

INDUSIND BANK LIMITED | Banking

Steady operating performance; restructuring and slippages down

LKP

Result and Price Analysis:

Indusind Bank has reported a good set of numbers and the positives are 1) Reported slippages (₹21bn v/s ₹26bn in the previous quarter) inched down from the previous quarter, 2) Built ample provision buffer (PCR: 72% & Non-specific: 1.8% of book), 3) Healthy growth trajectory; 12.4% YOY and 4.6% QOQ. 4) Ample capital cushion (CAR: 18.4%) post fund raise and share warrant exercise, 5) Improvement in NIMs (4.2%) with fall in cost of fund by 18bps to 4.08%, 6) Provision expenses down significantly to ₹14.6bn v/s 16.5bn in the previous quarter, and 7) better retail deposit mobilization. Nevertheless, the negatives are 1) Slight spike in RWA of 73% v/s 72% in previous quarter, and 2) Retail book (especially 2W & CV) witnessing higher NPA formation. We believe, the bank has made adequate provisioning against potential stress and expect credit cost normalization to begin. Thus we have a positive outlook on the bank with BUY rating.

Stable credit quality; Provision down sequentially: The bank's reported gross slippages came down significantly to ₹21bn against ₹26bn in the previous quarter. Retail slippages contributed around 83% (₹17bn) of total fresh GNPA additions. Total GNPA reduction stood at ₹24bn v/s ₹31bn in 3QFY22 led by significant write-offs (~₹14bn). A lower slippages, however, slower reduction (upgrade and recovery) led to GNPA ratio improvement by 21bps to 2.27%. In absolute term GNPA down 5% sequentially. GNPA/NNPA/PCR stood at 2.27%/0.64%/72% v/s 2.48%/0.71%/72% in the previous quarter. In absolute term the GNPA reduced by 5% sequentially. In retail banking, 2-wheeler segment and CV segment have higher GNPA ratio of 9.2% and 2.1% respectively; However NPA ratio inched down in both segment. BBG/LAP segment has GNPA of 3.1%. Stress in MFI has been easing and GNPA ratio stood at 2.5% v/s 3.2% in 3QFY22. The standard restructured assets went down and stood ~₹62bn (2.6% of book) v/s ₹76bn (3.3%). Restructuring loan break up consist of Consumer Finance (53%), secured retail (11%), unsecured retail (5%), MFI (9%) and corporate (16%).

Key Financials (₹ mn)	FY20	FY21	FY22	FY23E	FY24E
NII	1,20,587	1,35,279	1,50,008	1,75,042	2,06,578
Operating Profit	1,07,727	1,17,267	1,30,977	1,51,634	1,76,742
Reported Profits	44,179	28,364	48,046	71,797	90,161
Net Worth	3,37,036	4,30,464	4,80,264	5,52,061	6,42,222
Loan & Advances	20,67,832	21,25,954	23,90,515	27,72,998	32,72,137
Int. Bearing Liabilities	26,27,934	30,75,278	34,06,727	38,77,953	44,97,281

Key Ratios (%)	FY20	FY21	FY22	FY23E	FY24E
NIM's	4.4	4.4	4.2	4.3	4.5
C/I	43.3	41.6	41.6	41.4	41.3
Gross NPA	2.5	2.7	2.3	2.2	2.2
Tier 1	14.6	16.8	16.7	16.8	17.0
Adj. RoA	1.5	0.8	1.3	1.7	1.9
Adj. RoE	14.6	7.3	10.5	13.9	15.0

Rating	Buy
Current Market Price (₹)	979
Buying Range	930 – 950
12 M Price Target (₹)	1,195
Potential upside (%)	26

Stock Data

FV (₹) :	10
Market Cap Full (₹ bn) :	757
Market Cap Free Float (₹ bn) :	637
52-Week High / Low (₹) :	1,242 / 812
2-Year High / Low (₹) :	1,242 / 330
1 Yr Avg. Dly Traded Volume (in lakh)	48
BSE Code / NSE Symbol	532187 / INDUSINDBK
Bloomberg :	IIB IN

Shareholding Pattern

(%)	Mar-22	Dec-21	Sep-21	Jun-21
Promoter	16.52	16.53	16.54	16.54
FPIs	46.33	47.65	51.44	52.05
MFs	13.51	12.05	10.22	9.81
Insurance	8.18	8.02	8.42	7.82
Others	15.46	15.75	13.38	13.78

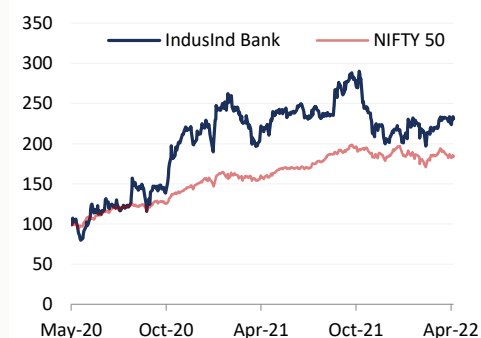
Source: BSE

Price Performance (%)

(%)	1M	3M	6M	1YR
Indusind Bank	5.3%	8.3%	-14.2%	4.2%
Nifty 50	-1.3%	0.0%	-3.2%	14.8%

* To date / current date : April 29, 2022

Indusind Bank vs Nifty 50



The bank's provision expenses down sequentially to ₹14.6bn v/s ₹16.5bn in the previous quarter. The total provisions (including contingent) stand at 152% of GNPLs and contingent provision (excluding PCR) stood 1.8% of loans. The bank's coverage on MFI NPAs is at 95%.

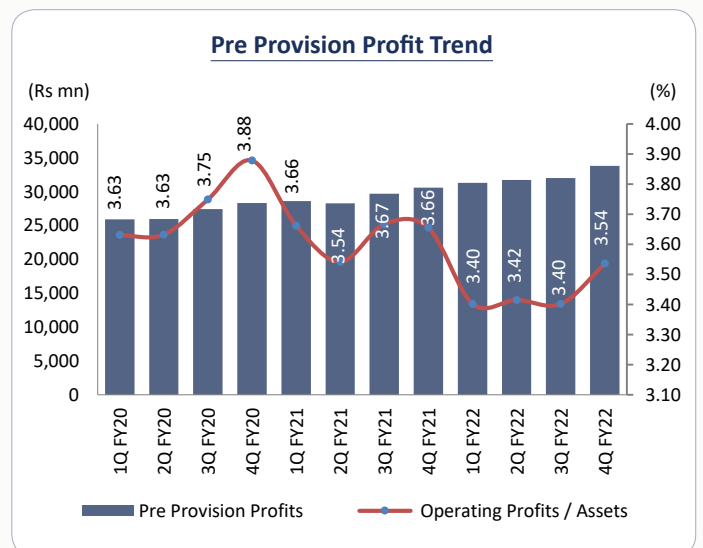
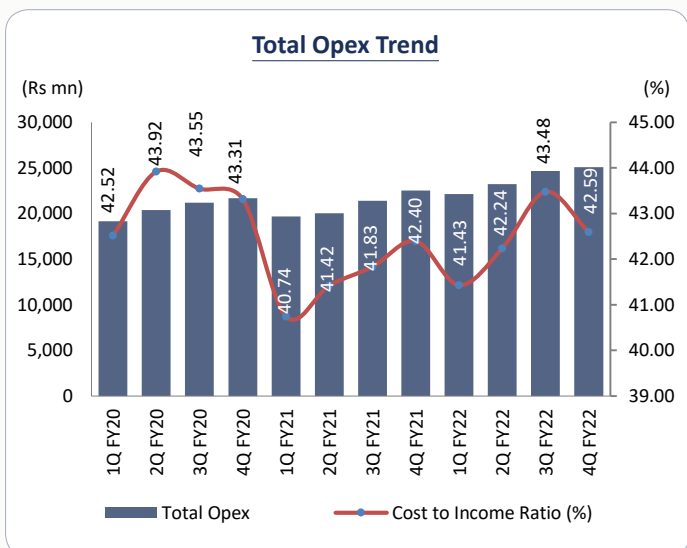
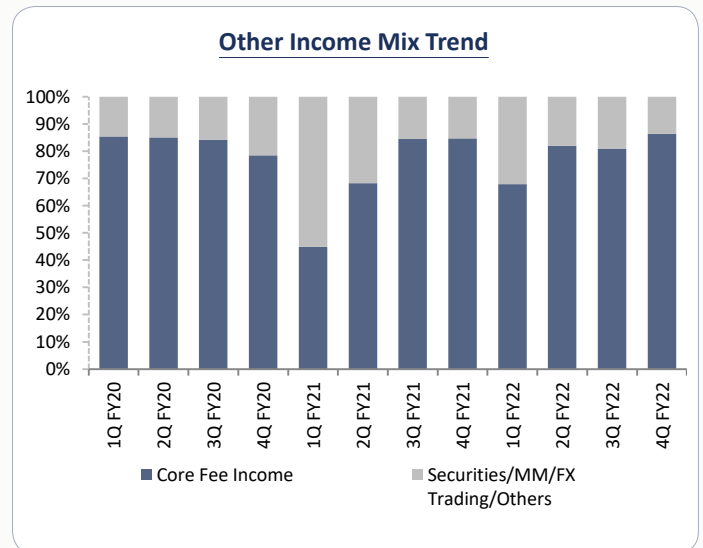
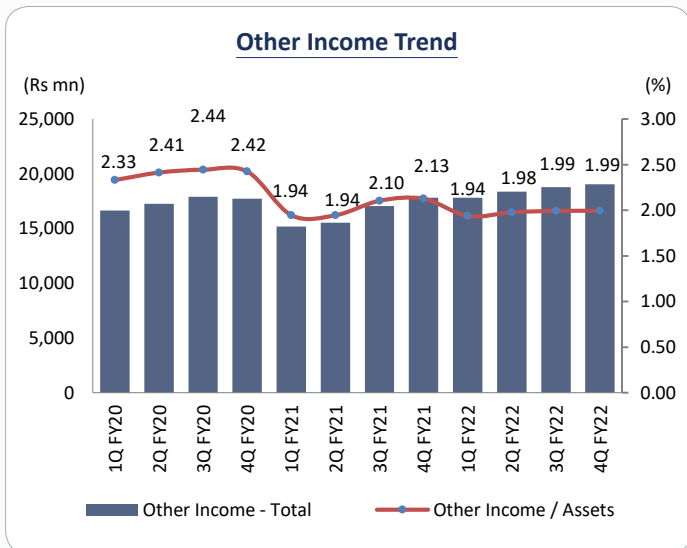
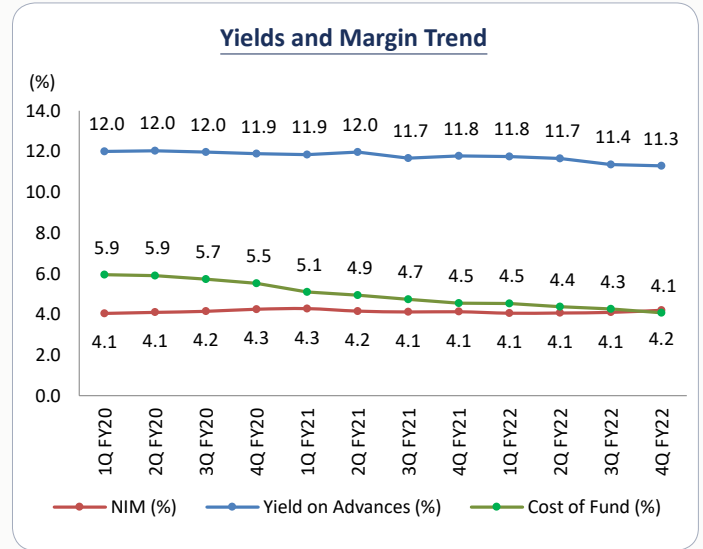
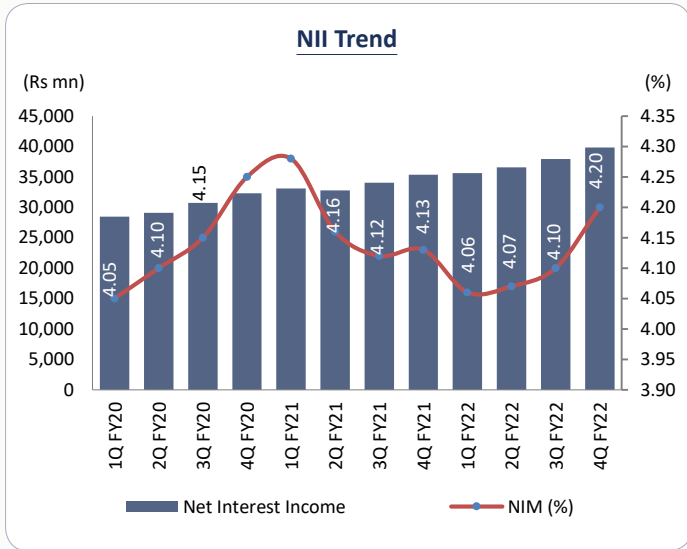
Management guidance of ~20% credit growth for FY23: The bank's net advances stood at ₹2.4tn; grew 12.4% YOY and 4.6% sequentially. Corporate banking (46% of loan book) grew by 3.8% QoQ and retail (54% of book) growth sluggish at 5.3% QoQ. Vehicle loan (26% of loan book) grew by 2.2% QoQ and Micro loan (13% of loan book) grew strongly at 11.5% sequentially. Vehicle financing witnessed strong disbursement (₹9.9bn; 13% QoQ) post decline in 1st half of FY22. Management guided the credit growth of 18-20% for FY23. The bank's deposit stood at ₹2.9tn and seen a healthy growth of 15% YOY and 3.1% QoQ; CASA ratio stood flat at 42.7%. The bank is holding ample liquidity (LCR: 127%).

Credit cost normalization has begun: The YoA sequentially down (11.29%) and COF (4.08% v/s 4.26% in previous quarter) have resulted in spike in interest spread. Moreover, NIMs marginally up at 4.20% sequentially. NII stood ₹39.8bn; grew by 12.7% YoY and 5.1% QoQ. Other income grew by 7% YoY and 1.5% QoQ; led by 9% QoQ growth in core fee income. PPOP (₹33.8bn) up by 5.5% sequentially on the back of lower Opex (Cost to income: 42.6% v/s 43.5% in the previous quarter). However, sequentially down provisioning expenses (₹14.6bn v/s ₹16.5bn in 3QFY22) have resulted in 60% YoY and 21% sequential jump in profit at ₹14bn. The bank's ROA and ROE stood at 1.5% and 11.9% respectively. Management guided ROA range of 1.5 – 1.8% for next financial year.

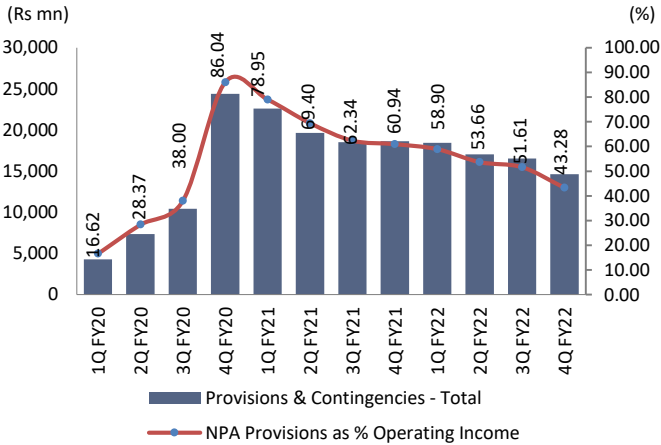
Outlook & Valuation

Core operating performance of Indusind Bank remains healthy. A higher PCR is likely to safeguard the bank from credit disruption from various restructuring schemes. Thus we retain our BUY rating with price target of ₹1,195 (based on 1.7x FY23E Adj. BVPS of ₹703).

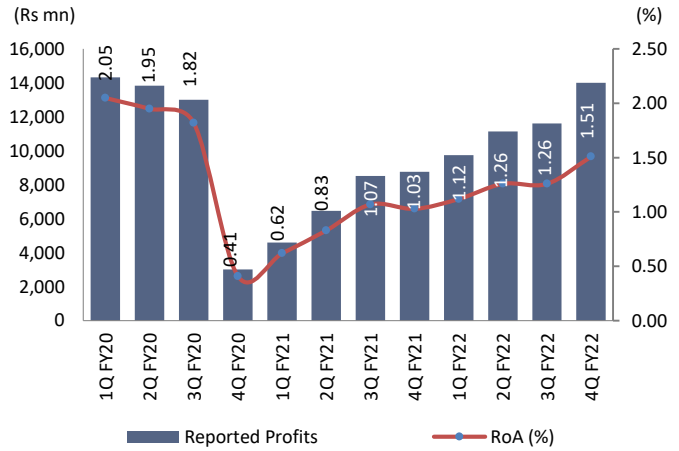
Quarterly story in charts



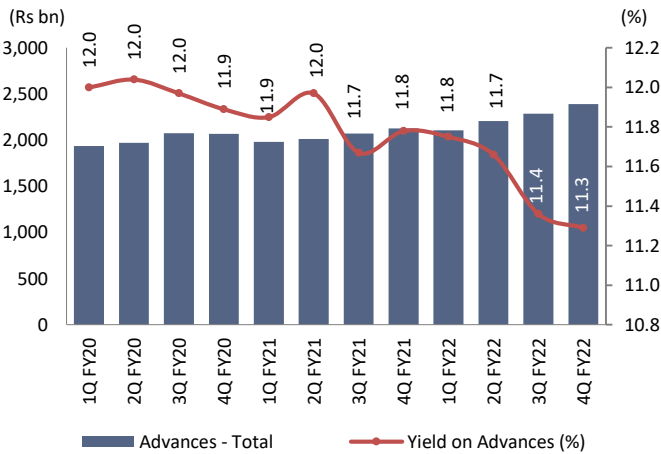
Provision Expenses Trend



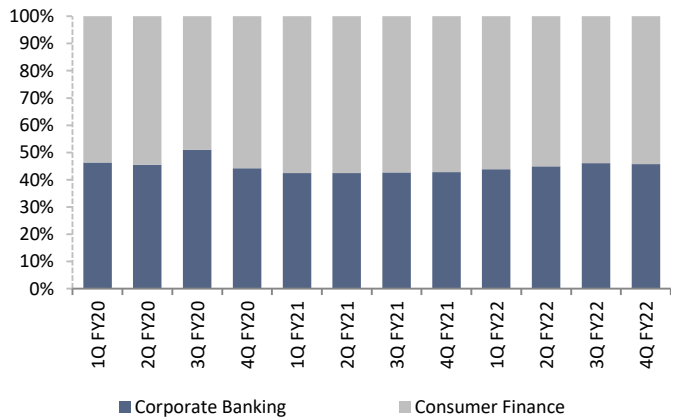
Reported Profit Trend



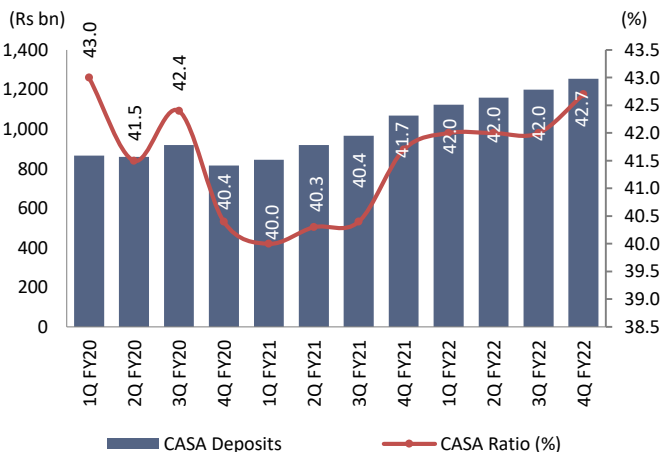
Loan Book Trend



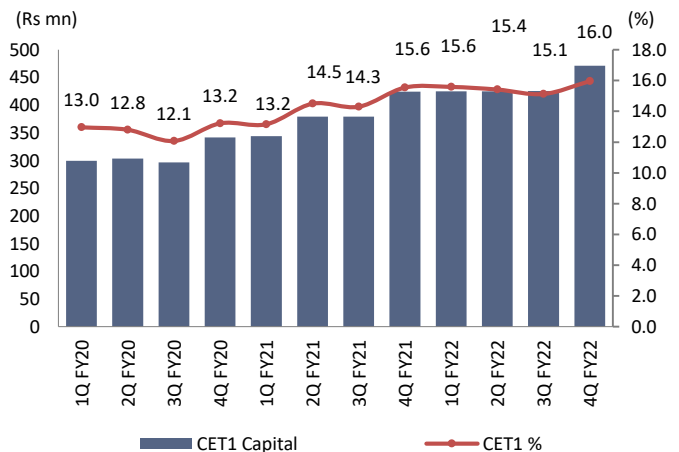
Loan book Mix



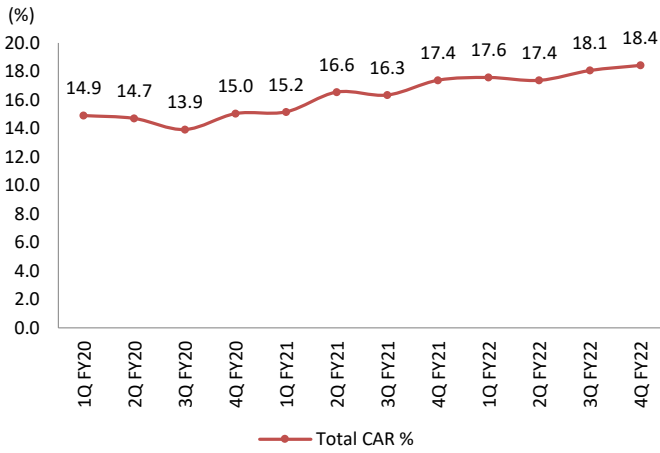
CASA Deposit Trend



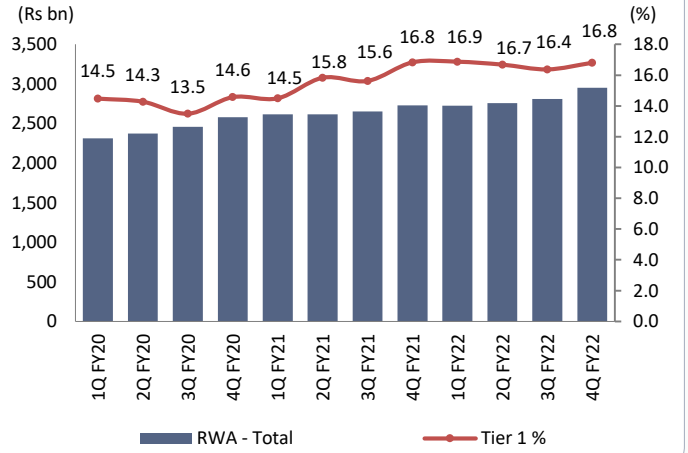
CET 1 Ratio Trend



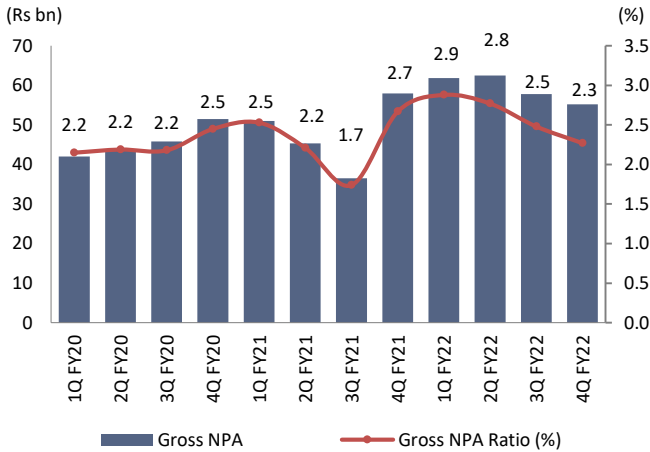
CRAR Trend



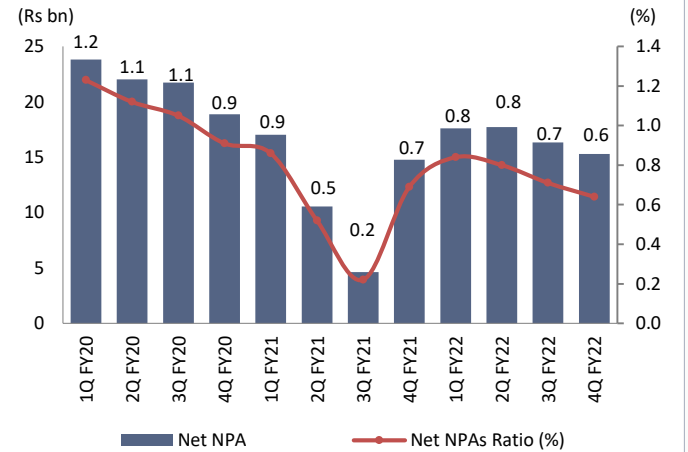
CET1 Ratio Trend



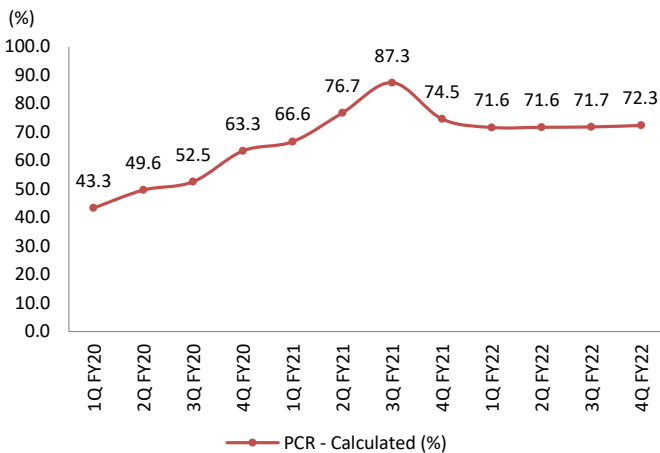
Gross NPA Trend



Net NPA Trend



PCR Trend



Slippages

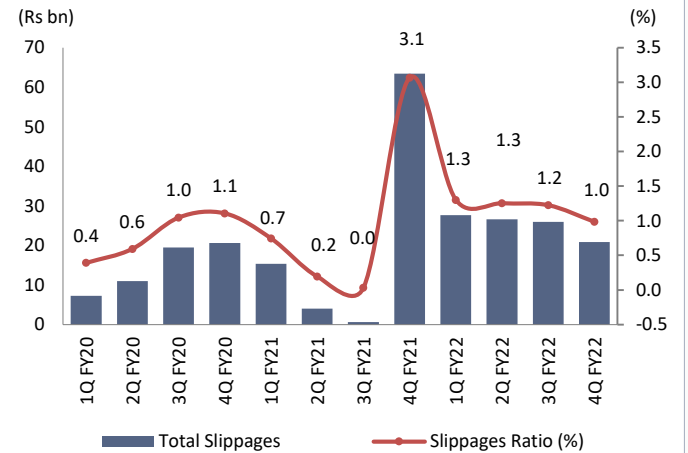


Exhibit 1 : Income Statement Analysis

(₹ mn)	4Q FY22	4Q FY21	% yoy / bps	3Q FY22	% qoq / bps	FY22	FY21	% yoy / bps
Interest Inc.	78,599	74,194	5.9	77,375	1.6	3,08,224	2,89,998	6.3
Interest Expenses	38,747	38,848	(0.3)	39,439	(1.8)	1,58,216	1,54,719	2.3
Net Interest Income	39,852	35,346	12.7	37,936	5.1	1,50,008	1,35,279	10.9
<i>NII to Net Operative Income</i>	<i>67.7</i>	<i>66.5</i>	<i>115</i>	<i>66.9</i>	<i>76</i>	<i>66.9</i>	<i>67.3</i>	<i>(41)</i>
<i>NIM (%)</i>	<i>4.20</i>	<i>4.1</i>	<i>7</i>	<i>4.1</i>	<i>10</i>	<i>4.2</i>	<i>4.2</i>	<i>1</i>
Other Income - Total	19,050	17,801	7.0	18,768	1.5	74,076	65,586	12.9
<i>Other Income to Net Operative Income</i>	<i>32.3</i>	<i>33.5</i>	<i>(115)</i>	<i>33.1</i>	<i>(76)</i>	<i>33.1</i>	<i>32.7</i>	<i>41</i>
Net Operating Revenue	58,902	53,147	10.8	56,704	3.9	2,24,084	2,00,865	11.6
Employee Expenses	9,163	5,951	54.0	6,200	47.8	34,735	22,135	56.9
Other Opex	15,925	16,581	(4.0)	18,453	(13.7)	58,372	61,463	(5.0)
Total Opex	25,088	22,532	11.3	24,653	1.8	93,107	83,598	11.4
<i>Cost to Income Ratio (%)</i>	<i>42.6</i>	<i>42.4</i>	<i>20</i>	<i>43.5</i>	<i>(88)</i>	<i>41.6</i>	<i>41.6</i>	<i>(7)</i>
Pre Provision Profits	33,814	30,615	10.4	32,051	5.5	1,30,977	1,17,267	11.7
Provisions & Contingencies - Total	14,635	18,657	(21.6)	16,541	(11.5)	66,650	79,425	(16.1)
<i>NPA Provisions as % Operating Income</i>	<i>43.3</i>	<i>60.9</i>	<i>(1,766)</i>	<i>51.6</i>	<i>(833)</i>	<i>50.9</i>	<i>67.7</i>	<i>(1,684)</i>
Profit Before Tax	19,179	11,958	60.4	15,510	23.7	64,328	37,841	70.0
Tax	5,174	3,199	61.7	3,898	32.7	16,282	9,478	71.8
<i>Effective Tax Rate (%)</i>	<i>27.0</i>	<i>26.8</i>	<i>23</i>	<i>25.1</i>	<i>185</i>	<i>25.3</i>	<i>25.0</i>	<i>27</i>
Reported Profits	14,005	8,760	59.9	11,613	20.6	48,046	28,364	69.4
<i>RoA (%)</i>	<i>1.5</i>	<i>1.0</i>	<i>48</i>	<i>1.3</i>	<i>25</i>	<i>1.3</i>	<i>0.9</i>	<i>33</i>
<i>RoE (%)</i>	<i>11.9</i>	<i>8.9</i>	<i>304</i>	<i>10.9</i>	<i>104</i>	<i>10.5</i>	<i>7.6</i>	<i>297</i>

Source: Company, LKP Research

Exhibit 2 : Balance Sheet Analysis

(₹ mn)	3Q FY21	4Q FY21	1Q FY22	2Q FY22	3Q FY22	4Q FY22	QoQ % / bps	YoY % / bps
Net Worth	3,98,570	4,33,600	4,45,479	4,51,074	4,66,046	4,80,103	3.0	10.7
<i>RoE (%)</i>	<i>8.4</i>	<i>8.9</i>	<i>9.3</i>	<i>10.3</i>	<i>10.9</i>	<i>11.9</i>	<i>104</i>	<i>304</i>
<i>Tier 1 %</i>	<i>15.6</i>	<i>16.8</i>	<i>16.9</i>	<i>16.7</i>	<i>16.4</i>	<i>16.8</i>	<i>43</i>	<i>(3)</i>
<i>Total CAR %</i>	<i>16.3</i>	<i>17.4</i>	<i>17.6</i>	<i>17.4</i>	<i>18.1</i>	<i>18.4</i>	<i>36</i>	<i>104</i>
RWA - Total	26,54,530	27,29,120	27,23,670	27,55,900	28,10,860	29,51,310	5.0	8.1
Advances - Total	20,71,280	21,25,954	21,07,270	22,08,076	22,85,830	23,90,515	4.6	12.4
Investments	6,10,570	6,96,947	6,86,990	6,92,858	7,27,150	7,09,299	(2.5)	1.8
Total Assets	34,14,460	36,29,728	37,29,959	38,04,921	39,05,636	40,19,674	2.9	10.7
<i>RoA (%)</i>	<i>1.07</i>	<i>1.03</i>	<i>1.12</i>	<i>1.26</i>	<i>1.26</i>	<i>1.51</i>	<i>25</i>	<i>48</i>
Deposits	23,91,350	25,62,050	26,72,330	27,54,727	28,44,840	29,33,495	3.1	14.5
CASA Deposits	9,66,460	10,67,910	11,23,490	11,58,630	11,98,940	12,53,330	4.5	17.4
<i>CASA Ratio (%)</i>	<i>40.4</i>	<i>41.7</i>	<i>42.0</i>	<i>42.0</i>	<i>42.0</i>	<i>42.7</i>	<i>70</i>	<i>100</i>
Interest Bearing Liabilities - Total	28,77,570	30,75,278	31,65,270	32,17,681	33,01,530	34,06,727	3.2	10.8

Source: Company, LKP Research

Exhibit 3 : Loan Book/ AUM Analysis

(₹ mn)	3Q FY21	4Q FY21	1Q FY22	2Q FY22	3Q FY22	4Q FY22	QoQ % / bps	YoY % / bps
Corporate Banking	8,84,820	9,10,180	9,24,070	9,90,790	10,54,810	10,94,630	3.8	20.3
Large Corporates	4,15,510	4,22,970	4,46,090	5,03,950	5,37,890	6,02,230	12.0	42.4
Mid size Corporates	4,27,110	4,24,240	4,37,540	4,44,670	4,67,140	4,03,220	(13.7)	(5.0)
Small Corporates	42,200	62,970	40,440	42,170	49,780	89,180	79.1	41.6
Consumer Finance	11,86,460	12,15,770	11,83,200	12,17,286	12,31,020	12,95,885	5.3	6.6
Comm. Vehicle Loans	2,38,120	2,36,000	2,28,530	2,25,980	2,26,180	2,32,090	2.6	(1.7)
Utility Vehicle Loans	47,660	49,880	49,620	52,140	56,970	61,720	8.3	23.7
Small CV	35,900	34,110	32,710	29,900	30,350	30,440	0.3	(10.8)
Two Wheeler Loans	60,310	56,440	51,150	47,600	47,230	44,680	(5.4)	(20.8)
Car Loans	78,790	79,460	77,640	79,890	82,650	83,920	1.5	5.6
Tractor	61,910	66,530	68,940	71,730	76,660	79,070	3.1	18.8
Equipment Financing	87,340	90,710	88,310	85,780	86,040	87,310	1.5	(3.7)
Vehicle Loans	6,10,030	6,13,130	5,96,450	5,93,020	6,06,080	6,19,230	2.2	1.0
Non Vehicle loans	3,46,350	3,38,810	3,22,840	3,43,120	3,50,510	3,70,530	5.7	9.4
Credit Card	52,250	45,360	45,120	50,060	53,010	55,200	4.1	21.7
Loan Against Property	93,620	90,030	87,610	87,880	86,640	88,170	1.8	(2.1)
BBG + BL, PL, GL, Others	2,00,480	2,03,420	1,90,110	2,05,180	2,10,860	2,27,160	7.7	11.7

Source: Company, LKP Research

Exhibit 4: Funding Profile Analysis

(₹ mn)	3Q FY21	4Q FY21	1Q FY22	2Q FY22	3Q FY22	4Q FY22	QoQ % / bps	YoY % / bps
Interest Bearing Liabilities - Total	28,77,570	30,75,278	31,65,270	32,17,681	33,01,530	34,06,727	3.2	10.8
Deposits	23,91,350	25,62,050	26,72,330	27,54,727	28,44,840	29,33,495	3.1	14.5
CASA Deposits	9,66,460	10,67,910	11,23,490	11,58,630	11,98,940	12,53,330	4.5	17.4
Saving Deposit	6,43,330	7,10,660	7,99,280	8,32,760	8,66,150	8,88,260	2.6	25.0
Current Deposit	3,23,130	3,57,250	3,24,210	3,25,870	3,32,790	3,65,070	9.7	2.2
Term Deposits	14,24,890	14,94,140	15,48,840	15,96,097	16,45,900	16,80,165	2.1	12.5
Borrowings	4,86,220	5,13,228	4,92,940	4,62,954	4,56,690	4,73,232	3.6	(7.8)

Source: Company, LKP Research

Exhibit 5: Assets Quality Analysis

(₹ mn)	3Q FY21	4Q FY21	1Q FY22	2Q FY22	3Q FY22	4Q FY22	QoQ % / bps	YoY % / bps
Total Slippages	590	63,370	27,620	26,580	25,980	20,880	(19.6)	(67.1)
Slippages Ratio (%)	0.03	3.06	1.30	1.25	1.22	0.98	(24)	(208)
Gross NPA	36,507	57,950	61,858	62,450	57,793	55,172	(4.5)	(4.8)
Gross NPAs Ratio (%)	1.74	2.67	2.88	2.77	2.48	2.27	(21)	(40)
PCR - Calculated (%)	87.3	74.5	71.6	71.6	71.7	72.3	53	(225)
Net NPA	4,642	14,766	17,596	17,714	16,332	15,298	(6.3)	3.6
Net NPAs Ratio (%)	0.22	0.69	0.84	0.80	0.71	0.64	(7)	(5)

Source: Company, LKP Research

Annual Projections

Exhibit 6: Profit and Loss Statement

(₹ mn)	FY20	FY21	FY22	FY23E	FY24E
Interest Income	2,87,828	2,89,998	3,08,224	3,53,512	4,11,578
Interest Expenses	1,67,241	1,54,719	1,58,216	1,78,470	2,05,000
Net Interest Income	1,20,587	1,35,279	1,50,008	1,75,042	2,06,578
<i>NIM (%)</i>	4.44	4.35	4.18	4.34	4.48
Other Income - Total	69,513	65,586	74,076	83,666	94,496
Net Operating Revenue	1,90,101	2,00,865	2,24,084	2,58,708	3,01,074
Employee Exp.	22,085	22,135	34,735	39,946	47,136
Other Opex	60,289	61,463	58,372	67,127	77,197
Total Opex	82,373	83,598	93,107	1,07,073	1,24,333
<i>C/I Ratio</i>	43.33	41.62	41.55	41.39	41.30
Pre Provision Profits	1,07,727	1,17,267	1,30,977	1,51,634	1,76,742
<i>PPP Growth (yoy %)</i>	33.2	8.9	11.7	15.8	16.6
Provisions & Contingencies - Total	46,521	79,425	66,650	55,506	56,028
<i>Credit Cost (As % of Op. AUM)</i>	1.95	3.55	2.89	2.10	1.82
Profit Before Tax	61,206	37,841	64,328	96,128	1,20,714
Tax	17,027	9,478	16,282	24,331	30,554
<i>Effective Tax Rate</i>	27.8	25.0	25.3	25.3	25.3
Reported Profits	44,179	28,364	48,046	71,797	90,161
<i>PAT Growth (yoy %)</i>	33.8	(35.8)	69.4	49.4	25.6

Source: Company, LKP Research

Exhibit 7: Balance Sheet

(₹ mn)	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	6,935	7,734	7,747	7,747	7,747
Reserves (ex Revel. Reserve)	3,30,101	4,22,730	4,72,517	5,44,315	6,34,475
Net Worth - Ex Revaluation	3,37,036	4,30,464	4,80,264	5,52,061	6,42,222
Deposits	20,20,398	25,62,050	29,33,495	33,46,673	38,81,154
Borrowings	6,07,535	5,13,228	4,73,232	5,31,280	6,16,128
Interest Bearing Liabilities	26,27,934	30,75,278	34,06,727	38,77,953	44,97,281
Other Lia. & Prov.	95,577	1,20,796	1,32,683	94,038	48,149
Total Liabilities	30,70,576	36,29,727	40,19,674	45,26,698	51,90,643
Assets					
Cash & Cash Equivalent	1,60,037	5,63,272	6,85,847	7,72,108	8,89,668
Investments	5,99,799	6,96,947	7,09,299	7,36,583	7,71,808
Loan & Advances	20,67,832	21,25,954	23,90,515	27,72,998	32,72,137
<i>Growth (yoy %)</i>	<i>10.9</i>	<i>2.8</i>	<i>12.4</i>	<i>16.0</i>	<i>18.0</i>
Fixed Assets	18,201	18,094	19,288	21,696	24,783
Other Assets	2,24,707	2,25,461	2,14,725	2,23,314	2,32,246
Total Assets	30,70,576	36,29,727	40,19,674	45,26,698	51,90,643

Source: Company, LKP Research

Exhibit 8: Per share data

Y/E Mar	FY20	FY21	FY22	FY23E	FY24E
Face Value	10	10	10	10	10
Adjusted Share O/S - For Calculation	694	773	775	775	775
Earnings Per Share	63.7	36.7	62.0	92.7	116.4
EPS (% YoY)	16.3	(42.4)	69.1	49.4	25.6
P/E (x)	15.4	26.7	15.8	10.6	8.4
Book Value	486.0	556.6	620.0	712.6	829.0
BVPS (% YoY)	11.2	14.5	11.4	14.9	16.3
P/BV (x)	2.0	1.8	1.6	1.4	1.2
Adj. BV	486.0	547.1	610.1	702.8	819.2
Adj. BV (% YoY)	11.2	12.6	11.5	15.2	16.6
P/ABV (x)	2.0	1.8	1.6	1.4	1.2

Source: Company, LKP Research

Exhibit 9: Detailed ROA Tree

Y/E Mar	FY20	FY21	FY22	FY23E	FY24E
Yields / Margins					
<i>Yield on Advance</i>	12.2	11.5	11.1	11.3	11.4
<i>Yield on Funds</i>	10.6	9.3	8.6	8.8	8.9
<i>Cost of Funds (CoF)</i>	6.6	5.4	4.9	4.9	4.9
<i>Interest Spread</i>	4.0	3.9	3.7	3.9	4.0
<i>NIM's</i>	4.4	4.4	4.2	4.3	4.5
<i>Interest Income / Assets</i>	9.8	8.7	8.1	8.3	8.5
<i>Interest Exp. / Assets</i>	5.7	4.6	4.1	4.2	4.2
<i>NII / Assets</i>	4.1	4.0	3.9	4.1	4.3
<i>Fee Income / Assets</i>	2.0	1.1	1.1	1.1	1.1
<i>Other Non Core Income / Assets</i>	-	-	-	-	-
<i>Other Income / Assets</i>	2.4	2.0	1.9	2.0	1.9
<i>Net Operating Income / Assets</i>	6.5	6.0	5.9	6.1	6.2
Operating Ratios					
<i>NII to Net Operative Income</i>	63.4	67.3	66.9	67.7	68.6
<i>Other Income to Net Operative Income</i>	36.6	32.7	33.1	32.3	31.4
<i>Empl. Cost/Oper. Exps.</i>	26.8	26.5	37.3	37.3	37.9
<i>Other Op. Exps./Oper. Exps.</i>	73.2	73.5	62.7	62.7	62.1
<i>C/I Ratio</i>	43.3	41.6	41.6	41.4	41.3
<i>Provisions as % PPP</i>	24.5	39.5	29.7	21.5	18.6
<i>Credit Cost (As % of Op. AUM)</i>	2.0	3.5	2.9	2.1	1.8
<i>Effective Tax Rate</i>	27.8	25.0	25.3	25.3	25.3
<i>Employee Exp. / Assets</i>	0.8	0.7	0.9	0.9	1.0
<i>Other Opex/ Assets</i>	2.1	1.8	1.5	1.6	1.6
<i>Total Opex / Assets</i>	2.8	2.5	2.4	2.5	2.6
<i>Operating Profits / Assets</i>	3.7	3.5	3.4	3.5	3.6
<i>Op Profit ex Except Items / Assets</i>	3.7	3.5	3.4	3.5	3.6
<i>Provisions / Assets</i>	1.6	2.4	1.7	1.3	1.2
<i>Profit Before Tax / Assets</i>	2.1	1.1	1.7	2.2	2.5
<i>Tax Expenses / Assets</i>	0.6	0.3	0.4	0.6	0.6
<i>RoA</i>	1.5	0.8	1.3	1.7	1.9
<i>Leverage (x)</i>	9.1	8.4	8.4	8.2	8.1
<i>RoE</i>	14.6	7.3	10.5	13.9	15.0

Source: Company, LKP Research

Exhibit 10: Balance Sheet Ratios

Y/E Mar	FY20	FY21	FY22	FY23E	FY24E
Credit / Deposit Ratio	102.3	83.0	81.5	82.9	84.3
Incremental C/D Ratio	284.3	10.7	71.2	92.6	93.4
Investment Deposit Ratio	29.7	27.2	24.2	22.0	19.9
Dom. SLR Investment / Deposits	26.0	25.3	22.5	20.5	18.6
CASA Ratio	40.4	41.8	42.7	42.8	42.8

Source: Company, LKP Research

Exhibit 11: Credit Quality

Y/E Mar	FY20	FY21	FY22	FY23E	FY24E
Slippage Ratio	3.1	3.7	4.8	4.0	3.4
Gross NPA (Cl Bal)	51,467	57,950	55,172	62,056	71,263
Gross NPAs Ratio (%)	2.5	2.7	2.3	2.2	2.2
PCR (%)	63.3	74.5	72.3	72.8	72.7
Net NPA (Cl. Bal.)	18,866	14,766	15,298	16,864	19,486
Net NPAs Ratio (%)	0.9	0.7	0.6	0.6	0.6
Total Impaired Loans	51,467	57,950	55,172	62,056	71,263
Impaired Loan as % of Loan / AUM	2.5	2.7	2.3	2.2	2.2
Total Risk Reserves	32,602	43,184	39,873	45,193	51,776
Total Risk As % of Loan Book	1.6	2.0	1.7	1.6	1.6

Source: Company, LKP Research

Exhibit 12: Key Assumptions & Forecasts

Y/E Mar	FY20	FY21	FY22	FY23E	FY24E
Loan & Advances	20,67,832	21,25,954	23,90,515	27,72,998	32,72,137
Growth (yoy %)		2.8	12.4	16.0	18.0
Interest Bearing Liabilities	26,27,934	30,75,278	34,06,727	38,77,953	44,97,281
Growth (yoy %)		17.0	10.8	13.8	16.0
Yield on Funds	10.6	9.3	8.6	8.8	8.9
Cost of Funds (CoF)	6.6	5.4	4.9	4.9	4.9
Interest Spread	4.0	3.9	3.7	3.9	4.0
NIM's	4.4	4.4	4.2	4.3	4.5
Other Income Growth	23.1	(5.6)	12.9	12.9	12.9
C/I Ratio	43.3	41.6	41.6	41.4	41.3
Effective Tax Rate	27.8	25.0	25.3	25.3	25.3
Return Ratios					
Adj. RoA	1.5	0.8	1.3	1.7	1.9
Adj. RoE	14.6	7.3	10.5	13.9	15.0
Asset Quality Metrics					
Credit Cost (As % of Op. AUM)	2.0	3.5	2.9	2.1	1.8
Gross NPAs Ratio (%)	2.5	2.7	2.3	2.2	2.2
Net NPAs Ratio (%)	0.9	0.7	0.6	0.6	0.6

Source: Company, LKP Research

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