

ICICI BANK LIMITED | Banking

Margin improvement, deposit growth lacking



Result and Price Analysis

Earnings in 3QFY23 re-acknowledge our conviction that ICICI Bank is maintaining a sustainable and prudent growth led by tech-driven initiatives. The bank has reported its 3QFY23 results and the key pointers are: 1) Strong NII growth of 34.6% YoY, with headline NIMs (Domestic: 4.79% & Overall: 4.65%) up sequentially led by higher proportion of EBLR loans. 2) PPOP growth higher sequentially driven by healthy NII and lower C/I (38.2%), 3) Reported slippages (₹57bn v/s ₹44bn in 2QFY23) increased sequentially, 4) NNPA ratio improved further at 0.55%, 5) PCR (excluding technical write-offs) stood at 82.6%. The Bank made ₹15bn of additional contingent provision. However the bank didn't include contingent & floating provision (~₹213bn) in PCR calculation; 7) Contingent provision (excluding PCR) stood at 2.2% of the loan book, 8) BB & below exposure down sequentially to 1.2% of net advances, 9) the bank's net advances grew by 19.7% YoY and 3.8% sequentially; and 8) deposits stood at ₹11.2tn mark and grew sequentially by 2.9% with average CASA at 44.6%. Moreover, provision expenses inched up sequentially to ₹22.6bn v/s 16.4bn in 2QFY23. Factoring stable balance sheet growth and credit cost of below 1% in FY24E, we estimate the bank's FY23E ROA and ROE of 2.1% and 16.6% respectively. We have positive outlook on the bank with BUY rating.

Gazing the Core

Higher upgrades keep asset quality intact, restructuring book eased: Slippages were up meaningfully to ₹57bn v/s ₹44bn in the previous quarter. Retail slippages and Corporate & SME slippages contributed 73% and 27% respectively. Considering significant contribution, retail slippages increased by 14% sequentially. The standard restructured (0.51% of portfolio) book inched down sequentially to ₹49.8bn. Retail book contributed ~84% of restructured pool (Over 95% are secured), where rest is from corporate and SME book. The bank carries provision worth ₹15.3bn (~31% covered) against the restructured pool. The absolute GNPA decreased by 0.1% sequentially led by higher upgrades. As on 3QFY23, the bank's GNPA/NNPA/PCR stood at 3.07%/0.55%/83% against 3.19%/0.61%/81% in the previous quarter.

Key Financials (₹ mn)	FY20	FY21	FY22	FY23E	FY24E
NII	3,32,671	3,89,894	4,74,661	6,19,117	7,32,024
Operating Profit	2,81,013	3,63,971	3,92,503	5,05,516	5,81,200
Reported Profits	1,00,580	1,61,927	2,33,395	3,30,450	3,69,550
Net Worth	11,33,861	14,44,125	16,70,499	20,01,005	23,70,555
Loan & Advances	64,52,900	73,37,291	85,90,204	1,03,08,245	1,24,72,977
Int. Bearing Liabilities	93,38,658	1,02,41,531	1,17,18,030	1,32,42,483	1,57,06,758

Key Ratios (%)	FY20	FY21	FY22	FY23E	FY24E
NIM's	3.5	3.6	3.8	4.3	4.4
C/I	43.5	37.2	40.5	38.0	38.2
Gross NPA	5.5	5.0	3.6	3.2	2.7
Tier 1	16.0	19.5	14.2	14.9	14.5
Adj. RoA	1.0	1.4	1.8	2.2	2.1
Adj. RoE	8.9	12.3	14.7	17.7	16.6

Rating	Buy
Current Market Price (₹)	870
12 M Price Target (₹)	1,028
Potential upside (%)	18

Stock Data

FV (₹) :	2
Total Market Cap (₹ bn) :	6,082
Free Float Market Cap (₹ bn) :	6,072
52-Week High / Low (₹)	958 / 642
2-Year High / Low (₹) :	958 / 512
1 Year Avg. Dly Traded Volume (in lakh)	136
BSE Code / NSE Symbol	532174 / ICICIBANK
Bloomberg :	ICICIB IN

Shareholding Pattern

(%)	Dec-22	Sep-22	Jun-22	Mar-22
FPIs	45.09	42.65	43.54	43.95
MFs	28.69	28.79	29.19	28.85
Insurance	12.41	12.71	13.07	12.78
Others	13.81	15.85	14.20	14.42

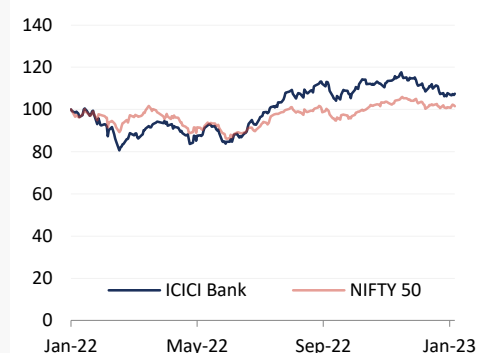
Source: BSE

Price Performance

(%)	1M	3M	6M	1YR
ICICI Bank	-4.3%	-2.1%	11.1%	7.4%
Nifty 50	-1.9%	2.6%	9.1%	1.5%

* To date / current date : January 20, 2023

ICICI Bank vs Nifty 50



The bank witnessed meaningful reduction in GNPA ratio as well as the NNPA. With stable stress level, the total provisioning expenses were up sequentially and stood at ₹22.6bn v/s ₹16.5bn in the previous quarter. The total contingent provisioning stood ₹115bn. The total additional provision contain contingent provision (₹115bn), General Provision (₹63bn) and Provision on Non-fund based NPA (₹20bn). The PCR including all provisions (Cumulative + General + Contingencies) stood at 148% of GNPL. The contingent provision (excluding PCR) stood 2.19% of the loan. The management expects the contingent provision to be adequate for future stress. The bank's BB & below rated pool came down (₹117bn v/s ₹140bn) contributes 1.2% of total customer assets.

Profitability improved on the back of healthy NII growth and lower Opex: The bank's quarterly NII stood at ₹165bn; grew by 34.6% YoY and 11.3% sequentially driven by improved domestic NIMs at 4.79%. Overall NIMs up by 34bps to 4.65%. The bank's 30% loans are fixed rate and reaming linked with external benchmark. Non – interest income stood flat with de-growth in fee income. The PPOP stood at ₹133bn; 13.3% up sequentially driven by healthy NII and lower C/I ratio of 38.2% v/s 41.1% in the previous quarter. With sequentially higher provisioning expenses (₹22.6bn v/s ₹16.4bn) the bank reported PAT of ₹83.2bn; grew 34% YoY and 10% sequentially. The banks ROA/ROE stood at 2.2%/17.6%.

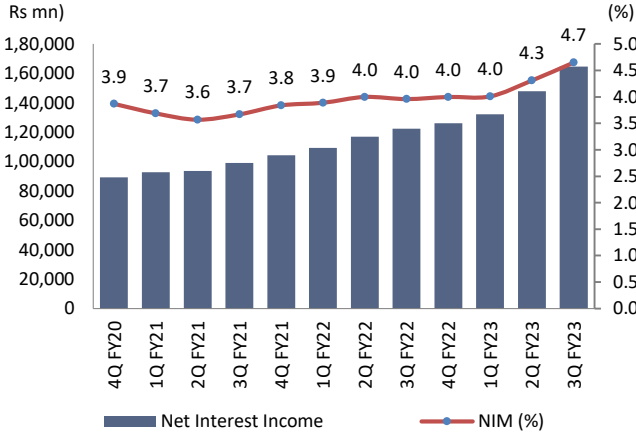
Sound credit growth, tepid deposit growth: Disbursement across retail products increased substantially. The bank's advances stood at ~₹9.7tn; 19.7% YoY and 3.8% QoQ. Domestic advances grew 21.4% YoY. Domestic advances (96.4% contribution) grew by 4.2% QoQ. Foreign advances de-grew by 7.2% QoQ. Retail advances (69.7% contribution) grew by 4.5% QoQ. SME advances (4.7% contribution) grew by 8.3% QoQ. Corporate advances (23% contribution) grew by 4.7% QoQ. In retail book; Personal loan & Credit card segment (17% of retail book) grew at 7.2% sequentially. 85% of the unsecured retail book customers are salaried. Home loan (49% of retail book) grew by 4% QoQ while Vehicle loan (11.1% of retail book) grew by 4.2% QoQ. The bank's deposit stood at ₹11.2tn mark and grew by 10.3% YoY and grew by 2.9% sequentially. The CDR and Avg. CASA stood at 86.8% and 44.6% respectively. In 3QFY23, the bank's CET 1 stood at 15.0%. The bank's CAR stood at 16.26% with Tier 1 of 15.5%. The total RWA stood 68.4% of total assets against 67.1% in 2QFY23. The bank carries adequate liquidity with LCR of 123%.

Outlook & Valuations

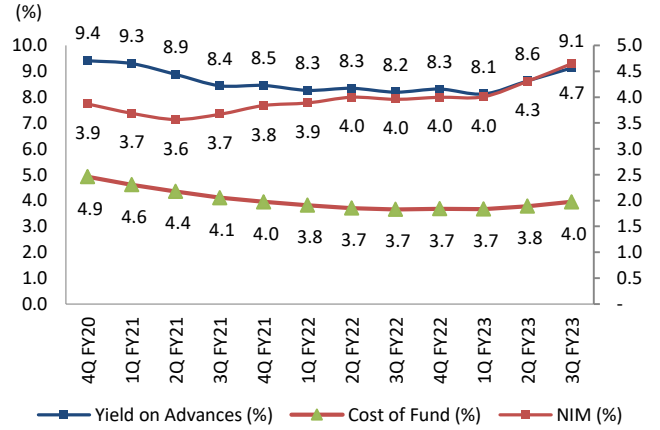
We expect its loan book to grow at CAGR of 20% over FY22-24E, led by technology initiatives. The credit cost normalization is underway. We estimate return ratio ROA/ROE of 2.1% and 16.6% in FY24E. We value the standalone entity at 2.7x FY24E BVPS (₹336) and investment in subsidiaries and JVs (₹122 per share); we arrive at a target price of ₹1,028. We recommend BUY with a potential upside of 18%.

Quarterly story in charts

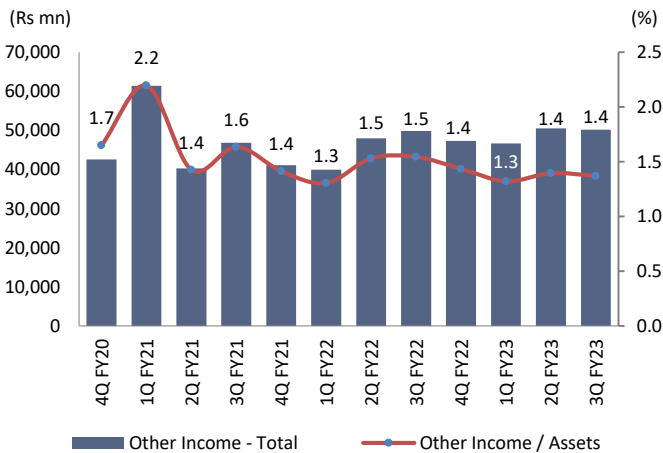
NII Trend



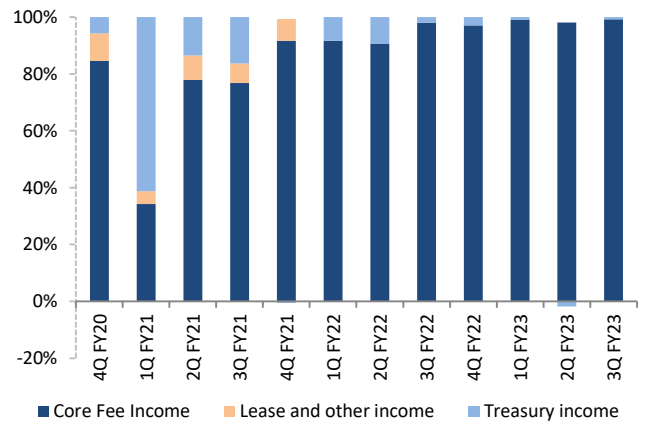
Yields & Margin trend



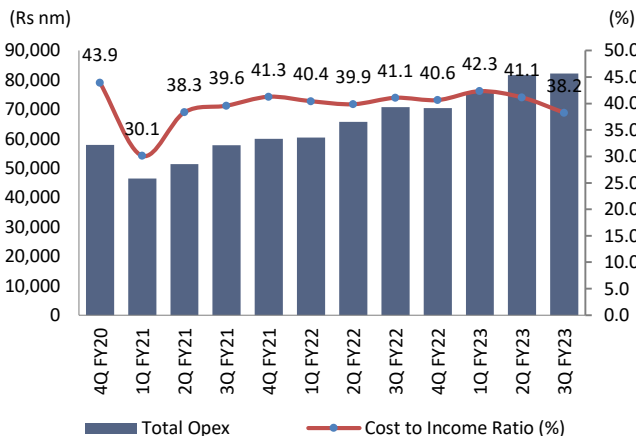
Other income Trend



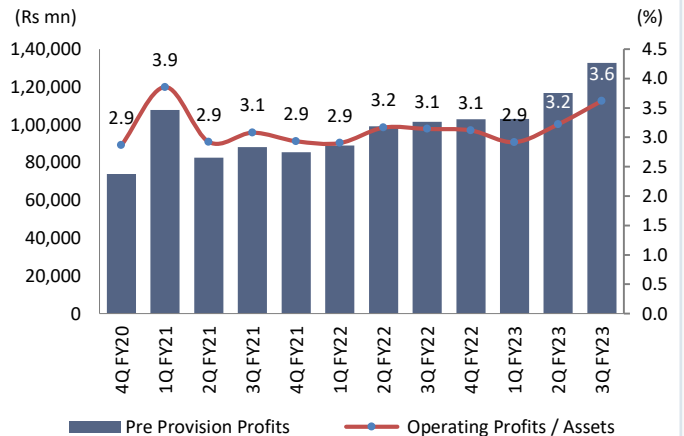
Other income mix trend



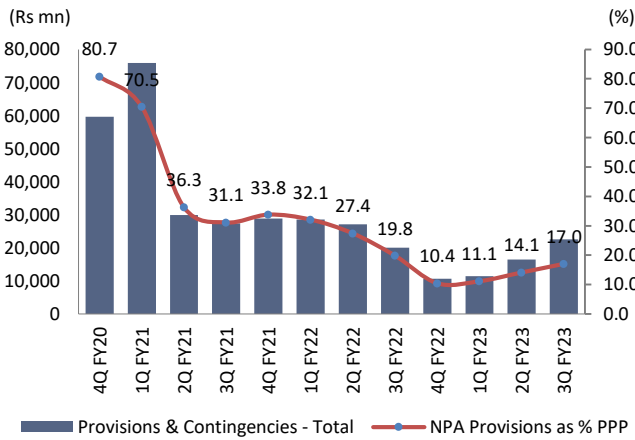
Total Opex Trend



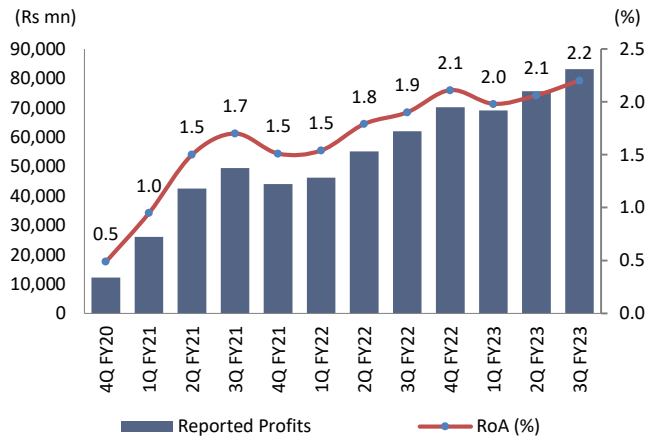
Pre Provision Profit trend



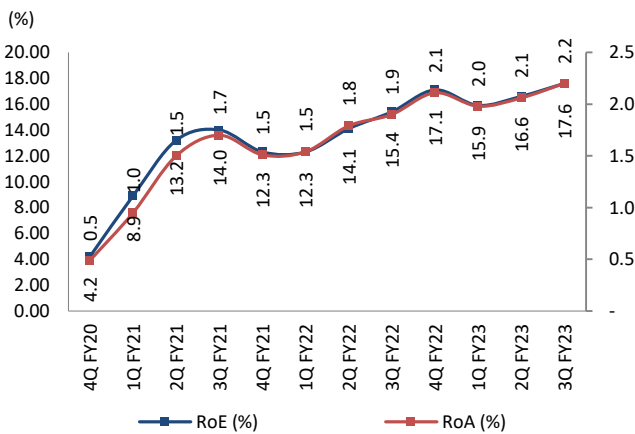
Provision expenses trend



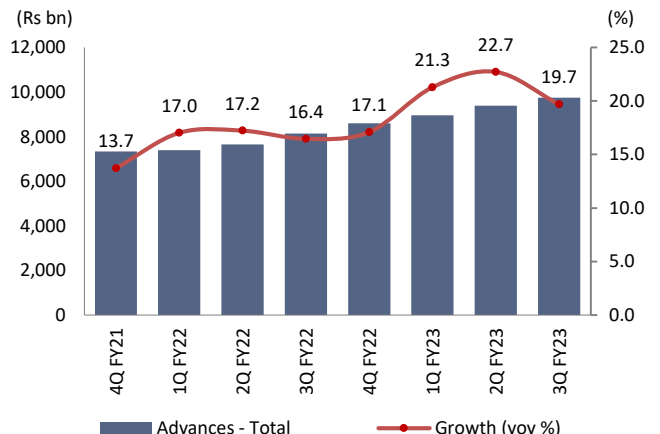
Reported profit trend



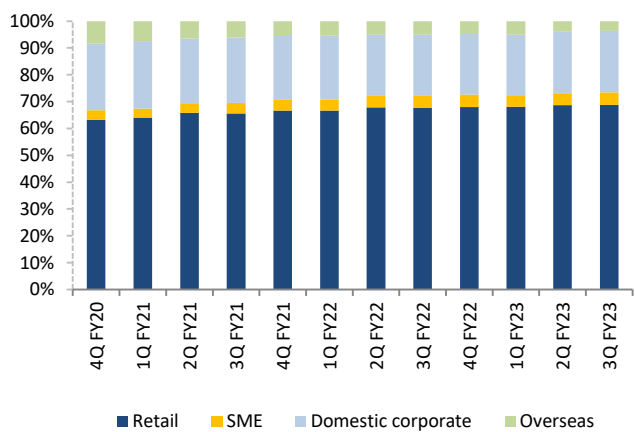
Return ratio trend



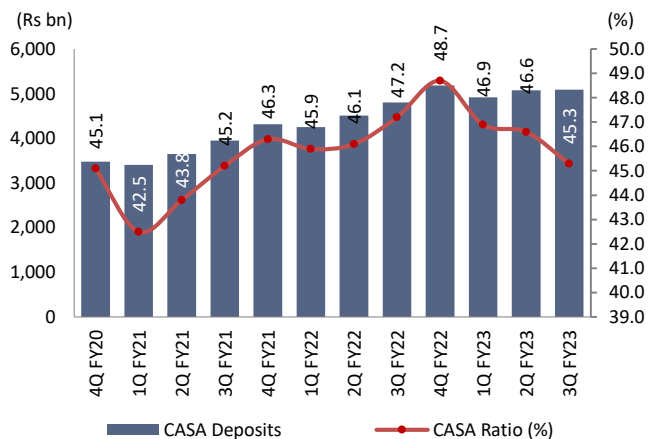
Loan book trend



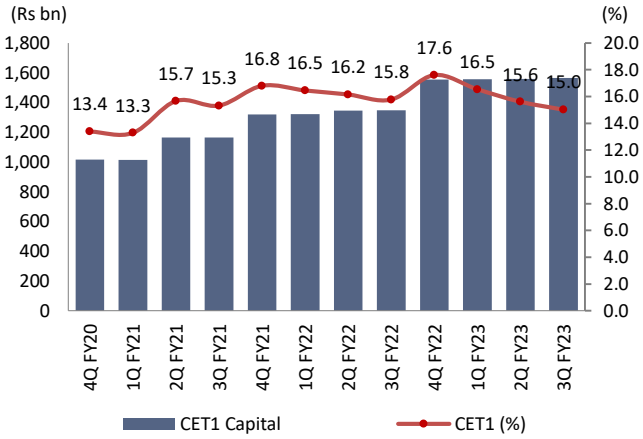
Loan book Mix trend



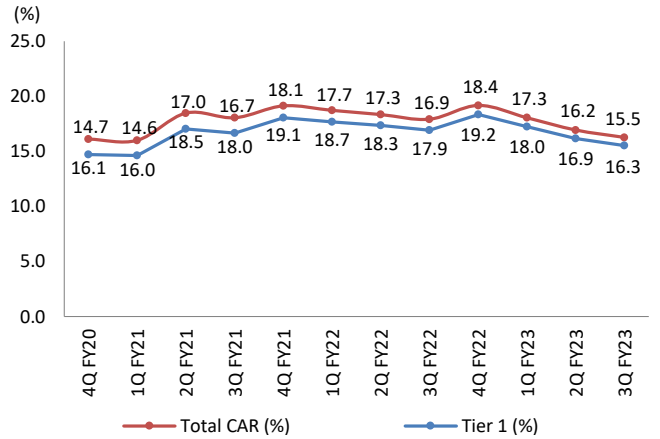
CASA Deposit trend



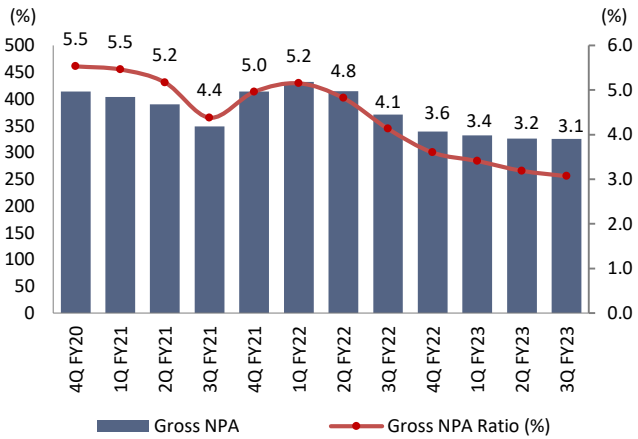
CET 1 Ratio trend



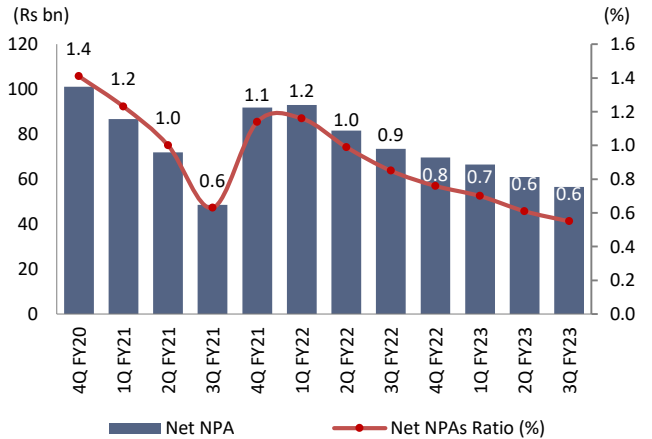
CRAR & Tier 1 Ratio Trend



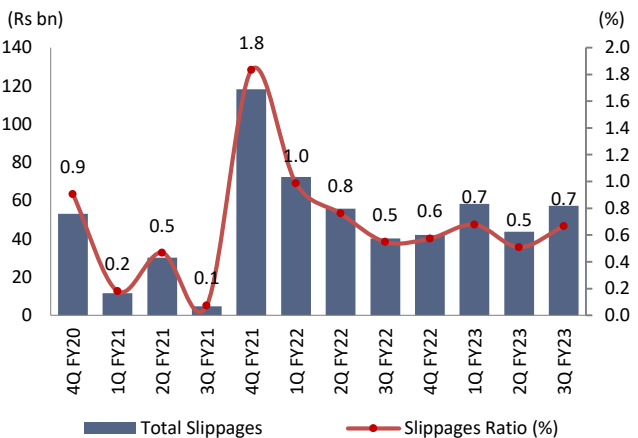
Gross NPA trend



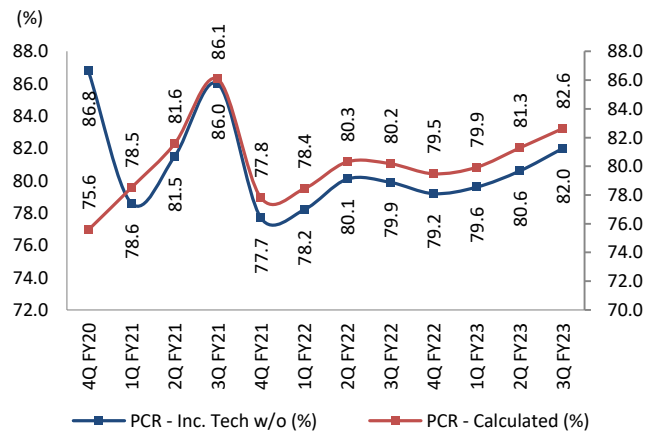
Net NPA trend



Slippages Trend



PCR Trend



Financial Performance at a glance

Exhibit 1 : Income Statement Analysis

(₹ mn)	3Q FY23	3Q FY22	% yoy / bps	2Q FY23	% qoq / bps	FY22	FY21	% yoy / bps
Interest Inc.	2,85,056	2,20,826	29.1	2,60,330	9.5	8,63,746	7,91,183	9.2
Interest Expenses	1,20,407	98,466	22.3	1,12,462	7.1	3,89,085	4,01,288	(3.0)
Net Interest Income	1,64,650	1,22,360	34.6	1,47,868	11.3	4,74,661	3,89,894	21.7
NII to Net Operative Income	76.6	71.0	558	74.5	210	71.9	67.3	466
NIM (%)	4.65	4.0	69	4.3	34	3.8	3.7	13
Other Income - Total	50,236	49,871	0.7	50,549	(0.6)	1,85,175	1,89,685	(2.4)
Other Inc to Net Oper. Income (%)	23.4	29.0	(558)	25.5	(210)	28.1	32.7	(466)
Net Operating Revenue	2,14,886	1,72,231	24.8	1,98,417	8.3	6,59,836	5,79,580	13.8
Employee Expenses	29,212	24,848	17.6	28,885	1.1	96,728	80,918	19.5
Other Opex	52,962	45,900	15.4	52,728	0.4	1,70,606	1,34,691	26.7
Total Opex	82,174	70,749	16.1	81,614	0.7	2,67,333	2,15,608	24.0
Cost to Income Ratio (%)	38.2	41.1	(284)	41.1	(289)	40.5	37.2	331
Pre Provision Profits	1,32,712	1,01,483	30.8	1,16,803	13.6	3,92,503	3,63,971	7.8
Provisions & Contingencies - Total	22,574	20,073	12.5	16,445	37.3	86,414	1,62,144	(46.7)
NPA Provisions as % PPP	17.0	19.8	(277)	14.1	293	22.0	44.5	(2,253)
Profit Before Tax	1,10,138	81,410	35.3	1,00,358	9.7	3,06,089	2,01,827	51.7
Tax	27,019	19,471	38.8	24,780	9.0	82,411	33,144	148.6
Effective Tax Rate (%)	24.5	23.9	61	24.7	(16)	26.9	16.4	1,050
Reported Profits	83,119	61,938	34.2	75,578	10.0	2,23,678	1,68,683	32.6
RoA (%)	2.2	1.9	30	2.1	14	1.8	-	-
RoE (%)	17.6	15.4	220	16.6	100	14.7	-	-

Source: Company, LKP Research

Exhibit 2 : Balance Sheet Analysis

(₹ mn)	2Q FY22	3Q FY22	4Q FY22	1Q FY23	2Q FY23	3Q FY23	QoQ % / bps	YoY % / bps
Net Worth	15,66,570	16,28,716	17,02,456	17,74,910	18,19,968	19,06,331	4.7	17.0
RoE (%)	14.1	15.4	17.1	15.9	16.6	17.6	100	220
Tier 1 (%)	17.3	16.9	18.4	17.3	16.2	15.5	(66)	(142)
Total CAR (%)	18.3	17.9	19.2	18.0	16.9	16.3	(67)	(165)
RWA - Total	83,37,830	85,46,870	88,35,910	94,15,420	99,87,590	1,04,13,780	4.3	21.8
Advances - Total	76,49,374	81,39,916	85,90,204	89,56,248	93,85,628	97,40,475	3.8	19.7
Investments	28,52,200	28,48,234	31,02,410	32,12,522	33,30,308	33,70,506	1.2	18.3
Total Assets	1,27,60,023	1,35,41,956	1,41,12,977	1,41,55,808	1,48,86,742	1,52,17,481	2.2	12.4
RoA (%)	1.79	1.90	2.11	1.98	2.06	2.20	14	30
Deposits	97,74,486	1,01,74,667	1,06,45,716	1,05,03,490	1,09,00,080	1,12,20,495	2.9	10.3
CASA Deposits	45,07,040	48,06,560	51,84,370	49,21,140	50,78,400	50,88,420	0.2	5.9
CASA Ratio (%)	46.1	47.2	48.7	46.9	46.6	45.3	(130)	(190)
Interest Bearing Liabilities - Total	1,06,04,371	1,12,70,521	1,17,18,030	1,16,58,035	1,21,99,419	1,25,25,995	2.7	11.1

Source: Company, LKP Research

Exhibit 3 : Loan book Analysis

(₹ mn)	2Q FY22	3Q FY22	4Q FY22	1Q FY23	2Q FY23	3Q FY23	QoQ % / bps	YoY % / bps
Home	26,46,950	27,82,670	29,30,630	30,50,760	31,86,130	33,13,790	4.0	19.1
Vehicle Loans	6,36,190	6,58,640	6,80,510	7,02,300	7,26,180	7,56,930	4.2	14.9
Business Banking	4,45,670	4,84,840	5,34,370	5,73,960	6,35,720	6,68,830	5.2	37.9
Rural & Other	7,15,170	7,36,850	7,68,300	7,69,980	7,99,040	8,29,060	3.8	12.5
Retails - Other	57,770	48,410	55,860	62,500	75,350	66,850	(11.3)	38.1
Secured Retail loans	45,01,750	47,11,410	49,69,670	51,59,500	54,22,420	56,35,460	3.9	19.6
Personal Loans	5,25,740	5,69,630	6,28,730	6,83,750	7,43,550	8,09,320	8.8	42.1
Credit Cards	1,98,430	2,28,000	2,50,620	2,80,100	3,33,940	3,45,460	3.4	51.5
Unsecured Retail loans	7,24,170	7,97,630	8,79,350	9,63,850	10,77,490	11,54,780	7.2	44.8
Retail	52,25,920	55,09,040	58,49,020	61,23,350	64,99,910	67,90,240	4.5	23.3
SME	3,31,400	3,63,530	4,04,500	3,93,850	4,19,250	4,54,240	8.3	25.0
Domestic corporate	17,55,040	18,60,580	19,37,340	20,22,920	21,60,060	22,61,830	4.7	21.6
Domestic book	72,62,360	77,33,150	81,77,360	84,98,620	90,05,720	93,87,820	4.2	21.4
Overseas	3,87,010	4,06,770	4,12,840	4,57,630	3,79,910	3,52,650	(7.2)	(13.3)

Source: Company, LKP Research

Exhibit 4: Funding Profile Analysis

(₹ mn)	2Q FY22	3Q FY22	4Q FY22	1Q FY23	2Q FY23	3Q FY23	QoQ % / bps	YoY % / bps
Interest Bearing Liabilities - Total	1,06,04,371	1,12,70,521	1,17,18,030	1,16,58,035	1,21,99,419	1,25,25,995	2.7	11.1
Deposits	97,74,486	1,01,74,667	1,06,45,716	1,05,03,490	1,09,00,080	1,12,20,495	2.9	10.3
CASA Deposits	45,07,040	48,06,560	51,84,370	49,21,140	50,78,400	50,88,420	0.2	5.9
Saving Deposit	31,85,570	33,46,130	35,99,570	35,18,140	36,24,840	36,32,160	0.2	8.5
Current Deposit	13,21,470	14,60,430	15,84,800	14,03,000	14,53,560	14,56,260	0.2	(0.3)
Term Deposits	52,67,446	53,68,107	54,61,346	55,82,350	58,21,680	61,32,075	5.3	14.2
Borrowings	8,29,885	10,95,854	10,72,314	11,54,545	12,99,339	13,05,500	0.5	19.1
Interest Bearing Liabilities - Total	1,06,04,371	1,12,70,521	1,17,18,030	1,16,58,035	1,21,99,419	1,25,25,995	2.7	11.1

Source: Company, LKP Research

Exhibit 5: Asset Quality Analysis

(₹ mn)	2Q FY22	3Q FY22	4Q FY22	1Q FY23	2Q FY23	3Q FY23	QoQ % / bps	YoY % / bps
Total Slippages	55,780	40,180	42,040	58,250	43,660	57,230	31.1	42.4
Slippages Ratio (%)	0.76	0.55	0.57	0.68	0.51	0.67	16	12
Gross NPA	4,14,374	3,70,527	3,39,195	3,31,632	3,25,709	3,25,282	(0.1)	(12.2)
Gross NPAs Ratio (%)	4.82	4.13	3.60	3.41	3.19	3.07	(12)	(106)
PCR - Calculated (%)	80.3	80.2	79.5	79.9	81.3	82.6	135	245
Net NPA	81,610	73,439	69,609	66,562	60,993	56,512	(7.3)	(23.0)
Net NPAs Ratio (%)	0.99	0.85	0.76	0.70	0.61	0.55	(6)	(30)
Standard Restructured	96,840	96,840	82,670	73,760	67,130	49,870	(25.7)	(48.5)
Std. Rest. Adv. as % of Advances	1.3	1.2	0.96	0.82	0.72	0.51	(20)	(68)

Source: Company, LKP Research

Annual Projections

Exhibit 6: Profit and Loss Statement

(₹ mn)	FY20	FY21	FY22	FY23E	FY24E
Int. Income / Opr. Revenue	7,47,983	7,91,183	8,63,746	10,61,001	12,50,933
Interest Expenses	4,15,313	4,01,288	3,89,085	4,41,884	5,18,909
Net Interest Income	3,32,671	3,89,894	4,74,661	6,19,117	7,32,024
<i>NIM (%)</i>	3.52	3.61	3.82	4.35	4.44
Other Income - Total	1,64,486	1,89,685	1,85,175	1,95,995	2,07,871
Net Operating Revenue	4,97,157	5,79,580	6,59,836	8,15,112	9,39,895
Employee Exp.	82,712	80,918	96,728	1,15,106	1,36,976
Other Opex	1,33,432	1,34,691	1,70,606	1,94,490	2,21,719
Total Opex	2,16,144	2,15,608	2,67,333	3,09,596	3,58,695
<i>C/I Ratio (%)</i>	43.48	37.20	40.52	37.98	38.16
Pre Provision Profits	2,81,013	3,63,971	3,92,503	5,05,516	5,81,200
<i>PPP Growth (yoy %)</i>	19.9	29.5	7.8	28.8	15.0
Provisions & Contingencies - Total	1,40,532	1,62,144	86,414	72,144	96,549
<i>Credit Cost (As % of Op. AUM)</i>	1.71	2.54	1.19	0.80	0.90
Profit Before Tax	1,40,480	2,01,827	3,06,089	4,33,373	4,84,652
Tax	39,900	39,900	72,694	1,02,923	1,15,101
<i>Effective Tax Rate (%)</i>	28.4	19.8	23.7	23.7	23.7
Reported Profits	1,00,580	1,61,927	2,33,395	3,30,450	3,69,550
<i>PAT Growth (yoy %)</i>	199.0	61.0	44.1	41.6	11.8

Source: Company, LKP Research

Exhibit 7: Balance Sheet

(₹ mn)	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	12,948	13,834	13,900	13,956	13,956
Reserves (ex Revel. Reserve)	11,20,913	14,30,291	16,56,599	19,87,049	23,56,599
Net Worth - Ex Revaluation	11,33,861	14,44,125	16,70,499	20,01,005	23,70,555
Deposits	77,09,690	93,25,222	1,06,45,716	1,20,50,659	1,42,93,150
Borrowings	16,28,968	9,16,310	10,72,314	11,91,823	14,13,608
Interest Bearing Liabilities (₹ mn)	93,38,658	1,02,41,531	1,17,18,030	1,32,42,483	1,57,06,758
Other Lia. & Prov.	4,79,950	5,87,704	6,89,828	7,11,965	8,31,121
Total Liabilities	1,09,83,651	1,23,04,327	1,41,12,977	1,59,91,032	1,89,49,216
Assets					
Cash & Cash Equivalent	11,91,557	13,31,283	16,78,224	13,73,016	16,24,729
Investments	24,95,315	28,12,865	31,02,410	34,21,910	37,74,314
Loan & Advances (₹ mn)	64,52,900	73,37,291	85,90,204	1,03,08,245	1,24,72,977
Growth (yoy %)	10.0	13.7	17.1	20.0	21.0
Fixed Assets	84,103	88,776	93,738	96,812	1,12,116
Other Assets	7,59,777	7,34,112	6,48,401	7,91,049	9,65,080
Total Assets	1,09,83,651	1,23,04,327	1,41,12,977	1,59,91,032	1,89,49,216

Source: Company, LKP Research

Exhibit 8: Per share data

Y/E Mar	FY20	FY21	FY22	FY23E	FY24E
Face Value (₹)	2	2	2	2	2
Adjusted Share O/S (mn)	6,474	6,917	6,950	6,978	6,978
Earnings Per Share (₹)	15.5	23.4	33.6	47.4	53.0
EPS (% YoY)	197.9	50.7	43.5	41.0	11.8
P/E (x)	56.0	37.2	25.9	18.4	16.4
Book Value (₹)	175.1	208.8	240.4	286.8	339.7
BVPS (% YoY)	7.2	19.2	15.1	19.3	18.5
P/BV (x)	5.0	4.2	3.6	3.0	2.6
Adj. BV (₹)	167.5	202.2	235.4	282.7	335.7
Adj. BV (% YoY)	9.5	20.7	16.4	20.1	18.7
P/ABV (x)	5.2	4.3	3.7	3.1	2.6

Source: Company, LKP Research

Exhibit 9: Detail RoA Tree Analysis (%)

Y/E Mar	FY20	FY21	FY22	FY23E	FY24E
Yields / Margins					
Yield on Advance	9.3	8.3	8.0	8.7	8.7
Yield on Funds	7.9	7.3	7.0	7.5	7.6
Cost of Funds (CoF)	4.7	4.1	3.5	3.5	3.6
Interest Spread	3.2	3.2	3.4	3.9	4.0
NIM's	3.5	3.6	3.8	4.3	4.4
Interest Income / Assets	7.3	6.8	6.5	7.0	7.2
Interest Exp. / Assets	4.0	3.4	2.9	2.9	3.0
NII / Assets	3.2	3.3	3.6	4.1	4.2
Fee Income / Assets	1.1	0.9	0.8	0.8	0.7
Other Non Core Income / Assets	0.3	0.6	0.5	0.5	0.4
Other Income / Assets	1.6	1.6	1.4	1.3	1.2
Net Operating Income / Assets	4.8	5.0	5.0	5.4	5.4
Operating Ratios					
NII to Net Operative Income	66.9	67.3	71.9	76.0	77.9
Other Income to Net Operative Income	33.1	32.7	28.1	24.0	22.1
Empl. Cost/Oper. Exps.	38.3	37.5	36.2	37.2	38.2
Other Op. Exps./Oper. Exps.	61.7	62.5	63.8	62.8	61.8
C/I Ratio (%)	43.5	37.2	40.5	38.0	38.2
Provisions as % PPP	28.3	28.0	13.1	8.9	10.3
Credit Cost (As % of Op. AUM)	1.7	2.5	1.2	0.8	0.9
Effective Tax Rate (%)	28.4	19.8	23.7	23.7	23.7
Employee Exp. / Assets	0.8	0.7	0.7	0.8	0.8
Other Opex/ Assets	1.3	1.2	1.3	1.3	1.3
Total Opex / Assets	2.1	1.9	2.0	2.1	2.1
Operating Profits / Assets	2.7	3.1	3.0	3.4	3.3
Exceptional Items / Assets	-	-	-	-	-
Op Profit ex Except Items / Assets	2.7	3.1	3.0	3.4	3.3
Provisions / Assets	1.4	1.4	0.7	0.5	0.6
Profit Before Tax / Assets	1.4	1.7	2.3	2.9	2.8
Tax Expenses / Assets	0.4	0.3	0.6	0.7	0.7
RoA	1.0	1.4	1.8	2.2	2.1
Leverage (x)	9.7	8.5	8.4	8.0	8.0
RoE	8.9	12.3	14.7	17.7	16.6
Adj. RoA	1.0	1.4	1.8	2.2	2.1
Adj. RoE	8.9	12.3	14.7	17.7	16.6

Source: Company, LKP Research

Exhibit 10: Balance Sheet Ratios

Y/E Mar	FY20	FY21	FY22	FY23E	FY24E
Credit / Deposit Ratio	83.7	78.7	80.7	85.5	87.3
Incremental C/D Ratio	49.7	54.7	94.9	122.3	96.5
Investment Deposit Ratio	32.4	30.2	29.1	28.4	26.4
Dom. SLR Investment / Deposits	24.7	23.1	22.3	21.7	20.2
CASA Ratio	45.5	46.7	49.1	49.1	49.1

Source: Company, LKP Research

Exhibit 11: Asset Quality

Y/E Mar	FY20	FY21	FY22	FY23E	FY24E
Slippage Ratio (%)	2.4	2.5	2.9	2.3	1.8
Gross NPA	4,08,291	4,08,414	3,39,195	3,32,555	3,31,202
Gross NPAs Ratio (%)	5.5	5.0	3.6	3.2	2.7
PCR (%)	75.7	77.7	79.5	83.9	83.9
Net NPA	99,232	91,177	69,609	53,599	53,331
Net NPAs Ratio (%)	1.5	1.2	0.8	0.5	0.4
Total Impaired Loans	4,08,291	4,08,414	3,39,195	3,32,555	3,31,202
Impaired Loan as % of Loan / AUM	5.9	5.3	3.8	3.1	2.6
Total Risk Reserves	3,09,058	3,17,238	2,69,586	2,78,957	2,77,871
Total Risk As % of Loan Book	4.5	4.1	3.0	2.6	2.1

Source: Company, LKP Research

Exhibit 12: Key Assumptions & Forecasts

Y/E Mar	FY20	FY21	FY22	FY23E	FY24E
Loan & Advances (₹ mn)	64,52,900	73,37,291	85,90,204	1,03,08,245	1,24,72,977
Growth (yoy %)		13.7	17.1	20.0	21.0
Interest Bearing Liabilities (₹ mn)	93,38,658	1,02,41,531	1,17,18,030	1,32,42,483	1,57,06,758
Growth (yoy %)		9.7	14.4	13.0	18.6
Yield on Funds	7.9	7.3	7.0	7.5	7.6
Cost of Funds (CoF)	4.7	4.1	3.5	3.5	3.6
Interest Spread	3.2	3.2	3.4	3.9	4.0
NIM's	3.5	3.6	3.8	4.3	4.4
Other Income Growth	13.3	15.3	(2.4)	5.8	6.1
C/I Ratio (%)	43.5	37.2	40.5	38.0	38.2
Effective Tax Rate (%)	28.4	19.8	23.7	23.7	23.7
Return Ratios					
Adj. RoA	1.0	1.4	1.8	2.2	2.1
Adj. RoE	8.9	12.3	14.7	17.7	16.6
Asset Quality Metrics					
Credit Cost (As % of Op. AUM)	1.7	2.5	1.2	0.8	0.9
Gross NPAs Ratio (%)	5.5	5.0	3.6	3.2	2.7
Net NPAs Ratio (%)	1.5	1.2	0.8	0.5	0.4

Source: Company, LKP Research

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