

Industry	Financial
Bloomberg	ICICIB IN
BSE CODE	532174

Assets Quality Surprises Positively.

RATING	BUY
CMP	365
Price Target	445
Potential Upside	22%

Rating Change	
Estimate Change	
Target Change	

Stock Info

52wk Range H/L	383/257
Mkt Capital (Rs Cr)	235,274
Free float (%)	100%
Avg. Vol 1M (000)	15,024
No. of Shares (Cr)	644
Promoters Pledged %	0%

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3QFY19 Result Update

- ❑ Slippages during the quarter were Rs 2091 Cr as against Rs 3117 Cr a quarter back. Corporate and SME slippages were Rs 1020 Cr. Out of this Rs 951 Cr was from BB and below portfolio. Retail slippages were Rs 1071 Cr. GNPA/NNPA ratio declined by 79 bps/107 bps QoQ to 7.75%/2.58%. PCR stood at 76% v/s 69% a quarter back.
- ❑ BB & below rating exposure declined by 14% QoQ to Rs 18812 Cr. The loans to NBFCs and HFCs were about 4.6% of the total outstanding loans.
- ❑ Advances grew at 12%/4% on YoY/QoQ mainly driven by the retail segment. Deposits grew robust at 17%/9% on YoY/QoQ backed by pick-up in current accounts (+18%/16% YoY/QoQ).
- ❑ NII were in line with our expectation but PAT missed our estimate due to higher provisioning. NII grew by 21% YoY to Rs 6,875 Cr. NIM improved by 7 bps at 3.40% entirely due to interest collection on NPAs.
- ❑ Fee income grew by 16% YoY to Rs 3062 Cr. Retail fee constituted 73% of total fees. Other income grew by 23% YoY on account of higher treasury gain. Treasury gain increased by 626% to Rs 479 Cr due to fall in bond yield.
- ❑ C/I ratio declined by 230 bps QoQ at 42.9%. Employee expenses were increased by 27.3% YoY due to higher provisions on retirements.

View and Valuation

Stress pool (BB & Below) declined by 14% sequentially and 93% of corporate slippages were from the stress pool. Declining slippages number and robust recovery & up-gradation helped the assets quality to improve significantly during the quarter. Slippage was the lowest in last 14 quarters but some stress account bulky in nature can create volatility ahead. However management continues to increase the provisions to strengthen the balance sheet. We expect normalization of credit cost in FY20. PCR increased by 700 bps to 76% (including prudential write offs) and remains one of the highest among peers. Loan growth is expected to pickup going ahead. We expect NIM to improve going ahead given the strong liability franchise and change in assets mix. Gradual MCLR reset and recovery of NPAs will boost the NIM. Management had earlier guided for 15% RoE for near term. ICICI BANK is currently trading at 1.9x BVPS FY20e. We increase our target price to Rs 445 and maintain BUY.

Key Risks to our rating and target

- ❑ Pick up in recovery and resolution process of NCLT will create upside risk.
- ❑ Significant addition to stress pool will further pressurize credit cost.

KEY FINANCIAL/VALUATIONS	FY16	FY17	FY18	FY19E	FY20E
NII	21224	21737	23026	26502	32680
PPP	23864	26487	24742	23568	29404
PAT	9726	9801	6777	4734	14982
NIM %	3.3	3.2	3.0	3.1	3.4
EPS (Rs)	15	15	11	7	23
EPS growth (%)	-13	1	-31	-30	217
ROE (%)	15.7	10.3	6.6	4.4	13.0
ROA (%)	1.9	1.3	0.8	0.5	1.5
BV	140	156	164	169	189
P/B (X)	1.5	1.6	1.7	2.2	1.9
P/E (x)	14.1	16.5	26.4	49.6	15.7

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3Q FY19 Results PAT-below our expectation

Core profitability improves

Financials	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY %	QoQ%	FY17	FY18	YoY %
Interest Inc.	13,665	14,264	14,722	15,106	16,280	19.1%	7.8%	54,156	54,966	1.5%
Interest Exp.	7,960	8,243	8,620	8,688	9,405	18.2%	8.3%	32,419	31,940	-1.5%
NII	5,705	6,022	6,102	6,418	6,875	20.5%	7.1%	21,737	23,026	5.9%
Other Income	3,167	5,679	3,852	3,156	3,883	22.6%	23.0%	19,504	17,420	-10.7%
Total Income	8,872	11,700	9,954	9,574	10,758	21.3%	12.4%	41,242	40,445	-1.9%
Opex Exp.	3,814	4,186	4,145	4,324	4,612	20.9%	6.6%	14,755	15,704	6.4%
PPP	5,058	7,514	5,808	5,250	6,146	21.5%	17.1%	26,487	24,742	-6.6%
Provisions	3,570	6,626	5,971	3,994	4,244	18.9%	6.3%	15,208	17,307	13.8%
PBT	1,488	888	(163)	1,255	1,902	27.8%	-51.5%	11,279	7,435	-34.1%
Tax	(162)	(132)	(43)	347	297	-283%	14.2%	1,478	657	-55.5%
Net Profit	1,650	1,020	(120)	909	1,605	-2.7%	-76.6%	9,801	6,777	-31%

Margin expands due to higher yield.

NIM improved by 26 bps/7 bps on YoY/QoQ mainly due to interest collection on NPAs. International margins decreased to 0.77% as against 0.05% in 2Q FY19. Domestic NIM increased by 19 bps/1 bps on YoY/QoQ. Yield on advances increased by 53 bps/21 bps on YoY/QoQ, while yield on total assets also increased by 53 bps/21 bps on YoY/QoQ. Cost of deposit decreased by 5 bps/15 bps on QoQ/YoY. Cost of fund increased by 14 bps/12 bps YoY/QoQ. Overall NIM is expected to stabilize with gradual improvement as yield will increase due to MCLR reset and recovery from NPA accounts. Interest collection from NPA is likely to contribute about 15-18 bps to the margins.

Fee income grew by 16% YoY to Rs 3062 Cr. Retail fee constituted 73% of total fees. Other income grew by 23% YoY on account of higher treasury gain. Treasury gain increased by 626% to Rs 479 Cr due to fall in bond yield.

Asset quality improves.

Slippages during the quarter were Rs 2091 Cr against Rs 3117 Cr. Corporate and SME slippages were Rs 1020 Cr. Out of this Rs 951 Cr was from BB and below portfolio. Retail slippages were Rs 1071 Cr against Rs 760 Cr and recoveries & upgrades of Rs 580 Cr. There were slippages of 200 Cr in the kisan credit card portfolio. This segment generally sees a spike in slippages in the first and third quarter of the year. Management expects the additions to be higher in June 2019. GNPA/NNPA ratio was declined by 79 bps/107 bps QoQ to 7.75%/2.58% due to higher provisioning. PCR stood at 76% v/s 69% a quarter back. The kisan credit card portfolio aggregated to about Rs 18000 Cr, which was about 3% of the total loan portfolio. BB & below rating exposure declined by 14% QoQ to Rs 18812 Cr. The loans to NBFCs and HFCs were about 4.6% of the total O/S loans. Exposure in power sector was Rs 46133 Cr and out of the total power sector exposure, about 32% was either non-performing or part of the BB and below portfolio (including loans restructured or under a RBI resolution scheme) and the balance 68% of the exposure, 55% was to private sector and 45% was to public sector companies.

Loan growth remained at healthy level.

Advances grew at 12%/4% on YoY/QoQ mainly driven by the retail segments. Business banking/Personal business grew by 42%/49% YoY. Home loan portfolio grew by 18% YoY while vehicle loan growth increased by 18% YoY. Rural business also grew by 19% YoY. SME book grew by 12% YoY. Corporate loan book was declined by 2% YoY. Overseas book has declined significantly by 5% YoY. A- & above portfolio remained stable at 66% on QoQ basis. Deposits registered growth of 17%/9% on YoY/QoQ. CASA grew by 15%/6% YoY/QoQ. Current account grew by 18% YoY (+16% QoQ), whereas saving account grew by 13% YoY (+2% QoQ). CASA ratio stood at 49.3% v/s 50.8% a quarter back. Term deposit constitutes 20% of the total deposits. The management expects higher growth on the term deposits and the bank are driving retail term deposits to the higher extent.

Other highlights:

C/I ratio stood at 42.9% v/s 43.0% in Q3FY19. Employee expenses were increased by 27.3% YoY due to higher provisions on retrials. The non-employee expenses increased by 17.4% YoY due to increase in sales promotion and advertisement expenses and expenses related to launch of new products.

CRAR ratio during the quarter stood at 17.2% vs 17.8% a quarter back. Tier-I ratio declined to 15.1% from 15.4% a quarter back.

Concall Highlights

- The sequential increase of 6 bps in NIM at 3.40% was almost entirely due to interest collection on NPAs. Overseas margins improved to 0.77% v/s 0.05% in Q2FY19 due to higher interest collection from non-performing loans. Interest collection from NPA is likely to contribute about 15-18 bps to the margins.
- Management strategy is to grow core operating profit in a granular and risk calibrated manner and also to improve provisions coverage ratio and minimize the impact of NPA.
- The cost-to-income ratio stood at 42.9% v/s 43.0% in Q3FY19. Employee expenses were increased by 27.3% YoY due to higher provisions on retrials. The non-employee expenses increased by 17.4% YoY due to increase in sales promotion and advertisement expenses and expenses related to launch of new products.
- Moderation in NPA addition, decline in corporate and MSME BB portfolio and increase in PCR will help in normalizing provisioning level and profitability from April,19 onwards.
- Total Slippages were Rs 2091 Cr against Rs 3117 Cr. Corporate and SME slippages were Rs 1020 Cr. Out of this Rs 951 Cr was from BB and below portfolio. Retail slippages were Rs 1071 Cr against Rs 760 Cr and recoveries & upgrades of Rs 580 Cr. There were slippages of 200 Cr in the kisan credit card portfolio. This segment generally sees a spike in slippages in the first and third quarter of the year. Management expects the additions to be higher in June 2019. The kisan credit card portfolio aggregated to about Rs 18000 Cr, which was about 3% of the total loan portfolio.
- Provision coverage ratio excluding technical write-offs was increased by 950 basis points sequentially to 68.4% as of Q3FY19.
- The term deposits increased by 20% YoY to Rs 307382 Cr and constitute of 51% of the total deposit. The management expects higher growth on the term deposits and the bank are driving retail term deposits to the higher extent.
- The bank continues to grow the deposit franchise, and the focus is also on deepening the penetration of retail asset products.
- The bank also continued to grow the unsecured credit card and personal loan portfolio primarily driven by a focus on cross-sell to the existing customers, and select partnerships.
- Exposure in power sector was Rs 46133 Cr and out of the total power sector exposure, about 32% was either non-performing or part of the BB and below portfolio (including loans restructured or under a RBI resolution scheme) and the balance 68% of the exposure, 55% was to private sector and 45% was to public sector companies.
- The bank's exposure to infrastructure, infrastructure financing and EPC businesses group is primarily to an EPC company within the group, and is primarily non-fund in nature, comprising guarantees. Loans and non-fund based o/s of this group and were already a part of the corporate and SME BB and below portfolio at Q2FY19. The exposure to this group has been classified and provided.
- The loan, investment and non-fund based outstanding to NBFCs was Rs 25619 Cr at Q3FY19 v/s Rs 24190 Cr at Q2FY19 and outstanding to HFCs was Rs 9301 Cr at Q3FY19 compared to Rs 1254 Cr as Q2FY19. The loans to NBFCs and HFCs were about 4.6% of the total O/S loans.
- The cost-to-income ratio stood at 42.9% v/s 43.0% in Q3FY19. Employee expenses were increased by 27.3% YoY due to higher provisions on retrials. The non-employee expenses increased by 17.4% YoY due to increase in sales promotion and advertisement expenses and expenses related to launch of new products.
- Management targets ROE of 15% in near term and will relook at the target once credit cost normalizes.
- The bank's floating rate loans are 80% now is linked to MCLR. Bank has not received divergence report by RBI yet and expects it to get in 4Q FY19.

Profitability Matrix

	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY (+/-)	QoQ (+/-)
C/I Ratio %	42.3	35.9	43.0	35.8	41.6	45.2	42.9	-0.13	-2.30
Empl. Cost/ Tot. Exp. %	39.8	38.7	35.7	36.5	36.5	38.4	37.6	1.88	-0.82
Other Exp/Tot. Exp.%	60.2	61.3	64.3	63.5	63.5	61.6	62.4	-1.88	0.82
Provision/PPP %	50.3	64.5	70.6	88.2	102.8	76.1	69.1	-1.53	-7.04
Tax Rate %	20.4	17.1	(10.9)	(14.8)	26.6	27.6	15.6	26.52	-11.97
Int Exp./Int Inc. (%)	58.5	58.0	58.3	57.8	58.6	57.5	57.8	-0.48	0.25
Other Inc./Net Inc. %	37.7	47.6	35.7	48.5	38.7	33.0	36.1	0.40	3.12
PAT/ Net Income %	32.6	19.5	19.2	9.0	(1.2)	9.7	16.2	-3.07	6.49
PAT Growth %	(8.2)	(33.7)	(32.4)	(49.6)	(105.8)	(55.8)	(2.7)	29.67	53.09
NII Growth % (YoY)	8.4	8.7	6.4	1.0	9.2	12.4	20.5	14.13	8.10
Op. Profit Growth YoY %	(0.6)	(34.3)	(8.4)	47.0	12.1	(24.9)	21.5	29.96	46.38

Margin Performance

Margin %	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY (+/-)	QoQ (+/-)
Yield on Advances	8.89	8.7	8.7	8.5	8.7	8.7	9.0	0.33	0.29
Yield on Total Assets	8.13	7.9	7.8	7.5	7.7	7.7	8.1	0.28	0.37
Cost Of Funds	5.15	5.2	5.0	4.9	4.9	5.0	5.1	0.10	0.15
Cost of Deposits	5.12	5.1	4.9	4.7	4.8	4.8	4.9	-0.03	0.07
NIM	3.57	3.3	3.3	3.1	3.2	3.2	3.4	0.13	0.21

Exhibit: Yield and Cost

Yield on earning assets increased.

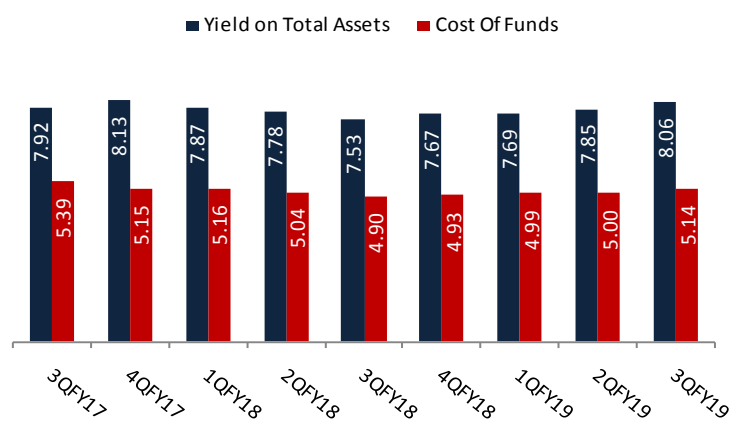
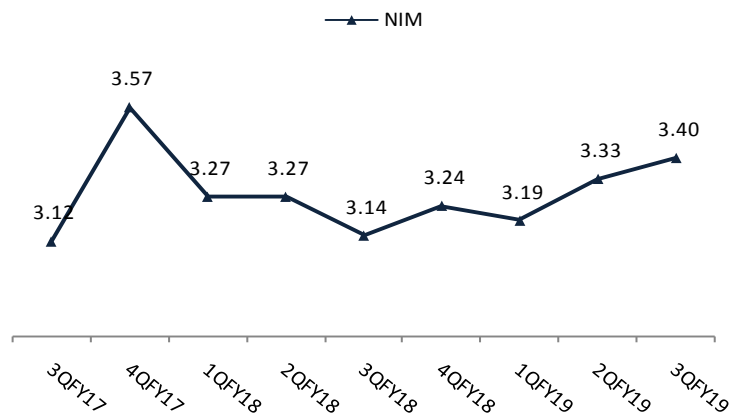


Exhibit: Net Interest Margin

NIM expanded.



Other Income Break Up-

	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19
Fee income	2495	2446	2377	2570	2639	2755	2754	2995	3062
Growth YoY %	10.3	10.6	10.3	9.1	5.8	12.6	15.9	16.5	16.0
Other income	551	68	153	423	462	238	331	196	342
Treasury income	893	503	858	2193	66	2685	766	-35	479
Total Other Income	3939	3017	3388	5186	3167	5678	3851	3156	3883
Growth YoY %	(6.6)	(40.9)	(1.2)	(43.1)	(19.6)	88.2	13.7	(39.1)	23.0
Other Income as a % of NII	73	51	61	91	56	94	63	49	56
Other Income as a % of	0.9	0.6	0.7	1.1	0.6	1.1	0.7	0.6	0.7

Exhibit: Fee Income/Advances %

Healthy fee income growth was sustained..

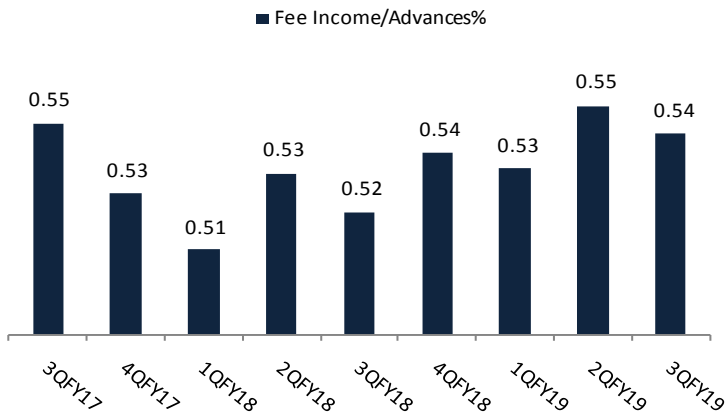
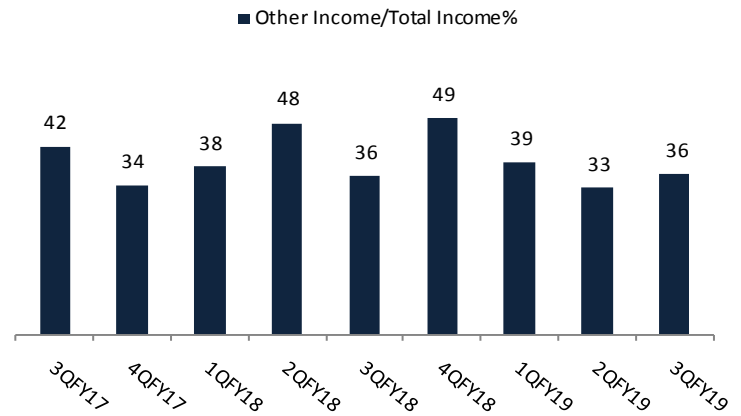


Exhibit: Other Income/ Total Income %



Asset Quality

	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY (+/-)	QoQ (+/-)
GNPA (Rs in Cr)	43,148	44,489	46,039	54,063	53,465	54,489	51,591	12%	-5%
GNPA %	8.0	7.9	7.8	8.8	8.8	8.5	7.8	-0.07	-0.79
NNPA (Rs in Cr)	25,306	24,130	23,810	27,886	24,170	22,086	16,252	-32%	-26%
NNPA %	4.9	4.4	4.2	4.8	4.2	3.7	2.6	-1.62	-1.07
Slippages (Rs in Cr)	4,976	4,674	4,380	15,737	4,036	3,117	2,091	-52%	-33%
PCR %	55.2	59.3	60.9	60.5	66.1	69.4	76.3	15.40	6.90

Exhibit: Asset Quality

Assets quality improved.

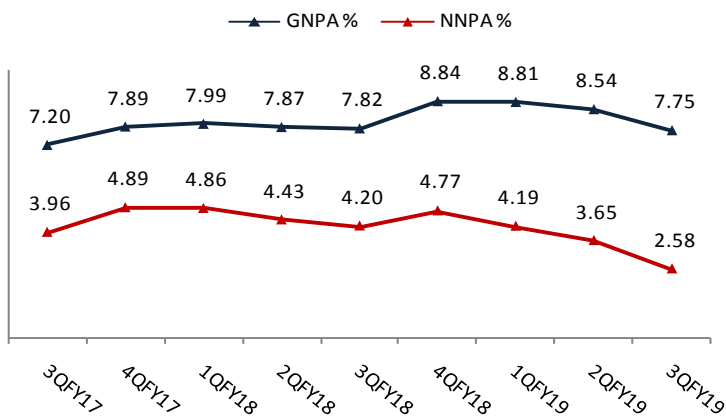


Exhibit: Provisions

PCR increased.

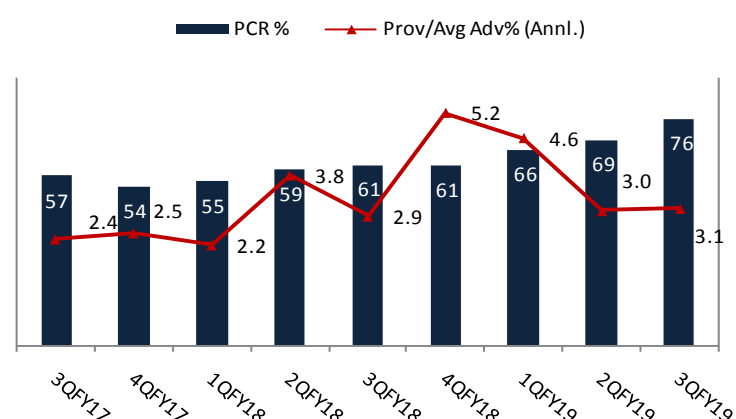


Exhibit: Advances Performance

Advances growth picked-up.

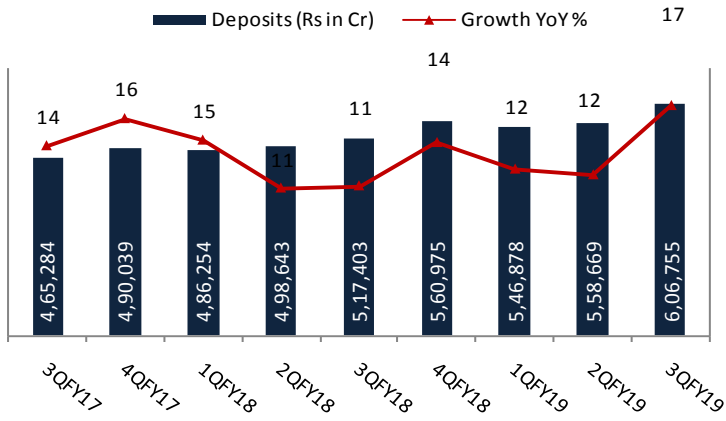


Exhibit: Advances Breakup%

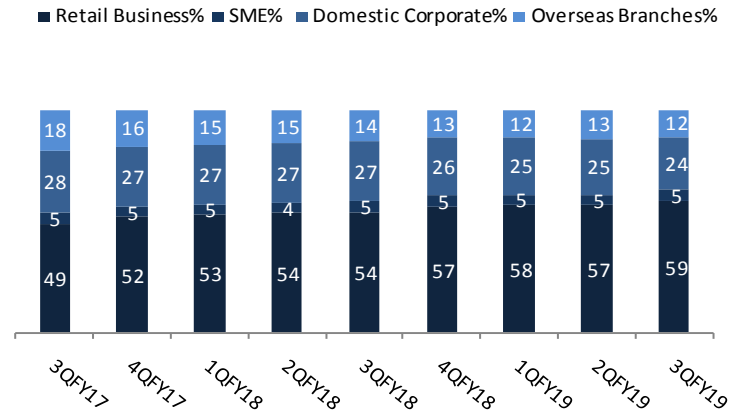


Exhibit: Deposits Performance

Healthy deposit growth.

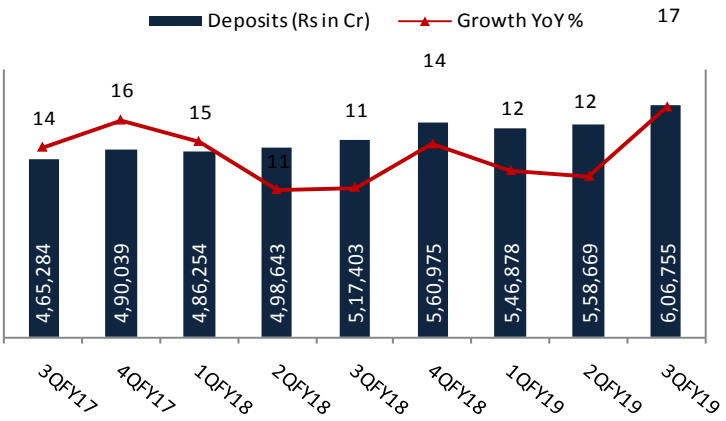


Exhibit: CASA Performance

CASA growth declined.

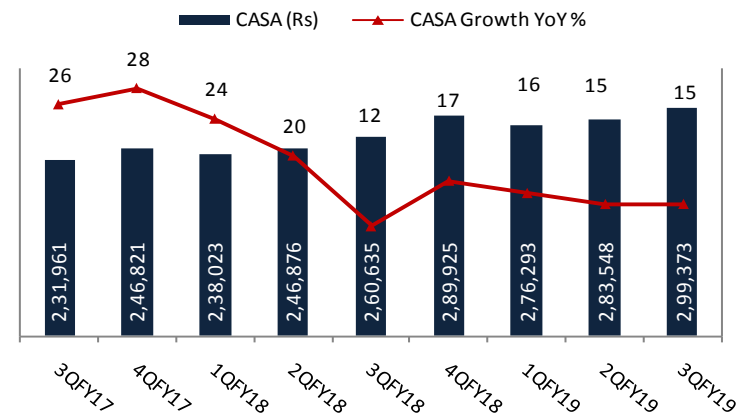


Exhibit: Credit Deposit Ratio

CD ratio moved up.

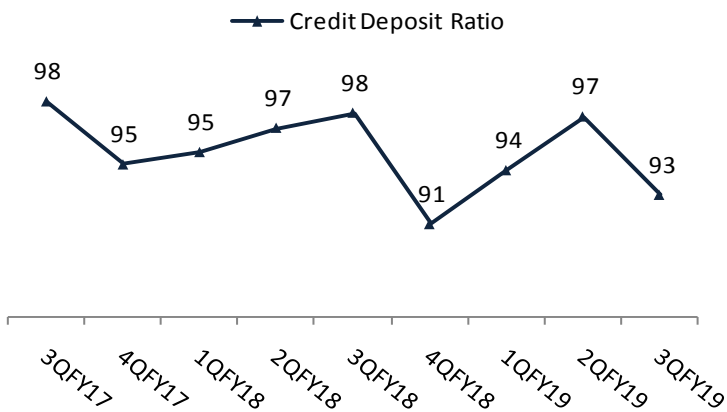
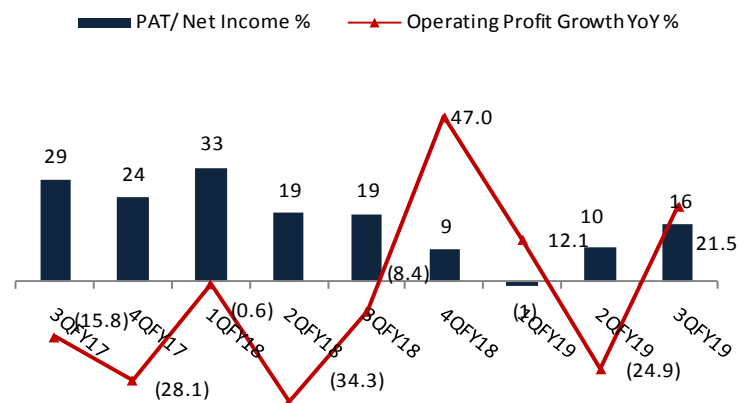


Exhibit: Return Ratios

Return ratio profile declined.



Financial Details
Balance Sheet

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
Share Capital	1154	1155	1160	1163	1165	1286	1286	1286
>> <i>Equity Capital</i>	1154	1155	1160	1163	1165	1286	1286	1286
>> <i>Preference Capital</i>	0	0	0	0	0	0	0	0
<i>Reserves & Surplus</i>	65552	72058	79270	88572	98786	103873	107444	120498
Networth	66706	73213	80429	89736	99951	105159	108730	121783
Deposits	292614	331914	361563	421426	490039	560975	626867	705878
<i>Change (%)</i>	14.5	13.4	8.9	16.6	16.3	14.5	11.7	12.6
>> <i>CASA Deposits</i>	122577	142378	164380	193100	246821	289925	313433	359998
<i>Change (%)</i>	10.4	16.2	15.5	17.5	27.8	17.5	8.1	14.9
<i>Borrowings</i>	145341	154759	172417	174807	147556	182859	175974	210733
Other Liabilities & Prov.	32134	34756	31720	34726	34245	30196	36165	39215
Total Liabilities	536795	594642	646129	720695	771791	879189	947736	1077610
<i>Cash & Bank</i>	41418	41530	42305	59869	75713	84169	61225	73435
<i>Investments</i>	171394	177022	158129	160412	161507	202994	210627	238587
<i>Change (%)</i>	7.4	3.3	-10.7	1.4	0.7	25.7	3.8	13.3
<i>Advances</i>	290249	338703	387522	435264	464232	512395	589255	677643
<i>Change (%)</i>	14.4	16.7	14.4	12.3	6.7	10.4	15.0	15.0
<i>Fixed Assets</i>	4647	4678	4726	7577	7805	7904	8062	8223
<i>Other Assets</i>	29087	32709	53448	57574	62535	71727	78567	79723
Total Assets	536795	594642	646129	720695	771791	879189	947736	1077610

Income Statement

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
<i>Interest income</i>	40076	44178	49091	52739	54156	54966	62780	75258
<i>Interest expended</i>	26209	27703	30052	31515	32419	31940	36277	42578
Net Interest Income	13866	16476	19040	21224	21737	23026	26502	32680
<i>Change (%)</i>	29.2	18.8	15.6	11.5	2.4	5.9	15.1	23.3
<i>Other Income</i>	8346	10428	12176	15323	19504	17420	14721	16043
<i>Change (%)</i>	11.2	24.9	16.8	25.8	27.3	-10.7	-15.5	9.0
>> <i>Core Fee Income</i>	6902	7758	8286	8819	9762	10341	12052	13377
>> <i>Treasury Income</i>	495	1016	1694	4061	10758	5802	1549	1566
>> <i>Others</i>	949	1654	2196	2443	-1016	1277	1120	1100
Total Net Income	22212	26903	31216	36547	41242	40445	41223	48723
<i>Operating Expenses</i>	9013	10309	11496	12684	14755	15704	17655	19319
<i>Change (%)</i>	14.8	14.4	11.5	10.3	16.3	6.4	12.4	9.4
>> <i>Employee Expenses</i>	3893	4220	4750	5002	5734	5914	6637	7423
<i>Pre-provisioning Profit</i>	13199	16595	19720	23864	26487	24742	23568	29404
<i>Change (%)</i>	27.1	25.7	18.8	21.0	11.0	-6.6	-4.7	24.8
<i>Provisions</i>	1803	2626	3900	8068	15208	17307	17454	6704
<i>Change (%)</i>	13.9	45.7	48.5	106.9	88.5	13.8	0.9	-61.6
PBT	11397	13968	15820	12196	11279	7435	6114	22700
<i>Tax</i>	3071	4158	4645	2469	1478	657	1380	7718
Profit After Tax	8325	9810	11175	9726	9801	6777	4734	14982
<i>Change (%)</i>	28.8	17.8	13.9	-13.0	0.8	-30.9	-30.2	216.5

Financial Details

Key Ratios

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
Balance Sheet Metrics								
Loan Growth (%)	14	17	14	12	7	10	15	15
Deposit Growth (%)	15	13	9	17	16	14	12	13
C/D Ratio (%)	99.2	102.0	107.2	103.3	94.7	91.3	94.0	96.0
CASA (%)	41.9	42.9	45.5	45.8	50.4	51.7	50.0	51.0
Investment/Deposit (%)	58.6	53.3	43.7	38.1	33.0	36.2	33.6	33.8
CRAR (%)	18.7	17.7	17.0	16.6	17.4	18.4	16.9	16.8
>> Tier 1 (%)	12.8	12.8	12.8	13.1	14.4	15.9	14.7	14.6
>> Tier 2 (%)	6.0	4.9	4.2	3.6	3.0	2.5	2.1	2.2

Assets Quality Metrics

Gross NPA (Rs)	9,647	10,554	15,242	26,721	42,552	54,063	51,125	46,544
Gross NPA (%)	2.7	2.6	3.3	5.2	7.9	8.8	7.5	5.9
Net NPA (Rs)	2,234	3,301	6,325	13,297	25,451	27,886	15,337	13,963
Net NPA (%)	0.6	0.8	1.4	2.7	4.9	4.8	2.3	1.8
Slippages (%)	1	2	2	4	8	6	2	2
Provision Coverage (%)	-	-	-	61	54	61	81	71
Provision/Average Advances (%)	0.7	0.8	1.1	2.0	3.4	3.5	3.2	1.1

Margin Metrics

Yield On Advances (%)	10.1	10.0	9.8	9.5	8.8	8.4	8.7	9.1
Yield On Investment (%)	6.7	6.6	6.3	6.7	7.1	6.3	6.2	6.8
Yield on Earning Assets (%)	8.6	8.5	8.6	8.3	7.9	7.3	7.4	7.9
Cost Of Deposits (%)	-	5.7	5.9	5.5	5.0	4.5	4.5	4.8
Cost Of Funds (%)	6.1	5.8	5.7	5.4	5.1	4.5	4.6	4.8
Spread (%)	2.5	2.7	2.8	2.9	2.8	2.7	2.8	3.0
NIM (%)	3.0	3.2	3.3	3.3	3.2	3.0	3.1	3.4

Profitability & Efficiency Metrics

Int. Expense/Int. Income (%)	65.4	62.7	61.2	59.8	59.9	58.1	57.8	56.6
Fee Income/NII (%)	49.8	47.1	43.5	41.6	44.9	44.9	45.5	40.9
Cost to Income (%)	40.6	38.3	36.8	34.7	35.8	38.8	42.8	39.7
Cost on Average Assets (%)	1.8	1.8	1.9	1.9	2.0	1.9	1.9	1.9
Tax Rate (%)	26.9	29.8	29.4	20.2	13.1	8.8	22.6	34.0

Valuation Ratio Metrics

EPS (Rs)	13.1	15.4	17.5	15.2	15.3	10.5	7.4	23.3
Change (%)	28.7	17.7	13.5	(13.2)	0.6	(31)	(30.2)	216.5
ROAE (%)	13.1	14.0	14.5	15.7	10.3	6.6	4.4	13.0
ROAA (%)	1.6	1.7	1.8	1.9	1.3	0.8	0.5	1.5
Dividend Payout (%)	30.5	29.8	28.5	32.9	16.3	14.2	33.9	15.0
Dividend yield (%)	2.1	2.0	1.7	2.3	1.0	0.5	0.7	1.0
Book Value (Rs)	105.1	115.3	126.1	140.3	156.0	163.6	169.2	189.5
Change (%)	10	10	9	11	11	5	3	12
P/B (X)	1.8	2.0	2.3	1.5	1.6	1.7	2.2	1.9
P/E (X)	14.5	14.7	16.4	14.1	16.5	26.4	49.6	15.7

Financial Details

Exhibit: DuPont Analysis

	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
<i>Interest Income</i>	7.8	7.9	7.7	7.3	6.7	6.9	7.4
<i>Interest expended</i>	4.9	4.8	4.6	4.3	3.9	4.0	4.2
<i>Net Interest Income</i>	2.9	3.1	3.1	2.9	2.8	2.9	3.2
<i>Non-Fund Based Income</i>	1.8	2.0	2.2	2.6	2.1	1.6	1.6
>> <i>Core Fee Income</i>	1.4	1.3	1.3	1.3	1.3	1.3	1.3
>> <i>Trading and Other Income</i>	0.5	0.6	1.0	1.3	0.9	0.3	0.3
<i>Core Operating Income</i>	4.3	4.4	4.4	4.2	4.0	4.2	4.5
<i>Total Income</i>	4.8	5.0	5.3	5.5	4.9	4.5	4.8
<i>Total Operating Expenses</i>	1.8	1.9	1.9	2.0	1.9	1.9	1.9
>> <i>Employee Expenses</i>	0.7	0.8	0.7	0.8	0.7	0.7	0.7
>> <i>Other Expenses</i>	1.1	1.1	1.1	1.2	1.2	1.2	1.2
<i>Operating Profit</i>	2.9	3.2	3.5	3.5	3.0	2.6	2.9
<i>Provisions</i>	0.5	0.6	1.2	2.0	2.1	1.9	0.7
<i>Others</i>	-	-	0.5	-	-	-	-
<i>PBT</i>	2.5	2.6	2.3	1.5	0.9	0.7	2.2
<i>Tax</i>	0.7	0.7	0.4	0.2	0.1	0.2	0.8
<i>PAT/RoAA</i>	1.7	1.8	1.9	1.3	0.8	0.5	1.5
<i>Equity Multiplier (x)</i>	8.1	8.1	8.0	7.9	8.0	8.5	8.8
<i>ROAE</i>	14.0	14.5	15.7	10.3	6.6	4.4	13.0

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