

ICICI BANK | Banking

Comfortable Contingent Provision, Collection best among peers

LKP

Result and Price Analysis:

Earnings in 2QFY21 acknowledge our conviction that ICICI Bank is preparing for sustainable, prudent and cautious growth despite some exceptional hiccups (Overdue amount of ~3% higher than normal run rate) owing to COVID. The bank has reported its 2QFY21 results with 10 key pointers : 1) The collection efficiencies of overall book stood at 97% of Pre-COVID level, 2) NII growth of 16.2% YoY, with headline NIMs (Domestic: 3.72% & Overall: 3.57%) de-growth of 8bps sequentially owing to higher liquidity available (LCR: 150%), 3) PPOP growth of 20.2% YoY and de-growth of 23.3% sequentially owing to higher base in the previous quarter (stake sale boosted the other income in 1QFY21), 4) Higher slippages (₹30.1bn v/s ₹11.6bn) led by retail slippages (58% of total slippages), 5) NNPA further down 23bps to 1%, 6) PCR (excluding technical write-offs) improved 300bps to 81.5%, however the bank didn't include COVID & general provision (₹147bn) in PCR calculation; 7) Contingent provision (excluding PCR) stood at 2.26% of the loan book, 8) BB & below exposure stood at 1.5% v/s 1.6% of total exposure, 9) considering conservative approach, the advance growth remain moderate at 6.6% YoY and 3.4% sequentially; 10) deposits witnessed a strong growth of 19.6% YoY with average CASA at 40.3%. However, the overdue loan (~3% of book) may cause some pain and the bank expects credit cost normalization by FY22E. Factoring stable balance sheet growth and credit cost of 1.7% in FY22E (same as FY20), we estimate the bank's ROA and ROE of 1% and 9% respectively. We have positive outlook on the bank with BUY rating.

Collection Efficiencies & COVID Provision best among peers: The bank alluded to collection efficiencies at ~97% of Pre-COVID level. Nevertheless, overdue loans are ~3% higher than normal run rate. Despite RBI's interim order the bank reported higher slippages (₹30.1bn v/s ₹11.6bn) with retail share of 58% of total slippages. The bank has built an adequate PCR (81.5% excluding prudential write-off) with the help of bulky provisioning expense (₹29.9bn) which includes ₹4.9bn of COVID provision. The PCR (calculated) including all provisions (COVID + General + Contingencies) stood at 119% of GNPL. Contingent provision (excluding PCR) stood 2.26% of book. The management expects the PCR to be adequate for stress emerging from the pandemic.

Healthy operating quarter: NII has grown at a healthy rate of 16.2% YoY and 0.9% QoQ. NIMs squeezed 12bps to 3.57% because of higher liquidity available. Non – interest income de-grew 34.4% sequentially; 1QFY21 incomparable because the bank recognized profits from stake sale. On YoY basis, the PPOP grew 20% but fell 23% sequentially. With lower provisioning (₹29.9bn v/s ₹76bn in 1QFY21) the bank has made profit of ₹42.5bn v/s ₹26bn in previous quarter.

Healthy business growth led by deposit accretion: The bank's loan growth (6.4% Yo, 3.4% QoQ) was stable. However, healthy deposit growth (20% YoY) has led to more than satisfactory liquidity with LCR of 150%. We expect the loan growth to normalize in 2HFY21.

Outlook & Valuations

We expect its loan book to fatten cautiously at CAGR of 10% over FY21-23E, led by balanced growth across segments. In our opinion, the bank's asset quality may witness some hiccups and estimate return ratio ROA/ROE of 0.9% and 8.6% in FY22E. We value the standalone entity at 1.9x FY22E BVPS (₹188) and its investment in subsidiaries and JVs (₹114 per share); we arrive at a target price of ₹471. We recommend BUY rating with a potential upside of 20%.

Key Financials (₹ mn)	FY19	FY20	FY21E	FY22E	FY23E
NII	270,148	332,671	367,948	406,236	461,067
Operating Profit	234,379	281,013	307,627	298,664	339,035
Reported Profits	33,633	79,308	91,656	113,560	143,479
Net Worth	1,053,191	1,133,861	1,225,516	1,339,076	1,482,555
Loan & Advances	5,866,466	6,452,900	6,840,074	7,660,883	8,618,493
Int. Bearing Liabilities	8,182,396	9,338,658	9,858,305	10,937,848	12,157,549

Key Ratios (%)	FY19	FY20	FY21E	FY22E	FY23E
NIM's	3.2	3.5	3.5	3.6	3.7
C/I	43.6	43.5	43.9	47.2	46.8
Gross NPA	6.7	5.5	6.9	5.6	4.4
Tier 1	15.1	16.0	14.5	14.1	13.9
Adj. RoA	0.4	0.8	0.8	0.9	1.1
Adj. RoE	3.2	7.1	7.6	8.6	9.9

Rating	Buy
Current Market Price (₹)	394
12 M Price Target (₹)	471
Potential upside (%)	20

Stock Data

FV (₹) :	2
Market Cap Full (₹ bn) :	2,714
Market Cap Free Float (₹ bn) :	2,707
52-Week High / Low (₹) :	552 / 268
2-Year High / Low (₹) :	552 / 268
1 Year Avg. Dly Traded Volume (in lakh)	364
BSE Code / NSE Symbol :	532174 / ICICIBANK
Bloomberg :	ICICIB IN

Shareholding Pattern (%)

	Sep-20	Jun-20	Mar-20	Dec-19
FPIs	45.66	42.96	43.70	45.79
MFs	27.07	28.28	27.61	25.98
FI's / Banks	0.05	0.16	0.15	0.10
Insurance	13.92	14.80	14.52	15.14
Others	13.30	13.80	14.02	12.99

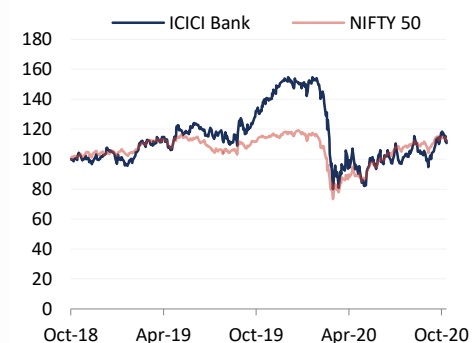
Source: BSE

Price Performance (%)

(%)	1M	3M	6M	1YR
ICICI Bank	11%	14%	3%	-17%
Nifty 50	4%	5%	18%	-2%

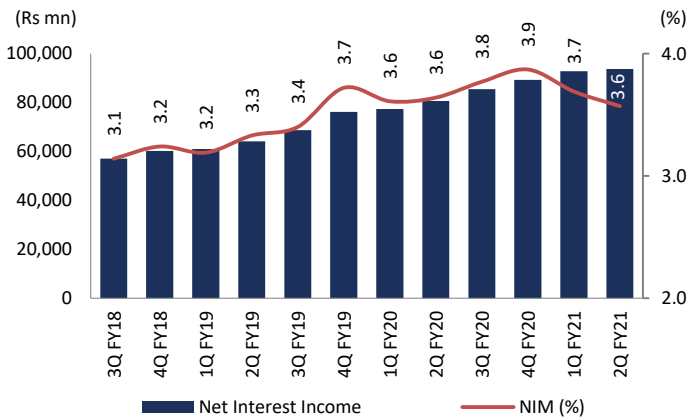
* To date / current date : October 30, 2020

ICICI Bank vs Nifty 50



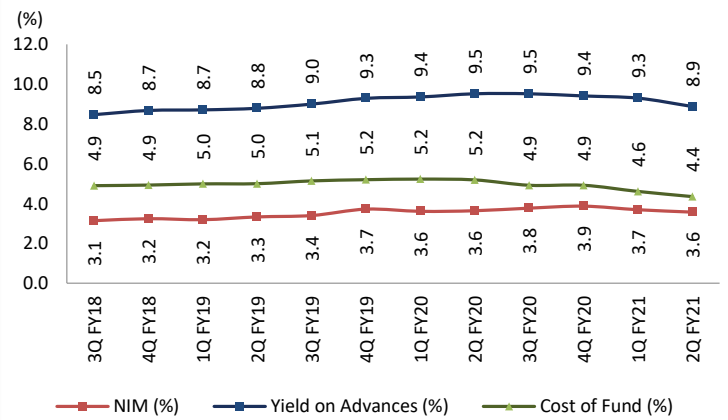
Quarterly Story in Charts

NII Trend

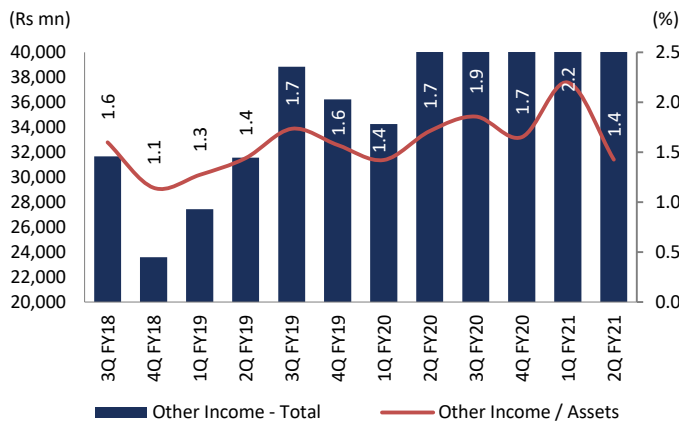


Source: Company, LKP Research

Yield & Margin's Trend

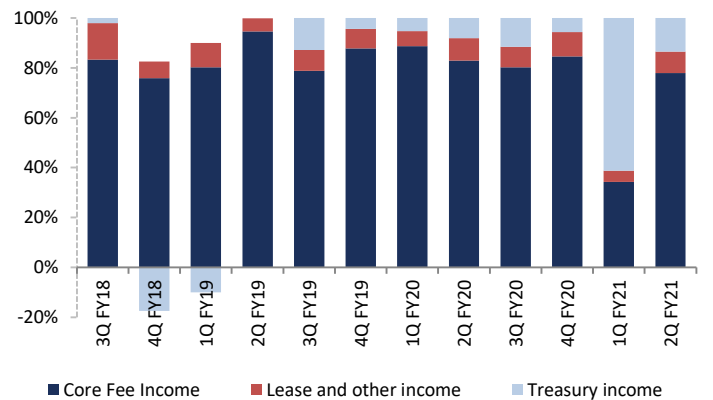


Other Income Trend

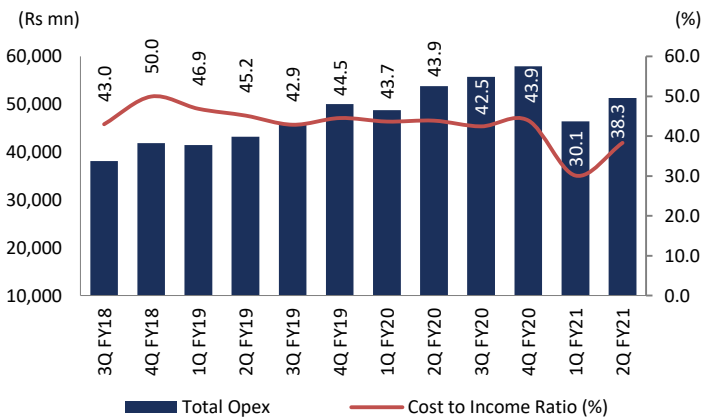


Source: Company, LKP Research

Other Income Mix Trend

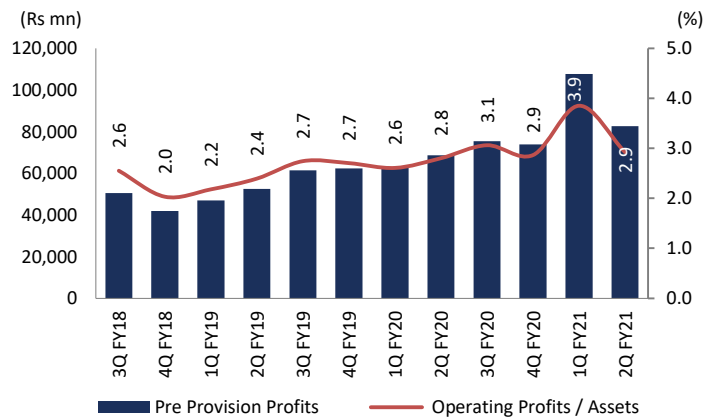


Total Opex Trend

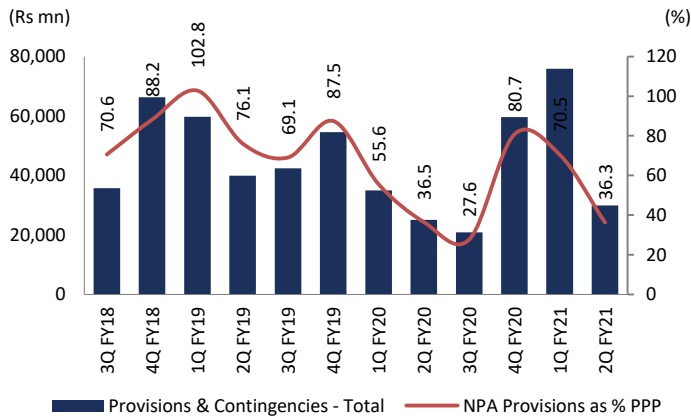


Source: Company, LKP Research

Pre Provision Profit Trend

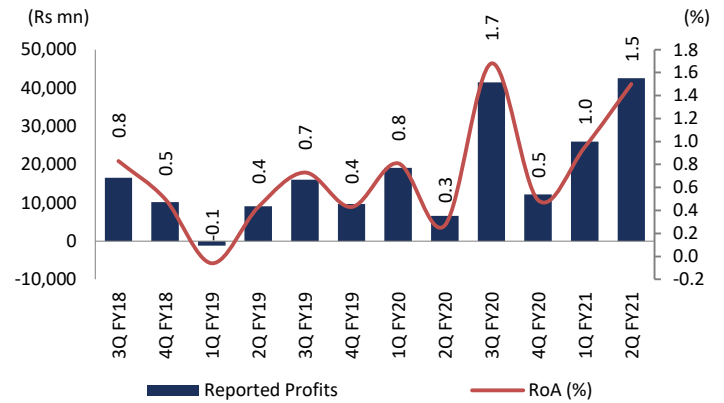


Provision Expenses Trend

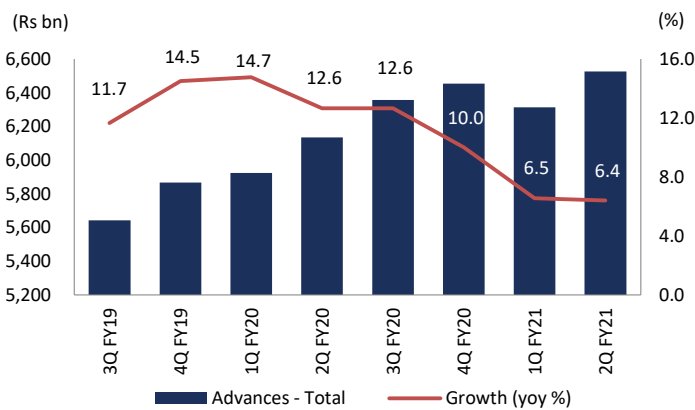


Source: Company, LKP Research

Reported Profit Trend

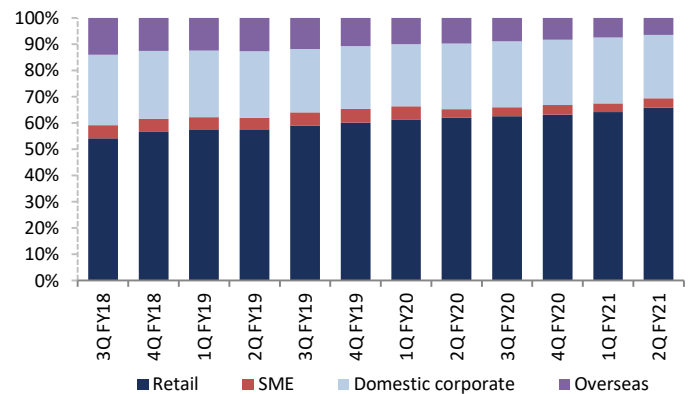


Loan Book Trend

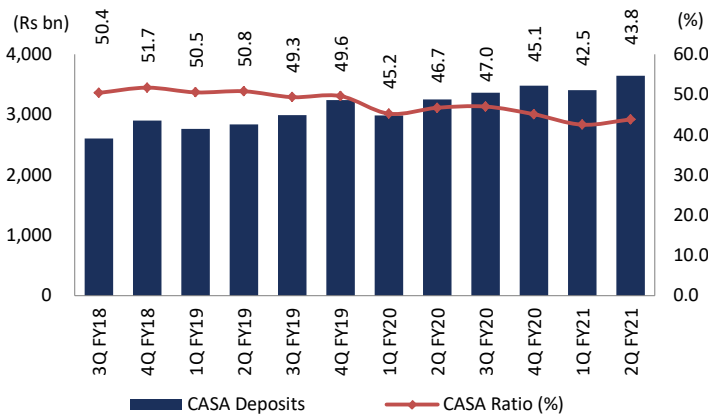


Source: Company, LKP Research

Loan Book Mix Trend

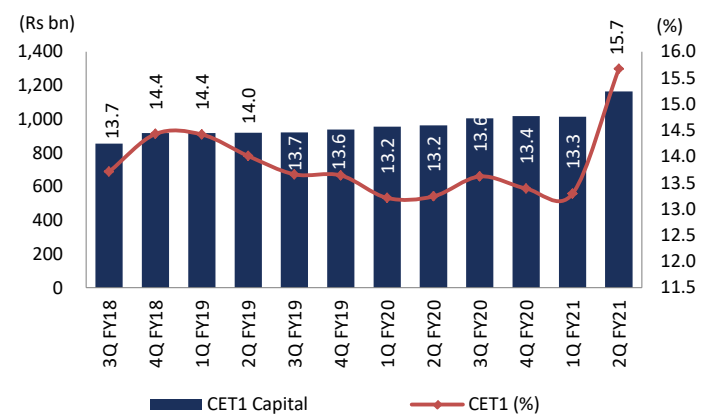


CASA Deposit Trend

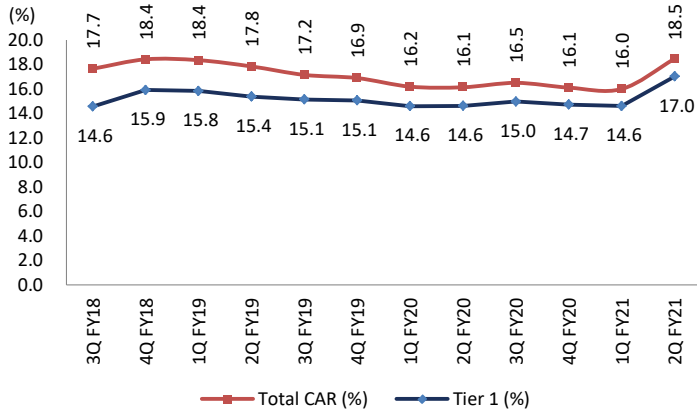


Source: Company, LKP Research

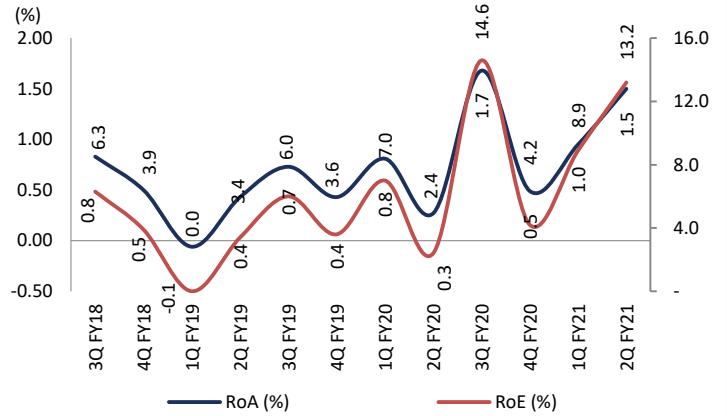
CET 1 Ratio Trend



CRAR & Tier 1 Ratio Trend

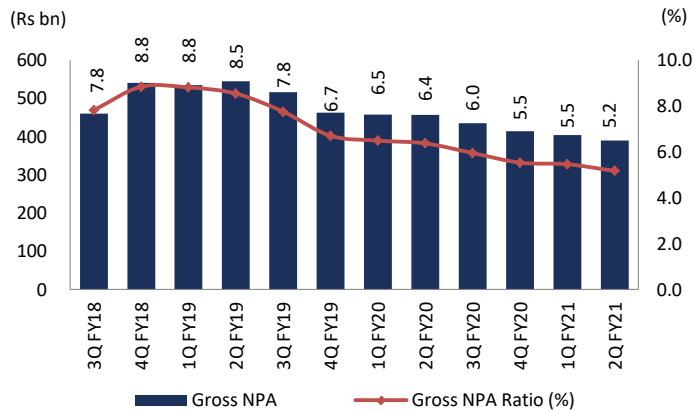


Return Ratio Trend

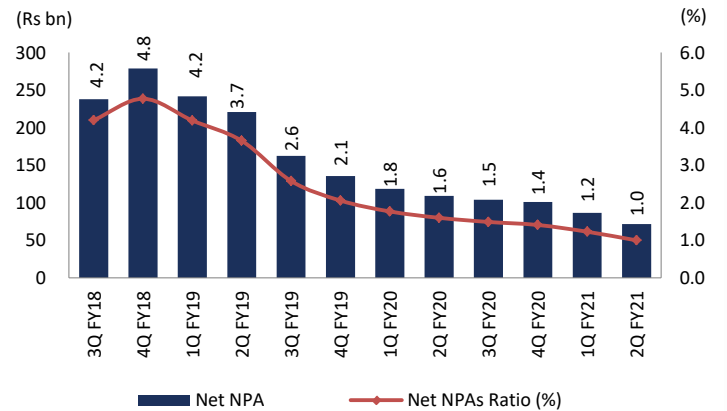


Source: Company, LKP Research

Gross NPA Trend

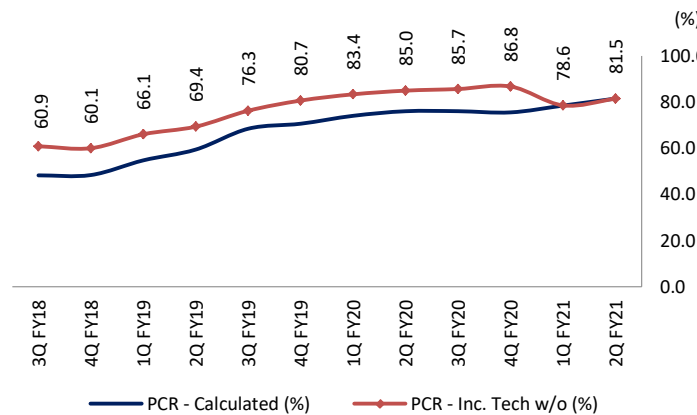


Net NPA Trend

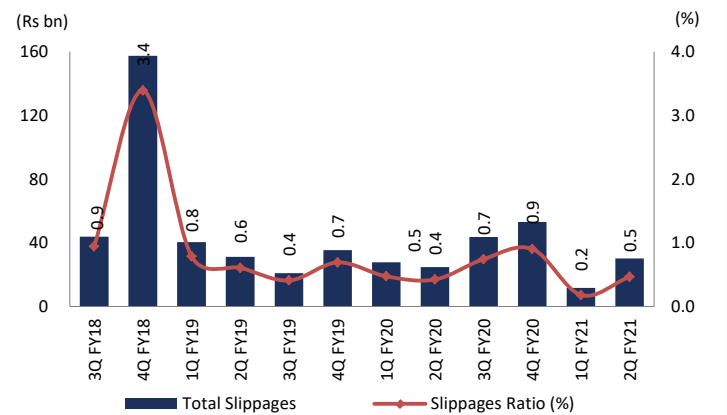


Source: Company, LKP Research

PCR Trend



Slippages Trend



Source: Company, LKP Research

Financial Performance at a glance

Exhibit: Income Statement Analysis

(₹ mn)	2Q FY21	2Q FY20	% yoy / bps	1Q FY21	% qoq / bps	FY20	FY19	% yoy / bps
Int. on Loan	140,379	143,040	(1.9)	145,767	(3.7)	575,511	479,426	20.0
Int. on Investment	43,138	37,259	15.8	41,907	2.9	146,732	127,969	14.7
Int. on Balances	4,211	1,362	209.2	4,448	(5.3)	6,822	7,361	(7.3)
Int. Others	8,496	3,992	112.8	7,122	19.3	18,918	19,256	(1.8)
Interest Inc.	196,225	185,653	5.7	199,244	(1.5)	747,983	634,012	18.0
Yield on Advances (%)	8.9	9.5	(64)	9.3	(42)	9.5	9.0	49
Yield on Assets (%)	7.5	8.4	(92)	7.9	(46)	8.4	8.0	35
Interest Expenses	102,564	105,079	(2.4)	106,446	(3.6)	415,313	363,864	14.1
Cost of Dep. (%)	4.2	5.1	(84)	4.5	(31)	5.0	4.9	9
Cost of Fund (%)	4.4	5.2	(84)	4.6	(26)	5.1	5.0	9
Net Interest Income	93,661	80,574	16.2	92,798	0.9	332,671	270,148	23.1
NII to Net Operative Income	69.9	65.8	416	60.2	975	66.9	65.1	186
NIM (%)	3.57	3.6	(7)	3.7	(12)	3.7	3.4	31
Dom. NIM (%)	3.7	3.9	(20)	3.9	(19)	4.0	3.8	24
Int. NIM (%)	0.3	0.4	(15)	0.3	(7)	0.4	0.3	5
Core Fee Income	31,390	34,780	(9.7)	21,040	49.2	137,828	119,890	15.0
Non Core Other Income	8,893	7,162	24.2	40,386	(78.0)	26,659	14,132	88.6
Other Income - Total	40,283	41,942	(4.0)	61,426	(34.4)	164,486	145,122	13.3
Other Inc to Net Oper. Income (%)	30.1	34.2	(416)	39.8	(975)	33.1	34.9	(186)
Net Operating Revenue	133,944	122,517	9.3	154,224	(13.1)	497,157	415,270	19.7
Employee Expenses	19,673	21,413	(8.1)	21,661	(9.2)	82,712	68,082	21.5
Empl. Cost/Oper. Exps. (%)	14.7	17.5	(279)	14.0	64	16.6	16.4	24
Other Opex	31,660	32,362	(2.2)	24,798	27.7	133,432	112,808	18.3
Other Opex/ Assets (%)	0.3	0.3	(5)	0.2	6	1.3	1.2	7
Total Opex	51,333	53,776	(4.5)	46,459	10.5	216,144	180,891	19.5
Cost to Income Ratio (%)	38.3	43.9	(557)	30.1	820	43.5	43.6	(8)
Pre Provision Profits	82,611	68,741	20.2	107,765	(23.3)	281,013	234,379	19.9
Provisions & Contingencies - Total	29,953	25,069	19.5	75,940	(60.6)	140,532	196,611	(28.5)
NPA Provisions as % PPP	36.3	36.5	(21)	70.5	(3,421)	50.0	83.9	(3,388)
Profit Before Tax	52,658	43,672	20.6	31,825	65.5	140,480	37,768	272.0
Tax	10,145	37,123	(72.7)	5,834	73.9	84,884	(25,545)	(432.3)
Effective Tax Rate (%)	19.3	85.0	(6,574)	18.3	94	60.4	(67.6)	12,806
Reported Profits	42,513	6,550	549.1	25,992	63.6	55,596	63,313	(12.2)
RoA (%)	1.5	0.3	123	1.0	55	-	0.4	-
RoE (%)	13.2	2.4	1,080	8.9	430	-	-	-

Source: Company, LKP Research

Exhibit: Balance Sheet Analysis

(₹ mn)	1Q FY20	2Q FY20	3Q FY20	4Q FY20	1Q FY21	2Q FY21	QoQ % / bps	YoY % / bps
Net Worth	1,103,950	1,106,060	1,149,976	1,165,009	1,186,160	1,376,489	16.0	24.4
RoE (%)	7.0	2.4	14.6	4.2	8.9	13.2	430	1,080
CET1 (%)	13.2	13.2	13.6	13.4	13.3	15.7	238	243
Tier 1 (%)	14.6	14.6	15.0	14.7	14.6	17.0	241	240
Total CAR (%)	16.2	16.1	16.5	16.1	16.0	18.5	247	233
RWA - Total	7,229,240	7,263,560	7,369,730	7,594,900	7,635,830	7,428,650	(2.7)	2.3
Advances - Total	5,924,154	6,133,587	6,356,543	6,452,900	6,312,146	6,526,080	3.4	6.4
Investments	2,199,962	2,233,756	2,274,800	2,495,315	3,018,511	2,896,230	(4.1)	29.7
Total Assets	9,637,525	9,970,109	10,070,680	10,983,652	11,386,127	11,629,712	2.1	16.6
RoA (%)	0.81	0.27	1.68	0.49	0.95	1.50	55	123
Deposits	6,607,318	6,962,730	7,163,451	7,709,690	8,016,223	8,329,356	3.9	19.6
Saving Deposit	2,184,760	2,305,690	2,354,200	2,455,910	957,800	1,075,170	12.3	(53.4)
Current Deposit	804,010	944,310	1,009,890	1,022,270	2,448,360	2,570,630	5.0	172.2
CASA Deposits	2,988,770	3,250,000	3,364,090	3,478,180	3,406,160	3,645,800	7.0	12.2
CASA Ratio (%)	45.2	46.7	47.0	45.1	42.5	43.8	130	(290)
Term Deposits	3,618,548	3,712,730	3,799,361	4,231,510	4,610,063	4,683,556	1.6	26.1
Interest Bearing Liabilities - Total	8,174,517	8,473,058	8,537,198	9,338,658	9,665,403	9,693,625	0.3	14.4

Source: Company, LKP Research

Exhibit: Earning Assets Mix & Incremental Contribution

	As on (₹ mn)				As % of Working Assets	YoY/ YTD growth (% / bps)			Incremental Contribution in Working Assets (%)		
	FY18	FY19	FY20	2Q FY21		FY19	FY20	2Q FY21	FY19	FY20	2Q FY21
Home	1,500,570	1,782,360	2,002,240	2,117,340	19.6	18.8	12.3	5.7	37.5	15.8	17.7
Vehicle Loans	468,390	556,660	583,310	597,870	5.5	18.8	4.8	2.5	11.8	1.9	2.2
Business Banking	135,260	18,450	265,630	311,480	2.9	(86.4)	1,340	17.3	(15.6)	17.7	7.1
Rural & Other	432,540	499,600	568,500	616,260	5.7	15.5	13.8	8.4	8.9	4.9	7.4
Retails - Other	59,720	68,050	50,930	52,840	0.5	13.9	(25.2)	3.8	1.1	(1.2)	0.3
Personal Loans	208,660	310,150	452,880	444,910	4.1	48.6	46.0	(1.8)	13.5	10.2	(1.2)
Credit Cards	93,790	123,040	156,540	155,110	1.4	31.2	27.2	(0.9)	3.9	2.4	(0.2)
Unsecured Retail loans	302,460	433,190	609,420	600,020	5.6	43.2	40.7	(1.5)	17.4	12.7	(1.4)
Retail	2,898,940	3,528,310	4,080,030	4,295,810	39.8	21.7	15.6	5.3	83.8	39.6	33.3
SME	254,450	306,090	228,510	233,410	2.2	20.3	(25.3)	2.1	6.9	(5.6)	0.8
Domestic corporate	1,326,260	1,401,740	1,604,700	1,573,570	14.6	5.7	14.5	(1.9)	10.0	14.6	(4.8)
Domestic book	4,479,650	5,236,140	5,913,230	6,102,790	56.6	16.9	12.9	3.2	100.7	48.6	29.2
Overseas	645,618	630,320	539,670	423,290	3.9	(2.4)	(14.4)	(21.6)	(2.0)	(6.5)	(17.9)
Advances - Total	5,123,953	5,866,466	6,452,900	6,526,080	60.5	14.5	10.0	1.1	98.8	42.1	11.3
Yield on Advances (%)	8.6	9.0	9.5	8.9		33	49	(57)			
Investments	2,029,942	2,077,327	2,495,315	2,896,230	26.8	2.3	20.1	16.1	6.3	30.0	61.8
Cash & Cash Equivalent	841,694	802,963	1,191,557	1,365,918	12.7	(4.6)	48.4	14.6	(5.2)	27.9	26.9
Working Assets	7,995,588	8,746,755	10,139,772	10,788,228	100.0	9.4	15.9	6.4	100.0	100.0	100.0
Yield on Assets (%)	7.7	8.0	8.4	7.5		32	35	(91)			

Source: Company, LKP Research

Exhibit: Funding Profile Analysis

(₹ mn)	1Q FY20	2Q FY20	3Q FY20	4Q FY20	1Q FY21	2Q FY21	QoQ % / bps	YoY % / bps
Interest Bearing Liabilities - Total	8,174,517	8,473,058	8,537,198	9,338,658	9,665,403	9,693,625	0.3	14.4
Deposits	6,607,318	6,962,730	7,163,451	7,709,690	8,016,223	8,329,356	3.9	19.6
CASA Deposits	2,988,770	3,250,000	3,364,090	3,478,180	3,406,160	3,645,800	7.0	12.2
Saving Deposit	2,184,760	2,305,690	2,354,200	2,455,910	957,800	1,075,170	12.3	(53.4)
Current Deposit	804,010	944,310	1,009,890	1,022,270	2,448,360	2,570,630	5.0	172.2
Term Deposits	3,618,548	3,712,730	3,799,361	4,231,510	4,610,063	4,683,556	1.6	26.1
Borrowings	1,567,200	1,510,328	1,373,747	1,628,968	1,649,180	1,364,269	(17.3)	(9.7)
Interest Bearing Liabilities - Total	8,174,517	8,473,058	8,537,198	9,338,658	9,665,403	9,693,625	0.3	14.4

Source: Company, LKP Research

Exhibit: Funding mix and Incremental Contribution

	As on (₹ mn)				As % of Total Working Fund	YoY/ YTD growth			Incremental Contribution YoY/ YTD Growth (%)		
	FY18	FY19	FY20	2Q FY21		FY19	FY20	2Q FY21	FY19	FY20	2Q FY21
Deposits	5,609,752	6,529,197	7,709,690	8,329,356	75.2	16.4	18.1	8.0	118.5	95.4	109.4
Saving Deposit	2,009,671	2,276,709	2,455,909	1,075,170	9.7	13.3	7.9	(56.2)	34.4	14.5	(243.8)
Current Deposit	889,582	962,690	1,022,276	2,570,630	23.2	8.2	6.2	151.5	9.4	4.8	273.3
CASA Deposits	2,899,253	3,239,399	3,478,185	3,645,800	32.9	11.7	7.4	4.8	43.8	19.3	29.6
Term Deposits	2,710,499	3,289,798	4,231,505	4,683,556	42.3	21.4	28.6	10.7	74.6	76.1	79.8
Borrowings	1,828,586	1,653,200	1,628,968	1,364,269	12.3	(9.6)	(1.5)	(16.2)	(22.6)	(2.0)	(46.7)
Interest Bearing Liabilities - Total	7,438,338	8,182,396	9,338,658	9,693,625	87.6	10.0	14.1	3.8	95.9	93.4	62.7
Cost of Fund (%)	5.0	5.0	5.1	4.4		-	9	(74)			
Net Worth	1,051,536	1,083,636	1,165,009	1,376,489	12.4	3.1	7.5	18.2	4.1	6.6	37.3
Working Fund	8,489,874	9,266,032	10,503,667	11,070,114	100.0	9.1	13.4	5.4	100.0	100.0	100.0
Interest Exp. / Assets	3.87	3.95	4.03	3.6		8	8	(40)			

Source: Company, LKP Research

Exhibit: Asset Quality Analysis

(₹ mn)	1Q FY20	2Q FY20	3Q FY20	4Q FY20	1Q FY21	2Q FY21	QoQ % / bps	YoY % / bps
Total Slippages	27,790	24,820	43,630	53,060	11,600	30,170	160.1	21.6
Slippages Ratio (%)	0.47	0.42	0.74	0.90	0.18	0.47	29	4
Gross NPA	457,631	456,388	434,539	414,092	403,862	389,892	(3.5)	(14.6)
Gross NPAs Ratio (%)	6.49	6.37	5.95	5.53	5.46	5.17	(29)	(120)
PCR - Calculated (%)	74.1	76.1	76.1	75.6	78.5	81.6	304	548
PCR - Inc. Tech w/o (%)	83.4	85.0	85.7	86.8	78.6	81.5	290	(350)
Net NPA	118,565	109,164	103,885	101,139	86,747	71,875	(17.1)	(34.2)
Net NPAs Ratio (%)	1.77	1.60	1.49	1.41	1.23	1.00	(23)	(60)

Source: Company, LKP Research

2QFY21 Results and earnings call takeaways

Asset Quality:

Collection efficiencies & overdue: The collection efficiency of overall book stood 97% of pre-COVID level. The bank disclosed the overdue numbers, the overdue for unsecured credit card is 4% higher than the Pre-COVID level, where the secured retail segment has 3% higher overdue than pre-COVID level. In wholesale book the overdue amount is 3% lesser than the normal days.

Slippages: Despite asset classification standing still, the bank's slippages inched up to ₹30.1bn v/s ₹11.6bn in previous quarter. Retail slippages and Corporate & SME slippages contributed 58%, and 42% respectively. ₹12.12bn of the corporate slippages (₹12.68bn) came from BB & below rated pool. Pursuant to the Supreme Court's interim order dated 3rd Sep-2020, loans amounting to ₹14.1bn were not classified as NPA in 2QFY21.

Headline NPA: As on 2QFY21, the bank's GNPA/NNPA/PCR stood at 5.17%/1.0%/81.5% against 5.46%/1.23%/78.5% in the previous quarter. The GNPA/NNPA ratio on a pro-forma basis would have been 5.3% and 1.12% respectively. The standard restructured loans stood 5bps of loan book.

Provision: Total provisioning expenses decreased significantly and stood at ₹29.9bn v/s ₹75.9bn in the previous quarter. It includes ₹4.9bn of COVID provision. In 4QFY20. The total COVID provision (₹87.7bn), General Provision (₹45.2bn), Provision on Non-fund based NPA (₹14.4bn), other standard asset provision (₹5.1bn) are not considered in calculating PCR. The PCR including all provisions (COVID + General + Contingencies) stood at 119% of GNPL. The contingent provision (excluding PCR) stood 2.26% of the loan. The management expects the standard asset contingent provision to be adequate to face the stress emerging from the pandemic.

BB & below pool: The bank's BB & below rated pool (₹161bn v/s ₹176bn) contributes 1.5% of total customer assets v/s 1.6% in 1QFY21. Macro headwinds may result in continued downgrade, therefore we may witness uptick in the BB & below pool in coming quarters. Though no clear guidance given by the management.

Balance Sheet:

Business: The bank's advances stood at ₹6.5tn; 6.4% YoY and 3.4% QoQ. ICICI Bank sanctioned ~₹160bn under ECGS till Oct-20. Domestic advances (93.5% contribution) grew by 10.3% YoY. Foreign advances de-grew by 29.5% YoY. Retail advances (65.8% contribution) grew by 12.8% YoY. SME advances (3.6% contribution) grew by 22.4% YoY. Corporate advances (24.1% contribution) grew by 2.7% YoY. In retail book; Personal loan & Credit card segment (14% of retail book) grew at 13.8% YoY. 85% of the unsecured retail book customers are salaried. Home loan (49.3% of retail book) grew by 11% YoY where Vehicle loan (13.9% of retail book) grew by 5.1% YoY. Bank's deposit stood at ₹8.3tn grew by 19.6% YoY and Avg. CASA remains declined 80bps to 40.3%.

Capital adequacy: During 2QFY21, the bank raised ₹150bn of equity capital through QIP. It resulted in CET 1 improvement by 238bps to 15.67%. The bank's CAR stood at 18.47% with Tier 1 of 17.02%. The total RWA stood at 63.9% of total assets against 67.1% in 1QFY21. The bank carries adequate liquidity with LCR of 150%.

Income statement:

NII & NIMs: The bank's NII stood at ₹93.6bn; grew by 16.2% YoY. The bank's NIMs declined by 12bps sequentially to 3.57% owing to excess liquidity.

Non – interest income de-grew by 34.4% sequentially because of higher base in previous quarter led by stake sale of ICICI Prudential life and ICICI Lombard.

The Bottom line: The PPOP stood at ₹82.6bn; grew 20% YoY and de-grew 23% sequentially. The sequential dip was because of stake sale in previous quarter. With moderate contingency provisioning expenses (₹29.9bn v/s ₹758.9bn) the bank reported PAT of ₹42.5bn; grew five folds YoY and 63% sequentially.

Annual Projections

Exhibit: Profit and Loss Statement

(₹ mn)	FY19	FY20	FY21E	FY22E	FY23E
Int. Income / Opr. Revenue	634,012	747,983	806,173	869,529	958,066
Interest Expenses	363,864	415,313	438,225	463,294	496,999
Net Interest Income	270,148	332,671	367,948	406,236	461,067
<i>NIM (%)</i>	3.23	3.52	3.53	3.59	3.66
Other Income - Total	145,122	164,486	180,266	159,876	176,181
Net Operating Revenue	415,270	497,157	548,214	566,112	637,248
Employee Exp.	68,082	82,712	91,811	100,074	109,080
Other Opex	112,808	133,432	148,776	167,373	189,132
Total Opex	180,891	216,144	240,587	267,447	298,212
<i>C/I Ratio (%)</i>	43.56	43.48	43.89	47.24	46.80
Pre Provision Profits	234,379	281,013	307,627	298,664	339,035
<i>PPP Growth (yoy %)</i>	20.8	19.9	9.5	(2.9)	13.5
Provisions & Contingencies - Total	196,611	140,532	184,764	146,439	146,704
<i>Credit Cost (As % of Op. AUM)</i>	3.77	1.71	2.40	1.70	1.50
Profit Before Tax	37,768	140,480	122,863	152,225	192,331
Tax	4,135	61,172	31,207	38,665	48,852
<i>Effective Tax Rate (%)</i>	10.9	43.5	25.4	25.4	25.4
Reported Profits	33,633	79,308	91,656	113,560	143,479
<i>PAT Growth (yoy %)</i>	(50.4)	135.8	15.6	23.9	26.3

Source: Company, LKP Research

Exhibit: Balance Sheet

(₹ mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity Share Capital	12,897	12,948	13,795	13,795	13,795
Reserves (ex Revel. Reserve)	1,040,294	1,120,913	1,211,722	1,325,282	1,468,760
Net Worth - Ex Revaluation	1,053,191	1,133,861	1,225,516	1,339,076	1,482,555
Revaluation Reserve	30,445	31,149	30,868	30,986	32,619
Equity Warrant, ESOPs outstanding & Other	47	35	34	33	32
Deposits	6,529,197	7,709,690	8,182,393	9,187,793	10,212,341
Borrowings	1,653,200	1,628,968	1,675,912	1,750,056	1,945,208
Interest Bearing Liabilities (₹ mn)	8,182,396	9,338,658	9,858,305	10,937,848	12,157,549
Other Lia. & Prov.	378,515	479,950	491,226	554,191	609,339
Total Liabilities	9,644,593	10,983,651	11,605,948	12,862,135	14,282,094
Assets					
Cash & Cash Equivalent	802,963	1,191,557	1,232,947	1,347,559	1,474,653
Investments	2,077,327	2,495,315	2,644,136	2,908,209	3,178,728
Credit Equivalent	454,504	446,448	483,362	548,028	621,688
Loan & Advances (₹ mn)	5,866,466	6,452,900	6,840,074	7,660,883	8,618,493
<i>Growth (yoy %)</i>	<i>14.5</i>	<i>10.0</i>	<i>6.0</i>	<i>12.0</i>	<i>12.5</i>
Fixed Assets	79,314	84,103	83,428	83,745	88,160
Other Assets	818,524	759,777	805,363	861,739	922,061
Total Assets	9,644,593	10,983,652	11,605,948	12,862,135	14,282,094

Source: Company, LKP Research

Exhibit: Per share data

Y/E Mar	FY19	FY20	FY21E	FY22E	FY23E
Face Value (₹)	2	2	2	2	2
Adjusted Share O/S (mn)	6,448	6,474	6,897	6,897	6,897
Earnings Per Share (₹)	5.2	12.3	13.3	16.5	20.8
<i>EPS (% YoY)</i>	<i>(50.5)</i>	<i>134.9</i>	<i>8.5</i>	<i>23.9</i>	<i>26.3</i>
<i>P/E (x)</i>	<i>75.3</i>	<i>32.0</i>	<i>29.5</i>	<i>23.8</i>	<i>18.9</i>
Book Value (₹)	163.3	175.1	177.7	194.1	214.9
<i>BVPS (% YoY)</i>	<i>2.8</i>	<i>7.2</i>	<i>1.4</i>	<i>9.3</i>	<i>10.7</i>
<i>P/BV (x)</i>	<i>2.4</i>	<i>2.2</i>	<i>2.2</i>	<i>2.0</i>	<i>1.8</i>
Adj. BV (₹)	152.9	167.5	171.4	187.9	208.7
<i>Adj. BV (% YoY)</i>	<i>11.4</i>	<i>9.5</i>	<i>2.3</i>	<i>9.6</i>	<i>11.1</i>
<i>P/ABV (x)</i>	<i>2.6</i>	<i>2.3</i>	<i>2.3</i>	<i>2.1</i>	<i>1.9</i>

Source: Company, LKP Research

Exhibit: Detailed ROA Tree

Y/E Mar	FY19	FY20	FY21E	FY22E	FY23E
Yields / Margins					
Yield on Advance	8.7	9.3	9.2	9.1	9.0
Yield on Funds	7.6	7.9	7.7	7.7	7.6
Cost of Funds (CoF)	4.7	4.7	4.6	4.5	4.3
Interest Spread	2.9	3.2	3.2	3.2	3.3
NIM's	3.2	3.5	3.5	3.6	3.7
Interest Income / Assets	6.9	7.3	7.1	7.1	7.1
Interest Exp. / Assets	3.9	4.0	3.9	3.8	3.7
NII / Assets	2.9	3.2	3.3	3.3	3.4
Fee Income / Assets	1.3	1.1	0.9	0.9	0.9
Other Non Core Income / Assets	0.1	0.3	0.5	0.2	0.2
Other Income / Assets	1.6	1.6	1.6	1.3	1.3
Net Operating Income / Assets	4.5	4.8	4.9	4.6	4.7
Operating Ratios					
NII to Net Operative Income	65.1	66.9	67.1	71.8	72.4
Other Income to Net Operative Income	34.9	33.1	32.9	28.2	27.6
Empl. Cost/Oper. Exps.	37.6	38.3	38.2	37.4	36.6
Other Op. Exps./Oper. Exps.	62.4	61.7	61.8	62.6	63.4
C/I Ratio (%)	43.6	43.5	43.9	47.2	46.8
Provisions as % PPP	47.3	28.3	33.7	25.9	23.0
Credit Cost (As % of Op. AUM)	3.8	1.7	2.4	1.7	1.5
Effective Tax Rate (%)	10.9	43.5	25.4	25.4	25.4
Employee Exp. / Assets	0.7	0.8	0.8	0.8	0.8
Other Opex/ Assets	1.2	1.3	1.3	1.4	1.4
Total Opex / Assets	2.0	2.1	2.1	2.2	2.2
Operating Profits / Assets	2.5	2.7	2.7	2.4	2.5
Exceptional Items / Assets	-	-	-	-	-
Op Profit ex Except Items / Assets	2.5	2.7	2.7	2.4	2.5
Provisions / Assets	2.1	1.4	1.6	1.2	1.1
Profit Before Tax / Assets	0.4	1.4	1.1	1.2	1.4
Tax Expenses / Assets	0.0	0.6	0.3	0.3	0.4
RoA	0.4	0.8	0.8	0.9	1.1
Leverage (x)	9.2	9.7	9.5	9.6	9.6
RoE	3.2	7.1	7.6	8.6	9.9
Adj. RoA	0.4	0.8	0.8	0.9	1.1
Adj. RoE	3.2	7.1	7.6	8.6	9.9

Source: Company, LKP Research

Exhibit: Balance Sheet Ratio

Y/E Mar	FY19	FY20	FY21E	FY22E	FY23E
Credit / Deposit Ratio	89.8	83.7	83.6	83.4	84.4
Incremental C/D Ratio	80.8	49.7	81.9	81.6	93.5
Investment Deposit Ratio	31.8	32.4	32.3	31.7	31.1
Dom. SLR Investment / Deposits	22.8	24.7	24.4	23.7	23.0
CASA Ratio	50.0	45.5	45.8	46.0	46.0

Exhibit: Asset Quality

(₹ mn)	FY19	FY20	FY21E	FY22E	FY23E
Slippage Ratio (%)	2.1	2.4	2.4	1.8	1.5
Gross NPA	456,760	408,291	472,644	429,791	376,814
Gross NPAs Ratio (%)	6.7	5.5	6.9	5.6	4.4
PCR (%)	70.6	75.7	78.0	77.9	79.2
PCR - Inc. Tech w/o (%)	80.7	86.8	-	-	-
Net NPA	134,497	99,232	104,005	94,851	78,547
Net NPAs Ratio (%)	2.1	1.4	1.5	1.2	0.9

Source: Company, LKP Research

Exhibit: Key Assumptions & Forecasts

Y/E Mar	FY19	FY20	FY21E	FY22E	FY23E
Loan & Advances (₹ mn)	5,866,466	6,452,900	6,840,074	7,660,883	8,618,493
Growth (yoy %)	14.5	10.0	6.0	12.0	12.5
Interest Bearing Liabilities (₹ mn)	8,182,396	9,338,658	9,858,305	10,937,848	12,157,549
Growth (yoy %)	14.5	10.0	6.0	12.0	12.5
Yield on Funds	7.6	7.9	7.7	7.7	7.6
Cost of Funds (CoF)	4.7	4.7	4.6	4.5	4.3
Interest Spread	2.9	3.2	3.2	3.2	3.3
NIM's	3.2	3.5	3.5	3.6	3.7
Other Income Growth	20.1	13.3	9.6	(11.3)	10.2
C/I Ratio (%)	43.6	43.5	43.9	47.2	46.8
Effective Tax Rate (%)	10.9	43.5	25.4	25.4	25.4
Return Ratios					
Adj. RoA	0.4	0.8	0.8	0.9	1.1
Adj. RoE	3.2	7.1	7.6	8.6	9.9
Asset Quality Metrics					
Credit Cost (As % of Op. AUM)	3.8	1.7	2.4	1.7	1.5
Gross NPAs Ratio (%)	6.7	5.5	6.9	5.6	4.4
Net NPAs Ratio (%)	2.1	1.4	1.5	1.2	0.9

Source: Company, LKP Research

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