

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	UNBK IN
Equity Shares (m)	6,835
M.Cap.(INRb)/(USD\$)	322.9 / 3.9
52-Week Range (INR)	55 / 34
1, 6, 12 Rel. Per (%)	1/12/3
12M Avg Val (INR M)	569

Financials & Valuations (INR b)

Y/E March	FY22	FY23E	FY24E
NII	277.9	336.9	368.3
OP	218.7	255.7	282.2
NP	52.3	79.1	104.7
NIM (%)	2.6	2.9	2.9
EPS (INR)	7.9	11.6	15.3
EPS Gr. (%)	74.2	46.5	32.3
BV/Sh. (INR)	99.4	108.0	118.3
ABV/Sh. (INR)	71.7	88.8	100.0
RoE (%)	8.3	11.5	13.9
RoA (%)	0.5	0.6	0.8

Valuations

P/E(X)	6.0	4.1	3.1
P/BV (X)	0.5	0.4	0.4
P/ABV (X)	0.7	0.5	0.5

Shareholding pattern (%)

As On	Sep-22	Jun-22	Sep-21
Promoter	83.5	83.5	83.5
DII	7.1	6.9	6.7
FII	1.4	1.1	1.5
Others	8.0	8.5	8.3

FII Includes depository receipts

CMP: INR47 **TP: INR65 (+38%)** **Buy**

Earnings beat driven by a healthy operating performance

Asset quality improves sharply

- UNBK reported a 21% YoY growth in PAT at INR18.5b in 2QFY23 (10% beat), driven by higher NII and other income and tax reversals. However, the same was offset by higher than expected provisions.
- However, fresh slippages moderated by 31% QoQ, led by lower Corporate and Retail slippages. This, coupled with higher write-offs and healthy recoveries and upgrades, resulted in an improvement in asset quality ratios. The restructured book declined to 2.6% of loans v/s 2.92% in 1QFY23. The SMA book, at 57bp, is also fairly controlled.
- The bank also witnessed strong traction in loans, up 7.6% QoQ and 18% YoY. Growth is fairly balanced, with a contribution from all segments.
- We revise our FY23 PAT estimate by 14%, led by higher NII and other income and lower tax. Our FY24 earnings estimate is largely flat. We estimate a RoA/RoE of 0.8%/13.9% by FY24. We **maintain our Buy rating**.

Margin expands by 15bp QoQ to 3.15%; PCR inches up marginally to 71%

- UNBK reported a 21% YoY growth in PAT at INR18.5b in 2QFY23 (10% beat) driven by higher NII and other income. While provisions remain elevated, the impact was partially offset by tax reversals. In 1HFY23, UNBK reported a 26% YoY growth in PAT at INR34b.
- NII grew 10% QoQ and 22% YoY to INR83.1b in 2QFY23, led by a combination of robust loan growth of 7.6% QoQ and a 15bp expansion in NIM to 3.15%. In 1HFY23, NII grew 15% YoY to INR158.9b.
- Other income fell 18% YoY, but grew 16% QoQ, led by higher recoveries from written-off accounts and treasury income. This was 15% higher than our estimates.
- Operating expenses grew 6% YoY to INR50b. The C/I ratio moderated by 60bp YoY to 43.2% in 2QFY23. PPOP/core PPOP grew 8%/19% YoY to INR65.8b/INR62.8b. In 1HFY23, PPOP grew 7% YoY to INR120b.
- The bank saw an impressive loan growth of 7.6% QoQ and 25% YoY to INR7.3t, led by robust traction across all segments. Corporate/Overseas loans grew 8%/13% QoQ. The RAM segment grew 5.4% QoQ. The management aims to further scale this segment, with a share of 55% in the business mix. Deposits grew 5.1% QoQ and 14% YoY. CASA ratio moderated 56bp QoQ to 35.6%.
- Fresh slippages significantly moderated to INR29.1b (1.7% annualized). This, coupled with higher write-offs and healthy recoveries and upgrades, led to an improvement in asset quality ratios. The GNPA/NNPA ratio fell 177bp/67bp QoQ to 8.45%/2.64%, while PCR rose marginally to 71%.
- The total SMA book (over INR50m) stood at 0.57% of loans v/s 1.5% in 2QFY22. The total restructured loans declined marginally to 2.6% of loans.

Highlights from the management commentary

- While UNBK is performing in sync with the management's guidance for FY23, it has not changed the same, given the volatile external environment.
- Corporate growth remains strong, with demand from Infra, NBFC, Chemicals, Steel, Power, Textile, and Cement segments.
- The management is confident of achieving a recovery of INR150b in FY23.

Valuation and view

UNBK reported a healthy 2QFY23, with the earnings beat driven by healthy NII and other income and tax reversals, though provisioning remained elevated. Fresh slippages significantly moderated on a sequential basis. This, coupled with a low SMA book (0.57%) and controlled restructuring (2.6%), provides a better outlook on asset quality. Loan growth has picked up and was aided by all segments: Corporate, Agri, Retail, and MSME. We revise our FY23 PAT estimate by 14%, the same for FY24 remains largely flattish. This is driven by higher NII and other income and lower tax expense, offset by elevated provisioning. We estimate a RoA/RoE at 0.8%/13.9% by FY24. We maintain our Buy rating, with a TP of INR65 (0.6x FY24E ABV).

Quarterly performance

	(INR m)											
			FY22				FY23		FY22	FY23E	FY23E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Net Interest Income	70.1	68.3	71.7	67.7	75.8	83.1	86.9	91.1	277.9	336.9	78.7	6%
Change (YoY %)	9.5	8.5	8.9	25.3	8.1	21.6	21.2	34.6	12.5	21.3	15.3	
Other Income	27.8	39.8	25.2	32.4	28.2	32.8	30.8	32.3	125.2	124.0	28.6	15%
Total Income	97.9	108.1	97.0	100.1	104.0	115.8	117.7	123.4	403.1	460.9	107.3	8%
Operating Expenses	46.1	47.3	46.0	44.9	49.5	50.0	51.3	54.4	184.4	205.3	49.0	2%
Operating Profit	51.8	60.7	51.0	55.2	54.5	65.8	66.4	69.0	218.7	255.7	58.3	13%
Change (YoY %)	28.4	25.7	-3.2	11.3	5.1	8.3	30.2	25.1	11.2	16.9	-4.0	
Provisions	34.0	37.2	25.5	36.2	32.8	40.8	33.6	35.4	132.9	142.6	32.4	26%
Profit before Tax	17.8	23.5	25.5	19.0	21.7	25.0	32.7	33.7	85.8	113.1	26.0	-4%
Tax	6.0	8.2	14.6	4.6	6.1	6.5	12.8	8.6	33.5	33.9	9.1	-28%
Net Profit	11.8	15.3	10.9	14.4	15.6	18.5	20.0	25.1	52.3	79.1	16.9	10%
Change (YoY %)	254.9	195.4	49.3	8.3	32.0	21.1	83.8	74.6	80.0	51.3	10.5	
Operating Parameters												
Deposit (INR b)	9,085	9,140	9,375	10,324	9,928	10,433	10,613	11,047	10,324	11,047	10,212	2%
Loan (INR b)	5,846	5,810	6,168	6,610	6,764	7,275	7,212	7,469	6,610	7,469	6,957	5%
Deposit Growth (%)	1.8	3.2	6.2	11.8	9.3	14.1	13.2	7.0	11.8	7.0	11.7	241
Loan Growth (%)	0.5	0.3	5.8	11.8	15.7	25.2	16.9	13.0	11.8	13.0	19.7	547
Asset Quality												
Gross NPA (%)	13.6	12.6	11.6	11.1	10.2	8.5	8.0	7.8	11.1	7.8	9.7	(123)
Net NPA (%)	4.7	4.6	4.1	3.7	3.3	2.6	2.5	2.2	3.8	2.2	3.1	(47)
PCR (%)	68.7	66.6	67.5	69.5	69.9	70.6	71.0	73.3	68.7	73.3	70.0	65

E: MOFSL estimates

Quarterly snapshot

INR m	FY21				FY22				FY23		Change (%)		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ	
Profit & Loss													
Net Interest Income	64.0	62.9	65.9	54.0	70.1	68.3	71.7	67.7	75.8	83.1	22	10	
Other Income	14.6	24.1	29.7	43.3	27.8	39.8	25.2	32.4	28.2	32.8	-18	16	
Total Income	78.7	87.0	95.6	97.3	97.9	108.1	97.0	100.1	104.0	115.8	7	11	
Operating Expenses	38.3	38.7	42.9	47.7	46.1	47.3	46.0	44.9	49.5	50.0	6	1	
Employee	20.9	21.2	24.2	25.6	28.8	26.4	23.8	22.1	26.5	27.5	4	4	
Others	17.4	17.5	18.8	22.2	17.3	20.9	22.2	22.8	23.0	22.6	8	-2	
Operating Profit	40.3	48.3	52.7	49.6	51.8	60.7	51.0	55.2	54.5	65.8	8	21	
Core Operating Profit	35.2	38.0	39.8	43.1	41.9	52.7	45.2	45.8	52.8	62.8	19	19	
Provisions	35.6	42.4	52.1	36.8	34.0	37.2	25.5	36.2	32.8	40.8	9	24	
NPA provisions	24.5	37.2	30.4	47.1	24.9	36.9	22.7	31.5	36.5	28.2	-24	-23	
Provisions on Invst.	-2.1	1.8	0.2	3.2	-2.0	-0.5	-0.9	5.6	6.7	-1.1	113	-117	
PBT	4.8	5.9	0.5	12.8	17.8	23.5	25.5	19.0	21.7	25.0	6	15	
Taxes	1.5	0.7	-6.7	-0.5	6.0	8.2	14.6	4.6	6.1	6.5	NM	7	
PAT	3.3	5.2	7.3	13.3	11.8	15.3	10.9	14.4	15.6	18.5	21	19	
Balance Sheet													
Deposits (INR b)	8,925	8,861	8,824	9,238	9,085	9,140	9,375	10,324	9,928	10,433	14	5	
Loans (INR b)	5,817	5,790	5,829	5,910	5,846	5,810	6,168	6,610	6,764	7,275	25	8	
Asset Quality													
GNPA (INR b)	971.9	958.0	879.7	897.9	877.6	802.1	777.9	795.9	745.0	653.9	-18	-12	
NNPA (INR b)	289.1	238.9	190.6	272.8	274.4	267.9	252.6	243.0	223.9	191.9	-28	-14	
Others													
Branches	9,590	9,590	9,587	9,315	9,312	9,274	9,113	8,873	8,729	8,729	-545	0	
ATM	13,239	13,287	12,961	12,957	11,824	11,677	11,455	11,232	11,154	11,092	-585	-62	
Ratios (%)													
		FY21				FY22				FY23		Change (bp)	
Asset Quality Ratios		1Q	2Q	2Q	2Q	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
GNPA	15.0	14.7	13.5	13.7	13.6	12.6	11.6	11.1	10.2	8.5	-419	-177	
NNPA	5.0	4.1	3.3	4.6	4.7	4.6	4.1	3.7	3.3	2.6	-197	-67	
PCR	79.9	83.2	86.2	81.3	81.4	81.8	82.8	83.6	84.8	86.6	484	186	
Credit Cost	2.2	2.6	2.1	3.2	1.7	2.6	1.5	2.0	2.3	1.7	-83	-60	
Business Ratios													
Fees to Total Income	93.4	88.1	86.6	93.3	89.9	92.6	94.1	90.6	98.4	97.5	485	-91	
Cost to Core Income	52.2	50.4	51.9	52.6	52.4	47.3	50.4	49.5	48.4	44.3	-296	-407	
Tax Rate	30.4	12.6	NM	NM	33.6	35.1	57.4	24.3	28.1	26.1	NM	-196	
CASA (Cal.)	33.3	34.6	35.4	36.3	36.4	37.2	37.0	36.5	36.2	35.6	-153	-56	
Loan/Deposit	65.2	65.3	66.1	64.0	64.3	63.6	65.8	64.0	68.1	69.7	617	160	
Profitability Ratios													
RoA	0.1	0.2	0.3	0.5	0.4	0.6	0.4	0.5	0.5	0.6	5	8	
RoE	3.3	5.0	6.8	12.2	10.0	12.2	8.2	11.1	11.5	12.9	65	133	
Yield on Loans	7.9	7.5	7.3	6.2	7.3	7.1	7.2	7.0	7.1	7.7	53	51	
Yield on Investments	6.5	6.3	6.3	5.9	5.9	6.1	6.1	6.0	6.0	6.2	11	18	
Yield on Funds	6.6	6.5	6.6	5.8	6.3	6.1	6.1	6.0	6.2	6.5	34	29	
Cost of Funds	4.3	4.2	4.1	3.7	3.7	3.6	3.5	3.6	3.6	3.7	12	14	
Cost of Deposits	5.0	4.8	4.6	4.3	4.2	4.2	4.0	4.1	4.0	4.2	7	20	
Margin	2.8	2.8	2.9	2.4	3.1	3.0	3.0	2.8	3.0	3.2	20	15	



Highlights from the management commentary

On Business performance, Balance Sheet, and P&L

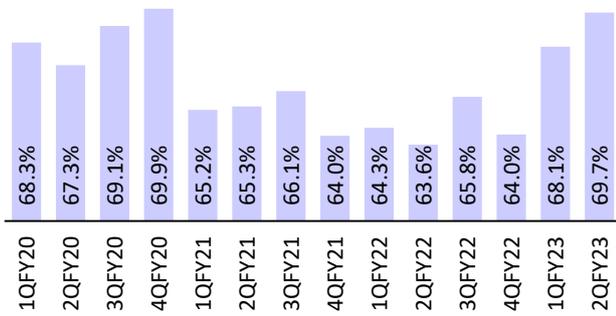
- While UNBK is performing in sync with the management's guidance for FY23, it has not changed the same, given the volatile external environment.
- The management aspires to maintain the RAM-to-Corporate mix at 55:45.
- Corporate growth remains strong. Disbursements to sanction stood at 60-70% for Corporate accounts.
- Infra, NBFC, Chemicals, Steel, Power, Textile, and Cement are some industries in which loan growth remains strong.
- Growth in overseas loans is due to a rise in syndicated loans with an average duration of three years.
- The management's strategy of adding touchpoints to boost the Retail and MSME segment continues.
- The bank introduced specialized branches to increase business and footfalls.
- It saw a margin expansion of 15bp QoQ in 2QFY23.
- The yield on advances has improved due to a rise in interest rates. Going forward, interest on advances should rise faster as the bank passes on the rate hikes.
- Around INR7b of interest income has accrued from recovery of NPAs.
- In 2QFY23, the bank saw a lower effective tax rate due to reversal of earlier provisions (on the basis of various judicial decisions) and utilization of MAT credit, offset by a reversal of DTAs.
- In 2HFY23, normal tax rates should apply.

On asset quality

- Headline asset quality improved QoQ, with a 71bp improvement in PCR to ~71%.
- Slippages moderated significantly in 2QFY23, led by lower stress in Corporate and Retail. MSME and Agriculture continue to contribute to slippages.
- Healthy recoveries and higher write-offs in 2QFY23 drove the reduction in GNPA.
- The management is confident of achieving a recovery of INR150b in FY23.
- The total restructured book fell to 2.6% of overall loans, an improvement of 32bp QoQ.
- However, the SMA book increased marginally to 57bp in 2QFY23 from 53bp in 1Q, but remains under control.
- Provision on standard assets rose sharply to INR14.7b, due to a delay in the implementation of resolutions in some large Corporate accounts. These are consolidated accounts, with multiple Banks in the fray.
- The management endeavors to maintain credit cost below 1.7% in FY23.
- Around INR7b has accrued from a recovery in interest income from an NPA.
- The bank has a visibility on three accounts, that are likely to be sold to an ARC. Out of an exposure of INR10b, recovery should be in the INR4-4.5b range.
- NPA in the ECLGS book stood at 3%. A similar amount is under restructuring in this portfolio.

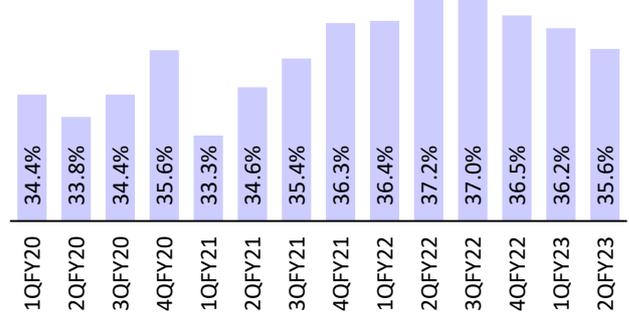
Story in charts

Exhibit 1: CD ratio (%) increases QoQ to 70% in 2QFY23



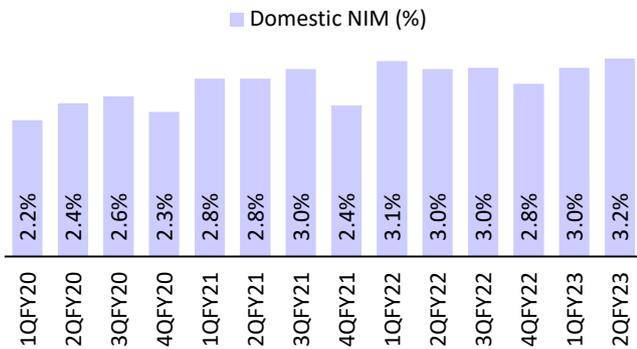
Merged numbers from 1QFY21 onwards Source: MOFSL, Company

Exhibit 2: CASA ratio (%) contracts marginally to 35.6%



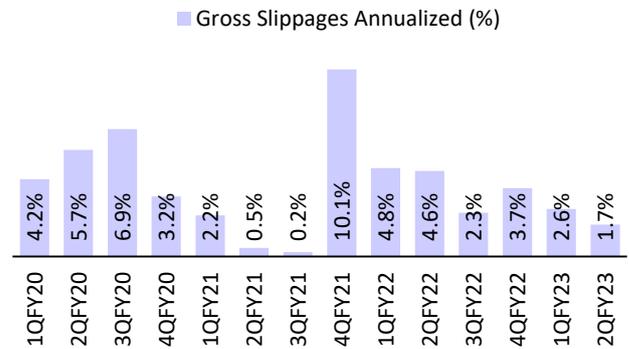
Source: MOFSL, Company

Exhibit 3: NIM expands by 15bp QoQ to 3.15% in 2QFY23



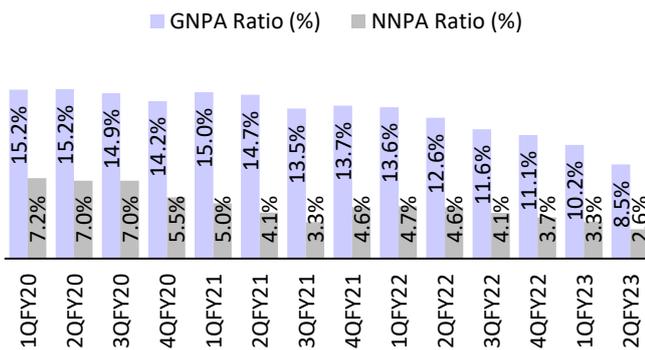
Source: MOFSL, Company

Exhibit 4: Slippages moderate to 1.7% in 2QFY23



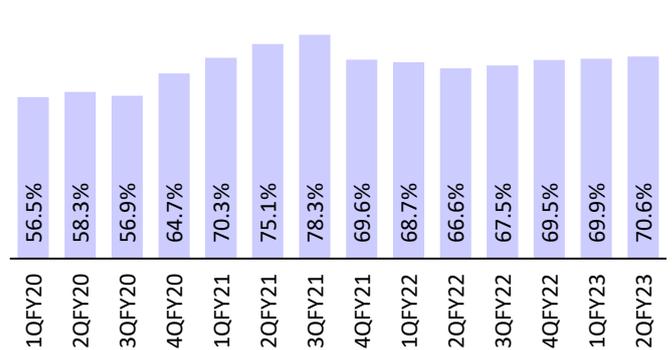
Source: MOFSL, Company

Exhibit 5: GNPA/NNPA ratio improves by 177bp/67bp QoQ



Source: MOFSL, Company

Exhibit 6: PCR (%) inches up marginally to 70.6%



Source: MOFSL, Company

Exhibit 7: DuPont Analysis: Expect return ratios to improve in FY23E and FY24E

Y/E March (%)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Interest Income	6.97	6.94	7.13	6.57	6.01	6.69	7.00
Interest Expense	4.99	4.86	4.94	4.21	3.55	3.95	4.22
Net Interest Income	1.98	2.08	2.19	2.36	2.46	2.74	2.77
Fee income	0.79	0.79	0.73	0.73	0.82	0.85	0.89
Trading and others	0.27	0.12	0.28	0.39	0.29	0.16	0.19
Non-Interest Income	1.06	0.91	1.01	1.12	1.11	1.01	1.08
Total Income	3.04	2.99	3.20	3.48	3.57	3.75	3.86
Operating Expenses	1.44	1.46	1.44	1.60	1.63	1.67	1.73
Employees	0.67	0.64	0.64	0.89	0.90	0.90	0.93
Others	0.77	0.82	0.80	0.71	0.74	0.77	0.80
Operating Profit	1.60	1.53	1.76	1.88	1.94	2.08	2.13
Core Operating Profit	1.33	1.42	1.48	1.49	1.64	1.92	1.94
Provisions	3.02	2.33	2.53	1.65	1.18	1.16	1.00
NPA	2.87	2.33	1.78	1.33	1.03	1.11	0.95
Others	0.14	0.00	0.75	0.32	0.15	0.05	0.04
PBT	-1.41	-0.80	-0.77	0.23	0.76	0.92	1.13
Tax	-0.30	-0.20	-0.22	-0.05	0.30	0.28	0.34
RoA	-1.12	-0.60	-0.55	0.28	0.46	0.64	0.79
Leverage (x)	21.3	20.9	19.0	18.3	18.0	17.9	17.6
RoE	-23.8	-12.5	-10.6	5.1	8.3	11.5	13.9

Exhibit 8: Revise our FY23/FY24 PAT estimate by 14%/1%

INR b	Earlier estimate		Revised estimate		Change (%)		
	FY18	FY23	FY24	FY23	FY24	FY23	FY24
Net Interest Income		321.7	373.8	336.9	368.3	4.7	-1.5
Other Income		117.7	136.6	124.0	143.8	5.3	5.3
Total Income		439.4	510.4	460.9	512.1	4.9	0.3
Operating Expenses		199.2	223.1	205.3	229.9	3.0	3.1
Operating Profit		240.2	287.3	255.7	282.2	6.4	-1.8
Provisions		133.2	139.5	142.6	132.5	7.0	-5.0
PBT		107.0	147.8	113.1	149.6	5.7	1.2
Tax		37.5	44.4	33.9	44.9	-9.4	1.2
PAT		69.6	103.5	79.1	104.7	13.8	1.2
Loans		7,304	8,108	7,469	8,366	2.3	3.2
Deposits		11,067	12,019	11,047	12,041	-0.2	0.2
Margin (%)		2.75	2.93	2.86	2.87	11	-6
RoA (%)		0.6	0.8	0.6	0.8	8	1
RoE (%)		10.2	13.9	11.5	13.9	132	-2
BV		107	117	108	118	1.3	1.4
ABV		83	95	89	100	7.1	5.5
EPS		10	15	12	15	13.8	1.2

Source: MOFSL

Financials and valuations

Income Statement							(INRb)	
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	
Interest Income	327.5	340.7	372.3	687.7	679.4	822.4	928.6	
Interest Expense	234.4	238.5	257.9	440.8	401.6	485.5	560.4	
Net Interest Income	93.0	102.1	114.4	246.9	277.9	336.9	368.3	
Growth (%)	4.5	9.8	12.0	115.9	12.5	21.3	9.3	
Non-Interest Income	49.9	44.7	52.6	117.4	125.2	124.0	143.8	
Total Income	142.9	146.9	167.0	364.3	403.1	460.9	512.1	
Growth (%)	3.1	2.8	13.7	118.2	10.6	14.3	11.1	
Operating Expenses	67.5	71.7	75.2	167.7	184.4	205.3	229.9	
Pre Provision Profit	75.4	75.2	91.8	196.7	218.7	255.7	282.2	
Growth (%)	1.5	-0.2	22.1	114.2	11.2	16.9	10.4	
Core PPP	62.7	69.5	77.2	156.1	185.7	236.0	257.1	
Growth (%)	48.7	10.7	11.1	102.2	19.0	27.1	8.9	
Provisions (excl. tax)	141.8	114.5	132.1	172.7	132.9	142.6	132.5	
PBT	-66.4	-39.3	-40.3	24.0	85.8	113.1	149.6	
Tax	-13.9	-9.8	-11.3	-5.1	33.5	33.9	44.9	
Tax Rate (%)	21.0	24.9	28.1	-21.1	39.0	30.0	30.0	
PAT	-52.5	-29.5	-29.0	29.1	52.3	79.1	104.7	
Growth (%)	-1,045.1	-43.8	-1.7	-200.3	80.0	51.3	32.3	

Balance Sheet

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	11.7	17.6	34.2	64.1	68.3	68.3	68.3
Reserves and Surplus	239.3	247.2	303.6	580.7	637.4	696.1	766.6
Net Worth	251.0	264.9	337.9	644.8	705.8	764.4	835.0
Deposits	4,085.0	4,159.2	4,506.7	9,238.1	10,323.9	11,046.6	12,040.8
Growth (%)	8.0	1.8	8.4	105.0	11.8	7.0	9.0
of which CASA Dep.	1,392.4	1,501.4	1,603.7	3,355.9	3,771.9	4,065.1	4,467.1
Growth (%)	6.9	7.8	6.8	109.3	12.4	7.8	9.9
Borrowings	456.8	428.6	524.9	518.4	511.8	547.7	594.0
Other Liabilities and Prov.	81.0	87.7	137.4	315.9	334.4	351.2	368.7
Total Liabilities	4,873.8	4,940.4	5,506.8	10,717.1	11,875.9	12,709.9	13,838.5
Current Assets	494.4	430.5	551.1	844.1	1,195.0	1,113.1	1,061.3
Investments	1,237.5	1,260.5	1,524.1	3,315.1	3,485.1	3,694.2	3,952.8
Growth (%)	10.3	1.9	20.9	117.5	5.1	6.0	7.0
Loans	2,887.6	2,969.3	3,150.5	5,909.8	6,610.0	7,469.4	8,365.7
Growth (%)	0.8	2.8	6.1	87.6	11.8	13.0	12.0
Fixed Assets	38.3	37.6	47.6	73.4	71.9	75.5	79.3
Other Assets	215.9	242.5	233.5	574.6	513.9	357.8	379.5
Total Assets	4,873.8	4,940.4	5,506.8	10,717.1	11,875.9	12,709.9	13,838.5

Asset Quality

GNPA (INR m)	493.7	487.3	490.9	897.9	795.9	618.3	560.3
NNPA (INR m)	243.3	203.3	173.0	279.4	249.3	165.4	155.3
GNPA Ratio	15.73	14.98	14.15	13.75	11.12	7.80	6.39
NNPA Ratio	8.42	6.85	5.49	4.73	3.77	2.21	1.86
Slippage Ratio	7.46	4.70	5.02	2.93	3.65	2.00	2.00
Credit Cost	4.69	3.90	4.32	2.90	2.12	1.94	1.60
PCR (Excl. Tech. write-off)	50.7	58.3	64.7	68.9	68.7	73.3	72.3

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Yield and Cost Ratios (%)							
Avg. Yield on Earning Assets	7.3	7.3	7.5	7.0	6.4	7.0	7.2
Avg. Yield on loans	7.9	8.1	8.2	7.7	7.2	7.9	8.1
Avg. Yield on Investments	7.6	7.4	7.7	6.8	5.9	6.4	6.8
Avg. Cost to Int. Bear. Liab.	5.4	5.2	5.4	4.6	3.9	4.3	4.6
Avg. Cost of Deposits	5.5	5.4	5.5	4.6	3.8	4.3	4.6
Interest Spread	1.9	2.1	2.2	2.4	2.5	2.7	2.6
Net Interest Margin	2.1	2.2	2.3	2.5	2.6	2.9	2.9

Capitalization Ratios (%)

CAR	11.6	11.9	12.7	12.6	14.5	14.7	14.7
Tier I	9.1	9.6	10.7	10.4	12.2	12.4	12.4
Tier II	2.4	2.3	2.0	2.2	2.3	2.3	2.3

Business and Efficiency Ratios (%)

Loans/Deposit Ratio	70.7	71.4	69.9	64.0	64.0	67.6	69.5
CASA Ratio	34.1	36.1	35.6	36.3	36.5	36.8	37.1
Cost/Assets ratio	1.4	1.5	1.4	1.6	1.6	1.6	1.7
Cost/Total Income ratio	47.3	48.8	45.0	46.0	45.7	44.5	44.9
Cost/ Core Income ratio	-0.5	-1.3	-0.5	-0.4	-0.6	-1.1	-0.9
Int. Expense/Int. Income ratio	71.6	70.0	69.3	64.1	59.1	59.0	60.3
Fee Income/Total Income ratio	26.0	26.6	22.7	21.1	22.9	22.6	23.2
Non Int. Inc./Total Income ratio	34.9	30.5	31.5	32.2	31.1	26.9	28.1
Empl. Cost/Total Expense ratio	46.7	44.0	44.7	55.4	54.9	53.7	53.7
Investment/Deposit Ratio	30.3	30.3	33.8	35.9	33.8	33.4	32.8

Profitability Ratios and Valuation

RoE	-23.7	-12.5	-10.6	5.1	8.3	11.5	13.9
RoA	-1.1	-0.6	-0.6	0.3	0.5	0.6	0.8
RoRWA	-1.8	-1.1	-1.0	0.5	1.0	1.3	1.6
Book Value (INR)	203.7	143.3	93.6	96.4	99.4	108.0	118.3
Growth (%)	-38.1	-29.7	-34.7	3.0	3.1	8.6	9.6
Price-to-BV (x)	0.2	0.3	0.5	0.5	0.5	0.4	0.4
Adjusted BV (INR)	50.8	57.3	54.5	63.3	71.7	88.8	100.0
Price-to-ABV (x)	0.9	0.8	0.9	0.7	0.7	0.5	0.5
EPS (INR)	-56.5	-20.1	-11.2	4.5	7.9	11.6	15.3
Growth (%)	-800.1	-64.4	-44.4	-140.6	74.2	46.5	32.3
Price-to-Earnings (x)	-0.8	-2.4	-4.2	10.4	6.0	4.1	3.1

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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