

Well placed to allay growth/asset quality challenges

BFSI - Banks ▶ Management Meet Update ▶ September 03, 2025

CMP (Rs): 1,394 | TP (Rs): 1,700

We met with the management of ICICI Bank to understand the overall outlook on growth, margins, and asset quality, further to the ongoing tariff war, GST relief, and rate-cut cycle. KTAs:

Growth, margins may moderate a bit, albeit still better than most peers

ICICIB reported some moderation in credit growth at ~12% YoY in 1Q, mainly due to slower growth in retail loans (incl mortgages and unsecured loans) and demand remaining slack in the corporate portfolio. That said, better yielding SME (reclassified) has been a key growth driver for the bank (up 30% YoY) and now contributes nearly 20.5% of its loan portfolio (nearly the same as the corporate portfolio size). The management highlighted that the bank's SME portfolio is skewed toward high-ticket loans which, hence, does not pose much risk to asset quality for now, although the bank may face some growth pressure amid the ongoing trade war. ICICIB has lost market share in home loans due to higher pricing; however, it has realigned pricing in line with peers (Exhibit 15) which should help partly offset the expected growth normalization in SME. Overall, loan growth is expected to remain soft through FY26, prompting a cut of 70bps in our growth estimate to around 11.5% (though still better ex-Kotak). So far, it has shown margin resiliency vs peers which may contract amid the ongoing rate cut cycle, though it may continue to outperform peers given its better portfolio mix (asset/liability).

Differentiated and digital banking to drive up value per customer

The bank continues to differentiate itself by adopting unconventional measures, including phasing out the bell-curve appraisal system and focusing on profitability as a key KRA vs growth; though this initially raised eyebrows, it resulted in lower employee attrition (18% vs peers at 23-33%). Additionally, the bank has cut promotion of traditional life insurance products while merging the securities business to promote the 3-in-1 product and the recently hiked minimum savings account balance (MAB) to Rs50k from Rs10k (though rolled-back to Rs15k for now), to emerge as the primary bank for its customer and to drive minimum investment balance (MIB) vs MAB. The bank has also heavily invested in its tech stack for retail/business customers, while ensuring less downtime and avoiding regulatory ire. It has built a strong SME loan portfolio over the past few years and intends to focus on cross-selling liability/fee products to drive better value per customer.

ICICI Bank – Well placed to sustain premium valuations

Notwithstanding the near-term margin pressure across banks, as also for ICICIB (though lower), we believe the bank is well positioned to deliver peer-best RoA of 2.1-2.3% over FY26-28E, aided by better cost management, core fees, and contained LLP. This, coupled with credible top management, leadership pool, digital banking edge, and asset quality resiliency, should help the bank command premium valuations versus large-cap PVBs. Thus, we retain BUY while revising up our TP by 6% to Rs1,700 (from Rs1,600), rolling forward on 2.6x Sep-27E ABV and subs valuation at Rs270/sh. The forthcoming IPO of ICICI Pru AMC is likely to unlock value and provide an incremental catalyst. Key risks: slower-than-expected growth and asset quality disruption owing to weakening macros.

Target Price – 12M	Jun-26
Change in TP (%)	6.3
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	22.0

Stock Data	ICICIB IN
52-week High (Rs)	1,500
52-week Low (Rs)	1,186
Shares outstanding (mn)	7,139.9
Market-cap (Rs bn)	9,954
Market-cap (USD mn)	112,913
Net-debt, FY26E (Rs mn)	NA
ADTV-3M (mn shares)	11
ADTV-3M (Rs mn)	13,184.4
ADTV-3M (USD mn)	149.6
Free float (%)	99.8
Nifty-50	24,579.6
INR/USD	88.2

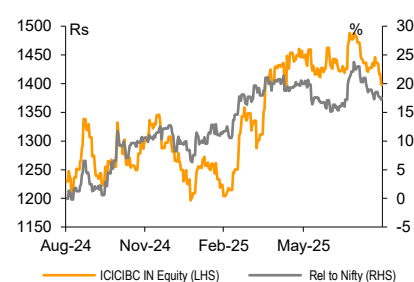
Shareholding, Jun-25

Promoters (%)	0.0
FPIs/MFs (%)	38.0/35.7

Price Performance

(%)	1M	3M	12M
Absolute	(5.3)	(3.9)	13.4
Rel. to Nifty	(5.3)	(3.3)	16.6

1-Year share price trend (Rs)



ICICI Bank: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net profit	408,882	472,270	517,318	553,841	610,626
Loan growth (%)	16.2	13.3	11.6	13.5	15.5
NII growth (%)	19.6	9.2	7.9	10.3	14.5
NIM (%)	4.5	4.3	4.1	4.0	4.0
PPOP growth (%)	18.4	15.8	10.1	10.7	15.1
Adj. EPS (Rs)	58.4	66.8	72.6	77.6	85.6
Adj. EPS growth (%)	27.5	14.4	8.7	7.0	10.3
Adj. BV (INR)	317.9	388.5	446.5	507.6	575.0
Adj. BVPS growth (%)	16.7	22.2	14.9	13.7	13.3
RoA (%)	2.4	2.4	2.3	2.2	2.1
RoE (%)	18.9	18.0	16.7	15.7	15.2
P/E (x)	19.3	16.8	15.5	14.5	13.1
P/ABV (x)	3.5	2.9	2.5	2.2	2.0

Source: Company, Emkay Research

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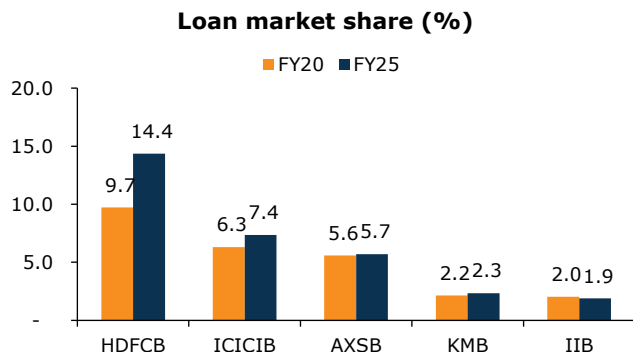
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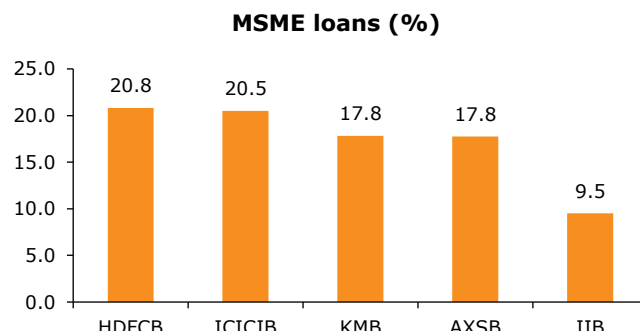
Story in Charts

Exhibit 1: ICICI Bank has gained credit market share in the past few years



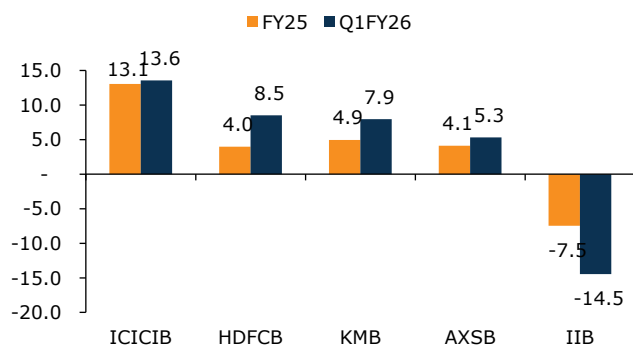
Source: Emkay Research; Note: HDFC market share for FY25 includes e-HDFCL as well

Exhibit 2: HDFCB and ICICIB hold higher market share each among peers, with MSME loans remaining a key growth driver for ICICIB



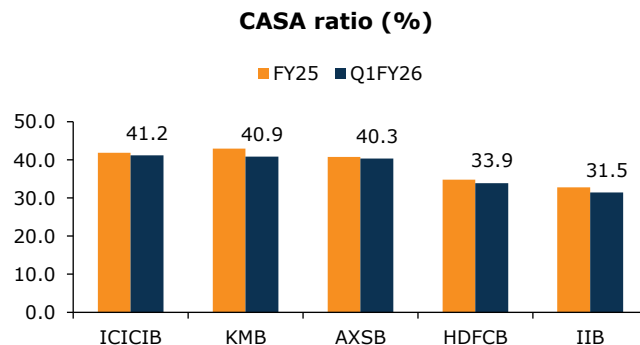
Source: Company, Emkay Research; Note: Above MSME data includes Business banking/SBB/Small corporate loans as well

Exhibit 3: ICICIB's CASA growth remains robust in the current deposit environment, outperforming that of peers...



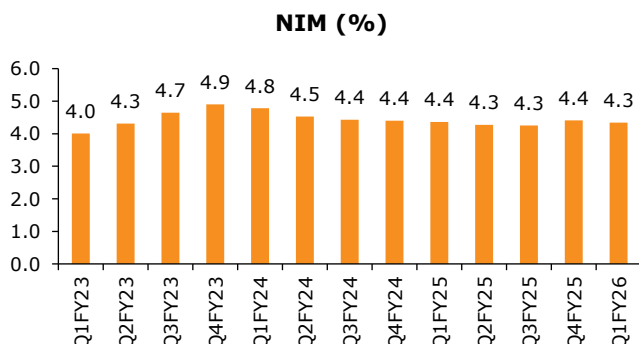
Source: Company, Emkay Research

Exhibit 4: ...and resulting in better CASA ratio and, hence, CoF



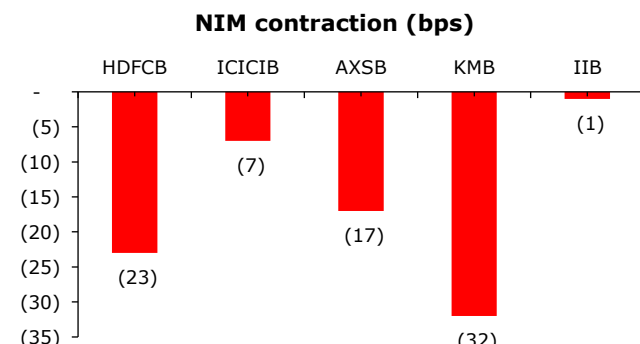
Source: Company, Emkay Research

Exhibit 5: ICICIB has seen sharper margin uptick in the past few years, benefiting from structural portfolio shifts and rate cycle...



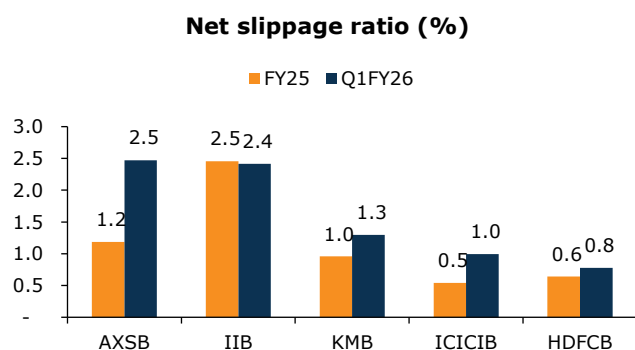
Source: Company, Emkay Research

Exhibit 6: ...also reflecting in 1Q, where ICICIB reported lower margin contraction vs peers



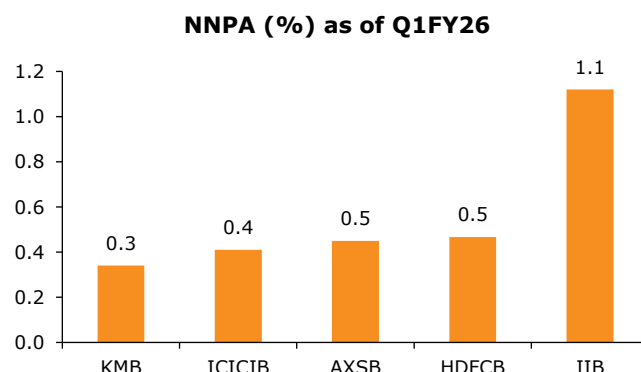
Source: Company, Emkay Research; Note: IIB margin contraction is adjusted to exclude the impact of one-off, non-recurring items in Q4FY25

Exhibit 7: ICICIB's net slippage ratio remains low; that in 1Q was higher due to seasonally higher agri slippages



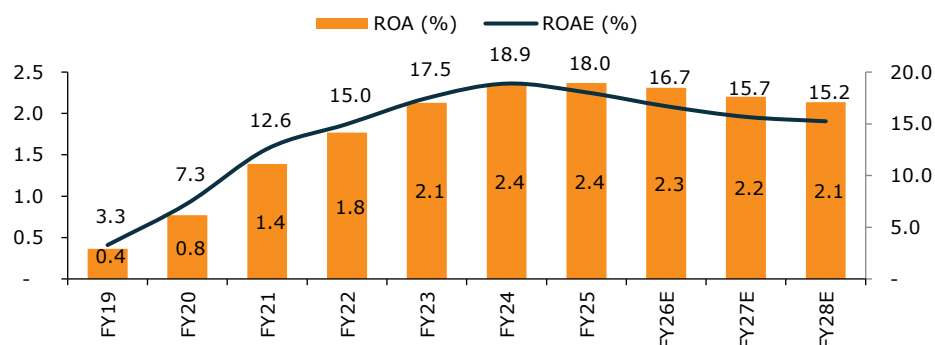
Source: Company, Emkay Research

Exhibit 8: ICICIB has one of the lowest NNPA ratios among peers



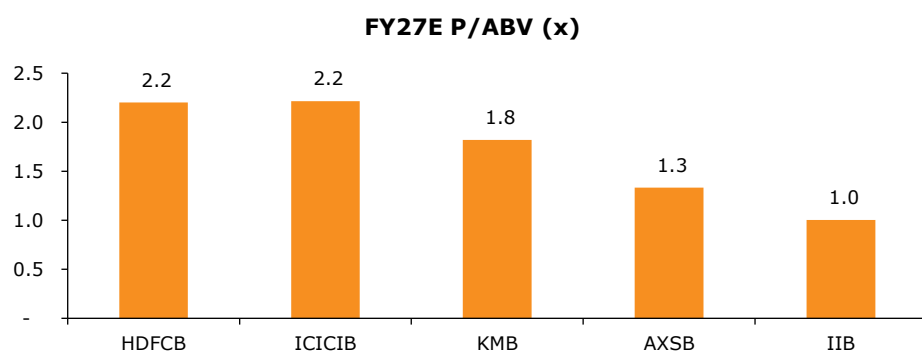
Source: Company, Emkay Research

Exhibit 9: ICICIB RoA and RoE have improved significantly from the lows of FY19, while remaining well-positioned now compared with peers



Source: Emkay Research

Exhibit 10: ICICI Bank commands premium valuations; HDFCB has finally caught up

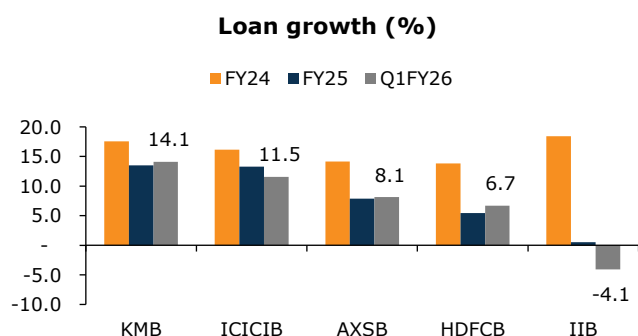


Source: Bloomberg, Emkay Research

Overall Credit growth may moderate a bit, as SME growth to normalize

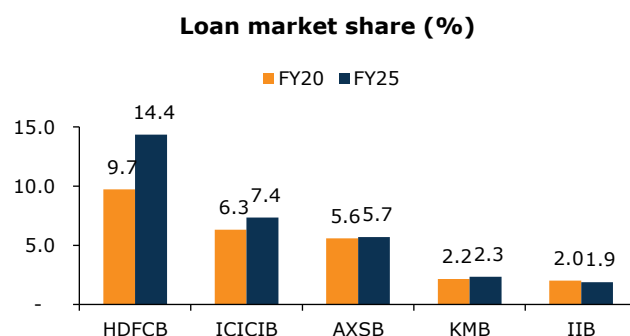
ICICIB reported some moderation in credit growth at 12% YoY in 1QFY26 from a high of 16% YoY last year, although it is better than that of most large private peers (ex-Kotak). The moderation was mainly due to slower growth in retail loans (including mortgages and unsecured loans) and demand continuing to be slack in the corporate portfolio; the bank continues to consciously trim down its low-yielding overseas loan portfolio. That said, better yielding SME (reclassified) has been a key growth driver for the bank (up 30% YoY) and now contributes 20.5% of its loan portfolio (nearly the same as the corporate portfolio size). The management highlighted that its SME portfolio is skewed toward high-ticket loans and thus does not pose much risk to asset quality for now, although the bank may face some growth pressure amid the ongoing trade war. The bank has ceded some market share in home loans over the past few years due to higher pricing; however, it has now realigned its product pricing (lowest among peers) and hopes to benefit from some pick-up in the mortgage segment and thus partly offset the expected growth normalization in SME. Factoring in the continued softness in unsecured retail loans and some moderation in SME loans, we cut our FY26 credit growth estimate by 100bps to 11.5%.

Exhibit 11: Despite a sharp decline in FY25, loan growth remained healthier for ICICIB compared to HDFCB and AXSB



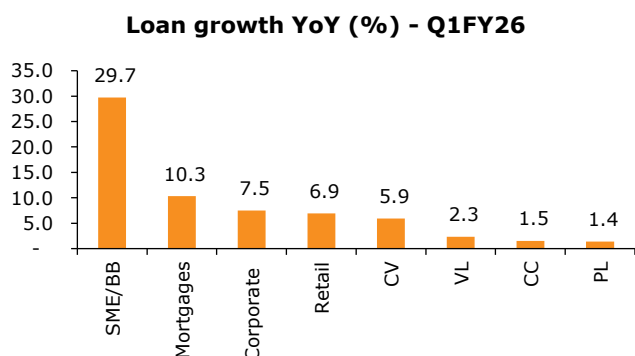
Source: Company, Emkay Research

Exhibit 12: ICICI Bank has gained credit market share in the past few years



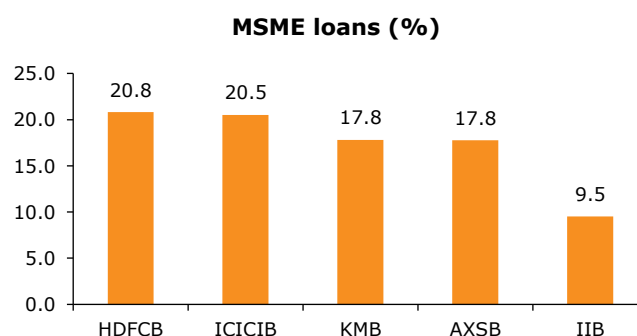
Source: Emkay Research; Note: HDFC market share for FY25 includes e-HDFCL as well

Exhibit 13: SME remains the growth driver for ICICI Bank, albeit should see some moderation amid the ongoing trade war



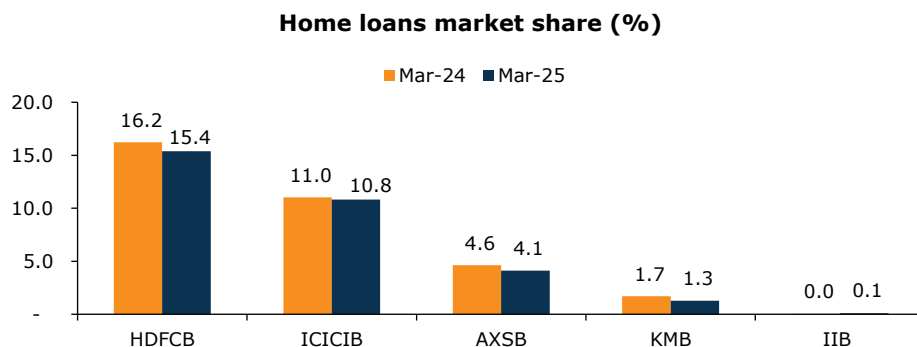
Source: Company, Emkay Research

Exhibit 14: HDFCB and ICICIB hold higher market share each among peers, with MSME loans remaining a key growth driver for ICICIB



Source: Company, Emkay Research; Note: MSME data includes Business banking/SBB/Small corporate loans as well

Exhibit 15: Most private banks, including ICICIB, have lost market share in home loans to PSBs and HFCs/NBFCs



Source: CRIF Highmark, Emkay Research

Exhibit 16: ICICI has aligned its home loan rates to drive growth in home loans

Banks - Floating home loan rates (%)	Minimum rate, as on 21-Mar-25	Minimum rate, as on 8-Aug-25
HDFCB	8.70	7.90
ICICIB	8.75	7.70
AXSB	8.75	8.35
KMB	8.65	7.99
SBI	8.25	7.50
BOB	8.15	7.45
CBK	8.25	7.30
PNB	8.20	7.55
INBK	8.15	7.40
UNBK	8.10	7.30

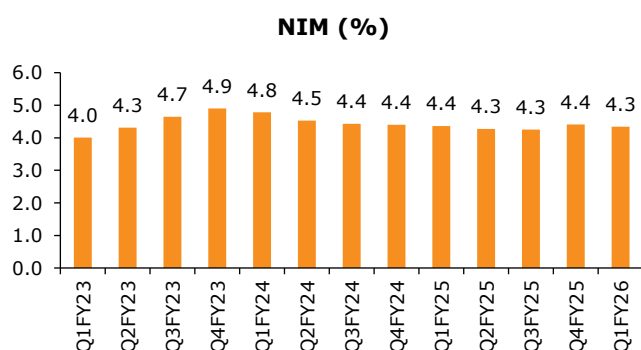
Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Well managed margins due to structural shifts; some pressure inevitable amid recent rate cuts

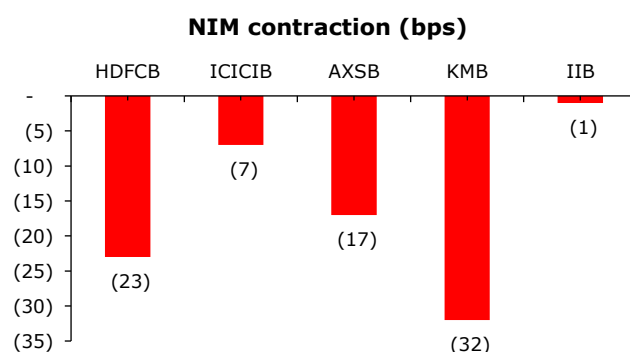
ICICI Bank has maintained healthy margins over the past few years vs peers, supported by a favorable portfolio mix with higher share of retail and SME (including BB) loans at ~73%, reduced share of low-yielding overseas assets (~2% of loans), and an overall lower cost of funds. In addition, the bank has scaled down its exposure to RIDF (Rural Infrastructure Development Fund) loans which has further contributed to margin resilience. Such margin resilience has reflected in 1QFY26 as well with ICICIB reporting only 7bps margin contraction vs peers, at 17-32bps. However, the full impact of the 50bps repo rate cut in June will be visible in Q2 and lead to higher margin contraction, following which margins are expected to improve supported by the CRR, SA, and deposit rate cuts. The bank has also strategically shortened the deposit maturity in FY25, to benefit from the faster TD repricing and thus support margins.

Exhibit 17: ICICI Bank's healthy margin trajectory, structural portfolio shifts, and rate cycle have supported the RoA...



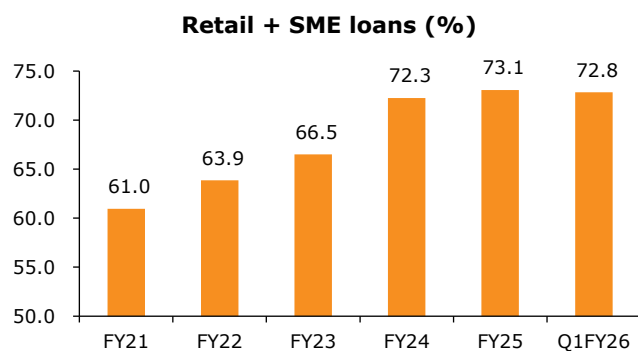
Source: Company, Emkay Research

Exhibit 18: ...which also reflects in 1Q, wherein ICICIB reported lower margin contraction vs peers



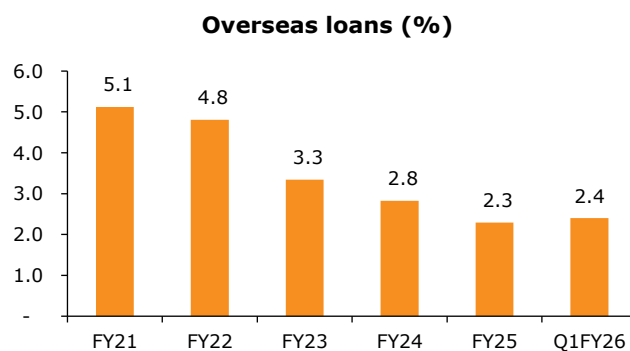
Source: Company, Emkay Research; Note: IIB margin contraction is adjusted to exclude the impact of one-off, non-recurring items in Q4FY25

Exhibit 19: Share of relatively high yielding retail + SME loans has seen steady increase...



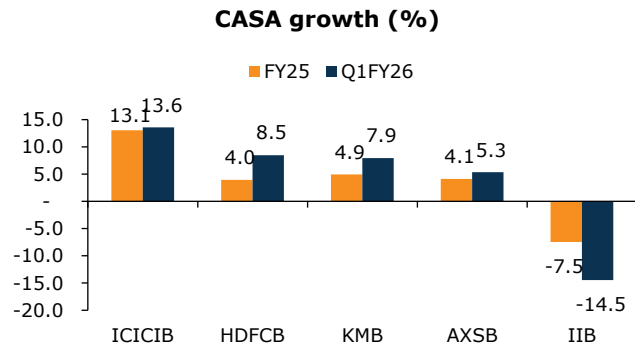
Source: Company, Emkay Research

Exhibit 20: ...while that of low-yielding overseas loans has reduced, aiding blended margins



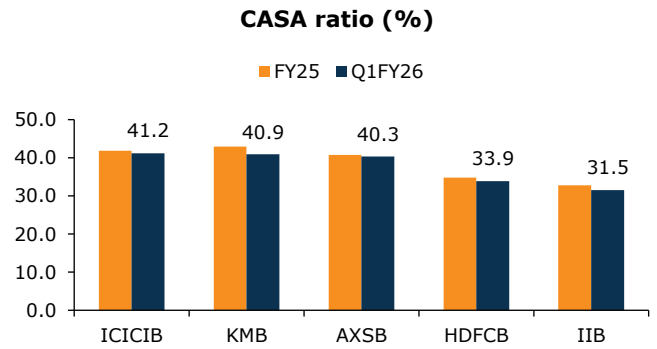
Source: Company, Emkay Research

Exhibit 21: ICICI Bank's CASA growth remains robust in the current deposit environment, outperforming that of peers...



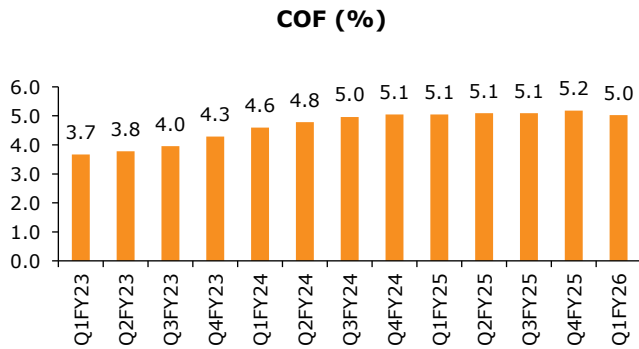
Source: Company, Emkay Research

Exhibit 22: ...and resulting in better CASA ratio and thus lower CoF



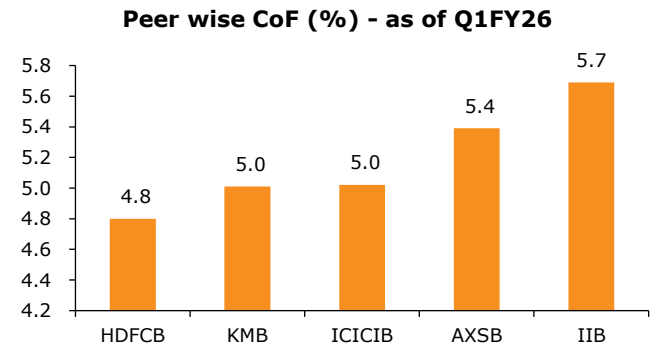
Source: Company, Emkay Research

Exhibit 23: After peaking in Q4FY25, cost of funds declined by 20bps in Q1FY26, aiding margins



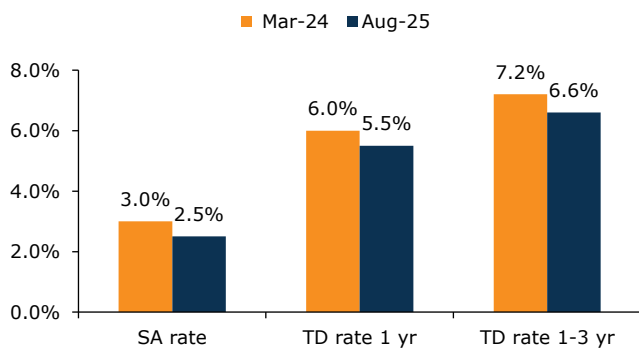
Source: Company, Emkay Research

Exhibit 24: CoF remains well contained for ICICIB v/s peers



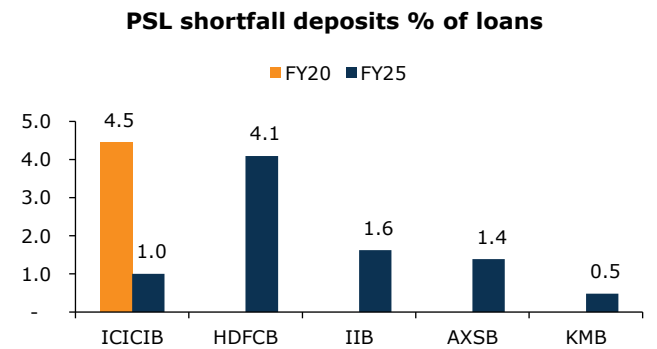
Source: Company, Emkay Research

Exhibit 25: ICICI Bank's SA and TD rates fell by 25-50bps following the swift rate-cut cycle



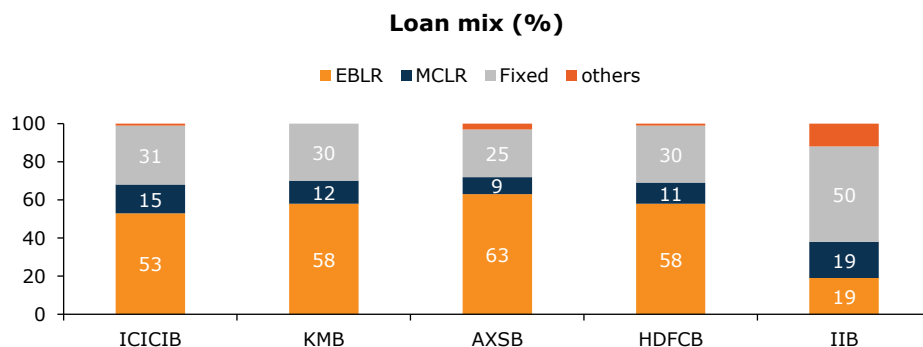
Source: Emkay Research; Aug-25 data, as on 13-Aug-25

Exhibit 26: Low-yielding PSL deposits (RIDF) for ICICIB are relatively lower vs peers (ex-Kotak)



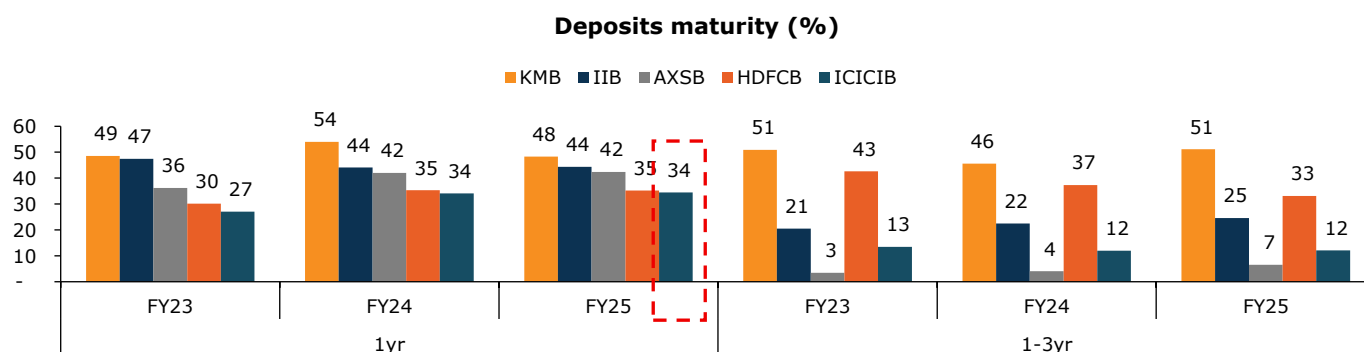
Source: Company, Emkay Research

Exhibit 27: ICICIB has relatively higher share of fixed and MCLR linked loans than peers (ex IIB) which should help the bank as lending rates fall



Source: Company, Emkay Research

Exhibit 28: ICICIB's deposit maturities remain shorter than peers' which should help faster deposit repricing and, hence, margins



Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Focusing on better customer engagement and, hence, value per customer via differentiated, digital banking

The bank continues to differentiate itself by adopting unconventional measures, including phasing out the bell-curve appraisal system and profitability as a key KRA vs growth; though this initially raised eyebrows, it has resulted in lower employee attrition (18% vs peers at 23-33%) and greater customer satisfaction. Additionally, the bank has stopped promotion of traditional life insurance products while merging the securities business to promote 3-in-1 products.

After a long time, the bank recently hiked minimum savings account balance (MSB), from Rs10k to Rs50k, to naturally weed out low-value customers, though it had to roll-back to Rs15k amid immense social media noise. That said, the bank remains firm that it will keep exploring raising the minimum balance gradually, as it plans to focus on better customer experience instead of just adding unhappy customers. It intends to emerge as a primary bank for the customer (retail/SME) and focus on minimum investment balance (MIB; rather than MAB) including TDs, wealth management products, etc.

The bank has also invested heavily in upgrading its tech stack for retail/business customers, led by app interoperability and ecosystem expansion, while ensuring less downtime and avoiding regulatory ire. Its open-access strategy for iMobile Pay (allowing customers of other banks to onboard) is a standout move that has helped create a fintech-style super-app experience. The strong performance of InstaBIZ and its dominant FASTag and UPI volumes further reinforce ICICIB's lead on the technology front.

Exhibit 29: ICICI Bank has one of the lowest attrition rates among peers

Attrition (%)	FY23	FY24	FY25
ICICIB	30.9	24.5	18.0
HDFCB	34.2	26.9	22.6
AXSB	34.8	28.8	25.5
KMB	46.0	39.6	33.3
IIB	51.0	37.0	29.0

Source: Company, Emkay Research

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Exhibit 30: Digital Dashboard – ICICIB has a strong positioning in the cards business, though it needs to build scale in UPI as well, similar to Axis Bank

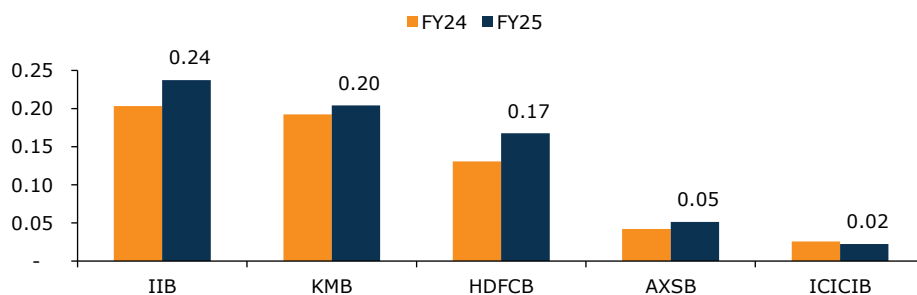
Credit Card	HDFCB	ICICIB	AXSB	KMB	IIB
O/s credit card (mn)	25	18	15	5	3
YoY growth (%)	14	4	4	-16	6
CIF market share (%)	22	16	14	4	3
Gain/(Loss) (bps)	144	-48	-38	-113	-1
Annual spends per card (Rs '000)	240	219	164	168	326
YoY growth (%)	-0.2	14.1	7.1	39.8	4.1
Monthly spends per card (Rs '000)	22	20	15	13	28
YoY growth (%)	6.1	0.9	6.9	7.8	4.4
Debit Card					
O/s debit card (mn)	61	31	41	36	11
YoY growth (%)	23	-3	27	22	27
CIF market share (%)	6	3	4	4	1
Gain/(Loss) (bps)	89	-23	72	51	20
Annual spends per card (Rs '000)	3,706	1,937	1,742	782	354
YoY growth (%)	-8.2	-13.2	-10.6	-5.7	-11.5
Monthly spends per card (Rs '000)	288	141	126	58	24
YoY growth (%)	-6.5	-17.1	-13.4	-11.7	-20.5
Mobile Banking					
App downloads (mn)	50+	50+	50+	50+	10+
Active customers (mn)	21.5	17.1	4.8	14.8	0.8
Transaction value - Market share (%)	13.0	9.8	6.7	4.6	2.7
Gain/(Loss) (bps)	73	-20	-26	-4	-16
Internet Banking					
Active customers (mn)	31.6	4.1	1.2	1.9	0.4
YoY growth (%)	5.9	2.27	-7.09	2.47	-21.5
Transaction value - Market share (%)	5.8	38.9	0.3	3.7	0.3
UPI Remitter market share (%)	11.2	5.0	5.4	3.6	1.1
Gain/(Loss) (bps)	20	-114	-15	-3	-4

Source: RBI, Emkay Research; Note: Above Data is for the July month; active customers denote the number of customers who have used the mobile banking facility at least once in 2months

Exhibit 31: Minimum saving account (SA) balance requirement (Mar-25/Aug-25) compared with peers

Bank	Mar-25	Aug-25
HDFCB	Rs10,000	Rs10,000
AXSB	Rs12,000	Rs12,000
ICICIB	Rs10,000	Rs15,000 (from 1-Aug)
KMB	Rs10,000	Rs10,000
IIB	Rs10,000	Rs10,000
SBIN	No minimum balance	No minimum balance
CBK	Rs2,000	Zero balance for all SA accounts (from 1-Jun)
BOB	Rs2,000	Zero balance for standard accounts (from 1-Jul)
PNB	Rs2,000	Zero balance all savings accounts (from 1-Jul)
INBK	Rs1,000	Zero balance (from 7-Jul)
UNBK	Rs1,000	Zero balance for most savings types (mid-CY25)

Source: Company, Emkay Research; Mar-25 data represents the minimum SA balance for metros and urban regions

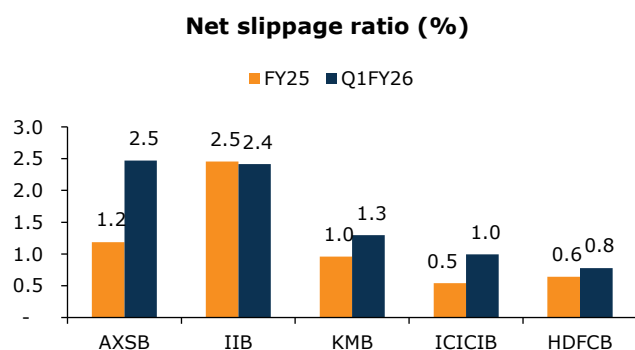
Exhibit 32: ICICIB has one of the lowest Bancassurance incomes compared with peers, primarily due to its policy approach toward selling insurance products to its customers**Bancassurance fees as % of overall assets**

Source: Company, Emkay Research

Overall asset quality remains manageable; credit cost could normalize gradually

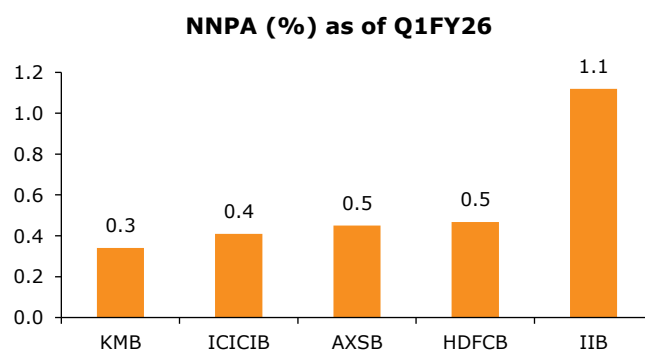
Gross slippage increased QoQ to Rs 62bn/2.0% of loans in 1Q, driven by seasonally higher agri NPAs (mainly KCC) and should ease in 2Q. The bank believes that the stress in unsecured loans is easing gradually and should thus lead to steady improvement in the overall retail asset quality. That said, bank has built a sizable SME portfolio over the past few years (even excluding the reclassification). Notably, overleveraging concerns have recently emerged in the low-ticket SME segment, while the ongoing tariff war could pose a risk to the higher ticket-size segment mainly dependent on exports to the US. The management claims that it does not have much exposure to the lower end of the SME segment, while the higher end of the SME segment is well collateralized. Additionally, the bank has relatively lower exposure to most vulnerable sectors—textiles; gems and jewelry—among peers, while export credit as a % of overall credit stands at 1.4%. That said, banks remain watchful of emerging disruption in its portfolio due to the tariff war, and shall take necessary measures to keep risk in check, while keeping hopes up for some government intervention toward easing the pain for such SMEs. We also note that the bank has a strong contingent provision buffer at ~0.95% of loans/Rs18 a share.

Exhibit 33: ICICIB's net slippage ratio remains low; that in 1Q was higher due to seasonally higher agri slippages



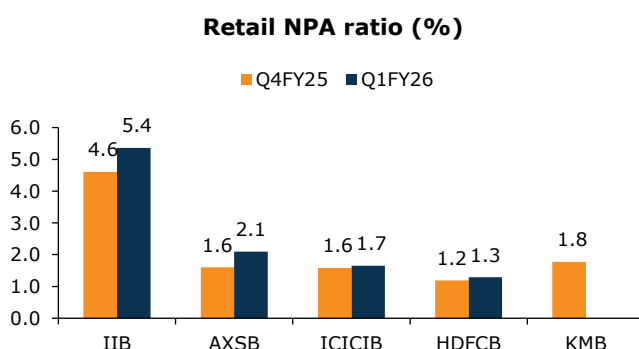
Source: Company, Emkay Research

Exhibit 34: ICICIB has one of the lowest NNPA ratios among peers



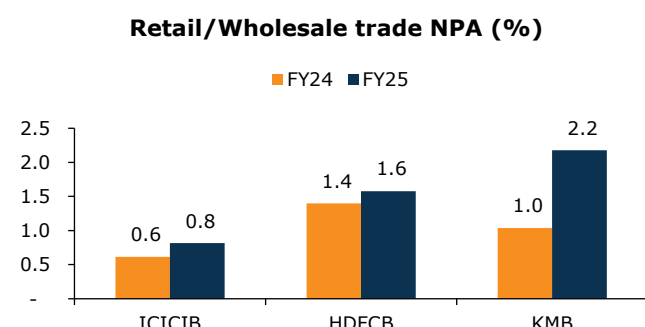
Source: Company, Emkay Research

Exhibit 35: ICICIB has a relatively lower retail NPA ratio vs peers



Source: Company, Emkay Research

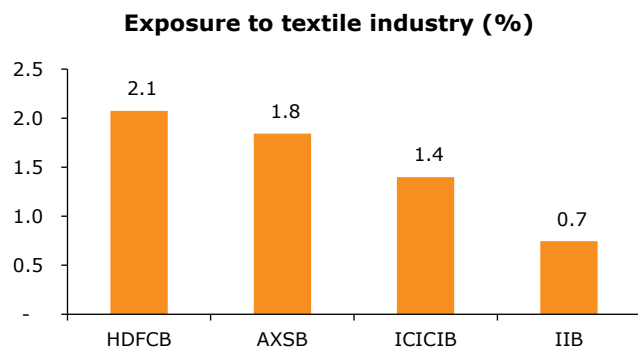
Exhibit 36: ICICIB's GNPA ratio in wholesale and retail trade remains the lowest among peers



Source: Company, Emkay Research

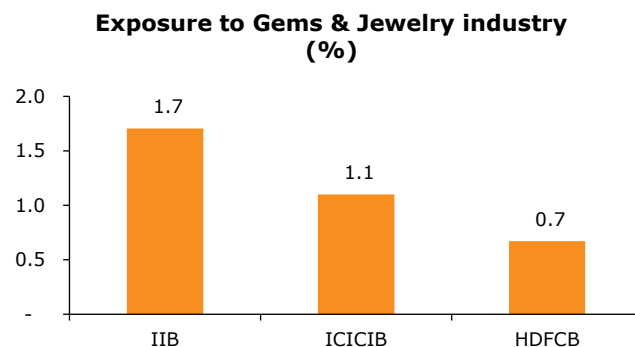
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Exhibit 37: ICICI Bank's exposure to the textile sector (as a % of loans) remains lower than peers



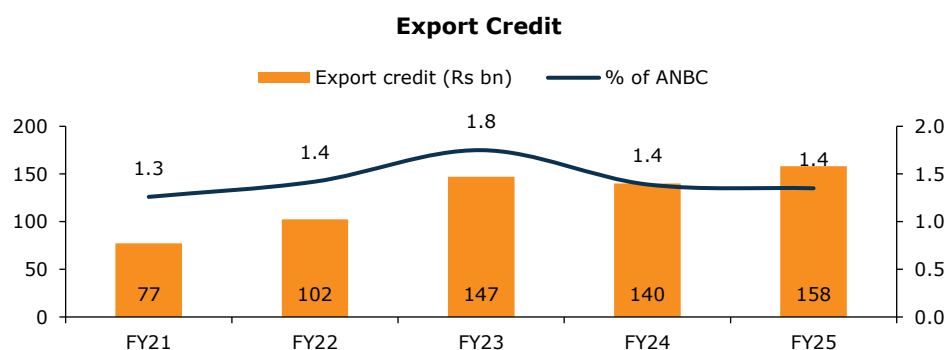
Source: Form 20-F, Emkay Research

Exhibit 38: ICICI Bank's exposure to Gems & Jewelry remains moderate



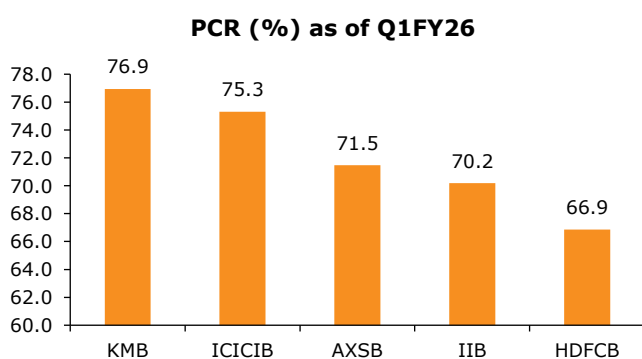
Source: Form 20-F, Emkay Research

Exhibit 39: ICICIB's export credit hovers at 1.4%



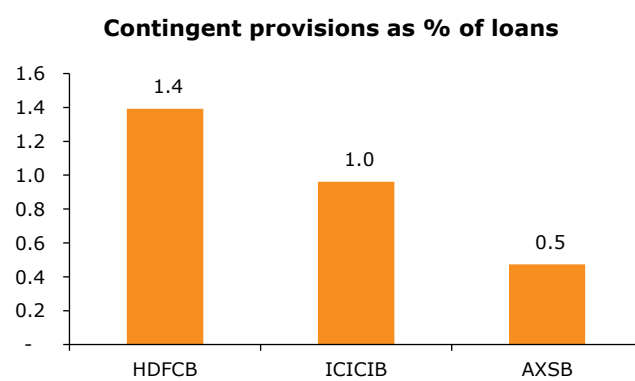
Source: Form 20-F, Emkay Research

Exhibit 40: ICICIB's specific PCR remains in line with that of peer banks...



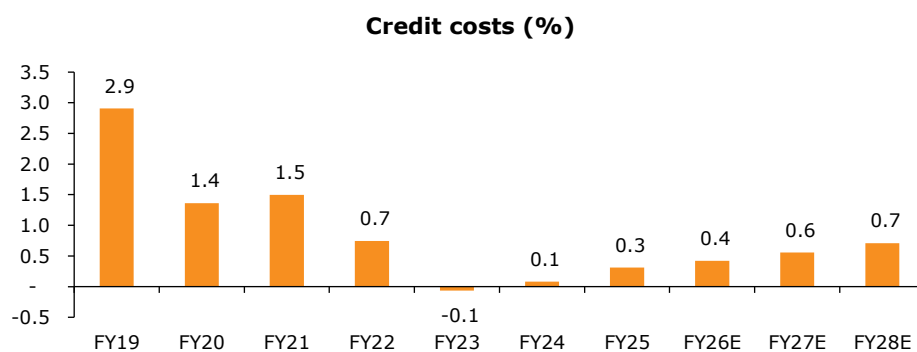
Source: Company, Emkay Research

Exhibit 41: ...while carrying a strong contingent provision buffer



Source: Company, Emkay Research; HDFCB's provisions include floating provisions

Exhibit 42: ICICI Bank's credit cost should normalize gradually, unless it utilizes the contingent provision buffer



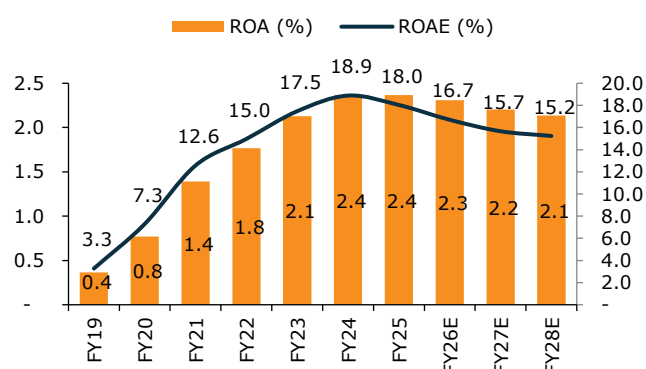
Source: Company, Emkay Research

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ICICI Bank – Well placed to command premium valuations

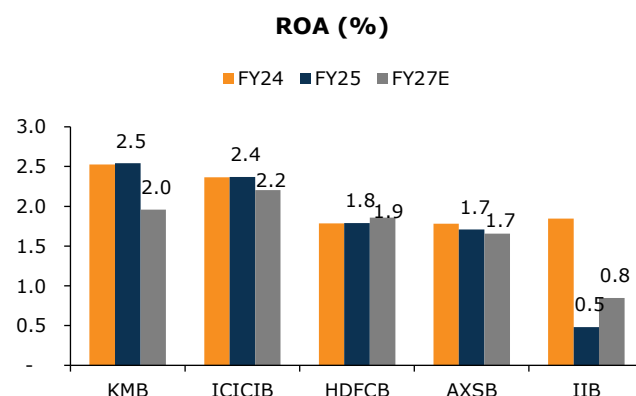
Notwithstanding the near-term margin pressure across banks, as also for ICICIB (though lower), we believe the bank is well positioned to deliver peer-best RoA of 2.1-2.3% during FY26-28E, aided by better cost management, core fees, and contained LLP. This, coupled with credible top management, leadership pool, and digital banking edge, should help the bank command premium valuations (though HDFCB has recently caught up with it) versus large-cap PVBs. Thus, we retain BUY on ICICI Bank while revising up our TP by 6% to Rs1,700 (from Rs1,600 earlier), rolling forward on 2.6x Sep-27E ABV and subs valuation at Rs270/sh. Additionally, the forthcoming IPO of ICICI Pru AMC is likely to unlock value and provide an incremental catalyst.

Exhibit 43: ICICIB's RoA and RoE have improved significantly from the lows of FY19, on the back of strong margin delivery and contained LLP



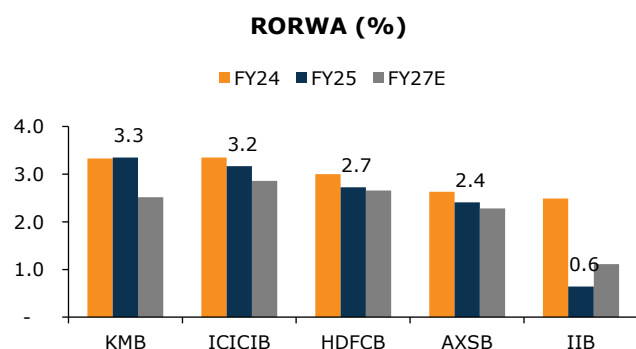
Source: Emkay Research

Exhibit 44: ICICI Bank's RoA remains better than peers'



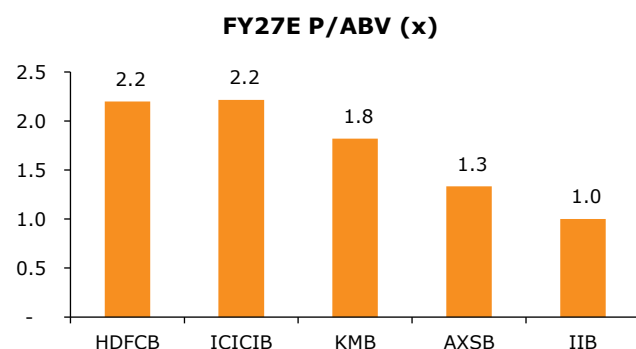
Source: Emkay Research

Exhibit 45: ICICI Bank's RoRWA remains superior to peers' (ex-Kotak)

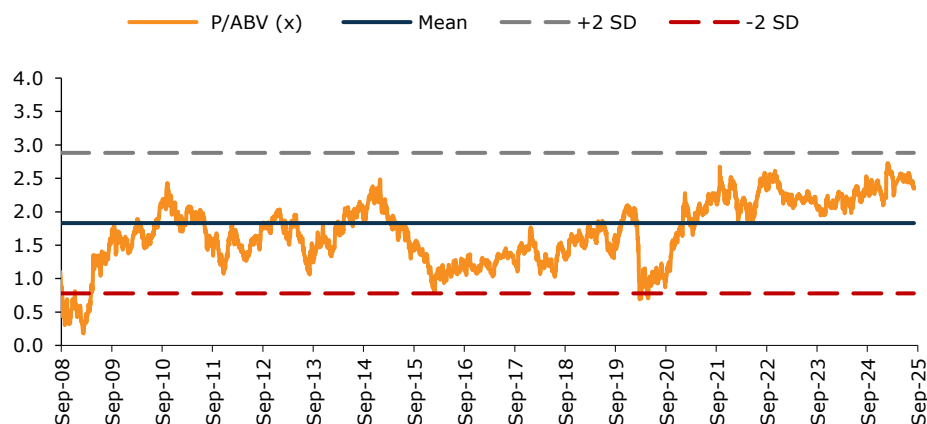


Source: Emkay Research

Exhibit 46: ICICI Bank commands premium valuations; HDFCB has finally caught up



Source: Bloomberg, Emkay Research

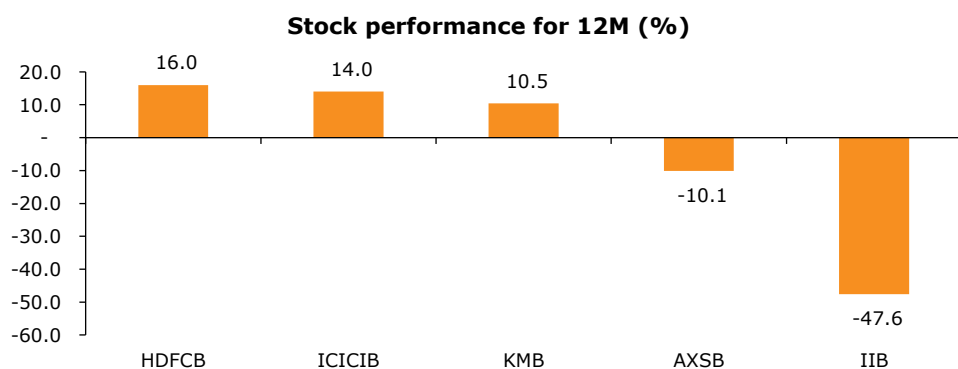
Exhibit 47: ICICIB – The stock is trading above mean but below +2 std deviation

Source: Bloomberg, Emkay Research

Exhibit 48: ICICIB – SOTP based valuations

Parameter	Stake	Value per share (Rs)	Basis of valuation
ICICIB - Standalone (A)		1,430	2.6x Sep-27E ABV (adjusted for investments)
Non-banking subsidiaries			
ICICI Prudential Life Insurance	53%	76	1.6x Sep-27E EV
ICICI Lombard General Insurance	52%	75	32x Sep-27E PAT
ICICI Asset Management Company	51%	89	10% of Sep-27E AUM
ICICI Securities	100%	44	15x Sep-27E PER
Other Subsidiaries	100%	34	
Value of Non-banking business		318	
Value after holdco discount (20%; B)		270	
Value of the bank (A+B; rounded off)		1,700	
Current market price		1,394	
Upside		22%	
Contribution of subs to TP		16%	

Source: Bloomberg, Emkay Research

Exhibit 49: ICICIB has performed better than peers, except HDFCB

Source: Bloomberg, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

ICICI Bank: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	1,428,909	1,632,638	1,691,969	1,829,563	2,052,569
Interest Expense	685,851	820,993	816,107	863,190	945,792
Net interest income	743,059	811,644	875,862	966,373	1,106,778
NII growth (%)	19.6	9.2	7.9	10.3	14.5
Other income	229,577	285,067	338,521	388,766	450,589
Total Income	972,636	1,096,711	1,214,383	1,355,139	1,557,367
Operating expenses	391,327	423,723	473,300	534,524	612,819
PPOP	581,309	672,988	741,083	820,615	944,548
PPOP growth (%)	18.4	15.8	10.1	10.7	15.1
Core PPOP	573,179	650,736	710,635	788,644	910,979
Provisions & contingencies	36,431	46,826	54,236	85,102	130,380
PBT	544,877	626,162	686,848	735,513	814,168
Extraordinary items	0	0	0	0	0
Tax expense	135,996	153,892	169,530	181,672	203,542
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	408,882	472,270	517,318	553,841	610,626
PAT growth (%)	28.2	15.5	9.5	7.1	10.3
Adjusted PAT	408,882	472,270	517,318	553,841	610,626
Diluted EPS (Rs)	58.4	66.8	72.6	77.6	85.6
Diluted EPS growth (%)	27.5	14.4	8.7	7.0	10.3
DPS (Rs)	10.0	10.1	13.0	15.0	16.0
Dividend payout (%)	17.2	15.1	17.9	19.3	18.7
Effective tax rate (%)	25.0	24.6	24.7	24.7	25.0
Net interest margins (%)	4.5	4.3	4.1	4.0	4.0
Cost-income ratio (%)	40.2	38.6	39.0	39.4	39.3
Shares outstanding (mn)	7,023.4	7,123.0	7,136.6	7,136.6	7,136.6

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Asset quality					
Gross NPLs	273,139	235,231	247,739	284,648	335,328
Net NPLs	53,778	55,894	61,973	71,200	87,185
GNPA ratio (%)	2.3	1.7	1.6	1.7	1.7
NNPA ratio (%)	0.5	0.4	0.4	0.4	0.4
Provision coverage (%)	80.3	76.2	75.0	75.0	74.0
Gross slippages	189,988	202,011	250,151	283,921	337,866
Gross slippage ratio (%)	1.6	1.5	1.7	1.7	1.7
LLP ratio (%)	0.1	0.3	0.4	0.6	0.7
NNPA to networth (%)	2.1	1.8	1.8	1.8	1.9
Capital adequacy					
Total CAR (%)	16.3	16.6	17.1	17.4	17.3
Tier-1 (%)	15.6	15.9	16.5	16.7	16.7
CET-1 (%)	15.6	15.9	16.5	16.7	16.7
RWA-to-Total Assets (%)	73.4	76.1	77.0	77.0	77.0
Miscellaneous					
Total income growth (%)	28.5	15.6	5.9	9.3	12.8
Opex growth (%)	19.0	8.3	11.7	12.9	14.6
Core PPOP growth (%)	16.9	13.5	9.2	11.0	15.5
PPOP margin (%)	35.1	35.1	36.5	37.0	37.7
PAT/PPOP (%)	70.3	70.2	69.8	67.5	64.6
LLP-to-Core PPOP (%)	6.4	7.2	7.6	10.8	14.3
Yield on advances (%)	10.1	10.1	9.2	8.8	8.7
Cost of funds (%)	4.8	5.0	4.4	4.2	4.0

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	14,047	14,246	14,273	14,273	14,273
Reserves & surplus	2,369,946	2,906,517	3,330,133	3,773,079	4,266,121
Net worth	2,383,993	2,920,763	3,344,406	3,787,352	4,280,394
Deposits	14,128,250	16,103,480	18,198,978	20,894,359	24,177,003
Borrowings	1,249,677	1,235,383	1,220,341	1,159,156	1,159,124
Interest bearing liab.	15,377,927	17,338,863	19,419,319	22,053,515	25,336,127
Other liabilities & prov.	953,226	922,774	837,424	830,034	876,072
Total liabilities & equity	18,715,146	21,182,400	23,601,150	26,670,901	30,492,593
Net advances	11,844,064	13,417,662	14,974,888	16,993,893	19,626,337
Investments	4,619,422	5,047,567	5,749,800	6,574,868	7,500,036
Cash, other balances	1,399,260	1,855,620	1,941,932	2,095,084	2,280,251
Interest earning assets	17,862,745	20,320,849	22,666,620	25,663,845	29,406,624
Fixed assets	108,598	128,387	139,714	153,685	169,054
Other assets	743,802	733,163	794,816	853,372	916,915
Total assets	18,715,146	21,182,400	23,601,150	26,670,901	30,492,593
BVPS (Rs)	323.6	394.4	453.0	515.1	584.2
Adj. BVPS (INR)	317.9	388.5	446.5	507.6	575.0
Gross advances	12,063,425	13,596,999	15,160,653	17,207,342	19,874,479
Credit to deposit (%)	83.8	83.3	82.3	81.3	81.2
CASA ratio (%)	42.2	41.8	41.9	42.9	44.2
Cost of deposits (%)	4.5	4.7	4.3	4.0	3.9
Loans-to-Assets (%)	63.3	63.3	63.4	63.7	64.4
Net advances growth (%)	16.2	13.3	11.6	13.5	15.5
Deposit growth (%)	19.6	14.0	13.0	14.8	15.7
Book value growth (%)	16.5	21.9	14.9	13.7	13.4

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	19.3	16.8	15.5	14.5	13.1
P/B (x)	3.4	2.8	2.4	2.1	1.9
P/ABV (x)	3.5	2.9	2.5	2.2	2.0
P/PPOP (x)	17.1	14.8	13.4	12.1	10.5
Dividend yield (%)	0.7	0.7	0.9	1.1	1.1
DuPont-RoE split (%)					
NII/avg assets	4.3	4.1	3.9	3.8	3.9
Other income	1.3	1.4	1.5	1.5	1.6
Fee income	1.2	1.2	1.2	1.3	1.3
Opex	2.3	2.1	2.1	2.1	2.1
PPOP	3.4	3.4	3.3	3.3	3.3
Core PPOP	3.3	3.3	3.2	3.1	3.2
Provisions	0.2	0.2	0.2	0.3	0.5
Tax expense	0.8	0.8	0.8	0.7	0.7
RoA (%)	2.4	2.4	2.3	2.2	2.1
Leverage ratio (x)	8.0	7.6	7.2	7.1	7.1
RoE (%)	18.9	18.0	16.7	15.7	15.2

Quarterly data					
Rs mn	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
NII	195,529	200,480	203,706	211,929	216,345
NIM (%)	4.4	4.3	4.3	4.4	4.3
PPOP	160,248	167,232	168,866	176,643	187,458
PAT	110,591	117,459	117,924	126,296	127,682
EPS (Rs)	15.7	16.7	16.7	17.7	17.9

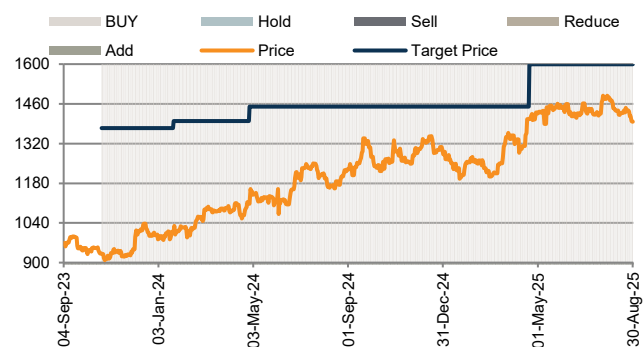
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
20-Jul-25	1,426	1,600	Buy	Anand Dama
20-Apr-25	1,407	1,600	Buy	Anand Dama
09-Apr-25	1,301	1,450	Buy	Anand Dama
26-Jan-25	1,209	1,450	Buy	Anand Dama
27-Oct-24	1,255	1,450	Buy	Anand Dama
06-Sep-24	1,208	1,450	Buy	Anand Dama
27-Jul-24	1,207	1,450	Buy	Anand Dama
28-Apr-24	1,108	1,450	Buy	Anand Dama
22-Jan-24	1,009	1,400	Buy	Anand Dama
30-Nov-23	935	1,375	Buy	Anand Dama
22-Oct-23	933	1,375	Buy	Anand Dama

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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