

May 2, 2024

RESULT REPORT Q4 FY24 | Sector: Banks

Federal Bank Ltd

A top pick since June 2021, FED provides reasons to remain bullish

Our view – FED turns asset quality leader, with other parts of RoA tree tracking well too

Gross slippage ratio declines well below 1% whereas the 11-quarter average is an ultra-consistent 1.0%: Recoveries and upgrades amounted to Rs 4.5bn for 4QFY24, implying net NPA deletion of -Rs 0.79bn for the quarter. There were no one-offs in recoveries and upgrades during the quarter. The standard asset provision writeback amounted to about Rs 2bn in FY24. Consequently, the credit cost for FY24 amounted to 23 bps on normalized basis. The bank will try to deliver a credit cost of 30 bps in FY25.

NIM expanded sequentially on account of healthy recoveries but guidance for slight NIM expansion is structural and believable: Management states that, as the bank pivots into higher-yield businesses, there will a yield uptick, which would get more pronounced as the bank moves into FY25. It may be noted that, apart from shift in headline loan mix, the mix within certain loan segments is also changing favourably. The margin should inch up 2-3 bps from 320 bps in FY25. This is despite cost of funds continuing to rise for at least the next couple of quarters.

One-off staff provision marred opex outcome but management guided for reversion to earlier ratios in FY25: The Bank has made a provision of Rs 1.62bn during the quarter towards pension-related provisioning post the bipartite settlement. The cost to income would be back to 50% odd in FY25.

We maintain 'Buy' rating on FED, which has been one of our top picks since June 2021, with a revised price target of Rs 215: We value the standalone bank at 1.3x FY26 P/BV for an FY25E/26E RoE profile of 14.1%/14.8%. We assign a value of Rs 14.5 per share to the subsidiaries, on SOTP. (See our [sector report dated June 2021](#)).

(See Comprehensive con call takeaways on page 2 for significant incremental colour.)

Result Highlights (See "Our View" above for elaboration and insight)

- **Asset quality:** Gross slippages amounted to Rs 3.71bn (annualized slippage ratio of 0.7%) and recoveries and upgrades were at Rs 4.5bn
- **Margin picture:** NIM at 3.21% was up 2bps QoQ, sequentially higher due to accrual of interest income on account of higher recoveries
- **Asset growth:** Advances grew 5.0%/19.9% QoQ/YoY driven on QoQ basis by Agri, CV/CE and MFI loan segments
- **Opex control:** Total opex rose 18.7%/40.5% QoQ/YoY, staff expenses rose 28.0% /48.5% QoQ/YoY and other expenses rose 11.3%/33.8% QoQ/YoY
- **Fee income:** Fee income fell/rose -1.7%/10.8% QoQ/YoY, sequentially driven lower by reversal of fee income of around Rs 670 mn.

Exhibit 1: Result table

Particulars (Rs mn)	Q4 FY24	Q3 FY24	% qoq	Q4 FY23	% yoy
Total Interest Income	59,784	57,301	4.3	47,207	26.6
Interest expended	(37,832)	(36,067)	4.9	(28,115)	34.6
Net Interest Income	21,951	21,234	3.4	19,093	15.0
Other income	7,539	8,626	(12.6)	7,339	2.7
Total Income	29,490	29,859	(1.2)	26,432	11.6
Operating expenses	(18,386)	(15,486)	18.7	(13,086)	40.5
PPOP	11,104	14,373	(22.7)	13,346	(16.8)
Provisions	946	(912)	NA	(1,167)	NA
PBT	12,050	13,461	(10.5)	12,179	(1.1)
Tax	(2,987)	(3,394)	(12.0)	(3,153)	(5.3)
PAT	9,063	10,067	(10.0)	9,026	0.4

Source: Company, YES Sec-Research

Recommendation : **BUY**

Current Price : Rs 168

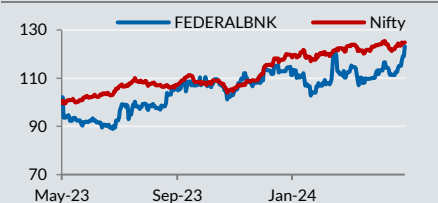
Target Price : Rs 215

Potential Return : +28%

Stock data (as on May 2, 2024)

Nifty	22,648
52 Week h/l (Rs)	170 / 121
Market cap (Rs/USD mn)	396107 / 4747
Outstanding Shares (mn)	2,436
6m Avg t/o (Rs mn):	2,121
Div yield (%):	0.6
Bloomberg code:	FB IN
NSE code:	FEDERALBNK

Stock performance



	1M	3M	1Y
Absolute return	9.1%	15.2%	23.1%

Shareholding pattern (As of Dec'23 end)

Promoter	0.0%
FII+DII	73.3%
Others	26.7%

Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	215	200

Financial Summary

(Rs mn)	FY24	FY25E	FY26E
NII	82,935	98,896	117,943
PPOP	51,745	67,473	82,171
Net Profit	37,206	43,884	52,686
Growth (%)	23.6	17.9	20.1
EPS (Rs)	15.3	18.0	21.6
BVPS (Rs)	119	136	157
P/E (x)	10.0	8.5	7.1
P/BV (x)	1.3	1.1	1.0
ROE (%)	14.7	14.1	14.8
ROA (%)	1.3	1.3	1.3
Tier-1 (%)	14.6	13.7	13.1

in earnings estimates

Rs. bn	FY24E	FY25E	FY26E
PAT (New)	NA	43.9	52.7
PAT (Old)	NA	43.6	51.4
% change	NA	0.7%	2.5%

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COMPREHENSIVE CON-CALL TAKEAWAYS

Asset quality

- **Slippages**
 - Gross NPA additions amounted to Rs 3.71bn for 4QFY24, translating to an annualized slippage ratio of 0.7% for the quarter. (Gross NPA additions had amounted to Rs 4.96bn during 3QFY24.)
- **Recoveries and upgrades**
 - Recoveries and upgrades amounted to Rs 4.5bn for 4QFY24, implying net NPA deletion of -Rs 0.79bn for the quarter.
 - There were no one-offs in recoveries and upgrades during the quarter.
- **Provisions**
 - Provisions were written back amounting to of -Rs 0.95bn, as against a provision of 0.91bn in 3QFY24 and Rs.1.17bn in 4QFY23, translating to negative calculated annualised credit cost of -19bps.
 - There has been no AIF-related provision either in 3Q or 4Q.
 - There was an extra provision amounting to Rs 0.67bn taken in 3Q, which has been reversed in 4Q.
 - Credit cost
 - The standard asset provision writeback amounted to about Rs 2bn in FY24.
 - The credit cost for FY24 amounted to 23 bps on normalized basis.
- **Restructured book**
 - Standard Restructured book stood at around Rs20.27bn or 1% of gross advances.
 - Despite some rundown, the coverage on the restructured book amounts to 15% plus.
- **NPA ratios**
 - GNPA ratio stands at 2.1%, down -16bps QoQ and -23bps YoY while NNPA ratio stands at 0.6%, down -4 bps QoQ and -9bps YoY.

Return ratios

- **Guidance**
 - Management sees 4-5 bps sequential improvement in RoA continuing into FY25 and beyond.
 - There is no one silver bullet but there would be NIM expansion by a few bps, credit cost holding up well and fee income being drivers for RoA expansion.

Fee income

- **Guidance**
 - A 20-25% growth in fee income is on the cards, including for FY25.
- **Comments on quarter**
 - Cards fee income and loan processing fees have done well.
 - Para banking fees was slightly lower on sequential basis.
- **Fee income reversal**
 - There was reversal of Rs 0.67bn of fee income on the general banking bucket since there were excess fee charges earlier (an amount equivalent to the provision reversed in 4Q).

(Con call takeaways continue on the next page)

Net interest margin

- **NIM for the quarter**
 - NIM was at 3.21%, up 2bps QoQ but down -15bps YoY.
 - There was some interest income benefit from lower recoveries and upgrades, termed as URI or unrealized interest.
- **Yield on advances**
 - The cumulative rise in yield on advances has not matched the RBI hike in key interest rates since the bank does not trade risk for growth.
 - However, as the bank pivots into higher-yield businesses, there will be a yield uptick, which would get more pronounced as the bank goes into FY25.
 - The bank will also look to reprice products (upward) wherever possible.
- **Cost of deposits**
 - The cost of term deposit has risen from 7.06% in 3Q to 7.25% in 4Q.
 - The impact from rising cost of deposits is moderating.
 - However, cost of funds would continue to rise for at least the next couple of quarters.
- **Margin guidance**
 - The bank would maintain net interest margin or improve it.
 - The margin should inch up 2-3 bps from 320 bps in FY25.
- **Loan mix change**
 - Apart from shift in headline loan mix, the mix within certain loan segments is also changing favourably.
 - In wholesale loans, the share of commercial banking is rising.
 - Within commercial vehicles, the share of used CV is rising.
 - Within corporate banking, the share of supply chain finance is rising.
 - Also, within corporate lending, the bank is leaving out finely priced assets.
 - Share of LAP loans would also be on the rise.
 - Within auto loans, share of used car loans would be on the rise.
 - Within business banking, there is better pricing at the lower end.
- **Loan mix by rate category**
 - EBLR – 52%
 - Fixed – 27%
 - MCLR – 11%
 - Others – 10%

Operating expenses

- **Total opex**
 - Total Opex, at Rs. 18.4 bn, is up 18.7% QoQ and 40.5% YoY.
 - Consequently, cost/income ratio came in at 62.35%, up by 1049bps QoQ and 1284bps YoY.
- **Staff opex**
 - The staff opex is up by 28% QoQ and 48.5% YoY.
 - The Bank has made a provision of Rs 1.62bn during the quarter towards pension-related provisioning post the bipartite settlement.

(Con call takeaways continue on the next page)

- **Non-staff opex**
 - Non-staff opex in up by 11.3% QoQ and 33.8% YoY.
 - The uptick in non-staff expenses in seasonal for 4Q and also due to branch expansion and tech expenses.
- **Branch expansion**
 - The bank will continue to invest in branches in FY25, especially since the breakeven time has declined.
 - The breakeven time has declined to about 18 months and about 40 of the 75 branches opened last year have turned profitable.
 - The branch network would be augmented by at least about 5-7% and potentially 10% if the P&L accommodates.
 - This translates to a branch addition of about 100 in FY25.
- **Tech spends**
 - Tech spends are currently 6.7% of total opex.
 - The intention is to take this up to 8% of total opex.
- **Guidance**
 - Variable cost would rise in line with business growth.
 - Excluding one-offs, staff cost would rise 5% YoY.
 - Other fixed cost growth would be capped at 5% YoY.
 - The cost to income would be back to 50% odd in FY25.

Loan growth

- The advances for the bank stood at Rs 2,094 bn, up by 5.1% QoQ and 20% YoY.
- **Credit cards**
 - **Co-branded credit cards**
 - The bank is working through the details of RBI embargo placed on the bank and will go back to RBI in the next few days and, if all goes well, they will allow the bank to restart this business.
 - Any loss of revenue will be compensated by other products.
 - As such, the bank does not see much implication on the balance sheet or fee income.
 - The regulator has not asked the bank to stop partnerships as such.
 - It may be noted that credit card customers and personal loans are cross sold to existing SA customers and not to each other.

Succession planning

- The search panel set up by the Board has gathered a good set of names, which should be shared with the RBI in 2-3 weeks.
- The RBI may take about 3-4 months to process the information.

Dividend

- The bank is looking to preserve capital as it grows.
- It has recommended a Dividend amounting to 60%.

Deposits growth

- The deposits were at Rs 2,525 bn, up by 5.4% QoQ and 18.3% YoY.
- The share of non-retail deposits has risen to about 20% and the bank believes this is the top end (implying it should not rise any further).

(Con call takeaways continue on the next page)

▪ **NR deposits**

- NR deposits have risen slower at 8% YoY.
- Post-Covid, the conversion of remittances to deposits has declined.
- This is because money is being used to pay off debt, which has led to better asset quality, including in Kerela.
- People are also setting up businesses and there is also consumption-led rundown.
- In the case of non-Middle East remittances outside Kerela, money is probably going into FCNR, where the bank is not that large.

Exhibit 2: Key quarterly balance sheet / business data

Particulars (Rs mn)	Q4FY24#	Q3FY24	% qoq	Q4FY23	% yoy	Q4FY24*	chg qoq*	chg yoy*
Total gross advances	2,126,230	2,024,750	5.0	1,773,770	19.9	100	0bps	0bps
Core retail	674,350	650,410	3.7	561,660	20.1	32	-41bps	5bps
Agri	280,970	266,470	5.4	219,190	28.2	13	5bps	86bps
Business Banking	170,730	166,800	2.4	140,950	21.1	8	-21bps	8bps
CV/CE	34,420	30,570	12.6	21,860	57.5	2	11bps	39bps
MFI	34,470	27,540	25.2	14,320	140.7	2	26bps	81bps
CoB	214,870	207,740	3.4	169,680	26.6	10	-15bps	54bps
Corporate	735,960	719,780	2.2	657,310	12.0	35	-94bps	-244bps
Total deposits	2,525,340	2,395,912	5.4	2,133,860	18.3	100	0bps	0bps
CA deposits	152,390	152,750	(0.2)	142,890	6.6	6	-34bps	-66bps
SA deposits	589,610	581,140	1.5	554,520	6.3	23	-91bps	-264bps
Term deposits	1,783,340	1,662,022	7.3	1,436,450	24.1	71	125bps	330bps
Investments	608,595	573,730	6.1	489,834	24.2	NA	NA	NA
Investments/(Invest. + Net Adv.) (%)	22.5	22.4	16bps	21.9	60bps	NA	NA	NA
Borrowings	180,264	173,170	4.1	193,193	(6.7)	NA	NA	NA
Borrowings/(Borr. + Deposits) (%)	6.7	6.7	-8bps	8.3	-164bps	NA	NA	NA
Risk-weighted assets	1,896,900	1,810,730	4.8	1,569,160	20.9	NA	NA	NA

Source: Company, YES Sec – Research, *Share in total and change in share, #The total gross advances figure is adjusted for IBPC but the individual segment figures are not.

Exhibit 3: Key quarterly ratios

(%)	Q4FY24	Q3FY24	chg qoq	Q4FY23	chg yoy
Net interest margin	3.21	3.19	2bps	3.36	-15bps
Yield on advances	9.48	9.37	11bps	9.13	35bps
Cost of deposits	5.90	5.73	17bps	5.12	78bps
CASA ratio	29.4	30.6	-125bps	32.7	-330bps
Loan to Deposit ratio	82.9	83.1	-21bps	81.8	117bps
Non-interest income/Total income	25.6	28.9	-332bps	27.8	-220bps
Fee Income to Avg. Total Assets	0.8	0.8	-4bps	0.8	-5bps
Cost to Income ratio	62.3	51.9	1049bps	49.5	1284bps
Opex to Avg. Total Assets	2.4	2.1	31bps	2.0	38bps
Credit Cost	0.0	0.3	-30bps	0.2	-18bps
Annualised Slippage Ratio*	0.7	1.0	-28bps	1.0	-33bps
Provision Coverage	82.7	82.8	-11bps	83.5	-81bps
Gross NPA	2.1	2.3	-16bps	2.4	-23bps
Net NPA	0.6	0.6	-4bps	0.7	-9bps
Capital adequacy ratio	16.1	15.0	111bps	14.8	132bps
Tier 1 capital ratio	14.6	13.5	113bps	13.0	159bps

Source: Company, YES Sec – Research, * Annualised Gross NPA Addition Ratio

Exhibit 4: Retail Loan Mix - Quarterly

Particulars (Rs mn)	Q4FY24	Q3FY24	% qoq	Q4FY23	% yoy	Q4FY24*	chg qoq*	chg yoy*
Agri	280,970	266,470	5.4	219,190	28.2	23.5	18bps	63bps
Business Banking	170,730	166,800	2.4	140,950	21.1	14.3	-32bps	-43bps
CV/CE	34,420	30,570	12.6	21,860	57.5	2.9	20bps	60bps
MFI	34,470	27,540	25.2	14,320	140.7	2.9	47bps	139bps
Housing	280,210	272,260	2.9	250,850	11.7	23.4	-40bps	-274bps
LAP	117,640	113,520	3.6	99,840	17.8	9.8	-10bps	-58bps
Gold	45,730	45,400	0.7	43,130	6.0	3.8	-15bps	-68bps
Auto	73,020	67,750	7.8	54,480	34.0	6.1	18bps	42bps
Personal	38,450	36,470	5.4	23,930	60.7	3.2	2bps	72bps
Credit Cards	30,600	27,780	10.2	14,860	105.9	2.6	13bps	101bps
Others	88,690	87,230	1.7	74,560	19.0	7.4	-22bps	-36bps
Total retail loans	1,194,930	1,141,790	4.7	957,970	24.7	100.0	0bps	0bps

Source: Company, YES Sec – Research, *Share in total and change in share

Exhibit 5: Quarterly Actuals Vs Estimates

Q4FY24 (Rs. mn)	Actuals	Estimates	Diff, %
Net Interest Income	21,951	22,187	(1.1)
Pre-Prov. Operating Profit	11,104	15,140	(26.7)
Profit After Tax	9,063	10,555	(14.1)

Source: Company, YES Sec – Research

Exhibit 6: Operating Expense Break-up

(Rs mn)	Q4FY24	Q3FY24	% qoq	Q4FY23	% yoy
Employee Expense	8,869	6,932	28.0	5,972	48.5
Other Operating Expense	9,518	8,554	11.3	7,114	33.8
Total Operating Expense	18,386	15,486	18.7	13,086	40.5

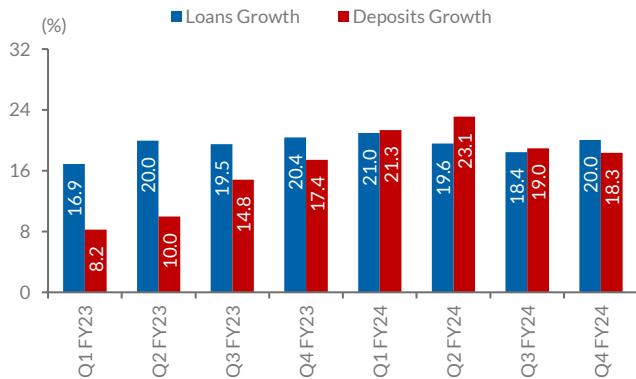
Source: Company, YES Sec – Research

Exhibit 7: Non-Interest Income Break-up

(Rs mn)	Q4FY24	Q3FY24	% qoq	Q4FY23	% yoy
Total Fee Income (A)	5,730	5,830	(1.7)	5,170	10.8
Cards	2,070	1,810	14.4	1,370	51.1
Para banking	560	630	(11.1)	440	27.3
Banking Comm. & Exch.	700	720	(2.8)	940	(25.5)
Proc. Fee & charges on Loans	1,860	1,490	24.8	1,320	40.9
General Service charges	540	1,180	(54.2)	1,100	(50.9)
Total Other Income (B)	1,809	2,796	(35.3)	2,169	(16.6)
Sale of Investments	420	1,540	(72.7)	400	5.0
Exchange	470	590	(20.3)	670	(29.9)
Others (inc. recovery and revaluation)	919	666	38.0	1,099	(16.4)
Total Non-Interest Income (A+B)	7,539	8,626	(12.6)	7,339	2.7

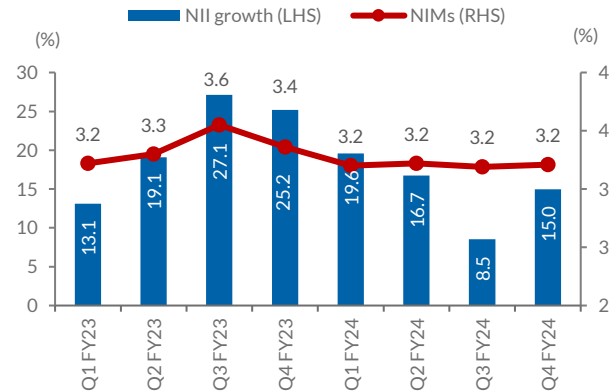
Source: Company, YES Sec – Research

Exhibit 8: Loans and Deposits growth (YoY %)



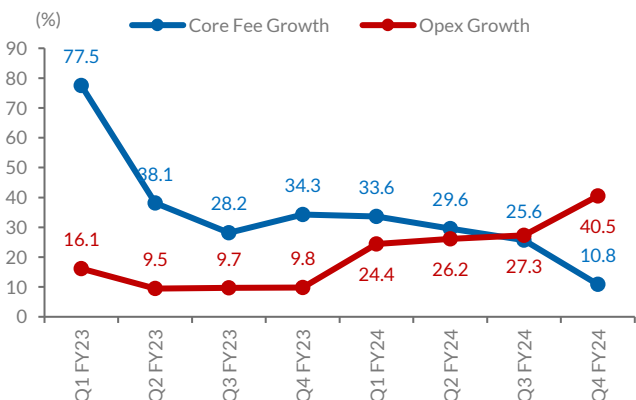
Source: Company, YES Sec – Research

Exhibit 9: NII growth (YoY %) and NIM



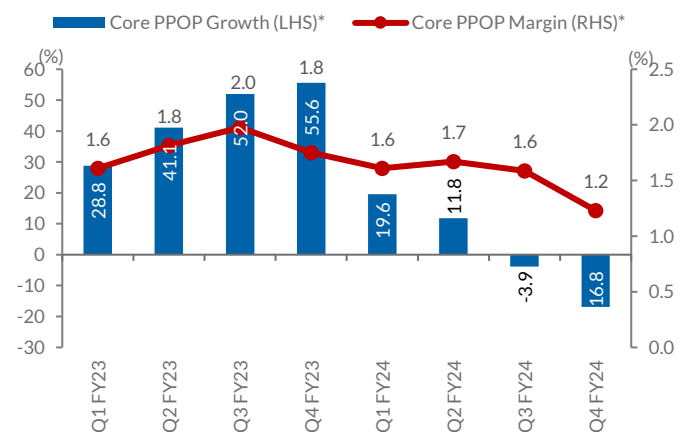
Source: Company, YES Sec – Research

Exhibit 10: Core Fee and Opex growth (YoY %)



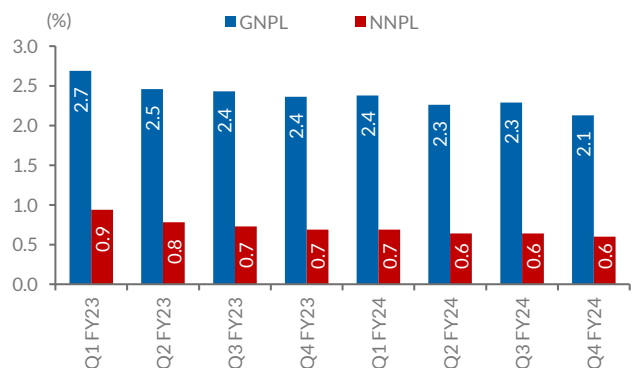
Source: Company, YES Sec – Research

Exhibit 11: Core PPOP growth (YoY %) and Core PPOP margin (%)



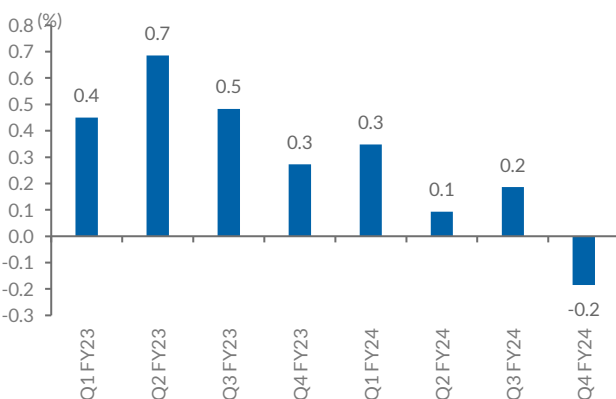
Source: Company, YES Sec – Research, * Core PPOP is derived by adjusting PPOP for gain/loss on sale of investments and misc. income

Exhibit 12: Gross NPA and Net NPA (%)



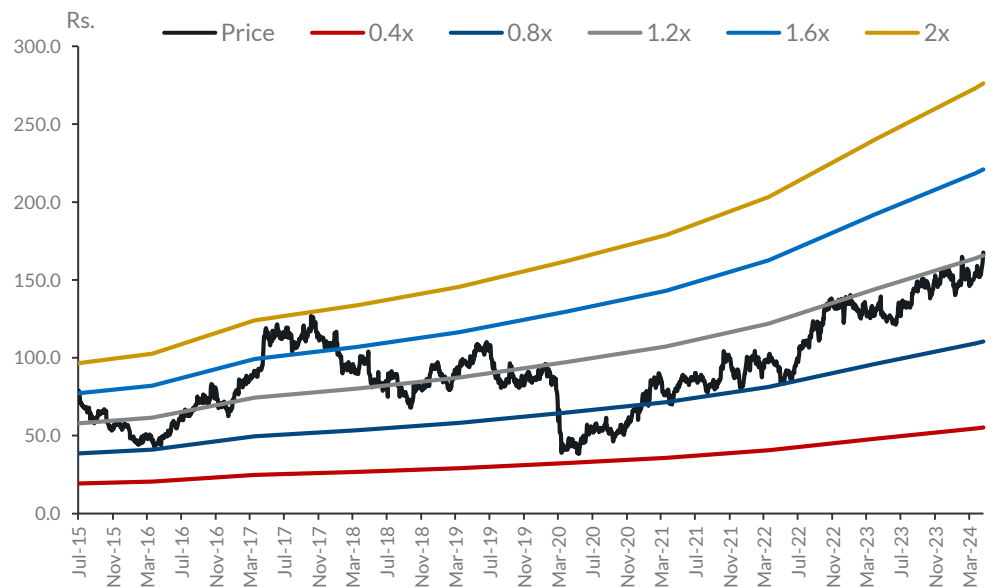
Source: Company, YES Sec – Research

Exhibit 13: Credit Cost (%)



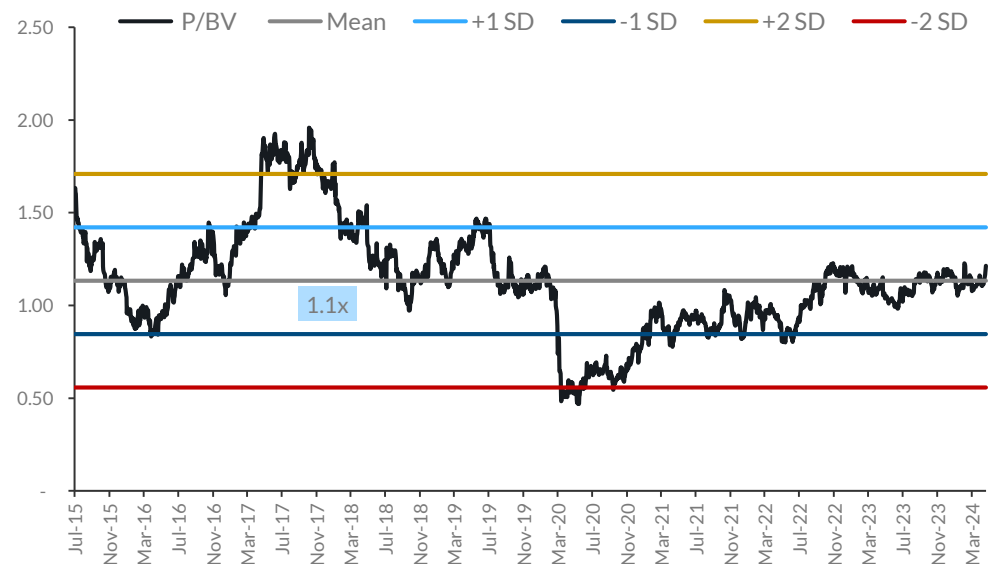
Source: Company, YES Sec – Research

Exhibit 14: 1-year rolling P/BV band



Source: Company, YES Sec – Research, N.B. Valuations in this chart are not adjusted / netted out for subsidiaries' value

Exhibit 15: 1-yr rolling P/BV vis-a-vis the mean and standard deviations



Source: Company, YES Sec – Research, N.B. Valuations in this chart are not adjusted / netted out for subsidiaries' value

ANNUAL FINANCIALS

Exhibit 16: Balance sheet

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Total cash & equivalents	210,103	176,887	189,629	223,762	264,040
Investments	391,795	489,833	608,595	711,335	831,888
Advances	1,449,283	1,744,469	2,094,033	2,470,959	2,915,732
Fixed assets	6,339	9,340	10,201	11,221	12,343
Other assets	151,942	182,889	180,660	207,759	238,922
Total assets	2,209,463	2,603,418	3,083,118	3,625,036	4,262,925
Net worth	187,938	215,062	290,944	331,905	381,669
Deposits	1,817,006	2,133,860	2,525,340	2,977,651	3,511,379
Borrowings	153,931	193,193	180,264	235,085	298,295
Other liabilities	50,588	61,303	86,570	80,395	71,583
Total liabilities incl. Equity	2,209,463	2,603,418	3,083,118	3,625,036	4,262,925

Source: Company, YES Sec – Research

Exhibit 17: Income statement

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Interest Income	136,608	168,036	221,883	264,579	314,415
Interest expense	(76,988)	(95,715)	(138,948)	(165,683)	(196,472)
Net interest income	59,620	72,322	82,935	98,896	117,943
Non-interest income	20,891	23,300	30,793	37,592	44,273
Total income	80,510	95,622	113,728	136,488	162,216
Operating expenses	(42,932)	(47,678)	(61,983)	(69,015)	(80,044)
PPoP	37,579	47,944	51,745	67,473	82,171
Provisions	(12,218)	(7,499)	(1,961)	(8,829)	(11,764)
Profit before tax	25,361	40,445	49,784	58,644	70,407
Taxes	(6,463)	(10,339)	(12,578)	(14,761)	(17,721)
Net profit	18,898	30,106	37,206	43,884	52,686

Source: Company, YES Sec – Research

Exhibit 18: Du Pont Analysis (RoA tree)

Y/e 31 Mar (%)	FY22	FY23	FY24	FY25E	FY26E
Interest Income	6.5	7.0	7.8	7.9	8.0
Interest expense	-3.6	-4.0	-4.9	-4.9	-5.0
Net interest income	2.8	3.0	2.9	2.9	3.0
Non-interest income	1.0	1.0	1.1	1.1	1.1
Total income	3.8	4.0	4.0	4.1	4.1
Operating expenses	-2.0	-2.0	-2.2	-2.1	-2.0
PPoP	1.8	2.0	1.8	2.0	2.1
Provisions	-0.6	-0.3	-0.1	-0.3	-0.3
Profit before tax	1.2	1.7	1.8	1.7	1.8
Taxes	-0.3	-0.4	-0.4	-0.4	-0.4
Net profit	0.9	1.3	1.3	1.3	1.3

Source: Company, YES Sec – Research

Exhibit 19: Sum of the Parts (SOTP) - Subsidiaries

Subsidiaries/JVs	Market Cap / Assigned value (Rs mn)	Valuation metric	Metric value (Rs mn)	Trailing multiple (Implied / Assigned)	Stake (%)	Stake value (Rs mn)	Per share (Rs)
FedBank Financial	47,817	BV	21,637	1.5	61.7%	29,479	12.1
IDBI Federal Life	22,174	EV	20,158	1.1	26.0%	5,765	2.4
Value of Subsidiaries						35,244	14.5

Source: Company, YES Sec – Research

Exhibit 20: Change in Annual Estimates

Y/e 31 Mar (Rs. mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net Interest Income	NA	98,896	117,943	NA	97,596	115,190	NA	1.3	2.4
Pre-Prov. Operating Profit	NA	67,473	82,171	NA	68,215	81,749	NA	(1.1)	0.5
Profit after tax	NA	43,884	52,686	NA	43,600	51,381	NA	0.7	2.5

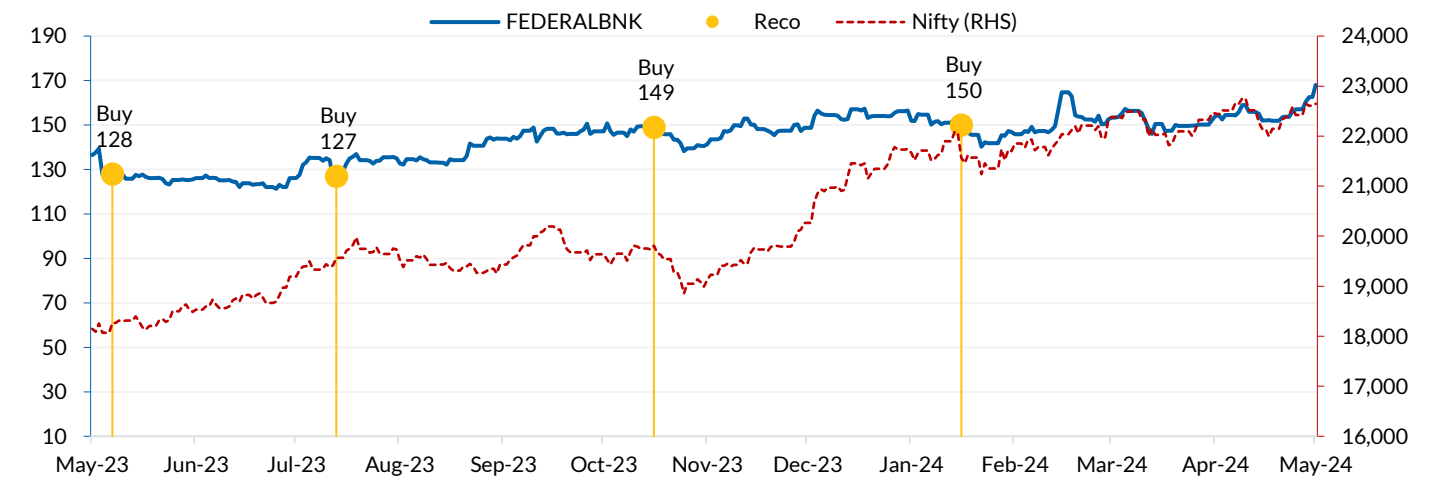
Source: Company, YES Sec – Research

Exhibit 21: Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24	FY25E	FY26E
Growth matrix (%)					
Net interest income	7.7	21.3	14.7	19.2	19.3
PPoP	-0.8	27.6	7.9	30.4	21.8
Net profit	18.8	59.3	23.6	17.9	20.1
Loans	9.9	20.4	20.0	18.0	18.0
Deposits	5.2	17.4	18.3	17.9	17.9
Profitability Ratios (%)					
Net interest margin	3.2	3.3	3.2	3.2	3.3
Return on Average Equity	10.8	14.9	14.7	14.1	14.8
Return on Average Assets	0.9	1.3	1.3	1.3	1.3
Per share figures (Rs)					
EPS	9.0	14.2	15.3	18.0	21.6
BVPS	89	102	119	136	157
ABVPS	83	96	114	128	145
Valuation multiples					
P/E	17.1	10.8	10.0	8.5	7.1
P/BV	1.7	1.5	1.3	1.1	1.0
P/ABV	1.9	1.6	1.3	1.2	1.1
NIM internals (%)					
Yield on loans	7.8	8.4	9.2	9.3	9.4
Cost of deposits	4.1	4.4	5.5	5.6	5.6
Loan-deposit ratio	79.8	81.8	82.9	83.0	83.0
CASA ratio	37.1	32.9	29.4	29.5	29.8
Opex control (%)					
Cost/Income ratio	53.3	49.9	54.5	50.6	49.3
Cost to average assets	2.0	2.0	2.2	2.1	2.0
Capital adequacy (%)					
Tier 1 capital ratio	14.4	13.0	14.6	13.7	13.1
Asset quality (%)					
Slippage ratio	1.4	1.1	0.9	1.0	1.0
Gross NPL ratio	2.8	2.4	2.1	2.0	1.9
Credit cost	0.4	0.4	0.2	0.3	0.4
Net NPL ratio	1.0	0.7	0.6	0.8	1.0

Source: Company, YES Sec – Research; Valuations are the implied valuation of standalone entity net of subsidiaries

Recommendation Tracker



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