

AXIS BANK LIMITED | Banking

Growth maintained; Lower slippages led to reduction in GNPA ratio

LKP**Result and Price Analysis:**

4QFY22 marks the manifestation of sequentially lower provisioning expenses (₹9.9bn v/s ₹13bn in the previous quarter) and 14% sequential increase in net profit at ₹41bn. The bank's reported slippages number were lower (₹39.8bn v/s 41.5bn in 3QFY22) with GNPA and NNPA ratio narrowing down to 2.82% and 0.73% respectively against the GNPA and NNPA ratio of 3.17% and 0.91% in the previous quarter. The bank's PCR (including TWO) stood sequentially higher at 91%. Credit off-take (13.5% YoY) maintained, led by growth across segments. Furthermore, the BB & below book came down sequentially by 13bps to 0.75% of customer assets and reported lower restructured advances of ₹40bn (~52bps of gross loan book). On business front, credit growth (13.5% YoY & 6.4% QoQ) and healthy deposit growth (16.2% YoY & 6.5% QoQ) were superior against previous quarter. The future outlook of asset quality is at manageable level as the strong standard asset coverage (1.8% of gross loans) is likely to absorb delinquencies from restructuring. In view of adequate covid buffer, glimpse of growth rejuvenation and manageable restructuring pool, we recommend BUY.

NPA reducing; restructuring narrowed down further: Axis Bank's total slippages were moderately lower at ₹39.8bn v/s ₹41.5bn in the previous quarter. The up-gradation & recovery stood higher at ₹38bn v/s ₹33bn in 3QFY22. The write-offs were ~₹17bn. It has resulted in 35bps reduction sequentially in GNPA ratio to 2.82%. GNPA/NNPA/PCR stood at 2.82%/0.73%/75% against 3.17%/0.91%/72% in the previous quarter. GNPA ratio inched down across segments. Retail GNPA at 1.4%, where SME and corporate GNPA ratio is at 2.2% and 4.9% respectively. The restructured pool reported lower meaningfully at ₹40bn (52bps of GCA) v/s ₹46bn in the previous quarter. The bank carries a provision of ~24% on restructured loans, which is in excess of regulatory limits. Corporate segment has 46bps of loan book under restructuring where retail and SME segment carry restructuring of 72bps and 2bps respectively.

Key Financials (₹ mn)	FY20	FY21	FY22	FY23E	FY24E
NII	2,52,062	2,92,391	3,31,322	3,87,956	4,60,641
Operating Profit	2,34,381	2,57,022	2,47,420	2,78,688	3,18,830
Reported Profits	16,272	65,885	1,30,255	1,58,846	1,86,922
Net Worth	8,49,478	10,16,030	11,50,255	13,09,101	14,96,023
Loan & Advances	57,14,242	62,37,202	70,76,960	81,38,503	94,40,664
Int. Bearing Liabilities	78,80,591	85,01,792	1,00,68,548	1,16,38,459	1,35,66,226

Key Ratios (%)	FY20	FY21	FY22	FY23E	FY24E
NIM's	3.2	3.4	3.3	3.3	3.4
C/I Ratio	42.5	41.7	48.8	48.8	48.8
Gross NPA Ratio	4.9	3.7	2.8	2.7	2.2
Tier 1 Ratio	14.6	17.1	15.0	14.8	14.5
Adj. RoA Ratio	0.2	0.7	1.2	1.3	1.3
Adj. RoE Ratio	2.1	7.1	12.0	12.9	13.3

Rating	Buy
Current Market Price (₹)	777
12 M Price Target (₹)	960
Potential upside (%)	24

Stock Data

FV (₹) :	2
Market Cap Full (₹ bn) :	2,384
Market Cap Free Float (₹ bn) :	2,059
52-Week High / Low (₹) :	867 / 637
2-Year High / Low (₹) :	867 / 333
1 Yr Avg. Dly Traded Volume (in lakh)	105
BSE Code / NSE Symbol	532215 / AXISBANK
Bloomberg :	AXSB:IN

Shareholding Pattern

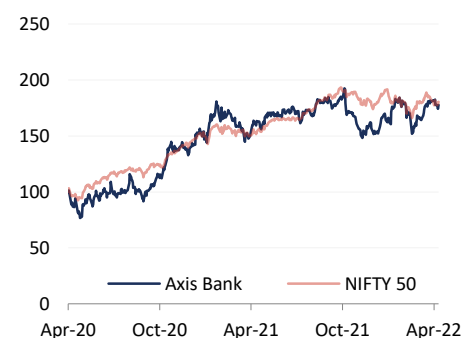
(%)	Mar-22	Dec-21	Sep-21	Jun-21
Promoter	9.70	9.71	11.64	11.69
FPIs	46.93	47.44	51.38	52.49
MFs	22.71	22.59	19.61	18.67
Insurance	1.92	1.82	1.82	1.75
Others	18.74	18.44	15.55	15.40

Source: BSE

Price Performance (%)

(%)	1M	3M	6M	1YR
Axis Bank	6.0%	2.0%	2.8%	10.1%
Nifty 50	0.1%	0.8%	-3.4%	16.0%

* To date / current date : April 28, 2022

Axis Bank vs Nifty 50

Around 89% of retail restructured book is secured (with LTV of 40% - 70%) and 100% provision made on unsecured retail restructured book. Restructuring is unlikely to exceed current levels (in terms of %) going forward. BB & below rated pool down by 13bps to 0.75% of gross customer assets. Fund based BB & below outstanding decreased by 3% sequentially, Moreover, Non fund based outstanding in BB & below pool inched down significantly. 98% of restructured corporate book classified as BB & Below. The provision expenses were sequentially lower at ₹9.9bn (v/s ₹13bn in the previous quarter). It includes the write-off amounting to ₹17bn. The bank's PCR stood higher sequentially at 75%. PCR (including tech. write offs) stood at 91% and Aggregate PCR (Specific provision + covid provision + General Provision + Contingency Provision) stood at 132% of reported GNPLs and the contingent provisioning (covid + standard asset) stood 1.8% of the gross loan book.

Growth maintained; well-adjusted with risk: The bank's advances stood at ₹7.1tn; 13.5% YoY and 6.4% sequentially. Corporate book (32.6% of book) grew marginally by 0.6% QoQ. Retail book (56.5% of book) growth was healthy at 8.8% sequentially. SME book (10.9% of book) grew by 13.5% QoQ. Retail disbursement grew 21% YoY and 30% QoQ. Around 80% of retail book remain secured and it is well diversified. Moreover, 100% of PL (6.4% loan contribution) and 71% of CC (2.2% of loan) portfolio is to salaried class. Axis bank is the 4th largest credit card issuer in the country with market share of ~12%. Wholesale disbursements were flat sequentially. The bank witnessed 44% YoY growth in Mid-corporate book against 13% YoY growth in overall corporate segment. Around 88% of Corporate book is now rated A - and above with 92% of incremental sanctions in FY22 being to corporate rated A- and above and 61% of sanction to those who are AA- & above. SME loan grew by 13.5% QoQ and disbursement were up by 27% sequentially. Around 96% of SME book is secured with predominantly working capital financing. 86% of SME book is rated SME3 or better, with 83% of incremental sanctions is SME3 or above. The bank has disbursed ~₹90bn under ECLGS. Bank's deposit stood at ₹8.2tn and growth remain strong at 16.2% YoY and 6.5% QoQ. The CASA (QAB) stood at 44%. The bank's CRAR stood at 18.54% with CET 1 of 16.34%. Additionally LCR of 116% with excess SLR of ₹962bn provides a strong liquidity position for the bank. The RWA to asset sequentially down to 61%.

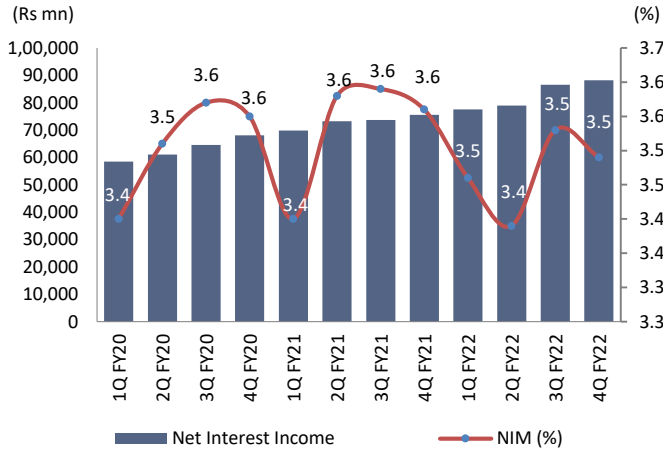
Decent operational quarter driven by lower provisions: The bank's NII stood at ₹88bn; grew by 16.7% YoY & 2% QoQ. The bank's NIMs squeezed marginally to 3.49% on the back of higher cost of fund (3.83%) and cost of deposit (3.65%). Interest reversal has impacted 2bps to the NIMs. Non - interest income grew by 10% QoQ. Management hopes to achieve a structural improvement in NIM going forward, owing to i) improvement in mix of loans versus investments on the assets side, ii) higher share of low cost deposits and iii) reduction in RIDF bonds (which have negative spread) as incremental allocations have stopped as the bank is PSL compliant. A strong NII growth and improved opex (C/I ratio: 50.4% v/s 50.7% in the previous quarter) led to PPOP sequential growth of 4.9%. Additionally, sequentially lower provisioning expenses (₹9.8bn v/s ₹13.3bn) has resulted in net profit of ₹41bn; sequential growth of 14%. The bank's quarterly ROA/ROE stood at 1.5%/15.9%.

Outlook & Valuations

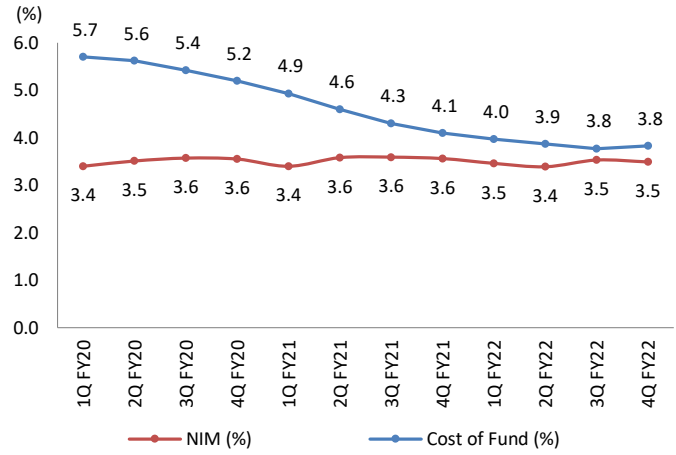
We value the standalone bank at PBV of 2.3x FY23E Adj. BVPS of ₹417 to arrive at a price target of ₹960. We recommend BUY on Axis Bank.

Quarterly story in charts

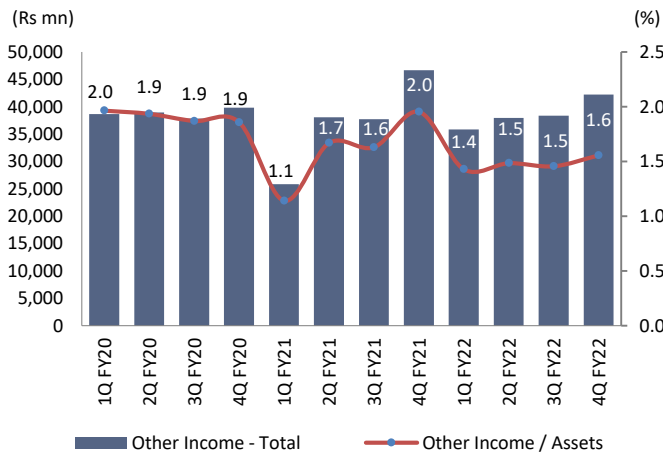
NII Trend



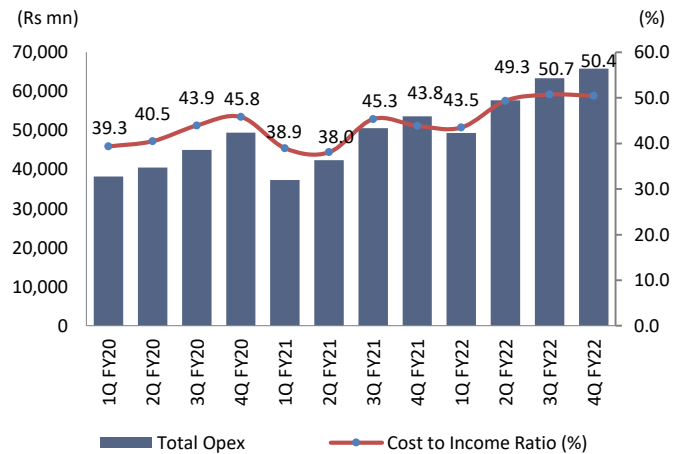
Yields and Margin Trend



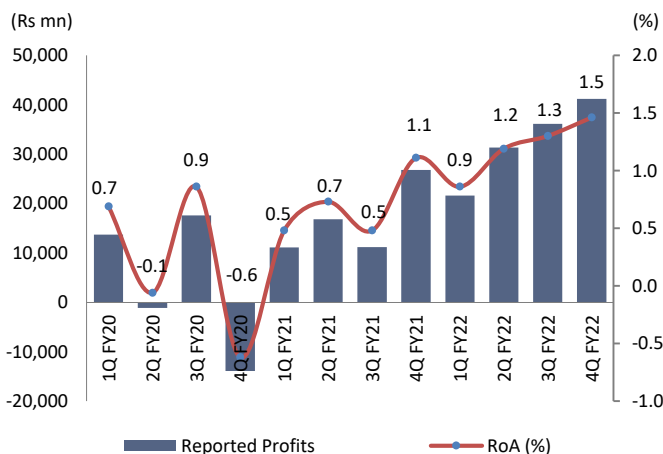
Other Income Trend



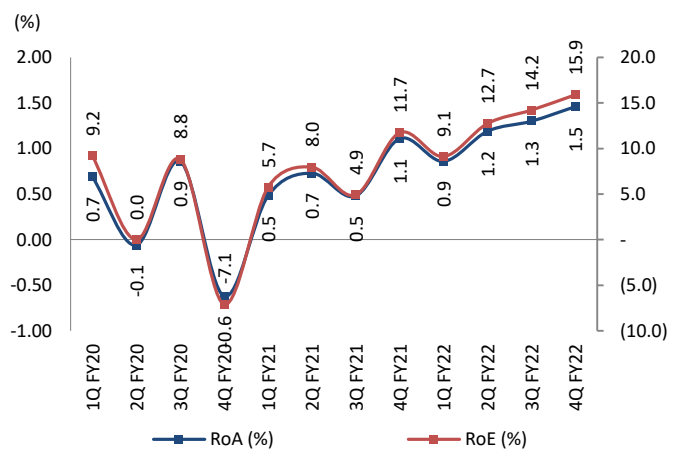
Total Opex Trend



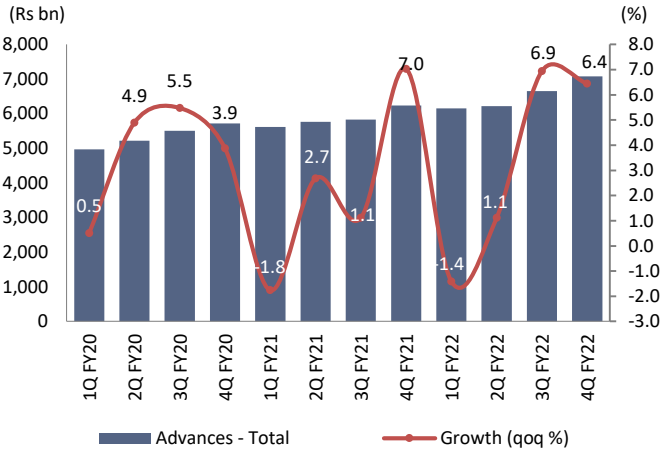
Reported Profit Trend



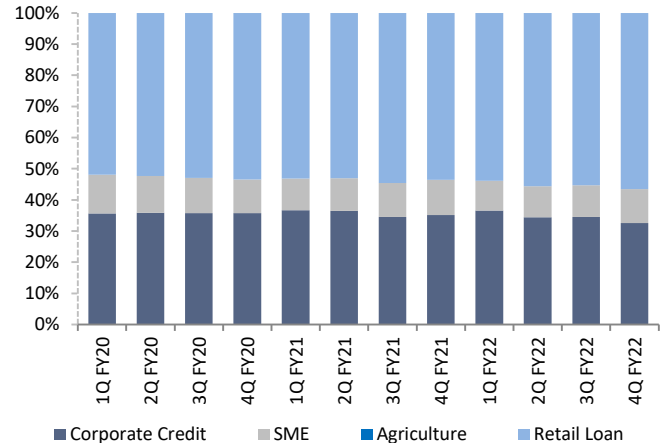
Return Ratio Trend



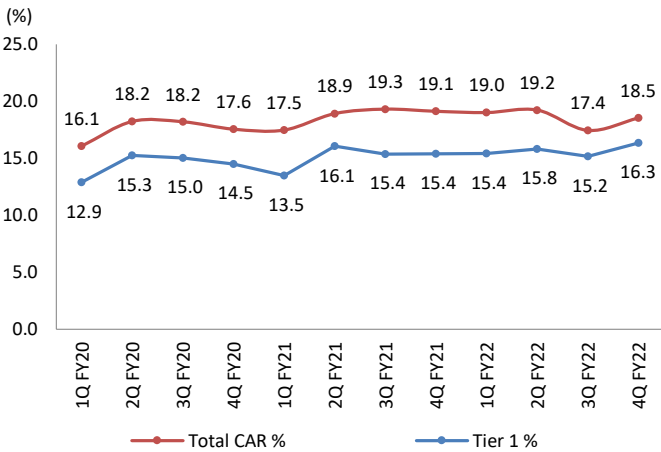
Loan Book Trend



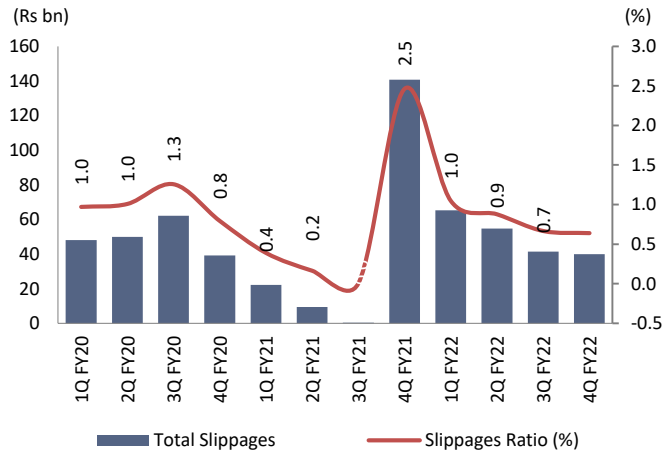
Loan Book Mix



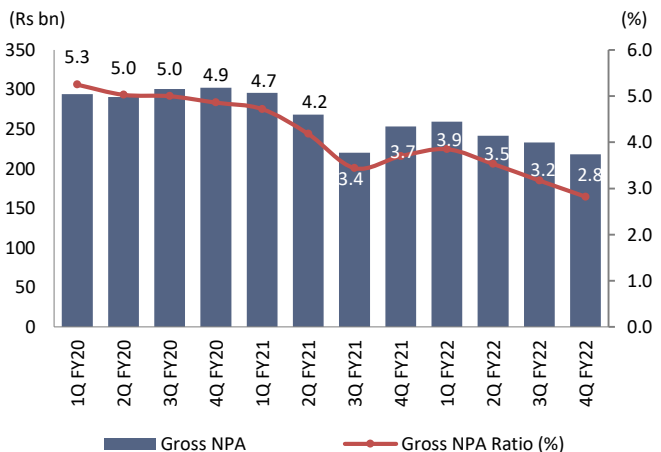
CRAR & Tier 1 Ratio Trend



Slippages



Gross NPA Trend



PCR Trend

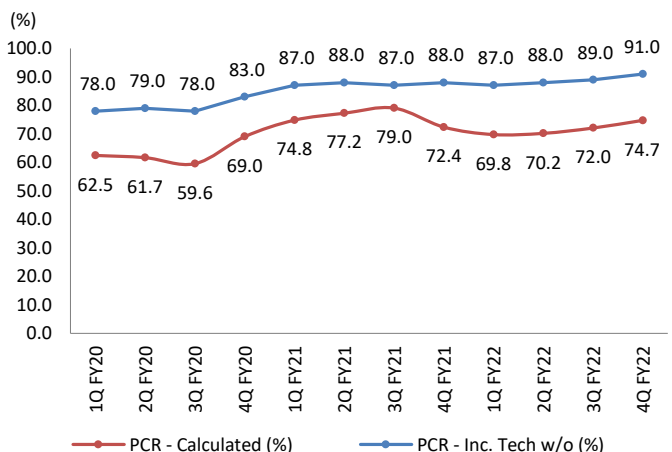


Exhibit 1 : Income Statement Analysis

(₹ mn)	4Q FY22	4Q FY21	% yoy / bps	3Q FY22	% qoq / bps	FY22	FY21	% yoy / bps
Interest Inc.	1,77,762	1,55,452	14.4	1,72,611	3.0	6,73,768	6,36,453	5.9
Interest Expenses	89,571	79,902	12.1	86,086	4.0	3,42,446	3,44,062	(0.5)
Net Interest Income	88,191	75,550	16.7	86,525	1.9	3,31,322	2,92,391	13.3
NII to Net Operative Income	67.6	61.8	581	69.3	(164)	68.5	66.3	219
NIM (%)	3.49	3.6	(7)	3.5	(4)	3.3	3.5	(23)
Other Income - Total	42,233	46,683	(9.5)	38,404	10.0	1,52,205	1,48,382	2.6
Other Income to Net Operative Income	32.4	38.2	(581)	30.7	164	31.5	33.7	(219)
Net Operating Revenue	1,30,425	1,22,233	6.7	1,24,929	4.4	4,83,528	4,40,773	9.7
Employee Expenses	18,865	16,676	13.1	19,386	(2.7)	76,126	61,640	23.5
Other Opex	46,900	36,910	27.1	43,928	6.8	1,59,982	1,22,111	31.0
Total Opex	65,765	53,586	22.7	63,314	3.9	2,36,108	1,83,751	28.5
Cost to Income Ratio (%)	50.4	43.8	658	50.7	(26)	48.8	41.7	714
Pre Provision Profits	64,660	68,647	(5.8)	61,615	4.9	2,47,420	2,57,022	(3.7)
Provisions & Contingencies - Total	9,872	32,950	(70.0)	13,348	(26.0)	73,595	1,68,963	(56.4)
NPA Provisions as % Operating Income	15.3	48.0	(3,273)	21.7	(640)	29.7	65.7	(3,599)
Profit Before Tax	54,788	35,697	53.5	48,267	13.5	1,73,826	88,059	97.4
Tax	13,610	8,926	52.5	12,125	12.2	43,571	22,174	96.5
Effective Tax Rate (%)	24.8	25.0	(16)	25.1	(28)	25.1	25.2	(11)
Reported Profits	41,178	26,771	53.8	36,142	13.9	1,30,255	65,885	97.7
RoA (%)	1.5	1.1	35	1.3	16	1.2	0.7	50
RoE (%)	15.9	11.7	415	14.2	168	12.0	7.6	448

Source: Company, LKP Research

Exhibit 2 : Balance Sheet Analysis

(₹ mn)	3Q FY21	4Q FY21	1Q FY22	2Q FY22	3Q FY22	4Q FY22	QoQ % / bps	YoY % / bps
Net Worth	9,88,167	10,16,030	10,38,898	10,70,830	11,07,457	11,50,255	3.9	13.2
RoE (%)	4.9	11.7	9.1	12.7	14.2	15.9	168	415
Tier 1 %	15.4	15.4	15.4	15.8	15.2	16.3	116	94
Total CAR %	19.3	19.1	19.0	19.2	17.4	18.5	110	(58)
RWA - Total	61,91,125	63,75,158	64,77,119	65,14,576	70,12,313	71,68,586	2.2	12.4
Advances - Total	58,27,539	62,37,202	61,48,737	62,17,193	66,48,656	70,76,960	6.4	13.5
Investments	19,83,460	22,61,196	23,99,146	24,98,159	26,64,187	27,55,972	3.4	21.9
Total Assets	93,80,492	99,61,184	1,01,20,499	1,05,07,381	1,11,30,655	1,17,51,781	5.6	18.0
RoA (%)	0.48	1.11	0.86	1.19	1.30	1.46	16	35
Deposits	65,41,403	70,73,061	71,38,622	73,62,855	77,16,702	82,17,209	6.5	16.2
CASA Deposits	28,23,920	31,77,490	30,80,300	32,75,810	34,48,780	36,97,550	7.2	16.4
CASA Ratio (%)	42.0	42.0	43.0	44.5	44.7	45.0	30	300
Interest Bearing Liabilities - Total	78,98,061	85,01,792	86,47,999	89,49,950	95,05,677	1,00,68,548	5.9	18.4

Source: Company, LKP Research

Exhibit 3: Funding Profile Analysis

(₹ mn)	3Q FY21	4Q FY21	1Q FY22	2Q FY22	3Q FY22	4Q FY22	QoQ % / bps	YoY % / bps
Deposits	65,41,403	70,73,061	71,38,622	73,62,855	77,16,702	82,17,209	6.5	16.2
CASA Deposits	28,23,920	31,77,490	30,80,300	32,75,810	34,48,780	36,97,550	7.2	16.4
Saving Deposit	18,98,140	20,44,730	21,10,250	22,29,320	22,81,660	24,24,490	6.3	18.6
Current Deposit	9,25,780	11,32,760	9,70,050	10,46,490	11,67,120	12,73,060	9.1	12.4
Term Deposits	37,17,483	38,95,571	40,58,322	40,87,045	42,67,922	45,19,659	5.9	16.0
Borrowings	13,56,658	14,28,732	15,09,378	15,87,095	17,88,975	18,51,339	3.5	29.6
Interest Bearing Liabilities - Total	78,98,061	85,01,792	86,47,999	89,49,950	95,05,677	1,00,68,548	5.9	18.4

Source: Company, LKP Research

Exhibit 4: Assets Quality Analysis

(₹ mn)	3Q FY21	4Q FY21	1Q FY22	2Q FY22	3Q FY22	4Q FY22	QoQ % / bps	YoY % / bps
Total Slippages	290	1,40,690	65,180	54,640	41,470	39,810	(4.0)	(71.7)
Slippages Ratio (%)	0.01	2.46	1.05	0.88	0.66	0.64	(3)	(182)
Gross NPA	2,19,979	2,53,148	2,59,498	2,41,486	2,33,012	2,18,223	(6.3)	(13.8)
Gross NPAs Ratio (%)	3.44	3.70	3.85	3.53	3.17	2.82	(35)	(88)
PCR - Calculated (%)	79.0	72.4	69.8	70.2	72.0	74.7	269	237
Net NPA	46,098	69,935	78,465	72,000	65,131	55,122	(15.4)	(21.2)
Net NPAs Ratio (%)	0.74	1.05	1.20	1.08	0.91	0.73	(18)	(32)

Source: Company, LKP Research

Annual Projections

Exhibit 5: Profit and Loss Statement

(₹ mn)	FY20	FY21	FY22	FY23E	FY24E
Int. Income	6,26,352	6,36,453	6,73,768	7,94,807	9,36,564
Interest Expenses	3,74,290	3,44,062	3,42,446	4,06,851	4,75,922
Net Interest Income	2,52,062	2,92,391	3,31,322	3,87,956	4,60,641
<i>NIM (%)</i>	3.23	3.37	3.30	3.31	3.41
Other Income - Total	1,55,366	1,48,382	1,52,205	1,56,772	1,61,475
Net Operating Revenue	4,07,428	4,40,773	4,83,528	5,44,728	6,22,116
Employee Exp.	53,210	61,640	76,126	85,261	97,197
Other Opex	1,19,836	1,22,111	1,59,982	1,80,780	2,06,089
Total Opex	1,73,046	1,83,751	2,36,108	2,66,040	3,03,286
<i>C/I Ratio</i>	42.47	41.69	48.83	48.84	48.75
Pre Provision Profits	2,34,381	2,57,022	2,47,420	2,78,688	3,18,830
<i>PPP Growth (yoy %)</i>	23.3	9.7	(3.7)	12.6	14.4
Provisions & Contingencies - Total	1,85,339	1,68,963	73,595	66,706	69,383
<i>Credit Cost (As % of Op. AUM)</i>	2.57	2.14	0.85	0.70	0.60
Profit Before Tax	49,042	88,059	1,73,826	2,11,981	2,49,448
Tax	32,770	22,174	43,571	53,135	62,526
<i>Effective Tax Rate</i>	66.8	25.2	25.1	25.1	25.1
Reported Profits	16,272	65,885	1,30,255	1,58,846	1,86,922
<i>PAT Growth (yoy %)</i>	(65.2)	304.9	97.7	22.0	17.7

Source: Company, LKP Research

Exhibit 6: Balance Sheet

(₹ mn)	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	5,643	6,127	6,140	6,140	6,140
Reserves (ex Revel. Reserve)	8,43,835	10,09,903	11,44,115	13,02,962	14,89,883
Net Worth - Ex Revaluation	8,49,478	10,16,030	11,50,255	13,09,101	14,96,023
Deposits	64,01,049	70,73,061	82,17,209	96,01,729	1,15,31,292
Borrowings	14,79,541	14,28,732	18,51,339	20,36,730	20,34,934
Interest Bearing Liabilities	78,80,591	85,01,792	1,00,68,548	1,16,38,459	1,35,66,226
Other Lia. & Prov.	4,21,579	4,43,362	5,31,493	4,72,619	4,17,660
Total Liabilities	91,51,648	99,61,184	1,17,51,781	1,34,21,655	1,54,81,375
Assets					
Cash & Cash Equivalent	9,72,683	6,17,298	11,09,871	12,70,708	14,70,221
Investments	15,67,343	22,61,196	27,55,972	31,19,361	35,84,796
Loan & Advances	57,14,242	62,37,202	70,76,960	81,38,503	94,40,664
<i>Growth (yoy %)</i>	<i>15.5</i>	<i>9.2</i>	<i>13.5</i>	<i>15.0</i>	<i>16.0</i>
Fixed Assets	43,129	42,450	45,724	53,503	62,156
Other Assets	8,54,252	8,03,038	7,63,255	8,39,580	9,23,538
Total Assets	91,51,648	99,61,184	1,17,51,781	1,34,21,655	1,54,81,375

Source: Company, LKP Research

Exhibit 7: Per share data

Y/E Mar	FY20	FY21	FY22	FY23E	FY24E
Face Value	2	2	2	2	2
Adjusted Share O/S (mn)	2,822	3,064	3,070	3,070	3,070
Earnings Per Share	5.8	21.5	42.4	51.7	60.9
<i>EPS (% YoY)</i>	<i>(68.3)</i>	<i>272.9</i>	<i>97.3</i>	<i>22.0</i>	<i>17.7</i>
P/E (x)	135.2	36.3	18.4	15.1	12.8
Book Value	301.1	331.6	374.7	426.5	487.3
<i>BVPS (% YoY)</i>	<i>16.1</i>	<i>10.2</i>	<i>13.0</i>	<i>13.8</i>	<i>14.3</i>
P/BV (x)	2.6	2.4	2.1	1.8	1.6
Adj. BV	301.1	331.6	365.7	417.5	478.4
<i>Adj. BV (% YoY)</i>	<i>16.1</i>	<i>10.2</i>	<i>10.3</i>	<i>14.1</i>	<i>14.6</i>
P/ABV (x)	2.6	2.4	2.1	1.9	1.6

Source: Company, LKP Research

Exhibit 8: Detailed ROA Tree

Y/E Mar	FY20	FY21	FY22	FY23E	FY24E
Yields / Margins					
<i>Yield on Advance</i>	9.1	8.0	7.5	7.6	7.8
<i>Yield on Funds</i>	8.0	7.3	6.7	6.8	6.9
<i>Cost of Funds (CoF)</i>	5.0	4.2	3.7	3.7	3.8
<i>Interest Spread</i>	3.0	3.1	3.0	3.0	3.2
<i>NIM's</i>	3.2	3.4	3.3	3.3	3.4
<i>Interest Income / Assets</i>	7.3	6.7	6.2	6.3	6.5
<i>Interest Exp. / Assets</i>	4.4	3.6	3.2	3.2	3.3
<i>NII / Assets</i>	2.9	3.1	3.1	3.1	3.2
<i>Fee Income / Assets</i>	1.1	1.0	0.9	0.8	0.7
<i>Other Non Core Income / Assets</i>	-	-	-	-	-
<i>Other Income / Assets</i>	1.8	1.6	1.4	1.2	1.1
<i>Net Operating Income / Assets</i>	4.7	4.6	4.5	4.3	4.3
Operating Ratios					
<i>NII to Net Operative Income</i>	61.9	66.3	68.5	71.2	74.0
<i>Other Income to Net Operative Income</i>	38.1	33.7	31.5	28.8	26.0
<i>Empl. Cost/Oper. Exps.</i>	30.7	33.5	32.2	32.0	32.0
<i>Other Op. Exps./Oper. Exps.</i>	69.3	66.5	67.8	68.0	68.0
<i>C/I Ratio</i>	42.5	41.7	48.8	48.8	48.8
<i>Provisions as % PPP</i>	45.5	38.3	15.2	12.2	11.2
<i>Credit Cost (As % of Op. AUM)</i>	2.6	2.1	0.9	0.7	0.6
<i>Effective Tax Rate</i>	66.8	25.2	25.1	25.1	25.1
<i>Employee Exp. / Assets</i>	0.6	0.6	0.7	0.7	0.7
<i>Other Opex/ Assets</i>	1.4	1.3	1.5	1.4	1.4
<i>Total Opex / Assets</i>	2.0	1.9	2.2	2.1	2.1
<i>Operating Profits / Assets</i>	2.7	2.7	2.3	2.2	2.2
<i>Op Profit ex Except Items / Assets</i>	2.7	2.7	2.3	2.2	2.2
<i>Provisions / Assets</i>	2.2	1.8	0.7	0.5	0.5
<i>Profit Before Tax / Assets</i>	0.6	0.9	1.6	1.7	1.7
<i>Tax Expenses / Assets</i>	0.4	0.2	0.4	0.4	0.4
<i>RoA</i>	0.2	0.7	1.2	1.3	1.3
<i>Leverage (x)</i>	10.8	9.8	10.2	10.3	10.3
<i>RoE</i>	2.1	7.1	12.0	12.9	13.3

Source: Company, LKP Research

Exhibit 9: Balance Sheet Ratios

Y/E Mar	FY20	FY21	FY22	FY23E	FY24E
<i>Credit / Deposit Ratio</i>	89.3	88.2	86.1	84.8	81.9
<i>Incremental C/D Ratio</i>	83.6	77.8	73.4	76.7	67.5
<i>Investment Deposit Ratio</i>	24.5	32.0	33.5	32.5	31.1
<i>Dom. SLR Investment / Deposits</i>	19.2	25.6	26.9	25.5	24.0
<i>CASA Ratio</i>	41.5	45.1	45.1	45.1	45.1

Source: Company, LKP Research

Exhibit 10: Credit Quality

Y/E Mar	FY20	FY21	FY22	FY23E	FY24E
<i>Slippage Ratio</i>	4.0	3.0	3.2	2.4	2.1
Gross NPA (Cl Bal)	3,02,338	2,53,148	2,18,223	2,21,762	2,03,857
<i>Gross NPAs Ratio (%)</i>	4.9	3.7	2.8	2.7	2.2
<i>PCR (%)</i>	69.0	72.4	74.7	73.6	70.0
Net NPA (Cl. Bal.)	93,604	69,935	55,122	58,532	61,237
<i>Net NPAs Ratio (%)</i>	1.6	1.1	0.7	0.7	0.6
Total Impaired Loans	3,02,338	2,53,148	2,18,223	2,21,762	2,03,857
<i>Impaired Loan as % of Loan / AUM</i>	5.1	3.8	2.9	2.5	2.0
Total Risk Reserves	2,08,767	1,83,246	1,63,102	1,63,229	1,42,620
Total Risk As % of Loan Book	3.5	2.8	2.2	1.9	1.4

Source: Company, LKP Research

Exhibit 11: Key Assumptions & Forecasts

Y/E Mar	FY20	FY21	FY22	FY23E	FY24E
Loans & Advances	57,14,242	62,37,202	70,76,960	81,38,503	94,40,664
<i>Growth (yoy %)</i>		9.2	13.5	15.0	16.0
Interest Bearing Liabilities	78,80,591	85,01,792	1,00,68,548	1,16,38,459	1,35,66,226
<i>Growth (yoy %)</i>		7.9	18.4	15.6	16.6
Yield on Funds	8.0	7.3	6.7	6.8	6.9
Cost of Funds (CoF)	5.0	4.2	3.7	3.7	3.8
Interest Spread	3.0	3.1	3.0	3.0	3.2
NIM's	3.2	3.4	3.3	3.3	3.4
Other Income Growth	18.3	(4.5)	2.6	3.0	3.0
C/I Ratio	42.5	41.7	48.8	48.8	48.8
Effective Tax Rate	66.8	25.2	25.1	25.1	25.1
Return Ratios					
Adj. RoA	0.2	0.7	1.2	1.3	1.3
Adj. RoE	2.1	7.1	12.0	12.9	13.3
Asset Quality Metrics					
<i>Credit Cost (As % of Op. AUM)</i>	2.6	2.1	0.9	0.7	0.6
<i>Gross NPAs Ratio (%)</i>	4.9	3.7	2.8	2.7	2.2
<i>Net NPAs Ratio (%)</i>	1.6	1.1	0.7	0.7	0.6

Source: Company, LKP Research

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