

28 April 2024

India | Equity Research | Q4FY24 results review

IDFC FIRST Bank

Banking

Deposits growth continues to surprise positively; credit costs to normalise upwards in H1FY25

IDFC First Bank (IDFCFB) has reported in line Q4FY24 PAT of INR 7.2bn (up 1% QoQ and down 10% YoY) with improvement in slippage and gross NPA. NII growth remains strong at 24% YoY though elevated opex (up 29% YoY) led to an increase in cost to income (C/I) ratio YoY. Gross advances growth (up 6% QoQ) was strong with deposits growth (up 10% QoQ) continuing to surprise positively. The bank expects C/I to be broadly stable in H1FY25 and see material improvement in H2FY25. It also hinted at upward normalisation of credit costs in H1FY25 with FY25 guidance at ~1.65% vs 1.3% in FY24. We maintain our **HOLD** rating on the stock with an unchanged target price of INR 85, valuing the stock at ~1.7x FY25E ABV. While we appreciate strong deposits growth of IDFCFB and broadly improving RoA trajectory, we highlight near-term pressure due to broadly stable C/I and upward normalisation of credit costs.

In-line result with strong deposits growth, stable C/I

IDFCFB reported in line Q4FY24 PAT of INR 7.2bn (up 1% QoQ and down 10% YoY). Cost to income (C/I) ratio saw marginal improvement QoQ to 72.8% though RoA remained a bit soft at 1.03% vs 1.06% QoQ. Tier 1 stood at 13.36%. Reported gross advances remained strong at 6% QoQ (up 25% YoY) though the bank saw moderation in consumer and digital loans. Deposits growth (up 10% QoQ) continues to surprise positively. CASA share was stable and strong at 47%. NIM declined 7bps QoQ to 6.35%. LCR dropped QoQ to 114%.

H1FY25 to be soft with stable cost/income and credit cost upward normalisation; maintain HOLD with unchanged TP

IDFCFB has seen consistent improvement in C/I from 95% at the time of merger to 72.5% in FY23. FY24, however, saw minor deterioration to 72.9%. The unit economics still remains favourable though the bank expects cost/income to be stable in H1FY25 and material improvement only in H2FY25. It hinted at upward normalisation of credit costs in H1FY25 with FY25 guidance at ~1.65% vs 1.3% in FY24. While we appreciate strong deposits growth of IDFCFB, we highlight near-term pressure due to stable C/I and upward normalisation of credit costs. We maintain **HOLD** rating with an unchanged target price of INR 85. Upside risk: Higher than expected loan growth. Downside risk: Sharp deterioration in asset quality.

Financial Summary

Y/E March	FY23A	FY24A	FY25E	FY26E
NII (INR bn)	126.4	164.5	201.8	242.1
Op. profit (INR bn)	49.3	62.4	83.1	107.2
Net Profit (INR bn)	24.4	29.6	36.5	50.0
EPS (INR)	3.7	4.2	5.2	7.1
EPS % change YoY	1,501.1	13.6	23.3	37.1
ABV (INR)	37.4	44.3	49.3	56.2
P/BV (x)	2.2	1.9	1.7	1.5
P/ABV (x)	2.3	1.9	1.7	1.5
Return on Assets (%)	1.1	1.1	1.1	1.3
Return on Equity (%)	10.4	10.2	10.7	13.0

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Market Data

Market Cap (INR)	600bn
Market Cap (USD)	7,196mn
Bloomberg Code	IDFCFB IN
Reuters Code	IDFB BO
52-week Range (INR)	101 /58
Free Float (%)	55.0
ADTV-3M (mn) (USD)	43.0

Price Performance (%)	3m	6m	12m
Absolute	5.9	(0.2)	44.0
Relative to Sensex	1.6	(16.9)	21.7

Earnings Revisions (%)	FY25E	FY26E
PAT	(2)	-

Previous Reports

22-01-2024: [Q3FY24 results review](#)

09-12-2023: [Company update](#)

Deposits growth in double digit QoQ; NIM dips 7bps QoQ

Overall gross loans and advances grew 6% QoQ and 25% YoY. IDFCFB saw some moderation in consumer loans (down 0.5% QoQ) and digital loans while LAP saw a strong comeback at 11% QoQ. The bank reiterated 5-year CAGR of ~20% and mentioned FY25 loan growth of 22-23% YoY.

Deposits growth continues to surprise positively and was up 10% QoQ and 39% YoY. CASA growth remains strong at 10% QoQ (up 32% YoY) with share broadly stable at 47%. The bank would continue to focus on strong deposits growth to replace borrowing and further improve LDR (incremental LDR guided at 75-80%).

LCR ratio declined to 114% vs 121% QoQ and 120% YoY. Cost of deposits was 7bps QoQ though cost of funds was stable, aided by run-down of high cost borrowings. Calculated yields on assets declined 20bps QoQ. Overall, NIM declined 7bps QoQ but remains sturdy at 6.35%. NIM for FY24 was up 31bps YoY. Despite modelling in incremental LDR at ~80% for FY25/26E each, we estimate NIM to be broadly stable YoY.

Cost-income ratio stable QoQ; improvement likely in H2FY25

Overall NII growth was 4% QoQ. Fee and other income grew 8% QoQ. Opex growth moderated to 5% QoQ (up 29% YoY). PPOP growth, at 6.5% QoQ, was slightly better than the recent run-rate of -4% to 3% QoQ. Cost to income ratio, the key metric for the bank, improved marginally QoQ to 72.8% vs 73.1% though was weaker vs 68.8% YoY. Credit card business has seen sharp reduction in C/I ratio from 240% in FY22 to 165% in FY23 and further to 116% in FY24. The bank mentioned the business should see <100% C/I by FY25. It would continue to invest in the franchise and mentioned cost to income ratio would remain stable for the next two quarters. It would improve in Q3FY25 and then improve meaningfully in Q4FY25.

Slippages and GNPA improved; hints at credit cost normalisation

Collection efficiency continues to be strong at ~99.5%, for the past 24 months. Gross slippages improved to INR 13.5bn or 2.8% (annualised) 3.1% QoQ. Similarly, net slippages also improved to INR 7.2bn or 1.5% (annualised) vs 1.9% QoQ. GNPA ratio and net NPA ratio improved 16bps and 8bps, QoQ, to 1.88% and 0.60%, respectively. PCR was up 191bps QoQ to 68.8%.

Credit cost was comfortable at 1.5% in Q4 and 1.3% in FY24. The bank, however, hinted at normalisation in credit costs to ~1.65% for FY25. This upward movement could be attributed to a few technicalities and some inch-up in MFI delinquencies, and is likely to be front-ended. We model gross slippages at 2.6/2.4% of loans with credit costs at 1.6/1.5% for FY25/26E, respectively.

Exhibit 1: Q4FY24 result review

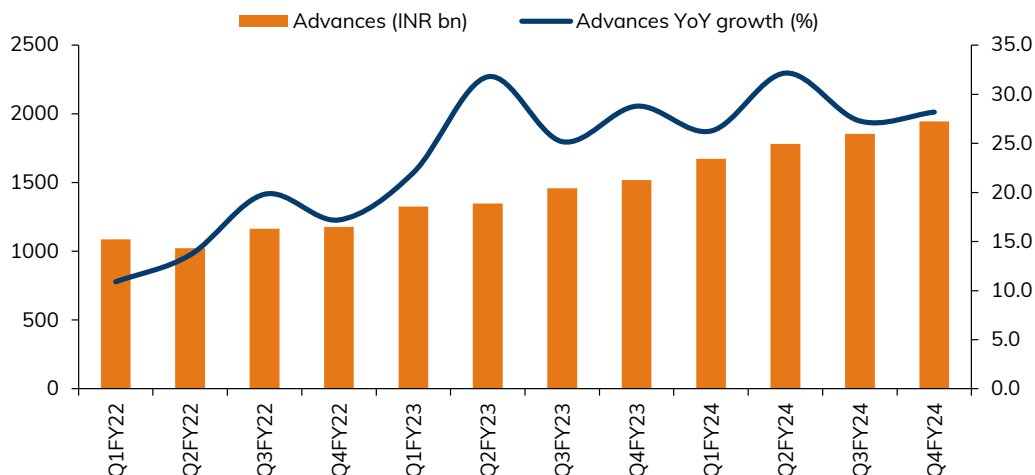
	Q4FY23	Q4FY24	YoY (%)	Q3FY24	QoQ (%)
Financial Highlights (INR mn)					
Interest Earned	64,244	82,192	27.9	78,794	4.3
Interest Expended	28,276	37,503	32.6	35,928	4.4
Net Interest Income	35,968	44,689	24.2	42,866	4.3
Other Income	13,975	16,420	17.5	15,166	8.3
Total Income	78,218	98,612	26.1	93,960	5.0
Total Net Income	49,942	61,109	22.4	58,031	5.3
Staff Expenses	10,407	13,280	27.6	12,217	8.7
Other operating expenses	23,949	31,190	30.2	30,190	3.3
Operating Profit	15,587	16,639	6.8	15,625	6.5
Provision & Contingencies	4,824	7,223	49.7	6,548	10.3
Provision for tax	2,736	2,173	(20.6)	1,920	13.2
Reported Profit	8,026	7,243	(9.8)	7,157	1.2
Other Highlights (INR bn)					
Loans	1,518	1,946	28.2	1,855	4.9
Deposits	1,446	2,006	38.7	1,825	9.9
Gross NPA	39	37.2	-4.3	37.8	-1.5
Gross NPA (%)	2.5	1.9	-63 bps	2.0	-16 bps
Net NPA	13	11.6	-11.0	12.5	-7.2
Net NPA (%)	0.9	0.6	-26 bps	0.7	-8 bps
Provision Coverage (%)	66.4	68.8	236 bps	66.9	191 bps

Source: Company data, I-Sec research

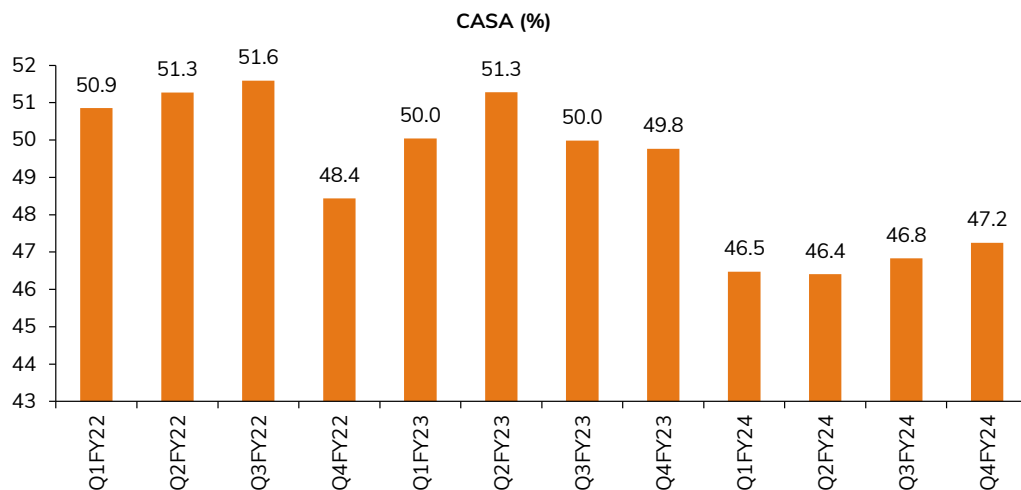
Exhibit 2: Total funded assets mix

(INR mn)	Q4FY23	Q3FY24	Q4FY24	YoY %	QoQ %	Mix (%)
Consumer finance (Personal finance)	910,270	1,113,970	1,191,310	31	7	59
Home loan	195,520	211,260	223,250	14	6	11
LAP	201,990	218,340	242,470	20	11	12
Wheels	148,230	182,060	208,270	41	14	10
Consumer Loans	208,190	266,240	264,990	27	(0)	13
Digital, Gold and others	121,220	186,610	196,870	62	5	10
Credit Card	35,100	49,460	55,460	58	12	3
Rural Finance	191,810	239,550	238,820	25	(0)	12
SME & corporate finance (Business finance)	457,280	511,290	551,220	21	8	27
Corporate	258,940	281,520	303,060	17	8	15
CV/CE	36,680	51,150	62,860	71	23	3
Business Banking	50,730	66,990	74,050	46	11	4
Others	110,930	111,630	111,250	0	(0)	6
CV/CE financing + Business banking	198,340	229,770	248,160	25	8	12
Infrastructure	46,640	29,940	28,300	(39)	(5)	1
Total Funded Assets	1,606,000	1,894,750	2,009,650	25	6	100

Source: Company data, I-Sec research

Exhibit 3: Advances growing at a steady pace


Source: Company data, I-Sec research

Exhibit 4: CASA ratio up 40bps QoQ


Source: Company data, I-Sec research

Exhibit 5: Continues to successfully run down the legacy high cost long-term borrowings

In Rs. Cr	Balance		Run off Schedule				RoI (%)
	As on Mar-23	As on Mar-24	H1-FY25	H2-FY25	FY26	Beyond FY26	
Infrastructure Bonds	6,915	5,510	1,979	2,711	820	-	8.94%
Long Term Legacy Bonds	6,411	4,622	732	394	3,496	-	8.95%
Other Bonds	1,533	747	123	-	298	326	9.07%
Refinance	2,814	930	930	-	-	-	8.25%
Total	17,673	11,809	3,765	3,104	4,614	326	8.90%

Source: Company data, I-Sec research

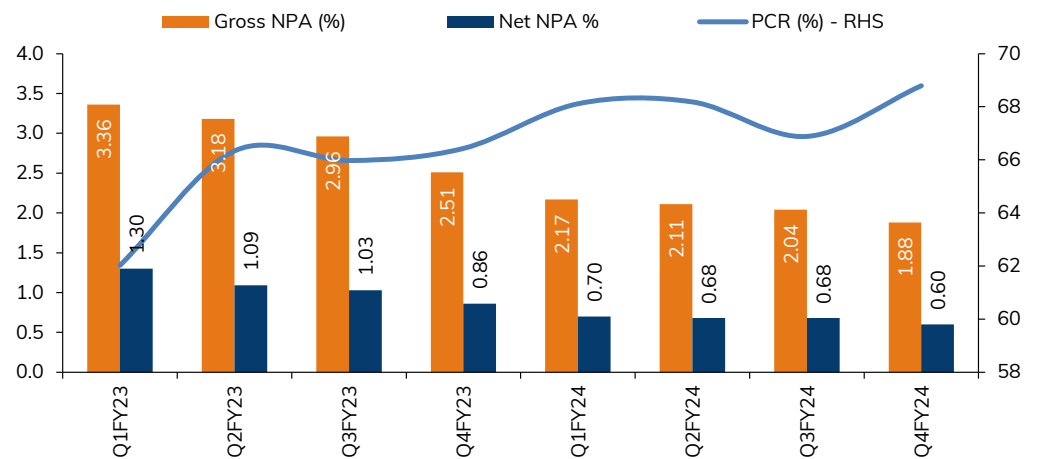
Note: Because bank has a DFI background, the legacy borrowings are costing the bank 8.90%. The Bank plans to replace this with low-cost deposits.

To simulate, if the Bank had replaced all high-cost legacy borrowings with the current cost of funds, the return on equity (annualised) for Q3FY24 would be higher by ~95 bps.

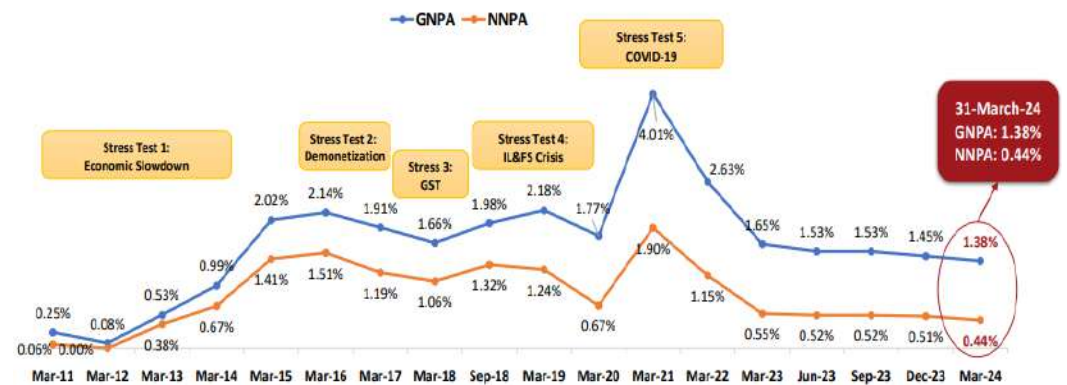
Exhibit 6: GNPA ratio was 16bps lower QoQ

	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Gross NPA (INR Mn)	44,855	44,569	44,691	43,548	43,962	43,026	38,845	36,034	37,478	37,754	37,184
Gross NPA (%)	4.27	3.96	3.70	3.36	3.18	2.96	2.51	2.17	2.11	2.04	1.88
Net NPA (INR Mn)	21,503	19,140	18,081	16,538	14,800	14,642	13,041	11,490	11,925	12,503	11,605
Net NPA %	2.09	1.74	1.53	1.30	1.09	1.03	0.86	0.70	0.68	0.68	0.60
PCR (%)	52	57	60	62	66	66	66	68	68	67	69

Source: Company data, I-Sec research

Exhibit 7: Comfortable GNPA and NNPA

Source: Company data, I-Sec research

Exhibit 8: Maintained high retail asset quality GNPA of ~2% and NNPA of ~1% for a decade across cycles

Source: Company data, I-Sec research

Exhibit 9: All products of IDFCB have low GNPA and NNPA

Segment	Gross Advances Breakup (Rs. Crore)	Gross NPA	Net NPA
Home Loan	22,325	0.75%	0.33%
Loan Against Property	24,247	1.59%	0.67%
Vehicles	20,827	1.52%	0.59%
Consumer Loans	28,659	1.72%	0.52%
Rural Finance	23,882	1.01%	0.20%
Digital, Gold & Others	17,527	1.80%	0.41%
Credit Cards	5,546	1.76%	0.39%
SME Finance	23,591	1.20%	0.38%
Corporate (Non-Infra)	28,213	2.55%	0.26%
Infrastructure Finance	2,643	26.45%	15.55%
Overall Bank	1,97,459	1.88%	0.60%
Bank (Excluding Infra)	1,94,816	1.55%	0.42%

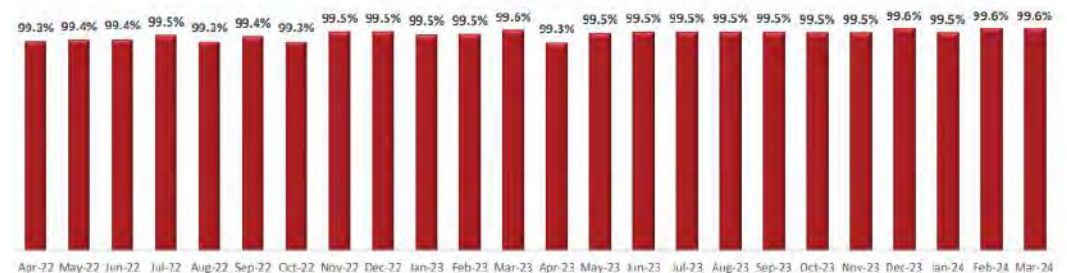
Source: Company data, I-Sec research

Exhibit 10: Collection efficiency is strong and steady

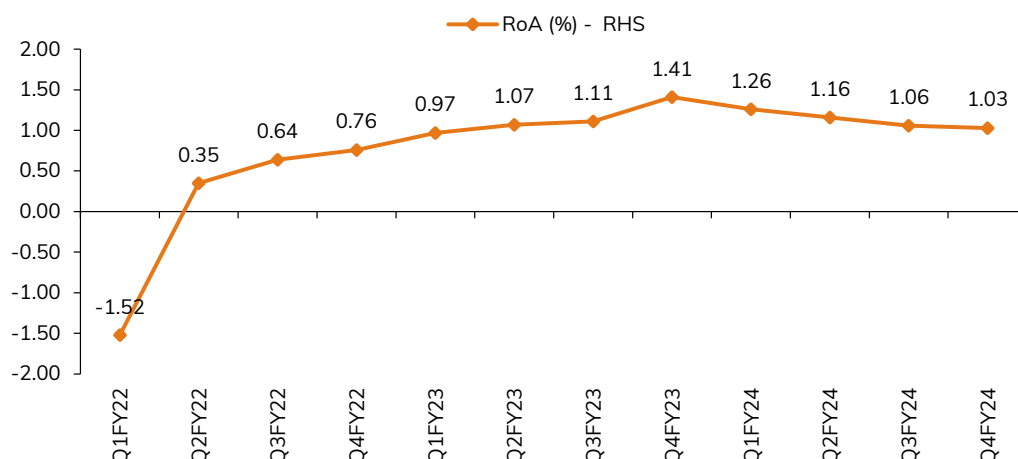
Definition:

$$\text{Collection Efficiency \%} = (\text{Pos of EMI Collected for the Month}) / (\text{Pos of EMI Due for the month}) * 100$$

Note: Collections does not include any arrear collections, or prepayment collections in these calculations, and hence represents the true picture of collections efficiency.



Source: Company data, I-Sec research

Exhibit 11: RoA stood at 1.03%, lower 3bps QoQ

Source: Company data, I-Sec research

Exhibit 12: Launched and scaled up many new products in the last 2 years

Retail Assets	Commercial Credit & Wholesale Banking	Rural Products	Retail Fee Businesses
Prime Home Loans	Commercial Vehicle Loans	Gold Loans	Wealth Management
New Car Loans	Construction Equipment Loans	KCC	FASTag
Credit Card	Cash Management	Agri / Farmer Loans	Forex Card
Digital Loans	Trade Finance	Tractor Loans	
Education Loans	Forex Solutions		
	Transaction Banking		

Source: Company data, I-Sec research

Exhibit 13: Long-term credit rating has been recently upgraded by CARE, CRISIL and ICRA

Rating Agency	Long Term Credit Rating	Month of Rating Review
CARE Ratings	AA (stable) to AA+ (stable)	October' 23
CRISIL	AA (stable) to AA+ (stable)	June '23
ICRA	AA (stable) to AA+ (stable)	May '23
India Ratings	AA+ (negative) to AA+ (stable)	December' 22

Source: Company data, I-Sec research

Exhibit 14: Guidance 2.0

Particulars	31-Dec-2018	31-Dec-2023	31-Mar-2029	Assumptions
Deposits				
Branches (#)	206	897	1700-1800	Will open based on requirements to meet Deposit goals
Customer Deposits (INR bn)	385	1,765	5,850	Guidance 2.0 at 5Y CAGR of 24.8% vs current YoY growth rate of 42.8%
CASA deposits (INR bn)	53	855	2,850	Guidance 2.0 at 5Y CAGR of 24.5% vs current YoY growth rate of 28.6%
Term deposits (INR bn)	332	910	3,000	Guidance 2.0 at 5Y CAGR of 25.2% vs current YoY growth rate of 59.4%
Assets				
Loans & Advances* (INR bn)	1,047	1,89,475	5,000	Guidance 2.0 at 5Y CAGR of 20.3% vs current YoY growth rate of 24.5%
Total Assets (INR bn)	1,569	2,707	7,000	Guidance 2.0 at 5Y CAGR of 19.8% vs current YoY growth rate of 22.3%
Asset quality				
GNPA %	1.97%	2.04%	1.50%	Currently, GNPA is 1.66% as of 31-Dec-23 excluding Infra loans
NNPA %	0.95%	0.68%	0.40%	Currently, NNPA is 0.47% as of 31-Dec-23 excluding infra loans
Profitability				
Profit (INR bn)	-15.38^	22.32**	120-130	At about 1.9-2% of estimated ROA of FY29
ROA %	-	1.2%	1.9%-2.0%	IDFC FIRST Business model naturally geared for 2% ROA
ROE %	-	10.7%	17%-18%	IDFC FIRST Business model naturally geared for 18% ROE

Source: Company data, I-Sec research

Note: Current growth rate is the YoY growth for the period ending on 31 December 2023.

* Includes credit substitutes; ^ No. is for Q3-19;

**For 9M-FY24,

As per strategic plan, the Bank will exit Legacy infrastructure Financing portfolio, hence the reference taken for guiding NPA excludes Infra financing portfolio.

Q4FY24 earnings conference call takeaways**Capital and profitability**

- Aiming to touch 1.4-1.5% RoA over the next 2-3 years.
- Levers for improvement in RoA would be largely coming from C/I, particularly cost to assets.
- Q1FY25 PAT could be flat followed by improvement in Q2/Q3/Q4. **Q4FY25 should be the best among all the quarters in terms of profitability in FY25.**

Cost to income

- C/I is likely to be flattish for Q1FY25 and Q2FY25, while the bank is likely to see a meaningful reduction in Q3FY25 and Q4FY25 due to decline in C/I from credit card business and legacy liabilities coming off.
- **116% C/I for credit card business in FY24 which may fall below 100% for FY25.**
- 44% C/I for retail, rural and SME business, which should be stable going ahead.
- 33% C/I for wholesale business in FY24 which should be stable going ahead.

Advances

- **Loan growth estimate at 22-23% for FY25.**
- **Growth for consumer loans (down 0.5% QoQ) and other including digital loans has moderated in the quarter.**
- The bank is now using FLDG for select short tenure digital loan. The indicative yields remain unchanged at 17-18% but there is additional opex, which is likely to offset, if there is any rise in delinquencies.
- Credit book for the country is likely to grow ~3x in the next 10 years. Major contributors for this would be retail, agri, rural India, micro enterprises, MSME.

Deposits

- **Bank has guided for incremental CD ratio in the range of 75-80% and LCR at ~115% for FY25.**
- **Deposits growth could be 28-30% for FY25.**
- **Retail deposits stood at INR 0.1trn in Dec'18, INR 1.51trn as of Mar'24.**
- Bank is highly confident of growing its current account business over the next 4-5 years.

- It believes going ahead incremental branch addition would be slow vs past run-rate.

Asset quality

- Credit cost at 1.5% for Q4 and 1.3% for FY24. However, it guides **for 1.65% for FY25 which would be front ended in H1FY25. The upward movement in credit costs is due to some technicalities, some rise in MFI delinquency but overall there is no significant deterioration. Credit cost is likely to improve in H2FY25, partly on FLDG benefits.**
- Bank is holding 20% provision on restructured book.
- Gross slippages at INR 13.47bn vs INR 14.22bn QoQ.
- Net slippages at INR 7.24bn vs INR 8.66bn QoQ.

Margins

- Cost of deposits up 7bps QoQ though the bank benefitted from running-off of high cost legacy borrowings.
- **Cost of funds has been largely stable over the past couple of quarters.**

Non-interest income, opex and C/I

- **With the build-up of rural portfolio, it has now been able to sell PSLC and RIDF deposits o/s has now fallen to INR 9.26bn.**

Q3FY24 earnings conference call takeaways

Guidance 2.0

- At the time of the merger, IDFCFB had put out certain guidance (Guidance 1.0) for FY25. Now, it has come out with Guidance 2.0 exactly 5 years post the merger in Dec'18.
- It has exceeded, met or is most likely to meet most targets as provided under Guidance 1.0. It has far greater visibility while providing Guidance 2.0 as compared to the visibility at the time of Guidance 1.0.
- The bank will retain Guidance 1.0 till the last day of that guidance.
- **Guidance 2.0 is from FY24-29 and envisages 20% loan CAGR, since that seems to be reasonably safe. While this is lower than the earlier broad aspiration of 25%, the bank believes this is more sturdy and would also cool-off pressure on deposits ask rate and opex.**
- On deposits, guidance 2.0 at 5Y CAGR is 24.8% vs current YoY growth rate of 42.8%. The bank has kept deposits number very modest vs its current run-rate.
- **It is looking at ~1.9-2% of estimated RoA of FY29.**
- **C/I would look around 55% by FY29-end.**
- **Margins are likely to be around similar level for Guidance 2.0.**
- **Bank has assumed little higher credit cost in the upcoming Guidance 2.0 vs current level, which is much lower than usual.**

Advances

- **Bank is largely financing used car rather than a new car.**
- It is conscious on personal loans front and is largely lending to salaried people.
- Portfolio buyout, revolving credit, some digital loans are a part of 'Others' in loan book.

Margins

- Currently, IDFCFB is also using deposits to repay borrowings. Once high-cost borrowings are repaid entirely, the bank could even look to cut deposit rates or go slower on branch expansion

Asset quality

- Bank will move over to FLDG structure and the benefit of the same will show up in credit cost line in Q3FY25/Q4FY25
- **Bank has not been impacted by the RBI guidelines on AIF investments.**
- GNPA at the end of Q3FY24 was 1.45% on retail/MSME/rural side and NNPA was 0.5%.
- **First cheque bounce is very low at 6.3% and even CE is holding up well near 99.5%. This suggests incremental book, which is building up, is quite pristine.**
- **Bank is quite confident on incremental assets that are being generated.**
- Gross slippages in Q3 stood at INR 14bn, flat QoQ.
- Net slippages in Q3 stood at INR 8.5bn, flat QoQ.
- **Credit cost for 9M stood at 1.26%, well below its earlier guidance.**
- Even during worst covid phase (wave 2), credit cost was 2.5%, which speaks of underwriting quality.

Profit and Loss

- The bank mentioned that at the current stage of banking journey (new vintage), cost-income should not be seen on quarterly basis.
- For the first 5 years, the bank was in set-up stage and hence, opex was relatively higher.
- Bank's opex requirement would be relatively lower as it scales up since deposit and loan growth would be much slower vs current levels.

Deposits

- Deposits are rising up very well for the bank.
- **Incremental CD ratio for FY24 has been 80% and it has only been 60% in Q3.**

Miscellaneous

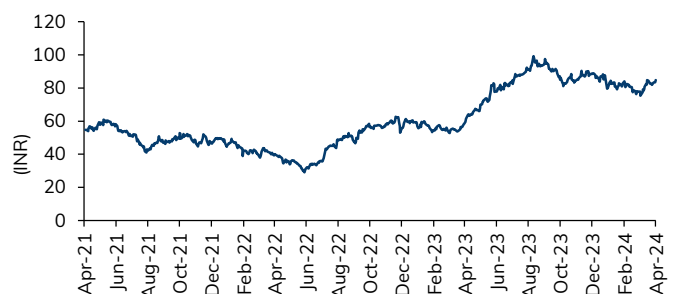
- Average LCR stood at 121% in Q3FY24.

Exhibit 15: Shareholding pattern

%	Sep'23	Dec'24	Mar'24
Promoters	39.4	37.5	37.4
Institutional investors	30.1	30.9	30.5
MFs and other	2.7	3.4	2.7
FIs/ Banks	0.0	0.1	0.0
Insurance Cos.	2.2	2.5	3.6
FII's	25.2	24.9	24.2
Others	30.5	31.6	32.1

Source: Bloomberg, I-Sec research

Exhibit 16: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 17: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Interest income	227,275	303,225	367,417	438,313
Interest expense	100,922	138,718	165,591	196,214
Net interest income	126,353	164,508	201,826	242,098
Non-interest income	44,670	60,020	73,055	87,524
Operating income	171,023	224,528	274,881	329,623
Operating expense	121,704	162,158	191,778	222,388
Staff expense	37,422	48,925	56,753	64,699
Operating profit	49,320	62,370	83,103	107,235
Core operating profit	46,139	58,870	79,079	102,728
Provisions & Contingencies	16,648	23,817	34,372	40,437
Pre-tax profit	32,671	38,553	48,731	66,798
Tax (current + deferred)	8,300	8,988	12,280	16,833
Net Profit	24,371	29,565	36,451	49,965
Adjusted net profit	24,371	29,565	36,451	49,965

Source Company data, I-Sec research

Exhibit 18: Balance sheet

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Cash and balance with RBI/Banks	138,980	124,802	196,941	252,997
Investments	611,236	747,104	842,919	962,174
Advances	1,517,945	1,945,924	2,356,501	2,826,900
Fixed assets	20,901	26,194	29,727	33,711
Other assets	110,355	117,127	134,279	154,414
Total assets	2,399,417	2,961,151	3,560,368	4,230,197
Deposits	1,446,373	2,005,763	2,507,612	3,087,303
Borrowings	572,121	509,356	522,256	526,935
Other liabilities and provisions	123,711	124,419	172,437	207,931
Share capital	66,181	70,699	70,699	70,699
Reserve & surplus	191,030	250,914	287,364	337,329
Total equity & liabilities	2,399,417	2,961,151	3,560,368	4,230,197
% Growth	26.2	23.4	20.2	18.8

Source Company data, I-Sec research

Exhibit 19: Growth ratios

(% , year ending March)

	FY23A	FY24A	FY25E	FY26E
Net Interest Income	30.2	30.2	22.7	20.0
Operating profit	50.2	26.5	33.2	29.0
Core operating profit	68.5	27.6	34.3	29.9
Profit after tax	1,575.1	21.3	23.3	37.1
EPS	1,501.1	13.6	23.3	37.1
Advances	28.8	28.2	21.1	20.0
Deposits	36.9	38.7	25.0	23.1
Book value per share	15.1	17.0	11.3	14.0
Adj Book value per share	18.3	18.4	11.4	14.0

Source Company data, I-Sec research

Exhibit 20: Key ratios

(Year ending March)

	FY23A	FY24A	FY25E	FY26E
No. of shares and per share data				
Adjusted EPS	3.7	4.2	5.2	7.1
Book Value per share	39	45	51	58
Adjusted BVPS	37	44	49	56
Valuation ratio				
PER (x)	23.0	20.3	16.4	12.0
Price/ Book (x)	2.2	1.9	1.7	1.5
Price/ Adjusted book (x)	2.3	1.9	1.7	1.5
Dividend Yield (%)	-	-	-	-
Profitability ratios (%)				
Yield on advances	14.2	15.0	14.5	14.4
Yields on Assets	10.6	11.3	11.3	11.3
Cost of deposits	5.0	5.9	5.8	5.7
Cost of funds	4.7	5.2	5.1	5.0
NIMs	6.3	6.5	6.5	6.5
Cost/Income	71.2	72.2	69.8	67.5
Dupont Analysis (as % of Avg Assets)				
Interest Income	10.6	11.3	11.3	11.3
Interest expended	4.7	5.2	5.1	5.0
Net Interest Income	5.9	6.1	6.2	6.2
Non-interest income	2.1	2.2	2.2	2.2
Trading gains	0.1	0.1	0.1	0.1
Fee income	1.9	2.1	2.1	2.1
Total Income	8.0	8.4	8.4	8.5
Total Cost	5.7	6.1	5.9	5.7
Staff costs	1.7	1.8	1.7	1.7
Non-staff costs	3.9	4.2	4.1	4.0
Operating Profit	2.3	2.3	2.5	2.8
Core Operating Profit	2.1	2.2	2.4	2.6
Non-tax Provisions	0.8	0.9	1.1	1.0
PBT	1.5	1.4	1.5	1.7
Tax Provisions	0.4	0.3	0.4	0.4
Return on Assets (%)	1.1	1.1	1.1	1.3
Leverage (x)	9.2	9.3	9.6	10.2
Return on Equity (%)	10.4	10.2	10.7	13.0
Asset quality ratios (%)				
Gross NPA	2.5	1.9	1.7	1.7
Net NPA	0.9	0.6	0.5	0.5
PCR	66.4	68.8	70.0	72.0
Gross Slippages	3.9	3.5	3.2	2.6
LLP / Avg loans	1.9	1.7	1.7	1.5
Total provisions / Avg loans	1.2	1.4	1.6	1.6
Net NPA / Networth	5.1	3.6	3.5	3.4
Capitalisation ratios (%)				
Core Equity Tier 1	14.2	13.3	12.6	12.2
Tier 1 cap. adequacy	14.2	13.4	12.7	12.2
Total cap. adequacy	16.8	16.1	15.5	15.1

Source Company data, I-Sec research

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