

July 27, 2024

**RESULT REPORT Q1 FY25** | Sector: Banks

# IDFC First Bank Ltd

Among our least preferred picks, IDFCB's asset quality continues to worsen

## Our view – Credit cost guidance continues to be revised higher

**Asset Quality** – Slippages deteriorated sequentially mainly due to the MFI book causing management to raise credit cost guidance yet again: Gross NPA additions amounted to Rs 16.57bn for 1QFY25, translating to an annualized slippage ratio of 3.3% for the quarter, up by 49bps QoQ. Gross NPA additions had amounted to Rs 13.47bn during 4QFY24. The major reason for the increase in slippages was the stress on the microfinance book, which was adversely impacted by floods in Tamil Nadu region and lower collections in the overall book due to heatwave and elections. The total calculated credit cost for 1Q was at 197bps, up by 46bps QoQ and 79bps YoY. The management has upped their credit cost the guidance for FY25 from 165bps to 185bps.

**Net Interest Margin** – Margin declined sequentially due to investment book drag and higher cost of funds: NIM at 6.22% was down -13bps/-11bps QoQ/YoY, sequentially lower as the bank was carrying higher investment book in the form of T-Bills which had a negative impact of -8bps and the balance impact was due to increase in cost of funds. Cost of funds was at 6.47% for 1QFY25, up by 4bps QoQ. The loan to deposit ratio was around 98.1% whereas the incremental loan to deposit ratio was around 72.1%. The management has guided that the bank would achieve a loan to deposit ratio of 92-93% by the end of FY25.

**Balance sheet growth** – Strong advances and deposits growth momentum was sustained: Advances grew 4.2%/22.0% QoQ/YoY, driven sequentially by various segments of Consumer Finance. Total customer deposits are up 37.8% YoY to Rs 2,046 bn and CASA deposits were up 36.1% YoY.

We maintain a less-than-bullish 'ADD' rating on IDFCB with a revised price target of Rs 85: We value the bank at 1.5x FY26 P/BV for an FY25E/26E RoE profile of 10.9%/13.6%.

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

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

- **Opex control:** Total cost to income ratio at 70.2% was down by -258/-73bps QoQ/YoY and the Cost to assets was at 5.9% down by -40/-11bps QoQ/YoY
- **Fee income:** Core fee income to average assets was at 2.1%, down -16/-8bps QoQ/YoY.

## Exhibit 1: Result table

Particulars (Rs mn)	Q1FY25	Q4FY24	% qoq	Q1FY24	% yoy
Total Interest Income	87,886	82,192	6.9	68,677	28.0
Interest Expense	(40,937)	(37,503)	9.2	(31,226)	31.1
Net Interest Income	46,949	44,689	5.1	37,451	25.4
Fee Income	15,950	16,100	(0.9)	13,410	18.9
Non-fee Income	242	320	(24.5)	728	(66.8)
Total Non-Interest Income	16,192	16,420	(1.4)	14,138	14.5
Total Income	63,141	61,109	3.3	51,589	22.4
Employee Expense	(13,374)	(13,280)	0.7	(11,528)	16.0
Non-employee Opex	(30,943)	(31,190)	(0.8)	(25,059)	23.5
Total Operating expenses	(44,316)	(44,470)	(0.3)	(36,586)	21.1
PPOP	18,825	16,639	13.1	15,003	25.5
Provisions	(9,944)	(7,223)	37.7	(4,762)	108.8
PBT	8,881	9,416	(5.7)	10,242	(13.3)
Tax	(2,074)	(2,173)	(4.5)	(2,590)	(19.9)
PAT	6,807	7,243	(6.0)	7,652	(11.0)

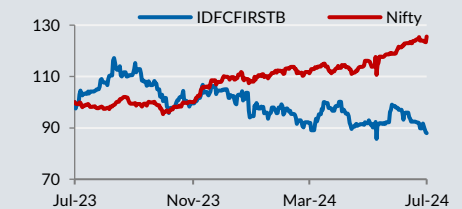
Source: Company, YES Sec-Research

Recommendation	: ADD
Current Price	: Rs 75
Target Price	: Rs 85
Potential Return	: +14%

## Stock data (as on July 26, 2024)

Nifty	24,835
52 Week h/l (Rs)	101 / 71
Market cap (Rs/USD mn)	55869 / 6671
Outstanding Shares (mn)	7,479
6m Avg t/o (Rs mn):	3,094
Div yield (%):	NA
Bloomberg code:	IDFCB IN
NSE code:	IDFCFIRSTB

## Stock performance



	1M	3M	1Y
Absolute return	-9.4%	-12.2%	-9.8%

## Shareholding pattern (As of Mar'24 end)

Promoter	37.4%
FII+DII	34.2%
Others	28.4%

## Δ in stance

(1-Yr)	New	Old
Rating	ADD	ADD
Target Price	85	90

## Financial Summary

(Rs mn)	FY24	FY25E	FY26E
NII	164,508	203,551	250,056
PPOP	62,370	81,370	107,326
Net Profit	29,565	36,753	50,914
Growth (%)	21.3	24.3	38.5
EPS (Rs)	4.2	5.2	7.2
BVPS (Rs)	45	50	56
P/E (x)	17.8	14.3	10.3
P/BV (x)	1.6	1.5	1.3
ROE (%)	10.2	10.9	13.6
ROA (%)	1.1	1.1	1.3
Tier-1 (%)	13.4	12.1	10.9

## Δ in earnings estimates

Rs.	FY24E	FY25E	FY26E
EPS (New)	NA	5.2	7.2
EPS (Old)	NA	5.4	7.5
% change	NA	-4.5%	-4.1%

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## COMPREHENSIVE CON-CALL TAKEAWAYS

### Asset quality

- **Slippages**
  - Gross NPA additions amounted to Rs 16.57bn for 1QFY25, translating to an annualized slippage ratio of 3.3% for the quarter. (Gross NPA additions had amounted to Rs 13.47bn during 4QFY24.)
  - **Reasons for sequentially higher slippages**
    - There was an increase in delinquencies in the micro finance book due to floods in Tamil Nadu region.
    - Overall collections were also impacted in 1Q due to heatwave and elections.
    - 60% of JLG book is from Tamil Nadu.
- **Recoveries and Upgrades**
  - Recoveries and upgrades for 1QFY25 were at Rs 5.26 bn as compared to Rs 6.23 bn in 4QFY24
  - Net slippages for 1QFY25 were at Rs 11.32 bn as compared to Rs 7.24 bn in 4QFY24.
- **Provisions**
  - **P&L provisions**
    - Provisions were Rs 9.94bn, up by 37.7% QoQ and 108.8% YoY, translating to calculated annualised credit cost of 197bps.
    - Credit cost on microfinance book has increased from 1.6% pre-floods to 5% now.
    - Post January 2024, the bank has insured incremental JLG loans with credit guarantee from CGFMU.
    - **Guidance**
      - For FY25, excluding JLG, the credit cost will be 165bps and including JLG book the total credit cost for the bank would be 185bps.
- **GNPA ratio**
  - GNPA ratio stands at 1.9%, up 2bps QoQ but down -27bps YoY while NNPA ratio stands at 0.6%, down -1bp QoQ and -11bps YoY.
  - Excluding the infra book, the GNPA ratio is 1.60%.
  - For the retail, rural and MSME book, the GNPA ratio is 1.46%.
- **SMA 1 and SMA 2**
  - The SMA-1 & SMA-2 portfolio as % of total Retail, Rural & MSME Loan Book was at 1.01% in June 2024 Vs 0.85% in March 2024.
  - The increase in SMA-1 and SMA-2 was largely due to higher SMA in JLG portfolio which increased from 1.26% at March 2024 to 1.70% at June 2024.
- **Collection efficiency**
  - For the current bucket, the collection efficiency in June'24 was at 99.5% Vs 99.6% in March'2024.
- **Restructured book**
  - The standard restructured book was at 0.26% in 1Q Vs 0.31% in 4Q of the funded assets.
  - Around 95% of the standard restructured book is secured and the bank holds 25% provision on this book.

(Con call takeaways continue on the next page)

## Margins Aspects

- **NIM for the quarter and year**
  - NIM was at 6.22% for 1QFY25 down by -13bps QoQ and -11bps YoY.
  - **Reason for QoQ lower NIM**
    - The bank was carrying higher investment book in the form of T-Bills which had a negative impact of -8bps.
    - The balance impact was due to increase in cost of funds.
- **Cost of funds**
  - Cost of funds was at 6.47% for 1QFY25, up by 4bps QoQ.
  - If the impact of high-cost legacy borrowings were to be excluded, the cost of funds would have been 6.36%
  - **SA Rates**
    - The bank is now offering 3% SA rate for balances up to Rs 0.5mn and 7.25% for balances more than 0.5mn and upto to Rs 0.5bn.
- **Loan to deposit ratio**
  - The loan to deposit ratio was around 98.1% as of June 2024.
  - The incremental loan to deposit ratio was around 72.1%.
  - **Guidance**
    - The bank would achieve a loan to deposit ratio of 92-93% by the end of FY25.
- **Legacy borrowings**
  - Legacy high-cost borrowing was at Rs 100.84bn as of June 2024, down by Rs 17.25bn in 1QFY25.
  - The legacy borrowing in the balance period of FY25 would come down by Rs 52.43bn.
- **Liquidity**
  - LCR was at 118% as at June end.
  - **On new LCR draft guidelines**
    - There would be some impact due to the run-off factor
    - The bank has not grown borrowings and it has lines available in the forms of refinance, the borrowing from Certificate of deposits is also low and FX borrowings is also an option for the bank.
    - If the bank would have to meet the required ratio on April 1<sup>st</sup>, it can mobilise from some of these sources.
    - Also, the bank can source higher deposits if required.

## Deposits growth

- Total customer deposits are up 37.8% YoY to Rs 2,046 bn.
- **CASA deposits**
  - CASA ratio was at 46.2%, down by -60bps QoQ.
  - CASA deposits rose 36.1% YoY.
- **Retail deposits**
  - Retail deposits share in total deposits were at 80%
- **Guidance**
  - Deposits are expected to grow by more than 25% YoY up to FY27

## Loan growth

- Total gross advances grew by 22% YoY.

(Con call takeaways continue on the next page)

- 29% of the loan book is backed by mortgages.
- Unsecured loans form 15% of the total loan book.
- **Retail assets**
  - Total Retail assets were up 29% YoY.
  - Vehicle loans were up 33% YoY.
  - Consumer loans was up 25%
    - **More on consumer loans**
      - The company has stopped the 1-month BNPL product.
      - The bank is the number 2 player in the offline consumer durables loans market and the outstanding book was Rs 60bn.
  - **Credit cards**
    - 2.7mn cards have been issued till date.
    - The credit card outstanding book was Rs 59.4bn, up 52.5% YoY.
    - Card spends rose 49% YoY in 1QFY25.
- **Rural assets**
  - Rural assets were up 18% YoY.
- **Wholesale assets**
  - MSME, business and corporate loans rose 13.5% YoY.

## Operating expenses

- **Total opex**
  - Total opex, at Rs. 44.32bn, is down -0.3% QoQ but up by 21.1% YoY.
  - Consequently, cost/income ratio came in at 70.2%, down by -258bps QoQ and -73bps YoY.
  - **Guidance**
    - Total opex would grow by 20% YoY in FY25.
  - **Longer term cost to income ratio guidance**
    - The overall cost to income ratio would come down to 65% in FY27.
    - Cost to income ratio in assets business would come down from 53.2% in FY24 to less than 50% in FY27.
    - Cost to income ratio in retail liabilities would come down from 196.7% in FY24 to around 140% in FY27.
    - Cost to income ratio for credit cards would come down from 116% in FY24 to around 75% in FY27.
- **Staff expenses**
  - The staff opex is up by 0.7% QoQ and 16.0% YoY
- **Non-staff expenses**
  - Other opex in down by -0.8% QoQ but up by 23.5% YoY.
  - **Branch expansion**
    - 11 branches were added during the quarter, taking the total branch count to 955.
    - **Guidance**
      - The branches would grow by 10% YoY going forward.

## Fee income

- Fee income has grown by 19% YoY in 1QFY25.
- Fee and other income as a % of total average assets was at 2.12% in Q1FY25.
- 92% of the fee income is from retail banking operations.

(Con call takeaways continue on the next page)

## Capital adequacy

- Including profits for Q1FY25 and taking into account the fresh equity capital of Rs. 32 bn raised in July 2024, the total CRAR as on June 30, 2024 would have been 17.21% with CET-1 ratio at 14.67%.

## Return Ratio

- The return on Assets was at 0.91% for 1QFY25 Vs 1.03% in 4QFY24.
- **Guidance**
  - The RoA in FY25 will be same as FY24.
  - The RoA in FY26 would be around 1.2% and 1.4% in FY27.

## Exhibit 2: Key quarterly balance sheet / business data

(Rs mn)	Q1FY25	Q4FY24	% qoq	Q1FY24	% yoy	Q1FY24*	chg qoq*	chg yoy*
Gross Advances	2,093,610	2,009,650	4.2	1,715,780	22.0	100.0	0bps	0bps
Consumer Finance	1,255,900	1,191,310	5.4	973,270	29.0	60.0	71bps	326bps
Home Loan	246,580	223,250	10.5	201,390	22.4	11.8	67bps	4bps
Loan Against Property	247,290	242,470	2.0	201,030	23.0	11.8	-25bps	10bps
Wheels	218,240	208,270	4.8	163,650	33.4	10.4	6bps	89bps
Consumer Loans	278,280	264,990	5.0	223,290	24.6	13.3	11bps	28bps
Education Loans	23,870	21,600	10.5	12,850	85.8	1.1	7bps	39bps
Credit Card	59,380	55,460	7.1	38,930	52.5	2.8	8bps	57bps
Gold Loan	13,140	10,290	27.7	3,630	262.0	0.6	12bps	42bps
Others	169,120	164,980	2.5	128,500	31.6	8.1	-13bps	59bps
Rural Finance	245,180	238,820	2.7	207,440	18.2	11.7	-17bps	-38bps
SME & Corporate Finance	564,860	551,220	2.5	497,490	13.5	27.0	-45bps	-201bps
of which CV/CE Financing	66,740	62,860	6.2	42,470	57.1	3.2	6bps	71bps
of which Business Banking	75,900	74,050	2.5	53,540	41.8	3.6	-6bps	50bps
of which Corporate Loans	315,080	303,060	4.0	276,620	13.9	15.0	-3bps	-107bps
Infrastructure	27,660	28,300	(2.3)	37,580	(26.4)	1.3	-9bps	-87bps
Total Deposits	2,096,663	2,005,763	4.5	1,544,270	35.8	100.0	0bps	0bps
CASA	976,920	947,680	3.1	717,650	36.1	46.6	-65bps	12bps
Term	1,119,743	1,058,083	5.8	826,620	35.5	53.4	65bps	-12bps
Investments	736,242	715,398	2.9	552,690	33.2	NA	NA	NA
Investments/(Invest.+Net Adv.), %	26.7	26.6	9bps	24.8	183bps	NA	NA	NA
Borrowings	518,693	509,356	1.8	557,410	(6.9)	NA	NA	NA
Borrowings/(Borr.+Dep.), %	19.8	20.3	-42bps	26.5	-669bps	NA	NA	NA
RWA	2,401,590	2,315,760	3.7	1,871,330	28.3	NA	NA	NA

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

## Exhibit 3: Key quarterly ratios

(%)	Q1FY25	Q4FY24	qoq	Q1FY24	yoy
Net interest margin	6.22	6.35	-13bps	6.33	-11bps
CASA	46.6	47.2	-65bps	46.5	12bps
Loan to Deposit ratio	96.6	98.6	-198bps	108.4	-1177bps
Non-interest income/Total income	25.6	26.9	-123bps	27.4	-176bps
Fee Income to Avg. Total Assets	2.1	2.3	-16bps	2.2	-8bps
Cost to Income	70.2	72.8	-258bps	70.9	-73bps
Opex to Avg. Total Assets	5.9	6.3	-40bps	6.0	-11bps
RoA	0.9	1.0	-12bps	1.3	-35bps
Annualised Slippage Ratio*	3.3	2.8	49bps	2.8	48bps
Gross NPA	1.9	1.9	2bps	2.2	-27bps
Net NPA	0.6	0.6	-1bps	0.7	-11bps
Provision Coverage	87.5	86.6	92bps	83.1	438bps
Capital adequacy ratio	15.9	16.1	-23bps	17.0	-108bps
Tier I capital ratio	13.3	13.4	-2bps	13.7	-36bps

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

## Exhibit 4: Quarterly Actuals Vs Estimates

Q1FY25 (Rs. mn)	Actuals	Estimates	Diff, %
Net Interest Income	46,949	46,941	0.0
Pre-Prov. Operating Profit	18,825	17,081	10.2
Profit After Tax	6,807	7,391	(7.9)

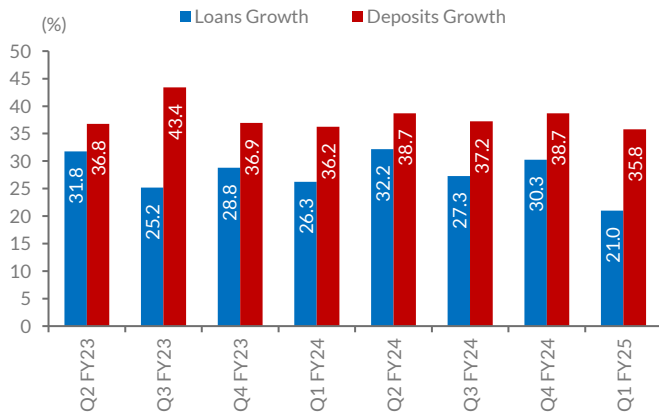
Source: Company, YES Sec – Research

## Exhibit 5: Non-Interest Income Break-up

(Rs mn)	Q1FY25	Q4FY24	% qoq	Q1FY24	% yoy
Total Fee Income (A)	15,950	16,100	(0.9)	13,410	18.9
Loan Origination fees	5,104	4,733	7.8	4,023	26.9
Credit Card & Toll	3,031	2,898	4.6	2,280	32.9
Trade & Client Fx	1,436	1,288	11.5	1,207	18.9
Wealth Management & 3 <sup>rd</sup> Party Products	2,393	3,156	(24.2)	1,877	27.4
General Banking Fees	3,988	4,025	(0.9)	4,023	(0.9)
Total Other Income (B)	242	320	(24.5)	728	(66.8)
Treasury	240	320	(25.0)	730	(67.1)
Others	2	0	100.0	(2)	(183.3)
<b>Total Non-Interest Income (A+B)</b>	<b>16,192</b>	<b>16,420</b>	<b>(1.4)</b>	<b>14,138</b>	<b>14.5</b>

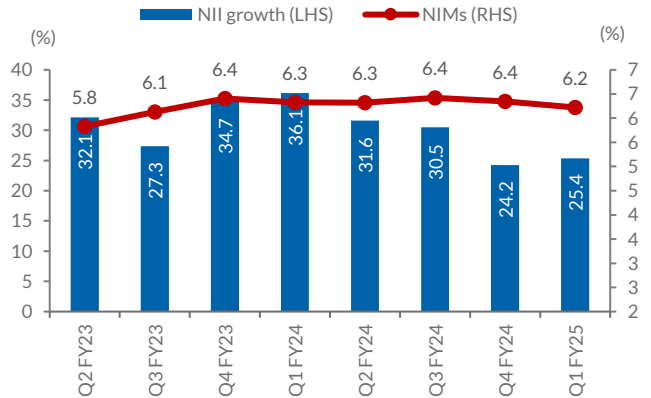
Source: Company, YES Sec – Research

**Exhibit 6: Loans and Deposits growth (YoY %)**



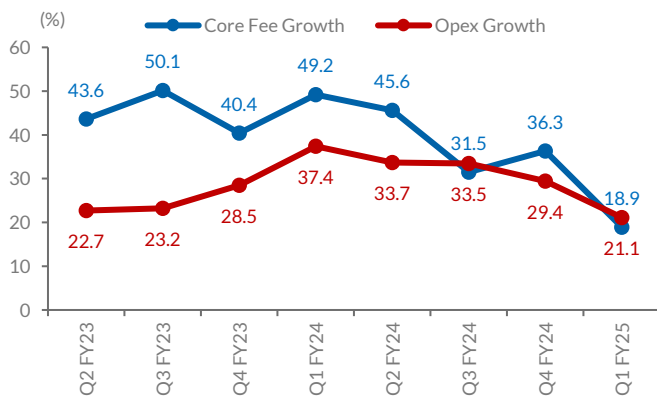
Source: Company, YES Sec – Research

**Exhibit 7: NII growth (YoY %) and NIM**



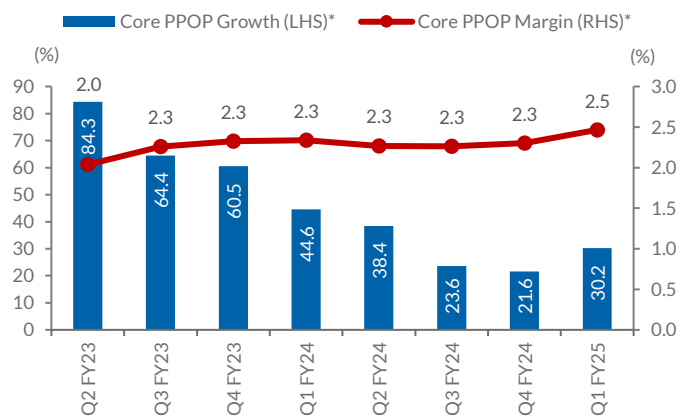
Source: Company, YES Sec – Research

**Exhibit 8: Core Fee and Opex growth (YoY %)**



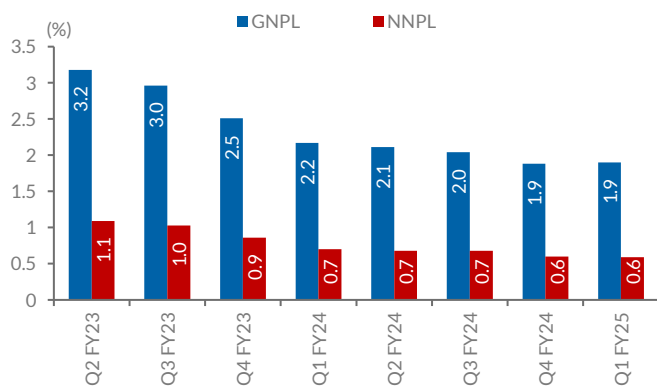
Source: Company, YES Sec – Research

**Exhibit 9: Core PPOP growth (YoY %) and Core PPOP margin (%)**



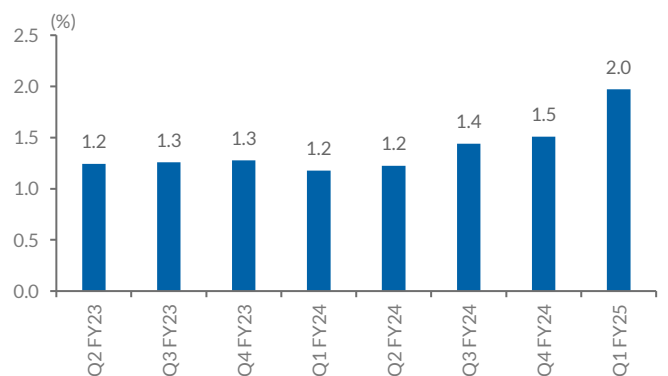
Source: Company, YES Sec – Research. \* Core PPOP is derived by adjusting PPOP for gain/loss on sale of investments and misc. income

**Exhibit 10: Gross NPA and Net NPA (%)**



Source: Company, YES Sec – Research

**Exhibit 11: Credit Cost (%)**



Source: Company, YES Sec – Research

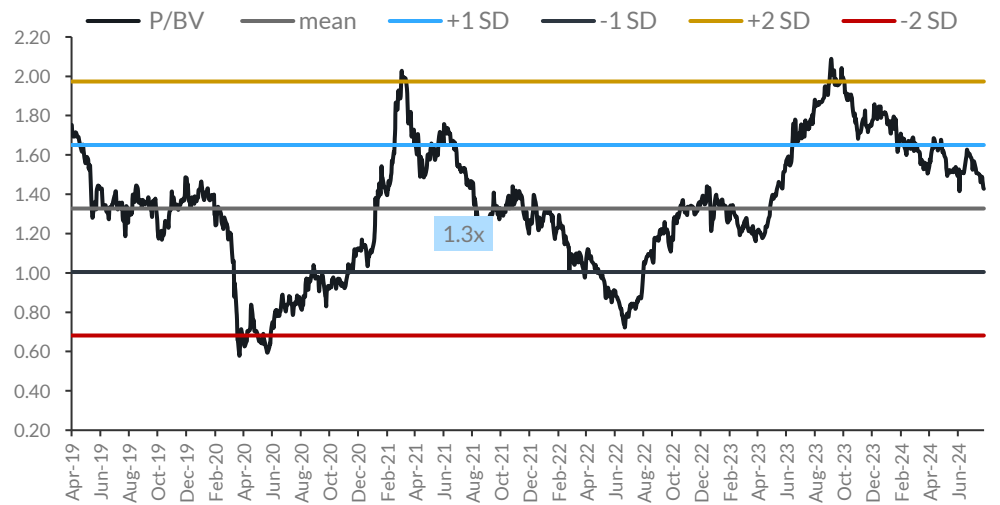


**Exhibit 12: 1-year rolling P/BV band**



Source: Company, YES Sec – Research

**Exhibit 13: 1-yr rolling P/BV vis-a-vis the mean and standard deviations**



Source: Company, YES Sec – Research

## ANNUAL FINANCIALS

### Exhibit 14: Balance sheet

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Total cash & equivalents	157,579	138,980	124,802	201,792	246,187
Investments	461,448	611,236	747,104	881,583	1,040,267
Advances	1,178,578	1,517,945	1,945,924	2,374,027	2,896,313
Fixed assets	13,612	20,901	26,194	28,814	31,695
Other assets	90,598	110,355	117,127	134,696	154,900
<b>Total assets</b>	<b>1,901,816</b>	<b>2,399,417</b>	<b>2,961,151</b>	<b>3,620,912</b>	<b>4,369,362</b>
Net worth	210,035	257,212	321,613	352,853	396,130
Deposits	1,056,344	1,446,373	2,005,763	2,607,492	3,259,365
Borrowings	529,626	572,121	509,356	483,888	459,694
Other liabilities	105,812	123,711	124,419	176,679	254,174
<b>Total liabilities incl. Equity</b>	<b>1,901,816</b>	<b>2,399,417</b>	<b>2,961,151</b>	<b>3,620,912</b>	<b>4,369,362</b>

Source: Company, YES Sec – Research

### Exhibit 15: Income statement

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Interest Income	171,727	227,275	303,225	376,030	458,503
Interest expense	(74,665)	(100,922)	(138,718)	(172,479)	(208,448)
<b>Net interest income</b>	<b>97,062</b>	<b>126,353</b>	<b>164,508</b>	<b>203,551</b>	<b>250,056</b>
Non-interest income	32,220	44,670	60,020	76,431	93,083
<b>Total income</b>	<b>129,282</b>	<b>171,023</b>	<b>224,528</b>	<b>279,982</b>	<b>343,139</b>
Operating expenses	(96,444)	(121,704)	(162,158)	(198,612)	(235,812)
<b>PPoP</b>	<b>32,838</b>	<b>49,320</b>	<b>62,370</b>	<b>81,370</b>	<b>107,326</b>
Provisions	(31,086)	(16,648)	(23,817)	(32,366)	(39,441)
<b>Profit before tax</b>	<b>1,752</b>	<b>32,671</b>	<b>38,553</b>	<b>49,004</b>	<b>67,885</b>
Taxes	(297)	(8,300)	(8,988)	(12,251)	(16,971)
<b>Net profit</b>	<b>1,455</b>	<b>24,371</b>	<b>29,565</b>	<b>36,753</b>	<b>50,914</b>

Source: Company, YES Sec – Research

## Exhibit 16: Du Pont Analysis (RoA tree)

Y/e 31 Mar (%)	FY22	FY23	FY24	FY25E	FY26E
Interest income	9.7	10.6	11.3	11.4	11.5
Interest expense	-4.2	-4.7	-5.2	-5.2	-5.2
<b>Net interest income</b>	<b>5.5</b>	<b>5.9</b>	<b>6.1</b>	<b>6.2</b>	<b>6.3</b>
Non-interest income	1.8	2.1	2.2	2.3	2.3
<b>Total income</b>	<b>7.3</b>	<b>8.0</b>	<b>8.4</b>	<b>8.5</b>	<b>8.6</b>
Operating expenses	-5.5	-5.7	-6.1	-6.0	-5.9
<b>PPoP</b>	<b>1.9</b>	2.3	2.3	2.5	2.7
Provisions	-1.8	-0.8	-0.9	-1.0	-1.0
<b>Profit before tax</b>	<b>0.1</b>	<b>1.5</b>	<b>1.4</b>	<b>1.5</b>	<b>1.7</b>
Taxes	0.0	-0.4	-0.3	-0.4	-0.4
<b>Net profit</b>	<b>0.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.3</b>

Source: Company, YES Sec – Research

## Exhibit 17: 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	203,551	250,056	NA	204,779	251,633	NA	(0.6)	(0.6)
Pre-Prov. Operating Profit	NA	81,370	107,326	NA	82,598	108,904	NA	(1.5)	(1.4)
Profit after tax	NA	36,753	50,914	NA	38,484	53,085	NA	(4.5)	(4.1)

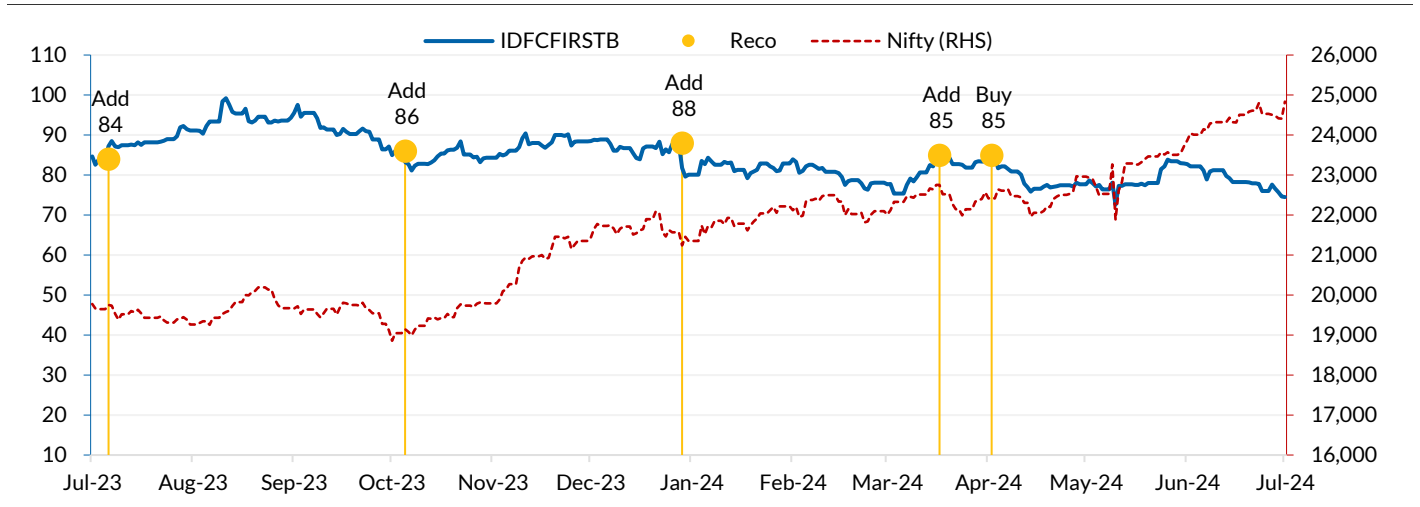
Source: Company, YES Sec – Research

## Exhibit 18: Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24	FY25E	FY26E
<b>Growth matrix (%)</b>					
Net interest income	31.5	30.2	30.2	23.7	22.8
PPoP	29.2	50.2	26.5	30.5	31.9
Net profit	-67.8	1575.1	21.3	24.3	38.5
Loans	17.2	28.8	28.2	22.0	22.0
Deposits	19.1	36.9	38.7	30.0	25.0
<b>Profitability Ratios (%)</b>					
Net interest margin	6.0	6.2	6.4	6.4	6.4
Return on Average Equity	0.7	10.4	10.2	10.9	13.6
Return on Average Assets	0.1	1.1	1.1	1.1	1.3
<b>Per share figures (Rs)</b>					
EPS	0.2	3.7	4.2	5.2	7.2
BVPS	34	39	45	50	56
ABVPS	31	37	44	48	53
<b>Valuation multiples</b>					
P/E	318	20.2	17.8	14.3	10.3
P/BV	2.2	1.9	1.6	1.5	1.3
P/ABV	2.4	2.0	1.7	1.6	1.4
<b>NIM internals (%)</b>					
Yield on loans	13.0	14.2	15.0	15.0	15.0
Cost of deposits	4.4	5.0	5.8	5.9	5.9
Loan-deposit ratio	111.6	104.9	97.0	91.0	88.9
CASA ratio	48.4	49.8	47.1	46.5	46.0
<b>Opex control (%)</b>					
Cost/Income ratio	74.6	71.2	72.2	70.9	68.7
Cost to average assets	5.5	5.7	6.1	6.0	5.9
<b>Capital adequacy (%)</b>					
Tier 1 capital ratio	14.9	14.2	13.4	12.1	10.9
<b>Asset quality (%)</b>					
Slippage ratio	6.9	3.4	3.0	2.8	2.8
Gross NPL ratio	3.7	2.5	1.9	2.0	2.1
Credit cost	3.5	1.9	1.2	1.4	1.4
Net NPL ratio	1.5	0.9	0.6	0.7	0.8

Source: Company, YES Sec – Research

## Recommendation Tracker



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