

April 28, 2024

Q4FY24 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
Rating	BUY		BUY	
Target Price	1,450		1,300	
NII (Rs. m)	8,33,637	9,18,747	8,19,889	9,09,495
% Chng.	1.7	1.0		
Op. Profit (Rs. m)	6,43,827	7,13,901	6,28,124	6,97,291
% Chng.	2.5	2.4		
EPS (Rs.)	63.0	69.8	61.4	68.1
% Chng.	2.6	2.5		

Key Financials - Standalone

Y/e Mar	FY23	FY24	FY25E	FY26E
NII (Rs bn)	621	743	834	919
Op. Profit (Rs bn)	491	581	644	714
PAT (Rs bn)	319	409	442	490
EPS (Rs.)	45.7	58.2	63.0	69.8
Gr. (%)	36.0	27.5	8.2	10.9
DPS (Rs.)	5.0	11.6	12.6	14.0
Yield (%)	0.4	1.1	1.1	1.3
NIM (%)	4.4	4.5	4.3	4.2
RoAE (%)	17.5	18.9	17.5	16.9
RoAA (%)	2.1	2.4	2.2	2.1
P/BV (x)	3.9	3.3	2.9	2.5
P/ABV (x)	4.0	3.4	2.9	2.6
PE (x)	24.3	19.0	17.6	15.9
CAR (%)	18.3	16.3	16.0	15.6

Key Data

ICBK.BO | ICICIBC IN

52-W High / Low	Rs.1,126 / Rs.899
Sensex / Nifty	73,730 / 22,420
Market Cap	Rs.7,783bn/ \$ 93,376m
Shares Outstanding	7,025m
3M Avg. Daily Value	Rs.16787.73m

Shareholding Pattern (%)

Promoter's	-
Foreign	44.78
Domestic Institution	45.62
Public & Others	9.60
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	2.2	21.9	21.1
Relative	2.1	5.5	0.4

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NIM and credit costs could positively surprise

Quick Pointers:

- Core PPOP beat led by lower opex; LDR improves QoQ
- Upgrade in core earnings for FY25/26E owing to cut in opex.

ICICIB saw a strong quarter again; core PPOP was a 5.7% beat led by lower opex and higher NII (due to better treasury management). Loan growth was softer at 2.7% YoY (PLe 4.3%) due to moderation in unsecured and reduction in NBFC exposure. Balance sheet profile has further improved since (1) share of retail/SME has increased from 73.6% in FY23 to 75.4% in FY24 (2) LDR has reduced to 83.8% (86.6% in Q3'24) due to healthy deposit growth of 6% QoQ led by strong CASA growth of 13% and (3) LCR is adequate at 123%. Opex intensity is likely to reduce; as we lower opex for FY25/26E by ~3% we see a 12.7% CAGR in opex (21% over FY22-24). Hence our core PAT for FY25/26E is raised by ~4.5%. Likely RoA/RoE for FY26E at 2.1%/17.2% remains one of the best-in-class. Maintaining multiple at 3.0x, we raise SOTP based TP to Rs1,450 from Rs1,300 as we roll forward to Mar'26 core ABV. Reiterate 'BUY'.

- Core PPOP beat led by lower opex/provisions:** NII was higher at Rs191bn (PLe Rs188.5bn) led by better investment income as loan growth was lower but NIM was in-line at 4.65%. Loan growth was a miss 16.2% YoY (PLe 18.0%) while deposit accretion was 19.6% YoY (PLe 17.4% YoY). Other income was softer at Rs56.5bn (PLe 60.5) due to lower treasury and fees. Opex at Rs97bn was 4.4% below PLe led by staff cost and other opex. Core PPOP at Rs148.3bn was a 5.7% beat to PLe. PPOP was Rs150.4bn (PLe Rs145.2bn). Asset quality was a miss; while GNPA was in-line at 2.2%, net slippages were higher offset by more write-offs. Provisions were lower at Rs7.2bn (PLe Rs8bn) partly due to reversal of AIF provision of Rs1.2bn (Rs5.1bn were intact). Core PAT was 6.4% ahead of PLe while PAT was Rs107.1bn (PLe Rs102.9bn).
- Softer loan accretion; stronger deposit growth led by CASA:** Domestic loan growth was 3.2% QoQ (3.8% in Q3'24) mainly driven by retail (3.7%), SME (6.6%) and rural (4.5%). Apart from housing, retail growth was led by PL+CC (+5.5%). Personal loan disbursements are moderating due to increase in pricing, tightened credit parameters and sourcing cost optimization. Lending rates are improving due to softer competitive environment. LDR fell to 83.8% (86.6% in Q3'24) due to higher deposit growth of 6% QoQ mainly led by healthy CASA accretion of 13% which was a positive. Assuming a steady LDR of 84% we slightly trim loan CAGR by 1% over FY24-26E to 15% as unsecured and NBFC growth has been reducing and system liquidity in tight.
- Opex intensity to lessen leading to upgrade in core PAT:** Staff cost rose in FY24 due to staff increase and promotions. Cost for Q1'25 is expected to rise because of annual promotions. Technology expenses were 9.4% of total opex for FY24. Overall opex is likely to moderate considering major employee and technology costs have already been incurred and sourcing cost would reduce. Hence we lower opex for FY25/26E by avg. 3%; opex to assets would reduce from 226bps in FY24 to 215bps in FY26E.

Exhibit 1: Core PPOP beat due to lower opex and provisions

NII grew at 8.1% YoY due to lower cost of funds

Other income saw a decline QoQ by 7.4% due to lower treasury and softer fees income

Opex declined QoQ by 3.5% due to lower employee cost and other opex

Provisions were lower by 31.5% QoQ due to reversal of AIF provisions.

Loan growth was lower at 2.7% QoQ due to lower growth in retail and SME

Deposits grew 6% QoQ driven by stronger flows.

Margins were in line at 4.65 QoQ% as lower yield on IEA was offset with lower cost of funds

Asset quality improved with GNPA/NNPA declining 13bps/1bp QoQ. PCR stood at 80.8%

CASA mix at 42.2 improved QoQ due to lower TD growth

Bank's Tier-I capital ratio is healthy at 16.3%

P & L (Rs mn)	Q4FY24	Q4FY23	YoY gr. (%)	Q3FY24	QoQ gr. (%)
Interest income	3,79,484	3,10,211	22.3	3,66,946	3.4
Interest expense	1,88,556	1,33,543	41.2	1,80,160	4.7
Net interest income (NII)	1,90,928	1,76,668	8.1	1,86,786	2.2
- Treasury income	(2,810)	(400)	602.5	1,230	(328.5)
Other income	56,488	50,878	11.0	60,971	(7.4)
Total income	2,47,416	2,27,545	8.7	2,47,756	(0.1)
Operating expenses	97,028	89,282	8.7	1,00,520	(3.5)
-Staff expenses	37,202	34,010	9.4	38,127	(2.4)
-Other expenses	59,826	55,272	8.2	62,393	(4.1)
Operating profit	1,50,388	1,38,264	8.8	1,47,236	2.1
Core operating profit	1,53,198	1,38,664	10.5	1,46,006	4.9
Total provisions	7,185	16,198	(55.6)	10,494	(31.5)
Profit before tax	1,43,203	1,22,066	17.3	1,36,743	4.7
Tax	36,127	30,847	17.1	34,027	6.2
Profit after tax	1,07,075	91,219	17.4	1,02,715	4.2
Balance Sheet (Rs mn)					
Deposits	1,41,28,250	1,18,08,407	19.6	1,33,23,145	6.0
Advances	1,18,44,064	1,01,96,383	16.2	1,15,37,710	2.7
Profitability ratios (%)					
NIM	4.6	5.0	(33)	4.8	(14)
RoAA	2.5	2.4	4	2.5	(1)
RoAE	19.5	19.7	(15)	19.7	(15)
Asset Quality					
Gross NPA (Rs m)	2,79,617	3,11,837	(10.3)	2,87,746	(2.8)
Net NPA (Rs m)	53,778	51,551	4.3	53,785	(0.0)
Gross NPL ratio	2.2	2.9	(65)	2.3	(13)
Net NPL ratio	0.4	0.5	(5)	0.4	(1)
Coverage ratio (calc.)	80.8	83.5	(270)	81.3	(54)
Business & Other Ratios					
CASA mix	42.2	45.8	(366)	39.6	255
CASA mix - Average	38.9	43.6	(470)	39.4	(50)
Cost-income ratio	39.2	39.2	(2)	40.6	(136)
Non int. inc / total income	22.8	22.4	47	24.6	(178)
Credit deposit ratio	83.8	86.3	(252)	86.6	(277)
CAR	16.7	18.3	(164)	16.7	-
Tier-I	16.3	17.6	(127)	16.0	30

Source: Company, PL

Key Q4FY24 Concall Highlights

Assets/Liabilities

- **Advances:** Personal loan disbursements moderated due to increase in pricing, refining credit parameters and optimizing sourcing costs. Overall lending rates are improving with moderation in competitive environment.
- **Deposit** increase was a function of flow improvement on CASA side. Focus is on organizing business around micro market and ecosystem with sufficient room for growth. Deposit repricing by 10bps was done in Feb'24 with some impact yet to come through.
- **Investment:** Company made an investment in ICICI Lombard through secondary market leading to it becoming a subsidiary. Investment in ICICI Lombard moved to Rs41.4bn from Rs13.3bn (Q2'22).
- **Rating profile:** Moderation in AA- & above is due to 1) growth in business portfolio mapping to BBB, and 2) On corporate side, target is to reduce big exposures including NBFCs due to which risk-weighted assets had gone up.
- 17000 credit cards were erroneously mapped in digital system. Bank took immediate action by blocking these cards and issued new ones to customers.
- LCR is at 123%

NIM/Opex

- **NIMs:** Margins may moderate marginally due to increase in cost of deposits. Post that, it is guided to remain range bound till rate cuts happen.
- **Other Income:** Fee from retail, rural, business banking and SME customers at 77%. Dividend Income was driven majorly by ICICI bank Canada, ICICI prudential AMC and ICICI Securities. Treasury loss of Rs2.8bn due to transfer of negative balance of Rs3.4bn in foreign currency translation reserve related to an offshore unit located in Mumbai in view of proposed closure of the unit.
- **Staff cost** increased in FY24 on account of increase in staff and promotions. Total staff count at ~141000 ie +180/12000 QoQ/YoY. Cost for Q1'25 is expected to increase because of annual promotions. Further hiring will be a function of increase in branches and requirements in sales forces.
- **Other opex** rose due to retail related costs and other technology expenses. Technology expenses were 9.4% of total opex for FY24. ILens, retail lending platform, is integrated with personal and education loans along with mortgages.
- **Overall opex** is expected to moderate considering major employee and technology expenses already been done and moderation of sourcing cost.

Asset Quality

- Retail slippages are expected stabilize at current levels.
- Credit cost came in at ~40bps for FY24 and guided at <50bps.

Exhibit 2: Business banking grows strong at 34% YoY, followed by retail

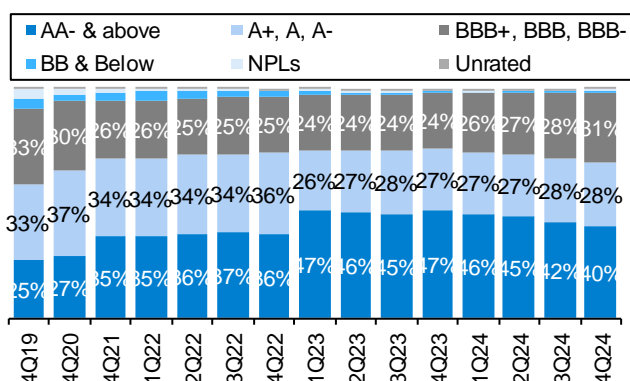
Loan Book Details (Rs bn)	Q4FY24	Q4Y23	YoY gr. (%)	Q3FY24	QoQ gr. (%)
Total Loan Book	11,844	10,196	16.2	11,538	2.7
Domestic Loan book	11,510	9,855	16.8	11,148	3.2
Retail Loan book	6,663	5,578	19.4	6,426	3.7
Domestic Corporate book	2,583	2,348	10.0	2,562	0.8
SME	601	482	24.6	579	3.8
Rural	1,024	874	17.2	980	4.5
Business Banking	932	721	29.3	882	5.7
International Loan book	335	341	(1.9)	390	(14.1)
Retail Loan book break-up					
Home Loans	3,959	3,447	14.9	3,841	3.1
Vehicle loans	926	794	16.6	905	2.4
Personal Loans & CC	1,680	1,259	33.4	1,593	5.5
Others	97	78	24.4	86	12.3
Composition of Loan Book			Change (bps)		Change (bps)
Domestic Loan book	97%	97%	52	97%	55
Retail Loan book	58%	57%	129	58%	25
Domestic Corporate book	22%	24%	(139)	23%	(54)
SME	5%	5%	33	5%	3
Rural	15%	16%	(30)	15%	12
Business Banking	36%	31%	539	34%	166
International Loan book	3%	3%	(52)	3%	(55)
Retail Loan book break-up					
Home Loans	59%	62%	(237)	60%	(36)
Vehicle loans	14%	14%	(33)	14%	(18)
Personal Loans & CC	25%	23%	265	25%	42
Others	1%	1%	6	1%	11

Source: Company, PL

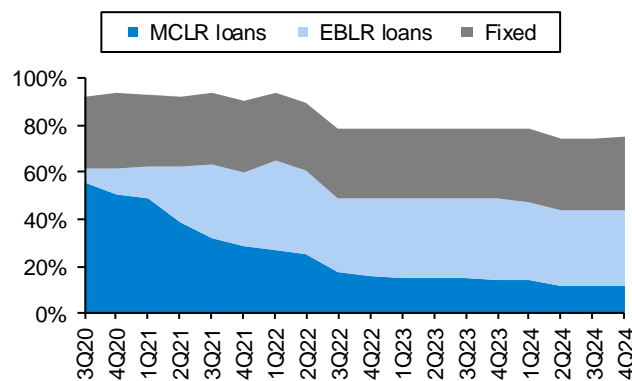
Domestic loan growth strong across segments at 16.8% YoY/3.2% QoQ; international loan book de-grew by 14.1% QoQ.

Retail growth was strong led by strong credit card, PL (+33.4% YoY) and others (+24.4% YoY)

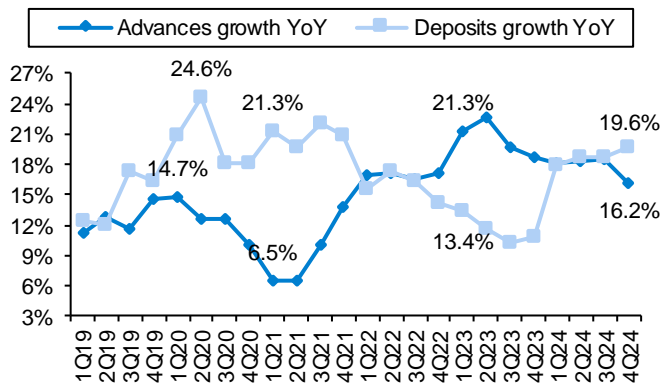
Unsecured portfolio continues to grow at a faster pace

Exhibit 3: A & above rated book dominates at 68%


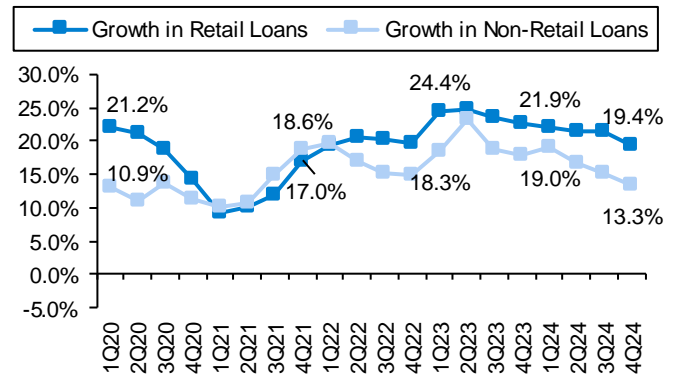
Source: Company, PL

Exhibit 4: Floating rate book stable at 66% QoQ


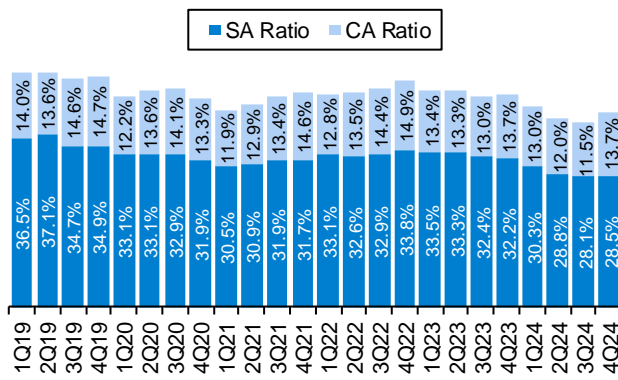
Source: Company, PL

Exhibit 5: Deposits grew faster than advances at 19.6% YoY


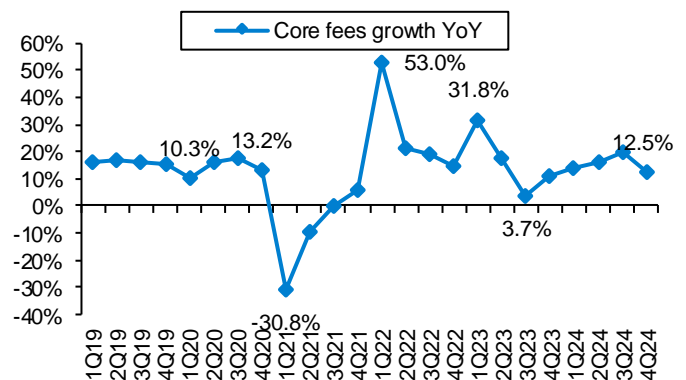
Source: Company, PL

Exhibit 6: Retail growth stable at 19.4% QoQ


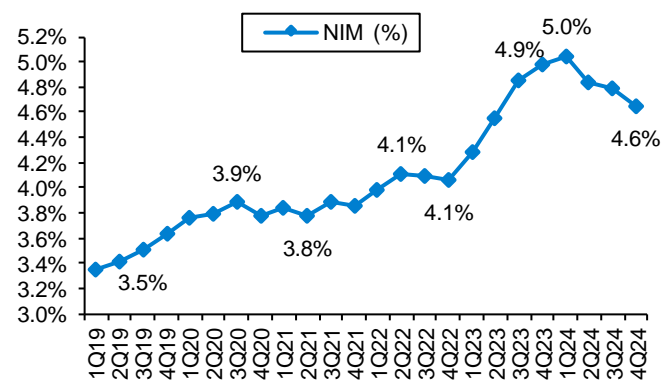
Source: Company, PL

Exhibit 7: CASA declines by 255bps QoQ at 42.18%


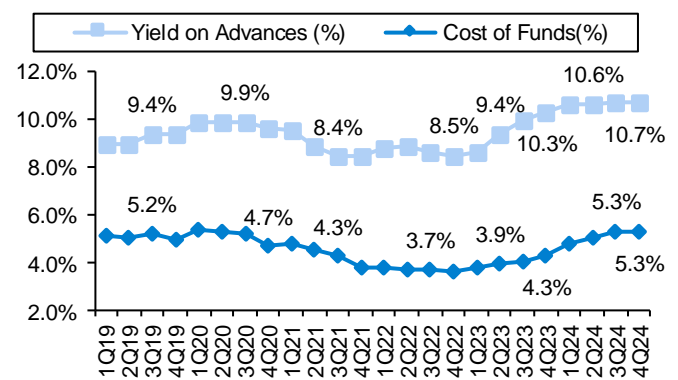
Source: Company, PL

Exhibit 8: Core fees grew 12.5% YoY


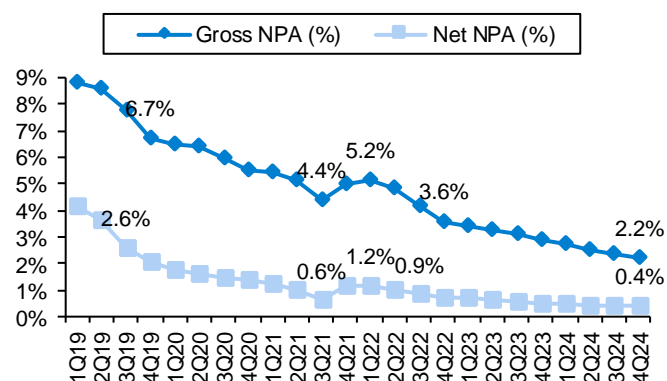
Source: Company, PL

Exhibit 9: NIM declined as CoF grew faster than yield on IEA


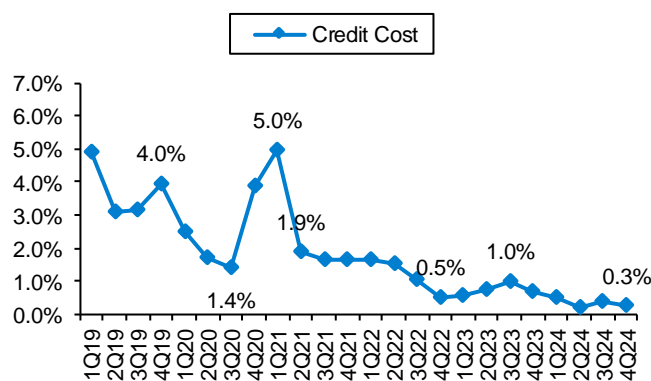
Source: Company, PL

Exhibit 10: Stable CoFs and yields on advances


Source: Company, PL

Exhibit 11: GNPA's decreased 13bps QoQ to 2.2%


Source: Company, PL

Exhibit 12: Credit cost decreased by 13bps QoQ to 0.3%


Source: Company, PL

Exhibit 13: BB rated and below book saw improvement led by prepayments and repayments; net stressed assets at 1.2%

Particulars (Rs Million)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Gross Restructured Loans	32,690	32,420	36,920	23,890	22,890	21,980	8,790	7,740	7,270	6,820	6,610	6,450
Non Fund O/s to non-performing loans	41,010	37,140	36,380	36,400	36,700	35,160	38,690	37,800	37,040	38,860	36,940	36,710
Other loans under RBI scheme not included above	8130	7670	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Borrowers with o/s >Rs1.0bn	64,310	50,810	52,340	58,810	38,050	32,550	26,060	18,010	15,030	21,910	31,660	26,890
Borrowers with o/s <Rs1.0bn	34,620	36,240	29,160	25,380	21,150	21,850	20,960	21,290	20,460	19,160	20,260	21,940
Total BB & Below rated book	180,760	164,280	154,800	144,480	118,790	111,540	94,500	84,840	79,800	86,750	95,470	91,990
Total BB & Below rated book (excl. NFB o/s to NPL)	139750	127140	118420	108080	82090	76380	55810	47040	42760	47890	58530	55280
Movement in BB & Below Book												
Slippage to NPA	1,900	7,300	230	1,560	1,190	570	11,210	1,520	NA	NA	NA	NA
Upgrades to investment grade & O/s reduction	5,410	8,780	9,460	18,040	26,730	8,570	12,460	12,580	NA	NA	NA	NA
Downgrades from investment grade	5,270	3,470	970	3,850	1,930	3,430	3,100	3,640	NA	NA	NA	NA
BB & Below at end of period	180,760	164,280	154,800	144,480	118,790	111,540	94,500	84,840	79,800	86,750	95,470	91,990
% of Net Advances	2.4%	2.1%	1.9%	1.7%	1.3%	1.2%	1.0%	0.8%	0.8%	0.8%	0.8%	0.8%
GNPA %	5.2%	4.8%	4.1%	3.6%	3.4%	3.2%	3.1%	2.9%	2.8%	2.5%	2.3%	2.2%
NNPA %	1.2%	1.0%	0.9%	0.8%	0.7%	0.6%	0.6%	0.5%	0.5%	0.4%	0.4%	0.4%
Net Stressed Assets %	3.7%	3.2%	2.8%	2.5%	2.1%	1.8%	1.6%	1.3%	1.3%	1.2%	1.3%	1.2%

Source: Company, PL **Note** – GNPA/NNPA for 2Q21 & 3Q21 are pro-forma basis; Part of restructured loans overlap with BB book

Exhibit 14: Slippages were mainly from retail book at Rs49.2bn; write-offs were controlled at Rs20.3bn

Asset Quality Break-up	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Fresh Slippages	11,600	44,270	73,410	55,230	72,310	55,780	40,180	42,040	58,250	43,360	57,230	42,970	53,180	46,870	57,140	51,390
- Retail	6,020	17,490	3,940	99,560	67,730	46,240	38,530	37,360	50,370	36,580	41,590	40,200	50,720	43,640	54,820	49,280
- Non retail (corporate/SME)	3,870	14,660	67,200	-55,000	4,580	9,540	1,650	4,680	7,880	7,080	15,640	2,770	2,460	3,230	2,320	2,110
- Slippages below Investment grade	1,710	12,120	2,270	10,670	1,900	7,300	230	1,560	1,190	570	11,210	1,520	0	0	0	0
Recovery & Upgrades	7,570	19,450	17,760	25,600	36,270	54,820	42,090	46,930	54,430	37,610	46,040	42,830	35,103	45,710	53,510	39,180
Write-offs & Sale of NPA	14,260	24,690	28,236	47,300	18,290	18,070	41,930	26,440	11,393	11,673	11,616	13,585	11,690	19,220	16,048	20,340

Source: Company, PL

Exhibit 15: On track towards +16% ROEs

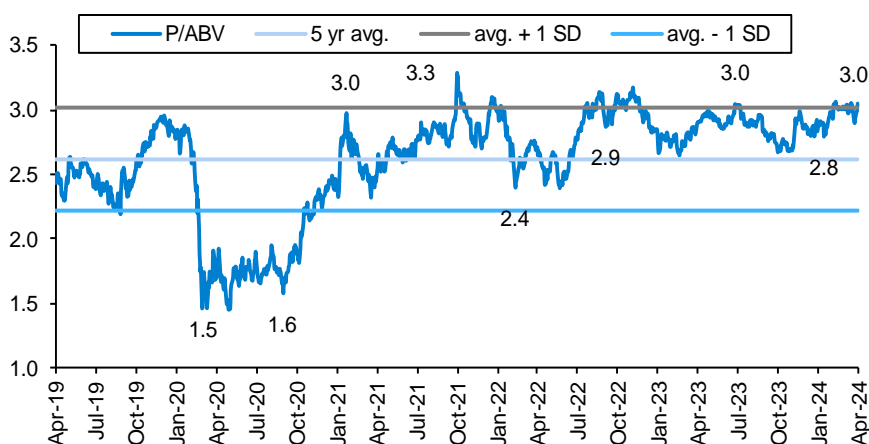
RoA decomposition	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Net interest income	2.9	2.8	2.9	3.2	3.3	3.6	4.1	4.3	4.1	4.0
Other Inc. from operations	2.6	2.1	1.6	1.6	1.6	1.4	1.3	1.3	1.3	1.3
Total income	5.5	4.9	4.5	4.8	5.0	5.0	5.5	5.6	5.4	5.2
Employee expenses	0.8	0.7	0.7	0.8	0.7	0.7	0.8	0.9	0.9	0.8
Other operating expenses	1.2	1.2	1.2	1.3	1.2	1.3	1.4	1.4	1.3	1.3
Operating profit	3.5	3.0	2.5	2.7	3.1	3.0	3.3	3.4	3.2	3.1
Tax	0.2	0.1	0.0	0.6	0.3	0.6	0.7	0.8	0.7	0.7
Loan loss provisions	2.0	2.1	2.1	1.4	1.4	0.7	0.4	0.2	0.3	0.3
RoAA	1.3	0.8	0.4	0.8	1.4	1.8	2.1	2.4	2.2	2.1
RoAE	10.7	6.8	3.2	7.3	12.6	15.0	17.5	18.9	17.5	16.9

Source: Company, PL

Exhibit 16: SOTP Valuation of Rs1,450, core bank valued at 3.0x on FY26E

Particulars	Stake	Rs per share	% of total	Valuation (x)	Basis
ICICI Bank	100.0%	1,244	84.5	3.0	FY26 Core ABV
ICICI Pru Life	51.2%	60	4.1	1.0	Mkt Cap
ICICI Lombard	51.3%	61	4.2	1.0	Mkt Cap
ICICI Pru AMC	51.0%	60	4.1	40.0	FY24 PAT
ICICI Securities	74.7%	25	1.7	1.0	Mkt Cap
ICICI Home Fin.	100.0%	11	0.8	2.5	FY24 ABV
ICICI UK+Canada	100.0%	10	0.7	1.0	FY24 ABV
Total		1,473	100.0		
Holdco discount 10%		23			
Target Price		1,450			

Source: Company, PL

Exhibit 17: ICICIBC one year forward P/ABV trades at 3x


Source: Company, PL

Income Statement (Rs. m)

Y/e Mar	FY23	FY24	FY25E	FY26E
Int. Earned from Adv.	8,39,430	11,09,439	12,86,396	14,29,897
Int. Earned from invt.	2,08,885	2,86,310	3,48,068	3,90,732
Others	25,494	15,246	15,700	15,700
Total Interest Income	10,92,313	14,28,909	16,67,710	18,56,386
Interest Expenses	4,71,027	6,85,852	8,34,073	9,37,639
Net Interest Income	6,21,286	7,43,057	8,33,637	9,18,747
Growth(%)	30.9	19.6	12.2	10.2
Non Interest Income	1,98,314	2,29,578	2,54,861	2,92,159
Net Total Income	8,19,600	9,72,635	10,88,497	12,10,906
Growth(%)	23.0	28.5	15.9	11.8
Employee Expenses	1,20,599	1,51,420	1,73,540	1,89,623
Other Expenses	1,94,885	2,39,907	2,71,130	3,07,382
Operating Expenses	3,28,732	3,91,327	4,44,670	4,97,005
Operating Profit	4,90,868	5,81,308	6,43,827	7,13,901
Growth(%)	25.1	18.4	10.8	10.9
NPA Provision	(6,223)	50,163	55,640	59,813
Total Provisions	66,656	36,429	54,000	60,000
PBT	4,24,212	5,44,878	5,89,827	6,53,901
Tax Provision	1,05,247	1,35,996	1,47,457	1,63,475
Effective tax rate (%)	24.8	25.0	25.0	25.0
PAT	3,18,965	4,08,883	4,42,370	4,90,426
Growth(%)	36.7	28.2	8.2	10.9

Balance Sheet (Rs. m)

Y/e Mar	FY23	FY24	FY25E	FY26E
Face value	2	2	2	2
No. of equity shares	6,984	7,023	7,023	7,023
Equity	13,968	14,047	14,047	14,047
Networth	20,07,154	23,83,993	27,37,890	31,30,230
Growth(%)	17.7	18.8	14.8	14.3
Adj. Networth to NNPA's	51,550	53,778	56,547	59,967
Deposits	1,18,08,407	1,41,28,250	1,62,11,049	1,86,38,064
Growth(%)	10.9	19.6	14.7	15.0
CASA Deposits	54,12,618	59,58,720	65,37,946	76,55,695
% of total deposits	45.8	42.2	40.3	41.1
Total Liabilities	1,58,42,067	1,87,15,146	2,14,97,010	2,46,71,878
Net Advances	1,01,96,383	1,18,44,064	1,36,17,281	1,56,55,974
Growth(%)	18.7	16.2	15.0	15.0
Investments	36,23,297	46,19,423	53,65,267	60,93,968
Total Assets	1,58,42,066	1,87,15,146	2,14,97,010	2,46,71,878
Growth (%)	12.3	18.1	14.9	14.8

Asset Quality

Y/e Mar	FY23	FY24	FY25E	FY26E
Gross NPAs (Rs m)	3,11,840	2,79,620	2,97,620	3,15,620
Net NPAs (Rs m)	51,550	53,778	56,547	59,967
Gr. NPAs to Gross Adv.(%)	2.8	2.2	2.0	1.9
Net NPAs to Net Adv. (%)	0.5	0.4	0.4	0.4
NPA Coverage %	83.5	80.8	81.0	81.0

Profitability (%)

Y/e Mar	FY23	FY24	FY25E	FY26E
NIM	4.4	4.5	4.3	4.2
RoAA	2.1	2.4	2.2	2.1
RoAE	17.5	18.9	17.5	16.9
Tier I	17.6	15.6	15.3	15.0
CRAR	18.3	16.3	16.0	15.6

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Interest Income	3,33,276	3,49,204	3,66,946	3,79,484
Interest Expenses	1,51,012	1,66,125	1,80,160	1,88,556
Net Interest Income	1,82,265	1,83,079	1,86,786	1,90,928
YoY growth (%)	38.0	23.8	13.4	8.1
CEB	48,430	52,040	53,130	54,360
Treasury	-	-	-	-
Non Interest Income	54,353	57,767	60,971	56,488
Total Income	3,87,629	4,06,971	4,27,916	4,35,971
Employee Expenses	38,837	37,254	38,127	37,202
Other expenses	56,389	61,299	62,393	59,826
Operating Expenses	95,226	98,553	1,00,520	97,028
Operating Profit	1,41,391	1,42,293	1,47,236	1,50,388
YoY growth (%)	37.2	21.8	10.9	8.8
Core Operating Profits	1,35,469	1,36,566	1,39,396	1,48,260
NPA Provision	-	-	-	-
Others Provisions	12,924	5,826	10,494	7,185
Total Provisions	12,924	5,826	10,494	7,185
Profit Before Tax	1,28,467	1,36,466	1,36,743	1,43,203
Tax	31,985	33,856	34,027	36,127
PAT	96,482	1,02,610	1,02,715	1,07,075
YoY growth (%)	39.7	35.8	23.6	17.4
Deposits	1,23,87,366	1,29,47,417	1,33,23,145	1,41,28,250
YoY growth (%)	17.9	18.8	18.7	19.6
Advances	1,05,75,826	1,11,05,421	1,15,37,710	1,18,44,064
YoY growth (%)	18.1	18.3	18.5	16.2

Key Ratios

Y/e Mar	FY23	FY24	FY25E	FY26E
CMP (Rs)	1,108	1,108	1,108	1,108
EPS (Rs)	45.7	58.2	63.0	69.8
Book Value (Rs)	283	335	385	441
Adj. BV (70%)(Rs)	276	327	377	433
P/E (x)	24.3	19.0	17.6	15.9
P/BV (x)	3.9	3.3	2.9	2.5
P/ABV (x)	4.0	3.4	2.9	2.6
DPS (Rs)	5.0	11.6	12.6	14.0
Dividend Payout Ratio (%)	10.9	20.0	20.0	20.0
Dividend Yield (%)	0.4	1.1	1.1	1.3

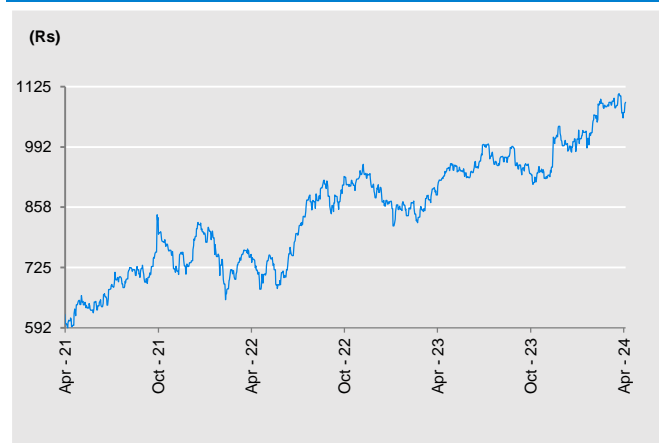
Efficiency

Y/e Mar	FY23	FY24	FY25E	FY26E
Cost-Income Ratio (%)	40.1	40.2	40.9	41.0
C-D Ratio (%)	86.3	83.8	84.0	84.0
Business per Emp. (Rs m)	171	184	198	214
Profit per Emp. (Rs lacs)	25	29	29	31
Business per Branch (Rs m)	3,730	3,982	4,217	4,528
Profit per Branch (Rs m)	54	63	63	65

Du-Pont

Y/e Mar	FY23	FY24	FY25E	FY26E
NII	4.15	4.30	4.15	3.98
Total Income	5.47	5.63	5.41	5.25
Operating Expenses	2.19	2.26	2.21	2.15
PPoP	3.28	3.36	3.20	3.09
Total provisions	0.45	0.21	0.27	0.26
RoAA	2.13	2.37	2.20	2.12
RoAE	17.48	18.89	17.48	16.89

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Apr-24	BUY	1,300	1,087
2	21-Jan-24	BUY	1,300	1,009
3	08-Jan-24	BUY	1,280	994
4	22-Oct-23	BUY	1,280	933
5	07-Oct-23	BUY	1,180	945
6	23-Jul-23	BUY	1,180	997
7	06-Jul-23	BUY	1,130	959

Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Hold	1,660	1,626
2	Axis Bank	BUY	1,400	1,063
3	Bank of Baroda	BUY	270	268
4	Can Fin Homes	BUY	900	799
5	City Union Bank	Accumulate	160	155
6	DCB Bank	BUY	180	136
7	Federal Bank	BUY	180	155
8	HDFC Asset Management Company	BUY	4,100	3,707
9	HDFC Bank	BUY	2,000	1,531
10	ICICI Bank	BUY	1,300	1,087
11	IndusInd Bank	BUY	1,800	1,496
12	Kotak Mahindra Bank	BUY	2,250	1,788
13	LIC Housing Finance	Hold	540	649
14	Nippon Life India Asset Management	BUY	615	584
15	State Bank of India	BUY	770	768
16	UTI Asset Management Company	BUY	900	915

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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