

30 April 2024

India | Equity Research | Q4FY24 results review

Yes Bank

Banking

Commendable turnaround but valuation remains expensive

Yes Bank (YES) has reported in-line Q4FY24 PAT of INR 4.5bn, with RoA rising to 0.5%. Loan growth was healthy at 5% QoQ but deposits growth was strong at 10% QoQ. Stock of net NPA and net SR improved sharply to 1.1% vs 1.7% QoQ and 2.4% YoY. The bank has strengthened balance sheet (liability, loan mix, CET 1, LDR, LCR, etc.) though profitability remains burdened by unproductive bulky RIDF (~11% of assets). The bank is making concerted efforts in organic PSL origination, which should ease incremental RIDF burden, aiding yield and RoA trajectory. We estimate sharp improvement in RoA to ~1.0% by FY26E vs FY24 RoA of 0.3%, led by improving NIM trajectory and benign credit costs. Valuation, however, remains unattractive with the stock trading at ~1.9/1.8/1.6x FY24/25E/26E ABV. Retain **SELL** with a revised TP of INR 20, valuing the stock at ~1.2x FY26E ABV.

Sharp rise in RoA to 0.5%; AQ improvement surprises positively

Yes Bank reported in line Q4FY24 PAT of INR 4.5bn, up 95% QoQ and 123% YoY, off low base. Reported RoA jumped to 0.5% vs 0.2% QoQ and YoY both. The bank has broadly utilised non-core gains from IT refund and SR provisions w-back towards improvement in PCR (on both NPA and SR), incremental PSLC costs and step-up in variable compensation. Loan growth was healthy at 5% QoQ but deposits growth was strong at 10% with marginal rise in CASA share QoQ. Bank's reported CET-1 stood at 12.2% and pro-forma CET-1 including warrants conversion done in Apr'24 stood at 12.7%. Headline GNPA and NNPA have improved QoQ by ~30bps QoQ each to 1.7 and 0.6%, respectively. Importantly, stock of net NPA and net SR improved sharply to 1.1% vs 1.7% QoQ and 2.4% YoY. The bank guides for continued strong recovery / upgrades and expects net carrying value of SR to be nil by FY25 while delivering <0.5% credit cost (on average assets).

Commendable turnaround but valuation remains expensive

Under the current management team, the bank has staged strong turnaround despite a difficult backdrop. It has healthy liability franchise with stable CASA, comfortable (85-86%) LDR and LCR (116%). Advances mix has decisively moved towards retail and SME (share at 62%). Asset quality has turned comfortable with net NPA and net carrying SR at 1.1%. Pro-forma CET 1 including warrant conversion stands reasonable at 12.7%.

Financial Summary

Y/E March	FY23A	FY24A	FY25E	FY26E
NII (INR bn)	79.2	80.9	95.7	115.2
Op. profit (INR bn)	31.8	33.9	49.7	72.1
Net Profit (INR bn)	7.2	12.5	30.8	48.6
EPS (INR)	0.3	0.4	1.0	1.6
EPS % change YoY	(38.0)	63.1	135.5	51.4
ABV (INR)	13.7	14.3	15.1	16.6
P/BV (x)	1.9	1.9	1.8	1.6
P/ABV (x)	2.0	1.9	1.8	1.6
Return on Assets (%)	0.2	0.3	0.7	1.0
Return on Equity (%)	1.9	3.0	6.8	9.6

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Market Data

Market Cap (INR)	780bn
Market Cap (USD)	9,347mn
Bloomberg Code	YES IN
Reuters Code	YESB.BO
52-week Range (INR)	33 / 14
Free Float (%)	61.0
ADTV-3M (mn) (USD)	127.5

Price Performance (%)	3m	6m	12m
Absolute	11.3	69.9	72.6
Relative to Sensex	7.5	52.8	50.4

Earnings Revisions (%)	FY25E	FY26E
PAT	(24)	(5)

Previous Reports

30-01-2023: [Q3FY24 results review](#)24-10-2023: [Q2FY24 results review](#)

Reported profitability has been on improving trajectory though remains burdened by bulky RIDF investment (11% of total assets). The bank is making concerted efforts in organic PSL origination, which should ease incremental RIDF burden, aiding yields and RoA trajectory. We estimate improvement in RoA to 1.0% by FY26E vs current FY24 RoA of 0.3%, led by improving NIM trajectory (on the back of easing RIDF) and benign credit cost. Valuation, however, remains unattractive with the stock trading at ~1.9/1.8/1.6x FY24/25E/26E ABV. We retain **SELL** with a revised target price of INR 20 (vs INR 17 earlier), valuing the stock at ~1.2x (~1.0x earlier) FY26E ABV. Key risk is faster than expected ramp-up in organic PSL yielding steep RoA improvement.

Retail and SME drive loan growth; corporate book likely stabilising

Fresh disbursements were strong at INR 327bn, up 15% QoQ and 25% YoY. Of this, 33% were from corporate, followed by 29% in retail, 26% in SME, and the rest towards rural assets and mid corporate.

Net advances grew 12% YoY and 4.7% QoQ. Growth was driven by SME (up 26% YoY) and mid-corporate (up 27% YoY). Retail growth was also healthy at ~16% (on top of ~40% YoY growth in FY23). Importantly, corporate book, which has been declining over the last couple of years was flattish YoY (-2% YoY but up 6% QoQ). Retail & SME: Mid Corporate: Corporate share was 62:15:23 vs 59:14:27 YoY. We are building in loan CAGR at ~12% to sustain the current pace for FY25/26E.

Deposits growth robust in double digit QoQ; NIM stable QoQ

Strong momentum was seen in deposits with growth of 10% QoQ and 23% YoY, led by 15% QoQ rise in CASA and 8% QoQ growth in TD. CASA ratio for the bank improved to 30.9% vs 29.7% QoQ. Retail and small business deposits (as per LCR) were up 18% YoY. Overall, retail TD + CASA now comprise 57.2% of total deposits. Retail CASA accounts opening pace continued with Q4 figures at ~410k vs 1.5mn for FY24.

Cost of deposits and cost of funds were stable QoQ at 6.1% and 6.4%, respectively, while yield on advances improved 20bps QoQ to 10.3%. Overall, NIM was stable QoQ at 2.4%, partly due to a decline in LDR to 85.5%. We model in improving NIM trajectory for the bank with plateauing cost of deposits and receding drag from RIDF.

Net stress pool reduces QoQ to 1.1%; we model muted credit cost

Gross slippages remain elevated at 2.4% (INR 13.6bn) vs 2.3% QoQ. The bank added that one mid-corporate account from road sector slipped due to DCCO issues. However, recoveries / upgrades were healthy and thus net slippages improved to 0.65% vs 1.1% QoQ. The bank also did bulky write-offs of INR 8.45bn vs INR 4.4bn QoQ. Overall, gross NPA declined 11% QoQ; the ratio declined sharply by 30bps QoQ to 1.7%. The bank has boosted PCR by ~1,000bps QoQ to 66.6% and thus net NPA is also down 30bps QoQ to 0.6%.

Gross redemption from security receipts (SR) book was INR 9.85bn in Q4 and INR 25.4bn in FY24. Gross SR book stands at INR 58.06bn, where the bank has INR 45.2bn of provisions. Net SR stood at around INR 12.5bn and is guided to be nil by FY25-end.

Overall, net NPA and net carrying value of SR improved to ~1.1% vs. 1.7% QoQ. The bank guides for FY25 slippages at around the lower end of 2.0-2.5% guided range and expects strong recovery + upgrades at around INR 60bn. The bank guides for credit cost at <50 bps (of assets) for FY25. It has made strong progress on SR redemption so far. Considering the recovery environment, we believe the bank has strong prospects of accelerated recovery from SR book, thereby, delivering muted credit cost for FY25E as well as FY26E.

Exhibit 1: Q4FY24 result review

	Q4FY23	Q4FY24	YoY (%)	Q3FY24	QoQ (%)
Financial Highlights (INR mn)					
Interest Earned	62,162	74,472	19.8	69,849	6.6
Interest Expended	41,109	52,942	28.8	49,680	6.6
Net Interest Income	21,053	21,530	2.3	20,169	6.8
Other Income	10,039	15,686	56.3	11,946	31.3
Total Income	72,201	90,158	24.9	81,795	10.2
Total Net Income	31,092	37,216	19.7	32,115	15.9
Staff Expenses	8,541	10,260	20.1	9,109	12.6
Other operating expenses	13,662	17,932	31.3	14,365	24.8
Operating Profit	8,889	9,025	1.5	8,640	4.4
Provision & Contingencies	6,176	4,709	(23.8)	5,547	(15.1)
Provision for tax	689	(203)	(129.4)	779	(126.1)
Reported Profit	2,024	4,519	123.2	2,315	95.2
Other Highlights (INR bn)					
Loans	2,033	2,278	12.1	2,175	4.7
Deposits	2,175	2,664	22.5	2,418	10.1
Gross NPA	43.9	39.8	(9.4)	44.6	(10.7)
Gross NPA (%)	2.17	1.70	-47 bps	2.00	-30 bps
Net NPA	16.6	13.3	-19.8	19.3	-31.3
Net NPA (%)	0.83	0.60	-23 bps	0.90	-30 bps
Provision Coverage (%)	62.3	66.6	434 bps	56.6	1001 bps

Source: Company data, I-Sec research

Exhibit 2: Progressing well on deposit front; sizeable uptick seen in CA

Deposits (INR mn)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY %	QoQ %
CA	2,90,490	3,36,030	3,04,770	3,24,330	3,26,950	4,13,440	23.0	26.5
SA	3,48,780	3,33,000	3,40,900	3,65,240	3,90,540	4,09,730	23.0	4.9
TD	14,96,808	15,05,989	15,48,021	16,54,026	17,00,822	18,40,552	22.2	8.2
Total	21,36,078	21,75,019	21,93,691	23,43,596	24,18,312	26,63,722	22.5	10.1
Deposits (% of total)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY bps	QoQ bps
CA	13.6	15.4	13.9	13.8	13.5	15.5	7 bps	200 bps
SA	16.3	15.3	15.5	15.6	16.1	15.4	7 bps	-77 bps
CASA	29.9	30.8	29.4	29.4	29.7	30.9	14 bps	123 bps
TD	70.1	69.2	70.6	70.6	70.3	69.1	-14 bps	-123 bps
Total	100	100	100	100	100	100		

Source: Company data, I-Sec research

Exhibit 3: Except corporate, all other segments are growing well for the bank

Loans (INR mn)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY %	QoQ %
Corporate	5,58,290	5,39,930	4,95,180	4,83,930	5,00,310	5,29,760	-1.9	5.9
Mid corporate	2,47,300	2,70,410	2,73,420	2,92,940	3,12,630	3,43,930	27.2	10.0
Retail	8,37,690	9,10,360	9,44,450	10,04,410	10,30,860	10,51,030	15.5	2.0
SME	3,02,460	2,81,300	2,88,990	3,09,790	3,31,420	3,53,270	25.6	6.6
Total	19,45,740	20,02,000	20,02,040	20,91,070	21,75,220	22,77,990	13.8	4.7
Loans (% of total)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY bps	QoQ bps
Corporate	28.7	27.0	24.7	23.1	23.0	23.3	-371 bps	26 bps
Mid corporate	12.7	13.5	13.7	14.0	14.4	15.1	159 bps	73 bps
Retail	43.1	45.5	47.2	48.0	47.4	46.1	67 bps	-125 bps
SME	15.5	14.1	14.4	14.8	15.2	15.5	146 bps	27 bps
Total	100	100	100	100	100	100		

Source: Company data, I-Sec research

Exhibit 4: Strong non-interest income growth

Non-interest income (INR mn)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY %	QoQ %
Retail Banking Fees	6,750	7,520	6,700	7,970	8,020	11,250	49.6	40.3
Corporate Trade & Cash Management	1,770	2,040	2,040	2,360	2,140	2,420	18.6	13.1
Forex, Debt Capital Markets & Securities	2,440	-40	2,240	1,170	1,070	1,320	-3,400.0	23.4
Corporate Banking Fees	460	520	430	600	710	690	32.7	-2.8
Total	11,420	10,040	11,410	12,100	11,940	15,680	56.2	31.3
Non-interest income (% of total)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY bps	QoQ bps
Retail Banking Fees	59	75	59	66	67	72	-315 bps	458 bps
Corporate Trade & Cash Management	15	20	18	20	18	15	-489 bps	-249 bps
Forex, Debt Capital Markets & Securities	21	0	20	10	9	8	882 bps	-54 bps
Corporate Banking Fees	4	5	4	5	6	4	-78 bps	-155 bps
Total	100	100	100	100	100	100		

Source: Company data, I-Sec research

Exhibit 5: Retail banking fees break-up

Retail banking fees (INR mn)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY %	QoQ %
Trade & Remittance	880	1,250	1,400	1,560	1,560	1,640	31.2	5.1
Facility / Processing Fee	1,080	1,260	1,160	1,230	1,330	1,650	31.0	24.1
Interchange Income	2,320	2,410	1,440	1,910	1,700	2,500	3.7	47.1
General Banking Fees	1,820	1,640	1,450	1,570	1,720	1,760	7.3	2.3
Other income	11,432	10,039	11,411	12,100	11,946	15,686	56.3	31.3
Total	17,532	16,599	16,861	18,370	18,256	23,236	40.0	27.3
Retail banking fees (% of total)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY bps	QoQ bps
Trade & Remittance	5	8	8	8	9	7	-47 bps	-149 bps
Facility / Processing Fee	6	8	7	7	7	7	-49 bps	-18 bps
Interchange Income	13	15	9	10	9	11	-376 bps	145 bps
General Banking Fees	10	10	9	9	9	8	-231 bps	-185 bps
Other income	65	60	68	66	65	68	703 bps	207 bps
Total	100	100	100	100	100	100		

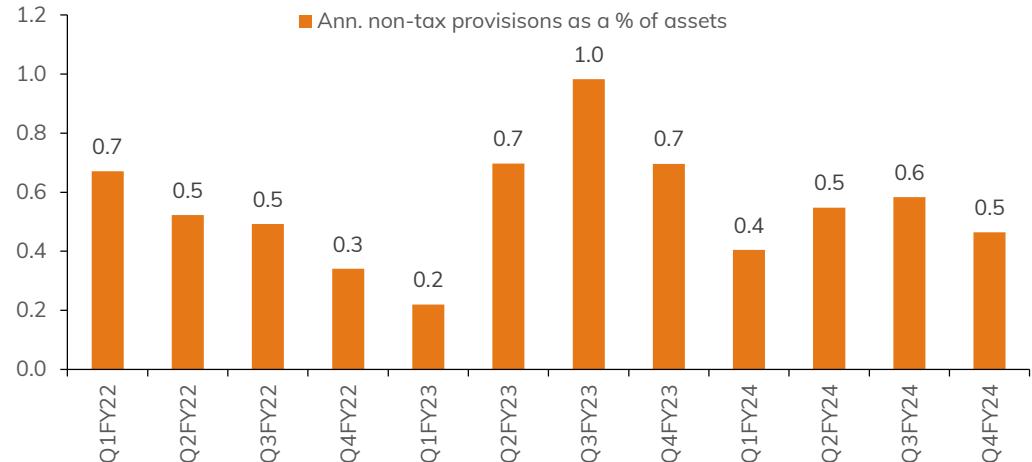
Source: Company data, I-Sec research

Exhibit 6: Summary of labelled exposures

INR mn	Q2FY24		Q3FY24		Q4FY24	
	Gross	Provisions	Gross	Provisions	Gross	Provisions
GNPA (A)	43,190	24,340	44,570	25,230	39,830	26,530
Other Non Performing Exposures						
Non Fund based o/s to NPAs	10,660	2,050	9,870	2,040	9,850	1,980
NPI	1,350	630	1,220	1,220	1,100	1,100
ARC	66,810	43,290	63,930	46,790	58,060	45,210
Sub Total (C)	78,820	45,970	75,020	50,050	69,010	48,290
as % of Loans	3.8	2.2	3.4	2.3	3.0	2.1
Total Non-Performing Exposures (D = A+C)	1,22,010	70,310	1,19,590	75,280	108,840	74,820
as % of Loans	6	3	5	3	5	3
Std. Restructured Advances						
Erstwhile	2,740	510	2,670	490	110	40
DCCO related	14,690	730	12,230	610	18,520	930
Covid + MSME	27,560	3,170	27,560	3,170	19,300	2,200
Sub Total (E)	44,990	4,420	39,580	3,940	37,930	3,170
as % of Loans	2.2	0.2	1.8	0.2	1.7	0.1
Other Std. exposures (F)	3,330	1,160	3,330	1,150	3,300	1,160
as % of Loans	0.2	0.1	0.2	0.1	0.1	0.1
Gross Stress (G = D+E+F)	1,70,330	75,890	1,62,500	80,370	150,070	79,150
as % of Loans	8.1	3.6	7.5	3.7	6.6	3.5
PCR on Gross Stress		44.6		49.5		52.7
Net Stress	94,440		82,130		70,920	
as % of Loans	4.5		3.8		3.1	
as % of Networth	22.8		19.7		16.8	
SMA 2	24,210		20,510		18,790	
SMA 1	14,770		23,270		18,050	
Overdue Loans (31-90 dpd) (H)	38,980		43,780		36,840	
as % of Loans	1.9		2.0		1.6	

Source: Company data, I-Sec research

Exhibit 7: Credit cost trajectory



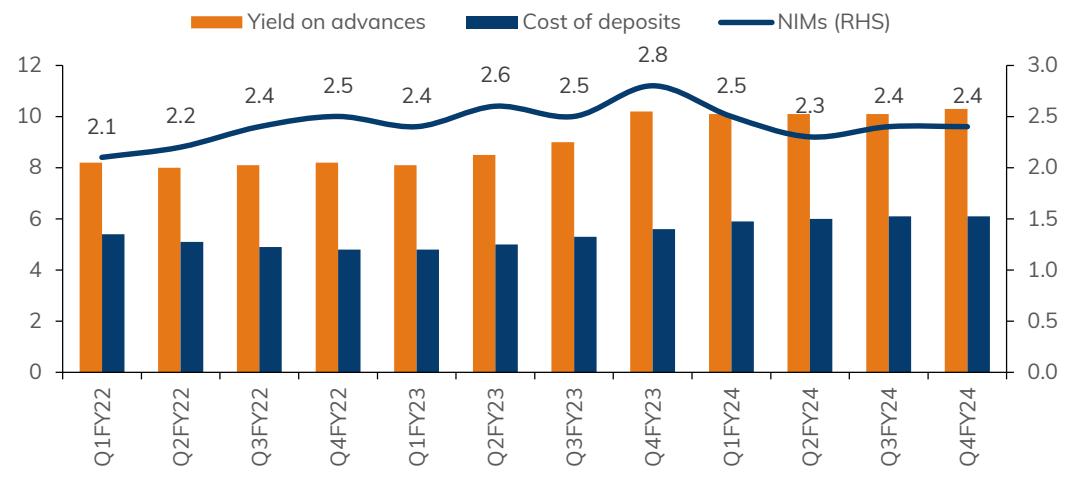
Source: Company data, I-Sec research

Exhibit 8: Headline GNPA, NNPA ratio down 30bps QoQ

(%)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
GNPA	15.0	14.7	13.9	13.5	12.9	2.0	2.2	2.0	2.0	2.0	1.7
NNPA	5.6	5.3	4.5	4.2	3.6	1.0	0.8	1.0	0.9	0.9	0.6
PCR	66.6	67.5	70.7	72.0	74.7	49.4	62.3	48.4	56.4	56.6	66.6
Gross slippages	4.1	2.2	1.8	2.3	1.9	3.3	2.4	2.9	2.3	2.3	2.4
Net slippages	1.2	0.2	-1.1	0.0	-0.3	-12.4	1.5	1.5	1.0	1.1	0.6

Source: Company data, I-Sec research

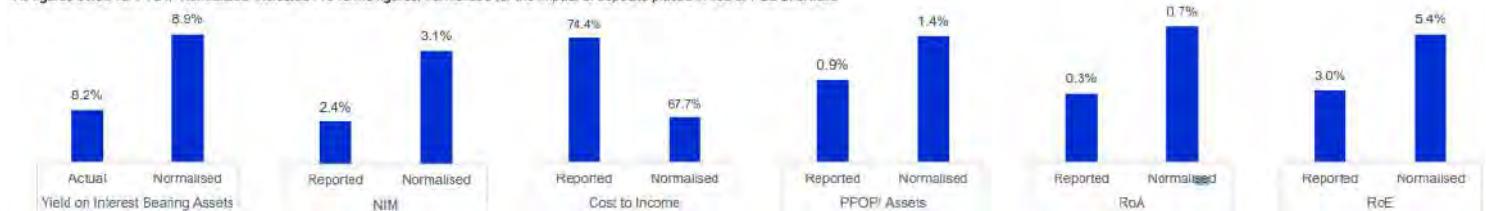
Exhibit 9: Flat margins QoQ



Source: Company data, I-Sec research

Exhibit 10: Mandated deposits in lieu of PSL Shortfalls: at 11% of Assets- a drag on Income & Profitability outcomes

All figures below for FY24: Normalized indicates Pro-forma figures, normalized for the impact of deposits placed in lieu of PSL Shortfalls



Source: Company data, I-Sec research

Exhibit 11: Key Business Levers engaged to Improve Profitability



Source: Company data, I-Sec research

Q4FY24 earnings call takeaways

Margins

- Negative drag of RIDF deposits continues to pressure deposits. NIM was marginally up 2bps QoQ.
- RIDF deposits inched up to 11% of total assets vs 9% YoY. However, from here on, YES will see gradual reduction in RIDF deposits.
- By FY27 end, RIDF balance would reduce to below 5% of total assets, similar to historical average and large private bank peers.
- RIDF hit on margins currently is ~70bps.
- 3 drivers of margins going ahead:
 - Reducing drag of RIDF margins
 - Moving towards more RoA-accretive products which would also be more high yielding
 - Focus on improving cost of funds through better CASA
- All the above 3 drivers should add around 80-100bps in margins over the next 2-3 years.
- As of FY24, the bank has complied on overall PSL levels and has 1.4% short-fall in NCF (non-corporate farmer). It has complied on SMF and weaker section as of FY24. The bank has deployed a variety of measures to comply with PSL requirements which are listed in the order of lower to higher profitability to the bank. a) PSLC purchase; b) onward lending to MFI; c) organic origination through business correspondent and finally organic origination through branches. The bank mentioned the cost for the above is 2.5% (for PSLC purchase) of 3.0-3.5% RoA business cost for self-origination. The bank would endeavour to move towards self- origination to improve overall profitability.

Deposits and CD ratio

- CD ratio improved to 85.5% from 89% QoQ. YES is comfortable with LDR in the range of 85-90%.
- Deposits growth would continue to outpace loan growth.
- Robust accretion continued in deposits which stood at an all-time high for the bank.

Opex

- **Opex to assets should be contained in the range of 2.6-2.7% after adjusting for PSLC.**
- Other opex included PSLC cost of INR 2.54bn vs INR 0.72bn QoQ.
- PSLC cost for FY24 stood at INR 3.77bn vs nil in FY23.
- **PSLC-compliant cost is around 2.5% for the bank.**

Non-interest income

- Fee income momentum is likely to continue driven by strong customer acquisition engine.

Capital, PAT and RoA

- FY24 was 3rd straight year with full year profitability for the bank since reconstruction.
- **Despite incremental PSLC cost and stepping up PCR, YES reported Q4FY24 RoA of 0.5% vs. 0.2% QoQ.**
- From RoA perspective over the next 2-3 years, major improvement should come from NII which could be in the range of 70-80bps.

Asset quality

- GNPA, NNPA improved 30bps QoQ.
- Resolution momentum remained strong with recoveries and upgrades of INR 20.9bn during Q4.
- Recoveries from SR and ARC were prudently utilised in further strengthening the asset quality metrics.
- **NNPA + net carrying value of SR have more than halved to 1.1% from 2.4% in FY23.**
- **The bank expects recoveries / upgrades of around INR 60bn in FY25.**
- Bank will look to inch up PCR above 70% in medium term as a prudent measure.
- **Expects 50bps of non-tax provision to average assets for FY25.**
- **Current slippages for FY24 stood at 2.4% (higher end of 2.0-2.5% guided range). The bank expects slippages to have stabilised. For FY25, it guides slippages at the lower end of 2.0-2.5% guided range.**
- One account slipped into NPA from mid-corporate segment (related to DCCO issue) which is a road project.
- P&L write-back of INR 7.4bn P&L due to recoveries from SRs in FY24.
- **INR 12.5bn is the carrying value of SR as of FY24-end. As per rating agencies, recovery estimate is INR 50bn.**

Q3FY24 earnings call takeaways

Strategy

- The bank has laid out profitability improvement roadmap and will focus on working towards the same
- Bank is trying to improve share of higher RoA accretive products in overall loans

Deposits and Advances

- **CD ratio was flat QoQ, ~90%; the bank is comfortable with the same**
- CASA improved QoQ with addition of salary accounts and marginal improvement of CA accounts
- **It is continuously focusing on higher deposits growth than loan growth; this would be the strategy going forward as well**
- SME and mid-market segment seeing good traction with >20% YoY growth

Capital and RWA

- CET 1 was impacted by 40bps due to RBI circular
- **RWA was at INR 2.7trn vs. INR 2.58trn QoQ. Impact of RBI circular was INR 78bn.**

Asset quality

- **Retail slippages – largely from NTC customers and customers with monthly income below 30k**
- **AIF related provisions were INR 125mn for the quarter**
- PCR including TWO at 71.9%
- Net SR stands at 0.8% and PCR on SR at 73.2%

PSL

- The bank is continuing to work on own organic channels
- **PSL book receding to normalised level will take time**

Branch banking

- Share of branch banking deposits increased to 55%, from 52% at the start of the year
- Branch banking CASA up 18.2% YoY vs. 12% YoY for the bank

Miscellaneous

- The bank went live with inter operable cordless cash withdrawal during the quarter
- Senior management appointments during the quarter: Mr. Tushar Patankar, as Chief Risk Officer; and Mr. Rajat Chhalani, as Chief Compliance Officer
- Included in BSE Next 50 and BSE 100 Indices

Exhibit 12: Shareholding pattern

%	Sep'23	Dec'23	Mar'24
Promoters	0.0	0.0	0.0
Institutional investors	64.2	66.0	63.8
MFs and other	0.1	0.1	0.2
Banks/ FIs	35.9	37.2	36.7
Insurance Cos.	4.6	4.6	4.6
FIs	23.6	24.1	22.3
Others	35.8	34.0	36.2

Source: Bloomberg, I-Sec research

Exhibit 13: Price chart


Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 14: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Interest income	226,974	275,859	320,761	363,667
Interest expense	147,799	194,913	225,097	248,463
Net interest income	79,176	80,946	95,663	115,205
Non-interest income	39,266	51,143	65,733	83,018
Operating income	118,442	132,089	161,397	198,223
Operating expense	86,615	98,227	111,730	126,158
Staff expense	33,627	37,743	42,838	48,806
Operating profit	31,828	33,863	49,666	72,065
Core operating profit	31,483	32,273	47,666	69,565
Provisions & Contingencies	22,198	18,863	8,524	7,128
Pre-tax profit	9,629	15,000	41,143	64,937
Tax (current + deferred)	2,455	2,489	10,356	16,345
Net Profit	7,174	12,511	30,787	48,592
Adjusted net profit	7,174	12,511	30,787	48,592

Source Company data, I-Sec research

Exhibit 15: Balance sheet

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Cash and balance with RBI/Banks	192,744	189,296	238,804	264,465
Investments	768,883	902,351	952,446	1,010,009
Advances	2,032,694	2,277,995	2,549,511	2,854,175
Fixed assets	24,448	28,565	36,861	40,267
Other assets	529,092	656,722	753,712	867,046
Total assets	3,547,861	4,054,930	4,531,335	5,035,962
Deposits	2,175,019	2,663,722	2,989,482	3,359,757
Borrowings	774,520	799,409	831,387	871,679
Other liabilities and provisions	190,898	170,346	229,773	275,241
Share capital	57,510	57,536	62,655	62,655
Reserve & surplus	349,915	363,918	418,037	466,630
Total equity & liabilities	3,547,861	4,054,930	4,531,335	5,035,962
% Growth	11.5	14.3	11.7	11.1

Source Company data, I-Sec research

Exhibit 16: Growth ratios

(% , year ending March)

(%)	FY23A	FY24E	FY25E	FY26E
Net Interest Income	21.8	1.8	12.0	15.1
Operating profit	9.2	15.8	33.5	38.6
Core operating profit	18.5	5.9	35.5	42.0
Profit after tax	(32.7)	86.7	110.1	60.6
EPS	(38.0)	74.7	101.1	54.0
Advances	12.3	10.5	10.8	10.8
Deposits	10.3	13.4	13.1	12.4
Book value per share	5.2	3.3	4.2	9.5
Adj Book value per share	24.7	3.0	4.5	9.7

Source Company data, I-Sec research

Exhibit 17: Key ratios

(Year ending March)

	FY23A	FY24A	FY25E	FY26E
No. of shares and per share data				
Adjusted EPS	0.3	0.4	1.0	1.6
Book Value per share	14	15	15	17
Adjusted BVPS	14	14	15	17
Valuation ratio				
PER (x)	101.6	62.3	26.4	17.5
Price/ Book (x)	1.9	1.8	1.8	1.6
Price/ Adjusted book (x)	2.0	1.9	1.8	1.6
Dividend Yield (%)	-	-	-	-
Profitability ratios (%)				
Yield on advances	9.3	9.8	10.3	10.4
Yields on Assets	6.7	7.3	7.5	7.6
Cost of deposits	4.9	6.0	6.0	5.9
Cost of funds	4.4	5.1	5.2	5.2
NIMs	2.6	2.5	2.7	2.9
Cost/Income	73.1	74.4	69.2	63.6
Dupont Analysis (as % of Avg Assets)				
Interest Income	6.7	7.3	7.5	7.6
Interest expended	4.4	5.1	5.2	5.2
Net Interest Income	2.4	2.1	2.2	2.4
Non-interest income	1.2	1.3	1.5	1.7
Trading gains	0.0	0.0	0.0	0.1
Fee income	1.2	1.3	1.5	1.7
Total Income	3.5	3.5	3.8	4.1
Total Cost	2.6	2.6	2.6	2.6
Staff costs	1.0	1.0	1.0	1.0
Non-staff costs	1.6	1.6	1.6	1.6
Operating Profit	0.9	0.9	1.2	1.5
Core Operating Profit	0.9	0.8	1.1	1.5
Non-tax Provisions	0.7	0.5	0.2	0.1
PBT	0.3	0.4	1.0	1.4
Tax Provisions	0.1	0.1	0.2	0.3
Return on Assets (%)	0.2	0.3	0.7	1.0
Leverage (x)	9.0	9.2	9.5	9.5
Return on Equity (%)	1.9	3.0	6.8	9.6
Asset quality ratios (%)				
Gross NPA	2.1	1.7	1.7	1.7
Net NPA	0.8	0.6	0.5	0.4
PCR	62.3	66.6	72.0	75.0
Gross Slippages	2.6	2.6	2.2	2.0
LLP / Avg loans	0.0	1.2	0.9	0.7
Total provisions / Avg loans	1.2	0.9	0.4	0.3
Net NPA / Networth	4.1	3.2	2.6	2.3
Capitalisation ratios (%)				
Core Equity Tier 1	13.3	12.2	12.6	12.4
Tier 1 cap. adequacy	13.3	12.2	12.6	12.4
Total cap. adequacy	17.9	15.4	15.4	14.9

Source Company data, I-Sec research

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