

ICICI BANK LIMITED | Banking

Yet another strong quarter; Retail slippages is a negative outcome

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Result and Price Analysis:

Earnings in 1QFY24 re-acknowledge our conviction that ICICI Bank is maintaining a sustainable and prudent growth led by tech-driven initiatives. The bank has reported its 1QFY24 results with the key pointers being: 1) Strong NII growth of 38% YoY, with headline NIMs (Domestic: 4.88% & Overall: 4.78%) down sequentially led by higher COF. 2) PPOp growth higher sequentially driven by healthy NII and stable C/I (40.2%), 3) Reported slippages (₹53bn v/s ₹43bn in 1QFY24) increased sequentially, 4) NNPA ratio improved further at 0.48%, 5) PCR (excluding technical write-offs) stood at 83%. However the bank didn't include contingent & floating provision (~₹224bn) in PCR calculation; 7) Contingent provision (excluding PCR) stood at 2.1% of the loan book, 8) BB & below exposure down sequentially to 0.6% of net advances, 9) the bank's net advances grew by 18.1% YoY and 3.7% sequentially; and 8) deposits stood at ₹12.4tn mark and grew sequentially by 4.9% with average CASA at 42.6%. Moreover, provision expenses inched down sequentially to ₹12.9bn v/s 16.2bn in 4QFY23. Factoring stable balance sheet growth and credit cost of below 1% in FY24E, we estimate the bank's FY24E ROA and ROE of 2.1% and 16.8% respectively. We have positive outlook on the bank with BUY rating.

Gazing the Core:

Asset Quality intact; however, retail slippages is a key concern: Slippages were up to ₹53bn v/s ₹43bn in the previous quarter. Retail slippages and Corporate & SME slippages contributed 95% and 5% respectively. Despite significant contribution, retail slippages increased by 26% sequentially. The standard restructured (0.37% of portfolio) book inched down sequentially to ~₹40bn. Retail book contributed ~85% of restructured pool (Over 95% are secured), while rest is from corporate and SME book. The bank carries provision worth ₹12.2bn (~31% covered) against the restructured pool. The absolute GNPA increased by 2% sequentially led by higher slippages and stagnant upgrades. As on 1QFY24, the bank's GNPA/NNPA/PCR stood at 2.76%/0.48%/83% against 2.81%/0.48%/83% in the previous quarter.

Key Financials (₹ mn)	FY21	FY22	FY23	FY24E	FY25E
NII	389,894	474,661	621,286	736,589	872,577
Operating Profit	363,971	392,503	490,868	564,572	652,416
Reported Profits	161,927	233,395	318,965	366,728	427,561
Net Worth	1,444,125	1,670,499	1,968,920	2,335,648	2,763,209
Loan & Advances	7,337,291	8,590,204	10,196,383	12,133,696	14,560,435
Int. Bearing Liabilities	10,241,531	11,718,030	13,001,662	14,992,271	17,695,380

Key Ratios (%)	FY21	FY22	FY23	FY24E	FY25E
NIM's	3.6	3.8	4.4	4.5	4.6
C/I Ratio	37.2	40.5	40.1	40.5	40.7
Gross NPA Ratio	5.0	3.8	2.8	2.6	2.7
PCR (%)	77.7	79.2	83.5	83.7	86.5
Adj. RoA Ratio	1.4	1.8	2.1	2.1	2.1
Adj. RoE Ratio	12.3	14.7	17.2	16.8	16.7

Rating	BUY
Current Market Price (₹)	992
12 M Price Target (₹)	1,195
Potential upside (%)	20

Stock Data

FV (₹):	2
Market Cap Full (₹ bn):	6,941
Market Cap Free Float (₹ bn):	6,940
52-Week High / Low (₹):	1001 / 780
BSE Code / NSE Symbol:	532174 / ICICIBANK
Bloomberg:	ICICIB IN

Shareholding Pattern

(%)	Jun-23	Mar-23	Dec-22	Sep-22
FPIs	44.52	44.15	45.09	42.65
MFs	29.22	29.35	28.69	28.79
Insurance	12.42	12.55	12.41	12.71
Others	13.84	13.95	13.81	15.85

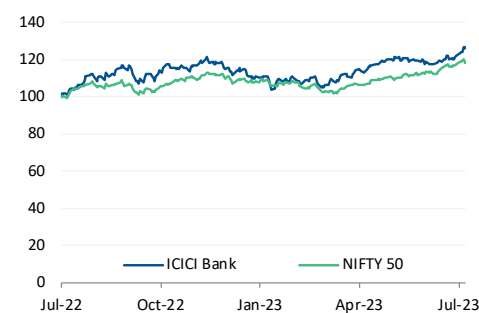
Source: BSE

Price Performance (%)

(%)	1M	3M	6M	1YR
ICICI Bank	7.4%	9.6%	13.9%	23.9%
Nifty 50	5.4%	10.9%	8.6%	18.3%

* To date / current date : July 24, 2023

ICICI Bank vs Nifty 50



With manageable stress level, the total provisioning expenses were down sequentially and stood at ₹12.9bn v/s ₹16.2bn in the previous quarter. The total contingent provisioning stood at ₹131bn. The total additional provision contain contingent provision (₹131bn), General Provision (₹60bn) and Provision on Non-fund based NPA (₹20bn). The PCR including all provisions (Cumulative + General + Contingencies) stood at 153% of GNPL. The contingent provision (excluding PCR) stood at 2.1% of loans. We expect the contingent provision to be adequate for future stress. The bank's BB & below rated pool came down (₹63.5bn v/s ₹81.5bn) contributes 0.6% of total customer assets.

Margin compression slower than expected: The bank's quarterly NII stood at ₹182bn; grew by 38% YoY and 3.2% sequentially driven by marginally down domestic NIMs at 4.88%. Overall NIMs down by 12bps to 4.78%. 30% of the bank's loans are fixed rate and remaining linked with external benchmark. Non – interest income grew by 16.5% YoY and 6.8% QoQ. The PPOP stood at ₹141.4bn; 37.2% YoY driven by healthy NII and stable C/I ratio of 40.2%. With sequentially lower provisioning expenses (₹12.9bn v/s ₹16.2bn) the bank reported PAT of ₹96.5bn; grew 39.7% YoY and 5.8% sequentially. The banks ROA/ROE stood at 2.4%/19%.

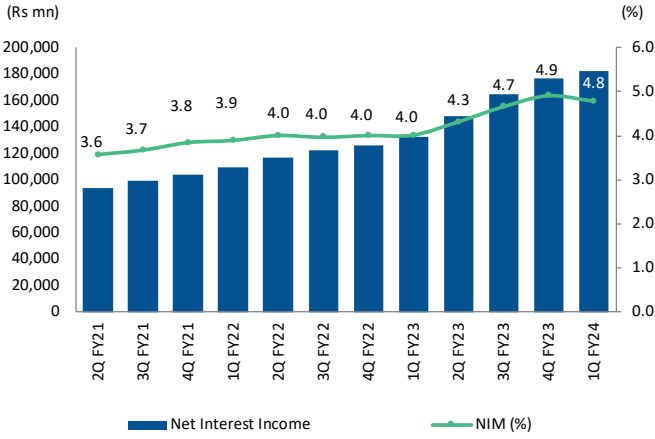
Growth Maintained: Disbursements across retail products saw stable growth. The bank's advances stood at ~₹10.5tn; 18.1% YoY and 3.7% QoQ. Domestic advances grew 20.6% YoY. Domestic advances (96.9% contribution) grew by 4% QoQ. Foreign advances de-grew by 5.4% QoQ. Retail advances (70.7% contribution) grew by 4.3% QoQ. SME advances (4.8% contribution) grew by 5% QoQ. Corporate advances (23% contribution) grew by 2.8% QoQ. In retail book; Personal loan & Credit card segment (18.1% of retail book) grew at 7.6% sequentially. 85% of the unsecured retail book customers are salaried. Home loan (47.5% of retail book) grew by 3% QoQ where Vehicle loan (11.1% of retail book) grew by 4.5% QoQ. The bank's deposits crossed ₹12.4tn mark and grew by 17.9% YoY and 4.9% sequentially. The CDR and Avg. CASA stood at 85.4% and 42.6% respectively. In 1QFY24, the bank's CET 1 stood at 15.9%. The bank's CAR stood at 16.71% with Tier 1 of 16%. The total RWA stood 70% of total assets against 68% in 4QFY23.

Outlook & Valuations

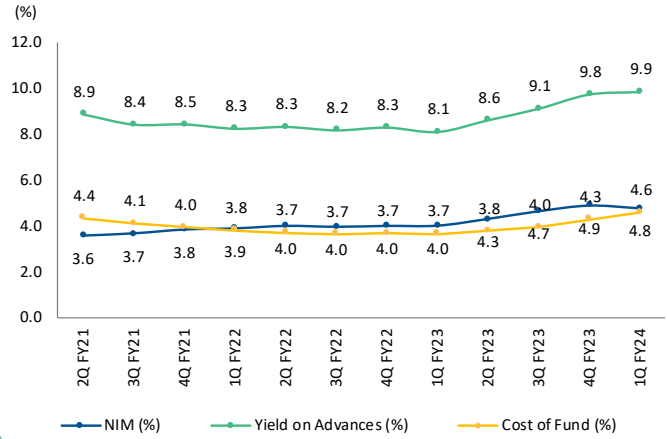
We expect its loan book to grow at CAGR of 20% over FY23-26E, led by technology initiatives. The credit cost normalization is underway. We estimate return ratio ROA/ROE of 2.1% and 16.6% in FY24E. We value the standalone entity with 2.8x FY25E BVPS (₹392) and investment in subsidiaries and JVs (₹122 per share); we arrive at a target price of ₹1195. We recommend BUY with a potential upside of 20%.

Quarterly story in charts

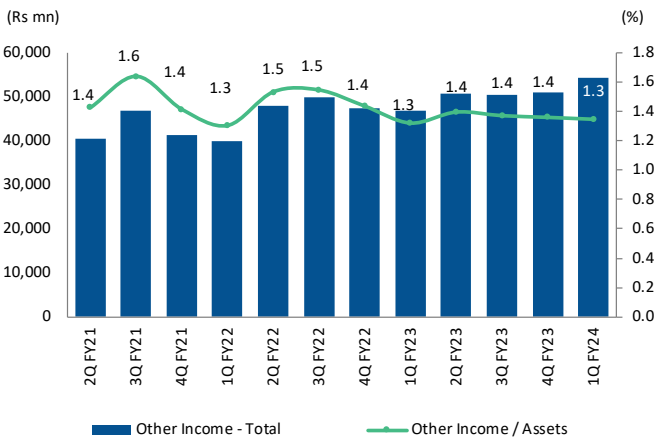
NII trend



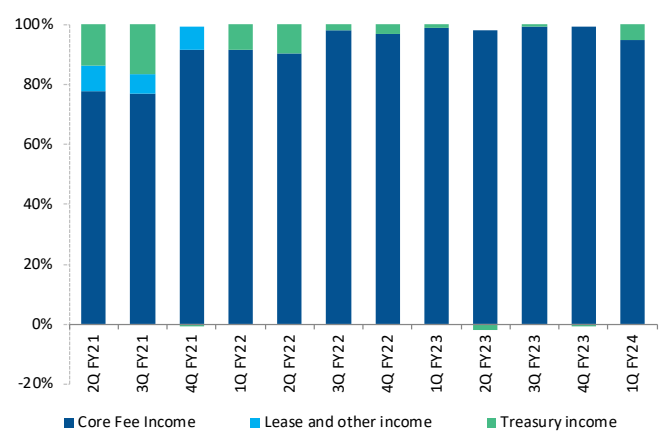
Yields & Margin trend



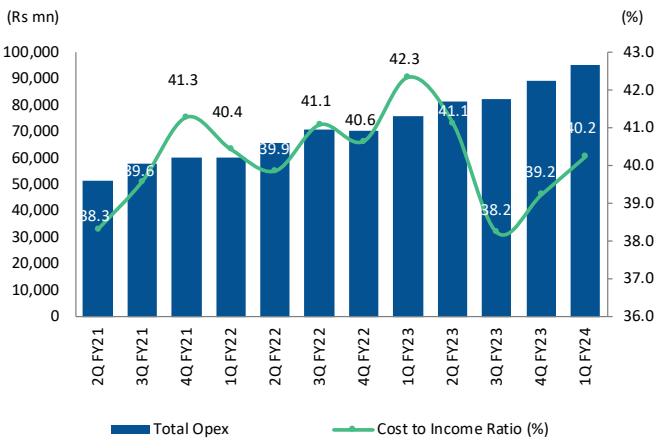
Other Income trend



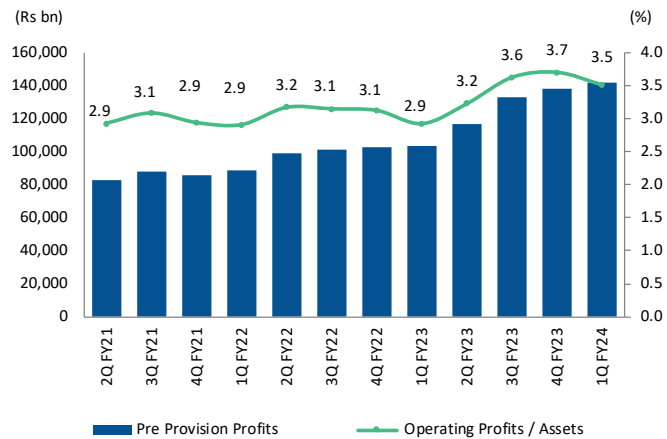
Other Income Mix trend



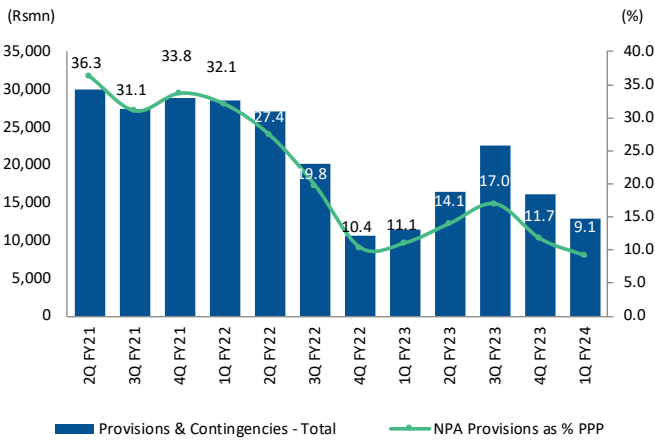
Total Opex trend



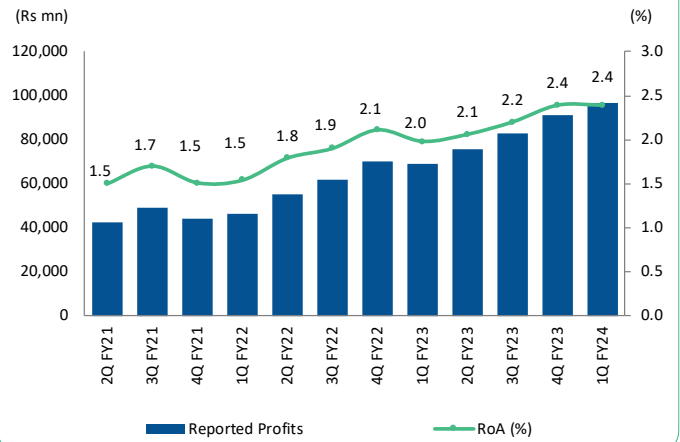
Pre Provision Profit trend



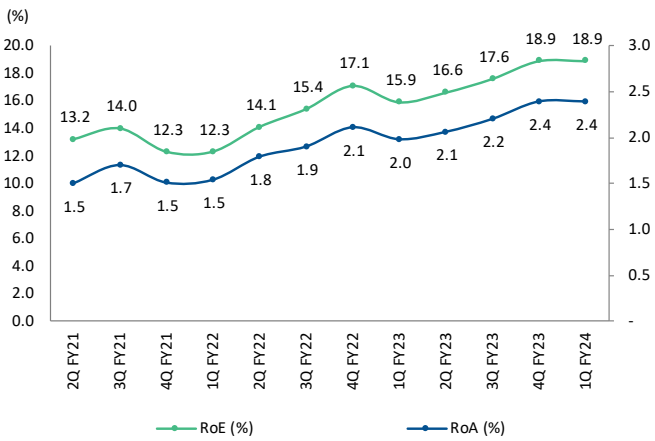
Provision Expenses trend



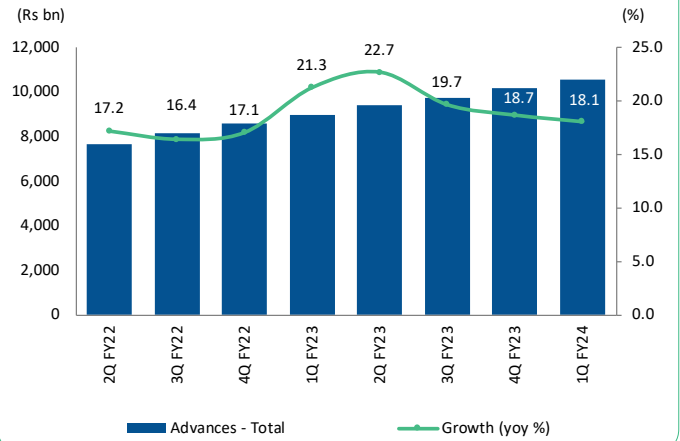
Reported Profit trend



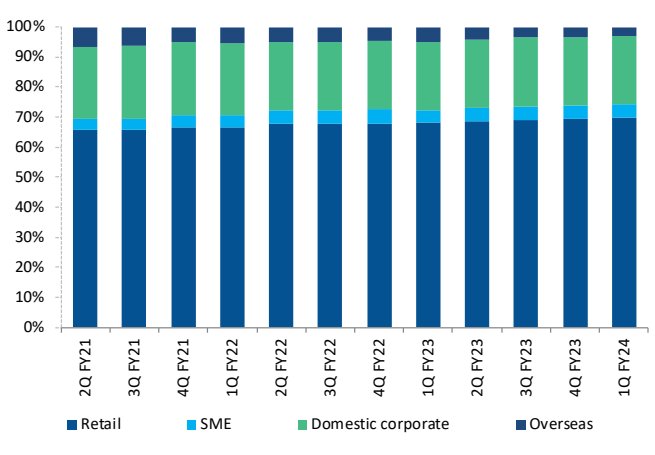
Return Ratio trend



Loan Book trend



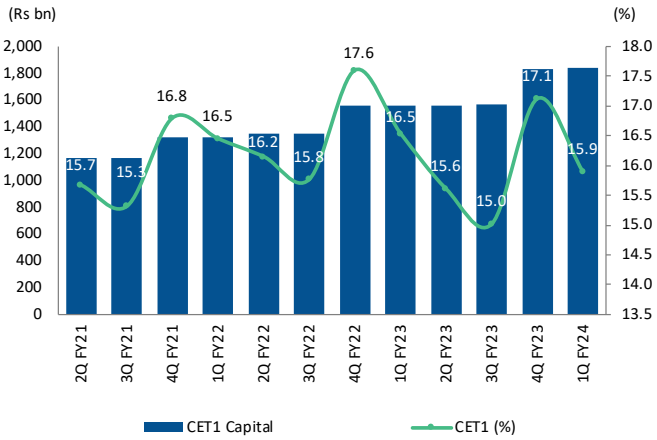
Loan Book Mix trend



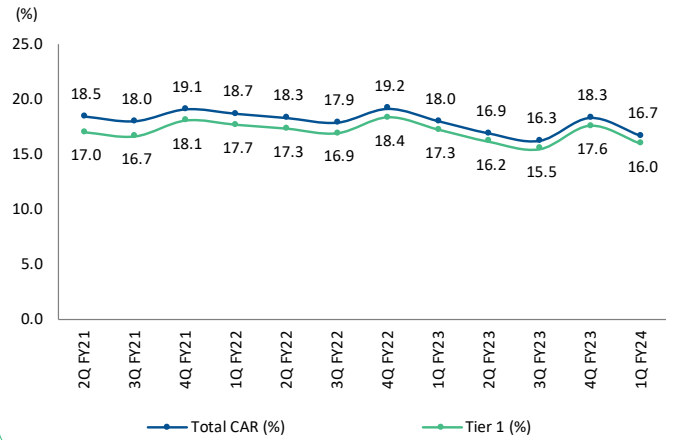
CASA Deposit trend



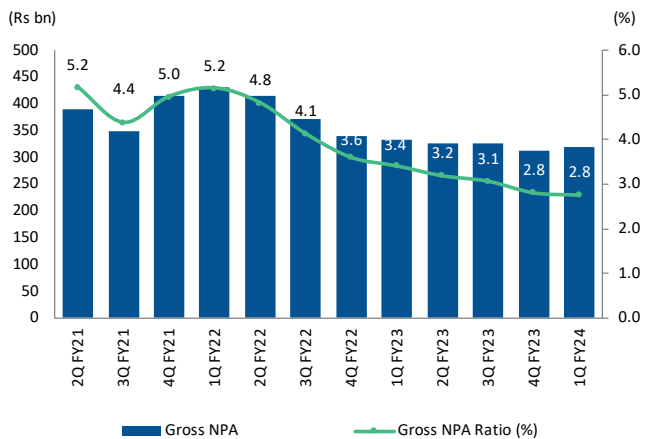
CET 1 ratio trend



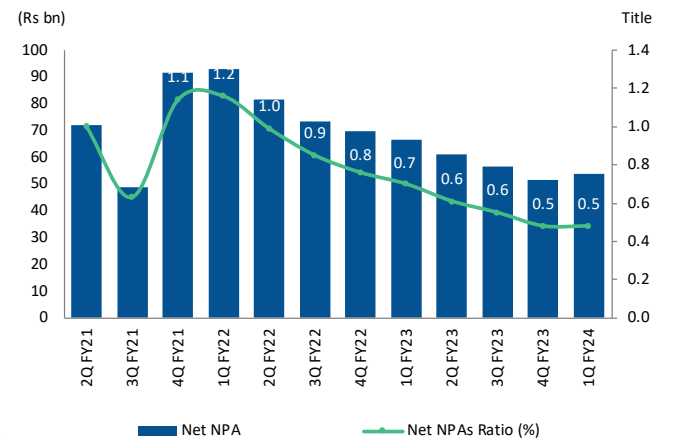
CRAR and Tier 1 trend



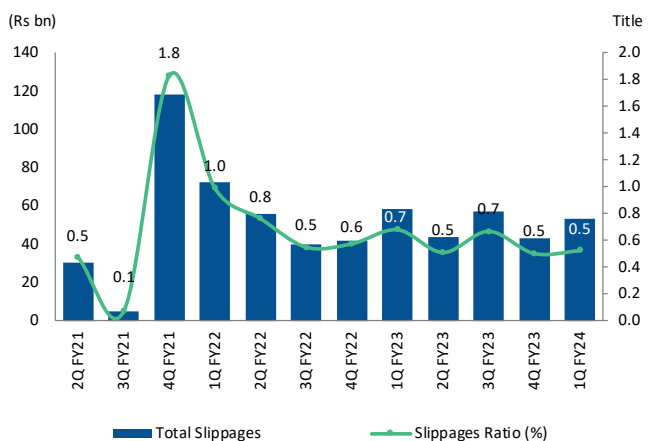
Gross NPA trend



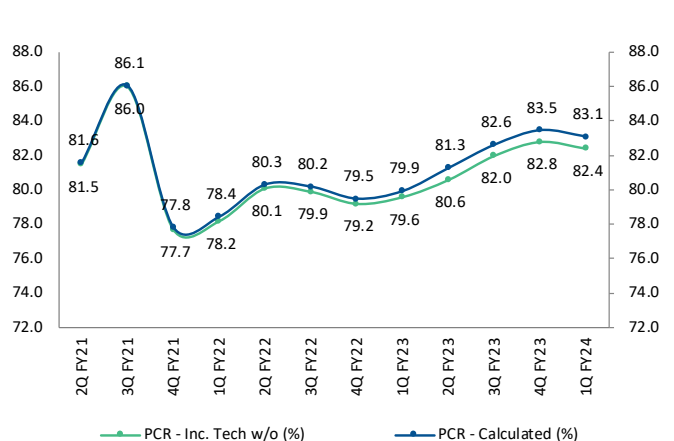
Net NPA trend



Slippages trend



PCR trend



Recent Performance at a glance

Exhibit 1 : Income Statement Analysis

(₹ mn)	1Q FY24	1Q FY23	% yoy / bps	4Q FY23	% qoq / bps	FY23	FY22	% yoy / bps
Interest Inc.	333,276	236,715	40.8	310,211	7.4	1,092,313	863,745	26.5
Interest Expenses	151,012	104,615	44.3	133,543	13.1	471,027	389,085	21.1
Net Interest Income	182,265	132,100	38.0	176,668	3.2	621,286	474,661	30.9
NII to Net Operative Income	77.0	73.9	313	77.6	(61)	75.8	71.9	387
NIM (%)	4.78	4.0	77	4.9	(12)	4.4	3.8	56
Other Income - Total	54,353	46,652	16.5	50,878	6.8	198,315	185,175	7.1
Other Inc to Net Oper. Income (%)	23.0	26.1	(313)	22.4	61	24.2	28.1	(387)
Net Operating Revenue	236,617	178,752	32.4	227,545	4.0	819,601	659,836	24.2
Employee Expenses	38,837	28,492	36.3	34,010	14.2	120,599	96,727	24.7
Other Opex	56,389	47,171	19.5	55,272	2.0	208,133	170,606	22.0
Total Opex	95,226	75,663	25.9	89,282	6.7	328,732	267,333	23.0
Cost to Income Ratio (%)	40.2	42.3	(208)	39.2	101	40.1	40.5	(41)
Pre Provision Profits	141,391	103,089	37.2	138,264	2.3	490,868	392,503	25.1
Provisions & Contingencies - Total	12,924	11,438	13.0	16,198	(20.2)	66,656	86,414	(22.9)
NPA Provisions as % PPP	9.1	11.1	(195)	11.7	(257)	13.6	22.0	(844)
Profit Before Tax	128,467	91,651	40.2	122,066	5.2	424,212	306,089	38.6
Tax	31,985	22,601	41.5	30,847	3.7	106,950	82,411	29.8
Effective Tax Rate (%)	24.9	24.7	24	25.3	(37)	25.2	26.9	(171)
Reported Profits	96,482	69,049	39.7	91,219	5.8	317,263	223,678	41.8
RoA (%)	2.4	2.0	41	2.4	-	2.1	1.8	36
RoE (%)	18.9	15.9	300	18.9	-	17.2	14.7	254

Source: Company, LKP Research

Exhibit 2 : Balance Sheet Analysis

(₹ mn)	4Q FY22	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	QoQ % / bps	YoY % / bps
Net Worth	1,702,456	1,774,910	1,819,968	1,906,331	1,999,545	2,100,498	5.0	18.3
RoE (%)	17.1	15.9	16.6	17.6	18.9	18.9	-	300
Tier 1 (%)	18.4	17.3	16.2	15.5	17.6	16.0	(160)	(125)
Total CAR (%)	19.2	18.0	16.9	16.3	18.3	16.7	(163)	(133)
RWA - Total	8,835,910	9,415,420	9,987,590	10,413,780	10,705,150	11,562,200	8.0	22.8
Advances - Total	8,590,204	8,956,248	9,385,628	9,740,475	10,196,383	10,575,826	3.7	18.1
Investments	3,102,410	3,212,522	3,330,308	3,370,506	3,623,297	3,981,395	9.9	23.9
Total Assets	14,112,977	14,155,808	14,886,742	15,217,481	15,842,067	16,470,003	4.0	16.3
RoA (%)	2.11	1.98	2.06	2.20	2.39	2.39	-	41
Deposits	10,645,716	10,503,490	10,900,080	11,220,495	11,808,407	12,387,366	4.9	17.9
CASA Deposits	5,184,370	4,921,140	5,078,400	5,088,420	5,412,620	5,362,260	(0.9)	9.0
CASA Ratio (%)	48.7	46.9	46.6	45.3	45.8	43.3	(250)	(360)
Interest Bearing Liabilities - Total	11,718,030	11,658,035	12,199,419	12,525,995	13,001,662	13,499,890	3.8	15.8

Source: Company, LKP Research

Exhibit 3: Loan book Analysis

(₹ mn)	4Q FY22	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	QoQ % / bps	YoY % / bps
Home	2,930,630	3,050,760	3,186,130	3,313,790	3,446,960	3,556,460	3.2	16.6
Vehicle Loans	680,510	702,300	726,180	756,930	794,190	830,000	4.5	18.2
Business Banking	534,370	573,960	635,720	668,830	721,120	748,710	3.8	30.4
Rural & Other	768,300	769,980	799,040	829,060	874,310	905,540	3.6	17.6
Retails - Other	55,860	62,500	75,350	66,850	78,050	86,320	10.6	38.1
Secured Retail loans	4,969,670	5,159,500	5,422,420	5,635,460	5,914,630	6,127,030	3.6	18.8
Personal Loans	628,730	683,750	743,550	809,320	880,550	947,950	7.7	38.6
Credit Cards	250,620	280,100	333,940	345,460	378,410	407,200	7.6	45.4
Unsecured Retail loans	879,350	963,850	1,077,490	1,154,780	1,258,960	1,355,150	7.6	40.6
Retail	5,849,020	6,123,350	6,499,910	6,790,240	7,173,590	7,482,180	4.3	22.2
SME	404,500	393,850	419,250	454,240	482,210	506,150	5.0	28.5
Domestic corporate	1,937,340	2,022,920	2,160,060	2,261,830	2,348,180	2,413,880	2.8	19.3
Domestic book	8,177,360	8,498,620	9,005,720	9,387,820	9,855,290	10,253,110	4.0	20.6
Overseas	412,840	457,630	379,910	352,650	341,100	322,730	(5.4)	(29.5)
Advances - Total	8,590,204	8,956,248	9,385,628	9,740,475	10,196,383	10,575,826	3.7	18.1
RoA (%)	2.1	2.0	2.1	2.2	2.4	2.4	-	41

Source: Company, LKP Research

Exhibit 4: Funding Profile Analysis

(₹ mn)	4Q FY22	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	QoQ % / bps	YoY % / bps
Deposits	10,645,716	10,503,490	10,900,080	11,220,495	11,808,407	12,387,366	4.9	17.9
CASA Deposits	5,184,370	4,921,140	5,078,400	5,088,420	5,412,620	5,362,260	(0.9)	9.0
Saving Deposit	3,599,570	3,518,140	3,624,840	3,632,160	3,797,760	3,751,930	(1.2)	6.6
Current Deposit	1,584,800	1,403,000	1,453,560	1,456,260	1,614,860	1,610,330	(0.3)	14.8
Term Deposits	5,461,346	5,582,350	5,821,680	6,132,075	6,395,787	7,025,106	9.8	25.8
Borrowings	1,072,314	1,154,545	1,299,339	1,305,500	1,193,255	1,112,524	(6.8)	(3.6)
Interest Bearing Liabilities - Total	11,718,030	11,658,035	12,199,419	12,525,995	13,001,662	13,499,890	3.8	15.8

Source: Company, LKP Research

Exhibit 5: Asset Quality Analysis

(₹ mn)	4Q FY22	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	QoQ % / bps	YoY % / bps
Total Slippages	42,040	58,250	43,660	57,230	42,970	53,180	23.8	(8.7)
Slippages Ratio (%)	0.57	0.68	0.51	0.67	0.50	0.52	2	(16)
Gross NPA	339,195	331,632	325,709	325,282	311,837	318,224	2.0	(4.0)
Gross NPAs Ratio (%)	3.60	3.41	3.19	3.07	2.81	2.76	(5)	(65)
PCR - Calculated (%)	79.5	79.9	81.3	82.6	83.5	83.1	(38)	316
Net NPA	69,609	66,562	60,993	56,512	51,551	53,818	4.4	(19.1)
Net NPAs Ratio (%)	0.76	0.70	0.61	0.55	0.48	0.48	-	(22)
Standard Restructured	82,670	73,760	67,130	49,870	45,080	39,460	(12.5)	(46.5)
Std. Rest. Adv. as % of Advances	1.0	0.8	0.72	0.51	0.44	0.37	(7)	(45)

Source: Company, LKP Research

Annual Projections

Exhibit 6: Profit and Loss Statement

(₹ mn)	FY21	FY22	FY23	FY24E	FY25E
Int. Income / Opr. Revenue	791,183	863,745	1,092,313	1,272,553	1,498,406
Interest Expenses	401,288	389,085	471,027	535,964	625,828
Net Interest Income	389,894	474,661	621,286	736,589	872,577
<i>NIM (%)</i>	3.61	3.82	4.38	4.55	4.61
Other Income - Total	189,685	185,175	198,315	212,386	227,456
Net Operating Revenue	579,580	659,836	819,601	948,975	1,100,033
Employee Exp.	80,918	96,727	120,599	147,131	179,500
Other Opex	134,691	170,606	208,133	237,272	268,117
Total Opex	215,608	267,333	328,732	384,403	447,617
<i>C/I Ratio (%)</i>	37.20	40.52	40.11	40.51	40.69
Pre Provision Profits	363,971	392,503	490,868	564,572	652,416
<i>PPP Growth (yoy %)</i>	29.5	7.8	25.1	15.0	15.6
Provisions & Contingencies - Total	162,144	86,414	66,656	76,836	83,776
<i>Credit Cost (As % of Op. AUM)</i>	2.54	0.84	0.55	0.55	0.55
Profit Before Tax	201,827	306,089	424,212	487,736	568,641
Tax	39,900	72,694	105,247	121,007	141,080
<i>Effective Tax Rate (%)</i>	19.8	23.7	24.8	24.8	24.8
Reported Profits	161,927	233,395	318,965	366,728	427,561
<i>PAT Growth (yoy %)</i>	15.3	44.1	36.7	15.0	16.6

Exhibit 7: Balance Sheet

(₹ mn)	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	13,834	13,900	13,968	13,968	13,968
Reserves (ex Revel. Reserve)	1,430,291	1,656,599	1,954,953	2,321,681	2,749,241
Net Worth - Ex Revaluation	1,444,125	1,670,499	1,968,920	2,335,648	2,763,209
Deposits	9,325,222	10,645,716	11,808,407	13,616,324	16,071,349
Borrowings	916,310	1,072,314	1,193,255	1,375,947	1,624,031
Interest Bearing Liabilities (₹ mn)	10,241,531	11,718,030	13,001,662	14,992,271	17,695,380
Other Lia. & Prov.	587,704	689,828	833,251	949,313	1,061,782
Total Liabilities	12,304,327	14,112,977	15,842,067	18,319,795	21,527,979
Assets					
Cash & Cash Equivalent	1,331,283	1,678,224	1,194,383	1,212,826	1,429,595
Investments	2,812,865	3,102,410	3,623,297	4,037,314	4,500,828
Loan & Advances (₹ mn)	7,337,291	8,590,204	10,196,383	12,133,696	14,560,435
<i>Growth (yoy %)</i>	<i>13.7</i>	<i>17.1</i>	<i>18.7</i>	<i>19.0</i>	<i>20.0</i>
Fixed Assets	88,776	93,738	95,998	109,570	128,093
Other Assets	734,112	648,401	732,005	826,389	909,027
Total Assets	12,304,327	14,112,977	15,842,067	18,319,795	21,527,979

Exhibit 8: Per share data

Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
Face Value (₹)	2	2	2	2	2
Adjusted Share O/S (mn)	6,917	6,950	6,984	6,984	6,984
Earnings Per Share (₹)	23.4	33.6	45.7	52.5	61.2
<i>EPS (% YoY)</i>	<i>7.9</i>	<i>43.5</i>	<i>36.0</i>	<i>15.0</i>	<i>16.6</i>
<i>P/E (x)</i>	<i>42.4</i>	<i>29.5</i>	<i>21.7</i>	<i>18.9</i>	<i>16.2</i>
Book Value (₹)	208.8	240.4	281.9	334.4	395.7
<i>BVPS (% YoY)</i>	<i>19.2</i>	<i>15.1</i>	<i>17.3</i>	<i>18.6</i>	<i>18.3</i>
<i>P/BV (x)</i>	<i>4.8</i>	<i>4.1</i>	<i>3.5</i>	<i>3.0</i>	<i>2.5</i>
Adj. BV (₹)	202.2	235.4	278.2	330.7	392.0
<i>Adj. BV (% YoY)</i>	<i>20.7</i>	<i>16.4</i>	<i>18.2</i>	<i>18.9</i>	<i>18.5</i>
<i>P/ABV (x)</i>	<i>4.9</i>	<i>4.2</i>	<i>3.6</i>	<i>3.0</i>	<i>2.5</i>

Exhibit 9: Detail RoA Tree Analysis (%)

Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
Yields / Margins					
Yield on Advance	8.3	8.0	8.9	8.9	8.9
Yield on Funds	7.3	7.0	7.7	7.9	7.9
Cost of Funds (CoF)	4.1	3.5	3.8	3.8	3.8
Interest Spread	3.2	3.4	3.9	4.0	4.1
NIM's	3.6	3.8	4.4	4.5	4.6
Interest Income / Assets	6.8	6.5	7.3	7.5	7.5
Interest Exp. / Assets	3.4	2.9	3.1	3.1	3.1
NII / Assets	3.3	3.6	4.1	4.3	4.4
Fee Income / Assets	0.9	1.0	0.9	0.8	0.8
Other Non Core Income / Assets	0.6	0.3	0.3	0.3	0.2
Other Income / Assets	1.6	1.4	1.3	1.2	1.1
Net Operating Income / Assets	5.0	5.0	5.5	5.6	5.5
Operating Ratios					
NII to Net Operative Income	67.3	71.9	75.8	77.6	79.3
Other Income to Net Operative Income	32.7	28.1	24.2	22.4	20.7
Empl. Cost/Oper. Exps.	37.5	36.2	36.7	38.3	40.1
Other Op. Exps./Oper. Exps.	62.5	63.8	63.3	61.7	59.9
C/I Ratio (%)	37.2	40.5	40.1	40.5	40.7
Provisions as % PPP	28.0	13.1	8.1	8.1	7.6
Credit Cost (As % of Op. AUM)	2.5	0.8	0.6	0.6	0.6
Effective Tax Rate (%)	19.8	23.7	24.8	24.8	24.8
Employee Exp. / Assets	0.7	0.7	0.8	0.9	0.9
Other Opex/ Assets	1.2	1.3	1.4	1.4	1.3
Total Opex / Assets	1.9	2.0	2.2	2.3	2.2
Operating Profits / Assets	3.1	3.0	3.3	3.3	3.3
Exceptional Items / Assets	-	-	-	-	-
Op Profit ex Except Items / Assets	3.1	3.0	3.3	3.3	3.3
Provisions / Assets	1.4	0.7	0.4	0.4	0.4
Profit Before Tax / Assets	1.7	2.3	2.8	2.9	2.9
Tax Expenses / Assets	0.3	0.6	0.7	0.7	0.7
RoA	1.4	1.8	2.1	2.1	2.1
Leverage (x)	8.5	8.4	8.0	7.8	7.8
RoE	12.3	14.7	17.2	16.8	16.7
Adj. RoA	1.4	1.8	2.1	2.1	2.1
Adj. RoE	12.3	14.7	17.2	16.8	16.7

Exhibit 10: Balance Sheet Ratios

Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
Credit / Deposit Ratio	78.7	80.7	86.3	89.1	90.6
Incremental C/D Ratio	54.7	94.9	138.1	107.2	98.8
Investment Deposit Ratio	30.2	29.1	30.7	29.7	28.0
Dom. SLR Investment / Deposits	23.1	24.3	25.6	24.5	22.9
CASA Ratio	46.7	49.2	44.3	44.3	44.3

Exhibit 11: Asset Quality

Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
Slippage Ratio (%)	2.5	2.6	2.4	1.8	1.4
Gross NPA	408,414	332,949	311,837	314,590	387,013
Gross NPAs Ratio (%)	5.0	3.8	2.8	2.6	2.7
PCR (%)	77.7	79.2	83.5	83.7	86.5
Net NPA	91,177	69,310	51,551	51,293	52,266
Net NPAs Ratio (%)	1.2	0.8	0.5	0.4	0.4
Total Impaired Loans	408,414	332,949	311,837	314,590	387,013
Impaired Loan as % of Loan / AUM	5.3	3.7	3.0	2.5	2.6
Total Risk Reserves	317,238	263,639	260,286	263,297	334,747
Total Risk As % of Loan Book	4.1	3.0	2.5	2.1	2.2

Exhibit 12: Key Assumptions & Forecasts

Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
Loan & Advances (₹ mn)	7,337,291	8,590,204	10,196,383	12,133,696	14,560,435
Growth (yoy %)		17.1	18.7	19.0	20.0
Interest Bearing Liabilities (₹ mn)	10,241,531	11,718,030	13,001,662	14,992,271	17,695,380
Growth (yoy %)		14.4	11.0	15.3	18.0
Yield on Funds	7.3	7.0	7.7	7.9	7.9
Cost of Funds (CoF)	4.1	3.5	3.8	3.8	3.8
Interest Spread	3.2	3.4	3.9	4.0	4.1
NIM's	3.6	3.8	4.4	4.5	4.6
Other Income Growth	15.3	(2.4)	7.1	7.1	7.1
C/I Ratio (%)	37.2	40.5	40.1	40.5	40.7
Effective Tax Rate (%)	19.8	23.7	24.8	24.8	24.8
Return Ratios					
Adj. RoA	1.4	1.8	2.1	2.1	2.1
Adj. RoE	12.3	14.7	17.2	16.8	16.7
Asset Quality Metrics					
Credit Cost (As % of Op. AUM)	2.5	0.8	0.6	0.6	0.6
Gross NPAs Ratio (%)	5.0	3.8	2.8	2.6	2.7
Net NPAs Ratio (%)	1.2	0.8	0.5	0.4	0.4

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