Equitas Small Finance Bank

Price Band ₹ 32-33

SUBSCRIBE

October 19, 2020

Equitas Small Finance Bank (ESFB) is a mass market focused small finance bank (SFB), providing banking products and services to unserved and underserved segment. It is the largest SFB in India in terms of number of banking outlets and second largest SFB in India in terms of AUM and total deposits as on FY19. As of June 30, 2020, the bank had 856 banking outlets and 322 ATMs spread across 17 states and union territories in India.

ESFB has a diversified portfolio with advances growing at 34% CAGR from FY18-20 to ₹ 13747 crore (₹ 14389 crore as on June 2020). During the same period, deposits grew at 39% CAGR to ₹ 10788 crore (₹ 11787 crore as on June 2020). Asset quality has remained steady with GNPA ratio at 2.68% and NNPA ratio at 1.48% as on June 2020. Operationally, conversion into SFB led to rise in cost to income ratio (67.2% in FY20). Earnings came in at ₹ 243.6 crore in FY20 and ₹ 57.7 crore in Q1FY21.

Well diversified advances, focus on liabilities bode well

ESFB has been relatively successful in diversifying its loan portfolio reducing dependence on MFI. A deep understanding of the market enables it to cater to customers leading to 39.1% CAGR in AUM in FY18-20 to ₹ 15367 crore. As per Crisil, the SFB industry is expected to grow advances at 25% CAGR in FY19-22E to touch ₹ 1.4 lakh crore. ESFB deposits grew at 39% CAGR in FY18-20 to ₹ 10788 crore. Retail deposits to total deposits in Q1FY21 were at 46.4%. With a substantial network of banking outlets and focus on technology, ESFB is placed to keep growth trajectory in deposits abated.

Steady asset quality; leveraging of operation key for RoA

ESFB has maintained its asset quality with GNPA ratio at 2.68% in Q1FY21 (absolute GNPA at ₹ 417 crore). PCR for Q1FY21 was at 48.8%. Moratorium book reduced from 51.17% in June 2020 to 36.24% by August 2020. Cost to income ratio remains high led by conversion into SFB wherein focus on efficient utilization of resources would lead to improvement in earnings.

Key risks and concerns

- Continuing impact of pandemic may affect business negatively
- Deposit base dependent on limited number of customers
- New products, entry in new geography pose risk of NPA

Priced at P/BV of 1.2x Q1FY21 (post issue) on upper band

ESFB had strong advances growth along with maintaining asset quality. Unserved and underserved customers as target offer a vast opportunity for business growth. We have a **SUBSCRIBE** recommendation on the stock. At ₹ 33, the stock is available at ~1.2x Q1FY21 P/BV (post fresh issue) and at ~16.3x P/E at Q1FY21 PAT (annualised basis).

Particulars

Issue Details	
Issue Opens	20th October 2020
Issue Closes	22nd October 2020
Issue Size	₹510-518 crore
Fresh Issue	₹280 crore
Price Band	₹32-33
No. of shares on offer (in crore)	7.2
QIB (%)	50
Retail (%)	35
Minimum lot size (no of shares)	450
303030 equity shares reserved for employees	

Shareholding Pattern (%)

	Pre-Issue	Post-Issue
Promoter Group	95.49	82.00
Public	4.51	18.00

Objects of issue

Objects of the Issue	
The objects of the offer are to utilize the net proceeds towards augmenting the bank's Tier I capital base to meet its future capital	₹510-518 crore

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Key Financial Summary

(₹crore)	FY18	FY19	FY20	Q1FY21	CAGR (FY18-20)
NII	860.5	1151.7	1495.3	404.3	32%
PPP	220.6	426.1	597.6	142.0	65%
PAT	31.8	210.6	243.6	57.7	177%
EPS (₹)	0.3	2.1	2.4	2.2	
BV (₹)	20.2	22.3	25.9	26.5	
RoA (%)	0.3	1.4	1.4	1.1	
RoE (%)	1.6	9.4	8.9	8.3	
P/E (x)*	103.1	15.8	13.8	15.0	
P/BV (x)	1.6	1.5	1.3	1.2	

Source: ICICI Direct Research, RHP

Company background

Equitas Small Finance Bank (ESFB) is a mass market focused small finance bank (SFB) in India, providing banking products and services to the unserved and underserved segment. It is the largest SFB in India in terms of number of banking outlets and second largest SFB in India in terms of AUM and total deposits as on FY19. As of June 30, 2020, the bank's distribution channels comprised 856 banking outlets and 322 ATMs across 17 states and union territories in India.

Equitas SFB, a subsidiary of Equitas Holding Group, began its operations in 2007 as NBFC providing microfinance loans through Equitas Micro Finance Ltd. In 2011, the lender started providing housing loans through a subsidiary - Equitas Housing Finance (EHFL). Equitas Holding was also engaged in providing vehicle finance and MSE finance through erstwhile NBFC, which received its asset finance license in 2012. Although the business model of Equitas SFB has transitioned over the years, the aim of providing sustainable credit to unserved and underserved segments remains its core focus.

ESFB's customer segment includes individuals with limited access to formal financing channels on account of their informal, variable and cash-based income profile. On the asset side, ESFB product offering includes housing loans, corporate loans, agriculture loans to micro-entrepreneurs, microfinance to JLGs predominantly comprising women, MSE loans to proprietorships, small business loans comprising LAPs, used and new commercial vehicle loans to drivers and micro-entrepreneurs typically engaged in logistics. On the liability side, its target customers comprise mass & mass-affluent individuals to whom it offers current accounts, salary accounts, savings accounts and a variety of deposit accounts. Furthermore, ESFB also offers non-credit offerings like ATM-cum-debit cards, mutual fund products, third party insurance and issuance of FASTags.

Equitas SFB has a diversified portfolio with advances growing at 34% CAGR from FY18-20 to ₹ 13747 crore (₹ 14389 crore as on June 2020). During the same period, deposits grew at 39% CAGR to ₹ 10788 crore (₹ 11787 crore as on June 2020). Asset quality has remained steady with GNPA ratio at 2.68% and NNPA ratio at 1.48% as on June 2020. In terms of earnings, PAT was at ₹ 243.6 crore in FY20 and ₹ 57.7 crore in Q1FY21.

Exhibit 1: Key Financials ₹ crore

Particulars	FY18	FY19	FY20	Q1FY20	Q1FY21
Total Disbursements	5808.7	8578.3	9911.1	2008.4	564.2
Retail Deposits	642.6	1636.3	3811.3	2247.4	4377.1
CASA	1637.8	2274.3	2208.2	2237.0	2354.0
CASA Ratio	29.2%	25.3%	20.5%	24.5%	20.0%
Net profit	31.8	210.6	243.6	57.1	57.7
Net Interest Income	860.5	1151.7	1495.3	337.2	404.3
Net Interest Margin	9.0%	8.6%	9.1%	8.88% *	8.63% *
Cost to Income Ratio	80.0%	70.3%	66.4%	69.8%	67.3%
Debt Equity Ratio	5.28	5.76	5.80	5.96	6.18
CRAR	29.6%	22.5%	23.6%	22.0%	22.0%
Common Equity Tier 1 Capital Ratio	27.1%	20.9%	22.4%	20.7%	21.0%
Networth	2030.5	2241.0	2730.9	2298.1	2788.5
GNPA Ratio	2.7%	2.5%	2.7%	2.7%	2.7%
Net NPA	1.5%	1.4%	1.7%	1.6%	1.5%
Provision coverage ratio	47.1%	43.4%	45.2%	44.0%	48.8%
Return on Assets	0.3%	1.4%	1.4%	1.43% *	1.12% *
Return on Networth	1.6%	9.9%	9.8%	10.00% *	8.32% *

Source: RHP, ICICI Direct Research

** NIM, RoA & RoE are annualised*

Investment Rationale

Well diversified portfolio with fastest shift towards non MFI loan

Equitas has successfully been able to diversify its loan portfolio and significantly reduce dependence on microfinance business compared to other microfinance companies that have converted to SFBs. Equitas product offering includes housing loans, corporate loans, agriculture loans to micro-entrepreneurs, microfinance to JLGs predominantly comprising women, MSE loans to proprietorships, provision of small business loans comprising LAPs, used and new commercial vehicle loans to drivers and micro-entrepreneurs typically engaged in logistics.

Exhibit 2: Diversified asset mix (AUM portfolio)

	FY18		FY19		FY20		Q1FY21	
	(₹crore)	% of total	(₹crore)	% of total	(₹crore)	% of total	(₹crore)	% of total
Small Business Loans (including housing finance)	2,670.5	33.6%	4,577.1	39.1%	6,279.4	40.9%	6,484.2	41.6%
Small Business Loans	2,113.4	26.6%	3,672.8	31.4%	4,994.9	32.5%	5,152.0	33.1%
Housing Finance	270.4	3.4%	376.6	3.2%	604.2	3.9%	628.6	4.0%
Agriculture Loans	286.7	3.6%	527.7	4.5%	680.3	4.4%	703.6	4.5%
Micro Finance	2,257.3	28.4%	3,069.6	26.2%	3,616.2	23.5%	3,617.9	23.2%
Vehicle Finance	2,237.9	28.2%	2,951.2	25.2%	3,760.0	24.5%	3,776.5	24.3%
Used Commercial Vehicles	1,984.8	25.0%	2,259.6	19.3%	2,625.1	17.1%	2,627.6	16.9%
New Commercial Vehicles	253.1	3.2%	691.6	5.9%	1,134.9	7.4%	1,148.9	7.4%
MSE Finance (Working	7.6	0.1%	180.9	1.6%	669.4	4.4%	711.8	4.6%
Corporates	249.9	3.2%	456.0	3.9%	818.1	5.3%	772.1	5.0%
Others	513.8	6.5%	468.1	4.0%	223.8	1.5%	210.4	1.4%
Total Gross Advances (including IBPC issued)	7,937.1	100.0%	11,702.8	100.0%	15,366.9	100.0%	15,572.9	100.0%

Source: RHP, ICICI Direct Research

On the back of a diversified asset product portfolio, ESFB advanced small business loans to 1.8 lakh new customers, microfinance to 2.7 lakh new customers and vehicle finance loans to 1.3 lakh new customers during FY18-20. This has led to total AUM growth of 39.1% CAGR from FY18-20 to ₹ 15367 crore (₹ 15573 crore as on June 2020). Given the large opportunity in the space of operation, ESFB is poised to grow its book at a faster pace ahead. As per Crisil, the SFB industry had advances at ₹ 73300 crore in FY19 and is expected to further grow at 25% CAGR in FY19-22E to touch book size of ₹ 1.4 lakh crore. As ESFB has diversified from microfinance, it is relatively better placed then other peer small finance banks. Thus, we expect a diversified asset mix would help protect ESFB from counter cyclical impacts across economic cycles.

Deep understanding of customer segments

Equitas SFB has gained a deep understanding of the market over the years, which helps it to cater to the financing requirements of potential customers. It offers a range of credit, non-credit products and services to address a variety of financing requirements of its customers. ESFB also undertakes research on its various customer segments to understand their borrowing profile in the absence of formal documentation. The bank's credit analysis and valuation methodology requires market knowledge and practical experience which is developed over a period of time. Thus, this strategy is difficult to replicate. A deep customer understanding bodes well for long term business growth for ESFB.

Exhibit 3: Types of loan offering with tenure and yields

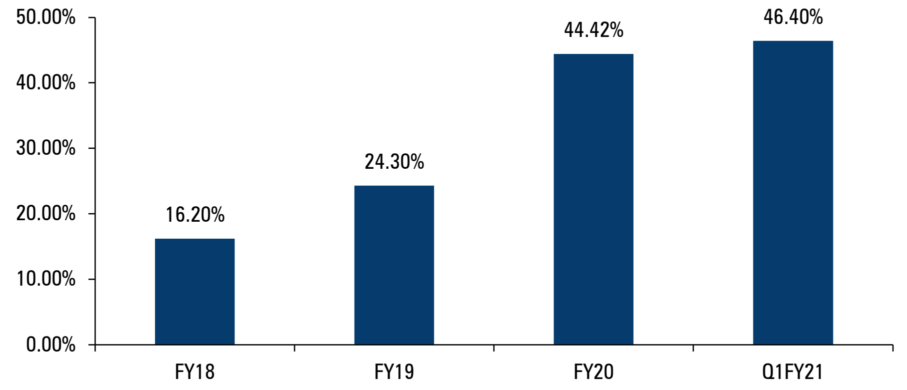
Loan type	Loan size (₹)	Ticket size (₹)	Tenure (years)	Yield (%)
Small business loan	50000-20 lakh	5,02,702		
Micro LAP		2,60,000		23-24%
Salaried LAP		10 lakh		12-15%
Agri LAP		2,85,000		19-21%
General LAP		7 lakh		14-18%
Trader Finance		15 lakh		15-18%
Home Loan		6,65,000		11-13%
Micro-finance	5000-35000	14,500	2.0	23-24%
New CV	3-7 lakh		4.5	13.5-15%
Used CV	2-5 lakh		2.5-3.5	21-23%
MSE		32.8 lakh		10.5-12%
Corporate		19 crore	2-5	10.5-13%

Source: RHP, ICICI Direct Research

Focus on building retail liability franchise

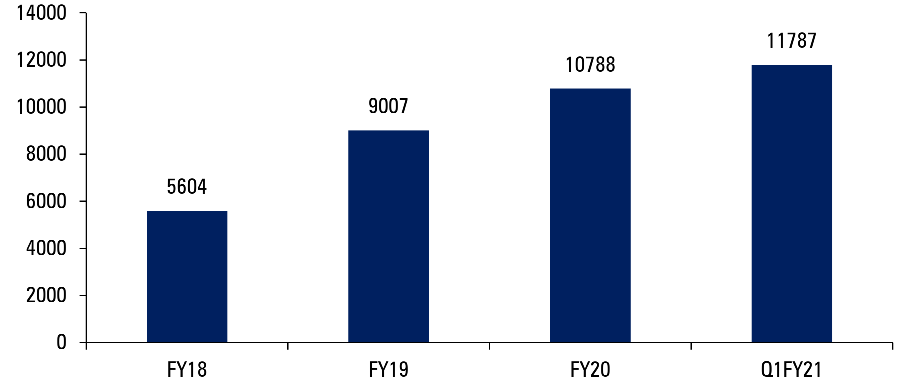
Equitas SFB is the second largest SFB in India in terms of total deposits as of March 31, 2019. The company had also witnessed the second fastest growth in deposits from FY18-19. Equitas SFB offers a variety of demand deposits and savings bank account options. These deposits are primarily sourced from mass and mass-affluent customer segments, which has enabled low cost of funding opportunities and has been a source of strength for its liability portfolio. The ratio of retail deposits to total deposits in Q1FY21 was at 46.4%. Retail deposits have significant advantages including greater customer retention and cross selling opportunities. As of March 31, 2019, CASA ratio was the second highest among SFBs in India. A diversified and stable retail deposit base enables the company to access low cost funding. As liability customers predominantly belong to mass and mass-affluent segments, as of June 30, 2020, 54.23%, 33.79%, 9.88% and 2.10% of total deposit were in metropolitan, urban, semi-urban and rural areas, respectively. As of June 30, 2020, deposit base was spread across 17 states and union territories in India, through a network of 856 banking outlets, with 37.99%, 41.88%, and 20.14% of deposits in the northern, southern, and western regions of India, respectively. As per Crisil, SFBs with deposit base at ₹ 55500 crore in FY19 are expected to grow at 60-65% CAGR in FY19-22E to ₹ 2.2-2.4 lakh crore. With a substantial network of banking outlets and focus on technology, ESFB is placed to keep growth trajectory in deposits abated. Such focus on building retail deposit franchise is seen aiding margins and thereby core performance ahead.

Exhibit 4: Retail deposits as percentage of total deposits



Source: RHP, ICICI Direct Research

Exhibit 5: Total deposits trend



Source: RHP, ICICI Direct Research

Continued focus on asset quality

Equitas SFB has maintained its asset quality along with sustainable business growth. As of June 2020, GNPA ratio was at 2.68% with absolute GNPA at ₹ 417 crore. PCR for Q1FY21 was at 48.8%. On the back of a healthy asset mix, ESFB's moratorium book reduced from 51.17% in June 2020 to 36.24% by August 2020. Collection efficiency dipped to 11% in May 2020 due to the lockdown phase. However, gradual unlocking of the economy led collection efficiency to 83% as on August 2020.

Exhibit 6: ESFB product wise GNPA breakup as on Q1FY21

Segment	**Absolute GNPA (in ₹crore)**	**GNPA ratio**
Small Business Loans (including housing finance)	171.9	2.65%
Small Business Loans	135.9	2.64%
Housing Finance	23.3	3.71%
Agriculture Loans	12.7	1.81%
Micro Finance	42.8	1.18%
Vehicle Finance	142.6	3.78%
Used Commercial Vehicles	127.6	4.86%
New Commercial Vehicles	15.0	1.31%
MSE Finance (Working Capital)	8.0	1.12%
Corporates	6.5	0.84%
Others*	44.9	21.35%
Gross NPA	**416.7**	**2.68%**

Source: RHP, ICICI Direct Research
**Note: Others includes loan-against-gold, unsecured business loans, overdrafts against fixed deposits and staff loans.*

Exhibit 7: Product wise moratorium trend

in %	Jun-20	Jul-20	Aug-20
Small Business Loans	42.06	39.17	39.25
Micro Finance	58.00	41.60	24.65
New Commercial Vehicle Finance	65.82	53.52	46.56
Used Commercial Vehicles	74.40	58.90	54.57
MSE Finance	48.25	40.59	18.60
Corporate	12.42	13.65	13.69
Total	**51.17**	**42.40**	**36.24**

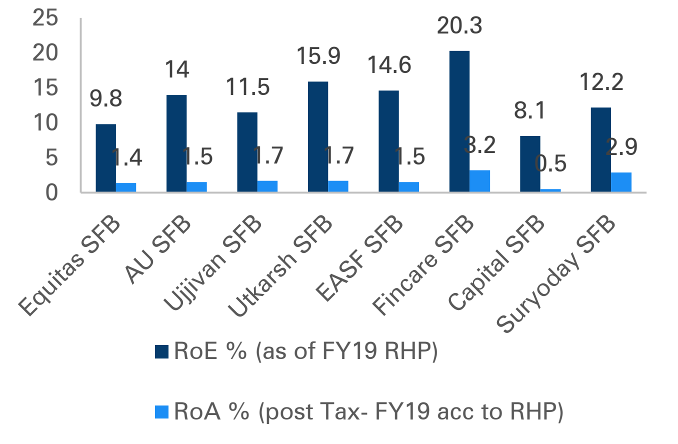
Source: RHP, ICICI Direct Research

Exhibit 8: Product wise collection efficiency trend

Asset Products	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20
Small Business Loans	73%	17%	16%	61%	66%	105%
Micro Finance	77%	0%	7%	42%	61%	77%
Vehicle Finance	81%	13%	14%	42%	48%	72%
MSE Finance	35%	22%	21%	20%	21%	41%
Corporate	99%	67%	33%	92%	88%	96%
Total	**78%**	**11%**	**12%**	**49%**	**61%**	**83%**

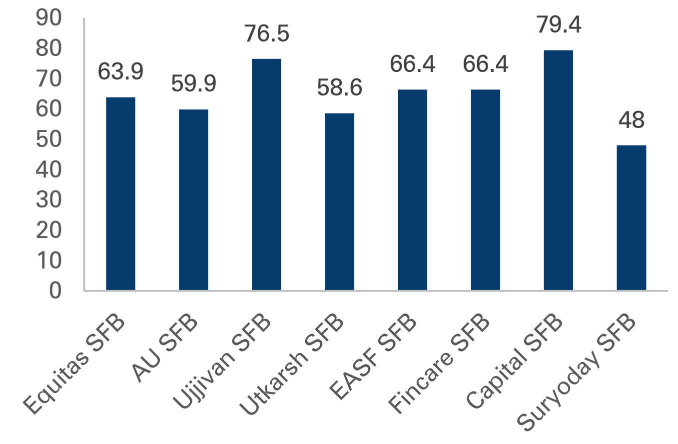
Source: RHP, ICICI Direct Research

Exhibit 9: Stable return ratios for ESFB



Source: RHP, ICICI Direct Research

Exhibit 10: CI ratio for SFBs as on FY19 (in %)



*Source: RHP, ICICI Direct Research * As per CRISIL given in RHP*

Experienced leadership, trained employee base

The senior management team of ESFB has significant experience in financial services industry with a diversified track record and has been instrumental in developing and implementing the company's business strategy. The MD & CEO, Vasudevan Pathangi Narasimhan, has over two decades of experience in financial services sector in various capacities, including as head of consumer banking, and vice president and head of vehicle finance in different financial services entities. The board consists of directors with a diverse mix of experience in various sectors, in particular, the financial services industry. The board also comprises experienced independent directors who constitute a majority of the board. Over the years, the company has invested in employee base through training programmes. As a result, the employees are trained to undertake assessment and appraisal of customer creditworthiness with limited documented income. In addition, employees are educated about core banking systems so they are updated with the processes and are able to operate them with minimum intervention.

Peer Comparison

Exhibit 11: Product mix of SFBs as on FY19 (in %)

	MFI	Vehicle Loan	Mortgage loan	MSME	Large & Mid Corporate	Gold Loans	Others
Equitas SFB	26.0	25.0	3.0	41.0	4.0	0.0	1.0
AU SFB	0.0	52.0	0.0	43.0	0.0	0.0	5.0
Ujjivan SFB	83.0	0.0	8.0	5.0	0.0	0.0	4.0
Utkarsh SFB	89.0	0.0	1.0	4.0	6.0	0.0	1.0
EASF SFB	96.0	0.1	0.8	1.9	0.0	0.7	0.2
Fincare SFB	85.0	0.0	6.0	0.0	7.0	1.0	1.0
Suryoday SFB	81.0	8.0	5.0	3.0	0.0	0.0	2.0

Source: RHP, ICICI Direct Research

Exhibit 12: Deposit details of SFCs as on FY19

	Deposit as % of total borrowing	Retail as a % of total deposits	CASA ratio (in %)	Retail TD % of total deposit	Bulk Deposit as % of total deposits
Equitas SFB	69.4	58.4	28.3	30.0	41.6
AU SFB	69.3	44.4	21.0	23.4	55.6
Ujjivan SFB	63.9	42.8	12.3	30.6	57.2
Jana SFB	50.7	NA	NA	NA	NA
Utkarsh SFB	72.6	30.8	10.0	20.8	69.2
EASF SFB	71.7	92.3	13.6	78.8	7.7
Fincare SFB	61.4	23.0	5.1	18.2	76.8
Suryoday SFB	58.6	61.5	11.2	50.3	38.5
Capital SFB	91.1	NA	38.4	NA	NA

Source: RHP, ICICI Direct Research

Exhibit 13: Peer comparison based on operational parameters as on FY19

	Yield %	CoF %	NIM %	Opex %	Cost to Income %	PCR %	GNPA %	NNPA %	Credit Cost %	Post Tax RoA%	ROE %
Equitas SFB	19.0	8.2	7.9	1.9	63.9	43.3	2.5	1.4	0.7	1.4	9.8
AU SFB	13.0	7.4	4.6	2.4	59.9	37.3	2.0	1.3	0.6	1.5	14.0
Ujjivan SFB	19.3	7.6	9.5	1.8	76.5	72.0	0.9	0.3	0.9	1.7	11.5
Jana SFB	18.3	10.2	4.6	1.2	204.0	NA	8.1	4.4	14.3	-20.3	-177.0
Utkarsh SFB	20.8	8.3	9.2	1.1	58.6	91.3	1.4	0.1	2.5	1.7	15.9
EASF SFB	23.7	9.0	9.7	1.9	66.4	30.0	1.6	0.8	2.4	1.5	14.6
Fincare SFB	27.5	8.9	11.7	2.2	66.4	23.5	1.3	0.4	1.5	3.2	20.3
Capital SFB	10.9	5.9	3.5	0.8	79.4	28.6	1.3	0.9	0.2	0.5	8.1
Suryoday SFB	23.0	9.1	11.4	2.3	48.0	58.0	1.8	0.8	2.5	2.9	12.2

Source: RHP, ICICI Direct Research

Key risks and concerns

Continuing impact of pandemic may affect business negatively

The outbreak of Covid-19 pandemic has resulted in muted economic activity due to lockdown measures taken by the government, which have affected several businesses including banking business as well. ESFB may continue to experience a significant decline in collection efficiencies as a significant portion of its collections are cash-based and involve physical presence of employees and collection agents, which has not been possible due to the nationwide lockdown and travel restrictions that have been imposed. Also, due to possible deterioration of credit quality of customers, as most of them are from underserved segment, asset quality may be negatively impacted. Most of these borrowers have opted for moratorium. There can be no assurance that these customers will be able to make timely repayments once the moratorium is lifted. In the event borrowers' enterprises have been unable to withstand the economic pressures caused by the Covid-19 pandemic, ESFB may experience higher NPAs than anticipated. In turn, this may affect its overall financial performance.

Significant concentration in state of Tamil Nadu

A large number of Equitas SFB's banking outlets are located in Tamil Nadu. As a result, majority of advances of ESFB are towards customers in Tamil Nadu. As of June 30, 2020, advances towards customers in Tamil Nadu represented 54.31% of gross advances. In the event of a regional slowdown in economic activity in Tamil Nadu, or any other developments including change in regulatory framework, political unrest, disruption or sustained economic downturn or natural calamities in the region affecting the ability of the borrowers to repay loans may be impacted adversely. For instance, during the occurrence of cyclone Gaja in Tamil Nadu in 2018, Equitas experienced defaults on repayments and reduced collection efficiencies for microfinance loans.

Deposit base dependent on limited number of customers

Equitas SFB is dependent on a limited number of customers for a substantial portion of its deposits. Deposits from 20 largest depositors (excluding certificates of deposit issued) represented 31.95% and 32.25% of total deposits as of March 31, 2020 and June 30, 2020, respectively. Further, deposits from 10 largest depositors, primarily comprising wholesale depositors, represented 23.94% and 24.94% of total deposits as of March 31, 2020 and June 30, 2020, respectively. Reduction or loss of such deposits exposes the company to an increased funding risk. This could, in turn, adversely affect its business and financial performance.

Microfinance loan portfolio, unsecured business loans do not have any collateral

Equitas SFB's microfinance loan portfolio, unsecured business loans portfolio are not supported by any collateral that could help ensure repayment of the loan. These microfinance loans are offered to individuals, families to assist in micro-entrepreneurial enterprises and invest in income generating activities. Such customers are part of the unorganised sector and may not have traditional credit history like credit scores. As of June 30, 2020, unsecured loans represented 24.25% of gross advances. In case of microfinance business, it relies primarily on non-traditional guarantee mechanisms including the peer-guarantee loan model, wherein borrowers form a 'joint liability group' (JLG) and provide guarantees for loans obtained by each member of such group without such members having to provide collateral or security on an individual basis. There can be no assurance that such joint liability arrangements will ensure full or partial repayment by other members of a JLG in the event of default by any one of them.

New products and entry in new geography pose risk of NPA

Equitas SFB has introduced several new products and services, such as personal loans, vehicle, agriculture loans, MSE loans and affordable housing loans. With limited experience in offering new products, capturing growth opportunities along with managing its cost structure remains a key risk. In addition, entering new geographies and products without prior experience also poses a risk on asset quality. Therefore, inability to effectively manage any of these issues could materially and adversely affect business and impact the future financial performance and/or cash flows.

Financial Summary

Exhibit 14: Profit & loss statement (₹ crore)

Particulars	FY18	FY19	FY20	Q1FY21
Interest Earned	1531.7	2111.9	2645.4	721.3
Interest Expense	671.1	960.2	1150.1	317.0
NII	**860.5**	**1151.7**	**1495.3**	**404.3**
Other Income	241.2	282.9	282.4	29.7
Total Income	1101.8	1434.6	1777.7	433.9
Operating expense	881.1	1008.5	1180.1	291.9
Gross Profit	**220.6**	**426.1**	**597.6**	**142.0**
Provisions	172.1	102.4	246.6	54.9
PBT	48.5	323.7	350.9	87.1
Tax	16.7	113.2	107.3	29.4
Net Profit	**31.8**	**210.6**	**243.6**	**57.7**

Source: RHP, ICICI Direct Research

Exhibit 15: Balance Sheet (₹ crore)

Particulars	FY18	FY19	FY20	Q1FY21
Assets				
Cash balances	1211.2	1260.6	2536.8	1925.6
Investments	3856.8	2344.5	2342.5	3478.6
Advances	7706.0	11593.6	13747.2	14388.6
Fixed Assets	280.9	237.3	212.8	197.7
Other Assets	246.2	326.7	475.2	901.7
Total	**13301.2**	**15762.7**	**19314.5**	**20892.1**
Equity & Liabilities				
Capital	1005.9	1005.9	1053.4	1053.4
Reserves & Surplus	1037.8	1248.4	1690.7	1748.4
Networth	**2043.8**	**2254.3**	**2744.1**	**2801.8**
Deposits	5604.0	9006.7	10788.4	11787.1
Borrowings	5177.2	3973.0	5134.9	5525.5
Other Liabilities and Provisions	476.2	528.6	647.1	777.7
Total	**13301.2**	**15762.7**	**19314.5**	**20892.1**

Source: RHP, ICICI Direct Research

Exhibit 16: Key Ratios

	FY18	FY19	FY20	Q1FY21
No. of shares (crore)	100.6	100.6	105.3	105.3
BV (₹)	20.2	22.3	25.9	26.5
EPS (₹)	0.3	2.1	2.4	2.2
P/E (x)*	103.1	15.8	13.8	15.0
P/BV	1.6	1.5	1.3	1.2
RoA (%)	0.3	1.4	1.4	1.1
RoE (%)	1.6	9.4	8.9	8.3

Source: RHP, ICICI Direct Research

** P/E for Q1FY21 is annualised*

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