

January 21, 2024

Q3FY24 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
Rating	BUY		BUY	
Target Price	1,300		1,280	
NII (Rs. m)	8,18,320	9,00,783	8,18,989	9,25,809
% Chng.	(0.1)	(2.7)		
Op. Profit (Rs. m)	6,29,546	6,86,142	6,14,843	6,97,952
% Chng.	2.4	(1.7)		
EPS (Rs.)	62.6	68.0	61.0	68.7
% Chng.	2.6	(1.1)		

Key Financials - Standalone

Y/e Mar	FY23	FY24E	FY25E	FY26E
NII (Rs bn)	621	742	818	901
Op. Profit (Rs bn)	491	575	630	686
PAT (Rs bn)	319	402	435	472
EPS (Rs.)	45.7	57.4	62.6	68.0
Gr. (%)	36.0	25.6	9.1	8.6
DPS (Rs.)	5.0	11.5	12.5	13.6
Yield (%)	0.5	1.1	1.2	1.3
NIM (%)	4.4	4.5	4.3	4.1
RoAE (%)	17.5	18.7	17.5	16.7
RoAA (%)	2.1	2.3	2.2	2.0
P/BV (x)	3.6	3.0	2.6	2.3
P/ABV (x)	3.7	3.1	2.7	2.4
PE (x)	22.1	17.6	16.1	14.8
CAR (%)	18.3	17.4	17.1	17.1

Key Data

ICBK.BO | ICICIBC IN

52-W High / Low	Rs.1,044 / Rs.796
Sensex / Nifty	71,424 / 21,572
Market Cap	Rs.7,077bn/ \$ 85,193m
Shares Outstanding	7,016m
3M Avg. Daily Value	Rs.14550.97m

Shareholding Pattern (%)

Promoter's	-
Foreign	43.64
Domestic Institution	46.24
Public & Others	10.12
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	0.2	1.3	15.9
Relative	(0.2)	(5.4)	(1.6)

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Earnings predictability improving each quarter

Quick Pointers:

- Core PPOp beat of 3.6% given better NII and lower opex.
- Raise NIM for FY25E by 7bps, due to likely stable interest rate scenario.

ICICIB delivered a good quarter again. NIM at 4.78% was 9bps ahead of PLe due to better yields and interest on IT refund. Fees were lower offset by lesser opex. Adjusted for IT refund, core PPOp was 3.6% ahead of PLe. at Rs130bn. Loan and deposit slightly tapered growing by 3.9%/2.9%. Liquidity is in deficit for system, LDR has peaked (77.4%) and competitive intensity in deposits continues to rise. While other larger private banks face downside risks to loan growth due to high LDR, ICICI is better placed to navigate a likely tough liquidity scenario since current LDR at 86.6% is lower to peers. Also, a lower than expected repo rate cut in FY25E and rising funding costs could benefit ICICIB due to higher share of floating rate loans. Likely RoA/RoE for FY26E at 2.0%/17.0% remains one of the best-in-class. Maintaining multiple at 3.0x, we slightly raise SOTP based TP to Rs1,300 from Rs1,280. Reiterate 'BUY'.

- Core PPOp beat led by better NIM/lower opex; asset quality stable:** NII was ahead at Rs186.8bn (PLe Rs183.5bn) led by better NIM at 4.78% (PLe 4.69%) due to (1) superior yield on advances at 10.7% (PLe 10.5%) and interest on IT refund (4bps). Loan growth was a tad lower at 18.5% YoY (PLe 19.0%) and deposit accretion was 18.7% YoY (PLe 19.5% YoY). Other income was in-line at Rs61bn; fees was lower offset by more dividend. Opex was 4.4% below PLe led by lower employee cost and other opex. Core PPOp at Rs137.8bn (adjusted for IT refund) was 3.6% ahead of PLe; PPOp was Rs147.2bn (PLe Rs139bn). Asset quality was better; GNPA was lower at 2.34% (PLe 2.4%) due to stronger recoveries despite higher slippages. Provisions were lower at Rs10.5bn (PLe Rs9bn) owing to provision on AIF investments of Rs6.3bn. Core PAT was 1.6% ahead of PLe while PAT was Rs96.8bn (PLe Rs93bn).
- Loan accretion slightly contracted:** Domestic loan growth was 3.8% QoQ, led by SME (6.5%), BuB (6.5%), rural (4.6%) and retail (4.5%). Corporate grew by 2.9% QoQ driven by growth in well rated companies. Apart from housing, retail growth was led by vehicle (auto+CV) and unsecured (PL+CC) which saw rapid accretion of 7.9% QoQ. Bank is confident of credit quality in unsecured as exposure to small ticket portfolio is marginal while post RBI regulations, pricing has moved up by 20-25bps. Q3'24 saw competitive intensity in mortgages and corporate lending, however, focus stays on calibrated pricing based on relationship value with client rather than faster growth.
- Upgrade in FY25E NIM; strong recoveries resulted in better asset quality:** For FY25/26E, we lower loan growth by 1%. However, since the quantum of repo rate cut in FY25E could be lower than anticipated (and back-ended), we raise FY25/26E NIM by 7/2bps each to 4.3%/4.1%. Asset quality was better; while slippages were a miss Rs57.1bn (PLe Rs53bn) due to KCC, recoveries were stronger at Rs53.5bn (PLe Rs45bn) due to a bulky corporate recovery (Rs6.2bn). Buffer provisions were intact at Rs131bn or 1.1% of loans.

Exhibit 1: PAT beat at Rs102.6bn led by higher PPOP and lower provisions

NII grew at 13.4% YoY due to better NIM.

Other income was in-line and grew by 21.4% YoY led by higher treasury income.

Opex was beat growing by 22.3% YoY led by lower staff cost and other expenses.

Provisions were higher QoQ at Rs10.5bn due to one-time provisioning of AIF.

Loan growth at 18.5% YoY was led by retail and SME

Deposits grew 18.7% YoY driven by TD growth.

Margins were a beat at 4.8% due to better yields on advances.

Asset quality improved with GNPA/NNPA declining 78bps/11bps YoY. PCR stood at 81.3%

CASA mix at 39.6 declined due to higher TD growth

Bank's Tier-I capital ratio is at healthy 16.0%

P & L (Rs mn)	Q3FY24	Q3FY23	YoY gr. (%)	Q2FY24	QoQ gr. (%)
Interest income	366,946	285,056	28.7	349,204	5.1
Interest expense	180,160	120,407	49.6	166,125	8.4
Net interest income (NII)	186,786	164,650	13.4	183,079	2.0
- Treasury income	1,230	360	241.7	(850)	(244.7)
Other income	60,971	50,236	21.4	57,767	5.5
Total income	247,756	214,886	15.3	240,846	2.9
Operating expenses	100,520	82,174	22.3	98,553	2.0
-Staff expenses	38,127	29,212	30.5	37,254	2.3
-Other expenses	62,393	52,962	17.8	61,299	1.8
Operating profit	147,236	132,712	10.9	142,293	3.5
Core operating profit	146,006	132,352	10.3	143,143	2.0
Total provisions	10,494	22,574	(53.5)	5,826	80.1
Profit before tax	136,743	110,138	24.2	136,466	0.2
Tax	34,027	27,019	25.9	33,856	0.5
Profit after tax	102,715	83,119	23.6	102,610	0.1
Balance Sheet (Rs mn)					
Deposits	13,323,145	11,220,495	18.7	12,947,417	2.9
Advances	11,537,710	9,740,475	18.5	11,105,421	3.9
Profitability ratios (%)					
NIM	4.8	4.9	(7)	4.8	(5)
RoAA	2.5	2.3	17	2.6	(7)
RoAE	19.7	18.8	95	20.7	(94)
Asset Quality					
			Change (bps)		Change (bps)
Gross NPA (Rs m)	287,746	325,282	(11.5)	300,164	(4.1)
Net NPA (Rs m)	53,785	56,512	(4.8)	51,028	5.4
Gross NPL ratio	2.3	3.1	(78)	2.5	(19)
Net NPL ratio	0.4	0.6	(11)	0.4	1
Coverage ratio (calc.)	81.3	82.6	(132)	83.0	(169)
Business & Other Ratios					
CASA mix	39.6	45.3	(572)	40.8	(112)
CASA mix - Average	40.8	44.6	(380)	40.8	-
Cost-income ratio	40.6	38.2	233	40.9	(35)
Non int. inc / total income	24.6	23.4	123	24.0	62
Credit deposit ratio	86.6	86.8	(21)	85.8	83
CAR	16.7	18.3	(163)	17.6	(89)
Tier-I	16.0	17.6	(155)	16.9	(83)

Source: Company, PL

Key Q3FY24 Concall Highlights

Balance Sheet

- The management believes in focus on customer 360 extensive franchise and collaboration within the organization backed by digital offerings, process improvements and service delivery initiatives. Aim is to make investments in technology, people, distribution and brand building. ROE is defined to be the go-to matrix for bank.
- Systemic liquidity may stay the same till monetary policy turns accommodative, implying some margin compression in Q4, but lower than earlier quarters.
- Q3 saw competitive intensity in terms of mortgages and corporate lending. Focus of the company stays on relationship value with clients and accordingly calibrating prices, rather than mere focus on loan growth. In terms of personal loans, pricing has moved up by 20-25bps
- For funding structure and balance sheet, management believes that LDR, LCR and NSFR are the go-to ratios. In continuation, the overseas and domestic balance sheets are viewed independently. Domestic constitutes ~95% of the balance sheet in which primary sources of funds are deposits and capital. LDR of ~mid 80s is usually targeted other than periods of high liquidity, which makes an exception.

Profit & Loss

- **NIM declined to 4.43% (4.65%/4.53% YoY/QoQ)** majorly due to lagged impact of increase in term deposit rates over last year on the cost of deposits. Impact of interest on income tax refund on NIM was 4bps (0bps QoQ).
- Bank stated that repricing of existing TD book would mostly be completed in Q4FY24 itself. However, some part may also slip to Q1FY25.
- **Employee expenses increased by 30.5% YoY** led by increase in employee base from second half of fiscal 2023. Number of employees increased by 1,700 QoQ to 141,000 (23,600 in last 12 months) employees in total. Management commented that headcount additions from now will be moderate.
- **Other opex increased 17.8% YoY**, mainly on account of retail, business related and technology expenses. Growth was on higher side due to an effective festive season. Number of branches increased by 123, accumulating it to a total of 6,371 branches. The ideology behind branches was stated as a requirement/suggestion based branch addition and no such targeted number of branches was stated by the management.
- **With 10mn activations of IMobile pay**, bank has created more than 20 industry specific stacks for their corporate clients and ecosystem. This will allow customers to perform most of their trade, finance and foreign exchange transactions digitally. In Q3FY24, 72% of trade transactions were done digitally and volume grew by 26.2%.

Asset Quality

- **Provisions for Q3FY24 soared to Rs10.5bn** led by impact of recent regulatory guidelines on increasing risk weights on consumer loans and credit to NBFCs. However, management believes they do not have any credit concerns on loans to NBFCs and exposure is taken on risk to reward basis.
- Bank continues to hold contingent provisions of Rs131bn. The focus is on maintaining strong balance sheet with prudent provisioning and healthy capital level. Incremental slippages mainly increased due to Kisan Credit Card. In terms of retail, it increased relatively to size of the portfolio.
- Fall in the AA- rating and above is due to reduction in size of that portfolio and secondly a loan got upgraded to the BBB category, leading to the mix looking slightly different.

Exhibit 2: Business banking grows strong at 34% YoY, followed by retail

Loan Book Details (Rs bn)	Q3FY24	Q3Y23	YoY gr. (%)	Q2FY24	QoQ gr. (%)
Total Loan Book	11,538	9,740	18.5	11,105	3.9
Domestic Loan book	11,148	9,388	18.7	10,742	3.8
Retail Loan book	6,426	5,292	21.4	6,149	4.5
Domestic Corporate book	2,562	2,262	13.3	2,490	2.9
SME	579	454	27.5	543	6.7
Rural	980	829	18.2	938	4.6
Business Banking	882	669	31.9	828	6.5
International Loan book	390	353	10.5	363	7.2
Retail Loan book break-up					
Home Loans	3,841	3,314	15.9	3,704	3.7
Vehicle loans	905	757	19.6	874	3.5
Personal Loans & CC	1,593	1,155	37.9	1,477	7.9
Others	86	67	29.3	98	(12.0)
Composition of Loan Book			Change (bps)		Change (bps)
Domestic Loan book	97%	96%	24	97%	(10)
Retail Loan book	58%	56%	127	57%	40
Domestic Corporate book	23%	24%	(111)	23%	(19)
SME	5%	5%	36	5%	14
Rural	15%	16%	(41)	15%	1
Business Banking	34%	30%	487	33%	117
International Loan book	3%	4%	(24)	3%	10
Retail Loan book break-up					
Home Loans	60%	63%	(283)	60%	(45)
Vehicle loans	14%	14%	(22)	14%	(14)
Personal Loans & CC	25%	22%	297	24%	78
Others	1%	1%	8	2%	(25)

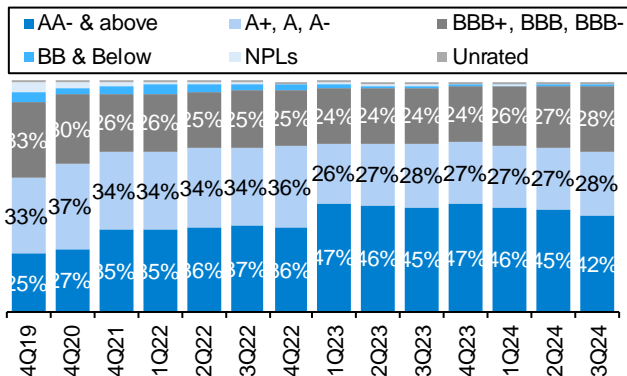
Source: Company, PL

Domestic loan growth strong across segments at 18.7% YoY/3.8% QoQ; international loan book saw growth of 10.5% YoY.

Retail growth was strong led by strong credit card, PL (+37.9% YoY) and others (+29.3% YoY)

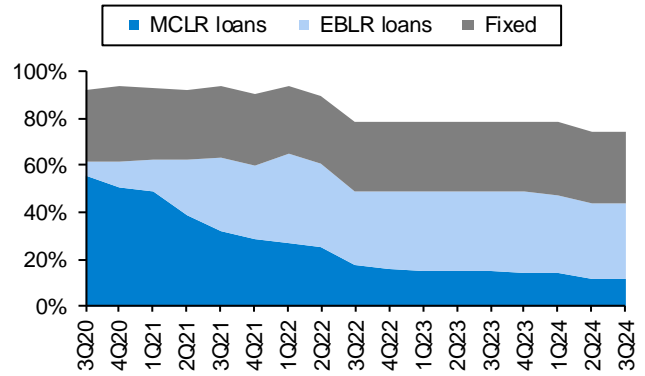
Unsecured portfolio continues to grow at a faster pace

Exhibit 3: A & above rated book dominates at 69.8%



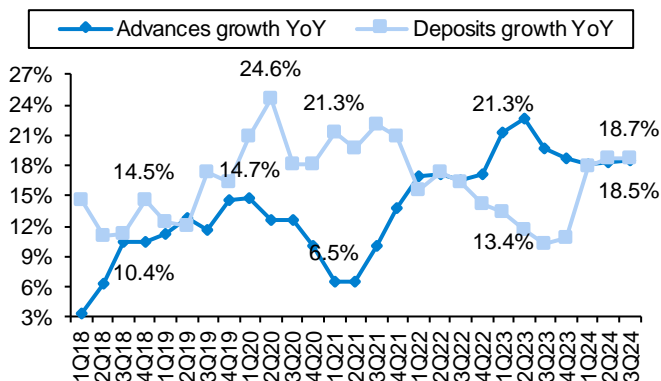
Source: Company, PL

Exhibit 4: Floating rate book stable at 66% QoQ



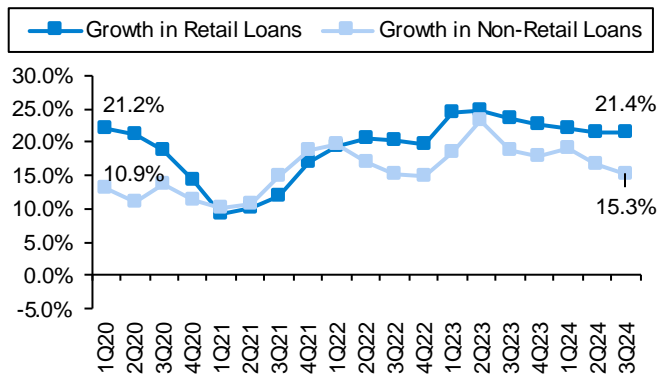
Source: Company, PL

Exhibit 5: Deposits grew faster than advances at 18.7% YoY



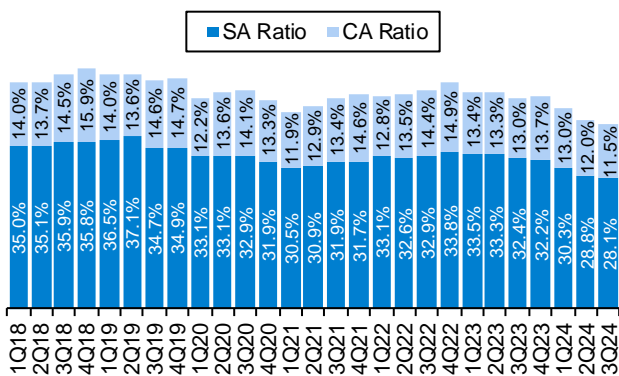
Source: Company, PL

Exhibit 6: Retail growth stable at 21.4% QoQ



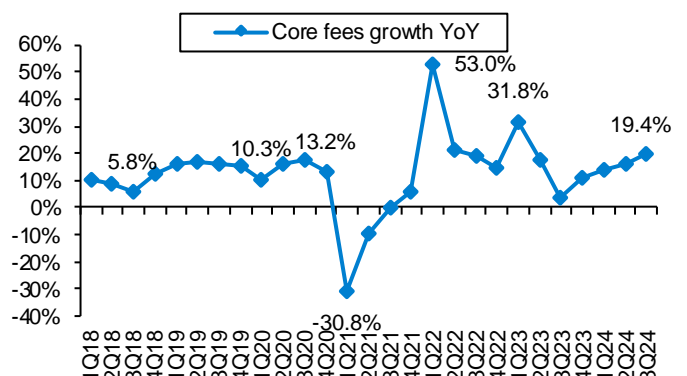
Source: Company, PL

Exhibit 7: CASA declines by 112bps QoQ at 39.63%



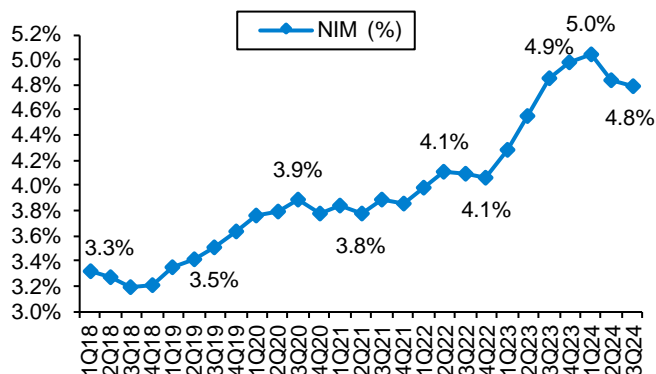
Source: Company, PL

Exhibit 8: Core fees grew sequentially at 19.4%



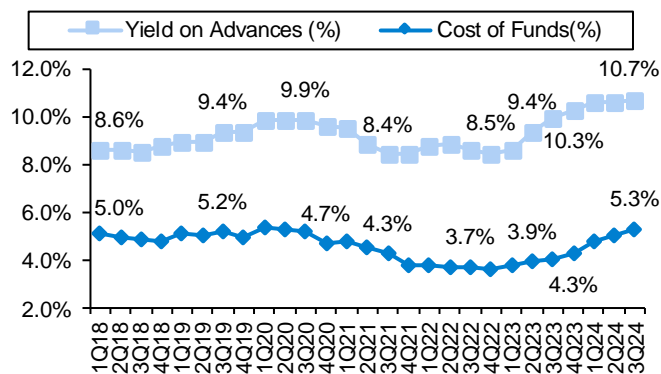
Source: Company, PL

Exhibit 9: NIM declined to 4.8% as CoF grew faster than yield



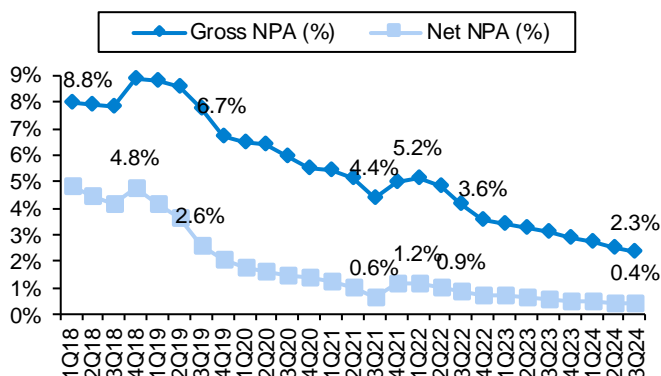
Source: Company, PL

Exhibit 10: Cost of funds increased faster than yields



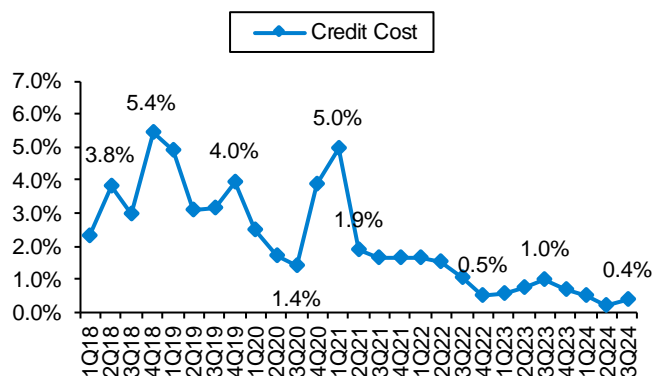
Source: Company, PL

Exhibit 11: GNPA decreased 19bps QoQ to 2.3%



Source: Company, PL

Exhibit 12: Credit cost slightly increased QoQ to 0.4%



Source: Company, PL

Exhibit 13: BB rated and below book saw improvement led by prepayments and repayments; net stressed assets at 1.3%

Particulars (Rs Million)	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Gross Restructured Loans	14,050	32,690	32,420	36,920	23,890	22,890	21,980	8,790	7,740	7,270	6,820	6,610
Non Fund O/s to non-performing loans	44,050	41,010	37,140	36,380	36,400	36,700	35,160	38,690	37,800	37,040	38,860	36,940
Other loans under RBI scheme not included above	7990	8130	7670	NA	NA	NA	NA	NA	NA	NA	NA	NA
Borrowers with o/s >Rs1.0bn	71,170	64,310	50,810	52,340	58,810	38,050	32,550	26,060	18,010	15,030	21,910	31,660
Borrowers with o/s <Rs1.0bn	37,760	34,620	36,240	29,160	25,380	21,150	21,850	20,960	21,290	20,460	19,160	20,260
Total BB & Below rated book	175,030	180,760	164,280	154,800	144,480	118,790	111,540	94,500	84,840	79,800	86,750	95,470
Total BB & Below rated book (excl. NFB o/s to NPL)	130,980	139,750	127,140	118,420	108,080	82,090	76,380	55,810	47,040	42,760	47,890	58,530
Movement in BB & Below Book												
Slippage to NPA	10,670	1,900	7,300	230	1,560	1,190	570	11,210	1,520	NA	NA	NA
Upgrades to investment grade & O/s reduction	6,760	5,410	8,780	9,460	18,040	26,730	8,570	12,460	12,580	NA	NA	NA
Downgrades from investment grade	11,870	5,270	3,470	970	3,850	1,930	3,430	3,100	3,640	NA	NA	NA
BB & Below at end of period	175,030	180,760	164,280	154,800	144,480	118,790	111,540	94,500	84,840	79,800	86,750	95,470
% of Net Advances	2.4%	2.4%	2.1%	1.9%	1.7%	1.3%	1.2%	1.0%	0.8%	0.8%	0.8%	0.8%
GNPA %	5.0%	5.2%	4.8%	4.1%	3.6%	3.4%	3.2%	3.1%	2.9%	2.8%	2.5%	2.3%
NNPA %	1.1%	1.2%	1.0%	0.9%	0.8%	0.7%	0.6%	0.6%	0.5%	0.5%	0.4%	0.4%
Net Stressed Assets %	3.6%	3.7%	3.2%	2.8%	2.5%	2.1%	1.8%	1.6%	1.3%	1.3%	1.2%	1.3%

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 at Rs50.7bn; write-offs were controlled at Rs11.7bn

Asset Quality Break-up	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Fresh Slippages	53,060	11,600	44,270	73,410	55,230	72,310	55,780	40,180	42,040	58,250	43,360	57,230	42,970	53,180	46,870	57,140
- Retail	12,940	6,020	17,490	3,940	99,560	67,730	46,240	38,530	37,360	50,370	36,580	41,590	40,200	50,720	43,640	54,820
- Non retail (corporate/SME)	22,860	3,870	14,660	67,200	-55,000	4,580	9,540	1,650	4,680	7,880	7,080	15,640	2,770	2,460	3,230	2,320
- Slippages below Investment grade	17,260	1,710	12,120	2,270	10,670	1,900	7,300	230	1,560	1,190	570	11,210	1,520			
- In existing NPA on Re depreciation	4,680	350	980													
Recovery & Upgrades	18,830	7,570	19,450	17,760	25,600	36,270	54,820	42,090	46,930	54,430	37,610	46,040	42,830	35,103	45,710	53,510
Write-offs & Sale of NPA	54,680	14,260	24,690	28,236	47,300	18,290	18,070	41,930	26,440	11,393	11,673	11,616	13,585	11,690	19,220	13,890

Source: Company, PL

Exhibit 15: On track towards +16% ROEs – best in a decade

RoA decomposition	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Net interest income	2.9	2.8	2.9	3.2	3.3	3.6	4.1	4.3	4.1	3.9
Other Inc. from operations	2.6	2.1	1.6	1.6	1.6	1.4	1.3	1.4	1.4	1.4
Total income	5.5	4.9	4.5	4.8	5.0	5.0	5.5	5.7	5.5	5.3
Employee expenses	0.8	0.7	0.7	0.8	0.7	0.7	0.8	0.9	0.9	0.9
Other operating expenses	1.2	1.2	1.2	1.3	1.2	1.3	1.4	1.4	1.4	1.4
Operating profit	3.5	3.0	2.5	2.7	3.1	3.0	3.3	3.3	3.2	3.0
Tax	0.2	0.1	0.0	0.6	0.3	0.6	0.7	0.8	0.7	0.7
Loan loss provisions	2.0	2.1	2.1	1.4	1.4	0.7	0.4	0.2	0.2	0.2
RoAA	1.3	0.8	0.4	0.8	1.4	1.8	2.1	2.3	2.2	2.0
RoAE	10.7	6.8	3.2	7.3	12.6	15.0	17.5	18.7	17.5	16.7

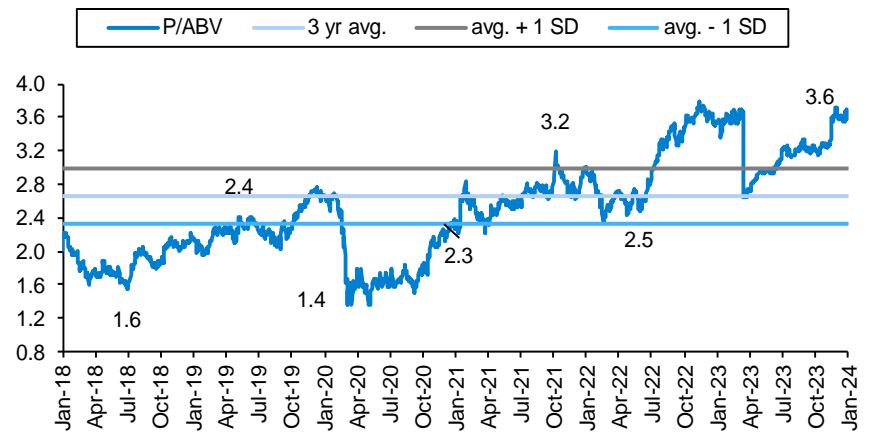
Source: Company, PL

Exhibit 16: We increase TP to Rs1,300 on Sep'25 core ABV

Value per share (Rs)	Holding (%)	Rs per share	% of total Valuation	Basis
ICICI Standalone		1,140	86.5	3.0x
Subsidiaries / Others				
Life insurance	51	52	4.0	1.0x
General insurance	48	50	3.8	1.0x
Asset management	51	43	3.3	35.0x
ICICI Securities	75	26	2.0	1.0x
UK+Canada	100	6	0.4	1.0x
Home fin.+PD+Ventures+ others	100	1	0.0	1.0x
Total subsidiaries' value		178		
<i>% contribution of Subsidiaries</i>			13.5	
Hold –Co Discount		18	10%	
Total fair value per share		1,300	100.0	

Source: Company, PL

Exhibit 17: ICICIB one year forward P/ABV trades at 3.6x



Source: Company, PL

Income Statement (Rs. m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
Int. Earned from Adv.	8,39,430	11,15,503	12,60,582	13,89,917
Int. Earned from invt.	2,08,885	2,84,624	3,13,618	3,48,200
Others	25,494	14,987	18,950	21,936
Total Interest Income	10,92,313	14,33,274	16,08,959	17,77,396
Interest Expenses	4,71,027	6,91,712	7,90,640	8,76,613
Net Interest Income	6,21,286	7,41,561	8,18,320	9,00,783
<i>Growth(%)</i>	30.9	19.4	10.4	10.1
Non Interest Income	1,98,314	2,33,356	2,75,050	3,19,349
Net Total Income	8,19,600	9,74,917	10,93,370	12,20,132
<i>Growth(%)</i>	23.0	29.1	13.0	11.3
Employee Expenses	1,20,599	1,54,251	1,78,802	2,07,387
Other Expenses	1,94,885	2,45,594	2,85,022	3,26,603
Operating Expenses	3,28,732	3,99,845	4,63,824	5,33,990
Operating Profit	4,90,868	5,75,072	6,29,546	6,86,142
<i>Growth(%)</i>	25.1	17.2	9.5	9.0
NPA Provision	(6,223)	48,627	50,061	54,616
Total Provisions	66,656	39,244	49,493	56,429
PBT	4,24,212	5,35,828	5,80,053	6,29,713
Tax Provision	1,05,247	1,33,406	1,45,013	1,57,428
<i>Effective tax rate (%)</i>	24.8	24.9	25.0	25.0
PAT	3,18,965	4,02,421	4,35,040	4,72,285
<i>Growth(%)</i>	36.7	26.2	8.1	8.6

Balance Sheet (Rs. m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
Face value	2	2	2	2
No. of equity shares	6,984	7,016	6,950	6,950
Equity	13,968	14,032	13,900	13,900
Networth	20,07,154	23,56,554	26,77,055	30,54,882
<i>Growth(%)</i>	17.7	17.4	13.6	14.1
Adj. Networth to NNPA's	51,501	49,386	56,421	60,321
Deposits	1,18,08,407	1,39,44,185	1,61,46,695	1,88,23,166
<i>Growth(%)</i>	10.9	18.1	15.8	16.6
CASA Deposits	54,12,618	55,70,347	63,73,977	75,42,765
<i>% of total deposits</i>	45.8	39.9	39.5	40.1
Total Liabilities	1,58,42,067	1,85,70,817	2,13,85,745	2,48,03,169
Net Advances	1,01,96,383	1,20,33,832	1,39,57,557	1,61,92,479
<i>Growth(%)</i>	18.7	18.0	16.0	16.0
Investments	36,23,297	45,45,804	51,03,970	59,50,003
Total Assets	1,58,42,066	1,85,70,817	2,13,85,745	2,48,03,169
<i>Growth (%)</i>	12.3	17.2	15.2	16.0

Asset Quality

Y/e Mar	FY23	FY24E	FY25E	FY26E
Gross NPAs (Rs m)	2,99,861	2,59,928	2,96,512	3,19,941
Net NPAs (Rs m)	51,501	49,386	56,421	60,321
<i>Gr. NPAs to Gross Adv.(%)</i>	3.1	2.4	2.3	2.2
<i>Net NPAs to Net Adv. (%)</i>	0.5	0.4	0.4	0.4
<i>NPA Coverage %</i>	82.8	81.0	81.0	81.1

Profitability (%)

Y/e Mar	FY23	FY24E	FY25E	FY26E
NIM	4.4	4.5	4.3	4.1
RoAA	2.1	2.3	2.2	2.0
RoAE	17.5	18.7	17.5	16.7
Tier I	17.6	16.7	16.4	16.5
CRAR	18.3	17.4	17.1	17.1

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Interest Income	3,10,211	3,33,276	3,49,204	3,66,946
Interest Expenses	1,33,543	1,51,012	1,66,125	1,80,160
Net Interest Income	1,76,668	1,82,265	1,83,079	1,86,786
<i>YoY growth (%)</i>	40.2	38.0	23.8	13.4
CEB	48,300	48,430	52,040	53,130
Treasury	-	-	-	-
Non Interest Income	50,878	54,353	57,767	60,971
Total Income	3,61,089	3,87,629	4,06,971	4,27,916
Employee Expenses	34,010	38,837	37,254	38,127
Other expenses	55,272	56,389	61,299	62,393
Operating Expenses	89,282	95,226	98,553	1,00,520
Operating Profit	1,38,264	1,41,391	1,42,293	1,47,236
<i>YoY growth (%)</i>	34.3	37.2	21.8	10.9
Core Operating Profits	1,38,664	1,38,871	1,43,143	1,46,006
NPA Provision	-	-	-	-
Others Provisions	16,198	12,924	5,826	10,494
Total Provisions	16,198	12,924	5,826	10,494
Profit Before Tax	1,22,066	1,28,467	1,36,466	1,36,743
Tax	30,847	31,985	33,856	34,027
PAT	91,219	96,482	1,02,610	1,02,715
<i>YoY growth (%)</i>	30.0	39.7	35.8	23.6
Deposits	1,18,08,407	1,23,87,366	1,29,47,417	1,33,23,145
<i>YoY growth (%)</i>	10.9	17.9	18.8	18.7
Advances	1,01,96,383	1,05,75,826	1,11,05,421	1,15,37,710
<i>YoY growth (%)</i>	18.7	18.1	18.3	18.5

Key Ratios

Y/e Mar	FY23	FY24E	FY25E	FY26E
CMP (Rs)	1,009	1,009	1,009	1,009
EPS (Rs)	45.7	57.4	62.6	68.0
Book Value (Rs)	283	332	381	435
Adj. BV (70%)(Rs)	275	324	372	426
P/E (x)	22.1	17.6	16.1	14.8
P/BV (x)	3.6	3.0	2.6	2.3
P/ABV (x)	3.7	3.1	2.7	2.4
DPS (Rs)	5.0	11.5	12.5	13.6
<i>Dividend Payout Ratio (%)</i>	10.9	20.0	20.0	20.0
<i>Dividend Yield (%)</i>	0.5	1.1	1.2	1.3

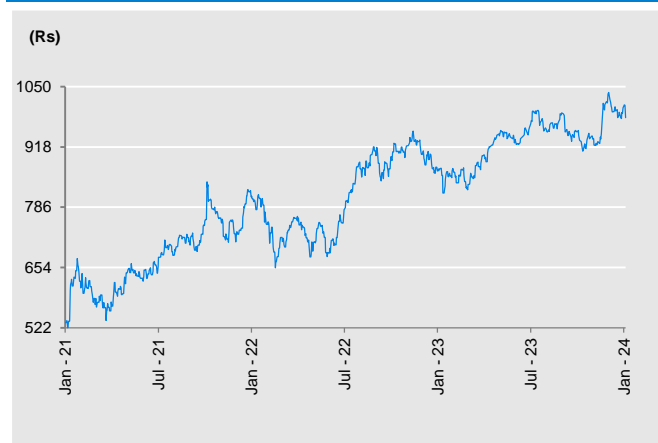
Efficiency

Y/e Mar	FY23	FY24E	FY25E	FY26E
<i>Cost-Income Ratio (%)</i>	40.1	41.0	42.4	43.8
<i>C-D Ratio (%)</i>	86.3	86.3	86.4	86.0
Business per Emp. (Rs m)	171	180	193	211
Profit per Emp. (Rs lacs)	25	28	28	28
Business per Branch (Rs m)	3,730	3,997	4,270	4,638
Profit per Branch (Rs m)	54	62	62	63

Du-Pont

Y/e Mar	FY23	FY24E	FY25E	FY26E
NII	4.15	4.31	4.10	3.90
Total Income	5.47	5.67	5.47	5.28
Operating Expenses	2.19	2.32	2.32	2.31
PPoP	3.28	3.34	3.15	2.97
Total provisions	0.45	0.23	0.25	0.24
RoAA	2.13	2.34	2.18	2.05
RoAE	17.48	18.68	17.29	16.42

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jan-24	BUY	1,280	994
2	22-Oct-23	BUY	1,280	933
3	07-Oct-23	BUY	1,180	945
4	23-Jul-23	BUY	1,180	997
5	06-Jul-23	BUY	1,130	959
6	23-Apr-23	BUY	1,130	886
7	11-Apr-23	BUY	1,090	868
8	22-Jan-23	BUY	1,090	870

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Hold	1,560	1,566
2	Axis Bank	BUY	1,250	1,137
3	Bank of Baroda	BUY	240	235
4	Can Fin Homes	BUY	900	781
5	City Union Bank	Accumulate	160	153
6	DCB Bank	BUY	160	158
7	Federal Bank	BUY	180	150
8	HDFC Asset Management Company	BUY	3,900	3,501
9	HDFC Bank	BUY	2,000	1,679
10	ICICI Bank	BUY	1,280	994
11	IndusInd Bank	BUY	1,740	1,613
12	Kotak Mahindra Bank	BUY	2,250	1,848
13	LIC Housing Finance	Hold	460	575
14	State Bank of India	BUY	770	642
15	UTI Asset Management Company	BUY	900	875

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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