HOLD (Maintained)

CMP: **INR 652** Target Price: **INR 630** ▼ -3%

ICICI Securities

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24 October 2024

India | Equity Research | Q2FY25 results review

AU Small Finance Bank

Financials

Growth momentum sustained with stable NIM; credit cost increases but is transitory

AU SFB's Q2FY25 performance was mixed with it sustaining profitability (RoA of 1.6%) and growth momentum (loan growth at 6% QoQ) but credit cost continues to be higher than the guided range. Credit cost during Q2 increased to 1.6% vs 1.4% QoQ owing to higher stress in secured retail assets due to seasonality and higher slippages in MFI and credit card segments. While management expects improvement in asset quality during H2FY25, it has revised full year FY25 credit cost guidance upwards to 1.3% vs 1.1% earlier due to likely higher stress in MFI and credit card. It also highlighted that it has already initiated several measures to contain slippages in credit card and MFI businesses like tightening underwriting, reducing loan amounts and strengthening collections team. Maintain **HOLD** with an unchanged TP of INR 630, valuing the stock at 2.5x Sep'25E BVPS.

NIM guidance revised upwards to 6% vs 5.7-5.8% earlier

While addition of high-yielding book due to merger drove NIM expansion, higher disbursement yields of ~34bps in wheels, 40bps in MBL and 130bps in housing vs Q4FY24 suggest NIM is likely to sustain at current level of 6% vs earlier guidance of 5.7-5.8%. Blended asset yield remained stable at 14.4% during Q2FY25. NIM may be equally supported by increased focus on managing the cost of funds. Notably, cost of funds remained stable at 7.04% in Q2FY25 vs 7.03% in Q1FY25 despite strong 13% QoQ deposit growth with 26% QoQ growth in CA accounts. Deriving comfort from its improved liability franchise, it now guides for lower CoF at 7.10-7.15% vs earlier range of 7.20-7.25%.

PPoP grew strong 19% QoQ; operating leverage playing out ahead of expectation

Strong traction in fee income (up 25% QoQ) and flat QoQ operating expenses drove strong 19% QoQ PPoP growth. Early synergic benefits flowing from merger in terms of improved productivity and access to expanded branch network with higher manpower resulted in robust 6% QoQ loan growth and 13% QoQ deposit growth. As a result, cost-income ratio fell sharply to 57% in Q2FY25 vs 61% in Q1FY25. Management sounded confident about maintaining CI ratio at 60% in FY25 and bringing it down to 55% over the next 3-4 years.

Financial summary

Y/E March	FY23A	FY24A	FY25E	FY26E
NII (INR bn)	44.3	68.1	79.5	96.6
Op. profit (INR bn)	20.2	32.2	38.4	48.3
Net Profit (INR bn)	14.3	20.1	21.4	27.9
EPS (INR)	21.4	27.0	28.7	37.6
EPS % change YoY	18.7	26.3	6.3	30.6
P/E (x)	30.4	24.1	22.7	17.4
P/BV (x)	4.0	3.2	2.8	2.4
GNPA (%)	1.7	1.7	1.6	1.6
RoA (%)	1.8	1.9	1.5	1.6
RoE (%)	15.4	15.5	13.3	15.1

Note - *FY23 – Standalone, FY24 onwards merged numbers

Renish Bhuva
renish.bhuva@icicisecurities.com
+91 22 6807 7465
Chintan Shah
chintan.shah@icicisecurities.com

Market Data

Market Cap (INR)	485bn
Market Cap (USD)	5,767mn
Bloomberg Code	AUBANK IN
Reuters Code	AUFI BO
52-week Range (INR)	813 /554
Free Float (%)	75.0
ADTV-3M (mn) (USD)	24.1

Price Performance (%)	3m	6m	12m
Absolute	(0.6)	7.0	(6.2)
Relative to Sensex	(0.2)	(1.6)	(30.3)

ESG Score	2021	2022	Change
ESG score	**77.4**	**80.7**	**3.3**
Environment	53.8	58	4.2
Social	68.5	79.1	10.6
Governance	92.9	91.9	(1.0)

Note - Score ranges from 0 - 100 with a higher number indicating a higher ESG score.

Source: SES ESG, I-sec research

Previous Reports

26-07-2024: Q1FY25 results review

25-04-2024: Q4FY24 results review

Credit cost inched up to 1.3% during H1FY25 owing to higher stress across segments; co revises guidance upwards to 1.3% vs 1.1% earlier

Credit cost during Q2FY25 increased to 1.6% vs 1.4% QoQ owing to higher slippages in secured asset business due to seasonality, some impact of unusually heavy rains in Northern India in Aug'24 and stress in MFI and credit card segments. While it expects recovery in secured assets, stress in MFI and credit card may stay till Q3FY25, and hence, management expects H2FY25 credit cost to remain at similar level of H1FY25. Hence, it revises full year FY25 credit cost guidance to 1.3% vs 1.1% earlier.

At current juncture, management sounded confident of meeting the revised credit cost guidance as it has taken various steps to reduce slippages and improve collections, both in credit cards and MFI business, including tightening underwriting, reducing loan amounts and strengthening collections team. Early sign is visible as reflected in collection in Oct'24 being better than Sep'24 in MFI business. MFI CE stood at 98.44% for Q2FY25 vs 99.07% QoQ. Overall, CE in current bucket stood at 98.75% for H1FY25.

Fresh slippages increased due to seasonality and stress in MFI; however, granular details suggest relatively lower stress than industry in MFI

Fresh slippages increased to INR 7.4bn in Q2FY25 vs INR 5.4bn QoQ with slippage ratio at 3.1% vs historical trend of ~2%. Of total slippages, ~33% of slippages (25% in Q1) came from unsecured portfolio which comprises credit card, personal loans and microfinance. Elevated slippages led to sequential uptick in GNPL ratio to 2% vs 1.8% QoQ. Segment-wise, GNPL in vehicle segment increased to 2.3% vs 2.1% QoQ, SBL to 3.1% vs 2.9% QoQ, commercial to 0.5% vs 0.4% QoQ, MFI to 2.3% vs 1.1% QoQ and credit card to 3.2% vs 2.6% QoQ. It has written-off assets worth INR 2.4bn vs INR 1.8bn QoQ.

While MFI segment is grappling with customer level overleveraging challenge, which is leading to higher delinquencies, inherent portfolio quality remains robust. Some of the portfolio metrics are – a) no single state contributing more than 12% of AUM, b) limited exposure in Odisha at 2% and 8% in Bihar, c) 41% unique borrowers and d) only 8% of borrowers having more than 5 lender relationships, would ensure credit cost in MFI would remain lower than the industry.

Growth momentum sustained despite slowdown in MFI and credit card business; maintain full year FY25 growth guidance at 25% YoY

Advances grew strong 6% QoQ on merged basis and it highlighted that growth was broad based accept in MFI and unsecured loans. Notably, wheels portfolio grew 5% QoQ while SBL grew 3% QoQ, reflecting some slowdown. Gold loans (up 11% QoQ) and personal loans (14% QoQ) remained the key growth drivers. Management expects credit growth to remain robust at ~25% in FY25. On merged basis, the largest segment remains wheels at 27%, followed by MBL at 25%, HL at 9%, MFI at 8%, business banking at 9%, agri banking at 7%, credit card at 3%, NBFC at 4%, REG at 2%, gold loans at 2%, PL at 1% and others at 3%. Total unsecured exposure (MFI + CC + PL) contributed ~12% of the portfolio.

Considering strong growth in secured retail assets, management maintained its full year FY25 growth guidance at 25% YoY despite slowdown in MFI and calibrated approach in credit cards.

Expect deposit growth to remain at 25% YoY in FY25; maintain CoF at 7.10-7.15% vs initial guidance of 7.20-7.25%

Despite the challenging environment with tight liquidity and high competition, the bank reported a strong deposit growth of 13% QoQ during Q2FY25. Notably, despite strong deposit mobilisation CoF remained stable at 7% during Q2FY25, implying improved liability franchise. Deposit profile remained stable with retail TD + CASA at 67% as on Sep'24 with current account (CA) deposits growing by 26% QoQ and saving deposits

(SA) by 8% QoQ. CASA ratio remained steady at 32% as on Sep’24. The same led to sharp improvement in CD ratio to 86% vs 92% QoQ. It commands 0.5% deposit market share as on Sep’24.

While competition in deposit market continued to be intense, in order to manage its CoF, it has strategically reduced interest rates in certain buckets of savings deposits by up to 100bps (kept peak deposit rate at 7.25%). Hence, it expects full year FY25 CoF to increase by only 10-15bps from hereon.

Going ahead, management will continue to drive its deposit growth journey by building a strong individual and retail franchise. In order to do so, the SFB will continue to enhance its liability-side product proposition to acquire new customers and deepen relationships with existing customers. In line with this, it launched: i) *AU Wealth*, a wealth management proposition across segments, ii) restructured its corporate salary account vertical. Additionally, the SFB has been consistently driving higher engagement with customers through other product offerings such as credit cards, QR codes, bill payments, etc, which may ensure higher customer stickiness.

Asset yields showing encouraging trend; RoA to sustain at 1.6%

Asset yield remained stable at 14.4% but up 120bps YoY due to addition of high-yielding portfolio post-merger. Management’s intense efforts on improving yields also reflects in 30-100bps QoQ increase in disbursement yields since Mar’24. Asset yield expansion for legacy portfolio like wheels, HL, SBL etc. would ensure NIM stability going ahead. Disbursement yields during Q2FY25 stood at 15.2% with 81% of disbursements happening in high RoA assets of wheels, MBL, NBFC, REG, microfinance etc.

With stable NIM at 6% going ahead, likely benefit from operating leverage, higher other income and steady credit cost at 1.3% during H2FY25, management expects RoA to sustain at 1.6% as guided earlier despite higher credit cost during H2FY25. It also remained on-track to deliver 1.8% RoA by FY27.

Key risks: a) Stress unfolding to higher-than-anticipated levels, and b) deceleration in loan growth.

Q2FY25 earnings call takeaways

Outlook

- **Targeting 25% loan growth for FY25, despite slowdown in MFI and calibrated approach in credit card.**
- *In overall scheme of things, it believes RoA would be protected.*
- **1.6% RoA guidance for FY25.**
- **Credit cost would be a key monitorable, but other income and cost to income ratio would likely offset the impact, if any.**
- **Want to be more calibrated in growing unsecured segment at this point of time, considering the external challenging environment.**
- In terms of asset growth and asset yield, it has remained very strong and sustainable.

Asset quality

- **Expect credit cost to be elevated and credit cost in H2 would be similar to credit cost level in H1.**

- **Uptick in H1 GNPA is due to seasonality and expect lower GNPA in H2.**
- **As per past trends, H2 has been a good quarter in terms of asset quality for secured portfolio.**
- As per management, the SFB is adequately covered on secured assets in terms of provisioning.
- Commercial book's (which is ~20% of overall book) asset quality is in line with expectations.
- **33% (25% in Q1) of total slippages were from unsecured portfolio which comprises credit card, personal loans and microfinance.**

<u>Operating environment</u>

- Overall operating environment has remained challenging.
- **There are some early signs of pick ups in economic activity since past 3-4 weeks.**

<u>Microfinance</u>

- ***MFI CE at 98.44% for Q2 vs 99.07% QoQ. Overall, 98.75% is current bucket CE for H1.***
- **Microfinance credit cost in H1 stood at 3%.**
- **If FY25 credit cost is less than 3%, then it will take it to 3% by providing additional buffer.**
- **Some leading signs of recovery in the month of Oct'24 as it has been better than Sep'24.**
- MFI asset quality has been impacted due to over leveraging.
- Strong and diversified MFI franchise led by experienced team.
- Among the lowest average exposure per customer with INR 26k.
- Sole lender for 41% of loan book.
- No state has more than 12% exposure.
- 8% (11% QoQ) of borrowers have taken loans from more than or equal to 5 lenders. With industry guard rails in place, expect this to further trend downwards.
- Top 3 states are 35% and in a credit cycle like this, very solid diversification across states and districts help manage the portfolio well.
- *Bihar and Odisha seem to be the largest states in terms of stress pool for the industry.*
- ***For AU, Odisha is just 2% of the portfolio and Bihar is 8%.***

<u>Credit card</u>

- Building credit card business by way of digital footing.
- Co wants to build more cautiously and more guardrails in this business.
- It's a very delicate product and needs to be handled carefully.
- **It has issued ~1mn cards. But out of that, ~75% card holders do not use any credit while 25% use any form of credit, while only 3% have defaulted.**
- *It has changed various data inputs for income estimation and has now even included data from account aggregator.*
- ***Overall, it is on course of correction in credit card portfolio.***

Margins

- **6% guidance for FY25.**
- It has seen increased traction on yields front across wheels portfolio.
- It is able to maintain yields and cost of funds.
- Can expect rate cut in Dec'24 or Feb'25.
- Incremental spreads are better than back book spreads due to enhancement in disbursement yields. **It has enhanced disbursement yield in core business with wheels at 30bps, MBL at 40bps and housing at ~130bps.**
- **Co believes overall margins would be protected.**
- As customer franchise builds up further, it will rationalise its deposit rates further and narrow the gap with large private banks.

Deposits

- Total deposits crossed milestone of ~INR 1trn.
- CA overall growth has come from diversified segments, namely, government sources, commercial banking clients and offering digital solutions to clients. Moreover, money has also come from capital market clients.
- It is not chunky money, but transactional money.

Cost to income

- Opex would be higher in H2 due to seasonality.
- **C/I is expected to be around 60% for FY25.**
- **Roadmap for 55% cost to income over the next 3-4 years is intact.**
- *Benefits from Fincare SFB's branches should start flowing in next 12-18 months, which should also provide some benefit on lowering C/I.*
- *It is working on improving productivity of people. This is reflected in ~11% growth, but no rise in number of employees.*
- *Due to merger of Fincare SFB, it is not planning to open branches this year.*

Other income

- 32% YoY rise in other income.
- Started to monetise all its investments.
- Aiming to further increase fee income in coming quarters.
- Growing its insurance distribution business wherein it has 14 partners.
- Credit card interchange and other businesses will also pick up as business scales up.
- Trading income is impacted by capital markets, and hence, this can impact total income by 5-10%.

Miscellaneous

- Comfortable with LCR of around 115%.

Exhibit 1: Q2FY25 result review – P&L statement

Standalone INR mn	Q2FY24	Q1FY25	Q2FY25	QoQ (%)	YoY (%)
Interest Income	25,311	37,691	39,106	3.8	54.5
Interest Expense	12,821	18,485	19,363	4.7	51.0
Net Interest Income (NII)	**12,490**	**19,207**	**19,744**	**2.8**	**58.1**
Other Income	4,255	5,457	6,380	16.9	49.9
Total Income	**16,744**	**24,663**	**26,123**	**5.9**	**56.0**
Employee Expenses	5,120	7,901	7,855	-0.6	53.4
Other Operating Expenses (incl. depreciation)	5,147	6,880	6,951	1.0	35.0
Total Operating Expenses	**10,267**	**14,781**	**14,806**	**0.2**	**44.2**
Pre-Provisioning Operating Profit (PPoP)	**6,477**	**9,882**	**11,318**	**14.5**	**74.7**
Provisions and write offs	1,143	3,192	3,729	16.8	226.2
Exceptional items		0	0		
Profit Before Tax	**5,334**	**6,690**	**7,589**	**13.4**	**42.3**
Tax Expenses	1,315	1,663	1,876	12.8	42.6
Tax Rate	24.7	24.9	24.7	-0.6	0.2
Profit / (Loss) - Total Operations	**4,018**	**5,027**	**5,713**	**13.7**	**42.2**

Source: Company data, I-Sec research

Exhibit 2: Q2FY25 result review – balance sheet

INR mn	Q2FY24	Q1FY25	Q2FY25	QoQ (%)	YoY (%)
Shareholders' funds	**53,441**	**89,310**	**87,770**	**-1.7**	**64.2**
Borrowings	53,441	89,310	87,770	-1.7	64.2
Deposits	7,57,429	9,72,900	10,96,930	12.7	44.8
Other Liabilities & Provisions	31,277	42,050	43,180	2.7	38.1
Total Sources Of Funds	**9,59,774**	**12,59,420**	**13,88,290**	**10.2**	**44.6**
Fixed Assets	7,574	9,110	9,200	1.0	21.5
Investments	2,32,199	2,73,150	3,18,610	16.6	37.2
Cash & Bank	62,573	56,080	85,060	51.7	35.9
Other Assets (Incl Deferred tax Assets)	15,743	24,570	27,040	10.1	71.8
Loans Outstanding	**6,41,685**	**8,96,520**	**9,48,380**	**5.8**	**47.8**
Total Utilisation Of Funds	**9,59,774**	**12,59,430**	**13,88,290**	**10.2**	**44.6**

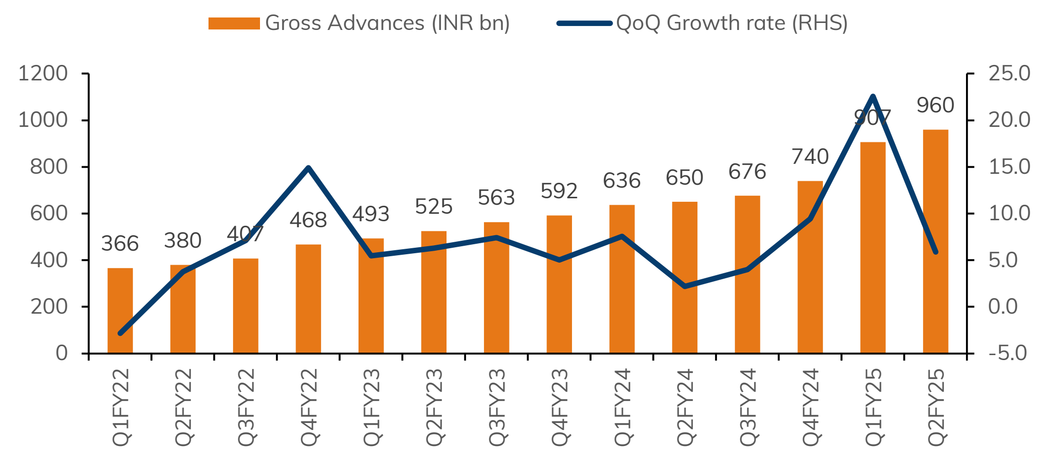
Source: Company data, I-Sec research

Exhibit 3: Q2FY25 result review – key operating metrics

	Q2FY24	Q1FY25	Q2FY25	QoQ (%)	YoY (%)
Loan AuM (INR mn)	**6,50,290**	**9,07,020**	**9,60,330**	**5.9**	**47.7**
Vehicle FINANCE	2,07,380	2,42,150	2,55,020	5.3	23.0
MSME	1,86,020	2,35,540	2,43,460	3.4	30.9
Other Retail (ex money market)	1,06,790	2,36,960	2,50,190	5.6	134.3
Wholesale	1,50,100	1,92,380	2,11,680	10.0	41.0
Yields on loans (%)	13.3	14.4	14.4	0.0	8.3
Cost of funds (%)	6.7	7.0	7.0	-0.4	4.5
NIM on interest earning assets(%)	5.5	6.0	6.1	1.7	10.9
Total deposits (INR mn - ex CD)	**7,57,429**	**9,72,900**	**10,96,930**	**12.7**	**44.8**
-CASA Ratio (%)	34.0	33.0	32.0	-3.0	-5.9
Gross NPA - on gross loans (%)	**1.9**	**1.8**	**2.0**	11.2	3.7
Net NPA - on gross loans (%)	0.6	0.6	0.8	19.0	25.0
Provision coverage ratio (%)	68.6	64.6	62.1	-3.8	-9.4
Cost to Income (%)	61.3	59.9	56.7	-5.4	-7.6
RoA (%) - annualised	**1.7**	**1.6**	**1.7**	**6.3**	**-0.8**
RoE (%) - annualised	**13.9**	**13.2**	**14.5**	**9.8**	**4.3**
CRAR (%)	22.4	20.1	19.8	-1.5	-11.6
-Tier 1 (%)	**21.0**	**18.9**	**18.7**	**-1.1**	**-11.0**
-Tier 2 (%)	1.4	1.2	1.1	-8.3	-21.4
Branches (nos - including asset centres)	1,042	2,414	2,408	-0.2	131.1
Employees (nos)	28,500	46,600	48,000	3.0	68.4

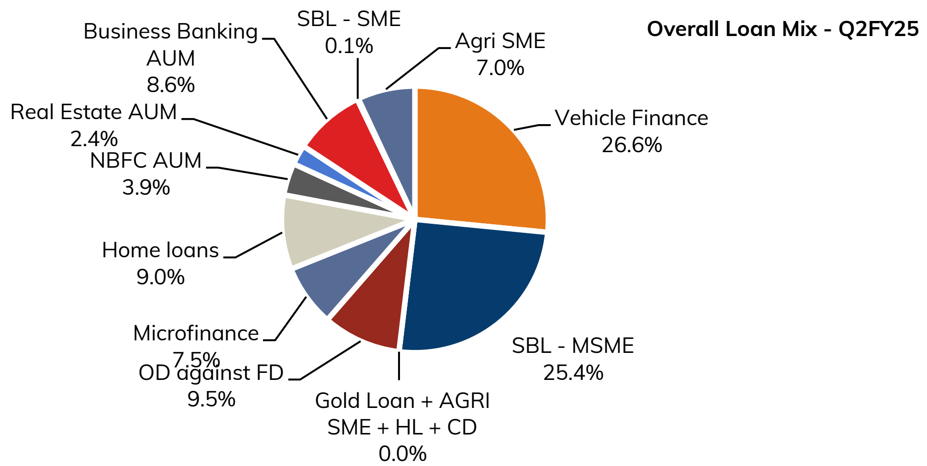
Source: Company data, I-Sec research

Exhibit 4: Growth momentum sustained despite slowdown in MFI and credit card businesses



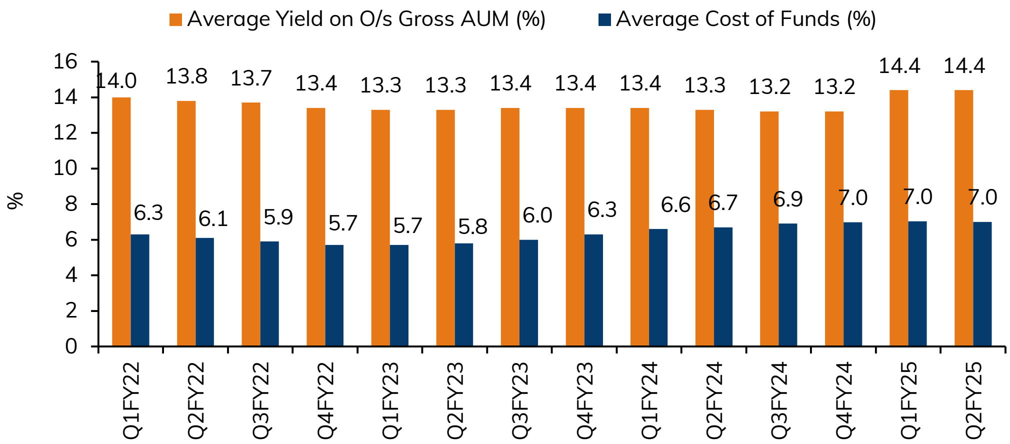
Source: Company data, I-Sec research

Exhibit 5: Mix dominated by vehicle finance and SBL segments



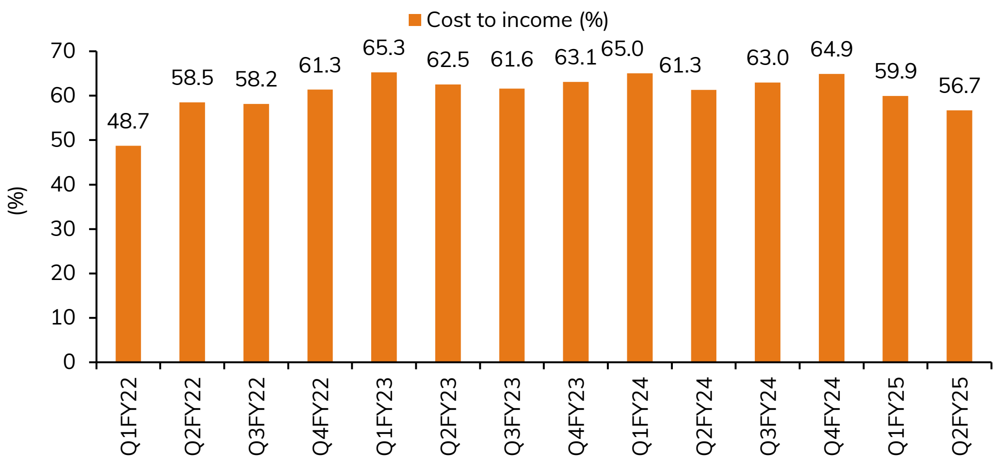
Source: Company data, I-Sec research

Exhibit 6: Asset yield stabilising around current level of ~14%



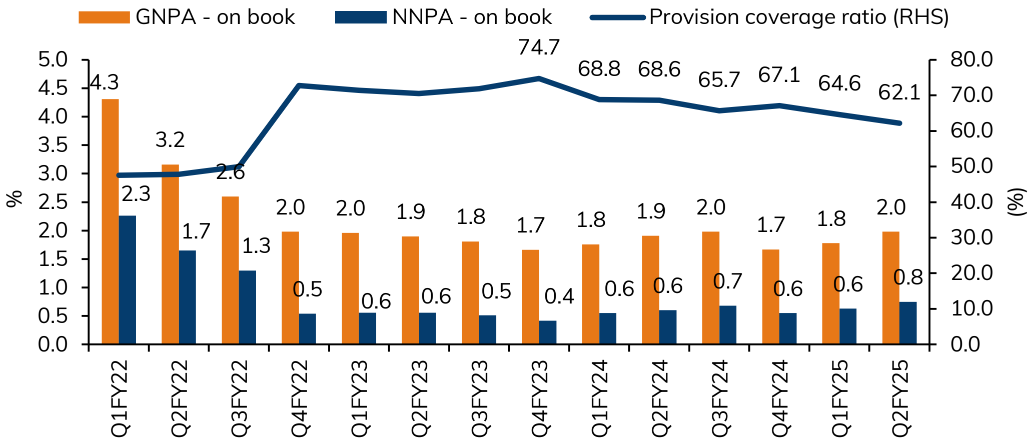
Source: Company data, I-Sec research

Exhibit 7: C/I ratio moderates QoQ aided by strong other income



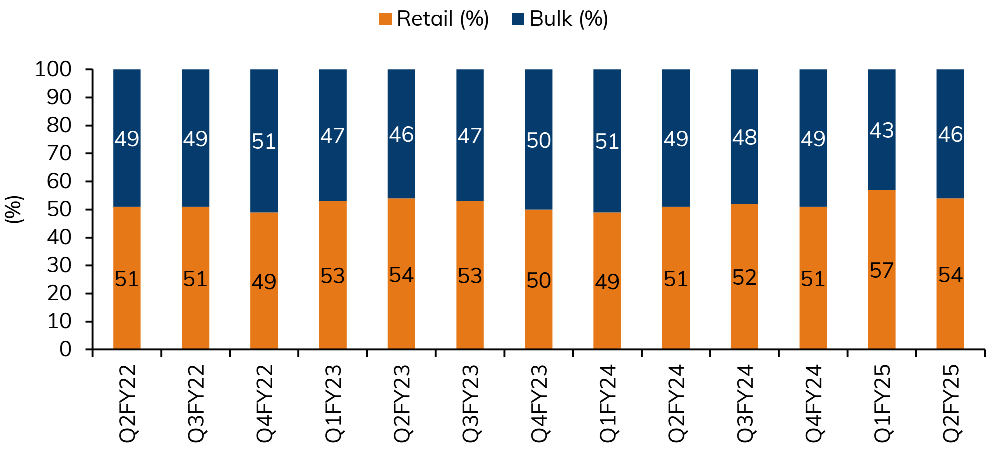
Source: Company data, I-Sec research

Exhibit 8: Fresh slippages increased due to seasonality and unsecured portfolio, leading to rise in GNPA



Source: Company data, I-Sec research

Exhibit 9: Increase in TD driven by higher share of bulk deposits



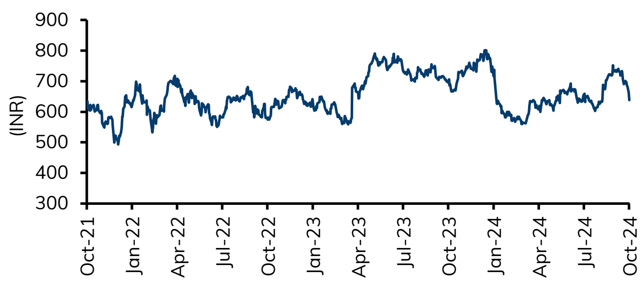
Source: Company data, I-Sec research

Exhibit 10: Shareholding pattern

%	Mar'24	Jun'24	Sep'24
Promoters	25.5	22.9	22.9
Institutional investors	62.1	58.1	60.7
MFs and other	14.5	12.5	15.4
Banks/ FIs	0.0	0.0	0.0
Insurance Cos.	2.7	2.8	3.3
FIIs	44.9	42.8	42.0
Others	12.4	19.0	16.4

Source: Bloomberg, I-Sec research

Exhibit 11: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 12: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Interest income	82,054	1,32,257	1,61,593	1,98,537
Interest expense	(37,801)	(64,206)	(82,098)	(1,01,987)
Net interest income	**44,253**	**68,051**	**79,496**	**96,551**
Non interest income	10,345	20,889	24,428	30,217
Operating income	**54,597**	**88,940**	**1,03,924**	**1,26,767**
Operating expense	(34,403)	(56,710)	(65,483)	(78,419)
- Staff expense	(17,930)	(28,977)	(33,545)	(38,793)
Pre-provisions profit	**20,195**	**32,230**	**38,440**	**48,348**
Core operating profit	**20,195**	**32,230**	**38,440**	**48,348**
Provisions & Contingencies	(1,548)	(6,057)	(10,559)	(11,927)
Pre-tax profit	**18,646**	**26,172**	**27,882**	**36,421**
Tax (current + deferred)	(4,367)	(6,087)	(6,530)	(8,530)
Net Profit	**14,279**	**20,085**	**21,351**	**27,891**
% Growth	**26.4**	**40.7**	**6.3**	**30.6**

Source Company data, I-Sec research

*FY23 standalone and from FY24 onwards merged numbers

Exhibit 13: Balance sheet

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Capital	6,667	7,427	7,427	7,427
Reserve & surplus	1,03,106	1,42,378	1,63,730	1,91,621
Deposits	6,93,650	9,77,041	12,21,302	15,26,627
Borrowings	62,987	92,387	81,837	1,05,158
Other liabilities	35,751	47,697	52,466	57,713
Total liabilities	**9,02,161**	**12,66,930**	**15,26,761**	**18,88,546**
Cash and Bank balance	94,252	63,763	85,491	1,06,864
Investments	2,00,720	3,03,184	3,29,751	4,12,189
Advances	5,84,215	8,55,207	10,64,602	13,20,864
Fixed assets	7,401	8,516	10,552	12,135
Other assets	15,573	36,261	36,364	36,493
Total assets	**9,02,161**	**12,66,930**	**15,26,761**	**18,88,546**
% Growth	30.6	40.4	20.5	23.7

Source Company data, I-Sec research

*FY23 standalone and from FY24 onwards merged numbers

Exhibit 14: Key ratios

(Year ending March)

	FY23A	FY24A	FY25E	FY26E
No. of shares and per share data				
No. of shares (mn)	667	743	743	743
Adjusted EPS (Rs)	21.4	27.0	28.7	37.6
Nominal Book Value per share (Rs)	165	202	230	268
Adjusted BVPS (Rs)	162	198	227	-
Subs Value per share (Rs)	-	-	-	-
Valuation ratio				
PER (x)	30.4	24.1	22.7	17.4
Price/ Nominal Book (x)	4.0	3.2	2.8	2.4
Price/ Adjusted book (x)	-	-	-	-
Dividend Yield (%)	-	-	-	-
Profitability ratio				
Yield on advances (%)	13.1	15.7	14.4	14.2
Yields on Assets	10.6	12.6	12.0	12.0
Cost of deposits (%)	6.2	7.7	7.5	7.4
Cost of funds	5.6	7.0	6.9	6.9
NIMs (%)	5.7	6.5	5.9	5.8
Cost/Income (%)	63.0	63.8	63.0	61.9
Dupont Analysis (as % of Avg Assets)				
Interest Income	10.3	12.2	11.6	11.6
Interest expended	(4.7)	(5.9)	(5.9)	(6.0)
Net Interest Income	5.6	6.3	5.7	5.7
Non-interest income	1.3	1.9	1.7	1.8
Total Income	**6.9**	**8.2**	**7.4**	**7.4**
Staff costs	(2.3)	(2.7)	(2.4)	(2.3)
Non-staff costs	-	-	-	-
Total Cost	**(4.3)**	**(5.2)**	**(4.7)**	**(4.6)**
PPoP	**2.5**	**3.0**	**2.8**	**2.8**
Non-tax Provisions	(0.2)	(0.6)	(0.8)	(0.7)
PBT	**2.3**	**2.4**	**2.0**	**2.1**
Tax Provisions	(0.5)	(0.6)	(0.5)	(0.5)
ROA (%)	**1.8**	**1.9**	**1.5**	**1.6**
Leverage (x)	8.2	8.5	8.9	9.5
ROE (%)	**14.7**	**15.7**	**13.6**	**15.5**
Asset quality ratios				
Gross NPLs (%)	1.7	1.7	1.6	1.6
Net NPLs (%)	0.4	0.6	0.3	0.3
PCR (%)	75.0	67.6	80.0	80.0
Gross Slippages (% of PY loans)	2.0	2.3	2.2	2.2
Total provisions/ Avg loans (%)	0.3	0.8	1.1	1.0
Net NPLs / Networth (%)	2.2	2.7	2.0	2.2
Capitalisation ratios				
Core Equity Capital (%)	-	-	-	-
Tier I cap.adequacy (%)	21.8	20.5	19.1	17.9
Total cap.adequacy (%)	23.6	23.3	21.8	20.7

Source Company data, I-Sec research

*FY23 standalone and from FY24 onwards merged numbers

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Bhavesh Soni Email address: headservicequality@icicidirect.com Contact Number: 18601231122