

April 24, 2022

Q4FY22 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY23E	FY24E	FY23E	FY24E
Rating	BUY		BUY	
Target Price	950		906	
NII (Rs. m)	537,698	612,248	540,554	634,953
% Chng.	(0.5)	(3.6)		
Op. Profit (Rs. m)	434,889	509,662	433,524	491,582
% Chng.	0.3	3.7		
EPS (Rs.)	37.9	44.3	37.9	44.6
% Chng.	(0.2)	(0.7)		

Key Financials - Standalone

Y/e Mar	FY21	FY22	FY23E	FY24E
NII (Rs bn)	390	475	538	612
Op. Profit (Rs bn)	364	385	435	510
PAT (Rs bn)	162	226	265	310
EPS (Rs.)	23.4	33.4	37.9	44.3
Gr. (%)	91.2	42.8	13.5	16.9
DPS (Rs.)	-	5.0	6.8	8.9
Yield (%)	-	0.7	0.9	1.2
NIM (%)	3.7	4.0	3.9	3.9
RoAE (%)	12.6	15.0	15.0	15.6
RoAA (%)	1.4	1.8	1.8	1.8
P/BV (x)	3.6	3.1	2.8	2.5
P/ABV (x)	3.8	3.3	2.9	2.6
PE (x)	32.0	22.4	19.7	16.9
CAR (%)	19.1	19.2	18.8	18.4

Key Data

ICBK.BO | ICICIBC IN

52-W High / Low	Rs.867 / Rs.547
Sensex / Nifty	57,197 / 17,172
Market Cap	Rs.5,192bn/ \$ 67,885m
Shares Outstanding	6,945m
3M Avg. Daily Value	Rs.13147.13m

Shareholding Pattern (%)

Promoter's	-
Foreign	43.95
Domestic Institution	44.58
Public & Others	11.47
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	4.1	(1.5)	29.1
Relative	5.5	4.7	8.5

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Beat on all fronts with a stronger balance sheet

Quick Pointers:

- Strong PPOP growth of 21% YoY led by better loan growth and margins
- GNPA reduction owing to higher recoveries resulting in softer provisions.

ICICIBC earnings surprised positively with PAT at Rs70bn [PLe Rs64.2bn] led by better asset quality and stronger NII due to higher margins. Sequential credit flow was healthy driven by retail (mortgages, PL/CC), business banking and SME. As per the bank, loan growth may sustain as focused micro markets are underpenetrated although growth would be in a risk calibrated manner. Balance sheet further strengthened as asset quality materially improved with GNPA reducing by 53bps QoQ mainly led by higher recoveries, while buffer provisions increased and OTR/BB & below pool reduced. CAR is strong with CET-1 at 17.6%. ICICIBC has consistently outperformed with earnings quality improving each quarter. We envisage a RoE of 15.6% for ICICIB in FY24E (16.8% for HDFCB) and valuation discount to HDFCB should narrow from 12% to 7%. Valuation at 2.2x FY24E core ABV is attractive and assigning a 3.0x multiple we revise SOTP based TP to Rs950 (from Rs906). Reiterate BUY.

- Earnings beat led by strong operating metrics and better asset quality:** NII was a beat at Rs126bn (PLe Rs122bn), +21% YoY led by better loan growth and margins. NIM (calc.) at 4.24% was healthier (PLe 4.0%) as yields were higher. Loan growth was a beat at 17% YoY (PLe 15.6%) while deposit growth was 14% YoY largely driven by CASA accretion of 20%. Other income at Rs47.4bn was a slight miss as fee income was flattish QoQ at Rs44bn. Opex was controlled at Rs70.5bn (PLe Rs73bn) as both employee and other opex were softer. Led by strong NII accretion and lower opex, PPOP growth was robust at 21% YoY to 103bn (PLe Rs99bn). Asset quality improved sequentially with GNPA/NNPA (calc.) being lower at 3.6%/0.8% (PLe 4.2%/0.9%) owing to healthy recoveries. PAT was a beat at Rs70.2bn (est. Rs64.2bn).
- Business momentum continues:** Sequential loan growth was strong at 5.5% QoQ driven by retail (+6.0%), business banking (+10%) and SME (+11.3%) while corporate was soft at 1.2%. Retail growth was primarily led by mortgages, personal loans and credit cards owing to opportunities available in micro markets and easier customer on-boarding while SME growth was largely driven by decongested processes. On credit growth the management suggested that focus would continue on profitable, sustainable and risk calibrated accretion by concentrating on micro-markets as these locations are still underpenetrated.
- Asset quality improved materially:** While slippages were a tad higher at Rs42bn (2.1% of loans) which mainly emanated from retail, net slippages were negative as recoveries were strong at Rs46.9bn led by retail. Corporate also saw a chunky upgrade of Rs10.8bn as it was shifted to a resolution scheme. Contingent provisions were Rs10.25bn implying negligible credit costs for the quarter. Hence buffer provisions increased QoQ from 80bps to 87bps. Restructured pool declined QoQ 119bps to 96bps of loans on which coverage is 31%. BB & below rated book further declined QoQ from 1.5% to 1.3%.

Exhibit 1: Strong earnings led by operating metrics and better asset quality

NII grew at 21% YoY due to continued strong advances & deposit flow

Other income grew steadily driven by fee income growth

Provisions for Q4FY22 consists mainly of contingency provisions of Rs. 10.25bn

Loan growth was supported from both retail & domestic non retail; deposit growth was also quite strong

Margins were steady sequentially, domestic margins marginally above 4%

Asset quality improved further with a strong PCR ratio of 80%

CASA mix sees improvement driven by CA

Bank's Tier-I capital ratio is at healthy 18%

P & L (Rs mn)	Q4FY22	Q4FY21	YoY gr. (%)	Q3FY22	QoQ gr. (%)
Interest income	1,68,767	1,46,394	15.3	1,62,342	4.0
Interest expense	1,00,703	94,105	7.0	98,466	2.3
Net interest income (NII)	1,26,046	1,04,311	20.8	1,22,360	3.0
- Treasury income	1,290	(250)	(616.0)	880	46.6
Other income	47,374	41,114	15.2	49,871	(5.0)
Total income	1,73,420	1,45,425	19.3	1,72,231	0.7
Operating expenses	70,490	60,027	17.4	70,749	(0.4)
-Staff expenses	24,289	20,084	20.9	24,848	(2.3)
-Other expenses	46,201	39,942	15.7	45,900	0.7
Operating profit	1,02,929	85,398	20.5	1,01,483	1.4
Core operating profit	1,01,639	85,648	18.7	1,00,603	1.0
Total provisions	10,690	28,835	(62.9)	20,073	(46.7)
Profit before tax	92,240	56,564	63.1	81,410	13.3
Tax	22,053	12,538	75.9	19,471	13.3
Profit after tax	70,187	49,396	59.4	61,938	13.3
Balance Sheet (Rs bn)					
Deposits	10,645	9,325	14.2	10,174	4.6
Advances	8,590	7,337	17.1	8,139	5.5
Profitability ratios (%)					
NIM	4.0	3.8	16	4.0	4
RoAA	2.1	1.5	61	1.9	18
RoAE	17.7	13.3	432	16.2	145
Asset Quality					
Gross NPA (Rs m)	3,39,195	4,13,734	(18.0)	3,70,527	(8.5)
Net NPA (Rs m)	69,609	91,802	(24.2)	73,439	(5.2)
Gross NPL ratio	3.6	5.0	(136)	4.1	(53)
Net NPL ratio	0.8	1.1	(38)	0.9	(9)
Coverage ratio (calc.)	79.5	77.8	167	80.2	(70)
Business & Other Ratios					
CASA mix	47.2	46.3	91	47.2	(4)
CASA mix - Average	45.2	42.0	320	44.9	30
Cost-income ratio	40.6	41.3	(63)	41.1	(43)
Non int. inc / total income	27.3	28.3	(95)	29.0	(164)
Credit deposit ratio	80.7	78.7	201	80.0	69
CAR	19.2	19.1	4	17.9	125
Tier-I	18.4	18.1	29	16.9	142

Source: Company, PL

Key Q4FY22 Concall Highlights

Assets/Liabilities outlook & review

- Focus remains on steadily growing business within strategic framework, strengthening franchise, delivery and servicing capabilities backed by digital initiatives.
- **Growth Strategy:** Deeper penetration in micro-markets, increase in digital footprints with focus on outcome driven data analytics. Target segment would be ETB Customers and NTB in these markets.
- Retail Loans grew by 19% YoY/6% QoQ primarily led by Credit Cards, Personal Loans and Mortgage Loan Portfolio. The retail loan growth is on account of opportunities available in micro markets, decongested processes, and easy customer onboarding.
- Value of credit card spends grew by 77% YoY in Q3-2022. Share of Credit Card portfolio was driven by retail growth, quick activation through amazon partnership and commercial cards.
- Revolver however continues to remain lower than pre-covid levels (Q3 was better on account of festive season). Spends have in non-amazon card have been steadily increasing.
- Recent RBI circular – largely unimpeached, however would continue to monitor the outcome. Competitive intensity may remain at same levels.
- Corporate loans grew 9.7%YoY/5.7%QoQ mainly to better rated corporates and PSUs. Corporate loans majorly comprise of Working Capital loans.
- Total ECLGS disbursement for FY22 stood at Rs179bn.
- Deposits grew by 14.2% YoY driven by current account deposit growth of 22% YoY and SA growth of 16% YoY. CASA ratio was strong at 47.2%

P&L

- On margins front, NIM remained steady at 4% in Q4FY22 up 4bps from previous quarter due to tailwinds from Cost of Funds, interest on income tax refund (impact of 1bps) and marginal uptick in lending rates.
- Going forward, endeavor would be to maintain margin at these levels considering the rising rate scenario.
- Other opex increased 19%YoY, mainly on account of business related expenses and continued tech expenses. Tech expenses accounted for 8.5% of opex.
- Treasury gains during the quarter were mainly on account of Forex gains, Fixed Gains would be negligible considering the rise in yields.

Asset Quality

- Incremental slippages were Rs42bn in Q4FY22 mainly from retail book of Rs37.4bn and Rs4.7bn from corporate SME.

- Restructuring & Stress book:** Total fund based o/s under resolution stood same at Rs82.7bn or 1% of loans, of which Rs32.1bn were from corporate & SME, while retail, rural and business banking portfolio accounted for Rs.60.4bn. Bank holds Rs25.3bn of provisions on these loans. Resolution portfolio declined from Rs.96.8bn to Rs.82.7bn due to prepayment by a borrower in the construction sector. BB & below declined to 108.1bn v/s Rs118.4bn in Q3FY22.
- Credit cost & COVID provisions:** Credit cost stood 0.54% despite additional contingency provisions of Rs.10.25bn. The same trend may not be seen going forward. As on March 31, 2022, bank holds total of Rs.179bn of other specific provisions or 2.1% of advances.

Exhibit 2: Loan split and growth trends

Loan Book Details (Rs bn)	Q4FY22	Q4FY21	YoY gr. (%)	Q3FY22	QoQ gr. (%)
Total Loan Book	8,590	7,337	17.1	8,140	5.5
Domestic Loan book	8,177	6,961	17.5	7,733	5.7
Retail Loan book	4,546	3,797	19.7	4,287	6.0
Domestic Corporate book	1,937	1,766	9.7	1,914	1.2
SME	405	303	33.6	364	11.3
Rural	768	722	6.5	737	4.3
Business Banking	534	373	43.2	485	10.2
International Loan book	413	376	9.8	407	1.5
Retail Loan book break-up					
Home Loans	2,931	2,437	20.3	2,783	5.3
Vehicle loans	681	642	6.1	659	3.3
Personal Loans & CC	879	667	31.9	798	10.2
Others	56	53	6.0	48	15.4
Composition of Loan Book					
Domestic Loan book	95%	95%	32	95%	19
Retail Loan book	56%	55%	105	55%	16
Domestic Corporate book	24%	25%	(168)	25%	(105)
SME	5%	4%	60	5%	25
Rural	17%	19%	(210)	17%	(29)
Business Banking	28%	21%	645	25%	225
International Loan book	5%	5%	(32)	5%	(19)
Retail Loan book break-up					
Home Loans	64%	64%	30	65%	(44)
Vehicle loans	15%	17%	(193)	15%	(39)
Personal Loans & CC	19%	18%	179	19%	74
Others	1%	1%	(16)	1%	10

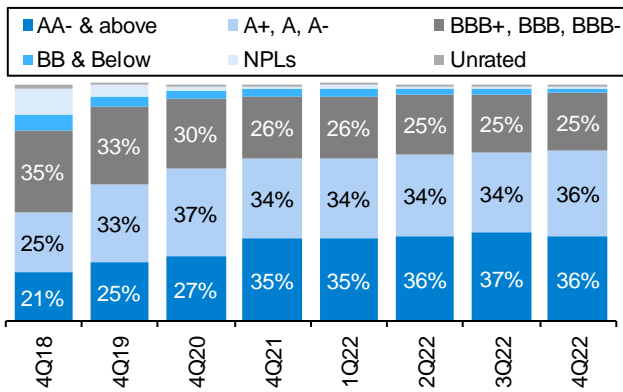
Source: Company, PL

Domestic loan growth strong across segments; international loan book saw some growth towards India linked trade finance

Retail was led by strong credit card; Personal Loan growth, mortgage remains mainstay

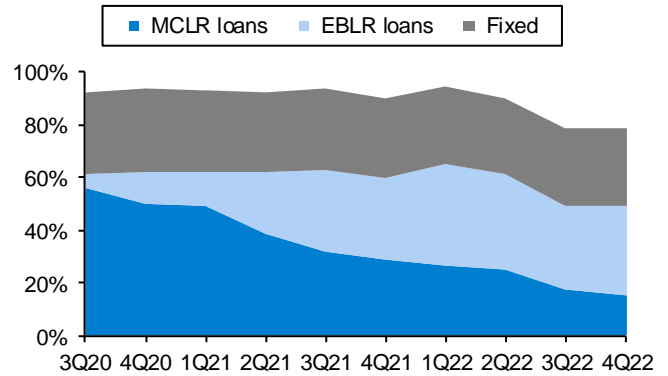
Commentary on retail lending remained strong and should be driven by digitization and ecosystem growth

Exhibit 3: Better rated book continues to dominate



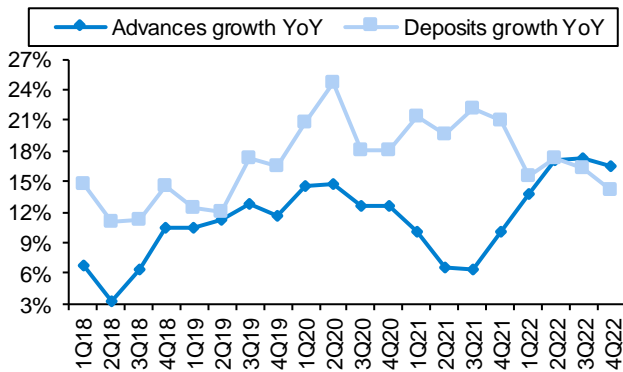
Source: Company, PL

Exhibit 4: Floating rate book constant at 70%



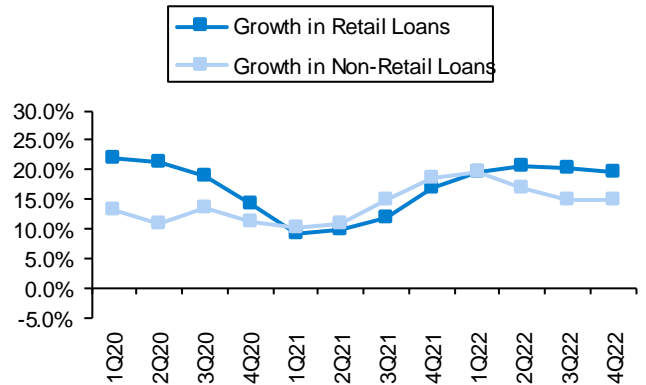
Source: Company, PL

Exhibit 5: Steady performance continues on both front



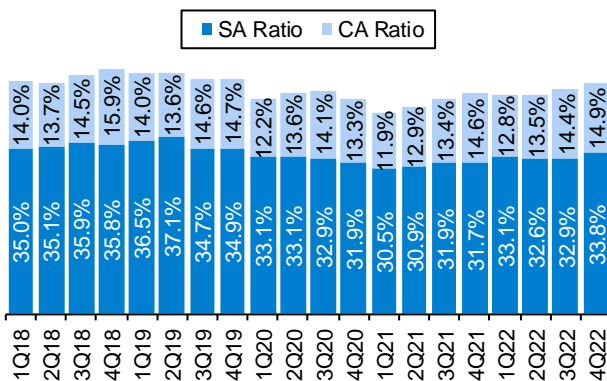
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Exhibit 6: Both retail & domestic non-retail has delivered



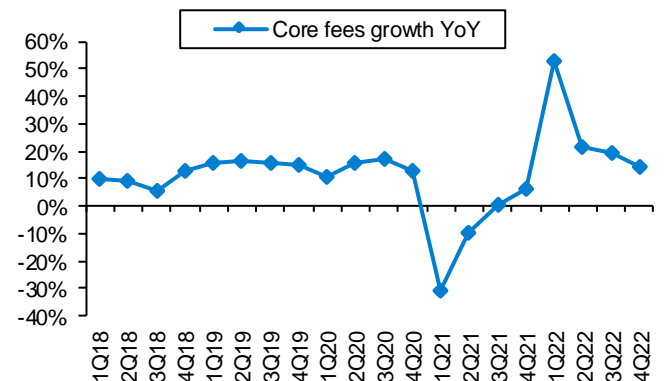
Source: Company, PL

Exhibit 7: CASA has improved to 47%

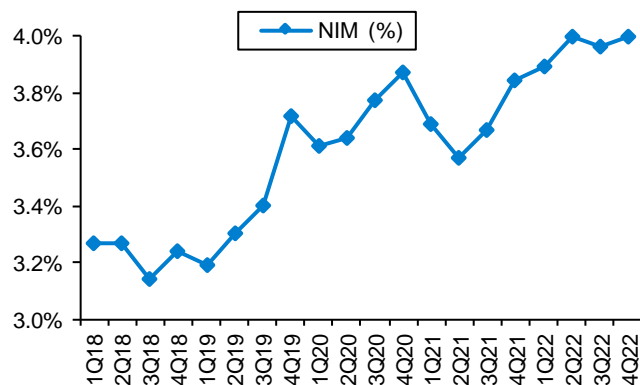


Source: Company, PL

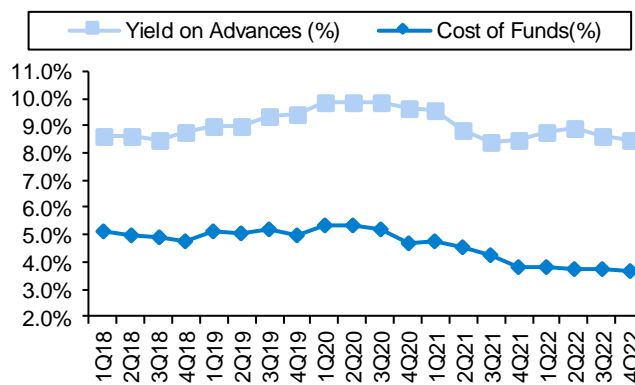
Exhibit 8: Core fees growth was slower at 14% YoY



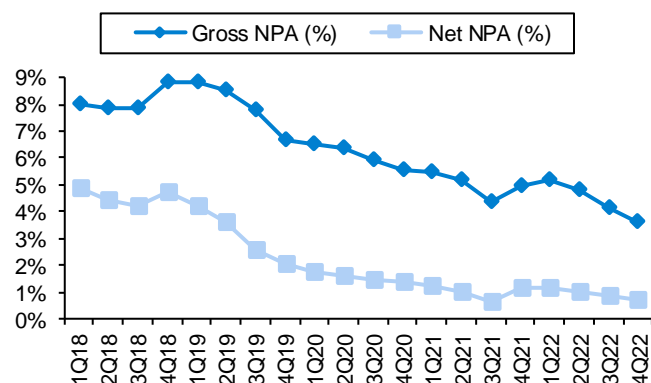
Source: Company, PL

Exhibit 9: NIM remains steady


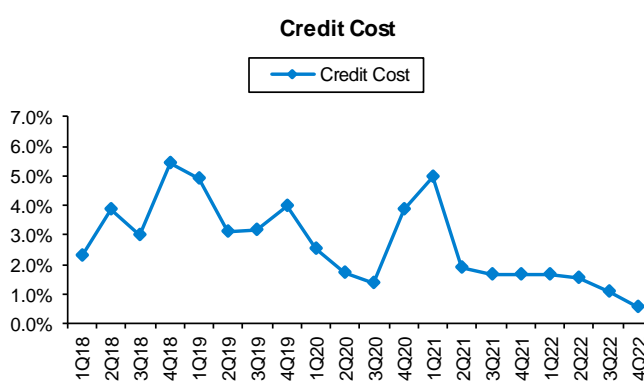
Source: Company, PL

Exhibit 10: Cost of funds seems to be bottomed out


Source: Company, PL

Exhibit 11: Asset quality continues to improve with better recoveries & maintained PCR


Source: Company, PL

Exhibit 12: Credit cost remains benign with declining slippages


Source: Company, PL

Exhibit 13: Slippages controlled, recovery sees improvement

Particulars (Rs Million)	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Gross Restructured Loans	1,800	1,680	2,080	1,640	14,050	32,690	32,420	36,920	23,890
Non Fund O/s to non-performing loans	50,630	48,290	42,380	44,070	44,050	41,010	37,140	36,830	36,400
Other loans under RBI scheme not included above	15,330	14,600	12,350	12,220	7,990	8,130	7,670	NA	NA
Borrowers with o/s >Rs1.0bn	65,980	70,690	68,450	83,010	71,170	64,310	50,810	52,340	58,810
Borrowers with o/s <Rs1.0bn	32,940	35,840	36,410	39,670	37,760	34,620	36,240	29,140	25,380
Total BB & Below rated book	166,680	171,100	161,670	180,610	175,050	180,760	164,280	154,800	144,480
Total BB & Below rated book (excl. NFB o/s to NPL)	122,810	119,290	136,540	130,980	139,750	127,140	118,420	108,080	
Movement in BB & Below Book									
Slippage to NPA	17,260	1,710	12,120	2,270	10,670	1,900	7,300	230	1,560
Upgrades to investment grade & O/s reduction	12,970	8,600	14,290	1,180	6,760	5,730	8,780	9,460	18,040
Downgrades from investment grade	22,880	14,730	16,980	22,390	11,870	5,270	3,470	970	3,850
BB & Below at end of period	166,680	171,100	161,670	180,610	175,050	183,830	127,140	118,420	144,480
% of Net Advances	2.6%	2.7%	2.5%	2.6%	2.4%	2.4%	2.1%	1.9%	1.7%
GNPA %	5.5%	5.5%	5.2%	4.4%	5.0%	5.1%	4.8%	4.1%	3.6%
NNPA %	1.2%	1.4%	1.0%	0.6%	1.1%	1.1%	1.0%	0.9%	0.8%
Net Stressed Assets %	4.2%	4.1%	3.7%	4.0%	3.6%	3.7%	3.2%	2.8%	2.5%

 Source: Company, PL **Note** – GNPA/NNPA for 2Q21 & 3Q21 are pro-forma basis; Part of restructured loans overlap with BB book

Exhibit 14: Slippages were mainly from Retail book; write-offs were softer

Asset Quality Break-up	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Fresh Slippages	20,910	35,470	27,790	24,820	43,630	53,060	11,600	30,170	4,710	118,180	72,310	55,780	40,180	42,040
Fresh Slippages - Pro-forma								14,100	82,800	55,230				
- Retail	10,710	8,230	15,110	13,230	18,900	12,940	6,020	17,490	3,940	99,560	67,730	46,240	38,530	37,360
- Retail Slippages - Pro-forma									75,210	43,500				
- Non retail (corporate/SME)	10,200	27,240	12,680	11,590	24,730	40,120	5,580	12,680	770	18,620	4,580	9,540	1,650	4,680
- Slippage from Restructured	690	-	1,860											
- Slippages below Investment grade	9,510	18,770	9,770	3,730	7,070	17,260	1,710	12,120	2,270	10,670	1,900	7,300	230	1,560
- In existing NPA on Re depreciation	(7200)	-	-	3,490	800	4,680								
Recovery & Upgrades	19,160	15,220	9,310	12,630	40,880	18,830	7,570	19,450	18,640	25,600	36,270	54,820	42,090	46,930
Write-offs & Sale of NPA	30,730	73,248	23,766	13,433	24,599	54,677	14,259	24,691	27,360	27,450	15,890	17,170	40,880	26,440

Source: Company, PL

Exhibit 15: On track towards +15% ROEs – best in a decade

RoA decomposition	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Net interest income	3.1	2.9	2.8	2.9	3.2	3.3	3.6	3.6	3.5
Treasury income	0.9	1.3	0.9	0.3	0.3	0.5	0.0	0.0	0.0
Other Inc. from operations	1.4	1.3	1.2	1.2	1.3	1.1	1.4	1.3	1.3
Total income	5.3	5.5	4.9	4.5	4.8	5.0	5.0	4.9	4.8
Employee expenses	0.7	0.8	0.7	0.7	0.8	0.7	0.7	0.7	0.7
Other operating expenses	1.1	1.2	1.2	1.2	1.3	1.2	1.3	1.3	1.2
Operating profit	3.5	3.5	3.0	2.5	2.7	3.1	3.0	2.9	2.9
Tax	1.7	2.0	2.1	2.1	1.4	1.4	0.6	0.6	0.6
Loan loss provisions	0.4	0.2	0.1	0.0	0.6	0.3	0.7	0.6	0.6
RoAA	1.4	1.3	0.8	0.4	0.8	1.4	1.8	1.8	1.8
RoAE	11.6	10.7	6.8	3.2	7.3	12.6	15.0	15.0	15.6

Source: Company, PL

Exhibit 16: We revise earnings estimates upwards driven by continued outperformance

Change in Estimates Table (Rs mn)	Earlier		Revised		% Change	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Net interest income	5,40,554	6,34,953	5,37,698	6,12,248	(0.5)	(3.6)
Operating profit	4,33,524	4,91,582	4,34,889	5,09,662	0.3	3.7
Net profit	2,55,461	2,96,201	2,65,013	3,09,847	3.7	4.6
Loan Growth (%)	16.4	17.9	16.0	16.1	(0.5)	(1.8)
Credit Cost (bps)	95.0	85.0	92.9	94.7	(2.1)	9.7
EPS (Rs)	36.9	42.8	37.9	44.3	(0.2)	(0.7)
ABVPS (Rs)	250.5	290.4	255.3	288.9	1.9	(0.5)
Price target (Rs)	906		950		4.9	
Recommendation	BUY		BUY			

Source: PL

Exhibit 17: We increase our TP to Rs950 (from Rs906) based on 3.0x core FY24 ABV and Rs159 (from Rs186) for subsidiaries

PT calculation and upside	
Terminal Growth	5.0%
Market-risk Premium	6.8%
Risk-free Rate	6.3%
Adjusted Beta	1.06
Cost of Equity	13.4%
Fair price - P/ABV	815
Target P/ABV	3.0
Target P/E	18.3
Value of subs/other businesses	159
Price target (Rs)	950
Current price, Rs	748
Upside (%)	28%

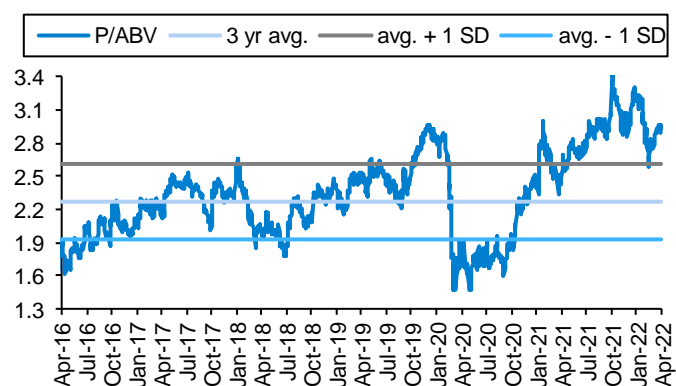
Source: Company, PL

Exhibit 18: Maintained momentum in bank earnings and pick up in subs profitability drives higher target price

Value per share (Rs)	Holding (%)	Multiple	Basis	Mar-24E
ICICI Standalone		3.0x		815
Subsidiaries / Others				
Life insurance	51	M-Cap	M-Cap	55
General insurance	48	M-Cap	Mcap	44
Asset management	51	30x	Mar-22 PAT	32
Broking & IB	77	M-Cap	M-Cap	21
Others				6
Total subsidiaries' value				159
% contribution of Subsidiaries				16
Hold –Co Discount		15%		24
Total fair value per share				950

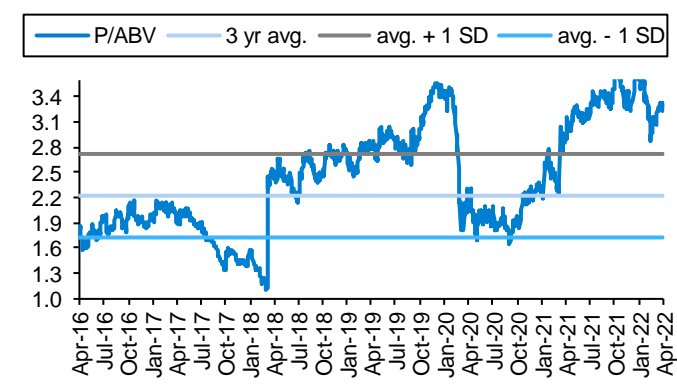
Source: Company, PL

Exhibit 19: ICICIBC one year forward P/ABV trend



Source: Company, PL

Exhibit 20: ICICIBC one year forward P/ABV (ex-Subs) trend



Source: Company, PL

Income Statement (Rs. m)

Y/e Mar	FY21	FY22	FY23E	FY24E
Int. Earned from Adv.	572,888	638,336	775,496	940,653
Int. Earned from invt.	165,398	164,093	205,231	247,330
Others	36,578	45,708	36,980	37,939
Total Interest Income	791,183	863,746	1,031,430	1,240,477
Interest Expenses	401,288	389,085	493,733	628,229
Net Interest Income	389,894	474,662	537,698	612,248
Growth(%)	17.2	21.7	13.3	13.9
Non Interest Income	189,685	177,299	198,733	225,559
Net Total Income	579,580	651,961	736,431	837,807
Growth(%)	7.5	6.1	18.2	19.2
Employee Expenses	80,918	96,728	110,412	120,855
Other Expenses	123,973	170,606	191,130	207,289
Operating Expenses	215,608	267,333	301,542	328,144
Operating Profit	363,971	384,628	434,889	509,662
Growth(%)	29.5	5.7	13.1	17.2
NPA Provision	107,991	76,165	68,309	81,979
Total Provisions	162,144	86,414	86,187	101,969
PBT	201,827	298,213	348,701	407,694
Tax Provision	39,900	72,694	83,688	97,846
Effective tax rate (%)	19.8	24.4	24.0	24.0
PAT	161,927	225,519	265,013	309,847
Growth(%)	104.2	39.3	17.5	16.9

Balance Sheet (Rs. m)

Y/e Mar	FY21	FY22	FY23E	FY24E
Face value	2	2	2	2
No. of equity shares	6,933	6,998	6,998	6,998
Equity	13,865	13,996	13,996	13,996
Networth	1,475,092	1,705,120	1,893,518	2,141,396
Growth(%)	26.6	15.6	11.0	13.1
Adj. Networth to NNPA's	91,177	66,770	71,685	83,214
Deposits	9,325,222	10,645,716	12,266,104	14,226,503
Growth(%)	21.0	14.2	15.2	16.0
CASA Deposits	4,316,234	5,184,370	5,727,361	6,377,499
% of total deposits	46.3	48.7	46.7	44.8
Total Liabilities	12,304,327	14,112,977	16,050,197	18,621,519
Net Advances	7,337,291	8,590,204	9,962,341	11,562,888
Growth(%)	13.7	17.1	16.0	16.1
Investments	2,812,865	3,102,410	3,626,474	4,225,271
Total Assets	12,304,327	14,112,977	16,050,197	18,621,519
Growth (%)	12.0	14.7	13.7	16.0

Asset Quality

Y/e Mar	FY21	FY22	FY23E	FY24E
Gross NPAs (Rs m)	408,414	333,884	355,440	402,549
Net NPAs (Rs m)	91,177	66,770	71,685	83,214
Gr. NPAs to Gross Adv.(%)	5.6	3.9	3.7	3.6
Net NPAs to Net Adv. (%)	1.2	0.8	0.7	0.7
NPA Coverage %	77.7	80.0	79.8	79.3

Profitability (%)

Y/e Mar	FY21	FY22	FY23E	FY24E
NIM	3.7	4.0	3.9	3.9
RoAA	1.4	1.8	1.8	1.8
RoAE	12.6	15.0	15.0	15.6
Tier I	18.1	18.3	17.9	17.4
CRAR	19.1	19.2	18.8	18.4

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q1FY22	Q2FY22	Q3FY22	Q4FY22
Interest Income	203,834	212,337	220,826	226,749
Interest Expenses	94,477	95,439	98,466	100,703
Net Interest Income	109,358	116,898	122,360	126,046
YoY growth (%)	17.8	24.8	23.4	20.8
CEB	32,190	38,110	42,910	43,660
Treasury	-	-	-	-
Non Interest Income	39,959	47,971	49,871	47,374
Total Income	243,793	260,308	270,697	274,123
Employee Expenses	23,744	23,846	24,848	24,289
Other expenses	36,628	41,876	45,900	46,201
Operating Expenses	60,372	65,722	70,749	70,490
Operating Profit	88,944	99,147	101,483	102,929
YoY growth (%)	(17.5)	20.0	15.1	20.5
Core Operating Profits	86,044	99,147	100,603	101,639
NPA Provision	28,517	27,135	20,073	440
Others Provisions	28,517	27,135	20,073	10,690
Total Provisions	28,517	27,135	20,073	10,690
Profit Before Tax	60,427	72,012	81,410	92,240
Tax	14,267	16,903	19,471	22,053
PAT	46,160	55,110	61,938	70,187
YoY growth (%)	77.6	29.6	25.4	59.4
Deposits	9,262,239	9,774,486	10,174,667	10,645,716
YoY growth (%)	15.5	17.3	16.4	14.2
Advances	7,385,979	7,649,374	8,139,916	8,590,204
YoY growth (%)	17.0	17.2	16.4	17.1

Key Ratios

Y/e Mar	FY21	FY22	FY23E	FY24E
CMP (Rs)	748	748	748	748
EPS (Rs)	23.4	33.4	37.9	44.3
Book Value (Rs)	208	239	266	302
Adj. BV (70%)(Rs)	195	229	255	289
P/E (x)	32.0	22.4	19.7	16.9
P/BV (x)	3.6	3.1	2.8	2.5
P/ABV (x)	3.8	3.3	2.9	2.6
DPS (Rs)	-	5.0	6.8	8.9
Dividend Payout Ratio (%)	-	15.0	18.0	20.0
Dividend Yield (%)	-	0.7	0.9	1.2

Efficiency

Y/e Mar	FY21	FY22	FY23E	FY24E
Cost-Income Ratio (%)	37.2	41.0	40.9	39.2
C-D Ratio (%)	78.7	80.7	81.2	81.3
Business per Emp. (Rs m)	169	182	204	232
Profit per Emp. (Rs lacs)	16	21	24	28
Business per Branch (Rs m)	3,164	3,550	4,028	4,611
Profit per Branch (Rs m)	31	42	48	55

Du-Pont

Y/e Mar	FY21	FY22	FY23E	FY24E
NII	3.35	3.59	3.57	3.53
Total Income	4.98	5.00	4.88	4.83
Operating Expenses	1.85	2.02	2.00	1.89
PPoP	3.13	2.97	2.88	2.94
Total provisions	1.39	0.65	0.57	0.59
RoAA	1.39	1.77	1.76	1.79
RoAE	9.17	14.75	15.03	15.67

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Apr-22	BUY	906	754
2	23-Jan-22	BUY	906	805
3	12-Jan-22	BUY	819	811
4	06-Oct-21	BUY	819	690
5	25-Jul-21	BUY	815	677
6	06-Jul-21	BUY	750	651
7	26-Apr-21	BUY	700	570

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	BUY	3,500	2,485
2	Axis Bank	BUY	975	795
3	Bank of Baroda	BUY	150	120
4	Can Fin Homes	BUY	800	661
5	City Union Bank	BUY	180	140
6	DCB Bank	BUY	120	86
7	Federal Bank	BUY	135	100
8	HDFC	BUY	3,272	2,445
9	HDFC Bank	BUY	1,740	1,465
10	ICICI Bank	BUY	906	754
11	IDFC First Bank	UR	-	42
12	IndusInd Bank	BUY	1,297	986
13	Kotak Mahindra Bank	Accumulate	1,925	1,785
14	LIC Housing Finance	Accumulate	420	393
15	Punjab National Bank	BUY	50	38
16	State Bank of India	BUY	610	516

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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