

Issue Size & Market Cap	
Type of Issue	Rs. Mn
Fresh Issue	4,620
Offer for Sale	1,080
Total Issue Size	5,700
Post-Issue Market cap*	12,266
*At upper price band	
Issue Break-Up	
Total Offer (Shares)	13.8mn
Employee Reservation (Shares)	0.3mn
Net Offer (Shares)	13.4mn
Reservation for	% of Net Offer
QIB	50%
NII (HNI)	15%
Retail	35%
Total Net Offer	100%
Indicative Offer Timeline	Indicative Date
Bid/Offer Opening Date	07th February, 2024
Bid/Offer Closing Date	09th February, 2024
Basis of Allotment	12th February, 2024
Initiation of refunds	13th February, 2024
Credit of shares	13th February, 2024
Listing Date	14th February, 2024
Use of Net Proceeds	
Towards augmenting Bank's Tier – 1 capital base to meet future capital requirements and to improve Tier-I capital and CRAR.	
General Information	
BRLMs	Axis Capital, ICICI Securities, SBI Capital Markets
Registrar	KFin Technologies

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Pan-India franchise with strong brand recognition...

Business Overview:

- ⇒ **Jana Small Finance Bank Ltd (JSFB)** is the **4th largest Small Finance Bank in terms of AUM** and the **4th largest Small Finance Bank in terms of deposit size** as on Sep-23. It has 771 banking outlets, including 278 banking outlets in unbanked rural centers and serves 4.87mn active customers.
- ⇒ JSFB incorporated in Jul-06, got registered as a NBFC in Mar-08, and was awarded NBFC-MFI in Sep-13. It started operating as SFB from Mar-18 and became a SCB in Jul-19.
- ⇒ **Gross advances** increased from Rs. 118.4bn as on Mar-21 to Rs.180bn as on Mar-23, representing a CAGR of 23.3%. **As on Sep-23**, it stands at **Rs. 213.5bn** (up 18.6%). Secured gross advances have increased from Rs. 50.8bn as on Mar-21 to Rs. 99bn as on Mar-23, representing a CAGR of 39.7%, and further increased to **Rs. 122.6bn as on Sep-23** (up 23.8%). **Secured gross advances** as a percentage of total gross advances has increased from 42.8% as on Mar-21 to **57.4% as on Sep-23**. Its gross advances of **agricultural and allied loans** have increased at a 2yr CAGR of 41.3% to Rs. 30.9bn as on Mar-23, and further increased to **Rs. 36.1bn as on Sep-23** (up 16.8%). Agricultural and allied loans as a percentage of gross advances have increased from 13.1% as on Mar-21 to **16.9% as on Sep-23**.
- ⇒ Focus of the SFB is on increasing secured gross advances to diversify advances, and within unsecured advances, focus is on growing agricultural and allied loans. **As on Sep-23, Banking outlets is well diversified with rural—37%, metro—26%, urban—25% and Semi-urban—12%)**
- ⇒ The SFB has been able to leverage the strength of the “Jana” brand to rapidly grow deposit portfolio since it commenced operations as SFB in Mar-18. **Deposits** have increased from Rs. 123.2bn as on Mar-21 to Rs. 163.3bn as on Mar-23, representing a CAGR of 15.2%, and further increased to **Rs. 189.4bn as on Sep-23** (up 15.9%).
- ⇒ JSFB has placed a strong emphasis on increasing Retail Deposits (single Rupee TD < Rs. 20mn (“Retail TD”) plus CASA), as they have lower rates of interest compared to BD (single Rupee term deposits > Rs. 20mn or more) and are more likely to stay deposited with the SFB over a longer period compared to Bulk Deposits. It is amongst the top 5 Small Finance Banks in term of share of Retail Deposits as a percentage of total deposits among all Small Finance Banks as on Mar-23. The SFB access to a diversified Retail Deposit base has helped to decrease Cost of Funds from 8.6% for FY21 to 7.6% for H1 FY24.
- ⇒ Jana SFB shareholders include **TPG, HarbourVest Group, Amansa Capital, Morgan Stanley and Hero Ventures**.
- ⇒ **Pre-IPO placement:** JSFB undertook (1) a pre-IPO placement of 12.2mn CCPS (which were subsequently converted into 0.4mn Equity Shares) at an issue price of Rs. 10 each, aggregating to Rs. 121.5mn, and (2) a pre-IPO placement of 2.4mn Equity Shares at an issue price of Rs. 414 each aggregating to Rs. 1,010mn.

Valuation and Views:

At the upper price band, on post issue basis, Jana SFB is valued at 1.4x H1FY24 P/B. We believe the issue is priced effectively with decent room for upside. Amongst its Peer Set of Small Finance banks, Jana has an RoA of 1.4% (close to Peer Set Avg - 1.5%) and a RoNW of 13.6% (lower than Peer Set Avg - 17.5%). We believe that Jana SFB has more room to increase its retail deposit book. It is a growing player in the SFB space and has bright prospects to cater to the unbanked regions.

We recommend “**Subscribe**” to the issue given (1) Its strong presence on Pan-India basis (2) Focus on growing the secured book and agri book (3) Management efforts towards reshaping the unsecured book (4) Increasing cross-selling business through digitization (5) Supported by professional and experienced management.

Shareholding Pattern & Selling Shareholders in OFS

Shareholding Pattern

	Pre Issue		Offer		Post Issue	
	# of shares (in Mn)	%	Type	# of shares (in Mn)	# of shares (in Mn)	%
Promoter & Promoter Group	23.6	25.2%			23.6	22.5%
Public	69.9	74.8%	Fresh Issue + OFS	11.2	81.0	77.5%
Total	93.4	100.0%			104.6	100.0%

Primary secured loan products include secured business loans, micro loans against property ("Micro LAP"), MSME loans, affordable housing loans, term loans to NBFC, loans against fixed deposits, two-wheeler loans and gold loans.

Primary unsecured loan products are individual and micro business loans, agricultural and allied loans, and group loans.

The SFB is a **corporate agent** for third-party life insurance products, general (non-life) insurance products and health insurance products, including COVID-19 insurance products. It also offers POS terminals and payment gateway services through merchant acquiring partners.

Selling Shareholders

	Type	# of Shares (in Mn)	OFS* (in Mn)
Client Rosehill Limited	Public	0.9	375
CVCIGP II Employee Rosehill Limited	Public	0.9	385
Global Impact Funds, S.C.A., SICAR, sub-fund Global Financial Inclusion Fund	Public	0.1	58
Growth Partnership II Ajay Tandon Co-Investment Trust	Public	0.0	0
Growth Partnership II Siva Shankar Co-Investment Trust	Public	0.0	0
Hero Enterprise Partner Ventures	Public	0.6	261
Total		2.6	1,080

*At upper price band

Issue Breakup

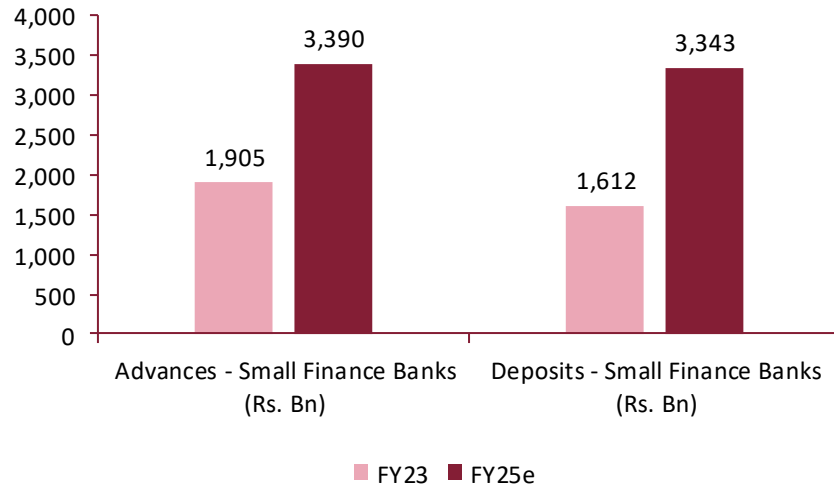
	No of shares		Rs Mn	
	Floor	Cap	Floor	Cap
Fresh Issue	11,755,725	11,159,420	4,620	4,620
Offer for Sale	2,608,629	2,608,629	1,025	1,080
Total Offer	14,364,354	13,768,049	5,645	5,700
Employee Reservation Portion	343,511	326,087	135	135
Net Offer	14,020,843	13,441,962	5,510	5,565
QIB Portion (50% of Net Offer)	7,010,421	6,720,981	2,755	2,782
Total Anchor portion (60% of QIB)	4,206,253	4,032,589	1,653	1,669
QIB Portion reserved for MF (5% of QIB)	350,521	336,049	138	139
Balance Available QIB Portion (35% of QIB)	2,453,647	2,352,343	964	974
Non Institutional portion (15% of Net Offer)	2,103,126	2,016,294	827	835
Retail portion (35% of Net Offer)	4,907,295	4,704,687	1,929	1,948

Its digital liability account opening platform, **DIGIGEN** www.janadigi.com, provides a fully digital self on-boarding platform for opening accounts.

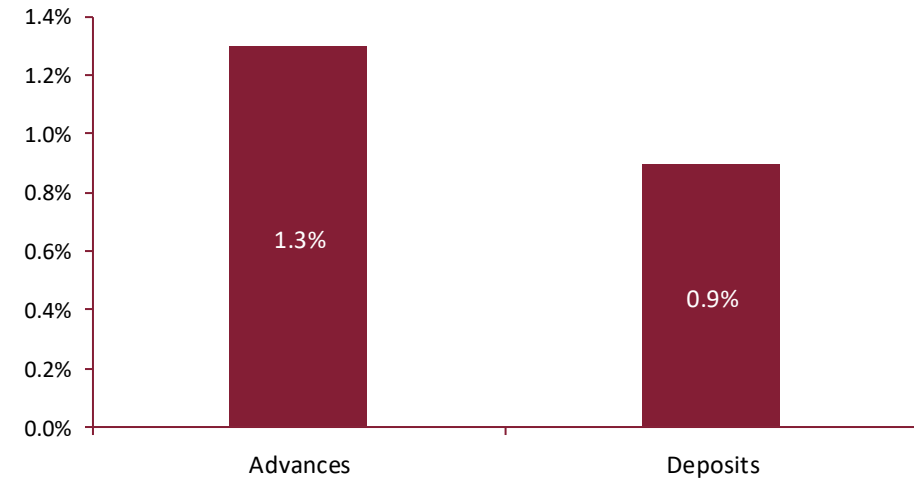
DIGIGEN, coupled with video-KYC platform enables digital only deposit accounts to be opened by its customers.

Industry

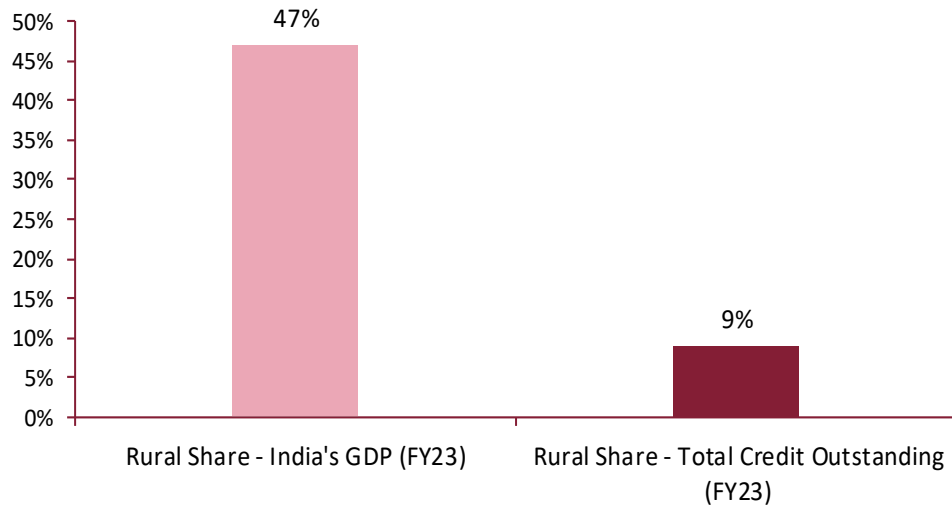
SFB's Advances & Deposits to grow @ 33% and 44% CAGR respectively



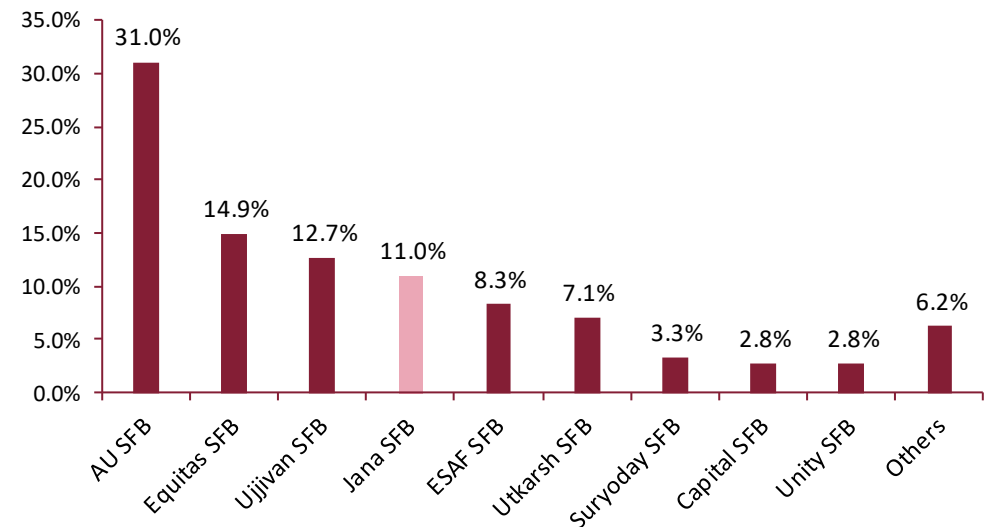
SFB's share amongst various banking groups



FY23— Demand Supply Gap for Financial Services in Rural Areas

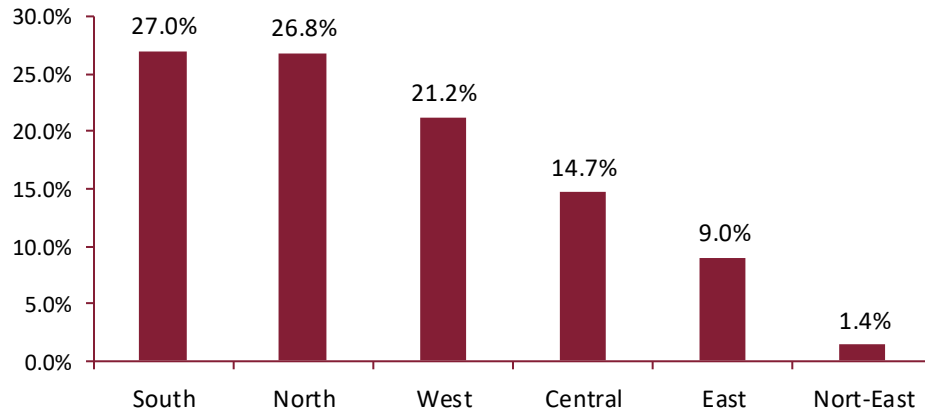


Market Share (AUM) as on Sep-23

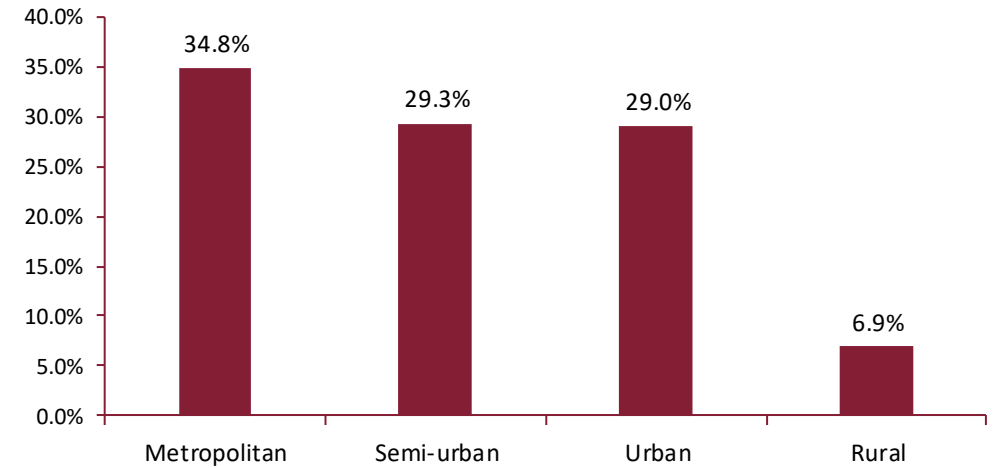


Industry

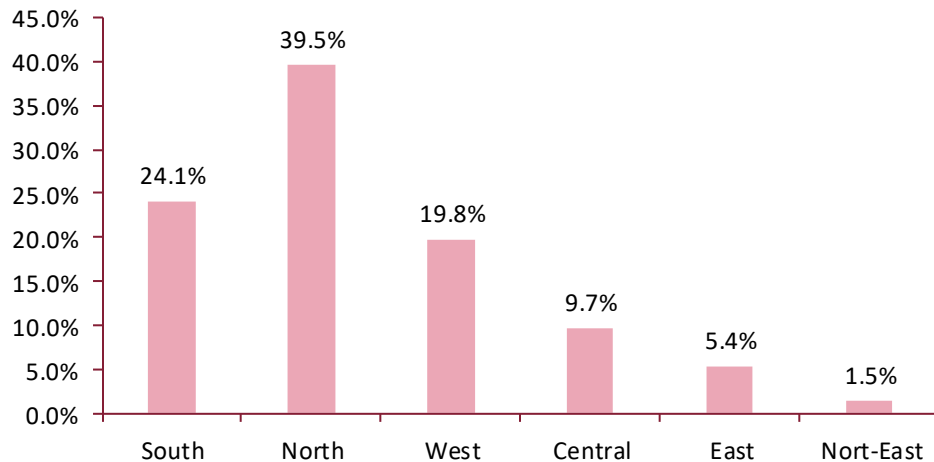
SFB's FY23 Advances - Region Mix (%)



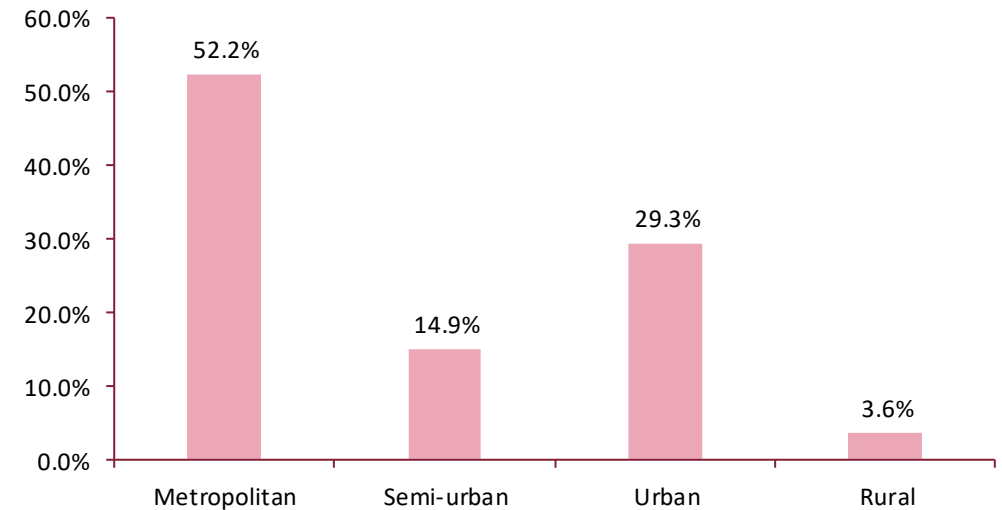
SFB's FY23 Advances - Demography Mix (%)



SFB's FY23 Deposit - Region Mix (%)



SFB's FY23 Deposit - Demography Mix (%)



Strengths

Digitalized bank with majority of its services available in digital form to customers

- ⇒ Jana SFB is a digitalized bank. Its core banking is supported by integrated multi-channel operations.
- ⇒ Its back-end operations, including the core banking system, human resources, customer relationship management systems, anti-money laundering check system, lead management system, collection and disbursement systems, as well as treasury operations, are automated using robotic process automation technology and other automation processes, which has helped improve the internal turnaround time.
- ⇒ Its new products are designed with application programming interface (API) technology to increase operating efficiencies, deliver better quality services, and to allow us to integrate with the larger ecosystem leveraging on the API framework. In line with its vision, all products, especially liabilities products, have a digital outlay. Its liability products suite includes a fully digital self on-boarding channel and an assisted digital on-boarding channel dependent on the customer segment and their preference.
- ⇒ It has the digital infrastructure, certification, and technical capability to act as sponsor bank for enabling digital payments for financial institutions like co-operative banks/ fintech companies. It remains focused on innovating and improving our technology platforms. It constantly explores new partnership opportunities to add to information technology capabilities. Its current partners include local and global information technology companies.

Integrated risk and governance framework

- ⇒ JSFB integrated risk management framework lays down core principles in identifying, measuring, assessing, and managing the key risks. It has put in place detailed risk management policies and a governance structure for each type of key risks, including credit, operations, liquidity, interest rate, market, cyber and information security, and reputational risks.
- ⇒ Its risk-focused culture involves reward programmes that incorporate risk-related objectives, and learning programmes to promote integrated risk management. Each of its Branches, customer service points, central processing units, and functional departments is responsible for the performance of its business operations and the management of the risks it takes within the established risk framework.
- ⇒ Credit team has 367 credit employees as on Sep-23, conducts field verification as part of the credit underwriting procedure. It has an operational governance policy, a defined risk appetite framework, co-borrower checks, and geographical limits on advances to reduce state-wide concentration risk.
- ⇒ Jana SFB has a Collections, Recovery, and Remediation policy to assist in repayment of loans by taking appropriate recovery measures to prevent loans from turning into NPAs. All the employee productivity scorecards and performance measurements of sales personnel have a clawback clause which is directly linked to the collections.

Professional and experienced management and Board

- ⇒ Ajay Kanwal, MD and CEO, joined Jana SFB in Aug-2017 has more than 33 years' experience in financial services and is ex-Standard Chartered Bank. Other members of KMP and Senior Management Personnel have held various leadership positions in the banking sector, including at Standard Chartered Bank, State Bank of India, Citibank, HDFC Bank and Kotak Mahindra Bank.
- ⇒ KMP and Senior Management Personnel (combined) has an average of 27 years' working in financial services organizations and collectively have extensive experience in banking, credit evaluation, risk management, collections, operations, treasury and technology.
- ⇒ It has an experienced Board, comprising members with diverse business experience, many of whom have held senior positions in well-known financial services institutions and banks, including the RBI. Mr. Ramesh Ramanathan, our Non-Executive Non-Independent Director, previously held various positions in the capital market business at Citibank NA.

Customer-centric organization with more than 16 years' experience in serving underbanked and underserved customers

- ⇒ Most of its asset products are catered for underbanked and underserved customers and the MSME segment. It provides banking services at customers' doorsteps in urban and rural geographies, thereby driving financial inclusion for the underbanked and underserved customer segment.
- ⇒ An example of customer-centric approach is providing multiple loan and liability banking options to underbanked and underserved customers to cater to their life stage requirements.

Strengths

- ⇒ Jana SFB's business model is centered on building a 'one-stop shop' to cater customers' different financial needs. As its customers have graduated from unsecured loans, it has expanded asset products to cater to them as well as to new customers. JSFB business is driven by the acquisition of new customers and retention of existing ones.

Pan-India presence with strong brand recognition

- ⇒ As on Sep-23, JSFB has 771 banking outlets, including 278 banking outlets in unbanked rural centers. Pan-India presence has enabled it to reduce concentration risk.
- ⇒ It served nearly 12mn customers since 2008, including 4.9mn active customers as on Sep-23. It added 0.3mn new customers and 0.9mn in H1FY24 and FY23 respectively.
- ⇒ In September 2020, it launched "Jama Karo, Jana Karo" (which translates as "Think of Jana every time you think of saving") campaign. This campaign was first above the line brand campaign in multiple regional languages (Hindi, Tamil, Kannada, Marathi and Bengali). The key theme of this campaign was to invoke trust, with the goal of expanding Retail Deposit business.

Fast growing Retail Deposits base and diversified deposit franchise

- ⇒ The bank has been able to leverage the strength of the "Jana" brand to rapidly grow deposit portfolio. Its deposit products comprise current accounts, savings accounts, recurring deposits and term deposits. It offers a variety of term deposits with multiple interest payment options, along with competitive interest rates. It also offers higher interest rates for senior citizens. Deposits provide significant advantages, including greater customer retention and increased cross-selling opportunities. In addition, access to deposits gives a lower Cost of Funds compared to some NBFCs and MFIs.
- ⇒ Since becoming a Small Finance Bank, Jana SFB placed a strong emphasis on increasing Retail Deposits, as they have lower rates of interest compared to Bulk Deposits and are more likely to stay deposited with the SFB over a longer period compared to Bulk Deposits. It is amongst the top five Small Finance Banks in term of share of Retail Deposits (comprising CASA and Retail Term Deposits) as a percentage of total deposits among all Small Finance Banks as on Mar-23. Access to a diversified Retail Deposit base has helped to decrease Cost of Funds from 8.6% as on Mar-21 to 7.6% as on Sep-23.

Proven execution ability

- ⇒ Deposits have increased from nil in Mar-18 to Rs. 189.4bn as on Sep-23. Gross advances have grown at a 2yr CAGR of 23.3% to Rs. 180bn as on Mar-23, and further increased to Rs. 213.5bn as on Sep-23, an increase of 18.59%.
- ⇒ In Fiscal 2018, it launched gold loans and MSME loans with revised credit and collateral condition. In Fiscal 2019, it launched affordable housing loans and secured business loans and loans against fixed deposit. In Fiscal 2021, it launched two-wheeler loans.

Strategies

Focus on accelerating secured loans book with the purpose of meeting customers' needs and diversifying lending book

- ⇒ Secured loans include affordable housing loans, secured business loan, gold loans, MSME loans, and two-wheeler loans.
- ⇒ JSFB plans to further accelerate gross secured advances by: (1) offering multiple products to existing customers including evaluating new products, such as used two-wheeler loans; (2) focusing penetration into current states and expanding the oversight of hubs to around 100 kms covering Tier 1 centers and Tier 2 centers (3) enhancing location strategy by mapping industry performance and tightening policies; (4) focusing its growth plans on the right combination of customer segment and collateral type, by assessing loss given defaults based on a strengthened collections and recovery processes; and (5) enhancing its digital capabilities to source and serve customers.
- ⇒ Its plan is to focus on affordable housing loans and loans against property with HOME 360 as the primary product. Customers of HOME 360 can hold multiple loan products with the Bank and use their homes as collateral. It plans to continue to cross-sell gold loans to microfinance institutions customers and to maximize output through product and pricing strategies. It will also expand the offering of new gold-loan product variants, like the agri gold loan launched in Fiscal 2022, to all outlets focused on agriculture sourcing.
- ⇒ Its strategy for secured loans in the MSME business is to aim at growing at a measured pace to maintain high credit quality of sourcing and expanding customer relationships. With respect to supply chain financing products, JSFB has anchors on-boarded and will grow this list while deepening dealer relationships with existing anchors. Its key strategies is to continue growing retail business include accelerating retailer and dealer on-boarding, strengthening the account management framework to identify early warning signals, and continuing to hire resources outside the Tier 1 cities to target retailers in those cities.
- ⇒ It plans to grow two-wheeler loan business by continuing to offer two-wheeler loans to its existing customers and attracting customers through referrals from two-wheeler dealers. To make this customer-centric approach work, its two-wheeler business has started offering savings account with every loan after six months of timely repayment of the two-wheeler loan.
- ⇒ It intends to enter into more partnerships with BCs to expand two-wheeler loan business to additional states and to grow in the rural segment through unsecured borrowers of retail financial services companies. It also plans to establish relationships with original equipment manufacturers of electronic vehicles and train retail financial services operational teams to source two-wheeler loans. Through its focus is on growing secured advances, it plans to continue decreasing unsecured advances as a percentage of gross advances.

Reshape unsecured loans (Microfinance Loans) business

- ⇒ Unsecured loans comprise (1) individual and micro business loans; (2) agricultural and allied loans; and (3) urban group loans. All the unsecured loans it currently offers are Microfinance Loans.
- ⇒ Its key focus for unsecured loan business is to increase end-use based loan products, such as dairy loans, loans for home improvement, unsecured loans for business purposes and debt consolidation, by cross-selling to existing banked and newly banked customers with a proven credit record located in semi-urban and rural geographies.
- ⇒ With respect to current unsecured loan customers in metropolitan areas, its main focus is to cross-sell secured loans to such customers.
- ⇒ Its banking outlets in unbanked rural centers primarily focus on unsecured loan business. The 278 banking outlets in unbanked rural centers represents 36.06% of total banking outlets, as against the regulatory requirement of 25.00%. It plans to continue to increase the number of banking outlets in unbanked rural centers.
- ⇒ To help increase the reach and performance of unsecured loan business, it plans to have at least two BCs per state in all states/union territories in India in which we have presence.
- ⇒ It has identified villages / rural locations around the radius of Branches to offer agricultural and allied loans in agri dominated areas, which we call "Greenspots". Our current policy is to open a banking outlet in a Greenspot once it attains a minimum portfolio size of 2,000 loan accounts. As on Sep-23, we had opened banking outlets in 50 Greenspots. It has 95 Greenspots and its plan to continue to set up more Greenspots.
- ⇒ It has discontinued unsecured loan business in Uttar Pradesh and Uttarakhand in 2017 because of unacceptably high levels of delinquencies. In FY21, it restarted unsecured loan business in these states with a strategic calibrated approach, starting with end-use driven products, such as agri-lending, business loans and home improvement loans.

Strategies

Improve risk profile

- ⇒ It has developed products-specific scorecards for all businesses to ensure that it is able to analytically track and improve sourcing. In addition to customized scorecards, the credit bureau score and inputs from the CRIF Highmark bureau and the Credit Information Bureau India Limited are used across all businesses.
- ⇒ To reduce the risk of inconsistent credit standards in a decentralized credit decision set-up, it has set up a centralized credit underwriting unit responsible for approving secured loans up to Rs. 2.5mn.
- ⇒ For the secured business, it has developed a loan life cycle-based risk rating model, which is being used for risk-based repricing, loan review frequency, early warning signals, retention and cross-selling opportunities.
- ⇒ It plans to improve risk profile by enhancing the overall control environment in the gold loan business, mitigating risks of default from group loans and continuing enhancing secured digitalization. As part of this strategy, it has also launched a supply chain financing business in FY21.
- ⇒ It has shifted primary focus from unsecured loans to secured loans. It plans to continue to cross-sell secured loans, such as two-wheeler loans, gold loans, house repair loans and affordable housing loans, to existing unsecured customers. Similarly, in MSME loans, it has shifted focus towards end-use controlled loans, such as supply chain loans, stock purchase loans, equipment/machinery purchase loans and invoice finance.
- ⇒ It will continue to develop the supply chain financing business with dealer financing and supplier financing. It also plans to improve the risk profile by secured digitalization. It has implemented a digital lending platform, known as LendPerfect, and it plans to continue enhancing its capabilities. It has set up a risk containment unit under Chief Risk Officer to ensure controls on customer fraud, employee collusion, valuations and legal oversight.

Enhance the growth of Retail Deposits

- ⇒ It plans to concentrate on growing Retail Deposits. To improve sales performance, it is implementing a daily sales rhythm where each member of sales staff at Branches has been set a daily target of meeting with 15 potential Retail Deposit customers, generating 10 leads and converting five customers.
Our other strategies for increasing our Retail Deposits include the following:
- ⇒ Increase our product and service offerings to non-Resident Indians (“NRIs”): It currently offer savings and fixed deposit accounts to NRI customers. It provides in-person or remote on boarding channels and have implemented a dedicated contact help desk for NRIs, including email and contact numbers. It is planning to expand offerings to include the complete product suite to NRI customers, including remittance services.
- ⇒ Continue digital on boarding for entities: Digital onboarding reduces the account opening time substantially and enables us to provide enhanced customer satisfaction by allowing us to issue debit cards on a real-time basis.
- ⇒ Grow corporate salary business: It has launched a dedicated channel for the salaried customer segment in order to acquire more customers in this segment and to cross-sell to our existing customers in this segment.

Alliances with third parties from banking to broking

- ⇒ JSFB plans to improve competitive position, offer products and services to a broader range of customers, utilize the technological and digital advantages of fintech and expand reach through establishing alliances and partnerships with third parties.
The key elements of this strategy include:
- ⇒ Increase distribution of third-party products: It plans to enter into alliances with securities brokerage companies and offer 3-in-1 accounts (CASA, DEMAT and a trading account) to deposit customers to enable them to easily buy and sell securities. It also plans to offer more health insurance products through existing health insurance partnerships. In addition, it is planning to enter into tie-ups with third-party mutual funds for the distribution of mutual funds.
- ⇒ Broaden product suite: It plans to forge closer ties with CSC e-Governance Services India Limited for Aadhaar Enabled Payment System (AEPS) direct money transfer services, with a focus on rural areas for financial inclusion. It also plans to enter into agreements with large consumer companies for lending to their customers based on analysis of their customers transactions and payments history.

Strategies

- ⇒ Offering transaction banking services to other companies. It plans to continue with the sponsorship programs with cooperative banks with the purpose of providing their customers access to payment services, such as NEFT, RTGS and IMPS, and ATM switch access. It will also plan to continue offering transaction banking, including CASA composite solutions, to supply chain finance partnerships. It is also selectively engaging fintech and banking correspondents to gain scale through third-party product capability and last mile geographic reach. It is engaging fintech to seek opportunities to generate CASA via our supply chain.

Deepen customer relationships

- ⇒ JSFB plans to focus on cross-selling two-wheeler loans, house loans, personal loans, gold loans, school fee loans and computer loans and third- party products, such as health, life and general insurance to existing customers who have shown a good repayment behavior. As part of this strategy, it has introduced the Sunrise Program and Home 360.

Continued focus on digitized operations

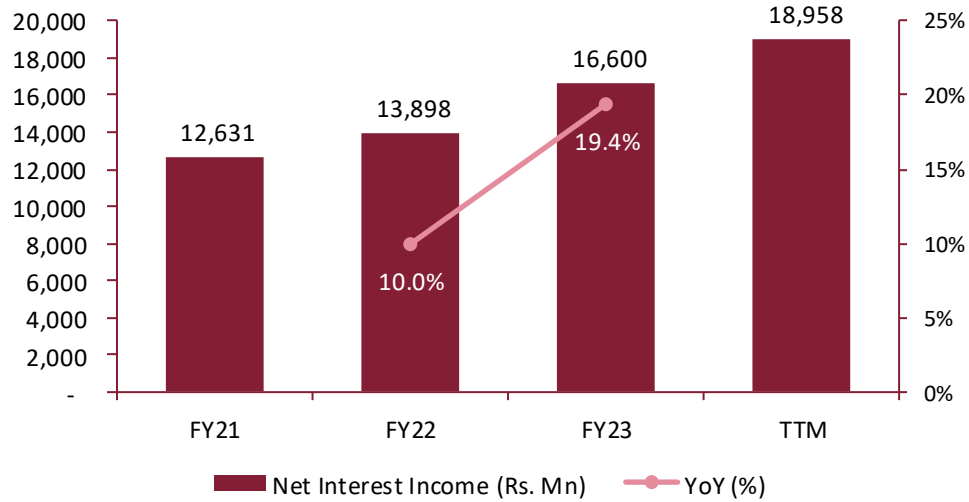
- ⇒ Digitization of its services is one of its key strategies and it will continue developing the Jana application and enhancing mobile channels.
- ⇒ Our strategies for increasing digitization in business include the following: Tab and mobile based sourcing, credit evaluation and collections to be significantly implemented across all asset products. Enhancing its loan origination system architecture while enabling deeper and instant credit decision-making, which will allow online straight-through integration with its fintech partners' ecosystems. It plans to continue to incorporate fraud checks and regulatory compliance, with a focus on enhancing and exploiting artificial intelligence and machine learning capabilities, while avoiding any manual steps. It plans to enhance self-fulfillment service request offerings through mobile and internet banking channels.
- ⇒ As at Sep-23, our central processing center has 156 employees. The automation project was focused on automating the processes of insurance claims, endorsing insurance coverage in systems, linking collaterals, core banking system postings, pre- and post-loan sanctions processes, and further funds transfer and disbursement.
- ⇒ It plans to introduce more robotic process automation capabilities in a phased manner, including optical character recognition capabilities and other artificial intelligence and machine learning techniques (e.g., face-match), wherever possible, with the intent to reduce turnaround time and human errors, which will ultimately lead to a superior customer experience. It is pushing digital adoption both within Bank and by customers.

Key Risks

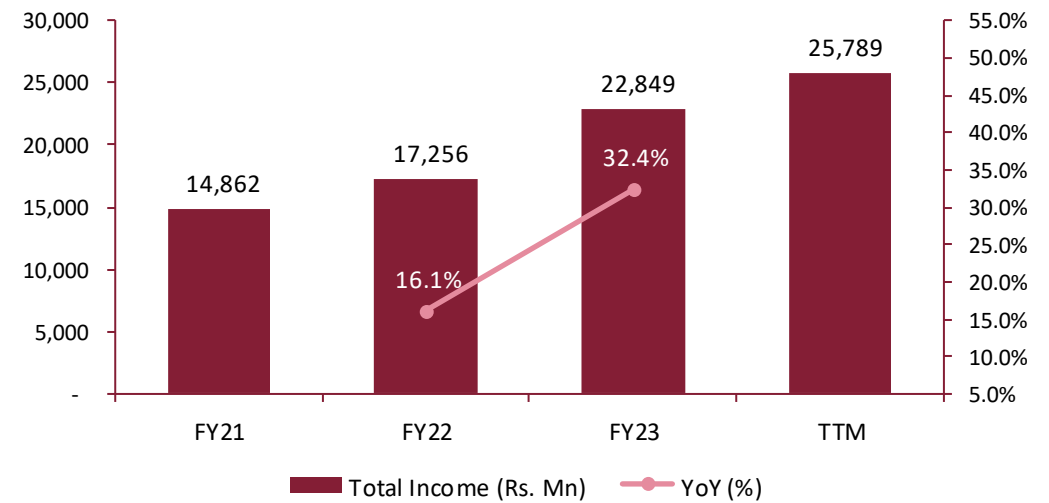
- ⇒ Inability to maintain adequate provisioning coverage or regulatory changes in mandated provisioning requirements could materially impact financial conditioning and results of operations.
- ⇒ Increase in GNPA and NNPA pertaining to unsecured advances (~43% of H1FY24) could adversely affect the lending business, profitability, and margin profile.
- ⇒ Company has not been able to comply with certain provisions of the SFB Licensing Guidelines and the RBI Final Approval. Any regulatory action in form of monetary penalties, revocation of the RBI Final Approval or such other penal actions and restrictions deemed fit by these authorities could have material impact on business, financial condition, result of operations and cash flows.
- ⇒ Credit Downgrade by rating agencies could lead to imposition of additional terms and conditions and higher interest rates to new or replacement agreement for refinancing outstanding debt.
- ⇒ Any slowdown in lending business in the regions, where the company's lending business is higher (~40% of gross advances is from top 3 states) could materially impact the result of operations.

Jana Small Finance Bank : Financial story in charts

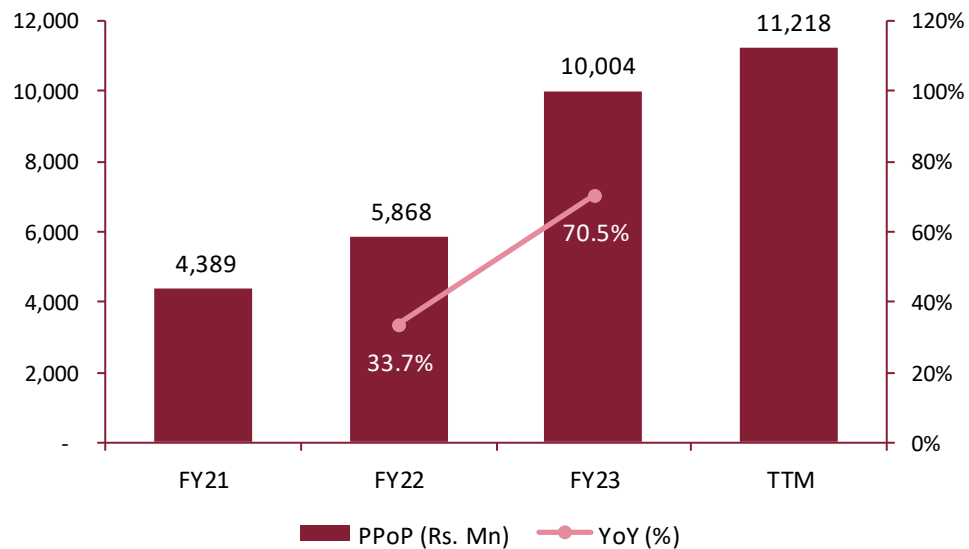
Net Interest Income (Rs. Mn) and YoY (%)



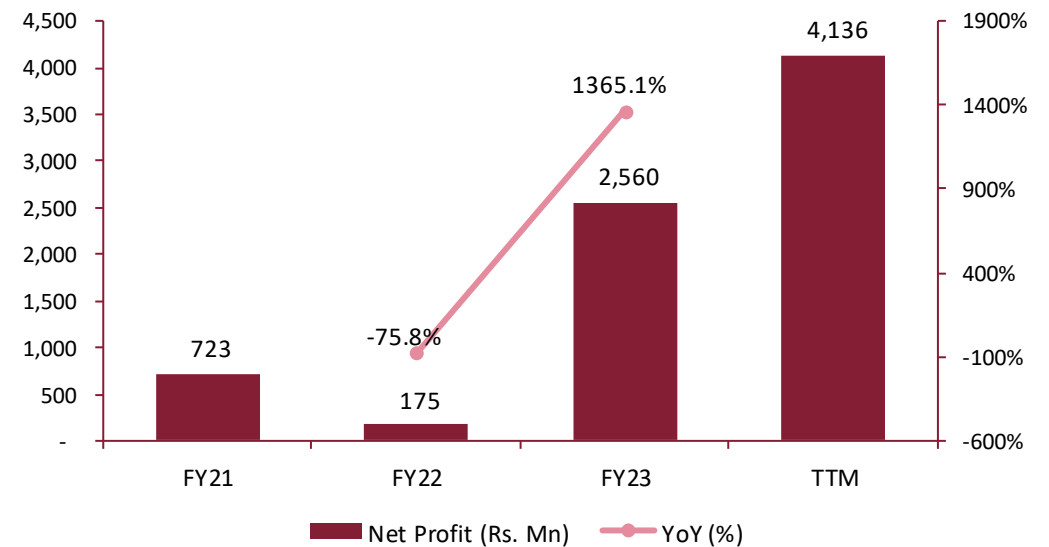
Total Income (Rs. Mn) and YoY (%)



PPoP (Rs. Mn) and YoY (%)

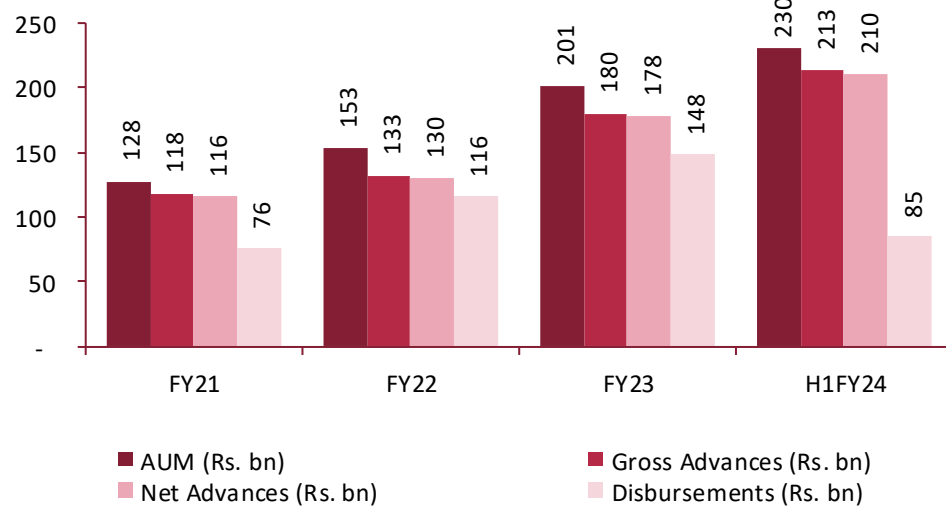


Net Profit (Rs. Mn) and YoY (%)

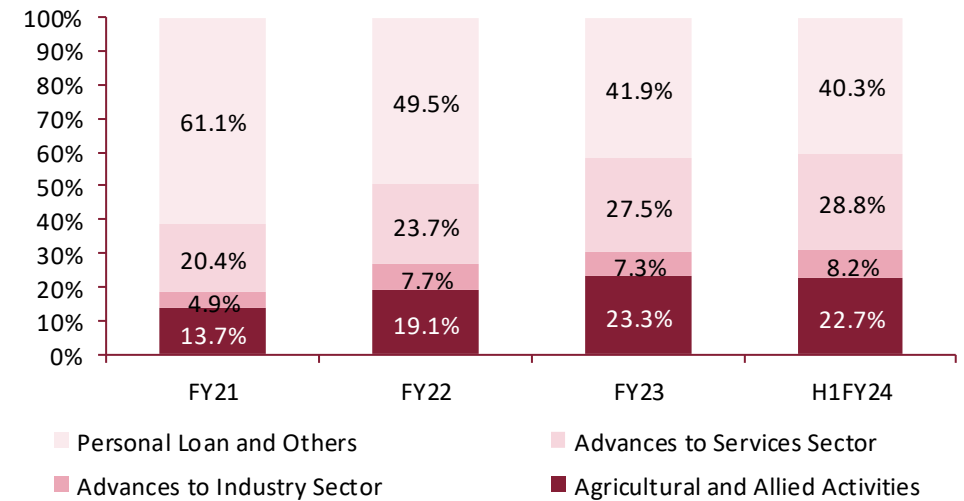


Jana Small Finance Bank : Financial story in charts

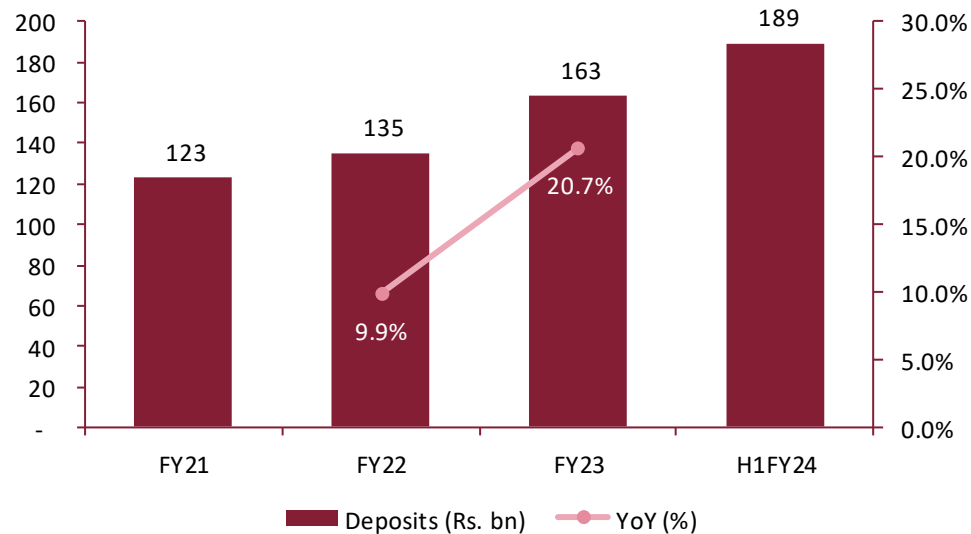
AUM , Gross & Net advances , Disbursements (Rs. bn)



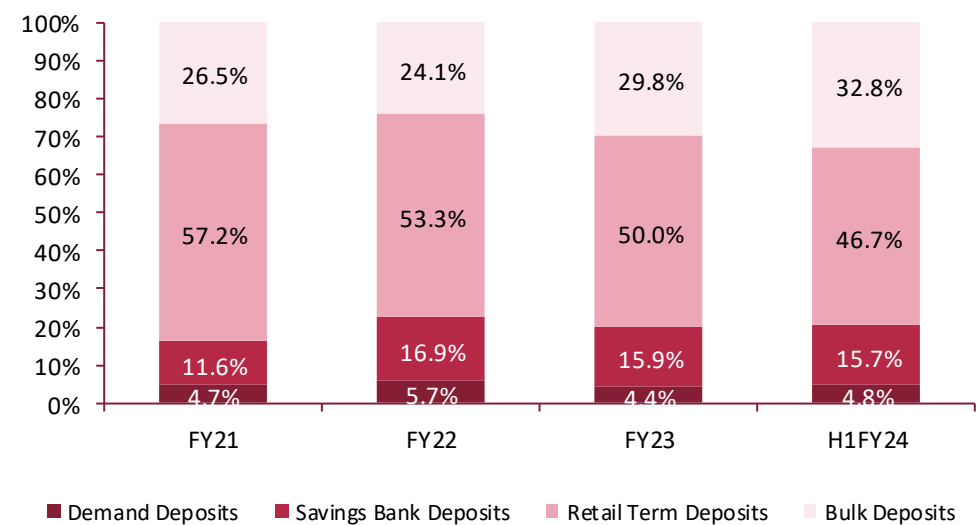
Gross Advances Mix (%)



Deposits (Rs. bn) and YoY (%)

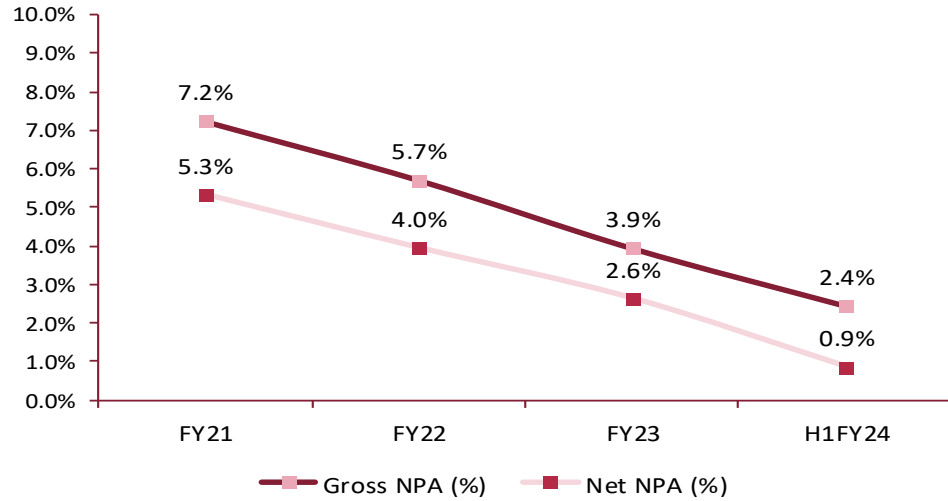


Deposits Mix (%)

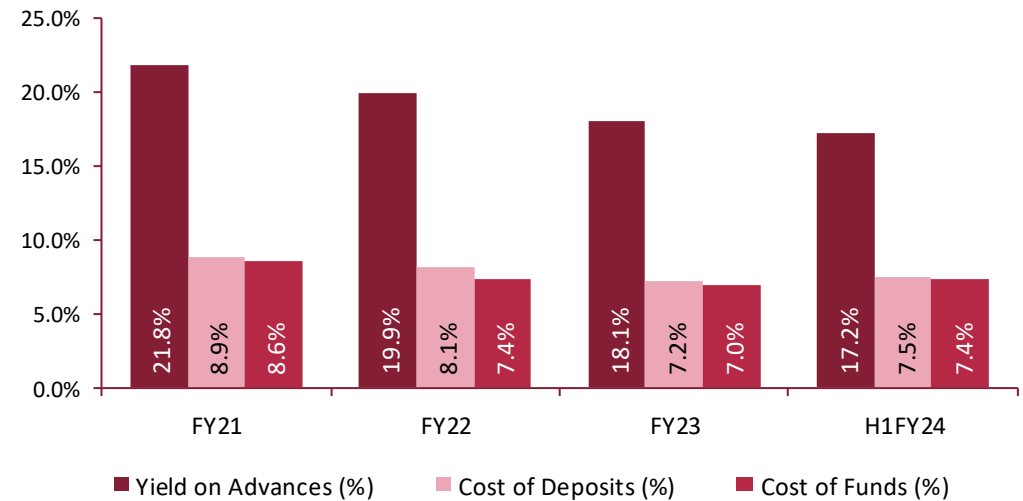


Jana Small Finance Bank : Financial story in charts

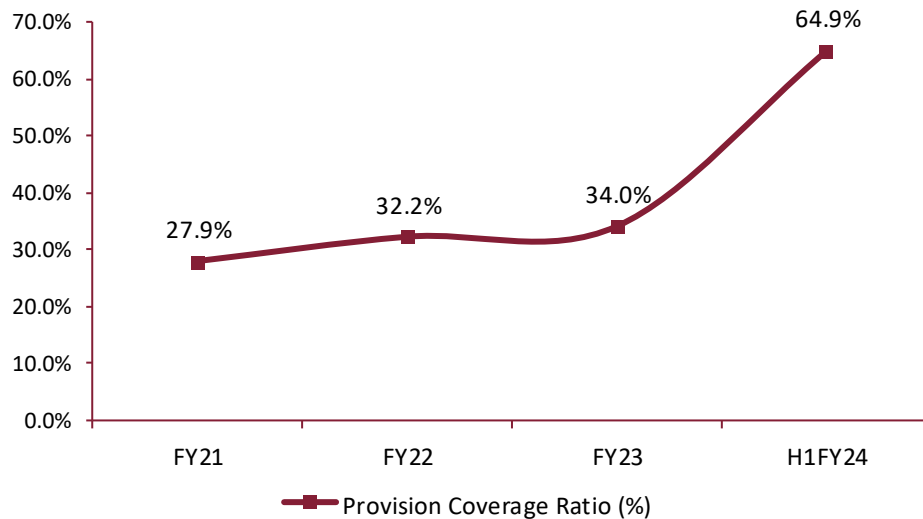
Gross NPA & Net NPA (%)



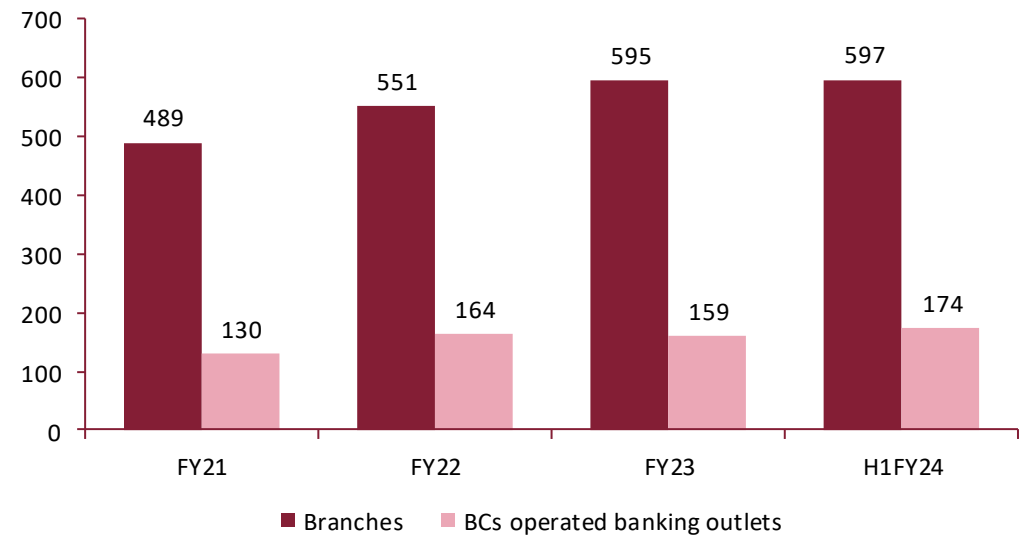
Yield vs Costs (%)



Provision Coverage Ratio (%)

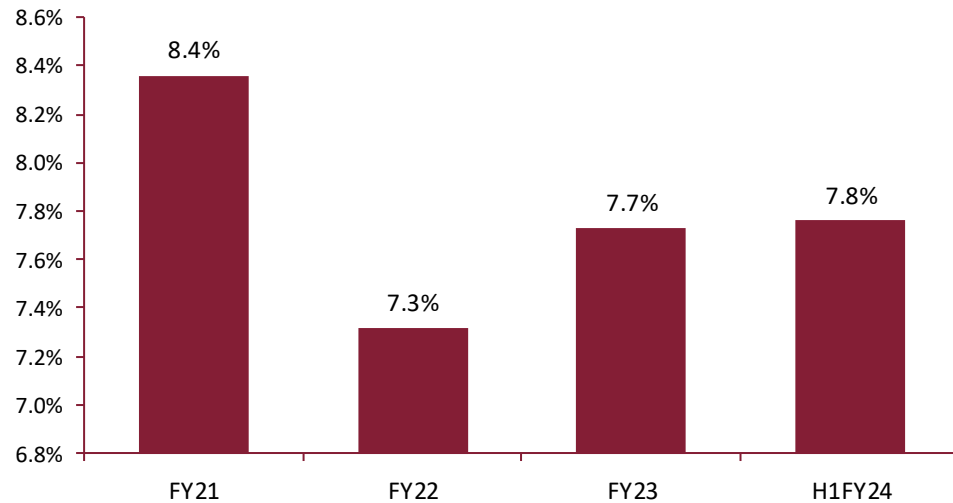


Banking outlets

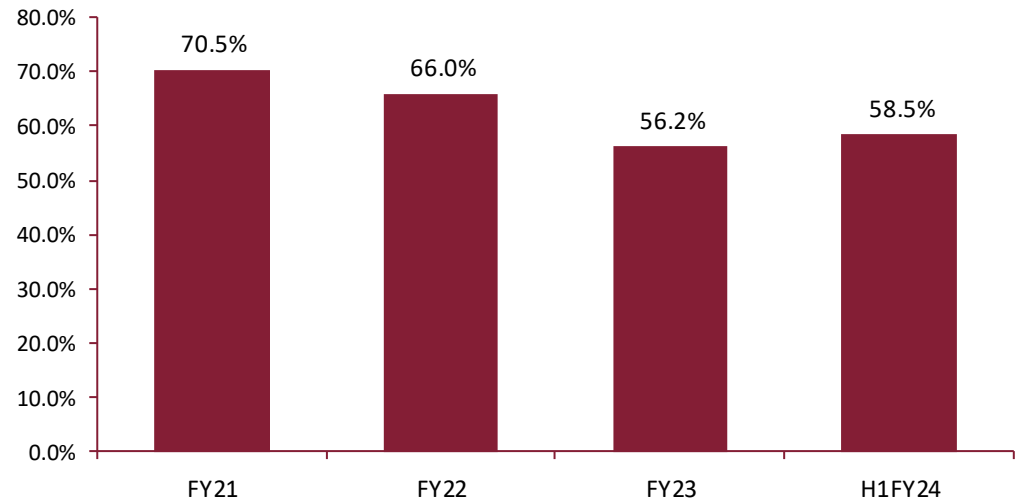


Jana Small Finance Bank : Financial story in charts

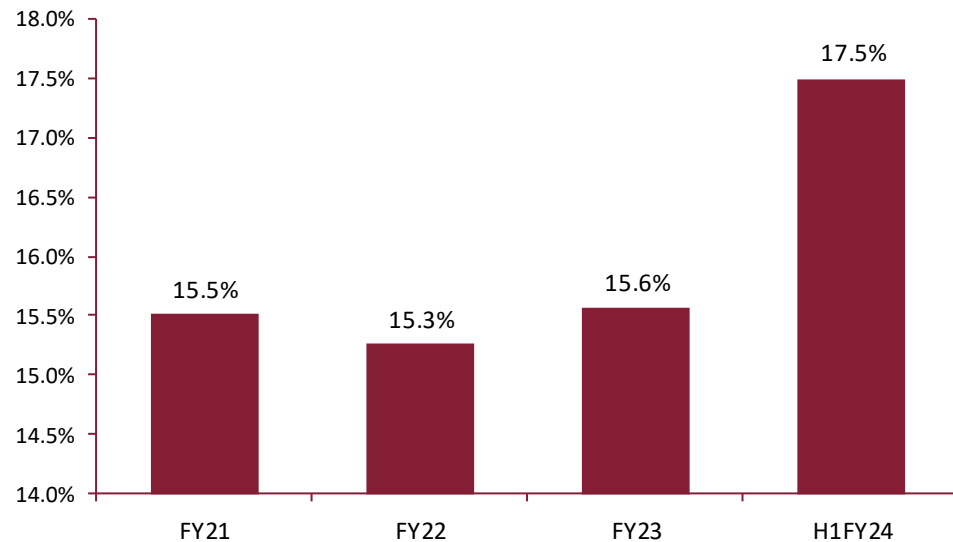
NIMs (%)



Cost to Income (%)



Capital Adequacy (%)



CASA Ratio (%)



Peer Performance - H1FY24

Peer Performance (H1FY24)	AU SFB	Equitas SFB	Ujjivan SFB	Jana SFB	ESAF SFB	Utkarsh SFB	Suryoday SFB	Capital SFB
AUM (Rs. bn)	650	312	266	230	175	149	69	59
yoy %	24.0%	37.0%	27.0%	42.4%	37.0%	26.4%	28.7%	12.9%
Deposits (Rs. bn)	757	308	291	189	174	140	64	70
yoy %	30.0%	42.0%	43.0%	33.5%	28.8%	19.0%	51.9%	13.3%
Retail Deposits (%)	66.0%	74.5%	64.6%	67.2%	89.0%	66.0%	77.6%	93.6%
CASA (%)	34.0%	34.0%	24.1%	20.5%	18.0%	20.0%	15.7%	37.8%
Employees	28,500	21,862	21,040	20,355	5,505	16,364	6,989	1,838
Banking Outlets	1,042	956	700	771	700	871	635	173
NIM (%)	5.6%	8.0%	9.0%	8.0%	11.2%	8.9%	9.7%	4.1%
Opex Ratio (%)	4.4%	6.4%	5.8%	5.9%	7.2%	6.2%	6.5%	3.0%
Cost to Income Ratio (%)	63.1%	65.5%	53.0%	58.5%	56.4%	51.7%	56.7%	62.3%
Credit Cost (%)	0.5%	0.9%	0.6%	3.6%	3.2%	2.4%	2.5%	0.1%
Yield on Advances (%)	13.4%	17.3%	20.7%	17.5%	23.3%	19.5%	20.3%	11.0%
Cost of Borrowings (%)	6.6%	9.5%	7.3%	7.4%	7.1%	7.7%	7.2%	6.9%
Gross NPA (%)	1.9%	2.3%	2.4%	2.4%	2.6%	2.8%	2.9%	2.7%
Net NPA (%)	0.6%	1.0%	0.1%	0.9%	1.3%	0.2%	1.5%	1.4%
PCR (%)	69.1%	57.7%	96.3%	64.9%	55.5%	94.6%	50.5%	51.0%
CRAR (%)	22.4%	21.3%	25.2%	17.5%	20.6%	24.8%	30.2%	20.7%
Credit to Deposit Ratio	85.9%	101.3%	91.2%	110.9%	85.6%	106.6%	108.3%	83.8%

Valuation - H1FY24

Valuation	AU SFB	Equitas SFB	Ujjivan SFB	Jana SFB	ESAF SFB	Utkarsh SFB	Suryoday SFB	Capital SFB
Shares (Mn)	668.2	1,121.7	1,955.1	104.6	514.8	1,095.9	106.2	45.0
Networth (Rs. Mn) (Sep-23)	117,627	54,788	47,707	30,310	19,850	26,875	16,841	11,618
BVPS (Rs.)	176.0	48.8	24.4	289.8	38.6	24.5	158.6	257.9
Price	600.5	103.1	58.9	414.0	78.9	65.0	176.0	468.0
P/Bx (H1 FY24)	3.4	2.1	2.4	1.4	2.0	2.7	1.1	1.8
Market Cap (Rs. bn)	401.6	116.7	115.2	43.3	40.7	71.4	18.7	21.1
RoA (TTM) (H1FY24)	1.7%	1.0%	1.9%	1.4%	1.3%	1.0%	2.0%	1.2%
RoNW (TTM) (H1FY24)	13.9%	14.6%	29.0%	13.6%	15.8%	19.3%	12.2%	9.2%

INDSEC Rating Distribution

BUY : Expected total return of over 15% within the next 12-18 months.

HOLD : Expected total return between 0% to 15% within the next 12-18 months.

SELL : Expected total return is negative within the next 12-18 months.

NEUTRAL: No investment opinion, stock under review.

Note: Considering the current pandemic situation, the duration for the price target may vary depending on how the macro scenario plays out. Therefore, the duration which has been mentioned as a period of 12-18 months for upside/downside target may be higher for certain companies.

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