

# ICICI Bank Ltd

## No holes to pick in thesis thus far

### Our view – Margin outcome does not seem disorderly

**Net Interest Margin** – NIM declined on sequential basis but the like for like compression was reasonably orderly in nature: NIM was 4.34%, down -7bps QoQ and -2bps YoY. The impact of interest on tax refund on NIM was 7bps in Q1FY26 as against 2bps in Q4FY25 and nil in Q1FY25. At the same time, from 4Q to 1Q, the margin declined due to the higher number of days in 1Q (4Q has February). Adjusted for this aspect and tax refund, the margin has declined 4-5 bps QoQ on like for like basis. The cost of deposits has fallen -15bps QoQ to 4.85%. More cost of deposits decline is on the anvil since, for retail deposits, the rate cuts will reflect going forward. The SA rate cuts in May and June will also play out and the CRR cut will also help.

**Asset Quality** – Slippages rose somewhat on sequential basis but due to seasonal agri slippages: Gross NPA additions amounted to Rs 62.45bn for 1QFY26 (Rs 51.42bn in 4QFY25), translating to an annualized slippage ratio of 1.8% for the quarter. Gross NPA additions had amounted to Rs 51.42bn during 4QFY25. Provisions were Rs 18.15bn, up by 36% QoQ and 104% YoY, translating to calculated annualised credit cost of 54bps. Management stated that the underlying credit cost is 50 bps, which could inch up but currently no movement is being seen.

**Balance sheet growth** – Balance sheet growth was relatively sluggish and was driven by business banking: Total advances for the bank stood at Rs 13,642 bn, up by 1.7% QoQ and 11.5% YoY. Retail loans have grown 6.9% YoY and 0.5% QoQ whereas Business banking book has grown 29.7% YoY and 3.7% QoQ.

We maintain 'Buy' rating on ICICI with a revised price target of Rs 1750: We value the standalone bank at 2.8x FY27 P/BV for an FY26/27/28E RoE profile of 16.1/16.1/16.2%. We assign a value of Rs 253 per share to the subsidiaries, on SOTP.

(See Comprehensive con call takeaways on page 2 for significant incremental colour.)

### Result Highlights (See "Our View" above for elaboration and insight)

- **Opex control:** Total cost to income ratio at 37.8% was down by -12/-185bps QoQ/YoY and the Cost to assets was at 2.1% up/down 6/-9bps QoQ/YoY.
- **Fee income:** Core fee income to average assets was at 1.1%, down -11bps/-5bps QoQ/YoY.

### Exhibit 1: Result table

Particulars (Rs mn)	Q1 FY26	Q4 FY25	% qoq	Q1 FY25	% yoy
Total Interest Income	429,469	424,308	1.2	389,958	10.1
Interest Expense	(213,125)	(212,379)	0.4	(194,429)	9.6
<b>Net Interest Income</b>	<b>216,345</b>	<b>211,929</b>	<b>2.1</b>	<b>195,529</b>	<b>10.6</b>
Fee Income	59,000	63,060	(6.4)	54,900	7.5
Non-fee Income	26,049	9,541	173.0	15,119	72.3
<b>Total Non-Interest Income</b>	<b>85,049</b>	<b>72,601</b>	<b>17.1</b>	<b>70,019</b>	<b>21.5</b>
<b>Total Income</b>	<b>301,394</b>	<b>284,530</b>	<b>5.9</b>	<b>265,548</b>	<b>13.5</b>
Employee Expense	(47,431)	(41,052)	15.5	(43,705)	8.5
Non-employee Opex	(66,504)	(66,836)	(0.5)	(61,595)	8.0
<b>Total Operating expenses</b>	<b>(113,935)</b>	<b>(107,888)</b>	<b>5.6</b>	<b>(105,300)</b>	<b>8.2</b>
<b>PPOP</b>	<b>187,458</b>	<b>176,643</b>	<b>6.1</b>	<b>160,248</b>	<b>17.0</b>
Provisions	(18,146)	(8,907)	103.7	(13,322)	36.2
<b>PBT</b>	<b>169,313</b>	<b>167,736</b>	<b>0.9</b>	<b>146,927</b>	<b>15.2</b>
Tax	(41,631)	(41,440)	0.5	(36,336)	14.6
<b>PAT</b>	<b>127,682</b>	<b>126,296</b>	<b>1.1</b>	<b>110,591</b>	<b>15.5</b>

Source: Company, YES Sec-Research

Recommendation : **BUY**

Current price : Rs 1,427

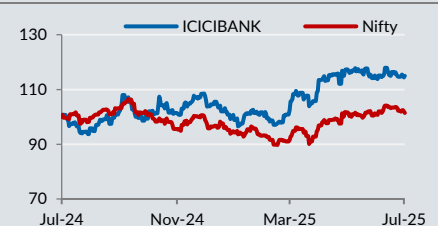
Target Price : Rs 1,750

Potential Return : +23%

### Stock data (as on July 18, 2025)

Nifty	24,968
52 Week h/l (Rs)	1472 / 1153
Market cap (Rs/USD mn)	10119760 / 117474
Outstanding Shares (mn)	7,133
6m Avg t/o (Rs mn):	14,340
Div yield (%):	0.8
Bloomberg code:	ICICIB IN
NSE code:	ICICIBANK

### Stock performance



	1M	3M	1Y
Absolute return	1.0%	1.4%	14.2%

### Shareholding pattern (As of Mar'25 end)

Promoter	0.0%
FII+DII	90.6%
Others	9.4%

### Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	1750	1740

### Financial Summary

(Rs mn)	FY26E	FY27E	FY28E
NII	914,202	1,050,051	1,210,174
PPOP	753,982	864,022	998,627
Net Profit	499,512	565,764	653,961
Growth (%)	5.8	13.3	15.6
EPS (Rs)	70.1	79.4	91.8
BVPS (Rs)	460	528	609
P/E (x)	16.7	14.8	12.8
P/BV (x)	2.6	2.2	1.9
ROE (%)	16.1	16.1	16.2
ROA (%)	2.2	2.2	2.2
Tier-1 (%)	15.4	15.0	14.7

### Δ in earnings estimates

Rs.	FY26E	FY27E	FY28E
EPS (New)	70.1	79.4	91.8
EPS (Old)	69.6	79.2	90.0
% change	0.8%	0.3%	2.0%

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## COMPREHENSIVE CON-CALL TAKEAWAYS

### Net interest margin

- **NIM for the quarter**
  - NIM was at 4.34%, down -7bps QoQ and -2bps YoY.
  - **Interest on income tax refund**
    - The impact of interest on tax refund on NIM was 7bps in Q1FY26 as against 2bps in Q4FY25 and nil in Q1FY25.
- **Like for like decline**
  - From 4Q to 1Q, the margin declines due to the higher number of days in 1Q (4Q has February).
  - Adjusted for this aspect and tax refund, the margin has declined 4-5 bps QoQ on like for like basis.
  - The bank continues to regard the full year FY25 margin of 4.3% as the anchor.
  - The Q3 to Q4 margin spike on account of the formula will not happen this year.
- **Cost of deposits**
  - The cost of deposits has fallen -15bps QoQ to 4.85%.
  - **Rear view impact**
    - This was mainly driven by the 25 bps SA rate cut, the impact of which was felt for most of the quarter.
    - The deposit rate cut for higher value deposits in May also helped.
    - **Wholesale deposits run off**
      - The run-off of wholesale deposits has also played out.
      - Wholesale deposit cost is now lower than retail deposits but the run off has been for higher cost wholesale deposits gathered earlier.
  - **Prospective impact**
    - For retail deposits, the cuts will reflect going forward.
    - SA rate cuts in May and June will also play out.
    - CRR cut benefit will also help.
- **Yield on advances**
  - The yield on advances was at 9.53%, down by -33bps QoQ.
  - The April cut has flown through but small impact will be felt in 2Q.
  - The June cut will be mostly felt in 2Q.
- **Domestic loan mix by rate category**
  - Repo rate – 53%
  - MCLR and other older benchmarks – 15%
  - Other external benchmarks – 1%
  - Fixed rate – 31%

### Asset quality

- **Slippages**
  - Gross NPA additions amounted to Rs 62.45bn for 1QFY26, translating to an annualized slippage ratio of 1.8% for the quarter (Gross NPA additions had amounted to Rs 51.42bn during 4QFY25).
  - **Segmental gross slippages**
    - Retail and rural – Rs 51.93bn vs Rs 43.39bn in Q4FY25.
    - Corporate and business banking – Rs 10.52bn vs Rs 8.03bn in Q4FY25.

(Con call takeaways continue on the next page)

- **Recoveries and upgrades**
  - Recoveries and upgrades amounted to Rs 32.11bn for 1QFY26, implying net NPA addition of Rs 30.34bn for the quarter.
  - **Segmental Recoveries and Upgrades**
    - Retail and rural – Rs 25.25bn vs Rs 30.39bn in Q4FY25
    - Corporate and SME – Rs 6.86bn vs Rs 7.78bn Q4FY25.
- **Sale of Gross NPA**
  - The bank sold gross NPAs of Rs 1.08bn in 1QFY26 as against Rs 1.14bn in 1QFY25.
  - In lieu of sale, the bank received Rs. 0.6bn in cash.
- **Provisions**
  - Provisions were Rs 18.15bn, up by 36% QoQ and 104% YoY, translating to calculated annualised credit cost of 54bps.
  - **Guidance**
    - The underlying credit cost is 50 bps, which could inch up but currently no movement is being seen.
  - **Outstanding provisions**
    - **PCR**
      - The PCR (presumably specific PCR) stood at 75.3%.
    - **Contingent provisions**
      - The contingent provisions on the balance sheet amount to Rs 131bn or 1% of loan book.
    - **Total non-specific provisions**
      - Total provisions outside of specific provisions amounted to Rs 226.64bn or 1.7% of loan book.
- **Restructured book**
  - The total fund based outstanding restructured advances stood Rs. 17.88bn or 0.13% of gross advances. (Retail and rural- Rs 16.22bn; Corporate and business banking- Rs 1.66 bn)
- **NPA ratios**
  - GNPA ratio stands at 1.67%, flat QoQ but down -48bps YoY while NNPA ratio stands at 0.41%, up 2bps QoQ but down -2bps YoY.

## Deposits Growth

- **Total Deposits**
  - The deposits were at Rs 16,085 bn, flat QoQ but up 12.8% YoY.
  - Average deposits increased by 11.2% YoY and 3.1% QoQ.
- **CASA Deposits**
  - Average savings account deposits increased by 7.6% YoY and 3.6% QoQ.
  - Average current account deposits increased by 11.2% YoY and 4.6% QoQ.

## Advances growth

- Total advances have grown 11.5% YoY and 1.7% QoQ.
- Domestic loans have grown 12% YoY and 1.5% QoQ.
- **Segmental growth outcomes**
  - Retail loans have grown 6.9% YoY and 0.5% QoQ.
  - Rural loans have de-grown by -0.4% YoY and -1.5% QoQ.
  - Business banking book has grown 29.7% YoY and 3.7% QoQ.

(Con call takeaways continue on the next page)

- Domestic corporate loan book has grown 7.5% YoY but de-grew -1.4% QoQ.

## Operating expenses

- **Total opex**
  - Opex, at Rs. 113.9bn, is up by 5.6% QoQ and 8.2% YoY.
  - Consequently, cost/income ratio came in at 37.8%, down by -12bps QoQ and -185bps YoY.
- **Staff opex**
  - The staff opex is up by 15.5% QoQ and 8.5% YoY.
  - The increase in employee expenses was due to annual increments.
- **Other opex**
  - Other opex is down by -0.5% QoQ but up by 8.0% YoY.
  - Tech expense were 10.7% of the operating expense in 1QFY26.
- **Branches**
  - The bank has added 83 branches in Q1 taking the total branches to 7,066.

## Liquidity Coverage

- The bank's average LCR for Q1FY26 was 128%.

## Capital adequacy

- The CET 1 ratio (excluding profits) stood at 15.65% and total capital adequacy ratio was at 16.31% in 1QFY26.

## Fee income

- Fee income for the quarter rose 7.5% YoY.
- Non-corporate fee was 79% of total fees.

## Exhibit 2: Business Data

(Rs mn)	Q1 FY26	Q4 FY25	% qoq	Q1 FY25	% yoy	Q1 FY26*	chg qoq*	chg yoy*
Loans	13,641,571	13,417,662	1.7	12,231,543	11.5	100.0	0bps	0bps
Corporate	2,757,320	2,796,510	(1.4)	2,563,770	7.5	20.2	-63bps	-75bps
Retail Book	7,976,910	7,955,630	0.3	7,516,010	6.1	58.5	-82bps	-297bps
Mortgages	4,478,850	4,395,840	1.9	4,059,960	10.3	32.8	7bps	-36bps
Vehicle Loans	962,730	965,430	(0.3)	940,720	2.3	7.1	-14bps	-63bps
Personal Loans	1,200,100	1,215,550	(1.3)	1,183,770	1.4	8.8	-26bps	-88bps
Credit Card	542,550	573,410	(5.4)	534,720	1.5	4.0	-30bps	-39bps
Rural Loans	771,510	783,400	(1.5)	774,630	(0.4)	5.7	-18bps	-68bps
Others	21,170	22,000	(3.8)	22,210	(4.7)	0.2	-1bps	-3bps
Business Banking	2,730,830	2,633,670	3.7	2,105,590	29.7	20.0	39bps	280bps
BRDS/IBPC	(153,100)	(276,000)	(44.5)	(299,510)	(48.9)	(1.1)	93bps	133bps
Overseas Loans	329,610	307,850	7.1	345,670	(4.6)	2.4	12bps	-41bps
Deposits	16,085,173	16,103,480	(0.1)	14,261,495	12.8	100.0	0bps	0bps
CA	2,169,710	2,329,570	(6.9)	1,760,280	23.3	13.5	-98bps	115bps
SA	4,458,420	4,407,720	1.2	4,076,430	9.4	27.7	35bps	-87bps
Term	9,457,043	9,366,190	1.0	8,424,785	12.3	58.8	63bps	-28bps
Investments	5,077,066	5,047,567	0.6	4,752,556	6.8	NA	NA	NA
Investments/(Invest. + Net Adv.) (%)	27.1	27.3	-21bps	28.0	-86bps	NA	NA	NA
Borrowings	1,170,953	1,235,383	(5.2)	1,201,469	(2.5)	NA	NA	NA
Borrowings/(Borr. + Deposits) (%)	6.8	7.1	-34bps	7.8	-98bps	NA	NA	NA
Total assets	21,238,390	21,182,400	0.3	18,926,971	12.2	NA	NA	NA
RWA	16,489,660	16,111,040	2.4	14,219,900	16.0	NA	NA	NA

Source: Company, YES Sec – Research, \*Share in total and change in share, YoY and QoQ figures are comparable

## Exhibit 3: Key Ratios

(%)	Q1 FY26	Q4 FY25	chg qoq	Q1 FY25	chg yoy
Net interest margin	4.34	4.41	-7bps	4.36	-2bps
Yield on advances	9.53	9.86	-33bps	9.80	-27bps
Cost of Deposits	4.85	5.00	-15bps	4.84	1bps
CASA	41.2	41.8	-63bps	40.9	28bps
Loan to Deposit ratio	84.8	83.3	149bps	85.8	-96bps
Non-int. income / Total income	28.2	25.5	270bps	26.4	185bps
Fee Income to Avg. Total Assets	1.1	1.2	-11bps	1.2	-5bps
Cost to Income	37.8	37.9	-12bps	39.7	-185bps
Opex to Avg. Total Assets	2.1	2.1	6bps	2.2	-9bps
Credit Cost	0.5	0.3	27bps	0.4	9bps
RoE	17.1	18.2	-110bps	18.0	-90bps
RoA	2.4	2.5	-8bps	2.4	8bps
Annualised Slippage Ratio*	1.8	1.5	30bps	1.9	-11bps
Provision Coverage Ratio	75.3	76.2	-90bps	79.7	-440bps
Gross NPA	1.7	1.7	0bps	2.2	-48bps
Net NPA	0.4	0.4	2bps	0.4	-2bps
Capital adequacy ratio	16.3	16.6	-24bps	16.0	35bps
Tier I capital ratio	15.7	15.9	-29bps	15.2	41bps

Source: Company, YES Sec – Research; \*Gross NPA Addition Ratio

## Exhibit 4: Quarterly Actuals Vs Estimates

Q1FY26 (Rs. mn)	Actuals	Estimates	Diff, %
Net Interest Income	216,345	214,684	0.8
Pre-Prov. Operating Profit	187,458	173,916	7.8
Profit After Tax	127,682	121,212	5.3

Source: Company, YES Sec – Research

## Exhibit 5: Non-Interest Income Break-up

(Rs mn)	Q1 FY26	Q4 FY25	% qoq	Q1 FY25	% yoy
Fee Income (A)	59,000	63,060	(6.4)	54,900	7.5
Total Other Income (B)	12,689	2,791	354.7	6,179	105.4
Treasury Income	12,410	2,390	419.2	6,130	102.4
Dividend income	13,360	6,750	97.9	8,940	49.4
Others	279	401	(30.4)	49	467.1
Total Non-Interest Income (A+B)	71,689	65,851	8.9	61,079	17.4

Source: Company, YES Sec – Research

## Exhibit 6: Rating profile for Corporate Portfolio

%	Q1 FY26	Q4 FY25	chg qoq	Q1 FY25	chg yoy
AA- and Above	33.1	35.9	-280bps	36.60	-350bps
A+, A, A-	40.1	38.9	120bps	39.9	20bps
A- and above	73.2	74.8	-160bps	76.5	-330bps
BBB+, BBB, BBB-	26.0	24.1	190bps	21.9	410bps
BB and below	0.6	0.7	-10bps	1.0	-40bps
Non-performing loans	0.1	0.1	0bps	0.1	0bps
Unrated	0.1	0.3	-20bps	0.5	-40bps

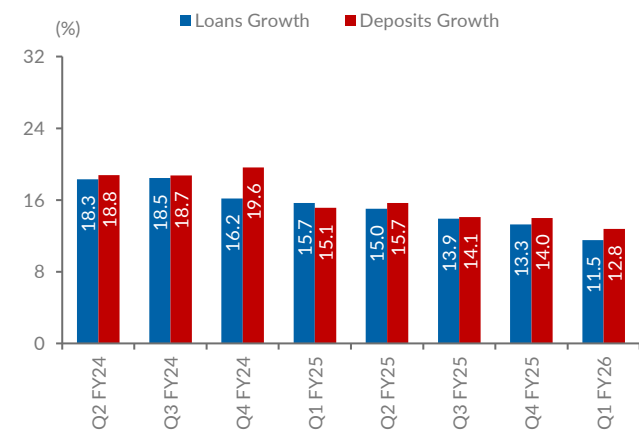
Source: Company, YES Sec – Research

## Exhibit 7: Subsidiaries PAT

(Rs mn)	Q1 FY26	Q4 FY25	% qoq	Q1 FY25	% yoy
ICICI Prudential Life	3,020	3,860	(21.8)	2,250	34.2
ICICI Lombard General	7,470	5,100	46.5	5,800	28.8
ICICI Pru. Asset Mgmt.	7,820	6,920	13.0	6,330	23.5
ICICI Sec. (Consolidated)	3,910	3,810	2.6	5,270	(25.8)
ICICI Sec. PD	4,440	1,150	286.1	890	398.9
ICICI Home Finance	2,140	2,410	(11.2)	1,170	82.9
ICICI Venture	(10)	150	(106.7)	(10)	0.0
ICICI Bank UK (USD mn)	6	6	(1.7)	8	(23.4)
ICICI Canada (CAD mn)	8	13	(37.6)	20	(61.6)

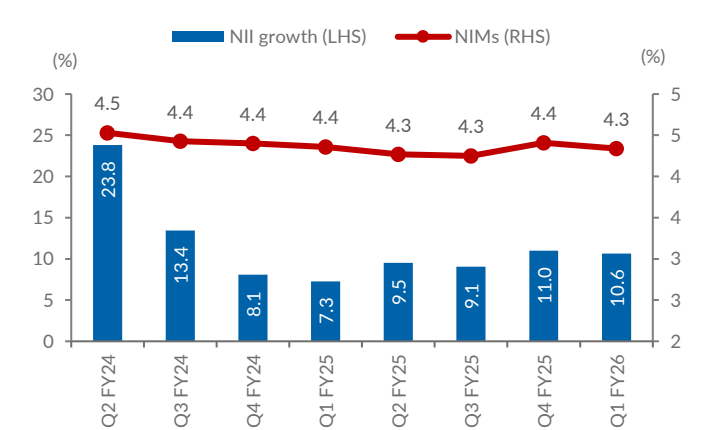
Source: Company, YES Sec – Research

**Exhibit 8: Loans and Deposits growth (YoY %)**



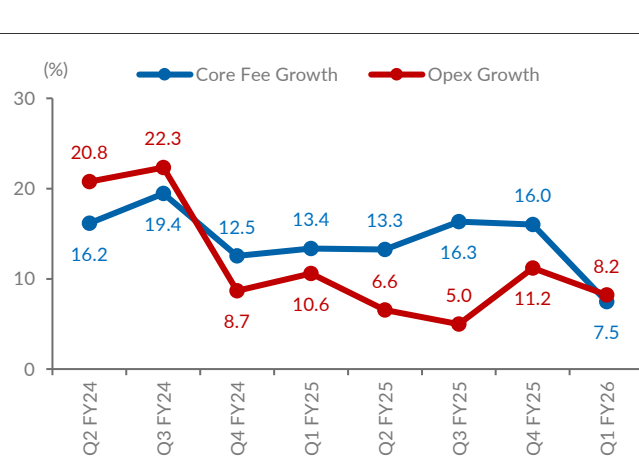
Source: Company, YES Sec – Research

**Exhibit 9: NII growth (YoY %) and NIM**



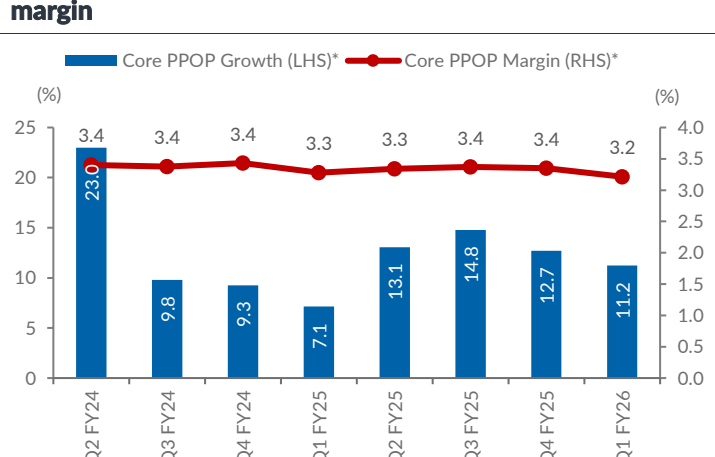
Source: Company, YES Sec – Research

**Exhibit 10: Core Fee and Opex growth (YoY %)**



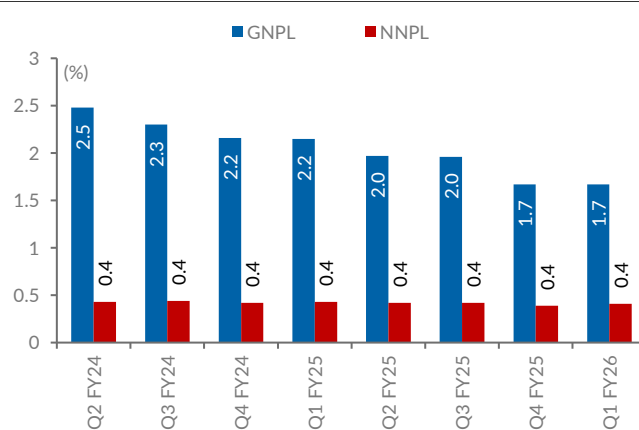
Source: Company, YES Sec – Research

**Exhibit 11: Core PPOP growth (YoY %) and Core PPOP margin**



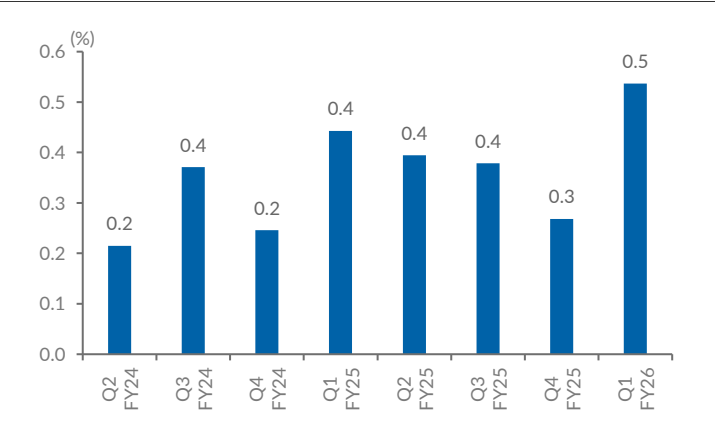
Source: Company, YES Sec – Research, \* Core PPOP is derived by adjusting PPOP for gain/loss on sale of investments and misc. income

**Exhibit 12: Gross NPA and Net NPA (%)**



Source: Company, YES Sec – Research

**Exhibit 13: Provisions/Average Advances (%)**



Source: Company, YES Sec – Research

**Exhibit 14: 1-year rolling P/BV band**



Source: Company, YES Sec – Research, N.B. Valuations in this chart are not adjusted / netted out for subsidiaries' value

**Exhibit 15: 1-yr rolling P/BV vis-a-vis the mean and standard deviations**



Source: Company, YES Sec – Research, N.B. Valuations in this chart are not adjusted / netted out for subsidiaries' value



## ANNUAL FINANCIALS

### Exhibit 16: Balance sheet

Y/e 31 Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Total cash & equivalents	1,399,260	1,855,620	2,036,801	2,326,891	2,699,193
Investments	4,619,423	5,047,567	5,167,648	5,925,126	6,796,865
Advances	11,844,064	13,417,662	15,430,311	17,899,161	20,763,026
Fixed assets	108,598	128,387	141,226	155,349	170,884
Other assets	743,801	733,163	806,480	887,128	975,840
<b>Total assets</b>	<b>18,715,146</b>	<b>21,182,400</b>	<b>23,582,466</b>	<b>27,193,653</b>	<b>31,405,809</b>
Net worth	2,383,993	2,920,763	3,273,772	3,761,183	4,336,791
Deposits	14,128,250	16,103,480	18,518,659	21,481,279	24,917,918
Borrowings	1,249,676	1,235,383	1,003,213	1,399,999	1,884,502
Other liabilities	953,227	922,774	786,821	551,192	266,599
<b>Total liabilities incl. Equity</b>	<b>18,715,146</b>	<b>21,182,400</b>	<b>23,582,466</b>	<b>27,193,653</b>	<b>31,405,809</b>

Source: Company, YES Sec – Research

### Exhibit 17: Income statement

Y/e 31 Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Interest income	1,428,909	1,632,638	1,822,176	2,085,639	2,423,052
Interest expense	(685,852)	(820,993)	(907,974)	(1,035,588)	(1,212,879)
<b>Net interest income</b>	<b>743,057</b>	<b>811,644</b>	<b>914,202</b>	<b>1,050,051</b>	<b>1,210,174</b>
Non-interest income	229,578	285,067	325,132	372,094	430,901
<b>Total income</b>	<b>972,635</b>	<b>1,096,711</b>	<b>1,239,334</b>	<b>1,422,145</b>	<b>1,641,074</b>
Operating expenses	(391,327)	(423,723)	(485,352)	(558,123)	(642,447)
<b>PPoP</b>	<b>581,308</b>	<b>672,988</b>	<b>753,982</b>	<b>864,022</b>	<b>998,627</b>
Provisions	(36,429)	(46,826)	(87,967)	(109,671)	(126,679)
<b>Profit before tax</b>	<b>544,878</b>	<b>626,162</b>	<b>666,016</b>	<b>754,351</b>	<b>871,948</b>
Taxes	(135,996)	(153,892)	(166,504)	(188,588)	(217,987)
<b>Net profit</b>	<b>408,883</b>	<b>472,270</b>	<b>499,512</b>	<b>565,764</b>	<b>653,961</b>

Source: Company, YES Sec – Research

## Exhibit 18: Du Pont Analysis (RoA tree)

Y/e 31 Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Interest income	8.3	8.2	8.1	8.2	8.3
Interest expense	-4.0	-4.1	-4.1	-4.1	-4.1
<b>Net interest income</b>	<b>4.3</b>	<b>4.1</b>	<b>4.1</b>	<b>4.1</b>	<b>4.1</b>
Non-interest income	1.3	1.4	1.5	1.5	1.5
<b>Total income</b>	<b>5.6</b>	<b>5.5</b>	<b>5.5</b>	<b>5.6</b>	<b>5.6</b>
Operating expenses	-2.3	-2.1	-2.2	-2.2	-2.2
<b>PPoP</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>
Provisions	-0.2	-0.2	-0.4	-0.4	-0.4
<b>Profit before tax</b>	<b>3.2</b>	<b>3.1</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>
Taxes	-0.8	-0.8	-0.7	-0.7	-0.7
<b>Net profit</b>	<b>2.4</b>	<b>2.4</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>

Source: Company, YES Sec – Research

## Exhibit 19: Sum of the Parts (SOTP) - Subsidiaries

Subsidiary	Market Cap / Assigned value (Rs mn)	Valuation metric	Metric value (Rs mn)	Trailing multiple (Implied / Assigned)	Stake (%)	Stake value (Rs mn)	Per share (Rs)
ICICI Pru Life	916,518	EV	479,510	1.9	51%	469,624	67.2
ICICI Pru AMC	879,412	AUM	8,794,120	10%	51%	448,500	64.2
ICICI Lombard	949,789	BV	148,296	6.4	48%	456,089	65.3
ICICI Securities	291,324	BV	53,891	5.4	100%	291,324	41.7
ICICI Home Fin	50,824	BV	33,882	1.5	100%	50,824	7.3
ICICI Bank UK	31,223	BV	28,385	1.1	100%	31,223	4.5
ICICI Bank Canada	55,712	BV	39,795	1.4	100%	55,712	8.0
<b>Value of Subsidiaries</b>						<b>1,803,295</b>	<b>253.2</b>

Source: Company, YES Sec – Research

## Exhibit 20: Change in annual estimates

Y/e 31 Mar (Rs mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Interest Income	914,202	1,050,051	1,210,174	914,202	1,058,384	1,210,174	0.0	(0.8)	0.0
Pre-Prov. Operating Profit	753,982	864,022	998,627	748,913	861,506	981,216	0.7	0.3	1.8
Profit after tax	499,512	565,764	653,961	495,710	563,877	640,903	0.8	0.3	2.0

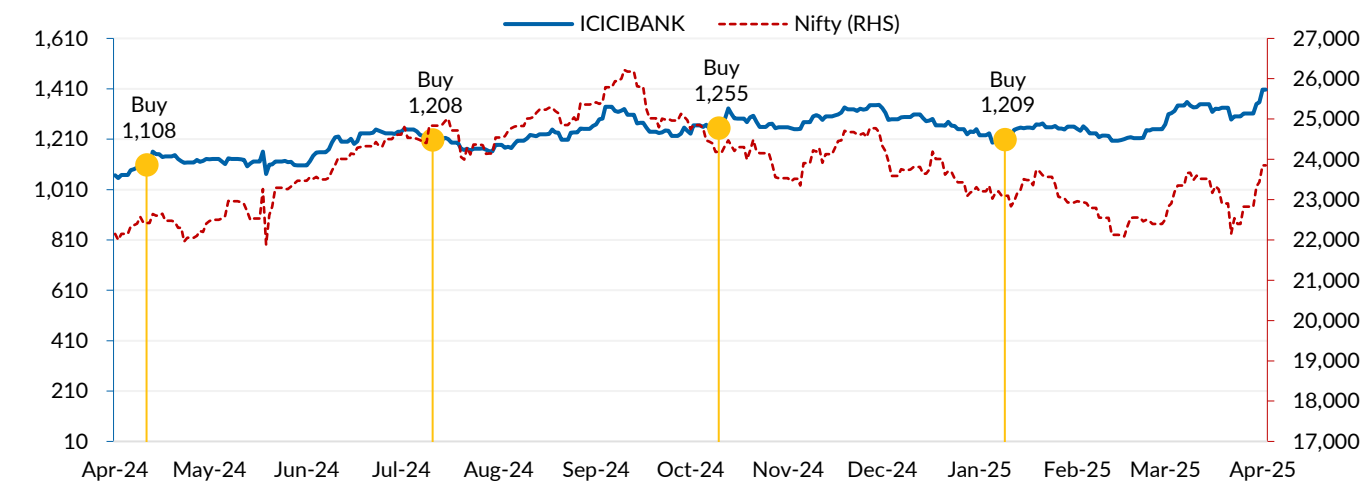
Source: Company, YES Sec – Research

## Exhibit 21: Ratio analysis

Y/e 31 Mar	FY24	FY25	FY26E	FY27E	FY28E
<b>Growth matrix (%)</b>					
Net interest income	19.6	9.2	12.6	14.9	15.2
PPoP	18.4	15.8	12.0	14.6	15.6
Net profit	28.2	15.5	5.8	13.3	15.6
Loans	16.2	13.3	15.0	16.0	16.0
Deposits	19.6	14.0	15.0	16.0	16.0
<b>Profitability Ratios (%)</b>					
Net interest margin	4.5	4.3	4.3	4.3	4.3
Return on Average Equity	18.6	17.8	16.1	16.1	16.2
Return on Average Assets	2.4	2.4	2.2	2.2	2.2
<b>Per share figures (Rs)</b>					
EPS	58.2	66.3	70.1	79.4	91.8
BVPS	339	410	460	528	609
ABVPS	332	402	445	512	589
<b>Valuation multiples</b>					
P/E	20	18	17	15	13
P/BV	3.5	2.9	2.6	2.2	1.9
P/ABV	3.5	2.9	2.6	2.3	2.0
<b>NIM internals (%)</b>					
Yield on loans	10.1	10.0	9.8	9.9	9.9
Cost of deposits	4.5	4.8	4.8	4.8	4.7
Loan-deposit ratio	83.8	83.3	83.3	83.3	83.3
CASA ratio	42.2	41.8	40.5	41.5	41.5
<b>Opex control (%)</b>					
Cost/Income ratio	40.2	38.6	39.2	39.2	39.1
Cost to average assets	2.3	2.1	2.2	2.2	2.2
<b>Capital adequacy (%)</b>					
Tier 1 capital ratio	15.6	15.9	15.4	15.0	14.7
<b>Asset quality (%)</b>					
Slippage ratio	1.7	1.6	1.8	1.7	1.7
Gross NPL ratio	2.3	1.8	2.0	1.9	1.9
Credit cost	0.1	0.3	0.5	0.6	0.6
Net NPL ratio	0.5	0.4	0.7	0.6	0.7

Source: Company, YES Sec – Research; Valuations are the implied value of standalone entity net of subsidiaries

## Recommendation Tracker



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