

BSE SENSEX	S&P CNX	Rs273	Buy							
19,047	5,712									
Bloomberg	YES IN									
Equity Shares (m)	339.7									
52-Week Range (Rs)	388/223									
1,6,12 Rel.Perf.(%)	-4/-14/-9									
M.Cap. (Rs b)	92.7									
M.Cap. (US\$ b)	2.0									
YEAR	NET INCOME	PAT	EPS	EPS	P/E	BV	P/BV	P/ABV	ROAA	ROAE
END	(RS M)	(RS M)	(RS)	GR. (%)	(X)	(RS)	(X)	(X)	(%)	(%)
3/10A	13,635	4,777	14.1	37.5	19.4	91.0	3.0	3.0	1.6	20.3
3/11E	18,844	7,268	21.4	52.1	12.8	110.0	2.5	2.5	1.6	21.3
3/12E	25,466	9,378	27.6	29.0	9.9	134.7	2.0	2.0	1.4	22.6
3/13E	33,015	11,720	34.5	25.0	7.9	165.7	1.6	1.7	1.3	23.0

Yes Bank's PAT grew 52% YoY to Rs1.9b (in line with our estimate), driven by strong NII growth of 52% YoY (in line with our estimate).

### Key highlights

- Loans grew 66% YoY and 2.5% QoQ. During the quarter, loans to the TMT segment declined by ~Rs12b; QoQ growth in loans to the infra and logistics segment was also muted at 3%.
- NIM declined 20bp QoQ to 2.8%. Higher proportion of investments in total assets and lower re-pricing benefit on investment portfolio resulted in the NIM decline.
- Overall deposits grew 79% YoY (declined 1.4% QoQ), while CASA deposits grew 81% YoY (flat QoQ). CASA ratio was marginally up at 10.2%.
- Non-interest income increased 27% YoY and 24% QoQ due to higher income of Rs410m (v/s Rs141m in 2QFY11 and Rs280m in 3QFY11) from the financial market segment. Fees from transaction banking grew 34% YoY and 30% QoQ. Financial advisory fees, however, declined 6% YoY and 16% QoQ to Rs535m.
- Asset quality was stable, with GNPA ratio at 23bp and net NPA ratio at 6bp. Specific loan loss coverage ratio was at 76% v/s 75% in 1QFY11 (total loan loss coverage was at 283% v/s 299% a quarter ago).
- Despite adding 14 branches during the quarter, cost to income (CI) ratio improved sequentially to 35.8% v/s 36.6% on the back of controlled opex and strong growth in total income. Despite continuous investment in building up branch network, the management expects to contain CI ratio below 40%.
- The stock trades at 9.9x FY12E EPS and 2x FY12E BV. Maintain **Buy** with a target price of Rs405 (3x FY12E BV).

### QUARTERLY PERFORMANCE

									(RS MILLION)	
	FY10				FY11				FY10	FY11E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	5,358	5,430	6,264	6,646	7,392	9,538	11,262	14,820	23,697	43,012
Interest Expense	3,789	3,670	4,154	4,204	4,771	6,406	8,030	11,419	15,818	30,626
<b>Net Interest Income</b>	<b>1,568</b>	<b>1,760</b>	<b>2,109</b>	<b>2,442</b>	<b>2,621</b>	<b>3,132</b>	<b>3,232</b>	<b>3,401</b>	<b>7,880</b>	<b>12,385</b>
% Change (Y-o-Y)	38.8	43.6	69.5	62.9	67.1	77.9	53.2	39.3	54.7	57.2
Other Income	1,521	1,355	1,278	1,601	1,438	1,310	1,617	2,094	5,755	6,459
<b>Net Income</b>	<b>3,089</b>	<b>3,115</b>	<b>3,387</b>	<b>4,043</b>	<b>4,059</b>	<b>4,442</b>	<b>4,848</b>	<b>5,495</b>	<b>13,635</b>	<b>18,844</b>
Operating Expenses	1,111	1,197	1,226	1,467	1,570	1,628	1,736	1,969	5,002	6,902
<b>Operating Profit</b>	<b>1,978</b>	<b>1,918</b>	<b>2,162</b>	<b>2,576</b>	<b>2,490</b>	<b>2,814</b>	<b>3,113</b>	<b>3,525</b>	<b>8,633</b>	<b>11,942</b>
% Change (Y-o-Y)	116.4	95.8	17.2	67.3	25.9	46.7	44.0	36.9	63.6	38.3
Other Provisions	455	234	254	426	126	174	250	463	1,368	1,013
<b>Profit before Tax</b>	<b>1,523</b>	<b>1,684</b>	<b>1,908</b>	<b>2,150</b>	<b>2,364</b>	<b>2,640</b>	<b>2,863</b>	<b>3,062</b>	<b>7,265</b>	<b>10,929</b>
Tax Provisions	522	567	649	750	800	877	952	1,032	2,487	3,661
<b>Net Profit</b>	<b>1,001</b>	<b>1,117</b>	<b>1,259</b>	<b>1,400</b>	<b>1,564</b>	<b>1,763</b>	<b>1,911</b>	<b>2,030</b>	<b>4,777</b>	<b>7,268</b>
% Change (Y-o-Y)	84.0	75.6	19.0	74.8	56.3	57.8	51.8	45.0	57.2	52.1
Interest Expense/Interest Income (%)	70.7	67.6	66.3	63.3	64.5	67.2	71.3	77.1	66.7	71.2
Other Income/Net Income (%)	49.2	43.5	37.7	39.6	35.4	29.5	33.3	38.1	42.2	34.3
Cost to Income Ratio (%)	36.0	38.4	36.2	36.3	38.7	36.6	35.8	35.8	36.7	36.6
Provisions/Operating Profits (%)	23.0	12.2	11.7	16.5	5.0	6.2	8.0	13.1	15.9	8.5
Tax Rate (%)	34.3	33.7	34.0	34.9	33.9	33.2	33.2	33.7	34.2	33.5

E: MOSL Estimates

**RESULTS ANALYSIS (RS M)**

	3QFY11	3QFY10	YOY GR. %	2QFY11	QOQ GR. %	FY10	FY11E	FY12E
Interest Income	11,262	6,264	80	9,538	18	23,697	43,012	63,014
Interest Expense	8,030	4,154	93	6,406	25	15,818	30,626	46,374
<b>Net Interest Income (Nil)</b>	<b>3,232</b>	<b>2,109</b>	<b>53</b>	<b>3,132</b>	<b>3</b>	<b>7,880</b>	<b>12,385</b>	<b>16,640</b>
Other Income	1,617	1,278	27	1,310	23	5,755	6,459	8,826
- Financial Markets	410	280	46	141	191	2,008	1,328	2,027
- Financial Advisory	535	570	-6	637	-16	1,965	2,653	3,449
- Transaction Banking	498	371	34	383	30	1,406	1,828	2,376
- Third party revenues and others	174	57	205	149	17	376	650	975
<b>Net Income</b>	<b>4,848</b>	<b>3,387</b>	<b>43</b>	<b>4,442</b>	<b>9</b>	<b>13,635</b>	<b>18,844</b>	<b>25,466</b>
Total Operating Costs	1,736	1,226	42	1,628	7	5,002	6,902	9,462
- Staff Costs	903	627	44	878	3	2,569	3,661	5,125
- Other Opex	833	599	39	750	11	2,433	3,242	4,337
<b>Operating Profit</b>	<b>3,113</b>	<b>2,162</b>	<b>44</b>	<b>2,814</b>	<b>11</b>	<b>8,633</b>	<b>11,942</b>	<b>16,005</b>
Provisions	250	254	-2	174	43	1,368	1,013	1,795
<b>PBT</b>	<b>2,863</b>	<b>1,908</b>	<b>50</b>	<b>2,640</b>	<b>8</b>	<b>7,265</b>	<b>10,929</b>	<b>14,209</b>
Tax	952	649	47	877	9	2,487	3,661	4,831
Tax rate %	33	34		33		34	34	34
<b>PAT</b>	<b>1,911</b>	<b>1,259</b>	<b>52</b>	<b>1,763</b>	<b>8</b>	<b>4,777</b>	<b>7,268</b>	<b>9,378</b>
<b>Deposits</b>	<b>394,528</b>	<b>220,386</b>	<b>79</b>	<b>400,137</b>	<b>-1</b>	<b>267,986</b>	<b>435,477</b>	<b>609,667</b>
<b>CASA Ratio %</b>	<b>10.2</b>	<b>10.1</b>		<b>10.1</b>		<b>10.5</b>	<b>10.8</b>	<b>12.4</b>
<b>Advances</b>	<b>311,122</b>	<b>187,104</b>	<b>66</b>	<b>303,481</b>	<b>3</b>	<b>221,931</b>	<b>343,993</b>	<b>464,391</b>
<b>Gross NPA</b>	<b>728</b>	<b>542</b>	<b>34</b>	<b>677</b>	<b>8</b>	<b>602</b>	<b>917</b>	<b>1,766</b>
<b>Gross NPA %</b>	<b>0.23</b>	<b>0.29</b>		<b>0.22</b>		<b>0.27</b>	<b>0.27</b>	<b>0.38</b>
<b>Net NPA</b>	<b>174</b>	<b>162</b>	<b>7</b>	<b>172</b>	<b>1</b>	<b>130</b>	<b>183</b>	<b>353</b>
<b>Net NPA %</b>	<b>0.06</b>	<b>0.09</b>		<b>0.06</b>		<b>0.06</b>	<b>0.05</b>	<b>0.08</b>
Yields on Advances %*	10.0	10.3		9.5		10.2	11.7	12.1
Cost of Funds %*	7.1	6.6		6.7		6.2	7.5	7.9
<b>NIM %*</b>	<b>2.80</b>	<b>3.10</b>		<b>3.00</b>		<b>2.79</b>	<b>2.79</b>	<b>2.61</b>
Tier I CAR %*	10.4	9.0		11.0		12.8	9.9	8.7
Tier II CAR %*	7.8	7.2		8.4		7.8	6.8	5.7
<b>Branches</b>	<b>185</b>	<b>132</b>		<b>171</b>		<b>150</b>	<b>200</b>	<b>250</b>

\* Reported, Calculated for full year nos

**Reiterates guidance of strong business outlook**

In 3QFY11, loans grew 66% YoY and 2.5% QoQ. Relatively slower growth in loans was on account of run down in loans to the TMT segment (down by ~Rs12b QoQ) and muted growth of 3% QoQ in the infra and logistics segment. Deposits at the end of quarter were up 79% YoY and down 1.4% QoQ. CD ratio was high at 79%. In absolute terms, CASA deposits remained stable sequentially; however, due to sequential drop in overall deposits, CASA ratio improved marginally to 10.2%.

Management has reiterated its guidance of ~60% loan growth and ~70% deposit growth in FY11. We model loan growth of 55% in FY11. Wholesale and commercial banking (90% of loan book) will remain a key growth driver in the near term. In the medium to long term, the bank intends to increase share of retail and SME loans to ~30% (~10% currently), as branch expansion gathers pace. The management expects strong growth in CASA deposits to continue with branch expansion and focus on retail deposits.

**Margin declined 20bp QoQ; repricing of assets to aid margin expansion, going ahead**

NIM declined 20bp QoQ to 2.8%. Yield on loans increased 50bp QoQ while cost of funds increased 40bp QoQ. The drop in NIM was due to higher proportion of investments in total assets and lower re-pricing benefit on investment portfolio. Investment to deposits increased by ~240bp to 38.6%. Fixed rate loans constitute ~55% of the loan book and a majority of these are likely to mature by 1QFY12. Re-pricing of these assets would enable the bank to improve its margins.

The management remains confident of maintaining margins at ~3% by passing on the increase in costs to its customers and focusing on increasing the proportion of retail deposits. With average duration of the loan book at 16-17 months and deposits at 19-20 months, YoL and CoD will track prevailing interest rates in the economy. Hence, in our view, stability/improvement in NIMs would depend on pricing power and liquidity in the system.

**Healthy growth in non-interest income**

Non-interest income increased 27% YoY and 24% QoQ to Rs1.6b, led by higher income from the financial market and transaction banking segment. Fees from the financial market segment increased sharply to Rs410m. There were no trading gains during the quarter. Financial advisory declined 16% sequentially and 6% YoY to Rs535m. Transaction banking fees grew 30% QoQ (34% YoY) to Rs498m and income from third-party product distribution was up 18% QoQ. Going forward, these two would be the key focus areas for growth.

**Cost to income ratio declined QoQ; investment in franchise build-up continues**

Operating expenses grew 42% YoY and 7% QoQ to Rs1.7b. Employee expenses were up 44% YoY and 3% QoQ as the bank added 969 employees in the past one year (159 employees added during the quarter). Other operating expenses grew 39% YoY and 11% QoQ. The bank added 14 branches during the quarter, taking the total number of branches to 185. Cost to income ratio was 35.8% (v/s 36.6% in 2QFY11). Over the last eight quarters, it has been able to control cost to income ratio below 40%, a key factor driving RoA. The management expects to increase its branch network to ~250 by 1QFY12.

**Asset quality remains strong**

Asset quality remains strong, as GNPA and NNPA remained stable (in percentage terms) during the quarter. PCR was at 76% while PCR including standard asset provisions remained strong at ~283%. Restructured standard loans increased by Rs147m QoQ to Rs837m (0.27% of loans).

Asset quality remains one of the best in the industry, with stress assets at just 0.5% of the loan book. Exposure to MFI sector is ~Rs2.9b (less than 1% of the loans) and management has stated that as of December 2010, there was no account overdue. Also, it does not have any exposure to the new 2G players.

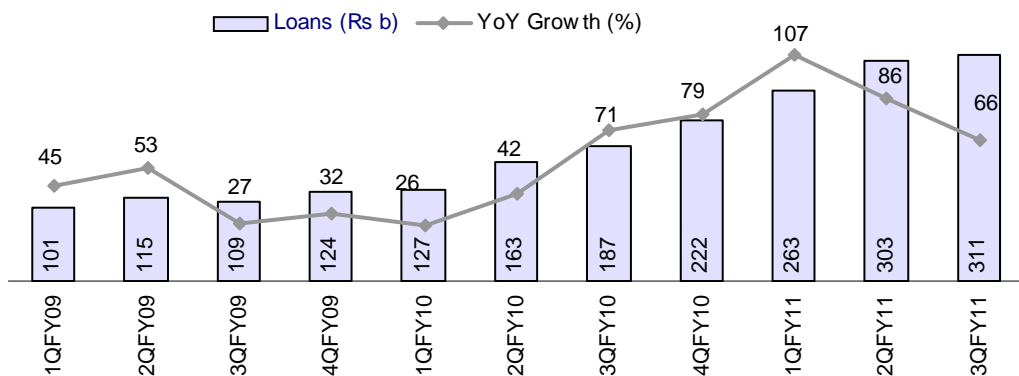
**Valuation and view**

Strong growth, proven execution capabilities, diversified fee income and superior return ratios are the key positives for Yes Bank. We expect Yes Bank to report EPS of Rs21 in FY11 and Rs28 in FY12. BV will be Rs110 in FY11 and Rs135 in FY12. Return ratios will be strong at 1.4-1.5% over FY11-13 and RoE is expected to be superior at 21%+ over FY11-13. While reported CAR stood at 18.2%, tier-I ratio is at 10.4% (declined from 12.9% as of FY10).

With growth rates expected to remain strong, the bank may need to raise capital in FY12. However, this is not factored in our earnings estimates. The stock trades at 9.9x FY12E EPS and 2x FY12E BV. Maintain **Buy** with a target price of Rs405 (3x FY12E BV).

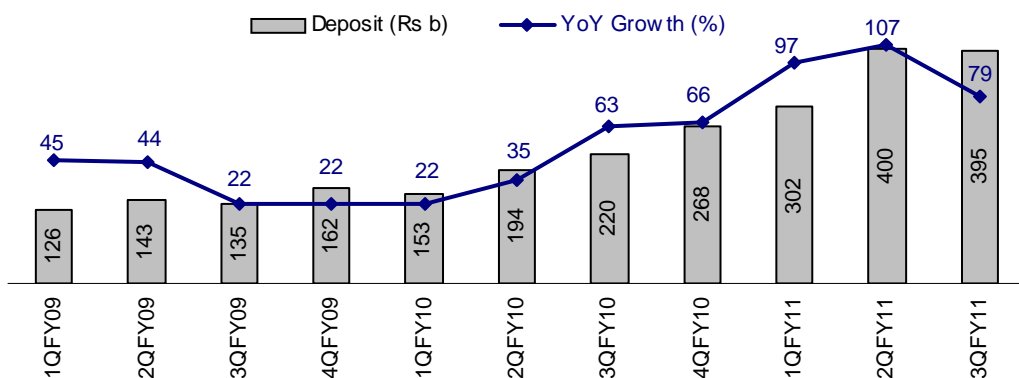
**Strong loan growth**

*Run down in loans to TMT segment (down ~Rs12b QoQ) and muted growth of 3% QoQ in infra and logistics segment led to moderation in QoQ loan growth*



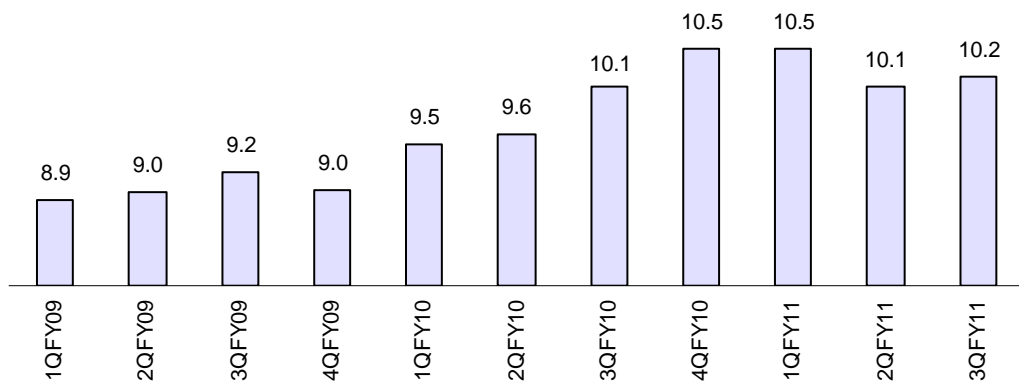
**Trend in deposit growth**

*Deposits were down 1.4% QoQ during the quarter*



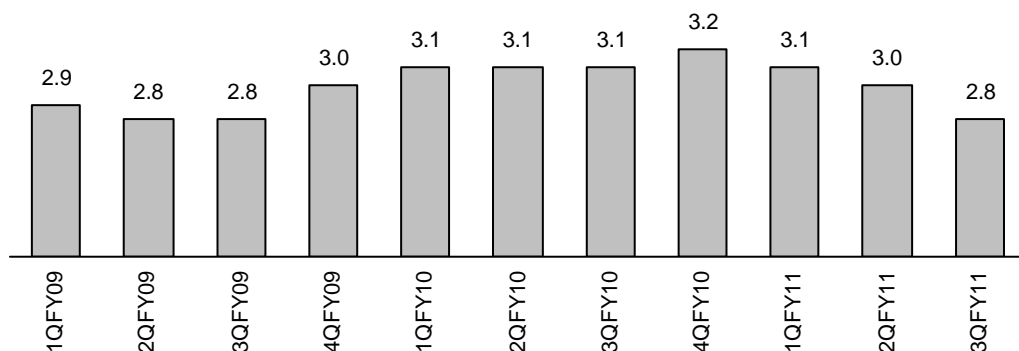
**Trend in CASA ratio (%)**

*In absolute terms, CASA remained stable QoQ*



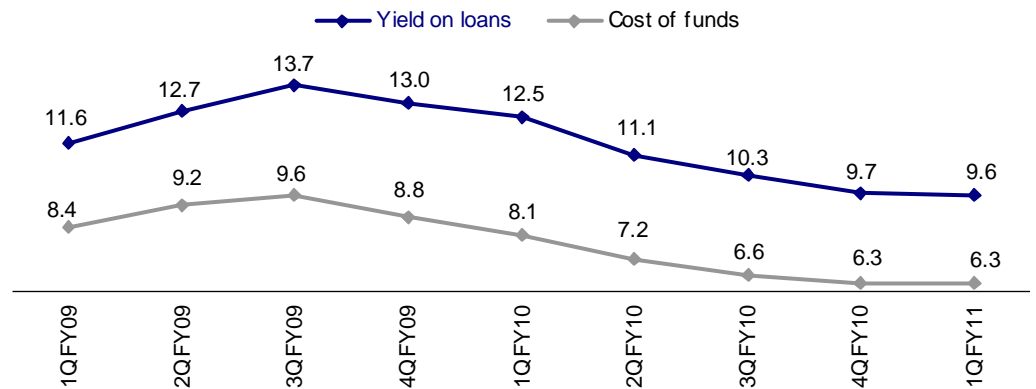
**Margins decline 20bp QoQ (%)**

*Higher proportion of investments in total assets and lower re-pricing benefit on investment portfolio led to drop in NIM*



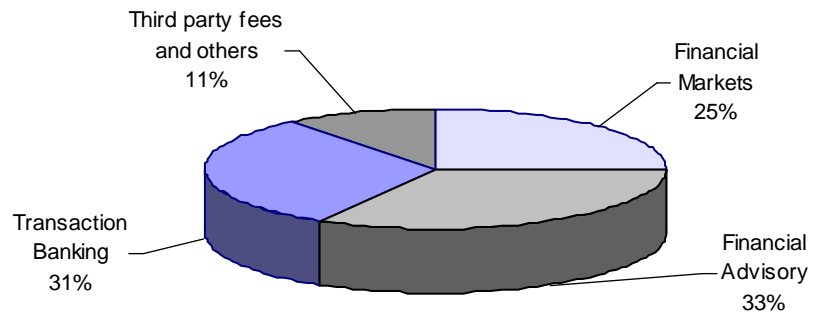
Source: Company/MOSL

**Trends in yield on loans and cost of funds (%)**



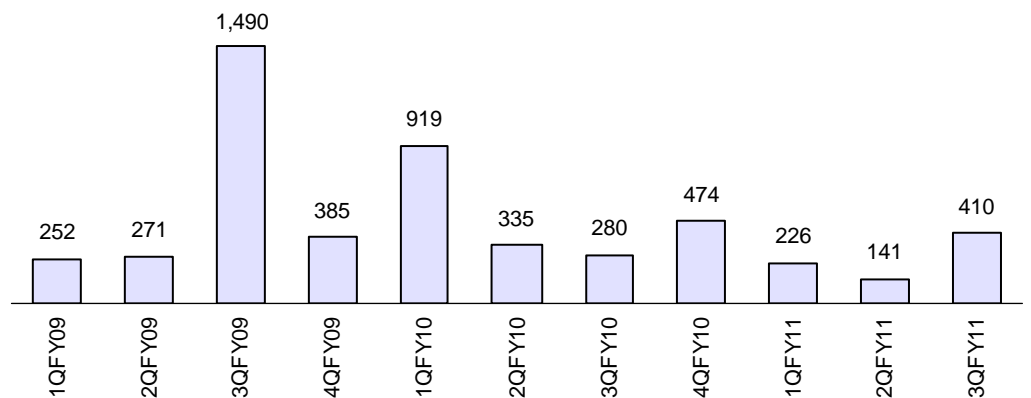
**Break-up of non-interest income**

*Transaction banking and third-party product distribution would be the key focus areas for growth, going ahead*



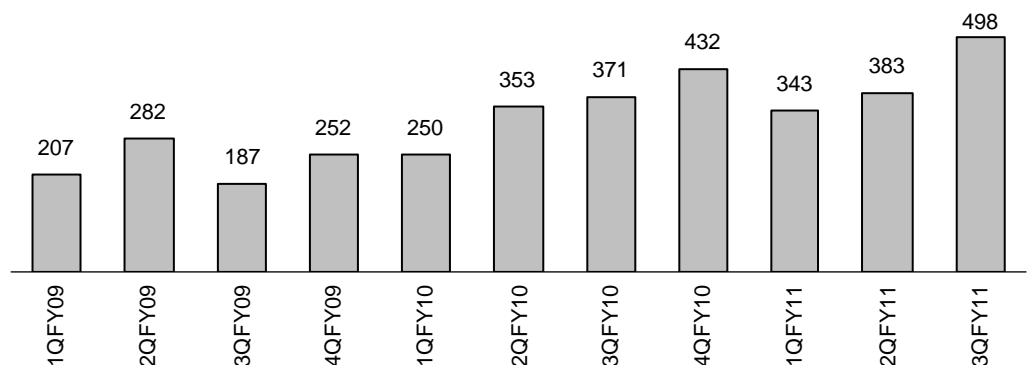
**Financial market income (Rs m)**

*Management stated that there were no treasury gains during the quarter*



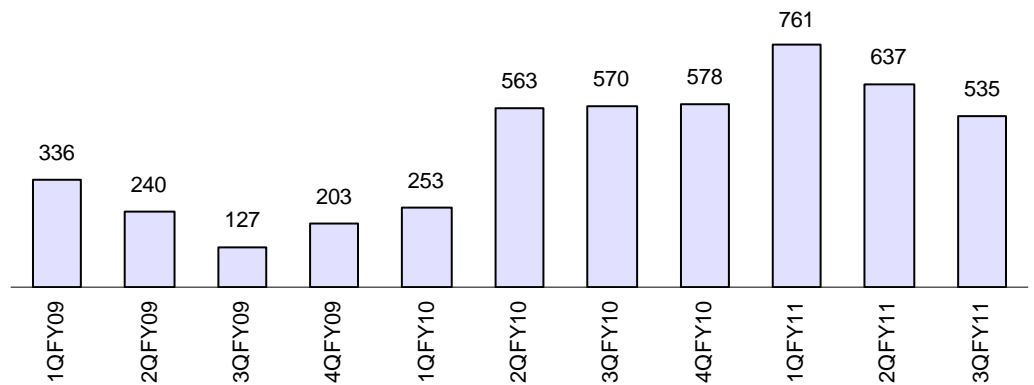
**Transaction banking revenue (Rs m)**

*Transaction banking growth picks up QoQ*



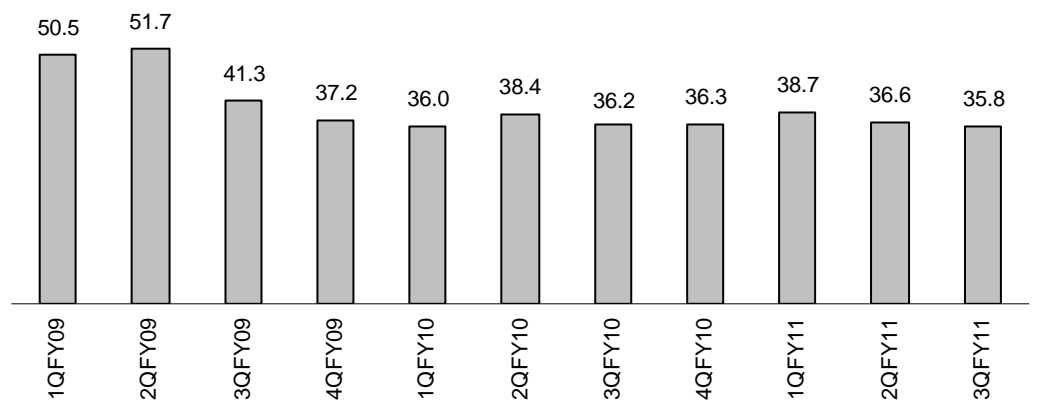
Source: Company/MOSL

**Financial advisory income (Rs m)**



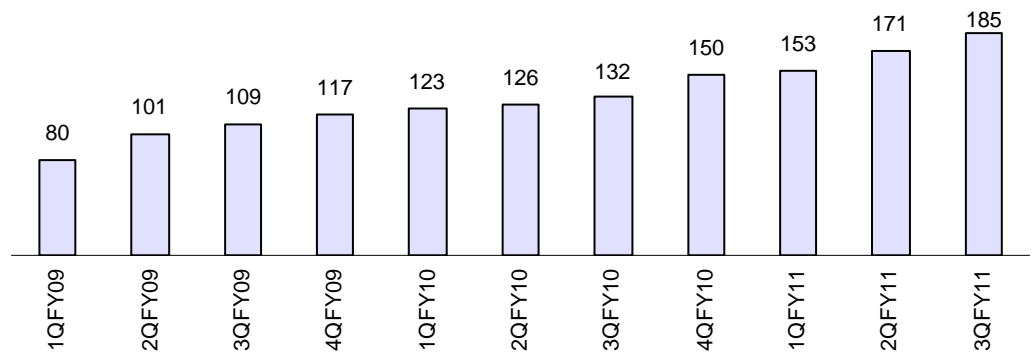
**Trend in C/I ratio (%)**

*Investment in franchise build-up continues, but CI ratio likely to remain under control*



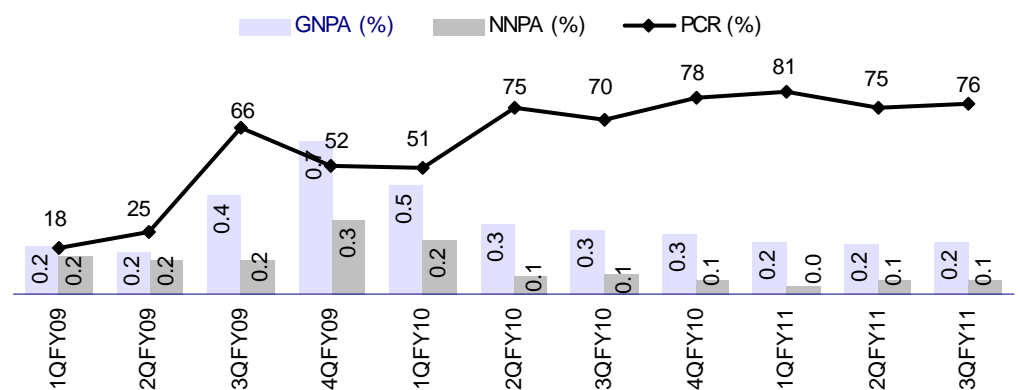
**Number of branches (nos)**

*Management expects to increase its branch network to ~250 by 1QFY12*



**Strong asset quality**

*Asset quality is superior; stress assets of 50bp one of the lowest in the industry*



Source: Company/MOSL

## Yes Bank: an investment profile

### Company description

Yes Bank began operations in May 2004. Its promoters, who established Rabo India Finance as a leading investment bank in India, have the distinction of obtaining RBI's only greenfield banking license in the past decade. Yes Bank has built a strong management team with experience in foreign banks for each of its business units. It is now a "full service" commercial bank, with 185 branches and a balance sheet of Rs522b.

### Key investment arguments

- Rapid branch network expansion, acquisition of new customers and deepening of existing customer relationships would help ensure that its asset growth is significantly higher than that of the industry.
- Asset quality is robust with GNPA ratio of 0.23% and NNPA ratio of 0.06%.
- Strong asset quality, higher fee contribution and operating efficiency will keep RoA strong at 1.5%+ and RoE at 21%+.

### Key investment risks

- Yes Bank's growth plans are heavily dependent on obtaining branch licenses. Any delays in getting branch licenses from RBI could adversely impact valuations.
- Inability to improve CASA ratio, given high asset growth aspirations would make the bank vulnerable to tight liquidity conditions.

### Comparative valuations

		Yes Bank	Axis Bank	HDFC Bank
P/E (x)	FY11E	12.8	15.9	25.2
	FY12E	9.9	13.2	19.3
P/BV (x)	FY11E	2.5	2.8	3.9
	FY12E	2.0	2.4	3.4
RoE (%)	FY11E	21.3	18.9	16.6
	FY12E	22.6	19.5	18.7
RoA (%)	FY11E	1.6	1.6	1.6
	FY12E	1.4	1.6	1.7

### Shareholding Pattern (%)

	Sep-10	Jun-10	Sep-09
Promoter	26.7	27.1	31.3
Domestic Inst	7.4	10.0	8.7
Foreign	55.4	51.8	48.0
Others	10.4	11.2	11.9

### Recent developments

- Yes Bank has received Baa3 long-term international rating from Moody's.

### Valuation and view

- Return ratios are likely to be strong at 1.3-1.6% over FY11-13 and RoE is expected to be superior at 20%+ over FY11-13.
- We expect the bank to report EPS Rs27.6 and BV of Rs135 in FY12. The stock trades at P/E of 9.9x FY12 and P/BV of 2x FY12. Maintain **Buy**.

### Sector view

- Loan growth remains strong; however, rising inflation and increasing interest rates are the near-term headwinds for the sector.
- Our Economist expects current tightness in liquidity to start easing in 4QFY11, thus allaying the pressure of significant NIM compression.
- Going ahead, we believe that margins would start compressing, but gradually. With strong loan growth and high CD ratio, there is strong pricing power with banks.
- Banks with high CASA deposits and lower proportion of bulk deposits will be preferred bets.

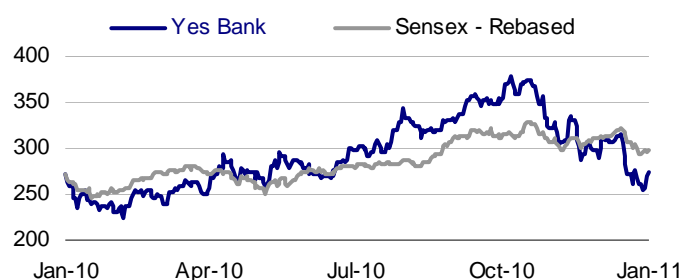
### EPS: MOSL forecast v/s Consensus (Rs)

	MOSL Forecast	Consensus Forecast	Variation (%)
FY11	21.4	19.4	10.2
FY12	27.6	23.7	16.7

### Target Price and Recommendation

Current Price (Rs)	Target Price (Rs)	Upside (%)	Reco.
273	405	48.3	Buy

### Stock performance (1 year)





## Financials and Valuations

<b>INCOME STATEMENT</b>					<b>(Rs Million)</b>
<b>Y/E MARCH</b>	<b>2009</b>	<b>2010</b>	<b>2011E</b>	<b>2012E</b>	<b>2013E</b>
Interest Income	20,014	23,697	43,012	63,014	83,062
Interest Expense	14,921	15,818	30,626	46,374	61,352
<b>Net Interest Income</b>	<b>5,093</b>	<b>7,880</b>	<b>12,385</b>	<b>16,640</b>	<b>21,710</b>
<i>Change (%)</i>	<i>54.1</i>	<i>54.7</i>	<i>57.2</i>	<i>34.4</i>	<i>30.5</i>
Non Interest Income	4,369	5,755	6,459	8,826	11,304
<b>Net Income</b>	<b>9,462</b>	<b>13,635</b>	<b>18,844</b>	<b>25,466</b>	<b>33,015</b>
<i>Change (%)</i>	<i>36.9</i>	<i>44.1</i>	<i>38.2</i>	<i>35.1</i>	<i>29.6</i>
Operating Expenses	4,185	5,002	6,902	9,462	12,697
<b>Pre Provision Profits</b>	<b>5,277</b>	<b>8,633</b>	<b>11,942</b>	<b>16,005</b>	<b>20,318</b>
<i>Change (%)</i>	<i>50.7</i>	<i>63.6</i>	<i>38.3</i>	<i>34.0</i>	<i>26.9</i>
Provisions (excl tax)	617	1,368	1,013	1,795	2,560
<b>PBT</b>	<b>4,659</b>	<b>7,265</b>	<b>10,929</b>	<b>14,209</b>	<b>17,758</b>
Tax	1,621	2,487	3,661	4,831	6,038
<i>Tax Rate (%)</i>	<i>34.8</i>	<i>34.2</i>	<i>33.5</i>	<i>34.0</i>	<i>34.0</i>
<b>PAT</b>	<b>3,038</b>	<b>4,777</b>	<b>7,268</b>	<b>9,378</b>	<b>11,720</b>
<i>Change (%)</i>	<i>51.9</i>	<i>57.2</i>	<i>52.1</i>	<i>29.0</i>	<i>25.0</i>
<b>Equity Dividend (Incl tax)</b>	<b>0</b>	<b>596</b>	<b>795</b>	<b>994</b>	<b>1,192</b>
<b>Core PPP<sup>a</sup></b>	<b>9,462</b>	<b>13,635</b>	<b>18,844</b>	<b>25,466</b>	<b>33,015</b>
<i>Change (%)</i>	<i>36.9</i>	<i>44.1</i>	<i>38.2</i>	<i>35.1</i>	<i>29.6</i>
<i><sup>a</sup>Core PPP is (Nil+Fee income-Opex)</i>					
<b>BALANCE SHEET</b>					<b>(Rs Million)</b>
<b>Y/E MARCH</b>	<b>2009</b>	<b>2010</b>	<b>2011E</b>	<b>2012E</b>	<b>2013E</b>
Equity Share Capital	2,970	3,397	3,397	3,397	3,397
Reserves & Surplus	13,272	27,499	33,972	42,357	52,884
<b>Net Worth</b>	<b>16,242</b>	<b>30,896</b>	<b>37,368</b>	<b>45,753</b>	<b>56,281</b>
<b>Deposits</b>	<b>161,694</b>	<b>267,986</b>	<b>435,477</b>	<b>609,667</b>	<b>807,809</b>
<i>Change (%)</i>	<i>21.8</i>	<i>65.7</i>	<i>62.5</i>	<i>40.0</i>	<i>32.5</i>
<b>of which CASA Dep</b>	<b>14,118</b>	<b>28,182</b>	<b>46,891</b>	<b>75,709</b>	<b>115,308</b>
<i>Change (%)</i>	<i>25.1</i>	<i>99.6</i>	<i>66.4</i>	<i>61.5</i>	<i>52.3</i>
Borrowings	37,017	47,491	60,918	74,410	89,824
Other Liabilities & Prov.	14,055	17,453	22,396	28,628	35,851
<b>Total Liabilities</b>	<b>229,008</b>	<b>363,825</b>	<b>556,160</b>	<b>758,459</b>	<b>989,766</b>
Current Assets	19,227	26,732	41,760	61,022	84,836
<b>Investments</b>	<b>71,170</b>	<b>102,099</b>	<b>153,149</b>	<b>210,580</b>	<b>273,754</b>
<i>Change (%)</i>	<i>39.7</i>	<i>43.5</i>	<i>50.0</i>	<i>37.5</i>	<i>30.0</i>
<b>Loans</b>	<b>124,031</b>	<b>221,931</b>	<b>343,993</b>	<b>464,391</b>	<b>603,708</b>
<i>Change (%)</i>	<i>31.5</i>	<i>78.9</i>	<i>55.0</i>	<i>35.0</i>	<i>30.0</i>
Fixed Assets	1,311	1,155	1,778	2,342	3,319
Other Assets	13,269	11,907	15,480	20,123	24,148
<b>Total Assets</b>	<b>229,008</b>	<b>363,825</b>	<b>556,160</b>	<b>758,459</b>	<b>989,766</b>
<b>ASSET QUALITY</b>					<b>(%)</b>
GNPA (Rs m)	849	602	917	1,766	2,568
NNPA (Rs m)	412	130	183	353	514
GNPA Ratio	0.68	0.27	0.27	0.38	0.42
NNPA Ratio	0.33	0.06	0.05	0.08	0.09
PCR (Excl Tech. write off)	51.5	78.4	80.0	80.0	80.0
PCR (Incl Tech. Write off)	51.5	78.4	80.0	80.0	80.0

E: MOSL Estimates

## Financials and Valuations

## RATIOS

Y/E MARCH	2009	2010	2011E	2012E	2013E
<b>Spreads Analysis (%)</b>					
<b>Avg. Yield-Earning Assets</b>	<b>10.7</b>	<b>8.4</b>	<b>9.7</b>	<b>9.9</b>	<b>9.8</b>
Avg. Yield on loans	13.6	10.2	11.7	12.1	12.1
Avg. Yield on Investments	8.2	6.8	7.6	7.6	7.5
<b>Avg. Cost-Int. Bear. Liab.</b>	<b>8.6</b>	<b>6.2</b>	<b>7.5</b>	<b>7.9</b>	<b>7.8</b>
Avg. Cost of Deposits	8.3	5.8	7.6	7.9	7.8
<b>Interest Spread</b>	<b>2.1</b>	<b>2.2</b>	<b>2.1</b>	<b>2.0</b>	<b>2.0</b>
<b>Net Interest Margin</b>	<b>2.7</b>	<b>2.8</b>	<b>2.8</b>	<b>2.6</b>	<b>2.6</b>

## Profitability Ratios (%)

RoE	20.6	20.3	21.3	22.6	23.0
RoA	1.5	1.6	1.6	1.4	1.3
Int. Expense/Int. Income	74.6	66.7	71.2	73.6	73.9
Fee Income/Net Income	46.2	42.2	34.3	34.7	34.2
Non Int. Inc./Net Income	46.2	42.2	34.3	34.7	34.2

## Efficiency Ratios (%)

Cost/Income*	44.2	36.7	36.6	37.2	38.5
Empl. Cost/Op. Exps.	52.1	51.4	53.0	54.2	55.5
Busi. per Empl. (Rs m)	96.0	127.8	133.6	154.5	177.5
NP per Empl. (Rs lac)	11.4	15.7	15.3	15.6	16.7

\* ex treasury

## Asset-Liability Profile (%)

Loans/Deposit Ratio	76.7	82.8	79.0	76.2	74.7
CASA Ratio	8.7	10.5	10.8	12.4	14.3
Investment/Deposit Ratio	44.0	38.1	35.2	34.5	33.9
G-Sec/Investment Ratio	65.8	66.5	73.9	72.4	73.8
CAR	16.6	20.6	16.7	14.4	12.9
<i>Tier 1</i>	<i>9.5</i>	<i>12.8</i>	<i>9.9</i>	<i>8.7</i>	<i>8.0</i>

## VALUATION

Book Value (Rs)	54.7	91.0	110.0	134.7	165.7
<i>Change (%)</i>	<i>22.7</i>	<i>66.3</i>	<i>21.0</i>	<i>22.4</i>	<i>23.0</i>
Price-BV (x)	5.0	3.0	2.5	2.0	1.6
Adjusted BV (Rs)	53.8	90.7	109.7	134.0	164.7
Price-ABV (x)	5.1	3.0	2.5	2.0	1.7
EPS (Rs)	10.2	14.1	21.4	27.6	34.5
<i>Change (%)</i>	<i>51.3</i>	<i>37.5</i>	<i>52.1</i>	<i>29.0</i>	<i>25.0</i>
Price-Earnings (x)	26.7	19.4	12.8	9.9	7.9
Dividend Per Share (Rs)	0.0	1.5	2.0	2.5	3.0
Dividend Yield (%)	0.0	0.5	0.7	0.9	1.1

E: MOSL Estimates

**N O T E S**



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**Yes Bank**

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