

Estimate change

TP change

Rating change



CMP: INR222

TP: INR210 (-5%)

Neutral

Earnings beat led by lower opex; asset quality improves

Business growth remains healthy

- RBK reported a beat in earnings, driven by controlled opex, while revenue growth remained in line with estimates. Loan growth stood at 21% YoY, while margins moderated 17bp QoQ to 4.8%.
- Fresh slippages moderated to INR5.5b (3.7% annualized), resulting in a 15bp/10bp QoQ improvement in GNPA/NNPA ratio to 3.2%/1.0%. PCR improved 157 bp QoQ to 69.6%.
- We increase our earnings estimates for FY24/25 by 7%/6% to factor in lower opex this quarter. We thus estimate RBK to deliver FY25 RoA/RoE of 1.1%/10.3%. We **retain our Neutral rating with a TP of INR210 (0.8x FY'25E ABV)**.

Margin moderated 17bp QoQ to 4.8%; 'other income' in line

- RBK reported a PAT of INR2.9b (up 43% YoY; 11% beat), driven by controlled opex, which stood at INR12.8b. NII grew 21% YoY to INR12.5b (in line), while margins moderated 17bp QoQ to 4.8%.
- 'Other income' grew 12% YoY (in line), led by 19% YoY increase in fee income, while treasury gains stood at INR480m. Opex rose 16% YoY (down 1% QoQ), while C/I ratio moderated to 66.5%. PPop grew 22% YoY to INR6.5b.
- Advances grew 21% YoY (up 4% QoQ) to INR731b, driven by ~34% YoY growth in retail loans and 8% YoY growth in wholesale advances. Within Retail, rural vehicle finance grew 21% QoQ, while the business loan/MFI book saw an increase of 13%/9.3% QoQ. Credit cards book grew at a steady pace of 7% QoQ. The share of Credit Cards thus stands at 24% of loans.
- Deposits grew 8% YoY, led by CASA deposits, which grew 12% YoY (up 1% QoQ). CASA ratio moderated 10bp QoQ to 37.3%.
- Fresh slippages moderated to INR5.5b (3.7% annualized), resulting in a 15bp/10bp QoQ improvement in GNPA/NNPA ratio to 3.2%/1.0%. PCR improved 157 bp QoQ to 69.6%. Restructured book declined to 1.1% of loans vs. 1.2% in 4QFY23.

Highlights from the management commentary

- RBL added three branches in 1QFY24 and aims to add 70-80 branches in FY24.
- The credit cost for FY24 is expected to be on the lower end of the 1.5%-2.0% range in FY24.
- Advances book to grow at 20-22% with higher growth in retail advances at 33%-35% for FY24 and 20%+ CAGR over FY24-FY26.
- ROE is expected to improve to 14%-15% by FY26 from 8.4% as on 1QFY24.

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	RBK IN
Bloomberg Equity Shares (m)	600
M.Cap.(INRb)/(USD\$b)	132.9 / 1.6
52-Week Range (INR)	230 / 90
1, 6, 12 Rel. Per (%)	24/21/114
12M Avg Val (INR M)	2236

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	44.5	55.2	65.9
OP	22.0	28.8	36.0
NP	8.8	12.5	15.6
NIM (%)	4.3	4.8	4.8
EPS (INR)	14.7	20.9	26.1
EPS Gr. (%)	NM	42.1	24.6
BV/Sh. (INR)	226	242	262
ABV/Sh. (INR)	217	235	255
Ratios			
RoE (%)	6.7	8.9	10.3
RoA (%)	0.8	1.0	1.1
Valuations			
P/E(X)	15.1	10.6	8.5
P/BV (X)	1.0	0.9	0.8
P/ABV (X)	1.0	0.9	0.9

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	0.0	0.0	0.0
DII	22.6	22.3	21.8
FII	22.3	26.9	28.2
Others	55.1	50.8	50.0

FII Includes depository receipts

Valuation and view

RBK reported a beat in earnings, driven by lower opex, while margins moderated 17bp QoQ though the management guided for improved margin trends going forward. Business growth saw healthy trends and the management expects traction to remain healthy led by retail loans. Deposit growth was modest with CASA ratio witnessing a moderation. The bank's asset quality demonstrated a steady improvement, marked by a decline in slippages and the restructured book. This trend bodes well for the incremental outlook on asset quality. We expect RBK to deliver FY25E RoA/RoE of 1.1%/10.3%. **We reiterate our Neutral stance with a TP of INR210 (0.8x FY'25E ABV).**

Quarterly performance**(INR m)**

	FY23				FY24E				FY23	FY24E	FY24E V/s our	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est (%)
Net Interest Income	10,277	10,644	11,482	12,112	12,462	13,472	14,079	15,200	44,515	55,214	12,425	0
% Change (Y-o-Y)	6.0	16.3	13.6	7.1	21.3	26.6	22.6	25.5	10.5	24.0	20.9	
Other Income	6,136	5,833	6,184	6,741	6,854	7,170	7,677	8,172	24,894	29,873	7,018	-2
Total Income	16,413	16,477	17,666	18,853	19,316	20,642	21,757	23,372	69,409	85,087	19,444	-1
Operating Expenses	11,122	11,354	11,994	12,915	12,841	13,670	14,345	15,398	47,384	56,253	13,269	-3
Operating Profit	5,291	5,124	5,672	5,938	6,475	6,972	7,412	7,974	22,025	28,833	6,175	5
% Change (Y-o-Y)	-30.9	-25.9	-10.1	-9.7	22.4	36.1	30.7	34.3	-19.8	30.9	16.7	
Provisions	2,530	2,415	2,927	2,347	2,662	2,944	3,185	3,274	10,219	12,065	2,699	-1
Profit before Tax	2,761	2,709	2,745	3,591	3,813	4,028	4,227	4,700	11,805	16,768	3,476	10
Tax	750	693	655	880	932	1,015	1,065	1,208	2,978	4,220	876	6
Net Profit	2,012	2,016	2,090	2,711	2,881	3,013	3,162	3,491	8,827	12,547	2,600	11
% Change (Y-o-Y)	NM	NM	33.9	37.0	43.2	49.5	51.3	28.8	NM	42.1	29.3	
Operating Parameters												
Deposit (INR b)	792.2	794.0	817.5	848.9	856.4	894.6	933.8	979.6	848.9	979.6	876.0	-2
Loan (INR b)	602.7	629.4	666.8	702.1	730.9	748.8	788.8	835.5	702.1	835.5	725.3	1
Deposit Growth (%)	6.4	5.0	11.0	7.4	8.1	12.7	14.2	15.4	7.4	15.4	10.6	-248
Loan Growth (%)	6.6	12.4	14.7	17.0	21.3	19.0	18.3	19.0	17.0	19.0	20.3	93
Asset Quality												
Gross NPA (%)	4.1	3.8	3.6	3.4	3.2	3.1	2.9	2.7	3.4	2.7	3.2	1
Net NPA (%)	1.2	1.3	1.2	1.1	1.0	0.9	0.9	0.8	1.1	0.8	1.0	-4
PCR (%)	72.5	67.8	68.0	68.1	69.6	70.2	70.8	71.2	68.1	71.2	68.4	125
RoA (%)	0.8	0.8	0.8	1.0					0.8	1.0		
RoE (%)	6.3	6.1	6.3	8.1					6.7	8.9		
CASA (%)	36.0	36.2	36.6						37.3	34.8		
Margins (%)	4.4	4.6	4.7	5.0					4.3	4.8		

Quarterly snapshot

INR m	FY22				FY23				FY24	Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Profit and Loss											
Interest Income	20,258	19,748	20,442	21,310	20,893	21,757	23,686	24,962	26,799	28	7
Loans	15,706	15,154	15,769	16,540	16,012	16,768	18,829	19,707	20,943	31	6
Investment	3,475	3,360	3,295	3,345	3,588	4,176	4,044	4,448	5,182	44	17
Others	1,077	1,234	1,378	1,424	1,293	813	813	807	673	-48	-17
Interest Expenses	10,563	10,593	10,338	9,996	10,616	11,113	12,205	12,850	14,337	35	12
Net Interest Income	9,695	9,155	10,104	11,313	10,277	10,644	11,482	12,112	12,462	21	3
Other Income	6,534	5,929	5,830	5,114	6,136	5,833	6,184	6,741	6,854	12	2
Trading profits	1,568	889	233	-51	798	408	309	135	480	-40	256
Fee Income	4,966	5,039	5,597	5,165	5,338	5,425	5,875	6,606	6,374	19	-4
Total Income	16,229	15,083	15,934	16,427	16,413	16,477	17,666	18,853	19,316	18	2
Operating Expenses	8,567	8,174	9,626	9,853	11,122	11,354	11,994	12,915	12,841	15	-1
Employee	2,315	2,376	2,534	2,790	3,090	3,410	3,329	3,574	3,412	10	-5
Others	6,252	5,797	7,092	7,063	8,032	7,944	8,664	9,341	9,429	17	1
Operating Profits	7,661	6,910	6,308	6,574	5,291	5,124	5,672	5,938	6,475	22	9
Core Operating Profits	6,093	6,021	6,075	6,625	4,494	4,715	5,363	5,803	5,995	33	3
Provisions	13,844	6,515	4,239	4,007	2,530	2,415	2,927	2,347	2,662	5	13
PBT	-6,182	395	2,069	2,568	2,761	2,709	2,745	3,591	3,813	38	6
Taxes	-1,588	87	508	589	750	693	655	880	932	24	6
PAT	-4,595	308	1,561	1,978	2,012	2,016	2,090	2,711	2,881	43	6
Balance Sheet											
Deposits (INR b)	745	756	736	790	792	794	817	849	856	8	1
Loans (INR b)	565	560	581	600	603	629	667	702	731	21	4
Asset Quality											
GNPA	29,113	31,309	29,019	27,284	25,369	24,566	24,687	24,199	24,043	-5	-1
NNPA	11,372	12,004	10,755	8,066	6,971	7,902	7,899	7,725	7,298	5	-6
Slippages	13,420	12,170	7,660	6,190	6,530	8,120	6,080	6,810	5,550	-15	-19
Ratios (%)											
Asset Quality Ratios											
GNPA	5.0	5.4	4.8	4.4	4.1	3.8	3.6	3.4	3.2	-86	-15
NNPA	2.0	2.1	1.9	1.3	1.2	1.3	1.2	1.1	1.0	-16	-10
PCR (Calc)	61	62	63	70	73	68	68	68	70	-287	157
PCR (Reported)	76	77	79	83	85	84	85	85	86	60	90
Business Ratios											
Fees to Total Income	30.6	33.4	35.1	31.4	32.5	32.9	33.3	35.0	33.0	48	-204
Cost to Core Income	58.4	57.6	61.3	59.8	71.2	70.7	69.1	69.0	68.2	-305	-83
Tax Rate	25.7	22.0	24.5	22.9	27.1	25.6	23.9	24.5	24.4	-271	-8
CASA mix	33.6	35.3	34.4	35.3	36.0	36.2	36.6	37.4	37.3	130	-10
Loan/Deposit	75.9	74.1	79.0	76.0	76.1	79.3	81.6	82.7	85.3	926	264
RWA / Assets (%)	73.4	73.3	131.6	71.5	72.6	74.7	76.1	73.5	74.4	179	92
Profitability Ratios											
Yield on loans	11.6	11.3	11.3	12.2	11.2	11.5	12.0	12.6	12.8	158	20
Yield On Investments	6.2	6.2	5.5	5.9	5.4	7.0	6.5	7.0	7.3	188	35
Yield on Funds	9.9	9.8	9.6	9.7	9.5	10.0	10.5	10.6	11.0	152	40
Cost of funds	5.3	5.1	4.8	4.8	4.9	5.2	5.6	5.9	6.2	128	30
Margins	4.7	4.5	4.8	5.2	4.7	4.9	5.1	5.2	5.1	45	-3
RoA	-1.9	0.1	0.6	0.8	0.8	0.8	0.8	1.0	1.0	26	1
RoE	-14.5	1.0	5.0	6.4	6.3	6.1	6.3	8.1	8.4	211	28
Distribution reach											
Branches	435	445	500	502	502	507	516	517	520	18	3
ATMS's	380	386	407	414	417	413	413	414	414	-3	0



Highlights from the management commentary

With respect to business performance and assets

- Net Advances grew 21% YoY in 1QFY24, out of which retail advances grew higher at 34% YoY to INR409b as on 1QFY24.
- Wholesale advances grew 8% YoY (flat QoQ) as the bank is increasing its focus on growing the retail book.
- Retail book disbursements in 1QFY24: INR41b of retail book other than cards, INR22b MFI loans, INR3b loans in the rural vehicle segment, INR7b in the housing loans.
- Retail deposits stand at 43.7% of the total deposits as on 1QFY24.
- The CASA ratio remains steady QoQ at 37.3% in 1QFY24, and the bank continues to focus on growing granular deposits.
- NIM has moderated by 17bp QoQ to INR4.8% due to TD re-pricing in 1QFY24. Most of the TD will be completed by 2QFY24, and hence, the bank expects the NIMs to inch up to 5% after 2QFY24.
- C/I ratio has improved 200bp QoQ to 66.5% in 1QFY24 and the bank expects the same to increase in the next 2 quarters and then moderate substantially.
- CAR has declined 22bp QoQ to 16.8% in 1QFY24 as the bank is aiming to utilize higher capital.
- New asset products such as rural vehicle finance business to be profitable in the next 12-18 months.
- The bank holds a significant 4% market share in rural vehicle finance within the geographical locations where it has a presence.
- The bank has implemented significant improvements in underwriting, collections, and data analysis, with a specific focus on cross-selling its products.
- Branch-led retail disbursements are expected to grow at INR1.5b run rate.
- The process of assets re-pricing is almost complete and the yields are expected to improve further due to a shift in the loan mix in favor, favoring the retail book. The bank has maintained its pricing on the fixed rate book.
- Retail LCR mix is expected to improve by 2%-3% p.a.
- The bank has added three branches in 1QFY24 and aims to add 70-80 branches in FY24.
- The bank is currently well capitalized and is in no hurry to raise capital.
- Advances mix: 45% of the book is fixed, 55% of the book is floating rate book. Within the floating book, 10% of the total loan book is MCLR linked.
- The fixed book business comprises cards, MFI, tractor finance, and a small portion of the wholesale book.
- The bank has issued 150k Bajaj co-sponsored credit cards and 60k other than Bajaj cards. It takes 15-18 months for the card business to breakeven.
- TD cost has increased 30bp in the quarter with COD rising by 34bp in 1QFY24. The bank has launched a non-callable TD for the retail segment where the bank offers 20bp higher interest rates.
- The bank is currently comfortable in meeting the PSL requirements, achieving 40% as of 1QFY24. This is a significant improvement from two years ago when the bank was facing a shortfall in meeting these requirements.

Asset quality related

- Gross NPA/NNPA ratio improved sequentially by 15bp/10bp to 3.22%/1.00%.

- PCR improved 157bp QoQ to 69.6%.
- The bank reported slippages of INR5.6b in 1QFY24 vs. INR6.8b in 4QFY23. Additionally, there were recoveries and upgrades amounting to INR2.7b, with INR0.65b recovered from written-off
- Slippages in the MFI book amounted to INR 0.4b along with recoveries amounting to INR 0.3b as on 1QFY24.
- While the Credit Card book reported slippages amounting to INR3.1b, there were recoveries of INR0.4b during the same period.
- Restructured book stands at 1.05% as on 1QFY24 from 1.21% in 4QFY23.
- SMA 2 book stands at 40bp of advances as on 1QFY24.

Guidance for FY24-26

- The bank expects the Advances to grow 20%-22% YoY with higher growth in retail advances at 33%-35%YoY for FY24 and 20%+ CAGR over FY24-FY26.
- FY24 to exit with an ROA of 1.2% and 1.4%-1.5% by FY26.
- ROE is expected to improve to 14%-15% by FY26 from 8.4% as on 1QFY24.
- CD Ratio to be around 85%-87%, which currently stands at 85% as the bank aims to increase its deposit utilization.
- Deposits growth rate is expected to be slightly below the overall loan growth rate at a 20% for FY24 and at a CAGR of +20% over FY24-FY26.
- With remaining TD to re-price in 2QFY24, the bank expects COD to rise by 10-15bp in the short term.
- NIMs to improve in the upcoming quarters with the average for FY24 projected to be at ~5%.
- Credit cost expected to be 1.5%-2.0% in FY24 with a target to be on the lower side of the range.
- The bank expects the share of new business to be 30% of the total loan book by FY26.

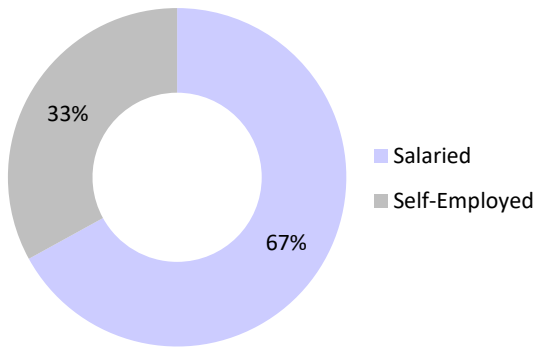
Key exhibits

Exhibit 1: Credit Cards constitute ~24.6% of its total loan portfolio

INR m	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	YoY	QoQ
Total spends	131,610	141,290	158,210	165,620	175,910	34%	6%
Credit Card book	142,810	149,080	157,340	168,520	179,750	26%	7%
As a percentage of total book	23.7%	23.7%	23.6%	24.0%	24.6%		

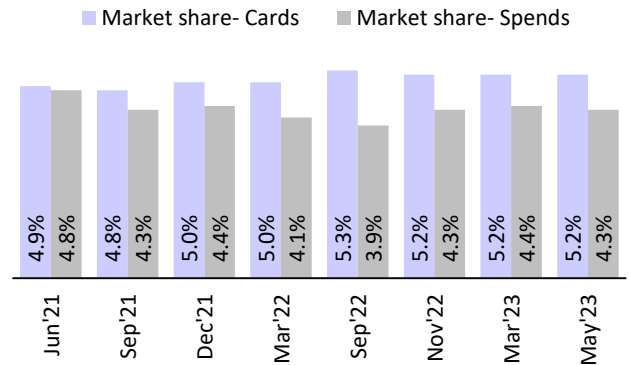
Source: MOFSL, Company

Exhibit 2: Salaried segment constitutes 67% of total Credit Card base



Source: MOFSL, Company

Exhibit 3: RBK's market share in spends has moderated, while it remains stable in o/s cards



Source: MOFSL, Company

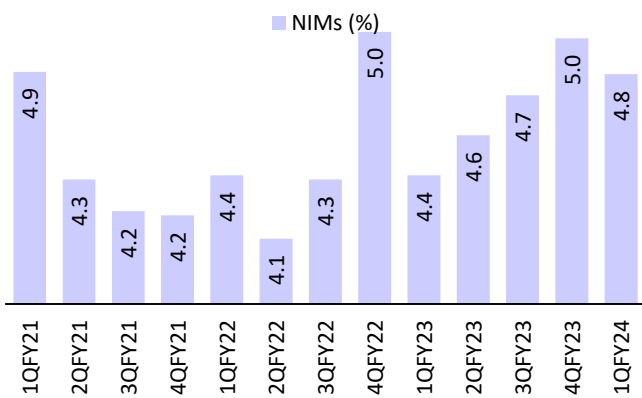
Valuation and view

■ Fresh slippages moderated to INR5.5b (3.7% annualized), which resulted in a 15bp/10bp QoQ improvement in GNPA/NNPA ratio to 3.2%/1.0%. PCR improved 157 bp QoQ to 69.6%, despite recoveries and upgrades being modest. Restructuring book too moderated to 1.1% of loans vs. 1.2% in 4QFY23. We expect slippages to moderate to 3.4/3.2% over FY24-25 and estimate a credit cost of 1.5-1.6% over FY24-25.

Reiterate Neutral with a TP of INR210: RBK reported a beat in earnings, driven by lower opex, while margins moderated 17bp QoQ. Business growth saw healthy trends and management expects traction to remain healthy, led by retail loans. Deposit growth was modest with CASA ratio witnessing a moderation. The bank reported a steady improvement in asset quality with a decline in slippages and restructured book. This trend bodes well for incremental outlook on asset quality. We expect RBK to deliver FY25E RoA/RoE of 1.1%/10.3%. **We reiterate our Neutral stance on the stock with a TP of INR210 (0.8x FY'25E ABV).**

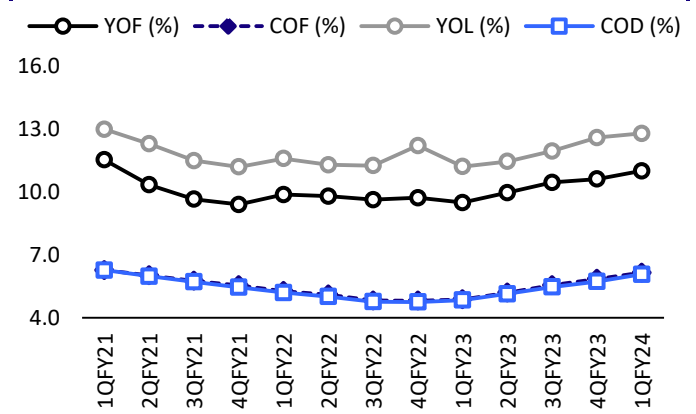
Story in charts

Exhibit 4: NIM moderated 17bp QoQ to 4.8%



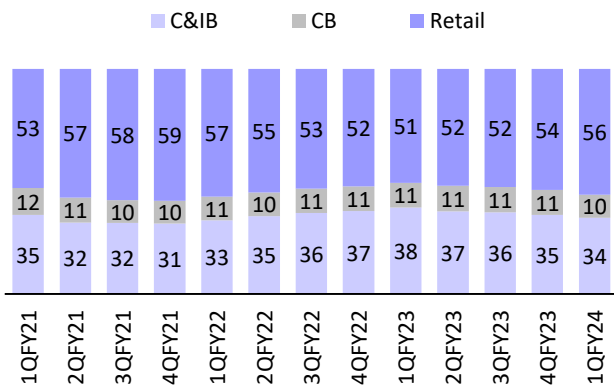
Source: MOFSL, Company

Exhibit 5: Cost of deposits increases 34bp QoQ to ~6.1%



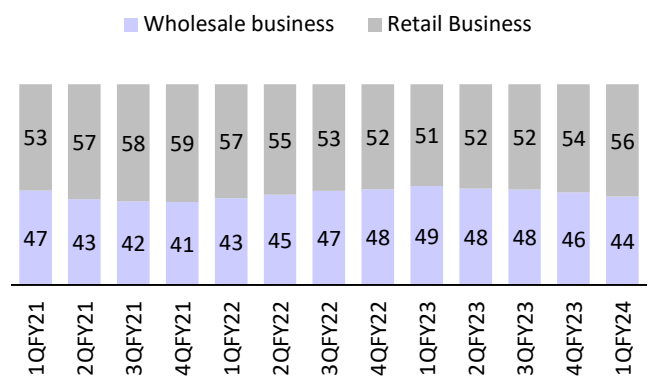
Source: MOFSL, Company

Exhibit 6: Loan mix composition



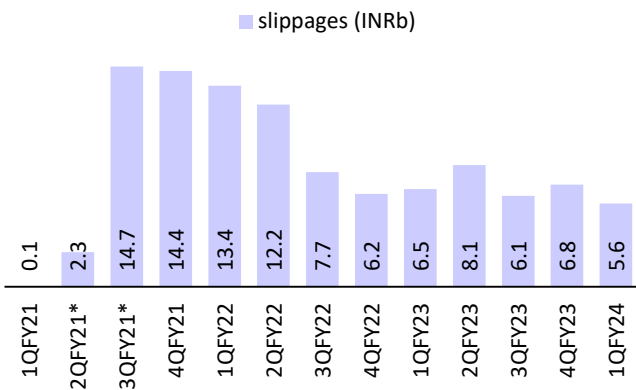
Source: MOFSL, Company

Exhibit 7: Share of non-Wholesale business stands at 56%



Source: MOFSL, Company

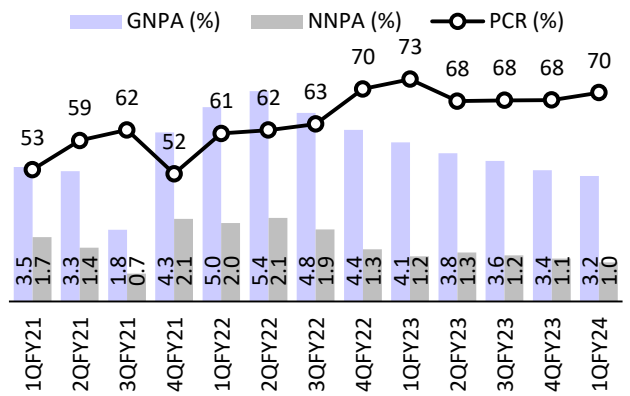
Exhibit 8: Slippages moderated 19% QoQ to INR5.6b



*Pro-forma slippages

Source: MOFSL, Company

Exhibit 9: GNPA/NNPA ratios improve 15bp/10bp QoQ to 3.2%/1.0%; PCR stood at 70%



Source: MOFSL, Company

Exhibit 10: DuPont analysis – Return ratios to improve gradually over the medium term

Y/E MARCH	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	8.16	8.86	10.06	8.78	7.90	8.22	9.26	9.39
Interest Expense	4.96	5.29	5.77	4.79	4.01	4.21	4.81	4.76
Net Interest Income	3.20	3.57	4.29	3.99	3.89	4.01	4.45	4.63
Fee income	1.63	1.92	2.07	1.70	2.02	2.13	2.29	2.41
Trading and others	0.30	0.11	0.19	0.29	0.24	0.11	0.12	0.13
Non Interest income	1.93	2.03	2.26	1.99	2.26	2.24	2.41	2.54
Total Income	5.13	5.60	6.54	5.98	6.16	6.25	6.86	7.17
Operating Expenses	2.72	2.87	3.34	2.91	3.50	4.27	4.54	4.64
Employee cost	1.00	0.89	0.91	0.89	0.97	1.21	1.28	1.29
Others	1.72	1.98	2.43	2.01	2.53	3.06	3.26	3.35
Operating Profit	2.41	2.73	3.21	3.08	2.65	1.98	2.33	2.53
Core Operating Profit	2.11	2.62	3.02	2.79	2.41	1.87	2.21	2.40
Provisions	0.66	0.90	2.32	2.35	2.77	0.92	0.97	1.06
NPA	0.47	0.66	2.20	2.31	2.42	0.92	0.93	1.03
Others	0.19	0.24	0.12	0.04	0.35	0.00	0.04	0.03
PBT	1.75	1.83	0.89	0.73	-0.11	1.06	1.35	1.47
Tax	0.60	0.61	0.29	0.19	-0.04	0.27	0.34	0.37
RoA	1.15	1.22	0.60	0.54	-0.07	0.79	1.01	1.10
<i>Leverage (x)</i>	<i>10.1</i>	<i>10.0</i>	<i>9.3</i>	<i>8.2</i>	<i>8.2</i>	<i>8.5</i>	<i>8.8</i>	<i>9.4</i>
RoE	11.6	12.2	5.6	4.4	-0.6	6.7	8.9	10.3

Financials and valuations

Income Statement								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	45,076	63,007	85,144	83,290	81,758	91,299	1,14,808	1,33,691
Interest Expense	27,413	37,612	48,847	45,415	41,491	46,784	59,594	67,776
Net Interest Income	17,663	25,395	36,296	37,876	40,267	44,515	55,214	65,915
Growth (%)	44.6	43.8	42.9	4.4	6.3	10.5	24.0	19.4
Non Interest Income	10,682	14,424	19,102	18,840	23,405	24,894	29,873	36,147
Total Income	28,345	39,818	55,399	56,716	63,673	69,409	85,087	1,02,062
Growth (%)	43.4	40.5	39.1	2.4	12.3	9.0	22.6	20.0
Operating Expenses	15,034	20,420	28,256	27,546	36,220	47,384	56,253	66,063
Pre Provision Profits	13,311	19,398	27,143	29,170	27,453	22,025	28,833	35,999
Growth (%)	44.6	45.7	39.9	7.5	-5.9	-19.8	30.9	24.9
Core PPP	11,645	18,615	25,548	26,449	24,961	20,779	27,338	34,205
Growth (%)	46.2	59.8	37.2	3.5	-5.6	-16.8	31.6	25.1
Provisions (excl tax)	3,645	6,407	19,615	22,279	28,604	10,219	12,065	15,114
PBT	9,665	12,992	7,528	6,891	-1,151	11,805	16,768	20,885
Tax	3,315	4,322	2,471	1,813	-404	2,978	4,220	5,257
Tax Rate (%)	34.3	33.3	32.8	26.3	35.1	25.2	25.2	25.2
PAT	6,351	8,670	5,057	5,078	-747	8,827	12,547	15,628
Growth (%)	42.4	36.5	-41.7	0.4	-114.7	-1,281.1	42.1	24.6

Balance Sheet

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	4,197	4,267	5,087	5,980	5,995	5,996	5,996	5,996
Reserves & Surplus	62,643	71,206	1,00,742	1,20,646	1,20,187	1,29,770	1,39,382	1,51,353
Net Worth	66,840	75,473	1,05,829	1,26,626	1,26,182	1,35,766	1,45,377	1,57,348
Deposits	4,39,023	5,83,944	5,78,122	7,31,213	7,90,065	8,48,865	9,79,590	11,41,223
Growth (%)	26.9	33.0	-1.0	26.5	8.0	7.4	15.4	16.5
of which CASA Dep	1,06,783	1,45,875	1,71,156	2,32,642	2,78,790	3,16,627	3,40,897	4,03,993
Growth (%)	40.5	36.6	17.3	35.9	19.8	13.6	7.7	18.5
Borrowings	92,614	1,18,321	1,70,067	1,12,259	1,10,930	1,33,313	1,48,315	1,75,298
Other Liabilities & Prov.	20,031	25,850	35,759	36,409	34,908	40,818	46,941	53,982
Total Liabilities	6,18,508	8,03,588	8,89,778	10,06,506	10,62,086	11,58,762	13,20,223	15,27,851
Cash & Balances with RBI	25,893	48,395	64,151	67,047	1,31,111	62,381	67,674	69,776
Balances with Banks & money at Call & Short Notice	16,951	17,626	24,421	67,195	44,366	22,820	31,581	36,863
Investments	1,54,475	1,68,404	1,81,497	2,32,300	2,22,739	2,88,755	3,20,517	3,71,800
Growth (%)	14.6	9.0	7.8	28.0	-4.1	29.6	11.0	16.0
Loans	4,02,678	5,43,082	5,80,190	5,86,225	6,00,218	7,02,094	8,35,491	9,94,235
Growth (%)	36.7	34.9	6.8	1.0	2.4	17.0	19.0	19.0
Fixed Assets	3,340	4,025	4,698	4,665	5,481	5,740	7,165	8,628
Other Assets	15,170	22,056	34,820	49,070	58,166	76,974	57,793	46,550
Total Assets	6,18,508	8,03,588	8,89,778	10,06,502	10,62,082	11,58,762	13,20,223	15,27,851

Asset Quality

GNPA (INR m)	5,667	7,546	21,365	26,015	27,284	24,199	22,661	24,470
NNPA (INR m)	3,126	3,728	11,894	12,414	8,066	7,725	6,531	6,350
GNPA Ratio	1.40	1.38	3.62	4.34	4.40	3.37	2.66	2.42
NNPA Ratio	0.78	0.69	2.05	2.12	1.34	1.10	0.78	0.64
Slippage Ratio	1.93	1.76	6.19	5.43	6.73	4.59	3.40	3.20
Credit Cost	1.05	1.35	3.49	3.82	4.82	1.57	1.50	1.60
PCR (Excl Tech. write off)	44.8	50.6	44.3	52.3	70.4	68.1	71.2	74.0

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Yield and Cost Ratios (%)								
Avg. Yield-Earning Assets	8.4	9.2	10.5	9.3	8.4	8.8	9.9	9.8
Avg. Yield on loans	9.8	10.7	12.3	11.2	10.6	11.0	11.7	11.5
Avg. Yield on Investments	7.0	6.9	7.9	6.7	6.0	6.4	6.8	6.9
Avg. Cost-Int. Bear. Liab.	5.7	6.1	6.7	5.7	4.8	5.0	5.6	5.5
Avg. Cost of Deposits	6.0	6.3	6.9	5.5	4.7	4.9	5.6	5.6
Interest Spread	2.7	3.1	3.8	3.6	3.6	3.9	4.2	4.3
Net Interest Margin	3.3	3.7	4.5	4.2	4.1	4.3	4.8	4.8

Capitalization Ratios (%)

CAR	15.3	13.5	16.5	17.5	16.8	16.9	15.9	14.8
Tier I	13.6	12.1	15.3	16.6	16.2	15.3	14.4	13.4
Tier II	1.7	1.4	1.1	0.9	0.6	1.6	1.6	1.4

Business & Efficiency Ratios (%)

Loans/Deposit Ratio	91.7	93.0	100.4	80.2	76.0	82.7	85.3	87.1
CASA Ratio	24.3	25.0	29.6	31.8	35.3	37.3	34.8	35.4
Cost/Assets	2.4	2.5	3.2	2.7	3.4	4.1	4.3	4.3
Cost/Total Income	53.0	51.3	51.0	48.6	56.9	68.3	66.1	64.7
Cost/Core Income	56.4	52.3	52.5	51.0	59.2	69.5	67.3	65.9
Int. Expense/Int.Income	60.8	59.7	57.4	54.5	50.7	51.2	51.9	50.7
Fee Income/Net Income	26.5	30.2	28.7	25.6	29.5	29.8	29.4	29.8
Non Int. Inc./Net Income	37.7	36.2	34.5	33.2	36.8	35.9	35.1	35.4
Empl. Cost/Total Expense	36.6	31.2	27.2	30.7	27.7	28.3	28.1	27.8
Investment/Deposit Ratio	35.2	28.8	31.4	31.8	28.2	34.0	32.7	32.6

Profitability & Valuation Ratios

RoE	11.6	12.2	5.6	4.4	-0.6	6.7	8.9	10.3
RoA	1.1	1.2	0.6	0.5	-0.1	0.8	1.0	1.1
RoRWA	1.5	1.6	0.8	0.7	-0.1	1.1	1.4	1.5
Book Value (INR)	159	177	208	212	210	226	242	262
Growth (%)	40.5	11.1	17.6	1.8	-0.6	7.6	7.1	8.2
Price-BV (x)	1.4	1.3	1.1	1.0	1.1	1.0	0.9	0.8
Adjusted BV (INR)	153	169	190	195	199	217	235	255
Price-ABV (x)	1.5	1.3	1.2	1.1	1.1	1.0	0.9	0.9
EPS (INR)	15.1	20.3	9.9	8.5	-1.2	14.7	20.9	26.1
Growth (%)	27.3	34.3	-51.1	-14.6	-114.7	-1,281.0	42.1	24.6
Price-Earnings (x)	14.7	10.9	22.3	26.1	-177.8	15.1	10.6	8.5
Dividend Per Share (INR)	2.3	2.1	3.8	0.0	0.0	1.5	4.2	5.2
Dividend Yield (%)	1.0	0.9	1.7	0.0	0.0	0.7	1.9	2.4

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