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Q3FY21 result review, TP
and earnings revision

Banking

Target price Rs505

Earnings revision

(%)	FY21E	FY22E
PAT	↓ 15.0	↓ 11.7

Target price revision

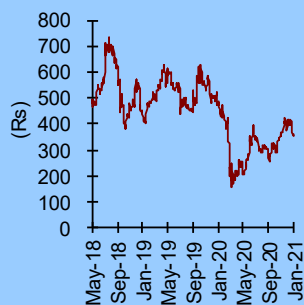
Rs505 from Rs 537

Shareholding pattern

	Jun '20	Sep '20	Dec '20
Promoters	61.0	40.0	40.0
Institutional investors	22.5	38.1	39.6
MFs and others	1.7	4.9	3.4
FIs/Banks	0.3	0.1	0.1
Insurance Cos.	0.0	0.0	0.0
FII	20.5	33.1	36.1
Others	16.5	21.9	20.4

Source: CMIE

Price chart



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INDIA

ICICI Securities

Bandhan Bank

BUY

Maintained

Rs341

Superior operating metrics can absorb interim shocks

Bandhan Bank's deviation from its track record (of resilience better than peers) due to state-specific events in its dominating geographies of Assam and West Bengal, has led to disappointment in collection efficiency (sub-90% in Jan), credit cost (>5.5% annualised) and pro forma GNPLs (at 7.12%). Key question, at this juncture, is to what extent near term state-specific disruption/uncertainty can challenge the longevity of superior growth/return business model. Unique, socially responsible, market-leading franchise housed under robust liability franchise with adequate capitalisation will aid in sufficient operating profit/assets at >6%, enough to absorb such interim shocks. Revising credit cost estimate factoring interim risks, we tweak earnings by 15%/12% for FY21/FY22E and BV by 5%. However, it can still churn 3.5%/20% RoA/RoE and 20% growth for FY22E that can sustain 3.7x PB multiple. Maintain 'BUY' with a revised TP of Rs505 (earlier Rs537). Key risks: Uncertainty on events unfolding up to elections in West Bengal and implementation of Assam State Bill can weigh on interim valuations.

- **Operations in Assam – what will be the game plan:** Bandhan has been trading cautiously in Assam - share is down to 14% in MFI portfolio (from 17%). Uncertainty around state government bill for MFI-lending has created moral hazards, impacting borrowers' repayment behaviour. Consequently, collection efficiency in Assam has plunged from 88% in Dec'20 to 78% Jan'21 (MTD). Till the time stability returns, incremental disbursements will be limited in the state. Also, alluding to such behaviour, 15-20% drop in collection efficiency can translate to 1.2-1.5% additional credit cost.
- **West Bengal – elections around the corner but should that be a cause of concern:** Bandhan has the highest EEB portfolio in West Bengal - collection efficiency there is holding up at 89% for January MTD (albeit a drop from 90% in Dec'20). There were expectations of a pick-up, which has been derailed due to the anticipated loan waiver announcements during elections. However, it is unlikely to disappoint the way political risks in Assam unfolded and given the vintage and collection efforts, collection efficiency should stabilise soon.
- **Metrics to gauge customer behaviour:** Bank has reported pro-forma GNPLs on the overall book of 7.12% and 95% flowing from MFI pool suggests 10% pro-forma GNPL for MFI business. Excluding the partial installment paid by the customers, this would be half of the reported number. Currently, 0-dpd is 76.5%, 31-60dpd is 9-10% and 61-90bps at 4-5%. In terms of customers, 80% are paying on time and regular and 13% are making part payment. Towards this, with Rs10bn provisioning in Q3FY21, it carries cumulative provisioning of Rs31.2bn (4.1% of overall AUM and 5.9% of MFI AUM). Also to note, there has been no restructuring or write-offs during the quarter. We believe further 1.0-1.5% credit cost (of overall AUM) in Q4FY21 and another 1-8-2.0% in FY22E can adequately cover up this unanticipated risk of unfavourable developments.
- **Superior operating profit metrics are enough to absorb these shocks:** Bank reported 23% YoY/5% QoQ growth in advances, 8.3% NIMs and >50% operating profit growth. Adjusting interest reversals on pro-forma GNPLs (though not warranted for customers making partial payment as interest is recovered first), NIMs would have been lower by 1.4%. Nonetheless, with support from PSLC, distribution income and contained opex, operating profit will have still sustained 20% plus growth.

Market Cap	Rs549bn/US\$7.5bn	Year to Mar	FY20E	FY21E	FY22E	FY23E
Reuters/Bloomberg	BANH.BO / BANDHAN IN	NII (Rs bn)	63	76	88	106
Shares Outstanding (mn)	1,610.4	Net Profit (Rs bn)	30	26	45	58
52-week Range (Rs)	482/155	EPS (Rs)	18.8	16.1	27.7	35.7
Free Float (%)	60.0	% Change YoY	26.0	-14.2	72.0	28.9
FII (%)	36.1	P/E (x)	18.1	21.2	12.3	9.5
Daily Volume (US\$'000)	75,288	P/BV (x)	3.6	3.1	2.5	2.0
Absolute Return 3m (%)	7.8	P/ABV (x)	3.7	3.3	2.6	2.1
Absolute Return 12m (%)	(28.5)	GNPA (%)	1.5	8.6	6.6	3.9
Sensex Return 3m (%)	22.1	RoA (%)	3.6	2.6	3.7	4.0
Sensex Return 12m (%)	21.6	RoE (%)	21.4	15.7	22.5	23.3

Please refer to important disclosures at the end of this report

- ▶ **Top-up not material enough; growing proportion of EEB individual loans:** EEB individual growth proportion has now risen to 10% and overall EEB grew 6% QoQ/30% YoY to Rs530bn. Mortgages and commercial banking were flat QoQ with mere 1-2% growth. Disbursements in EEB group was flat YoY (up 50% QoQ) and EEB individual loans doubled QoQ thereby, leading to overall disbursement growth of 14% YoY/60% QoQ. Top-up disbursements were <6% of overall disbursements compared to 15% earlier. Building in >20% growth, >7.5% NIMs and operating expense growth of >20%, we expect operating profit to grow at 20% over FY20-23E and settle at >6% of assets in FY22/FY23. This should manage the upcoming credit cost and still deliver RoAs of 2.6% in FY21, 3.7% in FY22 and 4% in FY23.
- ▶ **Liability muscle strengthening:** Deposit gained further traction – up 8% QoQ thereby, reporting 30% YoY growth to Rs712bn. Retail proportion has inched up 400bps to 81% and CASA spiked to 43% (from 38.2%) – 66% YoY growth in CASA. It has sourced 245k new CASA accounts and mobilised incremental CASA of Rs52.2bn. Average SA balance has risen 50% YoY to 59k and 67-68% of customers are with SA balance of less than Rs0.1mn.
- ▶ **Long-term growth diversification will assuage MFI's near-term concerns:** The bank has unveiled *Vision 2025*, where it aims for rapid diversification in non-EEB segments and reduce the proportion of EEB segment to 30% (from >60% currently). The objective would be to convert vintage EEB customers to individual loan and then help them transform to MSME customer. This will take commercial banking book to 30% (from 9%). In housing, besides affordable home loans, will focus on micro and prime housing that will boost mortgage proportion to 30% (from 25%). It will also build new retail business verticals namely personal loans, 2-wheeler, gold loans and vehicle loans wherein it will leverage technology in sourcing and assessing the customers. This new retail vertical is likely to constitute 10% of AUM.

Table 1: Q3FY21 result review*(Rs mn, year ending March 31)*

Particulars	Q3FY21	Q3FY20	% Change YoY	Q2FY21	% Change QoQ
Net Interest Income	20,717	15,403	35	19,231	8
Total Net Income	26,250	18,980	38	23,049	14
Less: Operating Expenses	7,109	6,341	12	6,773	5
Pre-provision operating profit	19,141	12,639	51	16,275	18
Provisions	10,687	2,949	262	3,945	171
PBT	8,454	9,690	(13)	12,330	(31)
Less: taxes	2,128	2,380	(11)	3,130	(32)
PAT	6,326	7,310	(13)	9,200	(31)
Balance sheet (Rs mn)					
Advances	7,67,750	6,06,010	27	7,33,067	5
Deposits	7,11,880	5,49,080	30	6,61,277	8
Asset quality					
Gross NPL (Rs mn)	8,592	11,820	(27)	8,740	(2)
Net NPL (Rs mn)	2,013	4,914	(59)	2,625	(23)
Gross NPL ratio (Change bps)	1.1	1.9	(82)	1.2	(7)
Net NPL ratio (Change bps)	0.3	0.8	(55)	0.4	(10)
Credit cost (Change bps)	5.7	1.9	371	2.2	346
Coverage ratio (Change bps)	77	58	1,815	70	661
Business ratio (%)					
			Change bps YoY		Change bps QoQ
RoA	2.4	3.3	(93)	3.5	(114)
RoE	15	20	(545)	23	(781)
CASA	43	34	853	38	462
Credit / Deposit ratio	108	110	(252)	111	(301)
Cost-Income ratio	27	33	(633)	29	(230)
Earnings ratios (%)					
			YoY		QoQ
Yield on advances	15.5	15.8	(26)	15.6	(12)
Cost of deposits	6.0	7.1	(107)	6.5	(45)
NIM	8.1	7.5	57	7.9	19

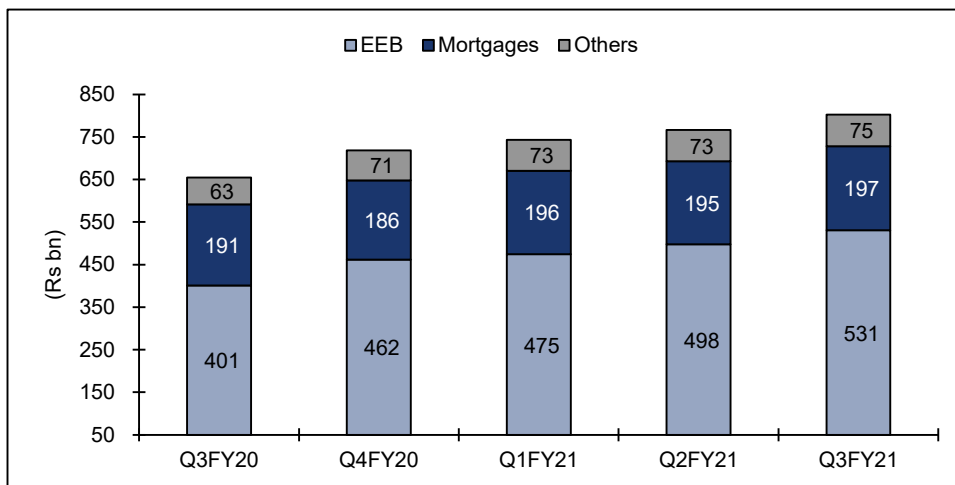
Source: Company data

Table 2: EEB collection efficiency dips in Assam and moderated in WB

	Oct'20	Dec'20	1st-16th Jan'21
West Bengal	90%	90%	89%
Assam	87%	88%	78%
Rest of India		94%	94%
Total	91%	92%	90%

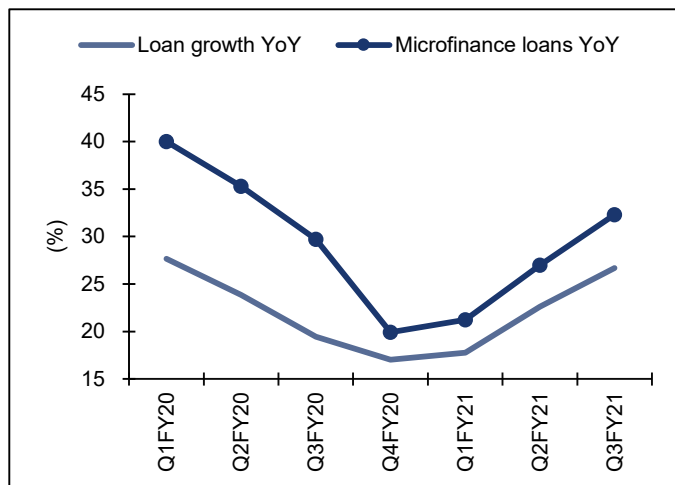
Source: Company data

Chart 1: EEB portfolio growth >20%; mortgage and CB is flat YoY



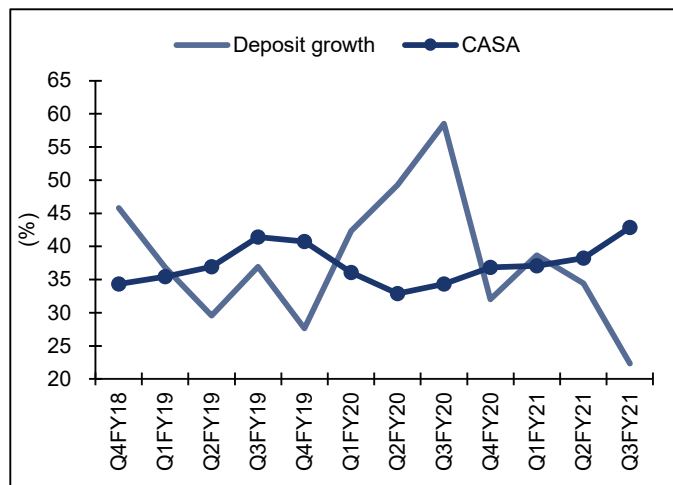
Source: Company data

Chart 2: Microfinance growth continues to outperform overall loan growth



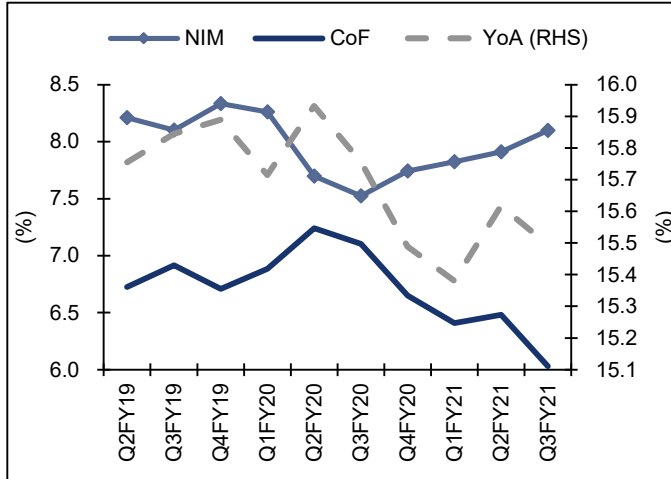
Source: Company data, I-Sec research

Chart 3: CASA ratio at 43%, highest ever



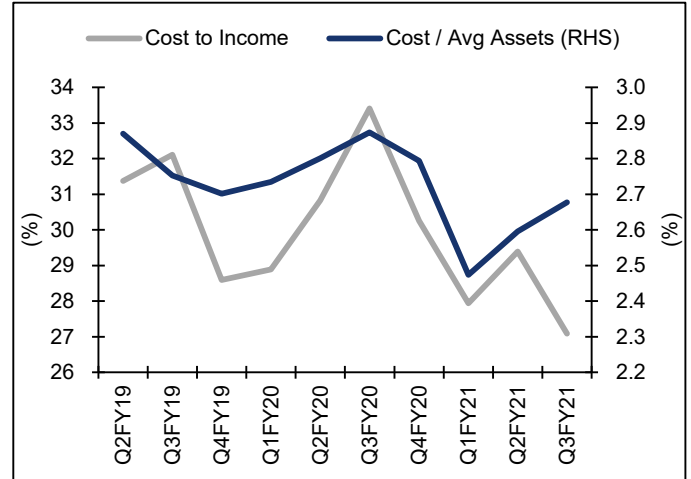
Source: Company data, I-Sec research

Chart 4: Lower cost of funds aiding NIMs



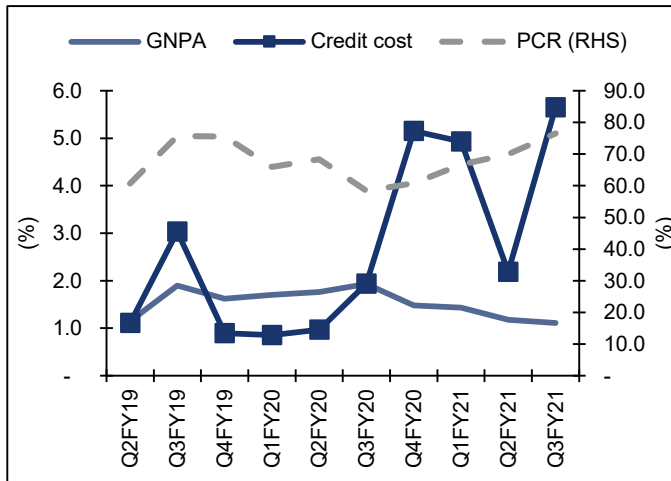
Source: Company data, I-Sec research

Chart 5: Cost rises as normalcy returns



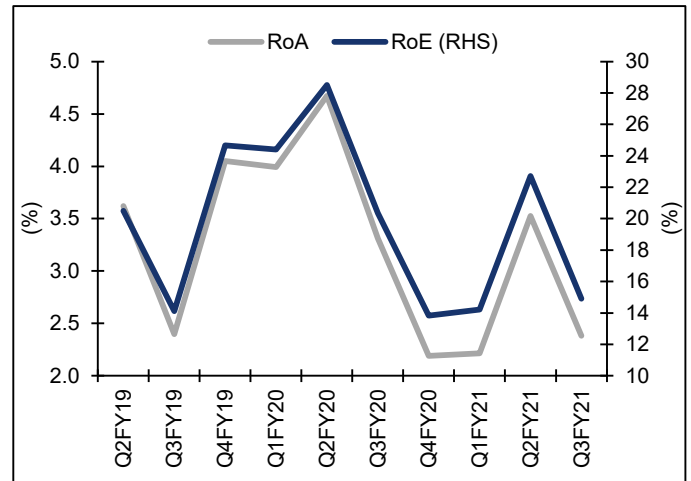
Source: Company data, I-Sec research

Chart 6: GNPLs flat due to standstill; proforma GNPA at 7.12%



Source: Company data, I-Sec research

Chart 7: RoA/RoE slips as credit cost spikes



Source: Company data, I-Sec research

Bandhan Bank – Q3FY21 earnings call takeaways

On collection efficiency and asset quality

- **Collection efficiency after touching 92% by December (from 89% in September) is down to 90% in January YTD – West Bengal is down from 90% to 89%, Assam is down from 88% to 78% and rest of India is steady at 94%.**
- **Proforma GNPLs on overall book is at 7.12% - 95% of this proforma GNPLs is coming from MFI pool suggesting 10% proforma GNPL**
- The proforma is conservatively taken; it even includes partial instalment paid customers in proforma NPLs – excluding part payment this would come down to 3.5%
- Of the overall proforma GNPLs of Rs56bn – West Bengal accounts for Rs25bn
- **On MFI book, 0-dpd is 76.54%; 31-60dps is 10% and 61-90dps is 5%.**
- Currently 80% customers are paying on-time and are regular; Part paying customers are 13%.

With respect to Assam portfolio

- Assam government bill was discussed in first week of January and **hence the collection efficiency dropped post December. Till today (21st January), it is stable at 78% and has not further deteriorated.**
- Repayment behavior is more of a moral hazard. Also it is not sure if bill would be applicable to banks.
- **Share of Assam in MFI portfolio is 14% (down from 17%).**
- This is first time in last 15 years, that Assam has seen some disruption. For Assam, given the situation it will continue to be very cautious on disbursements.

On provisioning

- It has created further provision of Rs10bn taking the aggregate additional provision of Rs31.2bn and net NPA stands at 2.36%.
- Provisioning takes into account the situation as of today.
- **Credit cost was guided at 3.5% of the overall book – now looking at the situation in Assam, basis that impact, if has to take 2% drop in collection efficiency, then credit cost guidance would be upwards by 100bps.**
- **However, it will want to front load all stress in FY21 and normalize by FY22.**

Other aspects relating to asset quality

- Interest income reversal are not currently accounted in interest income. However, it will be relatively lower as unrecovered interest standing in receivable is Rs3.7bn.
- There was no write-offs during the quarter.
- Had not done any restructuring till date.
- With respect to disbursing the credit in Assam and West Bengal – Assam will take time to return to normal but will be business as usual for West Bengal.

On growth

- 23% YoY growth in advances (on-book+off-book+TLTRO) sustaining 5% QoQ growth momentum.
- ***New to credit and loan demand is more than normal - It has added 1.66 mn customers in Q3FY21 with total customer base reaching to 22.48 million (EEB- 17.13 million, Non EEB – 5.35 million)***
- EEB individual growth proportion has now risen to 10% and overall EEB grew 6% QoQ/30% YoY to Rs530bn. Mortgages and commercial banking were flat QoQ with mere 1-2% growth.
- Disbursements in EEB group was flat YoY (up 50% QoQ) and EEB individual loans doubled QoQ thereby leading to overall disbursement growth of 14% YoY/60% QoQ.
- ***Top-up disbursements – Rs9.2bn - Less than 6% of disbursements in top-up loans compared to 15% earlier***
- In commercial banking, it has reduced exposure to NBFC-MFI by ~20% QoQ to Rs19bn – else SME and NBFC-others were up 14% QoQ.

On operating metrics

- Operationally, the earnings were strong with NII growth of 35%, operating profit of 51%.
- NIMs still for Q3FY21 – 8.3%
- Also focused on third party product sale – it has now come to the bank

On CASA deposits

- ***Deposit gained further traction – up 8% QoQ thereby reporting 30% YoY growth to Rs712bn - retail proportion has inched up 400bps to 81% and CASA spiked to 43% (from 38.2%) – 66% YoY growth in CASA.***
- It has sourced new CASA accounts of 245k and mobilised incremental CASA of 52.2bn taking CASA ratio to 43%. Average SA balance has risen 50% YoY to 59k.
- Profile of savings bank customers is largely retail – incentive given to customers in terms of rates
- ***67-68% of customers are with SA balance less than Rs0.1mn***
- Too early to say, in terms of opportunity size for tie-up with Army – currently its not implemented

On affordable housing

- Northern and eastern states where they were not very active – they used to do 700 cases earlier and now doing 3500 cases.
- Bandhan Bank branches are now contribution 15-20% of disbursements in affordable housing
- Commercial banking and affordable housing collection efficiency is stable at 98% (no improvement).

Bandhan Bank – Q2FY21 earnings call takeaways

On collection efficiency:

- Collection efficiency – MoM basis improvement – **September overall at 92% (76% in June); 89% in MFI (October month end is 91%)** – are very disciplined and running the business
- **95% of customers paid their dues in micro-credit for the month of October** – which is very good sign
- 76% customer are paying full in September (would have moved to 80% by October) – hence in value it comes to 91%
- **Individual loans collection efficiency at 99%**
- **Probably, by next quarter, collection efficiency should be near to pre-covid levels.** One key trigger for improvement in collection efficiency would be regularized running of local trains. With train services running, we see close to 5% increase in collection efficiency
- Over the past few years, bank has observed that micro-credit borrowers are very disciplined. They might they take some more time, but they repay their dues
- Collection efficiency – **West Bengal (47% of AUM)** - 90% in value, 96% in customers
- Collection efficiency – **Assam (16% of AUM)** - 87% in value, 88% in customers – month on month improvement and no reason to be panicking – it is below national average and going through challenges of flood, lockdown etc.
- Collection efficiency – **Bihar (9%)** - 97% in value, 99% in customers – best performing state despite state elections

On credit cost:

- **Covid provisions of Rs 3bn during the quarter, total outstanding at Rs 20.69bn**
- Predicted 3.5% credit cost for overall book due to pandemic and continue to hold this guidance. Bank believes that collection efficiency has been better than expected.

On asset quality:

- Rs 1,092.9 mn write-off during the quarter
- Net NPA 0.36% vs 0.60% YoY

On restructuring:

- No major restructuring likely for Bandhan Bank - just need couple of months more to close or service the loans fully
- **None of the customer has asked for lower interest rates while resetting their repayment structure**
- **Top up loans stand at 7.6% of the EEB book – 12.3% of customers – Average ticket size of top-up loans is Rs 35,000, lower than the typical average of Rs 50-60k.** In terms of assessment of top-up loans, it is done as good as a new loan.

On credit profile:

- Advance growth stood at 19.5% YoY for Q2FY21 - Disbursements back to pre-Covid level
- Micro housing would be undertaken by EEB vertical going forward
- Good growth possible in mortgage vertical over the next five years
- Commercial Banking (CB) – Bank is working on this over the past 3 years. CB would be divided over three vertical based on ATS of ~Rs 20mn wherein bank will compete with NBFCs & banks. Next would be loans with ATS of ~Rs 3.5mn and then lastly for smaller SME with ATS of Rs 0.3mn.

On interest waiver:

- ***In microfinance, bank has never charged interest on interest – no compounding – it is always simple interest***
- Interest on interest benefit is applicable to all customers. Even if the customer is not being charge compound interest, bank still has to offer interest on interest to all customers with loans below or upto Rs 20mn as per RBI.

On deposit profile:

- 56% YoY CASA growth, which is the best quarter among the last couple of quarters
- ***CASA now forms 38.2% of total deposits***
- ***SA rate revised to 3% for lowest bracket in September and hence effect should be visible in Q3FY21***
- ***150bps TD rate fell over the past 18 months***

Next 5 years roadmap:

- First years of bank the strategy was to build-up of bank, liability franchise, consummate merger etc
- New 5 year focus plan – EEB will come down to 30%
- In commercial banking – 30% - promoting existing customers from micro-credit to MSME
- Retail loans – PL, 2-wheeler, gold loans, vehicle loans – through banking branches and will be 10% of the book; will use technology to source and assess customers
- Bank would not like to resort to higher ticket corporate lending over the next 5 years

Other highlights:

- Expanding network and building human capital - now there are no restrictions by RBI on branch expansion
- ***Bank is likely to add ~574 new branch outlets over the next few quarters.*** (100 would be full-fledged, while rest would be micro banking or small units)
- For new branches, employee addition is largely done while branch outlets will be over the coming quarters

- Bank's strength is deep distribution and presence has moved well beyond East India since the past few years. There is no geography which is new for the bank. Bank would like to increase presence in few geographies where it has limited presence as of now.
- Bank is adding 10-12% distribution network over the past few years and has been able to maintain its cost to income ratio despite that. Bank doesn't see any reasons for steep spike in cost to income ratio in coming quarters as well.
- ***Changed the name from microfinance to emerging enterprise business because there is a perception that microfinance is a group loan, while in actual for Bandhan, its individual loan and hence renamed the vertical.***
- Small enterprise loans – micro credit promoted customers – 3.5 L; EEB – only those who are promoted from group to individual loans – 1.6.-1.75 L
- Fee income for the quarter stood at Rs 3.84bn

Financial summary

Table 3: Profit and loss statement

(Rs mn, year ending Mar 31)

INR mn	FY17	FY18	FY18					
			Merged	FY19	FY20	FY21E	FY22E	FY23E
Net Interest Income	24,035	30,322	36,900	51,671	63,239	76,360	87,868	1,05,749
% Growth	158	26	NA	70	22.4	20.7	15.1	20.3
Fee income	3,204	4,045	4,490	6,464	7,842	9,974	12,882	16,651
Add: Other income	910	3,017	3,083	4,710	7,650	8,487	9,340	10,223
Total Net Income	28,149	37,384	44,474	62,845	78,731	94,820	1,10,090	1,32,623
% Growth	160	33	NA	68	25	20	16	20
Less: Operating Expenses	(10,220)	(13,083)	(14,176)	(19,380)	(24,265)	(27,758)	(33,460)	(40,355)
Pre-provision operating profit	17,929	24,301	30,298	43,465	54,466	67,063	76,630	92,268
NPA Provisions	(478)	(2,261)	(2,586)	(6,519)	(5,031)	(31,965)	(16,297)	(14,451)
Other provisions	(407)	(1,481)	(1,481)	(666)	(8,900)	(402)	(682)	(944)
PBT	17,045	20,559	26,231	36,280	40,534	34,695	59,650	76,872
Less: taxes	(5,925)	(7,103)	(8,747)	(12,294)	(10,297)	(8,758)	(15,027)	(19,361)
PAT	11,119	13,456	17,483	23,987	30,237	25,937	44,624	57,511

Source: Company data, I-Sec research

Table 4: Balance sheet

(Rs mn, year ending Mar 31)

	FY17	FY18	FY18					
			Merged	FY19	FY20	FY21E	FY22E	FY23E
Capital	10,951	11,928	16,101	16,101	16,102	16,102	16,102	16,102
Reserve & Surplus	33,513	81,891	97,444	1,14,831	1,35,852	1,62,404	2,02,883	2,58,087
Deposits	2,32,287	3,38,690	3,38,690	4,32,316	5,70,815	7,42,060	9,27,574	11,59,468
Borrowings	10,289	2,850	1,43,096	1,70,833	1,62,192	96,470	78,246	77,636
Other liabilities	15,320	7,741	9,794	16,996	32,217	67,253	79,041	94,121
Total liabilities	3,02,361	4,43,101	6,05,125	7,51,077	9,17,178	10,84,289	13,03,846	16,05,414
Cash & Bank Balances	73,650	55,106	55,874	69,407	83,529	55,536	64,018	75,637
Investment	55,165	83,719	85,299	1,01,858	1,53,518	1,99,184	2,28,898	2,63,061
Advances	1,68,391	2,97,130	4,51,646	5,69,317	6,66,299	7,68,864	9,41,061	11,77,055
Fixed Assets	2,518	2,381	2,535	3,463	3,688	4,230	4,653	5,119
Other Assets	2,637	4,764	9,770	7,032	10,144	56,476	65,216	84,543
Total Assets	3,02,361	4,43,101	6,05,125	7,51,077	9,17,178	10,84,289	13,03,846	16,05,414

Source: Company data, I-Sec research

Table 5: Dupont analysis

(%, year ending Mar 31)

	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Interest income	15.6	12.9	12.7	13.1	12.6	12.3	12.1
Interest expense	(6.0)	(4.7)	(5.1)	(5.5)	(5.0)	(5.0)	(4.9)
NII	9.6	8.1	7.6	7.6	7.6	7.4	7.3
Other income	0.4	0.8	0.7	0.9	0.8	0.8	0.7
Fee income	1.3	1.1	1.0	0.9	1.0	1.1	1.1
Total income	11.2	10.0	9.3	9.4	9.5	9.2	9.1
Operating expenses	(4.1)	(3.5)	(2.9)	(2.9)	(2.8)	(2.8)	(2.8)
Operating profit	7.1	6.5	6.4	6.5	6.7	6.4	6.3
NPA provision	(0.2)	(0.6)	(1.0)	(0.6)	(3.2)	(1.4)	(1.0)
Total provisions	(0.4)	(1.0)	(1.1)	(1.7)	(3.2)	(1.4)	(1.1)
PBT	6.8	5.5	5.4	4.9	3.5	5.0	5.3
Tax	(2.4)	(1.9)	(1.8)	(1.2)	(0.9)	(1.3)	(1.3)
PAT	4.4	3.6	3.5	3.6	2.6	3.7	4.0

Source: Company data, I-Sec research

NM: Not meaningful

Note: From FY19 onwards numbers are on merged basis with GRUH Finance

Table 6: Key ratios

(Year ending Mar 31)

	FY17	FY18	FY18 Merged	FY19	FY20	FY21E	FY22E	FY23E
Per share data								
EPS – Diluted (Rs)	10.2	11.3	10.9	14.9	18.8	16	28	36
% Growth	304.1	11.1	NA	37.2	26.0	-14.2	72.0	28.9
DPS (Rs)	-	1.00	1.00	1.50	-	2.20	2.20	2.20
Book Value per share (BVPS) (Rs)	40.6	78.7	70.5	81.3	94.4	110.9	136.0	170.3
% Growth	33.3	93.7	NA	15.3	16.0	17.5	22.7	25.2
Adjusted BVPS (Rs)	40.0	77.2	69.8	80.1	92.6	104.6	129.6	164.1
% Growth	31.9	92.8	NM	14.8	15.5	13.0	23.8	26.6
Valuations								
Price / Earnings (x)	33.6	30.2	31.4	22.9	18.1	21.2	12.3	9.5
Price / Book (x)	8.4	4.3	4.8	4.2	3.6	3.1	2.5	2.0
Price / Adjusted BV (x)	8.5	4.4	4.9	4.3	3.7	3.3	2.6	2.1
Asset Quality								
Gross NPA (Rs mn)	863	3,731	4,432	9,337	9,928	70,786	65,893	47,662
Gross NPA (%)	0.5	1.2	1.0	1.6	1.5	8.6	6.6	3.9
Net NPA (Rs mn)	612	1,729	1,729	2,888	3,894	13,370	13,821	13,353
Net NPA (%)	0.4	0.6	0.4	0.5	0.6	1.7	1.5	1.1
NPA Coverage ratio (%)	29	53.7	61.0	69.1	60.8	81.1	79.0	72.0
Gross Slippages (%)	0.8	2.1	2.1	2.6	1.2	9.6	3.5	2.0
Credit Cost (%)	0.33	0.97	NM	1.39	2.2	4.3	1.9	1.4
Net NPL/Net worth	1.4	1.8	1.5	2.2	2.6	7.5	6.3	4.9
Business ratios (%)								
ROAA	4.43	3.61	NA	3.54	3.6	2.6	3.7	4.0
ROAE	28.6	19.5	NA	19.6	21.4	15.7	22.5	23.3
Credit Growth	35.4	76.5	NA	26.1	17.0	15.4	22.4	25.1
Deposits Growth	92.2	45.8	NA	27.6	32.0	30.0	25.0	25.0
CASA	29.4	34.3	NA	40.8	37.0	44.0	45.0	47.0
Credit / Deposit Ratio	72.5	87.7	NA	131.7	116.7	103.6	101.5	101.5
Cost-Income ratio	36.3	35.0	NA	30.8	30.8	29.3	30.4	30.4
Operating Cost / Avg. Assets	4.1	3.5	NA	2.9	2.9	2.8	2.8	2.8
Fee Income / Total Income	11.4	10.8	NA	10.3	10.0	10.5	11.7	12.6
Earnings ratios								
Yield on Advances	21.3	17.8	NA	14.9	15.4	15.4	15.0	14.7
Yield on Earning Assets	15.9	14.4	NA	12.9	13.2	13.1	13.0	12.9
Cost of Deposits	7.3	6.5	NA	5.4	6.1	6.1	6.2	6.3
Cost of Funds	7.6	6.6	NA	6.3	6.8	6.4	6.4	6.3
NIM	9.8	9.1	NA	7.8	7.7	7.9	7.8	7.7
Capital Adequacy (%)								
RWA (Rs mn)	1,74,927	3,12,662	4,00,628	4,97,013	6,02,083	7,62,051	8,82,245	10,98,467
Tier I	25.4	30.0	28.3	26.3	25.2	23.4	24.8	25.0
CAR	25.8	30.4	28.8	26.8	25.7	23.9	25.3	25.4

Source: Company data, I-Sec research

NM: Not meaningful

Note: From FY19onwards numbers are on merged basis with GRUH Finance

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