

# **SWOT ANALYSIS**

## **Company Overview: -**

YES Bank Ltd offers a full-range of client-focused corporate banking services, including working capital finance, specialized corporate finance, trade and transactional services, treasury risk management services, investment banking solutions and liquidity management solutions among others to a highly focused client base.

The bank also has a widespread branch network of over 331 branches across 200 cities, with over 420 ATM's and 2 National Operating Centres in Mumbai and Gurgaon.

The business areas of the bank include: Corporate and Institutional Banking, Business Banking, Corporate Finance, Retail Banking and Investment Banking.

## **Shareholding Pattern: -**

<b>Shareholder's Name</b>	<b>% shares</b>
Promoters	1.42%
Foreign Institutions	1.86%
N Banks Mutual Funds	0.56%
General Public	12.77%
Financial Institutions	68.61%
Others	14.78%
<b>Total</b>	<b>100%</b>

It is not family owned bank. Financial Institutions are major shareholders. Recently, YES Bank is in process of launching its follow-on public offer (FPO) to raise Rs 15,000 crore, on Friday fixed the floor price at Rs 12 per share, a discount of 55 per cent against the last closing price.

# Management

- **Sunil Mehta -- Non-Executive Chairman,**

- Also occupies the position of Chairman & Managing Director at SPM Capital Advisers Pvt Ltd, member of The Institute of Chartered Accountants of India and on the board of 5 other companies, former Non-Executive Chairman for Punjab National Bank, former Chief Executive Officer for PineBridge Investments Asset Management Co. (India) Pvt Ltd., etc.

- **Prashant Kumar -- Managing Director & CEO**

- Former SBI's deputy managing director - HR and corporate development officer, served as chief general manager of the bank's Kolkata Circle as well as the Mumbai Circle.

- **Mahesh Krishnamurthy -- Non-Executive Director**

- more than 20 years of investment experience, general partner at True North (formerly IVFA), a highly successful private equity fund in India, co-founded the Global PE Alliance - an active network of eight geographically-focused, mid-market buyout funds across China, Europe, and South America, focused on knowledge sharing to enable greater success for each of the funds.

- **Atul Bheda -- Non-Executive Director**

- Along with Mahesh Krishnamurthy, Atul Bheda is also an independent Non-Executive Director of YES Bank

# SWOT Analysis

	Helpful	Harmful
<b>Internal Factors</b>	<b>Strengths</b> <ul style="list-style-type: none"> <li>▪ 4<sup>th</sup> largest private bank in India</li> <li>▪ Increasing QoQ Profit Margin</li> <li>▪ FII/FPI increasing their shareholdings</li> <li>▪ Decreasing promoter pledge</li> <li>▪ Experienced management</li> <li>▪ Diversified and vastly expanded businesses like commercial banking, Corporate Finance, Investment banking, Retail Banking, etc.</li> </ul>	<b>Weaknesses</b> <ul style="list-style-type: none"> <li>▪ High Interest payments compared to earnings</li> <li>▪ Declining Quarterly Revenue, Net Profit, RoA, Net Cash Flow, Cash Flow from Operating Activities,</li> <li>▪ Downgrade by Credit Rating Agency</li> <li>▪ Low Piotroski Score: Company with weak financials</li> <li>▪ High Debt, weak momentum, Negative Breakdown</li> <li>▪ Heterogeneous Clients</li> </ul>
<b>External Factors</b>	<b>Opportunities</b> <ul style="list-style-type: none"> <li>▪ To decrease NPA</li> <li>▪ Company with Low PE ratio</li> <li>▪ Highest Recovery from 52 weeks low</li> <li>▪ To decrease Provision</li> <li>▪ Worldwide Market</li> <li>▪ Huge Asset in one Client</li> <li>▪ Extending services to client</li> <li>▪ Targeting Middle- and lower-income groups</li> <li>▪ Awareness in Digital Media</li> <li>▪</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>▪ RSI indicating Price weakness</li> <li>▪ Negative growth</li> <li>▪ Security Issues</li> <li>▪ Utilization of Digital Media in rural areas</li> <li>▪ Change in Laws and Regulations</li> <li>▪ High Fees</li> <li>▪ Competitors threats</li> </ul>

## Competitors

Name	Last Price	Market Cap. (Rs. cr.)	Net Interest Income	Net Profit	Total Assets
<u>HDFC Bank</u>	1,105.10	606,730.68	114,812.65	26,257.32	1,244,540.69
<u>Kotak Mahindra</u>	1,349.35	267,018.76	26,929.61	5,947.18	312,172.10
<u>ICICI Bank</u>	360.35	233,365.26	74,798.32	7,930.81	964,459.14
<u>Axis Bank</u>	439.60	124,056.18	62,635.16	1,627.22	800,996.52
<u>Bandhan Bank</u>	373.95	60,216.78	10,885.49	3,023.74	56,441.70
<u>IndusInd Bank</u>	539.25	37,400.55	28,782.83	4,417.91	277,819.42
<b><u>Yes Bank</u></b>	<b>25.55</b>	<b>32,066.46</b>	<b>26,066.61</b>	<b>-16,418.02</b>	<b>380,826.16</b>
<u>AU Small Finance</u>	622.30	19,067.75	4,285.88	674.78	32,622.79
<u>IDFC First Bank</u>	27.10	15,372.05	15,867.31	-2,864.21	167,184.87
<u>Federal Bank</u>	54.20	10,806.10	13,210.75	1,542.78	159,339.99
<u>City Union Bank</u>	132.25	9,751.05	4,168.60	476.32	45,258.88
<u>RBL Bank</u>	181.05	9,210.74	8,514.38	505.67	80,358.81
<u>Ujjivan Small</u>	39.10	6,757.35	2,703.60	349.92	13,742.21
<u>CSB Bank</u>	186.45	3,234.08	1,509.89	12.72	16,911.17
<u>Karur Vysya</u>	34.75	2,777.64	5,989.98	235.02	69,340.11
<u>DCB Bank</u>	83.05	2,578.31	3,536.63	337.94	35,791.84
<u>Karnataka Bank</u>	47.20	1,467.30	6,474.77	431.78	79,045.76
<u>South Ind Bk</u>	8.00	1,447.78	7,763.80	104.59	92,279.22
<u>JK Bank</u>	18.85	1,344.86	8,446.29	-1,139.41	101,406.29
<u>Lakshmi Vilas</u>	22.35	752.56	2,206.69	-836.04	33,046.16
<u>Dhanlaxmi Bank</u>	13.80	349.16	987.59	65.78	11,798.88
<u>StanChart PLC</u>	36.35	63.45	-	-	171,249.34

- There are around 22 private banks in India. Among these, currently, YES Bank is ranked on 7<sup>th</sup> Position based on its recent financial performance. So mainly, there are 6 major competitors. HDFC being biggest because it has highest net profit (only bank with 5 digit profit).

## Conclusion

- YES Bank should use this pandemic opportunity to come back on its vision path.
- Increase their incentives to attract more customers
- Decrease their Fees
- Provide more finance as more companies will be borrowing in this pandemic situation and also decrease interest rate comparatively so more companies will be attracted
- Decrease defaulting risk by auditing and gauging companies with proper collaterals so permanent customers base can be formed
- Increase service for clients