

# ICICI BANK LIMITED

Yet another strong quarter; Asset Quality outcome positive

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## Result and Price Analysis:

Earnings in 2QFY24 re-acknowledge our conviction that ICICI Bank is maintaining a sustainable and prudent growth led by tech-driven initiatives. The bank has reported its 2QFY24 results with the key pointers being: 1) Strong NII growth of 24% YoY, with headline NIMs (Domestic: 4.61% & Overall: 4.53%) down sequentially led by higher COF. 2) PPOp growth higher sequentially driven by healthy NII and stable C/I (40.8%), 3) Reported slippages (₹46.8bn v/s ₹53.1bn in 1QFY24) decreased sequentially, 4) NNPA ratio improved further at 0.43%, 5) PCR (excluding technical write-offs) stood at 83%. However the bank didn't include contingent & floating provision (~₹229bn) in PCR calculation; 7) Contingent provision (excluding PCR) stood at 2.1% of the loan book, 8) BB & below exposure stable sequentially to 0.7% of net wholesale advances, 9) the bank's net advances grew by 18.3% YoY and 5% sequentially; and 8) deposits stood at ₹12.9tn mark and grew sequentially by 4.5% with average CASA at 40.8%. Moreover, provision expenses inched down sequentially to ₹5.8bn v/s 12.8bn in 1QFY24. Factoring stable balance sheet growth and credit cost of below 1% in FY24E, we estimate the bank's FY24E ROA and ROE of 2.1% and 16.8% respectively. We have positive outlook on the Bank with BUY rating.

## Gazing the Core:

**Asset quality a positive outcome; retail slippages down sequentially:** Slippages were down to ₹46.9bn v/s ₹53.2bn in the previous quarter. Retail slippages and Corporate & SME slippages contributed 93% and 7% respectively. Despite significant contribution, retail slippages decreased by 14% sequentially. The standard restructured (0.32% of portfolio) book inched down sequentially to ~₹36bn. Retail book contributed ~85% of restructured pool (Over 95% are secured), while rest is from corporate and SME book. The bank carries provision worth ₹11bn (~31% covered) against the restructured pool. The absolute GNPA decreased by 6.2% sequentially led by lower slippages. As on 2QFY24, the bank's GNPA/NNPA/PCR stood at 2.48%/0.43%/83% against 2.76%/0.48%/83% in the previous quarter.

Key Financials (₹ mn)	FY21	FY22	FY23	FY24E	FY25E
NII	389,894	474,661	621,286	736,589	872,577
Operating Profit	363,971	392,503	490,868	564,572	652,416
Reported Profits	161,927	233,395	318,965	366,728	427,561
Net Worth	1,444,125	1,670,499	1,968,920	2,335,648	2,763,209
Loan & Advances	7,337,291	8,590,204	10,196,383	12,133,696	14,560,435
Int. Bearing Liabilities	10,241,531	11,718,030	13,001,662	14,992,271	17,695,380

Key Ratios (%)	FY21	FY22	FY23	FY24E	FY25E
NIM's	3.6	3.8	4.4	4.5	4.6
C/I Ratio	37.2	40.5	40.1	40.5	40.7
Gross NPA Ratio	5.0	3.8	2.8	2.6	2.7
PCR (%)	77.7	79.2	83.5	83.7	86.5
Adj. RoA Ratio	1.4	1.8	2.1	2.1	2.1
Adj. RoE Ratio	12.3	14.7	17.2	16.8	16.7

Rating	BUY
Current Market Price (₹)	933
12M Price Target (₹)	1,195
Potential upside (%)	28

## Stock Data

Sector:	Banking
FV (₹):	2
Market Cap Full (₹ bn):	6,542
Market Cap Free Float (₹ bn):	6,542
52-Week High / Low (₹):	1001 / 796
BSE Code / NSE Symbol:	532174 / ICICIBANK
Bloomberg:	ICICIB IN

## Shareholding Pattern

(%)	Sep-23	Jun-23	Mar-23	Dec-22
FPIs	44.38	44.52	44.15	45.09
MFs	29.67	29.22	29.35	28.69
Insurance	12.13	12.42	12.55	12.41
Others	13.82	13.84	13.95	13.81

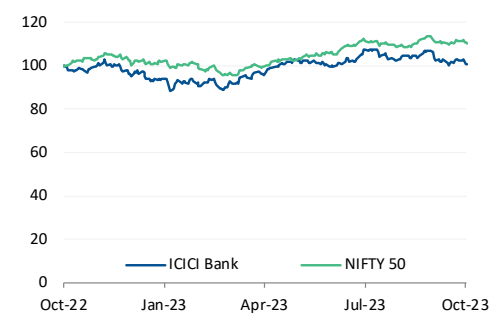
Source: BSE

## Price Performance (%)

(%)	1M	3M	6M	12M
ICICI Bank	-5.5%	-6.3%	4.3%	0.7%
Nifty 50	-1.8%	-2.2%	10.9%	10.2%

\* To date / current date : October 20, 2023

## ICICI Bank vs Nifty 50



With manageable stress level, the total provisioning expenses were down sequentially and stood at ₹5.8bn v/s ₹12.9bn in the previous quarter. The total contingent provisioning stood at ₹131bn. The total additional provision contain contingent provision (₹131bn), General Provision (₹66bn) and Provision on Non-fund based NPA (₹21bn). The PCR including all provisions (Cumulative + General + Contingencies) stood at 160% of GNPL. The contingent provision (excluding PCR) stood 2.1% of the loan. We expect the contingent provision to be adequate for future stress. The bank's BB & below rated pool went up (₹77.7bn v/s ₹63.5bn) contributes 0.7% of total customer assets.

**Margin compression as expected:** The bank's quarterly NII stood at ₹183bn; grew by 23.8% YoY and 0.4% sequentially driven by marginally down domestic NIMs at 4.61%. Overall NIMs down by 25bps to 4.53%. The bank's 30% loans are fixed rate and reaming linked with external benchmark. Non-interest income grew by 14.3% YoY and 6.3% QoQ. The PPOP stood at ₹142.3bn; 21.8% YoY driven by healthy NII and stable C/I ratio of 40.9%. With sequentially lower provisioning expenses (₹5.8bn v/s ₹12.9bn) the bank reported PAT of ₹102.6bn; grew 35.8% YoY and 6.4% sequentially. The banks ROA/ROE stood at 2.4%/19%.

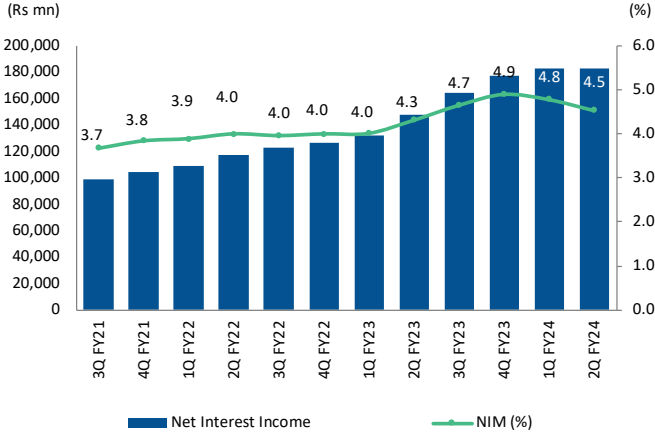
**Growth Maintained:** Disbursement across retail products saw stable growth. The bank's advances stood at ~₹11.1tn; 18.3% YoY and 5% QoQ. Domestic advances grew 20.6% YoY. Domestic advances (98.6% contribution) grew by 6.8% QoQ. Foreign advances grew by 12.6% QoQ. Retail advances (71.3% contribution) grew by 5.8% QoQ. SME advances (4.9% contribution) grew by 7.2% QoQ. Corporate advances (22.4% contribution) grew by 3.1% QoQ. In retail book; Personal loan & Credit card segment (18.7% of retail book) grew at 9% sequentially. 85% of the unsecured retail book customers are salaried. Home loan (46.8% of retail book) grew by 4.1% QoQ where Vehicle loan (11% of retail book) grew by 4.9% QoQ. The bank's deposit stood at ₹12.9tn mark and grew by 18.8% YoY and grew by 4.5% sequentially. The CDR and Avg. CASA stood at 85.8% and 40.8% respectively. In 2QFY24, the bank's CET 1 stood at 15.26%. The bank's CAR stood at 16.07% with Tier 1 of 15.35%. The total RWA stood 70.1% of total assets against 70.2% in 1QFY24.

### Outlook & Valuations

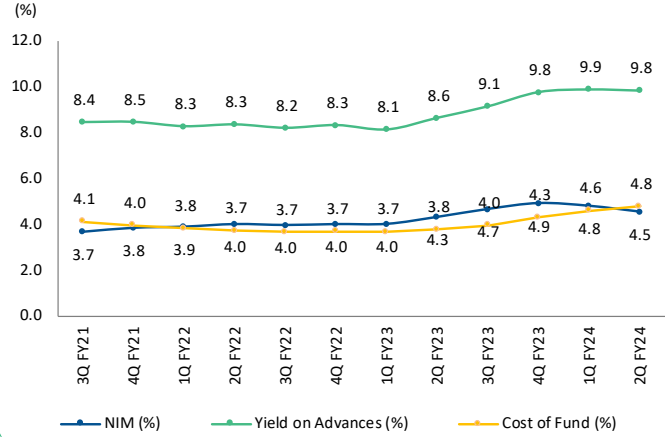
We expect its loan book to grow at CAGR of 20% over FY23-26E, led by technology initiatives. The credit cost normalization is underway. We estimate return ratio ROA/ROE of 2.1% and 16.6% in FY24E. We value the standalone entity with 2.8x FY25E BVPS (₹392) and of investment in subsidiaries and JVs (₹122 per share); we arrive at an unchanged target price of ₹1195. We recommend BUY with a potential upside of 28%.

Quarterly story in charts

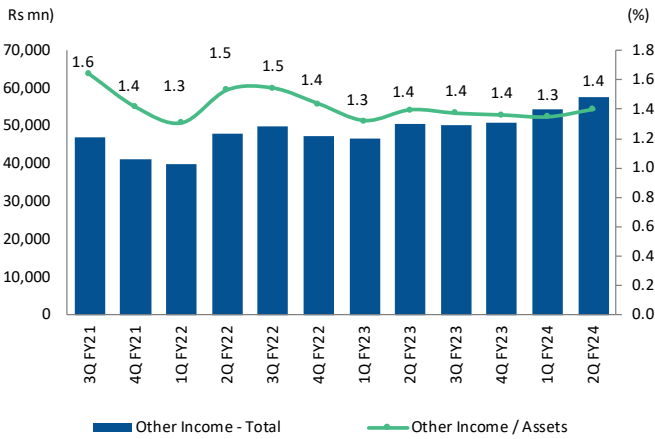
**NII trend**



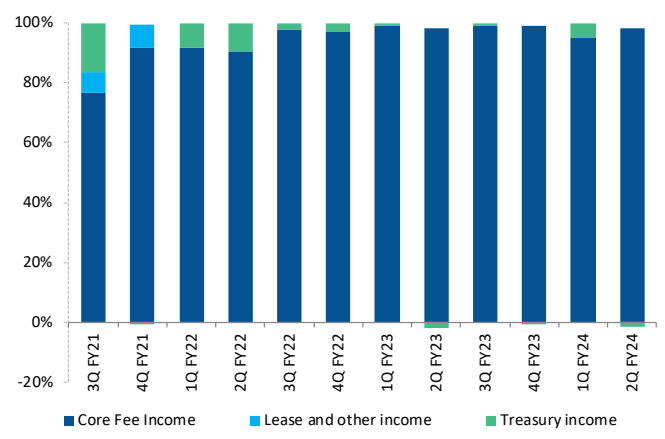
**Yields & Margin trend**



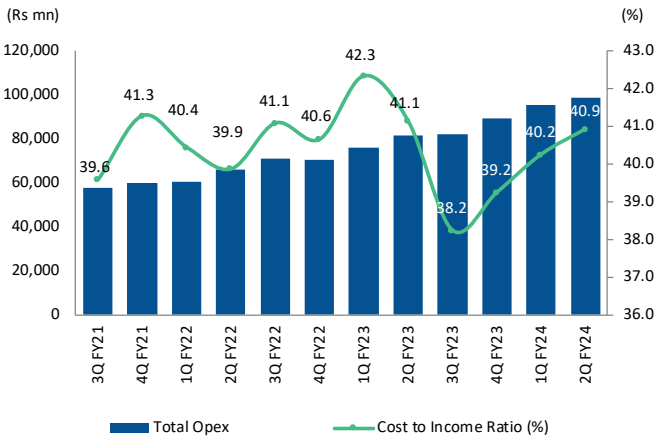
**Other Income trend**



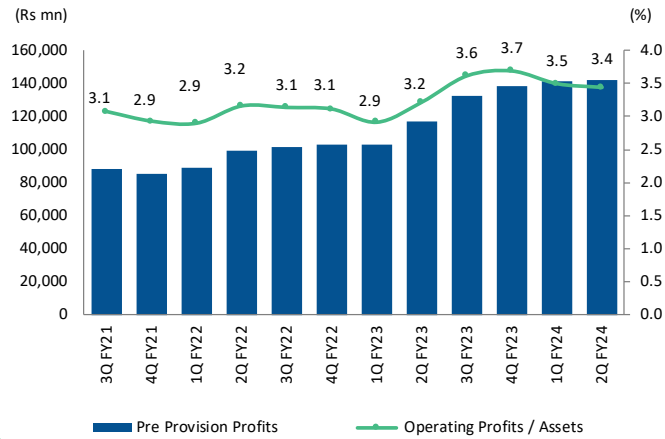
**Other Income Mix trend**



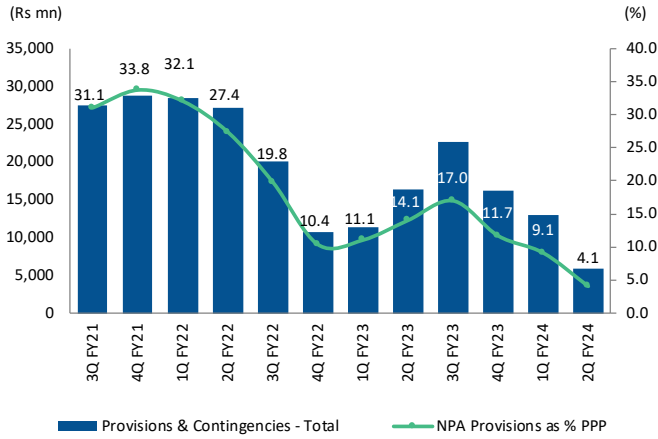
**Total Opex trend**



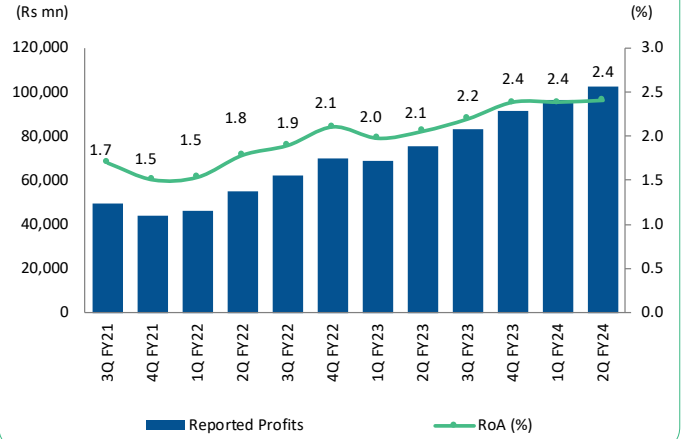
**Pre Provision Profit trend**



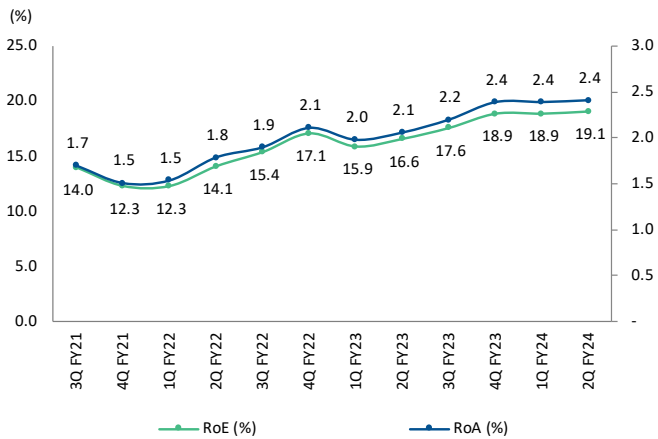
**Provision Expenses trend**



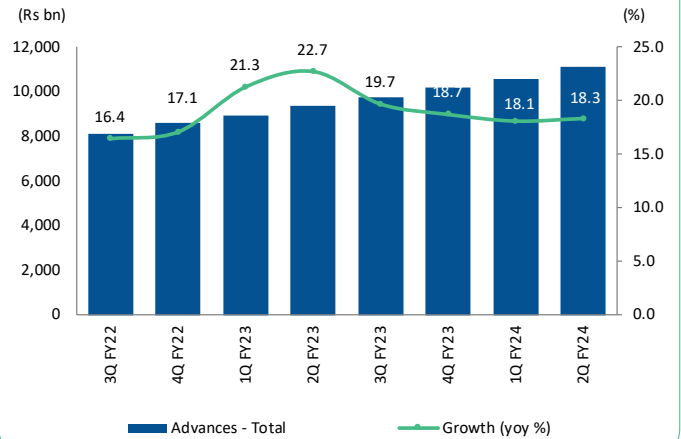
**Reported Profit trend**



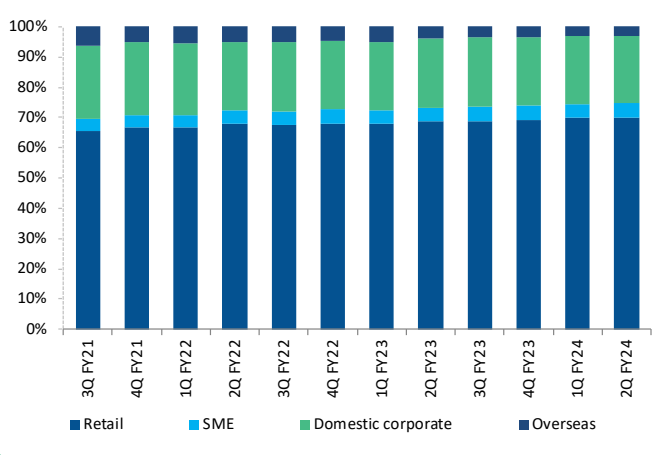
**Return Ratio trend**



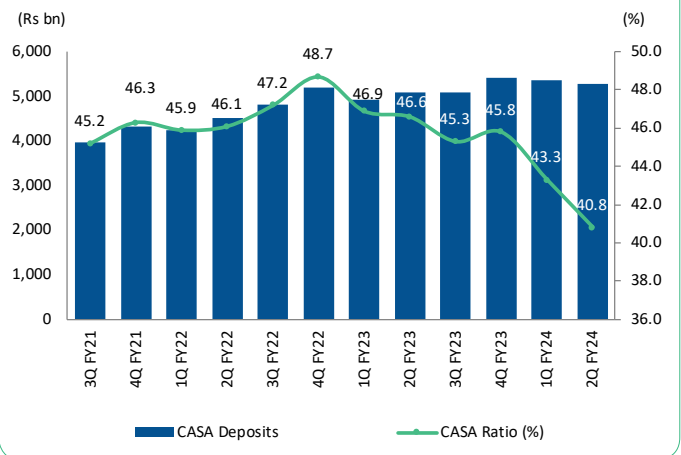
**Loan Book trend**



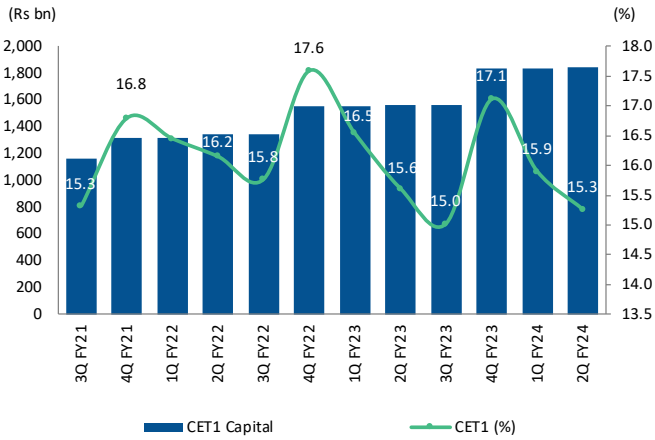
**Loan Book Mix trend**



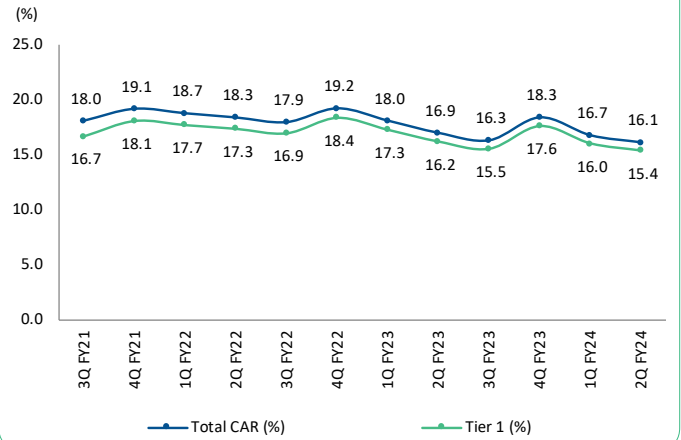
**CASA Deposit trend**



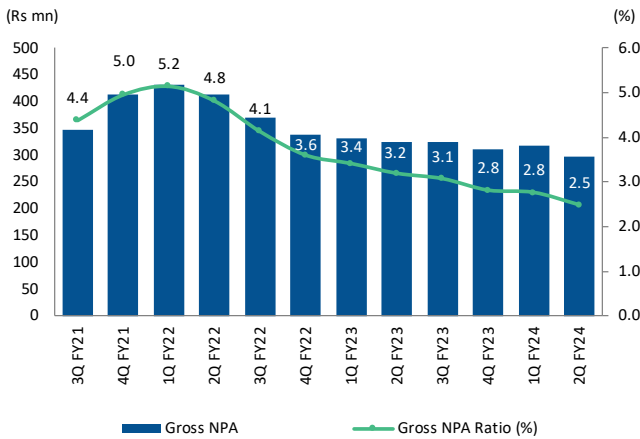
**CET 1 Ratio trend**



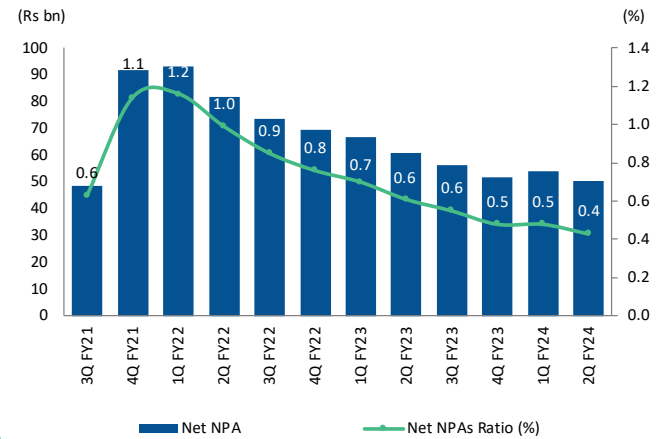
**CRAR and Tier 1 trend**



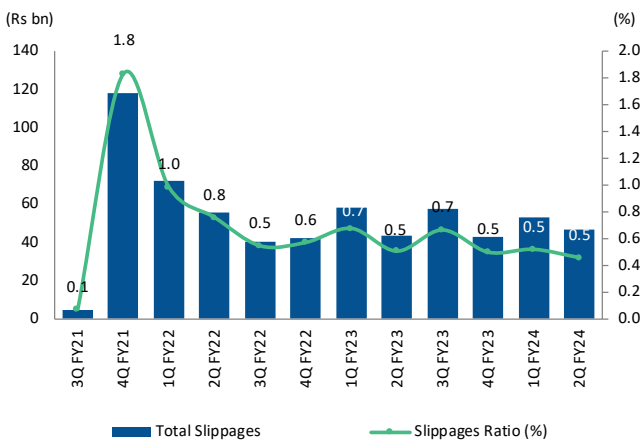
**Gross NPA trend**



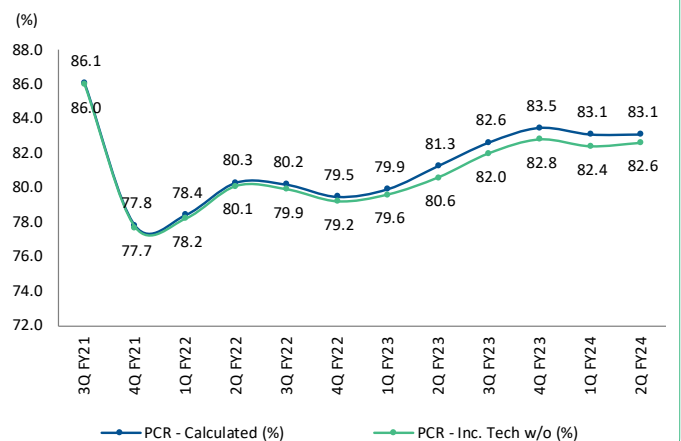
**Net NPA trend**



**Slippages trend**



**PCR trend**



## Recent Performance at a glance

### Exhibit 1 : Income Statement Analysis

(₹ mn)	2Q FY24	2Q FY23	% yoy / bps	1Q FY24	% qoq / bps	FY23	FY22	% yoy / bps
Interest Inc.	349,204	260,330	34.1	333,276	4.8	1,092,313	863,745	26.5
Interest Expenses	166,125	112,462	47.7	151,012	10.0	471,027	389,085	21.1
Net Interest Income	183,079	147,868	23.8	182,265	0.4	621,286	474,661	30.9
NII to Net Operative Income	76.0	74.5	149	77.0	(101)	75.8	71.9	387
NIM (%)	4.53	4.3	22	4.8	(25)	4.4	3.8	56
Other Income - Total	57,767	50,549	14.3	54,353	6.3	198,315	185,175	7.1
Other Inc to Net Oper. Income (%)	24.0	25.5	(149)	23.0	101	24.2	28.1	(387)
Net Operating Revenue	240,846	198,417	21.4	236,617	1.8	819,601	659,836	24.2
Employee Expenses	37,254	28,885	29.0	38,837	(4.1)	120,599	96,727	24.7
Other Opex	61,299	52,728	16.3	56,389	8.7	208,133	170,606	22.0
Total Opex	98,553	81,614	20.8	95,226	3.5	328,732	267,333	23.0
Cost to Income Ratio (%)	40.9	41.1	(21)	40.2	67	40.1	40.5	(41)
Pre Provision Profits	142,293	116,803	21.8	141,391	0.6	490,868	392,503	25.1
Provisions & Contingencies - Total	5,826	16,445	(64.6)	12,924	(54.9)	66,656	86,414	(22.9)
NPA Provisions as % PPP	4.1	14.1	(998)	9.1	(505)	13.6	22.0	(844)
Profit Before Tax	136,466	100,358	36.0	128,467	6.2	424,212	306,089	38.6
Tax	33,856	24,780	36.6	31,985	5.9	106,950	82,411	29.8
Effective Tax Rate (%)	24.8	24.7	12	24.9	(9)	25.2	26.9	(171)
Reported Profits	102,610	75,578	35.8	96,482	6.4	317,263	223,678	41.8
RoA (%)	2.4	2.1	35	2.4	2	2.1	1.8	36
RoE (%)	19.1	16.6	250	18.9	20	17.2	14.7	254

Source: Company, LKP Research

### Exhibit 2 : Balance Sheet Analysis

(₹ mn)	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	2Q FY24	QoQ % / bps	YoY % / bps
Net Worth	1,774,910	1,819,968	1,906,331	1,999,545	2,100,498	2,149,709	2.3	18.1
RoE (%)	15.9	16.6	17.6	18.9	18.9	19.1	20	250
Tier 1 (%)	17.3	16.2	15.5	17.6	16.0	15.4	(65)	(82)
Total CAR (%)	18.0	16.9	16.3	18.3	16.7	16.1	(64)	(86)
RWA - Total	9,415,420	9,987,590	10,413,780	10,705,150	11,562,200	12,064,060	4.3	20.8
Advances - Total	8,956,248	9,385,628	9,740,475	10,196,383	10,575,826	11,105,421	5.0	18.3
Investments	3,212,522	3,330,308	3,370,506	3,623,297	3,981,395	4,132,531	3.8	24.1
Total Assets	14,155,808	14,886,742	15,217,481	15,842,067	16,470,003	17,207,796	4.5	15.6
RoA (%)	1.98	2.06	2.20	2.39	2.39	2.41	2	35
Deposits	10,503,490	10,900,080	11,220,495	11,808,407	12,387,366	12,947,417	4.5	18.8
CASA Deposits	4,921,140	5,078,400	5,088,420	5,412,620	5,362,260	5,276,300	(1.6)	3.9
CASA Ratio (%)	46.9	46.6	45.3	45.8	43.3	40.8	(250)	(580)
Interest Bearing Liabilities - Total	11,658,035	12,199,419	12,525,995	13,001,662	13,499,890	14,114,997	4.6	15.7

Source: Company, LKP Research

**Exhibit 3: Loan book Analysis**

(₹ mn)	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	2Q FY24	QoQ % / bps	YoY % / bps
Home	3,050,760	3,186,130	3,313,790	3,446,960	3,556,460	3,703,510	4.1	16.2
Vehicle Loans	702,300	726,180	756,930	794,190	830,000	870,430	4.9	19.9
Business Banking	573,960	635,720	668,830	721,120	748,710	828,330	10.6	30.3
Rural & Other	769,980	799,040	829,060	874,310	905,540	937,570	3.5	17.3
Retails - Other	62,500	75,350	66,850	78,050	86,320	98,200	13.8	30.3
Secured Retail loans	5,159,500	5,422,420	5,635,460	5,914,630	6,127,030	6,438,040	5.1	18.7
Personal Loans	683,750	743,550	809,320	880,550	947,950	1,044,280	10.2	40.4
Credit Cards	280,100	333,940	345,460	378,410	407,200	432,300	6.2	29.5
Unsecured Retail loans	963,850	1,077,490	1,154,780	1,258,960	1,355,150	1,476,580	9.0	37.0
Retail	6,123,350	6,499,910	6,790,240	7,173,590	7,482,180	7,914,620	5.8	21.8
SME	393,850	419,250	454,240	482,210	506,150	542,640	7.2	29.4
Domestic corporate	2,022,920	2,160,060	2,261,830	2,348,180	2,413,880	2,489,750	3.1	15.3
Domestic book	8,498,620	9,005,720	9,387,820	9,855,290	10,253,110	10,947,010	6.8	21.6
Overseas	457,630	379,910	352,650	341,100	322,730	363,360	12.6	(4.4)
Advances - Total	8,956,248	9,385,628	9,740,475	10,196,383	10,575,826	11,105,421	5.0	18.3
RoA (%)	2.0	2.1	2.2	2.4	2.4	2.4	2	35

Source: Company, LKP Research

**Exhibit 4: Funding Profile Analysis**

(₹ mn)	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	2Q FY24	QoQ % / bps	YoY % / bps
Deposits	10,503,490	10,900,080	11,220,495	11,808,407	12,387,366	12,947,417	4.5	18.8
CASA Deposits	4,921,140	5,078,400	5,088,420	5,412,620	5,362,260	5,276,300	(1.6)	3.9
Saving Deposit	3,518,140	3,624,840	3,632,160	3,797,760	3,751,930	3,723,260	(0.8)	2.7
Current Deposit	1,403,000	1,453,560	1,456,260	1,614,860	1,610,330	1,553,040	(3.6)	6.8
Term Deposits	5,582,350	5,821,680	6,132,075	6,395,787	7,025,106	7,671,117	9.2	31.8
Borrowings	1,154,545	1,299,339	1,305,500	1,193,255	1,112,524	1,167,580	4.9	(10.1)
Interest Bearing Liabilities - Total	11,658,035	12,199,419	12,525,995	13,001,662	13,499,890	14,114,997	4.6	15.7

Source: Company, LKP Research

**Exhibit 5: Asset Quality Analysis**

(₹ mn)	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	2Q FY24	QoQ % / bps	YoY % / bps
Total Slippages	58,250	43,660	57,230	42,970	53,180	46,870	(11.9)	7.4
Slippages Ratio (%)	0.68	0.51	0.67	0.50	0.52	0.46	(6)	(5)
Gross NPA	331,632	325,709	325,282	311,837	318,224	298,369	(6.2)	(8.4)
Gross NPAs Ratio (%)	3.41	3.19	3.07	2.81	2.76	2.48	(28)	(71)
PCR - Calculated (%)	79.9	81.3	82.6	83.5	83.1	83.1	(0)	181
Net NPA	66,562	60,993	56,512	51,551	53,818	50,465	(6.2)	(17.3)
Net NPAs Ratio (%)	0.70	0.61	0.55	0.48	0.48	0.43	(5)	(18)
Standard Restructured	73,760	67,130	49,870	45,080	39,460	35,360	(10.4)	(47.3)
Std. Rest. Adv. as % of Advances	0.8	0.7	0.51	0.44	0.37	0.32	(5)	(40)

Source: Company, LKP Research

## Annual Projections

### Exhibit 6: Profit and Loss Statement

(₹ mn)	FY21	FY22	FY23	FY24E	FY25E
Int. Income / Opr. Revenue	791,183	863,745	1,092,313	1,272,553	1,498,406
Interest Expenses	401,288	389,085	471,027	535,964	625,828
Net Interest Income	389,894	474,661	621,286	736,589	872,577
<i>NIM (%)</i>	3.61	3.82	4.38	4.55	4.61
Other Income - Total	189,685	185,175	198,315	212,386	227,456
Net Operating Revenue	579,580	659,836	819,601	948,975	1,100,033
Employee Exp.	80,918	96,727	120,599	147,131	179,500
Other Opex	134,691	170,606	208,133	237,272	268,117
Total Opex	215,608	267,333	328,732	384,403	447,617
<i>C/I Ratio (%)</i>	37.20	40.52	40.11	40.51	40.69
Pre Provision Profits	363,971	392,503	490,868	564,572	652,416
<i>PPP Growth (yoy %)</i>	29.5	7.8	25.1	15.0	15.6
Provisions & Contingencies - Total	162,144	86,414	66,656	76,836	83,776
<i>Credit Cost (As % of Op. AUM)</i>	2.54	0.84	0.55	0.55	0.55
Profit Before Tax	201,827	306,089	424,212	487,736	568,641
Tax	39,900	72,694	105,247	121,007	141,080
<i>Effective Tax Rate (%)</i>	19.8	23.7	24.8	24.8	24.8
Reported Profits	161,927	233,395	318,965	366,728	427,561
<i>PAT Growth (yoy %)</i>	15.3	44.1	36.7	15.0	16.6



**Exhibit 7: Balance Sheet**

(₹ mn)	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	13,834	13,900	13,968	13,968	13,968
Reserves (ex Revel. Reserve)	1,430,291	1,656,599	1,954,953	2,321,681	2,749,241
Net Worth - Ex Revaluation	1,444,125	1,670,499	1,968,920	2,335,648	2,763,209
Deposits	9,325,222	10,645,716	11,808,407	13,616,324	16,071,349
Borrowings	916,310	1,072,314	1,193,255	1,375,947	1,624,031
Interest Bearing Liabilities (₹ mn)	10,241,531	11,718,030	13,001,662	14,992,271	17,695,380
Other Lia. & Prov.	587,704	689,828	833,251	949,313	1,061,782
<b>Total Liabilities</b>	<b>12,304,327</b>	<b>14,112,977</b>	<b>15,842,067</b>	<b>18,319,795</b>	<b>21,527,979</b>
<b>Assets</b>					
Cash & Cash Equivalent	1,331,283	1,678,224	1,194,383	1,212,826	1,429,595
Investments	2,812,865	3,102,410	3,623,297	4,037,314	4,500,828
Loan & Advances (₹ mn)	7,337,291	8,590,204	10,196,383	12,133,696	14,560,435
<i>Growth (yoy %)</i>	<i>13.7</i>	<i>17.1</i>	<i>18.7</i>	<i>19.0</i>	<i>20.0</i>
Fixed Assets	88,776	93,738	95,998	109,570	128,093
Other Assets	734,112	648,401	732,005	826,389	909,027
<b>Total Assets</b>	<b>12,304,327</b>	<b>14,112,977</b>	<b>15,842,067</b>	<b>18,319,795</b>	<b>21,527,979</b>

**Exhibit 8: Per share data**

Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
Face Value (₹)	2	2	2	2	2
Adjusted Share O/S (mn)	6,917	6,950	6,984	6,984	6,984
Earnings Per Share (₹)	23.4	33.6	45.7	52.5	61.2
<i>EPS (% YoY)</i>	<i>7.9</i>	<i>43.5</i>	<i>36.0</i>	<i>15.0</i>	<i>16.6</i>
<i>P/E (x)</i>	<i>39.8</i>	<i>27.8</i>	<i>20.4</i>	<i>17.8</i>	<i>15.2</i>
Book Value (₹)	208.8	240.4	281.9	334.4	395.7
<i>BVPS (% YoY)</i>	<i>19.2</i>	<i>15.1</i>	<i>17.3</i>	<i>18.6</i>	<i>18.3</i>
<i>P/BV (x)</i>	<i>4.5</i>	<i>3.9</i>	<i>3.3</i>	<i>2.8</i>	<i>2.4</i>
Adj. BV (₹)	202.2	235.4	278.2	330.7	392.0
<i>Adj. BV (% YoY)</i>	<i>20.7</i>	<i>16.4</i>	<i>18.2</i>	<i>18.9</i>	<i>18.5</i>
<i>P/ABV (x)</i>	<i>4.6</i>	<i>4.0</i>	<i>3.4</i>	<i>2.8</i>	<i>2.4</i>

**Exhibit 9: Detail RoA Tree Analysis (%)**

Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
<b>Yields / Margins</b>					
Yield on Advance	8.3	8.0	8.9	8.9	8.9
Yield on Funds	7.3	7.0	7.7	7.9	7.9
Cost of Funds (CoF)	4.1	3.5	3.8	3.8	3.8
Interest Spread	3.2	3.4	3.9	4.0	4.1
NIM's	3.6	3.8	4.4	4.5	4.6
Interest Income / Assets	6.8	6.5	7.3	7.5	7.5
Interest Exp. / Assets	3.4	2.9	3.1	3.1	3.1
NII / Assets	3.3	3.6	4.1	4.3	4.4
Fee Income / Assets	0.9	1.0	0.9	0.8	0.8
Other Non Core Income / Assets	0.6	0.3	0.3	0.3	0.2
Other Income / Assets	1.6	1.4	1.3	1.2	1.1
Net Operating Income / Assets	5.0	5.0	5.5	5.6	5.5
<b>Operating Ratios</b>					
NII to Net Operative Income	67.3	71.9	75.8	77.6	79.3
Other Income to Net Operative Income	32.7	28.1	24.2	22.4	20.7
Empl. Cost/Oper. Exps.	37.5	36.2	36.7	38.3	40.1
Other Op. Exps./Oper. Exps.	62.5	63.8	63.3	61.7	59.9
C/I Ratio (%)	37.2	40.5	40.1	40.5	40.7
Provisions as % PPP	28.0	13.1	8.1	8.1	7.6
Credit Cost (As % of Op. AUM)	2.5	0.8	0.6	0.6	0.6
Effective Tax Rate (%)	19.8	23.7	24.8	24.8	24.8
Employee Exp. / Assets	0.7	0.7	0.8	0.9	0.9
Other Opex/ Assets	1.2	1.3	1.4	1.4	1.3
Total Opex / Assets	1.9	2.0	2.2	2.3	2.2
Operating Profits / Assets	3.1	3.0	3.3	3.3	3.3
Exceptional Items / Assets	-	-	-	-	-
Op Profit ex Except Items / Assets	3.1	3.0	3.3	3.3	3.3
Provisions / Assets	1.4	0.7	0.4	0.4	0.4
Profit Before Tax / Assets	1.7	2.3	2.8	2.9	2.9
Tax Expenses / Assets	0.3	0.6	0.7	0.7	0.7
RoA	1.4	1.8	2.1	2.1	2.1
Leverage (x)	8.5	8.4	8.0	7.8	7.8
RoE	12.3	14.7	17.2	16.8	16.7
Adj. RoA	1.4	1.8	2.1	2.1	2.1
Adj. RoE	12.3	14.7	17.2	16.8	16.7

**Exhibit 10: Balance Sheet Ratios**

Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
Credit / Deposit Ratio	78.7	80.7	86.3	89.1	90.6
Incremental C/D Ratio	54.7	94.9	138.1	107.2	98.8
Investment Deposit Ratio	30.2	29.1	30.7	29.7	28.0
Dom. SLR Investment / Deposits	23.1	24.3	25.6	24.5	22.9
CASA Ratio	46.7	49.2	44.3	44.3	44.3

**Exhibit 11: Asset Quality**

Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
Slippage Ratio (%)	2.5	2.6	2.4	1.8	1.4
Gross NPA	408,414	332,949	311,837	314,590	387,013
Gross NPAs Ratio (%)	5.0	3.8	2.8	2.6	2.7
PCR (%)	77.7	79.2	83.5	83.7	86.5
Net NPA	91,177	69,310	51,551	51,293	52,266
Net NPAs Ratio (%)	1.2	0.8	0.5	0.4	0.4
Total Impaired Loans	408,414	332,949	311,837	314,590	387,013
Impaired Loan as % of Loan / AUM	5.3	3.7	3.0	2.5	2.6
Total Risk Reserves	317,238	263,639	260,286	263,297	334,747
Total Risk As % of Loan Book	4.1	3.0	2.5	2.1	2.2

**Exhibit 12: Key Assumptions & Forecasts**

Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
Loan & Advances (₹ mn)	7,337,291	8,590,204	10,196,383	12,133,696	14,560,435
Growth (yoy %)		17.1	18.7	19.0	20.0
Interest Bearing Liabilities (₹ mn)	10,241,531	11,718,030	13,001,662	14,992,271	17,695,380
Growth (yoy %)		14.4	11.0	15.3	18.0
Yield on Funds	7.3	7.0	7.7	7.9	7.9
Cost of Funds (CoF)	4.1	3.5	3.8	3.8	3.8
Interest Spread	3.2	3.4	3.9	4.0	4.1
NIM's	3.6	3.8	4.4	4.5	4.6
Other Income Growth	15.3	(2.4)	7.1	7.1	7.1
C/I Ratio (%)	37.2	40.5	40.1	40.5	40.7
Effective Tax Rate (%)	19.8	23.7	24.8	24.8	24.8
<b>Return Ratios</b>					
Adj. RoA	1.4	1.8	2.1	2.1	2.1
Adj. RoE	12.3	14.7	17.2	16.8	16.7
<b>Asset Quality Metrics</b>					
Credit Cost (As % of Op. AUM)	2.5	0.8	0.6	0.6	0.6
Gross NPAs Ratio (%)	5.0	3.8	2.8	2.6	2.7
Net NPAs Ratio (%)	1.2	0.8	0.5	0.4	0.4

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