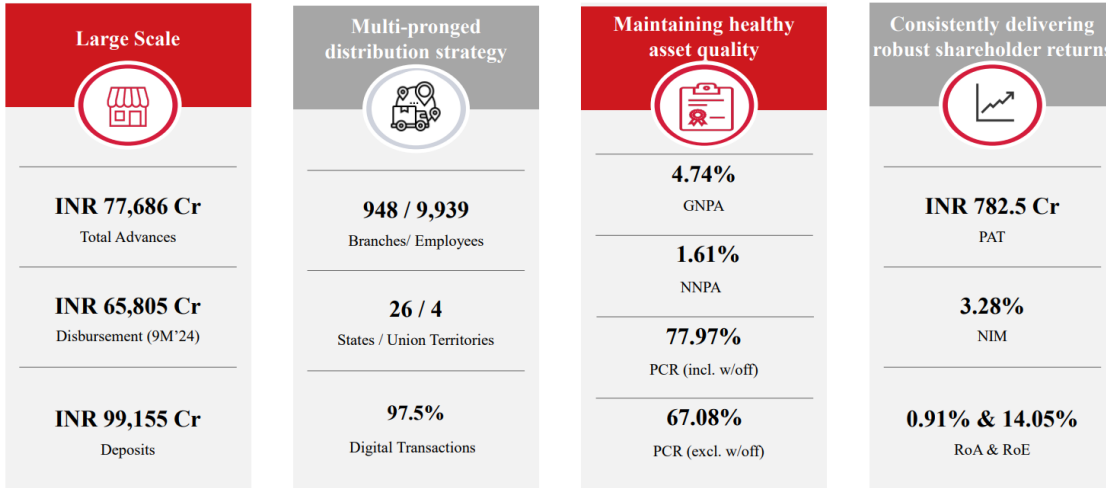


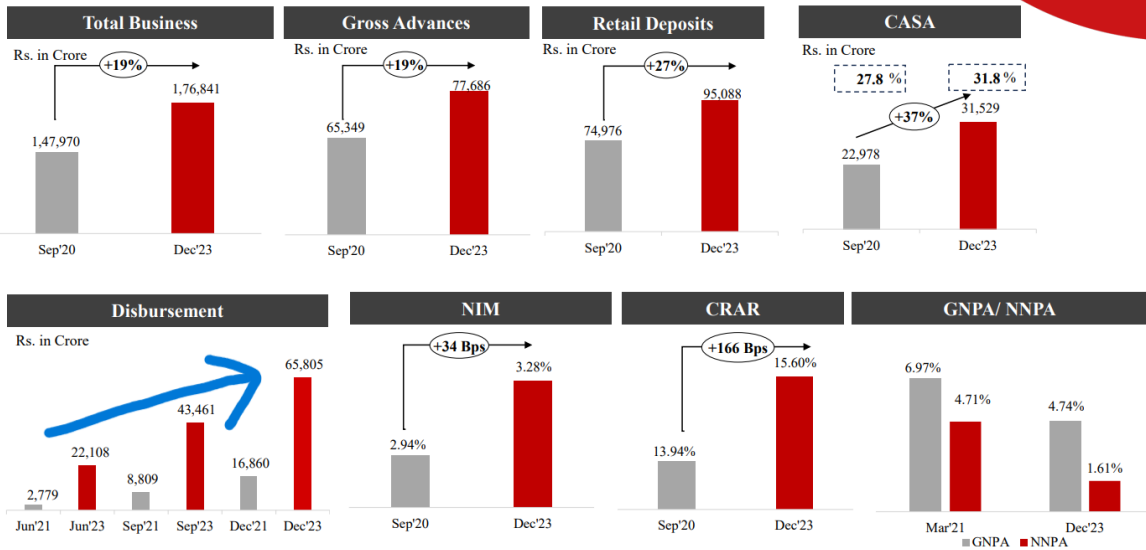
# q3 fy24 update

## Brief Snapshot (Dec'23)



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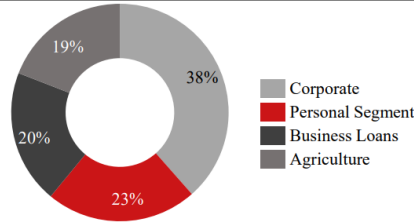
## Leading to improvement in various key metrics- Sep 2020 vs Dec 2023



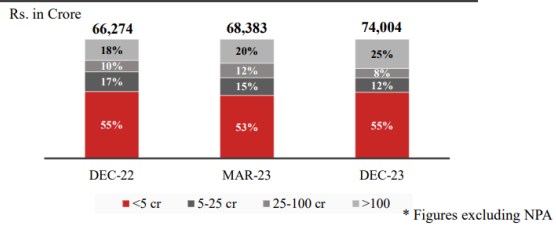
## #1. Diversified Loan Book with granularity and growth



Well diversified loan book with ~62% other than corporates

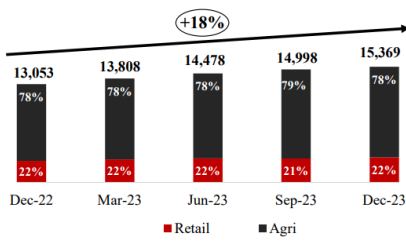


Focused on Granularity with reduction in ticket size\*

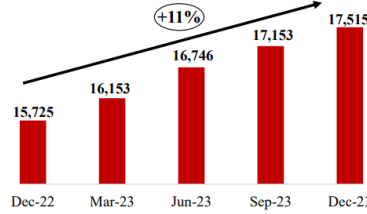


Consistent traction being seen across segments

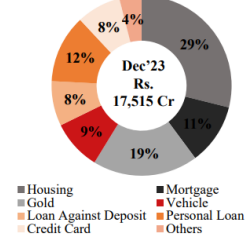
Gold Loan (Rs in crore)



Personal Segment (Rs in crore)



Mix of Personal Segment

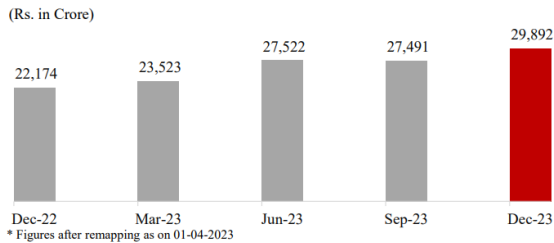


11

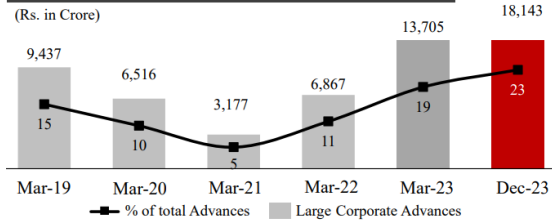
## #1. Increasing share of A rated corporate loans



Corporate Loan Book \*

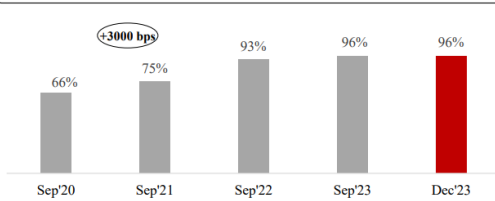


Standard Large Corporate Advances (Rs.100 Cr & above)

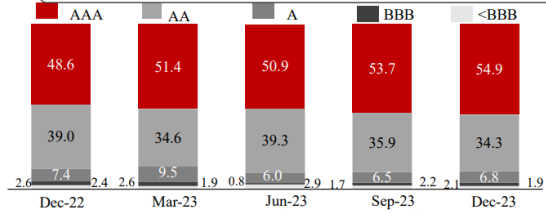


Improving Rating Profile of Large Corporate Loan Book (in %)<sup>1</sup>

A & Above rated Large Corporate Loans



Standard Advances above Rs. 100 Cr. (External Rating)

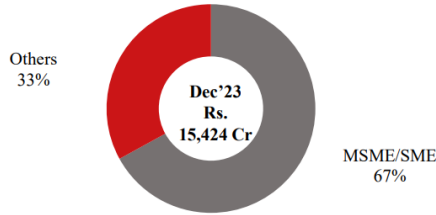


1. Does not include exposure to unrated state government owned entity

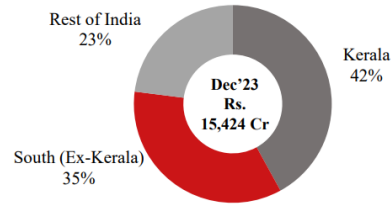
12

## #1. MSME Loans comprise mainly of High-Yield Portfolio

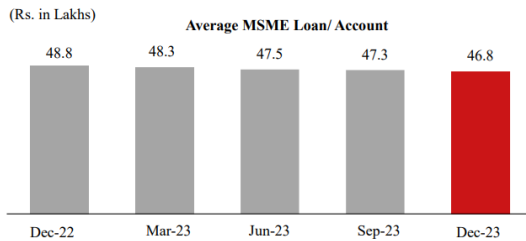
### Focus on MSME segment in business loan...



### Geographic split



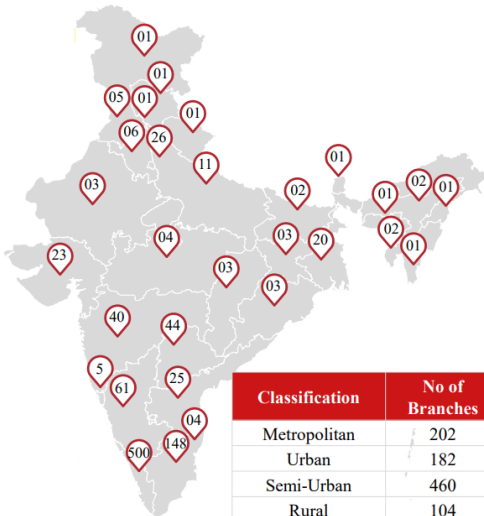
### ...while creating a granular and diversified book



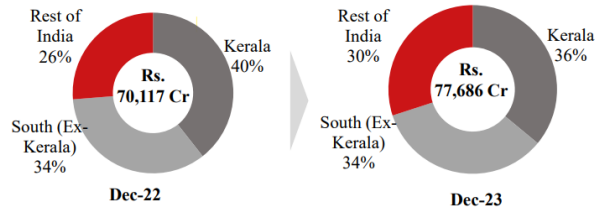
### MSME strategic initiatives

- MSME loans of up to 2Cr to be handled directly by branches with technology support enabling faster decision. **December saw highest disbursement in this segment.**
- **List of 288 branches to focus on above 2Cr business. Branches identified based on potential and credit history**
- Teams sourcing above 2Cr revamped and enhanced training and skill building being implemented to tap best in class customers
- Limit set up in MSME business group has seen a positive movement, with bank adding 1529 incremental borrowers to its fold with incremental limit set up of Rs.2,051 cr
- **New LOS implementation in progress. Same would enable integration of all steps from sourcing to disbursement under a single process flow. Seamless delivery and client experience with faster TAT envisaged.**
- Decentralised credit and business structure put in place to enable better client connect and faster decisions
- **Selective tie up for co-lending within defined risk parameters**

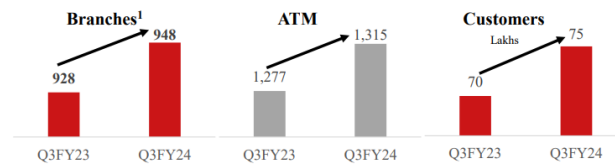
## #2. Pan India presence with focus on diversification



### Diversifying Loan Book outside Kerala...

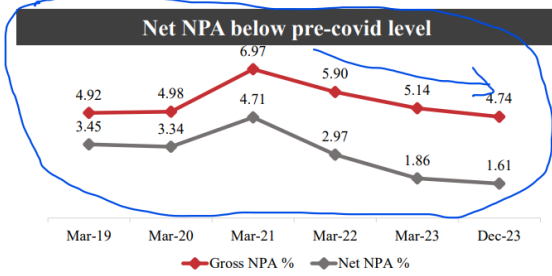


### ...while expanding Network

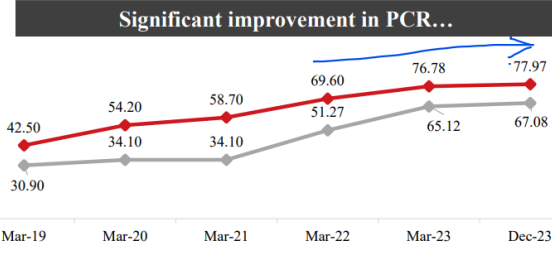
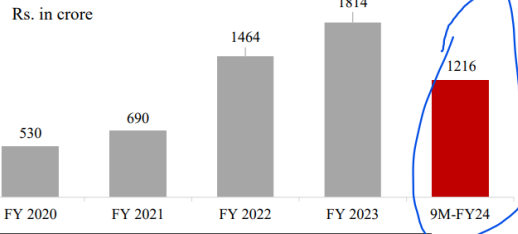


<sup>1</sup> Excludes 5 HFCs & 6 Satellite branches

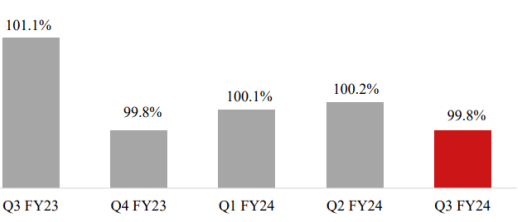
### #3. Strong focus on improving asset quality and collection efficiency



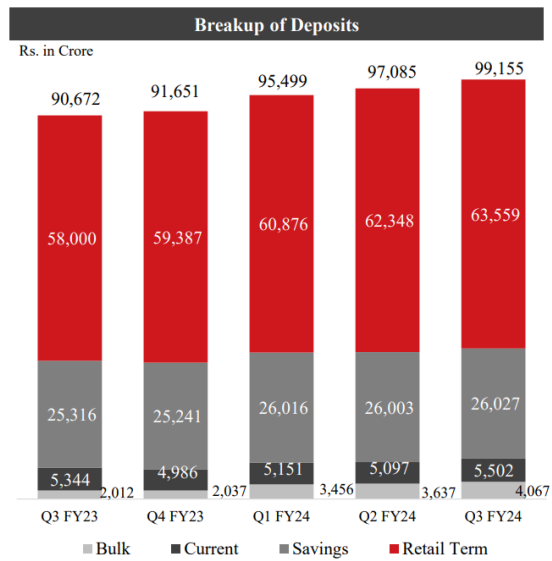
#### ...with focus on Recoveries and Upgrades



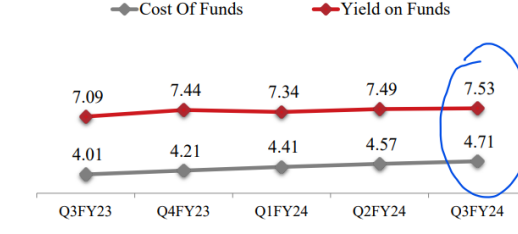
#### ...and Collection efficiency



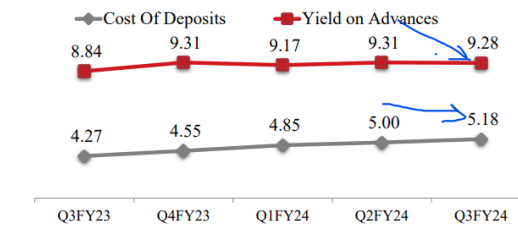
### #4. Well Distributed Deposit Base with stable Cost of Funds



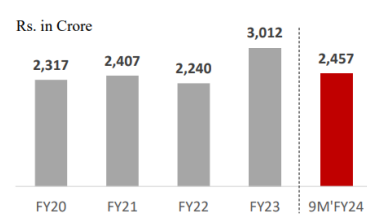
#### Yield on funds and Cost of funds



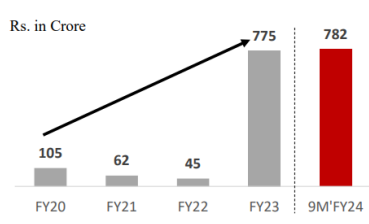
#### Yield on advances and Cost of Deposits



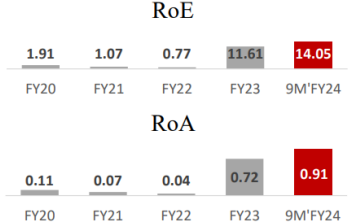
#### Net Interest Income



#### Profit after Tax



#### Return Metrics

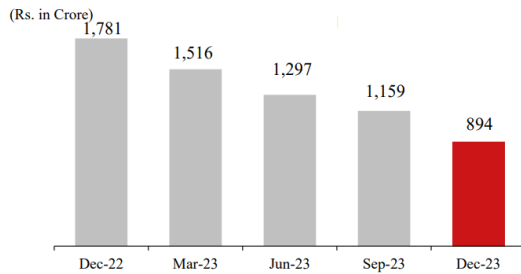


Particulars	FY24			FY23			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Interest Margin (NIM)	3.19%	3.31%	3.34%	3.67%	3.52%	3.21%	2.74%
CRAR Basel III	15.60%	16.69%	16.49%	17.25%	16.25%	16.04%	16.25%
RoAA (Annualized)	1.07%	0.97%	0.73%	1.26%	0.56%	0.65%	0.46%
Provision Coverage	77.97%	77.82%	76.54%	76.78%	74.51%	72.79%	70.11%
CASA	31.80%	32.03%	32.64%	32.98%	33.81%	34.53%	34.4%
Gross NPA	4.74%	4.96%	5.13%	5.14%	5.48%	5.67%	5.87%
Net NPA	1.61%	1.70%	1.85%	1.86%	2.26%	2.51%	2.87%
Book Value per Share (Rs.)	35.3	33.9	32.9	31.9	30.4	29.8	28.8
Earnings per Share (Rs.) (Annualized)	5.0	4.6	3.9	3.7	2.8	3.2	2.2
<b>Customer Touch Points</b>							
Kerala	500	500	499	498	496	497	497
South Ex Kerala	283	280	279	279	275	273	273
Rest of India	165	164	163	163	157	156	156
<b>Total</b>	<b>948</b>	<b>944</b>	<b>941</b>	<b>940</b>	<b>928</b>	<b>926</b>	<b>926</b>

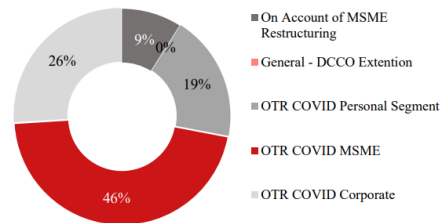
## Stressed Assets



### Restructured Standard Advance



### Sector Break up



### Covid One Time Restructuring (OTR)

Rs. in Crore	Covid 1.0	Covid 2.0	Total
MSME	132	275	407
Personal loans	5	167	172
Other exposures	187	42	228
<b>Total</b>	<b>324</b>	<b>483</b>	<b>807</b>

### Security Receipts

(Rs. in crore)

#### Security Receipts Outstanding as on Dec 31, 2023

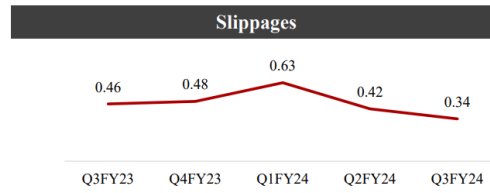
Book Value	Provision	NAV
1,320.38	1,226.80	93.58

## Slippages & collection efficiency



Segment wise NPA slippages	
Rs. in Crore	Q3-2024
Agriculture	46
Business Loans	144
Personal Segment	54
Corporate	23
<b>Total</b>	<b>267</b>

Segment wise GNPA					
Rs. in Crore	Q3-2023	Q4-2023	Q1-2024	Q2-2024	Q3-2024
Agriculture	576	548	513	490	490
Business Loans	2,038	1,938	2,243	2,188	2,152
Personal Segment	541	481	556	547	542
Corporate	688	741	492	489	498
<b>Total</b>	<b>3,844</b>	<b>3,708</b>	<b>3,804</b>	<b>3,714</b>	<b>3,682</b>



## **Key Highlights**

- Operating profit for the quarter increased by 137.87% from Rs. 203.24 Cr in Q3 FY 23 to Rs. 483.45 Cr in Q3 FY 24
- Net profit of the Bank for quarter increased by 197.19% from Rs. 102.75 Cr in Q3 FY 23 to Rs. 305.36 Cr in Q3 FY 24
- GNPA came down by 74 bps from 5.48% to 4.74% on Y-o-Y basis
- NNPA came down by 65 bps from 2.26% to 1.61% on Y-o-Y basis
- Return on Equity for the quarter improved by 996 bps from 6.42% to 16.38% Y-o-Y basis
- Return on Assets for the quarter increased by 68 bps from 0.39% to 1.07% Y-o-Y basis
- Provision Coverage Ratio (PCR) improved by 346 bps from 74.51% in Q3 FY 23 to 77.97% in Q3 FY 24
  
- **Deposits**
  - Retail Deposit grew by Rs. 6,428 Crore from Rs. 88,660 Crore to Rs. 95,088 Crore Y-o-Y showing an increase of 7.25% on Y-o-Y basis
  - NRI Deposit grew by Rs. 1,272 Crore from Rs. 27,964 Crore to Rs. 29,236 Crore Y-o-Y showing an increase of 4.55% on Y-o-Y basis
  - CASA grew by 2.83% on a Y-o-Y basis with growth in Savings Bank by 2.81% and CD by 2.96% respectively
  
- **Advances**
  - Gross advances grew by Rs. 7,569 Crore from Rs. 70,117 to Rs. 77,686 Crore showing an increase of 10.80% on Y-o-Y basis
  - Corporate Segment grew by Rs. 7,718 Crore from Rs. 22,174 Crore to Rs. 29,892 Crore showing an increase of 34.81% on Y-o-Y basis, in well rated borrower accounts
  - Share of A and above rated accounts in large corporate segments stood at 96%

- Personal Loan book grew by Rs. 578 Crore from Rs. 1,609 Crore to Rs. 2,186 Crore showing an increase of 35.91% on Y-o-Y basis
- Gold Loan portfolio grew by Rs. 2,316 Crore from Rs. 13,053 Crore to Rs. 15,369 Crore showing an increase of 17.74% on Y-o-Y basis
- More than 3,77,000+ Credit Cards were issued with outstanding book of Rs. 1427 Crore as at December 2023

**Y-o-Y growth**
*Rs. in Crores*

	Quarter ended	Quarter ended	Growth	%
	31.12.2023	31.12.2022		
Gross Advance	77,686	70,117	7,569	10.8%
Retail Deposits	95,088	88,660	6,428	7.3%
NRI Deposit	29,236	27,964	1,272	4.5%
Current Deposits	5,502	5,344	158	3.0%
Savings Deposits	26,027	25,316	711	2.8%
CASA	31,529	30,660	869	2.8%
CASA %	31.80%	33.81%	-2.01%	-5.96%
Gross NPA %	4.74%	5.48%	-0.74%	-13.50%
Net NPA %	1.61%	2.26%	-0.65%	-28.76%
Other income	452.41	(34.18)	486.59	1423.6%
Operating Profit	483.45	203.24	280.21	137.9%
Provisions excluding tax	48.55	41.43	7.12	17.2%
Profit before tax	434.90	161.81	273.09	168.8%
Net Profit after tax	305.36	102.75	202.61	197.2%

**concall highlights**
**business**

- total business grew 10%
- total deposits grew by 9%
- advances grew by 11%
- casa grew by 3%
- nim -3.14%
- improvement in asset quality accross shown by reducing npa and gnpa
- ROE and roa - 16.3% and 1.07% for q3 fy24



- **roa of 1% + is most positive as management guided earlier and walking the talk on the same**
- average maturity of
  - corp - short term in nature (large )
  - gold 6 months
  - msme - long maturity
- **net profit growth seems very high due to provisioning for SRs in q3 fy23**
- fresh slippages 267 crs lowest ever
- corporates contributing max the growth
- **cost to income is higher than peers** and the mgt is looking to target and lower it
- msme book flat (slight decline) - focusing on it and changing process so that growth comes in future
- **credit to deposit ratio -78% , rbi 70-80s**
- **capital raise** - no information for now
- corporate loan book - 1/3 of nbfc (includes quasi govt nbfcs too)
- trained all branch people for selling msme selling before only 130 people used to sell msme
- **cet ratio excludes 9m profit**
- **wage provision has hit employee cost as provision for wage settlement was 15% but came in at 17% hit by 29crs in pnl and more costs from credit cost program**

•  
**risk**

1. **crar is a little on the border line with 15% around and tier 1 around 13%**
2. **cost of funds - continue to rise as deposits prices are rising**

**management**

- **looking to maintain current ratios and growth wont be haltered**
- want to increase productivity and increase customer facing employee

	FY22	FY23	FY24	FY25
Interest Income	6,587	7,233		
Interest Expense	4,347	4,221		
<b>NII</b>	<b>2,239.76</b>	<b>3,012.00</b>	<b>3,600.00</b>	<b>4,140.00</b>
% YoY Growth		34.48%	19.52%	15.00%
Non Operating Inc	1,034.00	814	1,100.00	1,100.00
<b>Total Income</b>	<b>3,273.76</b>	<b>3,826.00</b>	<b>4,700.00</b>	<b>5,240.00</b>
Total opex	2,026	2,269.12	2,820.00	3,091.60
% YoY Growth		12.00%	12.00%	12.00%
% Cost-to-income	61.89%	61.97%	60.00%	59.00%
<b>PPOP</b>	<b>1,247.76</b>	<b>1,392.57</b>	<b>1,880.00</b>	<b>2,148.40</b>
Credit cost	1,340.00	398	500	750
Credit cost %	2.17%	0.55%	0.63%	0.86%
<b>PBT</b>	<b>-92.24</b>	<b>995</b>	<b>1,380.00</b>	<b>1,398.40</b>
Taxes	-137	248.6425	345	349.6
<b>PAT</b>	<b>44.76</b>	<b>746</b>	<b>1,035.00</b>	<b>1,048.80</b>
AUM	61,816	72,023	79,225	87,148
% YoY Growth		16.51%	10.00%	10.00%
Paid Up Capital	209	209	209	209
Reserves & Surplu	5,644.00	6,389.93	7,424.93	8,473.73
Net Worth	5,853.00	6,598.93	7,633.93	8,682.73
No. of shares	209.27	209.27	209.27	209.27
Book Value	27.97	31.53307928	36.47884312	41.49055049
<b>CAGR Growth</b>				
<b>Exit multiple of P/BV</b>		<b>1 year cagr</b>		
0.75	31.11791286	0.54%		
0.9	37.34149544	20.65%	SIB	
1.1	45.63960553	47.46%		

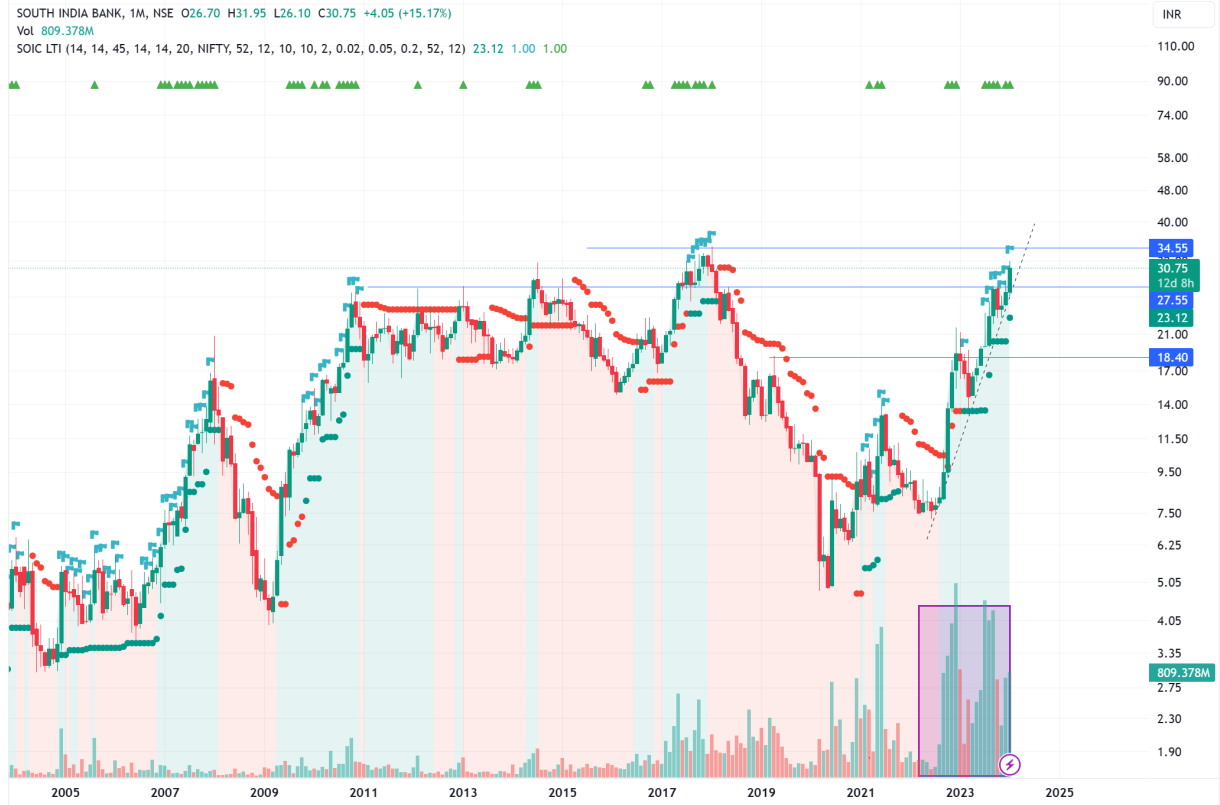
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