Yes Bank Ltd — FY 2024 Annual Report Analysis

Annual Report Analysis (Consolidated)

Investor Snapshot

#	Analytical point	Sentiment
1	**Yes Bank has transitioned into a systemic digital utility, commanding a dominant 34.5% UPI market share and processing one in three Indian transactions.**	—
2	**Revenue grew 21.6% YoY to ₹27,606 Cr, supported by a successful pivot to a 62% Retail/SME loan mix, reducing legacy corporate concentration.**	—
3	***Core lending remains structurally unprofitable with a negative Financing Margin of -12%, indicating a heavy reliance on fee income over interest spreads.***	—
4	**Net Profit surged 76% to ₹1,285 Cr, yet returns remain sub-optimal for the sector with an ROE of 3.05% and an ROA of 0.32%.**	—
5	**Financial health is bolstered by a massive CFO recovery to ₹9,645 Cr (from -₹25,816 Cr), driven by robust deposit inflows of ₹48,847 Cr.**	—
6	**The bank maintains a self-funding model for its digital expansion, with a CFO/Capex ratio of 9.8x despite a 0% dividend payout policy.**	—
7	***Earnings quality is poor; Deferred Tax Assets (DTA) of 8,563 Cr are 6.6x PAT, and profits were significantly inflated by 643 Cr in one-time provision reversals.***	—
8	**Governance is a key strength with a 10/10 matrix score, institutional oversight from Carlyle/SBI, and Nil NPA Divergence in the latest RBI audit.**	—
9	***A critical "Sword of Damocles" risk exists via 8,415 Cr in contingent liabilities for AT1 bonds, which could decimate capital if the Supreme Court rules adversely.***	—
10	***Operational stability is threatened by an extreme employee attrition rate of 38.2%, creating a structural leak in the service-led business model.***	—
11	The outlook depends on "virtual certainty" of future profits to realize DTA and the bank's ability to lower its high cost-to-serve as it normalizes.	—
12	**Investment Stance: Watch; monitor for an ROA sustain >0.75%, the Supreme Court AT1 verdict, and a reduction in staff turnover below 25%.**	—

1. Business overview (In Bullet Points)

- **Business Segments:** The bank has undergone a structural pivot, with the loan book mix shifting to **62:38 (Retail+SME: Wholesale)** from 42:58 three years ago.
- **Revenue Drivers:** Growth is primarily driven by the **Retail Banking** segment, contributing ₹14,153.29 Cr (42.77% of total segment revenue), followed by Corporate/Wholesale Banking (30.72%) and Treasury (22.82%).
- **Cost Drivers:** Key expenses include **Loan Sourcing & Collection Charges** (₹1,167.34 Cr), IT Related Expenses (₹725.99 Cr), and Professional Fees (₹639.27 Cr).
- **Industry Position:** Yes Bank remains a systemic utility in India's digital economy, processing **1 in 3 UPI transactions** (34.5% market share).

- **Expansion Plans:** Aggressive "Phy-gital" model execution with 85 new branches added (totaling 1,234) and the launch of the 'iris' app featuring 230+ services.
- **Capacity Additions:** Significant investment in digital infrastructure (□1,108 Cr total IT spend) to transition from a backend "plumbing" provider to a frontend customer interface.
- **Segment Performance:** Mid-Corporate segment grew **25%+ YoY**; however, the "Digital Banking" sub-segment reported a marginal loss of □0.47 Cr.
- **Geographical Presence:** Expanded rural reach to 230 districts, supporting the mobilization of 1.7 million new CASA accounts.

2. Management commentary & outlook

- Management has transitioned the strategic focus from "stability and survival" to "growth and profitability," targeting a **Return on Assets (ROA)** of 1.0% (exited Q4 FY24 at 0.5%).
- The bank is explicitly targeting "high-yield" segments such as Personal Loans, Used Vehicles, and Unsecured Business Loans, which now constitute **44% of disbursements**.
- A critical headwind is the "PSL Drag," where deposits made in lieu of Priority Sector Lending shortfalls peaked at **~11% of total assets**; management plans to replace these with organic lending to reclaim 50-100 bps of NIM over three years.
- The digital strategy involves monetizing the massive UPI throughput by converting "transacting users" into "borrowing/saving customers" via the 'YES Pay Next' and 'iris' platforms.
- Wholesale banking is being selectively re-entered with a focus on "New Economy" sectors, including dedicated teams for Unicorns and ‘Soonicorns’.
- Management acknowledged NIM compression (2.4% vs 2.6% YoY) due to rising cost of funds and legacy PSL shortfall deposits.
- The bank achieved a milestone of NIL shortfall in key organic PSL categories, though the legacy P&L drag will take three years to wash out.
- Despite "Great Place to Work" certifications, the **38.2% attrition rate** remains a significant operational challenge and a threat to the "Relationship Banking" thesis.
- The presence of institutional nominee directors from **Carlyle, Advent, and SBI** is viewed as a "triple-lock" on governance to prevent historical power concentration.
- Management Tone: The leadership exhibits "Measured Optimism," characterized by high transparency regarding margin pressures and a disciplined roadmap for ROA expansion, signaling a successful transition from a distressed entity to a normalizing digital retail utility (Positive).

3. Financial analysis

3.1 Financial statements

P&L statement (□Cr)

Line item	Mar 2024	Mar 2023
Revenue	27,606	22,702
Sales Growth %	21.60	19.37
Interest	19,527	14,800
Expenses	11,350	10,371
Manufacturing Cost %	0.22	0.24
Employee Cost %	14.10	15.33
Other Cost %	26.80	30.11
Financing Profit	-3,272	-2,468
Financing Margin %	-12	-11
Other Income	5,355	3,883
Exceptional items	-2	7
Other income normal	5,357	3,876
Depreciation	546	433
Profit before tax	1,538	981
Tax %	16	25
Net Profit	1,285	736
Minority share	0	0
Exceptional items AT	-2	5
Profit excl Excep	1,287	731
Profit for PE	1,287	731
Profit for EPS	1,285	736
Profit Growth %	76	-32
EPS (□)	0.45	0.26
Dividend Payout %	0	0

Balance sheet (□Cr)

Line item	Mar 2024	Mar 2023
Equity Capital	5,754	5,751
Reserves	36,402	34,967
Deposits	266,230	217,382
Borrowing	80,508	77,754
Other Liabilities	17,469	19,350
Non controlling int	0	0
Trade Payables	499	751
Other liability items	16,971	18,599
Total Liabilities	406,362	355,204
Fixed Assets	2,509	2,156
Building	1,210.25	1,210.25
Furniture n fittings	4,115.22	3,265.31
Other fixed assets	0.01	0
Gross Block	5,325.48	4,475.56
Accumulated Depreciation	2,816.37	2,319.85
CWIP	357	296
Investments	89,997	76,749
Other Assets	313,499	276,003
Cash Equivalents	17,177	11,975
Loans n Advances	1,200	693
Other asset items	295,121	263,336
Total Assets	406,362	355,204

Cash flow statement (□Cr)

Line item	Mar 2024	Mar 2023
Cash from Operating Activity	9,645	-25,816
Profit from operations	5,320	2,532
Loans Advances	-27,327	-20,751
Operating investments	-2,224	-15,630
Operating Deposits	48,847	20,320
Other WC items	-14,594	-12,220
Working capital changes	4,702	-28,281
Direct taxes	-377	-67
Cash from Investing Activity	-12,453	-13,026
Fixed assets purchased	-981	-792
Fixed assets sold	19	52
Capital WIP	0	0
Investments purchased	-11,469	-12,165
Investments sold	0	0
Other investing items	-22	-122
Cash from Financing Activity	2,771	11,450
Proceeds from shares	17	5,088
Redemption of debentures	0	0
Proceeds from borrowings	3,034	7,178
Repayment of borrowings	-280	-1,764
Dividends paid	0	0
Other financing items	0	948
Net Cash Flow	-38	-27,392
Free Cash Flow	8,683	-26,555
CFO/OP	62	-209

3.2 Financial analysis summary

- **Revenue** grew by 21.60% YoY to □27,606 Cr, supported by a 22.47% surge in Deposits to □266,230 Cr, which expanded the Total Assets to □406,362 Cr.
- **Net Profit** increased by 76% to □1,285 Cr, but earnings quality is impacted by a Deferred Tax Asset (DTA) of □8,563.09 Cr, which is 6.6x the annual profit and relies on the "virtual certainty" of future taxable income.
- The **Financing Margin %** deteriorated to -12.00% from -11.00%, indicating core lending remains unprofitable; profitability was sustained by Other Income of □5,355 Cr, including □691.75 Cr from bancassurance.
- **Employee Cost** as a percentage of revenue fell to 14.10%, though absolute costs included a □31.26 Cr ESOP fair valuation charge; Other Expenses were pressured by a 21.56% spike in IT Related Expenses to □725.99 Cr.

- **Cash from Operating Activity (CFO)** staged a massive recovery to □9,645 Cr (from -□25,816 Cr in FY23), as Operating Deposits inflows of □48,847 Cr comfortably offset Loans Advances outflows of -□27,327 Cr, resulting in a CFO / PAT of 7.51x.
- **Asset Quality** normalized with Provision for NPAs reaching □2,438.23 Cr, while the bank de-risked the Balance Sheet by transferring □690.32 Cr in stressed loans to ARCs on a 100% upfront cash basis.
- **Total Debt (Borrowings)** rose slightly to □80,508 Cr, while a massive contingent risk of □8,415 Cr persists regarding AT1 bond litigation, which represents ~20% of Net Worth.
- **Fixed Assets** increased to □2,509 Cr following Capex of □981 Cr, with Depreciation rising to □546 Cr due to conservative 3-4 year useful life assumptions for IT hardware and software.
- **Working Capital** shows friction as delayed payments to MSMEs nearly doubled to □152.76 Cr, and Other WC items consumed □14,594 Cr, indicating rising operational liquidity needs.
- **Return on Equity (ROE)** improved to 3.05% but remains weak due to a low ROA of 0.32% and Asset Turnover of 0.07x, suggesting inefficient sweating of the expanded asset base.
- **Free Cash Flow (FCF)** turned positive at □8,683 Cr, yet the bank maintained a 0% Dividend Payout % to preserve capital against regulatory and litigation uncertainties.
- **Other Assets** are dominated by the □8,563.09 Cr DTA, of which □6,070.14 Cr relates to business losses; Other Expenses are driven by Loan Sourcing & Collection (□1,167.34 Cr), indicating heavy reliance on third-party agents for retail growth.
- The dominant financial theme of the year is a **liquidity-led recovery** where massive deposit mobilization has restored CFO and FCF, but core Financing Profits remain elusive and the Balance Sheet remains tethered to non-cash tax assets and significant legal contingencies.

3.3 Contingent liabilities & commitments

- **AT1 Bonds Write-down Litigation: □8,415.00 Cr** — The single largest risk; matter is pending Supreme Court adjudication following a Bombay High Court order to set aside the write-down.
- **SEBI Penalty: □25.00 Cr** — Penalty for alleged mis-selling of AT1 bonds; currently stayed by SAT.
- **Capital Commitments:** Rising lease liabilities of **□3,108.25 Cr**, with 43.6% of obligations extending beyond five years.
- **Provision for Reward Points: □65.32 Cr** — Based on actuarial valuation for the credit card segment.

3.9 Earnings quality & forensic checks

#	Check	Impact	Status	Notes detail
1	PAT vs CFO trend	Profit ↑ — CFO of □9,645 Cr exceeds PAT of □1,285 Cr due to deposit growth.	—	CFO/OP ratio improved to 62.00 from -209.00 YoY, driven by □48,847 Cr deposit inflow.
2	Receivables & channel-stuffing signal	Revenue ↑ — interest accrual on standard assets vs cash basis for NPAs creates timing lag.	—	Note 17.5.1: Interest on standard assets is on accrual; NPAs on cash basis per RBI norms.
3	Revenue timing	Revenue ↑ — conservative recognition of penal charges only upon certainty of realization prevents inflation.	—	Note 17.5.1: Penal charges for covenant breaches recognized only on "certainty of realization."
4	Revenue from related parties %	Neutral — SBI transactions suppressed under RBI secrecy provisions, limiting transparency on institutional support.	—	Note 17.6.9: Specific transaction values with SBI are suppressed under RBI Secrecy Provisions.
5	Inventory vs revenue growth	Neutral — not applicable for banking sector; focus is on loan book vs deposit growth.	—	Deposit growth of 22% closely tracks revenue growth of 21.6%, indicating balanced scaling.
6	Inventory valuation method change	Neutral — investment valuation uses MTM for AFS/HFT; net appreciation is ignored conservatively.	—	Note 17.5.2: Net appreciation ignored while net depreciation is charged to P&L (lower of cost/market).
7	Exceptional items in operating profit	Profit ↓ — non-recurring realized profit on ARC transfers masks core operational performance trends.	—	Note 17.6.5: Realized profit from sale of stressed loans to ARCs is a non-recurring gain.
8	Depreciation rate vs useful life policy	Profit ↓ — accelerated depreciation on tech assets (3-4 years) results in higher upfront expenses.	—	Note 17.5.9: Useful lives for Hardware (3yr) and Software (4yr) are shorter than Companies Act.
9	Provision reversals boosting PAT	Profit ↑ — provision reversal of □643.73 Cr boosts PAT non-cash; reverses if defaults rise.	—	Note 17.6.5: Reversals in provisions for investments and standard assets significantly inflated reported PAT.
10	Tax rate consistency + cash tax vs P&L tax	Profit ↑ — low effective tax rate of 16% vs 25% statutory due to DTA.	—	P&L tax charge is lower than statutory rates due to the utilization/recognition of tax benefits.
11	CWIP age and stalling projects	Neutral — CWIP of □357 Cr is small (0.08% of assets) and relates to branch expansion.	—	Note 17.6.10: Rising lease payments (□434.67 Cr) correlate with physical footprint expansion.
12	Deferred tax asset recognition adequacy	Profit ↑ — DTA of □3,563 Cr is 6.6x PAT; write-down risk if profits fail.	—	Note 17.6.13: 70.9% of DTA relates to business losses; realizability depends on "virtual certainty" of profits.
13	RPT quantum and trend	Profit ↓ — KMP remuneration surged 298% YoY; CSR funds diverted to controlled foundation.	—	Note 17.6.9/17: Remuneration rose from □1.98 Cr; CSR paid to YES Foundation (controlled entity).
14	Dividend paid vs FCF adequacy	Neutral — zero dividend payout despite positive FCF of □8,683 Cr to conserve capital.	—	Note 17.6.19: Capital conservation is priority given the □8,415 Cr AT1 bond contingent liability.
15	Auditor KAM - DTA Realizability	Profit ↑ — Reliance on "virtual certainty" of future profits to support □3,563 Cr asset.	—	Auditor flagged the 6.6x PAT multiple of DTA as a significant judgment area.
16	MSME Payment Delays	Neutral — 90% YoY increase in delayed dues to MSMEs.	—	Indicates potential operational friction or liquidity management tightening.
17	NPA Divergence		—	

#	Check	Impact	Status	Notes detail
		Neutral — No material under-reporting found by RBI for FY23.		Major positive signal for balance sheet integrity and governance.

4. Management & governance

A. Auditor Report & Key Audit Matters * **Audit Opinion:** Unqualified. * **KAM - Valuation of Security Receipts (SRs):** Significant judgment area (□3,161.34 Cr provision). Recovery timing and discount rates are highly subjective. * **KAM - Realizability of Deferred Tax Assets (DTA):** Concern regarding "virtual certainty" of future profits to support □8,563.09 Cr asset (6.6x current PAT). * **KAM - AT-1 Bond Litigation:** Significant legal uncertainty regarding the □8,415.00 Cr write-down currently stayed by the Supreme Court. * **Auditor Fees:** Professional Fees and Commission reached □639.27 Cr (11.69% increase YoY), representing nearly 50% of Net Profit, suggesting heavy reliance on external consultants.

B. Related Party Transactions | Party | Relationship | Nature | Amount (□Cr) | Concern | | :--- | :--- | :--- | :--- | :--- | | State Bank of India | Investing Company | Various | Not disclosed | ***Secrecy Provisions invoked to suppress transaction details.*** | | YES Foundation | Controlled Entity | CSR Donation | 10.00 Cr | **Bank controls the governing body of the recipient.** | | KMP (Kumar & Pental) | KMP | Remuneration | 7.89 Cr | ***298.48% YoY increase.*** | | KMP and Relatives | KMP | Deposits | 2.18 Cr | Standard banking relationship. |

C. Shareholding * **Promoters:** 0.00% (No identifiable promoter group post-reconstruction). * **FIIs:** 24.96% (Up from 23.10%). * **DIIs:** 34.50% (Down from 37.99%). * **Public:** 40.54%. * **Promoter Pledging:** 0.00%.

D. Board Composition + KMP Compensation * **Total Directors:** 13 | **Independent:** 53.85% | **Women Directors:** 3 (23.08%). * **KMP Compensation:** Prashant Kumar (MD & CEO) and Rajan Pental (ED) received □7.89 Cr, a **298.48% YoY increase**. While management cites full-year normalization and performance pay, the growth vastly outstrips the 6.38% Operating Profit growth. No family relations exist among KMPs.

F. Capital Allocation & Capex | Action | FY current (□Cr) | FY prior (□Cr) | % of CFO | Signal | | :--- | :--- | :--- | :--- | :--- | | Capex (Fixed Assets) | 981.00 Cr | 792.00 Cr | 10.17% | — | | Equity Issuance | 17.00 Cr | 5,088.00 Cr | 0.18% | **Text** | | Net Debt Change | 2,754.00 Cr | 5,414.00 Cr | 28.55% | — | | Working Capital Inv. | 4,702.00 Cr | (28,281.00) Cr | 48.75% | **Text** | | Lease Liabilities | 3,108.25 Cr | 2,798.57 Cr | 32.23% | — | | Dividends | 0.00 Cr | 0.00 Cr | 0.00% | — |

CAPEX Analytical Notes: * **CFO Coverage:** CFO/Capex ratio is **9.83x**, indicating self-funding of expansion. * **Nature:** Primarily **IT Related Expenses (□725.99 Cr)** and branch expansion. * **Efficiency:** Revenue grew 21.60% while IT Capex grew 21.56%, showing linear correlation. * **Takeaway:** Positive CFO funds the **□1,453-crore digital plan** without dilution, but the □3,108.25 Cr lease book remains a long-term drag.

H. Risks * **AT-1 Litigation (High):** Potential **□8,415 Cr** capital hit if Supreme Court rules against the bank; would decimate Tier-1 ratios. * **DTA Realizability (High):** **□8,563.09 Cr** asset depends on aggressive profit forecasts; 6.6x current PAT. * **High Attrition (Med):** Voluntary attrition at **38.2%** leads to loss of institutional memory and high training costs. * **Security Receipts (Med):** **□3,161.34 Cr** provision; recovery uncertainty from JC Flowers ARC deal.

5. Scorecard & verdict

Part a: scorecard

Dimension	Rating (1–5)	Delta	Key evidence	One-line rationale
Business quality	3	→	34.5% UPI share; 62% Retail mix	Strong digital utility but core lending (Financing Margin -12%) remains unprofitable.
Financial health	3	↑	CFO ₹9,645 Cr; D/E 1.91x	Massive CFO recovery from negative territory, but ROE (3.05%) and ROA (0.32%) are very low.
Earnings quality	2	→	DTA 6.6x PAT; ₹643 Cr Prov. Reversals	Profits are heavily supported by non-cash tax assets and one-time provision reversals.
Management & governance	4	→	Zero NPA Divergence; Institutional Board	High transparency and top-tier oversight (Carlyle/ SBI), though KMP pay jump is aggressive.
Capital allocation & visibility	3	↑	CFO/Capex 9.8x; 0% Dividend	Self-funding IT expansion, but value creation is limited by low ROE and AT1 litigation.

Business positives (for this company this year) * **CFO Recovery:** Massive swing to **₹9,645 Cr** from -₹25,816 Cr, driven by ₹48,847 Cr deposit inflows. * **Digital Dominance:** Maintained **34.5% UPI market share**, processing 1 in 3 transactions in India. * **Asset Integrity:** Reported **Nil Divergence** in RBI supervisory audit for FY23, validating reported NPA figures. * **Retail Pivot:** Successfully shifted loan mix to **62% Retail/SME**, reducing lumpy corporate concentration. * **De-risking:** Transferred **₹690.32 Cr** of stressed loans to ARCs on a high-quality 100% upfront cash basis.

Business negatives / concerns (for this company this year) * **Legal Overhang:** Contingent liability of **₹8,415 Cr** for AT1 bonds could decimate capital if Supreme Court rules adversely. * **Low Earnings Quality:** **₹8,563 Cr DTA** is 6.6x PAT; profit was further inflated by ₹643.73 Cr in provision reversals. * **Operational Leakage:** Extremely high employee attrition at **38.2%** threatens service quality and increases costs. * **Unprofitable Core:** Financing Margin remains negative at **-12%**, showing reliance on fees rather than lending spreads. * **MSME Stress: 90% YoY increase** in delayed payments to MSMEs (₹152.76 Cr) suggests operational friction.

Overall scorecard summary Yes Bank has successfully transitioned from a distressed rescue case to a stable digital utility, evidenced by a massive recovery in operating cash flows and a clean RBI audit. However, the financial foundation remains fragile, with a significant portion of the balance sheet tied to non-cash deferred tax assets and a massive legal "Sword of Damocles" in the form of AT1 litigation. While governance has improved under institutional oversight, the bank's inability to generate profitable core lending margins and its high staff turnover indicate that the "normalization" process is still in its early, high-cost stages.

Part b: governance check matrix

#	Check	Status
1	Audit opinion clean?	—
2	Promoter pledge = 0?	—
3	KMP pay < 5% of PAT?	—
4	RPT quantum < 5% of revenue?	—
5	Board > 50% independent?	—
6	At least 1 woman director?	—
7	No statutory dues outstanding?	—
8	No fraud reported?	—
9	Audit trail enabled?	—
10	Frequent Auditor change	—

Total: 10/10 — Governance Rating: 4

Part c: investor verdict

Thesis: Yes Bank is a digital-first retail utility undergoing a slow margin normalization, currently shielded by institutional governance but capped by legacy legal risks. **Overall stance:** Watch **Rationale:** While operational metrics (CFO, Deposits) are improving, the AT1 litigation and high DTA reliance make the current earnings profile too volatile for aggressive accumulation. **Re-evaluate when:** ROA sustains >0.75% for two consecutive quarters OR the Supreme Court delivers a final verdict on AT1 bonds. **BULL CASE:** Favorable SC verdict on AT1 bonds + NIM expansion of 50bps as PSL drag fades (Potential 30-40% re-rating). **BEAR CASE:** Adverse SC verdict requiring ₹8,415 Cr capital reinstatement + DTA write-down due to slowing profits (Potential 50% book value erosion). **Key monitorable:** Employee Attrition: 38.2% → Watch for sub-25% threshold.

7. Year-over-year analysis

7.1 Changes

Metric / theme	Summary a status	Summary b status	Forensic takeaway
Cash Flow Generation	CFO of -₹25,816 Cr (Massive cash trap)	CFO of +₹9,645 Cr (Liquidity recovery)	The bank has successfully pivoted from a liquidity-consuming growth phase to a self-funding model driven by massive deposit mobilization.
Margin Trajectory	-11.00% Financing Margin	-12.00% Financing Margin	Core lending profitability is deteriorating despite the retail pivot, increasing the bank's dangerous reliance on non-interest income and provision reversals.
Capital Allocation (Capex)	CFO/Capex -32.59 (Externally funded)	CFO/Capex 9.83x (Self-funded)	Expansion is no longer dependent on dilutive equity raises, as operating cash flows now sufficiently cover aggressive IT and branch investments.
Management Tone	Stability and Survival focus	Measured Optimism and Growth focus	Leadership has transitioned from defensive balance sheet repair to an aggressive pursuit of high-yield segments and ROA expansion.
KMP Compensation	₹1.98 Cr (0.06% of Op. Profit)	₹7.89 Cr (298% YoY increase)	Executive pay has decoupled from the modest 6% operating profit growth, signaling a shift toward aggressive performance-linked rewards despite thin margins.
Loan Book Mix	42% Retail/SME (approximate)	62% Retail/SME	The structural de-risking from wholesale exposure is accelerating, significantly reducing lumpy corporate credit risk.

7.2 Persistent patterns

- **The ₹8,415 Cr AT-1 bond litigation remains the primary existential threat to Tier-1 capital adequacy, pending a Supreme Court verdict.**
- **Heavy reliance on the Deferred Tax Asset (DTA), currently valued at over ₹8,500 Cr, persists as a non-earning asset that inflates the balance sheet and creates high sensitivity to future profit misses.**
- **Core lending operations remain structurally unprofitable with negative financing margins in both periods, highlighting a failure to achieve positive spreads on the loan book.**
- **Voluntary employee attrition remains at systemic risk levels (consistently above 38%), threatening the continuity of the "Relationship Banking" model and increasing operational costs.**
- **Management continues to invoke "Secrecy Provisions" to limit transparency regarding the specifics of Related Party Transactions with the State Bank of India.**
- **The bank maintains its status as a systemic digital utility, consistently processing approximately one-third of all UPI transactions in India.**
- **Capital conservation remains the absolute priority over shareholder returns, evidenced by a sustained 0% dividend payout policy across both years.**