

May 10, 2020

Q4FY20 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY21E	FY22E	FY21E	FY22E
Rating	BUY		BUY	
Target Price	436		509	
NII (Rs. m)	3,71,092	4,31,427	3,78,237	4,44,009
% Chng.	(1.9)	(2.8)		
Op. Profit (Rs. m)	2,76,733	3,19,229	3,03,904	3,62,343
% Chng.	(8.9)	(11.9)		
EPS (Rs.)	16.8	23.6	23.3	31.1
% Chng.	(27.7)	(24.3)		

Key Financials - Standalone

Y/e Mar	FY19	FY20	FY21E	FY22E
NII (Rs bn)	270	333	371	431
Op. Profit (Rs bn)	234	281	277	319
PAT (Rs bn)	29	79	109	152
EPS (Rs.)	4.6	12.3	16.8	23.6
Gr. (%)	(54.1)	167.9	37.1	40.0
DPS (Rs.)	1.5	1.0	-	2.4
Yield (%)	0.4	0.3	-	0.7
NIM (%)	3.2	3.5	3.4	3.5
RoAE (%)	2.8	7.1	8.9	11.4
RoAA (%)	0.3	0.8	0.9	1.2
P/BV (x)	2.1	1.9	1.8	1.6
P/ABV (x)	2.5	2.3	2.0	1.8
PE (x)	73.7	27.5	20.1	14.3
CAR (%)	16.9	16.1	17.1	17.7

Key Data

ICBK.BO | ICICIBC IN

52-W High / Low	Rs.552 / Rs.268
Sensex / Nifty	31,643 / 9,252
Market Cap	Rs.2,186bn/ \$ 28,938m
Shares Outstanding	6,474m
3M Avg. Daily Value	Rs.30162.03m

Shareholding Pattern (%)

Promoter's	-
Foreign	43.70
Domestic Institution	44.61
Public & Others	11.69
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	5.9	(31.0)	(11.6)
Relative	-	(12.1)	5.5

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Hiccups in improvement of long term ROEs

Quick Pointers:

- Strong domestic NIMs of 4.14%, up 10bps QoQ on favorable deposit cost
- Slippages tad higher at Rs53.0bn; while 30% loan book is under moratorium.

ICICIBC's PPOP was good on better NII (10bps improvement in NIMs) and steady other income & costs. Although, bank missed its earnings as provisions were up on few large NPAs in corporate and provision buffer on COVID-19 related crisis. At of end Apr'20, 30% of loans were under moratorium along with Rs27.25bn of provisions (incl 5% directed by RBI). We continue to keep faith in its strong brand franchise, while high PCR of +75%, strong CASA & pricing power will help it to mitigate adverse impact from COVID-19. We are unable to foresee hits on asset quality as yet but see high probability of rising stress, hence conservatively build 2.5% slippage ratio and 180bps of credit cost in FY21 with residual flow in FY22 as well. We retain BUY with revised TP of Rs436 (from Rs509) based on 1.8x (from 2.0x) FY22 ABV and remains best placed in amongst banking sector.

- Still displaying good PPOP performance:** Core PPOP grew by 17.6% YoY on the back of better than expected NII growth of 17% YoY as domestic NIMs improved by 10bps to 4.14%. Other income was also decent with 13%/flat QoQ core fee growth mostly aided from treasury, while slower other opex growth helped to manage costs. The Bank has been able to show strong improvement in cost of deposits (down 14bps QoQ). We believe, It has slightly more juice left as recent savings rate cut & lower TDs pricing will fully flow through in Q1 but slower growth and passing of rates will keep limited upside on NIMs.
- Asset quality looks only optically better:** GNPA/NNPA improved by 40/10bps QoQ despite slippages being tad higher at Rs53.0bn mainly from corporate book contributed by two a/c from oil & hospital/health care sectors. Moratorium applied on overdue accounts led to positive flow to GNPA by 18bps mainly in retail, while bank has done 5% provisions on same apart from ad-hoc provisions to mitigate near term COVID-19 crisis with total provisions of Rs27.25bn. Bank has 30% loans under moratorium as of end April from all segments with tilted in retail/SME than corporate. While corporate stress book (BB rated book) has remained steady at 2.6% of customer assets, it saw Rs22.9bn of downgrades to BB book, while Rs13.0bn of upgrades & Rs17.2bn of loans moved to NPA.
- Retail loans continue to drive loans; liabilities led by TDs:** Retail loans grew by 16%YoY, while corporate grew by 5% YoY. Retail has been still led by personal loans, biz banking & mortgages, cards also would have grown strong but for the Mar'20 lockdowns. Bank expects, loan growth to remain slow as mortgages as yet have not seen disbursement, while credit cards witness lower spends along with tweaking in parameters on unsecured credit. Bank is quite comfortable on LAP and seeing some inch up in CVs from last few quarters. **On liabilities**, average CA & SA has grown 11-15% YoY but has been tad slower compared to peers, but pricing power to lower rates while pull from brand franchise will continue deposits flow at 15-17% in FY21/FY22.

Exhibit 1: Operationally steady but higher provisions hit bottom line

NII grew at 17% YoY on better domestic NIMs seeing improvement moving to all time high levels

Other income grew 18% YoY adversely impacted by slower fee income growth

Provisions include Rs 27.25bn COVID-19 provision

Advances growth led by retail, slow in corporate & de-growth in overseas book. Deposits growth was strong.

Margins increased by 15bps YoY of which 4bps was contributed by interest on IT refunds and interest collection on NPAs

Overall Asset quality improves though slippages came in higher at Rs 53.06bn but managed from higher w.off and recovery/upgrades

CASA mix has come off on being outpaced by growth in Term deposits

Bank's Tier-I remains strong at 14.7% with CET-I at 13.3%

P & L (Rs mn)	Q4FY20	Q4FY19	YoY gr. (%)	Q3FY20	QoQ gr. (%)
Interest income	1,91,887	1,72,928	11.0	1,90,643	0.7
Interest expense	1,02,618	96,727	6.1	1,05,190	(2.4)
Net interest income (NII)	89,269	76,201	17.1	85,453	4.5
- Treasury income	2,420	1,560	55.1	5,310	(54.4)
Other income	42,550	36,210	17.5	45,740	(7.0)
Total income	1,31,819	1,12,411	17.3	1,31,193	0.5
Operating expenses	57,918	50,077	15.7	55,707	4.0
-Staff expenses	22,345	18,990	17.7	19,421	15.1
-Other expenses	35,573	31,087	14.4	36,286	(2.0)
Operating profit	73,901	62,334	18.6	75,486	(2.1)
Core operating profit	71,481	60,774	17.6	70,176	1.9
Total provisions	59,674	54,514	9.5	20,832	186.5
Profit before tax	14,227	7,820	81.9	54,654	(74.0)
Tax	2,013	(1,871)	(207.6)	13,190	(84.7)
Profit after tax	12,214	9,691	26.0	41,465	(70.5)
Balance Sheet (Rs m)					
Deposits	77,09,690	65,29,197	18.1	71,63,451	7.6
Advances	64,52,900	58,66,466	10.0	63,56,543	1.5
Profitability ratios					
NIM	3.9	3.7	15	3.8	10
RoAA	0.5	0.4	6	1.7	(119)
RoAE	4.2	4.1	10	14.6	(1,040)
Asset Quality					
Gross NPA (Rs m)	4,14,092	4,62,916	(10.5)	4,34,539	(4.7)
Net NPA (Rs m)	1,01,139	1,35,774	(25.5)	1,03,885	(2.6)
Gross NPL ratio	5.5	6.7	(117)	6.0	(42)
Net NPL ratio	1.4	2.1	(65)	1.5	(8)
Coverage ratio (calc.)	75.6	70.7	491	76.1	(52)
Business & Other Ratios					
CASA mix	45.1	49.6	(450)	47.0	(190)
CASA mix - Average	42.3	44.6	(230)	42.8	(50)
Cost-income ratio	43.9	44.5	(61)	42.5	148
Non int. inc / total income	32.3	32.2	7	34.9	(259)
Credit deposit ratio	83.7	89.8	(615)	88.7	(504)
CAR	16.1	16.9	(78)	16.5	(39)
Tier-I	14.7	15.1	(37)	15.0	(26)

Source: Company, PL

Key Q4FY20 Concall Highlights

Business growth and outlook

- **Liabilities:** The growth in term deposits continues to outpace CASA growth. Bank re-iterates that CASA deposits remains a focus area and should improve ahead. Average CASA has been trending steady and deposits will continue to outpace given the strong brand franchise.
- **Advances-**
 - Growth in Overall book remains strongly **supported by Retail** book growth which in turn has been well supported mainly from Unsecured book.
 - **Mortgage** portfolio is well diversified geographically with ATS of Rs3.0mn and 70% comes from home loans while balance is LAP with the former having better growth rate. While the average LTV of home loan book is 65%, for LAP book it stands at 55% where lending is done based on cash flows of the business.
 - **CC & Personal loan** book's 70% share is to existing customers of the bank with 85% of the portfolio to salaried of which 75% are employed with well rated corporates and MNCs. The balance 30% share of self-employed segment is expected to be more impacted but exposure to travel/tourism sector is low.
 - **Rural** book contributes 9% to the overall portfolio within which gold loan is 2% and KCC loan is 3%. The **Business Banking** book comprises of non-business customers with an ATS of Rs 10mn-15mn. Around 85% of the book has 100%+ collateral cover and 87% qualifies for PSL
- **COVID-19:** Advances growth were adversely impacted on account of lockdown due to COVID-19 and Bank hasn't seen much lending in the past 6 weeks. As on April end, 30% of books were under moratorium with borrowers across all cohorts opting for moratorium and higher contribution from CV/2W/Rural portfolios as they had been given the 'opt-out' as against 'opt-in' option given to the rest. As per RBI moratorium guidelines, loans that were 90dpd+ as on Q4FY20 but not classified as NPA were Rs 13.09bn (predominantly from Retail book), impact of which on GNPA ratio would have been 18 bps.

Margins/Fees

- NIM was up 10bps/15bps on QoQ/YoY basis benefitting from better cost of funds (down 28bps YoY/14bps QoQ) as well as interest on NPA collections and IT refunds contributing 4bps to the NIM expansion. Going forward, margins are expected to remain tight on account of higher liquidity, low credit demand and reduction in MCLR though some respite is expected from management of funding costs.
- Fee income was adversely impacted by the COVID-19 induced lockdown in the last fortnight of March.

Asset Quality

- Slippages came in higher at Rs53.06bn with exposure to an International Healthcare group and Singapore based Oil company being classified as NPA (both substantially provided for and going forward substantial impact on P&L not expected). It includes Rs5.86bn pertaining to an account which was substantially recovered in Q4FY20.
- BB & Below book came down sequentially to Rs167bn lowering exposure as a % of net advances to 2.58%. CRE, Telecom, Construction (FB expo is NPA while NFB lies in BB & Below rated book) and Power sectors were the main contributors. Around 12% of the builder portfolio was to borrowers rated BB & Below or classified as NPA.
- Bank highlights that CV portfolio saw rising delinquencies even before COVID-19 and will continue to see deterioration though repayments do flow in at a later stage. In the unsecured portfolio, proportion of self-employed borrowers is 15% and exposure to travel/tourism/hotel industry is low.

Exhibit 2: Loan split and growth trends

Loan Book Details	Q4FY20	Q4FY19	YoY gr. (%)	Q3FY20	QoQ gr. (%)
Total Loan Book	64,52,900	58,66,466	10.0	63,56,543	1.5
Domestic Loan book	59,13,230	52,36,140	12.9	57,90,673	2.1
Retail Loan book	40,80,030	35,31,612	15.5	39,76,460	2.6
Domestic Corporate book	16,04,700	14,02,085	14.5	15,96,770	0.5
SME	2,28,510	3,05,056	(25.1)	2,17,440	5.1
International Loan book	5,39,670	6,27,712	(14.0)	5,65,870	(4.6)
Retail Loan book break-up					
Home Loans	20,02,240	17,81,797	12.4	19,63,710	2.0
Vehicle loans	5,83,310	5,57,473	4.6	5,84,060	(0.1)
Personal Loans & CC	6,09,420	4,33,982	40.4	5,83,480	4.4
Business Banking	2,65,630	1,87,000	42.0	2,51,100	5.8
Rural	5,68,500	5,01,020	13.5	5,40,660	5.1
Composition of Loan Book					
Domestic Loan book	92%	89%	238	91%	54
Retail Loan book	69%	67%	155	69%	33
Domestic Corporate book	27%	27%	36	28%	(44)
SME	4%	6%	(196)	4%	11
International Loan book	8%	11%	(234)	9%	(54)
Retail Loan book break-up					
Home Loans	49%	50%	(138)	49%	(31)
Vehicle loans	14%	16%	(149)	15%	(39)
Personal Loans & CC	15%	12%	265	15%	26
Business Banking	7%	5%	122	6%	20
Rural	14%	14%	(25)	14%	34

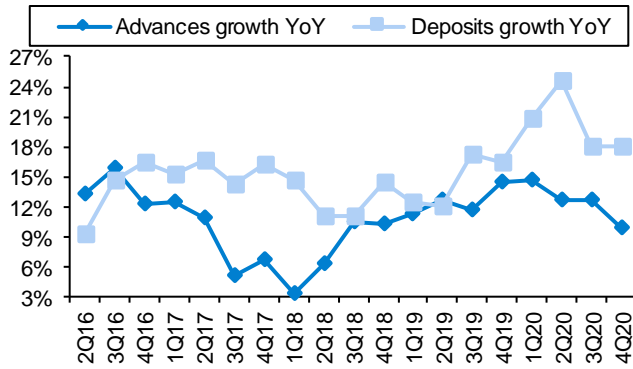
Source: Company, PL

Domestic loans grew supported by strong growth in retail book; while the overseas book consolidation continues

Unsecured retail book growth remains strong; Home loan portfolio saw growth at 12% YoY and Biz Banking book continues to benefit from a lower base

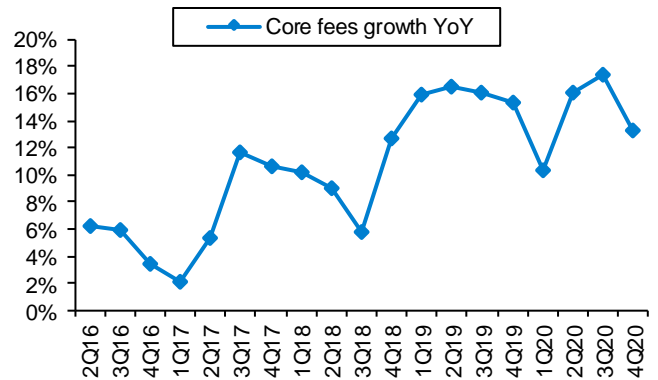
Retail loans continues to improve its share mainly from growth in unsecured lending

Exhibit 3: Deposit growth steady while Loan growth slows



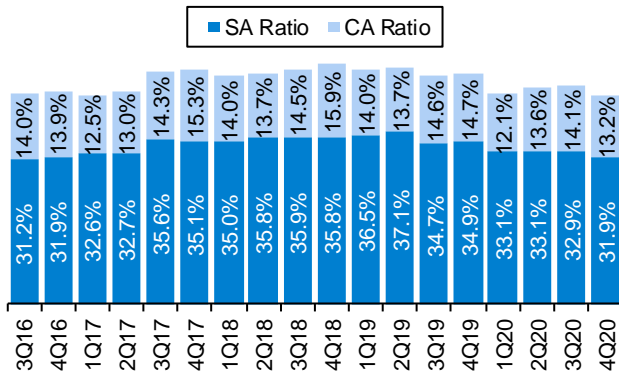
Source: Company, PL

Exhibit 4: Core fees adversely impacted by COVID-19



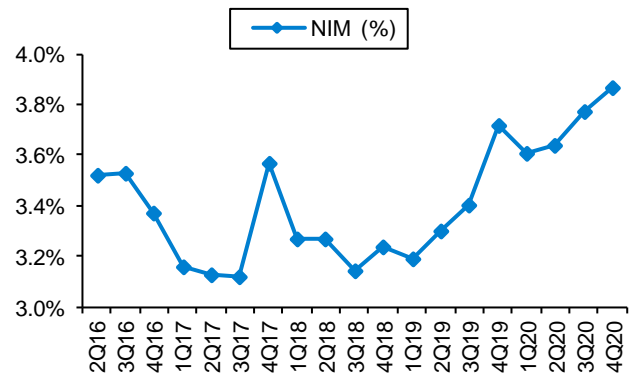
Source: Company, PL

Exhibit 5: CASA continues to come off on strong TDs growth



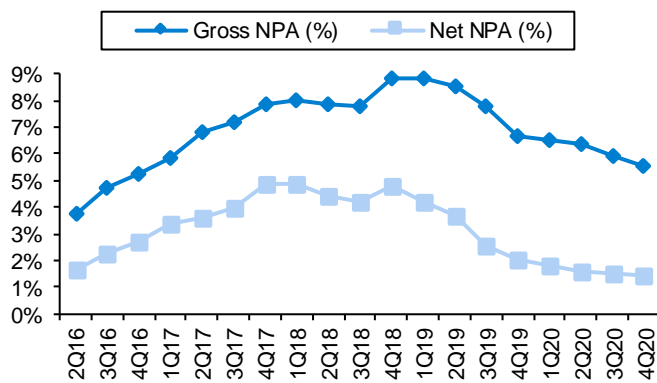
Source: Company, PL

Exhibit 6: NIM inch-up on lower funding costs



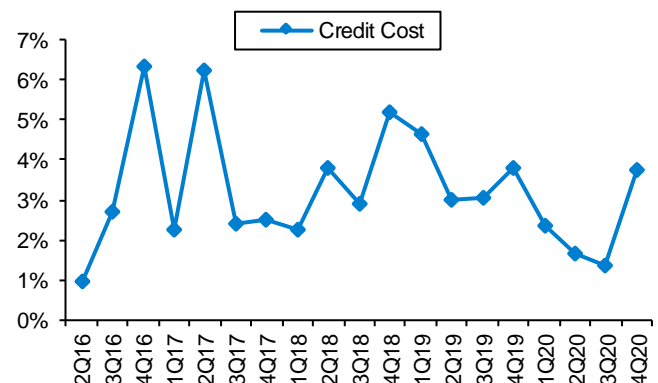
Source: Company, PL

Exhibit 7: NPAs decline despite increased slppages with 18bps positive flow from moratorium and higher w.off



Source: Company, PL

Exhibit 8: Credit cost increase on back of COVID related provision, higher w.off and specific slppages



Source: Company, PL

Exhibit 9: Stressed watchlist has been steady but sees elevated downgrades

Particulars (Rs Million)	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Gross Restructured Loans	3,490	1,510	2,240	1,960	1,800
Non Fund O/s to restructured loans	2,150	910	910		
Non Fund O/s to non-performing loans	42,200	36,270	33,710	39,190	50,630
Other loans under RBI scheme not included above	25,380	18,240			
Non fund O/s to borrowers where S4A has been implemented	15,390	15,750			
Borrowers with o/s >Rs1.0bn	78,000	71,890	85,910	98,720	81,310
Borrowers with o/s <Rs1.0bn	49,410	42,970	38,880	34,160	32,940
Total	175,250	153,550	160,740	174,030	166,680
Movement in BB & Below Book					
Slippage to NPA	18,770	12,680	11,590	24,730	17,260
Upgrades to investment grade & O/s reduction	5,630	16,180	9,800	6,300	12,970
Downgrades from investment grade	8,650	7,160	20,720	26,660	22,880
BB & Below at end of period	175,250	153,550	160,740	174,030	166,680
% of Net Advances	3.0%	2.6%	2.6%	2.7%	2.6%
GNPA %	6.7%	6.5%	6.4%	6.0%	6.0%
NNPA %	2.1%	1.8%	1.6%	1.5%	1.5%
Net Stressed Assets %	5.1%	4.3%	4.2%	4.4%	4.2%

Source: Company, PL

Higher downgrades mainly from Telecom, Power and Construction sector contribute to rise in stressed watchlist book

Overall watch list has fallen to 2.6% of net advances

Exhibit 10: Slippages come in higher but w.off.s also grow commensurately

Asset Quality Break-up	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
Fresh Slippages	43,800	157,370	40,360	31,170	20,910	35,470	27,790	24,820	43,630	53,060
- Retail	7,930		11,200	7,600	10,710	8,230	15,110	13,230	18,900	12,940
- Non retail (corporate/SME)	35,870		29,160	23,570	10,200	27,240	12,680	11,590	24,730	40,120
- Slippage from Restructured	1,970	3,270	820	540	690	-	1,860			
- Slippages below Investment grade	6,140	117,760	3,030	8,280	9,510	18,770	9,770	3,730	7,070	17,260
- In existing NPA on Re depreciation			10,000	13,040	(7200)	-	-	3,490	800	4,680
Recovery & Upgrades	11,080	42,340	20,360	10,060	19,160	15,220	9,310	12,630	40,880	18,830
Write-offs & Sale of NPA	17,220	34,792	25,980	10,870	30,730	73,248	23,766	13,433	24,599	54,677

Source: Company, PL

Exhibit 11: RoE tree decomposition – Return ratios improvement pushed ahead

RoA decomposition	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Net interest income	3.1	3.1	2.9	2.8	2.9	3.2	3.2	3.3
Treasury income	0.6	0.9	1.3	0.9	0.3	0.3	0.3	0.2
Other Inc. from operations	1.4	1.4	1.3	1.2	1.2	1.3	1.1	1.1
Total income	5.0	5.3	5.5	4.9	4.5	4.8	4.6	4.6
Employee expenses	0.8	0.7	0.8	0.7	0.7	0.8	0.8	0.8
Other operating expenses	1.1	1.1	1.2	1.2	1.2	1.3	1.4	1.3
Operating profit	3.2	3.5	3.5	3.0	2.5	2.7	2.4	2.4
Tax	0.6	1.7	2.0	2.2	2.2	1.4	1.1	0.9
Loan loss provisions	0.7	0.4	0.2	0.1	0.0	0.6	0.3	0.4
RoAA	1.8	1.4	1.3	0.7	0.3	0.8	0.9	1.2
RoAE	14.5	11.4	10.3	6.0	2.8	7.1	8.9	11.4

Source: Company, PL

Exhibit 12: Change in earnings estimates – We lower growth & other income, while conservatively increase slippages ratio & credit costs

Rs (mn)	Old		Revised		% change	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Net interest income	3,78,237	4,44,009	3,71,092	4,31,427	(1.9)	(2.8)
Operating profit	3,03,904	3,62,343	2,76,733	3,19,229	(8.9)	(11.9)
Net profit	1,50,127	2,00,472	1,08,916	1,52,463	(27.5)	(23.9)
Loan Growth (%)	12.8	15.1	8.7	11.5	(4.1)	(3.5)
Credit Cost (bps)	130.0	100.0	180.0	140.0	50.0	40.0
EPS, Rs.	23.3	31.1	16.8	23.6	(27.7)	(24.3)
ABVPS, Rs.	167.8	195.3	165.3	185.1	(1.5)	(5.2)
Price target, Rs.	509		436		(14.5)	
Recommendation	BUY		BUY			

Source: Company, PL

Exhibit 13: We revise upwards our TP to Rs436 (from Rs509) based on 1.8x (from 2.0x) Mar-22 ABV and SOTP of Rs110

PT calculation and upside	
Terminal Growth	5.0%
Market-risk Premium	7.2%
Risk-free Rate	6.8%
Adjusted Beta	1.05
Cost of Equity	14.3%
Fair price - P/ABV	326
Target P/ABV	1.8
Target P/E	13.8
Value of subs/other businesses	110
Price target (Rs)	436
Current price, Rs	338
Upside (%)	30%

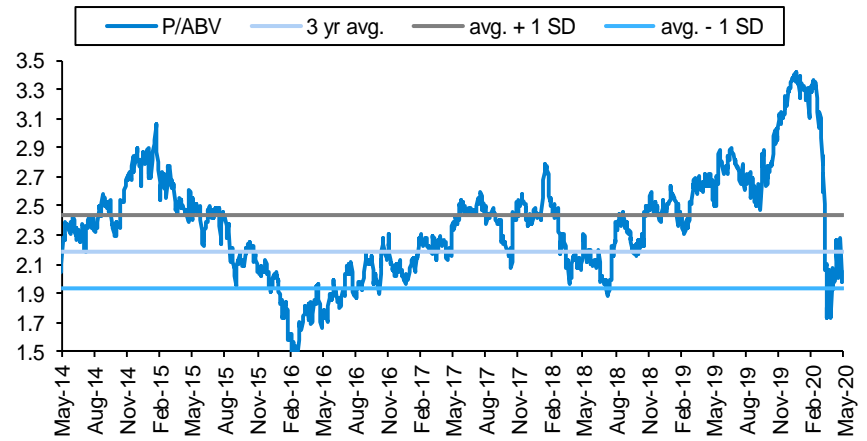
Source: Company, PL

Exhibit 14: We lower multiples across business as COVID hit remains uncertain

Value per share (Rs)	Holding (%)	Multiple	Basis	Mar-FY22E
ICICI Standalone	100	1.8x		326
Subsidiaries / Others				
ICICI Bank UK	100	0.5x	BV	1
ICICI Bank Canada	100	0.5x	BV	1
Life insurance	53	1.8x EV & 15x NBV	IEV	41
General insurance	56		M.Cap	43
Asset management	51	7.0%	AUM	16
Private equity	100	10	PAT	2
Primary dealer	100	10x	PAT	2
Investment banking	79	12x	PAT	1
Home finance	100	1.2x	ABV	2
Total subsidiaries' value				110
% contribution of Subsidiaries				25
Total fair value per share				436

Source: Company, PL

Exhibit 15: ICICIBC One year forward P/ABV trends



Source: Company, PL

Income Statement (Rs. m)

Y/e Mar	FY19	FY20	FY21E	FY22E
Int. Earned from Adv.	4,79,426	5,75,511	6,14,058	6,69,071
Int. Earned from invt.	1,27,969	1,46,732	1,87,878	2,45,489
Others	26,617	25,740	31,037	28,640
Total Interest Income	6,34,012	7,47,983	8,32,973	9,43,200
Interest Expenses	3,63,864	4,15,313	4,61,881	5,11,774
Net Interest Income	2,70,148	3,32,671	3,71,092	4,31,427
<i>Growth(%)</i>	2.7	19.7	6.7	13.8
Non Interest Income	1,45,122	1,64,486	1,59,552	1,72,316
Net Total Income	4,15,270	4,97,157	5,30,643	6,03,743
<i>Growth(%)</i>	7.6	17.1	8.8	12.4
Employee Expenses	68,082	82,712	95,946	1,07,460
Other Expenses	1,05,039	1,25,348	1,44,150	1,65,773
Operating Expenses	1,80,891	2,16,144	2,53,910	2,84,514
Operating Profit	2,34,379	2,81,013	2,76,733	3,19,229
<i>Growth(%)</i>	(5.3)	19.9	(1.5)	15.4
NPA Provision	1,68,112	1,01,822	1,20,798	1,02,934
Total Provisions	2,00,746	1,40,532	1,29,549	1,13,197
PBT	33,633	1,40,480	1,47,184	2,06,031
Tax Provision	4,135	61,172	38,268	53,568
<i>Effective tax rate (%)</i>	12.3	43.5	26.0	26.0
PAT	29,498	79,308	1,08,916	1,52,463
<i>Growth(%)</i>	(51.8)	168.9	37.3	40.0

Balance Sheet (Rs. m)

Y/e Mar	FY19	FY20	FY21E	FY22E
Face value	2	2	2	2
No. of equity shares	6,447	6,474	6,474	6,474
Equity	12,895	12,948	12,948	12,948
Networth	10,83,634	11,65,044	12,73,960	14,10,886
<i>Growth(%)</i>	3.1	7.5	9.3	10.7
Adj. Networth to NNPA's	1,35,774	1,01,139	95,047	1,00,229
Deposits	65,29,197	77,09,690	89,43,240	1,03,74,159
<i>Growth(%)</i>	16.4	18.1	16.0	16.0
CASA Deposits	32,39,403	34,78,180	41,13,891	48,75,855
<i>% of total deposits</i>	49.6	45.1	46.0	47.0
Total Liabilities	96,44,545	1,09,83,652	1,23,22,113	1,39,89,842
Net Advances	58,66,466	64,52,900	69,69,132	77,35,736
<i>Growth(%)</i>	14.5	10.0	8.0	11.0
Investments	20,77,327	24,95,315	33,75,729	42,95,888
Total Assets	96,44,591	1,09,83,652	1,23,22,113	1,39,89,842
<i>Growth (%)</i>	9.7	13.9	12.2	13.5

Asset Quality

Y/e Mar	FY19	FY20	FY21E	FY22E
Gross NPAs (Rs m)	4,56,761	4,14,092	4,28,653	4,36,688
Net NPAs (Rs m)	1,35,774	1,01,139	95,047	1,00,229
<i>Gr. NPAs to Gross Adv.(%)</i>	7.8	6.4	6.2	5.6
<i>Net NPAs to Net Adv. (%)</i>	2.3	1.6	1.4	1.3
<i>NPA Coverage %</i>	70.3	75.6	77.8	77.0

Profitability (%)

Y/e Mar	FY19	FY20	FY21E	FY22E
NIM	3.2	3.5	3.4	3.5
RoAA	0.3	0.8	0.9	1.2
RoAE	2.8	7.1	8.9	11.4
Tier I	15.1	14.7	15.9	16.7
CRAR	16.9	16.1	17.1	17.7

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Interest Income	1,79,801	1,85,653	1,90,643	1,91,887
Interest Expenses	1,02,426	1,05,079	1,05,190	1,02,618
Net Interest Income	77,374	80,574	85,453	89,269
<i>YoY growth (%)</i>	18.8	20.9	11.8	6.1
CEB	30,390	34,780	35,960	35,980
Treasury	-	-	-	-
Non Interest Income	34,254	41,942	45,740	42,550
Total Income	2,14,055	2,27,595	2,36,383	2,34,437
Employee Expenses	19,533	21,413	19,421	22,345
Other expenses	29,211	32,362	36,286	35,573
Operating Expenses	48,744	53,776	55,707	57,918
Operating Profit	62,885	68,741	75,486	73,901
<i>YoY growth (%)</i>	8.3	30.9	22.8	18.6
Core Operating Profits	61,095	65,331	70,176	71,481
NPA Provision	-	-	-	-
Others Provisions	34,957	25,069	20,832	59,674
Total Provisions	34,957	25,069	20,832	59,674
Profit Before Tax	27,927	43,672	54,654	14,227
Tax	8,847	37,123	13,190	2,013
PAT	19,080	6,550	41,465	12,214
<i>YoY growth (%)</i>	(1,696.0)	(27.9)	158.4	26.0
Deposits	66,07,318	69,62,730	71,63,451	77,09,690
<i>YoY growth (%)</i>	20.8	24.6	18.1	18.1
Advances	59,24,154	61,33,587	63,56,543	64,52,900
<i>YoY growth (%)</i>	14.7	12.6	12.6	10.0

Key Ratios

Y/e Mar	FY19	FY20	FY21E	FY22E
CMP (Rs)	338	338	338	338
EPS (Rs)	4.6	12.3	16.8	23.6
Book Value (Rs)	163	175	192	213
Adj. BV (70%)(Rs)	133	149	165	185
P/E (x)	73.7	27.5	20.1	14.3
P/BV (x)	2.1	1.9	1.8	1.6
P/ABV (x)	2.5	2.3	2.0	1.8
DPS (Rs)	1.5	1.0	-	2.4
<i>Dividend Payout Ratio (%)</i>	32.7	8.1	-	10.2
<i>Dividend Yield (%)</i>	0.4	0.3	-	0.7

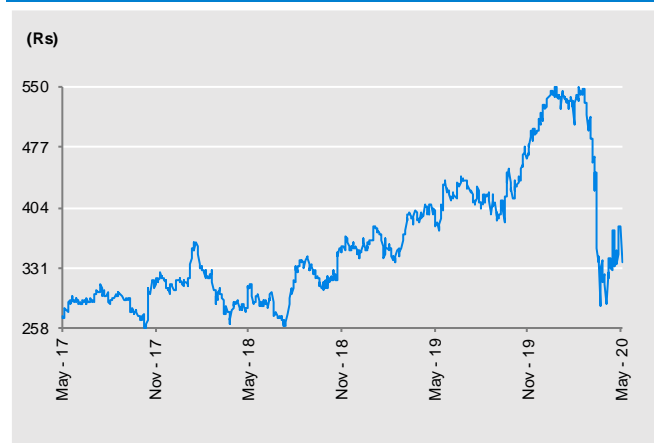
Efficiency

Y/e Mar	FY19	FY20	FY21E	FY22E
<i>Cost-Income Ratio (%)</i>	43.6	43.5	47.8	47.1
<i>C-D Ratio (%)</i>	89.8	83.7	77.9	74.6
Business per Emp. (Rs m)	143	-	-	-
Profit per Emp. (Rs lacs)	3	-	-	-
Business per Branch (Rs m)	2,543	2,660	2,959	3,335
Profit per Branch (Rs m)	6	15	20	28

Du-Pont

Y/e Mar	FY19	FY20	FY21E	FY22E
NII	2.93	3.23	3.18	3.28
Total Income	4.50	4.82	4.55	4.59
Operating Expenses	1.96	2.10	2.18	2.16
PPoP	2.54	2.72	2.37	2.43
Total provisions	2.18	1.36	1.11	0.86
RoAA	0.32	0.77	0.93	1.16
RoAE	2.76	7.05	8.93	11.36

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	14-Apr-20	BUY	509	331
2	25-Jan-20	BUY	612	534
3	03-Jan-20	BUY	605	538
4	04-Dec-19	BUY	605	511
5	26-Oct-19	BUY	541	469
6	03-Oct-19	BUY	518	427
7	27-Jul-19	BUY	484	416
8	04-Jul-19	BUY	475	436

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Axis Bank	Hold	475	455
2	Bandhan Bank	Subscribe	-	-
3	Bank of Baroda	BUY	83	50
4	Federal Bank	BUY	73	41
5	HDFC	BUY	1,406	1,278
6	HDFC Bank	BUY	1,105	910
7	HDFC Life Insurance Company	Hold	454	485
8	ICICI Bank	BUY	509	331
9	ICICI Prudential Life Insurance Company	Accumulate	385	385
10	IDFC First Bank	Accumulate	25	22
11	IndusInd Bank	BUY	720	407
12	Kotak Mahindra Bank	Accumulate	1,405	1,251
13	Max Financial Services	BUY	610	484
14	Punjab National Bank	BUY	40	31
15	SBI Life Insurance Company	BUY	880	714
16	South Indian Bank	BUY	11	6
17	State Bank of India	BUY	317	184

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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