

**RBL BANK** | Banking*Rerating owing to de-risking of unsecured business; better quality C&IB book***LKP****Result and Price Analysis:**

RBL Bank is re-accelerating its growth phase with consistent asset quality by de-risking the credit card business (20.8% of loan book) and better quality corporate book (41.3% of book). The bank's 4QFY21 results indicated a steady normalization in asset quality. Peak of GNPA (4.3%) is likely to be formed at the end of FY21. We can expect better asset quality in coming periods and estimate the GNPA ratio to narrow down to 3.1% in FY23E. The wholesale book clean-up is behind us; the BB & below book (4.9%) is likely to squeeze further. We estimate ROA/ROE of 1%/8% in FY23E on the back of 8% loan growth in FY23E. We assess the NIMs to remain at a range of 4.1% in FY22-24E driven by higher yielding unsecured book. The improvement is CASA deposits (32% in FY21) would further help the margin improvement. Moreover, the covid provisioning (₹6.64bn) stood 170bps of net advances; which is likely to be adequate combating the restructuring book. We believe the current valuation at a 5-year low of 0.9x FY21 Adj. BVPS - provides adequate downside protection. We value the bank at 1.2x FY23E Adj. BVPS and recommend BUY with a revised target price of ₹273; a potential upside of 25%.

**Gazing the Core:**

**Ample provision for future asset quality blip:** In previous two financial years (FY20/FY21), the bank has witnessed deterioration in asset quality owing to slippages from wholesale book and the pandemic. The absolute GNPA reached ₹26bn in FY21 from ₹7.5bn in FY19 end. The slippage ratio (calculated) stood 6.2% and 5.1% in FY20 and FY21 respectively. We estimate the slippages to be at 3.5% in FY22E and narrow down to 3% in FY23E. We have incorporated the restructuring book (1.41%) and BB & below book (4.9% of wholesale book). Improvement in highly rated corporates is evident as the proportion of "AA and above" book increasing from 29% to 48% currently. The total contingent provisioning stood at ₹6.64bn (170bps of advances). The COVID provision includes provision for restructuring book. Factoring de-risking in unsecured credit and "BB & below book" in wholesale banking, we believe the bank to come across with moderately higher slippages in coming quarters. However, the covid provision (~1.7% of book) is likely to provide cushion absorbing the stress.

Key Financials (₹ mn)	FY20	FY21	FY22E	FY23E	FY24E
NII	36,296	37,876	40,066	43,272	46,929
Operating Profit	27,516	30,907	33,112	36,081	39,184
Reported Profits	5,056	5,077	8,753	11,262	13,350
Net Worth	1,05,821	1,26,617	1,35,370	1,46,632	1,59,982
Loan & Advances	5,80,190	5,86,225	6,27,261	6,77,442	7,38,411
Int. Bearing Liabilities	7,48,190	8,43,472	8,97,181	9,63,815	10,46,904

Key Ratios (%)	FY20	FY21	FY22E	FY23E	FY24E
NIM's	4.5	4.2	4.1	4.1	4.1
C/I Ratio	50.3	47.1	47.1	47.0	47.1
Gross NPA Ratio	3.6	4.3	3.8	3.1	2.9
Tier 1 Ratio	15.3	17.1	17.1	17.2	17.5
Adj. RoA Ratio	0.6	0.5	0.8	1.0	1.1
Adj. RoE Ratio	5.6	4.4	6.7	8.0	8.7

Rating	Buy
Current Market Price (₹)	219
12 M Price Target (₹)	273
Potential upside (%)	25

**Stock Data**

FV (₹) :	10
Market Cap Full (₹ bn) :	131
Market Cap Free Float (₹ bn) :	102
52-Week High / Low (₹) :	156 / 274
BSE Code / NSE Symbol	540065 / RBLBANK
Bloomberg :	RBK IN

**Shareholding Pattern**

(in %)	Mar-21	Dec-20	Sep-20	Jun-20
FPIs	31.85	35.17	27.80	29.28
MFs	14.21	12.50	12.21	12.26
Foreign Companies	10.79	10.80	11.72	11.73
Insurance	6.74	6.68	3.52	3.49
Bodies Corporate	6.13	5.78	7.36	7.57
Foreign Bank	2.40	2.40	2.82	2.82
Others	27.88	26.67	34.57	32.85

Source: BSE

Major Public Shareholders	(%)
Maple II B.V	9.43
BOFA Securities Europe	3.90
ICICI Prudential Life Insurance	3.28
Government Pension Fund Global	2.77
WF Asian Reconnaissance Fund	2.68
Kotak Mutual Fund	2.57
HDFC Mutual Fund	2.40
Asian Development Bank	2.40
Nippon India Mutual Fund	2.23
HDFC Life Insurance	1.70
HDFC	1.47
Invesco Mutual Fund	1.43

**Growth to re-accelerate; unsecured book to gain share:** FY21 was a year of muted credit off-take (1% YoY) with rebalancing of wholesale book. We believe, the corporate book clean-up is behind us and the credit growth would be driven by unsecured book (credit cards & MFIs). As the economy comes to normalization, the disbursement level is likely to pick up. We estimate a loan growth of 7% and 8% in FY22E and FY23E. The Joint Liability Group (JLG) model contribute 99% of MFI loans and having no dependence on higher ticket size individual loans. The bank's MFI loan's ticket size is lower than industry and concentration on top – 3 state is also lower. The credit card business stood profitable in FY21 despite pandemic because of better underwriting and salaried class customers.

**Margins to stay range bound:** As the slippages are likely to be moderated, the interest reversal would normalize further. We assess the NIMs to remain at a range of 4.1% in FY22-24E driven by higher yielding unsecured book. The improvement is CASA deposits (32% in FY21) would further help the margin improvement. We estimate the C/I ratio to be at 48% (similar as FY21) and calculate PPOP growth of 7.1% and 9% in FY22E and FY23E respectively.

**Outlook and Valuation:**

RBL Bank holds a healthy positioning as demonstrated by 1) Extension of CEO, Mr. Vishwavir Ahuja, tenure 2) adequate covid provisioning, 3) improved PCR, and 4) healthy liquidity position with LCR of 156%. Furthermore, a healthy capital position (CET 1: 17.1%) post fund raise would provide cushion. Thus, we recommend a BUY rating on the bank with revised target price of ₹273 (based on 1.2x FY23 Adjusted Book Value).

## Annual Projections

## Exhibit 1: Profit and Loss Statement

(₹ mn)	FY20	FY21	FY22E	FY23E	FY24E
Interest Income	85,144	82,145	87,831	94,294	1,02,051
Interest Expenses	48,847	44,270	47,765	51,022	55,123
<b>Net Interest Income</b>	<b>36,296</b>	<b>37,876</b>	<b>40,066</b>	<b>43,272</b>	<b>46,929</b>
<b>NIM (%)</b>	<b>4.46</b>	<b>4.20</b>	<b>4.07</b>	<b>4.10</b>	<b>4.11</b>
<b>Adjusted NII</b>	<b>35,862</b>	<b>37,518</b>	<b>40,066</b>	<b>43,272</b>	<b>46,929</b>
Core Fee Income	16,844	18,145	19,960	21,955	24,151
Securities/MM/FX Trading/Others	1,595	1,718	1,856	2,004	2,164
Other Misc. Income	663	714	768	826	887
<b>Other Income - Total</b>	<b>19,102</b>	<b>20,578</b>	<b>22,583</b>	<b>24,785</b>	<b>27,203</b>
<b>Net Operating Revenue</b>	<b>55,398</b>	<b>58,453</b>	<b>62,649</b>	<b>68,057</b>	<b>74,131</b>
Employee Exp.	7,684	8,454	9,299	10,322	11,560
Other Opex	20,198	19,092	20,238	21,654	23,387
<b>Total Opex</b>	<b>27,883</b>	<b>27,546</b>	<b>29,537</b>	<b>31,976</b>	<b>34,947</b>
<b>C/I Ratio</b>	<b>50.33</b>	<b>47.12</b>	<b>47.15</b>	<b>46.98</b>	<b>47.14</b>
<b>Pre Provision Profits</b>	<b>27,516</b>	<b>30,907</b>	<b>33,112</b>	<b>36,081</b>	<b>39,184</b>
<i>PPP Growth (yoy %)</i>	<i>41.8</i>	<i>12.3</i>	<i>7.1</i>	<i>9.0</i>	<i>8.6</i>
<b>Provisions &amp; Contingencies - Total</b>	<b>19,989</b>	<b>24,017</b>	<b>21,363</b>	<b>20,965</b>	<b>21,265</b>
Credit Cost (As % of Op. AUM)	3.62	4.07	3.50	3.20	3.00
<b>Profit Before Tax</b>	<b>7,527</b>	<b>6,890</b>	<b>11,749</b>	<b>15,117</b>	<b>17,919</b>
Tax	2,471	1,813	2,996	3,855	4,569
Effective Tax Rate	32.8	26.3	25.5	25.5	25.5
<b>Reported Profits</b>	<b>5,056</b>	<b>5,077</b>	<b>8,753</b>	<b>11,262</b>	<b>13,350</b>
<i>PAT Growth (yoy %)</i>	<i>(41.7)</i>	<i>0.4</i>	<i>72.4</i>	<i>28.7</i>	<i>18.5</i>

Source: Company, LKP Research

## Exhibit 2: Balance Sheet

(₹ mn)	FY20	FY21	FY22E	FY23E	FY24E
Equity Share Capital	5,087	5,980	5,980	5,980	5,980
Reserves (ex Reval. Reserve)	1,00,734	1,20,637	1,29,390	1,40,652	1,54,002
<b>Net Worth - Ex Revaluation</b>	<b>1,05,821</b>	<b>1,26,617</b>	<b>1,35,370</b>	<b>1,46,632</b>	<b>1,59,982</b>
Deposits	5,78,122	7,31,213	7,89,519	8,52,976	9,26,510
Borrowings	1,70,067	1,12,259	1,07,662	1,10,839	1,20,394
<b>Interest Bearing Liabilities</b>	<b>7,48,190</b>	<b>8,43,472</b>	<b>8,97,181</b>	<b>9,63,815</b>	<b>10,46,904</b>
Other Lia. & Prov.	35,759	36,409	42,494	48,756	51,019
<b>Total Liabilities</b>	<b>8,89,778</b>	<b>10,06,506</b>	<b>10,75,054</b>	<b>11,59,213</b>	<b>12,57,916</b>
<b>Assets</b>					
Cash & Cash Equivalent	88,572	1,34,242	1,40,132	1,50,945	1,63,679
Investments	1,81,497	2,32,304	2,48,565	2,65,965	2,84,583
Credit Equivalent	22,995	29,432	31,492	33,697	36,056
Loan & Advances	5,80,190	5,86,225	6,27,261	6,77,442	7,38,411
Growth (yoy %)	6.8	1.0	7.0	8.0	9.0
Fixed Assets	4,698	4,665	5,119	5,487	5,931
Other Assets	34,820	49,070	53,977	59,375	65,312
<b>Total Assets</b>	<b>8,89,778</b>	<b>10,06,506</b>	<b>10,75,054</b>	<b>11,59,213</b>	<b>12,57,916</b>

Source: Company, LKP Research

## Exhibit 3: Per share data

Y/E Mar	FY20	FY21	FY22E	FY23E	FY24E
Face Value	10	10	10	10	10
Adjusted Share O/S - For Calculation	509	598	598	598	598
Earnings Per Share	9.9	8.5	14.6	18.8	22.3
<b>EPS (% YoY)</b>	<b>(51.1)</b>	<b>(14.6)</b>	<b>72.4</b>	<b>28.7</b>	<b>18.5</b>
<b>P/E (x)</b>	<b>22.1</b>	<b>25.9</b>	<b>15.0</b>	<b>11.7</b>	<b>9.8</b>
Book Value	208.0	211.7	226.4	245.2	267.5
<b>BVPS (% YoY)</b>	<b>17.6</b>	<b>1.8</b>	<b>6.9</b>	<b>8.3</b>	<b>9.1</b>
<b>P/BV (x)</b>	<b>1.1</b>	<b>1.0</b>	<b>1.0</b>	<b>0.9</b>	<b>0.8</b>
Adj. BV	196.3	201.3	209.1	227.9	250.2
<b>Adj. BV (% YoY)</b>	<b>11.0</b>	<b>2.6</b>	<b>3.8</b>	<b>9.0</b>	<b>9.8</b>
<b>P/ABV (x)</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>

Source: Company, LKP Research

## Exhibit 4: Detailed ROA Tree

Y/E Mar	FY20	FY21	FY22E	FY23E	FY24E
<b>Yields / Margins</b>					
Yield on Advance	12.3	11.2	11.2	11.2	11.2
Yield on Funds	10.5	9.1	8.9	8.9	8.9
Cost of Funds (CoF)	6.7	5.6	5.5	5.5	5.5
Interest Spread	3.7	3.5	3.4	3.5	3.5
NIM's	4.5	4.2	4.1	4.1	4.1
Interest Income / Assets	10.1	8.7	8.4	8.4	8.4
Interest Exp. / Assets	5.8	4.7	4.6	4.6	4.6
NII / Assets	4.3	4.0	3.8	3.9	3.9
Fee Income / Assets	2.0	1.9	1.9	2.0	2.0
Other Income / Assets	2.3	2.2	2.2	2.2	2.3
Net Operating Income / Assets	6.5	6.2	6.0	6.1	6.1
<b>Operating Ratios</b>					
NII to Net Operative Income	65.5	64.8	64.0	63.6	63.3
Other Income to Net Operative Income	34.5	35.2	36.0	36.4	36.7
Empl. Cost/Oper. Exps.	27.6	30.7	31.5	32.3	33.1
Other Op. Exps./Oper. Exps.	72.4	69.3	68.5	67.7	66.9
<b>C/I Ratio</b>	<b>50.3</b>	<b>47.1</b>	<b>47.1</b>	<b>47.0</b>	<b>47.1</b>
<b>Provisions as % PPP</b>	<b>36.1</b>	<b>41.1</b>	<b>34.1</b>	<b>30.8</b>	<b>28.7</b>
<b>Credit Cost (As % of Op. AUM)</b>	<b>3.6</b>	<b>4.1</b>	<b>3.5</b>	<b>3.2</b>	<b>3.0</b>
<b>Effective Tax Rate</b>	<b>32.8</b>	<b>26.3</b>	<b>25.5</b>	<b>25.5</b>	<b>25.5</b>
Employee Exp. / Assets	0.9	0.9	0.9	0.9	1.0
Other Opex/ Assets	2.4	2.0	1.9	1.9	1.9
<b>Total Opex / Assets</b>	<b>3.3</b>	<b>2.9</b>	<b>2.8</b>	<b>2.9</b>	<b>2.9</b>
<b>Operating Profits / Assets</b>	<b>3.2</b>	<b>3.3</b>	<b>3.2</b>	<b>3.2</b>	<b>3.2</b>
<b>Op Profit ex Except Items / Assets</b>	<b>3.2</b>	<b>3.3</b>	<b>3.2</b>	<b>3.2</b>	<b>3.2</b>
Provisions / Assets	2.4	2.5	2.1	1.9	1.8
<b>Profit Before Tax / Assets</b>	<b>0.9</b>	<b>0.7</b>	<b>1.1</b>	<b>1.4</b>	<b>1.5</b>
Tax Expenses / Assets	0.3	0.2	0.3	0.3	0.4
<b>RoA</b>	<b>0.6</b>	<b>0.5</b>	<b>0.8</b>	<b>1.0</b>	<b>1.1</b>
<b>Leverage (x)</b>	<b>8.4</b>	<b>7.9</b>	<b>7.9</b>	<b>7.9</b>	<b>7.9</b>
<b>RoE</b>	<b>5.6</b>	<b>4.4</b>	<b>6.7</b>	<b>8.0</b>	<b>8.7</b>
<b>Adj. RoA</b>	<b>0.6</b>	<b>0.5</b>	<b>0.8</b>	<b>1.0</b>	<b>1.1</b>
<b>Adj. RoE</b>	<b>5.6</b>	<b>4.4</b>	<b>6.7</b>	<b>8.0</b>	<b>8.7</b>

Source: Company, LKP Research

**Exhibit 5: Balance Sheet Ratios**

Y/E Mar	FY20	FY21	FY22E	FY23E	FY24E
Credit / Deposit Ratio	100.4	80.2	79.4	79.4	79.7
Incremental C/D Ratio	(637.4)	3.9	70.4	79.1	82.9
Investment Deposit Ratio	31.4	31.8	31.5	31.2	30.7
Dom. SLR Investment / Deposits	27.1	27.5	27.2	26.9	26.5
CASA Ratio	29.7	31.9	32.0	32.0	32.0

Source: Company, LKP Research

**Exhibit 6: Credit Quality**

Y/E Mar	FY20	FY21	FY22E	FY23E	FY24E
<b>Slippage Ratio</b>	<b>6.2</b>	<b>5.4</b>	<b>3.5</b>	<b>3.0</b>	<b>2.9</b>
Gross NPA (Cl Bal)	21,365	26,015	24,115	21,065	21,672
<b>Gross NPAs Ratio (%)</b>	<b>3.6</b>	<b>4.3</b>	<b>3.8</b>	<b>3.1</b>	<b>2.9</b>
<b>PCR (%)</b>	<b>44.3</b>	<b>52.3</b>	<b>53.8</b>	<b>53.4</b>	<b>54.3</b>
Net NPA (Cl. Bal.)	11,894	12,414	11,152	9,808	9,900
<b>Net NPAs Ratio (%)</b>	<b>2.1</b>	<b>2.1</b>	<b>1.8</b>	<b>1.4</b>	<b>1.3</b>
Total Impaired Loans	21,365	26,015	24,115	21,065	21,672
<b>Impaired Loan as % of Loan / AUM</b>	<b>3.5</b>	<b>4.2</b>	<b>3.7</b>	<b>3.0</b>	<b>2.8</b>
Total Risk Reserves	9,472	13,602	12,963	11,258	11,773
<b>Total Risk As % of Loan Book</b>	<b>1.6</b>	<b>2.2</b>	<b>2.0</b>	<b>1.6</b>	<b>1.5</b>

Source: Company, LKP Research

**Exhibit 7: Capital and Asset-Liability Profile (%)**

Y/E Mar	FY20	FY21	FY22E	FY23E	FY24E
Risk Weighted Assets	6,73,260	7,24,106	7,72,129	8,31,707	9,01,872
RWA as % of Total Assets	75.7	71.9	71.8	71.7	71.7
Total Shareholders' Equity to Assets	11.9	12.6	12.6	12.6	12.7
CET 1 Ratio	15.3	17.1	17.1	17.2	17.5
AT 1 Ratio	-	-	-	-	-
Tier 1 Ratio	15.3	17.1	17.1	17.2	17.5
Total CRAR Ratio	16.4	18.2	18.3	18.5	19.0

Source: Company, LKP Research

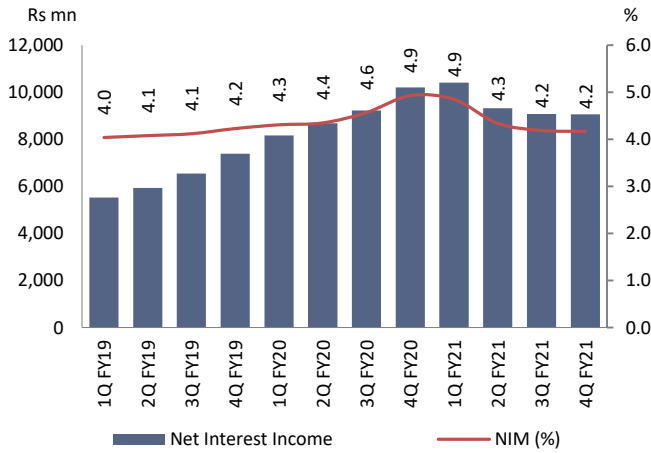
## Exhibit 8: Key Assumptions &amp; Forecasts

Y/E Mar	FY20	FY21	FY22E	FY23E	FY24E
<b>Loan &amp; Advances</b>	<b>5,80,190</b>	<b>5,86,225</b>	<b>6,27,261</b>	<b>6,77,442</b>	<b>7,38,411</b>
<i>Growth (yoy %)</i>	6.8	1.0	7.0	8.0	9.0
<b>Interest Bearing Liabilities</b>	<b>7,48,190</b>	<b>8,43,472</b>	<b>8,97,181</b>	<b>9,63,815</b>	<b>10,46,904</b>
<i>Growth (yoy %)</i>	6.8	1.0	7.0	8.0	9.0
<i>Yield on Funds</i>	10.5	9.1	8.9	8.9	8.9
<i>Cost of Funds (CoF)</i>	6.7	5.6	5.5	5.5	5.5
<i>Interest Spread</i>	3.7	3.5	3.4	3.5	3.5
<i>NIM's</i>	4.5	4.2	4.1	4.1	4.1
<i>Other Income Growth</i>	32.4	7.7	9.7	9.8	9.8
<i>C/I Ratio</i>	50.3	47.1	47.1	47.0	47.1
<i>Effective Tax Rate</i>	32.8	26.3	25.5	25.5	25.5
<b>Return Ratios</b>					
<i>Adj. RoA</i>	0.6	0.5	0.8	1.0	1.1
<i>Adj. RoE</i>	5.6	4.4	6.7	8.0	8.7
<b>Asset Quality Metrics</b>					
<i>Credit Cost (As % of Op. AUM)</i>	3.6	4.1	3.5	3.2	3.0
<i>Gross NPAs Ratio (%)</i>	3.6	4.3	3.8	3.1	2.9
<i>Net NPAs Ratio (%)</i>	2.1	2.1	1.8	1.4	1.3

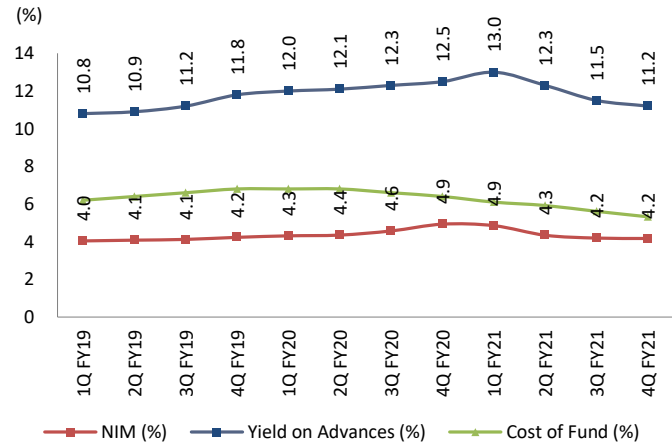
Source: Company, LKP Research

Quarterly story in charts

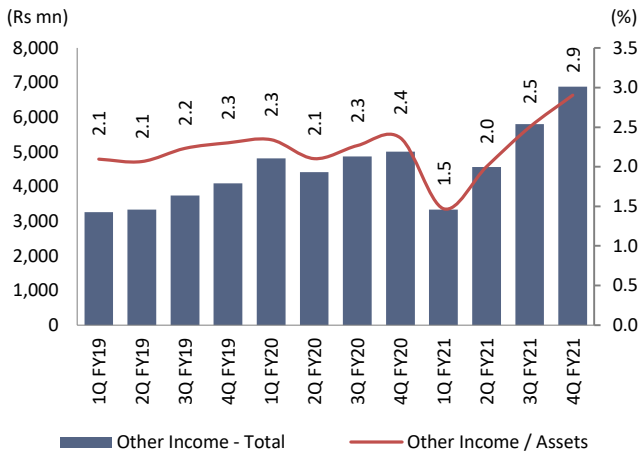
**NII Trend**



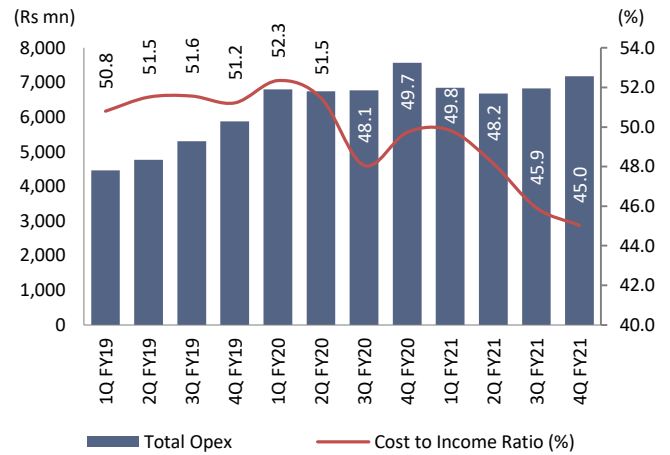
**Yields and Margin Trend**



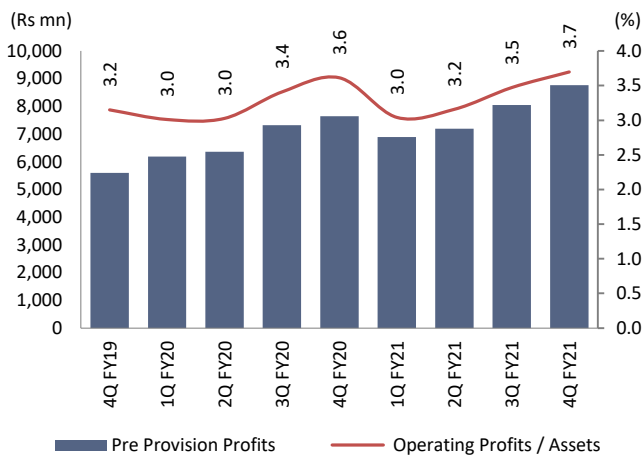
**Other income Trend**



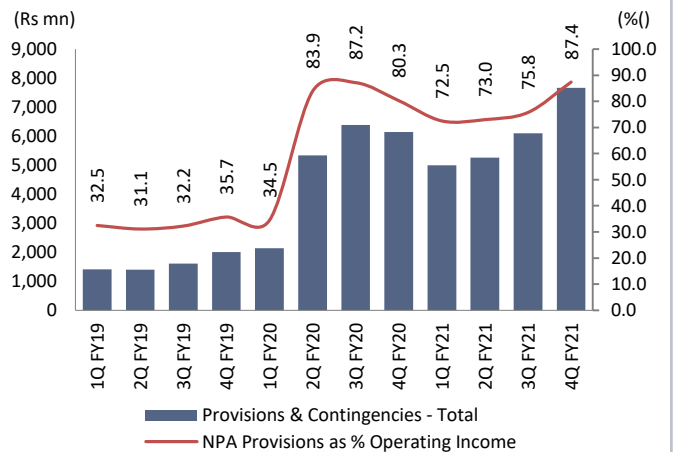
**Total Opex Trend**



**Pre Provision Profit Trend**

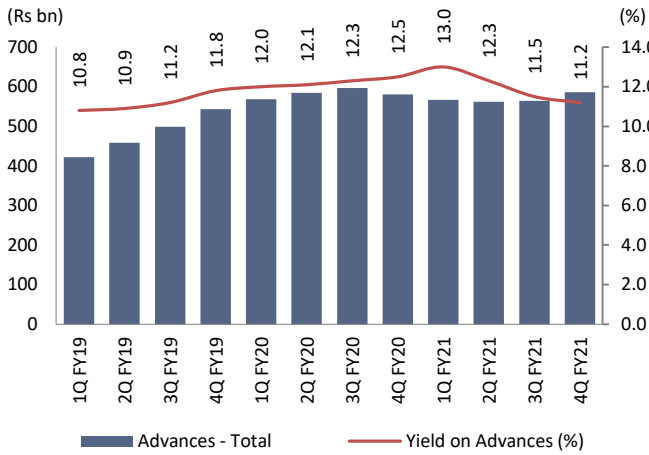


**Provision Expenses Trend**

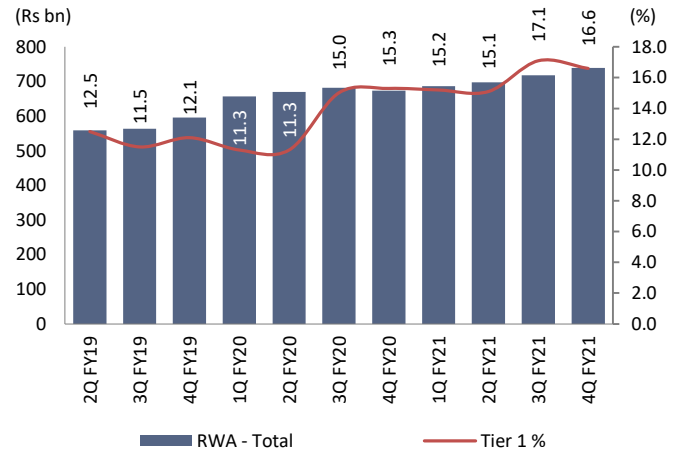




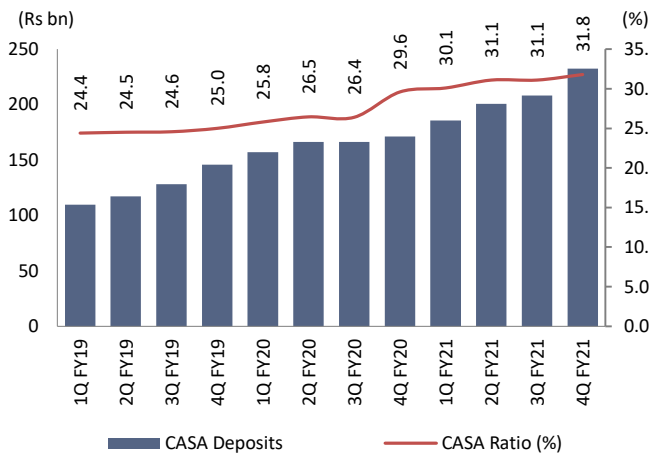
**Loan Book Trend**



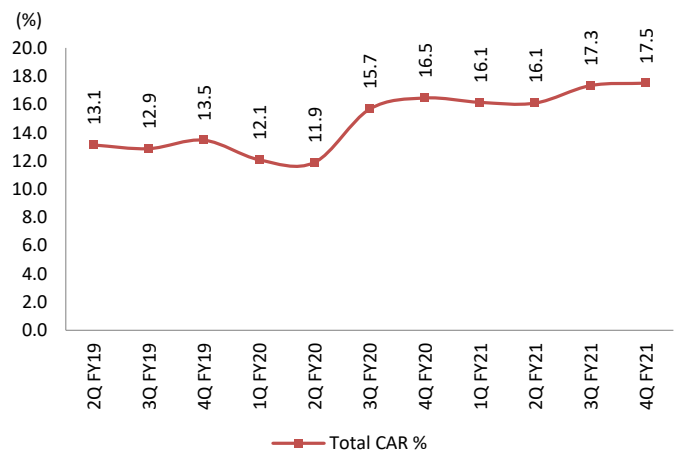
**RWA Trend**



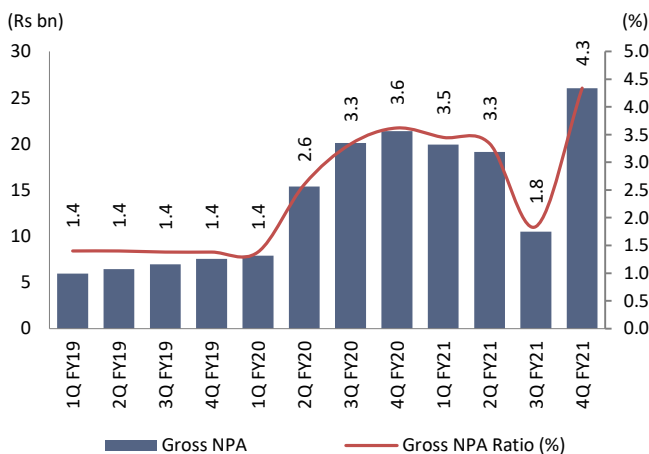
**CASA Deposit Trend**



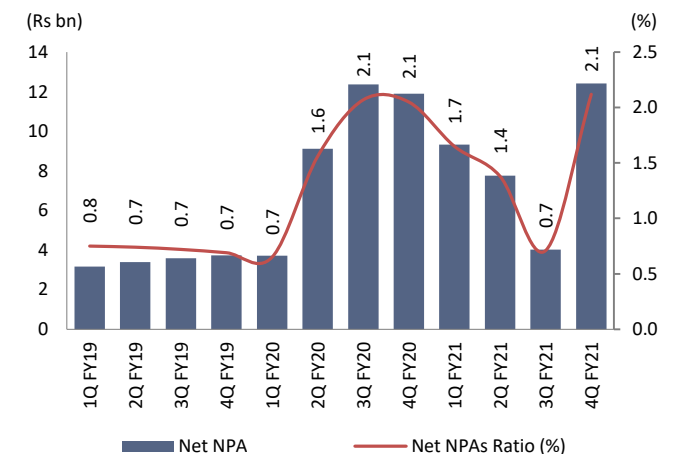
**CRAR Ratio Trend**



**Gross NPA Trend**



**Net NPA Trend**



## Financial Performance at a glance

## Exhibit 9 : Income Statement Analysis

(₹ mn)	4Q FY21	4Q FY20	% yoy / bps	3Q FY21	% qoq / bps	FY21	FY20	% yoy / bps
Int. on Loan	15,131	18,065	(16.2)	15,644	(3.3)	65,237	69,068	(5.5)
Int. on Investment	3,430	3,387	1.3	3,526	(2.7)	13,632	13,727	(0.7)
Int. on Balances	553	577	(4.2)	533	3.7	2,919	1,914	52.5
Int. Others	110	53	105.4	96	14.6	357	435	(17.8)
<b>Interest Inc.</b>	<b>19,224</b>	<b>22,082</b>	<b>(12.9)</b>	<b>19,799</b>	<b>(2.9)</b>	<b>82,145</b>	<b>85,144</b>	<b>(3.5)</b>
<b>Interest Expenses</b>	<b>10,164</b>	<b>11,873</b>	<b>(14.4)</b>	<b>10,717</b>	<b>(5.2)</b>	<b>44,270</b>	<b>48,847</b>	<b>(9.4)</b>
<b>Net Interest Income</b>	<b>9,060</b>	<b>10,210</b>	<b>(11.3)</b>	<b>9,082</b>	<b>(0.2)</b>	<b>37,876</b>	<b>36,296</b>	<b>4.4</b>
<i>NII to Net Operative Income</i>	<i>56.8</i>	<i>67.1</i>	<i>(1,028)</i>	<i>61.0</i>	<i>(421)</i>	<i>64.8</i>	<i>65.5</i>	<i>(72)</i>
<i>NIM (%)</i>	<i>4.17</i>	<i>4.9</i>	<i>(76)</i>	<i>4.2</i>	<i>(2)</i>	<i>-</i>	<i>4.6</i>	<i>-</i>
<b>Core Fee Income</b>	<b>6,600</b>	<b>-</b>	<b>-</b>	<b>4,970</b>	<b>32.8</b>	<b>17,580</b>	<b>-</b>	<b>-</b>
<b>Non Core Other Income</b>	<b>284</b>	<b>-</b>	<b>-</b>	<b>829</b>	<b>(65.7)</b>	<b>2,998</b>	<b>-</b>	<b>-</b>
<b>Other Income - Total</b>	<b>6,884</b>	<b>5,005</b>	<b>37.5</b>	<b>5,799</b>	<b>18.7</b>	<b>20,578</b>	<b>19,102</b>	<b>7.7</b>
<i>Other Income to Net Operative Income</i>	<i>43.2</i>	<i>32.9</i>	<i>1,028</i>	<i>39.0</i>	<i>421</i>	<i>35.2</i>	<i>34.5</i>	<i>72</i>
<b>Net Operating Revenue</b>	<b>15,945</b>	<b>15,215</b>	<b>4.8</b>	<b>14,880</b>	<b>7.2</b>	<b>58,453</b>	<b>55,398</b>	<b>5.5</b>
Employee Expenses	2,070	1,999	3.6	2,107	(1.8)	8,454	7,684	10.0
<i>Empl. Cost/Oper. Exps.</i>	<i>13.0</i>	<i>13.1</i>	<i>(15)</i>	<i>14.2</i>	<i>(118)</i>	<i>14.5</i>	<i>13.9</i>	<i>59</i>
Other Opex	5,110	5,568	(8.2)	4,725	8.1	19,092	20,198	(5.5)
<i>Other Opex/ Assets</i>	<i>0.5</i>	<i>0.7</i>	<i>(12)</i>	<i>0.5</i>	<i>3</i>	<i>2.0</i>	<i>2.4</i>	<i>(37)</i>
<b>Total Opex</b>	<b>7,179</b>	<b>7,567</b>	<b>(5.1)</b>	<b>6,832</b>	<b>5.1</b>	<b>27,546</b>	<b>27,883</b>	<b>(1.2)</b>
<i>Cost to Income Ratio (%)</i>	<i>45.0</i>	<i>49.7</i>	<i>(470)</i>	<i>45.9</i>	<i>(89)</i>	<i>47.1</i>	<i>50.3</i>	<i>(321)</i>
<b>Pre Provision Profits</b>	<b>8,765</b>	<b>7,648</b>	<b>14.6</b>	<b>8,048</b>	<b>8.9</b>	<b>30,907</b>	<b>27,516</b>	<b>12.3</b>
<b>Provisions &amp; Contingencies - Total</b>	<b>7,663</b>	<b>6,141</b>	<b>24.8</b>	<b>6,098</b>	<b>25.7</b>	<b>24,017</b>	<b>19,989</b>	<b>20.2</b>
<i>NPA Provisions as % Operating Income</i>	<i>87.4</i>	<i>80.3</i>	<i>713</i>	<i>75.8</i>	<i>1,165</i>	<i>77.7</i>	<i>72.6</i>	<i>506</i>
<b>Profit Before Tax</b>	<b>1,103</b>	<b>1,508</b>	<b>(26.9)</b>	<b>1,951</b>	<b>(43.5)</b>	<b>6,890</b>	<b>7,527</b>	<b>(8.5)</b>
<b>Tax</b>	<b>349</b>	<b>364</b>	<b>(4.0)</b>	<b>480</b>	<b>(27.2)</b>	<b>1,813</b>	<b>2,471</b>	<b>(26.6)</b>
<i>Effective Tax Rate (%)</i>	<i>31.7</i>	<i>24.1</i>	<i>754</i>	<i>24.6</i>	<i>708</i>	<i>26.3</i>	<i>32.8</i>	<i>(652)</i>
<b>Reported Profits</b>	<b>753</b>	<b>1,144</b>	<b>(34.1)</b>	<b>1,471</b>	<b>(48.8)</b>	<b>5,077</b>	<b>5,056</b>	<b>0.4</b>
<i>RoA (%)</i>	<i>0.3</i>	<i>0.5</i>	<i>(20)</i>	<i>0.6</i>	<i>(30)</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>RoE (%)</i>	<i>2.4</i>	<i>4.3</i>	<i>(188)</i>	<i>4.8</i>	<i>(239)</i>	<i>-</i>	<i>-</i>	<i>-</i>

Source: Company, LKP Research

## Exhibit 10 : Balance Sheet Analysis

(₹ mn)	3Q FY20	4Q FY20	1Q FY21	2Q FY21	3Q FY21	4Q FY21	QoQ % / bps	YoY % / bps
Net Worth	1,05,470	1,05,830	1,07,247	1,08,725	1,25,840	1,26,626	0.6	19.7
RoE (%)	3.1	4.3	5.2	5.2	4.8	2.4	(239)	(188)
CET1 %	-	13.6	15.2	15.1	17.1	16.6	(50)	302
Tier 1 %	15.0	15.3	15.2	15.1	17.1	16.6	(50)	130
Total CAR %	15.7	16.5	16.1	16.1	17.3	17.5	17	105
RWA - Total	6,81,580	6,73,260	6,86,710	6,97,990	7,18,180	7,39,480	3.0	9.8
Advances - Total	5,96,350	5,80,191	5,66,830	5,61,621	5,64,440	5,86,225	3.9	1.0
Investments	1,91,000	1,81,497	1,98,840	2,12,769	2,49,390	2,32,304	(6.9)	28.0
Total Assets	9,14,570	8,89,778	9,24,457	9,33,465	9,64,380	10,06,506	4.4	13.1
RoA (%)	0.32	0.52	0.60	0.62	0.62	0.32	(30)	(20)
Deposits	6,29,070	5,78,122	6,17,360	6,45,061	6,71,840	7,31,213	8.8	26.5
Saving Deposit	1,03,167	95,968	1,19,150	1,27,077	1,21,603	1,35,274	11.2	41.0
Current Deposit	65,423	75,156	66,675	73,537	86,667	97,251	12.2	29.4
CASA Deposits	1,66,200	1,71,160	1,85,660	2,00,614	2,08,270	2,32,526	11.6	35.9
CASA Ratio (%)	26.4	29.6	30.1	31.1	31.1	31.8	70	220
Term Deposits	4,62,870	4,06,962	4,31,700	4,44,447	4,63,570	4,98,687	7.6	22.5
Interest Bearing Liabilities - Total	7,78,000	7,48,190	7,77,650	7,77,619	7,92,540	8,43,472	6.4	12.7

Source: Company, LKP Research

## Exhibit 11: Earning Assets Mix &amp; Incremental Contribution

	As on (₹ mn)				As % of Working Assets	YoY/ YTD growth (% / bps)			Incremental Contribution in Working Assets (%)		
	FY18	FY19	FY20	4Q FY21		FY19	FY20	4Q FY21	FY19	FY20	4Q FY21
Wholesale Banking	2,37,520	3,02,290	2,54,950	2,42,330	25.4	27.3	(15.7)	(4.9)	36.5	(65.1)	(12.3)
C&IB	1,62,400	2,13,540	1,78,840	1,83,230	19.2	31.5	(16.2)	2.5	28.8	(47.7)	4.3
CB	75,120	88,750	76,110	59,100	6.2	18.1	(14.2)	(22.3)	7.7	(17.4)	(16.6)
Retail Banking	88,910	1,64,680	2,31,810	2,72,580	28.6	85.2	40.8	17.6	42.7	92.3	39.8
LAP	-	64,530	75,910	16,690	1.8	-	17.6	(78.0)	36.4	15.6	(57.8)
Credit Cards	-	52,830	1,05,090	1,21,770	12.8	-	98.9	15.9	29.8	71.8	16.3
Retail Agri	19,400	15,720	14,840	11,850	1.2	(19.0)	(5.6)	(20.1)	(2.1)	(1.2)	(2.9)
BIL	-	14,590	16,150	1,07,650	11.3	-	10.7	566.6	8.2	2.1	89.3
Others	-	17,010	19,820	14,620	1.5	-	16.5	(26.2)	9.6	3.9	(5.1)
DB & FI	56,840	76,112	93,440	71,320	7.5	33.9	22.8	(23.7)	10.9	23.8	(21.6)
Micro Banking	35,600	50,280	64,450	71,320	7.5	41.2	28.2	10.7	8.3	19.5	6.7
IFI	15,430	15,790	16,480	-	-	2.3	4.4	-	0.2	0.9	-
MSME	5,810	10,040	12,510	-	-	72.8	24.6	-	2.4	3.4	-
Formula Link (% to Amount)	-	-	-	-	-	-	-	-	-	-	-
<b>Advances - Total</b>	<b>4,02,678</b>	<b>5,43,082</b>	<b>5,80,190</b>	<b>5,86,225</b>	<b>61.5</b>	<b>34.9</b>	<b>6.8</b>	<b>1.0</b>	<b>79.1</b>	<b>51.0</b>	<b>5.9</b>
<b>Investments</b>	<b>1,54,475</b>	<b>1,68,404</b>	<b>1,81,497</b>	<b>2,32,304</b>	<b>24.4</b>	<b>9.0</b>	<b>7.8</b>	<b>28.0</b>	<b>7.8</b>	<b>18.0</b>	<b>49.6</b>
<b>Cash &amp; Cash Equivalent</b>	<b>42,844</b>	<b>66,021</b>	<b>88,572</b>	<b>1,34,242</b>	<b>14.1</b>	<b>54.1</b>	<b>34.2</b>	<b>51.6</b>	<b>13.1</b>	<b>31.0</b>	<b>44.6</b>
<b>Working Assets</b>	<b>5,99,998</b>	<b>7,77,507</b>	<b>8,50,260</b>	<b>9,52,771</b>	<b>100.0</b>	<b>29.6</b>	<b>9.4</b>	<b>12.1</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Company, LKP Research

## Exhibit 12: Funding Profile Analysis

(₹ mn)	3Q FY20	4Q FY20	1Q FY21	2Q FY21	3Q FY21	4Q FY21	QoQ % / bps	YoY % / bps
<b>Interest Bearing Liabilities - Total</b>	<b>7,78,000</b>	<b>7,48,190</b>	<b>7,77,650</b>	<b>7,77,619</b>	<b>7,92,540</b>	<b>8,43,472</b>	<b>6.4</b>	<b>12.7</b>
Deposits	6,29,070	5,78,122	6,17,360	6,45,061	6,71,840	7,31,213	8.8	26.5
CASA Deposits	1,66,200	1,71,160	1,85,660	2,00,614	2,08,270	2,32,526	11.6	35.9
Saving Deposit	1,03,167	95,968	1,19,150	1,27,077	1,21,603	1,35,274	11.2	41.0
Current Deposit	65,423	75,156	66,675	73,537	86,667	97,251	12.2	29.4
Term Deposits	4,62,870	4,06,962	4,31,700	4,44,447	4,63,570	4,98,687	7.6	22.5
Borrowings	1,48,930	1,70,067	1,60,290	1,32,558	1,20,700	1,12,259	(7.0)	(34.0)
<b>Interest Bearing Liabilities - Total</b>	<b>7,78,000</b>	<b>7,48,190</b>	<b>7,77,650</b>	<b>7,77,619</b>	<b>7,92,540</b>	<b>8,43,472</b>	<b>6.4</b>	<b>12.7</b>

Source: Company, LKP Research

## Exhibit 13: Funding mix and Incremental Contribution

	As on (₹ mn)				As % of Total Working Fund	YoY/ YTD growth			Incremental Contribution YoY/ YTD Growth (%)		
	FY18	FY19	FY20	4Q FY21		FY19	FY20	4Q FY21	FY19	FY20	4Q FY21
<b>Deposits</b>	<b>4,39,023</b>	<b>5,83,944</b>	<b>5,78,122</b>	<b>7,31,213</b>	<b>75.4</b>	<b>33.0</b>	<b>(1.0)</b>	<b>26.5</b>	<b>80.8</b>	<b>(7.6)</b>	<b>131.9</b>
Saving Deposit	53,395	82,448	96,066	1,35,274	13.9	54.4	16.5	40.8	16.2	17.9	33.8
Current Deposit	53,388	63,427	75,090	97,251	10.0	18.8	18.4	29.5	5.6	15.3	19.1
CASA Deposits	1,06,783	1,45,875	1,71,156	2,32,526	24.0	36.6	17.3	35.9	21.8	33.1	52.9
Term Deposits	3,32,240	4,38,069	4,06,967	4,98,687	51.4	31.9	(7.1)	22.5	59.0	(40.8)	79.0
<b>Borrowings</b>	<b>92,614</b>	<b>1,18,321</b>	<b>1,70,067</b>	<b>1,12,259</b>	<b>11.6</b>	<b>27.8</b>	<b>43.7</b>	<b>(34.0)</b>	<b>14.3</b>	<b>67.8</b>	<b>(49.8)</b>
<b>Interest Bearing Liabilities - Total</b>	<b>5,31,637</b>	<b>7,02,265</b>	<b>7,48,190</b>	<b>8,43,472</b>	<b>86.9</b>	<b>32.1</b>	<b>6.5</b>	<b>12.7</b>	<b>95.2</b>	<b>60.2</b>	<b>82.1</b>
<b>Net Worth</b>	<b>66,840</b>	<b>75,473</b>	<b>1,05,829</b>	<b>1,26,626</b>	<b>13.1</b>	<b>12.9</b>	<b>40.2</b>	<b>19.7</b>	<b>4.8</b>	<b>39.8</b>	<b>17.9</b>
<b>Working Fund</b>	<b>5,98,477</b>	<b>7,77,738</b>	<b>8,54,019</b>	<b>9,70,097</b>	<b>100.0</b>	<b>30.0</b>	<b>9.8</b>	<b>13.6</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<i>Interest Exp. / Assets</i>	<i>4.96</i>	<i>5.29</i>	<i>5.77</i>	<i>4.3</i>		<i>33</i>	<i>48</i>	<i>(148)</i>			

Source: Company, LKP Research

## Exhibit 14: Asset Quality Analysis

(₹ mn)	3Q FY20	4Q FY20	1Q FY21	2Q FY21	3Q FY21	4Q FY21	QoQ % / bps	YoY % / bps
Total Slippages	10,480	7,090	50	1,450	-	29,980	-	322.8
<b>Slippages Ratio (%)</b>	<b>1.93</b>	<b>1.31</b>	<b>0.01</b>	<b>0.25</b>	<b>-</b>	<b>5.17</b>	<b>-</b>	<b>386</b>
Gross NPA	20,105	21,365	19,921	19,117	10,502	26,015	147.7	21.8
<b>Gross NPAs Ratio (%)</b>	<b>3.33</b>	<b>3.62</b>	<b>3.45</b>	<b>3.34</b>	<b>1.84</b>	<b>4.34</b>	<b>250</b>	<b>72</b>
<b>PCR - Calculated (%)</b>	<b>38.5</b>	<b>44.3</b>	<b>53.2</b>	<b>59.4</b>	<b>61.7</b>	<b>52.3</b>	<b>(939)</b>	<b>795</b>
Net NPA	12,364	11,894	9,327	7,758	4,025	12,414	208.4	4.4
<b>Net NPAs Ratio (%)</b>	<b>2.07</b>	<b>2.05</b>	<b>1.65</b>	<b>1.38</b>	<b>0.71</b>	<b>2.12</b>	<b>141</b>	<b>7</b>

Source: Company, LKP Research

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