

November 1, 2020

Q2FY21 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY22E	FY23E	FY22E	FY23E
Rating	BUY		BUY	
Target Price	520		462	
NII (Rs. m)	4,38,180	5,09,658	4,44,865	5,16,192
% Chng.	(1.5)	(1.3)		
Op. Profit (Rs. m)	3,81,374	4,30,101	3,72,083	4,25,180
% Chng.	2.5	1.2		
EPS (Rs.)	26.9	32.8	26.9	33.6
% Chng.	(0.3)	(2.3)		

Key Financials - Standalone

Y/e Mar	FY20	FY21E	FY22E	FY23E
NII (Rs bn)	333	381	438	510
Op. Profit (Rs bn)	281	351	381	430
PAT (Rs bn)	79	146	185	226
EPS (Rs.)	12.3	21.9	26.9	32.8
Gr. (%)	135.0	78.0	22.9	22.1
DPS (Rs.)	1.0	-	2.6	3.2
Yield (%)	0.3	-	0.7	0.8
NIM (%)	3.5	3.5	3.5	3.6
RoAE (%)	7.1	11.1	12.0	13.1
RoAA (%)	0.8	1.2	1.4	1.5
P/BV (x)	2.2	1.9	1.7	1.5
P/ABV (x)	2.6	2.2	1.9	1.7
PE (x)	32.0	18.0	14.6	12.0
CAR (%)	16.1	17.6	18.5	19.2

Key Data

ICBK.BO | ICICIBC IN

52-W High / Low	Rs.552 / Rs.268
Sensex / Nifty	39,614 / 11,642
Market Cap	Rs.2,708bn/ \$ 36,536m
Shares Outstanding	6,897m
3M Avg. Daily Value	Rs.25020.16m

Shareholding Pattern (%)

Promoter's	-
Foreign	45.66
Domestic Institution	43.73
Public & Others	10.61
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	10.7	3.3	(16.7)
Relative	6.4	(12.1)	(15.8)

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Strong PPOP resilience; risk reward attractive

Quick Pointers:

- Collections normalized to 97% levels; comforting on restructuring & provisions
- Slippages of Rs30bn was on higher mainly from Rs12bn slippages from NFB BB book in existing NPA; bank expects slippages to peak in H2FY21.

ICICIBC's PAT of Rs42.5bn saw a strong boost versus expectations (PLe: Rs24.9bn) on lowering provisioning as bank feels it is at quite comfortable levels to absorb hits and see a normalized credit cost by FY22. Overall operations were steady & in-line. Collections efficiency is improving to near to pre-COVID, while overdue loans is still 3-4% higher than pre-COVID and should improve ahead. On restructuring bank is seeing a very low outcome with corporate restricted to <1% of loans and retail under control. We have maintained that with its strong franchise, high capital level, fully covered on legacy asset quality with high PCR unlike last cycle and lower hits from COVID as anticipated earlier aids to our conviction. We retain BUY with revised TP of Rs520 (from Rs462) based on 1.8x Sep FY22 ABV largely on rollover from Mar-22 and incorporating capital raising.

- **A steadier operating performance:** ICICIBC delivered a steady but strong core PPOP with growth of 19% YoY as NII grew by 16% YoY, recovery in fees by 49% QoQ and lower opex (although non-staff opex recovers QoQ). NIMs although were down 12bps QoQ as higher liquidity deployment happen in lower yielding assets. Bank is comfortable to carry higher liquidity to take opportunity of recovery on asset side. Fees income has started recovering but still lower pre-COVID and similar trend has been on opex which is still low but should recover as business recovers.
- **Asset quality improves; restructuring to be lower; normalizing collection:** GNPA/NNPA on Pro-forma basis was down by 10-11bps with improved PCR to 79%. Slippages were on higher side at Rs30bn with ~Rs12bn from BB & below rated stress book and Rs17bn from retail and due to SC order another Rs14bn could not be classified but has done provision of Rs5.0bn. Bank has an adequate Rs88bn or 133bps of COVID provisions and 233bps incl. various provision buffers which should provide comfort. Bank indicated initial restructuring proposals of Rs21.0bn in corporate has come in but will feels will remain <1% of loans, while retail restructuring is not that much clear but bank will provide on same as it comes. Collections are normalizing to pre-COVID levels and was at 97% in Sep'20. The overdue loans in retail/card were 4% higher than pre-COVID, rural 1% higher, SME/BB similar to pre-COVID and 3% higher in corporate loans.
- **Asset growth improvement recovery but still lower than pre-COVID:** Loan grew by 6% with domestic loans growing by 10% YoY. Retail grew by 13% YoY/6% QoQ led by home loans, Biz banking, rural agri, while recovering spends in credit cards but is still 85% of pre-COVID levels. Bank also seen strong growth in its SME business. **On liabilities**, average CASA was up 12% YoY with slight decline in ratio to 40.3% from 41%, as focus is to improve retail term deposit which grew by 26% YoY and move to stable funding source.

Exhibit 1: Steady operations & lower Provisioning help boost earnings

NII grew at 16% YoY supported by lowering cost of funds

Other income de-growth slowed and improved sequentially and also includes stake sale income of ~Rs3bn

Provisions include Rs 5bn COVID-19 provision on non-recognized NPA on SC standstill

Advances growth led by retail, while Deposits growth remains strong.

Margins adversely affected by higher liquidity maintained

Asset quality improved supported by elevated PCR and standstill

CASA mix has come off on being outpaced by growth in Term deposits, though improved sequentially

Bank's Tier-I boosted by Capital raise, stands strong at 17%

P & L (Rs mn)	Q2FY21	Q2FY20	YoY gr. (%)	Q1FY21	QoQ gr. (%)
Interest income	1,96,225	1,85,653	5.7	1,99,244	(1.5)
Interest expense	1,02,564	1,05,079	(2.4)	1,06,446	(3.6)
Net interest income (NII)	93,661	80,574	16.2	92,798	0.9
- Treasury income	5,420	3,410	58.9	37,630	(85.6)
Other income	40,283	41,942	(4.0)	61,426	(34.4)
Total income	1,33,944	1,22,517	9.3	1,54,224	(13.1)
Operating expenses	51,333	53,776	(4.5)	46,459	10.5
-Staff expenses	19,673	21,413	(8.1)	21,661	(9.2)
-Other expenses	31,660	32,362	(2.2)	24,798	27.7
Operating profit	82,611	68,741	20.2	1,07,765	(23.3)
Core operating profit	77,191	65,331	18.2	70,135	10.1
Total provisions	29,953	25,069	19.5	75,940	(60.6)
Profit before tax	52,658	43,672	20.6	31,825	65.5
Tax	10,145	37,123	(72.7)	5,834	73.9
Profit after tax	42,513	6,550	549.1	25,992	63.6
Balance Sheet (Rs m)					
Deposits	83,29,356	69,62,730	19.6	80,16,223	3.9
Advances	65,26,080	61,33,587	6.4	63,12,146	3.4
Profitability ratios					
NIM	3.6	3.6	(7)	3.7	(12)
RoAA	1.5	0.3	123	1.0	55
RoAE	13.2	2.4	1,080	8.9	430
Asset Quality					
Gross NPA (Rs m)	3,89,892	4,56,388	(14.6)	4,03,862	(3.5)
Net NPA (Rs m)	71,875	1,09,164	(34.2)	86,747	(17.1)
Gross NPL ratio	5.2	6.4	(120)	5.5	(29)
Net NPL ratio	1.0	1.6	(60)	1.2	(23)
Coverage ratio (calc.)	81.6	76.1	548	78.5	304
Business & Other Ratios					
CASA mix	43.8	46.7	(290)	42.5	130
CASA mix - Average	40.3	42.2	(190)	41.0	(70)
Cost-income ratio	38.3	43.9	(557)	30.1	820
Non int. inc / total income	30.1	34.2	(416)	39.8	(975)
Credit deposit ratio	78.4	88.1	(974)	78.7	(39)
CAR	18.5	16.1	233	16.0	247
Tier-I	17.0	14.6	240	14.6	241

Source: Company, PL

Key Q2FY21 Concall Highlights

Business growth and outlook

- **Liabilities:** The growth in term deposits continues to outpace CASA growth. Bank re-iterates that granularized CASA deposits remains a focus area.
- **Advances:**
 - Growth in Overall book remains **supported by Retail** book growth which in turn has been well supported mainly from Unsecured book. Bank sees potential for risk calibrated growth going ahead.
 - International portfolio was down 32% YoY, while as articulated strategy non-India linked exposures were down by 48% YoY/20% QoQ.
 - Overall **Disbursements** have improved with substantial MoM increase across retail products. For Mortgage book, it crossed pre-Covid levels and reached an all-time monthly high in Sept'20. Auto loan also improved QoQ, reaching pre-Covid levels. Across the rural portfolio it crossed pre-Covid levels in the Aug'20 and Sept'20 supported well by Gold loans. For personal loans it grew QoQ, yet continued to remain below pre-Covid levels and Credit card spends recovered to ~85% of pre-Covid levels in led by increased spends in categories such as health & wellness, electronics, and e-commerce. Under ECL, Bank has sanctioned Rs160bn to ~187,000 borrowers and Rs106bn has been disbursed.

Margins/Fees

- NIM were affected by higher liquidity with the Bank. Normalization is expected going ahead as liquidity is deployed, though interest reversals from higher slippages would offset the gains
- Lower business volumes, admin expenses and infra expenses though partly offset by IT-expenses led to lower other expenses

Asset Quality

- Restructuring requests received by the Bank came from a mix of client segments including one large corporate, mid-corporations and retail with aggregate amount involved coming to Rs21bn. Expectation is corporate loans under resolutions will be <1% of total loan portfolio of the bank.
- Pro-forma GNPA/NNPA were higher by 19bps/12bps. Bank has provided Rs5bn for the loans amounting to Rs14bn that weren't classified as NPA. Credit costs for the Bank are expected to normalize by FY22.
- Slippages were higher at Rs30bn o/w ~Rs12.0bn were from NFB devolvement in existing NPA, while BB & Below book fell to Rs162bn and is at 2.5% of loans.
- Collection efficiency has reached 97% of pre-Covid levels. Overdue for Retail and Credit card book were 4% higher than pre-Covid levels (expected to moderate as collection trends pickup), 1% higher for the Rural book, <3% higher for the Corporate book and for the SME & BB book it has reached pre-Covid levels

Exhibit 2: Loan split and growth trends

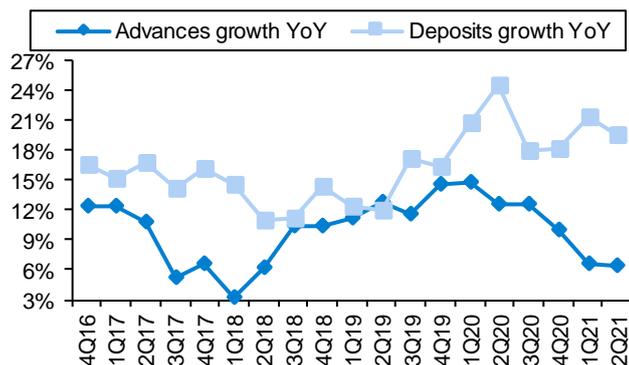
Loan Book Details	Q2FY21	Q2FY20	YoY gr. (%)	Q1FY21	QoQ gr. (%)
Total Loan Book	65,26,080	61,33,587	6.4	63,12,146	3.4
Domestic Loan book	61,02,790	55,33,237	10.3	58,41,876	4.5
Retail Loan book	42,95,810	38,09,660	12.8	40,45,760	6.2
Domestic Corporate book	15,73,570	15,32,940	2.7	15,87,540	(0.9)
SME	2,33,410	1,90,640	22.4	2,08,570	11.9
International Loan book	4,23,290	6,00,350	(29.5)	4,70,270	(10.0)
Retail Loan book break-up					
Home Loans	21,17,340	19,07,760	11.0	20,11,110	5.3
Vehicle loans	5,97,870	5,69,120	5.1	5,75,320	3.9
Personal Loans & CC	6,00,020	5,24,520	14.4	5,87,090	2.2
Business Banking	3,11,480	2,27,430	37.0	2,58,720	20.4
Rural	6,16,260	5,19,200	18.7	5,71,770	7.8
Composition of Loan Book					
Domestic Loan book	94%	90%	330	93%	96
Retail Loan book	70%	69%	154	69%	114
Domestic Corporate book	26%	28%	(192)	27%	(139)
SME	4%	3%	38	4%	25
International Loan book	6%	10%	(330)	7%	(96)
Retail Loan book break-up					
Home Loans	49%	50%	(79)	50%	(42)
Vehicle loans	14%	15%	(102)	14%	(30)
Personal Loans & CC	14%	14%	20	15%	(54)
Business Banking	7%	6%	128	6%	86
Rural	14%	14%	72	14%	21

Source: Company, PL

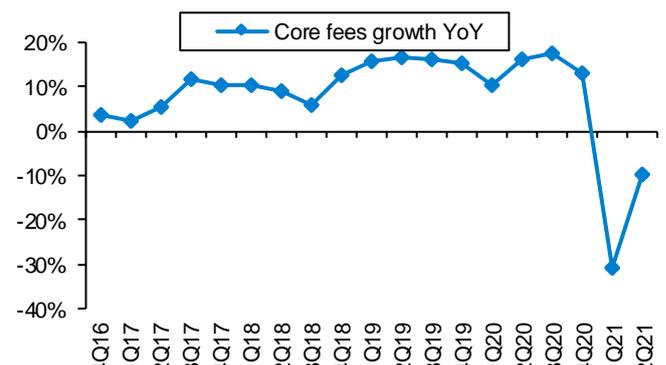
Domestic loans grew supported by strong growth in retail book; while de-growth in overseas book continues

Unsecured retail book growth remains strong; Home loan portfolio saw growth at 11% YoY and Biz Banking book continues to benefit from a lower base

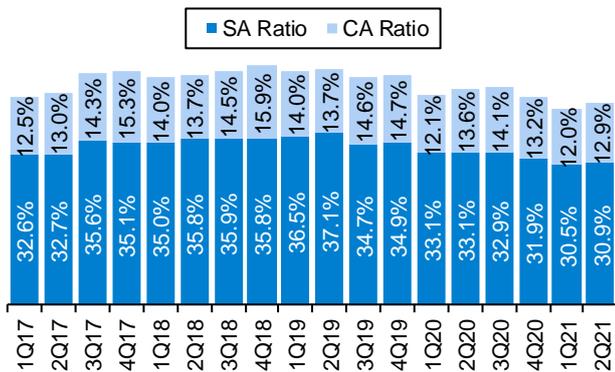
Retail loans continues to improve its share

Exhibit 3: Deposit growth strong, Loan growth steady


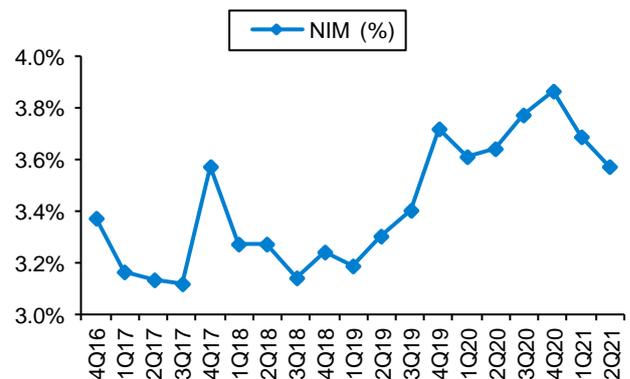
Source: Company, PL

Exhibit 4: Core fees still recovering


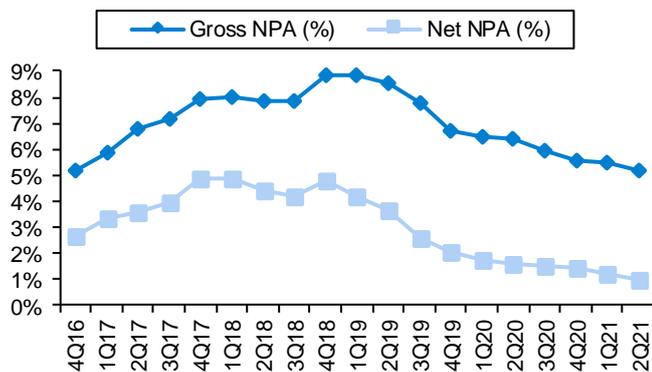
Source: Company, PL

Exhibit 5: CASA has been coming off as rates have been dropping


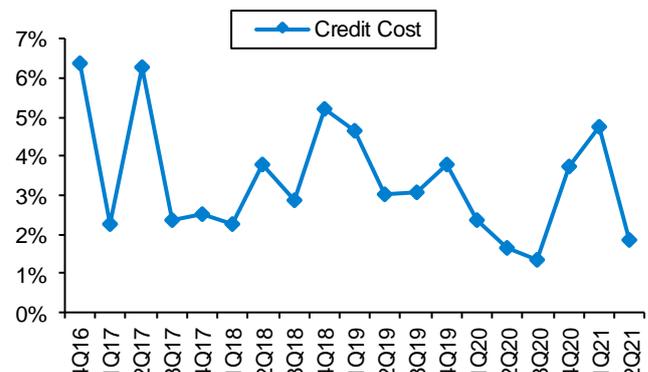
Source: Company, PL

Exhibit 6: NIMs have been impacted by high liquidity maintained


Source: Company, PL

Exhibit 7: NPA Ratios continue to improve


Source: Company, PL

Exhibit 8: Credit cost moving towards normalized levels


Source: Company, PL

Exhibit 9: Stress has been lowering but BB & below book has remain range bound

Particulars (Rs Million)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Gross Restructured Loans	1,510	2,240	1,960	1,800	1,680	2,080
Non Fund O/s to restructured loans	910	910	910			
Non Fund O/s to non-performing loans	36,270	33,710	39,190	50,630	48,290	42,380
Other loans under RBI scheme not included above	18,240					
Non fund O/s to borrowers where S4A has been implemented	15,750					
Borrowers with o/s >Rs1.0bn	71,890	85,910	98,720	81,310	85,290	83,050
Borrowers with o/s <Rs1.0bn	42,970	38,880	34,160	32,940	35,840	36,410
Total	153,550	160,740	174,030	166,680	171,100	161,670
Movement in BB & Below Book						
Slippage to NPA	12,680	11,590	24,730	17,260	1,710	12,120
Upgrades to investment grade & O/s reduction	16,180	9,800	6,300	12,970	8,600	14,290
Downgrades from investment grade	7,160	20,720	26,660	22,880	14,730	16,980
BB & Below at end of period	153,550	160,740	174,030	166,680	171,100	161,670
% of Net Advances	2.6%	2.6%	2.7%	2.6%	2.7%	2.5%
GNPA %	6.5%	6.4%	6.0%	6.0%	5.5%	5.2%
NNPA %	1.8%	1.6%	1.5%	1.5%	1.2%	1.0%
Net Stressed Assets %	4.3%	4.2%	4.4%	4.2%	4.1%	3.6%

Source: Company, PL

Exhibit 10: Slippages slightly on higher side but from known stress book in corporate; retail is mostly Agri

Asset Quality Break-up	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Fresh Slippages	157,370	40,360	31,170	20,910	35,470	27,790	24,820	43,630	53,060	11,600	30,170
- Retail		11,200	7,600	10,710	8,230	15,110	13,230	18,900	12,940	6,020	17,490
- Non retail (corporate/SME)		29,160	23,570	10,200	27,240	12,680	11,590	24,730	40,120	5,580	12,680
- Slippage from Restructured	3,270	820	540	690	-	1,860					
- Slippages below Investment grade	117,760	3,030	8,280	9,510	18,770	9,770	3,730	7,070	17,260	1,710	12,120
- In existing NPA on Re depreciation		10,000	13,040	(7200)	-	-	3,490	800	4,680		
Recovery & Upgrades	42,340	20,360	10,060	19,160	15,220	9,310	12,630	40,880	18,830	7,570	19,450
Write-offs & Sale of NPA	34,792	25,980	10,870	30,730	73,248	23,766	13,433	24,599	54,677	14,259	24,691

Source: Company, PL

Exhibit 11: Steady operations and normalized provisioning will lead improvement in return ratios

RoA decomposition	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Net interest income	3.1	2.9	2.8	2.9	3.2	3.2	3.3	3.4
Treasury income	0.9	1.3	0.9	0.3	0.3	0.6	0.3	0.3
Other Inc. from operations	1.4	1.3	1.2	1.2	1.3	1.0	1.1	1.1
Total income	5.3	5.5	4.9	4.5	4.8	4.8	4.7	4.7
Employee expenses	0.7	0.8	0.7	0.7	0.8	0.7	0.7	0.7
Other operating expenses	1.1	1.2	1.2	1.2	1.3	1.1	1.1	1.1
Operating profit	3.5	3.5	3.0	2.5	2.7	3.0	2.8	2.8
Tax	1.7	2.0	2.1	2.1	1.4	1.4	1.0	0.9
Loan loss provisions	0.4	0.2	0.1	0.0	0.6	0.4	0.4	0.5
RoAA	1.4	1.3	0.8	0.4	0.8	1.2	1.4	1.5
RoAE	11.4	10.3	6.6	3.2	7.1	11.1	12.0	13.1

Source: Company, PL

Exhibit 12: Change in earnings estimates – We adjust margins, increase fees and lower provisions (for FY21). We also incorporate concluded capital raising

(Rs mn)	Old			Revised			% Change		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Net interest income	387,019	444,865	516,192	381,348	438,180	509,658	(1.5)	(1.5)	(1.3)
Operating profit	339,204	372,083	425,180	351,278	381,374	430,101	3.6	2.5	1.2
Net profit	125,400	174,340	217,449	146,110	185,252	226,263	16.5	6.3	4.1
Loan Growth (%)	8.5	12.3	14.0	9.3	12.5	14.1	0.8	0.2	0.0
Credit Cost (bps)	150.0	160.0	130.0	130.0	160.0	130.0	(20.0)	-	-
EPS (Rs)	19.4	26.9	33.6	21.9	26.9	32.8	12.8	(0.3)	(2.3)
ABVPS (Rs)	168.4	191.0	220.1	182.1	204.9	234.0	8.1	7.3	6.3
Price target (Rs)	462			520			12.4		
Recommendation	BUY			BUY					

Source: Company Data, PL

Exhibit 13: We revise upwards our TP to Rs520 (from Rs462) based on 1.8x Sep-22 ABV and SOTP of Rs118 mainly on rollover and capital raise

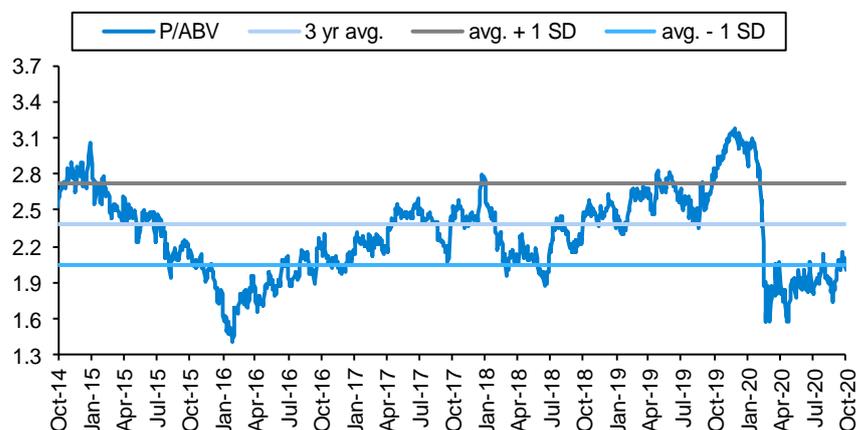
PT calculation and upside	
Terminal Growth	5.0%
Market-risk Premium	7.2%
Risk-free Rate	6.5%
Adjusted Beta	1.05
Cost of Equity	14.0%
Fair price - P/ABV	402
Target P/ABV	1.8
Target P/E	13.5
Value of subs/other businesses	118
Price target (Rs)	520
Current price, Rs	393
Upside (%)	32%

Source: Company, PL

Exhibit 14: Bank continues to drive valuation for consolidated entity

Value per share (Rs)	Holding (%)	Multiple	Basis	Sep-FY22E
ICICI Standalone		1.8x		402
Subsidiaries / Others				
ICICI Bank UK	100	0.5x	BV	1
ICICI Bank Canada	100	0.5x	BV	1
Life insurance	51	1.9x EV & 15x NBV	IEV	45
General insurance	52		M.Cap	41
Asset management	51	7.0%	AUM	22
Private equity	100	10	PAT	2
Primary dealer	100	10x	PAT	2
Broking & IB	77	15x	PAT	2
Home finance	100	1.2x	ABV	2
Total subsidiaries' value				118
% contribution of Subsidiaries				23
Total fair value per share				520

Source: Company, PL

Exhibit 15: ICICIBC One year forward P/ABV trends


Source: Company, PL

Income Statement (Rs. m)

Y/e Mar	FY20	FY21E	FY22E	FY23E
Int. Earned from Adv.	5,75,511	5,78,573	6,44,916	7,33,335
Int. Earned from invt.	1,46,732	1,73,037	2,35,251	2,96,155
Others	25,740	46,337	34,001	27,067
Total Interest Income	7,47,983	7,97,948	9,14,169	10,56,556
Interest Expenses	4,15,313	4,16,600	4,75,989	5,46,898
Net Interest Income	3,32,671	3,81,348	4,38,180	5,09,658
<i>Growth(%)</i>	23.1	14.6	14.9	16.3
Non Interest Income	1,64,486	1,84,225	1,89,751	2,03,034
Net Total Income	4,97,157	5,65,573	6,27,931	7,12,692
<i>Growth(%)</i>	17.1	7.6	12.4	14.1
Employee Expenses	82,712	83,540	95,235	1,09,520
Other Expenses	1,23,946	1,20,228	1,39,464	1,60,384
Operating Expenses	2,16,144	2,14,295	2,46,557	2,82,592
Operating Profit	2,81,013	3,51,278	3,81,374	4,30,101
<i>Growth(%)</i>	19.9	25.0	8.6	12.8
NPA Provision	88,144	87,663	1,19,291	1,09,579
Total Provisions	1,40,532	1,61,524	1,37,622	1,32,386
PBT	1,40,480	1,89,753	2,43,752	2,97,715
Tax Provision	61,172	43,643	58,501	71,452
<i>Effective tax rate (%)</i>	43.5	23.0	24.0	24.0
PAT	79,308	1,46,110	1,85,252	2,26,263
<i>Growth(%)</i>	135.8	84.2	26.8	22.1

Balance Sheet (Rs. m)

Y/e Mar	FY20	FY21E	FY22E	FY23E
Face value	2	2	2	2
No. of equity shares	6,474	6,897	6,897	6,897
Equity	12,948	13,795	13,795	13,795
Networth	11,65,009	14,63,816	16,31,135	18,35,327
<i>Growth(%)</i>	7.5	25.6	11.4	12.5
Adj. Networth to NNPA's	99,233	1,06,199	1,14,203	1,12,143
Deposits	77,09,690	90,20,337	1,03,73,388	1,20,33,130
<i>Growth(%)</i>	18.1	17.0	15.0	16.0
CASA Deposits	34,78,185	40,32,091	46,99,145	55,71,339
<i>% of total deposits</i>	45.1	44.7	45.3	46.3
Total Liabilities	1,09,83,617	1,25,52,975	1,42,20,702	1,61,55,765
Net Advances	64,52,900	70,33,661	78,77,700	89,80,578
<i>Growth(%)</i>	10.0	9.0	12.0	14.0
Investments	24,95,315	31,68,454	42,97,960	49,86,961
Total Assets	1,09,83,651	1,25,52,975	1,42,20,702	1,61,55,765
<i>Growth (%)</i>	13.9	14.3	13.3	13.6

Asset Quality

Y/e Mar	FY20	FY21E	FY22E	FY23E
Gross NPAs (Rs m)	4,08,291	3,94,749	4,21,051	4,21,173
Net NPAs (Rs m)	99,233	1,06,199	1,14,203	1,12,143
<i>Gr. NPAs to Gross Adv.(%)</i>	6.3	5.6	5.3	4.7
<i>Net NPAs to Net Adv. (%)</i>	1.5	1.5	1.4	1.2
<i>NPA Coverage %</i>	75.7	73.1	72.9	73.4

Profitability (%)

Y/e Mar	FY20	FY21E	FY22E	FY23E
NIM	3.5	3.5	3.5	3.6
RoAA	0.8	1.2	1.4	1.5
RoAE	7.1	11.1	12.0	13.1
Tier I	14.7	16.3	17.4	18.2
CRAR	16.1	17.6	18.5	19.2

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Interest Income	1,90,643	1,91,887	1,99,244	1,96,225
Interest Expenses	1,05,190	1,02,618	1,06,446	1,02,564
Net Interest Income	85,453	89,269	92,798	93,661
<i>YoY growth (%)</i>	24.3	17.1	19.9	16.2
CEB	35,960	35,980	21,040	31,390
Treasury	-	-	-	-
Non Interest Income	45,740	42,550	61,426	40,283
Total Income	2,36,383	2,34,437	2,60,670	2,36,508
Employee Expenses	19,421	22,345	21,661	19,673
Other expenses	36,286	35,573	24,798	31,660
Operating Expenses	55,707	57,918	46,459	51,333
Operating Profit	75,486	73,901	1,07,765	82,611
<i>YoY growth (%)</i>	22.8	18.6	71.4	20.2
Core Operating Profits	70,176	71,481	70,135	77,191
NPA Provision	-	-	-	-
Others Provisions	20,832	59,674	75,940	29,953
Total Provisions	20,832	59,674	75,940	29,953
Profit Before Tax	54,654	14,227	31,825	52,658
Tax	13,190	2,013	5,834	10,145
PAT	41,465	12,214	25,992	42,513
<i>YoY growth (%)</i>	158.4	26.0	36.2	549.1
Deposits	71,63,451	77,09,690	80,16,223	83,29,356
<i>YoY growth (%)</i>	18.1	18.1	21.3	19.6
Advances	63,56,543	64,52,900	63,12,146	65,26,080
<i>YoY growth (%)</i>	12.6	10.0	6.5	6.4

Key Ratios

Y/e Mar	FY20	FY21E	FY22E	FY23E
CMP (Rs)	393	393	393	393
EPS (Rs)	12.3	21.9	26.9	32.8
Book Value (Rs)	175	208	232	262
Adj. BV (70%)(Rs)	149	182	205	234
P/E (x)	32.0	18.0	14.6	12.0
P/BV (x)	2.2	1.9	1.7	1.5
P/ABV (x)	2.6	2.2	1.9	1.7
DPS (Rs)	1.0	-	2.6	3.2
<i>Dividend Payout Ratio (%)</i>	8.1	-	9.7	9.8
<i>Dividend Yield (%)</i>	0.3	-	0.7	0.8

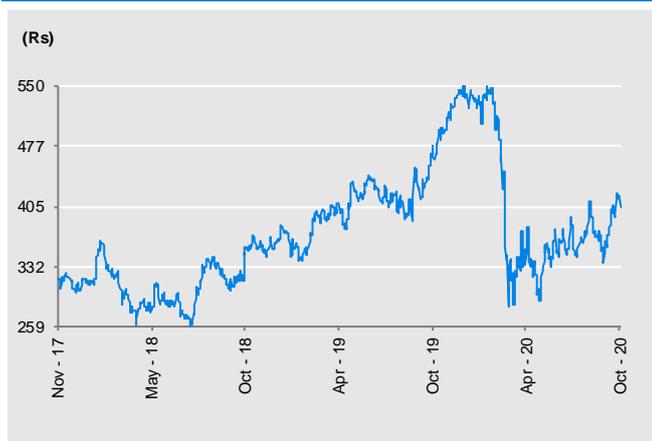
Efficiency

Y/e Mar	FY20	FY21E	FY22E	FY23E
<i>Cost-Income Ratio (%)</i>	43.5	37.9	39.3	39.7
<i>C-D Ratio (%)</i>	83.7	78.0	75.9	74.6
Business per Emp. (Rs m)	143	160	180	205
Profit per Emp. (Rs lacs)	8	15	18	22
Business per Branch (Rs m)	2,660	2,986	3,361	3,831
Profit per Branch (Rs m)	15	27	34	41

Du-Pont

Y/e Mar	FY20	FY21E	FY22E	FY23E
NII	3.23	3.24	3.27	3.36
Total Income	4.82	4.81	4.69	4.69
Operating Expenses	2.10	1.82	1.84	1.86
PPoP	2.72	2.98	2.85	2.83
Total provisions	1.36	1.37	1.03	0.87
RoAA	0.77	1.24	1.38	1.49
RoAE	7.05	11.12	11.97	13.05

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Oct-20	BUY	462	402
2	26-Jul-20	BUY	462	383
3	08-Jul-20	BUY	436	369
4	10-May-20	BUY	436	338
5	14-Apr-20	BUY	509	331
6	25-Jan-20	BUY	612	534
7	03-Jan-20	BUY	605	538
8	04-Dec-19	BUY	605	511

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Axis Bank	Accumulate	570	505
2	Bank of Baroda	BUY	65	44
3	Federal Bank	BUY	69	52
4	HDFC Bank	BUY	1,385	1,203
5	HDFC Life Insurance Company	Reduce	533	571
6	ICICI Bank	BUY	462	402
7	ICICI Prudential Life Insurance Company	Hold	438	412
8	IDFC First Bank	Sell	21	32
9	IndusInd Bank	BUY	720	586
10	Kotak Mahindra Bank	Accumulate	1,503	1,417
11	Max Financial Services	Accumulate	651	610
12	Punjab National Bank	BUY	40	29
13	SBI Life Insurance Company	BUY	920	779
14	South Indian Bank	BUY	10	7
15	State Bank of India	BUY	276	198

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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