

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	RBK IN
Equity Shares (m)	600
M.Cap.(INRb)/(USD\$)	160.1 / 1.9
52-Week Range (INR)	301 / 132
1, 6, 12 Rel. Per (%)	-8/15/39
12M Avg Val (INR M)	2465

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	50.0	60.6	71.1
OP	22.0	29.1	35.6
NP	8.8	11.4	15.5
NIM (%)	4.8	5.2	5.2
EPS (INR)	14.7	19.0	25.8
EPS Gr. (%)	NM	29.2	35.5
BV/Sh. (INR)	226	241	259
ABV/Sh. (INR)	215	234	251

Ratios

RoE (%)	6.7	8.1	10.3
RoA (%)	0.8	0.9	1.1

Valuations

P/E(X)	17.7	13.7	10.1
P/BV (X)	1.2	1.1	1.0
P/ABV (X)	1.2	1.1	1.0

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	0.0	0.0	0.0
DII	19.8	19.5	22.6
FII	28.3	30.0	26.5
Others	52.0	53.4	50.8

FII Includes depository receipts

CMP: INR265

TP: INR270 (+2%)

Neutral

Adjusted PAT in-line; AIF-related provisions dent earnings

NIMs to remain stable

- RBL Bank (RBK) reported 3QFY24 PAT of INR2.33b (26% miss) as the bank made a contingent provision of INR1.15b with respect to AIF investments pursuant to the RBI circular. Adjusted for this provision, PAT stood at INR3.19b (vs. our estimate of INR3.16b).
- NII grew 21% YoY to INR15.4b (in line; up 4.8% QoQ). NIMs moderated by 2bp QoQ to 5.52% in 3QFY24.
- Advances growth was healthy at 20% YoY/4.7% QoQ, led by healthy growth in the retail segment. Deposit growth stood at 13.5% YoY/3.3% QoQ. The CASA ratio moderated 195bp QoQ to 33.8%.
- Fresh slippages increased to INR6.7b. Gross NPA/NNPA ratios were largely flat at 3.12%/0.80%, while PCR declined 56bp QoQ to 75.1%.
- We cut our FY24/FY25 earnings estimates by 10%/9% and estimate FY25 RoA/RoE of 1.1%/10.3%. We reiterate our **Neutral stance with a revised TP of INR270 (1.0x Sep'25E ABV)**.

Business growth healthy; Asset quality ratios stable

- RBK reported a PAT of INR2.3b (up 11.5% YoY, 26% miss) due to higher provisions (AIF exposure). Adjusted for the provisions, PAT stood at INR3.19b (vs. our estimate of INR3.16b).
- Other income grew 25.7% YoY (broadly in line), led by a 24.4% YoY increase in fee income and treasury gains of INR467m (vs. INR282m in 2QFY24). Opex rose 17.3% YoY (up 7.6% QoQ). The C/I ratio, thus, increased ~60bp QoQ to 67.1%. PPop grew ~35% YoY to INR7.7b (in line).
- Advances grew 20% YoY (up 4.7% QoQ) to INR799b, driven by ~32.6% YoY growth in retail loans vs. 6% YoY growth in wholesale book. Rural vehicle finance grew 38.5% QoQ, while housing /retail agri grew 24.4%/20% QoQ. Credit card book grew 6.6% QoQ, with the mix of cards standing at 20% of loans.
- Deposits grew 13.5% YoY, led by 18.5% YoY growth in term deposits (up 6.4% QoQ). CASA deposits grew 4.6% YoY (down 2.3% QoQ). The CASA mix, thus, moderated 195bp QoQ to 33.8%.
- Fresh slippages stood at INR6.7b. Gross NPA/NNPA ratios were largely flat at 3.12%/0.80%, while PCR declined 56bp QoQ to 75.1%. Restructuring book moderated to 0.6% of loans vs. 0.9% in 2QFY24.

Highlights from the management commentary

- Advances growth would remain healthy at 20% YoY, led by retail business.
- Gross slippages** stood at INR6.66b, of which Cards at INR3.7b, MFI at INR1b, and Other retail assets at INR1.5b.
- RBL has taken entire provisions on AIF investments at INR1.15b on the total exposure at INR1.20b. Excluding that provisions, the bank's PAT would have increased 53% YoY and RoA would be 1.03%.

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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

RBK reported an in-line performance, adjusted for one-off provisions pursuant to the recent RBI circular on AIF exposure, which led to a decline in earnings. The business is seeing healthy growth and the management anticipates the momentum to remain consistent, driven by retail loans. Deposit growth was healthy, though the CASA ratio moderated. The bank has guided for advances growth of ~20% YoY, led by retail business. Deposits are also expected to grow at a similar pace. Asset quality remained stable with a decline in restructured book. We cut our FY24/FY25 earnings estimates by 10%/9% to factor in higher provisions/opex and estimate FY25 RoA/RoE of 1.1%/10.3%. We reiterate **our Neutral rating on the stock with a revised TP of INR270 (1.0x Sep'25E ABV)**.

Quarterly performance**(INR m)**

	FY23				FY24E				FY23	FY24E	FY24E vs. our	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			3QE	Est
Net Interest Income	11,890	11,743	12,770	13,570	14,222	14,750	15,459	16,140	49,973	60,570	15,205	2%
% Change (Y-o-Y)	22.6	28.3	26.4	19.9	19.6	25.6	21.1	18.9	24.1	21.2	19.1	
Other Income	6,136	5,833	6,184	6,741	6,854	7,044	7,776	7,950	24,894	29,624	7,386	5%
Total Income	18,026	17,576	18,954	20,311	21,076	21,794	23,234	24,090	74,867	90,195	22,591	3%
Operating Expenses	12,735	12,453	13,282	14,373	14,601	14,484	15,582	16,446	52,843	61,114	14,751	6%
Operating Profit	5,291	5,124	5,672	5,938	6,475	7,310	7,652	7,644	22,025	29,081	7,840	-2%
% Change (Y-o-Y)	-30.9	-25.9	-10.1	-9.7	22.4	42.7	34.9	28.7	-19.8	32.0	38.2	
Provisions	2,530	2,415	2,927	2,347	2,662	6,404	4,581	3,341	10,219	16,987	3,614	27%
Profit before Tax	2,761	2,709	2,745	3,591	3,813	906	3,071	4,303	11,805	12,093	4,226	-27%
Tax	750	693	655	880	932	-2,035	740	1,047	2,978	685	1,065	-31%
Net Profit	2,012	2,016	2,090	2,711	2,881	2,941	2,331	3,256	8,827	11,409	3,161	-26%
% Change (Y-o-Y)	NM	NM	33.9	37.0	43.2	45.9	11.5	20.1	NM	29.2	51.3	
Operating Parameters												
Deposit (INR b)	792.2	794.0	817.5	848.9	856.4	897.8	927.5	981.3	848.9	981.3	940.6	
Loan (INR b)	602.7	629.4	666.8	702.1	730.9	763.2	799.5	835.5	702.1	835.5	796.1	
Deposit Growth (%)	6.4	5.0	11.0	7.4	8.1	13.1	13.5	15.6	7.4	15.6	15.1	
Loan Growth (%)	6.6	12.4	14.7	17.0	21.3	21.3	19.9	19.0	17.0	19.0	19.4	
Asset Quality												
Gross NPA (%)	4.1	3.8	3.6	3.4	3.2	3.1	3.1	3.0	3.4	3.0	3.0	
Net NPA (%)	1.2	1.3	1.2	1.1	1.0	0.8	0.8	0.7	1.1	0.7	0.8	
PCR (%)	72.5	67.8	68.0	68.1	69.6	75.6	75.1	75.6	68.1	75.6	75.3	

E: MOSL Estimates

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Quarterly snapshot

INR m	FY23				FY24			Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY	QoQ
Profit and Loss									
Interest Income	20,893	22,856	23,686	24,962	28,559	30,080	31,914	35	6
Loans	16,012	17,867	18,829	19,707	22,703	24,301	25,988	38	7
Investment	3,588	4,176	4,044	4,448	5,182	5,010	5,015	24	0
Others	1,293	813	813	807	673	768	911	12	19
Interest Expenses	10,616	11,113	12,205	12,850	14,337	15,330	16,455	35	7
Net Interest Income	10,277	11,743	11,482	12,112	14,222	14,750	15,459	35	5
Other Income	6,136	5,833	6,184	6,741	6,854	7,044	7,776	26	10
Trading profits	798	408	309	135	480	282	467	51	66
Fee Income	5,338	5,425	5,875	6,606	6,374	6,763	7,309	24	8
Total Income	16,413	17,576	17,666	18,853	21,076	21,794	23,234	32	7
Operating Expenses	12,735	12,453	13,282	14,373	14,601	14,484	15,582	17	8
Employee	3,090	3,410	3,329	3,574	3,412	3,747	3,989	20	6
Others	9,645	9,043	9,952	10,799	11,190	10,737	11,593	16	8
Operating Profits	3,678	5,124	4,384	4,480	6,475	7,310	7,652	75	5
Core Operating Profits	4,494	4,715	5,363	5,803	5,995	7,028	7,186	34	2
Provisions	2,530	2,415	2,927	2,347	2,662	6,404	4,581	57	-28
PBT	1,148	2,709	1,457	2,133	3,813	906	3,071	111	239
Taxes	750	693	655	880	932	-2,035	740	13	-136
PAT	399	2,016	802	1,253	2,881	2,941	2,331	191	-21
Balance Sheet									
Deposits (INR b)	792	794	817	849	856	898	927	13	3
Loans (INR b)	603	629	667	702	731	763	799	20	5
Asset Quality									
GNPA	25,369	24,566	24,687	24,199	24,043	24,407	25,511	3	5
NNPA	6,971	7,902	7,899	7,725	7,298	5,945	6,356	-20	7
Slippages	6,530	8,120	6,080	6,810	5,550	5,410	6,660	10	23
Ratios (%)									
Asset Quality Ratios									
GNPA	4.1	3.8	3.6	3.4	3.2	3.1	3.1	-49	0
NNPA	1.2	1.3	1.2	1.1	1.0	0.8	0.8	-38	2
PCR (Calc)	73	68	68	68	70	76	75	708	-56
PCR (Reported)	85	84	85	85	86	88	89	460	90
Business Ratios									
Fees to Total Income	32.5	30.9	33.3	35.0	30.2	31.0	31.5	-180	43
Cost to Core Income	81.6	72.5	76.5	76.8	70.9	67.3	68.4	-808	111
Tax Rate	65.3	25.6	45.0	41.3	24.4	-224.5	24.1	-2,086	24,859
CASA mix	36.0	36.2	36.6	37.4	37.3	35.7	33.8	-281	-195
Loan/Deposit	76.1	79.3	81.6	82.7	85.3	85.0	86.2	463	119
RWA / Assets (%)	72.6	74.7	76.1	73.5	74.4	72.1	74.4	-165	236
Profitability Ratios									
Yield on loans	12.4	12.2	12.8	13.5	13.9	14.0	14.0	122	-3
Yield On Investments	5.4	7.0	6.5	7.0	7.3	7.2	7.3	84	12
Yield on Funds	9.5	10.5	10.5	10.6	11.7	11.9	12.4	193	47
Cost of funds	4.9	5.2	5.6	5.9	6.2	6.3	6.5	90	12
Margins	5.4	5.4	5.6	5.8	5.8	5.8	6.0	36	15
RoA	0.8	0.8	0.8	1.0	1.0	1.0	1.0	25	3
RoE	6.3	6.1	6.3	8.1	8.4	8.4	8.9	264	51
Distribution reach									
Branches	502	507	516	517	520	528	538	22	10
ATMS's	417	413	413	414	414	408	388	-25	-20



Highlights from the management commentary

Business performance and assets

- Advances grew 20% YoY, within which Retail growth was faster at 33% YoY.
- Disbursements stood at INR60b vs. INR50b in 2QFY24 and INR35b in 3QFY23. MFI disbursements were flat QoQ, housing loan disbursements stood at INR14b. The bank went slow in MFI disbursements in 3Q due to elections in some states, while it expects to ramp up MFI disbursements in 4Q.
- RBK will look to monetize surplus PSL over the next few quarters.
- The bank ran down its mortgage loans as it started direct sourcing of loans. It has a market share of 4-5% in Rural VF and in the area where the bank operates, while the bank will look to expand in new states.
- 575k cards were issued by the banks in 3Q. It will add more partners to source cards business. About 65% of the sourcing is done by Bajaj and the bank will look to ramp up its internal sourcing to 50%. It will look at expanding the co-branded business. RBL is looking for other co-brand partners and will announce a couple of new partners in the next 30-40 days.
- The bank has seen broad-based retail growth and has expanded footprints in new areas.
- Deposits grew 13% YoY/3% QoQ, with 23% YoY growth in deposits below INR20m (45% of overall deposits, aims to increase to 50%). Further, it will look for granular deposits to fund the advances growth.
- NII was up 21% YoY/5% QoQ, Other income was up 26% YoY/11% QoQ. Opex grew 17% YoY/7.6% QoQ, while PAT grew 11.5% YoY.
- NIM was 5.52%; the bank expects NIM to be in the same range in 4Q.
- CET-1 stands at 14.58% and CRAR at 16.4%. The 57bp of impact in CET-1 was due to regulatory changes.
- The cost of deposits was higher by 10bp, while the bank believes that NIM would be maintained in 4Q as a part of the better-yield portfolio was back-ended in the quarter.
- RBK expects to sustain the CD ratio at the same level, while deposit growth is expected to be faster than advances growth.
- The bank is expanding its housing loan category, with a focus on small LAP with better yields, thus would be beneficial in terms of overall yields.
- The bank has agreement with BFIL in place and plans to bring down this partnership to 40%. Further, the bank aims to add several partners and will reveal new partners in a couple of months.
- RBK has disclosed that RoA for Bajaj portfolio cards is slightly lower vs. internally sourced cards. The RoA range is broad for both Bajaj and non-Bajaj portfolio.
- The bank has recently sold few NPA credit card portfolios to Kotak Bank at a haircut.
- The customers that are on-boarded through partners are customers of the bank, but they can be tapped by other partners to cross sell.
- The bank's credit card customers with less than INR25k spending would be around 3-4% of the total credit card customers.

Contingent provisions on AIF Investments

- The bank took INR4.6b of extra provisions, with INR1.15b on AIF (total exposure at INR1.20b). These AIF investments are venture debt funds. RBK does not see any issue in these debt funds.
- AIF investments are fully provided for. Excluding these provisions, PAT would have increased 53% YoY and RoA would be 1.03%.
- The bank has partnered with venture debt funds in the last 10 years. On the three funds that the bank has invested in, the bank has been getting good returns. While extra AIF provisions are solely due to regulatory requirements and there are no signs of discomfort regarding these investments.

Asset quality

- Gross slippages stood at INR6.66b, of which Cards at INR3.7b, MFI at INR1b, and Other retail assets at INR1.5b.
- RBK's asset quality ratios were largely flat, with GNPA at 3.12%, NNPA at 0.80%, PCR at 75.1%.
- The bank had some impact from lower recoveries. Some recoveries were affected in some states by state elections. The bank is not seeing any impact on its MFI business, and its collection efficiency is healthy.
- Overall collection efficiency is also healthy at 99.41%.

Guidance for FY24-26

- Advances growth is expected to be healthy at 20% YoY, which will be led by retail business.
- NIM for 4Q is expected to be at the similar level of 3Q on a conservative side.
- Granular deposits will grow faster in overall deposits.
- Deposit growth is expected to be healthy, while the bank will not tweak any deposit rates. The bank is sourcing well from existing branches, and it has started cross-selling in deposits.

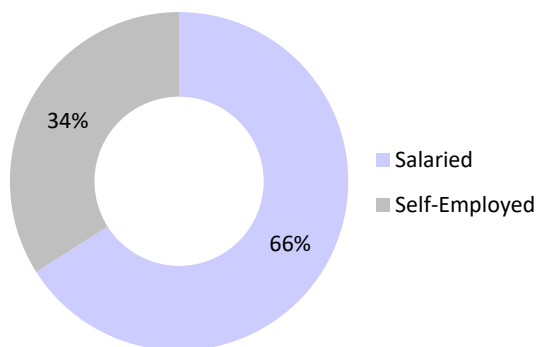
Key exhibits

Exhibit 1: Credit Cards constitute ~25.2% of total loan portfolio

INR m	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	YoY	QoQ
Total spends	158,210	165,620	175,910	187,020	211,600	34%	13%
Credit Card book	157,340	168,520	179,750	189,680	201,370	28%	6%
As a percentage of total book	23.6%	24.0%	24.6%	24.9%	25.2%		

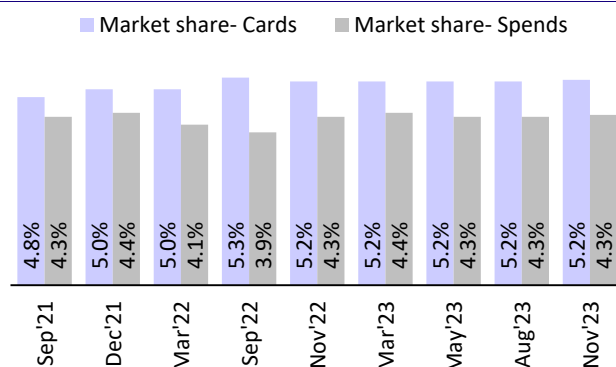
Source: MOFSL, Company

Exhibit 2: Salaried segment constitutes 66% of total Credit Card base



Source: MOFSL, Company

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



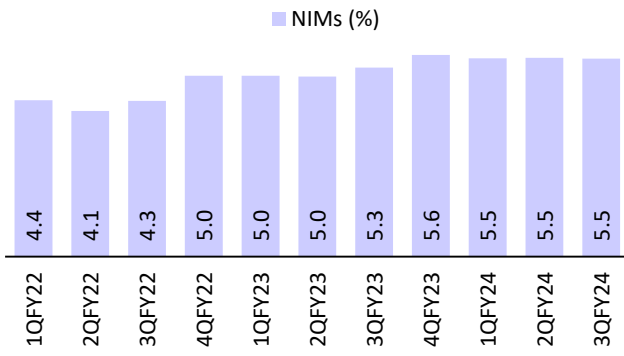
Source: MOFSL, Company

Valuation and view

- Fresh slippages stood at INR6.7b. Gross NPA/NNPA ratios were largely flat at 3.12%/0.80%, while PCR declined 56bp QoQ to 75.1%. Restructuring book moderated to 0.6% of loans vs. 0.9% in 2QFY24. We expect slippages to moderate to 3.2-3.3% over FY25-26 and estimate a credit cost of 1.5-1.6% over FY25-26.
- Maintain Neutral with a TP of INR270:** RBK reported an in-line performance, adjusted for one-off in provisions pursuant to AIF investments, which led to a decline in earnings. The business is seeing healthy growth, and the management anticipates a consistent momentum, driven by retail loans. Deposit growth was healthy, though CASA ratio witnessed moderation. The bank has guided for advances growth at ~20% YoY, led by retail business. Deposit is also expected to grow at a healthy pace. Asset quality remained stable with a decline in restructured book. However, the presence of provisions for AIF investment provides some comfort. We cut our FY24/FY25 earnings estimates by 10%/9% and estimate FY25 RoA/RoE of 1.1%/10.3%. We reiterate our Neutral rating on the stock with a revised TP of INR270 (1.0x Sep'25E ABV).

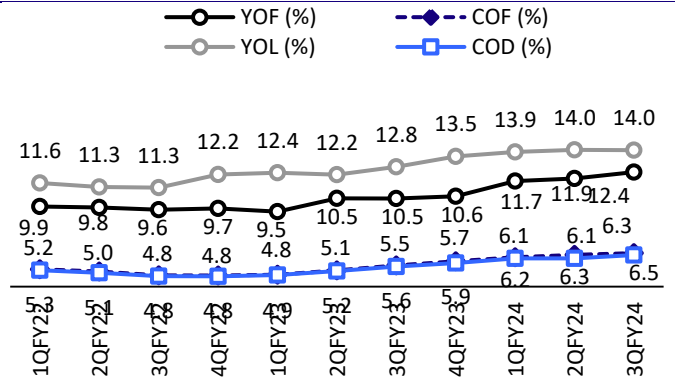
Story in charts

Exhibit 4: NIM moderated 2bp QoQ to 5.52% in 3QFY24



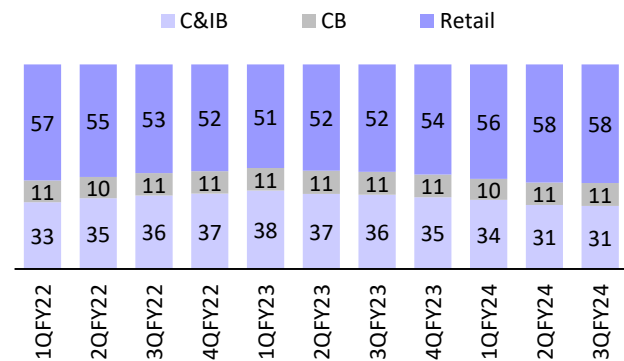
Source: MOFSL, Company

Exhibit 5: Cost of deposits increased to 6.5% in 3QFY24



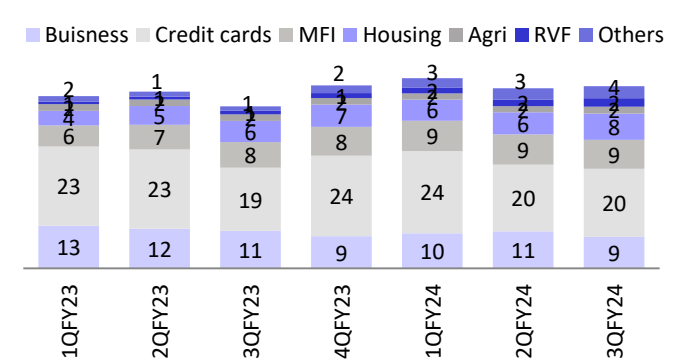
Source: MOFSL, Company

Exhibit 6: Loan mix: Retail mix has increased to 58%



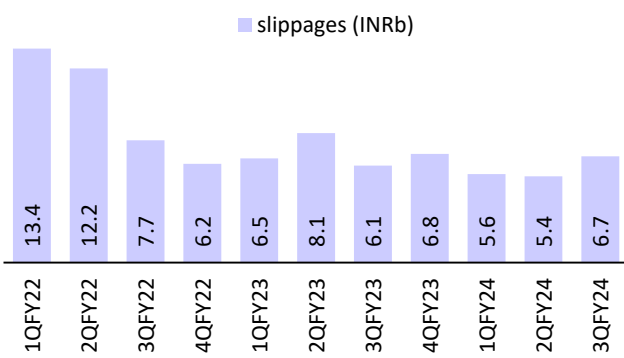
Source: MOFSL, Company

Exhibit 7: Share of Retail business increases to 58%



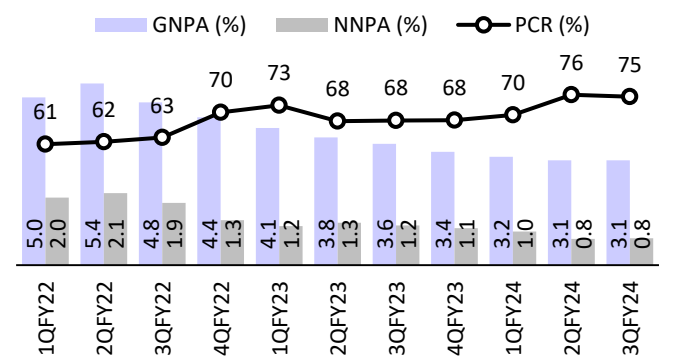
Source: MOFSL, Company

Exhibit 8: Slippages increased 23% QoQ to INR6.7b



Source: MOFSL, Company

Exhibit 9: GNPA/NNPA remained flat at 3.1%/0.8%; PCR stood at 75%



Source: MOFSL, Company

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

Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	8.86	10.06	8.78	7.90	8.71	9.77	9.85	9.88
Interest Expense	5.29	5.77	4.79	4.01	4.21	4.92	4.98	4.97
Net Interest Income	3.57	4.29	3.99	3.89	4.50	4.85	4.87	4.91
Fee income	1.92	2.07	1.70	2.02	2.13	2.25	2.32	2.36
Trading and others	0.11	0.19	0.29	0.24	0.11	0.12	0.12	0.12
Non-Interest income	2.03	2.26	1.99	2.26	2.24	2.37	2.44	2.48
Total Income	5.60	6.54	5.98	6.16	6.74	7.22	7.31	7.39
Operating Expenses	2.87	3.34	2.91	3.50	4.76	4.89	4.87	4.80
Employee cost	0.89	0.91	0.89	0.97	1.21	1.24	1.25	1.23
Others	1.98	2.43	2.01	2.53	3.55	3.65	3.62	3.57
Operating Profit	2.73	3.21	3.08	2.65	1.98	2.33	2.44	2.60
Core Operating Profit	2.62	3.02	2.79	2.41	1.87	2.21	2.32	2.47
Provisions	0.90	2.32	2.35	2.77	0.92	1.36	1.04	0.98
NPA	0.66	2.20	2.31	2.42	1.01	1.08	1.00	0.95
Others	0.24	0.12	0.04	0.35	-0.09	0.28	0.03	0.03
PBT	1.83	0.89	0.73	-0.11	1.06	0.97	1.40	1.61
Tax	0.61	0.29	0.19	-0.04	0.27	0.05	0.34	0.39
RoA	1.22	0.60	0.54	-0.07	0.79	0.91	1.06	1.22
<i>Leverage (x)</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>10.6</i>
RoE	12.2	5.6	4.4	-0.6	6.7	8.1	10.3	12.9

Financials and valuations

Income Statement								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	63,007	85,144	83,290	81,758	96,769	1,22,090	1,43,696	1,69,725
Interest Expense	37,612	48,847	45,415	41,491	46,784	61,519	72,601	85,393
Net Interest Income	25,395	36,296	37,876	40,267	49,985	60,570	71,094	84,331
Growth (%)	43.8	42.9	4.4	6.3	24.1	21.2	17.4	18.6
Non-Interest Income	14,424	19,102	18,840	23,405	24,894	29,624	35,549	42,659
Total Income	39,818	55,399	56,716	63,673	74,879	90,195	1,06,643	1,26,990
Growth (%)	40.5	39.1	2.4	12.3	17.6	20.5	18.2	19.1
Operating Expenses	20,420	28,256	27,546	36,220	52,854	61,114	71,048	82,415
Pre Provision Profits	19,398	27,143	29,170	27,453	22,025	29,081	35,596	44,575
Growth (%)	45.7	39.9	7.5	-5.9	-19.8	32.0	22.4	25.2
Core PPOp	18,615	25,548	26,449	24,961	20,803	27,614	33,836	42,463
Growth (%)	59.8	37.2	3.5	-5.6	-16.7	32.7	22.5	25.5
Provisions	6,407	19,615	22,279	28,604	10,219	16,987	15,114	16,897
PBT	12,992	7,528	6,891	-1,151	11,805	12,093	20,482	27,678
Tax	4,322	2,471	1,813	-404	2,978	685	5,018	6,781
Tax Rate (%)	33.3	32.8	26.3	35.1	25.2	5.7	24.5	24.5
PAT	8,670	5,057	5,078	-747	8,827	11,409	15,464	20,897
Growth (%)	36.5	-41.7	0.4	-114.7	-1,281.2	29.2	35.5	35.1

Balance Sheet

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	4,267	5,087	5,980	5,995	5,996	5,996	5,996	5,996
Reserves & Surplus	71,206	1,00,742	1,20,646	1,20,187	1,29,770	1,38,509	1,49,450	1,63,012
Net Worth	75,473	1,05,829	1,26,626	1,26,182	1,35,766	1,44,505	1,55,446	1,69,008
Deposits	5,83,944	5,78,122	7,31,213	7,90,065	8,48,865	9,81,288	11,67,733	13,89,602
Growth (%)	33.0	-1.0	26.5	8.0	7.4	15.6	19.0	19.0
of which CASA Dep	1,45,875	1,71,156	2,32,642	2,78,790	3,17,165	3,26,769	3,80,681	4,51,621
Growth (%)	36.6	17.3	35.9	19.8	13.8	3.0	16.5	18.6
Borrowings	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.	25,850	35,759	36,409	34,908	40,818	46,941	53,982	62,079
Total Liabilities	8,03,588	8,89,778	10,06,506	10,62,086	11,58,762	13,41,050	15,77,229	18,57,776
Cash & Balances with RBI	48,395	64,151	67,047	1,31,111	62,381	68,976	72,493	86,215
Balances with Banks & money at Call & Short Notice	17,626	24,421	67,195	44,366	22,820	32,189	38,298	45,547
Investments	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 (%)	9.0	7.8	28.0	-4.1	29.6	11.0	16.0	16.0
Loans	5,43,082	5,80,190	5,86,225	6,00,218	7,02,094	8,35,491	9,94,235	11,83,139
Growth (%)	34.9	6.8	1.0	2.4	17.0	19.0	19.0	19.0
Fixed Assets	4,025	4,698	4,665	5,481	5,740	6,511	7,868	9,363
Other Assets	22,056	34,820	49,070	58,166	76,974	77,365	92,535	1,02,224
Total Assets	8,03,588	8,89,778	10,06,502	10,62,082	11,58,762	13,41,050	15,77,229	18,57,776

Asset Quality

GNPA (INR m)	7,546	21,365	26,015	27,284	24,196	25,541	27,571	31,816
NNPA (INR m)	3,728	11,894	12,414	8,066	7,723	6,237	7,019	8,387
GNPA Ratio	1.38	3.62	4.34	4.40	3.37	2.99	2.72	2.64
NNPA Ratio	0.69	2.05	2.12	1.34	1.10	0.75	0.71	0.71
Slippage Ratio	1.76	6.19	5.43	6.73	4.59	3.50	3.30	3.20
Credit Cost	1.35	3.49	3.82	4.82	1.57	1.75	1.60	1.50
PCR (Excl Tech. write off)	50.6	44.3	52.3	70.4	68.1	75.6	74.5	73.6

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Yield and Cost Ratios (%)								
Avg. Yield-Earning Assets	9.2	10.5	9.3	8.4	9.4	10.5	10.5	10.6
Avg. Yield on loans	10.7	12.3	11.2	10.6	11.8	12.7	12.6	12.5
Avg. Yield on Investments	6.9	7.9	6.7	6.0	6.4	6.8	6.9	6.9
Avg. Cost-Int. Bear. Liab.	6.1	6.7	5.7	4.8	5.0	5.8	5.8	5.7
Avg. Cost of Deposits	6.3	6.9	5.5	4.7	4.9	5.7	5.8	5.8
Interest Spread	3.1	3.8	3.6	3.6	4.4	4.7	4.8	4.9
Net Interest Margin	3.7	4.5	4.2	4.1	4.8	5.2	5.2	5.2

Capitalization Ratios (%)

CAR	13.5	16.5	17.5	16.8	16.9	15.8	14.4	13.2
CET-1	12.1	15.3	16.6	16.2	15.3			
Tier I	12.1	15.3	16.6	16.2	15.3	14.3	13.0	12.0
Tier II	1.4	1.1	0.9	0.6	1.6	1.6	1.4	1.2

Business & Efficiency Ratios (%)

Loans/Deposit Ratio	93.0	100.4	80.2	76.0	82.7	85.1	85.1	85.1
CASA Ratio	25.0	29.6	31.8	35.3	37.4	33.3	32.6	32.5
Cost/Assets	2.5	3.2	2.7	3.4	4.6	4.6	4.5	4.4
Cost/Total Income	51.3	51.0	48.6	56.9	70.6	67.8	66.6	64.9
Cost/Core Income	52.3	52.5	51.0	59.2	71.8	68.9	67.7	66.0
Int. Expense/Int.Income	59.7	57.4	54.5	50.7	48.3	50.4	50.5	50.3
Fee Income/Net Income	30.2	28.7	25.6	29.5	28.0	27.5	28.0	28.2
Non Int. Inc./Net Income	36.2	34.5	33.2	36.8	33.2	32.8	33.3	33.6
Empl. Cost/Total Expense	31.2	27.2	30.7	27.7	25.4	25.4	25.6	25.6
Business per Employee (INR m)	192.9	160.4	168.6	150.2	140.6	138.4	139.6	141.9
Profit per Employee (INR m)	1.5	0.7	0.6	-0.1	0.8	0.9	1.0	1.2
Investment/Deposit Ratio	28.8	31.4	31.8	28.2	34.0	32.7	31.8	31.0
G-Sec/Investment Ratio	70.9	86.2	82.1	90.5	91.1	91.1	91.1	91.1

Profitability & Valuation Ratios

RoE	12.2	5.6	4.4	-0.6	6.7	8.1	10.3	12.9
RoA	1.2	0.6	0.5	-0.1	0.8	0.9	1.1	1.2
RoRWA	1.6	0.8	0.7	-0.1	1.1	1.3	1.4	1.6
Book Value (INR)	177	208	212	210	226	241	259	282
Growth (%)	11.1	17.6	1.8	-0.6	7.6	6.4	7.6	8.7
Price-BV (x)	1.5	1.3	1.2	1.2	1.2	1.1	1.0	0.9
Adjusted BV (INR)	169	190	195	199	215	234	251	272
Price-ABV (x)	1.5	1.4	1.3	1.3	1.2	1.1	1.0	1.0
EPS (INR)	20.3	9.9	8.5	-1.2	14.7	19.0	25.8	34.9
Growth (%)	34.3	-51.1	-14.6	-114.7	-1,281.0	29.2	35.5	35.1
Price-Earnings (x)	12.8	26.2	30.7	-209.2	17.7	13.7	10.1	7.5
Dividend Per Share (INR)	2.1	3.8	0.0	0.0	1.5	3.8	6.4	10.5
Dividend Yield (%)	0.8	1.4	0.0	0.0	0.5	1.5	2.5	4.0

E: MOFSL Estimates

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