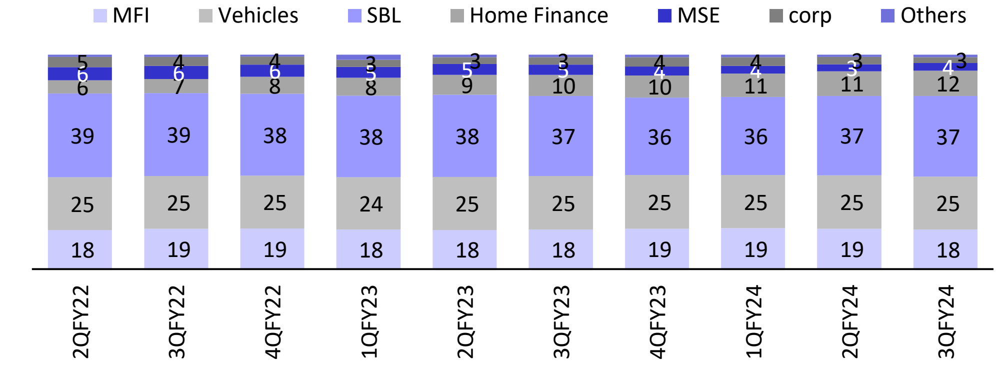
Source: MOFSL, Company

Business mix well diversified; mix of unsecured loans to sustain <20%

- EQUITASB has made good progress in reducing the concentration of MFI loans, which moderated to 18% of AUM in 3QFY24 from ~54% in FY16. The mix of vehicle loans has remained broadly stable at ~25%, while the mix of SBLs has increased to 37% from 18% over the similar period. The mix of housing loans too has increased and now constitutes ~12% of AUM.
- The bank expects the MFI mix to remain broadly stable, possibly with a slight downward trend, and the segment contributing ~15-18% of AUM. Meanwhile, the SBL mix is expected to increase further. The bank intends to grow the unsecured personal loan and credit card segments, targeting the prime segment. However, it aims to limit the overall mix of unsecured loans at <20% to maintain stability in the overall book.

The bank expects the mix of MFI loans to remain at ~15-18% going ahead

Exhibit 5: SBL mix has risen to 37%; Vehicle, HF form 25%/12% of total AUMs as on 3QFY24

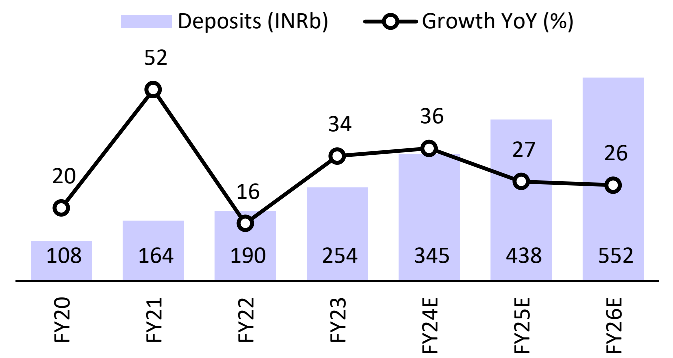


Source: MOFSL, Company

Deposits traction robust; CD ratio improvement to continue

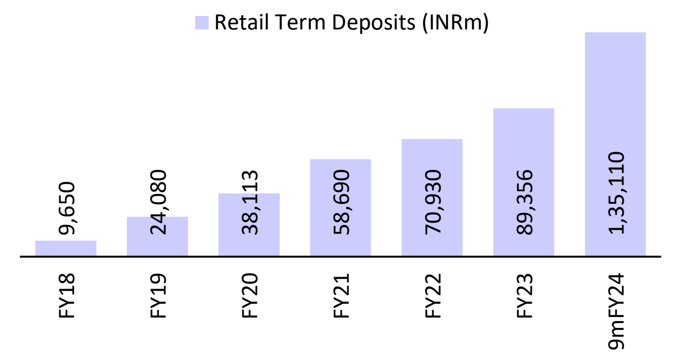
- EQUITASB has progressed well in building a granular liability franchise and reported a 30% CAGR in total deposits over the past four years. The deposits growth is fueled by retail TDs and not bulk TDs. Also, the CD ratio of the bank has improved ~950bp over the past one year to 90%. As per 4QFY24 business update, EQUITASB has reported 43% YoY/12% QoQ growth in deposits to INR361.3b, while CASA deposits grew 9% QoQ.
- The mix of retail term deposits for the bank has also improved to 62% currently from 31% in FY18; CASA mix has declined sharply to ~33% over the recent quarters. We estimate CASA mix to sustain at ~32%, while deposits to grow at a healthy CAGR of 26% over FY24-26E.

Exhibit 6: EQUITASB has demonstrated strong capability in garnering deposits; expect to grow 26% over FY24-26E



Source: MOFSL, Company

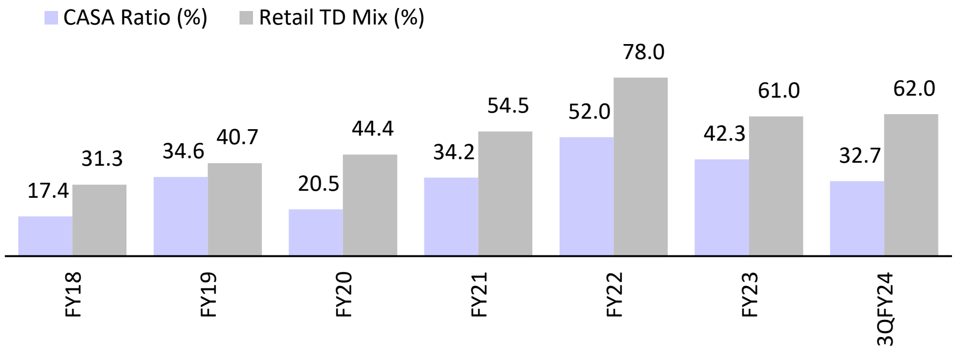
Exhibit 7: Retail term deposits have seen a healthy 56% CAGR over FY18-23 and 63% YoY growth in 3QFY24



Source: MOFSL, Company

Retail term deposits constitute 62% of total term deposits in 3QFY24 vs. 31% in FY18

Exhibit 8: CASA ratio has seen a sharp fall to 32.7% from 52% in FY22



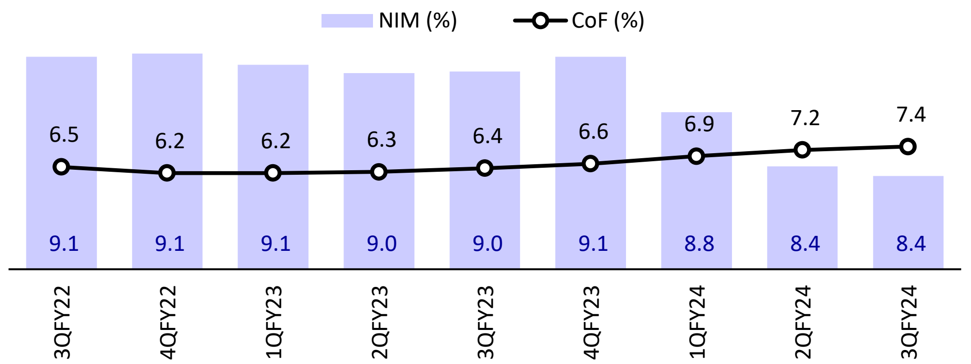
Source: MOFSL, Company

Pace of NIM moderation to ease; estimate FY26 NIM at ~8.2%

- During 9MFY24, NIMs have compressed ~73bp; however, the pace of NIM decline has eased with the bank reporting 6bp QoQ moderation in margins during 3QFY24 (vs. 67bp during 1HFY24). The bank has reported controlled 8bp QoQ increase in the cost of funds to 7.44% during 4QFY24 in its recent business update, which will limit margin damage over the coming quarters.
- We estimate NIMs to sustain at ~8.2% over the medium term, while the cost of funds is likely to inch up to 7.5-7.6%. With significant part of the bank's loan book being fixed rate in nature, and new loans disbursed at better yields, margin is expected to show positive trends, once the rate cycle turns and funding cost begins to recede.

We estimate NIMs to decline to 8.1%-8.2% over FY25-26, enabling a 26% CAGR in NII over the same period.

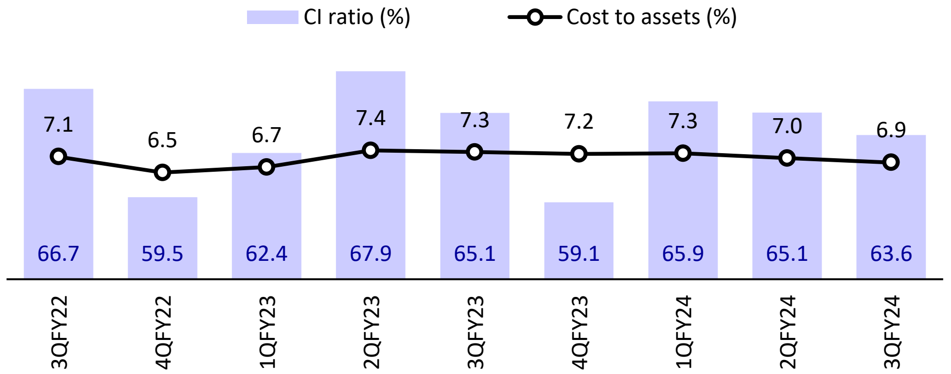
Exhibit 9: Margin saw compression in the past few quarters due to rise in funding cost



Source: MOFSL, Company

The bank has indicated that it will not expand its branch network, but invest in technology-related expenses going forward. We, thus, expect the C/I ratio to remain elevated at ~65% in FY25 before moderating to 63% in FY26.

Exhibit 10: Cost-ratios to remain elevated due to continued business investments

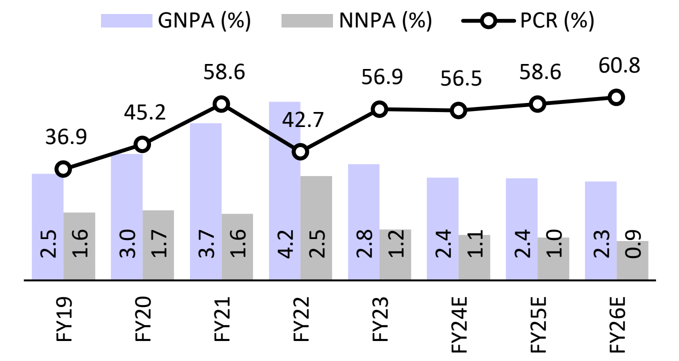


Source: MOFSL, Company

Asset quality remains strong; estimate credit cost to sustain at ~1%

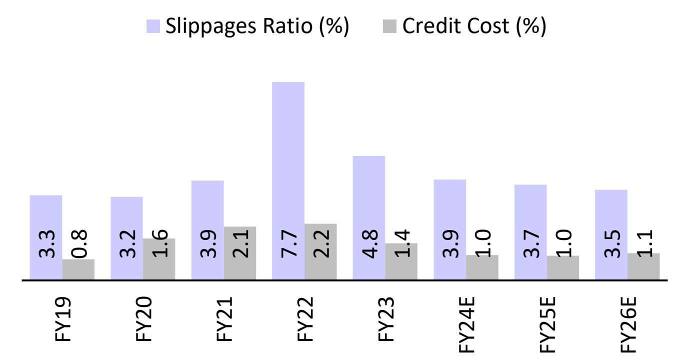
- EQUITASB has demonstrated strong improvements in asset quality in recent years, with Ex-bucket's collection efficiency at 99.4% for MFI and 99.5% for SBLs. Slippages have moderated and recoveries and upgrades have been strong, resulting in an improvement in asset quality ratios with GNPA/NNPA at 2.5%/1.1% as of 3QFY24.
- We thus estimate the GNPA ratio to decline further to 2.3% by FY26E, while NNPA moderates to 0.9%, enabling credit cost to sustain at ~1%.

Exhibit 11: Asset quality to improve gradually; estimate PCR to improve to 61% by FY26



Source: MOFSL, Company

Exhibit 12: We expect credit costs to sustain at ~1%; Slippages ratio to moderate to 3.5%

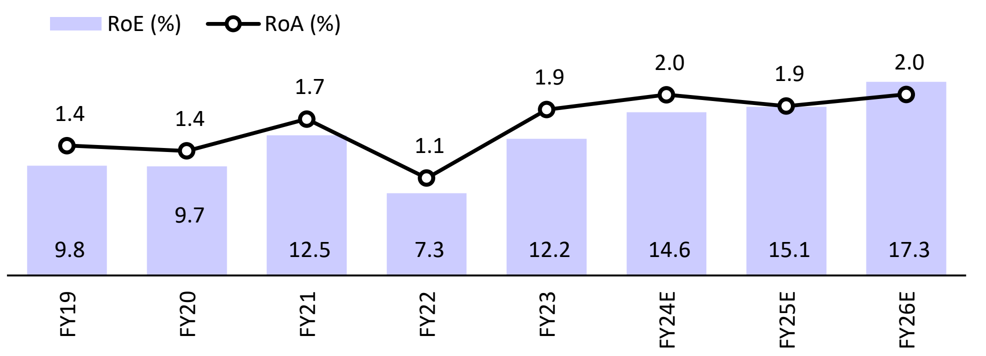


Source: MOFSL, Company

Valuation and view: Maintain BUY with a TP of INR125

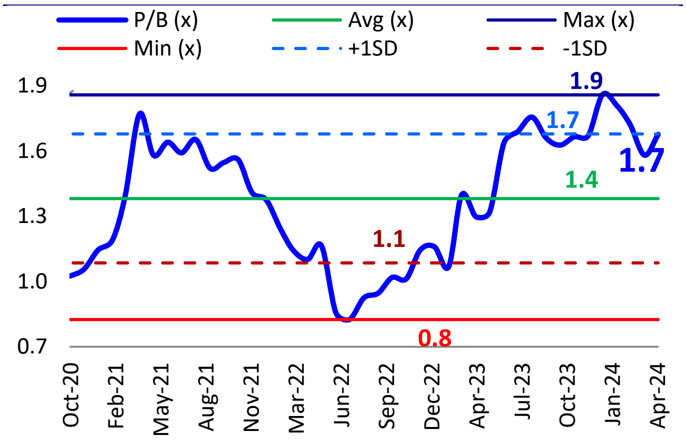
- The non-MFI businesses, such as housing finance, NBFC, and Small business loans are likely to be the key growth drivers. Considering the under-penetration in these segments, EQUITASB can continue to grow at healthy rates over FY24-26E.
- EQUITASB is making strong progress on the liability front, with a focus on mass, affluent customers. It has been reporting a gradual improvement in its operating performance over the past few quarters.
- Steady AUM growth was led by healthy traction across segments, while moderation in credit cost aided earnings. As a result, the bank reported RoA/RoE of ~2%/~14.5% in 9MFY24.
- Deposit growth too remains healthy with the increase in mix of retail TD. Asset quality remains strong with restructured book declining to 1% of loans from 7% last year and PCR holding broadly stable at 56%.
- The bank has achieved a consistent RoA and aims to sustain it at ~2%. **We estimate EQUITASB to deliver FY26 RoA/RoE of 2.0%/17.3% and value it at INR125 (1.9x FY26E ABV).** We thus reiterate our BUY rating on the stock.

Exhibit 13: Return ratios to remain steady; estimate FY26E RoA/RoE at 2.0%/17.3%



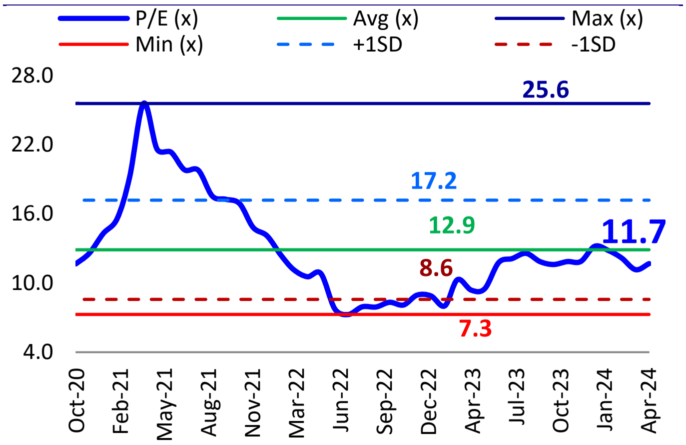
Source: MOFSL, Company

Exhibit 14: One-year forward P/B ratio



Source: MOFSL, Company

Exhibit 15: One-year forward P/E ratio



Source: MOFSL, Company

Exhibit 16: DuPont Analysis: Estimate RoE to improve to 17.3% by FY26E as leverage improves

	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	14.5	15.1	14.5	13.4	13.4	13.7	13.7	13.7
Interest Expense	6.6	6.6	6.3	5.5	5.2	5.9	6.2	6.1
Net Interest Income	**7.93**	**8.53**	**8.17**	**7.89**	**8.22**	**7.77**	**7.42**	**7.58**
Fee income	1.92	1.59	1.70	1.92	2.09	1.83	1.77	1.73
Trading and others	0.02	0.02	0.20	0.17	0.07	0.14	0.11	0.09
Other Income	**1.95**	**1.61**	**1.90**	**2.08**	**2.16**	**1.98**	**1.89**	**1.82**
Total Income	**9.87**	**10.14**	**10.07**	**9.97**	**10.38**	**9.75**	**9.31**	**9.40**
Operating Expenses	**6.94**	**6.73**	**6.04**	**6.60**	**6.58**	**6.30**	**6.06**	**5.92**
Employees	3.79	4.05	3.60	3.48	3.54	3.37	3.24	3.15
Others	3.15	2.68	2.45	3.12	3.04	2.94	2.83	2.77
Operating Profits	**2.93**	**3.41**	**4.03**	**3.38**	**3.80**	**3.45**	**3.25**	**3.48**
Core operating Profits	**2.91**	**3.39**	**3.83**	**3.21**	**3.73**	**3.31**	**3.13**	**3.39**
Provisions	**0.70**	**1.41**	**1.71**	**1.91**	**1.32**	**0.75**	**0.72**	**0.78**
PBT	**2.23**	**2.00**	**2.32**	**1.46**	**2.48**	**2.70**	**2.53**	**2.70**
Tax	0.78	0.61	0.58	0.38	0.63	0.68	0.64	0.68
RoA	**1.45**	**1.39**	**1.75**	**1.09**	**1.85**	**2.02**	**1.89**	**2.02**
Leverage (x)	6.8	7.0	7.2	6.8	6.6	7.2	8.0	8.6
RoE	**9.8**	**9.7**	**12.5**	**7.3**	**12.2**	**14.6**	**15.1**	**17.3**

Source: MOFSL, Company

Financials and valuations

Income Statement (INRm)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	21,119	26,454	31,944	34,597	41,619	54,515	67,725	83,765
Interest Expense	9,602	11,501	13,965	14,211	16,172	23,614	30,910	37,372
Net Interest Income	**11,517**	**14,953**	**17,980**	**20,385**	**25,447**	**30,901**	**36,815**	**46,393**
Growth (%)	33.8	29.8	20.2	13.4	24.8	21.4	19.1	26.0
Non Interest Income	2,829	2,824	4,181	5,376	6,696	7,861	9,355	11,132
Total Income	**14,346**	**17,777**	**22,160**	**25,761**	**32,143**	**38,762**	**46,169**	**57,525**
Growth (%)	30.2	23.9	24.7	16.2	24.8	20.6	19.1	24.6
Operating Expenses	10,085	11,801	13,294	17,041	20,383	25,056	30,067	36,220
Pre Provision Profits	**4,261**	**5,976**	**8,866**	**8,719**	**11,760**	**13,706**	**16,102**	**21,305**
Growth (%)	93.1	40.2	48.4	-1.7	34.9	16.5	17.5	32.3
Core PPoP	**4,229**	**5,942**	**8,419**	**8,293**	**11,546**	**13,140**	**15,536**	**20,739**
Growth (%)	83.1	40.5	41.7	-1.5	39.2	13.8	18.2	33.5
Provisions (excl tax)	1,024	2,466	3,753	4,938	4,072	2,982	3,566	4,774
PBT	**3,237**	**3,509**	**5,113**	**3,781**	**7,688**	**10,724**	**12,536**	**16,531**
Tax	1,132	1,073	1,270	974	1,952	2,699	3,155	4,161
Tax Rate (%)	35.0	30.6	24.8	25.8	25.4	25.2	25.2	25.2
PAT	**2,106**	**2,436**	**3,842**	**2,807**	**5,736**	**8,025**	**9,381**	**12,370**
Growth (%)	561.4	15.7	57.7	-26.9	104.3	39.9	16.9	31.9

Balance Sheet

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	10,059	10,534	11,393	12,520	11,106	11,316	11,316	11,316
Reserves & Surplus	12,484	16,907	22,571	29,941	40,474	47,154	54,837	65,510
Net Worth	**22,543**	**27,441**	**33,963**	**42,462**	**51,579**	**58,469**	**66,153**	**76,825**
Deposits	**90,067**	**1,07,884**	**1,63,920**	**1,89,508**	**2,53,806**	**3,45,176**	**4,38,373**	**5,52,350**
Growth (%)	60.7	19.8	51.9	15.6	33.9	36.0	27.0	26.0
of which CASA Dep	**22,743**	**22,082**	**56,138**	**98,554**	**1,07,319**	**1,10,111**	**1,40,718**	**1,82,828**
Growth (%)	38.9	-2.9	154.2	75.6	8.9	2.6	27.8	29.9
Borrowings	39,730	51,349	41,653	26,164	29,738	25,277	22,244	25,135
Other Liabilities & Prov.	5,286	6,281	7,548	11,385	14,459	16,627	19,454	22,956
Total Liabilities	**1,57,626**	**1,92,955**	**2,47,085**	**2,69,519**	**3,49,581**	**4,45,549**	**5,46,223**	**6,77,267**
Current Assets	12,606	25,368	33,787	21,325	12,443	24,450	31,322	39,269
Investments	23,445	23,425	37,052	44,498	66,646	87,306	1,14,371	1,48,682
Growth (%)	-39.2	-0.1	58.2	20.1	49.8	31.0	31.0	30.0
Loans	**1,15,935**	**1,37,282**	**1,68,482**	**1,93,742**	**2,57,986**	**3,12,163**	**3,80,838**	**4,64,623**
Growth (%)	50.4	18.4	22.7	15.0	33.2	21.0	22.0	22.0
Fixed Assets	2,373	2,128	1,851	2,004	3,791	6,445	8,379	10,892
Other Assets	3,267	4,752	5,914	7,949	8,716	15,186	11,314	13,801
Total Assets	**1,57,626**	**1,92,955**	**2,47,085**	**2,69,519**	**3,49,581**	**4,45,549**	**5,46,223**	**6,77,267**
Total AUM	**1,17,043**	**1,53,660**	**1,79,250**	**2,05,970**	**2,78,610**	**3,37,118**	**4,11,284**	**5,01,767**
Growth (%)	**42.1**	**31.3**	**16.7**	**14.9**	**35.3**	**21.0**	**22.0**	**22.0**

Asset Quality	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
GNPA (INR m)	2,957	4,173	6,427	8,371	7,240	7,715	9,349	11,056
NNPA (INR m)	1,864	2,286	2,662	4,795	3,120	3,358	3,869	4,329
Slippage (INR m)	3,173	4,093	5,894	13,893	10,871			
GNPA Ratio	2.53	3.00	3.73	4.24	2.76	2.44	2.42	2.35
NNPA Ratio	1.61	1.67	1.58	2.47	1.21	1.08	1.02	0.93
Slippage Ratio	3.29	3.23	3.86	7.67	4.81	3.90	3.70	3.50
Credit Cost	0.81	1.61	2.07	2.19	1.43	0.97	0.95	1.05
PCR (Excl Tech. write off)	36.9	45.2	58.6	42.7	56.9	56.5	58.6	60.8

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Yield and Cost Ratio (%)								
Avg. Yield- on Earning Assets	**15.5**	**16.0**	**15.3**	**14.6**	**14.8**	**14.9**	**14.8**	**14.8**
Avg. Yield on loans	18.9	19.1	19.0	17.3	16.7	17.1	17.3	17.4
Avg. Yield on Investments	8.3	6.7	7.3	6.1	5.7	6.6	6.7	6.8
Avg. Cost of Int. Bear. Liab.	**8.1**	**8.0**	**7.7**	**6.7**	**6.5**	**7.2**	**7.4**	**7.2**
Avg. Cost of Deposits	7.0	7.5	7.1	6.4	6.1	6.8	7.1	6.9
Interest Spread	**7.5**	**8.1**	**7.7**	**7.9**	**8.3**	**7.6**	**7.4**	**7.6**
NIM (on IEA)	**8.5**	**9.1**	**8.6**	**8.6**	**9.0**	**8.4**	**8.1**	**8.2**
Capitalisation Ratios (%)								
CAR	22.4	23.6	24.2	25.2	23.8	22.7	21.5	20.9
Tier I	*20.9*	*22.4*	*23.2*	*24.5*	*23.1*	*22.1*	*21.0*	*20.6*
Tier II	*1.5*	*1.2*	*1.0*	*0.6*	*0.7*	*0.6*	*0.5*	*0.4*
CET-1		*22.4*	*23.2*	*24.5*	*23.1*			
Business and Efficiency Ratios (%)								
Loans/Deposit Ratio	128.7	127.2	102.8	102.2	101.6	90.4	86.9	84.1
CASA Ratio	25.3	20.5	34.2	52.0	42.3	31.9	32.1	33.1
Cost/Assets	6.4	6.1	5.4	6.3	5.8	5.6	5.5	5.3
Cost/Total Income	70.3	66.4	60.0	66.2	63.4	64.6	65.1	63.0
Cost/Core income	70.5	66.5	61.2	67.3	63.8	65.6	65.9	63.6
Int. Expense/Int.Income	45.5	43.5	43.7	41.1	38.9	43.3	45.6	44.6
Fee Income/Total Income	19.5	15.7	16.8	19.2	20.2	18.8	19.0	18.4
Non Int. Inc./Total Income	19.7	15.9	18.9	20.9	20.8	20.3	20.3	19.4
Empl. Cost/Total Expense	54.7	60.1	59.5	52.7	53.8	53.4	53.4	53.2
Business per Employee (INR m)			20.1	21.8	24.9	29.1	32.6	35.8
Profit per Employee (INR m)			0.2	0.2	0.3	0.4	0.4	0.4
Investment/Deposit Ratio	26.0	21.7	22.6	23.5	26.3	25.3	26.1	26.9
G-Sec/Investment Ratio	95.7	97.9	98.0	99.2	98.1	98.1	98.1	98.1
Profitability Ratios and Valuation								
RoE	9.8	9.7	12.5	7.3	12.2	14.6	15.1	17.3
RoA	1.4	1.4	1.7	1.1	1.9	2.0	1.9	2.0
Book Value (INR)	22	26	30	34	46	52	58	68
Growth (%)	10.3	16.2	14.4	13.8	36.9	11.3	13.1	16.1
Price-BV (x)	**4.4**	**3.8**	**3.3**	**2.9**	**2.1**	**1.9**	**1.7**	**1.5**
Adjusted BV (INR)	21	25	28	31	44	50	56	65
Price-ABV (x)	**4.7**	**4.0**	**3.5**	**3.2**	**2.2**	**2.0**	**1.8**	**1.5**
EPS (INR)	2.1	2.4	3.5	2.3	4.9	7.2	8.3	10.9
Growth (%)	561.4	13.0	48.1	-33.0	106.8	47.4	15.8	31.9
Price-Earnings (x)	**47.3**	**41.8**	**28.2**	**42.2**	**20.4**	**13.8**	**11.9**	**9.1**

E: MOFSL Estimates

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NEUTRAL	< - 10 % to 15%
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