

FEDERAL BANK | Banking

Revisited growth trajectory; Asset quality improvement

LKP

Price Analysis:

Federal Bank reported 2QFY22 earnings in line with our expectations and the key pointers are a) timely capital infusion, b) lower slippages led to significant reduction in GNPA, c) business growth on track, d) lower provision expenses because of lower loan loss write-backs and e) The restructured book up to 2.64% v/s 1.86% of net advances. The restructured book will be keenly watched as the covid provision (0.37% of book) seems inadequate although major chunk of restructured book is secured. GNPA is at 3.2% v/s 3.5% in the previous quarter. Gold loan growth (24% YoY) and core fee income growth (46% QoQ) are the key highlights in this quarter. We believe, the growth will sustain in coming quarters. Nevertheless, the movement of restructured book will be a key monitor-able. A superior quarter and inexpensive valuation (P/BV: 1.2x) makes us positive on Federal Bank.

Gazing the core:

Lower slippages led to lower GNPA; restructuring inched up: Fresh slippages down significantly to ₹32bn v/s ₹64bn reported in the previous quarter. SME book (BuB + CuB) contributed 42% of the fresh slippages where Agriculture book contributed 30% of total slippages. The retail slippages down to ₹0.8bn against ₹1.3bn in 1QFY22. The bank's up-gradation and recoveries inched up sequentially at ₹4bn v/s ₹2bn in previous quarter. Moreover, write-offs are at lower side of ₹1.1bn. The total standard restructuring reported worth ₹35.5bn (2.64% of book); increased sequentially from ₹24.1bn (1.86% of book). Retail restructuring contributes ~60% of total amount. We expect ~30% of restructuring book may likely slip in coming quarters. However, the major chunk is secured and around 6% of restructured book is unsecured.

Sequential Profit growth owing to lower provision: The bank has made provisioning of ₹2.4bn v/s ₹6.4bn in 1QFY22. The loan loss provisions stood at negative ₹650mn; because of provision write-back. The standard asset provision were higher at ₹28bn v/s ₹18bn in the previous quarter. The bank didn't make additional covid provisioning this quarter, the total covid provisioning stands at ₹4.7bn (0.37% of net advances). The reported credit cost stood -19bps v/s 136bps in previous quarter. A lower provision led to 50% YoY and 25% sequential growth in PAT.

Key Financials (₹ mn)	FY20	FY21	FY22E	FY23E	FY24E
NII	46,489	55,337	60,072	70,815	83,671
Operating Profit	32,047	37,869	40,731	48,820	57,589
Reported Profits	15,428	15,903	18,887	24,829	31,279
Net Worth	1,45,126	1,61,186	1,80,284	2,05,113	2,36,393
Loan & Advances	12,22,679	13,18,786	14,50,665	16,10,238	18,03,466
Int. Bearing Liabilities	16,26,625	18,17,130	19,83,562	21,99,066	24,55,567

Key Ratios (%)	FY20	FY21	FY22E	FY23E	FY24E
NIM's	2.9	3.1	3.0	3.2	3.4
C/I Ratio	51.3	49.4	49.9	48.1	47.3
Gross NPA Ratio	2.8	3.4	3.3	3.2	2.5
Tier 1 Ratio	13.8	14.4	14.7	15.1	15.5
Adj. RoA Ratio	0.9	0.8	0.9	1.1	1.2
Adj. RoE Ratio	11.1	10.4	11.1	12.9	14.2

Rating	Buy
Current Market Price (₹)	104
12 M Price Target (₹)	127
Potential upside (%)	22

Stock Data

FV (₹) :	2
Market Cap Full (₹ bn) :	217
Market Cap Free Float (₹ bn) :	217
52-Week High / Low (₹) :	50 / 106
2-Year High / Low (₹) :	36 / 106
1 Year Avg. Dly Traded Volume (in lakh)	280
BSE Code / NSE Symbol	500469 / FEDERALBNK
Bloomberg :	FB IN

Shareholding Pattern (%)

	Sep-21	Jun-21	Mar-21	Dec-20
FPIs	25.92	24.05	24.51	21.69
MFs	32.72	32.59	30.23	29.90
AIF's	0.46	0.45	1.25	0.65
Insurance	9.34	10.83	11.80	14.02
Others	31.56	32.08	32.21	33.74

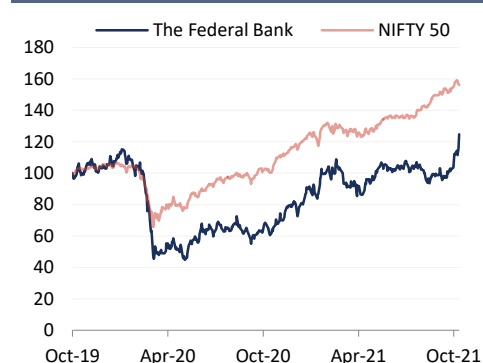
Source: BSE

Price Performance (%)

(%)	1M	3M	6M	1YR
Federal Bank	28.1%	23%	45%	84%
Nifty 50	3.2%	14%	26%	52%

* To date / current date : October 22, 2021

Federal Bank vs Nifty 50



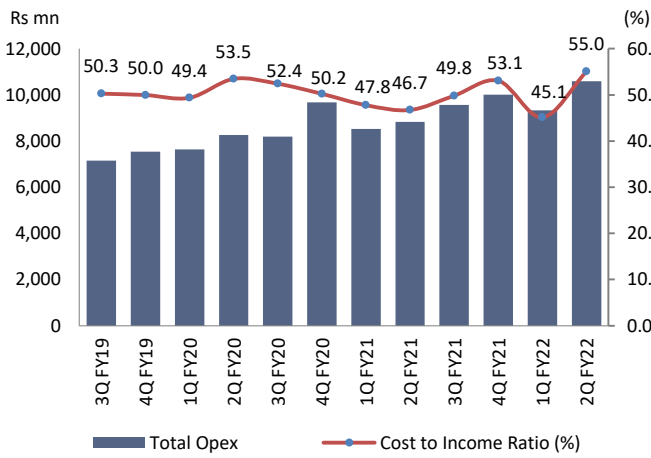
Growth on track: The bank's net advances stood at ₹1.3tn; grew by 9.4% YoY and 3.6% QoQ. Retail book (32% of book) grew at 1.5% QoQ. Agriculture book (13% of book), SME (BuB+cuB) book (19% of book) and corporate book (36.0%) grew by 6.3% QoQ, 7.2% QoQ and 2.2% QoQ respectively. The bank has been focusing on gold loans since the lockdown started and currently stood at ₹160bn (26% YoY). Deposits grew by 9.7% YOY and grew 1.5% QoQ; CASA stood at 36.2% vs. 34.8% in last quarter. The bank's NII stood at ₹14.7bn; grew by 7.2% YoY and 4.3% sequentially. NIM inched up sequentially 5bps to 3.2% driven by 13bps decrease in CoD at 4.32%. The bank's yields on advances declined by 4bps to 8.11%. Despite 46% sequential core fee income growth, the other income de-grew by 32% QoQ because of lower treasury income. Owing to sequentially lower treasury income, steady NII and higher Opex., the bank's PPOP de-grew by 24% QoQ. Provisioning expenses are at lower side (₹2.4bn v/s 6.4bn in the last quarter) resulted in PAT of ₹4.6bn; grew by 50% YoY and 25% sequentially. The bank's ROA/ROE stood at 0.9%/10.7%.

Outlook & Valuation

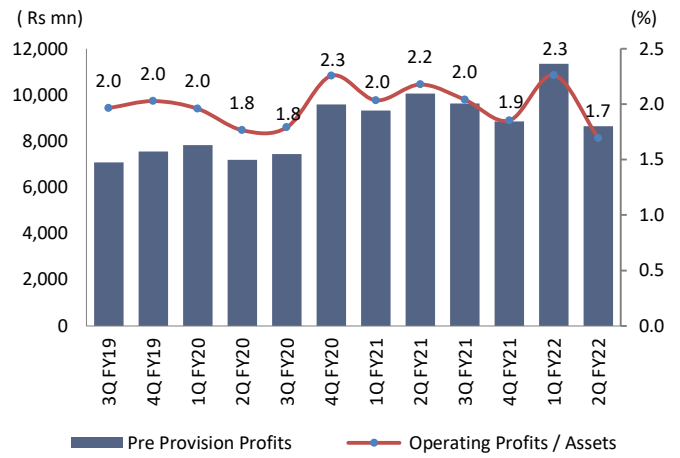
We believe Federal Bank has revisited the growth trajectory. We have incorporated steady provision requirements along with stable growth in the balance sheet and thus expect it to deliver RoA/ RoE of 1.1%/13% by FY23E. In our view, the most of the negatives are in the price and thus we reiterate BUY with an increased target price of ₹127 (based on 1.4x FY23E Adj. BVPS); a potential upside of 22%.

Quarterly story in charts

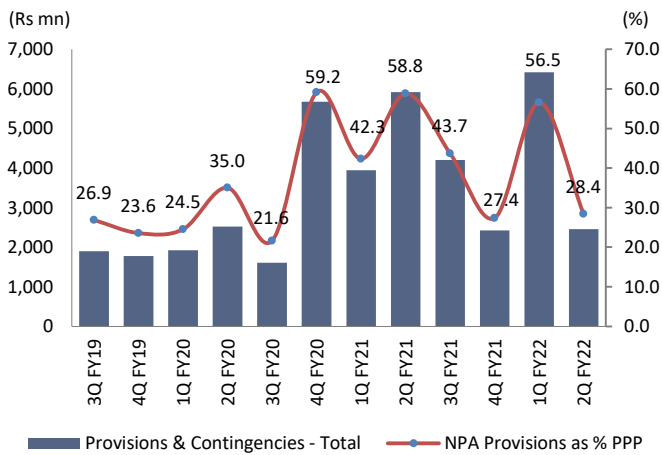
Total Opex Trend



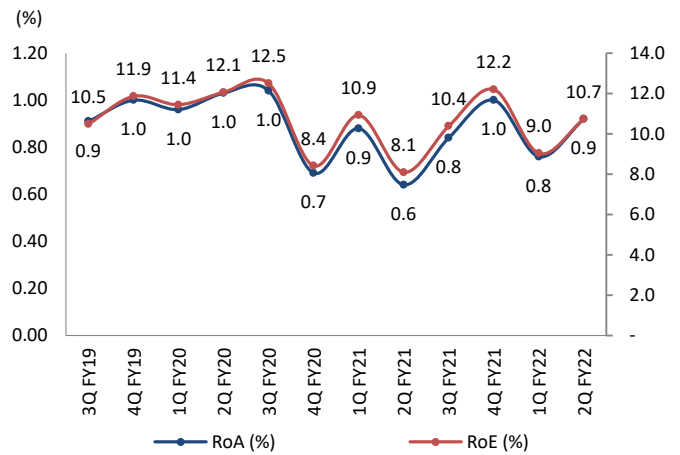
Pre Provision Profit Trend



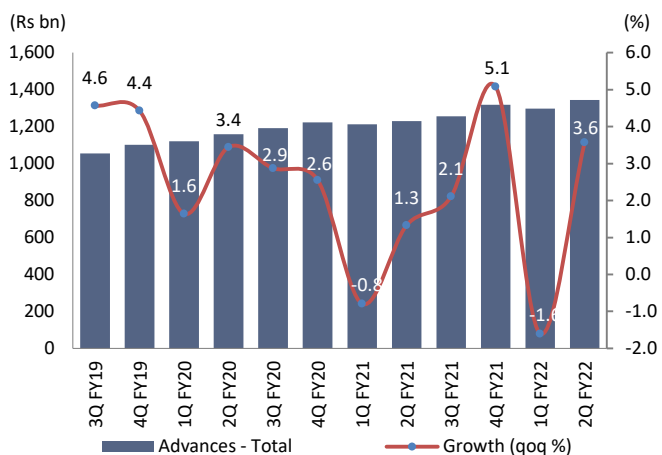
Provision Expenses Trend



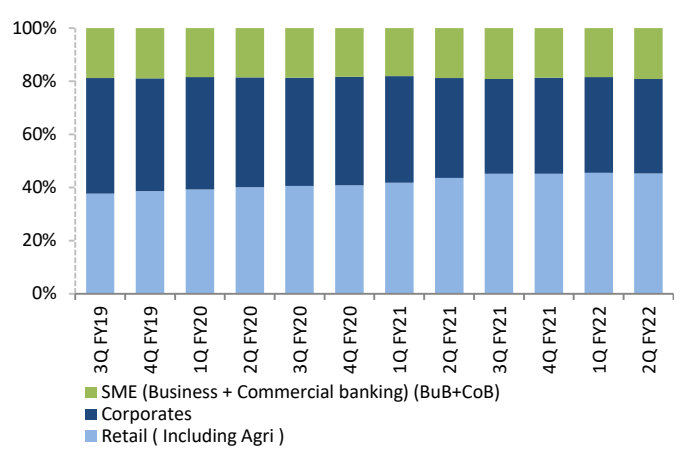
Return Ratio Trend



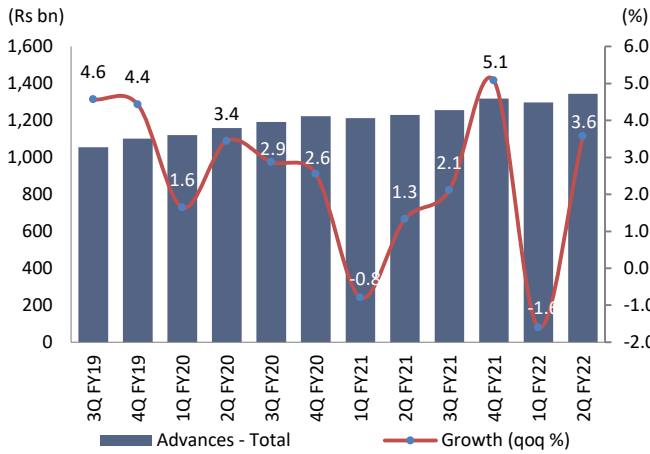
Loan Book Trend



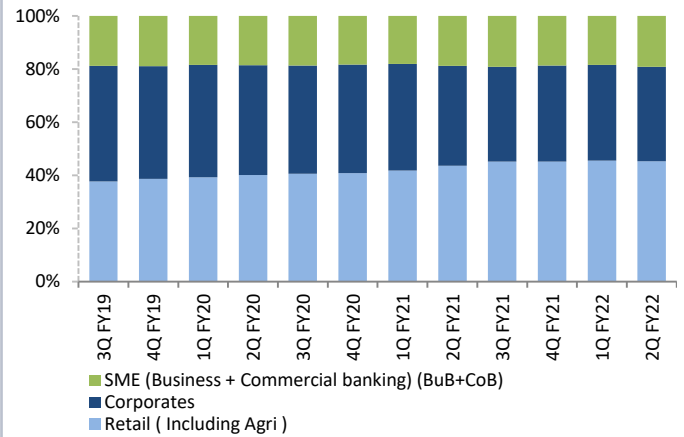
Loan Book Mix Trend



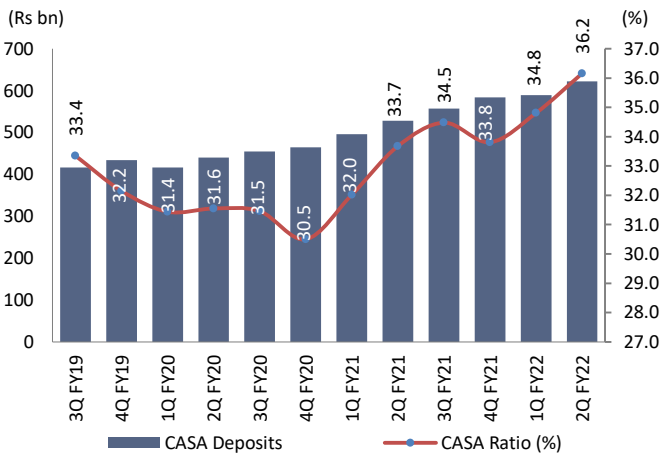
Loan Book Trend



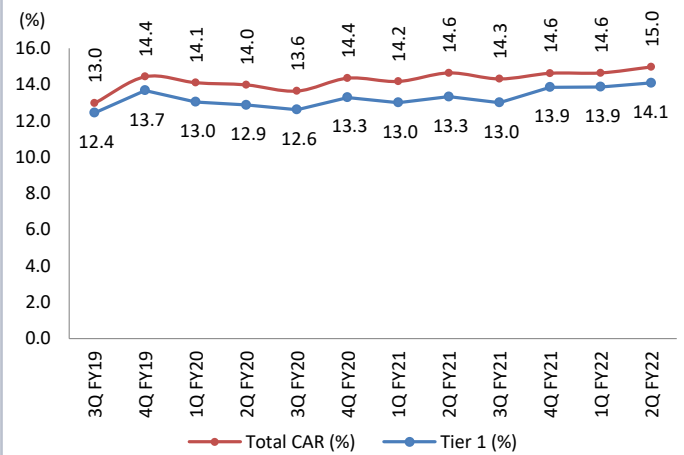
Loan Book Mix Trend



CASA Deposit Trend



CRAR & Tier 1 Ratio Trend



Financial Performance at a glance

Exhibit 1 : Income Statement Analysis

(₹ mn)	2Q FY22	2Q FY21	% yoy / bps	1Q FY22	% qoq / bps	FY21	FY20	% yoy / bps
Int. on Loan	26,749	27,175	(1.6)	26,711	0.1	1,07,951	1,06,709	1.2
Int. on Investment	5,812	5,925	(1.9)	5,906	(1.6)	23,489	21,841	7.5
Int. on Balances	666	1,166	(42.9)	366	81.9	3,682	1,400	163.0
Int. Others	566	613	(7.7)	574	(1.4)	2,457	2,159	13.8
Interest Inc.	33,793	34,879	(3.1)	33,557	0.7	1,37,579	1,32,108	4.1
Yield on Advances (%)	8.1	8.9	(79)	8.2	(4)	-	-	-
Interest Expenses	18,998	21,081	(9.9)	19,373	(1.9)	82,242	85,618	(3.9)
Cost of Dep. (%)	4.3	5.1	(78)	4.5	(13)	-	-	-
Net Interest Income	14,794	13,799	7.2	14,184	4.3	55,337	46,489	19.0
Core Fee Income	3,730	2,880	29.5	2,550	46.3	11,790	12,300	(4.1)
Non Core Other Income	714	2,213	(67.8)	3,952	(81.9)	7,659	7,014	9.2
Other Income - Total	4,444	5,093	(12.8)	6,502	(31.7)	19,449	19,314	0.7
Other Inc to Net Oper. Income (%)	23.1	27.0	(386)	31.4	(833)	26.0	29.4	(335)
Net Operating Revenue	19,238	18,892	1.8	20,686	(7.0)	74,786	65,803	13.7
Employee Expenses	5,719	4,875	17.3	5,283	8.3	20,342	17,724	14.8
Empl. Cost/Oper. Exps. (%)	29.7	25.8	393	25.5	419	27.2	26.9	27
Other Opex	4,871	3,952	23.2	4,051	20.2	16,575	16,033	3.4
Other Opex/ Assets (%)	0.2	0.2	2	0.2	4	0.9	0.9	(8)
Total Opex	10,590	8,827	20.0	9,334	13.5	36,917	33,756	9.4
Cost to Income Ratio (%)	55.0	46.7	833	45.1	992	49.4	51.3	(193)
Pre Provision Profits	8,648	10,065	(14.1)	11,352	(23.8)	37,869	32,047	18.2
Provisions & Contingencies - Total	2,453	5,921	(58.6)	6,418	(61.8)	16,496	11,722	40.7
Credit Cost (%)	(0.19)	0.55	(74)	1.4	(155)	-	0.90	-
NPA Provisions as % PPP	28.4	58.8	(3,045)	56.5	(2,817)	43.6	36.6	699
Profit Before Tax	6,195	4,145	49.5	4,934	25.6	21,373	20,325	5.2
Tax	1,592	1,069	49.0	1,261	26.3	5,470	4,898	11.7
Effective Tax Rate (%)	25.7	25.8	(8)	25.6	15	25.6	24.1	150
Reported Profits	4,603	3,076	49.6	3,673	25.3	15,903	15,428	3.1
RoA (%)	0.9	0.6	28	0.8	16	-	-	-
RoE (%)	10.7	8.1	264	9.0	170	-	-	-

Source: Company, LKP Research

Exhibit 2 : Balance Sheet Analysis

(₹ mn)	1Q FY21	2Q FY21	3Q FY21	4Q FY21	1Q FY22	2Q FY22	QoQ % / bps	YoY % / bps
Net Worth	1,49,225	1,52,353	1,56,452	1,61,236	1,64,883	1,77,270	7.5	16.4
RoE (%)	10.9	8.1	10.4	12.2	9.0	10.7	170	264
CET1 (%)	13.0	13.3	13.0	13.9	13.9	14.1	22	76
Tier 1 (%)	13.0	13.3	13.0	13.9	13.9	14.1	22	76
Total CAR (%)	14.2	14.6	14.3	14.6	14.6	15.0	33	33
RWA - Total	10,81,240	10,54,790	10,77,510	11,16,210	11,03,370	11,39,480	3.3	8.0
Advances - Total	12,12,970	12,29,120	12,55,050	13,18,786	12,97,650	13,44,046	3.6	9.4
Investments	3,47,490	3,62,526	3,43,890	3,71,862	3,73,910	3,69,767	(1.1)	2.0
Total Assets	18,58,205	18,90,267	19,68,472	20,13,674	20,00,383	20,68,743	3.4	9.4
RoA (%)	0.88	0.64	0.84	1.00	0.76	0.92	16	28
Deposits	15,49,380	15,67,474	16,16,700	17,26,445	16,93,930	17,19,948	1.5	9.7
Saving Deposit	4,20,590	4,43,180	4,65,820	4,76,860	89,630	1,08,100	20.6	(75.6)
Current Deposit	75,570	84,670	91,580	1,06,840	4,99,960	5,13,810	2.8	506.8
CASA Deposits	4,96,160	5,27,850	5,57,400	5,83,700	5,89,590	6,21,910	5.5	17.8
CASA Ratio (%)	32.0	33.7	34.5	33.8	34.8	36.2	135	248
Term Deposits	10,53,220	10,39,624	10,59,300	11,42,745	11,04,340	10,98,038	(0.6)	5.6
Interest Bearing Liabilities - Total	16,61,750	16,77,905	17,41,440	18,17,130	17,87,430	18,27,788	2.3	8.9

Source: Company, LKP Research

Exhibit 3: Funding Profile Analysis

(₹ mn)	1Q FY21	2Q FY21	3Q FY21	4Q FY21	1Q FY22	2Q FY22	QoQ % / bps	YoY % / bps
Interest Bearing Liabilities - Total	16,61,750	16,77,905	17,41,440	18,17,130	17,87,430	18,27,788	2.3	8.9
Deposits	15,49,380	15,67,474	16,16,700	17,26,445	16,93,930	17,19,948	1.5	9.7
CASA Deposits	4,96,160	5,27,850	5,57,400	5,83,700	5,89,590	6,21,910	5.5	17.8
Saving Deposit	4,20,590	4,43,180	4,65,820	4,76,860	89,630	1,08,100	20.6	(75.6)
Current Deposit	75,570	84,670	91,580	1,06,840	4,99,960	5,13,810	2.8	506.8
Term Deposits	10,53,220	10,39,624	10,59,300	11,42,745	11,04,340	10,98,038	(0.6)	5.6
Borrowings	1,12,370	1,10,431	1,24,740	90,685	93,500	1,07,841	15.3	(2.3)
Interest Bearing Liabilities - Total	16,61,750	16,77,905	17,41,440	18,17,130	17,87,430	18,27,788	2.3	8.9

Source: Company, LKP Research

Exhibit 4: Asset Quality Analysis

(₹ mn)	1Q FY21	2Q FY21	3Q FY21	4Q FY21	1Q FY22	2Q FY22	QoQ % / bps	YoY % / bps
Total Slippages	1,930	100	340	16,850	6,890	3,390	(50.8)	3,290.0
<i>Slippages Ratio (%)</i>	<i>0.16</i>	<i>0.01</i>	<i>0.03</i>	<i>1.38</i>	<i>0.52</i>	<i>0.26</i>	(27)	25
Gross NPA	36,556	35,522	34,702	46,024	46,493	44,458	(4.4)	25.2
<i>Gross NPAs Ratio (%)</i>	<i>2.96</i>	<i>2.84</i>	<i>2.71</i>	<i>3.41</i>	<i>3.50</i>	<i>3.24</i>	(26)	40
<i>PCR - Calculated (%)</i>	<i>59.6</i>	<i>65.7</i>	<i>78.2</i>	<i>65.9</i>	<i>65.7</i>	<i>66.2</i>	47	50
<i>PCR - Inc. Tech w/o (%)</i>	<i>75.1</i>	<i>78.3</i>	<i>77.1</i>	<i>65.1</i>	<i>65.0</i>	<i>65.4</i>	43	(1,291)
Net NPA	14,775	12,181	7,572	15,693	15,932	15,024	(5.7)	23.3
<i>Net NPAs Ratio (%)</i>	<i>1.22</i>	<i>0.99</i>	<i>0.60</i>	<i>1.19</i>	<i>1.23</i>	<i>1.12</i>	(11)	13
Standard Restructured	4,060	4,410	11,290	16,180	24,140	35,530	47.2	705.7
<i>Std. Rest. Adv. as % of Advances</i>	<i>0.3</i>	<i>0.4</i>	<i>0.90</i>	<i>1.23</i>	<i>1.86</i>	<i>2.64</i>	78	228

Source: Company, LKP Research

Annual Projections

Exhibit 5: Profit and Loss Statement

(₹ mn)	FY20	FY21	FY22E	FY23E	FY24E
Int. Income	1,32,108	1,37,579	1,40,564	1,59,010	1,81,766
Interest Expenses	85,618	82,242	80,492	88,196	98,096
Net Interest Income	46,489	55,337	60,072	70,815	83,671
<i>NIM (%)</i>	2.88	3.08	3.04	3.25	3.44
Other Income - Total	19,314	19,449	21,267	23,263	25,513
Net Operating Revenue	65,803	74,786	81,340	94,078	1,09,184
Employee Exp.	17,724	20,342	22,376	24,837	28,315
Other Opex	16,033	16,575	18,233	20,421	23,280
Total Opex	33,756	36,917	40,609	45,258	51,594
<i>C/I Ratio (%)</i>	51.30	49.36	49.93	48.11	47.25
Pre Provision Profits	32,047	37,869	40,731	48,820	57,589
<i>PPP Growth (yoy %)</i>	16.0	18.2	7.6	19.9	18.0
Provisions & Contingencies - Total	11,722	16,496	15,310	15,402	15,490
Credit Cost (As % of Op. AUM)	1.01	1.34	1.10	1.00	0.90
Profit Before Tax	20,325	21,373	25,420	33,417	42,099
Tax	4,898	5,470	6,533	8,588	10,819
<i>Effective Tax Rate (%)</i>	24.1	25.6	25.7	25.7	25.7
Reported Profits	15,428	15,903	18,887	24,829	31,279
<i>PAT Growth (yoy %)</i>	24.0	3.1	18.8	31.5	26.0

Source: Company, LKP Research

Exhibit 6: Balance Sheet

(₹ mn)	FY20	FY21	FY22E	FY23E	FY24E
Equity Share Capital	3,985	3,992	4,203	4,203	4,203
Reserves (ex Revel. Reserve)	1,41,141	1,57,194	1,76,081	2,00,910	2,32,190
Net Worth - Ex Revaluation	1,45,126	1,61,186	1,80,284	2,05,113	2,36,393
Revaluation Reserve	50	50	56	54	49
Deposits	15,22,901	17,26,445	18,94,301	21,00,108	23,45,066
Borrowings	1,03,724	90,685	89,260	98,958	1,10,500
Interest Bearing Liabilities (₹ mn)	16,26,625	18,17,130	19,83,562	21,99,066	24,55,567
Other Lia. & Prov.	34,579	35,308	37,609	41,246	41,314
Total Liabilities	18,06,380	20,13,674	22,01,510	24,45,479	27,33,322
Assets					
Cash & Cash Equivalent	1,25,746	1,95,914	2,14,898	2,38,728	2,67,091
Investments	3,58,927	3,71,862	4,01,903	4,47,761	4,99,042
Credit Equivalent	31,577	33,525	33,860	36,191	38,745
Loan & Advances (₹ mn)	12,22,679	13,18,786	14,50,665	16,10,238	18,03,466
Growth (yoy %)	10.9	7.9	10.0	11.0	12.0
Fixed Assets	4,800	4,911	5,733	6,328	7,056
Other Assets	94,229	1,22,201	1,28,311	1,42,425	1,56,667
Total Assets	18,06,380	20,13,674	22,01,510	24,45,479	27,33,322

Source: Company, LKP Research

Exhibit 7: Per share data

Y/E Mar	FY20	FY21	FY22E	FY23E	FY24E
Face Value (₹)	2	2	2	2	2
Adjusted Share O/S (mn)	1,993	1,996	2,102	2,102	2,102
Earnings Per Share (₹)	7.7	8.0	9.0	11.8	14.9
EPS (% YoY)	23.6	2.9	12.8	31.5	26.0
P/E (x)	13.4	13.1	11.6	8.8	7.0
Book Value (₹)	72.8	80.7	85.8	97.6	112.5
BVPS (% YoY)	9.0	10.9	6.2	13.8	15.2
P/BV (x)	1.4	1.3	1.2	1.1	0.9
Adj. BV (₹)	68.8	75.0	78.8	90.6	105.5
Adj. BV (% YoY)	9.6	9.0	5.1	15.0	16.4
P/ABV (x)	1.5	1.4	1.3	1.1	1.0

Source: Company, LKP Research

Exhibit 8: Detailed ROA Tree

Y/E Mar	FY20	FY21	FY22E	FY23E	FY24E
Yields / Margins					
<i>Yield on Advance</i>	9.2	8.5	8.0	8.3	8.4
<i>Yield on Funds</i>	8.2	7.7	7.1	7.3	7.5
<i>Cost of Funds (CoF)</i>	5.6	4.8	4.2	4.2	4.2
Interest Spread	2.6	2.9	2.9	3.1	3.3
NIM's	2.9	3.1	3.0	3.2	3.4
<i>Interest Income / Assets</i>	7.8	7.2	6.7	6.8	7.0
<i>Interest Exp. / Assets</i>	5.0	4.3	3.8	3.8	3.8
NII / Assets	2.7	2.9	2.9	3.0	3.2
<i>Fee Income / Assets</i>	0.6	0.5	0.6	0.6	0.6
<i>Other Non Core Income / Assets</i>	0.4	0.3	0.3	0.3	0.2
Other Income / Assets	1.1	1.0	1.0	1.0	1.0
Net Operating Income / Assets	3.9	3.9	3.9	4.0	4.2
Operating Ratios					
<i>NII to Net Operative Income</i>	70.6	74.0	73.9	75.3	76.6
<i>Other Income to Net Operative Income</i>	29.4	26.0	26.1	24.7	23.4
<i>Empl. Cost/Oper. Exps.</i>	52.5	55.1	55.1	54.9	54.9
<i>Other Op. Exps./Oper. Exps.</i>	47.5	44.9	44.9	45.1	45.1
C/I Ratio (%)	51.3	49.4	49.9	48.1	47.3
Provisions as % PPP	17.8	22.1	18.8	16.4	14.2
Credit Cost (As % of Op. AUM)	1.0	1.3	1.1	1.0	0.9
Effective Tax Rate (%)	24.1	25.6	25.7	25.7	25.7
<i>Employee Exp. / Assets</i>	1.0	1.1	1.1	1.1	1.1
<i>Other Opex/ Assets</i>	0.9	0.9	0.9	0.9	0.9
Total Opex / Assets	2.0	1.9	1.9	1.9	2.0
Operating Profits / Assets	1.9	2.0	1.9	2.1	2.2
Op Profit ex Except Items / Assets	1.9	2.0	1.9	2.1	2.2
<i>Provisions / Assets</i>	0.7	0.9	0.7	0.7	0.6
<i>Profit Before Tax / Assets</i>	1.2	1.1	1.2	1.4	1.6
<i>Tax Expenses / Assets</i>	0.3	0.3	0.3	0.4	0.4
RoA	0.9	0.8	0.9	1.1	1.2
Leverage (x)	12.4	12.5	12.2	11.9	11.6
RoE	11.1	10.4	11.1	12.9	14.2
Adj. RoA	0.9	0.8	0.9	1.1	1.2
Adj. RoE	11.1	10.4	11.1	12.9	14.2

Source: Company, LKP Research

Exhibit 9: Balance Sheet Ratios

Y/E Mar	FY20	FY21	FY22E	FY23E	FY24E
Credit / Deposit Ratio	80.3	76.4	76.6	76.7	76.9
Incremental C/D Ratio	69.5	47.2	78.6	77.5	78.9
Investment Deposit Ratio	23.6	21.5	21.2	21.3	21.3
Dom. SLR Investment / Deposits	20.9	19.0	18.9	19.1	19.1
CASA Ratio	29.0	34.0	36.0	36.1	36.1

Source: Company, LKP Research

Exhibit 10: Asset Quality

Y/E Mar	FY20	FY21	FY22E	FY23E	FY24E
Slippage Ratio (%)	1.7	1.6	1.4	1.2	0.8
Gross NPA	35,308	46,024	47,158	52,199	44,322
Gross NPAs Ratio (%)	2.8	3.4	3.3	3.2	2.5
PCR (%)	54.5	65.9	65.8	66.8	57.8
Net NPA	16,072	15,693	16,149	17,342	18,696
Net NPAs Ratio (%)	1.3	1.2	1.1	1.1	1.0
Total Impaired Loans	35,308	46,024	47,158	52,199	44,322
Impaired Loan as % of Loan / AUM	2.8	3.4	3.2	3.2	2.4
Total Risk Reserves	20,056	31,150	31,009	34,857	25,627
Total Risk As % of Loan Book	1.6	2.3	2.1	2.1	1.4

Source: Company, LKP Research

Exhibit 11: Key Assumptions & Forecasts

Y/E Mar	FY20	FY21	FY22E	FY23E	FY24E
Loan & Advances (₹ mn)	12,22,679	13,18,786	14,50,665	16,10,238	18,03,466
<i>Growth (yoy %)</i>		7.9	10.0	11.0	12.0
Interest Bearing Liabilities (₹ mn)	16,26,625	18,17,130	19,83,562	21,99,066	24,55,567
<i>Growth (yoy %)</i>		11.7	9.2	10.9	11.7
Yield on Funds	8.2	7.7	7.1	7.3	7.5
Cost of Funds (CoF)	5.6	4.8	4.2	4.2	4.2
Interest Spread	2.6	2.9	2.9	3.1	3.3
NIM's	2.9	3.1	3.0	3.2	3.4
Other Income Growth	43.0	0.7	9.3	9.4	9.7
C/I Ratio (%)	51.3	49.4	49.9	48.1	47.3
Effective Tax Rate (%)	24.1	25.6	25.7	25.7	25.7
Return Ratios					
Adj. RoA	0.9	0.8	0.9	1.1	1.2
Adj. RoE	11.1	10.4	11.1	12.9	14.2
Asset Quality Metrics					
Credit Cost (As % of Op. AUM)	1.0	1.3	1.1	1.0	0.9
Gross NPAs Ratio (%)	2.8	3.4	3.3	3.2	2.5
Net NPAs Ratio (%)	1.3	1.2	1.1	1.1	1.0

Source: Company, LKP Research

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