Equity Research

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BSE Sensex: 62028

ICICI Securities Limited is the author and distributor of this report

Banking

Q4FY23 result review, earnings and TP change

Target price: Rs23

Earnings revision

(%)	FY24E	FY25E
PAT	↓ 19	NA

Target price revision:
Rs23 from Rs25

Shareholding pattern

	Sep '22	Dec '22	Mar '23
Promoters	0.0	0.0	0.0
Institutional investors	19.4	21.8	22.3
MFs and others	0.0	0.0	2.7
FI / Banks.	0.1	0.1	0.1
Insurance	11.5	6.7	4.5
FIIs	7.8	15.0	15.0
Others	80.6	78.2	77.7

Source: BSE

ESG disclosure score

Year	2021	2022	Chg
ESG score	**33.8**	**34.4**	**0.7**
Environment	1.8	1.8	0.0
Social	28.3	30.4	2.1
Governance	71.1	71.1	0.0

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.
Source: Bloomberg, I-sec research

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INDIA

South Indian Bank

BUY
Maintain

Strong quarter; management succession is a key monitorable

Rs18

Led by NIMs uptick, negative net slippages and strong other income (including lumpy TWO recovery), South Indian Bank (SIB) has reported strong Q4FY23 with PAT of Rs3.34bn and annualised RoAs at 1.26%. FY23 has been one of the strongest years for the bank with highest-ever business, record disbursement and highest ever tier 1. The bank, under the incumbent MD & CEO (Mr. Murali Ramakrishnan), has churned around 58% of overall loan book since October 1, 2020. The performance of the new book remains very impressive with miniscule GNPAs / SMA 2, a sharp rise in granularity and profitability metrices.

The incumbent MD & CEO has been instrumental in the overall transformation of the bank. While his voluntarily exit has been a key dampener, we believe the bank would continue to benefit from the structural changes implemented so far. In our view, the fitment and stability of the new MD & CEO would be critical to determine the pace of future progress. The stock is inexpensive at ~0.5x FY25 ABV and ~4.3x FY25 EPS for ~11.5% RoEs and >13.6% CET 1. We value the stock at ~0.7x FY25 ABV, in line with expected RoAs and arrive at our revised target price of Rs23 (vs Rs25 earlier). Maintain BUY. Key risk is hiccups, if any, in MD & CEO succession.

- **Transformational story gathers pace**…: We have been much impressed by the bank's transformational journey under the incumbent MD & CEO - Mr Murali Ramakrishnan (ex-ICICI Bank), who took charge wef October 1, 2020. Over the last ~2.5 years, Mr Murali has overhauled the key functions at the bank and has delivered impressive performance despite sectoral headwinds, suggesting strong execution. The bank segregated risks and business functions, created new divisions, set-up strong checks and balances, beefed-up collection & recovery infrastructure, monitoring functions and strengthened the overall risk architecture. Within assets businesses, sales teams were verticalised with a business head to carry the P&L responsibility. With the introduction of select products and advanced analytics, the bank has managed to plug the gaps vs peers, to a large extent, in our view. The bank has churned around 58% of overall loan book since October 1, 2020 and the performance of the new book has been very impressive with miniscule GNPAs / SMA 2, improved granularity and profitability metrices.
- **…fitment and stability of new MD & CEO is critical to drive the next phase of growth:** However, the architect of current transformational story, Mr Murali had decided not to offer himself for re-appointment on the completion of his current term (up to September 2023), due to personal reasons / family circumstances. The Board has started the process of candidate (internal as well as external) selection and intends to have 1-2 month of parallel run for smooth transition. The Board is confident of a seamless continuity in the current transformational journey despite the impending management succession. While we acknowledge hard work and structural changes at the bank, we also highlight the favourable role of sectoral tailwinds (strong NIMs and benign net slippages). Overall, we believe the fitment and stability of the new MD & CEO is critical to drive the next phase of growth.

Market Cap	Rs36.9bn/US$450mn
Reuters/Bloomberg	SIBK.BO/SIB IN
Shares Outstanding (mn)	2,092.7
52-week Range (Rs)	21/7
Free Float (%)	100.0
FII (%)	15.0
Daily Volume (US$'000)	8,641
Absolute Return 3m (%)	1.1
Absolute Return 12m (%)	130.7
Sensex Return 3m (%)	2.3
Sensex Return 12m (%)	18.5

Year to Mar	FY22	FY23P	FY24E	FY25E
NII (Rs bn)	66	72	84	97
Net Profit (Rs bn)	0	8	8	9
EPS (Rs)	0.2	3.7	3.7	4.1
% Chg YoY	-38.8	1,663.7	-1.4	11.9
P/E (x)	84.0	4.8	4.8	4.3
P/ABV (x)	0.7	0.6	0.5	0.5
Net NPA (%)	3.0	1.9	1.6	1.3
ABVPS (Rs)	20.9	26.3	29.8	33.8
RoA (%)	0.0	0.7	0.7	0.7
RoE (%)	0.8	13.0	11.4	11.5

- **Exiting FY23 on a strong note with historic-high RoAs:** Led by NIMs uptick, negative net slippages and strong other income (including lumpy TWO recovery), SIB has reported strong Q4FY23 with PAT at Rs3.34bn and annualised RoAs at 1.26%. FY23 has been one of the strongest years for the bank with highest-ever business, record disbursement and highest ever tier 1. While there has been improvement in reported net NPAs, we believe the bank could have utilised one-off non-core (lumpy TWO recoveries) towards further beefing-up of provisioning on NPAs / security receipts.

- **Loan growth healthy, but led by corporate:** SIB's net advances grew 16.3% YoY (and 2.8% QoQ), driven by 39% YoY growth in corporate while MSME was flat YoY. Sequential growth was driven by corporate, which was up 6% QoQ, followed by 3% in agri, 3% in retail and 1% decline in MSME. Within corporate, large corporate advances (Rs1bn and above) doubled YoY and jumped 17% QoQ. Positively, rated profile of this book continues to improve – the share of 'AA and above' has risen to >85% vs <77% YoY. Under retail, gold loans including agri (up 28% YoY) and unsecured lending (though on a low base) were the key drivers while housing book remains in consolidation mode. Within unsecured, credit card portfolio is up 4.2x YoY to Rs7.96bn and personal loan portfolio is up 1.2x YoY at Rs18.2bn. The share of unsecured book (credit cards + personal loans) has gone up to 3.6% vs 1.6% YoY and the bank remains confident of a further rise. The bank guides ~10-12% loan growth for FY24.

- **NIMs uptick led by improving loan mix and contained CoD:** Deposits growth was muted at 1% QoQ and 3% YoY. CASA share declined QoQ though was stable YoY at 33.0%. Cost of deposits increased 28bps QoQ to 4.55% while yields on advances jumped 47bps QoQ to 9.31%, favourably impacted by better loan mix and negative net slippages. Overall, NIMs jumped further by 15bps QoQ to 3.67% (up 87 bps YoY). For FY23, the bank has delivered NIMs of 3.3% and aims for 20bps YoY improvement for FY24. SIB mentioned that a large part (60-65%) of the term deposits has already been re-priced while lending yields should be supported by better loan mix. We, however, conservatively estimate ~10bps decline in calculated NIMs YoY for FY24.

- **Other income driven by lumpy TWO recoveries:** Core fee income growth picked up at ~13% QoQ (up ~10% YoY). SIB seems to have more depreciation on investment book (~Rs800mn) while gains from sale of investment and forex income came in at ~Rs300mn. Additionally, the bank saw lumpy recovery (Rs1.28bn) in technically write-off pools, which led to a sharp 69% QoQ rise in overall other income. Opex was up 25% YoY and 9% QoQ. Overall, reported cost to income stood at 53.3% vs 74.3% QoQ and 64.1% YoY.

- **Asset quality continues to improve; net NPAs now <2%:** Gross slippage remained range bound at Rs3.6bn (vs Rs3.3bn QoQ) or 2.1% of annualised loans. Fresh slippages were contributed by business loans (Rs1.52bn), personal loans (Rs500mn), agri (Rs540mn) and corporate (Rs870mn). Importantly, the quality of the newly-written book, under the incumbent MD & CEO remains pristine with zero slippages (and zero SMA 2) in corporate segment. Recoveries were strong, and thus, the bank saw negative net slippages. Importantly, the write-off for Q4FY23 (Rs430mn) and FY23 (Rs1.6bn) moderated sharply. Headline GNPAs declined 4% QoQ, ratio improved 34 bps QoQ to 5.14%. PCR increased ~500 bps QoQ to 65%. Net NPAs reduced by 40 bps QoQ to 1.86%.

- **Residual stress book remains manageable:** Overall restructured book declined QoQ to Rs15.2bn or 2.2% of loans. Around 85% of RSA is on account of Covid-19 restructuring, within which, around half is from secured MSME. The gross book value of security receipts (SRs) stands at Rs14.1bn, where the bank is carrying ~88% PCR; the un-provided SR stands at Rs166bn (24bps of loans). SIB guides Rs15bn of slippages for FY24, mainly coming out of earlier book. The bank expects recovery to remain strong with healthy reduction in net NPAs while keeping credit costs (including security receipts provisioning) at 1.0-1.2% of loans. We are building in net slippages at 0.7-0.8% (vs 0.3% for FY23) and credit costs (excluding SR hit) at 1.0-1.1% for FY24E/25E, respectively.
- **CET-1 at 13.66% with tier 1 at 14.74%:** CET 1 improved to 13.66% vs 12.13% YoY, suggesting healthy internal accruals as well as prudent underwriting with RWA density declining further to 43%. The bank mentioned that it is not desperate to raise capital though would take a call depending on the market conditions and growth plans. After a long pause, the bank has declared dividend of Rs0.3 per share (30%) for FY23. SIB continues with older tax regime and would look to shift to new tax regime mostly by FY25.
- **Outlook and view**: We build in loan growth of 10% YoY for FY24E (and rising to 13% for FY25) given the rising competition and our view of moderating systemic loan growth. As against management's view of 20bps YoY rise in NIMs, we model in ~10bps YoY compression for FY24E on higher competition in deposits mobilisation. We expect net slippages to inch up to ~0.7-0.8% for both FY24E and FY25E vs 0.3% in FY23. We see PCR rising to 70% by FY25 vs 65% now and see 100% PCR on SR book. Overall, we estimate the bank to sustain ~0.7% RoAs for both FY24E/FY25E with RoEs rising to 11-11.5%. Our conservatism is partly predicated on management succession. Continued strong execution in high-yielding products and contained net slippages could see significant rise in RoAs towards 1% level, in our view.

  The stock is inexpensive at ~0.5x FY25E ABV and ~4.3x FY25E EPS. We value the stock at ~0.7x FY25 ABV, in line with expected RoAs and arrive at our revised target price of Rs23 (vs Rs25 earlier). Maintain BUY. Key risk is hiccups, if any, in MD & CEO succession.

Table 1: Q4FY23 result review

Financial Highlights					
Rs mn	**Q4FY22**	**Q4FY23**	**YoY (%)**	**Q3FY23**	**QoQ (%)**
Interest Earned	16,354	19,730	20.6	18,983	3.9
Interest Expended	10,377	11,158	7.5	10,731	4.0
Net Interest Income	**5,977**	**8,572**	**43.4**	**8,252**	**3.9**
Other Income	2,040	3,454	69.3	(342)	(1110.4)
Total Income	18,394	23,183	26.0	18,641	24.4
Total Net Income	**8,017**	**12,026**	**50.0**	**7,910**	**52.0**
Staff Expenses	2,840	3,292	15.9	3,357	(1.9)
Other operating expenses	2,297	3,118	35.7	2,521	23.7
Operating Profit	**2,879**	**5,616**	**95.0**	**2,032**	**176.3**
Provision & Contingencies	777	390	(49.8)	414	(5.9)
Provision for tax	(618)	1,887	(405.2)	591	219.5
Reported Profit	**2,720**	**3,339**	**22.7**	**1,028**	**225.0**

Other Highlights					
Rs bn	**Q4FY22**	**Q4FY23**	**YoY (%)**	**Q3FY23**	**QoQ (%)**
Loans	600	698	16.4	679	2.8
Deposits	891	917	2.8	907	1.1
Gross NPA	36	37	1.6	38	-3.5
Gross NPA (%)	5.9	5.1	-76 bps	5.5	-34 bps
Net NPA	18	13	-27.2	15	-15.4
Net NPA (%)	3.0	1.9	-111 bps	2.3	-40 bps
Provision Coverage (%)	51.3	65.1	1385 bps	60.2	492 bps

Source: Company, I-Sec research

Q4FY23 Conference Call Takeaways

Asset quality

- ***Slippages guidance of Rs15bn in FY24***
- ***Credit cost guidance for FY24 at 1.25% (Rs7.5bn)***
- ***NNPA guidance is below 1.5%***
- ***Expect that recoveries will outpace slippages in FY24***
- ***PCR target is 70% by FY24-end (ex w/off)***
- Zero slippages & SMA 2 in the new Corporate Book since October 2020
- **GNPA recovery: Rs2.34bn Q1, Rs2.96bn Q2, Rs3.91bn Q3 and Rs4.51bn Q4**
- ***W/off: Rs0.68bn in Q1, Rs0.22bn in Q2, Rs0.25bn in Q3 and Rs0.43bn Q4***
- *Churn of portfolio towards better quality portfolio has resulted in decline in RWA to assets ratio*
- **Restructuring standard advance break-up of Rs15.16bn vs. Rs24.17bn YoY**
    - Business Rs7.86bn
    - Personal Rs2.79bn
    - Corporate Rs3.98bn
    - Agriculture Rs0.53bn
- ***Bank had recovery of Rs1.28bn from Syntax***
- Provided extra Rs250mn to increase PCR during the quarter
- Bank has provided Rs8.77bn in FY23 (towards SR and increasing PCR), which works out to credit cost of 1.22% for FY23.

Loanbook

- ***12-13% loan book growth target for FY24***
- ***Bank's idea is to grow at 2x of GDP growth***
- Corporate book carries proportion of short term loans which are for a very low tenure (2months, 3 months etc.) and this should continue in coming quarters as well
- Pre-approved personal loan which was launched in December 2021 is seeing good traction
- Credit card launched in 2022 and bank has issued 275k credit cards with average monthly spends of ~Rs23k and book size of Rs7.96bn and expect 130k cards to be issued in FY24***. RoA from credit card business is expected to be ~3%.***
- High well rated corporate typically demand very fine rates. But bank doesn't see this as a compromise, but look this as building relationship.
- ***~95% of corporates are rated A and above***
- With more and more adoption of digital, lead sourcing would be faster and efficiency would also improve
- ***Bank would start entire digital SME from Q2FY24 onwards, partially in a few states and then gradually move to pan-India***
- Bank will also look to start doing LAP business through digital and even auto in due course
- Bank will look to grow book across all segments to balance out portfolio

Margins

- ***Looking margins around 3.5% in FY24 vs. 3.3% in FY23***
- ***Focus on gold, persona loans, credit cards and SME has led to better margins in Q4FY23***
- ***Looking to launch CV/CE, loans against shares in FY24 and has also started auto loans***
- ***Unsecured is 3% of the book and there is good scope available to grow from hereon, which should lead to better margins in FY24***
- ***Corporate margins are slowly inching up since the past few quarters***
- Continuously engaging with customers to passing on rise in interest rates to various customers
- 1.24yrs weighted average maturity of FD vs. original maturity of 2.1yrs
- Weighted average cost of TD is 6.24%
- Cost of deposits:
    - Q4FY22: 4.54%
    - Q1FY23: 4.35%
    - Q2FY23: 4.23%
    - Q3FY23: 4.27%
    - Q4FY23: 4.55%

Profit & Loss

- ***Aspiration is to reach 55% C/I by Q3FY24 and then aim to reach below 50% by Q1FY25***
- C/I at 60% and it should start improving once treasury starts contributing
- Continuously increasing insurance cross-sell income (did well in life insurance and good traction seen in general insurance)
- Number of employees is volatile due to addition/reduction of part time employees
- ***90% variable pay is in form of cash and 10% is in form of ESOP for staff which are above a certain pay threshold. Plan is to extend ESOP to many of the employees.***

NRI business

- On NRI customer profile, 80% customers are in Middle East at 20% are in rest of World
- NRI customer is a key contributor in overall business towards aiding deposits growth, low cost CASA, fee income and remittance

Miscellaneous

- **Endeavour is to reach 1% RoA by FY24**
- Bank ***could look to raise capital in FY24***, after taking into consideration the following factors:
    - Need for liquidity given banks growth plans
    - Tier 2 commitments
    - Dilution
    - Market conditions and type of issue (whether QIP or rights issue)
- There is no planned capital raise in the next 2-3 months
- Bank has a lot of MAT credit available and that has resulted in lower tax rates. ***Endeavour is to exhaust that and then switch to new tax regime latest by FY25***.
- ***Board has appointed search committee and search committee is in the process of narrowing few profiles among many and then move to RBI for approval***
- Bank is not expecting any top management exit

Financial summary

Table 2: Profit and loss statement

(Rs mn, year ending Mar 31)

	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest income	68,765	77,638	73,054	65,865	72,332	84,195	97,187
Interest expense	-48,568	-54,463	-48,985	-43,468	-42,211	-52,079	-62,747
Net interest income	**20,197**	**23,175**	**24,069**	**22,398**	**30,121**	**32,116**	**34,440**
growth (%)	*2.8*	*14.7*	*3.9*	*-6.9*	*34.5*	*6.6*	*7.2*
Non-interest income	7,262	10,458	12,292	10,341	8,126	13,136	16,474
Operating income	**27,459**	**33,632**	**36,361**	**32,739**	**38,247**	**45,252**	**50,914**
Operating expenses	-15,069	-17,176	-19,745	-20,263	-23,174	-26,108	-30,156
- Staff expenses	*-8,214*	*-9,414*	*-12,284*	*-11,979*	*-13,004*	*-14,748*	*-17,091*
Pre-provisions profit	**12,390**	**16,456**	**16,616**	**12,476**	**15,073**	**19,144**	**20,758**
Core operating profit	**11,191**	**12,555**	**11,984**	**11,814**	**18,703**	**18,144**	**18,258**
growth (%)	*-14.0*	*12.2*	*-4.5*	*-1.4*	*58.3*	*-3.0*	*0.6*
Provisions & Contingencies	-8,585	-14,961	-15,749	-13,396	-3,991	-8,232	-8,548
Pre-tax profit (before non-recurring items)	**3,805**	**1,495**	**867**	**-920**	**11,082**	**10,913**	**12,210**
Non-recurring items	0	-	-	-	-	-	-
Tax on non-recurring items	0	-	-	-	-	-	-
Pre-tax profit (after non-recurring items)	**3,805**	**1,495**	**867**	**-920**	**11,082**	**10,913**	**12,210**
Tax (current + deferred)	-1,330	-450	-248	1,370	-3,331	-3,274	-3,663
Net profit	**2,475**	**1,046**	**619**	**450**	**7,751**	**7,639**	**8,547**
Adjusted net profit	**2,475**	**1,046**	**619**	**450**	**7,751**	**7,639**	**8,547**
growth (%)	*-26.1*	*-57.7*	*-40.8*	*-27.3*	*1,623.1*	*-1.4*	*11.9*
Minority interests	0	0	0	0	0	0	0
Net income	**2,475**	**1,046**	**619**	**450**	**7,751**	**7,639**	**8,547**

Source: Company data, I-Sec research

Table 3: Balance sheet

(Rs mn, year ending Mar 31)

	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Cash and balance with RBI/Banks	48,228	41,898	87,679	1,12,034	70,805	98,732	1,13,173
Investments	1,90,814	2,06,253	2,03,211	2,14,450	2,46,418	2,56,586	2,73,645
Advances	6,26,937	6,44,395	5,80,565	5,99,934	6,98,044	7,68,514	8,71,375
Interest earning assets	**8,65,979**	**8,92,545**	**8,71,454**	**9,26,418**	**10,15,267**	**11,23,831**	**12,58,193**
Fixed assets (Net block)	7,087	8,000	7,952	8,111	8,779	9,971	11,168
Other assets	49,727	69,783	62,086	65,995	52,935	64,268	78,511
Total assets	**9,22,792**	**9,70,329**	**9,41,492**	**10,00,524**	**10,76,982**	**11,98,071**	**13,47,872**
Deposits	8,04,201	8,30,339	8,27,105	8,91,421	9,16,514	10,29,809	11,68,109
Other interest bearing liabilities	49,032	68,932	41,083	32,945	69,939	67,212	62,030
Total Interest bearing liabilities	**8,69,984**	**9,15,581**	**8,83,420**	**9,41,993**	**10,10,236**	**11,24,450**	**12,66,559**
Other liabilities and provisions	16,751	16,310	15,232	17,627	23,784	27,429	36,420
Share capital	1,810	1,810	2,093	2,093	2,093	2,093	2,093
Reserves & surplus	50,998	52,938	55,979	56,439	64,653	71,528	79,221
Less: Misc. expenditure	0	-	-	-	-	-	-
Shareholders' funds	**52,808**	**54,748**	**58,072**	**58,531**	**66,746**	**73,621**	**81,313**
Minorities interests	0	-	-	-	-	-	-
Total equity & liabilities	**9,22,792**	**9,70,329**	**9,41,492**	**10,00,524**	**10,76,982**	**11,98,071**	**13,47,872**

Source: Company data, I-Sec research

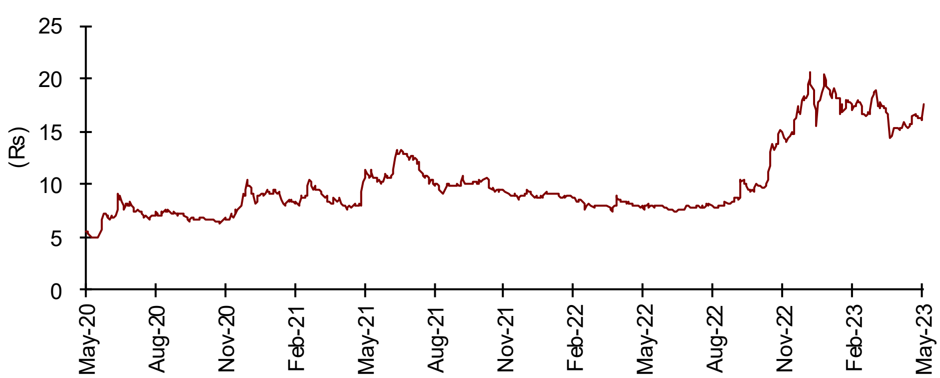
Table 4: Key ratios

(Year ending Mar 31)

	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Valuation ratios							
Adjusted EPS (Rs)	1.4	0.6	0.3	0.2	3.7	3.7	4.1
BVPS (Rs)	27.9	28.5	26.2	26.5	30.4	33.7	37.4
Adjusted Book NAV/share (Rs)	20.0	20.6	17.6	20.9	26.3	29.8	33.8
PER (x)	12.9	30.5	51.5	84.0	4.8	4.8	4.3
Price/Book (x)	0.6	0.6	0.7	0.7	0.6	0.5	0.5
Price/Adjusted book (x)	0.9	0.9	1.0	0.8	0.7	0.6	0.5
Dividend Yield (%)	1.4	-	-	-	1.7	2.1	2.3
Du-Pont ratios							
NII/Avg. Assets (%)	2.3	2.4	2.5	2.3	2.9	2.8	2.7
Non-interest income/Avg Assets	0.8	1.1	1.3	1.1	0.8	1.2	1.3
- Fee income / Avg Assets	*0.7*	*0.7*	*0.8*	*1.0*	*1.1*	*1.1*	*1.1*
- Trading gains / Avg Assets	*0.1*	*0.4*	*0.5*	*0.1*	*(0.3)*	*0.1*	*0.2*
Cost / Avg Assets	1.7	1.8	2.1	2.1	2.2	2.3	2.4
Non-tax Provisions / Avg Assets	1.0	1.6	1.6	1.4	0.4	0.7	0.7
Tax Provisions / Avg Assets	0.2	0.0	0.0	(0.1)	0.3	0.3	0.3
ROA (%)	**0.3**	**0.1**	**0.1**	**0.0**	**0.7**	**0.7**	**0.7**
Leverage	17.6	18.6	18.0	17.6	17.5	17.0	17.1
ROE (%)	**5.0**	**2.1**	**1.2**	**0.8**	**13.0**	**11.4**	**11.5**
Balance Sheet ratios							
Loan growth (%)	14.9	2.8	-9.9	3.3	16.4	10.1	13.4
Deposit growth (%)	11.6	3.3	-0.4	7.8	2.8	12.4	13.4
Loans/Deposits (%)	78.0	77.6	70.2	67.3	76.2	74.6	74.6
Investments/Deposits (%)	23.7	24.8	24.6	24.1	26.9	24.9	23.4
CASA ratio (%)	24.2	25.0	29.7	33.2	33.0	31.4	30.5
Profitability ratios							
NIMs (%)	2.52	2.70	2.8	2.6	3.2	3.04	2.92
Interest spread (%)	2.6	2.8	3.0	2.7	3.2	3.0	2.8
Yield on advances (%)	9.5	10.0	9.8	8.9	9.0	9.4	9.8
Cost of deposits (%)	6.0	6.2	5.4	4.7	4.3	5.0	5.4
Efficiency/other P/L ratios							
Non-interest income/Net income (%)	26.4	31.1	33.8	31.6	21.2	29.0	32.4
Trading income/Net income (%)	4.4	11.6	12.7	2.0	-9.5	2.2	4.9
Cost/Income (%)	54.9	51.1	54.3	61.9	60.6	57.7	59.2
Asset quality ratios							
Gross NPLs (%)	4.9	5.0	7.0	5.9	5.1	4.8	4.2
Net NPLs (%)	3.5	3.3	4.7	3.0	1.9	1.6	1.3
Net NPLs/Net worth (%)	40.8	38.9	47.3	29.6	18.8	16.1	13.4
Loan provisions/Avg loans (%)	1.2	1.8	2.3	2.3	1.73	1.1	1.0
Provisions cover (%)	30.9	34.1	34.0	51.3	65.1	68.0	70.0
Capitalisation ratios							
Tier I cap.adequacy (%)	10.0	10.8	12.8	13.2	14.7	13.6	12.5
Total cap.adequacy (%)	12.1	13.4	15.4	15.9	17.3	15.7	14.3

Source: Company data, I-Sec research

Price chart



Source: Bloomberg

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