

BUY

TP: Rs 1,155 | ▲ 20%

AXIS BANK

| Banking

| 27 July 2023

Steady growth but costs elevated

- Q1 PAT up 41% YoY supported by strong NII (+27%), fee income and treasury gains
- NIM (calc.) declined 7bps to 3.9% on increased cost of funds; Citi card business integration to continue to inflate opex
- TP revised to Rs 1,155 (vs. Rs 1,111) as we raise FY24/FY25 EPS by 1%/2% and increase our target P/ABV to 1.9x; retain BUY

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Robust business growth: AXSB's focus on the retail (mainly unsecured) and SME segments led to strong credit growth of 22% YoY in Q1FY24 (vs. 19.4%/14% in Q4/Q1FY23), even as deposits grew at a healthy 17% YoY. Loan growth was spread across the retail/corporate/SME segments which increased 21%/27%/20% YoY. Deposit growth was backed by a 22% YoY rise in CASA. We continue to project a credit/deposit CAGR of 17%/16% over FY23-FY25.

PAT rises 41% YoY: A strong uptick in NII (+27% YoY) and other income (+70% YoY) supported a 41% rise in Q1 PAT to Rs 58bn. Other income grew mainly on the back of fee income from the Citi credit card business and treasury gains.

Margin contracts QoQ: Q1 Reported NIM contracted 12bps QoQ to 4.1% largely due to deposit repricing. Management expects NIM to hold steady at current levels as repricing decelerates over H2 and the unsecured book contributes higher yields. Opex increased 10% QoQ mainly due to Citi card integration costs of Rs 3.8bn. AXSB reiterated that the total integration cost of Rs 20bn would be front-loaded in FY24 itself. The C/I ratio jumped 340bps QoQ to 48.3%, though the bank is confident of maintaining cost-to-assets at 2% vs. 2.3% in Q1.

Asset quality steady: In spite of higher slippages (agricultural defaults being seasonal), asset quality was stable and we do not foresee any major concerns given AXSB's prudent provisioning strategy (standard asset coverage of 1.39%). We model for stable GNPA/NNPA/PCR at 1.7%/0.4%/79% in FY25 and factor in credit cost of 54bps each in FY24/FY25 (vs. 37bps in FY23).

Maintain BUY: AXSB's focus on growth along with healthy asset quality has helped improve return ratios, and we estimate ROA/ROE of 1.7%/17% in FY25 vs. 0.8%/8% in FY23. Smooth integration of Citi card business is likely to aid margins. The bank is well capitalised with current CAR at 17.7% even after the Citi card acquisition (with no fundraising plans). We raise FY24/FY25 EPS by 1%/2% and increase our FY25E P/ABV multiple to 1.9x (vs. 1.8x) using the Gordon Growth Model. Adding in Rs 114/sh as the value of subsidiaries, we have a new TP of Rs 1,155 (vs. Rs 1,111). BUY.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	AXSB IN/Rs 960
Market cap	US\$ 35.9bn
Free float	92%
3M ADV	US\$ 122.4mn
52wk high/low	Rs 990/Rs 708
Promoter/FPI/DII	8%/52%/30%

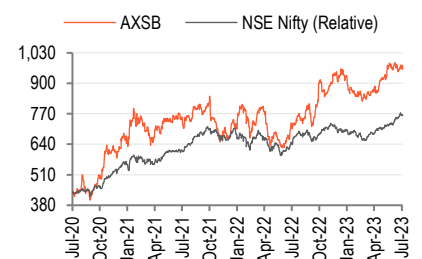
Source: NSE | Price as of 27 Jul 2023

Key financials

Y/E 31 Mar	FY23A	FY24E	FY25E
Net interest income	429,457	502,010	568,590
NII growth (%)	29.6	16.9	13.3
Adj. net profit (Rs mn)	95,797	245,206	279,604
EPS (Rs)	31.2	79.7	90.9
Consensus EPS (Rs)	31.2	77.9	89.5
P/E (x)	30.8	12.0	10.6
P/BV (x)	2.4	2.0	1.7
ROA (%)	0.8	1.7	1.7
ROE (%)	8.0	17.8	17.1

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly snapshot: Income statement

(Rs mn)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	YoY (%)	QoQ (%)
Income Statement							
Interest Income	138,930	152,574	170,910	183,124	201,347	44.9	10.0
Income on investments	42,815	44,775	45,849	48,349	47,830	11.7	(1.1)
Int. on bal. with RBI & inter-bank funds & Others	5,542	5,041	5,505	8,225	6,391	15.3	(22.3)
Interest income	187,287	202,389	222,264	239,698	255,568	36.5	6.6
Interest expense	93,446	98,787	107,671	122,276	135,980	45.5	11.2
Net interest income	93,840	103,603	114,593	117,422	119,588	27.4	1.8
Growth YoY (%)	20.9	31.1	32.4	33.1	27.4	651bps	(571bps)
Non-interest income	29,990	39,412	46,654	48,953	50,873	69.6	3.9
Growth YoY (%)	(10.7)	3.8	21.5	15.9	69.6	8,034bps	5,372bps
Non-interest income (Ex- Trading income)	36,660	40,272	42,374	48,123	45,683	24.6	(5.1)
Total income	123,830	143,014	161,248	166,375	170,460	37.7	2.5
Growth YoY (%)	11.4	22.2	29.1	27.6	37.7	2,629bps	1,009bps
Staff expenses	21,861	21,667	22,811	21,636	26,885	23.0	24.3
Other operating expenses	43,099	44,186	45,662	53,063	55,432	28.6	4.5
Operating expenses	64,960	65,852	68,473	74,699	82,317	26.7	10.2
Pre-Provisioning Profit (PPoP)	58,870	77,162	92,775	91,676	88,144	49.73	(3.9)
Growth YoY (%)	(4.8)	30.2	50.6	41.8	49.7	5,456bps	794bps
Pre-Provisioning Profit (Ex- Trading income)	65,540	78,022	88,495	90,846	82,954	26.6	(8.7)
Growth YoY (%)	15.2	43.0	52.7	45.7	26.6	1,133bps	(1,913bps)
Provisions	3,594	5,498	14,377	3,058	10,349	188.0	238.5
Growth YoY (%)	(89.1)	(68.3)	7.7	(69.0)	188.0	27,710bps	25,701bps
Exceptional Item	-	-	-	124,898	-	NA	Na
PBT	55,276	71,664	78,398	88,618	77,795	40.7	(12.2)
Tax	14,024	18,367	19,867	21,004	19,824	41.4	(5.6)
PAT	41,253	53,298	58,531	(57,284)	57,971	40.5	(201.2)
Growth YoY (%)	91.0	70.1	61.9	(239.1)	40.5	(5,044bps)	27,964bps
Per Share							
FV (Rs)	2	2	2	2	2	0.0	0.0
EPS (Rs)	19	19	19	(19)	19	(1.1)	(201.1)
Book Value (Rs)	389	406	426	408	427	9.6	4.7

Source: Company, BOBCAPS Research

Fig 2 – Quarterly snapshot: Balance sheet & Key ratios

Balance sheet (Rs mn)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	YoY (%)	QoQ (%)
Deposits	8,035,717	8,108,067	8,481,733	9,469,452	9,416,897	17.2	(0.6)
Growth YoY (%)	12.6	10.1	9.9	15.2	17.2	462bps	195bps
Advances	7,011,299	7,308,748	7,620,755	8,453,028	8,585,114	22.4	1.6
Growth YoY (%)	14.0	17.6	14.6	19.4	22.4	842bps	300bps
Investment	2,977,655	2,876,207	3,051,031	2,888,148	2,853,967	(4.2)	(1.2)
Equity	1,196,082	1,248,622	1,310,089	1,254,167	1,314,927	9.9	4.8
Assets	11,525,803	11,852,725	12,235,089	13,173,255	13,028,386	13.0	(1.1)
Growth YoY (%)	13.9	12.8	9.9	12.1	13.0	(85bps)	94bps
Yield (%)							
Yield on Funds	6.94	7.52	7.98	8.06	8.28	134bps	22bps
Cost of Funds	3.77	4.02	4.26	4.52	4.84	107bps	32bps
Spread	3.17	3.50	3.73	3.54	3.44	27bps	(10bps)
Net Interest Margin	3.48	3.85	4.12	3.95	3.88	40bps	(7bps)
Ratios (%)							
Other Income / Net Income	24.2	27.6	28.9	29.4	29.8	563bps	42bps
Cost to Income ratio	52.5	46.0	42.5	44.9	48.3	(417bps)	339bps
CASA ratio	43.7	46.2	44.5	47.2	45.5	183bps	(162bps)
C/D ratio	87.3	90.1	89.8	89.3	91.2	392bps	190bps
Investment to Assets	25.8	24.3	24.9	21.9	21.9	(393bps)	(2bps)
Assets Quality							
GNPA	210,368	198,937	199,610	186,042	181,582	(13.7)	(2.40)
NNPA	47,806	39,955	38,301	35,589	37,036	(22.5)	4.1
Provision	162,562	158,982	161,309	150,453	144,547	(11.1)	(3.9)
GNPA (%)	2.76	2.50	2.38	2.02	1.96	(80bps)	(6bps)
NNPA (%)	0.64	1.80	0.47	0.39	0.41	(23bps)	2bps
Provision (%)	77.3	79.9	80.8	80.9	79.6	233bps	(127bps)
Slippages (%)	2.38	2.10	2.22	2.14	2.23	(15bps)	9bps
Others							
Branches	4,759	4,760	4,849	4,903	4,945	186	42
ATMs	16,224	16,043	15,674	15,953	15,798	(426)	(155)
Employees	86,400	88,540	87,575	91,583	94,766	8,366	3,183

Source: Company, BOBCAPS Research

Earnings call highlights

Asset quality

- AXSB saw higher slippages of 2.2% in Q1FY24 vs. 2.1% in Q4FY23 due to defaults from the agriculture business and lower upgrades & recoveries from written-off accounts in the corporate segment. Nevertheless, asset quality remained stable with GNPA and NNPA at 2% and 0.4% respectively and PCR of 79%.
- Credit cost increased to 49bps from 16bps in Q4FY23 and 20bps in Q1FY23.
- The bank did not use any contingent provisions during the quarter.
- The fund-based and non-fund-based BB-&-below book stood at Rs 36.5bn and Rs 13.8bn respectively in Q1, whereas the investment book below BB grade stood at Rs 7.9bn. Overall, the book has fallen 28% YoY (+5.3% QoQ) to Rs 58.2bn. Additionally, the restructured book totalled Rs 19.1bn vs. Rs 20.5bn in Q4, with Rs 16.7bn from retail and Rs 2.3bn from the commercial banking group (CBG).
- Total non-NPA provisions amounted to Rs 119bn, of which Covid-related and restructuring provisions were at Rs 50.1bn and Rs 5.5bn respectively. Cumulative provisions constituted 1.4% of standard asset vs. 1.42% in Q4FY23.

Loans and deposits

- Advances grew 22% YoY in Q1 wherein the domestic loan book grew 26%. Retail loans increased 21% of which rural loans grew 22% and the small business banking (SBB) book was up 46% YoY. Corporate loans grew 25% YoY, mid-corporates were up 38%, and SME credit increased 24%.
- Of the loan book, 68% is floating rate and 42% fixed rate – the latter will mature in less than 12 months.
- Deposits climbed 17% YoY led by 22% growth in CASA. On a sequential basis, the CASA ratio declined by 162bps to 45.5%.
- LCR for the quarter averaged 123%.

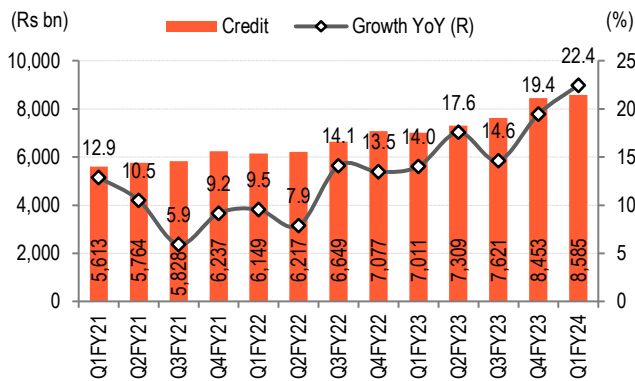
NII and NIM

- Reported NIM for the quarter at 4.1% was down 12bps QoQ, with 9bps of the decline attributed to deposit repricing and the balance to the absence of interest on income tax refund.
- Reported Cost of funds increased 28bps QoQ to 5% as deposit cost rose 31bps while yield moved up 34bps leading to 9 bps decline in NIM.
- The bank expects cost of funds to increase modestly during FY24, leading to some pressure on NIM, partly offset by higher yield on assets.
- Other income jumped 70% YoY (4% QoQ) on the back of higher fee income, mainly from the credit card business and treasury gains.
- Retail fees grew 37% YoY (1% QoQ).

Operating parameters

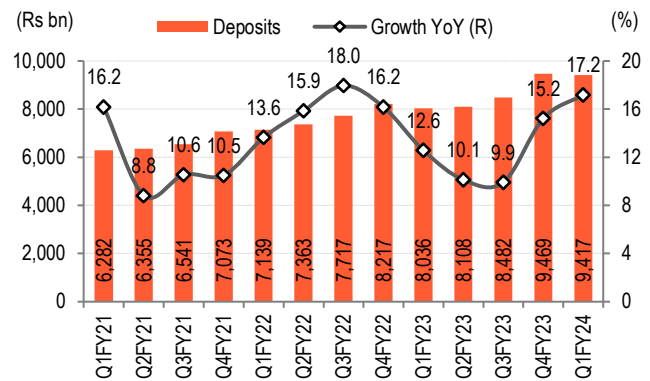
- Total operating expense rose 27% YoY (10% QoQ) due to a 29% increase in other cost and 23% rise in staff cost.
- Opex moved up due to increase in staff cost, integration cost of Rs 3.8bn towards the Citi card business acquisition (full-quarter impact vs. one-month in Q4FY23) and higher technology expenses. Management maintained guidance of integration cost at Rs 20bn front-loaded to FY24 (vs. deferment of 18 months post-acquisition as announced earlier). Thus, C/I is likely to remain elevated during the fiscal.
- Management continued to guide for a cost-to-asset ratio of 2% vs. 2.3% in Q1.
- AXSB has added 8,366 employees over the last 12 months and plans to open 400 branches in FY24.

Fig 3 – Strong credit growth in Q1FY24 driven by mid-corporate and SME segments



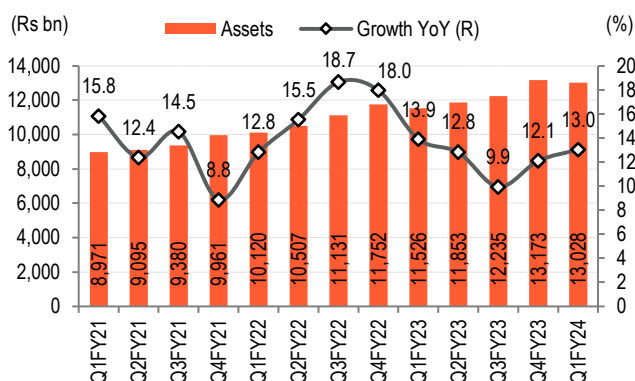
Source: Company, BOBCAPS Research

Fig 4 – Robust CASA led to higher deposit growth



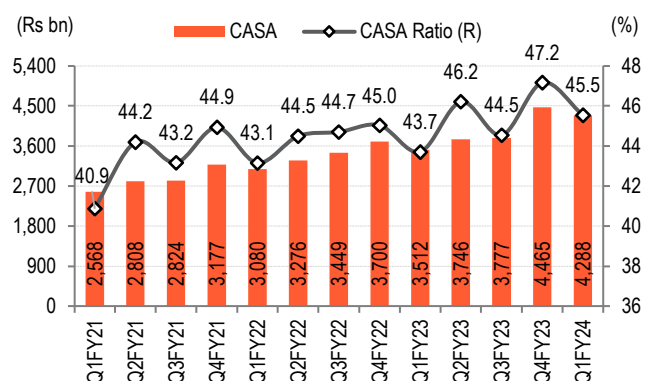
Source: Company, BOBCAPS Research

Fig 5 – Asset growth at 13% YoY



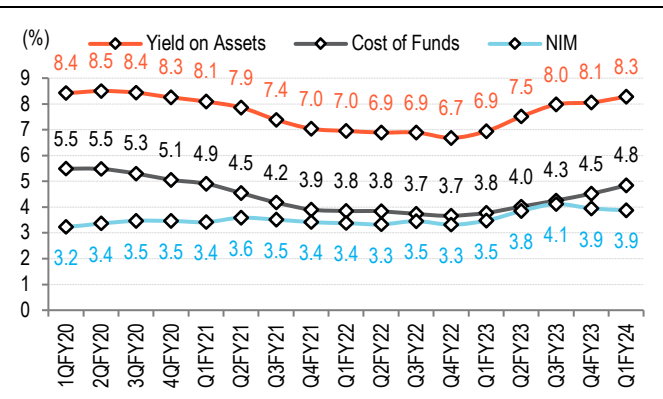
Source: Company, BOBCAPS Research

Fig 6 – CASA grew 22% YoY



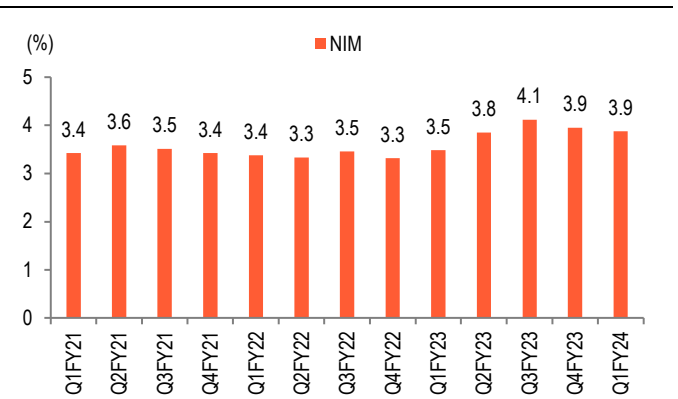
Source: Company, BOBCAPS Research

Fig 7 – NIM (calc.) down 7bps QoQ



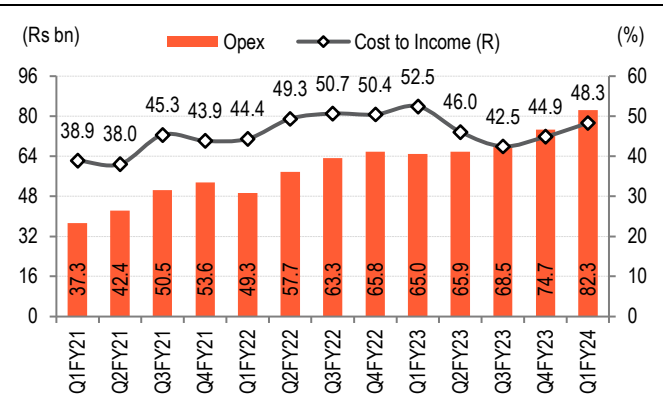
Source: Company, BOBCAPS Research

Fig 8 – NIM (calc.) to sustain at 3.7% over FY24E-FY25E



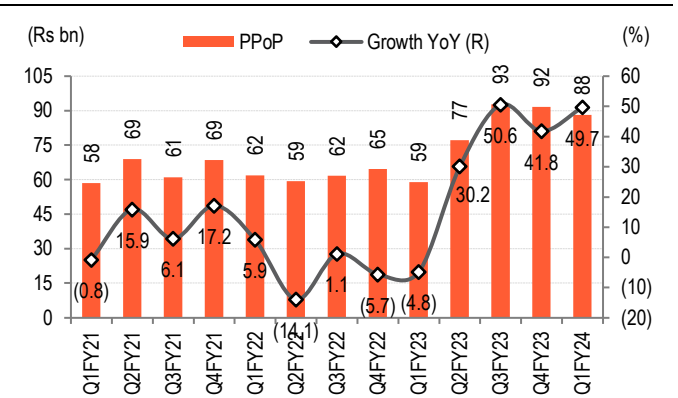
Source: Company, BOBCAPS Research

Fig 9 – Higher integration cost pushed up opex



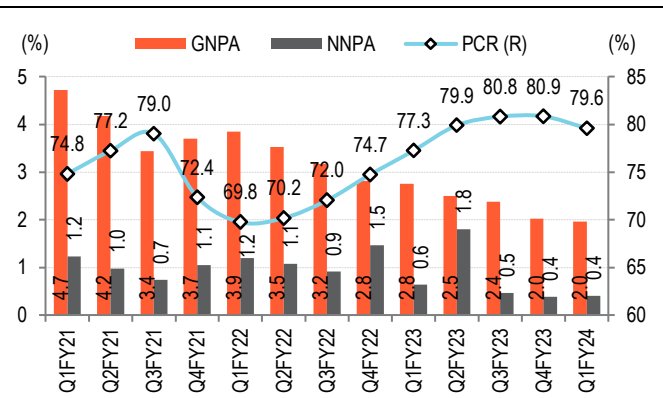
Source: Company, BOBCAPS Research

Fig 10 – Strong topline drove PPOp



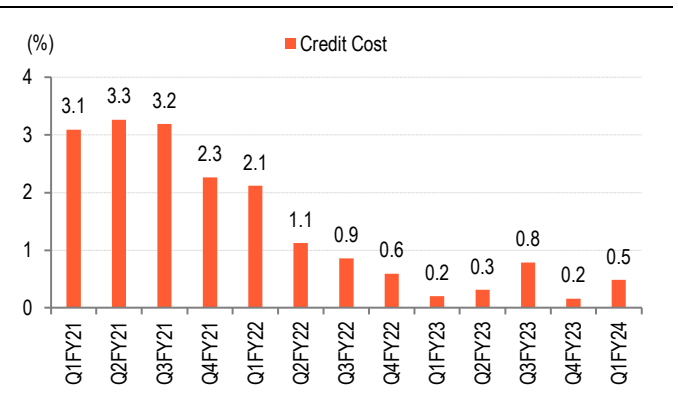
Source: Company, BOBCAPS Research

Fig 11 – Asset quality stable despite higher slippages



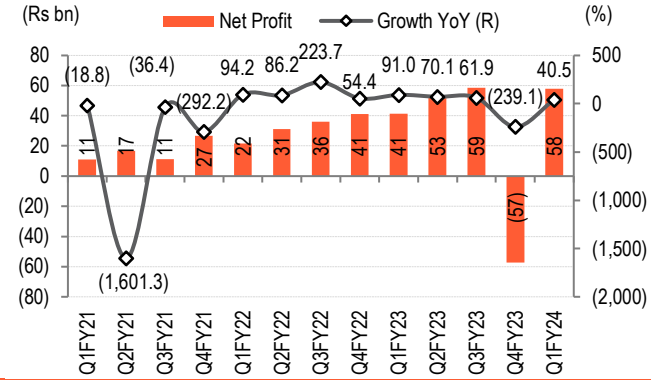
Source: Company, BOBCAPS Research

Fig 12 – Credit cost normalising



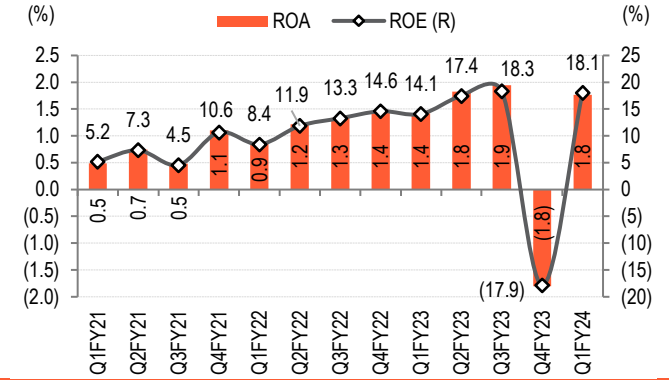
Source: Company, BOBCAPS Research

Fig 13 – PAT grew 41% YoY on increased other income



Source: Company, BOBCAPS Research

Fig 14 – Return ratios remained strong



Source: Company, BOBCAPS Research

Fig 15 – Higher share of unsecured loans raised RWA

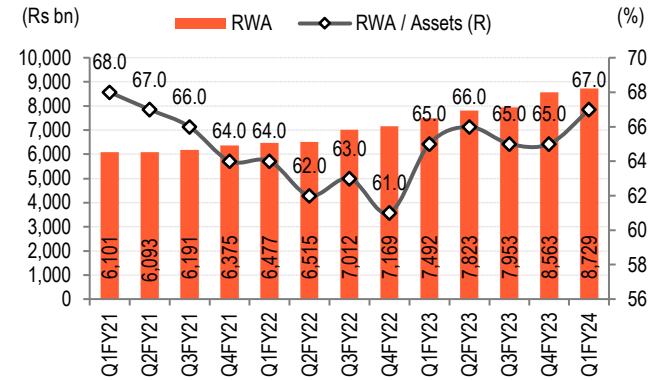
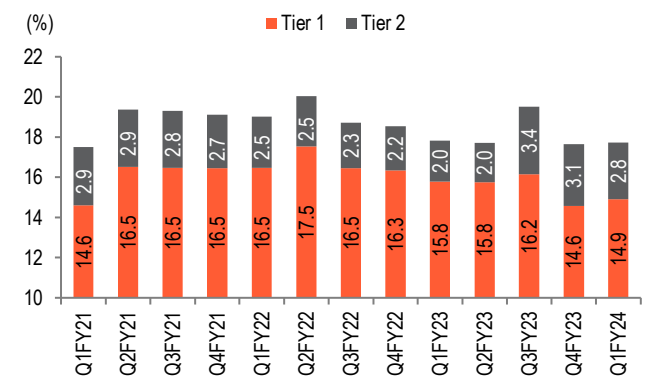


Fig 16 – Well capitalised to fund growth



Valuation methodology

AXSB's Q1FY23 performance was strong, supported by healthy credit growth and a strong uptick in other income. We retain our estimates of a credit CAGR of 18% and deposit CAGR of 16% for the bank during FY23-FY25. NIM is forecast to remain in the region of 3.7% given ongoing integration of the Citibank retail acquisition and some pressure from cost of funds.

On the cost front, the bank is guiding for further network expansion (400 branch additions in FY24) along with Citi integration costs, which is likely to keep the C/I ratio elevated at 46-47% through to FY25. We continue to expect a PPOP CAGR of 47% over our forecast period supported by a strong topline and gradual moderation of operating cost.

The bank's proactive strategy towards provisioning has led to substantial improvement in asset quality. On the back of controlled slippages and higher upgrades & recoveries, we forecast a healthy asset base with GNPA/NNPA/PCR at ~1.7%/0.4%/ 79% over FY24-FY25. We estimate credit cost of 54bps over FY24-FY25 (vs. 37bps in FY23).

AXSB is well capitalised with CAR of 17.7% (tier-1 at 14.4%) despite the Citi retail book acquisition and we believe it will be self-sufficient in funding asset growth. We expect CAR to hold at healthy levels of ~17% each in FY24/FY25 and note that the bank has no plans for fundraising in FY24. Given strong growth, high yielding business and expected lower provisions, we believe AXSB would deliver expansion in ROE/ROA from 12%/1.2% in FY22 to an estimated 17%/1.7% in FY25.

The stock is currently trading at 1.6x FY25E P/ABV and looks undervalued compared to peers. In our view, the potential improvement in return ratios and asset quality is being overlooked by the market. We raise FY24/FY25 EPS estimates slightly by 1%/2% and increase our target FY25E P/ABV multiple to 1.9x (vs. 1.8x) using the Gordon Growth Model. Adding in Rs 114/sh as the value of subsidiaries, we have a new SOTP-based TP of Rs 1,155 (vs. Rs 1,111). Maintain BUY.

Fig 17 – Revised estimates

(Rs mn)	New		Old		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Loan	9,898,496	11,502,053	9,949,214	11,560,987	(0.5)	(0.5)
Deposits	11,088,728	12,752,038	10,937,217	12,687,172	1.4	0.5
Assets	14,957,381	17,473,595	15,169,418	17,470,001	(1.4)	0.0
NII	502,010	568,590	494,754	557,999	1.5	1.9
PPOP	377,364	431,583	375,162	431,645	0.6	(0.0)
Provision	49,549	57,781	49,686	64,531	(0.3)	(10.5)
PAT	245,206	279,604	243,456	274,602	0.7	1.8

Source: BOBCAPS Research

Fig 18 – Key operational assumptions

Parameter (%)	FY22	FY23	FY24E	FY25E
Advances	15.2	19.4	17.1	16.2
Net Interest Income	13.3	29.6	16.9	13.3
PPoP	7.0	(20.0)	90.7	14.4
PAT	97.7	(26.5)	156.0	14.0
NIM	3.4	3.7	3.8	3.7
GNPA	3.0	2.2	1.8	1.7
CAR	18.5	17.6	17.1	16.9

Source: Company, BOBCAPS Research

Fig 19 – Valuation summary

Business	Valuation	Holdings (%)	Value (Rs/sh)
Axis Bank	1.9x FY25E ABV	100	1,042
Axis AMC	6.2% of AUM	75	38
Axis Finance	1.8x FY25E ABV	100	27
Axis Capital	20x FY25E EPS	100	19
Axis Securities	15x FY25E EPS	100	12
Max Life	2.1x FY25E P/EV	13	17
Total	-	-	1,155

Source: Company, BOBCAPS Research

Fig 20 – Valuation assumptions (Gordon growth model)

Parameter	Assumptions
Risk-free rate (%)	6.3
Equity risk premium (%)	5.0
Beta	1.2
Cost of equity (%)	12.3
Blended ROE (%)	15.3
Initial high growth period (yrs)	10.0
Payout ratio of high-growth phase (%)	20.0
Long-term growth (%)	6.1
Long term dividend payout ratio (%)	60.0
Justified P/BV Multiple (x)	1.9

Source: BOBCAPS Research

Key risks

Key downside risks to our estimates are:

- any sudden delinquency in the mid-corporate and SME segments, resulting in higher provision requirements, and
- inability to manage cost of funds, which may drag down NIM as well as overall profitability.

Sector recommendation snapshot

Company	Ticker	Market Cap (US\$ bn)	Price (Rs)	Target (Rs)	Rating
Axis Bank	AXSB IN	35.9	960	1,155	BUY
Federal Bank	FB IN	3.4	134	165	BUY
HDFC Bank	HDFCB IN	153.5	1,673	2,061	BUY
ICICI Bank	ICICIB IN	84.2	990	1,015	HOLD
Indusind Bank	IIB IN	13.4	1,416	1,755	BUY
Kotak Mahindra Bank	KMB IN	45.3	1,874	2,122	HOLD
State Bank of India	SBIN IN	67.0	617	729	BUY

Source: BOBCAPS Research, NSE | Price as of 27 Jul 2023

Glossary

Glossary of Abbreviations			
AUCA	Advance Under Collection Account	LCR	Liquidity Coverage Ratio
ARC	Asset Reconstruction Company	MCLR	Marginal Cost of Funds-based Lending Rate
BRDS	Bills Rediscounting Scheme	MTM	Mark to Market
CASA	Current Account and Savings Account	NII	Net Interest Income
CAR	Capital Adequacy Ratio	NIM	Net Interest Margin
CET1	Common Equity Tier 1	NNPA	Net Non-Performing Assets
CD	Credit-Deposit Ratio	PCR	Provision Coverage Ratio
C/I	Cost-Income Ratio	PPOP	Pre-Provision Operating Profit
CRB	Commercial and Rural Banking	PSU	Public Sector Unit
EBLR	External Benchmark-based Lending Rate	RWA	Risk-weighted Assets
ECL	Expected Credit Loss	SBB	Small Business Banking
GNPA	Gross Non-Performing Assets	SLR	Statutory Liquidity Ratio
IBPC	Interbank Participation Certificate	SMA	Special Mention Account
LAP	Loans against Property	SME	Small and Medium-sized Enterprises

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY21A	FY22A	FY23A	FY24E	FY25E
Net interest income	292,391	331,322	429,457	502,010	568,590
Nil growth (%)	16.0	13.3	29.6	16.9	13.3
Non-interest income	122,636	152,205	165,009	203,947	235,125
Total income	415,027	483,528	594,466	705,957	803,715
Operating expenses	183,751	236,108	396,560	328,593	372,131
PPOP	231,276	247,420	197,906	377,364	431,583
PPOP growth (%)	(1.3)	7.0	(20.0)	90.7	14.4
Provisions	143,220	73,595	28,848	49,549	57,781
PBT	88,056	173,826	169,058	327,815	373,802
Tax	22,174	43,571	73,262	82,609	94,198
Reported net profit	65,882	130,255	95,797	245,206	279,604
Adjustments	0	0	0	0	0
Adjusted net profit	65,882	130,255	95,797	245,206	279,604

Balance Sheet

Y/E 31 Mar (Rs mn)	FY21A	FY22A	FY23A	FY24E	FY25E
Equity capital	6,127	6,139	6,154	6,154	6,154
Reserves & surplus	1,009,903	1,145,601	1,248,013	1,493,219	1,772,822
Net worth	1,016,030	1,151,741	1,254,167	1,499,372	1,778,976
Deposits	6,979,853	8,217,209	9,469,452	11,088,728	12,752,038
Borrowings	1,428,732	1,851,339	1,863,000	1,918,890	2,014,835
Other liab. & provisions	443,362	531,493	586,636	450,390	927,746
Total liab. & equities	9,867,976	11,751,781	13,173,255	14,957,381	17,473,595
Cash & bank balance	617,298	1,109,871	1,064,108	971,374	1,287,401
Investments	2,261,196	2,755,972	2,888,148	3,285,910	3,749,556
Advances	6,143,994	7,076,960	8,453,028	9,898,496	11,502,053
Fixed & Other assets	845,488	808,978	767,971	801,601	934,584
Total assets	9,867,976	11,751,781	13,173,255	14,957,381	17,473,595
Deposit growth (%)	9.0	17.7	15.2	17.1	15.0
Advances growth (%)	7.5	15.2	19.4	17.1	16.2

Per Share

Y/E 31 Mar (Rs)	FY21A	FY22A	FY23A	FY24E	FY25E
EPS	22.4	42.5	31.2	79.7	90.9
Dividend per share	0.0	1.0	1.0	2.2	2.7
Book value per share	331.6	375.2	407.6	487.3	578.2

Valuations Ratios

Y/E 31 Mar (x)	FY21A	FY22A	FY23A	FY24E	FY25E
P/E	42.9	22.6	30.8	12.0	10.6
P/BV	2.9	2.6	2.4	2.0	1.7
Dividend yield (%)	0.0	0.1	0.1	0.2	0.3

DuPont Analysis

Y/E 31 Mar (%)	FY21A	FY22A	FY23A	FY24E	FY25E
Net interest income	3.1	3.1	3.4	3.6	3.5
Non-interest income	1.3	1.4	1.3	1.5	1.5
Operating expenses	1.9	2.2	3.2	2.3	2.3
Pre-provisioning profit	2.4	2.3	1.6	2.7	2.7
Provisions	1.5	0.7	0.2	0.4	0.4
PBT	0.9	1.6	1.4	2.3	2.3
Tax	0.2	0.4	0.6	0.6	0.6
ROA	0.7	1.2	0.8	1.7	1.7
Leverage (x)	10.2	10.0	10.4	10.2	9.9
ROE	7.1	12.0	8.0	17.8	17.1

Ratio Analysis

Y/E 31 Mar	FY21A	FY22A	FY23A	FY24E	FY25E
YoY growth (%)					
Net interest income	16.0	13.3	29.6	16.9	13.3
Pre-provisioning profit	(1.3)	7.0	(20.0)	90.7	14.4
EPS	271.0	89.7	(26.6)	155.7	14.0
Profitability & Return ratios (%)					
Net interest margin	3.8	3.9	3.8	3.9	3.9
Fees / Avg. assets	32.2	35.2	33.1	36.3	36.3
Cost-Income	44.3	48.8	66.7	46.5	46.3
ROE	7.1	12.0	8.0	17.8	17.1
ROA	0.7	1.2	0.8	1.7	1.7
Asset quality (%)					
GNPA	4.0	3.0	2.2	1.8	1.7
NNPA	1.1	0.8	0.4	0.3	0.4
Slippage ratio	3.0	3.3	2.1	1.8	1.7
Credit cost	2.4	1.1	0.4	0.5	0.5
Provision coverage	71.6	74.2	80.5	80.7	77.7
Ratios (%)					
Credit-Deposit	88.0	86.1	89.3	89.3	90.2
Investment-Deposit	32.4	33.5	30.5	29.6	29.4
CAR	19.1	18.5	17.6	17.1	16.9
Tier-1	16.5	16.3	14.6	14.7	14.8

Source: Company, BOBCAPS Research

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