

Equitas Small Finance

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR106

TP: INR125 (+18%)

Buy

Earnings in line; business growth remains healthy

Asset quality ratios deteriorate

- Equitas Small Finance Bank (EQUITASB) reported in-line earnings for 3QFY24 at INR2b (up 18.7% YoY). PPop grew 29% YoY (up 9% QoQ, in line), led by high other income.
- AUM growth was steady at 32% YoY/5% QoQ to INR328b, driven by healthy traction in most of the segments (barring NBFC). The management expects credit growth to remain robust at 25-28% in FY24.
- Deposit growth was robust at 38% YoY/5% QoQ, led by faster growth in TDs. The CASA mix moderated 85bp QoQ to 32.7%. The cost of funds, thus, rose 15bp QoQ to 7.4%, leading to a 6bp drop in NIMs to 8.37%.
- Slippages were elevated mainly due to higher slippages from vehicle finance and micro finance. GNPA/NNPA ratios increased 26bp/16bp QoQ to 2.53%/1.13%. PCR declined slightly to 56%.
- We maintain our FY24E/FY25E EPS and estimate FY25 RoA/RoE of 1.9%/15.3%. **Maintain BUY with a TP of INR125 (2.0x Sep'25E ABV).**

Business growth steady; NIMs compress 6bp QoQ

- EQUITASB reported PAT of INR2b (up 18.7% YoY). NII grew 21% YoY to INR7.85b (in line). Provisions increased 69% YoY/34% QoQ to INR0.84b (9% higher than our estimate).
- Other income grew 35% YoY/13% QoQ as fee income grew 24% YoY and Treasury income stood at INR300m (vs. INR180m in 2QFY24).
- Opex grew 21% YoY/2.2% QoQ to INR6.3b, leading to a decline in the C/I ratio to 63.6%. PPop, thus, grew 29% YoY/9.1% QoQ to INR3.6b.
- Total AUM jumped 32% YoY (5% QoQ) to INR328b, led by healthy traction across segments (barring NBFC). Disbursements stood at INR47.4b in 3QFY24, down 4.5% QoQ. Small business loans/vehicle finance grew 6%/4% QoQ, and micro finance growth stood at ~32% YoY (+3% QoQ). Housing finance grew at a robust 8.4% QoQ. The share of MFI AUM stood at 18.5% (vs. 18.8% in 2QFY24).
- Deposits jumped 38% YoY to ~INR324b, led by 6% QoQ growth in term deposits. The CASA ratio, thus, moderated 85bp QoQ to 32.7%, down from its peak of 52% in 4QFY22. The management has guided for a CD ratio of ~85% by FY25 vs. 90% in 3QFY24.
- On the asset quality front, slippages were elevated at INR3.1b (4.8% annualized) due to heavy floods in Tamil Nadu and high slippages in vehicle finance and micro finance. GNPA/NNPA ratios increased 26bp/16bp QoQ to 2.53%/1.13%. PCR declined slightly to 56%.

Bloomberg	EQUITASB IN
Equity Shares (m)	1113
M.Cap.(INRb)/(USD\$)	120.4 / 1.4
52-Week Range (INR)	117 / 52
1, 6, 12 Rel. Per (%)	0/2/75
12M Avg Val (INR M)	555

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	25.4	31.0	37.2
OP	11.8	13.8	16.5
NP	5.7	8.1	9.5
NIM (%)	9.0	8.4	7.9
EPS (INR)	4.9	7.2	8.4
BV/Sh. (INR)	46	52	59
ABV/Sh. (INR)	44	50	57

Ratios

RoE (%)	12.2	14.7	15.3
RoA (%)	1.9	2.0	1.9

Valuations

P/E(X)	21.8	14.7	12.6
P/BV (X)	2.3	2.0	1.8
P/ABV (X)	2.4	2.1	1.9

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	0.0	0.0	74.5
DII	45.7	43.9	15.4
FII	19.6	18.2	4.1
Others	34.8	35.6	6.1

FII Includes depository receipts

Highlights from the management commentary

- The management guides for a healthy credit growth of 25-28% for FY24.
- EQUITASB has given a CD ratio guidance of ~85% by FY25.
- Disbursement yields have improved, with yields at 18.8% in 3QFY24. SBL – 17.16%, MFI-25%, Used CV at 19.56%, New CV at 13.69%.
- During 3QFY24, the bank securitized/assigned advances worth INR13.9b.
- The profit on the sale of investments for the quarter was INR269m. Income from the sale to ARC stood at INR700m.

Valuation and view

EQUITASB reported a mixed performance with strong AUM growth driven by healthy traction across segments however slippages increased while NIMs declined slightly. Deposit growth remained robust, fueled by healthy growth in retail term deposits, although the CASA mix deteriorated sharply over the past year. While margins are likely to moderate further in 4QFY24, the rise in disbursement yields and the nearing end of deposit re-pricing would help the bank limit the impact. Asset quality deteriorated further amid higher slippages and lower recoveries. The bank has guided for a moderation in slippage run rate as collection efficiency improves. It expects credit cost at ~1.25% in FY24. We maintain our FY24E/FY25E EPS and estimates FY25 RoA/RoE of 1.9%/15.3%. **Maintain BUY with a TP of INR125 (premised on 2.0x Sep'25E ABV).**

Quarterly performance

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E	FY23E	v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Interest Income	5,806	6,097	6,475	7,070	7,431	7,656	7,851	8,044	25,447	30,983	7,895	-1
% Change (YoY)	25.9	26.0	19.7	28.0	28.0	25.6	21.3	13.8	24.8	21.8	21.9	
Other Income	1,332	1,450	1,526	2,387	1,714	1,814	2,055	2,319	6,696	7,901	1,916	7
Total Income	7,138	7,547	8,001	9,456	9,145	9,470	9,906	10,363	32,143	38,884	9,811	1
Operating Expenses	4,456	5,124	5,210	5,593	6,024	6,168	6,303	6,561	20,383	25,056	6,290	0
Operating Profit	2,682	2,423	2,791	3,864	3,121	3,302	3,603	3,802	11,760	13,828	3,521	2
% Change (YoY)	63.1	21.8	24.2	36.1	16.4	36.3	29.1	-1.6	34.9	17.6	26.1	
Provisions	1,416	901	499	1,256	601	632	844	945	4,072	3,022	777	9
Profit before Tax	1,266	1,522	2,292	2,608	2,521	2,670	2,759	2,857	7,688	10,807	2,744	1
Tax	296	358	591	707	609	689	739	684	1,952	2,720	692	7
Net Profit	970	1,164	1,701	1,900	1,912	1,982	2,020	2,173	5,736	8,087	2,053	-2
% Change (YoY)	713.4	182.6	57.4	59.0	97.1	70.2	18.7	14.4	104.3	41.0	20.7	
Operating Parameters												
AUM (INR b)	217	228	249	279	296	312	328	345	279	345	330	-1
Deposits (INR b)	204	217	234	254	277	308	324	348	254	348	326	-1
Loans (INR b)	205	218	233	258	275	288	292	320	258	320	305	-4
AUM Growth (%)	22	20	27	35	36	37	32	24	35	24		
Deposit Growth (%)	19	20	31	34	36	42	38	37	34	37		
Loan Growth (%)	22	22	27	33	34	32	25	24	33	24		
Asset Quality												
Gross NPA (%)	4.1	3.9	3.6	2.8	2.8	2.3	2.5	2.4	2.8	2.4		
Net NPA (%)	2.2	2.0	1.8	1.2	1.2	1.0	1.1	1.0	1.2	1.0		
PCR (%)	48.5	50.5	50.8	56.9	57.8	57.7	56.0	56.9	56.9	56.9		

Quarterly snapshot

Profit and Loss, INRm	FY23				FY24			Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY	QoQ
Net Interest Income	5,806	6,097	6,475	7,070	7,431	7,656	7,851	21	3
Other Income	1,332	1,450	1,526	2,387	1,714	1,814	2,055	35	13
Trading profits	70	70	80	80	290	180	300	275	67
Core Fees	670	840	950	1,720	910	1,050	1,180	24	12
Total Income	7,138	7,547	8,001	9,456	9,145	9,470	9,906	24	5
Operating Expenses	4,456	5,124	5,210	5,593	6,024	6,168	6,303	21	2
Employee	2,257	2,751	2,920	3,039	3,279	3,315	3,460	19	4
Others	2,200	2,373	2,290	2,553	2,745	2,853	2,843	24	0
Operating Profits	2,682	2,423	2,791	3,864	3,121	3,302	3,603	29	9
Core Operating Profits	2,612	2,353	2,711	3,784	2,831	3,122	3,303	22	6
Provisions	1,416	901	499	1,256	601	632	844	69	34
PBT	1,266	1,522	2,292	2,608	2,521	2,670	2,759	20	3
Taxes	296	358	591	707	609	689	739	25	7
PAT	970	1,164	1,701	1,900	1,912	1,982	2,020	19	2
Balance Sheet (INRb)									
Deposits	204	217	234	254	277	308	324	38	5
Loans	205	218	233	258	275	288	292	25	2
AUM's	217	228	249	279	296	312	328	32	5
Loan mix (%)									
MFI	18.5	18.2	18.5	18.8	19.0	18.8	18.5	1	-35
Vehicles	24.3	24.8	24.9	25.0	24.8	24.9	24.7	-20	-21
Small Business loans (incl HF)	46.4	47.6	47.3	46.5	47.3	48.5	49.3	207	88
MSE Finance	5.2	5.1	4.7	4.2	3.7	3.3	3.6	-114	24
Corporate loans	3.2	3.1	3.5	4.2	4.0	3.3	2.7	-79	-63
Others	2.5	1.2	1.2	1.3	1.2	1.2	1.2	6	7
Asset Quality (INRb)									
Asset Quality (INRb)									
Asset Quality (INRb)									
GNPA	8.6	8.7	8.6	7.2	7.7	6.6	7.5	-13	14
NNPA	4.4	4.3	4.2	3.1	3.3	2.8	3.3	-22	18
Slippages	3.0	3.1	2.9	1.9	2.1	2.6	3.1	9	22
Ratios (%)									
Asset Quality Ratios									
GNPA (%)	4.1	3.9	3.6	2.8	2.8	2.3	2.5	-110	26
NNPA (%)	2.2	2.0	1.8	1.2	1.2	1.0	1.1	-69	16
Slippage ratio	6.4	6.3	5.5	3.0	3.6	4.1	4.8	-75	70
PCR (Calc, %)	48.5	50.5	50.8	56.9	57.8	57.7	56.0	513	-175
Credit Cost	2.8	1.8	0.9	2.0	0.9	1.0	1.2	28	17
Business Ratios (%)									
Loan/Deposit	100.5	100.5	99.5	101.6	99.3	93.3	90.2	-930	-309
CASA	51.7	48.1	46.2	42.3	38.4	33.6	32.7	-1,353	-85
Cost to Income	62.4	67.9	65.1	59.1	65.9	65.1	63.6	-149	-150
Cost to assets	6.7	7.4	7.3	7.2	7.3	7.0	6.9	-43	-18
Tax Rate	23.4	23.5	25.8	27.1	24.1	25.8	26.8	101	100
Profitability Ratios (%)									
Cost of Funds	6.2	6.3	6.4	6.6	6.9	7.2	7.4	95	15
Margins	9.1	9.0	9.0	9.1	8.8	8.4	8.4	-64	-6
ROA	1.4	1.6	2.2	2.3	2.1	2.0	2.2	-1	17
ROE	9.0	10.6	14.9	15.5	14.5	14.6	14.4	-50	-18



Highlights from the management commentary

Operating environment, balance sheet and P&L

- AUM growth was healthy at 32% YoY/5% QoQ, with growth across all business segments.
- NIM stood at 8.37%, impacted by increased balance sheet liquidity as the CD ratio improved.
- About 77% of incremental deposits in 3Q came from retail term deposits.
- EQUITAS sees good demand across all product segments. All lead indicators remain healthy and give comfort about a healthy growth pace going forward.
- On the CV segment, the bank focuses on LCV and small CV. In used cars, the bank focuses on personal used cars.
- The CASA ratio moderated 85bp QoQ to 32.7% and the bank expects CASA to remain under pressure going forward as well.
- NII grew 21% YoY, other income grew 35% YoY, Opex grew by 21% YoY, and the C/I ratio declined to 63.6%. PPop grew 29% YoY. PAT grew 19% YoY.
- RoA stood at 1.98% and RoE stood at 14.4%.
- CRAR was healthy at 20.2%, Tier 1 stood at 19.7%, and Tier 2 stood at 0.6%.
- The bank expects that interest rates could marginally go down in the next quarter, which may dent margins. It expects NIMs to improve from next financial year if the interest rate remains stable.
- Interest rates have increased in SBL, vehicle finance and MFI book. Affordable housing has seen a marginal hike in interest rates in the current quarter.
- The bank's ability to raise retail deposits has been stable and is strengthening on the basis of prices it offers. So the bank is confident of acquiring retail deposits.
- In Q3FY24, the bank securitized/assigned advances worth INR13.9b.
- Bulk term deposits accounted for only ~23% of incremental deposits.
- ~85% of the portfolio is fixed rate loans with an average tenure of 2.5 years.
- Disbursement yields improved, with yields at 18.8% in Q3FY24. SBL -17.16%, MFI-25%, Used CV at 19.56%, New CV at 13.69%.
- The bank has adequate eligible advances available to raise funds through refinance or IBPC whenever required, which provides strong cushion to ALM position of the bank.
- The profit from the sale of investments was INR269m. Income from the sale to ARC stood at INR700m.
- The bank expects the cost of branch expansion to be very low going forward, but it will be investing in tech, and therefore the cost will remain at the current level.
- In SBL business growth, non-Tamil-Nadu disbursements rose 46% YoY in 3Q.
- The bank remains comfortable about liquidity, with LCR of 211.6%.

Asset quality

- GNPA increased to 2.5%, NNPA at 1.1%, PCR remained at 56% in 3QFY24.
- Slippages were high due to heavy floods in Tamil Nadu and high slippages in vehicle finance and micro finance.
- Collection efficiency for the bank will remain healthy in 4Q.
- 9MFY24 credit cost run rate is 90bp. Credit cost stood at 1.05% in 3QFY24.
- Normal slippage run rate is 3-4%. Including securitization book, GNPA would stand at 2.29%.

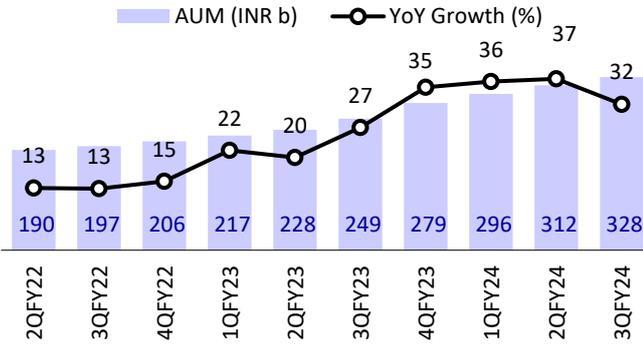
- The increase in disbursement yield of SBL has not led to deterioration in asset quality.
- The bank is not seeing any stress in the portfolio and should be consistent. It expects the credit cycle to be good in FY24.

Guidance

- The bank guides for healthy growth in advances in the range of 25-28% for FY24.
- It expects a CD ratio of ~85% by FY25.
- Credit cost guidance for FY24 stood at ~1.25%.
- The bank retains its earlier NIM guidance of 8.5% for FY24.
- The bank expects the interest cost to move up in FY25. The bank has increased interest rates in the last few months, which will have benefits going forward. The bank expects disbursements to stay strong, which will result in better fee income.
- The banks expected to sustain RoA at 2.25%; it has been able to maintain RoA at this level in the past too.

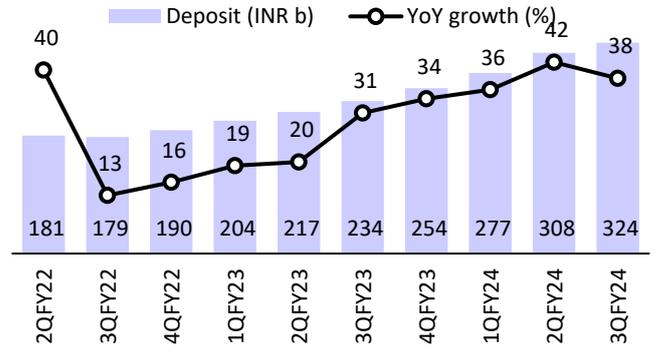
Story in Charts

Exhibit 1: AUM showed a healthy growth of 32% YoY



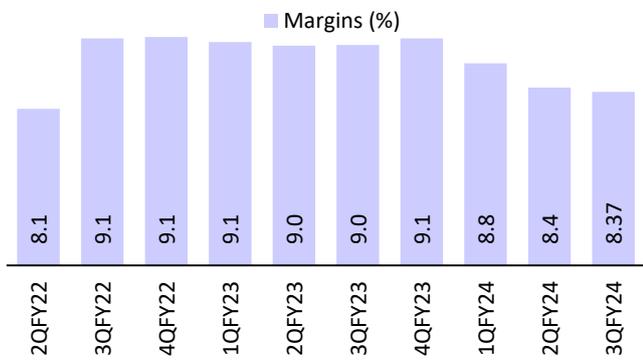
Source: MOFSL, Company

Exhibit 2: Deposits grew 38% YoY/5% QoQ to INR324b



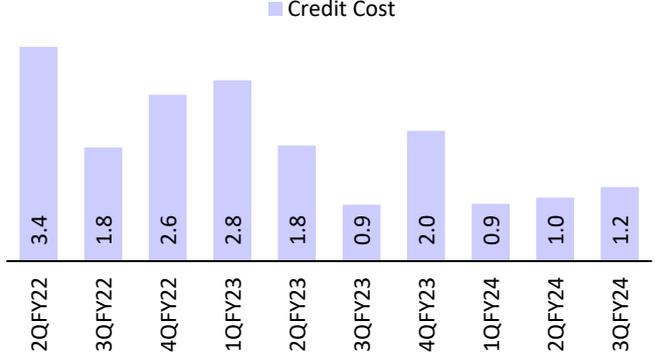
Source: MOFSL, Company

Exhibit 3: NIMs moderated 6bp QoQ to 8.37%



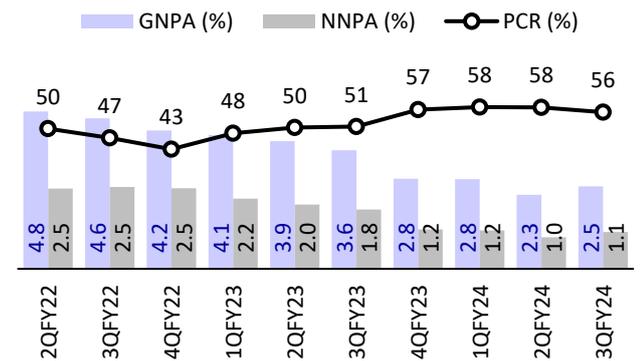
Source: MOFSL, Company

Exhibit 4: Credit cost stood at 1.2% in 3QFY24



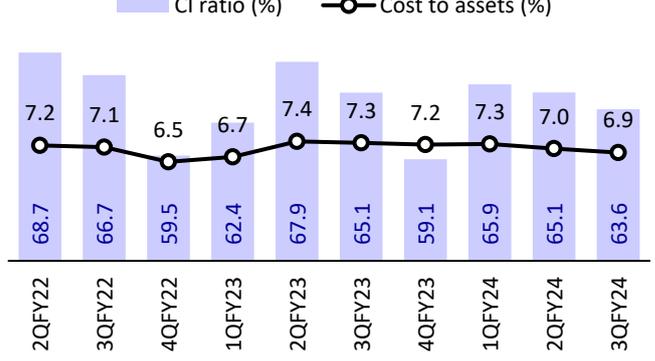
Source: MOFSL, Company

Exhibit 5: GNPA/NNPA ratios increased to 2.5%/1.1% in 3QFY24



Source: MOFSL, Company

Exhibit 6: C/I ratio declined to 63.6% in 3QFY24



Source: MOFSL, Company

Valuation and view

- EQUITASB reported a mixed performance with strong AUM growth driven by healthy traction across segments however slippages increased while NIMs declined slightly. Deposit growth remained robust, fueled by healthy growth in retail term deposits, although the CASA mix deteriorated sharply over the past year. While margins are likely to moderate further in 4QFY24, the rise in disbursement yields and the nearing end of deposit re-pricing would help the bank limit the impact. Asset quality deteriorated further amid higher slippages and lower recoveries. The bank has guided for a moderation in slippage run rate as collection efficiency improves. It expects credit cost at ~1.25% in FY24. **We maintain our FY24E/FY25E EPS and estimates FY25 RoA/RoE of 1.9%/15.3%. Maintain BUY with a TP of INR125 (premised on 2.0x Sep'25E ABV).**

Exhibit 7: DuPont analysis

	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	14.5	15.1	14.5	13.4	13.4	13.7	13.7	13.5
Interest Expense	6.6	6.6	6.3	5.5	5.2	6.0	6.3	6.2
Net Interest Income	7.93	8.53	8.17	7.89	8.22	7.77	7.34	7.33
Fee income	1.92	1.59	1.70	1.92	2.09	1.84	1.74	1.66
Trading and others	0.02	0.02	0.20	0.17	0.07	0.14	0.11	0.09
Other Income	1.95	1.61	1.90	2.08	2.16	1.98	1.85	1.75
Total Income	9.87	10.14	10.07	9.97	10.38	9.75	9.19	9.08
Operating Expenses	6.94	6.73	6.04	6.60	6.58	6.28	5.95	5.71
Employees	3.79	4.05	3.60	3.48	3.54	3.35	3.19	3.09
Others	3.15	2.68	2.45	3.12	3.04	2.93	2.76	2.63
Operating Profits	2.93	3.41	4.03	3.38	3.80	3.47	3.24	3.37
Core operating Profits	2.91	3.39	3.83	3.21	3.73	3.32	3.13	3.28
Provisions	0.70	1.41	1.71	1.91	1.32	0.76	0.73	0.79
NPA	0.61	0.75	1.97	1.32	1.50	0.70	0.67	0.73
Others	0.09	0.65	-0.26	0.59	-0.18	0.06	0.06	0.06
PBT	2.23	2.00	2.32	1.46	2.48	2.71	2.51	2.58
Tax	0.78	0.61	0.58	0.38	0.63	0.68	0.63	0.65
RoA	1.45	1.39	1.75	1.09	1.85	2.03	1.88	1.93
Leverage (x)	6.8	7.0	7.2	6.8	6.6	7.2	8.1	8.9
RoE	9.8	9.7	12.5	7.3	12.2	14.7	15.3	17.2

Financials and valuations

Income Statement								(INRm)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	21,119	26,454	31,944	34,597	41,619	54,784	69,455	86,625
Interest Expense	9,602	11,501	13,965	14,211	16,172	23,802	32,206	39,708
Net Interest Income	11,517	14,953	17,980	20,385	25,447	30,983	37,249	46,917
Growth (%)	33.8	29.8	20.2	13.4	24.8	21.8	20.2	26.0
Non-Interest Income	2,829	2,824	4,181	5,376	6,696	7,901	9,402	11,189
Total Income	14,346	17,777	22,160	25,761	32,143	38,884	46,651	58,106
Growth (%)	30.2	23.9	24.7	16.2	24.8	21.0	20.0	24.6
Operating Expenses	10,085	11,801	13,294	17,041	20,383	25,056	30,201	36,564
Pre Provision Profits	4,261	5,976	8,866	8,719	11,760	13,828	16,451	21,541
Growth (%)	93.1	40.2	48.4	-1.7	34.9	17.6	19.0	30.9
Core PPOp	4,229	5,942	8,419	8,293	11,546	13,262	15,885	20,975
Growth (%)	83.1	40.5	41.7	-1.5	39.2	14.9	19.8	32.0
Provisions (excl tax)	1,024	2,466	3,753	4,938	4,072	3,022	3,711	5,064
PBT	3,237	3,509	5,113	3,781	7,688	10,807	12,740	16,477
Tax	1,132	1,073	1,270	974	1,952	2,720	3,207	4,147
Tax Rate (%)	35.0	30.6	24.8	25.8	25.4	25.2	25.2	25.2
PAT	2,106	2,436	3,842	2,807	5,736	8,087	9,533	12,330
Growth (%)	561.4	15.7	57.7	-26.9	104.3	41.0	17.9	29.3

Balance Sheet

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	10,059	10,534	11,393	12,520	11,106	11,316	11,316	11,316
Reserves & Surplus	12,484	16,907	22,571	29,941	40,474	47,216	55,051	65,684
Net Worth	22,543	27,441	33,963	42,462	51,579	58,531	66,367	76,999
Deposits	90,067	1,07,884	1,63,920	1,89,508	2,53,806	3,47,714	4,58,982	5,87,497
Growth (%)	60.7	19.8	51.9	15.6	33.9	37.0	32.0	28.0
of which CASA Dep	22,743	22,082	56,138	98,554	1,07,319	1,10,921	1,47,333	1,94,461
Growth (%)	38.9	-2.9	154.2	75.6	8.9	3.4	32.8	32.0
Borrowings	39,730	51,349	41,653	26,164	29,738	25,277	22,244	25,135
Other Liabilities & Prov.	5,286	6,281	7,548	11,385	14,459	16,627	19,454	22,956
Total Liabilities	1,57,626	1,92,955	2,47,085	2,69,519	3,49,581	4,48,149	5,67,047	7,12,588
Current Assets	12,606	25,368	33,787	21,325	12,443	24,617	32,723	41,659
Investments	23,445	23,425	37,052	44,498	66,646	87,306	1,14,371	1,48,682
Growth (%)	-39.2	-0.1	58.2	20.1	49.8	31.0	31.0	30.0
Loans	1,15,935	1,37,282	1,68,482	1,93,742	2,57,986	3,19,902	3,96,679	4,93,865
Growth (%)	50.4	18.4	22.7	15.0	33.2	24.0	24.0	24.5
Fixed Assets	2,373	2,128	1,851	2,004	3,791	6,445	8,379	10,892
Other Assets	3,267	4,752	5,914	7,949	8,716	9,879	14,895	17,490
Total Assets	1,57,626	1,92,955	2,47,085	2,69,519	3,49,581	4,48,149	5,67,047	7,12,588
Total AUM	1,17,043	1,53,660	1,79,250	2,05,970	2,78,610	3,45,476	4,28,391	5,33,346
Growth (%)	42.1	31.3	16.7	14.9	35.3	24.0	24.0	24.5

Asset Quality	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
GNPA (INR m)	2,957	4,173	6,427	8,371	7,240	7,792	9,002	11,093
NNPA (INR m)	1,864	2,286	2,662	4,795	3,120	3,357	3,348	3,794
Slippage (INR m)	3,173	4,093	5,894	13,893	10,871			
GNPA Ratio	2.53	3.00	3.73	4.24	2.76	2.40	2.24	2.21
NNPA Ratio	1.61	1.67	1.58	2.47	1.21	1.05	0.84	0.77
Slippage Ratio	3.29	3.23	3.86	7.67	4.81	4.10	3.60	3.30
Credit Cost	0.81	1.61	2.07	2.19	1.41	0.96	0.95	1.05
PCR (Excl Tech. write off)	36.9	45.2	58.6	42.7	56.9	56.9	62.8	65.8

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Yield and Cost Ratio (%)								
Avg. Yield- on Earning Assets	15.5	16.0	15.3	14.6	14.8	14.8	14.8	14.7
Avg. Yield on loans	18.9	19.1	19.0	17.3	16.7	17.0	17.2	17.1
Avg. Yield on Investments	8.3	6.7	7.3	6.1	5.7	6.5	6.7	6.9
Avg. Cost of Int. Bear. Liab.	8.1	8.0	7.7	6.7	6.5	7.3	7.5	7.3
Avg. Cost of Deposits	7.0	7.5	7.1	6.4	6.1	6.8	7.2	7.0
Interest Spread	7.5	8.1	7.7	7.9	8.3	7.5	7.3	7.4
NIM (on IEA)	8.5	9.1	8.6	8.6	9.0	8.4	7.9	8.0

Capitalisation Ratios (%)

CAR	22.4	23.6	24.2	25.2	23.8	22.1	20.7	19.7
Tier I	20.9	22.4	23.2	24.5	23.1	21.5	20.2	19.3
Tier II	1.5	1.2	1.0	0.6	0.7	0.6	0.5	0.4
CET-1		22.4	23.2	24.5	23.1			

Business and Efficiency Ratios (%)

Loans/Deposit Ratio	128.7	127.2	102.8	102.2	101.6	92.0	86.4	84.1
CASA Ratio	25.3	20.5	34.2	52.0	42.3	31.9	32.1	33.1
Cost/Assets	6.4	6.1	5.4	6.3	5.8	5.6	5.3	5.1
Cost/Total Income	70.3	66.4	60.0	66.2	63.4	64.4	64.7	62.9
Cost/Core income	70.5	66.5	61.2	67.3	63.8	65.4	65.5	63.5
Int. Expense/Int.Income	45.5	43.5	43.7	41.1	38.9	43.4	46.4	45.8
Fee Income/Total Income	19.5	15.7	16.8	19.2	20.2	18.9	18.9	18.3
Non Int. Inc./Total Income	19.7	15.9	18.9	20.9	20.8	20.3	20.2	19.3
Empl. Cost/Total Expense	54.7	60.1	59.5	52.7	53.8	53.4	53.6	54.0
Business per Employee (INR m)			20.1	21.8	24.9	29.5	34.1	38.1
Profit per Employee (INR m)			0.2	0.2	0.3	0.4	0.4	0.4
Investment/Deposit Ratio	26.0	21.7	22.6	23.5	26.3	25.1	24.9	25.3
G-Sec/Investment Ratio	95.7	97.9	98.0	99.2	98.1	98.1	98.1	98.1

Profitability Ratios and Valuation

RoE	9.8	9.7	12.5	7.3	12.2	14.7	15.3	17.2
RoA	1.4	1.4	1.7	1.1	1.9	2.0	1.9	1.9
Book Value (INR)	22	26	30	34	46	52	59	68
Growth (%)	10.3	16.2	14.4	13.8	36.9	11.4	13.4	16.0
Price-BV (x)	4.7	4.1	3.6	3.1	2.3	2.0	1.8	1.6
Adjusted BV (INR)	21	25	28	31	44	50	57	66
Price-ABV (x)	5.0	4.3	3.8	3.4	2.4	2.1	1.9	1.6
EPS (INR)	2.1	2.4	3.5	2.3	4.9	7.2	8.4	10.9
Growth (%)	561.4	13.0	48.1	-33.0	106.8	48.6	16.8	29.3
Price-Earnings (x)	50.6	44.8	30.2	45.1	21.8	14.7	12.6	9.7

E: MOFSL Estimates

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NOTES

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