

24 October 2023

India | Equity Research | Q2FY24 result review

Yes Bank

Banking

Progress on operating earnings remains slower

YES Bank (YES) reported a muted set of Q2FY24 PAT at INR 2.25bn with 0.2% RoA (vs 0.4% QoQ), pulled down by pressure on margins and elevated slippages. The bank is progressing reasonably well on balance sheet parameters namely CET1, LDR, NNPA, SR, granularity, mix, CASA, etc. However, progress on operating earnings (PPOP) has been much slower. While we are not worried on incremental asset quality / credit costs, we see only gradual improvement in PPOP margins. Due to bulky RIDF drag, we expect RoA to remain sub-par in the near term and expect RoA normalisation FY26 onwards. We retain our TP at INR 14 (~0.9x FY25E ABV). However, post the stock price correction, (~10% in 3 months) our rating has changed to **REDUCE** vs Sell earlier. Key risks: Better-than-expected growth / margins.

Retail drives overall growth; corporate book contracts further

Despite over 25% YoY decline in growth in corporate loans, YES reported reasonable loan growth of 8.7% YoY (and 4.4% QoQ), led by strong 27% YoY growth in non-corporate book. The bank has been shedding corporate loans (~20% YoY decline in run-rate) due to less rewarding pricing and is also in-line with its strategy of de-bulking the balance sheet. Corporate share in overall loan mix has reduced further to ~23% vs 34% YoY while retail share has improved to 48% (41% YoY), mid-corporate and SME stands at 29% (25% YoY).

Deposit growth strong; CASA + retail deposits share at ~58%

Deposit growth (ex-CD) was strong at 7% QoQ and 18% YoY. In this, the key delta has come from government banking deposit which was up ~26% QoQ and 24% YoY. The management clarified there are no one-offs here and it would endeavour for healthy growth going ahead. YES continues to see strong retail CASA account addition (391k vs 355k QoQ). However, average SA balances declined ~4% YoY, mainly led by a decline in bulky SA accounts wherein accounts with average SA of >INR 100mn declined by 37% YoY. Overall, CASA ratio stood at 29.4%, flat QoQ. Retail TD + CASA share stood at 58.4% vs 59.3% QoQ and 62.2% YoY.

Financial Summary

Y/E March	FY23A	FY24E	FY25E	FY26E
NII (INR bn)	79.2	80.7	91.9	105.2
Op. profit (INR bn)	31.8	37.3	53.5	75.2
Net Profit (INR bn)	7.2	17.7	29.6	44.7
EPS (INR)	0.3	0.6	1.0	1.4
EPS % change YoY	(38.0)	131.3	59.8	44.7
ABV (INR)	13.7	14.3	15.0	16.4
P/BV (x)	1.2	1.1	1.1	1.0
P/ABV (x)	1.2	1.1	1.1	1.0
Return on Assets (%)	0.2	0.5	0.7	1.0
Return on Equity (%)	1.9	4.3	6.5	8.8

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Market Data

Market Cap (INR)	470bn
Market Cap (USD)	5,655mn
Bloomberg Code	YES IN
Reuters Code	YESB.BO
52-week Range (INR)	25 /14
Free Float (%)	56.0
ADTV-3M (mn) (USD)	36.4

Price Performance (%)	3m	6m	12m
Absolute	(9.4)	0.9	1.9
Relative to Sensex	(6.5)	(8.4)	(8.4)

ESG Disclosure	2021	2022	Change
ESG score	52.8	53.5	0.7
Environment	40.4	37.8	(2.6)
Social	33.1	37.8	4.7
Governance	84.9	84.9	-

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: Bloomberg, I-sec research

Earnings Revisions (%)	FY24E	FY25E
PAT	(15)	1

Previous Reports

25-07-2023: [Q1FY24 results review](#)

25-04-2023: [Q4FY23 results review](#)

NIM declines due to uptick in funding cost and lower LDR

Cost of deposits / cost of funds was up 10bps QoQ, while yields were flat QoQ in Q2FY24. NIM declined 20bps QoQ (and 30bps YoY) to 2.3%, which can be attributed to TD repricing, lower LDR and elevated share of RIDF deposits. RIDF book has now inched up to INR 320bn (~9% of assets) vs ~INR 300bn as of FY23 end. The bank hinted it could further rise in FY24. It has been making active efforts to reduce the RIDF drag and has inorganic plans. It estimates RIDF drag should start receding meaningfully from FY26. We are building in marginal improvement in NIM on a low base.

Retail fee strong; opex contained but PPOP margin remains muted

Retail fees continues to grow strong (and well ahead of loan growth) at ~53% YoY and 19% QoQ, thereby, aiding overall non-interest income growth of 39% YoY and 6% QoQ. Overall, other income as a % of assets improved to 1.34% vs 1.28% QoQ and 1.07% YoY.

Despite higher PSLC cost of INR 360mn vs nil YoY and INR 120mn QoQ, opex was well contained at 12.5% YoY and 0.5% QoQ. Opex to assets has also been hovering in the range of 2.5-2.6% over the last 6-7 quarters. Despite traction in fee income and contained opex, weakness in NIM weighed on cost to income (74.4% vs 73.9% QoQ and 72.4% YoY). PPOP to average assets declined to ~89bps vs 92bps QoQ and 97bps YoY. We believe improvement in PPOP to assets remains the key for inching up of RoA in medium term.

Retail slippages elevated; NNPA + net SR lower QoQ at 2.0%

Gross slippages remained elevated at INR 12.0bn (2.3% of loans) vs INR 14.3bn QoQ (2.9%) in Q2FY24. However, excluding corporate, slippages inched up QoQ in all segments. Around 2/3rd of gross slippages emanated from retail portfolio and stress is disproportionately higher from unsecured loans and credit cards. GNPA increased 6% QoQ while NNPA declined 10% QoQ. GNPA ratio was flat QoQ at 2.0% in Q2FY24. Provisions for NPA jumped sharply though there is healthy rise in PCR as well. PCR increased 790bps QoQ to 56% while NNPA declined 10bps QoQ to 90 bps. Security receipts redemption in Q2 aggregated to INR 5.85bn, of which there was w-back of INR 2.86bn. PCR on security receipt book stands at ~65%. Total NNPA and net carrying value of SR improved to 2.0% vs 2.4% QoQ.

Other highlights

CET-1 ratio (including profits) came in at 13.1% vs 13.6% QoQ. Around 110bps would accrue to CET 1 post full warrant conversion. YES has launched 'iris by YES BANK', a comprehensive mobile banking solution that offers end-to-end life cycle management and enables customers to bank 'on the go'. It has made two senior management appointments namely Manish Jain as Country Head, Wholesale Banking and Pankaj Sharma as Chief Strategy & Transformation Officer.

Exhibit 1: Q2FY24 result review

	Q2FY23	Q2FY24	YoY (%)	Q1FY24	QoQ (%)
Financial Highlights (INR mn)					
Interest Earned	54,744	67,107	22.6	64,432	4.2
Interest Expended	34,830	47,856	37.4	44,436	7.7
Net Interest Income	19,914	19,251	(3.3)	19,996	(3.7)
Other Income	8,742	12,100	38.4	11,411	6.0
Total Income	63,485	79,207	24.8	75,843	4.4
Total Net Income	28,655	31,351	9.4	31,408	(0.2)
Staff Expenses	8,241	8,917	8.2	9,457	(5.7)
Other operating expenses	12,510	14,420	15.3	13,767	4.7
Operating Profit	7,904	8,013	1.4	8,184	(2.1)
Provision & Contingencies	5,828	5,004	(14.1)	3,603	38.9
Provision for tax	548	757	38.3	1,156	(34.5)
Net Profit	1,528	2,252	47.4	3,425	(34.2)
Other Highlights (INR bn)					
Advances	1,923	2,091	8.7	2,002	4.4
Deposits	2,000	2,344	17.2	2,194	6.8
Gross NPA	274	43	-84.2	41	6.0
Gross NPA (%)	12.89	2.00	-1089 bps	2.00	0 bps
Net NPA	69.26	18.85	-72.8	21.01	-10.3
Net NPA (%)	3.60	0.90	-270 bps	1.00	-10 bps
Provision Coverage (%)	74.7	56.4	-1839 bps	48.4	793 bps

Source: Company data, I-Sec research

Exhibit 2: Progressing well on deposit front

	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY %	QoQ %
Deposits (INR mn)								
CA	2,39,870	2,74,000	2,90,490	3,36,030	3,04,770	3,24,330	18.4	6.4
SA	3,55,570	3,46,730	3,48,780	3,33,000	3,40,900	3,65,240	5.3	7.1
TD	13,36,969	13,79,478	14,96,808	15,05,989	15,48,021	16,54,026	19.9	6.8
Total	19,32,409	20,00,208	21,36,078	21,75,019	21,93,691	23,43,596	17.2	6.8
Deposits (% of total)								
CA	12.4	13.7	13.6	15.4	13.9	13.8	14 bps	-5 bps
SA	18.4	17.3	16.3	15.3	15.5	15.6	-175 bps	4 bps
CASA	30.8	31.0	29.9	30.8	29.4	29.4	-161 bps	-1 bps
TD	69.2	69.0	70.1	69.2	70.6	70.6	161 bps	1 bps
Total	100	100	100	100	100	100		

Source: Company data, I-Sec research

Exhibit 3: Retail drives overall growth; corporate book contracts further

	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY %	QoQ %
Loans (INR mn)								
Corporate	6,99,480	6,54,420	5,58,290	5,39,930	4,95,180	4,83,930	-26.1	-2.3
Mid corporate	2,12,200	2,31,210	2,47,300	2,70,450	2,73,420	2,92,940	26.7	7.1
Retail	7,19,190	7,83,950	8,37,690	9,04,470	9,44,450	10,04,410	28.1	6.3
SME	2,32,800	2,53,430	3,02,460	3,17,930	2,88,990	3,09,790	22.2	7.2
Total	18,63,670	19,23,010	19,45,740	20,32,780	20,02,040	20,91,070	8.7	4.4
Loans (% of total)								
Corporate	37.5	34.0	28.7	26.6	24.7	23.1	-1089 bps	-159 bps
Mid corporate	11.4	12.0	12.7	13.3	13.7	14.0	199 bps	35 bps
Retail	38.6	40.8	43.1	44.5	47.2	48.0	727 bps	86 bps
SME	12.5	13.2	15.5	15.6	14.4	14.8	164 bps	38 bps
Total	100	100	100	100	100	100		

Source: Company data, I-Sec research

Exhibit 4: Non-interest income pie inching up gradually....

Non-interest income (INR mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY %	QoQ %
Retail Banking Fees	5,860	6,750	7,520	6,700	7,970	36.0	19.0
Corporate Trade & Cash Management	1,550	1,770	2,040	2,040	2,360	52.3	15.7
Forex, Debt Capital Markets & Securities	1,400	2,440	-40	2,240	1,170	-16.4	-47.8
Corporate Banking Fees	380	460	520	430	600	57.9	39.5
Total	9,190	11,420	10,040	11,410	12,100	31.7	6.0

Non-interest income (% of total)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY bps	QoQ bps
Retail Banking Fees	64	59	75	59	66	210 bps	715 bps
Corporate Trade & Cash Management	17	15	20	18	20	264 bps	163 bps
Forex, Debt Capital Markets & Securities	15	21	0	20	10	-556 bps	-996 bps
Corporate Banking Fees	4	4	5	4	5	82 bps	119 bps
Total	100	100	100	100	100		

Source: Company data, I-Sec research

Exhibit 5: ...which is largely driven by Retail

Retail banking fees (INR mn)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY %	QoQ %
Trade & Remittance	960	910	880	1,250	1,400	1,560	71.4	11.4
Facility / Processing Fee	710	950	1,080	1,260	1,160	1,560	64.2	34.5
Interchange Income	870	1,930	2,320	2,410	1,440	1,910	-1.0	32.6
General Banking Fees	1,370	1,500	1,820	1,640	1,450	1,570	4.7	8.3
Other income	7,412	8,742	11,432	10,039	11,411	12,100	38.4	6.0
Total	11,322	14,032	17,532	16,599	16,861	18,700	33.3	10.9

Retail banking fees (% of total)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY bps	QoQ bps
Trade & Remittance	8	6	5	8	8	8	186 bps	4 bps
Facility / Processing Fee	6	7	6	8	7	8	157 bps	146 bps
Interchange Income	8	14	13	15	9	10	-354 bps	167 bps
General Banking Fees	12	11	10	10	9	8	-229 bps	-20 bps
Other income	65	62	65	60	68	65	241 bps	-297 bps
Total	100	100	100	100	100	100		

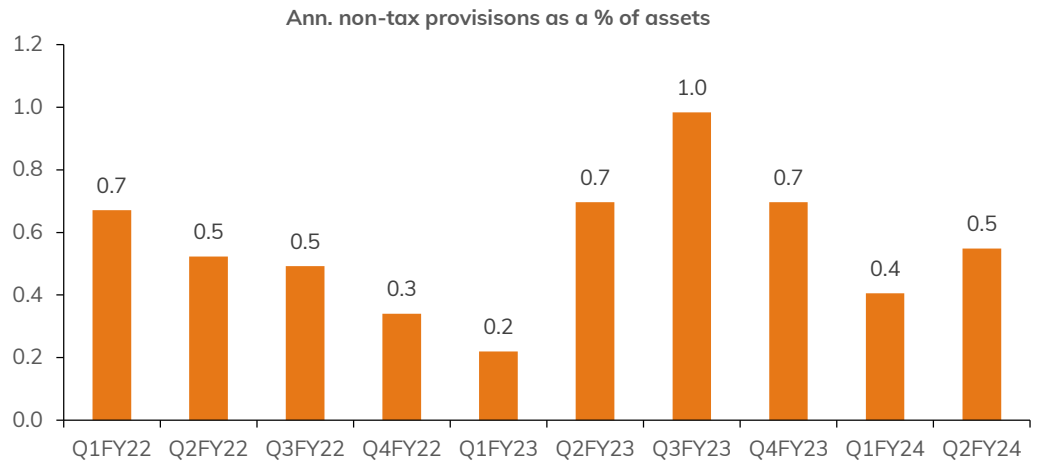
Source: Company data, I-Sec research

Exhibit 6: Summary of labelled exposures

INR mn	Q4FY23		Q1FY24		Q2FY24	
	Gross	Provisions	Gross	Provisions	Gross	Provisions
GNPA (A)	43,950	27,360	40,730	19,720	43,190	24,340
Other Non Performing Exposures						
Non Fund based o/s to NPAs	12,890	2,370	12,090	2,170	10,660	2,050
NPI	1,720	760	1,460	630	1,350	630
ARC	76,660	44,300	72,240	45,730	66,810	43,290
Sub Total (C)	91,270	47,430	85,790	48,530	78,820	45,970
as % of Loans	4.5	2.3	4.3	2.4	3.8	2.2
Total Non-Performing Exposures (D = A+C)	135,220	74,790	126,520	68,250	122,010	70,310
as % of Loans	7	4	6	3	6	3
Std. Restructured Advances						
Erstwhile	40	40	2,980	520	2,740	510
DCCO related	15,580	780	14,890	740	14,690	730
Covid + MSME	31,430	3,720	28,940	3,410	27,560	3,170
Sub Total (E)	47,050	4,540	46,820	4,680	44,990	4,420
as % of Loans	2.3	0.2	2.3	0.2	2.2	0.2
Other Std. exposures (F)	3,590	1,230	3,530	1,230	3,330	1,160
as % of Loans	0.2	0.1	0.2	0.1	0.2	0.1
Gross Stress (G = D+E+F)	185,860	80,560	176,870	74,160	170,330	75,890
as % of Loans	9.1	4.0	8.8	3.7	8.1	3.6
Net Stress	105,300		102,710		94,440	
as % of Loans	5.2		5.1		4.5	
as % of Networth	25.8		25.0		22.8	
SMA 2	11,660		25,940		24,210	
SMA 1	36,260		12,690		14,770	
Overdue Loans (31-90 dpd) (H)	47,920		38,630		38,980	
as % of Loans	2.4		1.9		1.9	

Source: Company data, I-Sec research

Exhibit 7: Credit cost inches up, though there is a pick-up in PCR also



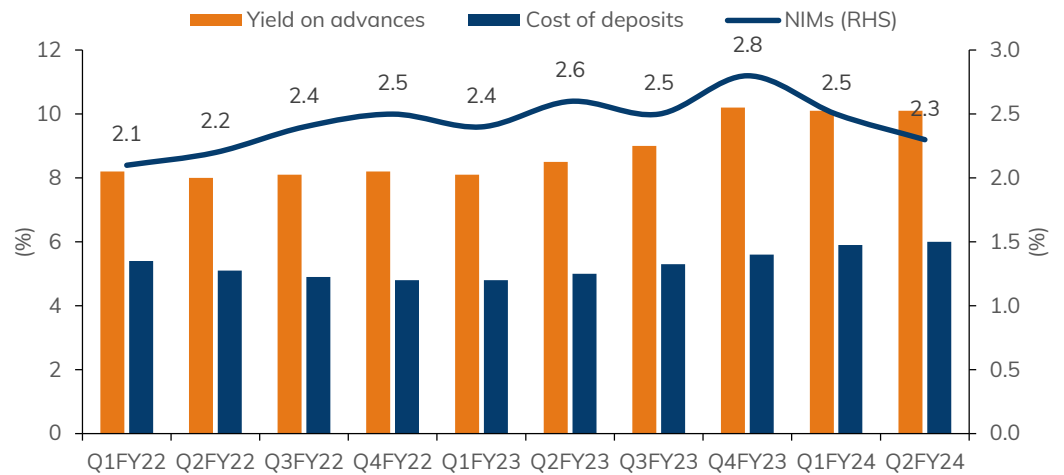
Source: Company data, I-Sec research

Exhibit 8: Headline GNPA ratio flat while NNPA ratio falls 10bps QoQ with rise in PCR

(%)	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
GNPA	15.6	15.0	14.7	13.9	13.5	12.9	2.0	2.2	2.0	2.0
NNPA	5.8	5.6	5.3	4.5	4.2	3.6	1.0	0.8	1.0	0.9
PCR	66.8	66.6	67.5	70.7	72.0	74.7	49.4	62.3	48.4	56.4
Gross slippages	5.5	4.1	2.2	1.8	2.3	1.9	3.3	2.4	2.9	2.3
Net slippages	0.6	1.2	0.2	-1.1	0.0	-0.3	-12.4	1.5	1.5	1.0

Source: Company data, I-Sec research

Exhibit 9: Margins under pressure led by elevated deposit cost and lower LDR



Source: Company data, I-Sec research

Q2FY24 earnings call takeaways

Margins

- **Maximum expansion in RoA would come from margins.**
- Likely to see improvement in margins hereon.
- Decline in growth in corporate and slower growth in retail also led to muted margins in Q2.
- TD has been largely repriced and it has also seen good momentum in CASA.
- **Combining all the factors, cost of funds has almost played through and yields are likely to improve as RIDF drag subsides.**

RIDF

- RIDF drag upwards of 40bps and margins are likely to improve with this drag gradually subsiding.
- RIDF balances are likely to inch up in H2FY24 and a decline in RIDF balance would start from FY26.
- Average RIDF balance would be similar in FY24 as well as FY25.

Asset quality

- **Credit cost guidance maintained at 50bps.**
- Higher provision towards SR and ageing provisions resulted in elevated credit cost.
- **Provision for investments includes redemption from SR at INR 5.85bn with provision write back of INR 3.15bn.**
- 2/3rd of gross slippage is coming from retail portfolio and stress is coming from credit card and unsecured loans.
- **Bank says it needs to be cautious in unsecured retail lending.**
- **Slippages are disproportionately higher from unsecured loans and credit card.**
- Retail portfolio accounting changed from Jul 1, '23, wherein penal interest on financial overdue is now accrued and considered into NPA after 90dpd.
- SR is likely to come down meaningfully by FY24-end.
- Current recoveries from SR would be used towards provisions and from FY25, recoveries would flow into P&L.

Loan book

- **YES would like to maintain loan mix of retail at 50%, retail + MSME not beyond 65% and corporate not exceeding 35%.**
- Bulk of corporate repayments has led to a decline in growth in corporate book during Q2.
- **Retail loan growth is likely to decline further to 25% by year-end from ~27% currently.**
- Some prime retail products like home loan and car loan don't make commercial sense currently for the bank due to lower yields and higher competition. Hence, it has started slowing down in these segments.

Opex, fee income

- Plans to open 150 branches in FY24.
- **PSL drags around 35-40bps on RoA.**
- Cost to income ratio should start moderating going ahead.
- It would have a tight control on opex and continues to work towards higher interest income.
- **Fees to assets may improve further from hereon (it has moved from 90bps to 130bps in the past 18 months).**
- **PSLC pay out at 2.6-2.7% of assets currently.**

Miscellaneous

- YES launched co-branded credit card.
- Core franchise of YES Bank is gaining good momentum.
- **Manish Jain has joined as head of wholesale banking.**
- **Launched new mobile app IRIS in Aug'23.**

Q1FY24 earnings call takeaways

Inorganic growth

- Looking for an inorganic growth in the microfinance sector
- Reason for acquiring microfinance - Bank has a PSL drag to the extent of 35bps and currently it doesn't have any high yielding loans
- Bank is looking to close inorganic acquisition in microfinance by FY24-end

Margins

- **57% book is floating in nature and balance 43% is fixed. MCLR linked is 18%, Repo linked is 26% and balance is mix of T-bills.**
- **Entire MCLR book is likely to be repriced in the coming 2 quarters**
- Within fixed, 10% book is short-term in nature (which is under fixed)
- Another 20bps rise in cost of deposits possible from hereon
- The bank believes that margins have bottomed in Q1FY24

Asset quality

- **Credit cost (non-tax provisions to total assets) guidance of 40-50bps for FY24E maintained**
- Any redemption of SR results in receipt of cash
- Approval rate is 60-65% for personal loans
- **The desirable PCR levels would be ~60%.**

Opex

- **Plan to open 150 branches in FY24 of which 20 have already been opened in Q1**
- Added 1,000 employees in Q1 and looking to add another 500 in the remaining 3 quarters
- Advertisement expense would be up 25% YoY

RoA

- **RoA of 1% in medium term would be a mix of:**
 - Improving CASA
 - Improving loan growth and yield on assets
 - Reducing drag of PSL which is 35bps
 - Better Recoveries and upgrades

RIDF and PSLC

- **RIDF deposits to assets continues to be in 8-9% range**
- Purchased Rs43bn worth of PSLC during the quarter
- The bank intends to be self-sufficient on incremental PSL from FY25 inwards.

Loan book

- **Looking at 15-20% credit growth and deposits growth of more than 20%.**

- Bank is comfortable with CD ratio of 90%, while its endeavour is to bring RWA ratio below 90% by this year-end.

Capital

- Accreted about 35-40bps of CET-1 during the quarter on conversion from warrants
- Including the residual 75% inflows of warrants, it would add ~110bps to CET1
- The Next hearing with respect to AT1 litigation is on 4th August 2023
- RWA as of Jun'23 is Rs2.46trn

Exhibit 10: Shareholding pattern

%	Mar'23	Jun'23	Sep'23
Promoters	0.0	0.0	0.0
Institutional investors	61.1	61.7	64.2
MFs and other	0.1	0.2	0.1
Banks/ FIs	33.0	32.9	35.9
Insurance Cos.	4.6	4.6	4.6
FIs	23.4	24.0	23.6
Others	38.9	38.3	35.8

Source: Bloomberg, I-Sec research

Exhibit 11: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 12: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Interest income	226,974	270,961	303,274	336,552
Interest expense	147,799	190,228	211,377	231,365
Net interest income	79,176	80,733	91,897	105,187
Non-interest income	39,266	53,899	72,553	97,284
Operating income	118,442	134,632	164,450	202,471
Operating expense	86,615	97,317	110,970	127,278
Staff expense	33,627	38,168	43,710	50,248
Operating profit	31,828	37,315	53,480	75,192
Core operating profit	31,483	33,815	49,480	71,192
Provisions & Contingencies	22,198	13,615	13,910	15,494
Pre-tax profit	9,629	23,700	39,570	59,699
Tax (current + deferred)	2,455	5,965	9,960	15,026
Net Profit	7,174	17,735	29,610	44,672
Adjusted net profit	7,174	17,735	29,610	44,672

Source Company data, I-Sec research

Exhibit 13: Balance sheet

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Cash and balance with RBI/Banks	192,744	239,741	263,837	289,661
Investments	768,883	788,576	820,572	907,606
Advances	2,032,694	2,233,349	2,473,983	2,742,969
Fixed assets	24,448	33,819	36,861	40,267
Other assets	529,092	655,590	752,348	868,432
Total assets	3,547,861	3,951,074	4,347,600	4,848,936
Deposits	2,175,019	2,452,760	2,774,035	3,118,360
Borrowings	774,520	743,786	743,786	743,786
Other liabilities and provisions	190,898	329,367	346,556	458,894
Share capital	57,510	57,511	62,630	62,630
Reserve & surplus	349,915	367,650	420,593	465,265
Total equity & liabilities	3,547,861	3,951,074	4,347,600	4,848,936
% Growth	11.5	11.4	10.0	11.5

Source Company data, I-Sec research

Exhibit 14: Growth ratios

(% , year ending March)

(%)	FY23A	FY24E	FY25E	FY26E
Net Interest Income	21.8	2.0	13.8	14.5
Operating profit	9.2	17.2	43.3	40.6
Core operating profit	18.5	7.4	46.3	43.9
Profit after tax	(32.7)	147.2	67.0	50.9
EPS	(38.0)	131.3	59.8	44.7
Advances	12.3	9.9	10.8	10.9
Deposits	10.3	12.8	13.1	12.4
Book value per share	5.2	4.4	4.4	9.2
Adj Book value per share	24.7	4.1	4.9	9.3

Source Company data, I-Sec research

Exhibit 15: Key ratios

(Year ending March)

	FY23A	FY24E	FY25E	FY26E
Per share data				
Adjusted EPS	0.3	0.6	1.0	1.4
Book Value per share	14	15	15	17
Adjusted BVPS	14	14	15	16
Valuation ratio				
PER (x)	61.3	26.5	16.6	11.5
Price/ Book (x)	1.2	1.1	1.1	1.0
Price/ Adjusted book (x)	1.2	1.1	1.1	1.0
Dividend Yield (%)	-	-	-	-
Profitability ratios (%)				
Yield on advances	9.3	9.8	10.2	10.3
Yields on Assets	6.7	7.2	7.3	7.3
Cost of deposits	4.9	5.8	6.0	6.0
Cost of funds	4.4	5.1	5.1	5.0
NIMs	2.6	2.6	2.7	2.8
Cost/Income	73.1	72.3	67.5	62.9
Dupont Analysis (as % of Avg Assets)				
Interest Income	6.7	7.2	7.3	7.3
Interest expended	4.4	5.1	5.1	5.0
Net Interest Income	2.4	2.2	2.2	2.3
Non-interest income	1.2	1.4	1.7	2.1
Trading gains	0.0	0.1	0.1	0.1
Fee income	1.2	1.3	1.7	2.0
Total Income	3.5	3.6	4.0	4.4
Total Cost	2.6	2.6	2.7	2.8
Staff costs	1.0	1.0	1.1	1.1
Non-staff costs	1.6	1.6	1.6	1.7
Operating Profit	0.9	1.0	1.3	1.6
Core Operating Profit	0.9	0.9	1.2	1.5
Non-tax Provisions	0.7	0.4	0.3	0.3
PBT	0.3	0.6	1.0	1.3
Tax Provisions	0.1	0.2	0.2	0.3
Return on Assets (%)	0.2	0.5	0.7	1.0
Leverage (x)	9.0	9.0	9.1	9.1
Return on Equity (%)	1.9	4.3	6.5	8.8
Asset quality ratios (%)				
Gross NPA	2.1	2.2	2.3	2.4
Net NPA	0.8	0.8	0.7	0.7
PCR	62.3	62.0	68.0	70.0
Gross Slippages	2.6	2.3	2.0	1.9
LLP / Avg loans	0.0	1.1	1.0	0.9
Total provisions / Avg loans	1.2	0.6	0.6	0.6
Net NPA / Networth	4.1	4.4	3.8	3.8
Capitalisation ratios (%)				
Core Equity Tier 1	13.3	12.6	12.9	12.9
Tier 1 cap. adequacy	13.3	12.2	12.6	12.6
Total cap. adequacy	17.9	16.3	16.2	15.8

Source Company data, I-Sec research

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