

BSE SENSEX	S&P CNX
35,657	10,662
Bloomberg	RBK IN
Equity Shares (m)	431
M.Cap.(INRb)/(USDb)	239.8 / 3.4
52-Week Range (INR)	652 / 439
1, 6, 12 Rel. Per (%)	-2/3/11
Avg. Val, INR m	832
Free float (%)	100.0

Financials & Valuations (INR b)

Y/E March	FY19E	FY20E	FY21E
NII	24.7	33.0	44.2
OP	18.9	25.8	35.4
NP	8.7	11.7	15.8
NIM (%)	3.6	3.7	3.7
EPS (INR)	20.6	28.0	37.6
EPS Gr. (%)	36.4	35.6	34.3
BV/Sh. (INR)	176.3	199.0	228.7
ABV/Sh. (INR)	170.3	190.5	217.4
RoE (%)	12.3	14.9	17.6
RoA (%)	1.2	1.3	1.3
Payout (%)	15.0	16.0	18.0
Valuations			
P/E(X)	27.3	20.1	15.0
P/BV (X)	3.2	2.8	2.5
P/ABV (X)	3.3	3.0	2.6

CMP: INR564
TP: INR650 (+15%)
BUY

In-line performance; margins continue to improve

- RBL's 3QFY19 PAT was in line, increasing 36%/10% YoY/QoQ to INR2.25b (MOSLe: INR2.3b). NII grew 40% YoY to INR6.5b led by 35% YoY advances growth and 4bp QoQ expansion in margins to 4.12%. During 9MFY19, PPop grew by 46% YoY, while PAT grew 36% YoY.
 - Core fees grew 50% YoY (100% YoY growth in card fees). Strong opex control enabled 50% YoY growth in PPop while C/I ratio stood stable at 51.6%.
 - Loan book grew 35% YoY led by strong growth in retail book (51% YoY). The share of retail loans increased 206bp QoQ to ~43%. CASA deposits increased 38.5% YoY (9.6% QoQ) led by robust 56% YoY increase in CA deposits. CASA ratio improved 60bp YoY to 24.6%.
 - GNPA increased 8% QoQ (1.38% of loans, -2bp QoQ) while NNPA increased 6% QoQ to INR3.6b (0.72% of loans, -2bp QoQ). Fresh slippages stood at INR2.1b (2.3% annualized). Calculated PCR increased to 48.5% (+100bp). Net stressed assets stood at 0.81% (v/s 1.15% in 3QFY18).
 - **Other highlights:** RWA to total assets declined to ~78% as loans were rated externally resulting in stable Tier 1 ratio at 12.5% (CRAR of 13.8%).
- Additional disclosures on MFI/credit cards:** (i) Bureau rejection rate increased to 33% as the bank changed its lending norms on MFI loans, (ii) cards portfolio grew to 1.43m (0.8m in FY18), (iii) credit card book increased to INR44.9b (9% of total loans), and (iv) retail spend per card remained healthy at INR10.5k.
- **Valuation view:** With a diverse product portfolio, rising share of high yielding loans and capable management, we expect RBL to report industry-leading loan CAGR of 35% over FY18-21E. We expect stable/improving margins on improving asset mix and continued asset re-pricing, while operating leverage is likely to improve gradually. We tweak our estimates for FY19/FY20 by -1.2%/+1.6% and estimate RBK to report RoA/RoE of 1.3%/17.6% by FY21. Maintain **Buy** with a revised TP of INR650 (3.2x Sep-20E ABV).

Quarterly performance

	FY18				FY19E				FY18	FY19E	3Q V/s our	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			FY19E	Est
Net Interest Income	3,784	4,202	4,673	5,005	5,527	5,930	6,551	6,648	17,663	24,656	6,467	1%
% Change (Y-o-Y)	54.7	38.7	45.3	42.1	46.1	41.1	40.2	32.8	44.6	39.6	38.4	179
Other Income	2,569	2,411	2,582	3,120	3,260	3,331	3,741	4,143	10,682	14,474	3,737	0%
Net Income	6,353	6,612	7,255	8,124	8,787	9,261	10,291	10,791	28,345	39,130	10,204	1%
Operating Expenses	3,239	3,581	3,921	4,293	4,464	4,770	5,307	5,736	15,034	20,277	5,182	2%
Operating Profit	3,114	3,032	3,334	3,831	4,323	4,491	4,985	5,055	13,311	18,853	5,022	-1%
% Change (Y-o-Y)	68.8	38.4	41.8	36.0	38.8	48.1	49.5	31.9	44.6	41.6	50.6	-113
Other Provisions	945	749	823	1,129	1,404	1,397	1,607	1,264	3,645	5,672	1,483	8%
Profit before Tax	2,169	2,283	2,511	2,702	2,920	3,094	3,378	3,790	9,665	13,182	3,539	-5%
Tax Provisions	759	776	858	921	1,019	1,048	1,126	1,328	3,315	4,521	1,221	-8%
Net Profit	1,410	1,506	1,653	1,781	1,900	2,045	2,252	2,463	6,351	8,660	2,318	-3%
% Change (Y-o-Y)	44.9	67.6	28.5	36.9	34.8	35.8	36.2	38.3	42.4	36.4	40.2	-401
Operating Parameters												
Deposit (INR b)	354.3	365.7	386.2	439.0	449.5	477.9	521.9	579.5	439.0	579.5	523.3	0%
Loan (INR b)	311.1	335.8	368.9	402.7	422.0	458.7	498.9	547.6	402.7	547.6	504.2	-1%
Deposit Growth (%)	37.3	30.8	28.7	26.9	26.9	30.7	35.1	32.0	26.9	32.0	35.5	-37
Loan Growth (%)	39.7	35.0	37.8	36.7	35.7	36.6	35.2	36.0	36.7	36.0	36.7	-142
Asset Quality												
Gross NPA (INR b)	4.6	4.9	5.8	5.7	6.0	6.4	7.0	7.3	5.7	7.3	6.9	1%
Gross NPA (%)	1.5	1.4	1.6	1.4	1.4	1.4	1.4	1.3	1.4	1.3	1.4	2
Net NPA (INR b)	2.5	2.6	3.6	3.1	3.2	3.4	3.6	3.6	3.1	3.6	3.6	1%
Net NPA (%)	0.8	0.8	1.0	0.8	0.8	0.7	0.7	0.7	0.8	0.7	0.7	1
PCR (%)	45.3	46.5	38.3	44.8	47.0	47.5	48.5	50.8	44.8	50.8	48.5	-1

Source: MOSL

Exhibit 1: Quarterly snapshot

INR m	FY17				FY18				FY19			Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY	QoQ
Profit and Loss													
Interest Income	8,637	9,019	9,612	9,863	10,428	10,913	11,508	12,227	13,642	14,634	16,389	42	12
Loans	5,828	6,470	6,917	7,179	7,709	8,191	8,884	9,525	10,774	11,734	13,304	50	13
Investment	2,598	2,304	2,463	2,450	2,502	2,529	2,454	2,496	2,608	2,614	2,738	12	5
Others	211	246	232	235	216	193	170	206	260	287	347	105	21
Interest Expenses	6,190	5,990	6,396	6,342	6,644	6,711	6,835	7,223	8,115	8,705	9,839	44	13
Net Interest Income	2,447	3,029	3,216	3,522	3,784	4,202	4,673	5,005	5,527	5,930	6,551	40	10
Other Income	1,675	1,691	1,823	2,366	2,569	2,411	2,582	3,120	3,260	3,331	3,741	45	12
Trading profits	452	220	292	331	745	386	284	406	359	67	262	-8	293
Fee Income	1,223	1,471	1,531	2,034	1,824	2,025	2,298	2,714	2,901	3,264	3,479	51	7
Total Income	4,122	4,721	5,038	5,887	6,353	6,612	7,255	8,124	8,787	9,261	10,291	42	11
Operating Expenses	2,277	2,530	2,687	3,070	3,239	3,581	3,921	4,293	4,464	4,770	5,307	35	11
Employee	1,003	1,145	1,185	1,129	1,330	1,435	1,436	1,305	1,530	1,509	1,641	14	9
Others	1,275	1,384	1,503	1,941	1,909	2,145	2,485	2,988	2,934	3,261	3,666	48	12
Operating Profits	1,845	2,191	2,351	2,818	3,114	3,032	3,334	3,831	4,323	4,491	4,985	49	11
Core PPOp	1,845	2,191	2,351	2,818	3,114	3,032	3,334	3,831	4,323	4,491	4,985	49	11
Provisions	426	781	362	821	945	749	823	1,129	1,404	1,397	1,607	95	15
PBT	1,419	1,410	1,989	1,997	2,169	2,283	2,511	2,702	2,920	3,094	3,378	35	9
Taxes	445	512	703	695	759	776	858	921	1,019	1,048	1,126	31	7
PAT	973	899	1,287	1,301	1,410	1,506	1,653	1,781	1,900	2,045	2,252	36	10
Balance Sheet													
Deposits (INR b)	258	280	300	346	354	366	386	439	449	478	522	35	9
Loans (INR b)	223	249	268	294	311	336	369	403	422	459	499	35	9
Asset Quality													
GNPA	2,526	2,747	2,874	3,568	4,578	4,872	5,799	5,667	5,959	6,450	6,955	20	8
NNPA	1,478	1,380	1,396	1,899	2,504	2,608	3,578	3,126	3,158	3,386	3,582	0	6
Slippages	680	380	220	4,050	1,520	920	2,100	1,150	1,480	1,420	2,110	0	49
Ratios (%)													
Asset Quality Ratios	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY	QoQ
GNPA (%)	1.1	1.1	1.1	1.2	1.5	1.4	1.6	1.4	1.4	1.4	1.4	-18	-2
NNPA (%)	0.7	0.6	0.5	0.6	0.8	0.8	1.0	0.8	0.8	0.7	0.7	-25	-2
PCR (Calculated, %)	41	50	51	47	45	46	38	45	47	48	48	1,020	99
PCR (Reported, %)	55	60	61	60	58	58	53	58	60	61	63	1,068	177
Business Ratios													
Fees to Total Income	29.7	31.2	30.4	34.6	28.7	30.6	31.7	33.4	33.0	35.3	33.8	213	-145
Cost to Core Income	62.1	56.2	56.6	55.2	57.8	57.5	56.2	55.6	53.0	51.9	52.9	-333	103
Tax Rate	31.4	36.3	35.3	34.8	35.0	34.0	34.2	34.1	34.9	33.9	33.3	-83	-55
CASA (Cal.)	18.5	19.9	23.2	22.0	22.1	23.7	24.0	24.3	24.4	24.5	24.6	60	10
Loan/Deposit	86.3	89.0	89.2	85.1	87.8	91.8	95.5	91.7	93.9	96.0	95.6	9	-38
Profitability Ratios													
RoA	1.0	0.9	1.2	1.1	1.2	1.2	1.2	1.3	1.3	1.3	1.3	5	1
RoE	12.8	10.1	12.6	12.3	12.8	10.5	10.2	10.9	11.2	11.6	12.4	217	80
Yield on loans	10.7	11.0	10.7	10.2	10.2	10.6	10.4	10.5	10.8	10.9	11.2	80	30
Yield On Investments	7.7	7.4	7.9	7.4	7.5	7.6	7.4	7.0	7.0	7.5	7.7	22	20
Yield on Funds	9.5	9.6	9.6	9.3	9.3	9.3	9.2	9.0	9.5	9.9	10.3	108	43
Cost of funds	7.2	6.9	7.0	6.3	6.2	6.6	6.0	6.2	6.4	6.4	6.6	58	20
Margins	2.8	3.4	3.4	3.5	3.5	3.7	3.9	4.0	4.0	4.1	4.1	23	4

Source: MOSL

Exhibit 2: Quarterly performance v/s estimates – largely in line with estimates

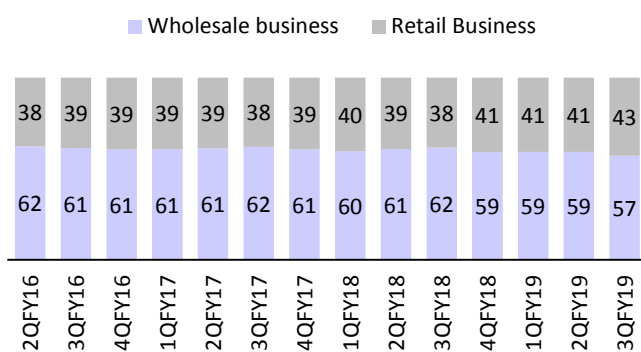
Y/E March	3QFY19A	3QFY19E	Var. (%)	Comments
Interest Income	16,389	15,858	3	
Interest Expense	9,839	9,390	5	
Net Interest Income	6,551	6,467	1	In line
% Change (YoY)	40	38		
Other Income	3,741	3,737	0	
Net Income	10,291	10,204	1	
Operating Expenses	5,307	5,182	2	Opex were slightly higher than expected
Operating Profit	4,985	5,022	-1	
% Change (YoY)	49	51		
Other Provisions	1,607	1,483	8	Provisions were higher than expected
Profit before Tax	3,378	3,539	-5	
Tax Provisions	1,126	1,221	-8	
Net Profit	2,252	2,318	-3	Higher provisions led to slight miss in PAT
% Change (YoY)	36	40		

Source: MOSL

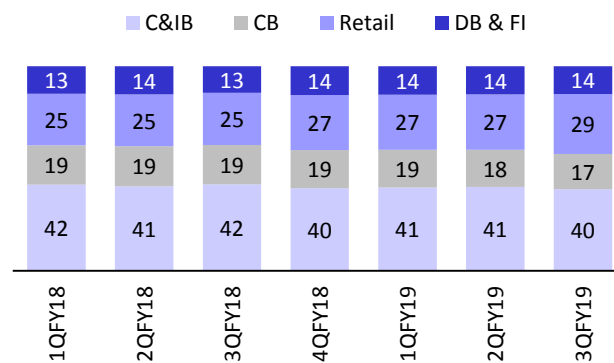
Robust loan growth at ~35% YoY was driven by non-wholesale loan growth of ~51% YoY

Well diversified loan growth; retail mix increases by ~230bp

- Loan growth of 35.2% YoY was primarily led by non-wholesale, which grew 51.1% YoY while wholesale grew by 25.4% YoY, thus, taking the retail book share to 42.9% from 38.4% a year ago. Within the non-wholesale book, retail segment grew 55.8% YoY while DB&FI segment grew 41.7% YoY.
- Wholesale loans grew 25.4% YoY (5% QoQ) led by 27.7% YoY (5.9% QoQ) growth in the C&IB segment and 20.2% YoY (2.9% QoQ) growth in the CB segment.

Exhibit 3: Share of retail business increased to 43%

Source: MOSL, Company

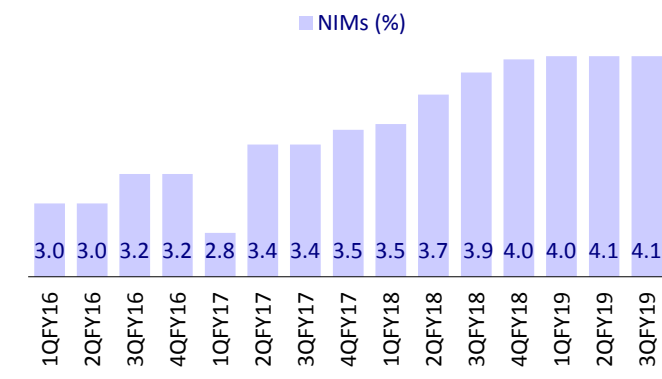
Exhibit 4: Loan mix composition moves in favor of retail

Source: MOSL, Company

Margins improve 23bp YoY to 4.12% due to increase in yields by 80bp YoY

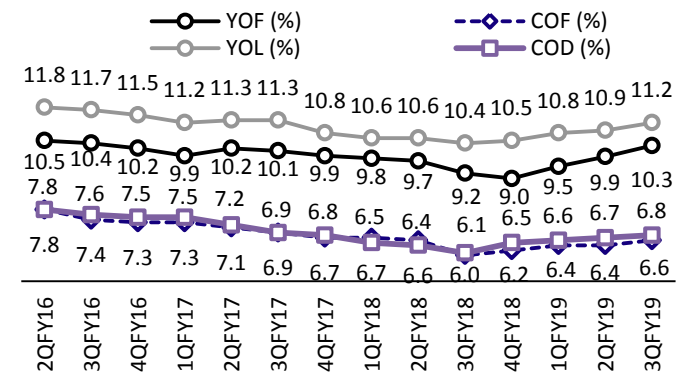
- The bank reported 4bp QoQ improvement in margins to 4.12% (+23bp YoY). YoY improvement in NIMs was led by an improvement in yields on advances (80bp YoY).
- CASA deposits increased 38.5% YoY (9.6% QoQ) led by robust 55.7% (+11% QoQ) increase in CA deposits, while SA deposits increased by 25.1% YoY (+8.3% QoQ). CASA ratio improved by 60bp YoY to 24.6%.

Exhibit 5: NIMs improved 4bp QoQ to 4.12%



Source: MOSL, Company

Exhibit 6: Yield on loans improved 30bp QoQ to 11.2%



Source: MOSL, Company

Asset quality ratios stable while PCR improves to 63.2% (177bp QoQ)

Asset quality ratios fairly stable; Reported PCR improves to 63.2%

- Absolute GNPA's increased 7.8% QoQ as annualized slippages came in at 2.3% (INR2.1b) while recoveries and write offs came in at INR540m and INR1.03b, respectively. In % terms, GNPA declined 2bp QoQ to 1.38% whereas NNPA declined to 0.72% (-2bp QoQ).
- PCR increased 177bp QoQ to 63.2% v/s 61.5% in 2QFY19 leading to a reduction in NNPA ratio to 0.72% (-2bp QoQ).

Cards portfolio grew to 1.43m (0.8m in FY18) and retail spend per card remained healthy at INR10.5k

Exhibit 7: Credit card book almost doubled to 9% in 3QFY19 v/s 4.8% in 3QFY18

INRm	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY	QoQ
Total Spends	18,890	23,780	32,340	42,080	44,030	133%	45%
Credit card book	17,590	22,440	29,010	36,130	44,960	156%	24%
As a % of total book	4.8%	5.6%	6.9%	7.9%	9.0%		

Source: MOSL, Company

Present in 19 states across the country with maximum state exposure capped at 15%

Exhibit 8: State wise exposure of MFI book

State Name	2QFY19
Bihar	15%
Tamil Nadu	15%
Maharashtra	12%
Karnataka	10%
Odisha	8%
Others	40%

Source: MOSL, Company

The banks has 2.2m active loan accounts for MFI book

Exhibit 9: Hit rate for MFI book increased to 82%

	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19
Hit Rate	78%	78%	78%	79%	82%

* Hit Rate= % of loan application with matching records with Credit Bureau Source: MOSL, Company



3QFY19 conference call highlights

Balance sheet and P/L related

- Management is seeing signs of rates peaking out in the system
- Bank has increased the MCLR between 10-30bp in last quarter and the bank is able to pass on the increase to customers
- Total fees from the retail business was at 70% of the total fees
- Bank has added 56 BC counters during the quarter
- Retail agri book forms just 3% of the total loans (in line with strategy). Bank will be cautious on this portfolio till the election
- Bank has entirely provided for the pre-demonetization MFI portfolio
- **Processing fee:** Corporate fee is not as stable as retail fees, therefore, processing fees have been trending down
- **Card Fee:** Interchange fee, annual fee, processing fee, insurance recoveries, etc. form 50% of the revenue
 - As the number of cards and spends increase, card fee is expected to rise
 - Revolve rate is between 45-50% for card customers
 - Increase in number of cards was due to the festive season
- Cards to break even between 18-20 months
- Bank had to spend INR4,000-5,000 per card for issuance
- **RWA/ total assets:** Capital was freed up as many loans were rated externally (better than BBB) and also due to reversal of MTM losses on the client FX.
- Slippages in agri portfolio came in due to farm loan waiver
- 45% of the outstanding cards are co-branded cards and 55% of the cards are from other partnerships. But, on an **incremental basis**, 55% of the cards are coming from Bajaj Finance. Bank also has other tie-ups for the credit card business
- Delinquency on the co-branded portfolio is lower as it is a tested portfolio
- Time deposit less than INR10mn is stable at 60% since last one year (signifying the granularity)
- Bank has entered the North-Eastern states in the last of couple of quarters. Cautious on West Bengal
- Bureau rejection rate has increased as the bank has tinkered with the approval criteria
- **RBL Fin serve:** Employee base 2,500 (some of the employees from bank have been moved to the MFI business)
- Bank has secured its LAP book to hedge its overall retail portfolio (unlike how bulk of the LAP market is done)
- If converted into INR, foreign currency borrowing is fully hedged. The only foreign currency borrowing that is not hedged is the 'GIFT city' lending

Asset Quality

- NPA in the LAP segment is 0.7% (same as last year)
- GNPA in the card segment : 1-1.1%

Guidance

- Bank has added 20 main line branches (mostly liability branches) in the current quarter and bank is planning to add 60-70 branches (mostly in urban locations) in FY20, taking the total branch count to 350-400
- Bank is targeting 1.7m cards till FY19e
- Bank is targeting 50:50 mix between wholesale and retail in a few years' time
- Bank has a proposed plan of creating floating loans on the MFI portfolio from next fiscal
- Secured: unsecured mix to remain the same over the next couple of years

Valuation and view

- RBL has adopted a unique business model, these include (a) the bank adopting a linkage-based approach to agricultural lending, (b) using large corporate accounts as an entry strategy to gain access to their supply chain ecosystem, and (c) strategically acquiring business banking clients in the emerging sectors (primary bankers to gain lion's share of the wallet).
- RBL's business transformation has coincided with significant investments in human capital (senior management), service offerings (product suite), customer acquisition (including inorganic portfolios), technology and brand building (branch expansion and re-branding). With significant capacity already in place, RBL is now primed to sweat its investments and benefit from improving operating efficiencies. Thus, we expect gradual improvement in CI ratio over FY18 in the next few years.
- We expect strong benefits to accrue to RBL from its partnership with Bajaj Finance in co-branded credit cards. The bank has already issued around >1.4m cards since launch. RBL aims to be amongst the top five credit card payers in the next three years and strives to achieve 4m+ cards by FY21E. We expect RBL to leverage on BAFs vast customer base (~26m; 60% don't have credit cards), strong distribution scale, excellent risk and analytics infrastructure. This would enable fast paced credit card customer acquisition at lower operating costs and lower credit costs (as these are tested customers of BAF).
- With a diverse product portfolio, rising share of high yielding loans and capable management, we expect RBL to report industry-leading loan CAGR of 35% over FY18-21E. We expect stable/improving margins due to improving asset mix and continued asset re-pricing while operating leverage is likely to improve gradually. We tweak our estimates for FY19/FY20 by -1.2%/+1.6% and estimate RBL to report RoA/RoE of 1.3%/17.6% by FY21. Maintain **Buy** with a revised TP of INR650 (3.2x Sep-20E ABV).

Exhibit 10: DUPONT Analysis - Return ratios to go up driven by strong core operating profitability

Y/E MARCH	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E	FY21E
Interest Income	8.67	8.62	8.28	8.45	8.16	8.69	8.87	9.05
Interest Expense	6.48	6.17	5.81	5.67	4.96	5.21	5.32	5.41
Net Interest Income	2.19	2.46	2.47	2.78	3.20	3.48	3.56	3.63
Fee income	1.40	1.53	1.30	1.45	1.63	1.85	1.97	2.04
Non-Interest income	1.67	1.78	1.48	1.72	1.93	2.04	2.14	2.20
Total Income	3.87	4.24	3.95	4.50	5.13	5.52	5.70	5.84
Operating Expenses	2.72	2.65	2.32	2.41	2.72	2.86	2.91	2.92
Employee cost	1.19	1.33	1.12	1.02	1.00	0.98	0.93	0.86
Others	1.53	1.32	1.20	1.39	1.72	1.88	1.99	2.06
Operating Profit	1.15	1.59	1.64	2.10	2.41	2.66	2.78	2.91
Core Operating Profit	0.88	1.33	1.46	1.82	2.11	2.47	2.61	2.76
Provisions	0.30	0.27	0.35	0.54	0.66	0.80	0.85	0.94
NPA	0.19	0.16	0.24	0.35	0.47	0.70	0.76	0.85
Others	0.10	0.11	0.10	0.20	0.19	0.10	0.08	0.08
PBT	0.85	1.32	1.29	1.55	1.75	1.86	1.94	1.98
Tax	0.26	0.41	0.41	0.54	0.60	0.64	0.67	0.68
RoA	0.59	0.91	0.88	1.02	1.15	1.22	1.27	1.30
<i>Leverage (x)</i>	<i>8.6</i>	<i>10.7</i>	<i>12.7</i>	<i>12.1</i>	<i>10.1</i>	<i>10.1</i>	<i>11.8</i>	<i>13.5</i>
RoE	5.1	9.8	11.2	12.3	11.6	12.3	14.9	17.6

Source: MOSL, Company

Exhibit 11: We tweak our estimates for FY19/FY20 by -1.2/+1.6%, respectively

INRb	Old Estimates			Revised Estimates			Change (%)/bps		
	FY19	FY20	FY21	FY19	FY20	FY21	FY19	FY20	FY21
NII	24.1	32.3	42.8	24.7	33.0	44.2	2.5	2.0	3.1
Other Income	14.7	20.2	27.3	14.5	19.8	26.8	-1.8	-1.8	-1.8
Total Income	38.8	52.5	70.1	39.1	52.8	70.9	0.8	0.5	1.2
Opex	20.3	27.0	35.5	20.3	27.0	35.5	0.0	0.0	0.0
PPoP	18.5	25.5	34.6	18.9	25.8	35.4	1.8	1.1	2.4
Provisions	5.2	7.8	11.2	5.7	7.8	11.4	9.4	0.0	1.3
PBT	13.3	17.7	23.3	13.2	17.9	24.0	-1.2	1.6	2.9
Tax	4.6	6.1	8.0	4.5	6.2	8.2	-1.2	1.6	2.9
PAT	8.8	11.6	15.3	8.7	11.7	15.8	-1.2	1.6	2.9
Loans	548	739	976	548	739	991	0.0	0.0	1.5
Deposits	580	782	1,017	580	782	1,048	0.0	0.0	3.1
Margins (%)	3.50	3.59	3.66	3.59	3.66	3.74	9	7	9
Credit Cost (%)	1.00	1.10	1.20	1.04	1.10	1.20	4	0	0
RoA (%)	1.24	1.25	1.28	1.22	1.27	1.30	-1	2	2
RoE (%)	12.4	14.7	17.1	12.3	14.9	17.6	-14	23	45
EPS	20.9	27.6	36.5	20.6	28.0	37.6	-1.2	1.6	2.9
BV	176.5	198.9	227.7	176.3	199.0	228.7	-0.1	0.1	0.4
ABV	170.6	192.4	220.6	170.3	190.5	217.4	-0.2	-1.0	-1.5

Source: MOSL, Company

Financials and Valuations

Income Statement								(INRm)
Y/E March	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E	FY21E
Interest Income	13,516	19,531	27,443	37,132	45,076	61,585	82,239	1,09,954
Interest Expense	10,100	13,967	19,251	24,918	27,413	36,929	49,277	65,789
Net Interest Income	3,416	5,564	8,192	12,213	17,663	24,656	32,961	44,165
Growth (%)	32.6	62.9	47.2	49.1	44.6	39.6	33.7	34.0
Non-Interest Income	2,610	4,034	4,905	7,555	10,682	14,474	19,829	26,770
Total Income	6,026	9,598	13,097	19,768	28,345	39,130	52,791	70,934
Growth (%)	56.9	59.3	36.5	50.9	43.4	38.1	34.9	34.4
Operating Expenses	4,239	5,997	7,673	10,564	15,034	20,277	27,011	35,530
Pre Provision Profits	1,787	3,601	5,424	9,204	13,311	18,853	25,780	35,405
Growth (%)	12.0	101.5	50.6	69.7	44.6	41.6	36.7	37.3
Core PPP	1,334	2,880	4,818	7,965	11,645	17,521	24,181	33,486
Growth (%)	1.2	116.0	67.3	65.3	46.2	50.5	38.0	38.5
Provisions (excl. tax)	462	602	1,144	2,389	3,645	5,672	7,845	11,385
PBT	1,325	2,999	4,280	6,815	9,665	13,182	17,935	24,019
Tax	398	928	1,355	2,354	3,315	4,521	6,188	8,239
Tax Rate (%)	30.1	30.9	31.7	34.5	34.3	34.3	34.5	34.3
PAT	927	2,072	2,925	4,460	6,351	8,660	11,747	15,781
Growth (%)	-0.2	123.6	41.2	52.5	42.4	36.4	35.6	34.3
Balance Sheet								
Y/E March	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E	FY21E
Equity Share Capital	2,720	2,935	3,247	3,752	4,197	4,197	4,197	4,197
Reserves & Surplus	17,427	19,370	26,645	38,791	62,643	69,783	79,332	91,789
Net Worth	20,148	22,304	29,892	42,543	66,840	73,980	83,529	95,986
Deposits	1,15,986	1,70,993	2,43,487	3,45,881	4,39,023	5,79,510	7,82,338	10,48,333
Growth (%)	39.1	47.4	42.4	42.1	26.9	32.0	35.0	34.0
of which CASA Dep.	23,697	31,574	45,378	76,027	1,06,783	1,47,815	2,11,231	2,96,678
Growth (%)	44.1	33.2	43.7	67.5	40.5	38.4	42.9	40.5
Borrowings	38,955	69,627	1,05,362	79,798	92,614	1,19,943	1,55,104	1,90,930
Other Liabilities & Prov.	6,892	8,123	12,870	18,526	20,031	26,040	33,201	41,501
Total Liabilities	1,81,981	2,71,047	3,91,611	4,86,748	6,18,508	7,99,473	10,54,172	13,76,750
Cash & Balances with RBI	9,807	14,557	13,397	29,479	25,893	29,156	35,623	43,374
Balances with Banks & money at Call	2,115	7,147	11,102	12,457	16,951	13,989	17,401	20,234
Investments	64,770	97,923	1,44,360	1,34,817	1,54,475	1,88,459	2,35,574	2,87,401
Growth (%)	17.4	51.2	47.4	-6.6	14.6	22.0	25.0	22.0
Loans	98,350	1,44,498	2,12,291	2,94,490	4,02,678	5,47,643	7,39,318	9,90,685
Growth (%)	54.2	46.9	46.9	38.7	36.7	36.0	35.0	34.0
Fixed Assets	1,343	1,644	1,773	2,587	3,340	4,848	7,703	11,807
Other Assets	5,595	5,278	8,688	12,917	15,170	15,378	18,553	23,248
Total Assets	1,81,981	2,71,047	3,91,611	4,86,748	6,18,508	7,99,473	10,54,172	13,76,750
Asset Quality								
GNPA (INR m)	778	1,112	2,081	3,569	5,667	7,293	11,042	15,886
NNPA (INR m)	305	386	1,244	1,900	3,126	3,587	5,137	6,777
GNPA Ratio	0.79	0.77	0.98	1.21	1.41	1.33	1.49	1.60
NNPA Ratio	0.31	0.27	0.59	0.65	0.78	0.65	0.69	0.68
Slippage Ratio	1.00	0.48	1.38	2.51	1.93	1.60	1.75	1.85
Credit Cost	0.37	0.29	0.45	0.60	0.74	1.04	1.10	1.20
PCR (Excl. Tech. write off)	60.8	65.3	40.2	46.8	44.8	50.8	53.5	57.3

Financials and Valuations

Ratios

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E	FY21E
Yield and Cost Ratios (%)								
Avg. Yield-Earning Assets	9.0	9.0	8.5	8.7	8.4	9.0	9.1	9.3
Avg. Yield on loans	11.4	11.6	10.9	10.4	9.8	10.1	10.2	10.4
Avg. Yield on Investments	6.9	6.4	6.2	7.1	7.0	7.3	7.2	7.2
Avg. Cost-Int. Bear. Liab.	7.6	7.1	6.5	6.4	5.7	6.0	6.0	6.0
Avg. Cost of Deposits	7.7	7.6	7.3	6.7	6.0	6.5	6.5	6.5
Interest Spread	1.4	1.9	2.0	2.3	2.7	3.0	3.1	3.3
Net Interest Margin	2.4	2.7	2.7	3.0	3.3	3.6	3.7	3.7

Capitalization Ratios (%)

CAR	14.6	13.1	12.9	13.7	15.3	13.6	12.5	11.0
Tier I	14.3	12.7	11.1	11.4	13.6	11.6	10.1	9.0
Tier II	0.3	0.4	1.8	2.3	1.7	2.1	2.5	2.0

Business & Efficiency Ratios (%)

Loans/Deposit Ratio	84.8	84.5	87.2	85.1	91.7	94.5	94.5	94.5
CASA Ratio	20.4	18.5	18.6	22.0	24.3	25.5	27.0	28.3
Cost/Assets	2.3	2.2	2.0	2.2	2.4	2.5	2.6	2.6
Cost/Total Income	70.3	62.5	58.6	53.4	53.0	51.8	51.2	50.1
Cost/Core Income	75.6	66.5	61.4	56.9	56.4	53.6	52.8	51.5
Int. Expense/Int. Income	74.7	71.5	70.1	67.1	60.8	60.0	59.9	59.8
Fee Income/Net Income	30.3	26.8	26.7	26.2	26.5	28.0	29.8	30.5
Non Int. Inc./Net Income	43.3	42.0	37.5	38.2	37.7	37.0	37.6	37.7
Emp. Cost/Total Expense	43.6	50.2	48.2	42.2	36.6	34.2	31.9	29.5
Investment/Deposit Ratio	55.8	57.3	59.3	39.0	35.2	32.5	30.1	27.4

Profitability & Valuation Ratios

RoE	5.1	9.8	11.2	12.3	11.6	12.3	14.9	17.6
RoA	0.6	0.9	0.9	1.0	1.1	1.2	1.3	1.3
RoRWA	0.7	1.3	1.3	1.4	1.5	1.6	1.6	1.6
Book Value (INR)	74.0	76.0	92.0	113.4	159.3	176.3	199.0	228.7
Growth (%)	16.6	2.6	21.1	23.2	40.5	10.7	12.9	14.9
Price-BV (x)	7.6	7.4	6.1	5.0	3.5	3.2	2.8	2.5
Adjusted BV (INR)	73.3	75.1	89.4	109.8	152.8	170.3	190.5	217.4
Price-ABV (x)	7.7	7.5	6.3	5.1	3.7	3.3	3.0	2.6
EPS (INR)	3.4	7.1	9.0	11.9	15.1	20.6	28.0	37.6
Growth (%)	-7.2	107.3	27.6	32.0	27.3	36.4	35.6	34.3
Price-Earnings (x)	165.5	79.8	62.6	47.4	37.2	27.3	20.1	15.0
Dividend Per Share (INR)	0.9	1.2	1.5	1.8	2.3	3.1	4.5	6.8
Dividend Yield (%)	0.2	0.2	0.3	0.3	0.4	0.5	0.8	1.2

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SELL	< - 10%
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* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench. The existing registration no(s) of MOSL would be used until receipt of new MOFSL registration numbers.