

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	RBK IN
Equity Shares (m)	600
M.Cap.(INRb)/(USD\$)	147 / 1.8
52-Week Range (INR)	257 / 119
1, 6, 12 Rel. Per (%)	7/52/78
12M Avg Val (INR M)	2355

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	50.0	59.6	72.7
OP	22.0	30.4	38.9
NP	8.8	13.1	17.0
NIM (%)	4.8	5.1	5.3
EPS (INR)	14.7	21.8	28.4
EPS Gr. (%)	NM	48.0	30.5
BV/Sh. (INR)	226	243	263
ABV/Sh. (INR)	215	236	256

Ratios

RoE (%)	6.7	9.3	11.2
RoA (%)	0.8	1.0	1.2

Valuations

P/E(X)	16.6	11.2	8.6
P/BV (X)	1.1	1.0	0.9
P/ABV (X)	1.1	1.0	1.0

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	0.0	0.0	0.0
DII	19.5	20.7	14.2
FII	30.0	25.9	27.2
Others	50.5	53.4	58.6

FII Includes depository receipts

CMP: INR244 TP: INR265 (+8%) Neutral

Strong performance; One-off gains utilized prudentially

PCR improves 600bp QoQ to 75.6%

- RBK reported a strong performance with 46% YoY growth in PAT at INR2.9b (MOFSL: INR3.05b).
- The bank benefitted from a tax reversal of INR2.2b, which it prudently utilized to make a contingency provision of 1% on its credit card and Microfinance advances (INR2.5b) and also in tightening the provisioning policy on overdue loans in credit cards (INR0.48b).
- NII grew 26% YoY to INR14.75b as the bank re-classified charges paid to BCs from interest income to operating expenses. NIMs thus increased ~60bp to 5.54% in 2QFY24. Adjusted NIMs increased 5bp QoQ (in line).
- Fresh slippages moderated to INR5.4b (3.4% annualized), which, along with healthy provisioning, resulted in a 10bp/22bp QoQ improvement in GNPA/NNPA ratio to 3.12%/0.78%. PCR improved 600 bp QoQ to 75.6%.
- We raise our FY24/25E earnings by 4%/1% and estimate RBK to deliver FY25E RoA/RoE of 1.2%/11.2%. We reiterate our **Neutral stance with a revised TP of INR265 (1.0x FY25E ABV)**.

Asset quality improves sharply; Business growth healthy

- RBK reported a PAT of INR2.9b (up 46% YoY). Adjusted NII stood at INR13.02b (in line), while margins increased 5bp QoQ to 4.89% (in line); however, post the reclassification, the NIMs have expanded ~60bp to 5.54%.
- Other income grew 21% YoY (in line), led by 25% YoY increase in fee income, while treasury gains came in at INR282m. Revised opex rose 16% YoY (down 1% QoQ). C/I ratio thus moderated ~280bp QoQ to 66.5%. PPOp grew 43% YoY to INR7.3b (9% beat).
- Advances grew 21% YoY (up 4% QoQ) to INR763b, driven by ~35% YoY growth in retail loans vs. 7% YoY growth in wholesale book. Rural vehicle finance grew 16% QoQ, while the housing loan/MFI saw an increase of 9%/4% QoQ. Credit cards book grew 5% QoQ with the mix of cards standing at 25% of loans.
- Deposits grew 13% YoY, led by term deposits, which grew 14% YoY (up 7.5% QoQ). CASA deposits grew 12% YoY (flat QoQ). CASA mix moderated 160bp QoQ to 35.7%.
- Fresh slippages stood at INR5.4b (3.4% annualized); however, healthy provisioning enabled 10bp/22bp QoQ improvement in GNPA/NNPA ratio to 3.12%/0.78%. PCR improved 600 bp QoQ to 75.6%. Restructuring book moderated to 0.9% of loans vs. 1.1% in 1QFY24.

Highlights from the management commentary

- The bank expects the Advances 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 2QFY24.
- Retail deposits as per LCR stood at 44.2% of total deposits. Normalized LCR to be 120-125% vs. the current LCR of 142%.

Valuation and view

RBK reported a strong performance, leveraging one-off gains, which was prudently utilized to strengthen the balance sheet by making contingent provision on MFI+Cards book and tighten the provisioning policy. The business experienced robust growth, marked by healthy trends, and the management anticipates a consistent momentum, driven by retail loans. Deposit growth was healthy though CASA ratio witnessed slight moderation. The bank reported a steady improvement in asset quality along with a decline in restructured book, which bodes well for incremental outlook on asset quality. We raise our FY24/25E earnings by 4%/1% and estimate RBK to deliver FY25E RoA/RoE of 1.2%/11.2%. We reiterate **our Neutral rating on the stock with a revised TP of INR265 (1.0x FY25E ABV).**

Quarterly performance

(INR m)

	FY23				FY24E				FY23	FY24E	FY24E V/s our	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Est
Net Interest Income	10,277	11,743	11,482	12,112	14,222	14,750	15,106	15,536	49,985	59,614	13,105	13%
% Change (Y-o-Y)	6.0	28.3	13.6	7.1	38.4	25.6	31.6	28.3	24.1	19.3	23.1	
Other Income	6,136	5,833	6,184	6,741	6,854	7,044	7,398	7,830	24,894	29,126	7,109	-1%
Total Income	16,413	17,576	17,666	18,853	21,076	21,794	22,504	23,366	74,879	88,740	20,214	8%
Operating Expenses	12,735	12,453	13,282	14,373	14,601	14,484	14,375	14,880	52,854	58,341	13,504	7%
Operating Profit	3,678	5,124	4,384	4,480	6,475	7,310	8,129	8,485	22,025	30,399	6,710	9%
% Change (Y-o-Y)	-52.0	-25.9	-30.5	-31.9	76.0	42.7	85.4	89.4	-19.8	38.0	31.0	
Provisions	2,530	2,415	2,927	2,347	2,662	6,404	3,661	3,192	10,219	15,919	2,627	144%
Profit before Tax	1,148	2,709	1,457	2,133	3,813	906	4,468	5,294	11,805	14,481	4,082	-78%
Tax	750	693	655	880	932	-2,035	1,126	1,396	2,978	1,419	1,029	-298%
Net Profit	399	2,016	802	1,253	2,881	2,941	3,342	3,898	8,827	13,061	3,054	-4%
% Change (Y-o-Y)	NM	NM	-48.6	-36.7	622.8	45.9	316.8	211.2	NM	48.0	51.5	
Operating Parameters												
Deposit (INR b)	792.2	794.0	817.5	848.9	856.4	897.8	933.3	993.2	848.9	993.2	877.0	
Loan (INR b)	602.7	629.4	666.8	702.1	730.9	763.2	793.4	842.5	702.1	842.5	762.5	
Deposit Growth (%)	6.4	5.0	11.0	7.4	8.1	13.1	14.2	17.0	7.4	17.0	10.4	
Loan Growth (%)	6.6	12.4	14.7	17.0	21.3	21.3	19.0	20.0	17.0	20.0	21.1	
Asset Quality												
Gross NPA (%)	4.1	3.8	3.6	3.4	3.2	3.1	3.0	2.9	3.4	2.9	3.0	
Net NPA (%)	1.2	1.3	1.2	1.1	1.0	0.8	0.8	0.8	1.1	0.8	0.9	
PCR (%)	72.5	67.8	68.0	68.1	69.6	75.6	75.5	74.6	68.1	74.6	70.2	

E: MOFSL Estimates

Quarterly snapshot

INR m	FY22				FY23				FY24		Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
Profit and Loss												
Interest Income	20,258	19,748	20,442	21,310	20,893	22,856	23,686	24,962	28,559	30,080	32	5
Loans	15,706	15,154	15,769	16,540	16,012	17,867	18,829	19,707	22,703	24,301	36	7
Investment	3,475	3,360	3,295	3,345	3,588	4,176	4,044	4,448	5,182	5,010	20	-3
Others	1,077	1,234	1,378	1,424	1,293	813	813	807	673	768	-5	14
Interest Expenses	10,563	10,593	10,338	9,996	10,616	11,113	12,205	12,850	14,337	15,330	38	7
Net Interest Income	9,695	9,155	10,104	11,313	10,277	11,743	11,482	12,112	14,222	14,750	26	4
Other Income	6,534	5,929	5,830	5,114	6,136	5,833	6,184	6,741	6,854	7,044	21	3
Trading profits	1,568	889	233	-51	798	408	309	135	480	282	-31	-41
Fee Income	4,966	5,039	5,597	5,165	5,338	5,425	5,875	6,606	6,374	6,763	25	6
Total Income	16,229	15,083	15,934	16,427	16,413	17,576	17,666	18,853	21,076	21,794	24	3
Operating Expenses	8,567	8,174	9,626	9,853	12,735	12,453	13,282	14,373	14,601	14,484	16	-1
Employee	2,315	2,376	2,534	2,790	3,090	3,410	3,329	3,574	3,412	3,747	10	10
Others	6,252	5,797	7,092	7,063	9,645	9,043	9,952	10,799	11,190	10,737	19	-4
Operating Profits	7,661	6,910	6,308	6,574	3,678	5,124	4,384	4,480	6,475	7,310	43	13
Core Operating Profits	6,093	6,021	6,075	6,625	4,494	4,715	5,363	5,803	5,995	7,028	49	17
Provisions	13,844	6,515	4,239	4,007	2,530	2,415	2,927	2,347	2,662	6,404	165	141
PBT	-6,182	395	2,069	2,568	1,148	2,709	1,457	2,133	3,813	906	-67	-76
Taxes	-1,588	87	508	589	750	693	655	880	932	-2,035	-394	-318
PAT	-4,595	308	1,561	1,978	399	2,016	802	1,253	2,881	2,941	46	2
Balance Sheet												
Deposits (INR b)	745	756	736	790	792	794	817	849	856	898	13	5
Loans (INR b)	565	560	581	600	603	629	667	702	731	763	21	4
Asset Quality												
GNPA	29,113	31,309	29,019	27,284	25,369	24,566	24,687	24,199	24,043	24,407	-1	2
NNPA	11,372	12,004	10,755	8,066	6,971	7,902	7,899	7,725	7,298	5,945	-25	-19
Slippages	13,420	12,170	7,660	6,190	6,530	8,120	6,080	6,810	5,550	5,410	-33	-3
Ratios (%)												
Asset Quality Ratios												
GNPA	5.0	5.4	4.8	4.4	4.1	3.8	3.6	3.4	3.2	3.1	-68	-10
NNPA	2.0	2.1	1.9	1.3	1.2	1.3	1.2	1.1	1.0	0.8	-48	-22
PCR (Calc)	61	62	63	70	73	68	68	68	70	76	781	600
PCR (Reported)	76	77	79	83	85	84	85	85	86	88	410	250
Business Ratios												
Fees to Total Income	30.6	33.4	35.1	31.4	32.5	30.9	33.3	35.0	30.2	31.0	16	79
Cost to Core Income	58.4	57.6	61.3	59.8	81.6	72.5	76.5	76.8	70.9	67.3	-520	-356
Tax Rate	25.7	22.0	24.5	22.9	65.3	25.6	45.0	41.3	24.4	-224.5	-25,007	-24,892
CASA mix	33.6	35.3	34.4	35.3	36.0	36.2	36.6	37.4	37.3	35.7	-50	-160
Loan/Deposit	75.9	74.1	79.0	76.0	76.1	79.3	81.6	82.7	85.3	85.0	574	-33
RWA / Assets (%)	73.4	73.3	131.6	71.5	72.6	74.7	76.1	73.5	74.4	72.1	-258	-232
Profitability Ratios												
Yield on loans	11.6	11.3	11.3	12.2	11.2	11.5	12.0	12.6	12.8	13.0	157	23
Yield On Investments	6.2	6.2	5.5	5.9	5.4	7.0	6.5	7.0	7.3	7.2	21	-8
Yield on Funds	9.9	9.8	9.6	9.7	9.5	10.5	10.5	10.6	11.7	11.9	145	19
Cost of funds	5.3	5.1	4.8	4.8	4.9	5.2	5.6	5.9	6.2	6.3	114	18
Margins	4.7	4.5	4.8	5.2	5.4	5.4	5.6	5.8	5.8	5.8	47	0
RoA	-1.9	0.1	0.6	0.8	0.8	0.8	0.8	1.0	1.0	1.0	23	-1
RoE	-14.5	1.0	5.0	6.4	6.3	6.1	6.3	8.1	8.4	8.4	226	-1
Distribution reach												
Branches	435	445	500	502	502	507	516	517	520	528	21	8
ATMS's	380	386	407	414	417	413	413	414	414	408	-5	-6



Highlights from the management commentary

With respect to business performance and assets

- Net Advances have grown 21% YoY in 2QFY24, out of which, retail advances grew higher at 35% YoY to INR441b as on 2QFY24.
- RBL has historically been netting off charges paid to BCs from Interest Income. The bank has now reclassified charges paid to BCs from the Interest Income line to Operating Expenses. As a result, the NII for the bank is higher by INR1.73b, while opex is also higher by the same amount. NIMs have thus increased ~60bp in 2QFY24.
- Wholesale advances grew 7% YoY as the bank is increasing its focus on growing the retail book. Within wholesale, the commercial segment has registered strong growth this quarter.
- Significant portfolio of the bank consists of credit card and MFI and accounts for 35% of total advances.
- The credit card segment was previously considered fully provided for if the overdue period is extended to 180 days or above. However, the bank has recently revised its policy, now considering accounts fully provided for if the overdue period reaches 120 days or more. This change has resulted in an impact of INR0.48b.
- Retail asset book registered a strong growth of 35% YoY and the bank expects ~5-6% sequential growth to be maintained in the future.
- Retail book disbursements in 2QFY24: INR43b of retail book other than cards, INR19.9b MFI loans, INR3b loans in the rural vehicle segment, INR8b in the housing loans.
- Retail deposits stood at 44.2% of the total deposits as on 2QFY24. Normalized LCR is ~120-125%.
- The bank has initiated lease generation in the MFI sector and expects similar lease generation in housing and small business loans in the near future.
- Branch contribution to total deposits is ~55-60% in 2QFY24. Additionally, the bank has expanded its services to include disbursements in the used car segment.
- CASA ratio moderated QoQ at 35.7% in 2QFY24 and the bank is continuously focusing on growing granular deposits.
- C/I has decreased ~300bp QoQ to 66.5% in 2QFY24 compared to 69.3% in 1QFY24 after the reclassification. The bank anticipates a further moderation of ~1% in the coming quarter.
- During 2QFY24, the bank saw a tax reversal of INR2.23b, resulting in a direct PAT benefit of the same amount (pre-tax benefit of INR2.98b). The bank has used this toward –
- Contingency provision of 1% on its Credit Card and Microfinance advances amounting to INR2.52b. The bank expects to continue maintaining the same.
- Tightened the provisioning policy on overdue loans in credit cards, thereby resulting in additional provisioning of INR0.48b.
- CAR has increased by 39bp QoQ to 17.1% in 2QFY24 vs 16.7% in 1QFY24.
- The bank expects the commercial book to grow ~15-17% and new book to grow ~30%.
- Assets re-pricing has been largely completed, and any improvements in yields are expected to come from a shift in the loan mix favoring the retail book.

- The bank aims to add ~150 branches going forward.
- New asset products such as rural vehicle finance business to be profitable within the next 12-18 months.
- The bank has adopted significant improvements in underwriting, collections, and improvement in data analysis with focus on cross-selling of its products.

Asset quality related

- Gross NPA/NNPA ratio improved sequentially by 10bp/22bp to 3.12%/0.78%.
- PCR improved 600bp QoQ to 75.6%.
- Bank reported slippages of INR5.4b in 2QFY24 vs. INR5.6b in 1QFY24 and recoveries and upgrades of INR1.7b. Recoveries of INR0.44b were realized from previously written off accounts.
- Slippages in the MFI book amounted to INR 0.6b, along with recoveries amounting to INR 0.16b as on 1QFY24.
- While the Credit Card book reported slippages amounting to INR3.5b with recoveries of INR0.43b.
- Other retail reported slippages amounting to INR3.3b in 2QFY24.
- Restructured book stands at 0.89% as on 2QFY24 from 1.05% in 1QFY24.

Guidance for FY24-26

- The bank expects the Advances to grow at 20-22% with higher growth in retail advances at 33%-35% 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 2QFY24.
- Deposits to grow ~18-20% for FY24 and at a CAGR of +20% over FY24-FY26.
- NIMs to improve in the upcoming quarters with an average for FY24 anticipated to be ~5%.
- Credit cost is expected to be 1.5%-2.0% in FY24, excluding the contingency buffer. This contingency buffer will not be utilized and the bank plans to maintain it for future needs.
- The bank expects the share of new business to be 30% of the total loan book by FY26.
- Retail mix is expected to be ~60-65% by FY26, which is currently at 58% in 2QFY24.

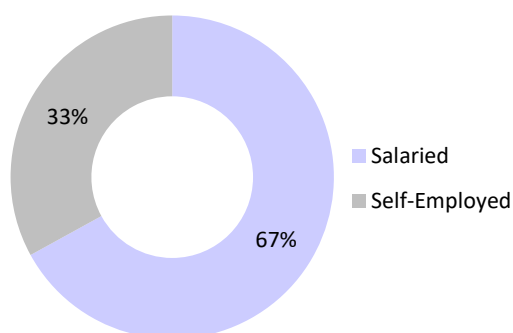
Key exhibits

Exhibit 1: Credit Cards constitute ~24.9% of total loan portfolio

INR m	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	YoY	QoQ
Total spends	141,290	158,210	165,620	175,910	187,020	32%	6%
Credit Card book	149,080	157,340	168,520	179,750	189,680	27%	6%
As a percentage of total book	23.7%	23.6%	24.0%	24.6%	24.9%		

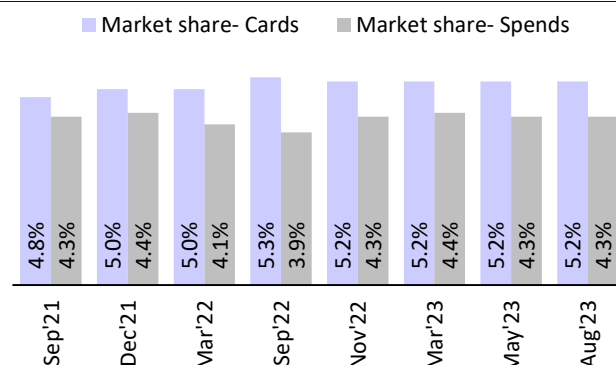
Source: MOFSL, Company

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



Source: MOFSL, Company

Exhibit 3: RBK's market share in spends and cards remains stable



Source: MOFSL, Company

Valuation and view

- Fresh slippages moderated to INR5.4b (3.4% annualized), resulting in a 10bp/22bp QoQ improvement in GNPA/NNPA ratio to 3.12%/0.78%. PCR improved 600 bp QoQ to 75.6% despite recoveries and upgrades being modest. Restructuring book too moderated to 0.9% of loans vs 1.1% in 1QFY24. We expect slippages to moderate to 3.2/3.0% over FY25-26 and estimate a credit cost of 1.7-1.65% over FY25-26.
- **Maintain Neutral with a TP of INR265:** RBK reported a strong performance, leveraging one-off gains, which was prudently utilized to strengthen the balance sheet by making contingent provision on MFI+Cards book and tighten the provisioning policy. The business experienced robust growth, marked by healthy trends, and the management anticipates a consistent momentum, driven by retail loans. The deposit growth was healthy, though CASA ratio witnessed slight moderation. The bank reported a steady improvement in asset quality along with a decline in restructured book, which bodes well for incremental outlook on asset quality. We raise our FY24/25E earnings by 4%/1% and estimate RBK to deliver FY25E RoA/RoE of 1.2%/11.2%. We reiterate our Neutral rating with a revised TP of INR265 (1.0x FY25E ABV).

Story in charts

Exhibit 4: NIM stood at 5.54% post reclassification of BC charges

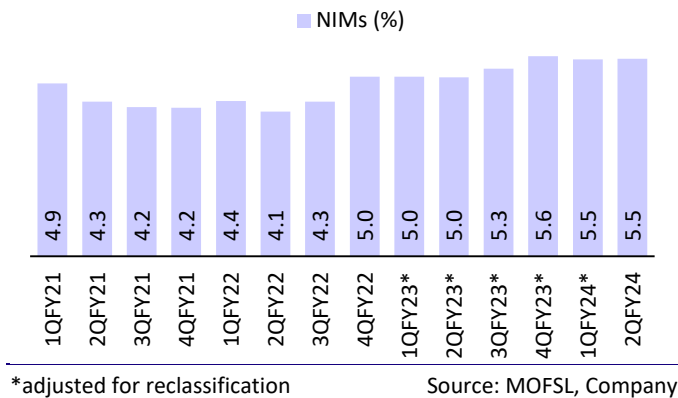


Exhibit 5: Yields on advances increased 23bp QoQ to 13% in 2QFY24

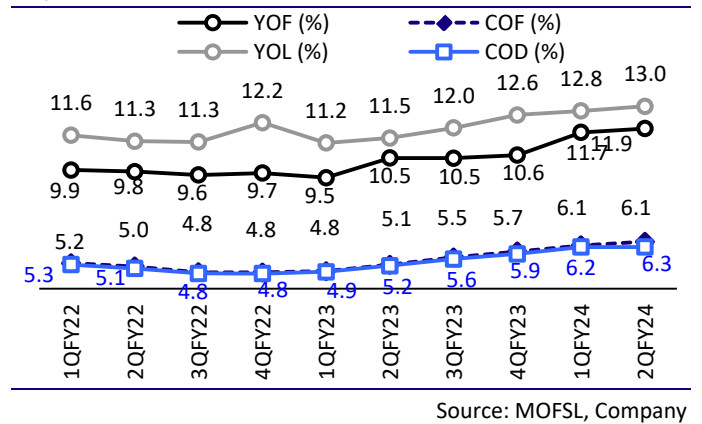


Exhibit 6: Loan mix composition

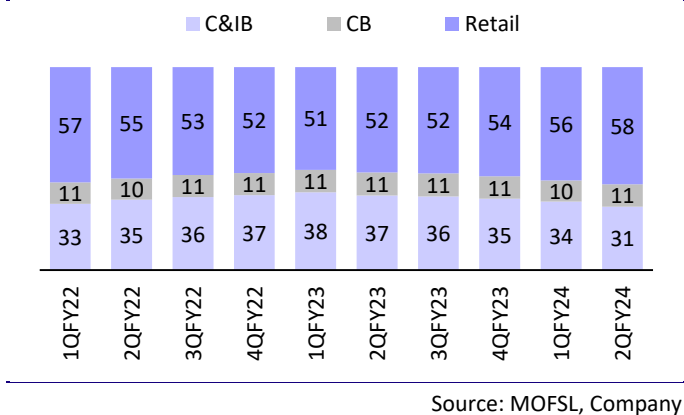


Exhibit 7: Share of Retail business increases to 58%

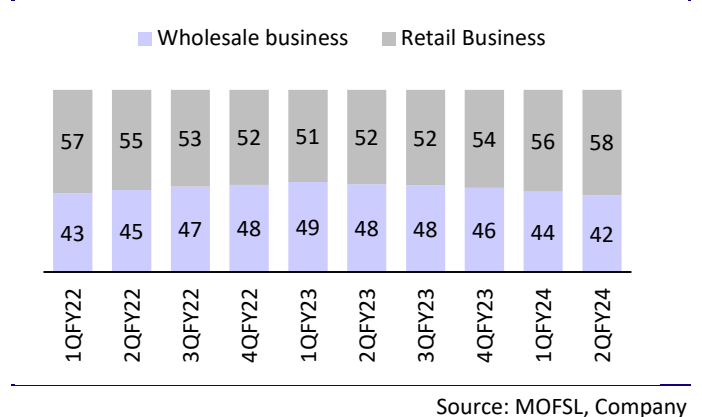


Exhibit 8: Slippages moderated 3% QoQ to INR5.4b

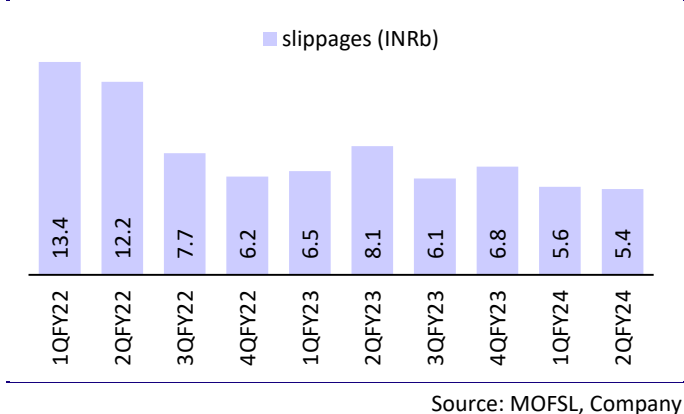


Exhibit 9: GNPA/NNPA ratios improve 10bp/22bp QoQ to 3.12%/0.78%; PCR stood at 76%

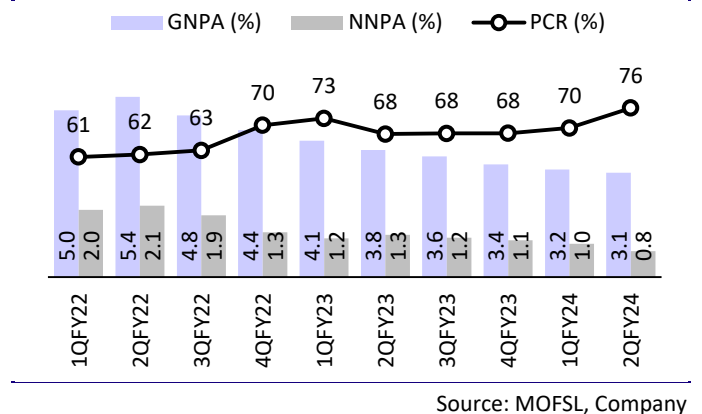


Exhibit 10: DuPont analysis – Return ratios to improve gradually over the medium term

Y/E MARCH	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	8.16	8.86	10.06	8.78	7.90	8.71	9.64	9.74	9.79
Interest Expense	4.96	5.29	5.77	4.79	4.01	4.21	4.90	4.80	4.75
Net Interest Income	3.20	3.57	4.29	3.99	3.89	4.50	4.74	4.95	5.04
Fee income	1.63	1.92	2.07	1.70	2.02	2.13	2.20	2.26	2.34
Trading and others	0.30	0.11	0.19	0.29	0.24	0.11	0.12	0.12	0.12
Non Interest income	1.93	2.03	2.26	1.99	2.26	2.24	2.32	2.38	2.46
Total Income	5.13	5.60	6.54	5.98	6.16	6.74	7.06	7.33	7.50
Operating Expenses	2.72	2.87	3.34	2.91	3.50	4.76	4.64	4.68	4.69
Employee cost	1.00	0.89	0.91	0.89	0.97	1.21	1.19	1.19	1.18
Others	1.72	1.98	2.43	2.01	2.53	3.55	3.45	3.49	3.52
Operating Profit	2.41	2.73	3.21	3.08	2.65	1.98	2.42	2.65	2.80
Core Operating Profit	2.11	2.62	3.02	2.79	2.41	1.87	2.30	2.53	2.68
Provisions	0.66	0.90	2.32	2.35	2.77	0.92	1.27	1.10	1.09
NPA	0.47	0.66	2.20	2.31	2.42	1.01	0.98	1.07	1.05
Others	0.19	0.24	0.12	0.04	0.35	-0.09	0.28	0.03	0.03
PBT	1.75	1.83	0.89	0.73	-0.11	1.06	1.15	1.55	1.72
Tax	0.60	0.61	0.29	0.19	-0.04	0.27	0.11	0.39	0.43
RoA	1.15	1.22	0.60	0.54	-0.07	0.79	1.04	1.16	1.28
<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>8.9</i>	<i>9.7</i>	<i>10.4</i>
RoE	11.6	12.2	5.6	4.4	-0.6	6.7	9.3	11.2	13.4

Financials and valuations

Income Statement							(INR m)		
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	45,076	63,007	85,144	83,290	81,758	96,769	1,21,168	1,43,126	1,68,232
Interest Expense	27,413	37,612	48,847	45,415	41,491	46,784	61,555	70,449	81,632
Net Interest Income	17,663	25,395	36,296	37,876	40,267	49,985	59,614	72,677	86,601
Growth (%)	44.6	43.8	42.9	4.4	6.3	24.1	19.3	21.9	19.2
Non Interest Income	10,682	14,424	19,102	18,840	23,405	24,894	29,126	34,952	42,292
Total Income	28,345	39,818	55,399	56,716	63,673	74,879	88,740	1,07,629	1,28,892
Growth (%)	43.4	40.5	39.1	2.4	12.3	17.6	18.5	21.3	19.8
Operating Expenses	15,034	20,420	28,256	27,546	36,220	52,854	58,341	68,693	80,708
Pre Provision Profits	13,311	19,398	27,143	29,170	27,453	22,025	30,399	38,936	48,184
Growth (%)	44.6	45.7	39.9	7.5	-5.9	-19.8	38.0	28.1	23.8
Core PPoP	11,645	18,615	25,548	26,449	24,961	20,803	28,933	37,177	46,073
Growth (%)	46.2	59.8	37.2	3.5	-5.6	-16.7	39.1	28.5	23.9
Provisions	3,645	6,407	19,615	22,279	28,604	10,219	15,919	16,164	18,686
PBT	9,665	12,992	7,528	6,891	-1,151	11,805	14,481	22,773	29,499
Tax	3,315	4,322	2,471	1,813	-404	2,978	1,419	5,732	7,425
Tax Rate (%)	34.3	33.3	32.8	26.3	35.1	25.2	9.8	25.2	25.2
PAT	6,351	8,670	5,057	5,078	-747	8,827	13,061	17,041	22,074
Growth (%)	42.4	36.5	-41.7	0.4	-114.7	-1,281.2	48.0	30.5	29.5

Balance Sheet

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	4,197	4,267	5,087	5,980	5,995	5,996	5,996	5,996	5,996
Reserves & Surplus	62,643	71,206	1,00,742	1,20,646	1,20,187	1,29,770	1,39,775	1,51,832	1,66,158
Net Worth	66,840	75,473	1,05,829	1,26,626	1,26,182	1,35,766	1,45,771	1,57,827	1,72,153
Deposits	4,39,023	5,83,944	5,78,122	7,31,213	7,90,065	8,48,865	9,93,172	11,71,943	13,82,893
Growth (%)	26.9	33.0	-1.0	26.5	8.0	7.4	17.0	18.0	18.0
of which CASA Dep	1,06,783	1,45,875	1,71,156	2,32,642	2,78,790	3,17,165	3,51,583	4,07,836	4,75,715
Growth (%)	40.5	36.6	17.3	35.9	19.8	13.8	10.9	16.0	16.6
Borrowings	92,614	1,18,321	1,70,067	1,12,259	1,10,930	1,33,313	1,68,316	2,00,069	2,37,087
Other Liabilities & Prov.	20,031	25,850	35,759	36,409	34,908	40,818	46,941	53,982	62,079
Total Liabilities	6,18,508	8,03,588	8,89,778	10,06,506	10,62,086	11,58,762	13,54,200	15,83,821	18,54,213
Cash & Balances with RBI	25,893	48,395	64,151	67,047	1,31,111	62,381	69,689	72,717	85,859
Balances with Banks & money at Call & Short Notice	16,951	17,626	24,421	67,195	44,366	22,820	32,522	38,416	45,359
Investments	1,54,475	1,68,404	1,81,497	2,32,300	2,22,739	2,88,754	3,20,517	3,71,800	4,31,288
Growth (%)	14.6	9.0	7.8	28.0	-4.1	29.6	11.0	16.0	16.0
Loans	4,02,678	5,43,082	5,80,190	5,86,225	6,00,218	7,02,094	8,42,512	10,02,590	11,93,082
Growth (%)	36.7	34.9	6.8	1.0	2.4	17.0	20.0	19.0	19.0
Fixed Assets	3,340	4,025	4,698	4,665	5,481	5,740	6,511	7,868	9,363
Other Assets	15,170	22,056	34,820	49,070	58,166	76,974	82,448	90,431	89,261
Total Assets	6,18,508	8,03,588	8,89,778	10,06,502	10,62,082	11,58,762	13,54,200	15,83,821	18,54,213
Asset Quality									
GNPA (INR m)	5,667	7,546	21,365	26,015	27,284	24,196	25,081	26,960	30,078
NNPA (INR m)	3,126	3,728	11,894	12,414	8,066	7,723	6,360	6,610	7,155
GNPA Ratio	1.40	1.38	3.62	4.34	4.40	3.37	2.91	2.64	2.47
NNPA Ratio	0.78	0.69	2.05	2.12	1.34	1.10	0.75	0.66	0.60
Slippage Ratio	1.93	1.76	6.19	5.43	6.73	4.59	3.40	3.20	3.00
Credit Cost	1.05	1.35	3.49	3.82	4.82	1.57	1.60	1.70	1.65
PCR (Excl Tech. write off)	44.8	50.6	44.3	52.3	70.4	68.1	74.6	75.5	76.2

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Yield and Cost Ratios (%)									
Avg. Yield-Earning Assets	8.4	9.2	10.5	9.3	8.4	9.4	10.4	10.4	10.4
Avg. Yield on loans	9.8	10.7	12.3	11.2	10.6	11.8	12.5	12.4	12.3
Avg. Yield on Investments	7.0	6.9	7.9	6.7	6.0	6.4	6.8	6.9	6.9
Avg. Cost-Int. Bear. Liab.	5.7	6.1	6.7	5.7	4.8	5.0	5.7	5.6	5.5
Avg. Cost of Deposits	6.0	6.3	6.9	5.5	4.7	4.9	5.7	5.6	5.5
Interest Spread	2.7	3.1	3.8	3.6	3.6	4.4	4.6	4.9	5.0
Net Interest Margin	3.3	3.7	4.5	4.2	4.1	4.8	5.1	5.3	5.4
Capitalization Ratios (%)									
CAR	15.3	13.5	16.5	17.5	16.8	16.9	15.8	14.5	13.4
CET-1	15.3	12.1	15.3	16.6	16.2	15.3			
Tier I	13.6	12.1	15.3	16.6	16.2	15.3	14.2	13.2	12.2
Tier II	1.7	1.4	1.1	0.9	0.6	1.6	1.5	1.4	1.2

Business & Efficiency Ratios (%)

Loans/Deposit Ratio	91.7	93.0	100.4	80.2	76.0	82.7	84.8	85.5	86.3
CASA Ratio	24.3	25.0	29.6	31.8	35.3	37.4	35.4	34.8	34.4
Cost/Assets	2.4	2.5	3.2	2.7	3.4	4.6	4.3	4.3	4.4
Cost/Total Income	53.0	51.3	51.0	48.6	56.9	70.6	65.7	63.8	62.6
Cost/Core Income	56.4	52.3	52.5	51.0	59.2	71.8	66.8	64.9	63.7
Int. Expense/Int.Income	60.8	59.7	57.4	54.5	50.7	48.3	50.8	49.2	48.5
Fee Income/Net Income	26.5	30.2	28.7	25.6	29.5	28.0	27.4	27.1	27.5
Non Int. Inc./Net Income	37.7	36.2	34.5	33.2	36.8	33.2	32.8	32.5	32.8
Empl. Cost/Total Expense	36.6	31.2	27.2	30.7	27.7	25.4	25.6	25.5	25.1
Business per Employee (INR m)	158.8	192.9	160.4	168.6	150.2	140.6	139.8	140.4	142.1
Proft per Employee (INR m)	1.2	1.5	0.7	0.6	-0.1	0.8	1.0	1.1	1.2
Investment/Deposit Ratio	35.2	28.8	31.4	31.8	28.2	34.0	32.3	31.7	31.2
G-Sec/Investment Ratio	73.3	70.9	86.2	82.1	90.5	91.1	91.1	91.1	91.1

Profitability & Valuation Ratios

RoE	11.6	12.2	5.6	4.4	-0.6	6.7	9.3	11.2	13.4
RoA	1.1	1.2	0.6	0.5	-0.1	0.8	1.0	1.2	1.3
RoRWA	1.5	1.6	0.8	0.7	-0.1	1.1	1.4	1.6	1.7
Book Value (INR)	159	177	208	212	210	226	243	263	287
Growth (%)	40.5	11.1	17.6	1.8	-0.6	7.6	7.4	8.3	9.1
Price-BV (x)	1.5	1.4	1.2	1.2	1.2	1.1	1.0	0.9	0.8
Adjusted BV (INR)	153	169	190	195	199	215	236	256	279
Price-ABV (x)	1.6	1.4	1.3	1.3	1.2	1.1	1.0	1.0	0.9
EPS (INR)	15.1	20.3	9.9	8.5	-1.2	14.7	21.8	28.4	36.8
Growth (%)	27.3	34.3	-51.1	-14.6	-114.7	-1,281.0	48.0	30.5	29.5
Price-Earnings (x)	16.1	12.0	24.5	28.7	-195.7	16.6	11.2	8.6	6.6
Dividend Per Share (INR)	2.3	2.1	3.8	0.0	0.0	1.5	4.4	7.1	11.0
Dividend Yield (%)	0.9	0.9	1.5	0.0	0.0	0.6	1.8	2.9	4.5

E: MOFSL Estimates

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Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.