

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	ICICIBC IN
Equity Shares (m)	6,905
M.Cap.(INRb)/(USDb)	3943.2 / 52.6
52-Week Range (INR)	679 / 286
1, 6, 12 Rel. Per (%)	2/19/11
12M Avg Val (INR M)	15039

### Financials & Valuations (INR b)

Y/E March	FY21	FY22E	FY23E
NII	389.9	461.8	543.1
OP	364.0	389.8	465.9
NP	161.9	214.0	268.2
NIM (%)	3.7	3.9	3.9
EPS (INR)	24.2	30.9	38.8
EPS Gr (%)	97.0	27.9	25.4
ABV/Sh (INR)	188.0	216.3	251.7
Cons. BV/Sh (INR)	204.3	235.9	274.2

### Ratios

RoE (%)	12.6	13.9	15.2
RoA (%)	1.4	1.6	1.7

### Valuations

P/BV (x) (Cons)	2.8	2.4	2.1
P/ABV (x)	2.2	1.9	1.7
P/E (x)	17.3	13.5	10.8

\*Adjusted for Investment in Subs

### Shareholding pattern (%)

As On	Mar-21	Dec-20	Mar-20
Promoter	0.0	0.0	0.0
DII	33.2	34.3	36.4
FII	58.9	58.0	54.5
Others	7.9	7.7	9.1

FII Includes depository receipts

**CMP: INR570**

**TP: INR750 (+32%)**

**Buy**

### Operating performance steady; treasury loss drives earnings miss

#### Asset quality improves; higher prudential provisioning provides comfort

- ICICIBC reported strong performance on the business front, with loan growth showing robust trends across Retail, SME, and Corporate portfolio. Core operating performance remains robust even as muted fee income trends and treasury loss resulted in a PAT miss.
- On the asset quality front, controlled slippages of INR55b and healthy recoveries and upgrades resulted in QoQ improvement in GNPA/NNPA ratio to 4.96%/1.14% (v/s pro forma GNPA/NNPA ratio of 5.42%/1.26%). PCR stood ~78%, the highest in the industry. Restructured loans were controlled at 0.5% of loans. The bank still holds a COVID-related provision buffer of INR74.75b (~100bp of loans) despite utilizing provisions of INR35.1b during 4QFY21. This provides comfort on normalization in credit cost. However, the surge in COVID-19 cases and the resultant impact from regional lockdowns would be a key to watch in the near term. **Maintain Buy.**

#### Strong business performance; margin expands 17bp

- PAT stood ~INR44b (below our estimate), largely affected by treasury loss and muted fee income trends. NII growth was strong at 16.8% (in line), led by recovery in loan growth and 17bp QoQ improvement in margin to 3.84%. During FY21, NII/PPOP grew 17%/29.5%, while PAT grew 104% YoY to ~INR162b.
- Other income declined 3% YoY (19% below our estimate) to INR41.1b, affected by treasury loss of INR250m and muted fee income trends (6% YoY). Retail contributed 77% of total fees. Opex grew 3.6% YoY, enabling core PPOP growth of 20% YoY.
- On the provisioning front, the bank utilized contingency provision of INR35.1b towards pro forma NPAs, while making additional COVID-19 related provisions of INR10b. Overall, the bank made total provisions of INR28.8b during 4QFY21. The bank now holds COVID-19 related provisions of INR74.75b (1% of loans).
- Advances growth was robust (14% YoY, 5% QoQ), with domestic book growing 18% YoY, led by strong revival across business segments. Retail/Corporate grew 6.6%/3.9% QoQ, while SME grew 11.8%. It has disbursed INR127b/INR15b under ECLGS 1.0/2.0. Within Retail, robust sequential trends was seen in Mortgage (~8% QoQ), Personal loans (6.4% QoQ), and Rural loans (~7% QoQ). On the liability front, deposit growth stood at 21% YoY, led by CASA (24% YoY). Average CASA mix improved to 42.5% (v/s 41.8% in 3QFY21).

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- **Asset quality:** Fresh slippages stood at INR55.2b (v/s pro forma slippages of INR73.4b in 3QFY21). Also, higher recoveries and upgrades in the corporate/SME book of INR17.4b enabled GNPA/NNPA decline to 4.96%/1.14% (v/s pro forma GNPA/NNPA ratio of 5.42%/1.26% in 3QFY21), while PCR stood at 77.7%. Total restructured loans stood at INR39.3b (0.5% of loans), of which INR20.1b is in the Retail portfolio and INR19.1b is in the SME/Corporate portfolio. The BB and below portfolio declined to ~INR131b (v/s INR136.5b in 3QFY21).

#### Highlights from the management commentary

- The bank is seeing healthy issuance of Credit Cards and strong market share gains.
- The impact of refund of interest on interest charged during the moratorium period stood at INR1.75b (4bp NIM impact).
- There are three corporate accounts (one LRD + two Commercial Real Estate), which got restructured.

#### Valuation and view

- ICICIBC reported a strong quarter, led by healthy business performance across all business segments. Strong operating performance was aided by healthy NII growth (17bp NIM expansion), though weak other income affected net earnings. Asset quality remains under control with controlled slippages and total restructuring at 0.5% of loans. Provision coverage remains best in the industry. The bank holds a COVID-related provision buffer of INR74.75b (1% of loans), providing comfort on anticipated normalization in credit cost. However, rising COVID-19 cases and regional lockdown would be a key to watch out for in the near term. Liability franchise continues to improve with healthy CASA growth. The bank has delivered double-digit RoE (~12.6%) for the first time post FY17 and we expect RoA/RoE to improve to 1.7%/15.2% in FY23E. **Buy with a revised SoTP-based TP of INR750/share (2.4x FY23E ABV for standalone bank).**

#### Quarterly performance (INR b)

	FY20				FY21				FY20	FY21	4Q v/s our FY21E estimate	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Interest Income</b>	<b>77.4</b>	<b>80.6</b>	<b>85.5</b>	<b>89.3</b>	<b>92.8</b>	<b>93.7</b>	<b>99.1</b>	<b>104.3</b>	<b>332.7</b>	<b>389.9</b>	<b>105.6</b>	<b>-1%</b>
% Change (YoY)	26.8	25.6	24.3	17.1	19.9	16.2	16.0	16.9	23.1	17.2	18.3	
Other Income	34.3	41.9	45.7	42.5	61.4	40.3	46.9	41.1	164.5	189.7	50.5	-19%
<b>Total Income</b>	<b>111.6</b>	<b>122.5</b>	<b>131.2</b>	<b>131.8</b>	<b>154.2</b>	<b>133.9</b>	<b>146.0</b>	<b>145.4</b>	<b>497.2</b>	<b>579.6</b>	<b>156.1</b>	<b>-7%</b>
Operating Expenses	48.7	53.8	55.7	57.9	46.5	51.3	57.8	60.0	216.1	215.6	61.9	-3%
<b>Operating Profit</b>	<b>62.9</b>	<b>68.7</b>	<b>75.5</b>	<b>73.9</b>	<b>107.8</b>	<b>82.6</b>	<b>88.2</b>	<b>85.4</b>	<b>281.0</b>	<b>364.0</b>	<b>94.2</b>	<b>-9%</b>
% Change (YoY)	8.3	30.9	22.8	18.6	71.4	20.2	16.8	15.6	19.9	29.5	27.4	
Provisions	35.0	25.1	20.8	59.7	75.9	30.0	27.4	28.8	140.5	162.1	30.2	-5%
<b>Profit before Tax</b>	<b>27.9</b>	<b>43.7</b>	<b>54.7</b>	<b>14.2</b>	<b>31.8</b>	<b>52.7</b>	<b>60.8</b>	<b>56.6</b>	<b>140.5</b>	<b>201.8</b>	<b>64.0</b>	<b>-12%</b>
Tax	8.8	37.1	13.2	2.0	5.8	10.1	11.4	12.5	61.2	39.9	12.4	1%
<b>Net Profit</b>	<b>19.1</b>	<b>6.5</b>	<b>41.5</b>	<b>12.2</b>	<b>26.0</b>	<b>42.5</b>	<b>49.4</b>	<b>44.0</b>	<b>79.3</b>	<b>161.9</b>	<b>51.6</b>	<b>-15%</b>
% Change (YoY)	NM	-27.9	158.4	26.0	36.2	549.1	19.1	260.5	135.8	104.2	322.2	
<b>Operating Parameters</b>												
Deposit	6,607	6,963	7,163	7,710	8,016	8,329	8,743	9,325	7,710	9,325	9,175	2%
Loan	5,924	6,134	6,357	6,453	6,312	6,526	6,990	7,337	6,453	7,337	7,324	0%
Deposit Growth (%)	20.8	24.6	18.1	18.1	21.3	19.6	22.1	21.0	18.1	21.0	19.0	195
Loan Growth (%)	14.7	12.6	12.6	10.0	6.5	6.4	10.0	13.7	10.0	13.7	13.5	21
<b>Asset Quality</b>												
Gross NPA (%)	7.3	7.0	6.5	6.1	6.1	5.2	4.4	5.0	6.1	5.0	5.5	(57)
Net NPA (%)	1.8	1.6	1.5	1.4	1.2	1.0	0.6	1.1	1.4	1.1	1.2	(5)
PCR (%)	74.1	76.1	76.1	75.6	78.5	81.6	86.1	77.8	75.7	77.8	79.4	(158)

## Quarterly snapshot

Profit & Loss (INR b)	FY19				FY20				FY21				Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
<b>Interest Income</b>	<b>147.2</b>	<b>151.1</b>	<b>162.8</b>	<b>172.9</b>	<b>179.8</b>	<b>185.7</b>	<b>190.6</b>	<b>191.9</b>	<b>199.2</b>	<b>196.2</b>	<b>197.3</b>	<b>198.4</b>	<b>3</b>	<b>1</b>
Loans	109.8	115.1	125.2	129.3	136.2	143.0	148.0	148.4	145.8	140.4	140.3	146.4	-1	4
Investment	31.4	30.9	32.4	33.4	36.5	37.3	36.8	36.2	41.9	43.1	41.2	39.1	8	-5
Others	6.0	5.1	5.2	10.3	7.2	5.4	5.9	7.3	11.6	12.7	15.7	12.9	76	-18
<b>Interest Expenses</b>	<b>86.2</b>	<b>86.9</b>	<b>94.1</b>	<b>96.7</b>	<b>102.4</b>	<b>105.1</b>	<b>105.2</b>	<b>102.6</b>	<b>106.4</b>	<b>102.6</b>	<b>98.2</b>	<b>94.1</b>	<b>-8</b>	<b>-4</b>
<b>Net Interest Income</b>	<b>61.0</b>	<b>64.2</b>	<b>68.8</b>	<b>76.2</b>	<b>77.4</b>	<b>80.6</b>	<b>85.5</b>	<b>89.3</b>	<b>92.8</b>	<b>93.7</b>	<b>99.1</b>	<b>104.3</b>	<b>17</b>	<b>5</b>
<b>Other Income</b>	<b>38.5</b>	<b>31.6</b>	<b>38.8</b>	<b>36.2</b>	<b>34.3</b>	<b>41.9</b>	<b>45.7</b>	<b>42.5</b>	<b>61.4</b>	<b>40.3</b>	<b>46.9</b>	<b>41.1</b>	<b>-3</b>	<b>-12</b>
Trading profits	7.7	-0.4	4.8	1.6	1.8	3.4	5.3	2.4	37.6	5.4	7.7	-0.3	NM	NM
Fee Income	27.5	30.0	30.6	31.8	30.4	34.8	36.0	36.0	21.0	31.4	36.0	38.2	6	6
Others	3.3	2.0	3.4	2.9	2.1	3.8	4.5	4.1	2.8	3.5	3.2	3.2	-23	1
<b>Total Income</b>	<b>99.5</b>	<b>95.7</b>	<b>107.6</b>	<b>112.4</b>	<b>111.6</b>	<b>122.5</b>	<b>131.2</b>	<b>131.8</b>	<b>154.2</b>	<b>133.9</b>	<b>146.0</b>	<b>145.4</b>	<b>10</b>	<b>0</b>
<b>Operating Expenses</b>	<b>41.5</b>	<b>43.2</b>	<b>46.1</b>	<b>50.1</b>	<b>48.7</b>	<b>53.8</b>	<b>55.7</b>	<b>57.9</b>	<b>46.5</b>	<b>51.3</b>	<b>57.8</b>	<b>60.0</b>	<b>4</b>	<b>4</b>
Employee	15.1	16.6	17.3	19.0	19.5	21.4	19.4	22.3	21.7	19.7	19.5	20.1	-10	3
Others	26.3	26.6	28.8	31.1	29.2	32.4	36.3	35.6	24.8	31.7	38.3	39.9	12	4
<b>Operating Profit</b>	<b>58.1</b>	<b>52.5</b>	<b>61.5</b>	<b>62.3</b>	<b>62.9</b>	<b>68.7</b>	<b>75.5</b>	<b>73.9</b>	<b>107.8</b>	<b>82.6</b>	<b>88.2</b>	<b>85.4</b>	<b>16</b>	<b>-3</b>
<b>Core Operating Profit</b>	<b>50.4</b>	<b>52.8</b>	<b>56.7</b>	<b>60.8</b>	<b>61.1</b>	<b>65.3</b>	<b>70.2</b>	<b>71.5</b>	<b>70.1</b>	<b>77.2</b>	<b>80.5</b>	<b>85.6</b>	<b>20</b>	<b>6</b>
<b>Provisions</b>	<b>59.7</b>	<b>39.9</b>	<b>42.4</b>	<b>54.5</b>	<b>35.0</b>	<b>25.1</b>	<b>20.8</b>	<b>59.7</b>	<b>75.9</b>	<b>30.0</b>	<b>27.4</b>	<b>28.8</b>	<b>-52</b>	<b>5</b>
<b>PBT</b>	<b>-1.6</b>	<b>12.6</b>	<b>19.0</b>	<b>7.8</b>	<b>27.9</b>	<b>43.7</b>	<b>54.7</b>	<b>14.2</b>	<b>31.8</b>	<b>52.7</b>	<b>60.8</b>	<b>56.6</b>	<b>298</b>	<b>-7</b>
Taxes	-0.4	3.5	3.0	-1.9	8.8	37.1	13.2	2.0	5.8	10.1	11.4	12.5	523	10
<b>PAT</b>	<b>-1.2</b>	<b>9.1</b>	<b>16.0</b>	<b>9.7</b>	<b>19.1</b>	<b>6.5</b>	<b>41.5</b>	<b>12.2</b>	<b>26.0</b>	<b>42.5</b>	<b>49.4</b>	<b>44.0</b>	<b>260</b>	<b>-11</b>
<b>Balance Sheet (INR b)</b>														
<b>Loans</b>	<b>5,163</b>	<b>5,445</b>	<b>5,643</b>	<b>5,866</b>	<b>5,924</b>	<b>6,134</b>	<b>6,357</b>	<b>6,453</b>	<b>6,312</b>	<b>6,526</b>	<b>6,990</b>	<b>7,337</b>	<b>14</b>	<b>5</b>
Investments	1,864	1,875	1,977	2,077	2,200	2,234	2,275	2,495	3,019	2,896	2,753	2,813	13	2
<b>Deposits</b>	<b>5,469</b>	<b>5,587</b>	<b>6,068</b>	<b>6,529</b>	<b>6,607</b>	<b>6,963</b>	<b>7,163</b>	<b>7,710</b>	<b>8,016</b>	<b>8,329</b>	<b>8,743</b>	<b>9,325</b>	<b>21</b>	<b>7</b>
Borrowings	1,620	1,747	1,643	1,653	1,567	1,510	1,374	1,629	1,649	1,364	1,116	916	-44	-18
<b>Total Assets</b>	<b>8,451</b>	<b>8,743</b>	<b>9,124</b>	<b>9,645</b>	<b>9,638</b>	<b>9,970</b>	<b>10,071</b>	<b>10,984</b>	<b>11,386</b>	<b>11,630</b>	<b>11,932</b>	<b>12,304</b>	<b>12</b>	<b>3</b>
<b>Asset Quality (INR b)</b>														
GNPA	534.6	544.9	515.9	462.9	457.6	456.4	434.5	414.1	403.9	389.9	348.6	413.7	0	19
NNPA	241.7	220.9	162.5	135.8	118.6	109.2	103.9	101.1	86.7	71.9	48.6	91.8	-9	89
<b>Deposits Break Up</b>														
<b>CASA Deposits</b>	<b>2,763</b>	<b>2,835</b>	<b>2,994</b>	<b>3,239</b>	<b>2,989</b>	<b>3,250</b>	<b>3,364</b>	<b>3,478</b>	<b>3,406</b>	<b>3,646</b>	<b>3,954</b>	<b>4,316</b>	<b>24</b>	<b>9</b>
% of total Deposits	51	51	49	50	45	47	47	45	42	44	45	46		
Savings	1,996	2,075	2,108	2,277	2,185	2,306	2,354	2,456	2,448	2,571	2,787	2,955	20	6
% of total Deposits	36	37	35	35	33	33	33	32	31	31	32	32		
Current	767	761	886	963	804	944	1,010	1,022	958	1,075	1,167	1,362	33	17
% of total Deposits	14	14	15	15	12	14	14	13	12	13	13	15		
Term Deposits	2,706	2,751	3,074	3,290	3,619	3,713	3,799	4,232	4,610	4,684	4,789	5,009	18	5
% of total Deposits	49	49	51	50	55	53	53	55	58	56	55	54		
<b>Loan Break Up</b>														
<b>Agriculture</b>														
SME Loans	239	147	162	179	177	191	216	226	208	235	273	308	36	13
Corporate Loans	1,309	1,490	1,477	1,529	1,515	1,533	1,595	1,607	1,591	1,573	1,699	1,761	10	4
Retail Loans	2,970	3,118	3,332	3,528	3,636	3,810	3,979	4,078	4,046	4,294	4,586	4,894	20	7
<i>of which</i>														
- Housing	1,545	1,609	1,713	1,782	1,840	1,909	1,966	2,002	2,011	2,117	2,256	2,437	22	8
- Personal Loans	223	249	277	310	345	377	422	453	441	447	463	494	9	7
- Credit Cards	104	106	113	123	138	149	163	155	146	155	174	171	11	-2
- Others	1,099	1,154	1,230	1,313	1,313	1,375	1,429	1,468	1,448	1,576	1,692	1,791	22	6
<b>International Loans</b>	<b>644</b>	<b>691</b>	<b>672</b>	<b>630</b>	<b>596</b>	<b>600</b>	<b>566</b>	<b>542</b>	<b>473</b>	<b>424</b>	<b>433</b>	<b>374</b>	<b>-31</b>	<b>-14</b>
<b>Loan Mix (%)</b>													<b>Change (bp)</b>	
SME Loans	4.6	2.7	2.9	3.1	3.0	3.1	3.4	3.5	3.3	3.6	3.9	4.2	70	30
Corporate Loans	25.4	27.4	26.2	26.1	25.6	25.0	25.1	24.9	25.2	24.1	24.3	24.0	-90	-30
Retail	57.5	57.3	59.0	60.1	61.4	62.1	62.6	63.2	64.1	65.8	65.6	66.7	350	110
International Loans	12.5	12.7	11.9	10.7	10.1	9.8	8.9	8.4	7.5	6.5	6.2	5.1	-330	-110

## Quarterly snapshot continued

Ratios (%)	FY19				FY20				FY20				Change (bps)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
<b>Asset Quality Ratios</b>														
GNPA	8.8	8.5	7.8	6.7	6.5	6.4	6.0	5.5	5.5	5.2	4.4	5.0	-57	58
NNPA	4.2	3.7	2.6	2.1	1.8	1.6	1.5	1.4	1.2	1.0	0.6	1.1	-27	51
PCR (Calculated)	54.8	59.5	68.5	70.7	74.1	76.1	76.1	75.6	78.5	81.6	86.1	77.8	224	-825
Credit Cost	4.6	3.0	3.1	3.8	2.4	1.7	1.3	3.7	4.8	1.9	1.6	1.6	-212	-1
<b>Business Ratios</b>														
Fees to Total Income	27.7	31.3	28.5	28.3	27.2	28.4	27.4	27.3	13.6	23.4	24.7	26.2	-106	157
Cost to Core Income	45.1	45.0	44.9	45.2	44.4	45.1	44.3	44.8	39.8	39.9	41.8	41.2	-355	-57
Tax Rate	26.6	27.6	15.6	-23.9	31.7	85.0	24.1	14.1	18.3	19.3	18.7	22.2	802	343
CASA	50.5	50.8	49.3	49.6	45.2	46.7	47.0	45.1	42.5	43.8	45.2	46.3	120	110
Dom. Loan/Deposit	82.6	85.1	81.9	80.2	80.6	79.5	80.8	76.7	72.8	73.3	75.0	74.7	-200	-32
Loan/Deposit	94.4	97.5	93.0	89.8	89.7	88.1	88.7	83.7	78.7	78.4	79.9	78.7	-502	-127
<b>Profitability Ratios</b>														
Yield on loans	8.7	8.8	9.0	9.3	9.4	9.5	9.5	9.4	9.3	8.9	8.4	8.5	-96	1
Yield on Investments	6.4	6.6	6.7	6.6	6.8	6.7	6.5	6.1	6.1	5.8	5.8	5.6	-45	-21
Yield on Funds	7.7	7.9	8.1	8.5	8.4	8.4	8.4	8.3	7.9	7.5	7.3	7.3	-101	1
Cost of funds	5.0	5.0	5.1	5.2	5.2	5.2	5.1	4.9	4.6	4.4	4.1	4.0	-97	-16
Margin	3.2	3.3	3.4	3.7	3.6	3.6	3.8	3.9	3.7	3.6	3.7	3.8	-3	17
RoA (Cal)	-0.1	0.4	0.7	0.4	0.8	0.3	1.7	0.5	1.0	1.5	1.7	1.5	102	-19
RoE (Cal)	0.0	3.4	6.0	3.6	7.0	2.4	14.6	4.2	8.9	13.2	14.0	12.3	810	-170
<b>Other Details</b>														
Branches	4,867	4,867	4,867	4,874	4,882	5,228	5,275	5,324	5,324	5,288	5,267	5,266	-58	-1
ATM	14,394	14,417	14,944	14,987	15,101	15,159	15,589	15,688	15,661	15,158	14,655	14,136	-1,552	-519

## Highlights from the management commentary

## Opening comments

- Power demand, e-way bill generation, property registration, vehicle registrations, and GST collections continue to witness an improvement.
- The management's focus remains on risk calibrated profits, leveraging synergies, and building partnerships.



## Balance Sheet and P&amp;L related

- **ICICIBC disbursed INR127b/INR15b under ECLGS 1.0/2.0.**
- Overseas book continues to decline. It is progressively exiting exposures that are not linked to India. The non-India linked overseas portfolio declined 56% YoY.
- In the Credit Card book, ICICIBC is the fastest to cross co-branded card base of over 1m and the count stands at 1.6m at the end of FY21. Overall, the bank is witnessing healthy issuance of Credit Cards and strong market share gains.
- The bank continues to strengthen its digital infrastructure. In a span of four months, over 1.5m activations were carried out by non-ICICIBC customers on its iMobile Pay app. It also witnessed a 4x increase in monthly transactions in its merchant acquisition app.
- The impact of interest on interest waiver on the NIM is just 4bp, and the estimated amount is INR1.75b.
- Total employee count stood at 98,750.
- The decline in Debit Cards is mainly due to the removal of inactive cards.
- Within ICICI Home Finance, credit cost/GNPA remains higher due to the Builder Finance portfolio, while ICICIBC has a pure Mortgage portfolio.

- Corporate fees remain muted, while the trend in Retail fees remains robust. Lending-linked fee remains decent, while third-party distribution fees saw muted trends.

### Asset quality

- Slippages in FY21/4Q stood at INR161b/INR55b (excluding pro forma slippages up to Dec'20). In 4QFY21, Retail slippages stood at INR43.5b, while the same for SME/Corporate stood at INR11.68b. With the surge in COVID-19 cases, the management said is difficult to guide on the retail slippages trend in the near term.
- Restructured book stood at INR39.3b (0.5% of total loans), of which INR20.1b is in the Retail segment, while INR19.1b is in the SME/Corporate book. The bank holds provisions of ~INR7.2b in its restructured book. Within the Corporate portfolio, one LRD account and two Commercial Real Estate accounts were restructured.
- In the BB and below portfolio, only two accounts (Construction and Telecom) have exposure above INR6b, while the rest are all smaller accounts.
- Around 13% of the builder portfolio was either rated BB and below or part of the NPA portfolio.

## Key exhibits

### Exhibit 1: Net stressed loans declines to 2.7% of total loans

INR b	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21
GNPA	516	463	458	456	435	414	404	390	349	414
Security receipts	33	33	33	33	21	19	19	19	18	14
BB and below (fund-based)	137	116	101	109	122	102	107	103	121	102
<b>Stress loans</b>	<b>686</b>	<b>611</b>	<b>591</b>	<b>598</b>	<b>577</b>	<b>536</b>	<b>530</b>	<b>512</b>	<b>488</b>	<b>533</b>
Less: Overlap	4	4	2	2	2	2	2	2	2	14
<b>Gross stress loans</b>	<b>682</b>	<b>608</b>	<b>590</b>	<b>596</b>	<b>575</b>	<b>534</b>	<b>528</b>	<b>509</b>	<b>486</b>	<b>519</b>
Specific provisions	353	327	339	347	331	313	317	318	300	322
<b>Net stress loans</b>	<b>329</b>	<b>281</b>	<b>250</b>	<b>249</b>	<b>244</b>	<b>221</b>	<b>211</b>	<b>191</b>	<b>186</b>	<b>197</b>
<b>Gross stress loans (% of advances)</b>	<b>12.1</b>	<b>10.4</b>	<b>10.0</b>	<b>9.7</b>	<b>9.0</b>	<b>8.3</b>	<b>8.4</b>	<b>7.8</b>	<b>7.0</b>	<b>7.1</b>
<b>Net stress loans (% of advances)</b>	<b>5.8</b>	<b>4.8</b>	<b>4.2</b>	<b>4.1</b>	<b>3.8</b>	<b>3.4</b>	<b>3.3</b>	<b>2.9</b>	<b>2.7</b>	<b>2.7</b>

### Exhibit 2: A snapshot of the performance of subsidiaries

PAT (INR m)	FY19				FY20				FY21				Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
I Sec	1,340	1,340	1,010	1,220	1,140	1,350	1,370	1,560	1,930	2,780	2,670	3,290	111	23
I Sec PD	-330	-430	1,190	240	690	1,400	970	260	3,460	260	1,320	660	154	-50
I Venture	30	-40	20	690	220	-40	30	-70	260	-80	-20	-120	71	500
Pru. AMC	760	1,960	1,960	2,170	2,190	3,050	3,050	2,170	2,570	2,820	3,580	3,480	60	-3
ICICI Home Finance	230	110	90	-30	-60	-610	30	640	10	20	30	150	-77	400
ICIC Life Insurance	2,820	3,010	2,970	2,610	2,850	3,020	3,020	1,790	2,880	3,030	3,060	640	-64	-79
ICICI Gen. Insurance	2,890	2,930	2,390	2,280	3,100	3,080	2,940	2,820	3,980	4,160	3,140	3,460	23	10
Consol. adjustment	-6,494	-5,919	-6,939	-7,171	-4,070	-6,490	-6,175	-8,874	-9,902	-6,683	-8,196	-6,726	-24	-18
<b>Subsidiaries PAT</b>	<b>1,246</b>	<b>2,961</b>	<b>2,691</b>	<b>2,009</b>	<b>6,060</b>	<b>4,760</b>	<b>5,235</b>	<b>296</b>	<b>5,188</b>	<b>6,307</b>	<b>5,584</b>	<b>4,834</b>	<b>1,531</b>	<b>-13</b>
ICICI Bank	-1,196	9,089	16,049	9,691	19,080	6,550	41,465	12,214	25,992	42,513	49,396	44,026	260	-11
<b>Consol. profit</b>	<b>50</b>	<b>12,050</b>	<b>18,740</b>	<b>11,700</b>	<b>25,140</b>	<b>11,310</b>	<b>46,700</b>	<b>12,510</b>	<b>31,180</b>	<b>48,820</b>	<b>54,980</b>	<b>48,860</b>	<b>291</b>	<b>-11</b>

Deposit growth was led by ~24% YoY growth in CASA deposits

### Deposit growth led by CASA deposits, margin expands 17bp QoQ

- Deposits grew 21%/7% YoY/QoQ to INR9.3t, led by healthy growth in CASA deposits, which grew ~24%/~9% YoY/QoQ, and term deposits, which grew at ~18% YoY (+5%). CA/SA deposits grew 16.6%/6% QoQ. CASA mix increased 110bp QoQ to 46.3% (70bp increase on an average).
- NIMs expanded 17bp QoQ to 3.84% as the cost of deposits declined to 3.8% (-17bp QoQ). Domestic margin expanded 16bp QoQ to 3.94%, while overseas NIM grew 10bp to 0.44%.

Domestic loan growth stood ~18% YoY, led by ~20% growth in retail book, which now forms 66.7% of total loans

### Strong sequential loan growth; retail loans grew 20% YoY

- Loan growth stood ~14% YoY (+5% QoQ) to INR7.3t, which was driven by 20% growth in retail loans. Domestic loans grew ~18% YoY, while international loans fell ~30%. The proportion of international loans in overall loans declined further to 5.1% (v/s 6.2% in 3QFY21).
- Retail loans grew ~20% YoY (6.6% QoQ), within which Home/Personal loans grew ~22%/~9% and Business Banking grew ~41%. Growth in Credit Cards/Vehicle loans stood at 11%/10% YoY.
- SME loans grew 33% YoY (+12% QoQ) and forms 4.2% of total loans.
- Corporate loans grew 10.1% YoY (+3.9% QoQ), while performing domestic Corporate loans grew 13% YoY.

Quantum of BB and below exposure stood at INR175b (2.4% of loans)

### BB and below pool (including non-fund based) at 2.4% of loans; PCR healthy at 77.8%

- Total slippages in 4QFY21 (excluding pro forma slippages till Dec'20) stood at INR55.2b, with Retail slippages at INR43.55b, while Corporate and SME slippages stood at INR11.68b.
- Absolute GNPA/NNPA stood at INR413.7b/INR91.8b. GNPA/NNPA ratio stood at 4.96%/1.14% v/s pro forma GNPA/NNPA of 5.42%/1.96% in Dec'20. PCR stood at 77.8%.
- In addition to reported PCR, the bank is carrying additional provision of INR74.75b (1% of loans), while INR14.92b is on non-fund based outstanding to NPAs. The bank holds INR51.77b of general provisions on standard assets and other provisions.
- Total restructuring for the bank stood at INR39.3b (0.5% of loans). It is carrying provisions of INR7.16b on the same. The BB and below book stood at INR175b (2.4% of loans – including non-fund outstanding to NPLs). SR portfolio stands at INR17.3b.

Provision of INR14.92b was held against non-fund outstanding to NPLs

**Exhibit 3: ICICIB total exposure: BB and below book stands at 2.4% of total loans (including non-fund outstanding to NPLs)**

INR b	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21
Gross restructured loans							
Non-fund o/s to restructured loans	2.2	2.0	1.8	1.7	2.1	1.6	14.1
Non-fund o/s to non-performing loans	33.7	39.2	50.6	48.3	42.4	44.1	44.1
Borrowers with o/s greater than INR1b	85.9	98.7	81.3	85.3	80.8	95.2	79.2
Borrowers with o/s less than INR1b	38.9	34.2	32.9	35.8	36.4	39.7	37.8
<b>BB and below outstanding</b>	<b>160.7</b>	<b>174.0</b>	<b>166.7</b>	<b>171.1</b>	<b>161.7</b>	<b>180.6</b>	<b>175.0</b>

Of the other borrowers ~85% were rated A- and above (excluding exposure to State Electricity Boards)

**Exhibit 4: Power sector exposure stands at INR340b**

INR b	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	%
Gross restructured loans	92.3	86.8	86.4	84.7	82.2	23
Other borrowers*	288.0	267.6	248.9	255.3	276.4	77
<b>Total Power sector exposure</b>	<b>380.3</b>	<b>354.5</b>	<b>335.3</b>	<b>340.0</b>	<b>358.6</b>	<b>100</b>

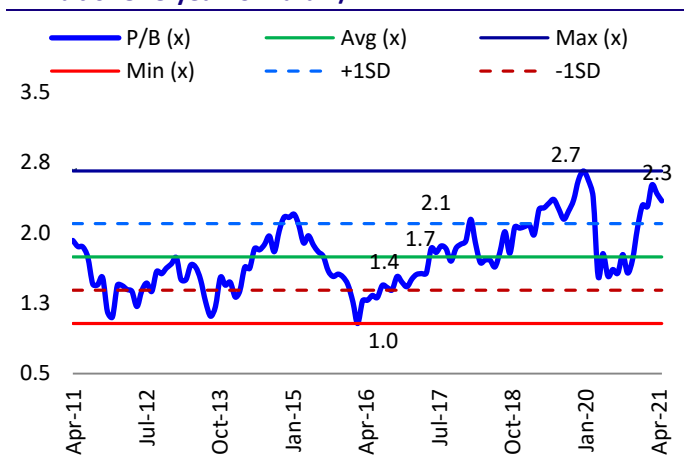
### Valuation and view

- **Robust liability franchise:** ICICIB continues to deliver strong growth in retail deposits and has succeeded in building a robust liability franchise over the past few years. Total/CASA deposits grew ~17% CAGR each over FY16-21, thus enabling the bank to have one of the highest CASA mix among peers. It has one of the lowest funding costs among Private Banks, which enables it to underwrite profitable business without taking undue Balance Sheet risk.
- **Asset quality remains steady** as the bank saw a decline in its GNPA/NNPA to 4.96%/1.14% v/s pro-forma GNPA/NNPA of 5.42%/1.26% in 3QFY21. BB and below pool declined, which provides further comfort. Restructuring book remains under control ~0.5% of loans, providing further comfort on the overall impact of COVID-19. PCR remains healthy at 77.8%, which, along with the additional provision buffer of INR74.8b, should keep credit cost under check. We estimate credit cost of 1.3%/1.2% for FY22E/FY23E.
- Retail fees forms ~77% of total bank fees, signifying granularity in fee income. The latter has seen a healthy traction over 2HFY21. We expect the trend to gradually rise as economic activity picks up further.
- **Buy with a TP of INR750/share:** ICICIB reported a strong quarter, led by healthy business performance across all business segments. Strong operating performance was aided by healthy NII growth (17bp NIM expansion), though weak other income affected net earnings. Asset quality remains under control with controlled slippages and total restructuring at 0.5% of loans. Provision coverage remains best in the industry. The bank holds a COVID-related provision buffer of INR74.75b (1% of loans), providing comfort on anticipated normalization in credit cost. However, rising COVID-19 cases and regional lockdown would be a key to watch out for in the near term. Liability franchise continues to improve with healthy CASA growth. The bank has delivered double-digit RoE (~12.6%) for the first time post FY17 and we expect RoA/RoE to improve to 1.7%/15.2% in FY23E. **Maintain Buy with a revised SoTP-based TP of INR750/share (2.4x FY23E ABV for standalone bank).**

**Exhibit 5: SoTP-based pricing**

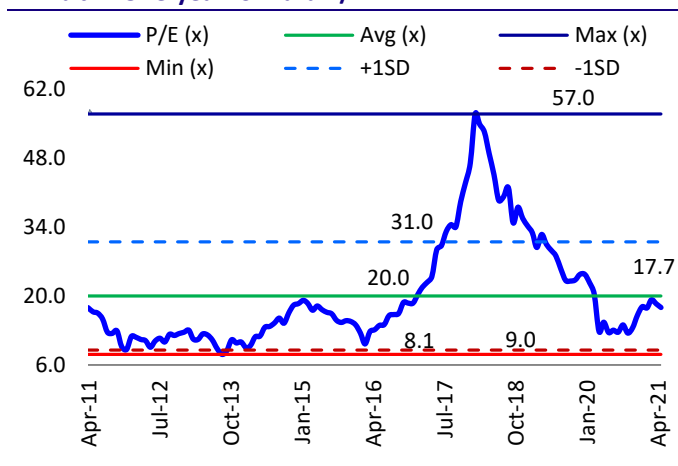
	Stake (%)	Total value (INR b)	Value per share (INR)	% of total value	Rationale
<b>ICICI Bank</b>	<b>100</b>	<b>4,133</b>	<b>598</b>	<b>79.7</b>	<b>❖ 2.4x FY23E ABV</b>
ICICI Pru. Life Insurance	51	442	64	8.5	❖ 2.3x FY23E Embedded Value
ICICI Lombard Gen. Ins.	52	358	52	6.9	❖ 30x FY23E PAT
ICICI Pru. AMC	51	185	27	3.6	❖ 23x FY23E PAT
ICICI Securities	77	203	29	3.9	❖ 23x FY23E PAT
ICICI Bank UK	100	27	4	0.5	❖ 0.8x FY23E Net-worth
ICICI Bank Canada	100	32	5	0.6	❖ 0.8x FY23E Net-worth
Others (Ventures, Home Finance, PD)	100	70	10	1.3	
<b>Total Value of Ventures</b>		<b>1,318</b>	<b>191</b>	<b>25.4</b>	
Less: 20% holding Discount		264	38	5.1	
<b>Value of Key Ventures (Post Holding Co. Disc)</b>		<b>1,054</b>	<b>152</b>	<b>20.3</b>	
<b>Target Price Post 20% Holding Co. Disc.</b>		<b>5,188</b>	<b>750</b>		

**Exhibit 6: One-year forward P/B**



Source: MOFSL, Company

**Exhibit 7: One-year forward P/E**

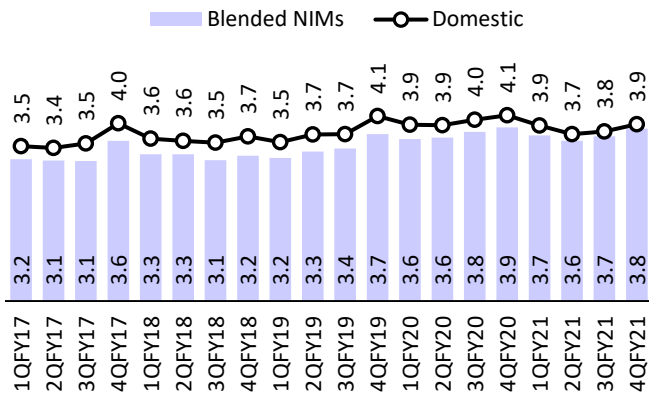


Source: MOFSL, Company



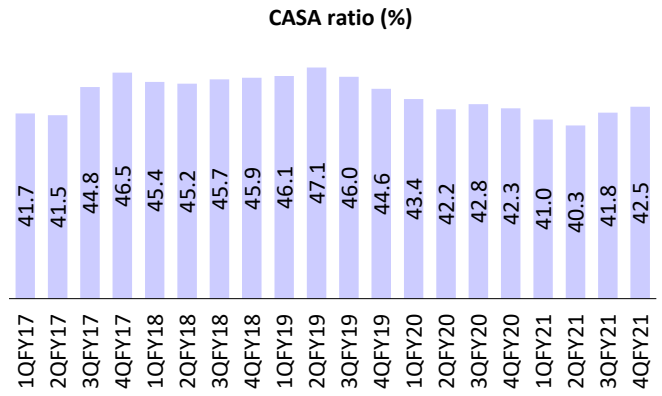
Story in charts

Exhibit 8: Domestic NIM expands 16bp QoQ to 3.94%



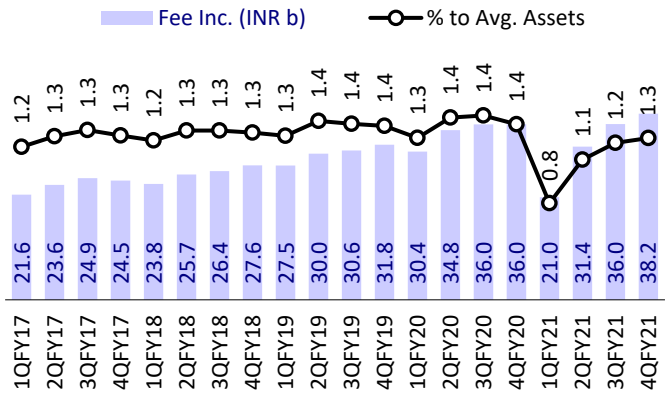
Source: MOFSL, Company

Exhibit 9: Average daily CASA ratio improves 70bp QoQ



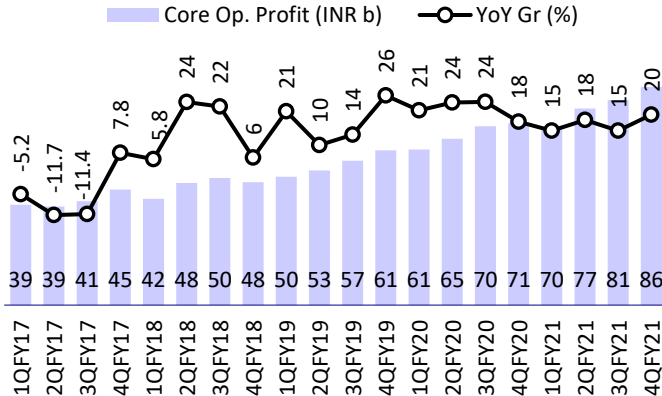
Source: MOFSL, Company

Exhibit 10: Fee income witnesses a sequential pick-up



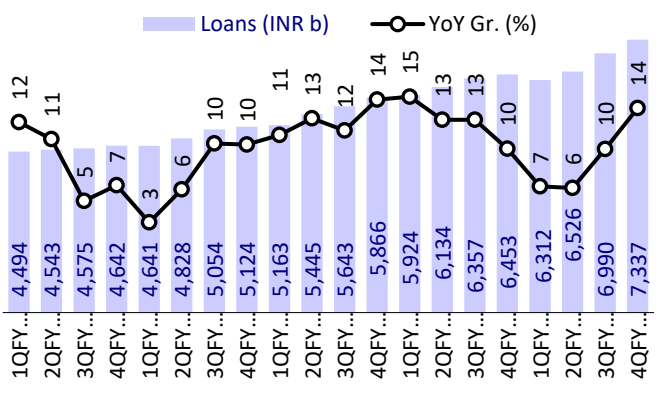
Source: MOFSL, Company

Exhibit 11: Core operating profit up 20% YoY



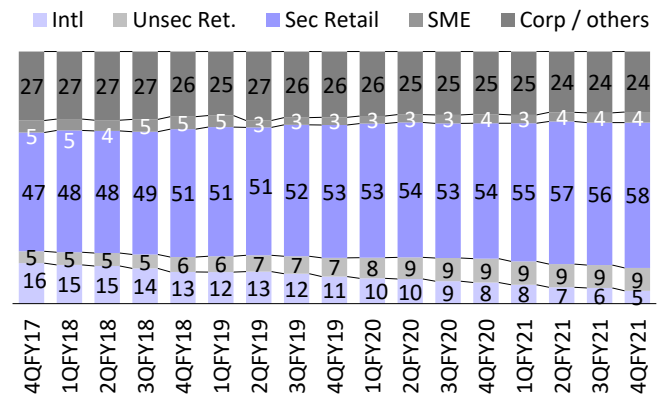
Source: MOFSL, Company

Exhibit 12: Overall loan growth rises to 14% YoY



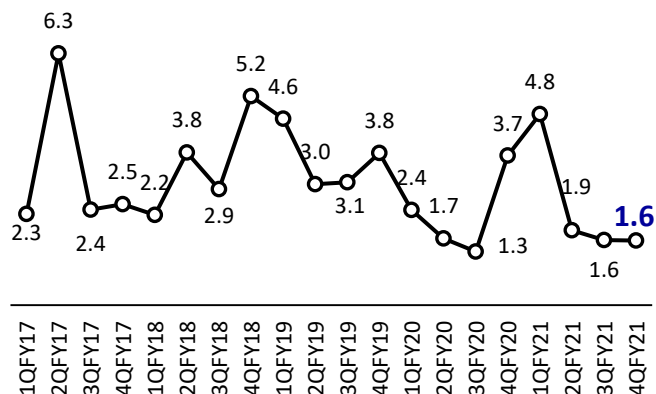
Source: MOFSL, Company

Exhibit 13: Retail loans continue to drive overall loan growth



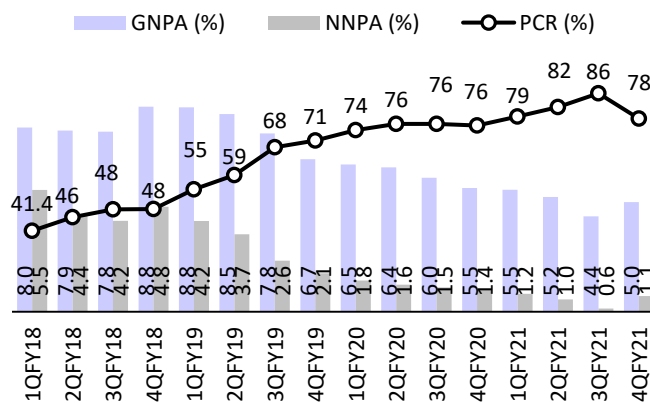
Source: MOFSL, Company

**Exhibit 14: Credit cost stable at 1.6% as ICICIB holds sufficient COVID-related provisions**



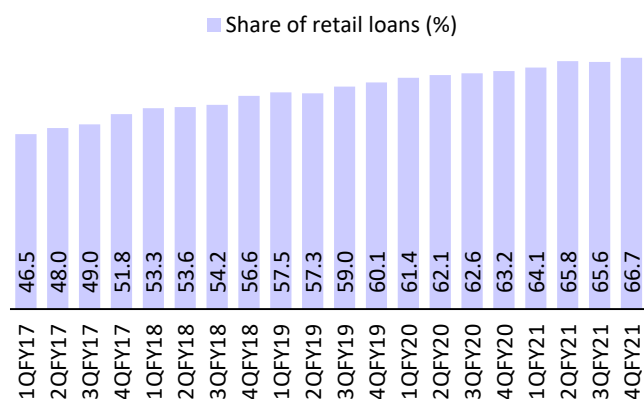
Source: MOFSL, Company

**Exhibit 15: GNPA/NNPA ratio declines to 5%/1.1% v/s pro forma GNPA/NNPA of 5.42%/1.26% in Dec'20; PCR stood at 78%**



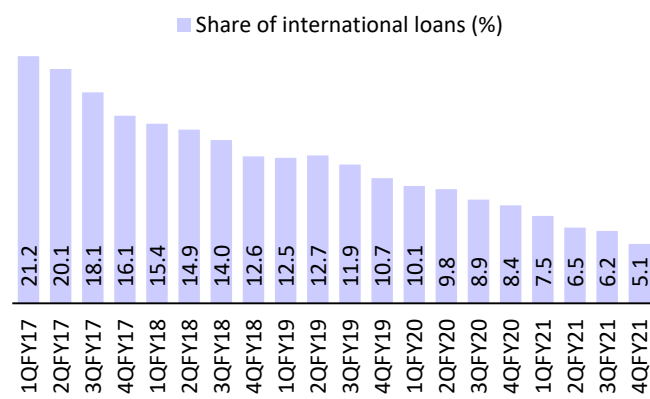
Source: MOFSL, Company

**Exhibit 16: Share of Retail loans stood at 66.7% of total loans**



Source: MOFSL, Company

**Exhibit 17: Share of international loans fell to 5.1% of total loans**



Source: MOFSL, Company

**Exhibit 18: DuPont Analysis - Return ratios to pick-up further, led by moderation in credit cost**

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Interest Income	7.72	7.26	6.66	6.88	7.25	6.79	6.89	6.84
Interest Expense	4.61	4.34	3.87	3.95	4.03	3.45	3.42	3.34
<b>Net Interest Income</b>	<b>3.11</b>	<b>2.91</b>	<b>2.79</b>	<b>2.93</b>	<b>3.23</b>	<b>3.35</b>	<b>3.47</b>	<b>3.50</b>
Core Fee Income	1.56	1.54	1.32	1.26	1.28	1.27	1.29	1.03
Trading and others	0.69	1.07	0.79	0.31	0.32	0.36	0.06	0.33
<b>Non-Interest income</b>	<b>2.24</b>	<b>2.61</b>	<b>2.11</b>	<b>1.57</b>	<b>1.59</b>	<b>1.63</b>	<b>1.35</b>	<b>1.36</b>
<b>Total Income</b>	<b>5.35</b>	<b>5.53</b>	<b>4.90</b>	<b>4.50</b>	<b>4.82</b>	<b>4.98</b>	<b>4.82</b>	<b>4.86</b>
<b>Operating Expenses</b>	<b>1.86</b>	<b>1.98</b>	<b>1.90</b>	<b>1.96</b>	<b>2.10</b>	<b>1.85</b>	<b>1.89</b>	<b>1.86</b>
Employee cost	0.73	0.77	0.72	0.74	0.80	0.69	0.70	0.68
Others	1.12	1.21	1.19	1.22	1.29	1.16	1.19	1.17
<b>Operating Profit</b>	<b>3.49</b>	<b>3.55</b>	<b>3.00</b>	<b>2.54</b>	<b>2.72</b>	<b>3.13</b>	<b>2.93</b>	<b>3.00</b>
<b>Core operating Profit</b>	<b>2.80</b>	<b>2.48</b>	<b>2.21</b>	<b>2.23</b>	<b>2.41</b>	<b>2.77</b>	<b>2.86</b>	<b>2.68</b>
<b>Provisions</b>	<b>1.71</b>	<b>2.04</b>	<b>2.10</b>	<b>2.13</b>	<b>1.36</b>	<b>1.39</b>	<b>0.81</b>	<b>0.73</b>
NPA	1.06	1.97	1.73	1.82	0.85	1.35	0.77	0.69
Others	0.65	0.07	0.37	0.31	0.51	0.04	0.04	0.04
<b>PBT</b>	<b>1.78</b>	<b>1.51</b>	<b>0.90</b>	<b>0.41</b>	<b>1.36</b>	<b>1.73</b>	<b>2.11</b>	<b>2.28</b>
Tax	0.36	0.20	0.08	0.04	0.59	0.34	0.51	0.55
<b>RoA</b>	<b>1.42</b>	<b>1.31</b>	<b>0.82</b>	<b>0.36</b>	<b>0.77</b>	<b>1.39</b>	<b>1.61</b>	<b>1.73</b>
Leverage	8.2	8.1	8.3	8.9	9.4	9.0	8.6	8.8
<b>RoE</b>	<b>11.6</b>	<b>10.7</b>	<b>6.8</b>	<b>3.2</b>	<b>7.3</b>	<b>12.6</b>	<b>13.9</b>	<b>15.2</b>
<b>Core RoE</b>	<b>13.4</b>	<b>12.1</b>	<b>7.6</b>	<b>3.6</b>	<b>8.0</b>	<b>13.6</b>	<b>14.7</b>	<b>16.0</b>

## Financials and valuations

Income Statement								(INR b)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Interest Income	527.4	541.6	549.7	634.0	748.0	791.2	917.8	1,060.2
Interest Expended	315.2	324.2	319.4	363.9	415.3	401.3	456.0	517.2
<b>Net Interest Income</b>	<b>212.2</b>	<b>217.4</b>	<b>230.3</b>	<b>270.1</b>	<b>332.7</b>	<b>389.9</b>	<b>461.8</b>	<b>543.1</b>
Growth (%)	11.5	2.4	5.9	17.3	23.1	17.2	18.4	17.6
Other Income	153.2	195.0	174.2	145.1	164.5	189.7	180.2	210.8
<b>Total Income</b>	<b>365.5</b>	<b>412.4</b>	<b>404.5</b>	<b>415.3</b>	<b>497.2</b>	<b>579.6</b>	<b>642.0</b>	<b>753.9</b>
Growth (%)	17.1	12.8	-1.9	2.7	19.7	16.6	10.8	17.4
Operating Exp.	126.8	147.6	157.0	180.9	216.1	215.6	252.2	288.0
<b>Operating Profit</b>	<b>238.6</b>	<b>264.9</b>	<b>247.4</b>	<b>234.4</b>	<b>281.0</b>	<b>364.0</b>	<b>389.8</b>	<b>465.9</b>
Growth (%)	21.0	11.0	-6.6	-5.3	19.9	29.5	7.1	19.5
<b>Core PPP</b>	<b>200.7</b>	<b>178.6</b>	<b>189.5</b>	<b>221.0</b>	<b>264.6</b>	<b>345.9</b>	<b>370.0</b>	<b>444.1</b>
Growth (%)	10.4	-11.0	6.1	16.6	19.7	30.7	6.9	20.0
Provisions and Cont.	116.7	152.1	173.1	196.6	140.5	162.1	108.2	112.9
<b>PBT</b>	<b>122.0</b>	<b>112.8</b>	<b>74.3</b>	<b>37.8</b>	<b>140.5</b>	<b>201.8</b>	<b>281.6</b>	<b>353.0</b>
Tax	24.7	14.8	6.6	4.1	61.2	39.9	67.6	84.7
Tax Rate (%)	20.2	13.1	8.8	10.9	43.5	19.8	24.0	24.0
<b>PAT</b>	<b>97.3</b>	<b>98.0</b>	<b>67.8</b>	<b>33.6</b>	<b>79.3</b>	<b>161.9</b>	<b>214.0</b>	<b>268.2</b>
Growth (%)	-13.0	0.8	-30.9	-50.4	135.8	104.2	32.1	25.4

Balance Sheet								
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Equity Share Capital	12.8	12.8	12.9	12.9	12.9	13.8	13.8	13.8
Reserves and Surplus	884.6	979.0	1,038.7	1,070.8	1,152.1	1,461.2	1,660.0	1,910.1
<b>Net Worth</b>	<b>900.9</b>	<b>995.3</b>	<b>1,051.6</b>	<b>1,083.7</b>	<b>1,165.0</b>	<b>1,475.1</b>	<b>1,673.9</b>	<b>1,923.9</b>
<b>Deposits</b>	<b>4,214.3</b>	<b>4,900.4</b>	<b>5,609.8</b>	<b>6,529.2</b>	<b>7,709.7</b>	<b>9,325.2</b>	<b>10,910.5</b>	<b>12,765.3</b>
Growth (%)	16.6	16.3	14.5	16.4	18.1	21.0	17.0	17.0
<b>Of which CASA Deposits</b>	<b>1,931.0</b>	<b>2,468.2</b>	<b>2,899.3</b>	<b>3,239.4</b>	<b>3,478.2</b>	<b>4,316.2</b>	<b>5,007.9</b>	<b>5,846.5</b>
Growth (%)	17.5	27.8	17.5	11.7	7.4	24.1	16.0	16.7
Borrowings	1,744.6	1,472.1	1,828.6	1,653.2	1,629.0	916.3	1,080.2	1,209.5
Other Liabilities and Prov.	347.3	350.1	302.0	378.5	479.9	587.7	675.9	770.5
<b>Total Liabilities</b>	<b>7,207.0</b>	<b>7,717.9</b>	<b>8,791.9</b>	<b>9,644.6</b>	<b>10,983.6</b>	<b>12,304.3</b>	<b>14,340.4</b>	<b>16,669.2</b>
Current Assets	598.7	757.1	841.7	803.0	1,191.6	1,331.3	1,374.0	1,473.3
<b>Investments</b>	<b>1,604.1</b>	<b>1,615.1</b>	<b>2,029.9</b>	<b>2,077.3</b>	<b>2,495.3</b>	<b>2,812.9</b>	<b>3,291.1</b>	<b>3,883.4</b>
Growth (%)	1.4	0.7	25.7	2.3	20.1	12.7	17.0	18.0
<b>Loans</b>	<b>4,352.6</b>	<b>4,642.3</b>	<b>5,124.0</b>	<b>5,866.5</b>	<b>6,452.9</b>	<b>7,337.3</b>	<b>8,511.3</b>	<b>10,043.3</b>
Growth (%)	12.3	6.7	10.4	14.5	10.0	13.7	16.0	18.0
<b>Net Fixed Assets</b>	<b>75.8</b>	<b>78.1</b>	<b>79.0</b>	<b>79.3</b>	<b>84.1</b>	<b>88.8</b>	<b>97.7</b>	<b>105.5</b>
Other Assets	575.7	625.3	717.3	818.5	759.8	734.1	1,066.4	1,163.7
<b>Total Assets</b>	<b>7,207.0</b>	<b>7,717.9</b>	<b>8,791.9</b>	<b>9,644.6</b>	<b>10,983.7</b>	<b>12,304.3</b>	<b>14,340.4</b>	<b>16,669.2</b>

Asset Quality								
GNPA	262.2	425.5	540.6	462.9	414.5	413.7	439.1	480.3
NNPA	129.6	256.1	278.9	135.8	100.5	91.8	103.0	116.7
GNPA Ratio (%)	5.8	8.8	10.0	7.5	6.1	5.4	5.0	4.6
NNPA Ratio (%)	3.0	5.4	5.4	2.3	1.6	1.3	1.2	1.2
Slippage Ratio (%)	4.3	8.0	6.1	2.0	2.2	2.4	2.2	2.1
Credit Cost (%)	1.8	3.3	2.9	3.1	1.4	2.3	1.3	1.2
PCR (Excl. Technical write-off) (%)	50.6	39.8	48.4	70.7	75.7	77.8	76.5	75.7

## Financials and valuations

### Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
<b>Yield and Cost Ratios (%)</b>								
<b>Avg. Yield - Earning Assets</b>	<b>8.9</b>	<b>8.3</b>	<b>7.7</b>	<b>7.9</b>	<b>8.2</b>	<b>7.6</b>	<b>7.7</b>	<b>7.7</b>
Avg. Yield on loans	9.5	8.8	8.4	8.7	9.3	8.3	8.8	8.8
Avg. Yield on Investments	6.7	7.1	6.3	6.2	6.4	6.2	6.0	5.9
<b>Avg. Cost-Int. Bear. Liabilities</b>	<b>5.6</b>	<b>5.3</b>	<b>4.6</b>	<b>4.7</b>	<b>4.7</b>	<b>4.1</b>	<b>4.1</b>	<b>4.0</b>
Avg. Cost of Deposits	5.5	5.0	4.5	4.4	4.6	4.1	3.9	3.8
<b>Interest Spread</b>	<b>3.6</b>	<b>3.4</b>	<b>3.0</b>	<b>3.3</b>	<b>3.5</b>	<b>3.5</b>	<b>3.6</b>	<b>3.7</b>
<b>Net Interest Margin</b>	<b>3.6</b>	<b>3.3</b>	<b>3.2</b>	<b>3.4</b>	<b>3.7</b>	<b>3.7</b>	<b>3.9</b>	<b>3.9</b>

### Capitalization Ratios (%)

CAR	16.6	17.4	17.9	16.9	16.1	19.1	18.5	17.6
<i>Tier I</i>	13.1	14.4	15.6	15.1	14.7	18.1	17.2	16.5
<i>Tier II</i>	3.6	3.0	2.3	1.8	1.4	1.1	1.2	1.0

### Business and Efficiency Ratios (%)

Loan/Deposit Ratio	103.3	94.7	91.3	89.8	83.7	78.7	78.0	78.7
CASA Ratio (%)	45.8	50.4	51.7	49.6	45.1	46.3	45.9	45.8
Cost/Assets	1.8	1.9	1.8	1.9	2.0	1.8	1.8	1.7
Cost/Total Income	34.7	35.8	38.8	43.6	43.5	37.2	39.3	38.2
Cost/Core Income	38.7	45.2	45.3	45.0	45.0	38.4	40.5	39.3
Int. Expended/Int. Earned	59.8	59.9	58.1	57.4	55.5	50.7	49.7	48.8
Other Inc./Net Income	41.9	47.3	43.1	34.9	33.1	32.7	28.1	28.0
Emp. Cost/Op. Exp.	39.4	38.9	37.7	37.6	38.3	37.5	36.9	36.8

### Valuation

	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
RoE (%)	11.6	10.7	6.8	3.2	7.3	12.6	13.9	15.2
Core RoE (%)	13.4	12.1	7.6	3.6	8.0	13.6	14.7	16.0
RoA (%)	1.4	1.3	0.8	0.4	0.8	1.4	1.6	1.7
RoRWA (%)	1.7	1.6	1.1	0.5	1.0	1.8	2.2	2.5
Standalone ABV	117.1	120.2	115.3	135.5	151.3	188.0	216.3	251.7
ABV Growth (%)	5.2	2.7	-4.0	17.5	11.6	24.3	15.0	16.4
Adjusted Price-to-ABV (x)	<b>3.6</b>	<b>3.5</b>	<b>3.6</b>	<b>3.1</b>	<b>2.8</b>	<b>2.2</b>	<b>1.9</b>	<b>1.7</b>
Consol. Book Value (INR)	161.8	179.6	172.1	177.2	189.9	204.3	235.9	274.2
BV Growth (%)	10.8	11.0	-4.2	3.0	7.2	7.6	15.5	16.2
Price-to-Consol. BV (x)	<b>3.5</b>	<b>3.2</b>	<b>3.3</b>	<b>3.2</b>	<b>3.0</b>	<b>2.8</b>	<b>2.4</b>	<b>2.1</b>
EPS (INR)	16.7	16.8	11.1	5.2	12.3	24.2	30.9	38.8
EPS Growth (%)	-13.3	0.5	-34.3	-52.8	135.0	97.0	27.9	25.4
Adj. Price-to-Earnings (x)	<b>24.9</b>	<b>24.8</b>	<b>37.8</b>	<b>79.9</b>	<b>34.0</b>	<b>17.3</b>	<b>13.5</b>	<b>10.8</b>

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Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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