

Estimate change 

 TP change 

 Rating change 

| | |
|-----------------------|-------------|
| Bloomberg | ICICIBC IN |
| Equity Shares (m) | 6,944 |
| M.Cap.(INRb)/(USDb) | 5190 / 67.9 |
| 52-Week Range (INR) | 860 / 547 |
| 1, 6, 12 Rel. Per (%) | 5/4/10 |
| 12M Avg Val (INR M) | 11144 |

Financials & Valuations (INR b)

| Y/E March | FY22 | FY23E | FY24E |
|-------------------|-------|-------|-------|
| NII | 474.7 | 564.2 | 674.7 |
| OP | 392.5 | 463.0 | 555.0 |
| NP | 233.4 | 282.4 | 340.9 |
| NIM (%) | 4.0 | 4.1 | 4.2 |
| EPS (INR) | 33.7 | 40.6 | 49.1 |
| EPS Gr (%) | 39.2 | 20.7 | 20.7 |
| ABV/Sh (INR) | 222.6 | 261.7 | 308.0 |
| Cons. BV/Sh (INR) | 262.9 | 306.4 | 358.9 |

Ratios

| | | | |
|---------|------|------|------|
| RoE (%) | 15.0 | 15.6 | 16.3 |
| RoA (%) | 1.8 | 1.9 | 1.9 |

Valuations

| | | | |
|-----------------|------|------|------|
| P/BV (x) (Cons) | 2.8 | 2.4 | 2.1 |
| P/ABV (x) | 2.6 | 2.2 | 1.9 |
| P/E (x) | 17.0 | 14.1 | 11.7 |

*Adjusted for Investment in subsidiaries

Shareholding pattern (%)

| As On | Mar-22 | Dec-21 | Mar-21 |
|----------|--------|--------|--------|
| Promoter | 0.0 | 0.0 | 0.0 |
| DII | 36.3 | 35.2 | 33.2 |
| FII | 54.6 | 56.2 | 58.9 |
| Others | 9.1 | 8.6 | 7.9 |

FII Includes depository receipts

CMP: INR747
TP: INR1,050 (+40%)
Buy

Raising the bar!

Robust margin performance; credit cost undershoots sharply

- ICICIBC reported an all-round improvement in operating performance, with core PPOP up 21% YoY (excluding dividends), margin improving by 4bp QoQ to 4%, and robust asset quality driving a sharp decline in credit cost, even as the bank increased its contingent provision buffer by INR10.25b. The bank reported a RoA/RoE of 2.1%/17% in 4QFY22.
- Business growth continues to gain traction, with a jump of 17% YoY and 6% QoQ, led by Retail, SME, and Business Banking. RoE crossed the 15% mark in 3Q and 4QFY22 saw a further rise (~170bp). While the stock has done well on a relative basis, current valuations leave ample scope for a re-rating. The stock is well-positioned to undergo a swift re-rating over FY23, generating strong returns for the investors, as ICICIBC continues with its journey to deliver solid return ratios and growth.
- We expect the bank to deliver a RoA/RoE of 1.9%/16.3% in FY24. **ICICIBC remains our top pick in the sector.**

Robust all round performance; core PPOP grew 21% YoY (excluding dividend income)

- PAT rose 9% above our estimate to INR70.2b (+59% YoY), aided by healthy NII growth, strong fee income, and controlled provisions. It reported an annualized RoA/RoE of 2.1%/17.1% in 4QFY22.
- NII growth stood at 21% YoY, aided by 4bp QoQ NIM expansion to 4% and healthy loan growth.
- Other income rose 15% YoY to INR47.4b, but fell QoQ by 5%. Fee income grew 14% YoY to INR43.7b. Retail, SME, and Business Banking contributed 77% to total fees. The bank reported treasury gains of INR1.29b (INR0.88b in 3QFY22). The sequential decline in other income was due to lower dividend income from its subsidiaries.
- PPOP rose 21% YoY, while core PPOP grew 19% (21% excluding dividend income). NII/core PPOP/PAT shot up 22%/22%/44% YoY in FY22.
- On the business front, advances grew 17% YoY and 6% QoQ, led by a 17%/20% YoY growth in Domestic/Retail loans (excluding Agri). Among segments – Credit Card spends rose 1.8x YoY, led by higher activation levels and strong traction in the co-branded card with Amazon. The Business Banking/SME portfolio rose 43%/34% YoY. The Corporate book grew 9% YoY, led by disbursements to higher-rated entities. Within Retail, growth in Mortgages was consistent at 20% YoY. The Unsecured portfolio saw a strong traction and posted healthy growth with Personal loans/Credit Card growing 27%/45% YoY and 10% QoQ each.
- On the liability front, deposits grew 14% YoY and 5% QoQ, led by CASA growth of 20% YoY. Average CASA mix improved by 30bp QoQ to 45.2%.

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- Fresh slippages saw a marginal rise of 5% QoQ to INR42b (2.3% annualized; INR40.2b in 3QFY22), with Retail and Business Banking contributing 89% of total slippages. Net slippages improved, led by higher recoveries.
- Net NPA fell 5% QoQ to INR69.6b. GNPA/NNPA ratio contracted by 53bp/9bp QoQ to 3.6%/0.76%. PCR ratio was broadly stable ~79%.
- Provisions (excluding contingent) declined sequentially to INR0.4b (INR20.1b in 3QFY22), led by strong recoveries and resolution of a Power/Construction account. Additional contingent provision of INR10.25b took total contingent provisions to INR74.5b (90bp of loans).

Highlights from the management commentary

- The bank will continue to leverage its technological capabilities to drive growth, which will help it gain market share across all business segments.
- The bank saw a significant increase in the value and volume of financial transactions on InstaBIZ for SME and Business Banking.
- RBI master guidelines on credit and debit cards should not have any impact. Its co-branded cards with Amazon should remain unaffected by the RBI move.
- Around 47%/7% of loans are linked to the repo rate/other benchmarks.

ICICIBC remains among our top Buys in the sector

ICICIBC reported a robust operating performance in 4QFY22, led by a combination of impressive core PPOP performance and controlled provisions, underpinned by pristine asset quality. A stable mix of a high-yielding portfolio (Retail/Business Banking) and a low-cost liability franchise is fueling steady NII growth. The bank is seeing a strong recovery in business trends across key segments such as Retail, SME, and Business Banking. Fresh slippages saw a marginal rise in 4QFY22. However, net slippages improved sequentially, leading to continued moderation in credit cost. PCR remains one of the best in the industry ~79%. The additional COVID-19 provision buffer (90bp of loans) renders comfort. We expect the bank to deliver a RoA/RoE of 1.9%/16.3% in FY24. **We maintain our Buy rating with a SoTP-based TP of INR1,050 per share (based on 2.8x FY24E ABV for the core bank), implying a potential upside of 40%. ICICIBC remains our top pick in the sector.**

Quarterly performance (INR b)

| | FY21 | | | | FY22 | | | | FY21 | FY22 | FY22E 4QE | Var. |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | |
| Net interest income | 92.8 | 93.7 | 99.1 | 104.3 | 109.4 | 116.9 | 122.4 | 126.0 | 389.9 | 474.7 | 128.9 | -2% |
| Change (YoY %) | 19.9 | 16.2 | 16.0 | 16.9 | 17.8 | 24.8 | 23.4 | 20.8 | 17.2 | 21.7 | 23.6 | |
| Other income | 61.4 | 40.3 | 46.9 | 41.1 | 40.0 | 48.0 | 49.9 | 47.4 | 189.7 | 185.2 | 52.8 | -10% |
| Total income | 154.2 | 133.9 | 146.0 | 145.4 | 149.3 | 164.9 | 172.2 | 173.4 | 579.6 | 659.8 | 181.7 | -5% |
| Operating expenses | 46.5 | 51.3 | 57.8 | 60.0 | 60.4 | 65.7 | 70.7 | 70.5 | 215.6 | 267.3 | 74.4 | -5% |
| Operating profit | 107.8 | 82.6 | 88.2 | 85.4 | 88.9 | 99.1 | 101.5 | 102.9 | 364.0 | 392.5 | 107.3 | -4% |
| Change (YoY %) | 71.4 | 20.2 | 16.8 | 15.6 | -17.5 | 20.0 | 15.1 | 20.5 | 29.5 | 7.8 | 25.6 | |
| Core operating profit | 70.1 | 77.2 | 80.5 | 85.6 | 86.0 | 95.2 | 100.6 | 101.6 | 312.2 | 383.2 | 106 | -4% |
| Change (YoY %) | 14.8 | 18.2 | 14.8 | 19.8 | 22.7 | 23.3 | 24.9 | 18.7 | 18.0 | 22.7 | 23.4 | |
| Provisions | 75.9 | 30.0 | 27.4 | 28.8 | 28.5 | 27.1 | 20.1 | 10.7 | 162.1 | 86.4 | 21.5 | -50% |
| Profit before tax | 31.8 | 52.7 | 60.8 | 56.6 | 60.4 | 72.0 | 81.4 | 92.2 | 201.8 | 306.1 | 85.8 | 8% |
| Tax | 5.8 | 10.1 | 11.4 | 12.5 | 14.3 | 16.9 | 19.5 | 22.1 | 39.9 | 72.7 | 21.3 | 4% |
| Net profit | 26.0 | 42.5 | 49.4 | 44.0 | 46.2 | 55.1 | 61.9 | 70.2 | 161.9 | 233.4 | 64.5 | 9% |
| Change (YoY %) | 36.2 | 549.1 | 19.1 | 260.5 | 77.6 | 29.6 | 25.4 | 59.4 | 104.2 | 44.1 | 46.5 | |
| Operating parameters | | | | | | | | | | | | |
| Deposit | 8,016 | 8,329 | 8,743 | 9,325 | 9,262 | 9,774 | 10,175 | 10,646 | 9,325 | 10,646 | 10,584 | 1% |
| Loan | 6,312 | 6,526 | 6,990 | 7,337 | 7,386 | 7,649 | 8,140 | 8,590 | 7,337 | 8,590 | 8,541 | 1% |
| Deposit growth (%) | 21.3 | 19.6 | 22.1 | 21.0 | 15.5 | 17.3 | 16.4 | 14.2 | 21.0 | 14.2 | 13.5 | 66 |
| Loan growth (%) | 6.5 | 6.4 | 10.0 | 13.7 | 17.0 | 17.2 | 16.4 | 17.1 | 13.7 | 17.1 | 16.4 | 68 |
| Asset quality | | | | | | | | | | | | |
| Gross NPA (%) | 5.5 | 5.2 | 4.4 | 5.0 | 5.2 | 4.8 | 4.1 | 3.6 | 5.0 | 3.6 | 4.0 | (37) |
| Net NPA (%) | 1.2 | 1.0 | 0.6 | 1.1 | 1.2 | 1.0 | 0.9 | 0.8 | 1.1 | 0.8 | 0.8 | (7) |
| PCR (%) | 78.5 | 81.6 | 86.1 | 77.8 | 78.4 | 80.3 | 80.2 | 79.5 | 77.7 | 79.5 | 79.8 | (29) |

Source: MOFSL, Company

Quarterly snapshot (INR b)

| Profit & Loss (INR b) | FY20 | | | | FY21 | | | | FY22 | | | | Change (%) | |
|------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|-----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | YoY | QoQ |
| Interest income | 179.8 | 185.7 | 190.6 | 191.9 | 199.2 | 196.2 | 197.3 | 198.4 | 203.8 | 212.3 | 220.8 | 226.7 | 14 | 3 |
| Loans | 136.2 | 143.0 | 148.0 | 148.4 | 145.8 | 140.4 | 140.3 | 146.4 | 149.8 | 157.4 | 162.3 | 168.8 | 15 | 4 |
| Investment | 36.5 | 37.3 | 36.8 | 36.2 | 41.9 | 43.1 | 41.2 | 39.1 | 40.4 | 41.0 | 40.5 | 42.2 | 8 | 4 |
| Others | 7.2 | 5.4 | 5.9 | 7.3 | 11.6 | 12.7 | 15.7 | 12.9 | 13.6 | 14.0 | 18.0 | 15.8 | 23 | -12 |
| Interest expenses | 102.4 | 105.1 | 105.2 | 102.6 | 106.4 | 102.6 | 98.2 | 94.1 | 94.5 | 95.4 | 98.5 | 100.7 | 7 | 2 |
| Net interest income | 77.4 | 80.6 | 85.5 | 89.3 | 92.8 | 93.7 | 99.1 | 104.3 | 109.4 | 116.9 | 122.4 | 126.0 | 21 | 3 |
| Other Income | 34.3 | 41.9 | 45.7 | 42.5 | 61.4 | 40.3 | 46.9 | 41.1 | 40.0 | 48.0 | 49.9 | 47.4 | 15 | -5 |
| Trading profit | 1.8 | 3.4 | 5.3 | 2.4 | 37.6 | 5.4 | 7.7 | -0.3 | 2.9 | 4.0 | 0.9 | 1.3 | -616 | 47 |
| Fee income | 30.4 | 34.8 | 36.0 | 36.0 | 21.0 | 31.4 | 36.0 | 38.2 | 32.2 | 38.1 | 42.9 | 43.7 | 14 | 2 |
| Others | 2.1 | 3.8 | 4.5 | 4.1 | 2.8 | 3.5 | 3.2 | 3.2 | 4.9 | 5.9 | 6.1 | 2.4 | -25 | -60 |
| Total income | 111.6 | 122.5 | 131.2 | 131.8 | 154.2 | 133.9 | 146.0 | 145.4 | 149.3 | 164.9 | 172.2 | 173.4 | 19 | 1 |
| Operating expenses | 48.7 | 53.8 | 55.7 | 57.9 | 46.5 | 51.3 | 57.8 | 60.0 | 60.4 | 65.7 | 70.7 | 70.5 | 17 | 0 |
| Employee | 19.5 | 21.4 | 19.4 | 22.3 | 21.7 | 19.7 | 19.5 | 20.1 | 23.7 | 23.8 | 24.8 | 24.3 | 21 | -2 |
| Others | 29.2 | 32.4 | 36.3 | 35.6 | 24.8 | 31.7 | 38.3 | 39.9 | 36.6 | 41.9 | 45.9 | 46.2 | 16 | 1 |
| Operating profit | 62.9 | 68.7 | 75.5 | 73.9 | 107.8 | 82.6 | 88.2 | 85.4 | 88.9 | 99.1 | 101.5 | 102.9 | 21 | 1 |
| Core PPOP | 61.1 | 65.3 | 70.2 | 71.5 | 70.1 | 77.2 | 80.5 | 85.6 | 86.0 | 95.2 | 100.6 | 101.6 | 19 | 1 |
| Provisions | 35.0 | 25.1 | 20.8 | 59.7 | 75.9 | 30.0 | 27.4 | 28.8 | 28.5 | 27.1 | 20.1 | 10.7 | -63 | -47 |
| PBT | 27.9 | 43.7 | 54.7 | 14.2 | 31.8 | 52.7 | 60.8 | 56.6 | 60.4 | 72.0 | 81.4 | 92.2 | 63 | 13 |
| Taxes | 8.8 | 37.1 | 13.2 | 2.0 | 5.8 | 10.1 | 11.4 | 12.5 | 14.3 | 16.9 | 19.5 | 22.1 | 76 | 13 |
| PAT | 19.1 | 6.5 | 41.5 | 12.2 | 26.0 | 42.5 | 49.4 | 44.0 | 46.2 | 55.1 | 61.9 | 70.2 | 59 | 13 |
| Balance Sheet (INR b) | | | | | | | | | | | | | | |
| Loans | 5,924 | 6,134 | 6,357 | 6,453 | 6,312 | 6,526 | 6,990 | 7,337 | 7,386 | 7,649 | 8,140 | 8,590 | 17 | 6 |
| Investments | 2,200 | 2,234 | 2,275 | 2,495 | 3,019 | 2,896 | 2,753 | 2,813 | 2,948 | 2,852 | 2,848 | 3,102 | 10 | 9 |
| Deposits | 6,607 | 6,963 | 7,163 | 7,710 | 8,016 | 8,329 | 8,743 | 9,325 | 9,262 | 9,774 | 10,175 | 10,646 | 14 | 5 |
| Borrowings | 1,567 | 1,510 | 1,374 | 1,629 | 1,649 | 1,364 | 1,116 | 916 | 891 | 830 | 1,096 | 1,072 | 17 | -2 |
| Total assets | 9,638 | 9,970 | 10,071 | 10,984 | 11,386 | 11,630 | 11,932 | 12,304 | 12,207 | 12,760 | 13,542 | 14,113 | 15 | 4 |
| Asset quality (INR b) | | | | | | | | | | | | | | |
| GNPA | 457.6 | 456.4 | 434.5 | 414.1 | 403.9 | 389.9 | 348.6 | 413.7 | 431.5 | 414.4 | 370.5 | 339.2 | -18 | -8 |
| NNPA | 118.6 | 109.2 | 103.9 | 101.1 | 86.7 | 71.9 | 48.6 | 91.8 | 93.1 | 81.6 | 73.4 | 69.6 | -24 | -5 |

Source: MOFSL, Company

Quarterly snapshot (INR b)

| Break up of deposits (INR b) | FY20 | | | | FY21 | | | | FY22 | | | | Change (%) | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | YoY | QoQ |
| CASA Deposits | 2,989 | 3,250 | 3,364 | 3,478 | 3,406 | 3,646 | 3,954 | 4,316 | 4,251 | 4,507 | 4,807 | 5,184 | 20 | 8 |
| As a percentage of total Deposits – Savings | 45 | 47 | 47 | 45 | 42 | 44 | 45 | 46 | 46 | 46 | 47 | 49 | 22 | 8 |
| As a percentage of total Deposits – Current | 33 | 33 | 33 | 32 | 31 | 31 | 32 | 32 | 33 | 33 | 33 | 34 | 16 | 9 |
| As a percentage of total Deposits – Term Deposits | 12 | 14 | 14 | 13 | 12 | 13 | 13 | 15 | 13 | 14 | 14 | 15 | 9 | 2 |
| As a percentage of total Deposits | 3,619 | 3,713 | 3,799 | 4,232 | 4,610 | 4,684 | 4,789 | 5,009 | 5,011 | 5,267 | 5,368 | 5,461 | 54 | 54 |
| As a percentage of total Deposits | 55 | 53 | 53 | 55 | 58 | 56 | 55 | 54 | 54 | 54 | 53 | 51 | 54 | 51 |
| Loan break up | | | | | | | | | | | | | | |
| Agriculture | | | | | | | | | | | | | | |
| SME loans | 177 | 191 | 217 | 229 | 209 | 233 | 271 | 303 | 298 | 331 | 364 | 405 | 34 | 11 |
| Corporate loans | 1,515 | 1,533 | 1,597 | 1,605 | 1,588 | 1,574 | 1,701 | 1,766 | 1,739 | 1,705 | 1,861 | 1,924 | 9 | 3 |
| Retail loans | 3,443 | 3,582 | 3,725 | 3,814 | 3,787 | 3,984 | 4,238 | 4,519 | 4,552 | 4,780 | 5,024 | 5,315 | 18 | 6 |
| <i>of which</i> | | | | | | | | | | | | | | |
| - Housing | 1,839 | 1,908 | 1,964 | 2,002 | 2,011 | 2,117 | 2,258 | 2,437 | 2,494 | 2,647 | 2,783 | 2,931 | 20 | 5 |
| - Personal loans | 344 | 378 | 420 | 453 | 440 | 445 | 464 | 493 | 495 | 526 | 570 | 629 | 27 | 10 |
| - Credit Cards | 137 | 147 | 163 | 157 | 147 | 155 | 173 | 173 | 172 | 198 | 228 | 251 | 45 | 10 |
| - Others | 1,122 | 1,150 | 1,178 | 1,203 | 1,189 | 1,267 | 1,344 | 1,416 | 1,392 | 1,409 | 1,444 | 1,505 | 6 | 4 |
| International loans | 596 | 600 | 566 | 540 | 470 | 423 | 431 | 376 | 401 | 387 | 407 | 413 | 10 | 1 |
| Loan Mix (%) | | | | | | | | | | | | | Change (bp) | |
| SME loans | 3.0 | 3.1 | 3.4 | 3.5 | 3.3 | 3.6 | 3.9 | 4.1 | 4.0 | 4.3 | 4.5 | 4.7 | 58 | 24 |
| Corporate loans | 25.6 | 25.0 | 25.1 | 24.9 | 25.2 | 24.1 | 24.3 | 24.1 | 23.5 | 22.3 | 22.9 | 22.4 | -168 | -46 |
| Retails | 58.1 | 58.4 | 58.6 | 59.1 | 60.0 | 61.1 | 60.6 | 61.6 | 61.6 | 62.5 | 61.7 | 61.9 | 28 | 15 |
| International loans | 10.1 | 9.8 | 8.9 | 8.4 | 7.5 | 6.5 | 6.2 | 5.1 | 5.4 | 5.1 | 5.0 | 4.8 | -32 | -19 |
| Ratios (%) | | | | | | | | | | | | | Change (bp) | |
| Asset quality ratios | | | | | | | | | | | | | YoY | QoQ |
| GNPA | 6.5 | 6.4 | 6.0 | 5.5 | 5.5 | 5.2 | 4.4 | 5.0 | 5.2 | 4.8 | 4.1 | 3.6 | -136 | -53 |
| NNPA | 1.8 | 1.6 | 1.5 | 1.4 | 1.2 | 1.0 | 0.6 | 1.1 | 1.2 | 1.0 | 0.9 | 0.8 | -38 | -9 |
| PCR (Calculated) | 74.1 | 76.1 | 76.1 | 75.6 | 78.5 | 81.6 | 86.1 | 77.8 | 78.4 | 80.3 | 80.2 | 79.5 | 167 | -70 |
| Credit cost | 2.4 | 1.7 | 1.3 | 3.7 | 4.8 | 1.9 | 1.6 | 1.6 | 1.5 | 1.4 | 1.0 | 0.5 | -110 | -51 |
| Business ratios | | | | | | | | | | | | | | |
| Fees-to-total income | 27.2 | 28.4 | 27.4 | 27.3 | 13.6 | 23.4 | 24.7 | 26.2 | 21.6 | 23.1 | 24.9 | 25.2 | -106 | 26 |
| Cost-to-core income | 44.4 | 45.1 | 44.3 | 44.8 | 39.8 | 39.9 | 41.8 | 41.2 | 41.2 | 40.8 | 41.3 | 41.0 | -25 | -34 |
| Tax rate | 31.7 | 85.0 | 24.1 | 14.1 | 18.3 | 19.3 | 18.7 | 22.2 | 23.6 | 23.5 | 23.9 | 23.9 | 174 | -1 |
| CASA | 45.2 | 46.7 | 47.0 | 45.1 | 42.5 | 43.8 | 45.2 | 46.3 | 45.9 | 46.1 | 47.2 | 47.2 | 90 | 0 |
| Dom. loans/deposit | 80.6 | 79.5 | 80.8 | 76.7 | 72.9 | 73.3 | 75.0 | 74.7 | 75.4 | 74.3 | 76.0 | 76.8 | 216 | 81 |
| Loan/deposit | 89.7 | 88.1 | 88.7 | 83.7 | 78.7 | 78.4 | 79.9 | 78.7 | 79.7 | 78.3 | 80.0 | 80.7 | 201 | 69 |
| Profitability ratios | | | | | | | | | | | | | | |
| Yield on loans | 9.4 | 9.5 | 9.5 | 9.4 | 9.3 | 8.9 | 8.4 | 8.5 | 8.3 | 8.3 | 8.2 | 8.3 | -14 | 12 |
| Yield on investments | 6.8 | 6.7 | 6.5 | 6.1 | 6.1 | 5.8 | 5.8 | 5.6 | 5.6 | 5.7 | 5.7 | 5.7 | 5 | -1 |
| Yield on funds | 8.4 | 8.4 | 8.4 | 8.3 | 7.9 | 7.5 | 7.3 | 7.3 | 7.3 | 7.3 | 7.2 | 7.2 | -12 | 4 |
| Cost of funds | 5.2 | 5.2 | 5.1 | 4.9 | 4.6 | 4.4 | 4.1 | 4.0 | 3.8 | 3.7 | 3.7 | 3.7 | -27 | 2 |
| Margin | 3.6 | 3.6 | 3.8 | 3.9 | 3.7 | 3.6 | 3.7 | 3.8 | 3.9 | 4.0 | 4.0 | 4.0 | 16 | 4 |
| RoA (Cal.) | 0.8 | 0.3 | 1.7 | 0.5 | 1.0 | 1.5 | 1.7 | 1.5 | 1.5 | 1.8 | 1.9 | 2.1 | 60 | 21 |
| RoE (Cal.) | 7.0 | 2.4 | 14.6 | 4.2 | 8.9 | 13.2 | 14.0 | 12.3 | 12.3 | 14.1 | 15.4 | 17.1 | 480 | 170 |
| Other details | | | | | | | | | | | | | | |
| Branches | 4,882 | 5,228 | 5,275 | 5,324 | 5,324 | 5,288 | 5,267 | 5,266 | 5,268 | 5,277 | 5,298 | 5,418 | 152 | 120 |
| ATM | 15,101 | 15,159 | 15,589 | 15,688 | 15,661 | 15,158 | 14,655 | 14,136 | 14,141 | 14,045 | 13,846 | 13,626 | -510 | -220 |

Source: MOFSL, Company



Highlights from the management commentary

Balance Sheet and P&L

- The impact of the third COVID wave was mild as economic activity gained momentum in Feb-Mar'22.
- Internal economic indicators – Power demand, GST collections, freight activity, among others – tracked by the bank showed robust growth.
- It aims to grow its core operating profit within the guardrails of risk.
- The management's focus is on growing the portfolio in a granular manner.

- It will use analytics to identify business opportunities.
- The aim is to grow the Balance Sheet and P&L in a risk calibrated manner.
- Ms. Vishakha Mulye, its ED, has decided to step down from the board to pursue an external opportunity. Mr. Anup Bagchi will take over her responsibilities. Mr. Rakesh Jha has been elevated as ED and will assume Mr. Bagchi's responsibilities. Mr. Anindya Banerjee has been elevated as CFO.
- The bank's direct exposure to the Russia-Ukraine crisis is negligible. It has one non-fund exposure to a refinery, which is backed by a Russian company that has a 49% stake in the venture.
- All top 20 borrowers as of Mar'22 are rated A- and above internally.
- Around 47%/7% of loans are linked to the repo rate/other benchmarks.
- The Retail portfolio is largely secured and built on proprietary data and analytics, in addition to bureau checks, and is well-priced in relation to the risks.
- In the Retail segment, Disbursements rose in 4Q as compared to 3QFY22.
- The bank's 360 degree client focus has resulted in a strong growth in mortgages, with a fair degree of balance transfers and a strong focus on micro markets.
- Growth in SME and Business Banking is driven by Digital initiatives.
- The Corporate book was led by well-rated entities as per its stated strategy.
- Credit Card spends grew 77% due to higher activation. The bank has recently tied up with Emirates, while its Amazon co-branded card is performing well.
- RBI master guidelines on credit and debit cards should not have any impact. Its co-branded cards with Amazon should remain unaffected by the RBI move.
- The cost of deposits is one of the lowest in the system. However, the management feels that the same has bottomed out at these levels.
- LCR ratio stood at 130% in 4QFY22.
- Margin usually witnesses an 8-10bp bump in 4QFY22. To that extent, core margin was largely flat.
- The management said it is difficult to offer an outlook on NIM, but it will be a function of what's happening in the market and the repo rate hike trajectory.
- Its focus remains on providing end-to-end Digital solutions, with a focus on meeting its customer needs. This will help in acquiring new customers and also improve the cross-sell of its products.

Digital initiatives

- The bank will continue to leverage its technological capabilities to drive growth, which will help it gain market share across all business segments.
- InstaBIZ is now interoperable and allows benefits to all merchants, including those who do not have a current account with the bank.
- ICICIBC saw a significant increase in mobile app usage.
- The value and volume of financial transactions on InstaBIZ for SME and Business Banking as well as supply-chain platforms has seen a tremendous increase QoQ.
- It continues to invest in digital initiatives to maintain leadership.

Asset quality

- The bulk of the slippages came from Retail, Rural, and Business Banking.
- Recoveries stood at INR46b, with 80% from Retail, Rural, and Business Banking.
- Total provisions, including general, contingent, etc., stood at 2.1% of loans.
- Builder portfolio stood at 3% of loans, with 9.5% being internally rated BB and below or classified as NPA. Larger exposures are towards well-rated builders.

Key exhibits

Exhibit 1: Net stressed loans fell to 1.3% of total loans

| INR b | 3QFY20 | 4QFY20 | 1QFY21 | 2QFY21 | 3QFY21 | 4QFY21 | 1QFY22 | 2QFY22 | 3QFY22 | 4QFY22 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| GNPA | 435 | 414 | 404 | 390 | 349 | 414 | 431 | 414 | 371 | 339 |
| Security Receipts | 21 | 19 | 19 | 19 | 18 | 17 | 17 | 16 | 10 | 8 |
| BB and below (fund-based) | 122 | 102 | 107 | 103 | 121 | 102 | 91 | 77 | 62 | 64 |
| Stress loans | 577 | 536 | 530 | 512 | 488 | 533 | 539 | 508 | 443 | 411 |
| Less: Overlap | 2 | 2 | 2 | 2 | 2 | 14 | 33 | 32 | 37 | 24 |
| Gross stressed loans | 575 | 534 | 528 | 509 | 486 | 519 | 506 | 475 | 406 | 387 |
| Specific provisions | 331 | 313 | 317 | 318 | 300 | 322 | 338 | 333 | 297 | 270 |
| Net stressed loans | 244 | 221 | 211 | 191 | 186 | 197 | 168 | 142 | 109 | 117 |
| Gross stressed loans (as a percentage of advances) | 9.0 | 8.3 | 8.4 | 7.8 | 7.0 | 7.1 | 6.9 | 6.2 | 5.0 | 4.5 |
| Net stressed loans (as a percentage of advances) | 3.8 | 3.4 | 3.3 | 2.9 | 2.7 | 2.7 | 2.3 | 1.9 | 1.3 | 1.4 |

Exhibit 2: A snapshot of the performance of its subsidiaries

| Subsidiaries PAT (INR m) | FY20 | | | | FY21 | | | | FY22 | | | | Change (%) | |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | YoY | QoQ |
| I-Sec | 1,140 | 1,350 | 1,370 | 1,560 | 1,930 | 2,780 | 2,670 | 3,290 | 3,110 | 3,510 | 3,800 | 3,400 | 3 | -11 |
| I-Sec PD | 690 | 1,400 | 970 | 260 | 3,460 | 260 | 1,320 | 660 | 1,240 | 1,610 | 30 | 420 | -36 | 1,300 |
| I Venture | 220 | -40 | 30 | -70 | 260 | -80 | -20 | -120 | 10 | -90 | -80 | 160 | -233 | -300 |
| Pru. AMC | 2,190 | 3,050 | 3,050 | 2,170 | 2,570 | 2,820 | 3,580 | 3,480 | 3,800 | 3,830 | 3,340 | 3,570 | 3 | 7 |
| ICICI Home Finance | -60 | -610 | 30 | 640 | 10 | 20 | 30 | 150 | 170 | 460 | 480 | 530 | 253 | 10 |
| ICIC Life Insurance | 2,850 | 3,020 | 3,020 | 1,790 | 2,880 | 3,030 | 3,060 | 640 | -1,860 | 4,450 | 3,110 | 1,850 | 189 | -41 |
| ICICI General Ins. | 3,100 | 3,080 | 2,940 | 2,820 | 3,980 | 4,160 | 3,140 | 3,460 | 1,520 | 4,460 | 3,180 | 3,130 | -10 | -2 |
| Consol. adjustment | -4,070 | -6,490 | -6,175 | -8,874 | -9,902 | -6,683 | -8,196 | -6,726 | -6,520 | -12,420 | -10,438 | -6,057 | -10 | -42 |
| Subsidiaries PAT | 6,060 | 4,760 | 5,235 | 296 | 5,188 | 6,307 | 5,584 | 4,834 | 1,470 | 5,811 | 3,422 | 7,003 | 45 | 105 |
| ICICI Bank | 19,080 | 6,550 | 41,465 | 12,214 | 25,992 | 42,513 | 49,396 | 44,026 | 46,160 | 55,110 | 61,938 | 70,187 | 59 | 13 |
| Consolidated Profit | 25,140 | 11,310 | 46,700 | 12,510 | 31,180 | 48,820 | 54,980 | 48,860 | 47,630 | 60,920 | 65,360 | 77,190 | 58 | 18 |

Deposit growth healthy ~14% YoY, NIM improves to 4%

Margin expands by 4bp
QoQ to 4%

- Deposits grew 14.2% YoY and 4.6% QoQ to INR10.6t, within which CASA/Term deposits grew by ~20%/~9% YoY and 8%/2% QoQ. CA/SA deposits rose by 16%/22% QoQ. CASA mix improved by 150bp QoQ to 48.7% (a 30bp increase on an average basis to 45.2%).
- NIM expanded by 4bp QoQ to 4%. The cost of deposits stood stable at 3.48%. Domestic margin expanded by 6bp QoQ to 4.12%, while overseas NIM expanded by 7bp QoQ to 0.35%.

Loan growth robust at 17% YoY and 5.5% QoQ; Retail loans rose 18% YoY

Domestic loan growth stood
~17% YoY, led by ~18%
growth in the Retail book,
which now constitutes
61.9% of total loans

- Loan book grew 17.1% YoY and 5.5% QoQ to INR8.6t, led by 18% growth in Retail loans (20% excluding Rural loans). Domestic/International loans rose by ~17%/1.5% YoY. The proportion of International loans in overall loans stood ~4.8%.
- Retail loans grew by ~18% YoY and 6% QoQ, within which Home/Personal loans grew by ~5.3%/10.4% QoQ. Business Banking grew by ~43% YoY and 10% QoQ. Growth in Credit Cards/Vehicle loan book stood ~10%/3% QoQ.
- SME loans grew 34% YoY and 11.3% QoQ and constituted 4.7% of total loans.
- Corporate loans grew by 8.9% YoY and 3.4% QoQ. Total Domestic loans grew by 17% YoY.

Quantum of BB and below exposure stood at INR108b (1.3% of loans)

BB and below pool at 1.3% of total loans; PCR stable ~79.2%

- Total slippages stood at INR42b in 4Q (v/s INR40.2b in 3QFY22), with Retail/Corporate and SME slippages at INR37.4b/INR4.7b.
- Absolute GNPA/NNPA fell 8%/5% QoQ to INR339.2b/INR69.6b. GNPA/NNPA ratio moderated to 3.6%/0.76% v/s 4.13%/0.85% in Dec'21. PCR was stable ~79.2%.
- The bank made further contingent provisions of INR10.25b. In addition to reported PCR, it is carrying additional provisions of INR74.5b (0.9% of loans), while INR20.51b is non-fund based outstanding to NPAs. ICICIB holds INR84b in general provisions on standard assets and other provisions.
- Total restructuring moderated to INR82.7b (1% of loans in 4Q v/s 1.2% of loans in 3QFY22), on which it is carrying provisions of INR25.3b. Restructuring breakup – Retail and Business Banking (INR60.4b) and Corporate and SME (INR22.2b).
- BB and below portfolio fell to INR108b (1.3% of loans) v/s INR118b in 3QFY22.

Exhibit 3: ICICIB's total exposure: BB and below stood at 1.3% of total loans in 4QFY22

| INR b | 3Q FY21 | 4Q FY21 | 1Q FY22 | 2Q FY22 | 3Q FY22 | 4Q FY22 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Fund and non-fund outstanding to restructured loans | 2.1 | 2.1 | 1.6 | 32.4 | 36.9 | 23.9 |
| Borrowers under flexible structuring and S4A | 12.3 | 12.3 | 12.2 | | | |
| Borrowers with outstanding greater than INR1b | 68.4 | 83.0 | 68.4 | 58.5 | 52.3 | 58.8 |
| Borrowers with outstanding less than INR1b | 39.7 | 37.8 | 34.6 | 36.2 | 29.2 | 25.4 |
| BB and below outstanding | 136.5 | 131.0 | 139.8 | 127.1 | 118.4 | 108.1 |

Of the other borrowers, ~90% were rated A- and above (excluding exposure to state electricity boards)

Exhibit 4: Exposure to the Power sector stood at INR401b in 4QFY22

| INR b | 4QFY21 | 1QFY22 | 2QFY22 | 3QFY22 | 4QFY22 | % |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|------------|
| Gross restructured loans | 82.2 | 80.6 | 77.1 | 75.8 | 73.2 | 18 |
| Other borrowers* | 276.4 | 305.3 | 326.0 | 301.4 | 327.5 | 82 |
| Total Power sector exposure | 358.6 | 385.9 | 403.2 | 377.2 | 400.7 | 100 |

Firing on all cylinders; our top pick in the sector

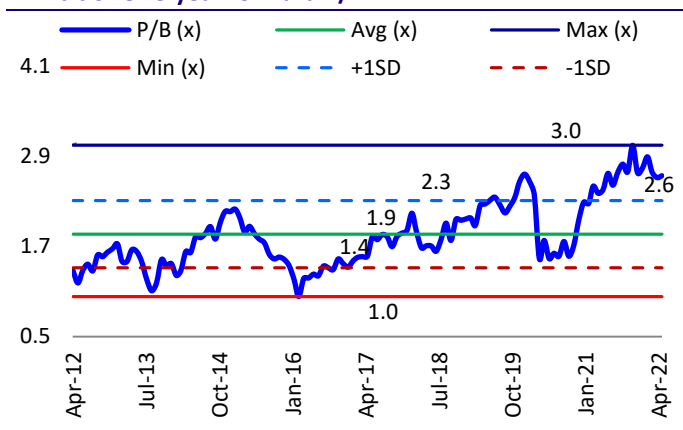
- **Robust liability franchise:** ICICIB continues to witness strong growth in Retail deposits and has succeeded in building a robust liability franchise over the past few years. Total/CASA deposits clocked ~17%/16% CAGR over FY17-22, leading to one of the highest CASA mix among its peers. The bank enjoys one of the lowest funding costs among Private Banks, which enables it to underwrite profitable business without taking undue Balance Sheet risk.
- **Asset quality improved,** backed by a moderation in slippages and higher recoveries/upgrades. GNPA/NNPA moderated to 3.6%/0.76% v/s 4.13%/0.85% in 3QFY22. BB and below pool declined, while the restructuring book decreased to ~1% of loans. However, the bank is carrying provisions of ~31%, higher than the regulatory requirement. We expect slippages to significantly moderate over FY22-24E. PCR remained healthy ~79%, which, along with the additional provision buffer of INR74.5b, should keep credit cost under check. We estimate a credit cost of 0.9% each in FY23E/FY24E for ICICIB.
- Retail fees constitute ~77% of total bank fees, signifying granularity in fee income. The latter has picked up over the past few quarters. We expect the growth momentum to continue as business activity accelerates further.
- **Maintain Buy with a TP of INR1,050 per share:** ICICIB reported a robust operating performance in 4QFY22, led by a combination of impressive core

PPOP performance and controlled provisions, underpinned by pristine asset quality. A stable mix of a high-yielding portfolio (Retail/Business Banking) and a low-cost liability franchise is fueling steady NII growth. The bank is seeing a strong recovery in business trends across key segments such as Retail, SME, and Business Banking. Fresh slippages saw a marginal rise in 4QFY22. However, net slippages improved sequentially, leading to continued moderation in credit cost. PCR remains one of the best in the industry ~79%. The additional COVID-19 provision buffer (90bp of loans) renders comfort. We expect the bank to deliver a RoA/RoE of 1.9%/16.3% in FY24. **We maintain our Buy rating with a SoTP-based TP of INR1,050 per share (based on 2.8x FY24E ABV for the core bank), implying a potential upside of 40%. ICICIB remains our top pick in the sector.**

Exhibit 5: SoTP-based TP; implies 40% potential upside from current levels

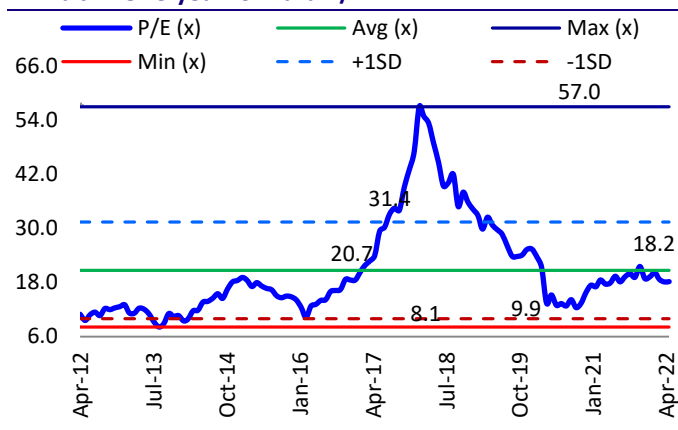
| | Stake (%) | Total value INR b | Value per share (INR) | As a percentage of total value | Rationale |
|---|------------|-------------------|-----------------------|--------------------------------|---------------------------|
| ICICI Bank | 100 | 6,084 | 875 | 83.4 | 2.8x FY24E ABV |
| ICICI Pru. Life Insurance | 51 | 497 | 72 | 6.8 | 2.3x FY24E embedded value |
| ICICI Lombard Gen. Ins | 48 | 334 | 48 | 4.6 | 35x FY24E PAT |
| ICICI Pru. AMC | 51 | 368 | 53 | 5.0 | 30x FY24E PAT |
| ICICI Securities | 75 | 186 | 27 | 2.6 | 17x FY24E PAT |
| ICICI Bank UK | 100 | 30 | 4 | 0.4 | 0.8x FY24E net worth |
| ICICI Bank Canada | 100 | 33 | 5 | 0.4 | 0.8x FY24E net worth |
| Others (ventures, Home Finance, PD) | 100 | 69 | 10 | 0.9 | |
| Total value of ventures | | 1,517 | 218 | 20.8 | |
| Less: 20% holding discount | | 303 | 44 | 4.2 | |
| Value of key ventures (after holding company discount) | | 1,213 | 175 | 16.6 | |
| TP post 20% holding company discount | | 7,298 | 1,050 | | |

Exhibit 6: One-year forward P/B



Source: MOFSL, Company

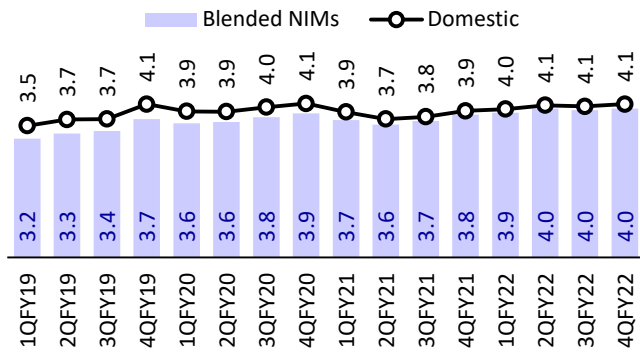
Exhibit 7: One-year forward P/E



Source: MOFSL, Company

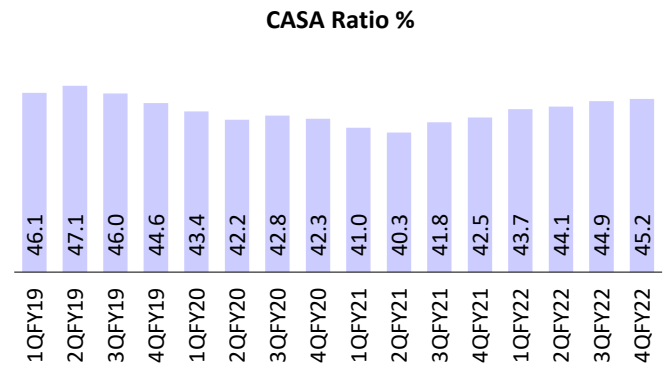
Story in charts

Exhibit 8: Domestic NIM expands 6bp QoQ to 4.12%



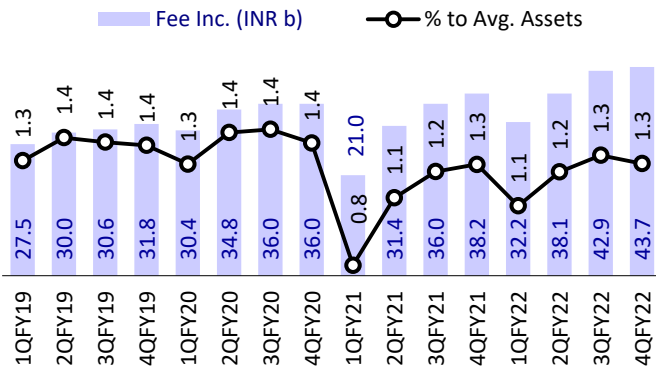
Source: MOFSL, Company

Exhibit 9: Average daily CASA ratio improves 30bp QoQ



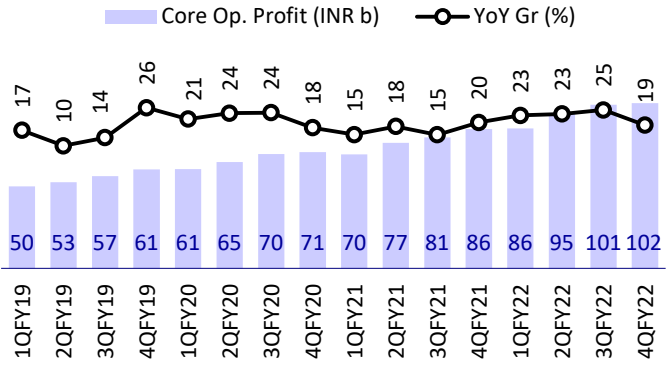
Source: MOFSL, Company

Exhibit 10: Fee income witnesses a sequential increase



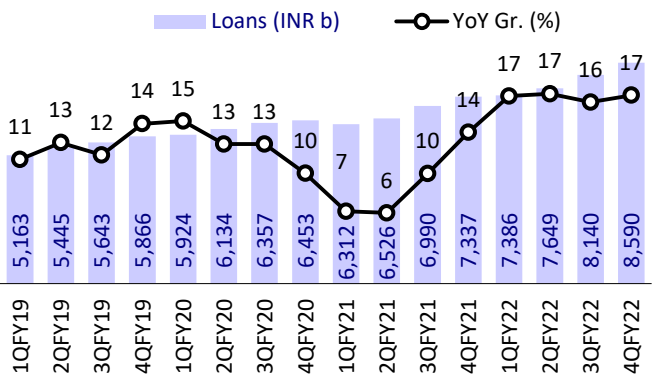
Source: MOFSL, Company

Exhibit 11: Core operating profit grew 19% YoY



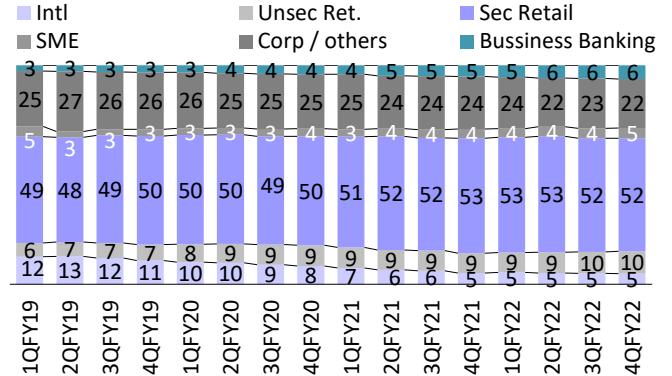
Source: MOFSL, Company

Exhibit 12: Overall loan book grew 17% YoY and 5.5% QoQ



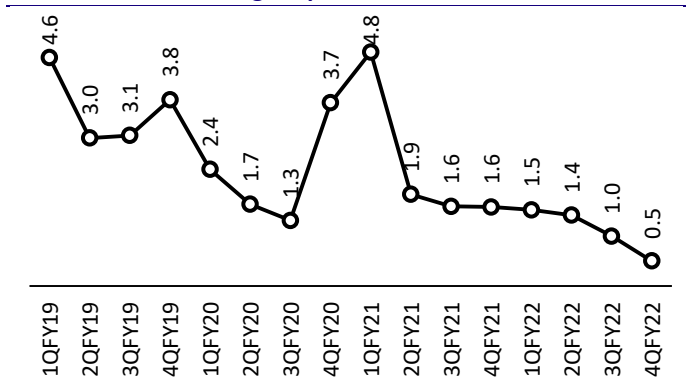
Source: MOFSL, Company

Exhibit 13: Retail loans continue to drive loan growth



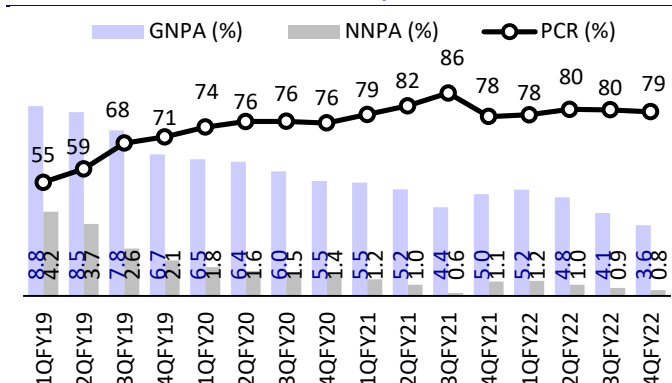
Source: MOFSL, Company

Exhibit 14: Credit cost moderates to 0.5%, even as the bank creates further contingent provisions of INR10.25b



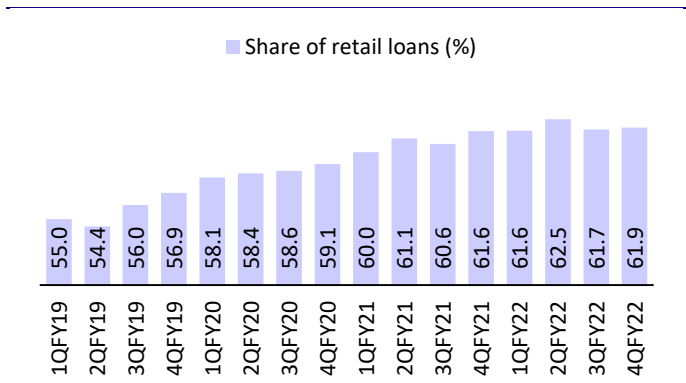
Source: MOFSL, Company

Exhibit 15: GNPA/NNPA ratio moderates by 53bp/9bp QoQ to 3.6%/0.76% as of Mar'22; PCR healthy ~79%



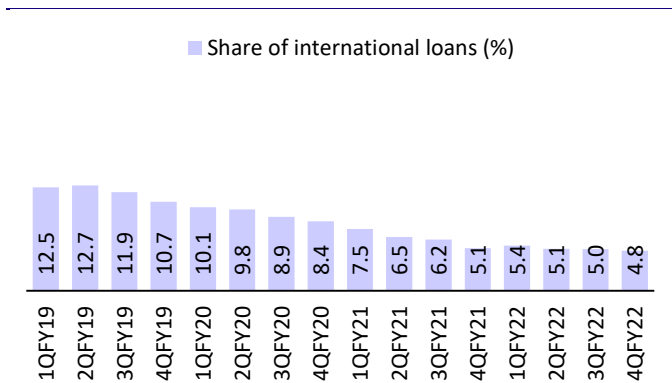
Source: MOFSL, Company

Exhibit 16: Share of Retail loans at 61.9% of total loans



Source: MOFSL, Company

Exhibit 17: Share of International loans moderates to 4.8% of total loans



Source: MOFSL, Company

Exhibit 18: DuPont Analysis – Return ratios to pick up further, led by moderation in credit cost and pick up in NII

| Y/E March | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23E | FY24E |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Interest Income | 7.26 | 6.66 | 6.88 | 7.25 | 6.79 | 6.54 | 6.97 | 7.19 |
| Interest Expense | 4.34 | 3.87 | 3.95 | 4.03 | 3.45 | 2.95 | 3.24 | 3.33 |
| Net Interest Income | 2.91 | 2.79 | 2.93 | 3.23 | 3.35 | 3.59 | 3.72 | 3.85 |
| Core Fee Income | 1.54 | 1.32 | 1.26 | 1.28 | 1.27 | 1.04 | 1.16 | 1.16 |
| Trading and others | 1.07 | 0.79 | 0.31 | 0.32 | 0.36 | 0.36 | 0.24 | 0.26 |
| Non-Interest income | 2.61 | 2.11 | 1.57 | 1.59 | 1.63 | 1.40 | 1.41 | 1.42 |
| Total Income | 5.53 | 4.90 | 4.50 | 4.82 | 4.98 | 5.00 | 5.13 | 5.28 |
| Operating Expenses | 1.98 | 1.90 | 1.96 | 2.10 | 1.85 | 2.02 | 2.07 | 2.11 |
| Employee cost | 0.77 | 0.72 | 0.74 | 0.80 | 0.69 | 0.73 | 0.74 | 0.75 |
| Others | 1.21 | 1.19 | 1.22 | 1.29 | 1.16 | 1.29 | 1.33 | 1.36 |
| Operating Profit | 3.55 | 3.00 | 2.54 | 2.72 | 3.13 | 2.97 | 3.06 | 3.17 |
| Core operating Profit | 2.48 | 2.21 | 2.23 | 2.41 | 2.77 | 2.61 | 2.81 | 2.91 |
| Provisions | 2.04 | 2.10 | 2.13 | 1.36 | 1.39 | 0.65 | 0.60 | 0.61 |
| NPA | 1.97 | 1.73 | 1.82 | 0.85 | 0.93 | 0.65 | 0.56 | 0.56 |
| Others | 0.07 | 0.37 | 0.31 | 0.51 | 0.47 | 0.00 | 0.05 | 0.05 |
| PBT | 1.51 | 0.90 | 0.41 | 1.36 | 1.73 | 2.32 | 2.45 | 2.56 |
| Tax | 0.20 | 0.08 | 0.04 | 0.59 | 0.34 | 0.55 | 0.59 | 0.61 |
| RoA | 1.31 | 0.82 | 0.36 | 0.77 | 1.39 | 1.77 | 1.86 | 1.95 |
| Leverage | 8.1 | 8.3 | 8.9 | 9.4 | 9.0 | 8.5 | 8.4 | 8.3 |
| RoE | 10.7 | 6.8 | 3.2 | 7.3 | 12.6 | 15.0 | 15.6 | 16.3 |
| Core RoE | 12.1 | 7.6 | 3.6 | 8.0 | 13.6 | 15.9 | 16.5 | 17.0 |

Financials and valuations

| Income Statement | | | | | | | | (INR b) |
|------------------------------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Y/E March | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23E | FY24E |
| Interest Income | 541.6 | 549.7 | 634.0 | 748.0 | 791.2 | 863.7 | 1,055.1 | 1,258.2 |
| Interest Expended | 324.2 | 319.4 | 363.9 | 415.3 | 401.3 | 389.1 | 490.9 | 583.5 |
| Net Interest Income | 217.4 | 230.3 | 270.1 | 332.7 | 389.9 | 474.7 | 564.2 | 674.7 |
| Growth (%) | 2.4 | 5.9 | 17.3 | 23.1 | 17.2 | 21.7 | 18.9 | 19.6 |
| Other Income | 195.0 | 174.2 | 145.1 | 164.5 | 189.7 | 185.2 | 213.0 | 249.2 |
| Total Income | 412.4 | 404.5 | 415.3 | 497.2 | 579.6 | 659.8 | 777.2 | 923.8 |
| Growth (%) | 12.8 | -1.9 | 2.7 | 19.7 | 16.6 | 13.8 | 17.8 | 18.9 |
| Operating Exp. | 147.6 | 157.0 | 180.9 | 216.1 | 215.6 | 267.3 | 314.2 | 368.8 |
| Operating Profit | 264.9 | 247.4 | 234.4 | 281.0 | 364.0 | 392.5 | 463.0 | 555.0 |
| Growth (%) | 11.0 | -6.6 | -5.3 | 19.9 | 29.5 | 7.8 | 18.0 | 19.9 |
| Core PPP | 178.6 | 189.5 | 221.0 | 264.6 | 312.2 | 383.4 | 453.0 | 543.9 |
| Growth (%) | -11.0 | 6.1 | 16.6 | 19.7 | 18.0 | 22.8 | 18.1 | 20.1 |
| Provisions and Cont. | 152.1 | 173.1 | 196.6 | 140.5 | 162.1 | 86.4 | 91.5 | 106.4 |
| PBT | 112.8 | 74.3 | 37.8 | 140.5 | 201.8 | 306.1 | 371.5 | 448.6 |
| Tax | 14.8 | 6.6 | 4.1 | 61.2 | 39.9 | 72.7 | 89.2 | 107.7 |
| Tax Rate (%) | 13.1 | 8.8 | 10.9 | 43.5 | 19.8 | 23.7 | 24.0 | 24.0 |
| PAT | 98.0 | 67.8 | 33.6 | 79.3 | 161.9 | 233.4 | 282.4 | 340.9 |
| Growth (%) | 0.8 | -30.9 | -50.4 | 135.8 | 104.2 | 44.1 | 21.0 | 20.7 |
| Balance Sheet | | | | | | | | |
| Y/E March | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23E | FY24E |
| Equity Share Capital | 12.8 | 12.9 | 12.9 | 12.9 | 13.8 | 13.9 | 13.9 | 13.9 |
| Reserves and Surplus | 979.0 | 1,038.7 | 1,070.8 | 1,152.1 | 1,461.2 | 1,691.2 | 1,955.3 | 2,273.4 |
| Net Worth | 995.3 | 1,051.6 | 1,083.7 | 1,165.0 | 1,475.1 | 1,705.1 | 1,969.2 | 2,287.3 |
| Deposits | 4,900.4 | 5,609.8 | 6,529.2 | 7,709.7 | 9,325.2 | 10,645.7 | 12,349.0 | 14,448.4 |
| Growth (%) | 16.3 | 14.5 | 16.4 | 18.1 | 21.0 | 14.2 | 16.0 | 17.0 |
| Of which CASA Deposits | 2,468.2 | 2,899.3 | 3,239.4 | 3,478.2 | 4,316.2 | 5,184.4 | 5,816.4 | 6,848.5 |
| Growth (%) | 27.8 | 17.5 | 11.7 | 7.4 | 24.1 | 20.1 | 12.2 | 17.7 |
| Borrowings | 1,472.1 | 1,828.6 | 1,653.2 | 1,629.0 | 916.3 | 1,072.3 | 1,072.5 | 1,162.5 |
| Other Liabilities and Prov. | 350.1 | 302.0 | 378.5 | 479.9 | 587.7 | 689.8 | 793.3 | 936.1 |
| Total Liabilities | 7,717.9 | 8,791.9 | 9,644.6 | 10,983.6 | 12,304.3 | 14,113.0 | 16,184.0 | 18,834.3 |
| Current Assets | 757.1 | 841.7 | 803.0 | 1,191.6 | 1,331.3 | 1,678.2 | 1,515.3 | 1,651.1 |
| Investments | 1,615.1 | 2,029.9 | 2,077.3 | 2,495.3 | 2,812.9 | 3,102.4 | 3,598.8 | 4,174.6 |
| Growth (%) | 0.7 | 25.7 | 2.3 | 20.1 | 12.7 | 10.3 | 16.0 | 16.0 |
| Loans | 4,642.3 | 5,124.0 | 5,866.5 | 6,452.9 | 7,337.3 | 8,590.2 | 10,179.4 | 12,093.1 |
| Growth (%) | 6.7 | 10.4 | 14.5 | 10.0 | 13.7 | 17.1 | 18.5 | 18.8 |
| Net Fixed Assets | 78.1 | 79.0 | 79.3 | 84.1 | 88.8 | 93.7 | 101.2 | 109.3 |
| Other Assets | 625.3 | 717.3 | 818.5 | 759.8 | 734.1 | 648.4 | 789.4 | 806.1 |
| Total Assets | 7,717.9 | 8,791.9 | 9,644.6 | 10,983.7 | 12,304.3 | 14,113.0 | 16,184.0 | 18,834.3 |
| Asset quality | | | | | | | | |
| GNPA | 425.5 | 540.6 | 462.9 | 414.5 | 414.6 | 339.2 | 325.2 | 336.5 |
| NNPA | 256.1 | 278.9 | 135.8 | 100.5 | 92.5 | 69.6 | 64.3 | 66.1 |
| GNPA Ratio (%) | 8.8 | 10.0 | 7.5 | 6.1 | 5.4 | 3.8 | 3.1 | 2.7 |
| NNPA Ratio (%) | 5.4 | 5.4 | 2.3 | 1.6 | 1.3 | 0.8 | 0.6 | 0.5 |
| Slippage Ratio (%) | 8.0 | 6.1 | 2.0 | 2.2 | 2.3 | 2.4 | 2.2 | 2.0 |
| Credit Cost (%) | 3.3 | 3.5 | 3.6 | 2.3 | 2.4 | 1.1 | 0.9 | 0.9 |
| PCR (Exc. Technical write-off) (%) | 39.8 | 48.4 | 70.7 | 75.7 | 77.7 | 79.5 | 80.2 | 80.4 |

Financials and valuations

Ratios

| Y/E March | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23E | FY24E |
|--------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Yield and Cost Ratios (%) | | | | | | | | |
| Avg. Yield on Earning Assets | 8.3 | 7.7 | 7.9 | 8.2 | 7.6 | 7.3 | 7.7 | 7.9 |
| Avg. Yield on loans | 8.8 | 8.4 | 8.7 | 9.3 | 8.3 | 8.0 | 8.7 | 8.8 |
| Avg. Yield on Investments | 7.1 | 6.3 | 6.2 | 6.4 | 6.2 | 5.5 | 6.0 | 6.3 |
| Avg. Cost of Int. Bear. Liab. | 5.3 | 4.6 | 4.7 | 4.7 | 4.1 | 3.5 | 3.9 | 4.0 |
| Avg. Cost of Deposits | 5.0 | 4.5 | 4.4 | 4.6 | 3.9 | 3.6 | 3.8 | 3.9 |
| Interest Spread | 3.4 | 3.0 | 3.3 | 3.5 | 3.5 | 3.7 | 3.8 | 3.8 |
| Net Interest Margin | 3.3 | 3.2 | 3.4 | 3.7 | 3.7 | 4.0 | 4.1 | 4.2 |

Capitalization Ratios (%)

| | | | | | | | | |
|----------------|------|------|------|------|------|------|------|------|
| CAR | 17.4 | 17.9 | 16.9 | 16.1 | 18.9 | 19.2 | 18.7 | 18.4 |
| <i>Tier I</i> | 14.4 | 15.6 | 15.1 | 14.7 | 17.8 | 18.4 | 18.0 | 17.7 |
| <i>Tier II</i> | 3.0 | 2.3 | 1.8 | 1.4 | 1.1 | 0.8 | 0.7 | 0.6 |

Business and Efficiency Ratios (%)

| | | | | | | | | |
|---------------------------|------|------|------|------|------|------|------|------|
| Loan/Deposit Ratio | 94.7 | 91.3 | 89.8 | 83.7 | 78.7 | 80.7 | 82.4 | 83.7 |
| CASA Ratio (%) | 50.4 | 51.7 | 49.6 | 45.1 | 46.3 | 48.7 | 47.1 | 47.4 |
| Cost/Assets | 1.9 | 1.8 | 1.9 | 2.0 | 1.8 | 1.9 | 1.9 | 2.0 |
| Cost/Total Income | 35.8 | 38.8 | 43.6 | 43.5 | 37.2 | 40.5 | 40.4 | 39.9 |
| Cost/Core Income | 45.2 | 45.3 | 45.0 | 45.0 | 40.8 | 41.1 | 41.0 | 40.4 |
| Int. Expended/Int. Earned | 59.9 | 58.1 | 57.4 | 55.5 | 50.7 | 45.0 | 46.5 | 46.4 |
| Other Inc./Net Income | 47.3 | 43.1 | 34.9 | 33.1 | 32.7 | 28.1 | 27.4 | 27.0 |
| Emp. Cost/Op. Exp. | 38.9 | 37.7 | 37.6 | 38.3 | 37.5 | 36.2 | 35.7 | 35.6 |

Valuation

| | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23E | FY24E |
|----------------------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|
| RoE (%) | 10.7 | 6.8 | 3.2 | 7.3 | 12.6 | 15.0 | 15.6 | 16.3 |
| Core RoE (%) | 12.1 | 7.6 | 3.6 | 8.0 | 13.6 | 15.9 | 16.5 | 17.0 |
| RoA (%) | 1.3 | 0.8 | 0.4 | 0.8 | 1.4 | 1.8 | 1.9 | 1.9 |
| RoRWA (%) | 1.6 | 1.1 | 0.5 | 1.0 | 1.9 | 2.7 | 2.9 | 3.0 |
| Standalone ABV | 120.2 | 115.3 | 135.5 | 151.3 | 187.3 | 222.6 | 261.7 | 308.0 |
| ABV Growth (%) | 2.7 | -4.0 | 17.5 | 11.6 | 23.8 | 18.8 | 17.6 | 17.7 |
| Adjusted Price-to-ABV (x) | 4.8 | 5.0 | 4.2 | 3.8 | 3.1 | 2.6 | 2.2 | 1.9 |
| Consol. Book Value (INR) | 179.6 | 172.1 | 177.2 | 189.9 | 227.8 | 262.9 | 306.4 | 358.9 |
| BV Growth (%) | 11.0 | -4.2 | 3.0 | 7.2 | 19.9 | 15.4 | 16.6 | 17.1 |
| Price-to-Consol. BV (x) | 4.2 | 4.3 | 4.2 | 3.9 | 3.3 | 2.8 | 2.4 | 2.1 |
| EPS (INR) | 16.8 | 11.1 | 5.2 | 12.3 | 24.2 | 33.7 | 40.6 | 49.1 |
| EPS Growth (%) | 0.5 | -34.3 | -52.8 | 135.0 | 97.0 | 39.2 | 20.7 | 20.7 |
| Adj. Price-to-Earnings (x) | 34.0 | 51.8 | 109.6 | 46.7 | 23.7 | 17.0 | 14.1 | 11.7 |

| Explanation of Investment Rating | |
|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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