HDFC securities

INSTITUTIONAL RESEARCH

VISIT NOTE | 30 DEC 2019

Capri Global Capital

NOT RATED

Interesting…

Capri Global Capital (CGCL) is an ostensibly picture perfect NBFC, present across under-penetrated, fast growing and high yielding segments. With an AUM of ~Rs 40bn (45% CAGR over FY 15-19), the co lends to MSMEs (~50% of AUM), small-mid-sized developers (CF, ~27%), home buyers (HF, ~21% of AUM) and other NBFCs (IRL). At present, its operations span 85 branches across 8 states. While reported stress has been trending upwards, current levels are not alarming (GS-III at ~2.3%).

With more than adequate capital (~36%), growing reach and a small base, CGCL appears poised to grow faster in the medium term. CGCL's ability to raise funds from banks (~95% of borrowings, of which ~80% are from PSBs) over FY19, even as funding for the sector dried up, is commendable given its small size. Funding did become constrained for CGCL in 1QFY20, but the situation has improved and undrawn lines are ~Rs 10bn at present. While spreads (~6.3% over 1HFY20) may sustain, growing opex on a/c of expanding operations, and higher LLPs as the book seasons will weigh down on RoAAs (~3% over FY16-19). Increasing leverage is likely to drive RoAEs.

While there have been past run-ins and there is a lack of institutional holding, we're not overly skeptical, and we believe that CGCL has business potential. However, current valuations (~2.5x trailing P/ABVs) are rich.

- **Evolving and Diversified Book:** MSME financing has been a major driver of growth at CGCL (~45% CAGR over FY15-19), although its growth has slowed significantly (~12% YoY in 1HFY20). CGCL's CF book grew at a ~25% CAGR over FY15-19 but dipped ~10% over 1HFY20. HF remains the fastest growing portion of the book at ~65% (2QFY20). The IRL book shrank by ~71% YoY in 1HFY20 to form ~1% of the book. <u>MSME and HF are likely to contribute disproportionately to AUM growth in the near term. Should CGCL continue to access bank funding as it has over FY19, it will be able to grow faster given its small base and adequate capital.</u>
- **Asset Quality:** Reported stress has been trending upwards from FY15 to 2QFY20, with GS-III at ~2.3%. MSME GNPAs expectedly trended upwards, reaching 3.9%. Interestingly, CF has near nil GNPAs (~15bps), in spite of stress faced by the sector. Moratoriums on CF exposures could theoretically result in the manifestation of lumpy stress. <u>We expect impairment ratios to inch up gradually, led by MSME and HF</u>.
- **Bank Funding A Positive:** Over 1HFY19, the company completely repaid CPs and raised a net ~Rs 14bn of bank borrowings over FY19. Funding appears to have become constrained in 1QFY20, as evidenced by a dip in disbursals and AUM growth; but the situation appears to have improved since and CGCL has undrawn lines of ~Rs 10bn. PSBs are the largest lenders to the co.
- **Nebulous Past:** Interestingly, the lending business was not the co's maiden venture. CGCL is the erstwhile Money Matters Financial Services Ltd., a debt syndicator. The company ran a successful and profitable debt syndication business till 2011 and had commenced lending in 2010. In 2011, there were some run-ins with the authorities. <u>The parties were subsequently discharged from charges levied</u>.

FINANCIAL SUMMARY

YE Mar (Rs mn)	FY16	FY17	FY18	FY19	1HFY20
NII	1,495	1,672	2,252	3,236	1,948
PPOP	1,244	1,093	1,152	1,965	1,176
PAT	436	581	649	1,357	766
EPS (Rs)*	2.5	3.3	3.7	7.7	8.8
ROAE (%)*	4.0	5.1	5.4	10.3	10.8
ROAA (%)*	3.51	3.52	2.62	3.74	3.61
Adj. BVPS (Rs)	62.5	65.4	69.3	76.2	79.3
P/ABV (x)	3.2	3.1	2.9	2.6	2.5
P/E (x)*	80.6	60.6	54.1	25.9	22.9

Source: Company, HDFC sec Inst Research; Note: *- 1HFY20 ann.

INDUSTRY	**NBFCS**
CMP *(as on 27 Dec 2019)*	**Rs 201**
Target Price	**NA**
Nifty	12,246
Sensex	41,575
KEY STOCK DATA	
Bloomberg	CGCL IN
No. of Shares (mn)	175
MCap (Rs bn) / ($ mn)	35/494
6m avg traded value (Rs mn)	106

STOCK PERFORMANCE (%)			
52 Week high / low	**Rs 114/229**		
	3M	6M	12M
Absolute (%)	-7.3	17.1	56.5
Relative (%)	-14.4	12.1	40.4

SHAREHOLDING PATTERN (%)		
	Jun-19	**Sep-19**
Promoters	74.9	74.9
FIs & Local MFs		
FPIs	3.8	4.1
Public & Others	21.3	21
Pledged Shares	-	-

Source : BSE

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Sep-19	CF	MSME	HF	IRL
Launch Yr	2010	2013	2016	2018
AUM Rs bn	10.8	19.8	8.4	0.5
% of total AUM	*27.3*	*50.1*	*21.3*	*1.2*
Yields (%)	18.7	16.8	14.1	15.1
Live A/Cs	144	11,264	8,785	7
ATS (Rs mn)	80	1.5	1.1	NA
Tenure (yrs)	4-5	4-5	7-8	-
LTV (%)	NA	48	60	NA
GNPA %	0.15	3.94	1.14	-
NNPA %	-	2.34	0.65	-

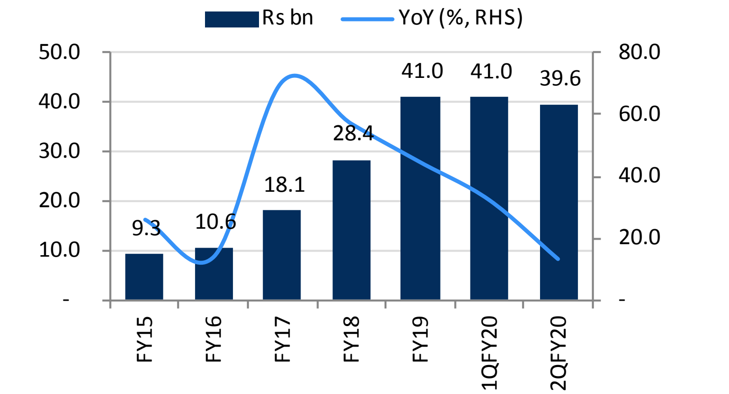
1997- CGCL was promoted by Rajesh Sharma, earlier as Money Matters Financial Services
2010- Commenced real estate financing
2010- Run-ins with the regulator, parties later discharged
2012-Tied up with CIG to start an offshore real estate fund
2013-Started MSME Financing
2016-Started Housing Finance

Note: The terms GNPAs and GS-III have been used interchangeably

Profile

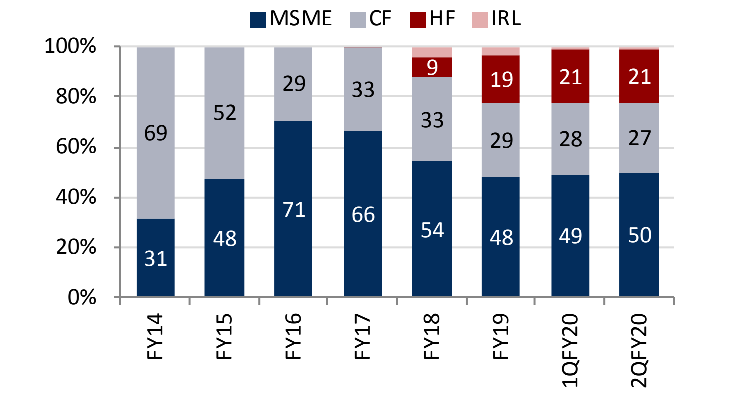
- CGCL, promoted by Rajesh Sharma in 1997, earlier known as Money Matter Financial Services, was engaged in debt syndication till 2011. In FY10 it commenced real financing and MSME financing in FY13.
- CGCL collaborated with Chicago based, Capri Investment Group (CIG), a real estate investment management firm in Oct-12 to set up an offshore real estate fund. It rebranded itself as Capri Global Capital. Quentin E. Primo III, co-founder and chairman of CIG, served as the chairman of CGCL until recently. However, there is no legal connection between the two entities at present.
- As at 2QFY20, CGCL has an AUM of ~Rs 40bn, of which MSME financing constitutes ~50%. At present, CGCL's operations span 85 branches across 8 states.

AUM Growth Slows In 1HFY20



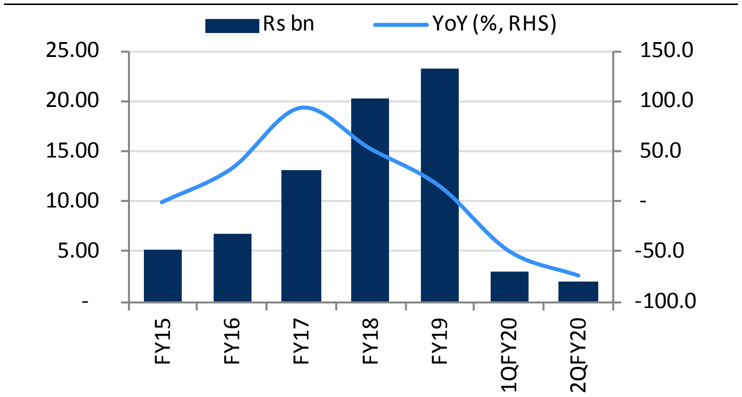
Source: Company and HDFC Sec Inst Research

MSME Constitutes ~Half Of AUMs



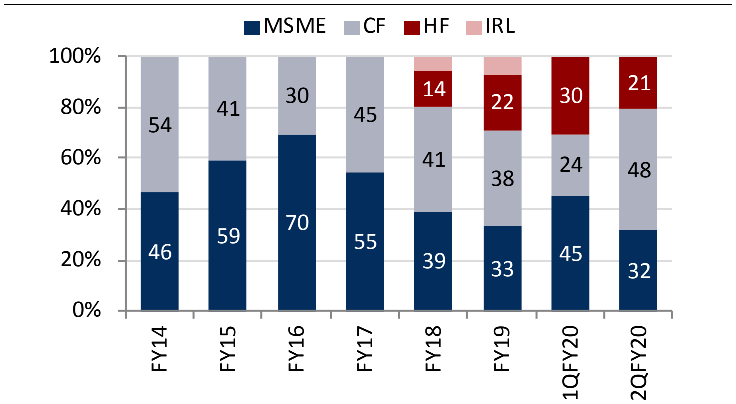
Source: Company and HDFC Sec Inst Research

Disbursal De-grow In 1HFY20



Source: Company and HDFC Sec Inst Research

Disbursal Mix: Nil IRL Disbursals Over 1HFY20



Source: Company and HDFC Sec Inst Research

CGCL focuses on financing projects which have a low ticket size and a high proportion of end-user customers

Over the last 3 years, CGCL has developed a proprietary scorecard model for evaluating proposals

The moratorium period is between 12-18 months; stressed a/cs still under moratorium can theoretically be a source of lumpy stress

CGCL often sees prepayments from borrowers during the moratorium period

Security cover in CF has remained constant over FY14-2QFY20 at 2x

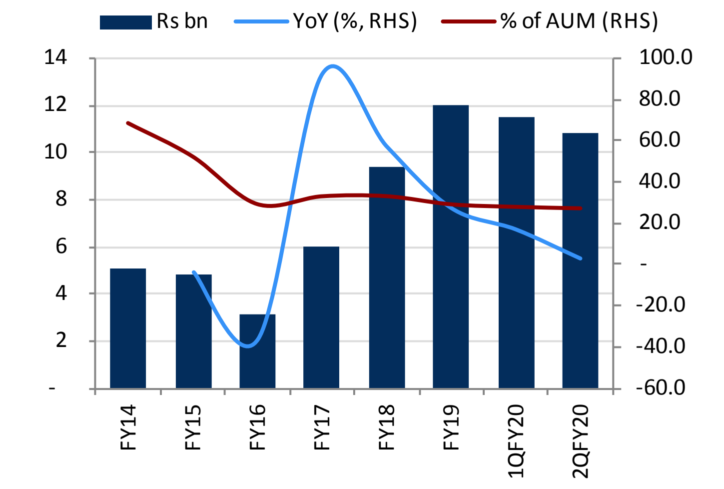
Construction Finance

- After closing its debt syndication business, CGCL commenced operations as a real estate financier in 2010. Over the years it has focussed on increasing granularity and reducing concentration risk.
- The average o/s per a/c within this vertical is surprisingly low at ~Rs 80mn and average disbursal size is ~Rs 150mn. Over FY16-19, CGCL's average o/s per a/c fell from ~Rs 435mn to ~Rs 82mn. This indicates a conscious change in strategy to focus on smaller ticket lending. Lending to small developers is a niche segment and not too many banks/ larger NBFCs are present here.
- The MMR accounts for ~25% of CGCL's AUMs vs. ~38% in 1QFY19 vs. ~69% in FY16. CGCL has capped its geographical exposure at 35%. CGCL has entered new geographies like GJ, TN and AP to reduce concentration risk. Again, this is evidence of a conscious strategy.
- CF AUMs grew at a ~25% CAGR over FY15-19, but dipped ~10% over 1HFY20, as the management turned cautious towards this segment. CF disbursals dipped ~64% YoY over 1HFY20, as a consequence of caution.
- Interestingly, CGCL has increased CF yields by ~190bps from FY19 levels, to encourage borrowers to prepay loans and to pass on its higher CoF.
- This segment has near nil delinquencies at present (~15bps), which is creditable considering the stress faced by the sector. However, CGCL wrote-off 2a/cs worth ~Rs 800mn in FY16.

Construction Finance Nuances

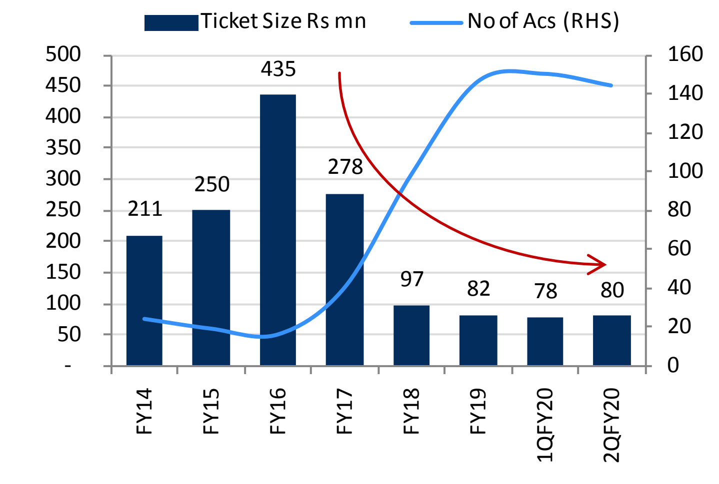
Process/ Parameter	Particulars
Developer Selection	The developer must have at least -3 to 5 years of experience, and -Delivered 0.3mn square feet of area No political connections Project must have necessary approvals in place
Credit Committee Approval	Post developer and project appraisal, the approval of the credit committee is required. The lower credit committee (CF Head+ MD & CEO) reviews projects up to Rs 250mn The upper credit committee (CF Head+ MD & CEO+1 Independent Director) reviews projects above Rs 250mn
Funding Mix	Minimum promoter contribution- 15% CGCL's contribution- Up to 50% Balance contribution from the project's cash flows
Escrow and Sweep Mechanism	A separate escrow is setup for each project (standard practice across the industry) Escrow cash flows are regularly monitored and reconciled with the sales MIS In metropolitan cities, property transfer deeds are reconciled with the sales MIS. Further, CGCL is required to provide NOCs for sale of units by the builders Escrow cash flows are swept in accordance with the sweep ratio. The sweep ratio increases with the progress of the project.
Site Visits	The CGCL team visits sites on a quarterly basis
MSP Control	Each agreement contains an MSP. If the developer sells units at a price below the agreed MSP, CGCL is entitled to compensation.
Internal Rating Framework	Proposals are rated from 1 to 5 and CGCL does not lend if the proposal is rated below 3.
Sole Lender, Security etc.	CGCL is usually the sole lender and sole security holder

CF AUM Growth Grinds To A Halt



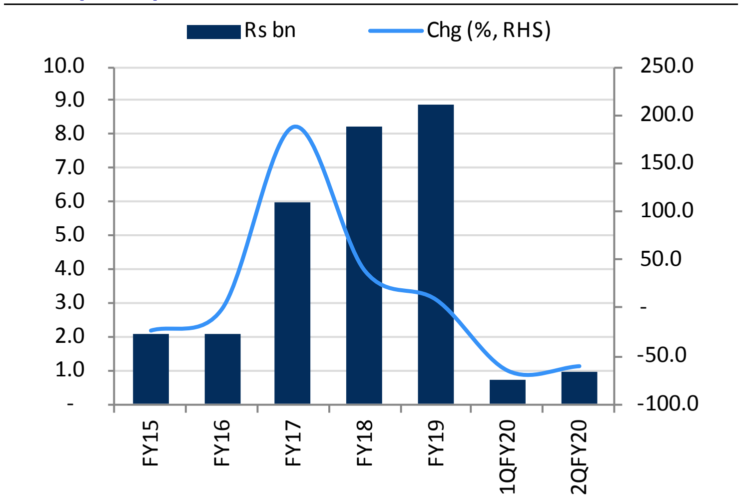
Source: Company and HDFC Sec Inst Research

Sharp Fall In Average Ticket Size From FY17



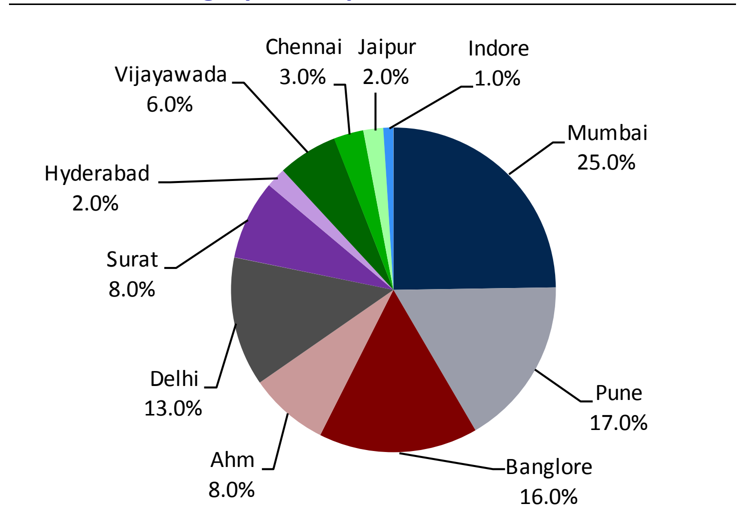
Source: Company and HDFC Sec Inst Research

Sharp Drop In CF Disbursals Over 1HFY20



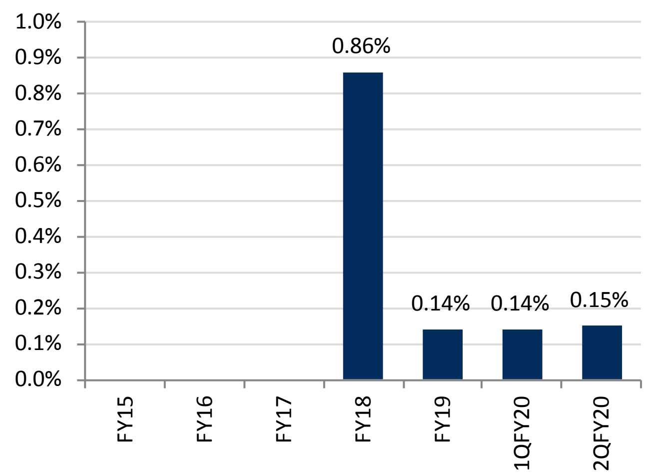
Source: Company and HDFC Sec Inst Research

CF AUM- Geographical Split



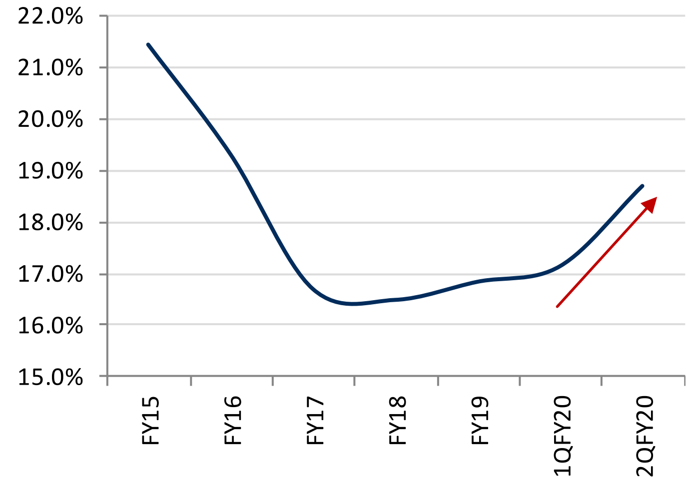
Source: Company and HDFC Sec Inst Research

CF GNPAs Are Near Nil



Source: Company and HDFC Sec Inst Research

CF Yields Rise Sharply Over 1HFY20



Source: Company and HDFC Sec Inst Research

Pursuant to the RBI 2018 guidelines on co-origination of loans by banks and NBFCs, CGCL has entered into an agreement with SBIN

-While full-fledged disbursals haven't commenced, the following are the salient features of the agreement
-SBIN has approved CGCL's policies and products and sanctions will be granted accordingly,
-Legal and technical processes have been synced,
-20% of co-originated loans are retained by CGCL, CGCL need not place deposits with SBIN and,
-There is no recourse from SBIN to CGCL

MSME Finance

- MSME financing constitutes ~50% of CGCL's AUMs, having grown at a CAGR of ~45% over FY15-19. However, YoY AUM growth slowed to 12.5% in 1HFY20, as a consequence of funding constraints and cautiousness, rather than demand side issues, we believe. This business was commenced out of the NCR and is currently operated out of 83 branches across 8 states.

- CGCL is focused on self-employed professionals who do not have formal/ documented income proof (SNEP). Examples of customers within this segment include grocers, small manufacturers, stationery shop owners, beauty salons, etc. 60% of customers in this segment are new to credit. While the risks of lending to this segment are arguably high, these are offset in part by higher yields and a larger addressable opportunity

- CGCL sources 100% of its loans in-house, through a trained direct sales team (DST) and feet on street (FoS) so as to minimise the risks of balance transfers that arise out of dealing with DSAs. The management also believes that this improves the quality of sourcing. The team responsible for sourcing loans is also responsible for collections with incentives structured accordingly.

- The underwriting process entails
  - Bureau checks
  - Customer site visits to ascertain cash flows (more than half the customers do not have proof of income and those that do are likely to understate their income in official filings; this is an essential part of the underwriting process),
  - Legal and technical checks, carried out by both internal and external teams, and
  - Fraud control checks.

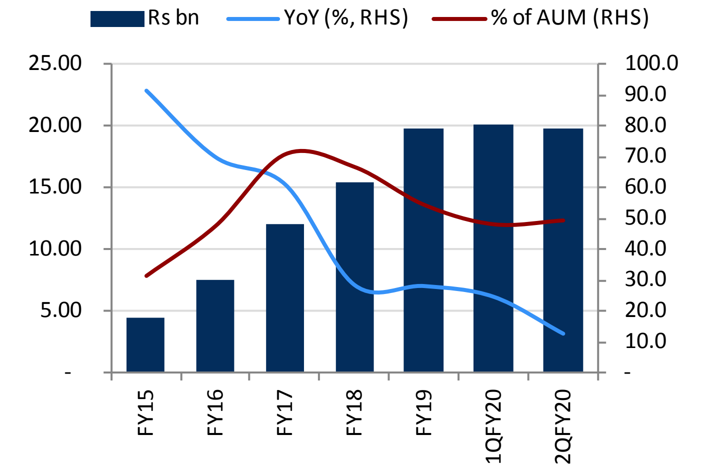
- Loans in this segment are entirely secured. Additionally, CGCL requires a woman co-borrower in most cases as it is believed to improve borrower behaviour. ~90% of loans have a woman co-borrower. Ticket sizes at ~Rs 1.5mn have come down from ~7.9mn in FY15. Loans in this segment have an average tenure of 4-5 years with an LTV of less than 50%- this is very low!

- GNPAs have trended upwards, reaching 3.9% by 1HFY20. Interestingly, 50% of customers fall in the non-income proof segment, where GNPAs are ~1.5%.

- Here too, CGCL has increased yields sharply (+130bps) over 1HFY20, so as to pass on its higher CoF. We believe this is more indicative of higher pricing power than it is of higher risk due to the short span over which yields have increased.

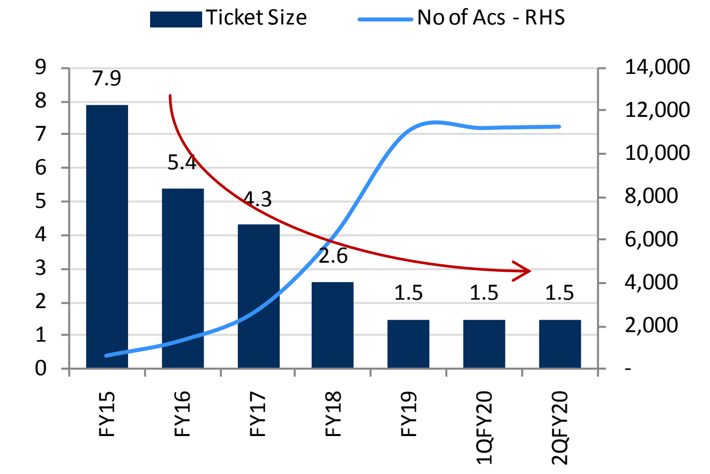
- CGCL has entered into an agreement to co-originate MSME loans with SBIN. While full-fledged disbursals are yet to commence under this arrangement, the tie up with a major bank reflects well on CGCL.

MSME AUM Growth Too Slows Over 1HFY20



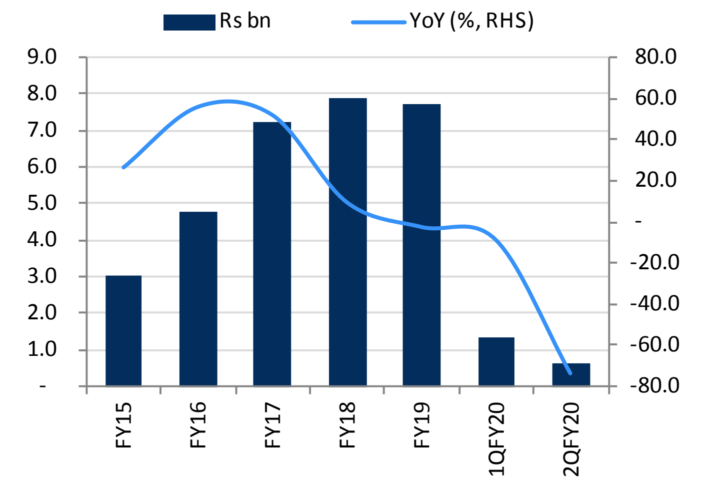
Source: Company and HDFC Sec Inst Research

Sharp Decline In Avg Ticket Sizes After FY15



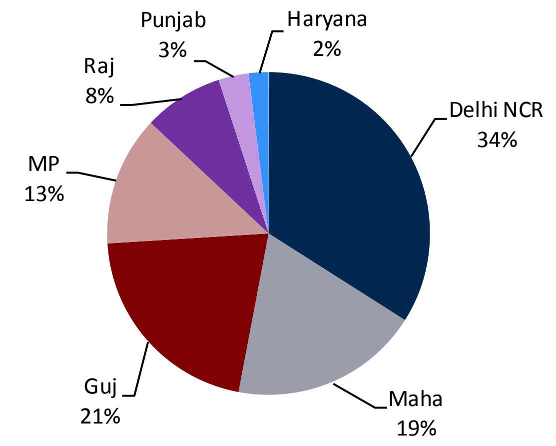
Source: Company and HDFC Sec Inst Research

MSME Disbursals Too Dip Sharply Over 1HFY20



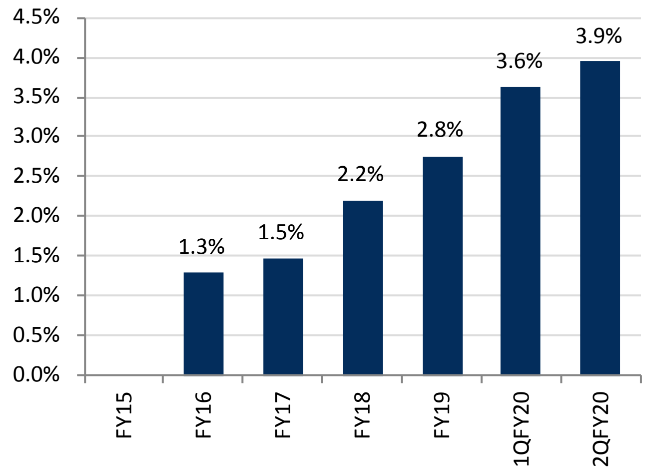
Source: Company and HDFC Sec Inst Research

MSME AUM- Geographical Split



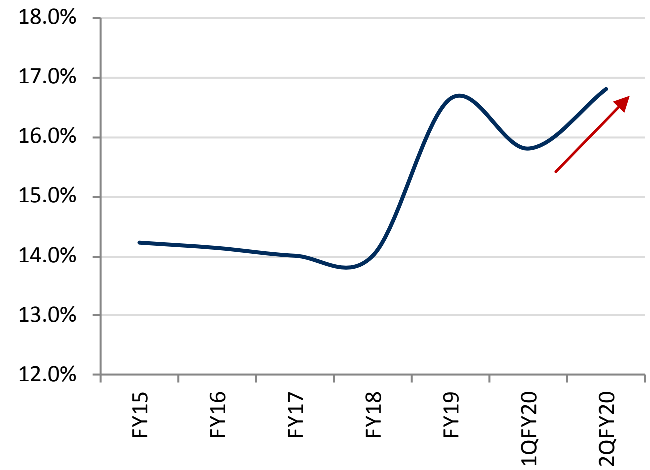
Source: Company and HDFC Sec Inst Research

Uptrend In MSME GNPAs



Source: Company and HDFC Sec Inst Research

MSME Yields Rise Sharply Over 1HFY20

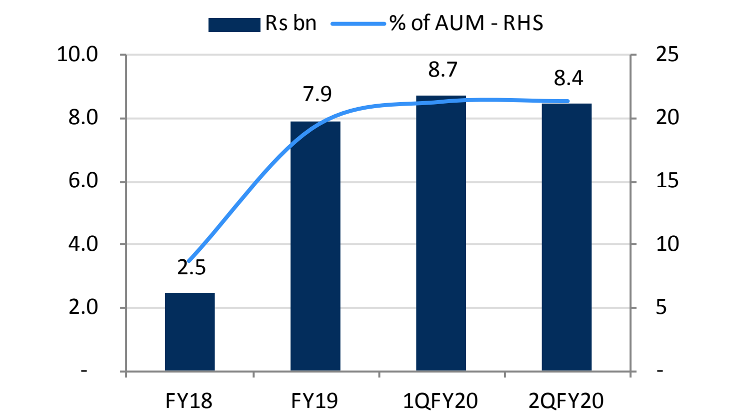


Source: Company and HDFC Sec Inst Research

Housing Finance

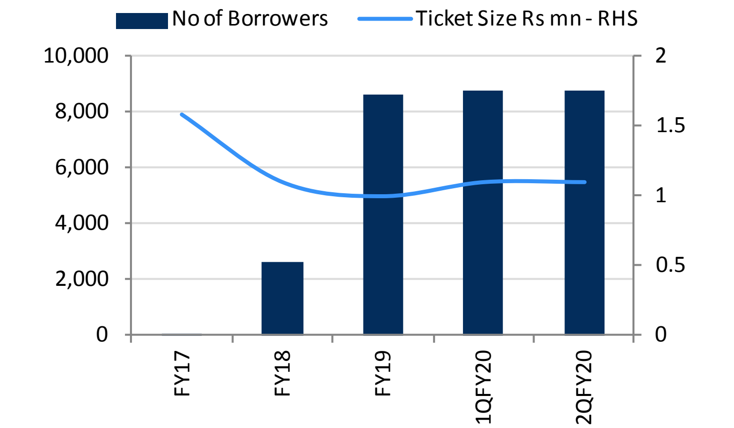
- CGCL's housing finance business is operated through its wholly owned subsidiary since 2016. The geographical focus (Tier II and III cities) of housing finance is similar to that of CGCL's other segments. Further, the existing MSME business serves a as customer feeder (although the current overlap is small). Housing finance was therefore a natural choice for CGCL.
- This segment is the fastest growing vertical at CGCL (~Rs 8.4bn, ~21% of AUMs, +65% YoY in 1HFY20), however, here too, growth slowed, as AUMs dipped ~3% QoQ in 2QFY20.
- Average ticket sizes are ~Rs 1.1mn and LTVs are 60%. Here too, delinquencies have trended upwards 1.14%. Given how fast this book has grown, stress may be higher than purported by current GNPAs.

Sharp Growth In HF AUMs Over FY18 and 19



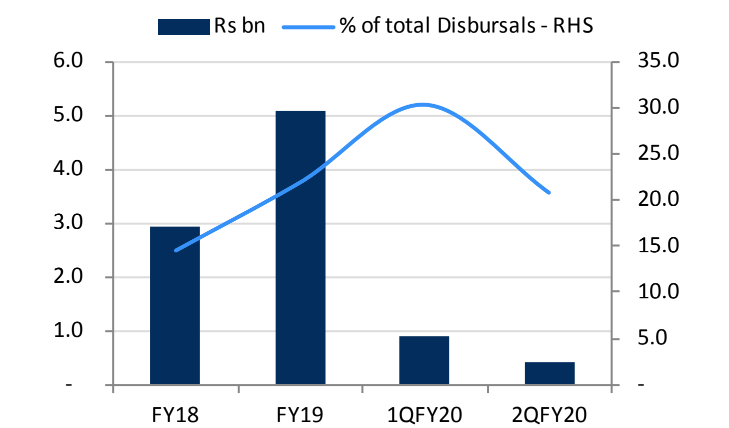
Source: Company and HDFC Sec Inst Research

HF Borrowers And Ticket Sizes



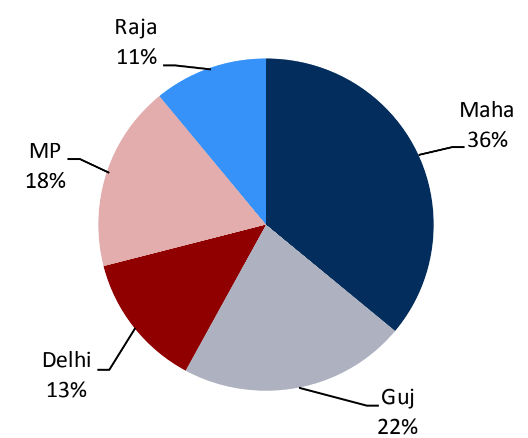
Source: Company and HDFC Sec Inst Research

Sharp Dip In HF Disbursals Over 1HFY20



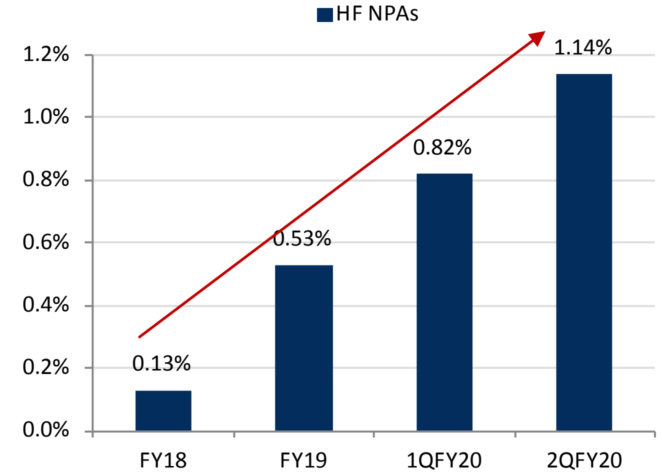
Source: Company and HDFC Sec Inst Research

HF AUM- Geographical Split



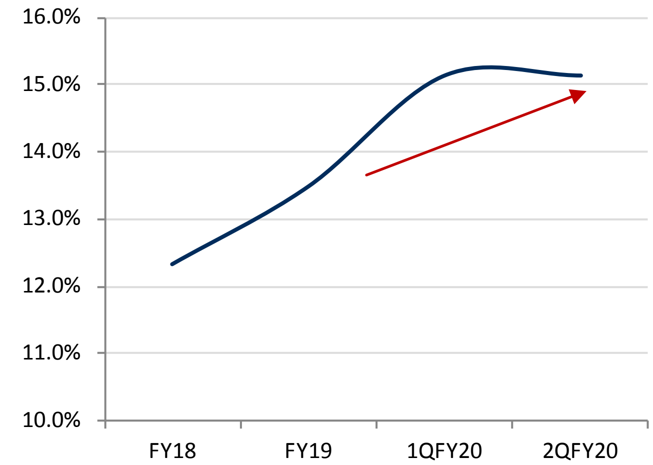
Source: Company and HDFC Sec Inst Research

Constant Uptrend In HF GNPAs



Source: Company and HDFC Sec Inst Research

HF Yields Too Rise Over 1HFY20



Source: Company and HDFC Sec Inst Research

Indirect Retail Lending (IRL)

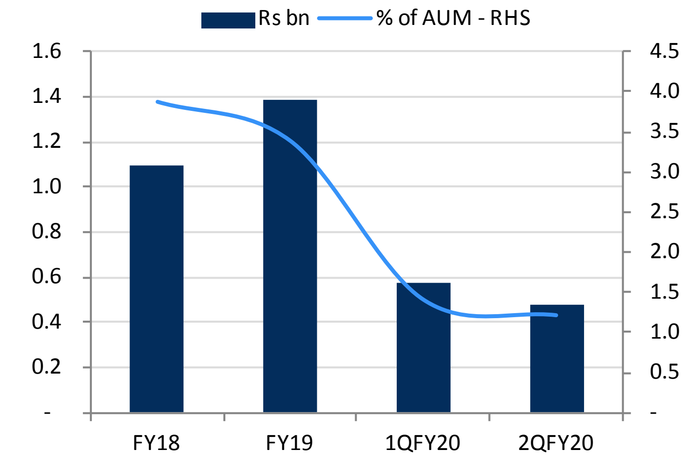
- Lending to NBFCs (fin-techs, AFCs, NBFC-MFIs etc.) constitutes indirect retail lending (IRL) at CGCL. This vertical was created in 2018, however, its AUM has run-down rapidly since and the o/s portfolio is now merely ~Rs 480mn (~1.2% of AUM).
- The following are parameters for lending to borrowers within this segment

Parameter	Minimum
Net worth	Rs 500mn
Book-size	Rs 1bn
Vintage	2 years
Rating	BBB

Source: Company and HDFC Sec Inst Research

- Additionally, CGCL is never the first lender to customers in this segment and these loans are fully secured against receivables and are backed by promoter guarantees. As at 1HFY20, the o/s AUM was ~Rs480mn was across 7 customers, implying an average o/s of ~Rs 70mn. The management views this segment with caution as borrowers' underlying asset quality deteriorated. With no disbursals to this segment in 1HFY20, the AUM is now a third of the o/s as at FY19. Asset quality remains impeccable here, with near nil. GNPAs.

Sharp Decline In IRL AUMs

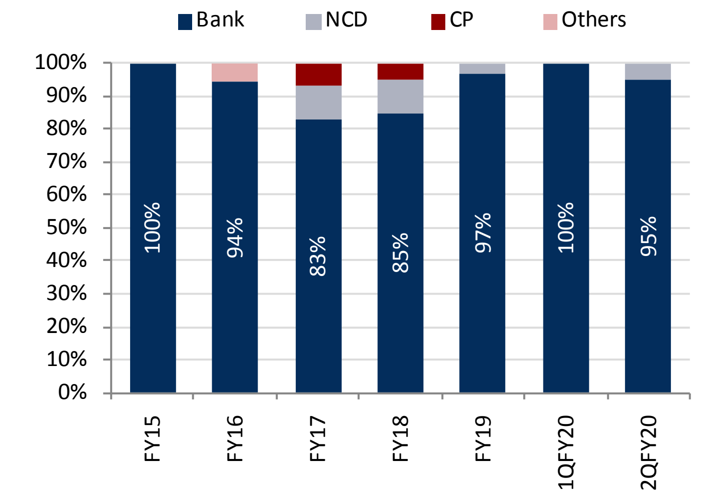


Source: Company and HDFC Sec Inst Research

Borrowing and Liquidity

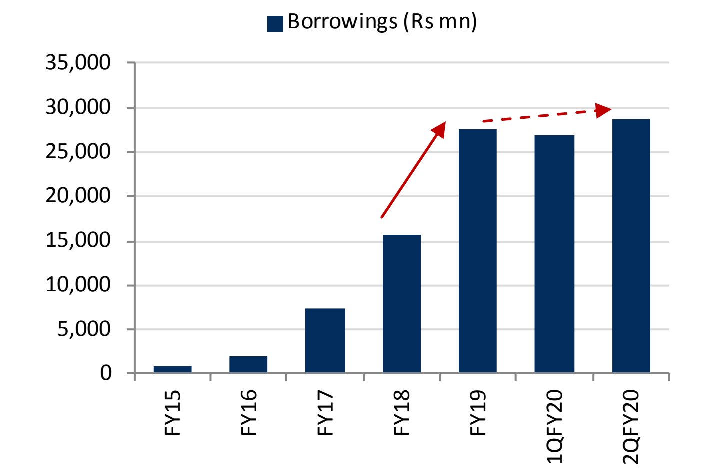
- Bank borrowings have historically been the largest source of debt for CGCL and continue to be so. As at 1HFY20, bank borrowings formed ~95% of CGCL's borrowings while recently issued NCDs contributed to the remainder. CGCL relies heavily on PSBs, and they accounted for ~88/80% of CGCL's bank borrowings as at FY18/19.
- As at FY18, market borrowings constituted ~15% of CGCL's overall borrowings, but these ran down over FY19. Over FY19, CGCL has managed to raise ~Rs 14bn in net bank borrowings. This is creditable for an NBFC of its size, as the sector and particularly smaller NBFCs have had trouble raising funds.
- However, disbursal and AUM growth trends, and CoF suggest that the availability of funds had become constrained in 1QFY20. CGCL's ability to continue to raise bank money will have a significant impact on its growth trajectory.
- Undrawn lines of credit as at 2QFY20 (~Rs 4bn) suggest some improvement in the intervening period. At present, CGCL has undrawn lines of ~Rs 10bn.
- As at 2QFY20, CGCL has surpluses in granular buckets up to 1 year. This is creditable and should insulate the company from systemic liquidity crunches.

Borrowing Mix- Low Reliance On Mkt Borrowings



Source: Company and HDFC Sec Inst Research

Strong Growth In Borrowings Over FY19

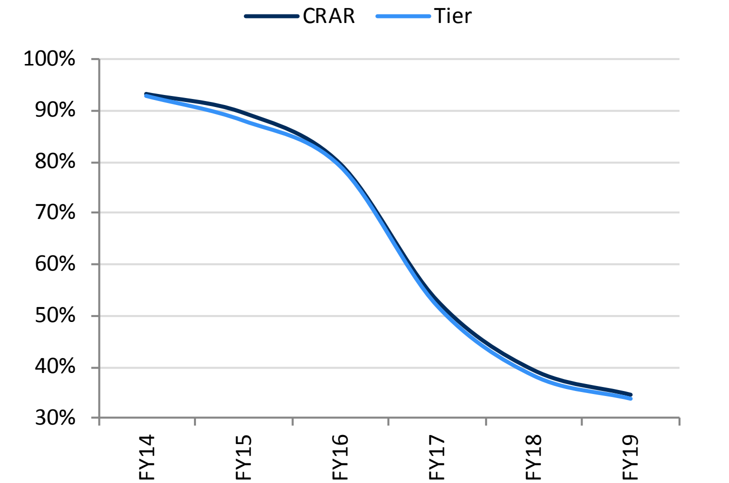


Source: Company and HDFC Sec Inst Research

Capital and Leverage

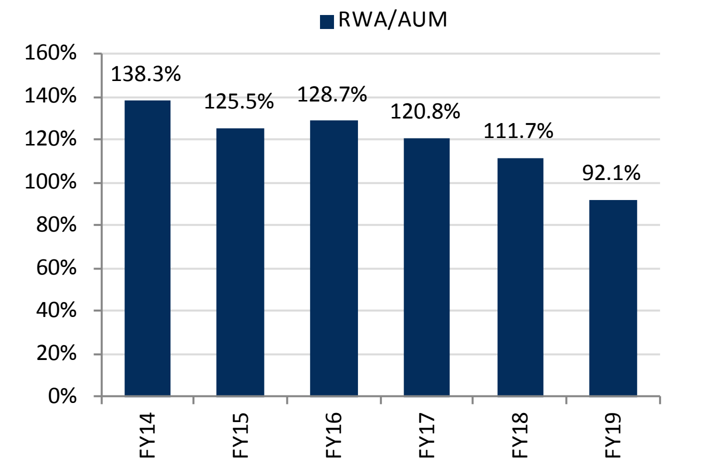
- CGCL is more than adequately capitalised with CRAR of ~36%, consisting almost entirely of Tier 1 capital. Consequently, current leverage (~ 3 x) is low. Adequate capital and low leverage provide adequate scope for growth and RoAE expansion as leverage scales up.

More Than Adequate Capital, Mostly Tier 1



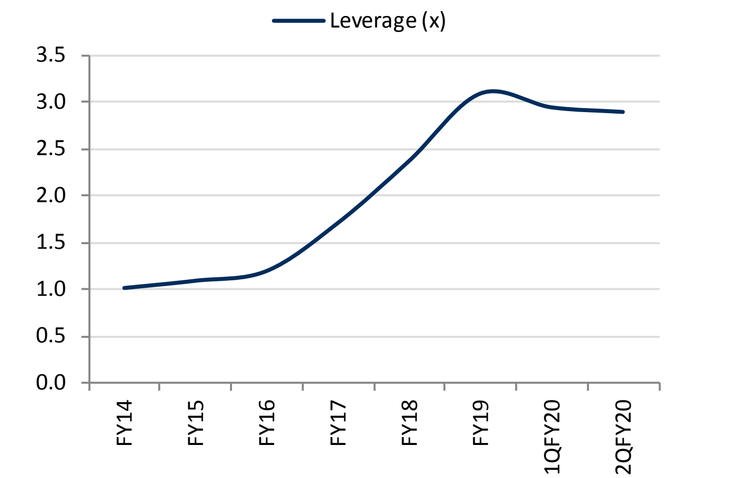
Source: Company and HDFC Sec Inst Research

RWA/ AUM Trends Down



Source: Company and HDFC Sec Inst Research

Scope For Increase In Leverage

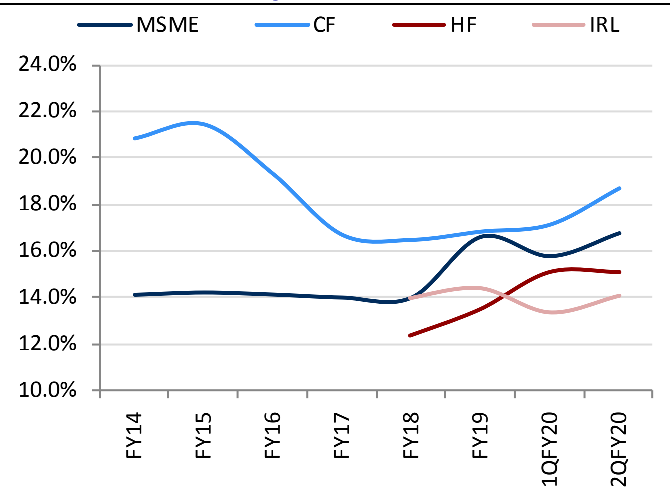


Source: Company and HDFC Sec Inst Research

Yields, CoF and Margins

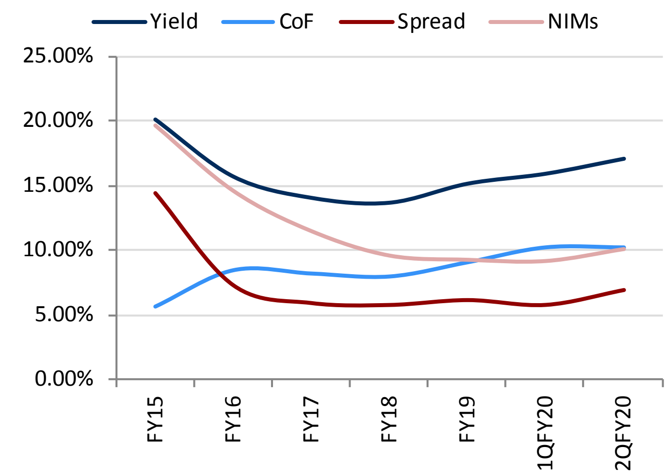
- Over FY16-19, CGCLs yields averaged ~14.7% and CoF averaged ~8.5% with an upward bias. Spreads averaged ~6.2% and NIMs were ~8.5%, although the latter trended downwards as leverage increased.
- Over 1HFY20, CGCL has seen a sharp increase in yields across segments (reported, vs. FY19), particularly construction finance (+190bps) and affordable housing (+175bps). Overall yields (on AUMs, calc.) increased ~140bps. CoF, too have increased ~120bps to ~10.2%. Spreads consequently increased by merely 20bps. We find the increase in yields over 1HFY20 unusually sharp.
- We expect spreads to remain stable in the medium term. NIMs are likely to compress as leverage increases.

Yields Rise Across Segments In 1HFY20



Source: Company and HDFC Sec Inst Research

Spreads Increase Over 1HFY20

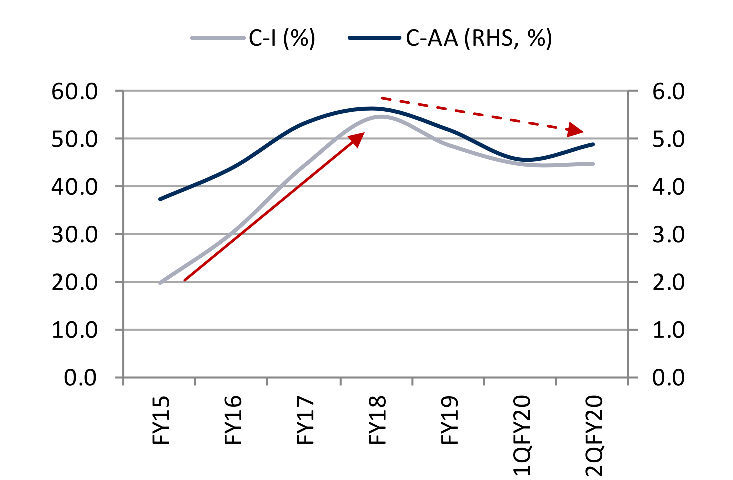


Source: Company and HDFC Sec Inst Research

Operating Efficiency

- Over FY15-18, CGCL saw opex grow at a ~51% CAGR, almost in tandem with AUMs. C-AA increased steadily over FY15-18 reaching ~5.6% while C-I peaked at ~54%. This was a consequence of a steady increase in employee and branch count over the period.
- FY19 saw the C-I and C-AA ratios dip to ~47% and 5.4% as branch and employee addition moderated. 1HFY20 saw further improvement, with the C-I ratio reaching ~45%. This was aided in part by higher yields. The C-AA ratio improved slightly to ~4.7%.
- At this scale, we do not see much room for improvement in operating ratios in the medium term as CGCL adds branches and employees to scale up operations

Efficiency Metrics Improve Slightly Over 1HFY20

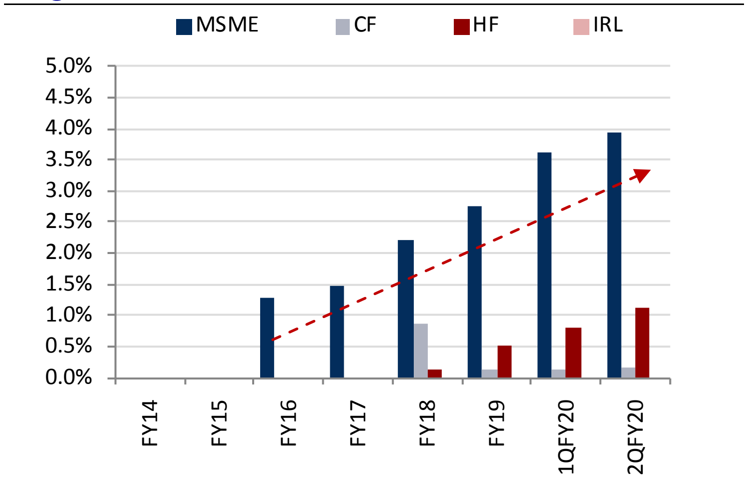


Source: Company and HDFC Sec Inst Research

Asset Quality

- Delinquent loans (~2.3%) have trended upwards almost constantly from FY15 to 2QFY20. MSME (~3.9%) and affordable housing (1.14%) GNPAs have led this trend. Interestingly, CGCL has seen near nil. GNPAs in its CF (merely 15bps) and IRL (nil. GNPAs) books in spite of stress faced by these segments.
- While current asset quality metrics are far from alarming, we expect impairment ratios to inch upwards, led by the MSME segment, in line with other MSME lenders as a result of broader economic conditions. Further, slower growth in and the seasoning of the affordable housing book after a period of fast growth may result in a rise in GNPAs too.
- Current coverage on Stage III Assets (~27%) is a tad low, we believe, in spite of the secured nature of loans.

Segment Wise GNPAs



Source: Company and HDFC Sec Inst Research

Financials

Income Statement

(Rs mn)	FY16	FY17	FY18	FY19	1HFY20
Interest Earned	1,613	2,052	3,219	5,307	3,360
Interest Expended	118	380	967	2,071	1,412
Net Interest Income	**1,495**	**1,672**	**2,252**	**3,236**	**1,948**
Other Income	293	299	292	606	185
Total Income	**1,788**	**1,971**	**2,544**	**3,842**	**2,133**
Total Operating Exp	**545**	**878**	**1,393**	**1,877**	**958**
PPOP	1,244	1,093	1,152	1,965	1,176
Provisions & Contingencies	687	137	69	99	85
PBT	**556**	**955**	**1,082**	**1,867**	**1,091**
Provision for Tax	120	374	433	510	324
PAT	**436**	**581**	**649**	**1,357**	**766**

Source: Company, HDFC sec Inst Research

Balance Sheet

(Rs mn)	FY16	FY17	FY18	FY19	1HFY20
SOURCES OF FUNDS					
Share Capital	350	350	350	350	350
Reserves	10,675	11,256	12,166	13,477	14,181
Net worth	11,025	11,607	12,517	13,827	14,531
Borrowings	1,958	7,279	16,907	28,639	26,995
Other Liabilities	220	976	287	305	563
Total liabilities	**13,204**	**19,861**	**29,711**	**42,770**	**42,089**
APPLICATION OF FUNDS					
Advances	10,832	18,096	27,974	40,222	38,637
Investments	1,105	681	567	104	1,407
Fixed assets	80	129	143	127	93
Other Assets	1,187	955	1,027	2,317	1,951
Total assets	**13,204**	**19,861**	**29,711**	**42,770**	**42,088**

Source: Company, HDFC sec Inst Research

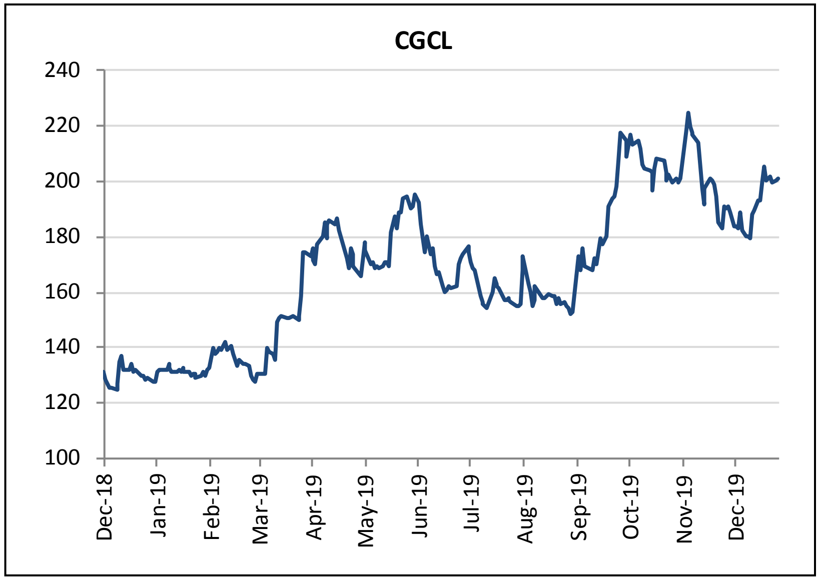
Key Ratios

	FY16	FY17	FY18	FY19	1HFY20
Valuation Ratios					
EPS (Rs)*	2.5	3.3	3.7	7.7	8.8
Earnings Growth (%)*	-54.2	33.2	11.7	109.0	13.1
BVPS (Rs)	63.0	66.3	71.5	78.9	83.0
Adj. BVPS (Rs)	62.5	65.4	69.3	76.2	79.3
ROAA (%)*	3.51	3.52	2.62	3.7	3.6
ROAE (%)*	4.0	5.1	5.4	10.3	10.8
P/E (x) *	80.6	60.6	54.1	25.9	22.9
P/ABV (x)	3.2	3.1	2.9	2.6	2.5
P/PPOP (x)	28.3	32.2	30.6	17.9	15.0
Profitability*					
Yield On Advances (%)	15.7	14.1	13.7	15.2	16.5
Cost Of Funds (%)	8.5	8.2	8.0	9.1	10.2
Core Spread (%)	7.3	5.9	5.7	6.1	6.3
NIM (%)	14.6	11.4	9.6	9.2	9.6
Operating Efficiency*					
Cost/Avg. Asset Ratio (%)	4.4	5.3	5.6	5.2	4.7
Cost-Income Ratio	30.5	44.6	54.7	48.8	44.9
Balance Sheet Structure Ratios					
Loan Growth (%)	14.2	70.7	56.9	44.6	13.4
Borrowing Growth (%)	139.1	271.7	132.3	69.4	26.1
Equity/Assets (%)	83.5	58.4	42.1	32.3	34.5
Equity/Loans (%)	104.0	64.2	44.1	33.7	37.6
Total Capital Adequacy Ratio (CAR)	79.3	52.1	38.4	34.0	36.2

	FY16	FY17	FY18	FY19	1HFY20
Asset Quality					
Gross NPLs (Rs mn)	97.4	178.4	438.6	560.0	897.0
Net NPLs (Rs mn)	83.3	151.9	374.3	476.9	652.0
Gross NPLs (%)	0.9	1.0	1.7	1.7	2.3
Net NPLs (%)	0.8	0.8	1.4	1.2	1.1
Coverage Ratio (%)	14.8	14.3	14.3	31.2	27.3
Provision/Avg. Loans (%)*	6.91	0.96	0.30	0.28	0.42
RoAA Tree*					
Net Interest Income	12.04%	10.11%	9.08%	8.93%	9.18%
Non-interest Income	2.36%	1.81%	1.18%	1.67%	0.87%
Operating Cost	4.38%	5.31%	5.62%	5.18%	4.51%
Provisions	5.53%	0.83%	0.28%	0.27%	0.40%
Tax	0.97%	2.26%	1.75%	1.41%	1.53%
ROAA	3.51%	3.52%	2.62%	3.74%	3.61%
Leverage (x)	1.15	1.46	2.05	2.75	2.99
ROAE	4.03%	5.14%	5.38%	10.30%	10.81%

Source: Company, HDFC sec Inst Research; Note: * - 1HFY20 ann.

1YR PRICE HISTORY



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