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India | Equity Research | Q4FY24 preview

Financials

Q4FY24E: Sustained growth momentum across asset classes; yield pressure on HFCs to continue; credit cost for MFIs may increase QoQ

Q4FY24E is likely to be marked by sustained credit demand across products as AHFCs, SFBs, NBFCs-MFIs, MSMEs are likely to deliver an average of 8% QoQ (ranging 5%-14%) AUM growth. Growth for prime mortgage players (PNB HF and LIC HF) may remain muted at 4% QoQ; affordable housing companies may drive overall growth for HFCs. While strong credit demand would support the top-line, yields pressure owing to competition remains a key challenge, with NIMs likely to further compress by 2-12bps QoQ for HFCs. Credit cost for MFIs (including MFI-dominated SFBs) is likely to inch up given some states (Punjab, Haryana, Rajasthan) are witnessing collection challenges; however, back book repricing of MFI book would support NIM for MFIs in Q4FY24E. Going ahead, MFI yields are likely to remain under pressure as high MFI rates attract RBI's attention.

Healthy credit demand in HFCs; however, competitive pressure on yields continues to be a key challenge

While we expect overall HL growth to remain at 4% QoQ for our coverage universe, affordable housing financiers are well placed to outpace overall AUM growth. We estimate loan growth for Aavas / Home First / Aptus at 7% / 8% / 7% QoQ, respectively, during Q4FY24E, supported by robust disbursements, resulting from branch expansions and tech enhancements. However, NIMs may see further compression of 2-12bps QoQ led by an increase in the cost of borrowings by 5-10bps QoQ and limited scope of pass-on owing to high competition. However, incremental spreads for HFCs suggest that spreads are likely to bottom out and may remain steady Q1FY25E onwards.

NBFC-MFI NIMs to expand supported by back book repricing

The topline of NBFC-MFI (CA Grameen, Spandana and Fusion), under our coverage universe, may continue to benefit from robust growth and back book repricing. NBFCs-MFIs are likely to report 11% QoQ growth, supported by strong customer acquisitions. Notably, with most of these players having hiked their lending rates, post the spread cap removal in Mar'22, in the last 12 months only, we believe NIMs are likely to marginally expand in Q4FY24E.

The same may also hold true for MFI-dominated SFBs (Ujjivan and Utkarsh), with MFI forming ~60% of their overall AUM book. However, owing to competitive pressure on deposit front, SFBs have been facing some pressure on cost of funds, which may be seen over the next couple of quarters. Nevertheless, with strong business momentum (as we expect AUM and deposits to grow at 8% and 10% QoQ, respectively) and slight improvement in credit cost post low collections and flood impact being observed in Q3FY24, we expect overall profitability to be steady with 4% QoQ rise in PAT.

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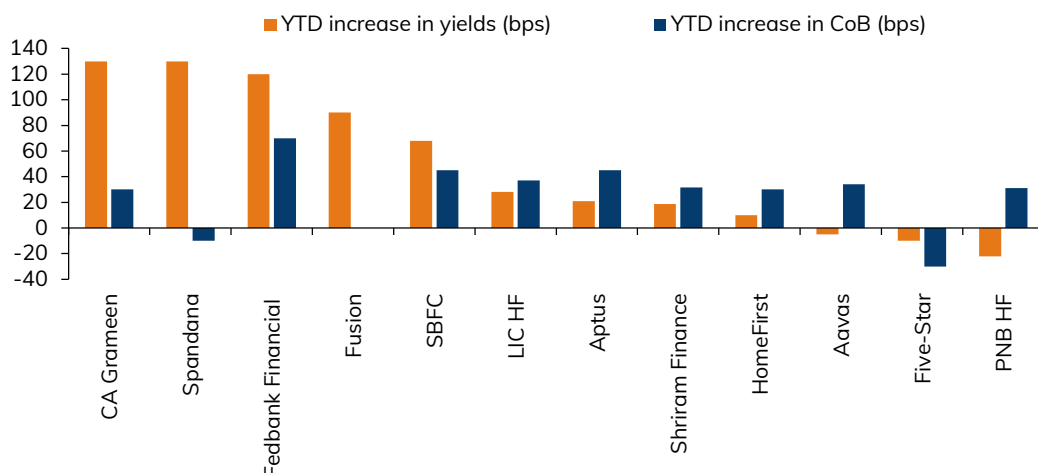
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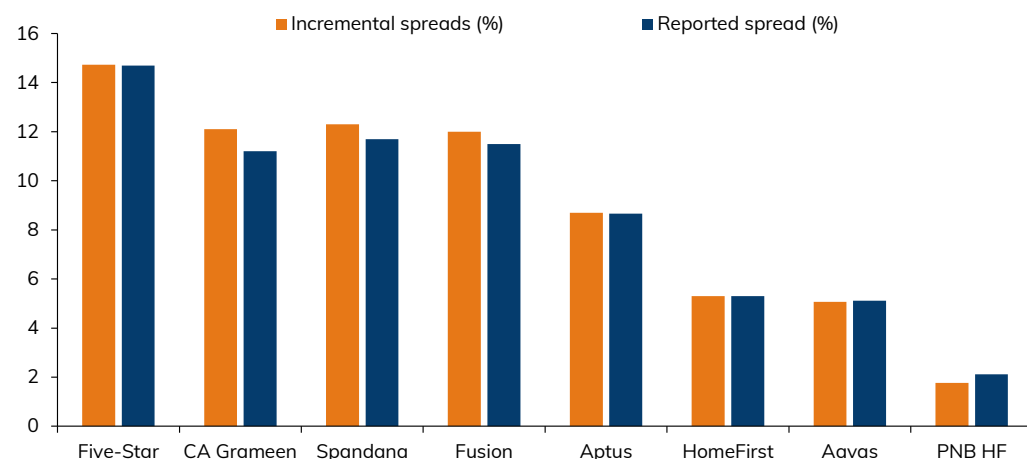
Robust profitability for MSME and vehicle driven by healthy NII growth

Sustained disbursement momentum owing to healthy credit demand in MSME segment (Fedbank Financial, Five-Star and SBFC) and vehicle (Shriram Finance) segment would support loan growth for our coverage universe. We expect MSMEs to grow at 10% QoQ with Shriram Finance likely to deliver 5% QoQ AUM growth, thereby, driving NII growth of 8% and 6%, respectively.

Within MSMEs, the companies are likely to continue with steady collections and overall asset quality metrics. Strong NII growth and improving operational efficiencies, resulting from steady growth, may lead to healthy PAT growth of 5% QoQ for MSME and vehicle financiers.

Exhibit 1: MFIs asset repricing post the spread cap removal has helped them in navigating the rising interest rate cycle


Source: Company data, I-Sec research

Exhibit 2: Spreads for HFCs may bottom out


Source: Company data, I-Sec research

Exhibit 3: HFCs saw a decline in spreads owing to rising cost of funds and competitive pressure on yields; MFI spreads supported by asset repricing

Spread (%)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	YTD
LIC HF	1.8	1.0	1.6	2.1	2.3	2.1	2.0	-8.8
PNB HF	1.6	2.6	3.3	2.7	2.6	2.6	2.1	-53.0
Aavas	5.8	5.9	5.8	5.5	5.6	5.3	5.1	-39.0
Aptus	9.1	9.2	9.0	8.9	8.9	8.8	8.7	-24.0
HomeFirst	5.8	5.9	5.7	5.5	5.7	5.5	5.3	-20.0
CA Grameen	9.3	9.9	10.0	10.2	11.1	11.3	11.2	100.0
Spandana	7.2	8.3	9.7	10.4	11.5	12.0	11.8	140.0
Fusion	9.4	10.2	10.3	10.6	10.9	11.1	11.5	90.0
Five-Star	13.7	13.7	13.8	14.4	14.6	14.5	14.6	20.0
SBFC	7.5	7.6	NA	7.6	7.1	7.5	7.8	23.0
Fedbank Financial	NA	8.7	8.4	8.2	7.2	8.8	8.7	50.0
Shriram Finance	NA	8.6	8.6	8.0	7.5	7.8	7.9	-13.0

Source: Company data, I-Sec research

Exhibit 4: Robust growth across players...

AUM (INR mn)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24E
LIC HF	25,57,120	26,19,056	26,97,627	27,50,470	27,64,400	27,79,870	28,12,060	28,99,995
PNB HF	6,48,500	6,57,300	6,57,530	6,66,170	6,73,400	6,74,150	6,85,490	7,26,619
Aavas	1,18,936	1,25,437	1,30,887	1,41,667	1,46,500	1,53,195	1,60,795	1,72,545
Aptus	55,190	59,320	63,070	67,380	71,230	78,917	83,569	89,418
HomeFirst	58,319	62,754	67,512	71,980	77,759	83,654	90,137	97,437
CA Grameen	1,56,150	1,65,390	1,77,860	2,10,320	2,18,140	2,24,880	2,33,820	2,61,911
Spandana	55,130	57,820	68,520	85,110	88,480	97,840	1,04,040	1,19,040
Fusion	73,890	80,472	86,536	92,962	97,118	1,00,264	1,06,934	1,14,420
Five-Star	52,970	57,324	62,424	69,148	75,833	82,644	89,308	96,453
SBFC	36,280	40,700	44,750	49,430	53,270	58,030	62,660	67,673
Fedbank Financial	NA	72,922	79,728	90,696	94,342	1,00,304	1,07,139	1,19,996
Shriram Finance	NA	16,93,582	17,74,982	18,56,829	19,32,147	20,26,410	21,42,335	22,60,163

Source: Company data, I-Sec research

Exhibit 5: ...with AHFCs and MFIs outpacing overall growth

AUM growth (% YoY)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24E
LIC HF	10.0	10.2	10.8	9.5	8.1	6.1	4.2	5.4
PNB HF	-12.9	-5.8	-1.2	1.0	3.8	2.6	4.3	9.1
Aavas	23.7	23.6	23.3	24.8	23.2	22.1	22.9	21.8
Aptus	29.7	32.4	31.3	30.1	29.1	33.0	32.5	32.7
HomeFirst	35.8	35.9	35.2	33.8	33.3	33.3	33.5	35.4
CA Grameen	23.3	24.0	21.9	26.7	39.7	36.0	31.5	24.5
Spandana	-25.4	-23.4	2.3	29.3	60.5	69.2	51.8	39.9
Fusion	NA	54.5	44.5	37.0	31.4	24.6	23.6	23.1
Five-Star	NA	23.6	30.9	36.5	43.2	44.2	43.1	39.5
SBFC	NA	NA	NA	54.8	46.8	42.6	40.0	36.9
Fedbank Financial	NA	NA	NA	NA	NA	37.5	34.4	32.3
Shriram Finance	NA	NA	NA	NA	NA	19.7	20.7	21.7

Source: Company data, I-Sec research

Exhibit 6: Our NBFC coverage universe is likely to deliver 5% QoQ growth in Q4FY24E

AUM growth (% QoQ)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24E
LIC HF	1.8	2.4	3.0	2.0	0.5	0.6	1.2	3.1
PNB HF	-1.7	1.4	0.0	1.3	1.1	0.1	1.7	6.0
Aavas	4.8	5.5	4.3	8.2	3.4	4.6	5.0	7.3
Aptus	6.5	7.5	6.3	6.8	5.7	10.8	5.9	7.0
HomeFirst	8.4	7.6	7.6	6.6	8.0	7.6	7.7	8.1
CA Grameen	-5.9	5.9	7.5	18.3	3.7	3.1	4.0	12.0
Spandana	-16.2	4.9	18.5	24.2	4.0	10.6	6.3	14.4
Fusion	8.9	8.9	7.5	7.4	4.5	3.2	6.7	7.0
Five-Star	4.5	8.2	8.9	10.8	9.7	9.0	8.1	8.0
SBFC	NA	12.2	10.0	10.5	7.8	8.9	8.0	8.0
Fedbank Financial	NA	NA	9.3	13.8	4.0	6.3	6.8	12.0
Shriram Finance	NA	NA	4.8	4.6	4.1	4.9	5.7	5.5

Source: Company data, I-Sec research

Exhibit 7: Strong disbursements to support overall AUM growth

Disbursement (INR mn)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24E
LIC HF	1,52,010	1,67,860	1,61,000	1,60,270	1,08,560	1,46,650	1,51,840	1,99,561
PNB HF	34,510	35,950	34,250	44,950	36,860	41,800	41,430	50,000
Aavas	10,936	11,467	12,025	15,817	10,682	12,585	13,624	18,000
Aptus	5,250	6,040	6,050	6,680	6,460	7,450	7,680	9,025
HomeFirst	6,612	7,022	7,804	8,691	8,952	9,591	10,072	11,000
CA Grameen	21,460	43,750	48,470	71,710	47,710	49,660	53,440	74,816
Spandana	13,200	13,910	23,610	30,540	16,640	25,130	25,430	36,000
Fusion	19,830	20,519	21,883	23,730	22,850	23,438	27,129	28,486
Five-Star	5,680	8,028	9,103	11,100	11,318	12,043	12,089	13,000
SBFC	4,960	5,600	NA	6,320	6,550	7,010	7,130	7,130

Source: Company data, I-Sec research

Exhibit 8: Disbursal momentum of prime mortgage players may improve

Disbursement growth (% YoY)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24E
LIC HF	75.7	4.2	-9.4	-17.0	-28.6	-12.6	-5.7	24.5
PNB HF	96.2	21.4	21.1	21.6	6.8	16.3	21.0	11.2
Aavas	136.5	27.2	26.5	22.9	-2.3	9.7	13.3	13.8
Aptus	112.6	43.5	33.3	28.7	23.0	23.3	26.9	35.1
HomeFirst	117.1	36.3	37.0	35.6	35.4	36.6	29.1	26.6
CA Grameen	101.5	12.5	2.7	30.4	122.3	13.5	10.3	4.3
Spandana	511.1	4.5	411.0	120.5	26.1	80.7	7.7	17.9
Fusion	NA	27.4	22.2	17.7	15.2	14.2	24.0	20.0
Five-Star	70.6	127.2	113.7	72.4	99.3	50.0	32.8	17.1
SBFC	NA	NA	NA	NA	32.1	25.2	NA	12.8

Source: Company data, I-Sec research

Exhibit 9: Trend in employee cost suggests companies are investing in franchise build-up

Employee cost (INR mn)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
LIC HF	974	1,117	1,205	1,436	1,331	1,383	1,401
PNB HF	611	684	582	782	807	855	806
Aavas	676	772	803	755	949	820	831
Aptus	221	330	309	354	324	393	382
HomeFirst	256	266	274	275	359	369	390
CA Grameen	1,239	1,297	1,271	1,345	1,563	1,618	1,567
Spandana	796	722	685	855	1,031	1,120	1,210
Fusion	722	797	842	894	978	993	1,119
Five-Star	719	814	972	959	987	1,058	1,098
SBFC	347	414	379	461	468	533	570
Fedbank Financial		580	638	689	692	793	835
Shriram Finance		5,831	6,391	6,907	7,904	7,904	8,099
Employee cost growth (% YoY)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
LIC HF	-54.7	-24.1	23.4	39.0	36.6	23.9	16.3
PNB HF	9.5	21.0	16.4	44.1	32.0	25.0	38.4
Aavas	48.5	33.9	33.6	9.5	40.5	6.2	3.6
Aptus	5.2	38.2	50.0	86.8	46.9	19.4	23.8
HomeFirst	37.9	38.7	36.0	19.8	40.4	38.8	42.5
CA Grameen	23.1	15.9	12.7	19.8	26.2	24.7	23.3
Spandana	69.6	28.5	11.8	33.4	29.5	55.2	76.6
Fusion	NA	42.3	37.4	38.7	35.5	24.6	32.9
Five-Star	39.5	38.9	66.4	42.0	37.3	29.9	13.0
SBFC	NA	NA	NA	NA	34.8	28.9	50.3
Fedbank Financial		NA	NA	NA	NA	36.8	30.9
Shriram Finance		NA	NA	NA	NA	35.5	26.7
Employee cost growth (% QoQ)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
LIC HF	-5.7	14.6	7.9	19.2	-7.3	3.9	1.3
PNB HF	12.6	11.9	-14.8	34.3	3.1	5.9	-5.7
Aavas	-2.0	14.3	3.9	-5.9	25.6	-13.6	1.3
Aptus	16.5	49.4	-6.3	14.6	-8.4	21.4	-2.8
HomeFirst	11.5	3.9	3.0	0.4	30.6	2.7	5.8
CA Grameen	10.4	4.7	-2.0	5.8	16.2	3.5	-3.1
Spandana	24.1	-9.3	-5.1	24.8	20.6	8.7	8.0
Fusion	12.1	10.3	5.6	6.2	9.4	1.5	12.7
Five-Star	6.5	13.3	19.3	-1.3	2.9	7.2	3.8
SBFC		19.4	-8.3	21.5	1.4	14.1	6.9
Fedbank Financial		NA	10.0	8.0	0.5	14.6	5.3
Shriram Finance		NA	9.6	8.1	14.4	0.0	2.5
Other cost (INR mn)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
LIC HF	1,054	1,493	1,671	1,323	1,094	1,212	1,214
PNB HF	603	685	680	686	723	847	894
Aavas	351	374	399	447	390	488	518
Aptus	106	116	105	112	118	138	128
HomeFirst	132	175	169	200	194	197	220
CA Grameen	670	770	889	832	879	993	953
Spandana	319	366	451	378	356	429	452
Fusion	248	280	305	359	361	392	397
Five-Star	166	182	222	344	276	331	314
SBFC	164	177	178	185	217	224	243
Fedbank Financial		461	533	546	524	595	598
Shriram Finance		6,168	5,596	7,552	6,039	6,714	7,212

Total Operating cost (INR mn)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
LIC HF	2,029	2,610	2,876	2,759	2,425	2,595	2,615
PNB HF	1,214	1,368	1,262	1,468	1,530	1,702	1,700
Aavas	1,026	1,147	1,201	1,203	1,339	1,308	1,349
Aptus	327	446	414	466	442	532	511
HomeFirst	387	441	443	475	553	565	611
CA Grameen	1,909	2,067	2,160	2,177	2,442	2,611	2,520
Spandana	1,114	1,088	1,136	1,232	1,386	1,549	1,662
Fusion	971	1,077	1,147	1,253	1,339	1,385	1,515
Five-Star	885	996	1,194	1,303	1,263	1,389	1,412
SBFC	510	590	557	646	684	757	813
Fedbank Financial		1,040	1,171	1,235	1,216	1,389	1,432
Shriram Finance		11,999	11,987	14,459	13,942	14,618	15,311
Total operating cost growth (% QoQ)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
LIC HF	-23.6	28.6	10.2	-4.1	-12.1	7.0	0.8
PNB HF	-3.5	12.7	-7.8	16.3	4.2	11.2	-0.1
Aavas	-3.1	11.7	4.8	0.1	11.3	-2.3	3.2
Aptus	7.7	36.3	-7.0	12.5	-5.1	20.3	-4.0
HomeFirst	6.5	13.9	0.3	7.2	16.5	2.2	8.0
CA Grameen	1.3	8.3	4.5	0.8	12.2	6.9	-3.5
Spandana	-16.5	-2.4	4.5	8.5	12.5	11.8	7.3
Fusion	12.4	11.0	6.5	9.3	6.8	3.4	9.4
Five-Star	-8.6	12.5	19.9	9.1	-3.0	10.0	1.6
SBFC	NA	15.7	-5.6	15.9	5.9	10.7	7.4
Fedbank Financial		NA	12.5	5.5	-1.6	14.2	3.2
Shriram Finance		NA	-0.1	20.6	-3.6	4.8	4.7

Source: Company data, I-Sec research

Exhibit 10: MFIs saw significant improvement in cost to income supported by higher topline

	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Cost to AUM (%)							
LIC HF	0.3	0.4	0.4	0.4	0.4	0.4	0.4
PNB HF	0.7	0.8	0.8	0.9	0.9	1.0	1.0
Aavas	3.5	3.8	3.7	3.5	3.7	3.5	3.4
Aptus	2.4	3.1	2.7	2.9	2.6	2.8	2.5
HomeFirst	2.8	2.9	2.7	2.7	3.0	2.8	2.8
CA Grameen	4.7	5.1	5.0	4.5	4.6	4.7	4.4
Spandana	7.4	7.7	7.2	6.4	6.4	6.7	6.6
Fusion	5.5	5.6	5.5	5.6	5.6	5.6	5.9
Five-Star	6.8	7.2	8.0	7.9	7.0	7.0	6.6
SBFC	6.0	6.1	5.2	5.5	5.3	5.4	5.4
Fedbank Financial		5.8	5.8	NA	5.3	5.7	5.5
Shriram Finance		2.8	2.8	3.2	2.9	3.0	2.9
Cost to Income (%)							
LIC HF	12.6	22.4	17.9	13.9	11.0	12.3	12.5
PNB HF	25.3	19.0	15.8	23.3	23.2	23.6	25.4
Aavas	47.0	45.1	45.9	42.2	47.8	44.5	46.1
Aptus	16.8	21.2	19.0	20.2	19.2	21.4	19.3
HomeFirst	35.7	37.3	35.1	34.3	36.1	35.1	35.7
CA Grameen	39.7	38.3	36.3	30.2	31.1	31.7	29.5
Spandana	68.7	49.7	44.7	32.1	42.3	37.6	40.9
Fusion	44.7	36.5	38.4	36.2	36.3	36.4	36.8
Five-Star	32.3	33.1	36.7	36.0	32.6	33.4	32.0
SBFC	50.8	51.4	47.0	49.7	48.4	48.1	45.4
Fedbank Financial		56.2	60.4	60.1	59.5	60.1	56.5
Shriram Finance		24.5	22.3	28.3	27.3	25.7	25.1

Source: Company data, I-Sec research

Coverage universe – Q4FY24 preview snapshot

Exhibit 11: SFBs

INR mn	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
Gross Advances	12,50,610	14,45,500	15,64,140	25	8
Deposits	13,39,932	15,72,850	17,24,340	29	10
NII	30,677	34,522	36,632	19	6
PPoP	15,761	17,308	17,522	11	1
Provisions	1,986	4,103	3,870	95	(6)
PBT	13,775	13,204	13,652	(1)	3
PAT	10,579	9,933	10,289	(3)	4

Source: Company data, I-Sec research

Exhibit 12: Prime mortgage players

(INR mn)	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
AUM	34,16,640	34,97,550	36,26,614	6	4
NII	25,829	26,919	27,404	6	2
PPoP	22,344	23,839	24,302	9	2
Provisions	4,471	4,949	4,952	11	0
PBT	17,873	18,890	19,350	8	2
PAT	14,596	15,013	15,371	5	2

Source: Company data, I-Sec research

Exhibit 13: AHFCs

(INR mn)	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
AUM	2,81,027	3,34,501	3,59,400	28	7
NII	5,937	6,452	6,836	15	6
PPoP	4,400	4,806	5,041	15	5
Provisions	211	230	232	10	1
PBT	4,189	4,576	4,809	15	5
PAT	3,261	3,531	3,722	14	5

Source: Company data, I-Sec research

Exhibit 14: MFIs

(INR mn)	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
AUM	3,88,392	4,44,794	4,95,371	28	11
NII	13,956	16,181	17,710	27	9
PPoP	9,848	11,025	12,092	23	10
Provisions	2,968	2,901	3,270	10	13
PBT	6,880	8,124	8,822	28	9
PAT	5,166	6,072	6,582	27	8

Source: Company data, I-Sec research

Exhibit 15: MSMEs

(INR mn)	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
AUM	2,09,274	2,59,107	2,84,121	36	10
NII	6,487	8,102	8,715	34	8
PPoP	3,791	5,086	5,375	42	6
Provisions	265	451	540	104	20
PBT	3,372	4,634	4,835	43	4
PAT	2,507	3,462	3,623	45	5

Source: Company data, I-Sec research

Exhibit 16: Vehicle (Shriram Finance)

(INR mn)	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
AUM	18,56,829	21,42,335	22,60,163	22	5
NII	41,810	49,110	51,936	24	6
PPoP	30,810	36,893	38,956	26	6
Provisions	11,846	12,497	12,850	8	3
PBT	18,964	24,396	26,106	38	7
PAT	13,083	18,183	19,457	49	7

Source: Company data, I-Sec research

NBFCs/HFCs/others – Q4FY24E earnings

Housing finance companies (HFCs)

Exhibit 17: LIC Housing Finance

Particulars (INR mn)	LIC Housing				
	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
AUM	27,50,470	28,12,060	28,99,995	5	3
NII	19,903	20,972	21,238	7	1
PPoP	17,515	18,845	19,070	9	1
Provisions	3,068	4,358	4,452	45	2
PBT	14,448	14,487	14,618	1	1
PAT	11,803	11,629	11,734	(1)	1
NIM calc (%)	2.9	3.0	3.0	5 bps	-3 bps
Opex/AUM (Ann., %)	0.4	0.4	0.4	-3 bps	0 bps
Credit cost (Ann., %)	0.5	0.6	0.6	17 bps	0 bps
ROA (%)	1.7	1.6	1.6	-12 bps	-4 bps

Source: Company data, I-Sec research

Exhibit 18: PNB Housing Finance

Particulars (INR mn)	PNB Housing				
	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
AUM	6,66,170	6,85,490	7,26,619	9	6
NII	5,926	5,946	6,166	4	4
PPoP	4,828	4,994	5,231	8	5
Provisions	1,403	591	500	(64)	(15)
PBT	3,425	4,403	4,731	38	7
PAT	2,793	3,384	3,637	30	7
NIM calc (%)	3.6	3.5	3.5	-9 bps	-1 bps
Opex/AUM (Ann., %)	0.9	1.0	1.0	12 bps	1 bps
Credit cost (Ann., %)	1.0	0.4	0.3	-66 bps	-8 bps
ROA (%)	1.7	2.0	2.1	37 bps	6 bps

Source: Company data, I-Sec research

Exhibit 19: Aavas Financiers

Particulars (INR mn)	Aavas Financiers				
	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
AUM	1,41,667	1,60,795	1,72,545	22	7
NII	2,690	2,708	2,871	7	6
PPoP	1,649	1,577	1,720	4	9
Provisions	64	80	80	25	0
PBT	1,586	1,497	1,640	3	10
PAT	1,268	1,166	1,278	1	10
NIM calc (%)	7.9	6.9	6.9	-101 bps	-2 bps
Opex/AUM (Ann., %)	3.5	3.4	3.3	-22 bps	-13 bps
Credit cost (Ann., %)	0.2	0.2	0.2	0 bps	-2 bps
ROA (%)	3.9	3.1	3.3	-60 bps	24 bps

Source: Company data, I-Sec research

Exhibit 20: Home First Finance

Particulars (INR mn)	Home First				
	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
AUM	71,980	90,137	97,437	35	8
NII	1,118	1,344	1,424	27	6
PPoP	910	1,097	1,140	25	4
Provisions	70	70	70	1	(0)
PBT	840	1,027	1,070	27	4
PAT	640	788	821	28	4
NIM calc (%)	6.4	6.2	6.1	-34 bps	-12 bps
Opex/AUM (Ann., %)	2.7	2.8	2.7	-2 bps	-11 bps
Credit cost (Ann., %)	0.4	0.3	0.3	-11 bps	-3 bps
ROA (%)	3.9	3.7	3.6	-21 bps	-6 bps

Source: Company data, I-Sec research

Exhibit 21: Aptus Value Housing

Particulars (INR mn)	Aptus				
	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
AUM	67,380	83,569	89,418	33	7
NII	2,130	2,400	2,541	19	6
PPoP	1,841	2,131	2,181	18	2
Provisions	78	80	82	6	2
PBT	1,764	2,051	2,099	19	2
PAT	1,353	1,576	1,623	20	3
NIM calc (%)	13.1	11.8	11.8	-131 bps	-7 bps
Opex/AUM (Ann., %)	2.9	2.5	2.8	-8 bps	27 bps
Credit cost (Ann., %)	0.5	0.4	0.4	-10 bps	-2 bps
ROA (%)	7.7	7.8	7.5	-17 bps	-24 bps

Source: Company data, I-Sec research

Small finance banks (SFBs)**Exhibit 22: AU SFB**

Particulars (INR mn)	AU SFB				
	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
Gross Advances	5,91,580	6,76,240	7,39,990	25	9
Deposits	6,93,650	8,01,200	8,71,820	26	9
NII	12,132	13,249	13,779	14	4
PPoP	5,709	6,571	6,263	10	(5)
Provisions	409	1,589	1,295	217	(19)
PBT	5,300	4,981	4,968	(6)	(0)
PAT	4,246	3,752	3,742	(12)	(0)
GNPL (%)	1.7	2.0	1.9	25 bps	-8 bps
NNPL (%)	0.4	0.7	0.6	18 bps	-9 bps
NIM (%)	6.1	5.5	5.2	-90 bps	-30 bps
Credit cost (Ann., %)	0.2	0.6	0.5	30 bps	-16 bps
ROA (%)	2.0	1.5	1.4	-58 bps	-10 bps

Source: Company data, I-Sec research

Exhibit 23: Equitas SFB

Particulars (INR mn)	Equitas SFB				
	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
Gross Advances	2,78,610	3,27,760	3,43,370	23	5
Deposits	2,53,806	3,23,850	3,61,290	42	12
NII	7,070	7,851	8,323	18	6
PPoP	3,863	3,602	3,736	(3)	4
Provisions	1,256	844	900	(28)	7
PBT	2,607	2,759	2,836	9	3
PAT	1,900	2,019	2,096	10	4
GNPL (%)	2.8	2.4	2.4	-38 bps	0 bps
NNPL (%)	1.2	1.1	1.1	-15 bps	0 bps
NIM (%)	9.1	8.4	8.3	-85 bps	-12 bps
Credit cost (Ann., %)	1.9	1.1	1.1	-84 bps	1 bps
ROA (%)	2.3	2.0	2.0	-30 bps	0 bps

Source: Company data, I-Sec research

Exhibit 24: Ujjivan SFB

Particulars (INR mn)	Ujjivan SFB				
	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
Gross Advances	2,40,850	2,77,430	2,97,790	24	7
Deposits	2,55,377	2,96,690	3,16,500	24	7
NII	7,380	8,599	9,201	25	7
PPoP	4,106	4,573	4,774	16	4
Provisions	(19)	629	725	(3,856)	15
PBT	4,125	3,944	4,049	(2)	3
PAT	3,095	3,001	3,077	(1)	3
GNPL (%)	2.9	2.2	2.2	-73 bps	-4 bps
NNPL (%)	0.0	0.2	0.2	16 bps	3 bps
NIM (%)	9.1	8.8	9.0	-10 bps	19 bps
Credit cost (Ann., %)	(0.0)	0.9	1.0	104 bps	8 bps
ROA (%)	3.9	3.1	3.1	-80 bps	0 bps

Source: Company data, I-Sec research

Exhibit 25: Utkarsh SFB

Particulars (INR mn)	Utkarsh SFB				
	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
Gross Advances	1,39,570	1,64,070	1,82,990	31	12
Deposits	1,37,100	1,51,110	1,74,730	27	16
NII	4,096	4,823	5,329	30	11
PPoP	2,083	2,562	2,750	32	7
Provisions	341	1,041	950	179	(9)
PBT	1,742	1,520	1,800	3	18
PAT	1,338	1,161	1,374	3	18
GNPL (%)	3.2	3.0	2.8	-40 bps	-24 bps
NNPL (%)	0.4	0.2	0.2	-23 bps	-2 bps
NIM (%)	9.4	9.7	9.7	30 bps	0 bps
Credit cost (Ann., %)	1.1	2.7	2.2	110 bps	-50 bps
ROA (%)	2.9	2.3	2.4	-50 bps	10 bps

Source: Company data, I-Sec research

NBFCs-MFIs

Exhibit 26: CreditAccess Grameen

Particulars (INR mn)	CA Grameen				
	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
AUM	2,10,320	2,33,820	2,61,911	25	12
NII	7,198	8,507	9,386	30	10
PPoP	5,029	6,018	6,734	34	12
Provisions	1,053	1,262	1,500	42	19
PBT	3,976	4,756	5,234	32	10
PAT	2,966	3,533	3,873	31	10
Credit cost (Ann., %)	2.2	2.2	2.4	25 bps	21 bps
ROAUM (%)	5.5	6.0	5.9	37 bps	-11 bps

Source: Company data, I-Sec research

Exhibit 27: Spandana Sphoorty

Particulars (INR mn)	Spandana Sphoorty				
	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
AUM	85,110	1,04,040	1,19,040	40	14
NII	3,491	3,758	4,134	18	10
PPoP	2,608	2,405	2,571	(1)	7
Provisions	1,222	701	920	(25)	31
PBT	1,386	1,703	1,651	19	(3)
PAT	1,055	1,274	1,238	17	(3)
Credit cost (Ann., %)	6.4	2.8	3.3	-310 bps	50 bps
ROAUM (%)	5.5	5.0	4.4	-110 bps	-65 bps

Source: Company data, I-Sec research

Exhibit 28: Fusion Microfinance

Particulars (INR mn)	Fusion				
	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
AUM	92,962	1,06,934	1,14,420	23	7
NII	3,267	3,916	4,190	28	7
PPoP	2,211	2,603	2,787	26	7
Provisions	692	938	850	23	(9)
PBT	1,519	1,665	1,937	28	16
PAT	1,145	1,265	1,471	28	16
Credit cost (Ann., %)	3.4	3.9	3.3	-17 bps	-60 bps
ROAUM (%)	5.0	4.7	5.3	33 bps	61 bps

Source: Company data, I-Sec research

NBFCs-MSMEs and vehicles

Exhibit 29: Five-Star Business Finance

Particulars (INR mn)	Five Star				
	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
AUM	69,148	89,308	96,453	39	8
NII	3,619	4,413	4,766	32	8
PPoP	2,316	3,001	3,216	39	7
Provisions	74	102	250	238	146
PBT	2,242	2,899	2,966	32	2
PAT	1,689	2,168	2,225	32	3
Credit cost (Ann., %)	0.4	0.5	1.1	62 bps	60 bps
ROAUM (%)	10.3	10.1	9.6	-69 bps	-51 bps

Source: Company data, I-Sec research

Exhibit 30: SBFC Finance

Particulars (INR mn)	SBFC				
	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
AUM	49,430	62,660	67,673	37	8
NII	1,104	1,522	1,674	52	10
PPoP	654	980	1,068	63	9
Provisions	73	123	130	78	6
PBT	581	857	938	61	9
PAT	428	640	700	64	9
Credit cost (Ann., %)	0.6	0.8	0.8	17 bps	-2 bps
ROAUM (%)	7.6	7.8	7.8	23 bps	0 bps

Source: Company data, I-Sec research

Exhibit 31: Fedbank Financial

Particulars (INR mn)	Fedbank Financial				
	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
AUM	90,696	1,07,139	1,19,996	32	12
NII	1,765	2,166	2,275	29	5
PPoP	821	1,105	1,091	33	(1)
Provisions	119	227	160	35	(29)
PBT	549	878	931	70	6
PAT	390	654	698	79	7
Credit cost (Ann., %)	0.6	0.9	0.6	0 bps	-32 bps
ROAUM (%)	NA	2.5	2.5		0 bps

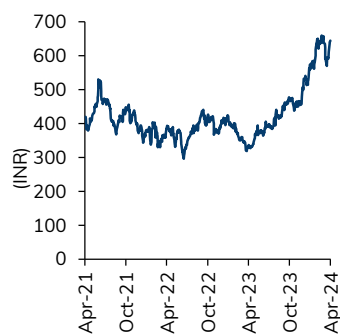
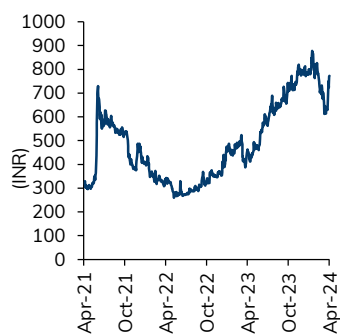
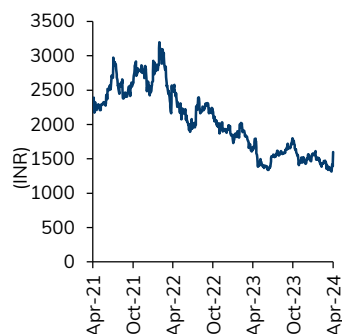
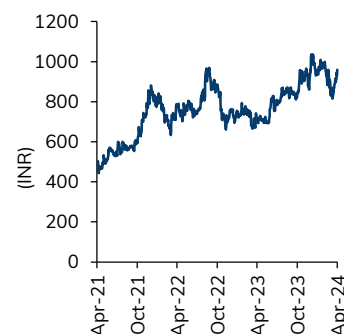
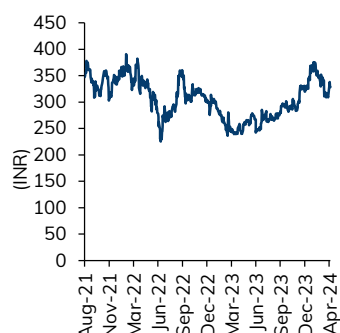
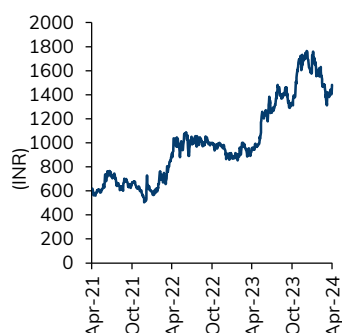
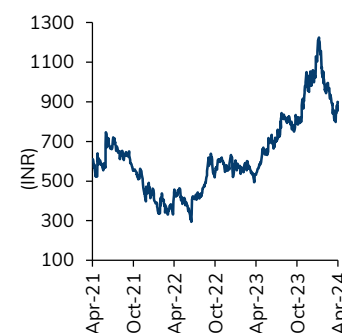
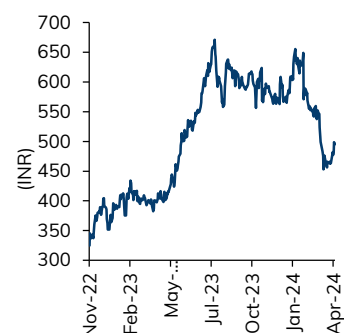
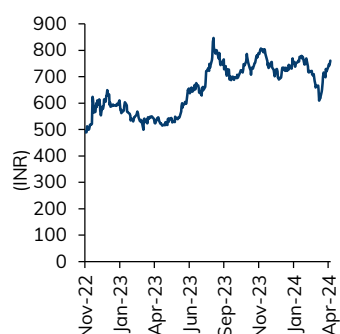
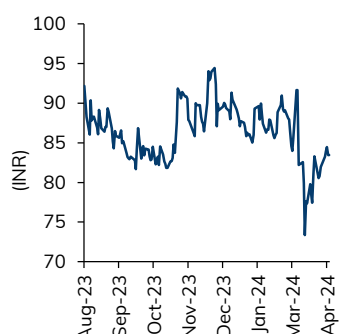
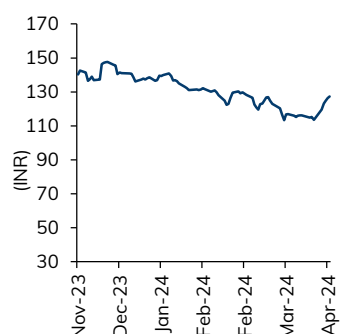
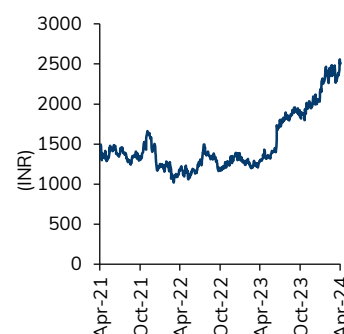
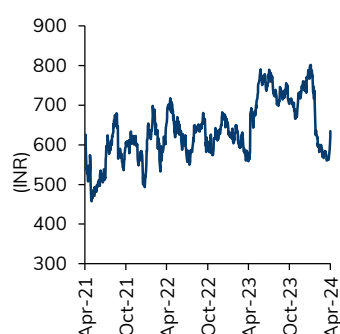
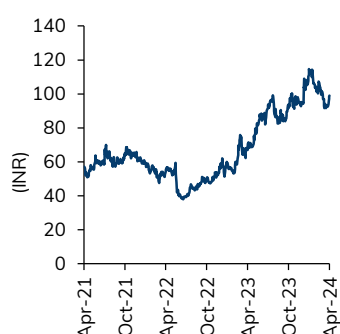
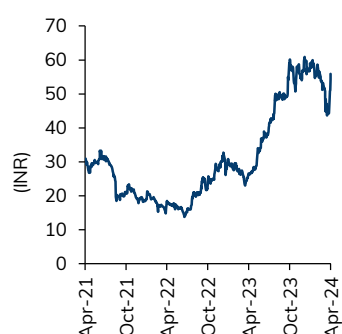
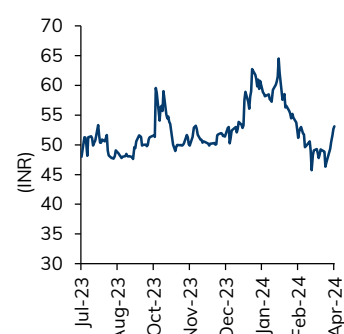
Source: Company data, I-Sec research

Exhibit 32: Shriram Finance

Particulars (INR mn)	Shriram Finance				
	Q4FY23	Q3FY24	Q4FY24E	YoY Growth (%)	QoQ Growth (%)
AUM	18,56,829	21,42,335	22,60,163	22	5
NII	41,810	49,110	51,936	24	6
PPoP	30,810	36,893	38,956	26	6
Provisions	11,846	12,497	12,850	8	3
PBT	18,964	24,396	26,106	38	7
PAT	13,083	18,183	19,457	49	7
NIM (%)	8.6	9.0	9.0	39 bps	-5 bps
Credit cost (Ann., %)	2.6	2.4	2.3	-28 bps	-7 bps
ROAUM (%)	2.6	3.3	3.4	82 bps	12 bps

Source: Company data, I-Sec research

Price charts

LIC Housing

PNB Housing

Aavas Financiers

HomeFirst

Aptus

CreditAccess Grameen

Spandana Sphoorty

Fusion

Five Star

SBFC

Fedbank Financial

Shriram Finance

AU SFB

Equitas SFB

Ujjivan SFB

Utkarsh SFB


Source: Bloomberg

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