

INDUSIND BANK | Banking

Gearing up for growth; restructured book higher than our estimates

LKP

Result and Price Analysis:

Indusind Bank has reported better than expected numbers in 4QFY21, as its GNPA/NNPA ratio declined to 2.67%/0.69% from pro-forma NPA ratio of 2.93%/0.7% in the previous quarter. As a result of resumption in asset classification, the gross slippages inched up to ₹63.3bn v/s ₹0.6bn in 3QFY21. The pro-forma NPA of ₹25.1bn is also included in the gross slippages number. Retail slippages contributed around 42.6% (₹15.9bn) of total fresh GNPA additions. Total GNPA reduction stood at ₹41.9bn v/s ₹21.1bn in 3QFY21. The bank has reported stable provision expenses ₹18.6bn v/s ₹18.5bn in the previous quarter. The total COVID provisioning stood at ₹27.6bn. The total contingent provision (excluding PCR) stood at 1.3% of the loan book. Total loan loss provisions (cumulative, COVID and contingent) stood 122% of GNPLs and 3.1% of book. The capital infusion and exercise of share warrants (post money CET 1: 15.5%) would provide further cushion. Furthermore the liquidity surplus of ₹400bn is likely to safeguard the balance sheet. We expect the credit cost to normalize in FY22E and return ratios to reach the previous run rate. Hence, we have a positive outlook on the bank with a BUY rating.

Bulky provisioning expenses results in satisfactory PCR and COVID buffer: The bank's provisioning expenses (₹18.6bn) stood flat sequentially. As of 4QFY21, the total COVID provision stood at ₹27.6bn. The total provisions stands at 122% of GNPLs and excluding cumulative provision (PCR calculation) the contingent provision is 1.3% of the loan book. The PCR for non-performing loans stood at 75%, a similar run rate of prior periods. We believe the contingent provisions are satisfactory for impending stress.

Decline in NPA ratio, restructure book higher than our estimates: As a result of resumption in asset classification, the bank's reported gross slippages inched up to ₹63.3bn against ₹0.6bn in the previous quarter. The pro-forma NPA of ₹25.1bn is also included in the gross slippages number. Retail slippages contributed around 42.6% (₹15.9bn) of total fresh GNPA additions. The NPA formation in non-retail books should be keenly watched in coming periods. Moreover, total GNPA reduction stood at ₹41.9bn v/s ₹21.1bn in 3QFY21. However, the reported restructured assets stood ₹43bn (2.01% of book) v/s ₹12.7bn (0.6%). The restructured amount was quite higher than our estimation.

Key Financials (₹ mn)	FY20	FY21	FY22E	FY23E	FY24E
NII	1,20,587	1,35,279	1,41,887	1,57,698	1,75,482
Operating Profit	1,07,727	1,17,267	1,22,504	1,34,394	1,49,184
Reported Profits	44,179	28,364	63,773	73,691	85,004
Net Worth	3,37,036	4,30,518	4,94,291	5,67,982	6,52,986
Loan & Advances	20,67,832	21,25,954	23,17,290	25,49,019	28,29,411
Int. Bearing Liabilities	26,27,934	30,75,278	32,81,181	35,63,328	39,12,577

Key Ratios (%)	FY20	FY21	FY22E	FY23E	FY24E
NIM's	4.4	4.4	4.0	4.1	4.2
C/I Ratio	43.3	41.6	42.2	42.2	41.6
Gross NPA Ratio	2.5	2.7	2.5	2.4	2.3
Tier 1 Ratio	14.6	16.9	17.9	18.6	19.0
Adj. RoA Ratio	1.5	0.8	1.7	1.8	1.9
Adj. RoE Ratio	14.6	7.3	13.7	13.8	13.9

Rating	Buy
Current Market Price (₹)	934
12 M Price Target (₹)	1,115
Potential upside (%)	19

Stock Data

FV (₹) :	2
Market Cap Full (₹ bn) :	723
Market Cap Free Float (₹ bn) :	528
52-Week High / Low (₹) :	330 / 1,120
2-Year High / Low (₹) :	236 / 1,680
1 Year Avg. Dly Traded Volume (in lakh)	195
BSE Code / NSE Symbol	532187 / INDUSINDBK
Bloomberg :	IIB IN

Shareholding Pattern (%)

	Mar-21	Dec-20	Sep-20	Jun-20
Promoter	16.55	14.67	14.68	14.65
FPIs	50.91	54.93	51.81	52.07
MFs	10.40	9.43	11.11	12.01
Insurance	7.59	6.66	6.02	1.15
Others	14.55	14.31	16.38	20.12

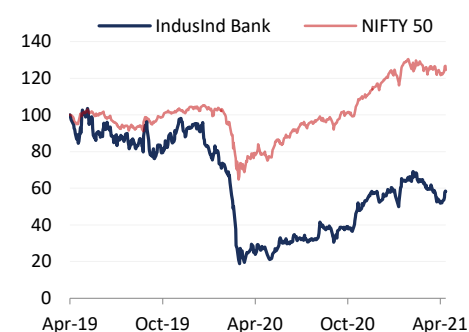
Source: BSE

Price Performance (%)

(%)	1M	3M	6M	1YR
Indusind Bank	-3%	11%	60%	100%
Nifty 50	-1%	7%	26%	48%

* To date / current date : April 30, 2021

Indusind Bank vs Nifty 50



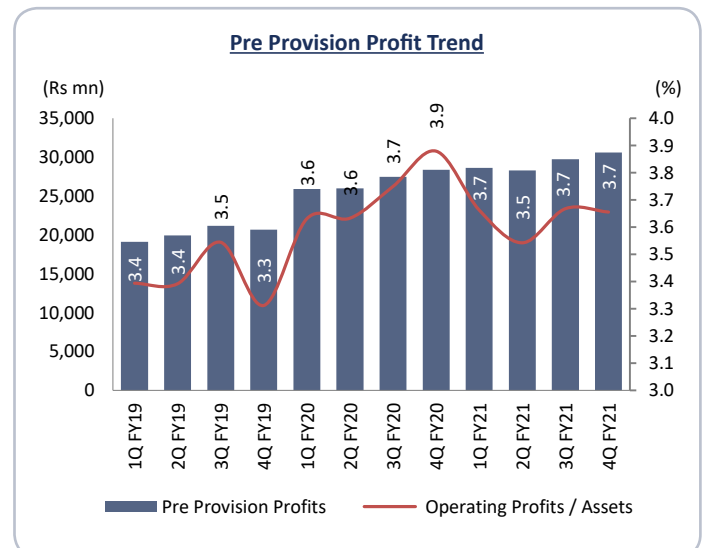
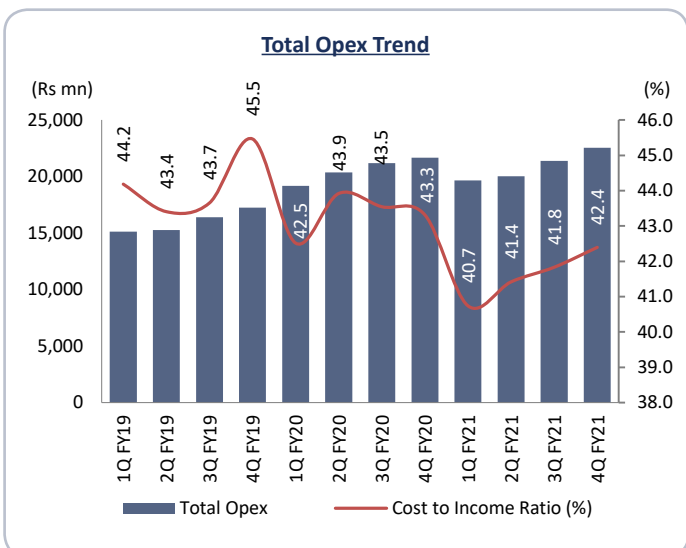
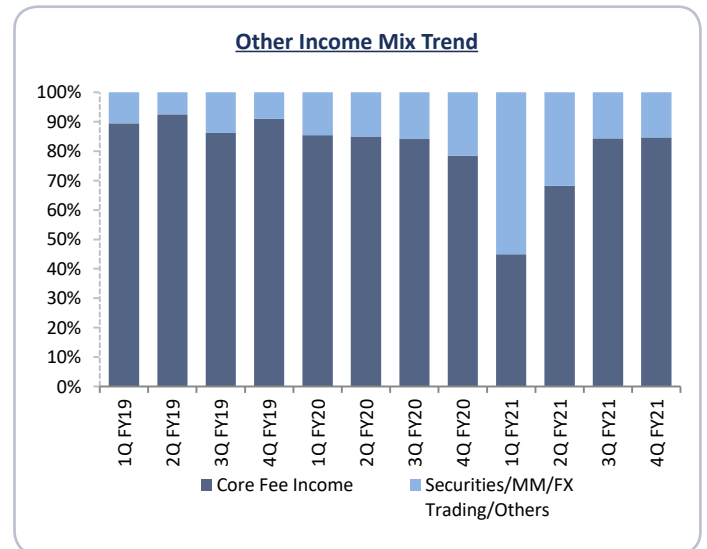
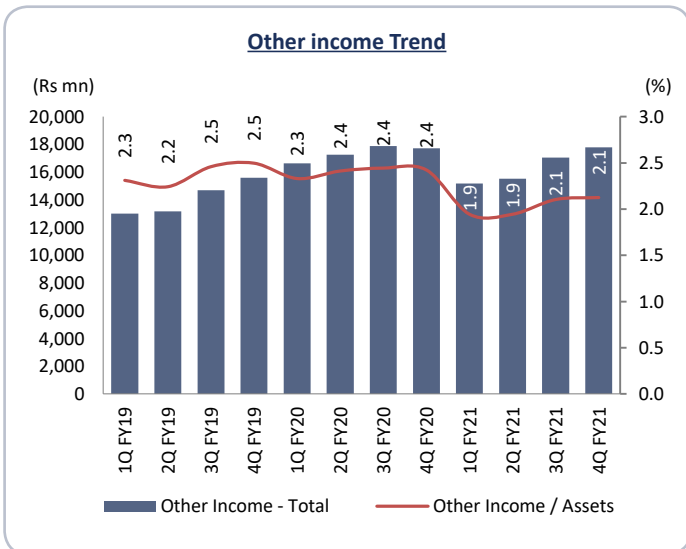
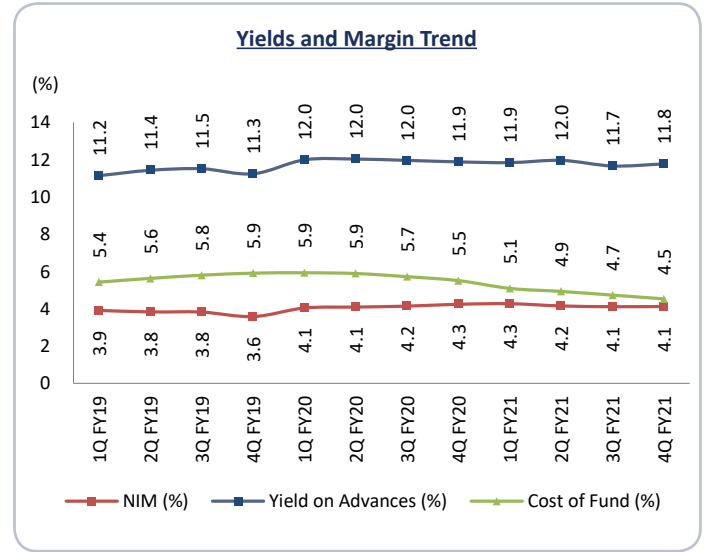
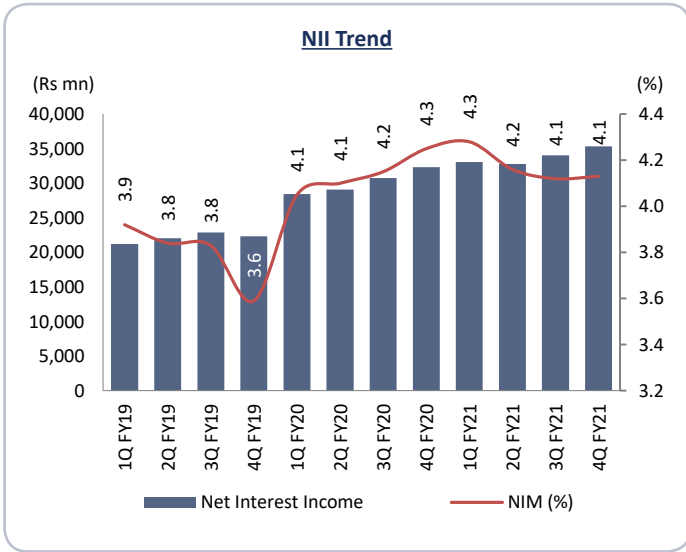
Gearing up for growth: The bank's net advances stood at ₹2.12tn; grew 2.8% YOY and 2.6% QOQ. Corporate banking (42.8% of loan book) grew by 2.9% QoQ and retail (57.2% of book) grew by 2.5% QoQ. Vehicle loan (28.8% of loan book) grew by 0.5% sequentially and Micro loan (12.4% of loan book) grew by 14.7% QoQ. The bank's deposit saw a robust growth of 28.8% YoY and 7.1% sequentially, whereas, CASA ratio improved 130bps to 41.7%. The bank is holding ample liquidity with LCR of 145%. In 2QFY21, the bank raised ₹25bn (@₹524) through preferential allotment and this quarter the bank has exercised share warrants. As a result of capital infusion, the CET 1 stood at 15.5%. We believe the bank has an adequate capital buffer to retain double digit growth in FY22 and FY23.

Stable NII growth & healthy PAT growth sequentially: NII grew by 3.8% QoQ driven by sequentially stable NIMs at 4.13%. Bank's YOA up by 11bps sequentially to 11.78%. Moreover non-interest income grew by 4.4% sequentially. As a result PPOP sequentially increased by 3%. A bulky but sequentially flat provisioning expenses have translated into a 2.7% sequential jump in reported profit at ₹8.8bn. The bank's ROA and ROE for the quarter stood at 1.03% and 8.88% respectively.

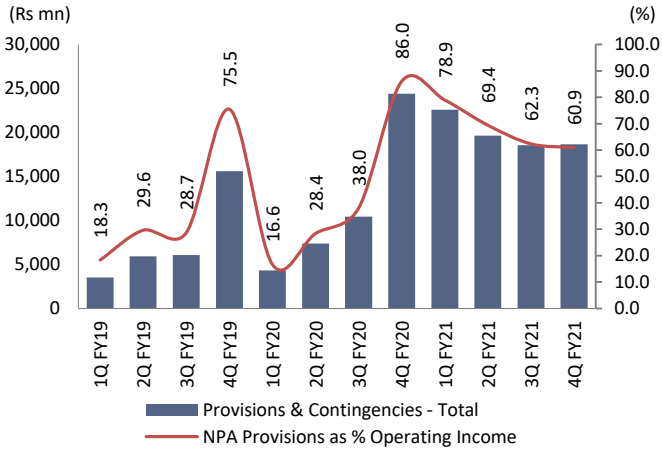
Outlook & Valuation

Core operating performance of Indusind Bank remains healthy. A higher PCR is likely to safeguard the bank from credit disruption from COVID. Thus we retain our BUY rating with a price target of ₹1115 (based on 1.6x FY23E Adj. BVPS of ₹697).

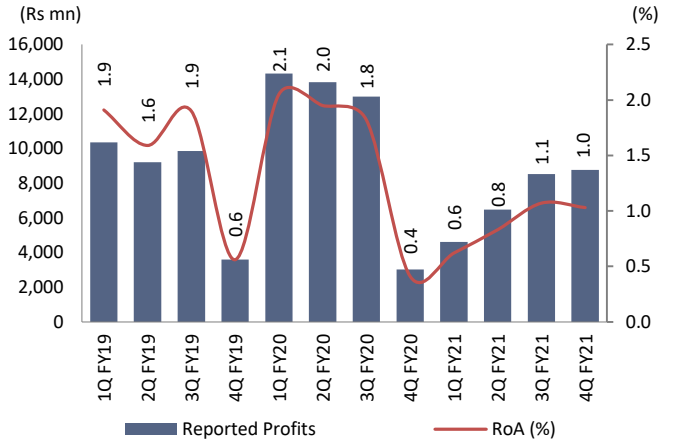
Quarterly story in charts



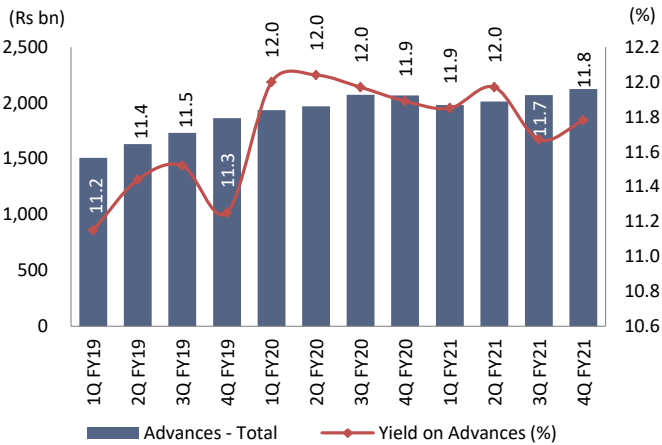
Provision Expenses Trend



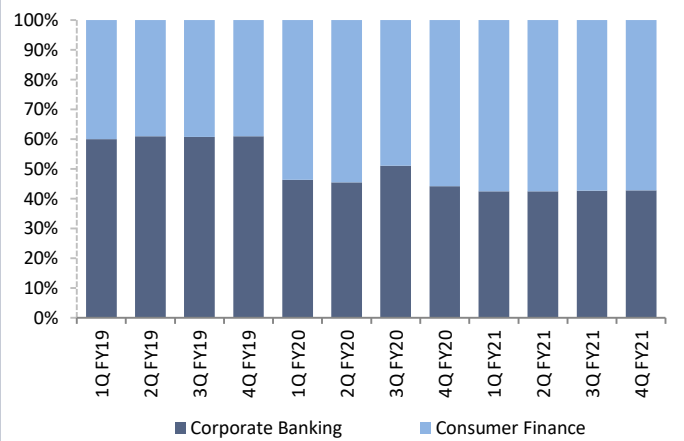
Reported Profit Trend



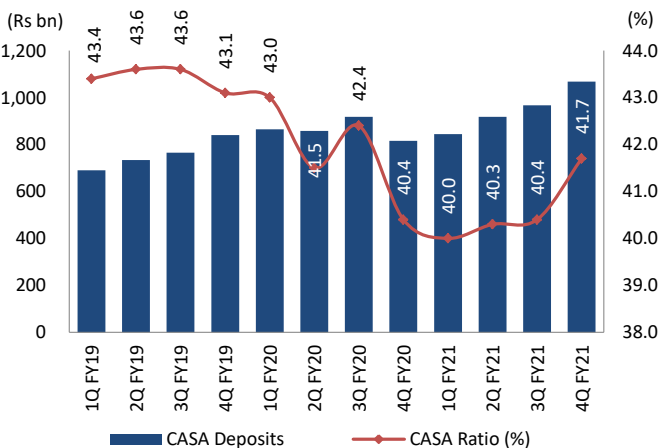
Loan Book Trend



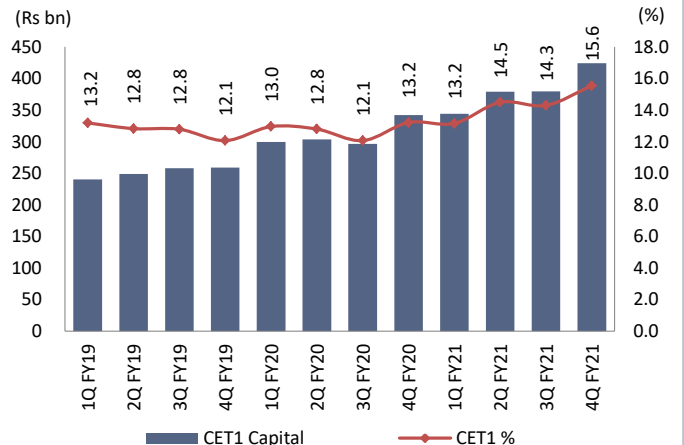
Loan Book Mix Trend



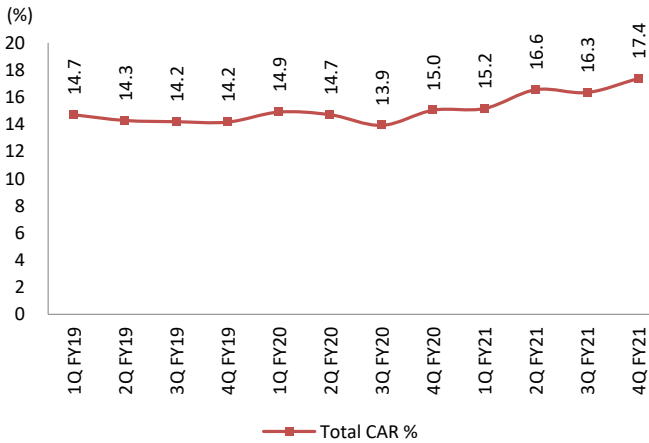
CASA Deposit Trend



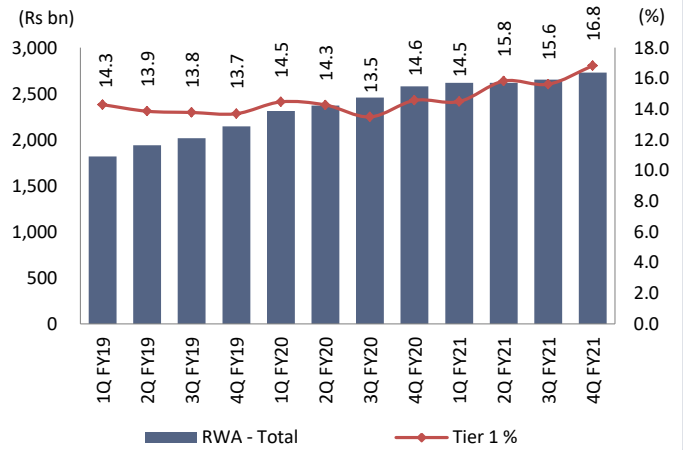
CET 1 Ratio Trend



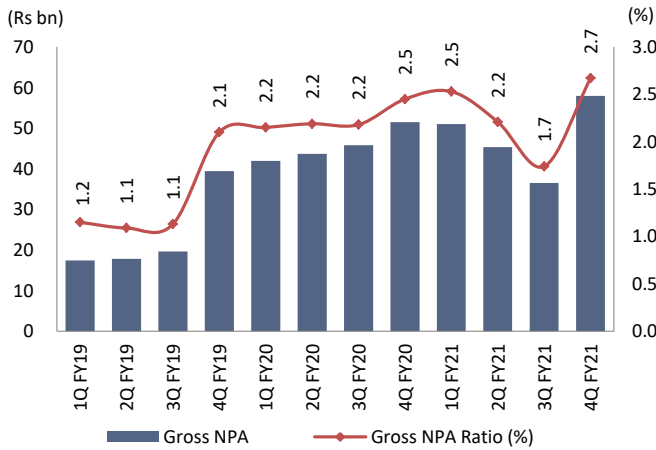
CRAR Trend



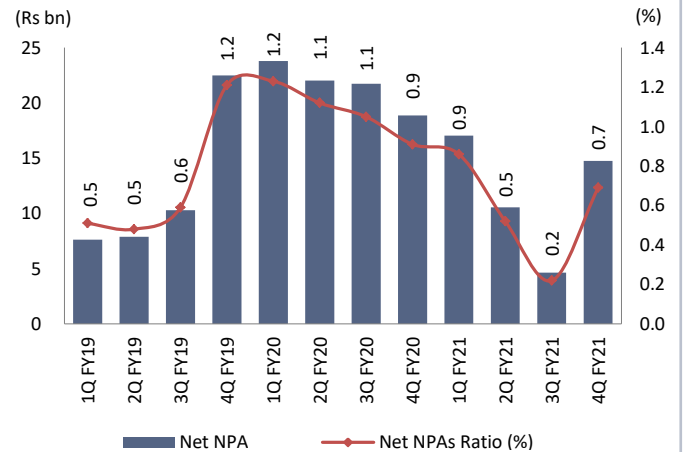
RWA Trend



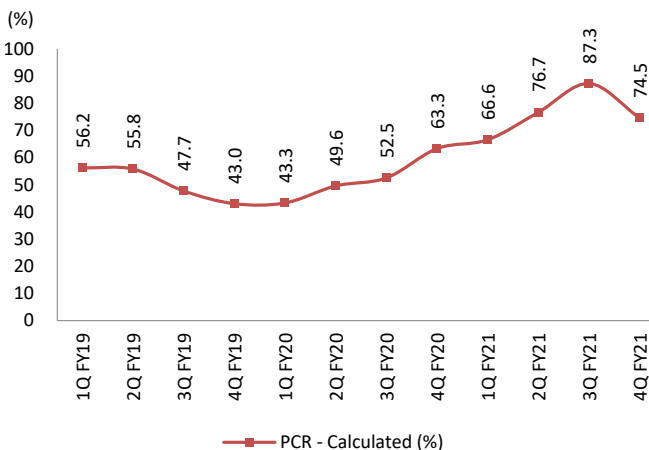
Gross NPA Trend



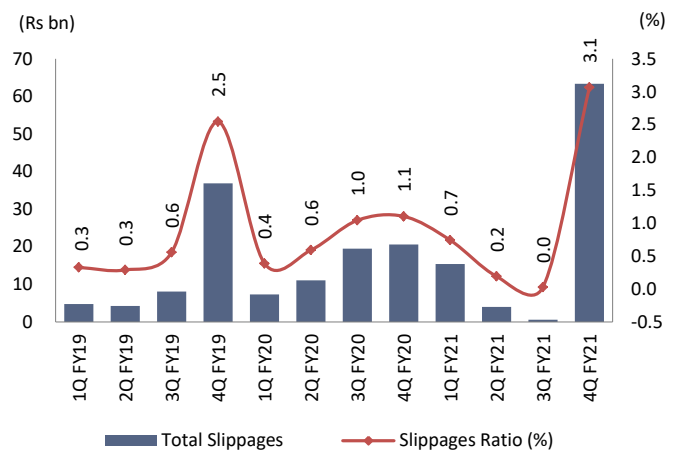
Net NPA Trend



PCR Trend



Slippages Trend



Financial Performance at a glance

Exhibit 1 : Income Statement Analysis

(₹ mn)	4Q FY21	4Q FY20	% yoy / bps	3Q FY21	% qoq / bps	FY21	FY20	% yoy / bps
Int. on Loan	61,210	62,234	(1.6)	59,107	3.6	2,40,854	2,40,082	0.3
Int. on Investment	9,615	10,305	(6.7)	9,307	3.3	38,461	42,822	(10.2)
Int. on Balances	2,707	515	425.5	2,163	25.2	6,774	1,920	252.8
Int. Others	662	812	(18.4)	1,839	(64.0)	3,910	3,004	30.2
Interest Inc.	74,194	73,866	0.4	72,415	2.5	2,89,998	2,87,828	0.8
Interest Expenses	38,848	41,554	(6.5)	38,354	1.3	1,54,719	1,67,241	(7.5)
Net Interest Income	35,346	32,312	9.4	34,061	3.8	1,35,279	1,20,587	12.2
<i>NII to Net Operative Income</i>	<i>66.5</i>	<i>64.6</i>	<i>192</i>	<i>66.6</i>	<i>(13)</i>	<i>67.3</i>	<i>63.4</i>	<i>391</i>
<i>NIM (%)</i>	<i>4.13</i>	<i>4.3</i>	<i>(12)</i>	<i>4.1</i>	<i>1</i>	<i>4.2</i>	<i>4.1</i>	<i>3</i>
Core Fee Income	15,080	13,900	8.5	13,890	8.6	46,400	57,850	(19.8)
Non Core Other Income	2,730	3,820	(28.5)	3,165	(13.7)	19,195	11,663	64.6
Other Income - Total	17,801	17,720	0.5	17,055	4.4	65,586	69,513	(5.6)
<i>Other Income to Net Operative Income</i>	<i>33.5</i>	<i>35.4</i>	<i>(192)</i>	<i>33.4</i>	<i>13</i>	<i>32.7</i>	<i>36.6</i>	<i>(391)</i>
Net Operating Revenue	53,147	50,032	6.2	51,116	4.0	2,00,865	1,90,101	5.7
Employee Expenses	5,951	4,957	20.0	5,427	9.6	22,135	22,085	0.2
<i>Empl. Cost/Oper. Exps.</i>	<i>11.2</i>	<i>9.9</i>	<i>129</i>	<i>10.6</i>	<i>58</i>	<i>11.0</i>	<i>11.6</i>	<i>(60)</i>
Other Opex	16,581	16,713	(0.8)	15,956	3.9	61,463	60,289	1.9
<i>Other Opex/ Assets</i>	<i>0.5</i>	<i>0.6</i>	<i>(8)</i>	<i>0.5</i>	<i>0</i>	<i>1.8</i>	<i>2.1</i>	<i>(23)</i>
Total Opex	22,532	21,670	4.0	21,383	5.4	83,598	82,373	1.5
<i>Cost to Income Ratio (%)</i>	<i>42.4</i>	<i>43.3</i>	<i>(92)</i>	<i>41.8</i>	<i>56</i>	<i>41.6</i>	<i>43.3</i>	<i>(171)</i>
Pre Provision Profits	30,615	28,362	7.9	29,733	3.0	1,17,267	1,07,727	8.9
Provisions & Contingencies - Total	18,657	24,403	(23.5)	18,535	0.7	79,425	46,521	70.7
<i>NPA Provisions as % Operating Income</i>	<i>60.9</i>	<i>86.0</i>	<i>(2,510)</i>	<i>62.3</i>	<i>(140)</i>	<i>67.7</i>	<i>43.2</i>	<i>2,455</i>
Profit Before Tax	11,958	3,959	202.1	11,198	6.8	37,841	61,206	(38.2)
Tax	3,199	940	240.3	2,670	19.8	9,478	17,027	(44.3)
<i>Effective Tax Rate (%)</i>	<i>26.8</i>	<i>23.7</i>	<i>300</i>	<i>23.8</i>	<i>291</i>	<i>25.0</i>	<i>27.8</i>	<i>(277)</i>
Reported Profits	8,760	3,018	190.2	8,528	2.7	28,364	44,179	(35.8)
<i>RoA (%)</i>	<i>1.0</i>	<i>0.4</i>	<i>62</i>	<i>1.1</i>	<i>(4)</i>	<i>0.9</i>	<i>1.6</i>	<i>(63)</i>
<i>RoE (%)</i>	<i>8.9</i>	<i>3.7</i>	<i>519</i>	<i>8.4</i>	<i>53</i>	<i>7.6</i>	<i>14.7</i>	<i>(712)</i>

Source: Company, LKP Research

Exhibit 2 : Balance Sheet Analysis

(₹ mn)	3Q FY20	4Q FY20	1Q FY21	2Q FY21	3Q FY21	4Q FY21	QoQ % / bps	YoY % / bps
Net Worth	3,34,820	3,40,232	3,48,280	3,88,833	3,98,570	4,33,600	8.8	27.4
RoE (%)	15.6	3.7	5.9	7.1	8.4	8.9	53	519
CET1 %	12.1	13.2	13.2	14.5	14.3	15.6	125	233
Tier 1 %	13.5	14.6	14.5	15.8	15.6	16.8	121	226
Total CAR %	13.9	15.0	15.2	16.6	16.3	17.4	104	234
RWA - Total	24,58,520	25,80,650	26,17,220	26,16,830	26,54,530	27,29,120	2.8	5.8
Advances - Total	20,74,130	20,67,832	19,80,690	20,12,468	20,71,280	21,25,954	2.6	2.8
Investments	6,05,170	5,99,799	5,95,960	6,29,942	6,10,570	6,96,947	14.1	16.2
Total Assets	30,79,430	30,70,576	31,79,160	33,21,887	34,14,460	36,29,728	6.3	18.2
RoA (%)	1.82	0.41	0.62	0.83	1.07	1.03	(4)	62
Deposits	21,67,130	20,20,398	21,12,650	22,82,793	23,91,350	25,62,050	7.1	26.8
Saving Deposit	6,48,950	5,31,300	5,25,270	5,70,730	6,43,330	7,10,660	10.5	33.8
Current Deposit	2,69,700	2,84,400	3,19,460	3,47,730	3,23,130	3,57,250	10.6	25.6
CASA Deposits	9,18,650	8,15,700	8,44,730	9,18,460	9,66,460	10,67,910	10.5	30.9
CASA Ratio (%)	42.4	40.4	40.0	40.3	40.4	41.7	130	130
Term Deposits	12,48,480	12,04,698	12,67,920	13,64,333	14,24,890	14,94,140	4.9	24.0
Interest Bearing Liabilities - Total	26,35,260	26,27,934	27,04,610	28,06,644	28,77,570	30,75,278	6.9	17.0

Source: Company, LKP Research

Exhibit 3: Earning Assets Mix & Incremental Contribution

	As on (₹ mn)				As % of Working Assets	YoY/ YTD growth (% / bps)			Incremental Contribution in Working Assets (%)		
	FY18	FY19	FY20	4Q FY21		FY19	FY20	4Q FY21	FY19	FY20	4Q FY21
Corporate Banking	8,77,150	11,37,100	9,13,340	9,10,180	26.9	29.6	(19.7)	(0.3)	49.8	(100.2)	(0.6)
Large Corporates	4,42,890	5,21,660	4,77,420	4,22,970	12.5	17.8	(8.5)	(11.4)	15.1	(19.8)	(9.7)
Mid size Corporates	2,56,520	3,33,690	3,95,590	4,24,240	12.5	30.1	18.6	7.2	14.8	27.7	5.1
Small Corporates	1,77,740	2,81,750	40,330	62,970	1.9	58.5	(85.7)	56.1	19.9	(108.1)	4.1
Consumer Finance	5,72,390	7,26,840	11,54,490	12,15,770	35.9	27.0	58.8	5.3	29.6	191.6	11.0
Comm. Vehicle Loans	1,98,720	2,44,440	2,39,480	2,36,000	7.0	23.0	(2.0)	(1.5)	8.8	(2.2)	(0.6)
Utility Vehicle Loans	28,660	35,970	43,770	49,880	1.5	25.5	21.7	14.0	1.4	3.5	1.1
Small CV	25,280	31,350	35,240	34,110	1.0	24.0	12.4	(3.2)	1.2	1.7	(0.2)
Two Wheeler Loans	35,890	44,820	52,040	56,440	1.7	24.9	16.1	8.5	1.7	3.2	0.8
Car Loans	53,450	65,370	72,470	79,460	2.3	22.3	10.9	9.6	2.3	3.2	1.3
Tractor	27,260	35,200	46,700	66,530	2.0	29.1	32.7	42.5	1.5	5.2	3.6
Vehicle Loans	-	-	5,70,540	6,13,130	18.1	-	-	7.5	-	-	7.6
Non Vehicle loans	-	-	3,41,630	3,38,810	10.0	-	-	(0.8)	-	-	(0.5)
Credit Card	26,960	4,382	47,620	45,360	1.3	(83.7)	986.7	(4.7)	(4.3)	19.4	(0.4)
Loan Against Property	80,090	8,925	94,480	90,030	2.7	(88.9)	958.6	(4.7)	(13.6)	38.3	(0.8)
BBG + BL, PL, GL, Others	41,300	6,095	1,99,540	2,03,420	6.0	(85.2)	3,173.8	1.9	(6.7)	86.7	0.7
Advances - Total	14,49,537	18,63,935	20,67,832	21,25,954	62.8	28.6	10.9	2.8	79.4	91.3	10.4
Investments	5,00,767	5,92,662	5,99,799	6,96,947	20.6	18.4	1.2	16.2	17.6	3.2	17.4
Cash & Cash Equivalent	1,32,159	1,47,834	1,60,037	5,63,272	16.6	11.9	8.3	252.0	3.0	5.5	72.2
Working Assets	20,82,463	26,04,431	28,27,668	33,86,173	100.0	25.1	8.6	19.8	100.0	100.0	100.0

Source: Company, LKP Research

Exhibit 4: Funding Profile Analysis

(₹ mn)	3Q FY20	4Q FY20	1Q FY21	2Q FY21	3Q FY21	4Q FY21	QoQ % / bps	YoY % / bps
Interest Bearing Liabilities - Total	26,35,260	26,27,934	27,04,610	28,06,644	28,77,570	30,75,278	6.9	17.0
Deposits	21,67,130	20,20,398	21,12,650	22,82,793	23,91,350	25,62,050	7.1	26.8
CASA Deposits	9,18,650	8,15,700	8,44,730	9,18,460	9,66,460	10,67,910	10.5	30.9
Saving Deposit	6,48,950	5,31,300	5,25,270	5,70,730	6,43,330	7,10,660	10.5	33.8
Current Deposit	2,69,700	2,84,400	3,19,460	3,47,730	3,23,130	3,57,250	10.6	25.6
Term Deposits	12,48,480	12,04,698	12,67,920	13,64,333	14,24,890	14,94,140	4.9	24.0
Borrowings	4,68,130	6,07,536	5,91,960	5,23,851	4,86,220	5,13,228	5.6	(15.5)
Interest Bearing Liabilities - Total	26,35,260	26,27,934	27,04,610	28,06,644	28,77,570	30,75,278	6.9	17.0

Source: Company, LKP Research

Exhibit 5: Funding mix and Incremental Contribution

	As on (₹ mn)				As % of Total Working Fund	YoY/ YTD growth			Incremental Contribution YoY/ YTD Growth (%)		
	FY18	FY19	FY20	4Q FY21		FY19	FY20	4Q FY21	FY19	FY20	4Q FY21
Deposits	15,16,392	19,48,679	20,20,398	25,62,050	73.0	28.5	3.7	26.8	78.4	25.7	100.2
Saving Deposit	4,58,883	5,44,857	5,31,298	7,10,660	20.3	18.7	(2.5)	33.8	15.6	(4.9)	33.2
Current Deposit	2,08,410	2,95,845	2,84,400	3,57,250	10.2	42.0	(3.9)	25.6	15.9	(4.1)	13.5
CASA Deposits	6,67,293	8,40,701	8,15,698	10,67,910	30.4	26.0	(3.0)	30.9	31.5	(8.9)	46.6
Term Deposits	8,49,099	11,07,978	12,04,700	14,94,140	42.6	30.5	8.7	24.0	47.0	34.6	53.5
Borrowings	3,82,891	4,73,211	6,07,535	5,13,228	14.6	23.6	28.4	(15.5)	16.4	48.1	(17.4)
Interest Bearing Liabilities - Total	18,99,283	24,21,890	26,27,934	30,75,278	87.6	27.5	8.5	17.0	94.8	73.7	82.7
Net Worth	2,38,271	2,66,748	3,40,232	4,33,600	12.4	12.0	27.5	27.4	5.2	26.3	17.3
Working Fund	21,37,553	26,88,638	29,68,166	35,08,878	100.0	25.8	10.4	18.2	100.0	100.0	100.0
<i>Interest Exp. / Assets</i>	<i>4.89</i>	<i>5.37</i>	<i>5.72</i>	<i>4.6</i>		<i>48</i>	<i>35</i>	<i>(108)</i>			

Source: Company, LKP Research

Exhibit 6: Asset Quality Analysis

(₹ mn)	3Q FY20	4Q FY20	1Q FY21	2Q FY21	3Q FY21	4Q FY21	QoQ % / bps	YoY % / bps
Total Slippages	19,450	20,580	15,370	3,990	590	63,370	10,640.7	207.9
Slippages Ratio (%)	1.04	1.10	0.74	0.19	0.03	3.06	304	196
Gross NPA	45,784	51,467	50,990	45,322	36,507	57,950	58.7	12.6
Gross NPAs Ratio (%)	2.18	2.45	2.53	2.21	1.74	2.67	93	22
PCR - Calculated (%)	52.5	63.3	66.6	76.7	87.3	74.5	(1,276)	1,118
PCR - Inc. Tech w/o (%)	53.0	63.0	67.0	77.0	87.0	75.0	(1,200)	1,200
Net NPA	21,733	18,866	17,034	10,558	4,642	14,766	218.1	(21.7)
Net NPAs Ratio (%)	1.05	0.91	0.86	0.52	0.22	0.69	47	(22)
Standard Restructured	-	-	-	-	12,660	43,013	239.7	-
<i>Std. Rest. Adv. as % of Advances</i>	<i>0.1</i>	<i>0.0</i>	<i>0.05</i>	<i>0.05</i>	<i>0.60</i>	<i>2.01</i>	<i>141</i>	<i>197</i>
Corporate Bank - Credit Cost	2,830	14,420	9,070	4,190	2,380	5,420	127.7	(62.4)
Consumer Finance - Credit Cost	2,930	3,440	2,590	2,010	1,870	20,440	993.0	494.2
Gross Credit Costs	5,760	17,860	11,660	6,200	4,250	25,860	508.5	44.8
<i>Gross Credit Costs (bps)</i>	<i>28</i>	<i>86</i>	<i>59</i>	<i>31</i>	<i>21</i>	<i>122</i>	<i>10,100</i>	<i>3,600</i>
Net Credit Cost	5,750	17,570	11,570	6,020	4,070	25,740	532.4	46.5
<i>Net Credit Costs (BPS)</i>	<i>28</i>	<i>85</i>	<i>58</i>	<i>30</i>	<i>20</i>	<i>121</i>	<i>10,100</i>	<i>3,600</i>

Source: Company, LKP Research

Annual Projections

Exhibit 7: Profit and Loss Statement

(₹ mn)	FY20	FY21	FY22E	FY23E	FY24E
Interest Income	2,87,828	2,89,998	3,13,112	3,42,214	3,77,019
Interest Expenses	1,67,241	1,54,719	1,71,225	1,84,516	2,01,537
Net Interest Income	1,20,587	1,35,279	1,41,887	1,57,698	1,75,482
NIM (%)	4.44	4.35	4.04	4.13	4.18
Adjusted NII	1,17,584	1,31,369	1,41,887	1,57,698	1,75,482
Core Fee Income	57,850	54,582	58,403	62,491	66,865
Securities/MM/FX Trading/Others	11,663	11,004	11,664	12,364	13,106
Other Income - Total	69,513	65,586	70,067	74,855	79,971
Net Operating Revenue	1,90,101	2,00,865	2,11,954	2,32,553	2,55,453
Employee Exp.	22,085	22,135	23,685	25,816	28,140
Other Opex	60,289	61,463	65,766	72,342	78,130
Total Opex	82,373	83,598	89,450	98,158	1,06,269
C/I Ratio	43.33	41.62	42.20	42.21	41.60
Pre Provision Profits	1,07,727	1,17,267	1,22,504	1,34,394	1,49,184
PPP Growth (yoy %)	33.2	8.9	4.5	9.7	11.0
Provisions & Contingencies - Total	46,521	79,425	37,473	36,139	35,846
Credit Cost (As % of Op. AUM)	1.95	3.00	1.50	1.30	1.15
Profit Before Tax	61,206	37,841	85,030	98,255	1,13,338
Tax	17,027	9,478	21,258	24,564	28,335
Effective Tax Rate	27.8	25.0	25.0	25.0	25.0
Reported Profits	44,179	28,364	63,773	73,691	85,004
PAT Growth (yoy %)	33.8	(35.8)	124.8	15.6	15.4

Source: Company, LKP Research

Exhibit 8: Balance Sheet

(₹ mn)	FY20	FY21	FY22E	FY23E	FY24E
Equity Share Capital	6,935	7,734	7,734	7,734	7,734
Reserves (ex Reval. Reserve)	3,30,101	4,22,784	4,86,557	5,60,248	6,45,252
Net Worth - Ex Revaluation	3,37,036	4,30,518	4,94,291	5,67,982	6,52,986
Deposits	20,20,398	25,62,050	27,89,004	30,28,829	33,25,690
Borrowings	6,07,535	5,13,228	4,92,177	5,34,499	5,86,886
Interest Bearing Liabilities	26,27,934	30,75,278	32,81,181	35,63,328	39,12,577
Other Lia. & Prov.	95,577	1,20,796	1,25,054	1,31,569	1,35,494
Total Liabilities	30,70,576	36,29,728	39,02,926	42,65,482	47,03,915
Assets					
Cash & Cash Equivalent	1,60,037	5,63,272	5,81,744	6,36,681	7,03,065
Investments	5,99,799	6,96,947	7,44,518	8,01,934	8,70,930
Credit Equivalent	26,859	31,209	33,394	35,731	38,232
Loan & Advances	20,67,832	21,25,954	23,17,290	25,49,019	28,29,411
<i>Growth (yoy %)</i>	<i>10.9</i>	<i>2.8</i>	<i>9.0</i>	<i>10.0</i>	<i>11.0</i>
Fixed Assets	18,201	18,094	20,386	22,130	24,334
Other Assets	2,24,707	2,25,461	2,38,988	2,55,718	2,76,175
Total Assets	30,70,576	36,29,728	39,02,926	42,65,482	47,03,915

Source: Company, LKP Research

Exhibit 9: Per share data

Y/E Mar	FY20	FY21	FY22E	FY23E	FY24E
Face Value	10	10	10	10	10
Adjusted Share O/S - For Calculation	694	773	773	773	773
Earnings Per Share	63.7	36.7	82.5	95.3	109.9
EPS (% YoY)	16.3	(42.4)	124.8	15.6	15.4
P/E (x)	14.7	25.5	11.3	9.8	8.5
Book Value	486.0	556.7	639.1	734.4	844.3
BVPS (% YoY)	11.2	14.6	14.8	14.9	15.0
P/BV (x)	1.9	1.7	1.5	1.3	1.1
Adj. BV	486.0	547.1	601.8	697.1	807.0
Adj. BV (% YoY)	11.2	12.6	10.0	15.8	15.8
P/ABV (x)	1.9	1.7	1.6	1.3	1.2

Source: Company, LKP Research

Exhibit 10: Detailed ROA Tree

Y/E Mar	FY20	FY21	FY22E	FY23E	FY24E
Yields / Margins					
Yield on Advance	12.2	11.5	11.4	11.4	11.4
Yield on Funds	10.6	9.3	8.9	9.0	9.0
Cost of Funds (CoF)	6.6	5.4	5.4	5.4	5.4
Interest Spread	4.0	3.9	3.5	3.6	3.6
NIM's	4.4	4.4	4.0	4.1	4.2
Interest Income / Assets	9.8	8.7	8.3	8.4	8.4
Interest Exp. / Assets	5.7	4.6	4.5	4.5	4.5
NII / Assets	4.1	4.0	3.8	3.9	3.9
Fee Income / Assets	2.0	1.6	1.6	1.5	1.5
Other Non Core Income / Assets	-	-	-	-	-
Other Income / Assets	2.4	2.0	1.9	1.8	1.8
Net Operating Income / Assets	6.5	6.0	5.6	5.7	5.7
Operating Ratios					
NII to Net Operative Income	63.4	67.3	66.9	67.8	68.7
Other Income to Net Operative Income	36.6	32.7	33.1	32.2	31.3
Empl. Cost/Oper. Exps.	26.8	26.5	26.5	26.3	26.5
Other Op. Exps./Oper. Exps.	73.2	73.5	73.5	73.7	73.5
C/I Ratio	43.3	41.6	42.2	42.2	41.6
Provisions as % PPP	24.5	39.5	17.7	15.5	14.0
Credit Cost (As % of Op. AUM)	2.0	3.0	1.5	1.3	1.2
Effective Tax Rate	27.8	25.0	25.0	25.0	25.0
Employee Exp. / Assets	0.8	0.7	0.6	0.6	0.6
Other Opex/ Assets	2.1	1.8	1.7	1.8	1.7
Total Opex / Assets	2.8	2.5	2.4	2.4	2.4
Operating Profits / Assets	3.7	3.5	3.3	3.3	3.3
Op Profit ex Except Items / Assets	3.7	3.5	3.3	3.3	3.3
Provisions / Assets	1.6	2.4	1.0	0.9	0.8
Profit Before Tax / Assets	2.1	1.1	2.3	2.4	2.5
Tax Expenses / Assets	0.6	0.3	0.6	0.6	0.6
RoA	1.5	0.8	1.7	1.8	1.9
Leverage (x)	9.1	8.4	7.9	7.5	7.2
RoE	14.6	7.3	13.7	13.8	13.9
Adj. RoA	1.5	0.8	1.7	1.8	1.9
Adj. RoE	14.6	7.3	13.7	13.8	13.9

Source: Company, LKP Research

Exhibit 11: Balance Sheet Ratios

Y/E Mar	FY20	FY21	FY22E	FY23E	FY24E
Credit / Deposit Ratio	102.3	83.0	83.1	84.2	85.1
Incremental C/D Ratio	284.3	10.7	84.3	96.6	94.5
Investment Deposit Ratio	29.7	27.2	26.7	26.5	26.2
Dom. SLR Investment / Deposits	26.0	23.9	23.4	23.3	23.1
CASA Ratio	40.4	41.7	42.0	42.0	42.0

Source: Company, LKP Research

Exhibit 12: Asset Quality

Y/E Mar	FY20	FY21	FY22E	FY23E	FY24E
Slippage Ratio	3.1	3.1	2.2	1.8	1.6
Gross NPA (Cl Bal)	51,467	57,950	58,375	61,851	64,078
Gross NPAs Ratio (%)	2.5	2.7	2.5	2.4	2.3
PCR (%)	63.3	74.5	70.1	70.6	70.9
Net NPA (Cl. Bal.)	18,866	14,766	17,449	18,191	18,654
Net NPAs Ratio (%)	0.9	0.7	0.8	0.7	0.7
Total Impaired Loans	51,467	57,950	58,375	61,851	64,078
Impaired Loan as % of Loan / AUM	2.5	2.7	2.5	2.4	2.2
Total Risk Reserves	32,602	43,184	40,926	43,661	45,424
Total Risk As % of Loan Book	1.6	2.0	1.7	1.7	1.6

Source: Company, LKP Research

Exhibit 13: Key Assumptions & Forecasts

Y/E Mar	FY20	FY21	FY22E	FY23E	FY24E
Loan & Advances	20,67,832	21,25,954	23,17,290	25,49,019	28,29,411
<i>Growth (yoy %)</i>	10.9	2.8	9.0	10.0	11.0
Interest Bearing Liabilities	26,27,934	30,75,278	32,81,181	35,63,328	39,12,577
<i>Growth (yoy %)</i>	10.9	2.8	9.0	10.0	11.0
<i>Yield on Funds</i>	10.6	9.3	8.9	9.0	9.0
<i>Cost of Funds (CoF)</i>	6.6	5.4	5.4	5.4	5.4
<i>Interest Spread</i>	4.0	3.9	3.5	3.6	3.6
<i>NIM's</i>	4.4	4.4	4.0	4.1	4.2
<i>Other Income Growth</i>	23.1	(5.6)	6.8	6.8	6.8
<i>C/I Ratio</i>	43.3	41.6	42.2	42.2	41.6
<i>Effective Tax Rate</i>	27.8	25.0	25.0	25.0	25.0
Return Ratios					
<i>Adj. RoA</i>	1.5	0.8	1.7	1.8	1.9
<i>Adj. RoE</i>	14.6	7.3	13.7	13.8	13.9
Asset Quality Metrics					
<i>Credit Cost (As % of Op. AUM)</i>	2.0	3.0	1.5	1.3	1.2
<i>Gross NPAs Ratio (%)</i>	2.5	2.7	2.5	2.4	2.3
<i>Net NPAs Ratio (%)</i>	0.9	0.7	0.8	0.7	0.7

Source: Company, LKP Research

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