

SBI Cards and Payment Services

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	SBICARD IN
Equity Shares (m)	943
M.Cap.(INRb)/(USDb)	809 / 9.8
52-Week Range (INR)	1156 / 656
1, 6, 12 Rel. Per (%)	-10/-1/-22
12M Avg Val (INR M)	1617

Financials & Valuations (INR b)

Y/E MARCH	FY22	FY23E	FY24E
NII	37.9	44.8	59.5
OP	44.3	51.3	69.3
NP	16.2	23.2	32.1
NIM (%)	13.5	12.3	12.6
EPS (INR)	17.2	24.6	34.0
EPS Gr. (%)	63.8	43.2	38.4
BV/Sh. (INR)	82.2	104.8	136.3
ABV/Sh. (INR)	80.4	102.9	134.1

Ratios

RoE (%)	23.0	26.3	28.2
RoA (%)	5.2	5.9	6.5

Valuations

P/E(X)	50.0	34.9	25.2
P/BV (X)	10.4	8.2	6.3
P/ABV (X)	10.7	8.3	6.4

Shareholding pattern (%)

As On	Jun-22	Mar-22	Jun-21
Promoter	69.6	69.6	69.5
DII	16.2	12.4	6.7
FII	8.3	9.5	12.5
Others	5.8	8.5	11.3

FII Includes depository receipts

CMP: INR858 TP: INR1,000 (+17%) Buy

Margin and revolve rate under pressure; Retail spends robust

Higher provisions drag earnings

- SBICARD reported a muted 2QFY23, with net earnings dragged by higher provisions, even though PPOP growth stood in line. PAT grew 52% YoY to INR5.3b (11% miss).
- Margin fell 90b QoQ to 12.3% in 2Q on the back of a decline in the revolver mix (24% v/s 26% in 1QFY23) and higher cost of funds. Trends in Retail spends were strong at 45% YoY, while Corporate spends witnessed a slight moderation (34%). Overall spends rose 43% YoY.
- GNPA ratio improved by 10bp QoQ to 2.14%, while NNPA ratio was stable at 0.78%. PCR moderated to ~64%. RoA/RoE stood at 5.4%/24.1%.
- We estimate SBICARD to deliver 41% earnings CAGR over FY22-24, leading to a RoA/RoE of 6.5%/28.2%. **We maintain our Buy rating with a TP of INR1,000.**

Robust growth in Retail spends; asset quality stable

- SBICARD reported a PAT of INR5.3b (up 52% YoY; 11% miss), driven by higher provisions that stood at INR5.5b. Gross/net credit costs stood at 6.2%/4.6%. In 1HFY23, NII/PPOP/PAT grew 19%/20%/77% YoY to INR22b/INR25.4b/INR11.5b.
- NII grew 22% YoY to INR11.2b (in line), with margin declining by 90bp QoQ to 12.3%. This was led by a decline in the revolver mix to 24% (v/s 26% in 1QFY23) and higher cost of funds. Revolver mix witnessed a decline on account of higher spends in Sep'22 due to the festive season, which is likely to revolve gradually. Fee income grew at healthy 30% YoY.
- OPEX grew 33% YoY and 10% QoQ to INR18.3b. PPOP rose 18% YoY (in line), while cost-to-income ratio increased by 310bp QoQ to 59.4%.
- Cards in-force grew 18% YoY and 3% QoQ to 14.8m (95% of cards are active and hence the impact of the new RBI guidelines was minimal). Sourcing of new cards stood ~1.3m (up 36% YoY and 44% QoQ), with the open market channel contributing 63% to total sourcing (59% on an outstanding basis).
- Overall spends surged 43% YoY and 4.4% QoQ, within which Retail/Corporate spends rose 45%/34% YoY. The share of online Retail spends grew to 57.8% in 1HFY23 from 55.2% in 1QFY23 due to rapid digitization and growing comfort as well as the convenience of shopping online.
- GNPA ratio moderated by 10bp QoQ to 2.14%, while NNPA ratio stood stable at 0.78%, with PCR moderating to ~64%. ECL declined to 3.3% v/s 3.4% in 1QFY23.

Highlights from the management commentary

- SBICARD launched a new variant 'Cashback SBI Card' in Sep'22 and the same has seen strong customer interest.
- While the cost of funds stood at 5.4% in 2QFY23, the management expects the same to move up to 6.1-6.2% in coming quarters. However, the share of interest earning assets is likely to increase, which will offset the impact on margin.

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Valuation and view

SBICARD reported a modest quarter with net earnings impacted due to higher provisions. Margin fell QoQ as the revolver mix declined to 24%, coupled with rising funding cost. We expect the revolver mix to increase gradually as spends mature as the festive season progresses, while margin may remain under pressure as borrowing cost increases. Growth in spends remains strong and is likely to stay healthy, thus aiding loan growth. Moderation in ECL will keep credit costs under control. We expect 41% PAT CAGR over FY22-24, resulting in a RoA/RoE of 6.5%/28.2%. **We maintain our Buy rating with a TP of INR1,000 (premised on 29x FY24E EPS).**

Quarterly performance**(INR b)**

	FY22				FY23				FY22	FY23E	FY23E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Interest Income	9.2	9.2	10.0	10.0	10.8	11.2	11.3	11.5	37.9	44.8	10.7	4.2
Change (YoY %)	-18.7	-9.1	9.9	20.6	16.7	21.5	13.6	14.9	-2.3	18.0	16.6	
Other Income	13.0	15.2	18.7	17.5	18.8	19.7	19.6	20.7	64.8	78.7	20.2	-2.7
Total Income	22.2	24.4	28.6	27.5	29.5	30.9	30.9	32.1	102.7	123.5	30.9	-0.3
Operating Expenses	11.7	13.8	17.2	15.8	16.6	18.3	18.3	18.9	58.5	72.1	18.5	-0.8
Operating Profit	10.5	10.6	11.4	11.7	12.9	12.5	12.7	13.2	44.3	51.3	12.5	0.5
Change (YoY %)	4.0	-7.2	22.9	24.8	22.5	18.3	10.8	12.9	11.8	15.9	17.7	
Provisions	6.4	5.9	6.3	3.9	4.5	5.5	5.2	5.0	22.6	20.1	4.5	21.6
Profit before Tax	4.1	4.6	5.2	7.8	8.4	7.1	7.5	8.2	21.7	31.2	8.0	-11.4
Tax	1.1	1.2	1.3	2.0	2.1	1.8	1.9	1.9	5.6	8.0	2.0	-11.7
Net Profit	3.0	3.4	3.9	5.8	6.3	5.3	5.6	6.3	16.2	23.2	5.9	-11.3
Change (YoY %)	-22.5	67.3	84.0	231.1	105.8	52.4	44.2	9.3	64.2	43.4	71.8	
Operating Parameters												
Loan (INR b)	230.4	253.9	279.7	301.9	320.8	365.0	379.2	398.5	301.9	398.5	333.6	9.4
Loan Growth (%)	5.1	15.8	18.0	28.7	39.2	43.7	35.6	32.0	28.7	32.0	31.4	12.4
Asset Quality												
Gross NPA (%)	3.9	3.4	2.4	2.2	2.2	2.1	2.0	2.0	2.2	2.0	2.1	0.0
Net NPA (%)	0.9	0.9	0.8	0.8	0.8	0.8	0.7	0.6	0.8	0.6	0.7	0.1
PCR (%)	78.2	73.7	65.9	65.3	65.1	64.0	67.5	68.6	65.3	68.6	68.2	-4.2

Quarterly snapshot

Profit & Loss (INR m)	FY21				FY22				FY23		Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
Interest Income	14,121	12,754	11,681	10,721	11,535	11,732	12,733	12,661	13,873	14,845	27	7
Interest Expenses	2,746	2,642	2,609	2,437	2,290	2,541	2,768	2,674	3,084	3,677	45	19
Net Interest Income	11,375	10,112	9,071	8,284	9,244	9,190	9,965	9,987	10,789	11,168	22	4
Other Income	7,808	12,373	13,717	13,961	12,975	15,223	18,663	17,500	18,755	19,689	29	5
Fee Income	6,677	10,193	11,068	11,138	10,987	12,440	14,570	14,268	15,380	16,108	29	5
Others	1,131	2,180	2,649	2,822	1,988	2,783	4,093	3,232	3,376	3,581	29	6
Total Income	19,183	22,486	22,788	22,245	22,219	24,413	28,629	27,487	29,545	30,856	26	4
Operating Expenses	9,047	11,086	13,477	12,854	11,680	13,833	17,189	15,767	16,633	18,340	33	10
Employee	1,121	1,222	1,312	1,262	1,164	1,147	1,209	1,207	1,386	1,290	12	-7
Others	7,926	9,865	12,165	11,592	10,516	12,686	15,979	14,561	15,247	17,050	34	12
Operating Profit	10,136	11,399	9,311	9,391	10,540	10,580	11,440	11,720	12,912	12,517	18	-3
Provisions	4,853	8,617	6,483	7,047	6,437	5,939	6,255	3,928	4,503	5,460	-8	21
PBT	5,283	2,782	2,829	2,344	4,103	4,641	5,185	7,792	8,409	7,057	52	-16
Taxes	1,350	720	732	590	1,057	1,192	1,327	1,984	2,140	1,800	51	-16
PAT	3,933	2,061	2,097	1,754	3,046	3,449	3,858	5,809	6,269	5,256	52	-16
Balance Sheet (INR b)												
Loans	219,210	219,254	236,960	234,591	230,410	253,936	279,690	301,873	320,790	364,998	44	14
Asset Quality (INR b)												
GNPA	3,150	10,287	4,146	12,543	9,555	8,985	6,991	6,944	7,440	8,074	-10	9
NNPA	1,000	3,539	1,426	2,776	2,083	2,363	2,384	2,410	2,597	2,907	23	12
Ratios	FY21				FY22				FY23		Change (bp)	
Asset Quality Ratios (%)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
GNPA	1.4	4.3	1.6	5.0	3.9	3.4	2.4	2.2	2.2	2.1	-122	-10
NNPA	0.4	1.5	0.6	1.2	0.9	0.9	0.8	0.8	0.8	0.8	-13	-1
PCR (Calculated)	68.3	65.6	65.6	77.9	78.2	73.7	65.9	65.3	65.1	64.0	-970	-110
Credit Cost	8.2	14.6	10.4	11.1	10.4	9.3	9.0	5.2	5.6	6.2	-310	60
ECL	6.0	8.6	8.0	6.6	5.7	5.0	4.0	3.5	3.4	3.3	-170	-10
Business Ratios (%)												
Fees-to-Total Income	34.8	45.3	48.6	50.1	49.4	51.0	50.9	51.9	52.1	52.2	125	15
Cost-to-Income	47.2	49.3	59.1	57.8	52.6	56.7	60.0	57.4	56.3	59.4	277	314
Tax Rate	25.6	25.9	25.9	25.2	25.8	25.7	25.6	25.5	25.4	25.5	-18	6
Profitability Ratios (%)												
Yield on loans	23.9	21.4	18.6	17.1	18.5	18.0	17.9	16.8	17.1	16.4	-160	-70
Cost of borrowings	6.6	6.6	6.1	5.5	5.2	5.5	5.4	4.9	5.1	5.4	-10	30
Spreads	17.3	14.8	12.5	11.6	13.3	12.5	12.5	11.9	12.0	11.0	-150	-100
Margin	19.2	17.0	14.5	13.2	14.8	14.1	14.0	13.2	13.2	12.3	-180	-90
RoA	6.3	3.4	3.3	2.6	4.5	4.9	5.0	7.0	7.0	5.4	50	-160
RoE	28.3	14.1	13.8	11.2	18.7	20.1	21.2	30.4	30.8	24.1	400	-670
Other Details											Change (%)	
No. of Cards (in m)	10.6	11.0	11.5	11.8	12.0	12.5	13.2	13.8	14.3	14.8	18	3
Spends (INR b)	190.9	295.9	378.0	359.4	332.6	435.6	554.0	541.3	596.7	623.1	43	4



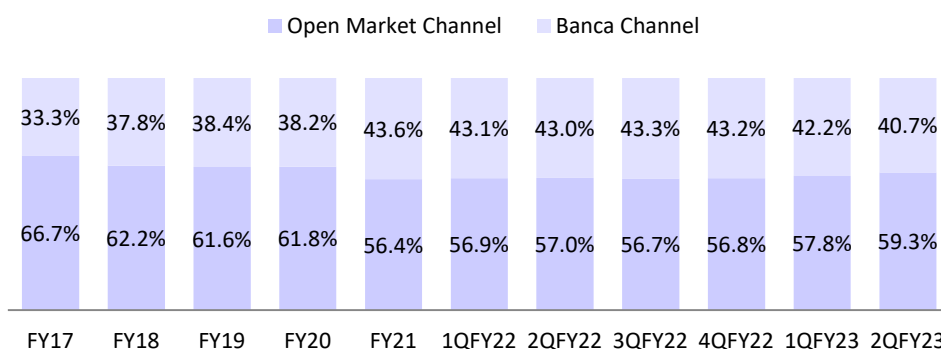
Highlights from the management commentary

- While the external environment is volatile, the domestic economy has held up well, with a growth in high-level macro indicators.
- The management remains optimistic on higher consumer discretionary spends in coming quarters.
- Credit Card spends remained strong at over INR1t for the past six months.
- Corporate spends were lower sequentially, while Retail spends picked up in 2QFY23.
- The management is working to claw back market share in the Corporate segment. In 2QFY23, it let go of some accounts as it resulted in a high cash burn.

- The industry witnessed some moderation in the number of cards due to a change in RBI regulation. However, the impact of this change was limited for SBICARD as 95% of its portfolio is dominated by fee-based cards.
- The management said that all the guidelines issued by the regulator are progressive and will further develop the Credit Card culture and the industry.
- A new card 'Cashback SBI Card' was launched in Sep'22 and has seen strong customer interest. Though the portfolio is small, it has witnessed over 70% active MTUs, with higher spends on new cards.
- Customers for the above mentioned cards are sourced digitally and savings in distribution cost are passed on to the customers through a better proposition.
- SBICARD has an internal target of a net growth of 300k cards per month.
- The management aims to boost market share spends to 22-23% in a calibrated manner.
- In 2QFY23, the share of open market channel in acquisition of new accounts has increased to 63%.
- The Self-Employed segment usually has a higher propensity to revolve.
- The liquidity position remains strong, with a CRAR of 23%.
- While the cost of funds stood at 5.4% in 2QFY23, the management expects the same to move up to 6.1-6.2% in coming quarters. However, the share of interest earning assets is likely to increase, which will offset the impact on margin. Thus, maintaining margin at 12% is a priority.
- The increase in operating expense ratio was due to higher acquisition cost through the open market route.

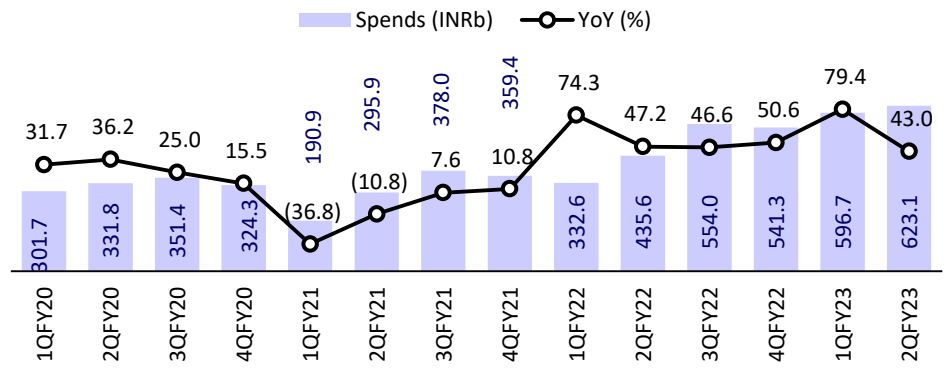
Key exhibits

Exhibit 1: Acquires ~ 58% of outstanding cards via the open market channel (%)



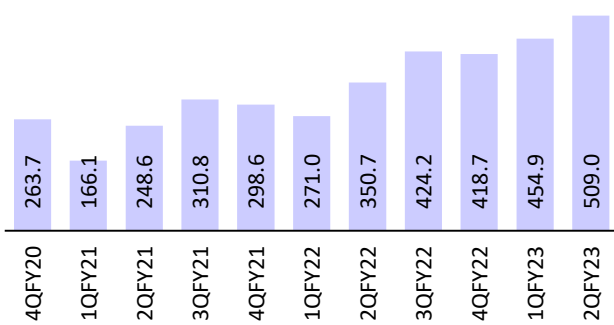
Source: MOFSL, Company

Exhibit 2: Spends remain strong and grew 43% YoY and 4% QoQ in 2QFY23



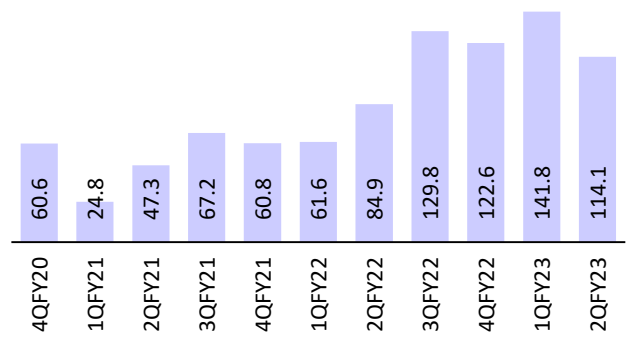
Source: MOFSL, Company

Exhibit 3: Retail spends (INR b) robust ~INR509b



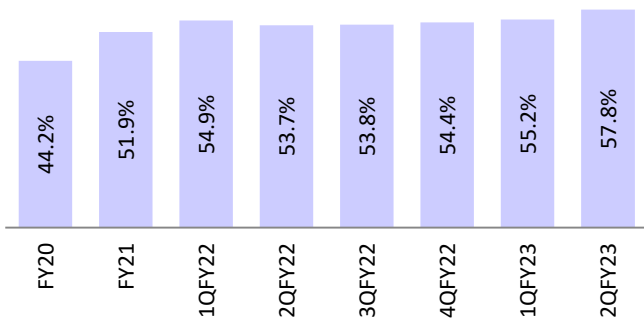
Source: MOFSL, Company, RBI

Exhibit 4: Corporate spends (INR b) moderate to ~INR114b



Source: MOFSL, Company, RBI

Exhibit 5: Online spends comprise ~58% of Retail spends



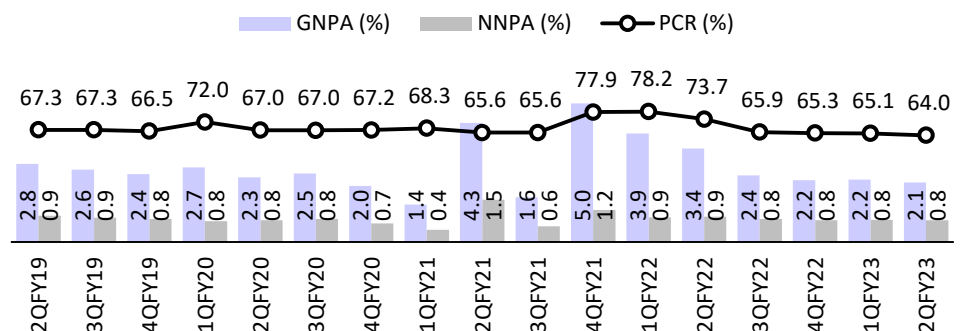
Source: MOFSL, Company

Exhibit 6: Category-wise spends

Spends category	Total growth	Growth in online	Growth in POS
Category 1	11%	13%	5%
Departmental stores, Health, and Utilities			
Education and Direct Marketing			
Category 2	10%	39%	(5%)
Consumer Durables, Furnishing, and Hardware			
Category 3	45%	212%	(6%)
Apparels and Jewelry			
Category 4	(5%)	(6%)	(3%)
Travel Agents, Hotels, Airline, and Railways			
Restaurant and Entertainment			

*As a percentage of growth in 2Q over 1QFY23 levels Source: MOFSL, Company, RBI

Exhibit 7: Asset quality ratios broadly stable QoQ at 2.14%/0.78%; PCR moderates to ~64%

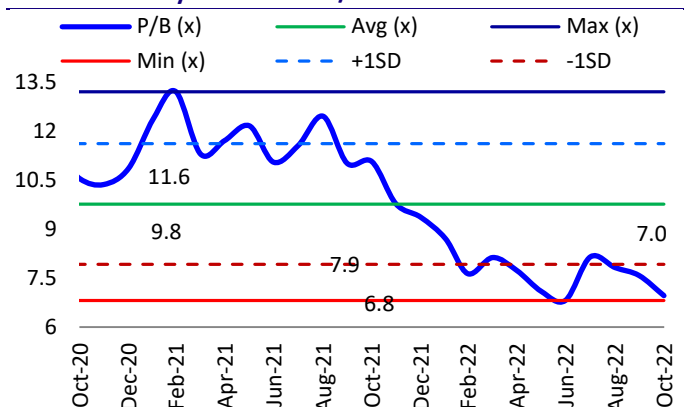


Source: MOFSL, Company

Valuation and view

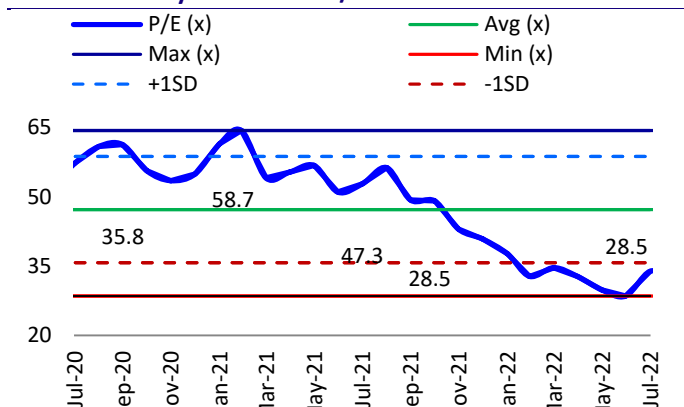
- SBICARD has strengthened its position as the second largest card player in India, with a market share of 19.1%/18% in outstanding cards/overall spends. It has an outstanding card base of 14.8m and has gained average incremental market share of 21% over the past three years (~26% over FY23 till date). It is also the market leader in terms of open market sourcing and is the largest co-branded card issuer in India.
- It has access to parent SBIN's vast network of ~22k branches and customer base of ~450m, along with strong open market sourcing capabilities. On account of its robust distribution and co-branded channels, SBICARD is well-placed to capitalize on growth opportunities as the market remains significantly underpenetrated. Open market sourcing has picked up strongly, while the banca channel is seeing healthy growth, which provides better risk underwriting and enables lower OPEX.
- Asset quality ratios remain stable. We expect credit costs to stay in control. We expect GNPA/NNPA of 2%/0.6% by FY24, while PCR will sustain ~71%.
- Revolver mix fell in 2QFY23, which is likely to gradually increase over the medium term. This, coupled with a higher proportion of the interest earnings book and higher fee income (led by strong spends growth), remains the key earnings driver. We expect SBICARD to report 41% earnings CAGR over FY22-24.
- **Maintain Buy with a TP of INR1,000:** SBICARD reported a modest quarter with net earnings impacted due to higher provisions. Margin fell QoQ as the revolver mix declined to 24%, coupled with rising funding cost. We expect the revolver mix to increase gradually as spends mature as the festive season progresses, while margin may remain under pressure as borrowing cost increases. Growth in spends remains strong and is likely to stay healthy, thus aiding loan growth. Moderation in ECL will keep credit costs under control. We expect 41% PAT CAGR over FY22-24, resulting in a RoA/RoE of 6.5%/28.2%. **We maintain our Buy rating with a TP of INR1,000 (premised on 29x FY24E EPS).**

Exhibit 8: One-year forward P/B ratio



Source: MOFSL, Company

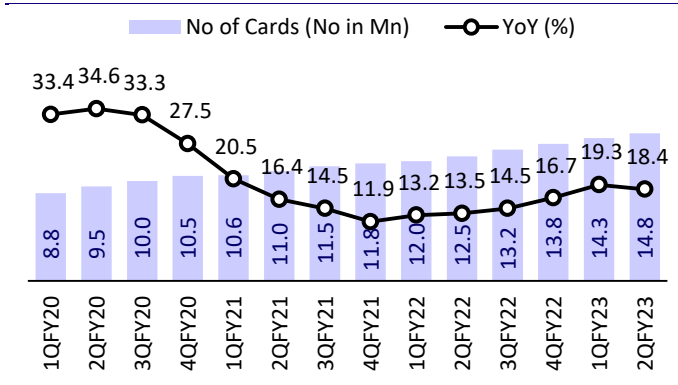
Exhibit 9: One-year forward P/E ratio



Source: MOFSL, Company

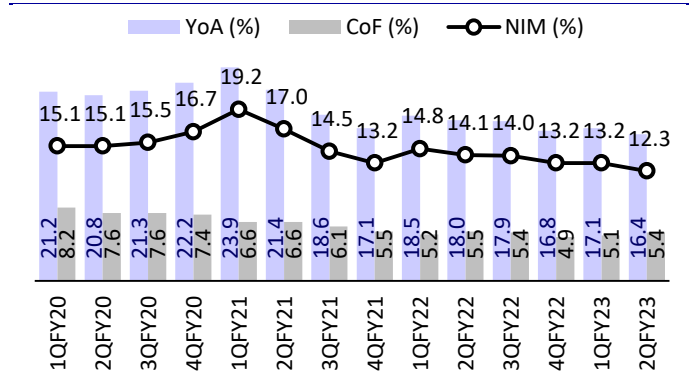
Story in charts

Exhibit 10: The number of cards is up ~18% YoY to 14.8m in 2QFY23



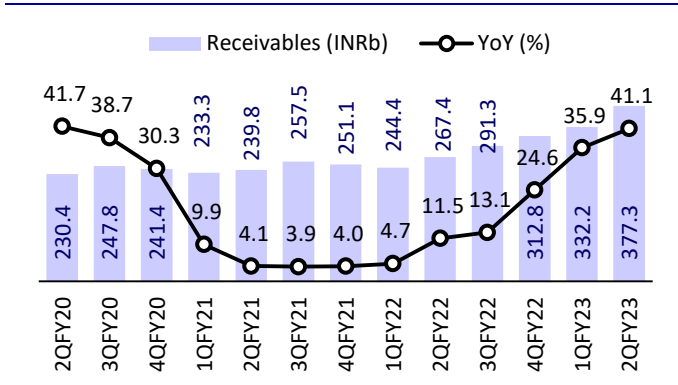
Source: MOFSL, Company

Exhibit 11: Margin declines by 90bp QoQ to 12.3% in 2QFY23



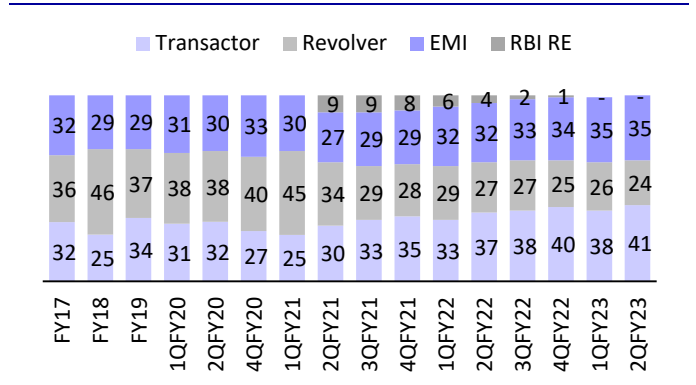
Source: MOFSL, Company

Exhibit 12: Receivables up 41% YoY to ~INR377b in 2QFY23



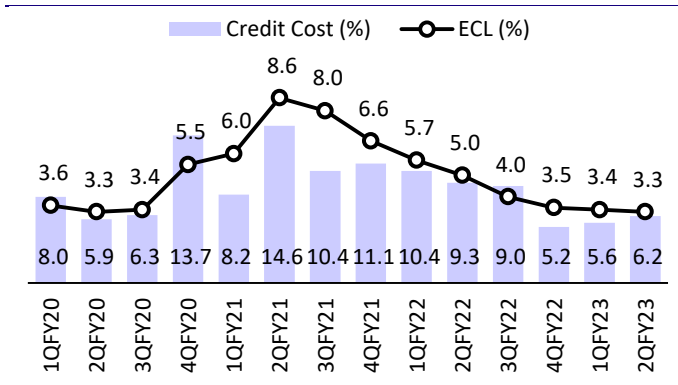
Source: MOFSL, Company

Exhibit 13: Receivables mix: Transactor mix fell to 41%, while revolver share declines to 24%



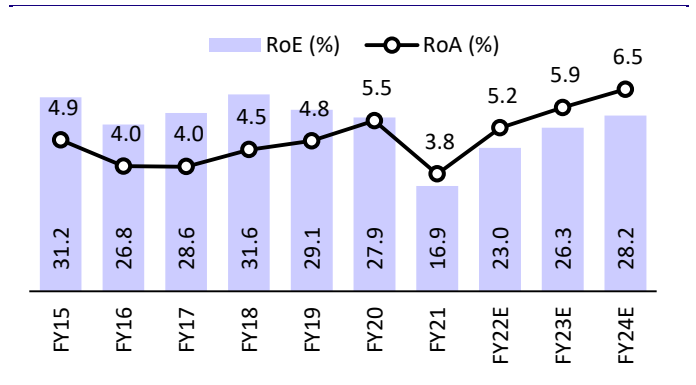
Source: MOFSL, Company

Exhibit 14: Credit cost increases to 6.2%; ECL at 3.3%



Source: MOFSL, Company

Exhibit 15: Expect RoE/RoE to stay strong at 6.5%/28.2% in FY24



Source: MOFSL, Company

Exhibit 16: DuPont Analysis – return ratios to remain robust

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Interest Income	20.87	19.96	21.30	18.84	15.64	15.89	16.94
Interest Expense	5.38	5.63	5.72	3.99	3.33	4.50	4.92
Net Interest Income	15.49	14.32	15.58	14.85	12.31	11.39	12.02
Fee Income	16.46	17.15	17.51	14.94	16.95	16.54	16.77
Trading and others	3.27	3.57	4.10	3.36	4.07	3.50	3.42
Non-Interest income	19.74	20.71	21.61	18.29	21.02	20.04	20.19
Total Income	35.23	35.04	37.19	33.14	33.32	31.43	32.21
Operating Expenses	22.22	21.18	21.04	18.00	18.96	18.36	18.21
Employee cost	1.46	2.12	2.06	1.88	1.53	1.47	1.38
Others	20.76	19.07	18.98	16.12	17.43	16.89	16.83
Operating Profit	13.00	13.86	16.15	15.15	14.36	13.06	14.00
Provisions	6.05	6.41	8.54	10.09	7.32	5.13	5.28
NPA	4.52	5.21	5.39	8.26	9.12	4.76	4.90
Others	1.53	1.19	3.14	1.83	-1.80	0.37	0.38
PBT	6.95	7.45	7.61	5.06	7.05	7.94	8.72
Tax	2.41	2.62	2.13	1.30	1.80	2.04	2.24
RoA	4.55	4.83	5.48	3.76	5.24	5.90	6.48
Leverage (x)	7.0	6.0	5.1	4.5	4.4	4.5	4.4
RoE	31.6	29.1	27.9	16.9	23.0	26.3	28.2

Financials and valuations

Income Statement							(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Interest Income	27,600	35,757	48,413	49,277	48,212	62,413	83,789
Interest Expense	7,115	10,094	13,009	10,434	10,273	17,660	24,325
Net Interest Income	20,485	25,664	35,404	38,843	37,939	44,753	59,464
Growth (%)	50.7	25.3	38.0	9.7	-2.3	18.0	32.9
Non-Interest Income	26,102	37,111	49,110	47,859	64,803	78,715	99,904
Total Income	46,587	62,775	84,514	86,702	102,742	123,468	159,368
Growth (%)	58.3	34.7	34.6	2.6	18.5	20.2	29.1
Operating Expenses	29,393	37,947	47,815	47,079	58,462	72,142	90,085
Pre Provision Profit	17,194	24,828	36,699	39,623	44,280	51,327	69,283
Growth (%)	55.8	44.4	47.8	8.0	11.8	15.9	35.0
Provisions (excl. tax)	8,001	11,477	19,402	26,386	22,558	20,139	26,125
PBT	9,193	13,351	17,296	13,237	21,722	31,188	43,158
Tax	3,182	4,701	4,848	3,392	5,560	8,015	11,092
Tax Rate (%)	34.6	35.2	28.0	25.6	25.6	25.7	25.7
PAT	6,011	8,650	12,448	9,845	16,161	23,172	32,066
Growth (%)	61.2	43.9	43.9	-20.9	64.2	43.4	38.4
OCI	(18)	(31)	(31)	128	102	-	-
Total Comprehensive Income	5,993	8,618	12,417	9,974	16,263	23,172	32,066
Growth (%)	61.4	43.8	44.1	-19.7	63.1	42.5	38.4

Balance Sheet

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Share Capital	7,850	8,372	9,390	9,405	9,432	9,432	9,432
Reserves and Surplus	15,681	27,506	44,023	53,615	68,095	89,381	119,090
Net Worth	23,531	35,878	53,412	63,020	77,527	98,813	128,522
Borrowings	114,128	135,494	175,728	178,948	229,825	289,579	359,078
Other Liabilities and Prov.	19,201	30,090	23,927	28,161	39,133	50,873	62,573
Total Liabilities	156,860	201,462	253,067	270,129	346,484	439,265	550,173
Current Assets	4,727	7,768	6,774	7,201	11,064	11,838	12,667
Investments	0	15	15	9,576	12,972	14,918	17,603
Growth (%)	NA	NA	0.0	65,347.3	35.5	15.0	18.0
Loans	140,455	179,087	228,116	234,591	301,873	398,472	510,044
Growth (%)	40.7	27.5	27.4	2.8	28.7	32.0	28.0
Fixed Assets	2,768	2,164	3,346	3,182	4,537	4,764	5,002
Other Assets	8,910	12,428	14,817	15,579	16,039	9,273	4,857
Total Assets	156,860	201,462	253,067	270,129	346,484	439,265	550,173

Asset quality

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
GNPA (INR m)	4,125	4,529	4,844	12,543	6,934	8,031	10,147
NNPA (INR m)	1,348	1,518	1,589	2,776	2,409	2,525	2,919
GNPA Ratio	2.8	2.4	2.0	5.0	2.2	2.0	2.0
NNPA Ratio	0.9	0.8	0.7	1.1	0.8	0.6	0.6
Slippage Ratio	3.1	5.9	5.9	12.8	8.0	5.5	4.8
Credit Cost	6.4	6.2	9.1	10.7	8.0	5.6	5.6
PCR (Exc. tech. write-off)	67.3	66.5	67.2	77.9	65.3	68.6	71.2

Financials and valuations

Business metrics

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Total no. of cards (no. in m)	6.3	8.3	10.5	11.8	13.8	16.5	20.3
Total spends (INR b)	770.2	1,032.7	1,309.2	1,224.2	1,863.5	2,534.4	3,294.7
Spends per card (INR k)	123.1	124.8	124.1	103.5	135.4	153.4	162.1
Loans per card (INR)	22,443	21,651	21,628	19,844	21,927	24,120	25,100
Loans as a percentage of spends	18.2	17.3	17.4	19.2	16.2	15.7	15.5
Fee income earned per card	3,479	3,714	3,772	3,305	3,796	3,932	4,083

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Yield and Cost Ratios (%)							
Avg. yield on loans	22.2	21.6	22.7	20.0	17.1	17.2	17.8
Avg. cost of borrowings	7.2	8.1	8.4	5.9	5.0	6.8	7.5
Interest spread	15.0	13.5	14.3	14.1	12.1	10.4	10.3
Net interest margin	16.5	15.5	16.6	15.8	13.5	12.3	12.6

Capitalization Ratios (%)

Tier I	12.4	14.9	17.7	20.9	21.0	20.1	20.1
Tier II	5.9	5.3	4.7	3.9	2.8	2.0	1.5
CAR	18.3	20.1	22.4	24.8	23.8	22.1	21.6

Asset-liability profile (%)

Cost/Assets ratio	22.2	21.2	21.0	18.0	19.0	18.4	18.2
Cost/Total Income ratio	63.1	60.4	56.6	54.3	56.9	58.4	56.5
Int. Expense/Int. Income ratio	25.8	28.2	26.9	21.2	21.3	28.3	29.0
Fee Income/Total Income ratio	46.7	48.9	47.1	45.1	50.9	52.6	52.1
Non Int. Inc./Total Income ratio	56.0	59.1	58.1	55.2	63.1	63.8	62.7
Emp. Cost/Total Expense ratio	6.6	10.0	9.8	10.4	8.1	8.0	7.6

Valuation

RoE	31.6	29.1	27.9	16.9	23.0	26.3	28.2
RoA	4.5	4.8	5.5	3.8	5.2	5.9	6.5
RoRWA	4.8	5.2	5.9	4.1	5.8	6.2	6.3
Book Value (INR)	30.0	42.9	56.9	67.0	82.2	104.8	136.3
Growth (%)	62.4	43.0	32.7	17.8	22.7	27.5	30.1
Price-to-BV ratio (x)	28.6	20.0	15.1	12.8	10.4	8.2	6.3
Adjusted BV (INR)	28.8	41.6	55.7	64.9	80.4	102.9	134.1
Price-to-ABV ratio (x)	29.8	20.6	15.4	13.2	10.7	8.3	6.4
EPS (INR)	7.7	10.7	14.0	10.5	17.2	24.6	34.0
Growth (%)	61.2	39.3	31.4	-25.3	63.8	43.2	38.4
Price-to-earnings ratio (x)	112.0	80.4	61.2	81.9	50.0	34.9	25.2

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