

Result and Price Analysis

The quarterly performance of RBL Bank is showing signs of recovery. The important positive pointers are, 1) GNPA (3.22%) inched down sequentially by 15bps driven by lower slippages and steady upgrades and recoveries, 2) Restructured book (1.05% of GCA) also decreased, with 15% coverage, 3) Provision expenses (₹2.7bn v/s ₹2.3bn) up sequentially; with stable PCR of 70%. 4) Non-specific PCR 0.70% of loan is at satisfactory level, 5) NIMs moderation of 17bps on the back of higher COF, 6) NII growth (21.3% YoY) stable compared to credit growth (21% YoY). Moreover, there are no substantial negatives to point out. Nevertheless, the bank's latest business growth strategy around ramping up cards acquisition will entail significant operating expenses, which is expected to keep profitability under pressure in the near-to-medium term. Management achieved its previous guidance to exit FY23 with ROA of 1%. Furthermore, Management alluded FY26 goals to grow business (Loans + Deposits) at a CAGR of ~20% and expect PPOP growth to be higher than loan growth. Stock price recovery will however be subject to profit sustainability and managements endeavor to meet the guidance.

Gazing the Core

NPA hiccups are behind; showing strong sign of recoveries: The bank's reported slippages were down at ₹5.6bn v/s 6.8bn the previous quarter. Management expects the slippages to moderate going forward. The up-gradation & recoveries stood at ₹2.7bn against ₹3.8bn in 4QFY23. Additionally, the write-offs were at ₹3bn v/s ₹3.4bn in the previous quarter. Lower slippages and moderate upgrades and write-offs resulted in decline in the GNPA ratio (3.22%) decreased 15bps sequentially. Reported GNPA/NNPA/PCR: 3.22%/1.0%/70% against 3.37%/1.10%/68% in the previous quarter. Wholesale banking contributed 46% of the total GNPA amount, and contribution of micro banking and credit cards stood at 7% and 18% respectively.

Key Financials (₹ mn)	FY21	FY22	FY23	FY24E	FY25E
NII	37,876	40,267	44,515	49,123	56,439
Operating Profit	30,908	27,453	22,025	24,899	30,351
Reported Profits	5,078	(747)	8,827	9,966	13,027
Net Worth	126,617	126,177	135,761	145,727	158,754
Loan & Advances	586,225	600,218	702,094	807,408	936,593
Int. Bearing Liabilities	843,472	900,996	982,178	1,128,697	1,306,311

Key Ratios (%)	FY21	FY22	FY23	FY24E	FY25E
NIM's	4.2	4.1	4.3	4.3	4.3
C/I Ratio	47.1	56.9	68.3	67.1	64.1
Gross NPA Ratio	4.3	4.4	3.4	3.3	3.1
PCR (%)	52.3	70.4	68.1	64.8	69.4
Adj. RoA Ratio	0.5	(0.1)	0.8	0.8	0.9
Adj. RoE Ratio	4.4	(0.6)	6.7	7.1	8.6

Rating	Buy
Current Market Price (₹)	222
12 M Price Target (₹)	258
Potential upside (%)	17

Stock Data

FV (₹):	10
Market Cap Full (₹ bn):	133
Market Cap Free Float (₹ bn):	132
52-Week High / Low (₹):	231 / 89
BSE Code / NSE Symbol	540065 / RBLBANK
Bloomberg:	RBK IN

Shareholding Pattern

(%)	Jun-23	Mar-23	Dec-22	Sep-22
FPIs	25.88	22.27	26.53	27.20
MFs	11.64	13.72	14.48	8.94
Foreign Companies	10.34	10.34	10.34	10.34
Insurance	3.86	3.85	3.85	3.85
Bodies Corporate	7.33	7.18	7.09	5.98
Foreign Bank	2.39	2.39	2.39	2.39
Others	38.56	40.25	35.32	41.30

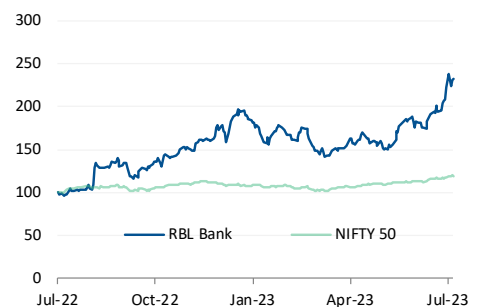
Source: BSE

Price Performance

(%)	1M	3M	6M	1YR
RBL Bank	28.7%	50.1%	30.5%	133.4%
Nifty 50	4.7%	12.0%	9.5%	18.9%

* To date / current date : July 21, 2023

RBL Bank vs Nifty 50



The management has committed that it would keep taking more provisions to ensure that net NPA stays under control at a range of 1% and does not show more elevation. The restructured asset down by 16bps to 1.05% of loan book, of which retail contributes 98%. The bank carries 14% coverage on restructured book. The “BB + and below” book stood at 2.8% of the total book. “The A- and above” book stood 85%. In 1QFY24, the bank’s provisioning expenses increased 13% sequentially to ₹2.6bn v/s ₹2.3bn in the previous quarter.

As expected NIMs compression; Higher Opex to stay: The bank’s NII stood at ₹12.5bn; grew by 2.9% QoQ and 21.3% YoY on the back of healthy credit growth. The bank’s NIMs (reported) down 17bps sequentially to 4.84% driven by marginal jump in YoA (12.8% v/s 12.6% sequentially) and CoF increased 30bps to 6.15%. Interest earned from restructuring book was not recognized and it impacted marginally to NIMs. The Non – interest income grew by 1.7% QoQ. With 17.7% YoY jump in net operating revenue, the PPOP up 22.4% YoY to ₹6.5bn because of lower Opex (C/I ratio 66.5%). The operating expenses were majorly from card segment followed by branches, technology and human capital. The management expects the C/I ratio to remain at same level from next few quarters before normalizing. A marginally higher provisioning expense (₹2.6bn v/s ₹2.4bn in 4QFY23) led to reported profit of ₹2.9bn; grew by 43% YoY and 6.3% sequentially. The bank’s quarterly ROA/ ROE stood at 1%/8.4%. The management expects PAT growth to be driven by lower provision expenses. However PPOP growth to remain steady considering stable operating expenses. Nevertheless, the bank expects to grow PPOP at a higher pace than credit growth.

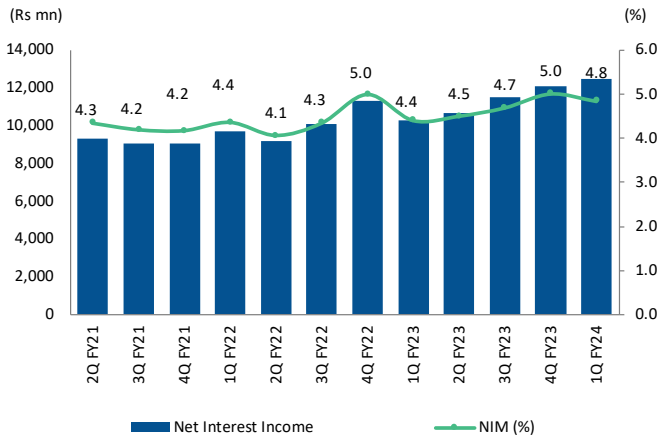
Credit growth strong, deposit lacking: The bank’s net advances stood at ₹731bn; inched up 21.3% YoY and 4.1% QoQ. Loan Mix carries: Retail: 47%, Corporate: 44% and Micro banking: 9%. Retail loan up 8% QoQ while wholesale de-grew by 0.6% QoQ. Disbursement is micro banking stood strong and the MFI book grew by 9.3% sequentially. The bank’s deposit stood at ₹856bn and grew sequentially at 1% and grew by 8.1% YoY. CASA ratio stable sequentially to 37.3%. The management set target to grow credit and deposit at 20% CAGR for FY24-26 with granular deposit share of 50% and above. Management has also alluded to focus more on retail book and increase its share to ~60% from current level by FY26 end. CRAR stood at 16.4% with Tier 1 of 15%. RWA to total assets stable at 74% and ample liquidity position with LCR of 129%.

Outlook and Valuation

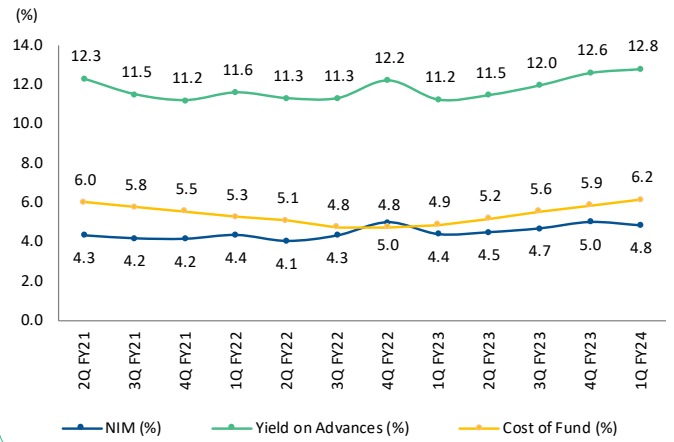
RBL Bank holds a healthy positioning and showing sign of recoveries by 1) adequate provisioning, 2) improved PCR, 3) healthy liquidity position with LCR of 129%, and 4) returning to growth trajectory. We recommend BUY with target price of ₹258 (based on 1x FY25 Price to Adjusted Book Value).

Quarterly story in charts

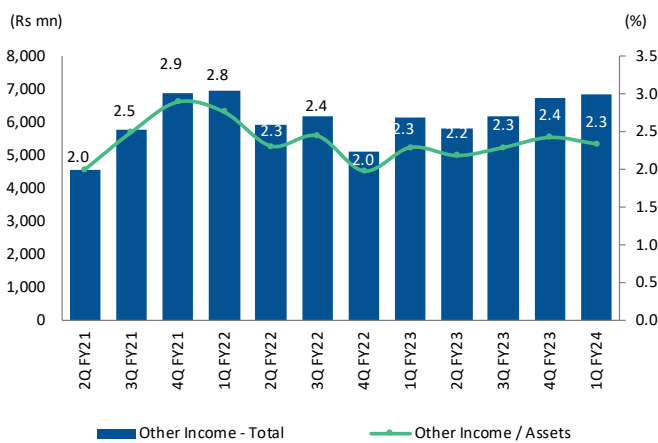
NII Trend



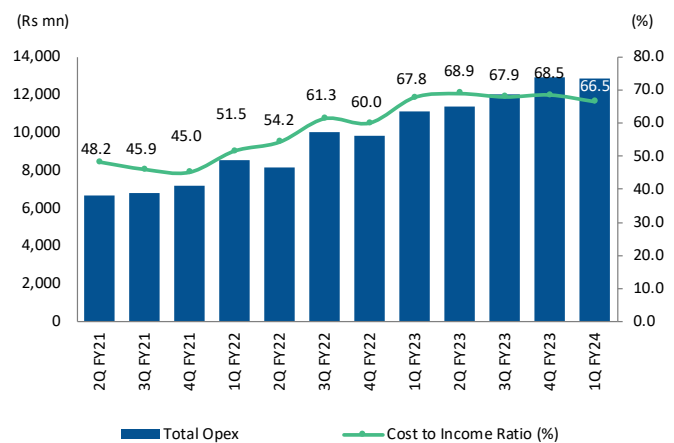
Yields and margin Trend



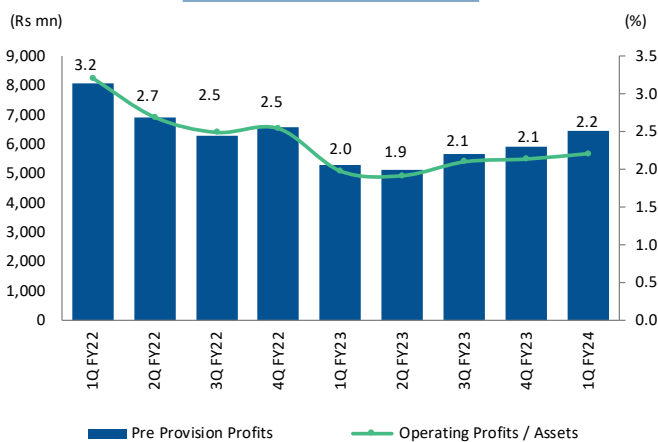
Other Income Trend



Total Opex Trend



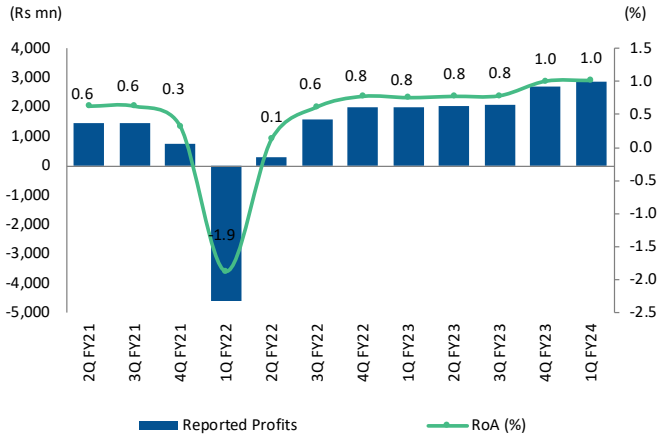
Pre Provision Profit Trend



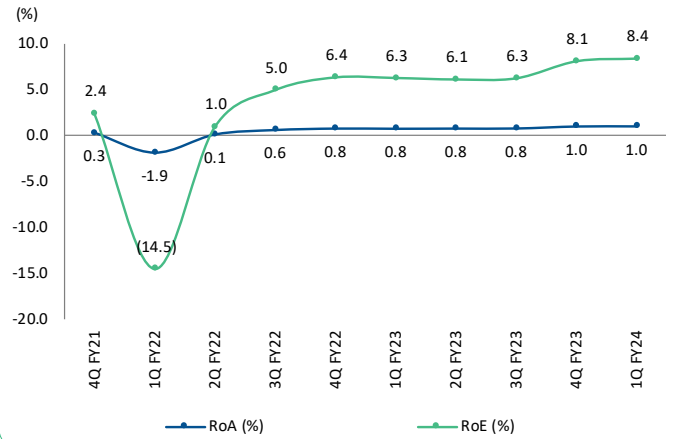
Provision Expenses Trend



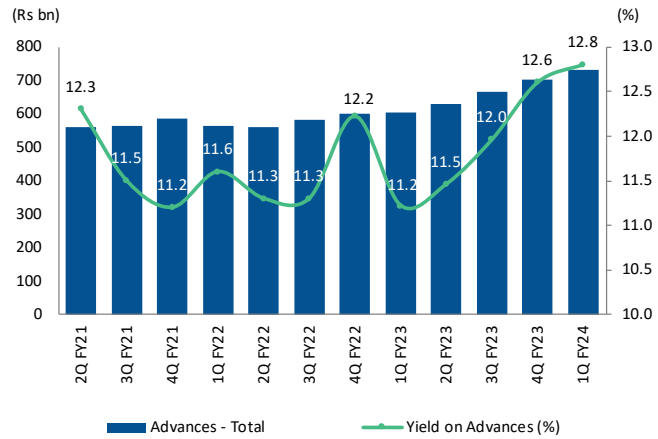
Reported profit trend



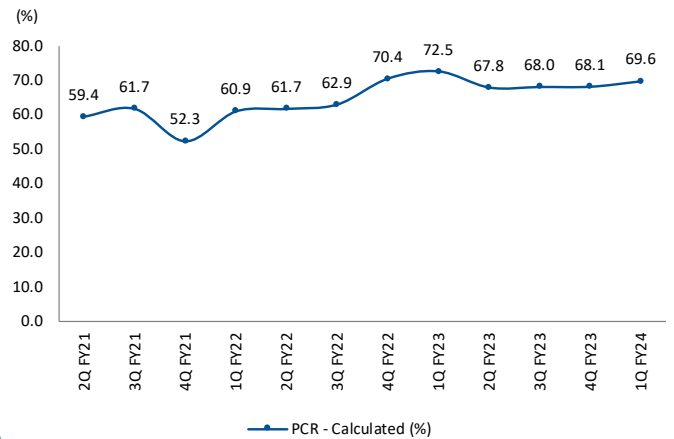
Return ratio trend



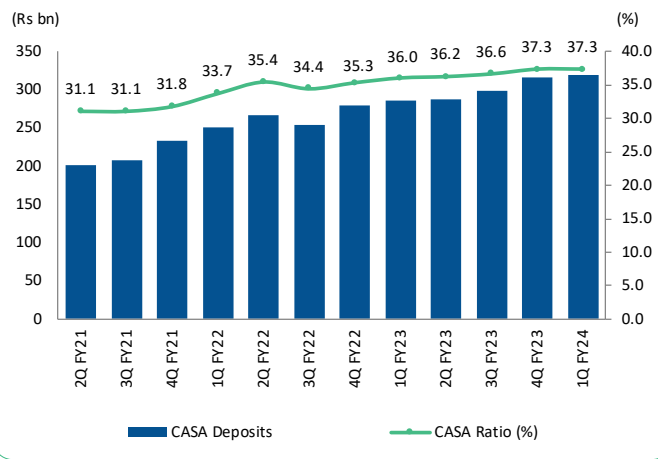
Loan Book trend



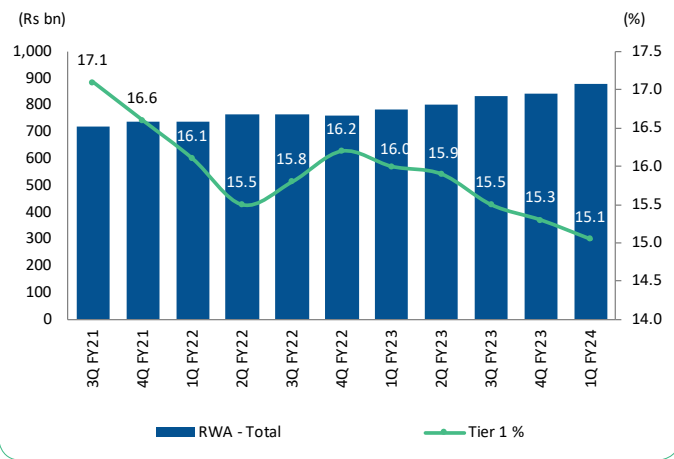
PCR Trend



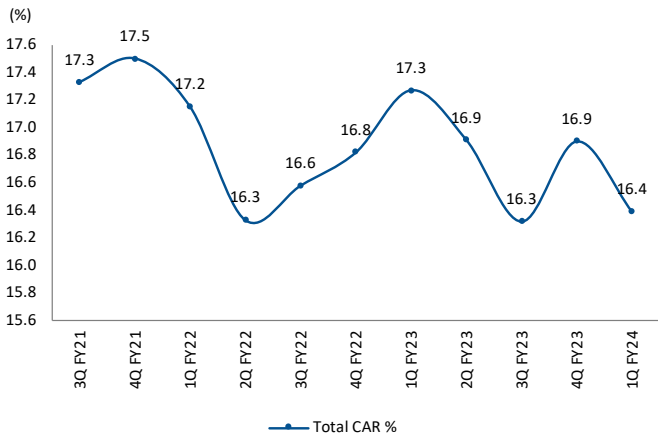
CASA Deposit trend



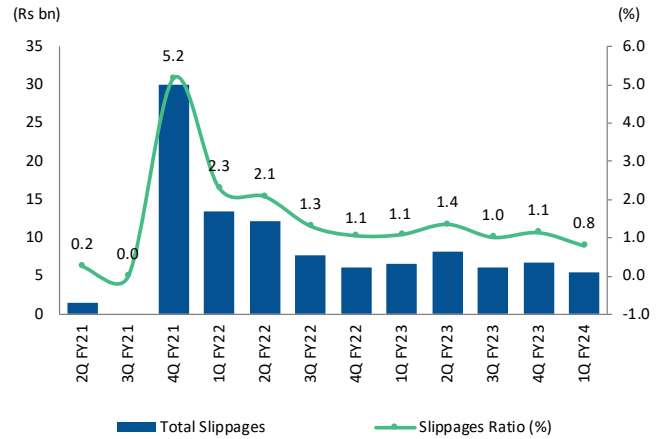
RWA trend



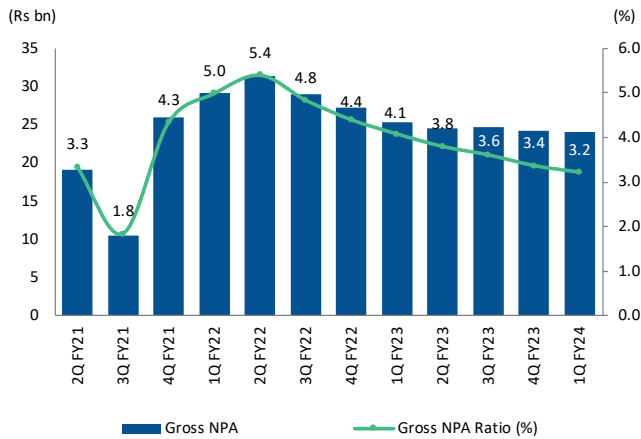
CRAR trend



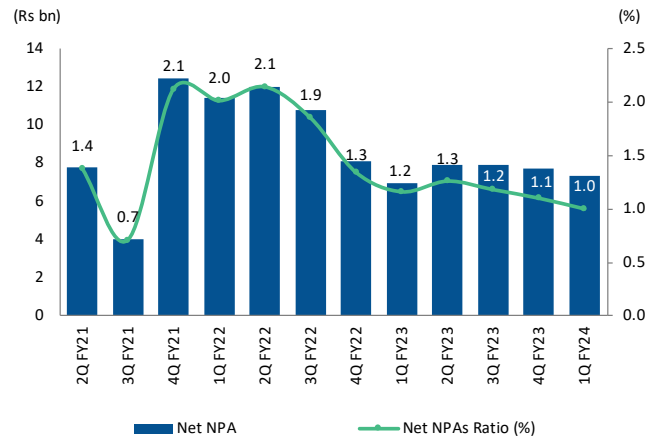
Slippages



Gross NPA trend



Net NPA Trend



Financial Performance at a glance

Exhibit 1 : Income Statement Analysis

(₹ mn)	1Q FY24	1Q FY23	% yoy / bps	4Q FY23	% qoq / bps	FY23	FY22	% yoy / bps
Interest Inc.	26,799	20,893	28.3	24,962	7.4	91,299	81,758	11.7
Interest Expenses	14,337	10,616	35.0	12,850	11.6	46,784	41,491	12.8
Net Interest Income	12,462	10,277	21.3	12,112	2.9	44,515	40,267	10.5
NII to Net Operative Income	64.5	62.6	190	64.2	27	64.1	63.2	89
NIM (%)	4.84	4.4	44	5.0	(17)	4.3	4.1	16
Other Income - Total	6,854	6,136	11.7	6,741	1.7	24,894	23,405	6.4
Other Income to Net Operative Income	35.5	37.4	(190)	35.8	(27)	35.9	36.8	(89)
Net Operating Revenue	19,316	16,413	17.7	18,853	2.5	69,409	63,673	9.0
Employee Expenses	3,412	3,090	10.4	3,574	(4.5)	13,403	10,015	33.8
Other Opex	9,429	8,032	17.4	9,341	0.9	33,981	26,204	29.7
Total Opex	12,841	11,122	15.5	12,915	(0.6)	47,384	36,220	30.8
Cost to Income Ratio (%)	66.5	67.8	(128)	68.5	(203)	68.3	56.9	1,138
Pre Provision Profits	6,475	5,291	22.4	5,938	9.0	22,025	27,453	(19.8)
Provisions & Contingencies - Total	2,662	2,530	5.2	2,347	13.4	10,219	28,604	(64.3)
NPA Provisions as % Operating Income	41.1	47.8	(670)	39.5	158	46.4	104.2	(5,779)
Profit Before Tax	3,813	2,761	38.1	3,591	6.2	11,805	(1,151)	(1,125.7)
Tax	932	750	24.3	880	5.9	2,978	(404)	(838.0)
Effective Tax Rate (%)	24.4	27.1	(271)	24.5	(8)	25.2	35.1	(984)
Reported Profits	2,881	2,012	43.2	2,711	6.3	8,827	(747)	(1,281.1)
RoA (%)	1.0	0.8	26	1.0	1	0.8	(0.1)	87
RoE (%)	8.4	6.3	211	8.1	28	6.7	(0.6)	733

Source: Company, LKP Research

Exhibit 2 : Balance Sheet Analysis

(₹ mn)	4Q FY22	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	QoQ % / bps	YoY % / bps
Net Worth	126,182	128,520	130,700	132,950	135,766	138,770	2.2	8.0
RoE (%)	6.4	6.3	6.1	6.3	8.1	8.4	28	211
Tier 1 %	16.2	16.0	15.9	15.5	15.3	15.1	(25)	(95)
Total CAR %	16.8	17.3	16.9	16.3	16.9	16.4	(51)	(88)
RWA - Total	759,090	782,220	801,870	833,530	841,380	880,480	4.6	12.6
Advances - Total	600,218	602,700	629,417	666,840	702,094	730,870	4.1	21.3
Investments	222,744	275,370	258,132	267,770	288,755	291,710	1.0	5.9
Total Assets	1,062,086	1,077,320	1,074,017	1,095,550	1,158,762	1,183,520	2.1	9.9
RoA (%)	0.77	0.75	0.77	0.78	1.00	1.01	1	26
Deposits	790,065	792,160	794,045	817,460	848,865	856,360	0.9	8.1
CASA Deposits	278,893	285,178	287,444	299,190	316,627	319,422	0.9	12.0
CASA Ratio (%)	35.3	36.0	36.2	36.6	37.3	37.3	-	130
Interest Bearing Liabilities - Total	900,996	910,870	901,802	923,690	982,178	1,004,110	2.2	10.2

Source: Company, LKP Research

Exhibit 3: Earning Assets Mix & Incremental Contribution

	As on (₹ mn)				As % of Working Assets	YoY/ YTD growth (% / bps)			Incremental Contribution in Working Assets (%)		
	FY21	FY22	FY23	1Q FY24		FY22	FY23	1Q FY24	FY22	FY23	1Q FY24
Wholesale Banking	242,330	286,930	324,310	322,210	29.3	18.4	13.0	(0.6)	97.7	48.2	(9.2)
C&IB	183,230	221,500	246,430	247,190	22.5	20.9	11.3	0.3	83.8	32.1	3.3
CB	59,100	65,430	77,880	75,020	6.8	10.7	19.0	(3.7)	13.9	16.0	(12.5)
Retail Banking	272,580	264,780	318,160	343,480	31.3	(2.9)	20.2	8.0	(17.1)	68.8	110.8
Housing	16,690	24,630	45,830	45,410	4.1	47.6	86.1	(0.9)	17.4	27.3	(1.8)
Credit Cards	121,770	133,830	165,940	176,650	16.1	9.9	24.0	6.5	26.4	41.4	46.9
Retail Agri	11,850	15,030	13,570	13,510	1.2	26.8	(9.7)	(0.4)	7.0	(1.9)	(0.3)
BIL	107,650	80,580	66,560	75,320	6.9	(25.1)	(17.4)	13.2	(59.3)	(18.1)	38.4
Others	14,620	10,710	26,260	32,590	3.0	(26.7)	145.2	24.1	(8.6)	20.0	27.7
DB & FI	71,320	48,520	59,630	65,170	5.9	(32.0)	22.9	9.3	(49.9)	14.3	24.3
Micro Banking	71,320	48,520	59,630	65,170	5.9	(32.0)	22.9	9.3	(49.9)	14.3	24.3
Advances - Total	586,225	600,218	702,094	730,870	66.5	2.4	17.0	4.1	30.6	131.3	126.0
Investments	232,304	222,744	288,755	291,710	26.5	(4.1)	29.6	1.0	(20.9)	85.1	12.9
Cash & Cash Equivalent	134,242	175,477	85,200	76,310	6.9	30.7	(51.4)	(10.4)	90.3	(116.3)	(38.9)
Working Assets	952,771	998,439	1,076,048	1,098,890	100.0	4.8	7.8	2.1	100.0	100.0	100.0

Source: Company, LKP Research

Exhibit 4: Funding Profile Analysis

(₹ mn)	3Q FY22	4Q FY22	1Q FY23	2Q FY23	3Q FY23	4Q FY23	QoQ % / bps	YoY % / bps
Deposits	790,065	792,160	794,045	817,460	848,865	856,360	0.9	8.1
CASA Deposits	278,893	285,178	287,444	299,190	316,627	319,422	0.9	12.0
Saving Deposit	163,544	163,185	169,926	170,849	147,703	151,576	2.6	(7.1)
Current Deposit	115,350	121,993	117,519	128,341	168,924	167,847	(0.6)	37.6
Term Deposits	511,172	506,982	506,601	518,270	532,238	536,938	0.9	5.9
Borrowings	110,930	118,710	107,757	106,230	133,313	147,750	10.8	24.5
Interest Bearing Liabilities - Total	900,996	910,870	901,802	923,690	982,178	1,004,110	2.2	10.2

Source: Company, LKP Research

Exhibit 5: Funding Mix & Incremental Contribution

	As on (₹ mn)				As % of Total Working Fund	YoY/ YTD growth			Incremental Contribution YoY/ YTD Growth (%)		
	FY21	FY22	FY23	1Q FY24		FY22	FY23	1Q FY24	FY22	FY23	1Q FY24
Deposits	731,213	790,065	848,865	856,360	74.9	8.0	7.4	0.9	103.1	64.8	30.1
Saving Deposit	135,525	163,571	147,703	151,576	13.3	20.7	(9.7)	2.6	49.1	(17.5)	15.5
Current Deposit	97,118	115,220	168,924	167,847	14.7	18.6	46.6	(0.6)	31.7	59.2	(4.3)
CASA Deposits	232,642	278,790	316,627	319,422	27.9	19.8	13.6	0.9	80.8	41.7	11.2
Term Deposits	498,571	511,275	532,238	536,938	47.0	2.5	4.1	0.9	22.3	23.1	18.8
Borrowings	112,259	110,930	133,313	147,750	12.9	(1.2)	20.2	10.8	(2.3)	24.7	57.9
Interest Bearing Liabilities - Total	843,472	900,996	982,178	1,004,110	87.9	6.8	9.0	2.2	100.8	89.4	88.0
Net Worth	126,626	126,182	135,766	138,770	12.1	(0.4)	7.6	2.2	(0.8)	10.6	12.0
Working Fund	970,097	1,027,178	1,117,944	1,142,880	100.0	5.9	8.8	2.2	100.0	100.0	100.0
Interest Exp. / Assets	4.67	4.01	4.21	4.9		(66)	20	68			

Source: Company, LKP Research

Exhibit 6: Asset Quality Analysis

(₹ mn)	4Q FY22	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	QoQ % / bps	YoY % / bps
Total Slippages	6,190	6,530	8,120	6,080	6,810	5,550	(18.5)	(15.0)
Slippages Ratio (%)	1.06	1.09	1.35	1.01	1.13	0.79	(34)	(30)
Gross NPA	27,284	25,369	24,566	24,687	24,199	24,043	(0.6)	(5.2)
Gross NPAs Ratio (%)	4.40	4.08	3.80	3.61	3.37	3.22	(15)	(86)
PCR - Calculated (%)	70.4	72.5	67.8	68.0	68.1	69.6	157	(287)
Net NPA	8,066	6,971	7,902	7,899	7,725	7,298	(5.5)	4.7
Net NPAs Ratio (%)	1.34	1.16	1.26	1.18	1.10	1.00	(10)	(16)
Standard Restructured	19,640	17,390	13,940	11,160	8,495	7,674	(9.7)	(55.9)
Std. Rest. Adv. as % of Advances	3.3	2.9	2.21	1.67	1.21	1.05	(16)	(184)

Source: Company, LKP Research

Annual Projections

Exhibit 7: Profit and Loss Statement

(₹ mn)	FY21	FY22	FY23	FY24E	FY25E
Interest Income	82,145	81,758	91,299	103,898	119,624
Interest Expenses	44,270	41,491	46,784	54,775	63,186
Net Interest Income	37,876	40,267	44,515	49,123	56,439
<i>NIM (%)</i>	4.20	4.13	4.29	4.26	4.26
Other Income - Total	20,578	23,405	24,894	26,478	28,162
Net Operating Revenue	58,454	63,673	69,409	75,601	84,601
Employee Exp.	8,454	10,015	13,403	14,342	15,346
Other Opex	19,092	26,204	33,981	36,360	38,905
Total Opex	27,546	36,220	47,384	50,701	54,250
C/I Ratio	47.12	56.88	68.27	67.06	64.12
Pre Provision Profits	30,908	27,453	22,025	24,899	30,351
<i>PPP Growth (yoy %)</i>	12.3	(11.2)	(19.8)	13.1	21.9
Provisions & Contingencies - Total	24,017	28,604	10,219	11,571	12,930
Credit Cost (As % of Op. AUM)	4.11	4.78	1.67	1.60	1.60
Profit Before Tax	6,891	(1,151)	11,805	13,328	17,421
Tax	1,813	(404)	2,978	3,362	4,394
Effective Tax Rate	26.3	35.1	25.2	25.2	25.2
Reported Profits	5,078	(747)	8,827	9,966	13,027

Exhibit 8: Balance Sheet

(₹ mn)	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	5,980	5,995	5,996	5,996	5,996
Reserves (ex Revel. Reserve)	120,637	120,182	129,765	139,731	152,758
Net Worth - Ex Revaluation	126,617	126,177	135,761	145,727	158,754
Deposits	731,213	790,065	848,865	975,497	1,129,003
Borrowings	112,259	110,930	133,313	153,200	177,308
Interest Bearing Liabilities	843,472	900,996	982,178	1,128,697	1,306,311
Other Lia. & Prov.	36,409	34,908	40,818	47,931	54,913
Total Liabilities	1,006,506	1,062,086	1,158,762	1,322,361	1,519,978
Assets					
Cash & Cash Equivalent	134,242	175,477	85,200	97,542	112,503
Investments	232,304	222,744	288,755	326,970	371,775
Loan & Advances	586,225	600,218	702,094	807,408	936,593
Growth (yoy %)	1.0	2.4	17.0	15.0	16.0
Fixed Assets	4,665	5,481	5,740	5,770	5,969
Other Assets	49,070	58,166	76,974	84,671	93,138
Total Assets	1,006,506	1,062,086	1,158,762	1,322,361	1,519,978

Exhibit 9: Per share data

Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
Face Value	10	10	10	10	10
Adjusted Share O/S - For Calculation	598	600	600	600	600
Earnings Per Share (₹)	8.5	(1.2)	14.7	16.6	21.7
EPS (% YoY)	(14.6)	(114.7)	(1,281.0)	12.9	30.7
P/E (x)	26.1	(177.8)	15.1	13.3	10.2
Book Value	211.7	210.5	226.4	243.1	264.8
BVPS (% YoY)	1.8	(0.6)	7.6	7.3	8.9
P/BV (x)	1.0	1.1	1.0	0.9	0.8
Adj. BV	201.3	203.7	220.0	236.6	258.3
Adj. BV (% YoY)	2.6	1.2	8.0	7.6	9.2
P/ABV (x)	1.1	1.1	1.0	0.9	0.9

Exhibit 10: Detailed ROA Tree

Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
Yields / Margins					
Yield on Advance	11.2	10.6	11.0	10.9	10.9
Yield on Funds	9.1	8.4	8.8	9.0	9.0
Cost of Funds (CoF)	5.6	4.8	5.0	5.2	5.2
Interest Spread	3.5	3.6	3.8	3.8	3.8
NIM's	4.2	4.1	4.3	4.3	4.3
Interest Income / Assets	8.7	7.9	8.2	8.4	8.4
Interest Exp. / Assets	4.7	4.0	4.2	4.4	4.4
NII / Assets	4.0	3.9	4.0	4.0	4.0
Fee Income / Assets	1.7	2.0	2.0	1.9	1.8
Other Non Core Income / Assets	-	-	-	-	0.2
Other Income / Assets	2.2	2.3	2.2	2.1	2.0
Net Operating Income / Assets	6.2	6.2	6.3	6.1	6.0
Operating Ratios					
NII to Net Operative Income	64.8	63.2	64.1	65.0	66.7
Other Income to Net Operative Income	35.2	36.8	35.9	35.0	33.3
Empl. Cost/Oper. Exps.	30.7	27.7	28.3	28.3	28.3
Other Op. Exps./Oper. Exps.	69.3	72.3	71.7	71.7	71.7
C/I Ratio	47.1	56.9	68.3	67.1	64.1
Provisions as % PPP	41.1	44.9	14.7	15.3	15.3
Credit Cost (As % of Op. AUM)	4.1	4.8	1.7	1.6	1.6
Effective Tax Rate	26.3	35.1	25.2	25.2	25.2
Employee Exp. / Assets	0.9	1.0	1.2	1.2	1.1
Other Opex/ Assets	2.0	2.5	3.1	2.9	2.7
Total Opex / Assets	2.9	3.5	4.3	4.1	3.8
Operating Profits / Assets	3.3	2.7	2.0	2.0	2.1
Op Profit ex Except Items / Assets	3.3	2.7	2.0	2.0	2.1
Provisions / Assets	2.5	2.8	0.9	0.9	0.9
Profit Before Tax / Assets	0.7	(0.1)	1.1	1.1	1.2
Tax Expenses / Assets	0.2	(0.0)	0.3	0.3	0.3
RoA	0.5	(0.1)	0.8	0.8	0.9
Leverage (x)	7.9	8.4	8.5	9.1	9.6
RoE	4.4	(0.6)	6.7	7.1	8.6
Adj. RoA	0.5	(0.1)	0.8	0.8	0.9
Adj. RoE	4.4	(0.6)	6.7	7.1	8.6

Exhibit 11: Balance Sheet Ratios

Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
Credit / Deposit Ratio	80.2	76.0	82.7	82.8	83.0
Incremental C/D Ratio	3.9	23.8	173.3	83.2	84.2
Investment Deposit Ratio	31.8	28.2	34.0	33.5	32.9
Dom. SLR Investment / Deposits	26.1	23.2	28.0	26.8	25.5
CASA Ratio	31.9	35.4	37.4	37.4	37.4

Exhibit 12: Asset Quality

(₹ mn)	FY21	FY22	FY23	FY24E	FY25E
<i>Slippage Ratio</i>	5.4	6.7	4.6	4.0	4.0
Gross NPA (Cl Bal)	26,015	27,284	24,199	26,445	28,771
<i>Gross NPAs Ratio (%)</i>	4.3	4.4	3.4	3.3	3.1
<i>PCR (%)</i>	52.3	70.4	68.1	64.8	69.4
Net NPA (Cl. Bal.)	12,414	8,066	7,725	9,307	8,817
<i>Net NPAs Ratio (%)</i>	2.1	1.3	1.1	1.2	0.9
Total Impaired Loans	26,015	27,284	24,199	26,445	28,771
<i>Impaired Loan as % of Loan / AUM</i>	4.2	4.3	3.2	3.0	2.8
Total Risk Reserves	13,602	19,218	16,473	17,138	19,954
<i>Total Risk As % of Loan Book</i>	2.2	3.0	2.2	2.0	2.0

Exhibit 13: Key Assumptions & Forecasts

(₹ mn)	FY21	FY22	FY23	FY24E	FY25E
Loan & Advances	586,225	600,218	702,094	807,408	936,593
<i>Growth (yoy %)</i>		2.4	17.0	15.0	16.0
Interest Bearing Liabilities	843,472	900,996	982,178	1,128,697	1,306,311
<i>Growth (yoy %)</i>		6.8	9.0	14.9	15.7
<i>Yield on Funds</i>	9.1	8.4	8.8	9.0	9.0
<i>Cost of Funds (CoF)</i>	5.6	4.8	5.0	5.2	5.2
<i>Interest Spread</i>	3.5	3.6	3.8	3.8	3.8
<i>NIM's</i>	4.2	4.1	4.3	4.3	4.3
<i>Other Income Growth</i>	7.7	13.7	6.4	6.4	6.4
<i>C/I Ratio</i>	47.1	56.9	68.3	67.1	64.1
<i>Effective Tax Rate</i>	26.3	35.1	25.2	25.2	25.2
Return Ratios					
Adj. RoA	0.5	(0.1)	0.8	0.8	0.9
Adj. RoE	4.4	(0.6)	6.7	7.1	8.6
Asset Quality Metrics					
Credit Cost (As % of Op. AUM)	4.1	4.8	1.7	1.6	1.6
Gross NPAs Ratio (%)	4.3	4.4	3.4	3.3	3.1
Net NPAs Ratio (%)	2.1	1.3	1.1	1.2	0.9

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