

AU Small Finance Bank

Estimate change	↔
TP change	↓
Rating change	↔

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Bloomberg	AUBANK IN
Equity Shares (m)	667
M.Cap.(INRb)/(USDb)	510.3 / 6.2
52-Week Range (INR)	795 / 548
1, 6, 12 Rel. Per (%)	-3/15/11
12M Avg Val (INR M)	1252

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	44.3	52.7	67.3
PPoP	20.2	24.5	33.5
PAT	14.3	17.4	23.5
NIM (%)	5.6	5.2	5.4
EPS (INR)	22.0	26.2	35.2
EPS Gr. (%)	22.3	18.7	34.7
BV/Sh. (INR)	159	185	220
ABV/Sh. (INR)	157	182	217

Ratios

RoE (%)	15.8	15.2	17.4
RoA (%)	1.8	1.7	1.9

Valuations

P/E(X)	34.7	29.2	21.7
P/BV (X)	4.8	4.1	3.5
P/ABV (X)	4.9	4.2	3.5

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	25.5	25.5	28.2
DII	19.3	20.6	18.4
FII	41.6	39.7	35.1
Others	13.6	14.1	18.3

FII Includes depository receipts

CMP: INR765 TP: INR810 (+6%) Neutral

Earnings in line; margins contract by 38bp

Asset quality deteriorates marginally

- AUBANK reported 44% YoY growth in net earnings (in line), aided by healthy NII growth of 28% YoY and higher 'other income' (up 98% YoY). PPoP thus grew 39% YoY (down 4% QoQ, in line). Margins contracted 38bp QoQ to 5.7%.
- Gross advances/deposits grew strongly by 29%/27% YoY, and CASA deposits grew 15% YoY. CASA mix moderated to 35%.
- Absolute GNPA/NNPAs increased 14%/42% QoQ. Thus, the headline in GNPA/NNPA ratios deteriorated 10bp/13bp QoQ to 1.76%/0.55%.
- We fine tune our estimates and expect AUBANK to deliver 28% earnings CAGR over FY23-25, with RoA/RoE of 1.9%/17.4% in FY25E. We **retain our Neutral stance on the stock**.

CASA mix moderates to 35%; restructured book down to 1.0% of loans

- AUBANK reported 44% YoY growth in net earnings (down 9% QoQ, in line) in 1QFY24, aided by healthy NII growth of 28% YoY and robust 'other income' (up 98% YoY).
- PPoP thus grew 39% YoY (down 4% QoQ, in line). Margins contracted 38bp QoQ to 5.7% in 1QFY24 and the management expects margins to be at 5.5%-5.7% going forward. Core fee income grew 48% YoY (down 6% QoQ).
- Opex grew 37% YoY as the bank continues to invest in building the franchise. Thus, the C/I ratio increased 200bp QoQ to 65%. PPoP grew 39% YoY to INR5.5b (in line).
- Gross advances grew 29% YoY to INR636b (up 8% QoQ), led by healthy traction in the both retail as well as wholesale book, which grew 8%/6% QoQ.
- Total deposits grew 27% YoY to ~INR693b (flat QoQ). CA/SA deposits declined 12%/8% QoQ, while TDs grew 5% QoQ. The CASA ratio thus moderated by 340bp QoQ to 35% in 1QFY24.
- Absolute GNPA/NNPAs grew 14%/42% QoQ. Thus, the headline GNPA/NNPA ratios deteriorated 10bp/13bp QoQ to 1.76%/0.55%. The PCR ratio thus moderated to 69%.
- The outstanding restructured portfolio declined to INR6.3b, corresponding to 1.0% of advances (vs. 1.2% in 4QY23). The bank is carrying provisions of INR1.0b on the restructured book.

Highlights from the management commentary

- Disbursement yield increased 29 bps on a QoQ basis and is expected to support margins in the future. NIMs guided to be at 5.5%-5.7%.
- Average LCR for 1QFY24 stood at ~139% (119% as on Jun'23).
- The bank plans to open an additional 50+ branches and touchpoints in FY24.
- The bank expects GNPA to be ~1.5%-1.75% and NNPA to be ~0.5%-0.6%.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

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Valuation and view

AUBANK reported an in-line quarter, aided by healthy advances growth and higher 'other income'. Asset quality deteriorated during the quarter both in terms of absolute numbers and as a percentage. NII growth was flattish QoQ due to a 40bp moderation in margins despite 29% gross advances growth. On the business front, business growth was healthy, while CASA deposits moderated QoQ, leading to a moderation in CASA ratio by 340bp. The bank carries contingent reserves of ~INR0.3b, which coupled with a 16% coverage on restructured assets, offers a sense of reassurance. We fine tune our estimates and expect AUBANK to deliver a 28% earnings CAGR over FY23–25, with RoA/RoE of 1.9%/17.4% in FY25E. **We reiterate our Neutral rating with a TP of INR810 (3.7x FY25E BV).**

Quarterly performance table (INR m)

	FY23				FY24E				FY23	FY24E	FY24E	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	v/s Est
Net Interest Income	9,760	10,833	11,527	12,132	12,462	12,922	13,396	13,961	44,253	52,741	12,504	-0.3
% Change (Y-o-Y)	34.8	43.8	40.5	29.5	27.7	19.3	16.2	15.1	36.8	19.2	28.1	
Other Income	1,592	2,474	2,949	3,331	3,151	3,310	3,547	3,957	10,345	13,965	2,779	13.4
Total Income	11,352	13,307	14,476	15,463	15,613	16,231	16,943	17,918	54,597	66,706	15,283	2.2
Operating Expenses	7,411	8,319	8,919	9,753	10,153	10,432	10,685	10,964	34,403	42,234	9,709	4.6
Operating Profit	3,941	4,988	5,557	5,709	5,461	5,800	6,258	6,954	20,195	24,473	5,574	-2.0
% Change (Y-o-Y)	-18.2	27.1	21.2	18.4	38.6	16.3	12.6	21.8	11.3	21.2	41.5	
Provisions	384	430	326	409	330	388	296	631	1,548	1,646	459	-28.1
Profit before Tax	3,557	4,558	5,231	5,300	5,131	5,411	5,962	6,323	18,646	22,827	5,115	0.3
Tax	878	1,132	1,302	1,054	1,262	1,364	1,443	1,319	4,367	5,387	1,263	-0.1
Net Profit	2,679	3,426	3,928	4,246	3,869	4,048	4,519	5,004	14,279	17,440	3,852	0.4
% Change (Y-o-Y)	31.8	23.0	30.1	22.7	44.4	18.1	15.0	17.8	26.4	22.1	43.8	
Operating Parameters												
Deposit (INR b)	546.3	583.4	611.0	693.6	693.2	756.8	805.5	874.0	693.6	874.0	726.1	-5
Loan (INR b)	486.5	517.4	556.0	584.2	628.6	641.7	686.0	748.5	584.2	748.5	613.8	2
Deposit Growth (%)	47.6	49.4	38.0	31.9	26.9	29.7	31.8	26.0	31.9	26.0	32.9	-603
Loan Growth (%)	43.3	44.4	38.4	26.7	29.2	24.0	23.4	28.1	26.7	28.1	26.2	305
Asset Quality												
GNPA (%)	2.0	1.9	1.8	1.7	1.8	1.6	1.6	1.6	1.7	1.6	1.6	12
NNPA (%)	0.6	0.6	0.5	0.4	0.6	0.5	0.5	0.5	0.5	0.5	0.4	14
PCR (%)	71.7	71.1	72.1	75.0	69.0	69.7	70.3	70.9	70.8	70.9	75.3	-626

Source: MOFSL

Quarterly snapshot

(INR m)

	FY22				FY23				FY24	Change (%)	
Profit and Loss (INR m)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Net Interest Income	7,240	7,531	8,204	11,527	9,760	10,833	11,527	12,132	12,462	28	3
Other Income	2,148	1,919	2,756	2,949	1,592	2,474	2,949	3,331	3,151	98	-5
Total Income	9,388	9,451	10,961	14,476	11,352	13,307	14,476	15,463	15,613	38	1
Operating Expenses	4,570	5,526	6,376	8,919	7,411	8,319	8,919	9,753	10,153	37	4
Employee	2,826	3,268	3,559	4,652	3,940	4,513	4,652	4,825	5,070	29	5
Others	1,743	2,258	2,818	4,267	3,471	3,806	4,267	4,928	5,082	46	3
Operating Profits	4,818	3,925	4,584	5,557	3,941	4,988	5,557	5,709	5,461	39	-4
Provisions	2,072	46	560	326	384	430	326	409	330	-14	-19
PBT	2,747	3,878	4,025	5,231	3,557	4,558	5,231	5,300	5,131	44	-3
Taxes	715	1,093	1,004	1,302	878	1,132	1,302	1,054	1,262	44	20
Adj. PAT	2,032	2,785	3,020	3,928	2,679	3,426	3,928	4,246	3,869	44	-9
PAT	2,032	2,785	3,020	3,928	2,679	3,426	3,928	4,246	3,869	44	-9
Balance Sheet (INRb)											
Loans	340	358	402	556	487	517	556	584	629	29	8
Deposits	370	390	443	611	546	583	611	694	693	27	0
Total Assets	514	532	586	807	710	779	807	902	916	29	2
Asset Quality											
GNPA	14,959	11,514	10,576	10,189	9,696	9,967	10,189	9,813	11,212	16	14
NNPA	7,660	5,915	5,202	2,846	2,748	2,882	2,846	2,452	3,471	26	42
AUM Mix (%)									Change(bp)		
Retail	85.2	89.3	86.6	79.7	82.6	80.9	79.7	78.4	78.9	-376	42
Wheels	35.9	39.2	38.1	34.6	36.4	36.2	34.6	32.2	33.1	-328	93
Secured MSME	39.4	39.5	37.5	32.1	33.9	33.0	32.1	31.3	29.9	-401	-144
Wholesale	14.8	15.1	16.6	20.3	17.4	19.1	20.3	21.6	21.1	376	-42
NBFC	3.5	3.2	4.0	4.1	3.6	3.6	4.1	4.3	3.7	13	-60
RE Group	1.6	1.7	1.7	1.9	1.7	1.8	1.9	2.1	2.0	22	-13
Business Banking	5.0	5.2	5.6	7.8	6.6	7.4	7.8	8.4	8.7	204	26
Ratios (%)	FY22				FY23				FY24	Change (bp)	
Asset Quality Ratios (%)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
GNPA (%)	4.3	3.2	2.6	2.0	2.0	1.9	1.8	1.7	1.8	-20	10
NNPA (%)	2.3	1.7	1.3	0.5	0.6	0.6	0.5	0.4	0.6	-1	13
PCR (Reported, %)	49	49	51	75	72	71	72	75	73	130	-200
Business Ratios (%)											
Non Int. to Total Income	22.9	20.3	25.1	20.4	14.0	18.6	20.4	21.5	20.2	616	-136
Cost to Income	48.7	58.5	58.2	61.6	65.3	62.5	61.6	63.1	65.0	-26	195
CASA (Reported)	26.0	30.3	39.0	37.0	39.0	42.0	38.0	38.4	35.0	-400	-340
CASA (incl CD's)	25.6	30.3	39.2	37.3	38.8	42.3	38.4	38.4	35.0	-380	-340
Loan/Deposit	91.7	91.8	90.7	87.7	89.1	88.7	91.0	84.2	90.7	163	647
Profitability Ratios											
Margins	6.0	6.1	6.3	6.3	5.9	6.2	6.2	6.1	5.7	-20	-40
Yield on AUM	14.0	13.9	13.7	13.4	13.3	13.3	13.4	13.4	13.4	10	0
Cost of funds	6.3	6.1	5.9	5.7	5.7	5.8	6.0	6.3	6.6	90	31
RoA	1.6	2.1	2.2	2.2	1.5	1.8	2.0	2.0	1.7	20	-30
RoE	12.7	16.8	17.4	18.9	14.0	15.3	15.2	15.8	13.8	-20	-200



Highlights from the management commentary

Balance sheet and P&L related

- The bank has been able to deliver on key parameters despite the uncertainty in macroeconomic environment and challenging conditions.
- Average LCR for 1QFY24 stood at ~139%.
- The bank has maintained 39% additional liquidity compared to the regulatory requirement.
- The bank has reduced its peak deposits rates by 25bp across SA and TD.
- The quarter saw a 29-bp increase in the cost of funds with Q1FY24 CoF at 6.6% as deposits continue to reprice.
- NIM was adversely impacted by 38bp on a QoQ basis, primarily due to an increase in deposit costs and the drag from excess liquidity buffers.
- The bank expects the margin decline to be gradual with a majority of the deposit already repriced.
- Disbursement yield increased by 29 bp on a QoQ basis and is expected to support margins in the future.
- The ratio of fixed rate to floating rate loans is at 66%:34%. The fixed rate book is expected to have a positive impact on margins once the interest rate cycle turns.
- Retail asset account for 89% of the advances and 91% of the advances are secured in nature. Retail term deposit of the bank grew 8% QoQ.
- The bank plans to open an additional 50+ branches and touchpoints in FY24.
- In 1QFY24, the bank on-boarded ~3.7L new customers, of which, 45% were through digital products and channels.
- The bank has issued 120k credit cards and has opened ~49K savings accounts via Video Banking during the quarter.
- The bank got its AD1 license in April. Post operationalization of AD-I license and transaction banking build-out, the entire customer offerings of the bank will be complete by the end of FY24.
- ECLGS book stands at INR5.6b in 1QFY24, the bulk of which is standard in nature.
- C/I expected to be in the FY23 range and then decline to ~60% in the next two years.
- NIM is expected to be in the range of 5.5%-5.7% as deposits reprice.
- In 1QFY24, the bank purchased Small and Marginal Farmer (SMF) PSLC of ~INR8.6b at a cost of INR0.19b to be amortized over four quarters.
- CASA+ Retail TD stood at 68% in 1QFY24.

Asset quality

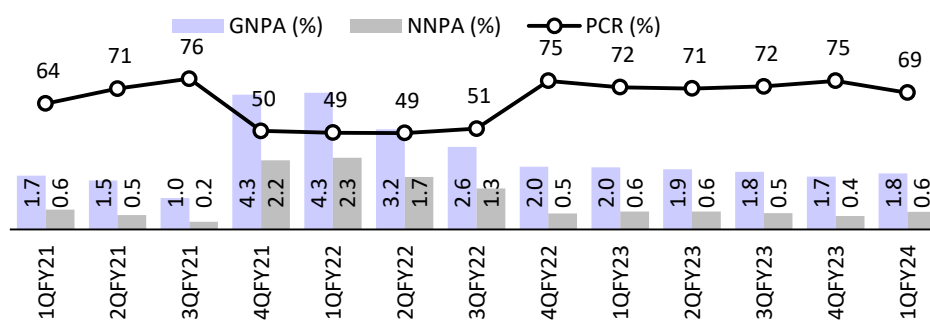
- The GNPA increased 10 bps during the quarter to 1.76%. Restructured assets reduced to 1% of gross advances in 1QFY24.
- The bank expects GNPA to be ~1.5%-1.75% and NNPA to be ~0.5%-0.6%.
- The bank is carrying a contingency provision of INR280m and a provision of INR1b against standard restructured assets.
- NPAs from the Covid restructuring book remains below 13% and restructured advances of INR300m is upgraded during the quarter.
- The GNPA of the business banking stood at 0.2%, while for Agri banking, GNPA stood at 0.4%.

Asset quality deteriorates; PCR moderates to ~69%

- Absolute GNPA/NNPAs grew 14%/42% QoQ. Thus, the headline GNPA/NNPA ratios deteriorated 10bp/13bp QoQ to 1.76%/0.55%. The PCR ratio thus moderated to 69%.

- The outstanding restructured portfolio declined to INR6.3b, corresponding to 1.0% of advances (vs. 1.2% in 4QY23). The bank is carrying provisions of INR1.0b on the restructured book.
- **GNPA breakup:** The GNPA book is secured and granular, and skewed toward Retail. The Wheels segment constitutes 42% of GNPA's, while SBL constitutes 46% of GNPA's.
- The bank carries contingent reserves of ~INR0.3b and 16% coverage on restructured assets as on 1QFY24.

Exhibit 1: PCR moderated to ~69%; GNPA/NNPA ratios steady at 1.8%/ 0.6% in 1QFY24



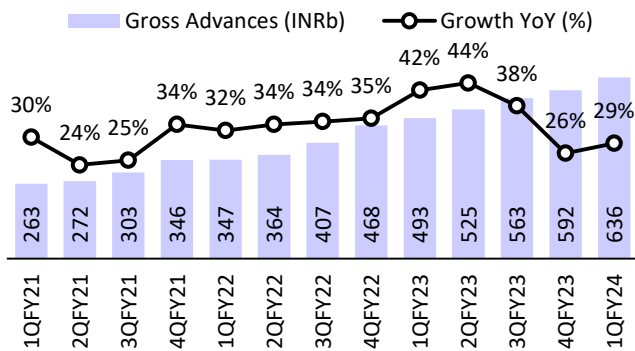
Source: Company, MOFSL

Valuation and view

- The management focuses on scaling up the key business lines of Vehicle Loans and MSME Loans. It aims to expand the new segments of Housing Loans, Gold Loans, Consumer Durable Financing, and Credit Cards, among others. Growth has picked up over the last few quarters, with demand increasing across segments. We expect a 28% CAGR in loans over FY23-25.
- AUBANK has shown strong progress in building a granular liability franchise, with the proportion of deposits to overall funding constantly improving. CASA deposits witnessed moderation during the quarter with shift towards TD. The proportion of retail TDs improved to 51% vs. 50% in 4QFY23, while CASA plus retail TDs stood stable at 69% in 1QFY24. However, the same is expected to grow further as customer vintage increases. The cost of funds could further go up and we remain watchful of margin going forward.
- Absolute GNPA's/NNPA's grew 14%/42% QoQ. Thus, the headline GNPA/ NNPA ratios deteriorated 10bp/13bp QoQ to 1.76%/0.55%. The PCR ratio thus moderated to 69%. The outstanding restructured portfolio declined to INR6.3b, corresponding to 1.0% of advances (vs. 1.2% in 4QY23). The bank is carrying provisions of INR1.0b on the restructured book. Thus, we estimate credit costs at 0.2%-0.3% over FY23-25.
- **Neutral Rating with a TP of INR810:** AUBANK reported an in-line quarter, aided by healthy advances growth and higher 'other income'. NII growth was flattish QoQ due to a 40bp moderation in margins despite a 29% YoY growth in gross advances. On the business front, business growth was healthy, while CASA deposits moderated QoQ, leading to a moderation in CASA ratio by 340bp. The bank carries contingent reserves of ~INR0.3b which, coupled with a 16% coverage on restructured assets, offers a sense of reassurance. We fine tune our estimates and expect AUBANK to deliver a 28% earnings CAGR over FY23-25, with RoA/RoE of 1.9%/ 17.4% in FY25E. We reiterate our Neutral rating with a TP of INR810 (3.7x FY25E BV).

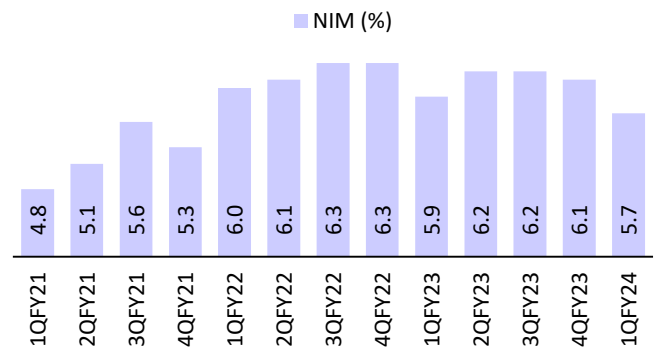
Story in charts

Exhibit 2: Gross advances grew 29% YoY (up 8% QoQ)



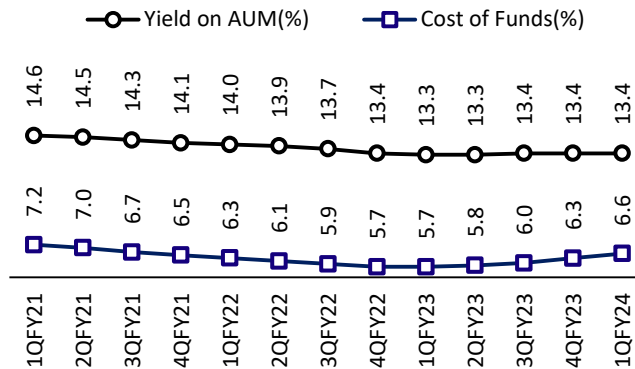
Source: Company, MOFSL

Exhibit 3: Margins moderated 40bp QoQ to 5.7%



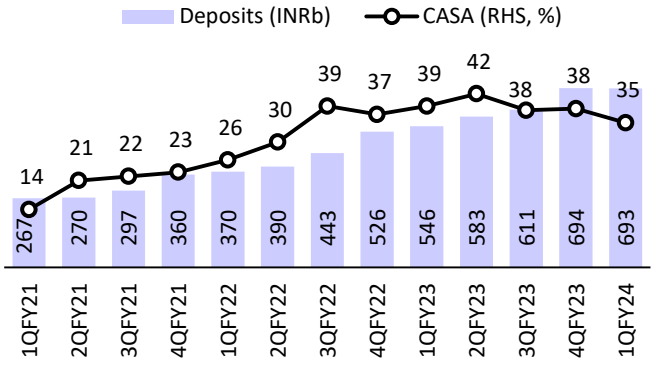
Source: Company, MOFSL

Exhibit 4: Yields on gross advances stable QoQ, while cost of funds increased 30bp QoQ



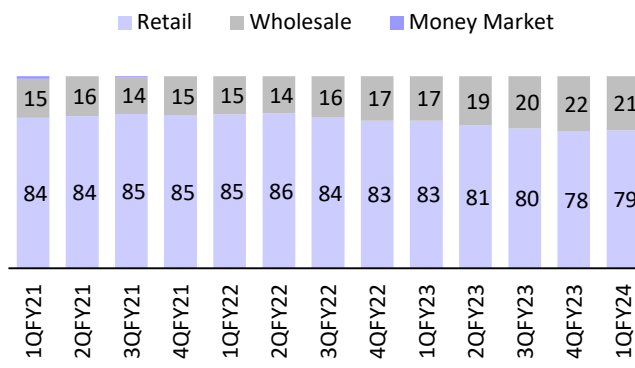
Source: Company, MOFSL

Exhibit 5: Healthy traction in deposit mobilization (~27% YoY); CASA ratio moderates to 35%



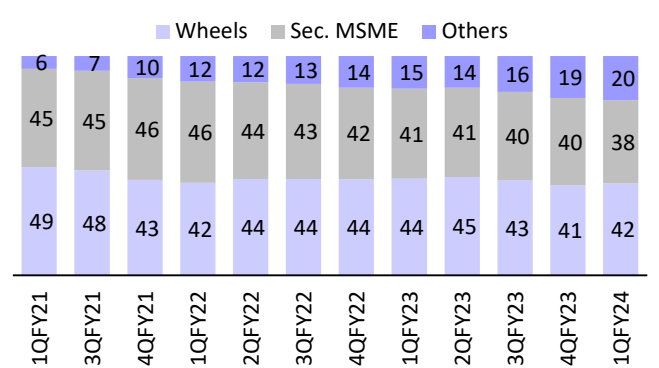
Source: Company, MOFSL

Exhibit 6: Retail mix dominates with ~79% share



Source: Company, MOFSL

Exhibit 7: Vehicles and MSME form ~80% of retail loans



Source: Company, MOFSL

Exhibit 8: DuPont Analysis | Expect return ratios to remain healthy

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	12.4	11.5	11.5	10.6	9.8	10.3	10.5	10.7
Interest Expense	5.8	6.2	6.4	5.5	4.5	4.7	5.3	5.4
Net Interest Income	6.6	5.2	5.1	5.0	5.4	5.6	5.2	5.4
Core Fee Income	2.4	1.7	1.4	1.2	1.4	1.4	1.2	1.2
Non-Interest income	2.7	1.8	1.9	3.0	1.6	1.3	1.4	1.4
Total Income	9.3	7.0	7.0	8.1	7.0	6.9	6.6	6.8
Operating Expenses	5.3	4.2	3.8	3.5	4.0	4.3	4.2	4.1
Employee cost	3.0	2.3	2.0	2.1	2.3	2.3	2.2	2.1
Others	2.3	1.9	1.8	1.4	1.7	2.1	2.0	2.0
Operating Profits	4.0	2.8	3.2	4.5	3.0	2.5	2.4	2.7
Core operating Profits	3.8	2.7	2.7	2.7	2.8	2.6	2.2	2.5
Provisions	0.9	0.6	0.8	1.4	0.6	0.2	0.2	0.2
NPA	0.4	0.3	0.2	1.4	0.2	0.3	0.1	0.2
Others	0.5	0.3	0.6	0.1	0.4	-0.1	0.0	0.0
PBT	3.1	2.3	2.4	3.1	2.4	2.3	2.3	2.5
Tax	1.1	0.8	0.6	0.6	0.5	0.5	0.5	0.6
RoA	2.0	1.5	1.8	2.5	1.9	1.8	1.7	1.9
Leverage (x)	6.7	9.5	10.0	8.9	8.8	8.8	8.8	9.2
RoE	13.7	14.0	18.0	22.3	16.6	15.8	15.2	17.4

Source: MOFSL, Company

Financials and valuations

Income Statement							(INR m)	
Y/E MARCH	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	17,672	29,488	42,859	49,501	59,217	82,054	1,05,786	1,34,335
Interest Expense	8,267	16,064	23,769	25,846	26,876	37,801	53,045	67,055
Net Interest income	9,405	13,425	19,089	23,654	32,341	44,253	52,741	67,280
Growth (%)	20.0	42.7	42.2	23.9	36.7	36.8	19.2	27.6
Other Income	3,881	4,620	7,061	14,209	9,937	10,345	13,965	17,876
Total Income	13,285	18,045	26,150	37,864	42,278	54,597	66,706	85,156
Growth (%)	-16.6	35.8	44.9	44.8	11.7	29.1	22.2	27.7
Operating Expenses	7,526	10,826	14,179	16,584	24,128	34,403	42,234	51,692
Growth (%)	113.3	43.8	31.0	17.0	45.5	42.6	22.8	22.4
Operating Profits	5,759	7,219	11,972	21,279	18,150	20,195	24,473	33,463
Growth (%)	-53.6	25.3	65.8	77.7	-14.7	11.3	21.2	36.7
Core Operating Profits	5,377	6,998	10,246	12,737	16,721	20,638	22,297	30,701
Growth (%)	-4.8	30.1	46.4	24.3	31.3	23.4	8.0	37.7
Total Provisions	1,326	1,418	2,832	6,694	3,610	1,548	1,646	2,556
% to operating income	23.0	19.6	23.7	31.5	19.9	7.7	6.7	7.6
PBT	4,433	5,801	9,140	14,585	14,541	18,646	22,827	30,907
Tax	1,513	1,984	2,392	2,878	3,242	4,367	5,387	7,418
Tax Rate (%)	34.1	34.2	26.2	19.7	22.3	23.4	23.6	24.0
PAT	2,920	3,818	6,748	11,707	11,298	14,279	17,440	23,489
Growth (%)	-64.5	30.7	76.8	73.5	-3.5	26.4	22.1	34.7
Adj. PAT	2,920	3,818	5,962	6,002	11,298	14,279	17,440	23,489
Growth (%)	-12.4	30.7	56.2	0.7	88.2	26.4	22.1	34.7

Balance Sheet								
Y/E MARCH	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	5,714	5,847	6,082	6,244	6,298	6,667	6,667	6,667
Reserves & Surplus	17,098	25,782	37,164	55,477	68,429	99,332	1,16,772	1,40,261
Equity Networkh	22,812	31,629	43,247	61,721	74,727	1,05,999	1,23,439	1,46,929
Deposits	79,233	1,94,224	2,61,639	3,59,793	5,25,846	6,93,650	8,73,999	11,01,239
Growth (%)	NA	145%	35%	38%	46%	32%	26.0%	26.0%
Borrowings	76,389	86,134	1,03,353	70,297	59,908	62,987	74,324	87,702
Other liabilities	9,894	14,241	12,670	23,071	29,884	35,751	42,187	50,202
Total Liabilities	1,88,328	3,26,228	4,21,431	5,15,913	6,90,778	8,98,827	11,14,389	13,86,512
Current Assets	17,612	17,402	33,697	47,813	59,285	94,252	98,277	1,01,199
Investments	30,506	71,617	1,06,682	1,08,154	1,53,065	2,00,720	2,53,710	3,11,302
Growth (%)	41.9	134.8	49.0	1.4	41.5	31.1	26.4	22.7
Loans	1,33,121	2,28,187	2,69,924	3,46,089	4,60,953	5,84,215	7,48,463	9,59,298
Growth (%)	103.2	71.4	18.3	28.2	33.2	26.7	28.1	28.2
Net Fixed Assets	3,861	4,470	4,480	4,824	6,226	7,401	8,142	8,956
Other assets	3,227	4,552	6,648	9,033	11,250	15,573	5,798	5,757
Total Assets	1,88,328	3,26,228	4,21,431	5,15,913	6,90,778	9,02,161	11,14,389	13,86,512
Total Assets (incl. off BS)	2,15,586	3,40,501	4,60,437	5,46,944	7,08,135	9,09,526	11,35,158	14,16,181

Asset Quality	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
GNPA (INR m)	2,697	4,701	4,578	15,028	9,244	9,813	11,679	14,589
NNPA (INR m)	1,693	2,945	2,173	7,555	2,308	2,862	3,398	4,255
GNPA Ratio	2.0	2.1	1.7	4.3	2.0	1.7	1.6	1.5
NNPA Ratio	1.3	1.3	0.8	2.2	0.5	0.5	0.5	0.4
Slippage Ratio	2.1	2.5	2.5	4.2	3.6	2.4	1.9	1.9
Credit Cost	1.0	0.6	1.0	2.0	0.7	0.3	0.2	0.3
PCR (Exc. Tech. write off)	37.2	37.4	52.5	49.7	75.0	70.8	70.9	70.8

Financials and valuations

Ratios

Y/E MARCH	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Yield and Cost Ratios (%)								
Avg. Yield - on IEA	13.1	12.1	12.1	11.2	10.7	11.7	11.8	11.8
Avg. Yield on loans	9.4	11.7	12.4	11.5	11.4	12.8	13.0	12.8
Avg. Cost of funds	7.3	7.4	7.4	6.5	5.3	5.6	6.2	6.3
Spreads	2.1	4.3	5.0	5.0	6.1	7.2	6.8	6.5
NIM (On total assets)	6.6	5.2	5.1	5.0	5.4	5.6	5.2	5.4
NIM (On IEA)	7.0	5.5	5.4	5.3	5.9	6.3	5.9	5.9

Capitalization Ratios (%)

CAR	19.3	19.3	22.0	23.4	21.0	23.6	21.4	19.8
Tier I	18.4	16.0	18.4	21.5	19.7	21.8	20.1	18.8
Tier II	0.9	3.4	3.6	1.8	1.3	1.8	1.3	0.9

Business and Efficiency Ratios (%)

Loan/Deposit Ratio	168.0	117.5	103.2	96.2	87.7	84.2	85.6	87.1
CASA Ratio	26.9	18.5	14.5	23.0	37.3	38.4	36.7	38.1
Cost/Assets	5.3	4.2	3.8	3.5	4.0	4.3	4.2	4.1
Cost/Total Income	56.7	60.0	54.2	43.8	57.1	63.0	63.3	60.7
Cost/Core Income	58.3	60.7	58.1	56.6	59.1	62.5	65.4	62.7
Int. Expense/Int. Income	46.8	54.5	55.5	52.2	45.4	46.1	50.1	49.9
Fee Income/Total Income	26.3	24.4	20.4	15.0	20.1	19.8	17.7	17.7
Non Int. Income/Total Income	29.2	25.6	27.0	37.5	23.5	18.9	20.9	21.0
Investment/Deposit Ratio	38.5	36.9	40.8	30.1	29.1	28.9	29.0	28.3
Emp. Cost/Total Expense	56.5	55.5	53.6	59.1	57.2	52.1	51.8	51.6

Profitability and Valuations

RoE	13.7	14.0	18.0	22.3	16.6	15.8	15.2	17.4
RoA	2.0	1.5	1.8	2.5	1.9	1.8	1.7	1.9
RoRWA	2.5	2.0	3.0	4.2	3.1	2.9	2.8	3.0
Book Value (INR)	39.9	54.1	71.1	98.8	118.7	159.0	185.1	220.4
Growth (%)	14.2	35.5	31.4	39.0	20.0	34.0	16.5	19.0
Price-BV (x)	19.2	14.1	10.8	7.7	6.4	4.8	4.1	3.5
Adjusted BV (INR)	38.2	51.3	69.5	92.0	116.7	156.6	182.2	216.6
Growth (%)	12.0	34.5	35.4	32.5	26.9	34.2	16.3	18.8
Price-ABV (x)	20.1	14.9	11.0	8.3	6.6	4.9	4.2	3.5
EPS (INR)	5.1	6.6	11.3	19.0	18.0	22.0	26.2	35.2
Adjusted EPS (INR)	5.1	6.6	11.3	19.0	18.0	22.0	26.2	35.2
Growth (%)	-79.5	28.9	71.3	67.9	-5.1	22.3	18.7	34.7
Price-Earnings (x)	149.3	115.8	67.6	40.3	42.5	34.7	29.2	21.7

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NOTES

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