

INDUSIND BANK | Banking

...willingness to grow; restructured book higher than our estimates

LKP

Result and Price Analysis:

Indusind bank has reported a good set of numbers and the positives are 1) Reported slippages (₹28bn v/s ₹38bn) inched down from the previous quarter; retail slippages contributed 85% of total slippages 2) Built ample provision buffer; 150bps of net advances 3) Coming back to growth trajectory, despite risk aversion 4) Ample capital cushion (CET 1 of 15.6%) post fund raise and share warrant exercise, 5) Improvement in interest spread because of fixed rate loan book and 6) better retail deposit (27% YoY) mobilization. Nevertheless, the negatives are 1) Restructured book (2.7%) was higher than our estimates 2) Retail book (especially 2W & CV) witnessing more NPA formation and 3) Subdued return ratios (ROA: 1.1% & ROE: 9.3%) because of bulky provisioning expenses. We believe, the bank has made adequate provisioning against the potential stress. 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.

Gazing the Core:

Bulky though sequentially flat provisioning expenses results in satisfactory Covid buffer: The bank's provision expenses stood flat at ₹18.4bn v/s ₹18.6bn in the previous quarter. The total provisions (including contingent) stood at 123% of GNPLs and contingent provision (excluding PCR) stood 1.5% of loans. The PCR for non-performing loans stood at 72%, a similar run rate of prior periods. We believe the contingent provisions to be satisfactory for impending stress.

Decline in slippages, restructured book higher than our estimates: The bank's reported gross slippages came down to ₹28bn against ₹38bn in the previous quarter. Retail slippages contributed around 85% (₹23bn) of total fresh GNPA additions. Total GNPA reduction stood at ₹24bn v/s ₹42bn in 4QFY21. A lower reduction (upgrade and recovery) led to hike in absolute GNPA by 6.7% sequentially. Moreover, the reported restructured assets stood ₹57bn (2.7% of book) v/s ₹43bn (2%). The restructured amount was 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	4,94,296	5,67,987	6,52,991
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 (₹)	980 - 993
12 M Price Target (₹)	1,166
Potential upside (%)	19

Stock Data

FV (₹) :	2
Market Cap Full (₹ bn) :	768
Market Cap Free Float (₹ bn) :	589
52-Week High / Low (₹) :	483 / 1,120
2-Year High / Low (₹) :	236 / 1,597
1 Year Avg. Dly Traded Volume (in lakh)	133
BSE Code / NSE Symbol	532187 / INDUSINDBK
Bloomberg :	IIB IN

Shareholding Pattern (%)

	Jun-21	Mar-21	Dec-20	Sep-20
Promoter	16.54	16.55	14.67	14.68
FPIs	52.05	50.91	54.93	51.81
MFs	9.81	10.40	9.43	11.11
Insurance	7.82	7.59	6.66	6.02
Others	13.78	14.55	14.31	16.38

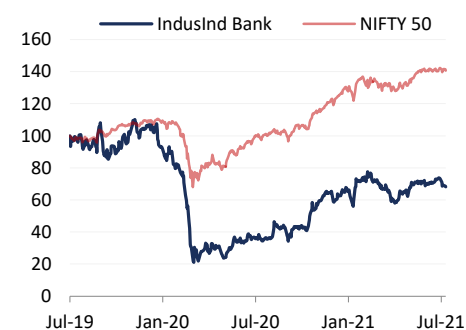
Source: BSE

Price Performance (%)

(%)	1M	3M	6M	1YR
Indusind Bank	-1.6%	7.1%	23.7%	88.4%
Nifty 50	-0.7%	5.7%	13.7%	39.0%

* To date / current date : July 28, 2021

Indusind Bank vs Nifty 50



Gearing up for growth: The bank's net advances stood at ₹2.1tn; grew 6.4% YOY and flat sequentially. Corporate banking (44% of loan book) grew by 1.5% QoQ and retail (56% of book) de-grew by 2.7% QoQ. Vehicle loan (28% of loan book) de-grew by 2.7% QoQ and Micro loan (12.5% of loan book) stood flat sequentially. The bank disbursed ₹16bn through ECLGS. The bank's deposits stood at ₹2.7tn and saw a robust growth of 27% YOY and 4% QOQ; CASA ratio improved 30bps to 42%. The bank is holding ample liquidity (LCR: 146%) with ₹400bn as liquidity buffer. In FY21, the bank raised ₹25bn (@₹524) through preferential allotment and exercised share warrants. As a result of capital infusion, the CET 1 stood at 15.6%. The CRAR stood at 17.6% vs. 17.4% in 4QFY21 with CET 1 of 14.5%. RWA to assets declined to 73% v/s 75% in the last quarter. We believe the bank has an adequate capital buffer to retain double digit growth in FY22 and FY23.

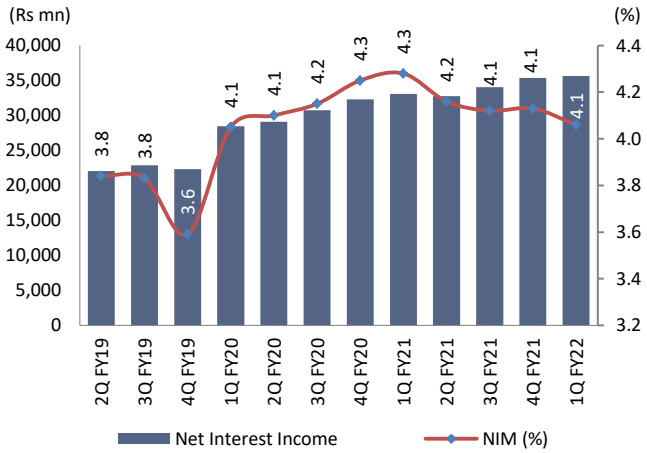
Stable NII growth & healthy PAT growth sequentially: The YoA sequentially flat (11.75%) owing fixed rate books and COF (4.53% v/s 4.54% in previous quarter) have resulted in spike in interest spread. However, NIMs sequentially down by 7bps to 4.06% because of excess liquidity (₹400bn) reserve. NII stood ₹35.6bn; grew by 1% QoQ. Other income grew by 17% YoY and flat QoQ. Moreover, PPOP (₹31.3bn) up by 2.3% sequentially on the back of lower Opex (Cost to income: 41.4% v/s 42.4% in the previous quarter). However, sequentially flat provisioning expenses (₹18.4bn v/s ₹18.7bn in 4QFY21) have resulted in 11% sequential jump in profit at ₹9.7bn. The bank's ROA and ROE stood at 1.1% and 9.3% respectively.

Outlook & Valuation

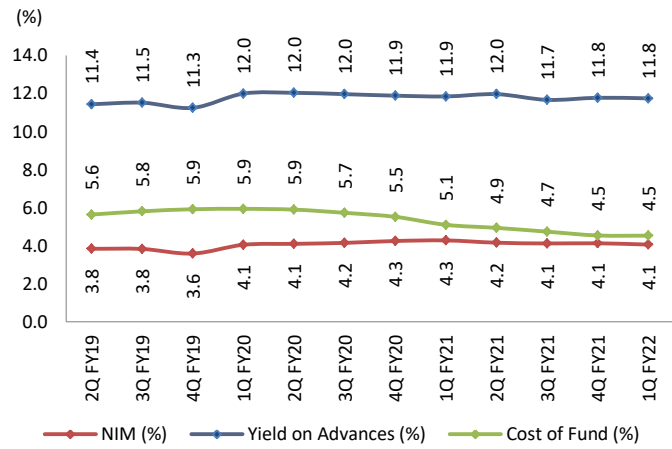
Core operating performance of Indusind Bank remains healthy. A higher PCR is likely to safeguard the bank from credit disruption due to Covid. We retain our BUY rating with an unchanged price target of ₹1,166 (based on 1.7x FY23E Adj. BVPS of ₹686).

Quarterly story in charts

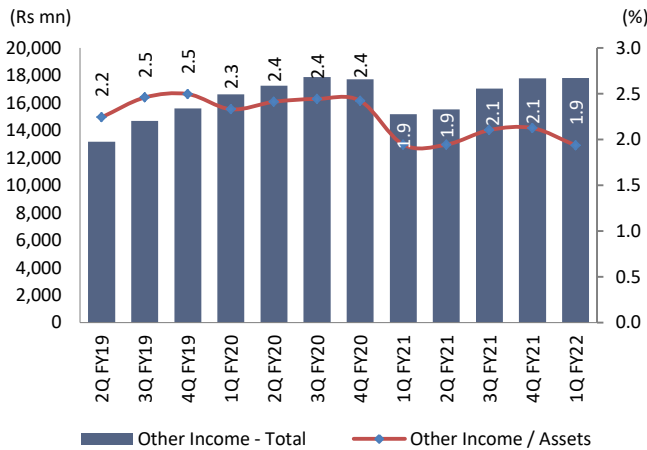
NII Trend



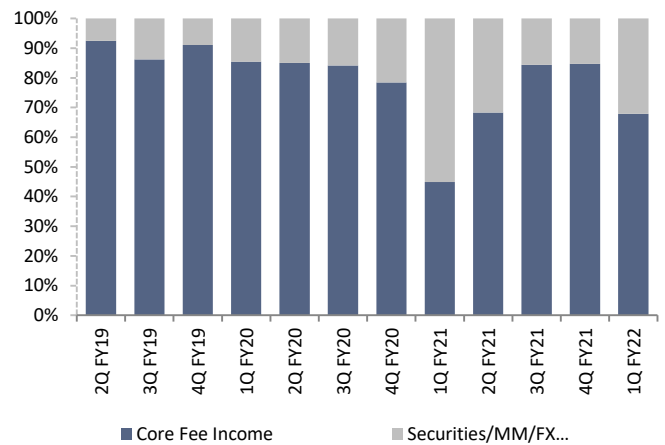
Yields and Margin Trend



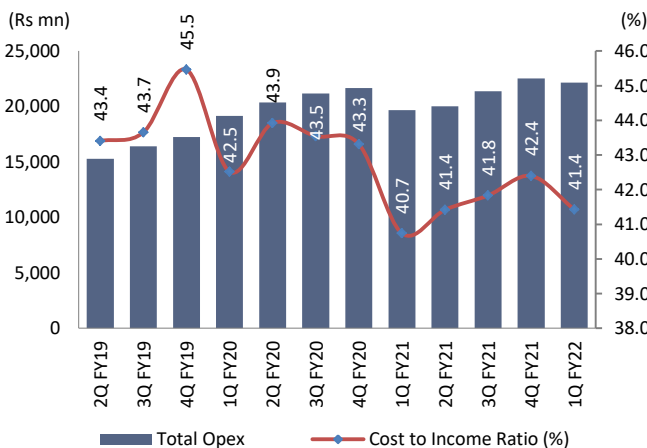
Other Income Trend



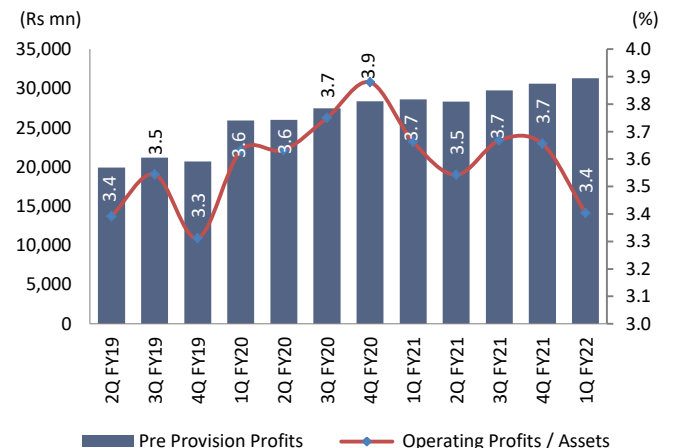
Other Income Mix Trend



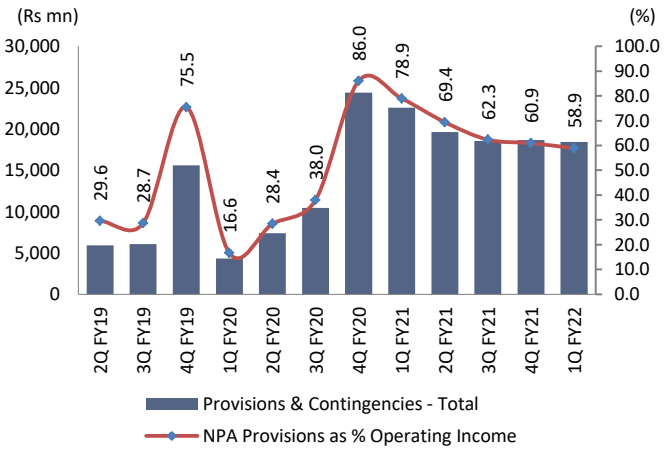
Total Opex Trend



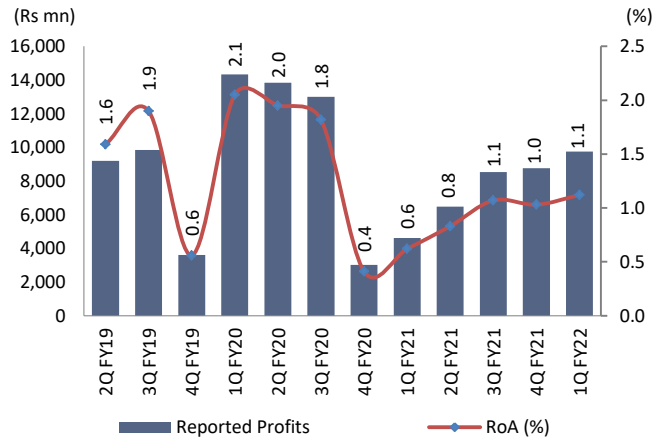
Pre Provision Profit Trend



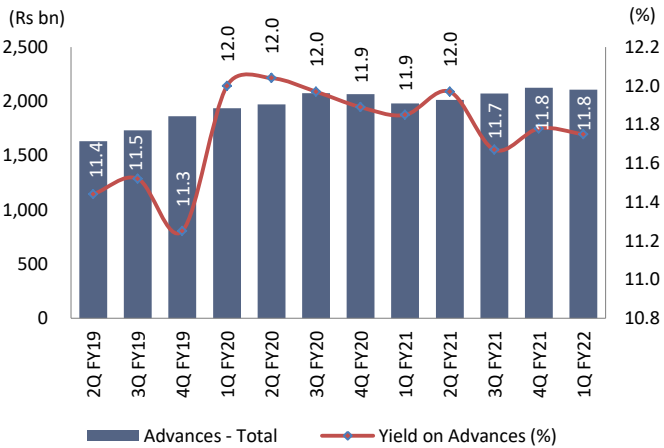
Provision Expenses Trend



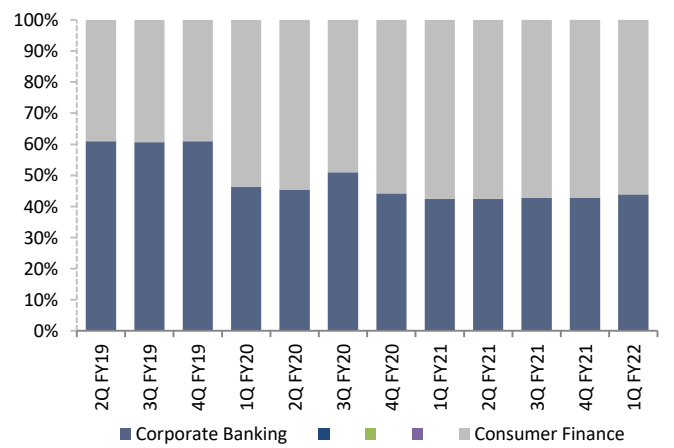
Reported Profit Trend



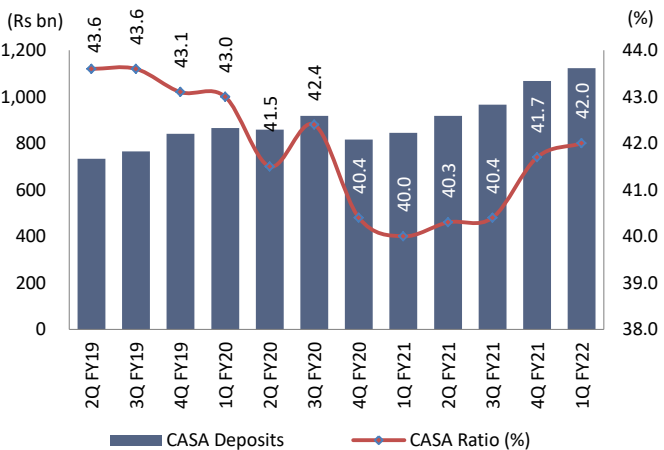
Loan Book Trend



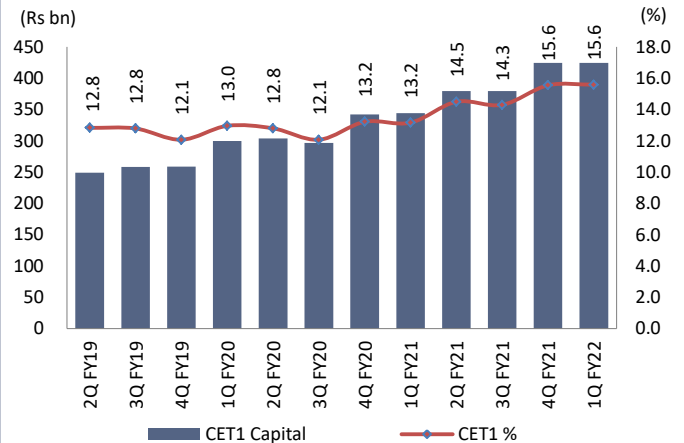
Loan Book Mix Trend



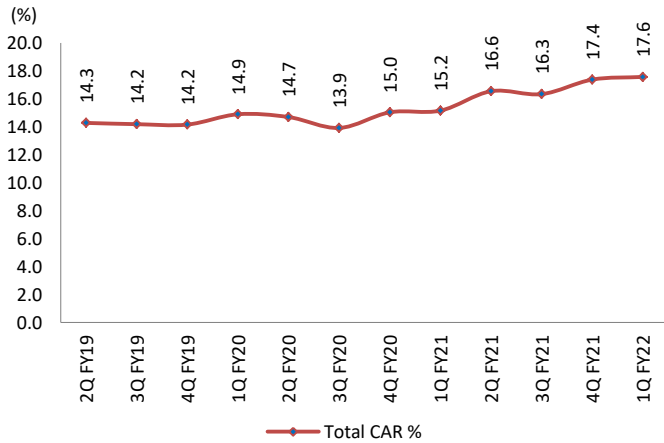
CASA Deposit Trend



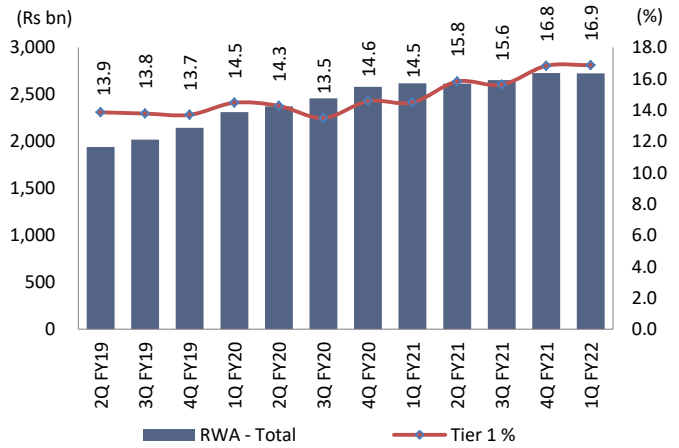
CET 1 Ratio Trend



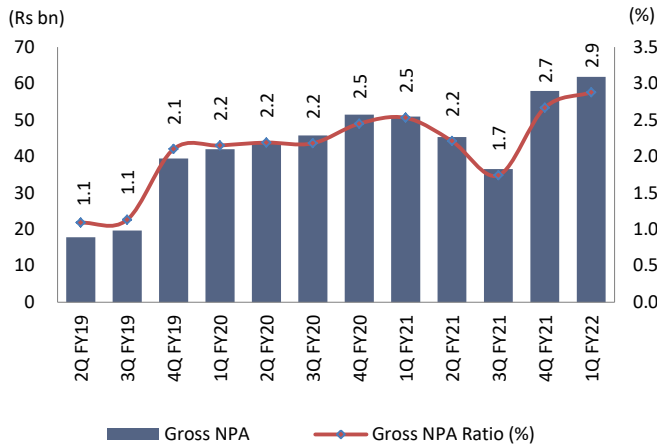
CRAR Trend



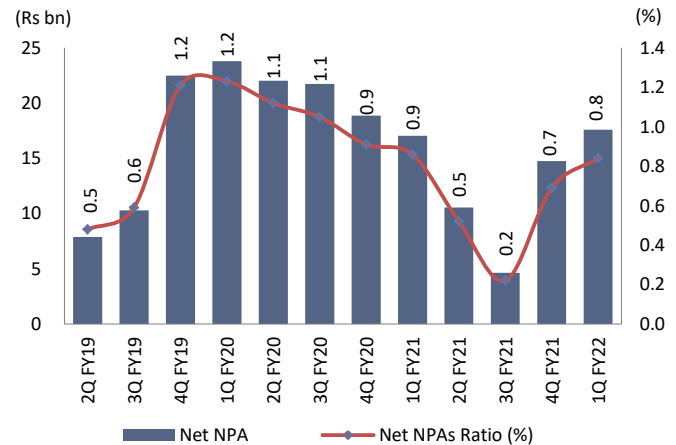
RWA Trend



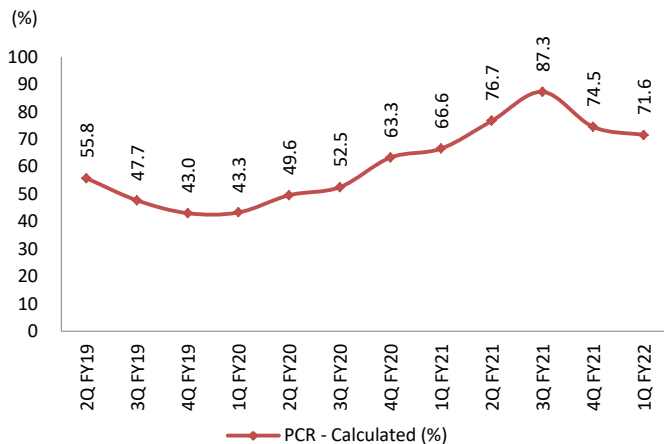
Gross NPA Trend



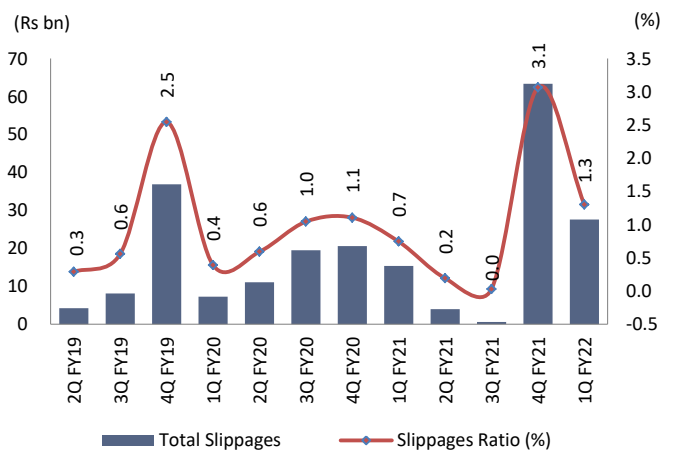
Net NPA Trend



PCR Trend



Slippages Trend



Financial Performance at a glance

Exhibit 1 : Income Statement Analysis

(₹ mn)	1Q FY22	1Q FY21	% yoy / bps	4Q FY21	% qoq / bps	FY21	FY20	% yoy / bps
Int. on Loan	61,812	60,660	1.9	61,210	1.0	2,40,854	2,40,082	0.3
Int. on Investment	9,984	10,015	(0.3)	9,615	3.8	38,461	42,822	(10.2)
Int. on Balances	2,997	208	1,340.7	2,707	10.7	6,774	1,920	252.8
Int. Others	955	734	30.1	662	44.2	3,910	3,004	30.2
Interest Inc.	75,747	71,617	5.8	74,194	2.1	2,89,998	2,87,828	0.8
Interest Expenses	40,110	38,525	4.1	38,848	3.2	1,54,719	1,67,241	(7.5)
Net Interest Income	35,637	33,092	7.7	35,346	0.8	1,35,279	1,20,587	12.2
<i>NII to Net Operative Income</i>	<i>66.7</i>	<i>68.5</i>	<i>(186)</i>	<i>66.5</i>	<i>17</i>	<i>67.3</i>	<i>63.4</i>	<i>391</i>
<i>NIM (%)</i>	<i>4.06</i>	<i>4.3</i>	<i>(22)</i>	<i>4.1</i>	<i>(7)</i>	<i>4.2</i>	<i>4.1</i>	<i>3</i>
Core Fee Income	12,140	6,820	78.0	15,080	(19.5)	46,400	57,850	(19.8)
Non Core Other Income	5,671	8,372	(32.3)	2,730	107.7	19,195	11,663	64.6
Other Income - Total	17,811	15,192	17.2	17,801	0.1	65,586	69,513	(5.6)
<i>Other Income to Net Operative Income</i>	<i>33.3</i>	<i>31.5</i>	<i>186</i>	<i>33.5</i>	<i>(17)</i>	<i>32.7</i>	<i>36.6</i>	<i>(391)</i>
Net Operating Revenue	53,448	48,284	10.7	53,147	0.6	2,00,865	1,90,101	5.7
Employee Expenses	6,082	5,516	10.2	5,951	2.2	22,135	22,085	0.2
<i>Empl. Cost/Oper. Exps.</i>	<i>11.4</i>	<i>11.4</i>	<i>(5)</i>	<i>11.2</i>	<i>18</i>	<i>11.0</i>	<i>11.6</i>	<i>(60)</i>
Other Opex	16,061	14,154	13.5	16,581	(3.1)	61,463	60,289	1.9
<i>Other Opex/ Assets</i>	<i>0.4</i>	<i>0.5</i>	<i>(2)</i>	<i>0.5</i>	<i>(6)</i>	<i>1.8</i>	<i>2.1</i>	<i>(23)</i>
Total Opex	22,142	19,671	12.6	22,532	(1.7)	83,598	82,373	1.5
<i>Cost to Income Ratio (%)</i>	<i>41.4</i>	<i>40.7</i>	<i>69</i>	<i>42.4</i>	<i>(97)</i>	<i>41.6</i>	<i>43.3</i>	<i>(171)</i>
Pre Provision Profits	31,306	28,613	9.4	30,615	2.3	1,17,267	1,07,727	8.9
Provisions & Contingencies - Total	18,440	22,589	(18.4)	18,657	(1.2)	79,425	46,521	70.7
<i>NPA Provisions as % Operating Income</i>	<i>58.9</i>	<i>78.9</i>	<i>(2,004)</i>	<i>60.9</i>	<i>(204)</i>	<i>67.7</i>	<i>43.2</i>	<i>2,455</i>
Profit Before Tax	12,865	6,025	113.6	11,958	7.6	37,841	61,206	(38.2)
Tax	3,116	1,418	119.7	3,199	(2.6)	9,478	17,027	(44.3)
<i>Effective Tax Rate (%)</i>	<i>24.2</i>	<i>23.5</i>	<i>68</i>	<i>26.8</i>	<i>(253)</i>	<i>25.0</i>	<i>27.8</i>	<i>(277)</i>
Reported Profits	9,750	4,606	111.7	8,760	11.3	28,364	44,179	(35.8)
<i>RoA (%)</i>	<i>1.1</i>	<i>0.6</i>	<i>50</i>	<i>1.0</i>	<i>9</i>	<i>0.9</i>	<i>1.6</i>	<i>(63)</i>
<i>RoE (%)</i>	<i>9.3</i>	<i>5.9</i>	<i>344</i>	<i>8.9</i>	<i>42</i>	<i>7.6</i>	<i>14.7</i>	<i>(712)</i>

Source: Company, LKP Research

Exhibit 2 : Balance Sheet Analysis

(₹ mn)	4Q FY20	1Q FY21	2Q FY21	3Q FY21	4Q FY21	1Q FY22	QoQ % / bps	YoY % / bps
Net Worth	3,40,232	3,48,280	3,88,833	3,98,570	4,33,600	4,45,479	2.7	27.9
RoE (%)	3.7	5.9	7.1	8.4	8.9	9.3	42	344
CET1 %	13.2	13.2	14.5	14.3	15.6	15.6	4	243
Tier 1 %	14.6	14.5	15.8	15.6	16.8	16.9	4	238
Total CAR %	15.0	15.2	16.6	16.3	17.4	17.6	19	241
RWA - Total	25,80,650	26,17,220	26,16,830	26,54,530	27,29,120	27,23,670	(0.2)	4.1
Advances - Total	20,67,832	19,80,690	20,12,468	20,71,280	21,25,954	21,07,270	(0.9)	6.4
Investments	5,99,799	5,95,960	6,29,942	6,10,570	6,96,947	6,86,990	(1.4)	15.3
Total Assets	30,70,576	31,79,160	33,21,887	34,14,460	36,29,728	37,29,959	2.8	17.3
RoA (%)	0.41	0.62	0.83	1.07	1.03	1.12	9	50
Deposits	20,20,398	21,12,650	22,82,793	23,91,350	25,62,050	26,72,330	4.3	26.5
Saving Deposit	5,31,300	5,25,270	5,70,730	6,43,330	7,10,660	7,99,280	12.5	52.2
Current Deposit	2,84,400	3,19,460	3,47,730	3,23,130	3,57,250	3,24,210	(9.2)	1.5
CASA Deposits	8,15,700	8,44,730	9,18,460	9,66,460	10,67,910	11,23,490	5.2	33.0
CASA Ratio (%)	40.4	40.0	40.3	40.4	41.7	42.0	30	200
Term Deposits	12,04,698	12,67,920	13,64,333	14,24,890	14,94,140	15,48,840	3.7	22.2
Interest Bearing Liabilities - Total	26,27,934	27,04,610	28,06,644	28,77,570	30,75,278	31,65,270	2.9	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	1Q FY22		FY19	FY20	1Q FY22	FY19	FY20	1Q FY22
Corporate Banking	8,77,150	11,37,100	9,13,340	9,24,070	26.4	29.6	(19.7)	1.2	49.8	(100.2)	1.6
Large Corporates	4,42,890	5,21,660	4,77,420	4,46,090	12.7	17.8	(8.5)	(6.6)	15.1	(19.8)	(4.6)
Mid size Corporates	2,56,520	3,33,690	3,95,590	4,37,540	12.5	30.1	18.6	10.6	14.8	27.7	6.2
Small Corporates	1,77,740	2,81,750	40,330	40,440	1.2	58.5	(85.7)	0.3	19.9	(108.1)	0.0
Consumer Finance	5,72,390	7,26,840	11,54,490	11,83,200	33.8	27.0	58.8	2.5	29.6	191.6	4.3
Comm. Vehicle Loans	1,98,720	2,44,440	2,39,480	2,28,530	6.5	23.0	(2.0)	(4.6)	8.8	(2.2)	(1.6)
Utility Vehicle Loans	28,660	35,970	43,770	49,620	1.4	25.5	21.7	13.4	1.4	3.5	0.9
Small CV	25,280	31,350	35,240	32,710	0.9	24.0	12.4	(7.2)	1.2	1.7	(0.4)
Two Wheeler Loans	35,890	44,820	52,040	51,150	1.5	24.9	16.1	(1.7)	1.7	3.2	(0.1)
Car Loans	53,450	65,370	72,470	77,640	2.2	22.3	10.9	7.1	2.3	3.2	0.8
Tractor	27,260	35,200	46,700	68,940	2.0	29.1	32.7	47.6	1.5	5.2	3.3
Vehicle Loans	-	-	5,70,540	5,96,450	17.0	-	-	4.5	-	-	3.8
Non Vehicle loans	-	-	3,41,630	3,22,840	9.2	-	-	(5.5)	-	-	(2.8)
Credit Card	26,960	4,382	47,620	45,120	1.3	(83.7)	986.7	(5.2)	(4.3)	19.4	(0.4)
Loan Against Property	80,090	8,925	94,480	87,610	2.5	(88.9)	958.6	(7.3)	(13.6)	38.3	(1.0)
BBG + BL, PL, GL, Others	41,300	6,095	1,99,540	1,90,110	5.4	(85.2)	3,173.8	(4.7)	(6.7)	86.7	(1.4)
Advances - Total	14,49,537	18,63,935	20,67,832	21,07,270	60.2	28.6	10.9	1.9	79.4	91.3	5.8
Investments	5,00,767	5,92,662	5,99,799	6,86,990	19.6	18.4	1.2	14.5	17.6	3.2	12.9
Cash & Cash Equivalent	1,32,159	1,47,834	1,60,037	7,07,600	20.2	11.9	8.3	342.1	3.0	5.5	81.2
Working Assets	20,82,463	26,04,431	28,27,668	35,01,860	100.0	25.1	8.6	23.8	100.0	100.0	100.0

Source: Company, LKP Research

Exhibit 4: Funding Profile Analysis

(₹ mn)	4Q FY20	1Q FY21	2Q FY21	3Q FY21	4Q FY21	1Q FY22	QoQ % / bps	YoY % / bps
Interest Bearing Liabilities - Total	26,27,934	27,04,610	28,06,644	28,77,570	30,75,278	31,65,270	2.9	17.0
Deposits	20,20,398	21,12,650	22,82,793	23,91,350	25,62,050	26,72,330	4.3	26.5
CASA Deposits	8,15,700	8,44,730	9,18,460	9,66,460	10,67,910	11,23,490	5.2	33.0
Saving Deposit	5,31,300	5,25,270	5,70,730	6,43,330	7,10,660	7,99,280	12.5	52.2
Current Deposit	2,84,400	3,19,460	3,47,730	3,23,130	3,57,250	3,24,210	(9.2)	1.5
Term Deposits	12,04,698	12,67,920	13,64,333	14,24,890	14,94,140	15,48,840	3.7	22.2
Borrowings	6,07,536	5,91,960	5,23,851	4,86,220	5,13,228	4,92,940	(4.0)	(16.7)
Interest Bearing Liabilities - Total	26,27,934	27,04,610	28,06,644	28,77,570	30,75,278	31,65,270	2.9	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	1Q FY22		FY19	FY20	1Q FY22	FY19	FY20	1Q FY22
Deposits	15,16,392	19,48,679	20,20,398	26,72,330	74.0	28.5	3.7	32.3	78.4	25.7	101.5
Saving Deposit	4,58,883	5,44,857	5,31,298	7,99,280	22.1	18.7	(2.5)	50.4	15.6	(4.9)	41.7
Current Deposit	2,08,410	2,95,845	2,84,400	3,24,210	9.0	42.0	(3.9)	14.0	15.9	(4.1)	6.2
CASA Deposits	6,67,293	8,40,701	8,15,698	11,23,490	31.1	26.0	(3.0)	37.7	31.5	(8.9)	47.9
Term Deposits	8,49,099	11,07,978	12,04,700	15,48,840	42.9	30.5	8.7	28.6	47.0	34.6	53.6
Borrowings	3,82,891	4,73,211	6,07,535	4,92,940	13.7	23.6	28.4	(18.9)	16.4	48.1	(17.8)
Interest Bearing Liabilities - Total	18,99,283	24,21,890	26,27,934	31,65,270	87.7	27.5	8.5	20.4	94.8	73.7	83.6
Net Worth	2,38,271	2,66,748	3,40,232	4,45,479	12.3	12.0	27.5	30.9	5.2	26.3	16.4
Working Fund	21,37,553	26,88,638	29,68,166	36,10,749	100.0	25.8	10.4	21.6	100.0	100.0	100.0
<i>Interest Exp. / Assets</i>	<i>4.89</i>	<i>5.37</i>	<i>5.72</i>	<i>4.4</i>		<i>48</i>	<i>35</i>	<i>(136)</i>			

Source: Company, LKP Research

Exhibit 6: Asset Quality Analysis

(₹ mn)	4Q FY20	1Q FY21	2Q FY21	3Q FY21	4Q FY21	1Q FY22	QoQ % / bps	YoY % / bps
Total Slippages	20,580	15,370	3,990	590	63,370	27,620	(56.4)	79.7
Slippages Ratio (%)	1.10	0.74	0.19	0.03	3.06	1.30	(177)	56
Gross NPA	51,467	50,990	45,322	36,507	57,950	61,858	6.7	21.3
Gross NPAs Ratio (%)	2.45	2.53	2.21	1.74	2.67	2.88	21	35
PCR - Calculated (%)	63.3	66.6	76.7	87.3	74.5	71.6	(297)	496
Net NPA	18,866	17,034	10,558	4,642	14,766	17,596	19.2	3.3
Net NPAs Ratio (%)	0.91	0.86	0.52	0.22	0.69	0.84	15	(2)

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	7,739	7,739	7,739
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	4,94,296	5,67,987	6,52,991
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	1,25,049	1,31,563	1,35,489
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	774	774	774
Earnings Per Share	63.7	36.7	82.4	95.2	109.8
EPS (% YoY)	16.3	(42.4)	124.7	15.6	15.4
P/E (x)	15.3	26.6	11.8	10.2	8.9
Book Value	486.0	556.7	638.7	733.9	843.8
BVPS (% YoY)	11.2	14.6	14.7	14.9	15.0
P/BV (x)	2.0	1.8	1.5	1.3	1.2
Adj. BV	486.0	547.1	590.8	686.0	795.9
Adj. BV (% YoY)	11.2	12.6	8.0	16.1	16.0
P/ABV (x)	2.0	1.8	1.7	1.4	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	4.0	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	2.4265	2.2647
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>		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>		17.0	6.7	8.6	9.8
<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	-	-	-
<i>Net NPAs Ratio (%)</i>	0.9	0.7	0.8	0.7	0.7

Source: Company, LKP Research

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