

HOLD
 TP: Rs 1,164 | ▲ 12%

AXIS BANK

| Banking

| 17 January 2025

Another moderate quarter with deterioration in asset quality

- Yet another soft quarter with moderate advances and deposits growth, with less signs of improvement in the next two quarters
- Elevated stress in the unsecured book, NIMs impacted by interest reversals and higher liquidity
- We assume coverage on AXSB and maintain HOLD on the stock with a revised TP of Rs 1,164; 1.5x Dec'26E ABV.

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Continued moderate business growth: AXSB's advances were muted at 9% YoY (up 1% QoQ) to Rs 10,145.6bn in Q3FY25 aided by retail book (11% YoY/1% QoQ). Wholesale book rose 3% YoY/1% QoQ, below the industry growth. In Q2FY25 advances growth was at 11% YoY, thus witnessing a significant decline. Retail growth was aided by personal loans (up 17% YoY/1% QoQ), SBB (up 20% YoY/4% QoQ) and LAP book (up 19% YoY/4% QoQ). While home loans and auto loans continued to show tepid growth during the quarter. Deposits came in at Rs 10,958.8bn, up 9% YoY (1% QoQ), primarily driven by TDs. This led to a decline in the CASA ratio by 108bps QoQ to 39.5%. In the light of systemic constraints of acquiring deposits and slowdown in credit growth, we have trimmed our credit/deposits growth for FY25E/FY26E and estimate credit and deposits to grow at a CAGR of 12% and 13% respectively. The bank does not expect credit growth to pick up substantially, upwards of ~12% in FY26E also.

NIM contraction: NIM contracted 6bps QoQ to 3.93% in Q3FY25, impacted by interest reversal and excess liquidity. C/I ratio was lower at 46.2% vs. 47% in Q2FY25.

Continued stress in unsecured retail loans: GNPA ratio came in at 1.46%, up 2bps QoQ, primarily driven by retail NPLs (GNPA at 1.63%) consisting of PL and credit card book. Slippages rose 2.13% vs. 1.78% in Q2FY25 and credit cost was at 1.28% vs. 0.9% in Q2FY25. Management foresees asset quality improving/stabilising going ahead.

Maintain HOLD: We assume coverage on AXSB and revise our growth estimates on a competitive environment and expect return performance to remain modest coupled with higher credit costs. We roll over valuation to 1.5x FY26E (Dec'26) ABV using the Gordon Growth Model and lower our SOTP-based TP to Rs 1,164 (earlier Rs 1,222), with Rs 117/sh as value of subsidiaries. We maintain our HOLD rating on the stock.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	AXSB IN/Rs 1,038
Market cap	US\$ 37.1bn
Free float	92%
3M ADV	US\$ 106.5mn
52wk high/low	Rs 1,340/Rs 996
Promoter/FPI/DII	8%/47%/37%

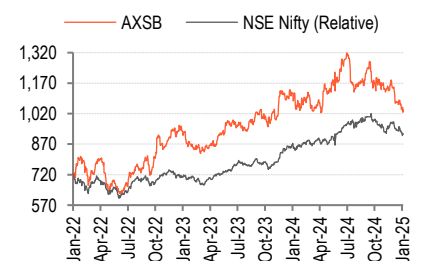
Source: NSE | Price as of 16 Jan 2025

Key financials

Y/E 31 Mar	FY24A	FY25E	FY26E
NII (Rs mn)	4,98,945	5,51,662	6,33,285
NII growth (%)	16.2	10.6	14.8
Adj. net profit (Rs mn)	2,48,614	2,62,707	3,10,197
EPS (Rs)	80.7	85.0	100.2
Consensus EPS (Rs)	80.7	87.5	101.7
P/E (x)	12.9	12.2	10.4
P/BV (x)	2.1	1.8	1.5
ROA (%)	1.8	1.7	1.8
ROE (%)	18.0	15.9	15.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly snapshot: Income statement

(Rs mn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	QoQ (%)	YoY (%)
Income Statement							
Interest Income	2,23,645	2,33,512	2,37,188	2,42,611	2,46,408	1.6	10.2
Income on investments	50,894	53,384	55,808	54,435	58,088	6.7	14.1
Int. on bal. with RBI & inter-bank funds & Others	5,073	5,350	7,611	7,152	5,044	(29.5)	(0.6)
Interest income	2,79,611	2,92,245	3,00,607	3,04,199	3,09,539	1.8	10.7
Interest expense	1,54,290	1,61,355	1,66,125	1,69,367	1,73,481	2.4	12.4
Net interest income	1,25,322	1,30,890	1,34,482	1,34,832	1,36,059	0.9	8.6
Growth YoY (%)	9.4	11.5	12.5	9.5	8.6	(92bps)	(79bps)
Fee Income	51,700	56,370	52,040	55,080	54,550	(1.0)	5.5
Trading gains/(losses)	2,910	10,210	4,060	11,110	3,680	(66.9)	26.5
Forex Income	-	-	-	-	-	-	-
Others	938	1,078	1,735	1,029	1,492	45.1	59.0
Non-interest income	55,548	67,658	57,835	67,219	59,722	(11.2)	7.5
Growth YoY (%)	19.1	38.2	13.7	33.5	7.5	(2,601bps)	(1,155bps)
Total income	1,80,870	1,98,548	1,92,317	2,02,051	1,95,781	(3.1)	8.2
Growth YoY (%)	12.2	19.3	12.8	16.5	8.2	(822bps)	(392bps)
Staff expenses	27,113	29,235	31,295	31,172	29,846	(4.3)	10.1
Other operating expenses	62,344	63,956	59,960	63,754	60,596	(5.0)	(2.8)
Operating expenses	89,457	93,191	91,255	94,926	90,442	(4.7)	1.1
Pre-Provisioning Profit (PPoP)	91,412	1,05,357	1,01,062	1,07,125	1,05,339	(1.7)	15.2
Growth YoY (%)	(1.5)	14.9	14.7	24.1	15.2	(887bps)	1,670bps
Provisions	10,283	11,853	20,393	22,041	21,556	(2.2)	109.6
Growth YoY (%)	(28.5)	287.6	97.1	170.6	109.6	(6,096bps)	13,810bps
Exceptional Item	-	-	-	-	-	-	-
PBT	81,129	93,504	80,670	85,084	83,782	(1.5)	3.3
Tax	20,418	22,207	20,323	15,908	20,745	30.4	1.6
PAT	60,711	71,297	60,346	69,176	63,038	(8.9)	3.8
Growth YoY (%)	3.7	(224.5)	4.1	18.0	3.8	(1,414bps)	11bps
Per Share							
FV (Rs)	2	2	2	2	2	0.0	0.0
EPS (Rs)	20	23	20	22	20	(8.9)	3.5
Book Value (Rs)	466	489	513	537	559	3.9	19.9

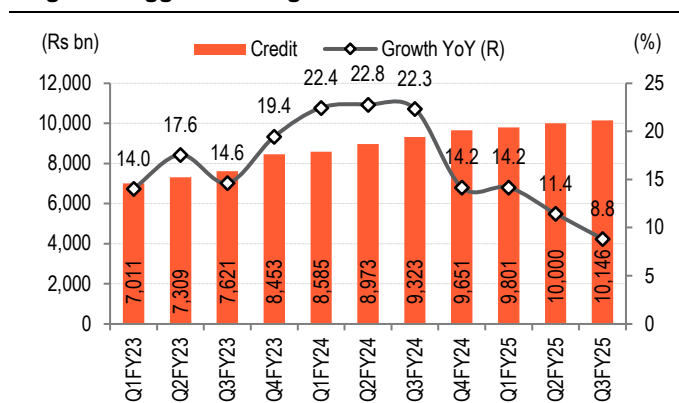
Source: Company, BOBCAPS Research

Fig 2 – Quarterly snapshot: Balance sheet & other key metrics

(Rs mn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	QoQ (%)	YoY (%)
Deposits	1,00,48,995	1,06,86,414	1,06,24,837	1,08,67,440	1,09,58,828	0.8	9.1
Growth YoY (%)	18.5	12.9	12.8	13.7	9.1	(467bps)	(942bps)
Advances	93,22,864	96,50,684	98,00,915	99,99,792	1,01,45,641	1.5	8.8
Growth YoY (%)	22.3	14.2	14.2	11.4	8.8	(261bps)	(1,351bps)
Investment	30,90,699	33,15,273	31,68,514	34,88,552	35,32,834	1.3	14.3
Equity	14,37,288	15,10,616	15,86,313	16,62,479	17,29,171	4.0	20.3
Assets	1,39,85,407	1,47,72,086	1,46,81,633	1,50,56,580	1,52,57,119	1.3	9.1
Growth YoY (%)	14.3	12.1	12.7	12.5	9.1	(336bps)	(521bps)
Yield (%)							
Yield on Funds	8.63	8.53	8.54	8.57	8.58	1bps	(6bps)
Cost of Funds	5.27	5.24	5.28	5.36	5.42	6bps	14bps
Spread	3.36	3.29	3.26	3.21	3.16	(5bps)	(20bps)
Net Interest Margin (calc.)	3.87	3.82	3.82	3.80	3.77	(3bps)	(10bps)
Ratios (%)							
Other Income / Net Income	30.7	34.1	30.1	33.3	30.5	(276bps)	(21bps)
Cost to Income ratio	49.5	46.9	47.5	47.0	46.2	(79bps)	(326bps)
CASA ratio	42.1	43.0	41.8	40.6	39.5	(109bps)	(264bps)
C/D ratio	92.8	90.3	92.2	92.0	92.6	56bps	(19bps)
Investment to Assets	22.1	22.4	21.6	23.2	23.2	(1bps)	106bps
Assets Quality							
GNPA	1,58,930	1,51,271	1,62,113	1,54,662	1,58,503	2.5	(0.3)
NNPA	35,269	32,475	35,530	36,125	37,748	4.5	7.0
Provision	1,23,661	1,18,797	1,26,584	1,18,538	1,20,755	1.9	(2.4)
GNPA (%)	1.58	1.43	1.54	1.44	1.46	2bps	(12bps)
NNPA (%)	0.36	0.31	0.34	0.34	0.35	1bps	(1bps)
PCR (%)	77.81	78.53	78.08	76.64	76.18	(46bps)	(162bps)
Others							
Branches	5,252	5,377	5,427	5,577	5,706	129	454
ATMs	15,931	16,026	15,014	14,728	14,476	(252)	(1,455)
Employees	99,650	1,04,000	1,04,500	1,03,400	1,02,350	(1,050)	2,700

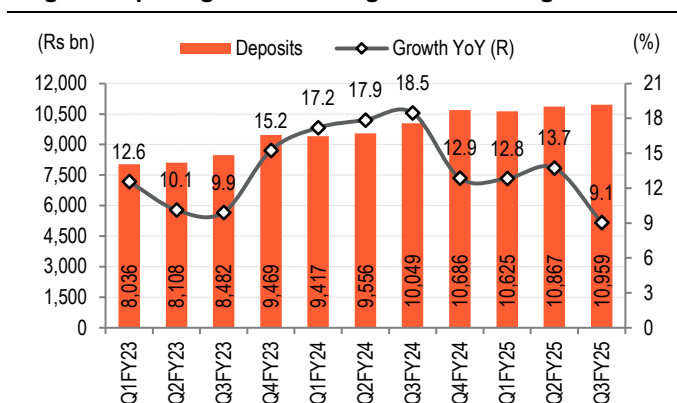
Source: Company, BOBCAPS Research

Fig 3 – Sluggish credit growth



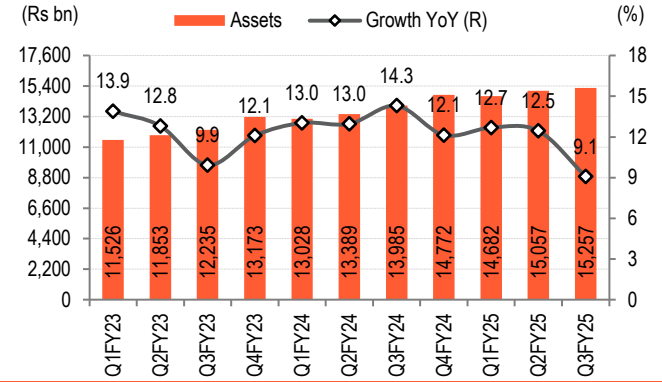
Source: Company, BOBCAPS Research

Fig 4 – Deposit growth converges with credit growth



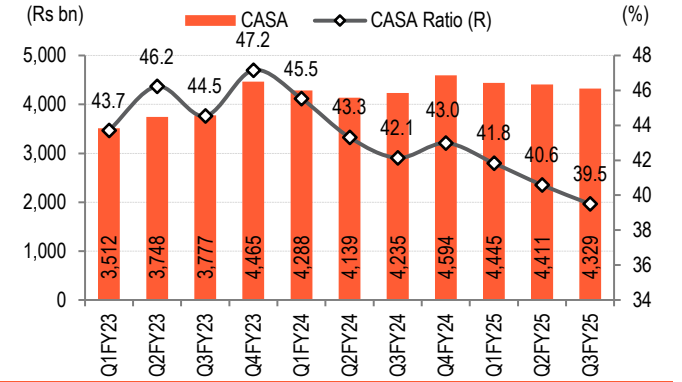
Source: Company, BOBCAPS Research

Fig 5 – Assets grew 9.1% YoY



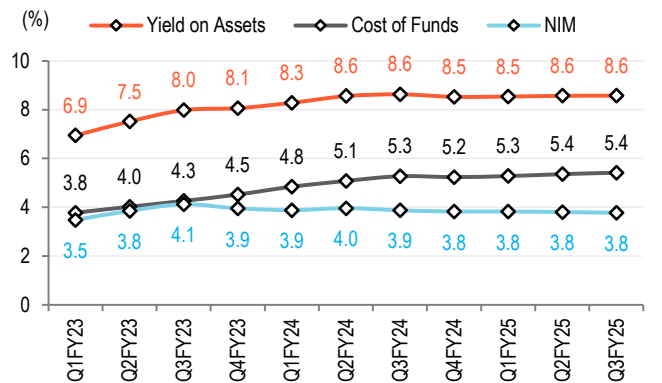
Source: Company, BOBCAPS Research

Fig 6 – CASA a major challenge



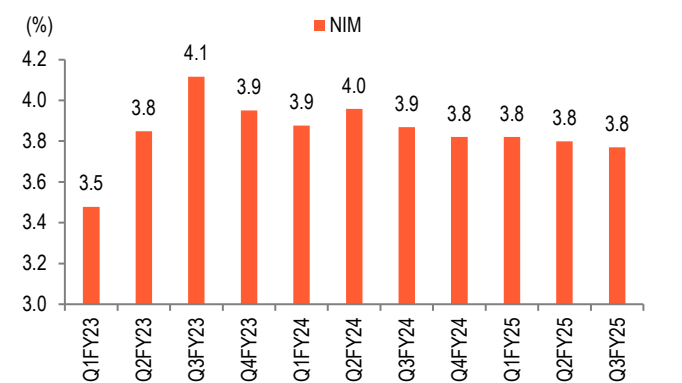
Source: Company, BOBCAPS Research

Fig 7 – NIM (calc.) flat QoQ



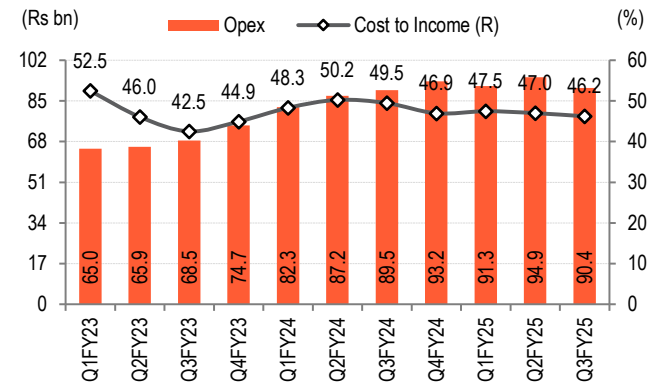
Source: Company, BOBCAPS Research

Fig 8 – NIM to remain stable at current level



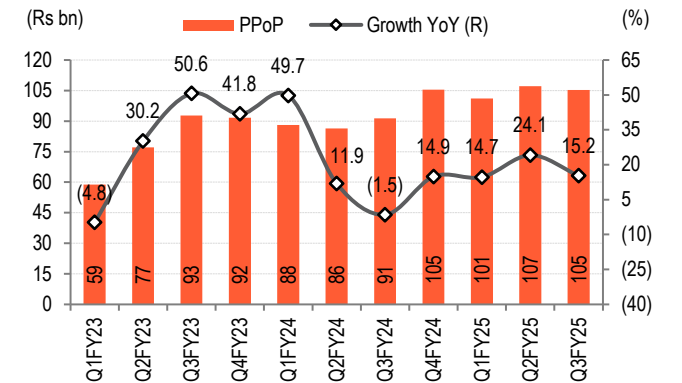
Source: Company, BOBCAPS Research

Fig 9 – Despite robust branch expansion, C/I ratio was lower



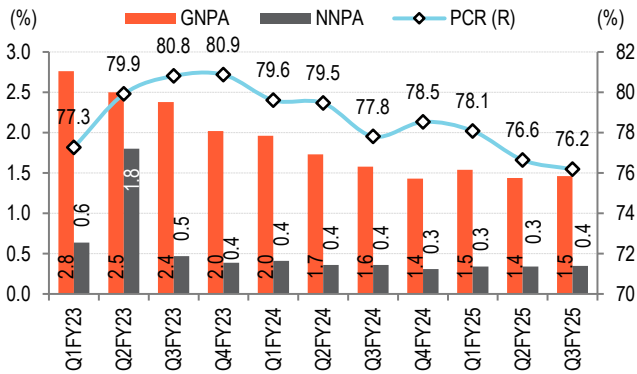
Source: Company, BOBCAPS Research

Fig 10 – PPOP normalised on stable interest income & moderate opex



Source: Company, BOBCAPS Research

Fig 11 – Elevated stress in the unsecured book



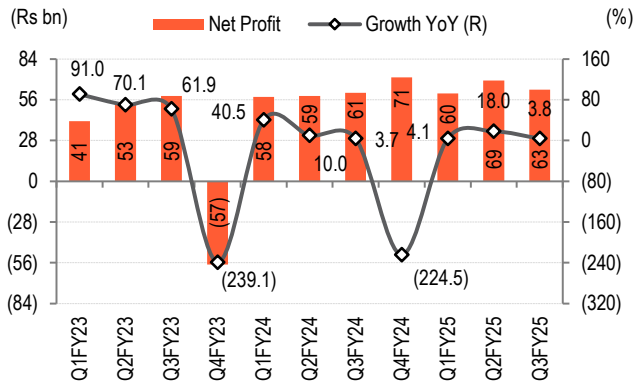
Source: Company, BOBCAPS Research

Fig 12 – Credit cost (calc) normalising but Q3 seems above normal



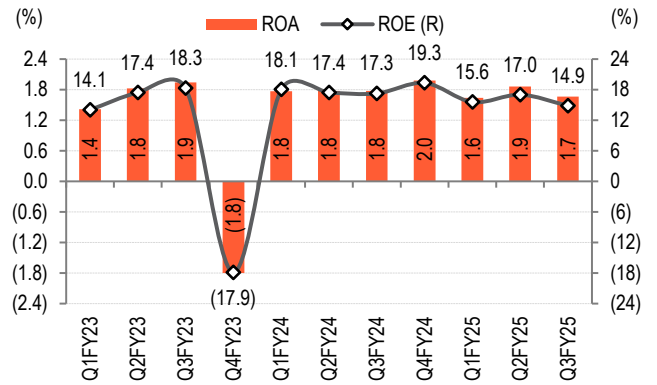
Source: Company, BOBCAPS Research

Fig 13 – PAT saw moderate growth of 4% YoY



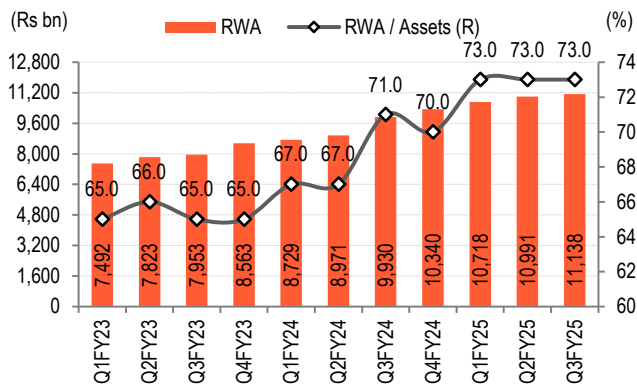
Source: Company, BOBCAPS Research

Fig 14 – ROA & ROE declined on QoQ basis



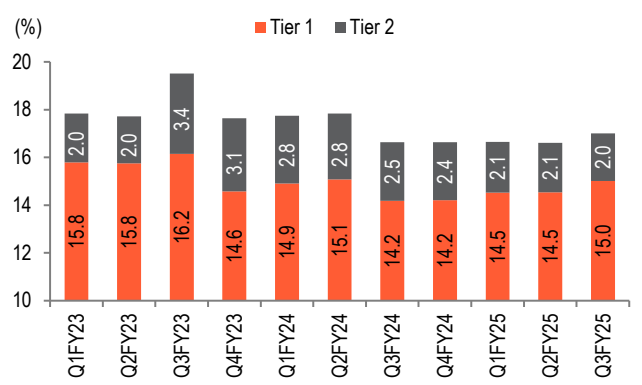
Source: Company, BOBCAPS Research

Fig 15 – RWA maintained at same levels



Source: Company, BOBCAPS Research

Fig 16 – Adequate capital adequacy maintained



Source: Company, BOBCAPS Research

Earnings call highlights

Asset quality

- Slippages increased to Rs 54.3bn in Q3FY25 vs. Rs 44.4bn in Q2FY25, while upgrades and recoveries stood at Rs 19.1bn vs. Rs 20.7bn in Q2. Write-offs stood at Rs 31.3bn vs. Rs 31.1bn in Q2. PCR with technical write-off is at 93% for 3QFY25. Of the entire Rs54.3bn slippages, majorly slippages were from retail book- PL and cards.
- Management expects retail asset quality to stabilise over the next few quarters. MFI book consists of 2.2% of retail loans and ~1% retail MFI. Incremental stress in MFI or unsecured portfolio has no material impact on company's asset quality as company provides for 100% of a retail unsecured loan once it passes the 90-day period following a prudent approach.
- The fund-based BB-&-below book stood at 0.35% of loans.
- Non-NPA provisions amounted to Rs 119bn vs. Rs 118bn in Q2.
- Standard asset coverage was 1.2%. All provisions by GNPA ratio is 151%.
- Credit cost (annualised) for the quarter is 0.80%.

Loans and deposits

- Net advances grew 9% YoY and 1% QoQ. Total deposits grew 9% YoY and 1% QoQ.
- Retail loans grew 11% YoY and 1% QoQ, accounting for 60% of the net advances of the bank, while secured lending constituted ~71%, with home loans comprising 28% of the retail book.
- On the Retail side Home Loans grew 3% YoY, Personal Loans 17% YoY, Credit Card book 8% YoY, Small Business Banking (SBB) 20% YoY and 4% QoQ; while the rural loan portfolio grew 17% YoY and 4% QoQ.
- The SME book remains well diversified across geographies and sectors, growing 15% YoY and 3% QoQ.
- Corporate loan book (gross of IBPC sold) grew 4% YoY, while domestic corporate book grew 3% YoY. Mid-corporate book grew 15% YoY and 4% QoQ, wherein 90% of corporate book is now rated A- and above with 90% of incremental sanctions in 9MFY25 being to corporates rated A- and above.
- Of the loan book, 70% is floating wherein 54% is linked to repo rate and 29% fixed rate. Further, 11% is linked to MCLR, 4% to other EBLR, 1% to the base rate and 1% to foreign currency-floating.
- Low yielding Rural Infrastructure Development Fund (RIDF) bonds declined to 1.1% of asset from 1.5% in Q4.
- AXSB has excess SLR of Rs 675.8bn and maintained average LCR which stood at 119% providing confidence on ample liquidity.
- Impact of CASA decline was offset by increase in high-yield loan products.

NIM

- Domestic NIM held steady at 4.06% on a QoQ basis. Conversely, the overall NIM reduced 6bps QoQ, attributed to interest reversals and constraints related to the Liquidity Coverage Ratio. The overall NIM reported for this period is 3.93%.

Network

- Bank added 130 branches during the quarter taking its overall distribution network to 5,706 domestic branches and will continue to invest in network building.
- Axis Virtual Centre is present across eight centres with over ~1,700 Virtual Relationship Managers as of Dec'24.

Subsidiary performance

- Axis Finance has been investing in building a strong customer-focused franchise. Its overall assets under finance grew 25% YoY. Retail book grew 32% YoY and constituted 47% of total loans. The focus on its wholesale business continues to be on well rated companies and cash flow-backed transactions. Axis Finance's 9MFY25 PAT was Rs 5.09bn, up 20% YoY from Rs 4.25bn in 9MFY24. The bank infused ~Rs 6bn of equity capital in Axis Finance during Q3FY25.
- Axis AMC's overall QAAUM grew 24% YoY to Rs 3,261bn. Its 9MFY25 PAT was Rs 3.78bn, up 27% YoY from Rs 2.97bn in 9MFY24.
- Axis Capital 9MFY25 PAT was Rs 1.48bn, up 36% YoY from Rs 1.08bn in 9MFY24 and completed 43 equity capital market (ECM) transactions in 9MFY25.
- Axis Securities' revenues for 9MFY25 grew 73% YoY to Rs 13.1bn bn. Its 9MFY25 PAT grew 86% YoY to Rs 3.7bn.

Valuation outlook

AXSB's overall performance during Q3FY25 continued to be modest. NII growth too remained in the falling trend with growth of 9% YoY led by higher interest reversal on increased slippages and LCR. Further, weak performance from DCM and treasury took a toll on total income. PPOP was supported by lower opex which declined 5% QoQ with C/I ratio coming in at 46.2% vs. 47% in Q2FY25. Business growth remained tepid with credit and deposit growth of 9%/9% YoY. Slowdown in deposit mobilisation was on the back of slowdown in CASA mobilisation which led to CASA ratio by 108bps QoQ to 39.5%. Elevated stress in the unsecured book led to increase in the slippages during the quarter led to 2bps and 1bp increases in the GNPA/NNPA ratio, while PCR remained flat at 76%.

Valuation outlook: We assume coverage on AXSB and revise our growth estimates on a competitive environment and expect return performance to remain modest coupled with higher credit costs. We roll over the valuation to 1.5x FY26E (Dec'26) ABV using the Gordon Growth Model and lower our SOTP-based TP to Rs 1,164 (earlier Rs 1,222), with Rs 117/sh as value of subsidiaries. We maintain our HOLD rating on the stock.

Fig 17 – Revised estimates

(Rs mn)	New			Old		Change (%)	
	FY25E	FY26E	FY27E	FY25E	FY26E	FY25E	FY26E
Loans	10,808,766	12,376,037	14,009,674	11,098,286	12,874,012	(2.6)	(3.9)
Deposits	11,915,351	13,643,077	15,634,967	12,129,080	13,887,796	(1.8)	(1.8)
Assets	16,478,996	18,736,414	21,270,169	16,439,014	18,905,897	0.2	(0.9)
NII	551,662	633,285	724,566	562,235	643,672	(1.9)	(1.6)
PPOP	425,976	499,380	592,094	422,656	477,125	0.8	4.7
Provisions	75,700	85,784	112,139	56,022	71,917	35.1	19.3
PAT	262,707	310,197	359,966	274,242	303,095	(4.2)	2.3

Source: BOBCAPS Research

Fig 18 – Actual vs Estimates

(Rs mn)	Q3FY25A	Q3FY25E	Change (%)
Loans	1,01,45,641	1,04,22,962	(2.7)
Deposits	1,09,58,828	1,14,05,609	(3.9)
Assets	1,52,57,119	1,55,10,333	(1.6)
NII	1,36,059	1,38,527	(1.8)
PPOP	1,05,339	1,04,407	0.9
Provisions	21,556	19,146	12.6
PAT	63,038	64,030	(1.6)

Source: Company, BOBCAPS Research

Fig 19 – Key operational assumptions

(%)	FY23A	FY24A	FY25E	FY26E
Advances Growth	19.4	14.2	12.0	14.5
Net Interest Income Growth	29.6	16.2	10.6	14.8
PPOP Growth	(20.0)	87.6	14.7	17.2
PAT Growth	(26.5)	159.5	5.7	18.1
NIM	3.7	3.8	3.7	3.8
GNPA	2.2	1.5	1.6	1.6
CAR	17.6	16.6	17.5	17.7

Source: Company, BOBCAPS Research

Fig 20 – Valuation summary

Business	Valuation	Holdings (%)	Value (Rs/sh)
Axis Bank	1.5x FY25E ABV	100	1,047
Axis AMC	5% of AUM	75	40
Axis Finance	1.9x FY26E ABV	100	34
Axis Capital	15x FY26E EPS	100	16
Axis Securities	2x FY26E EPS	100	3
Max Life	2.1x FY26E P/EV	19	25
Total			1,164

Source: Company, BOBCAPS Research

Key risks

Key downside risks to our estimates are:

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

Key upside risks to our estimates are:

- bank being able to maintain credit cost at lower level vs. normalisation of the same;
- able to improve margin, despite competitive rate environment, and thus profitability.

Glossary

Glossary of Abbreviations			
AUCA	Advance Under Collection Account	LDR	Loan/Deposit 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
CBG	Commercial Banking Group	PSU	Public Sector Unit
DCM	Debt Capital Market	RWA	Risk-Weighted Assets
EBLR	External Benchmark-based Lending Rate	SBB	Small Business Banking
ECL	Expected Credit Loss	SLR	Statutory Liquidity Ratio
GNPA	Gross Non-Performing Assets	SMA	Special Mention Account
IBPC	Interbank Participation Certificate	SME	Small and Medium-sized Enterprises
LAP	Loans against Property	TD	Term Deposits
LCR	Liquidity Coverage Ratio		

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Net interest income	4,29,457	4,98,945	5,51,662	6,33,285	7,24,566
NilI growth (%)	29.6	16.2	10.6	14.8	14.4
Non-interest income	1,65,009	2,24,420	2,52,215	2,90,527	3,48,057
Total income	5,94,466	7,23,364	8,03,877	9,23,812	10,72,623
Operating expenses	3,96,560	3,52,133	3,77,901	4,24,432	4,80,529
PPOP	1,97,906	3,71,232	4,25,976	4,99,380	5,92,094
PPOP growth (%)	(20.0)	87.6	14.7	17.2	18.6
Provisions	28,848	40,631	75,700	85,784	1,12,139
PBT	1,69,058	3,30,601	3,50,276	4,13,596	4,79,955
Tax	73,262	81,986	87,569	1,03,399	1,19,989
Reported net profit	95,797	2,48,614	2,62,707	3,10,197	3,59,966
Adjustments	0	0	0	0	0
Adjusted net profit	95,797	2,48,614	2,62,707	3,10,197	3,59,966

Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Equity capital	6,154	6,173	6,190	6,190	6,190
Reserves & surplus	12,48,013	15,04,443	17,90,422	21,00,619	24,60,585
Net worth	12,54,167	15,10,616	17,96,612	21,06,809	24,66,775
Deposits	94,69,452	1,06,86,414	1,19,15,351	1,36,43,077	1,56,34,967
Borrowings	18,63,000	19,68,118	21,09,822	22,80,718	24,85,982
Other liab. & provisions	5,86,636	6,06,939	6,57,211	7,05,809	6,82,445
Total liab. & equities	1,31,73,255	1,47,72,086	1,64,78,996	1,87,36,414	2,12,70,169
Cash & bank balance	10,64,108	11,44,544	12,00,894	13,55,875	15,53,200
Investments	28,88,148	33,15,272	36,95,526	41,77,881	47,66,264
Advances	84,53,028	96,50,684	1,08,08,766	1,23,76,037	1,40,09,674
Fixed & Other assets	7,67,971	6,61,586	7,73,810	8,26,621	9,41,031
Total assets	1,31,73,255	1,47,72,086	1,64,78,996	1,87,36,414	2,12,70,169
Deposit growth (%)	15.2	12.9	11.5	14.5	14.6
Advances growth (%)	19.4	14.2	12.0	14.5	13.2

Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25E	FY26E	FY27E
EPS	31.2	80.7	85.0	100.2	116.3
Dividend per share	1.0	1.0	1.0	3.0	3.5
Book value per share	407.6	489.4	580.5	680.7	797.0

Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25E	FY26E	FY27E
P/E	33.3	12.9	12.2	10.4	8.9
P/BV	2.5	2.1	1.8	1.5	1.3
Dividend yield (%)	0.1	0.1	0.1	0.3	0.3

DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25E	FY26E	FY27E
Net interest income	3.4	3.6	3.5	3.6	3.6
Non-interest income	1.3	1.6	1.6	1.7	1.7
Operating expenses	3.2	2.5	2.4	2.4	2.4
Pre-provisioning profit	1.6	2.7	2.7	2.8	3.0
Provisions	0.2	0.3	0.5	0.5	0.6
PBT	1.4	2.4	2.2	2.3	2.4
Tax	0.6	0.6	0.6	0.6	0.6
ROA	0.8	1.8	1.7	1.8	1.8
Leverage (x)	10.4	10.1	9.4	9.0	8.7
ROE	8.0	18.0	15.9	15.9	15.7

Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
YoY growth (%)					
Net interest income	29.6	16.2	10.6	14.8	14.4
Pre-provisioning profit	(20.0)	87.6	14.7	17.2	18.6
EPS	(26.6)	158.8	5.4	17.9	16.0
Profitability & Return ratios (%)					
Net interest margin	3.8	3.9	3.8	3.9	3.9
Fees / Avg. assets	33.1	40.2	40.4	41.3	43.5
Cost-Income	66.7	48.7	47.0	45.9	44.8
ROE	8.0	18.0	15.9	15.9	15.7
ROA	0.8	1.8	1.7	1.8	1.8
Asset quality (%)					
GNPA	2.2	1.5	1.6	1.6	1.6
NNPA	0.4	0.3	0.4	0.4	0.4
Slippage ratio	2.1	1.7	2.1	2.1	2.1
Credit cost	0.4	0.4	0.7	0.7	0.9
Provision coverage	80.5	78.3	77.7	77.7	77.7
Ratios (%)					
Credit-Deposit	89.3	90.3	90.7	90.7	89.6
Investment-Deposit	30.5	31.0	31.0	30.6	30.5
CAR	17.6	16.6	17.5	17.7	17.6
Tier-1	14.6	14.2	15.2	15.6	15.6

Source: Company, BOBCAPS Research

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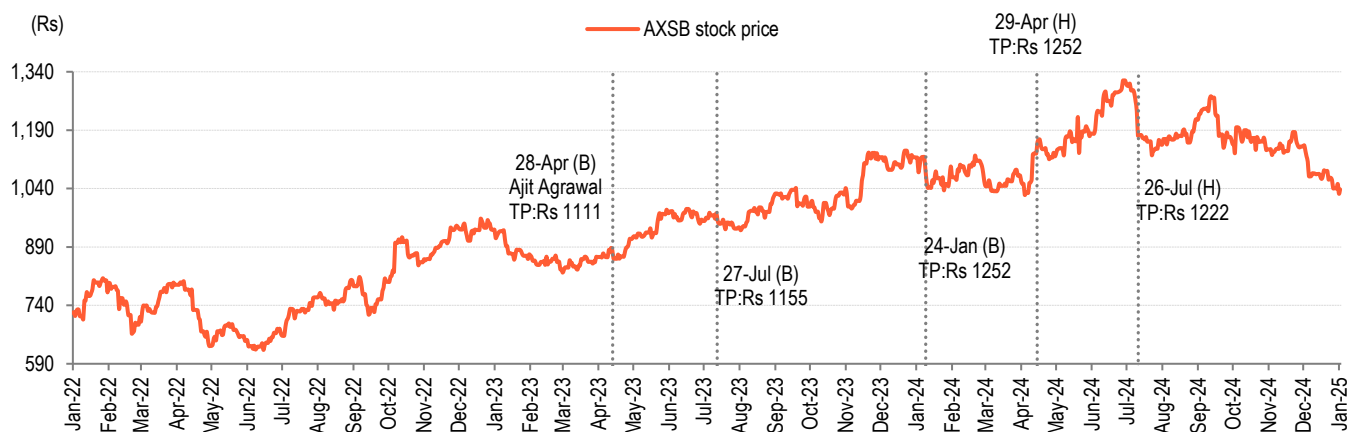
Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%
HOLD – Expected return from -6% to +15%
SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

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