

April 21, 2025

## Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
<b>Rating</b>	<b>BUY</b>		<b>BUY</b>	
<b>Target Price</b>	<b>1,700</b>		<b>1,550</b>	
NII (Rs. m)	8,78,575	10,17,150	8,81,987	10,17,135
% Chng.	(0.4)	-		
Op. Profit (Rs. m)	7,17,146	8,33,523	7,15,611	8,31,891
% Chng.	0.2	0.2		
EPS (Rs.)	69.0	80.3	69.5	80.8
% Chng.	(0.6)	(0.7)		

### Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
NII (Rs bn)	743	811	879	1,017
Op. Profit (Rs bn)	581	672	717	834
PAT (Rs bn)	409	471	492	572
EPS (Rs.)	58.2	66.3	69.0	80.3
Gr. (%)	27.5	13.9	4.1	16.3
DPS (Rs.)	10.0	10.8	11.7	13.6
Yield (%)	0.7	0.8	0.8	1.0
NIM (%)	4.5	4.2	4.0	4.1
RoAE (%)	18.9	18.0	15.9	16.2
RoAA (%)	2.4	2.4	2.2	2.2
P/BV (x)	4.2	3.5	3.0	2.7
P/ABV (x)	4.3	3.5	3.1	2.7
PE (x)	24.2	21.2	20.4	17.5
CAR (%)	16.3	17.2	17.1	17.2

### Key Data ICBK.BO | ICICIBC IN

52-W High / Low	Rs.1,409 / Rs.1,048
Sensex / Nifty	78,553 / 23,852
Market Cap	Rs.10,019bn/ \$ 1,17,350m
Shares Outstanding	7,122m
3M Avg. Daily Value	Rs.15028.82m

### Shareholding Pattern (%)

Promoter's	-
Foreign	45.69
Domestic Institution	45.22
Public & Others	9.09
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	10.9	14.2	31.8
Relative	4.7	17.8	22.4

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## Earnings quality continues to remain superior

### Quick Pointers:

- Core PAT beat owing to better provision/fees. Deposit growth jumped QoQ.
- Earnings quality remains best in the sector; superior core RoA at 2.1% in FY27.

**ICICIB saw yet another good quarter with core PAT beating PLe by 3.7% due to better asset quality; core PPOP was in-line at Rs166bn. While loan growth was softer at 2.1% QoQ due to pricing pressure and slower system growth, reported NIM adjusted for tax refund of 2bps improved by 14bps QoQ to 4.4% despite tight liquidity. Due to RBI accommodative stance, overall repo rate cut is likely to be between 75-100bps compared to our estimates of 50bps. We revise our repo rate cut assumption to 75bps and trim NIM for FY26/27E by 9/7bps; however overall NII/core PAT would not change materially due to change in balance sheet base. While we are budgeting opex CAGR of ~12.5%, it can surprise positively as opex is likely to remain soft in a falling NIM scenario. We maintain multiple at 2.9x but our SOTP based TP increases to Rs1,700 from Rs1,550 as we roll forward to Mar'27 core ABV. Reiterate 'BUY'.**

- Core PPOP in-line; core PAT beat owing to better asset quality:** NII was a tad higher at Rs211.9bn (PLe Rs210.3bn) due to IT refund of Rs1.14bn adjusted for which NIM (calc.) was 4.42% (PLe 4.45%); lower yield on IEA was offset by lesser cost of funds due to back-ended deposit growth. Loan growth was a slight miss at 13.3% YoY (PLe 14.2%) while deposit accretion soared to 14% YoY (PLe 10.9%). LDR decreased to 83.3% (86.5% in Q3FY25). Fees were in-line at Rs70bn. Opex at Rs107.9bn was a beat by 1% led by lower other opex. Core PPOP as expected was Rs166bn; PPOP was Rs176.6bn (PLe Rs173.9bn). Asset quality improved; GNPA reduced by 33bps QoQ to 1.67% (PLe 1.97%) due to lower net slippages and sale of NPAs to ARCs. Provisions were lower at Rs8.9bn (PLe Rs13.6bn) due to improved asset quality. Core PAT was 3.7% above PLe at Rs118.3bn while PAT was Rs126.3bn.
- Sequential loan accretion was soft:** Credit accretion was lower at 2.1% QoQ led by de-growth of 0.4%/1.5% in corporate/agri; while retail growth was also muted at 2.0% QoQ. As per the bank, due to lower system growth and pricing pressure loan growth was soft. Retail is expected to grow in-line with the system while unsecured growth may bounce back. Slowdown in vehicle loan was due to fall in demand and competitive pricing. BuB growth was strong at 6.2% QoQ and 33.7% YoY; growth momentum is likely to continue, driven by 1) improved distribution network, 2) superior credit underwriting model which has reduced TAT and 3) investment in technology. BuB is a granular portfolio which is not high yielding due to superior asset quality.
- Asset quality further improves; opex could surprise:** Slippages were lower at Rs51.4bn (PLe Rs54.3bn); recoveries were higher at Rs38.2bn (PLe Rs31.2bn). Write-offs were Rs21.2bn (PLe Rs18.1); NPA sale was Rs27.9bn split into; cash-Rs3.1bn, write-off Rs8.7bn & SR-Rs16.1bn which is 100% provided for. Tech cost in FY25 was 10.7% of overall opex (9.4% in FY24) suggesting that other opex growth was soft, which may sustain in a falling NIM environment.



**Exhibit 1: PAT beat due to better cost management and lower provision; asset quality improved**

P & L (Rs mn)	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	Q4FY25E	% Var.
Interest income	423,168	379,484	11.5	412,998	2.5	428,840	(1.3)
Interest expense	212,379	188,556	12.6	209,292	1.5	218,528	(2.8)
<b>Net interest income (NII)</b>	<b>210,789</b>	<b>190,928</b>	<b>10.4</b>	<b>203,706</b>	<b>3.5</b>	<b>210,312</b>	<b>0.2</b>
Other income	72,601	56,488	28.5	70,681	2.7	72,562	0.1
- Fee income	63,060	54,360	16.0	61,800	2.0	64,272	(1.9)
- Other non-interest income	9,541	2,128	348.4	8,881	7.4	8,290	15.1
<b>Total income</b>	<b>283,390</b>	<b>247,416</b>	<b>14.5</b>	<b>274,387</b>	<b>3.3</b>	<b>282,874</b>	<b>0.2</b>
Operating expenses	107,888	97,028	11.2	105,521	2.2	108,956	(1.0)
- Staff expenses	41,052	37,202	10.3	39,291	4.5	40,076	2.4
- Other expenses	66,836	59,826	11.7	66,231	0.9	68,880	(3.0)
<b>Operating profit</b>	<b>175,503</b>	<b>150,388</b>	<b>16.7</b>	<b>168,866</b>	<b>3.9</b>	<b>173,918</b>	<b>0.9</b>
<b>Core operating profit</b>	<b>165,962</b>	<b>148,260</b>	<b>11.9</b>	<b>159,985</b>	<b>3.7</b>	<b>165,628</b>	<b>0.2</b>
Total provisions	8,907	7,185	24.0	12,267	(27.4)	13,566	(34.3)
<b>Profit before tax</b>	<b>166,596</b>	<b>143,203</b>	<b>16.3</b>	<b>156,599</b>	<b>6.4</b>	<b>160,352</b>	<b>3.9</b>
Tax	41,440	36,127	14.7	38,675	7.1	40,088	3.4
<b>Profit after tax</b>	<b>125,156</b>	<b>107,075</b>	<b>16.9</b>	<b>117,924</b>	<b>6.1</b>	<b>120,264</b>	<b>4.1</b>
<b>Balance Sheet (Rs mn)</b>							
Deposits	16,103,480	14,128,250	14.0	15,203,088	5.9	15,671,873	2.8
Advances	13,417,662	11,844,064	13.3	13,143,661	2.1	13,524,827	(0.8)
<b>Profitability ratios (%) (calc)</b>							
<b>NIM</b>	<b>4.4</b>	<b>4.6</b>	<b>-23bps</b>	<b>4.5</b>	<b>-9bps</b>	<b>4.5</b>	<b>-3bps</b>
RoAA	2.5	2.5	5bps	2.5	5bps	2.4	10bps
RoAE	19.0	19.5	-46bps	18.9	12bps	18.5	55bps
<b>Asset Quality</b>							
Gross NPA (Rs m)	241,662	279,617	(13.6)	277,453	(12.9)	282,450	-14bps
Net NPA (Rs m)	55,894	53,778	3.9	58,978	(5.2)	56,490	-1bps
<b>Gross NPL ratio</b>	<b>1.7</b>	<b>2.2</b>	<b>-54bps</b>	<b>2.0</b>	<b>-32bps</b>	<b>2.0</b>	<b>-30bps</b>
<b>Net NPL ratio</b>	<b>0.4</b>	<b>0.4</b>	<b>-4bps</b>	<b>0.4</b>	<b>-4bps</b>	<b>0.4</b>	<b>-1bps</b>
Coverage ratio (calc.)	76.9	80.8	-390bps	78.7	-187bps	80.0	-313bps
<b>Business &amp; Other Ratios</b>							
CASA mix	41.8	42.2	-34bps	40.5	135bps		
CASA mix - Average	38.4	38.9	-50bps	39.0	-60bps		
Cost-income ratio	37.9	39.2	-130bps	38.5	-54bps	38.5	-60bps
Non int. inc / total income	25.5	22.8	268bps	25.8	-24bps	25.7	-14bps
Credit deposit ratio	83.3	83.8	-51bps	86.5	-313bps	86.3	-298bps
CAR	16.6	16.3	22bps	16.6	-5bps		
Tier-I	15.9	15.6	34bps	15.9	1bps		

Source: Company, PL

## Key Q4FY25 Concall Highlights

### Assets/Liabilities

- Bank is comfortable with loan growth; slower loan growth has been a function of the system and pricing pressure. PL/CC witnessed tightening in last quarters, which is showing up in the volume.
- Business banking (BuB) book is expected to continue its growth momentum basis 1) improved distribution network, 2) credit underwriting model which had reduced TAT and 3) investment in technology. BuB is a granular portfolio which is not high yielding due to its superior asset quality.
- Retail growth will growth with system. Unsecured growth may bounce back. Slowdown in vehicle loan is due to fall in demand and competitive pricing.
- PSL guidelines on overall and MSME level is met with some surplus. Shortfall in SMF and weaker sections is met through buyouts and PSLC certificates.
- Deposit growth was fueled by improving liquidity. Higher absolute CASA growth vs peers is in focus.
- Growth is guided to be a function of risk-adjusted PPoP.
- Increase in networth is due to shares issued to ISEC for additional investment.
- RWA growth is important from a strategic/market confidence perspective.
- **Average LCR** for the quarter increased to 126.0% from 122.5% in Q3FY25.

### NIM/fees/opex

- Increase in yield was largely due to 1) lower number of days in Q4 vs Q3, 2) 2bps impact of IT refund (1bp QoQ) and 3) non-accrual of KCC in Q4.
- Yields/margins are expected to fall due to further rate cuts.
- Deposit rate cuts is largely a function of rate cuts. Further deposit rate cuts will depend from bank to bank.
- Technology expenses were ~10.7% of total operating expenses in FY25.

### Asset quality

- Sale of NPA amounted to Rs27.9bn. Bank received Rs16.1bn in security receipts and Rs3.1bn in cash. Balance Rs8.7bn is written off. 100% provision is held against these SRs.
- Cash receipt on recovery of bad loans is reflected as write-back in provision.
- Credit cost for BuB is in-line with corporates. Credit quality of corporate, BuB and secured book is behaving well. NPL for unsecured book has broadly stabilized while the bank expects it to moderate in upcoming quarters.

Domestic loan growth was strong across segments at 13.9% YoY/2.2% QoQ; international loan book fell.

Retail growth was moderated due to slower home loans (+11.0% YoY) and PL (+4.2% YoY) growth. Credit card growth moderated.

**Exhibit 2: Business banking grows strong at 33.7% YoY, followed by retail**

Loan Book Details (Rs bn)	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)
<b>Total Loan Book</b>	<b>13,418</b>	<b>11,844</b>	<b>13.3</b>	<b>13,144</b>	<b>2.1</b>
Domestic Loan book	13,110	11,510	13.9	12,828	2.2
Retail Loan book	7,172	6,589	8.9	7,033	2.0
Domestic Corporate book	2,797	2,499	11.9	2,807	(0.4)
Rural	783	746	5.1	795	(1.5)
Business Banking	2,634	1,970	33.7	2,480	6.2
International Loan book	308	335	(8.0)	316	(2.5)
<b>Retail Loan book break-up</b>					
Home Loans	4,396	3,959	11.0	4,277	2.8
Vehicle loans	965	926	4.2	956	1.0
Personal Loans	1,216	1,167	4.2	1,209	0.6
Credit Cards	573	513	11.7	568	0.9
Loan against shares and others	22	23	(4.3)	22	0.7

**Composition of Loan Book**

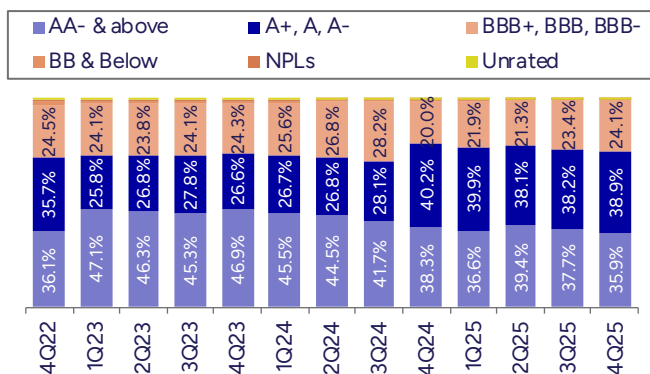
Domestic Loan book	98%	97%	53bps	98%	11bps
Retail Loan book	53%	56%	-217bps	54%	-5bps
Domestic Corporate book	21%	21%	-25bps	21%	-51bps
Rural	6%	6%	-46bps	6%	-21bps
Business Banking	20%	17%	299bps	19%	76bps
International Loan book	2%	3%	-53bps	2%	-11bps

**Retail Loan book break-up**

Home Loans	61%	60%	120bps	61%	47bps
Vehicle loans	13%	14%	-60bps	14%	-14bps
Personal Loans	17%	18%	-76bps	17%	-24bps
Credit Cards	8%	8%	21bps	8%	-9bps
Loan against shares and others	0%	0%	-4bps	0%	0bps

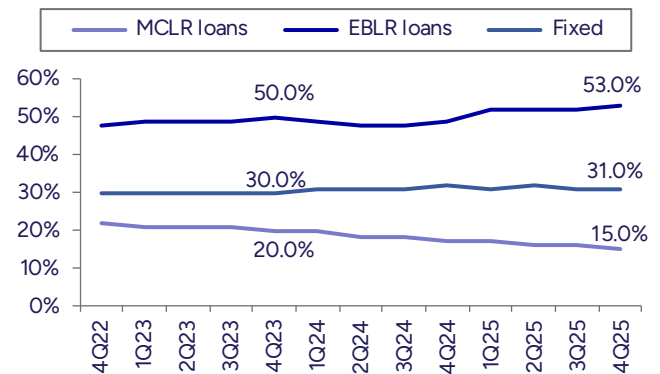
Source: Company, PL

**Exhibit 3: A- & above rated book dominates at 74.8%**

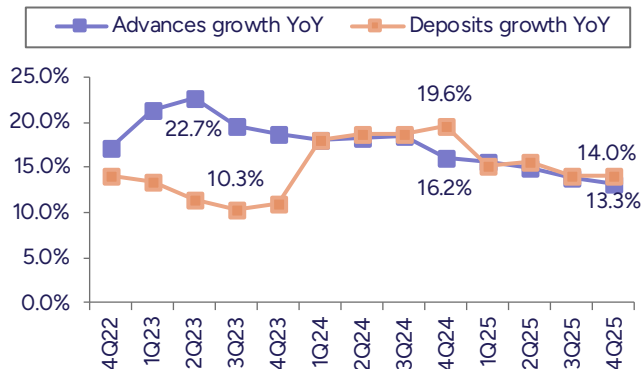


Source: Company, PL

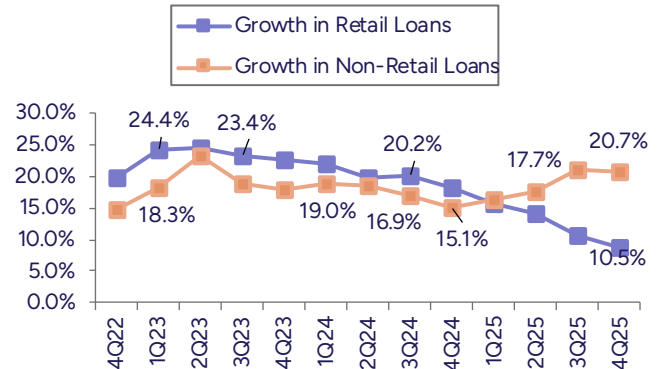
**Exhibit 4: Fixed rate book stable QoQ at 31%**



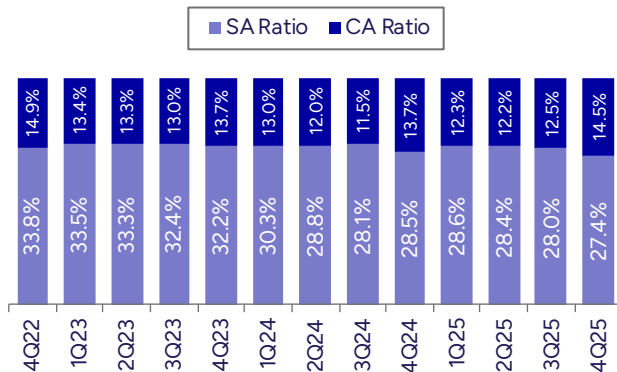
Source: Company, PL

**Exhibit 5: Deposits grew faster than advances at 14.0% YoY**

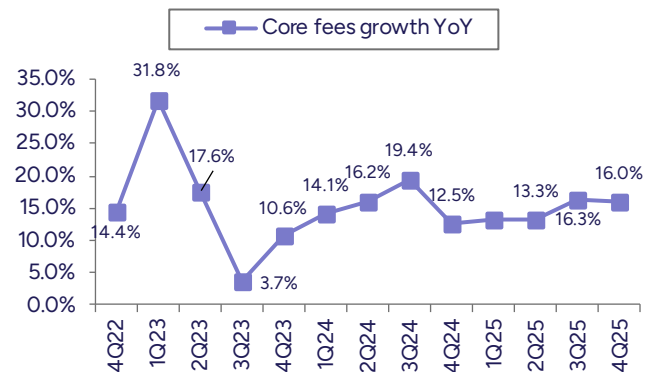
Source: Company, PL

**Exhibit 6: Non-retail loan growth outpaced retail loan growth**

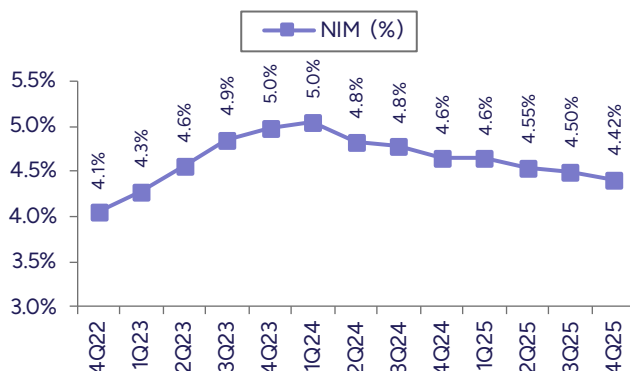
Source: Company, PL

**Exhibit 7: CASA improved by 134bps QoQ to 41.84%**

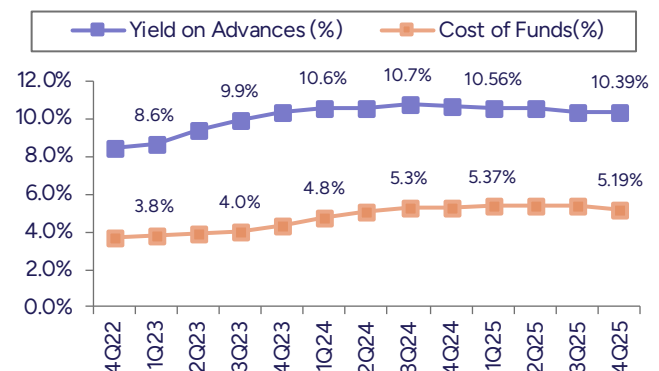
Source: Company, PL

**Exhibit 8: Core fees grew 16.0% YoY**

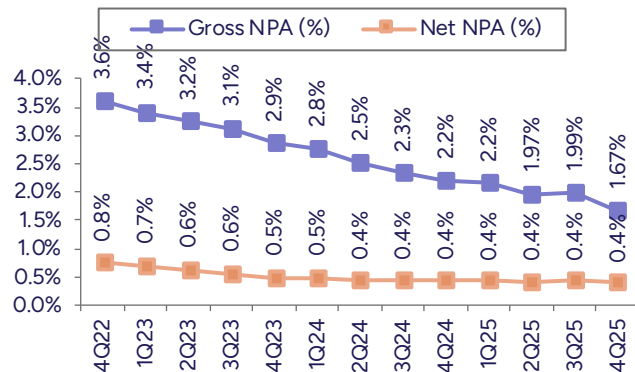
Source: Company, PL

**Exhibit 9: NIM (calc) fell by 6bps to 4.44%**

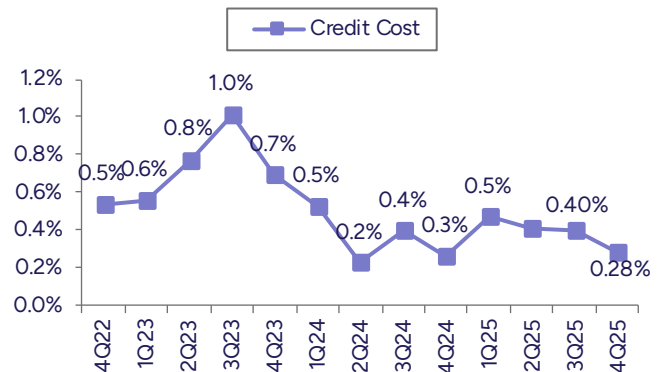
Source: Company, PL

**Exhibit 10: Fall in yield was offset by fall in cost of funds**

Source: Company, PL

**Exhibit 11: GNPA improved sequentially at 1.7%**


Source: Company, PL

**Exhibit 12: Credit cost reduced to 0.28%**


Source: Company, PL

**Exhibit 13: BB rated and below book sees improvement; net stressed assets at 0.9%**

Particulars (Rs Million)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Gross Restructured Loans	22,890	21,980	8,790	7,740	7,270	6,230	6,610	6,450	5,720	0	0	0
Non Fund O/s to non-performing loans	36,700	35,160	38,690	37,800	37,040	38,860	36,940	36,710	35,430	33,820	31,600	30,750
Borrowers with o/s >Rs1.0bn	38,050	32,550	26,060	18,010	15,030	21,910	31,660	26,890	27,220	25,530	16,690	23,900
Borrowers with o/s <Rs1.0bn	21,150	21,850	20,960	21,290	20,460	8,790	20,260	21,940	8,990	8,330	5,240	4,640
<b>Total BB &amp; Below rated book</b>	<b>118,790</b>	<b>111,540</b>	<b>94,500</b>	<b>84,840</b>	<b>79,800</b>	<b>86,750</b>	<b>95,470</b>	<b>91,990</b>	<b>77,070</b>	<b>67,680</b>	<b>53,530</b>	<b>59,290</b>
<b>Total BB &amp; Below rated book (excl. NFB o/s to NPL)</b>	<b>82090</b>	<b>76380</b>	<b>55810</b>	<b>47040</b>	<b>42760</b>	<b>36,930</b>	<b>58530</b>	<b>55280</b>	<b>41,640</b>	<b>33,860</b>	<b>21,930</b>	<b>28,540</b>
<b>Movement in BB &amp; Below Book</b>												
Slippage to NPA	1,190	570	11,210	1,520	NA	NA	NA	NA	NA	NA	NA	NA
Upgrades to investment grade & O/s reduction	26,730	8,570	12,460	12,580	NA	NA	NA	NA	NA	NA	NA	NA
Downgrades from investment grade	1,930	3,430	3,100	3,640	NA	NA	NA	NA	NA	NA	NA	NA
<b>BB &amp; Below at end of period</b>	<b>118,790</b>	<b>111,540</b>	<b>94,500</b>	<b>84,840</b>	<b>79,800</b>	<b>86,750</b>	<b>95,470</b>	<b>91,990</b>	<b>77,070</b>	<b>67,680</b>	<b>53,530</b>	<b>59,290</b>
% of Net Advances	1.3%	1.2%	1.0%	0.8%	0.8%	0.8%	0.8%	0.8%	0.6%	0.5%	0.4%	0.4%
<b>GNPA %</b>	<b>3.6%</b>	<b>3.4%</b>	<b>3.2%</b>	<b>3.1%</b>	<b>2.9%</b>	<b>2.8%</b>	<b>2.5%</b>	<b>2.3%</b>	<b>2.2%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>1.7%</b>
<b>NNPA %</b>	<b>0.8%</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>
<b>Net Stressed Assets %</b>	<b>2.5%</b>	<b>2.1%</b>	<b>1.8%</b>	<b>1.6%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.2%</b>	<b>1.3%</b>	<b>1.1%</b>	<b>1.0%</b>	<b>0.9%</b>	<b>0.9%</b>

 Source: Company, PL **Note – Total BB & below disclosed only for corporate book from Q2FY25 onwards**
**Exhibit 14: Slippages controlled at Rs51.42bn; write-offs increase to Rs49.0bn**

Asset Quality Break-up	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Fresh Slippages	42,040	58,250	43,360	57,230	42,970	53,180	46,870	57,140	51,390	59,160	50,730	60,850	51,420
- Retail	37,360	50,370	36,580	41,590	40,200	50,720	43,640	54,820	49,280	57,320	43,410	53,040	43,390
- Non retail (corporate/SME)	4,680	7,880	7,080	15,640	2,770	2,460	3,230	2,320	2,110	1,840	7,320	7,810	8,030
- Slippages below Investment grade	1,560	1,190	570	11,210	1,520	0	0	0	0	0	0	0	0
Recovery & Upgrades	46,930	54,430	37,610	46,040	42,830	35,103	45,710	53,510	39,180	32,920	33,190	33,920	38,170
Write-offs & Sale of NPA	26,440	11,393	11,673	11,616	13,585	11,690	19,220	16,048	20,340	17,530	33,360	20,688	49,042

Source: Company, PL

Exhibit 15: On track towards ~16% ROEs

RoA decomposition	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net interest income	2.8	2.9	3.2	3.3	3.6	4.1	4.3	4.1	3.9	3.9
Other Inc. from operations	2.1	1.6	1.6	1.6	1.4	1.3	1.3	1.4	1.4	1.4
<b>Total income</b>	<b>4.9</b>	<b>4.5</b>	<b>4.8</b>	<b>5.0</b>	<b>5.0</b>	<b>5.5</b>	<b>5.6</b>	<b>5.5</b>	<b>5.2</b>	<b>5.3</b>
Employee expenses	0.7	0.7	0.8	0.7	0.7	0.8	0.9	0.8	0.8	0.8
Other operating expenses	1.2	1.2	1.3	1.2	1.3	1.4	1.4	1.3	1.3	1.3
<b>Operating profit</b>	<b>3.0</b>	<b>2.5</b>	<b>2.7</b>	<b>3.1</b>	<b>3.0</b>	<b>3.3</b>	<b>3.4</b>	<b>3.4</b>	<b>3.2</b>	<b>3.2</b>
Tax	0.1	0.0	0.6	0.3	0.6	0.7	0.8	0.8	0.7	0.7
Loan loss provisions	2.1	2.1	1.4	1.4	0.7	0.4	0.2	0.2	0.3	0.3
<b>RoAA</b>	<b>0.8</b>	<b>0.4</b>	<b>0.8</b>	<b>1.4</b>	<b>1.8</b>	<b>2.1</b>	<b>2.4</b>	<b>2.4</b>	<b>2.2</b>	<b>2.2</b>
<b>RoAE</b>	<b>6.8</b>	<b>3.2</b>	<b>7.3</b>	<b>12.6</b>	<b>15.0</b>	<b>17.5</b>	<b>18.9</b>	<b>18.0</b>	<b>15.9</b>	<b>16.2</b>

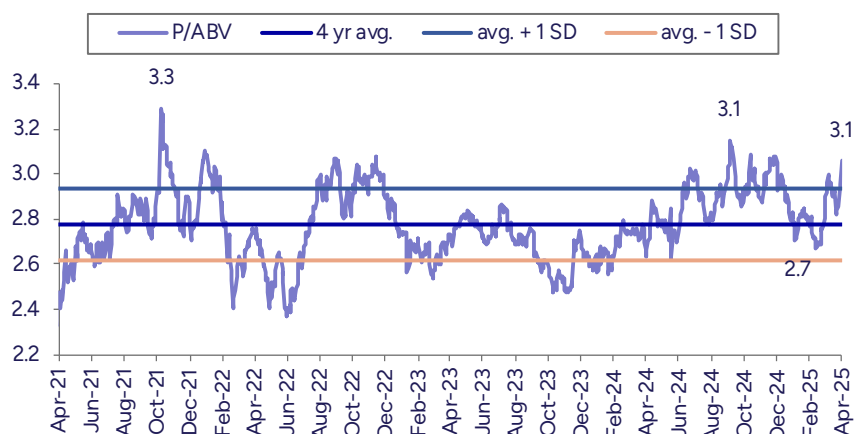
Source: Company, PL

Exhibit 16: SOTP valuation of Rs1,700, core bank valued at 2.9x on FY27E

Particulars	Stake	Rs per share	% of total	Valuation (x)	Basis
ICICI Bank	100.0%	1,453	84.1	2.9	xFY27 Core ABV
ICICI Pru Life	51.2%	63	3.6	1.00	Mkt Cap
ICICI Lombard	51.3%	65	3.8	1.00	Mkt Cap
ICICI Pru AMC	51.0%	83	4.8	43.0	FY25 PAT
ICICI Securities	100.0%	41	2.4	1.00	Mkt Cap
ICICI Home Fin.	100.0%	12	0.7	2.50	FY25 ABV
ICICI UK+Canada	100.0%	10	0.6	1.00	FY25 ABV
<b>Total</b>		<b>1,727</b>	<b>100.0</b>		
Holdco discount 10%		27			
<b>Target Price</b>		<b>1,700</b>			

Source: Company, PL

Exhibit 17: ICICIBC 1-year forward P/ABV trades at 3.1x



Source: Company, PL




**Income Statement (Rs. m)**

Y/e Mar	FY24	FY25	FY26E	FY27E
Int. Earned from Adv.	11,09,439	12,64,047	13,79,025	15,37,302
Int. Earned from invt.	2,86,310	3,29,802	3,44,745	3,85,987
Others	15,246	16,090	21,405	22,269
Total Interest Income	14,28,909	16,31,498	17,73,728	19,82,303
Interest Expenses	6,85,852	8,20,993	8,95,153	9,65,154
<b>Net Interest Income</b>	<b>7,43,057</b>	<b>8,10,504</b>	<b>8,78,575</b>	<b>10,17,150</b>
Growth(%)	19.6	9.1	8.4	15.8
Non Interest Income	2,29,578	2,85,067	3,13,529	3,53,298
Net Total Income	9,72,635	10,95,571	11,92,104	13,70,447
Growth(%)	28.5	15.6	8.9	11.9
Employee Expenses	1,51,420	1,65,409	1,83,828	2,03,886
Other Expenses	2,23,281	2,58,314	2,91,130	3,33,039
Operating Expenses	3,91,327	4,23,723	4,74,958	5,36,925
<b>Operating Profit</b>	<b>5,81,308</b>	<b>6,71,848</b>	<b>7,17,146</b>	<b>8,33,523</b>
Growth(%)	18.4	15.6	6.7	16.2
NPA Provision	9,448	32,778	39,502	47,273
Total Provisions	36,429	46,826	61,369	71,046
<b>PBT</b>	<b>5,44,878</b>	<b>6,25,022</b>	<b>6,55,778</b>	<b>7,62,477</b>
Tax Provision	1,35,996	1,53,892	1,63,944	1,90,619
Effective tax rate (%)	25.0	24.6	25.0	25.0
<b>PAT</b>	<b>4,08,883</b>	<b>4,71,130</b>	<b>4,91,833</b>	<b>5,71,858</b>
Growth(%)	28.2	15.2	4.4	16.3

**Balance Sheet (Rs. m)**

Y/e Mar	FY24	FY25	FY26E	FY27E
Face value	2	2	2	2
No. of equity shares	7,023	7,123	7,123	7,123
Equity	14,047	14,246	14,246	14,246
Networth	23,83,993	29,20,763	33,28,985	38,03,626
Growth(%)	18.8	22.5	14.0	14.3
Adj. Networth to NNPA's	53,778	55,880	58,616	66,803
Deposits	1,41,28,250	1,61,03,480	1,82,04,081	2,07,46,268
Growth(%)	19.6	14.0	13.0	14.0
CASA Deposits	59,58,722	67,37,290	76,70,164	87,07,872
% of total deposits	42.2	41.8	42.1	42.0
<b>Total Liabilities</b>	<b>1,87,15,146</b>	<b>2,11,82,400</b>	<b>2,42,48,513</b>	<b>2,77,50,104</b>
Net Advances	1,18,44,064	1,34,17,662	1,52,91,428	1,74,26,865
Growth(%)	16.2	13.3	14.0	14.0
Investments	46,19,423	50,47,567	58,25,306	66,38,806
<b>Total Assets</b>	<b>1,87,15,146</b>	<b>2,11,82,400</b>	<b>2,42,48,513</b>	<b>2,77,50,104</b>
Growth (%)	18.1	13.2	14.5	14.4

**Asset Quality**

Y/e Mar	FY24	FY25	FY26E	FY27E
Gross NPAs (Rs m)	2,79,620	2,41,660	2,66,486	3,03,557
Net NPAs (Rs m)	53,778	55,880	58,616	66,803
Gr. NPAs to Gross Adv.(%)	2.3	1.8	1.7	1.7
Net NPAs to Net Adv. (%)	0.4	0.4	0.4	0.4
NPA Coverage %	80.8	76.9	78.0	78.0

**Profitability (%)**

Y/e Mar	FY24	FY25	FY26E	FY27E
NIM	4.5	4.2	4.0	4.1
RoAA	2.4	2.4	2.2	2.2
RoAE	18.9	18.0	15.9	16.2
Tier I	15.6	16.5	16.4	16.4
CRAR	16.3	17.2	17.1	17.2

Source: Company Data, PL Research

**Quarterly Financials (Rs. m)**

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Interest Income	3,89,958	4,05,374	4,12,998	4,23,168
Interest Expenses	1,94,429	2,04,894	2,09,292	2,12,379
<b>Net Interest Income</b>	<b>1,95,529</b>	<b>2,00,480</b>	<b>2,03,706</b>	<b>2,10,789</b>
YoY growth (%)	7.3	9.5	9.1	10.4
CEB	54,900	58,940	61,800	63,060
Treasury	-	-	-	-
Non Interest Income	70,019	71,767	70,681	72,601
<b>Total Income</b>	<b>4,59,977</b>	<b>4,77,140</b>	<b>4,83,679</b>	<b>4,95,769</b>
Employee Expenses	43,705	41,361	39,291	41,052
Other expenses	61,595	63,653	66,231	66,836
Operating Expenses	1,05,300	1,05,015	1,05,521	1,07,888
<b>Operating Profit</b>	<b>1,60,248</b>	<b>1,67,232</b>	<b>1,68,866</b>	<b>1,75,503</b>
YoY growth (%)	13.3	17.5	14.7	16.7
Core Operating Profits	1,45,129	1,54,405	1,59,985	1,65,962
NPA Provision	-	-	-	-
Others Provisions	13,322	12,331	12,267	8,907
Total Provisions	13,322	12,331	12,267	8,907
<b>Profit Before Tax</b>	<b>1,46,927</b>	<b>1,54,901</b>	<b>1,56,599</b>	<b>1,66,596</b>
Tax	36,336	37,442	38,675	41,440
<b>PAT</b>	<b>1,10,591</b>	<b>1,17,459</b>	<b>1,17,924</b>	<b>1,25,156</b>
YoY growth (%)	14.6	14.5	14.8	16.9
<b>Deposits</b>	<b>1,42,61,495</b>	<b>1,49,77,607</b>	<b>1,52,03,088</b>	<b>1,61,03,480</b>
YoY growth (%)	15.1	15.7	14.1	14.0
<b>Advances</b>	<b>1,22,31,543</b>	<b>1,27,72,404</b>	<b>1,31,43,661</b>	<b>1,34,17,662</b>
YoY growth (%)	15.7	15.0	13.9	13.3

**Key Ratios**

Y/e Mar	FY24	FY25	FY26E	FY27E
CMP (Rs)	1,407	1,407	1,407	1,407
EPS (Rs)	58.2	66.3	69.0	80.3
Book Value (Rs)	335	406	463	530
Adj. BV (70%)(Rs)	327	398	455	520
P/E (x)	24.2	21.2	20.4	17.5
P/BV (x)	4.2	3.5	3.0	2.7
P/ABV (x)	4.3	3.5	3.1	2.7
DPS (Rs)	10.0	10.8	11.7	13.6
Dividend Payout Ratio (%)	17.2	16.4	17.0	17.0
Dividend Yield (%)	0.7	0.8	0.8	1.0

**Efficiency**

Y/e Mar	FY24	FY25	FY26E	FY27E
Cost-Income Ratio (%)	40.2	38.7	39.8	39.2
C-D Ratio (%)	83.8	83.3	84.0	84.0
Business per Emp. (Rs m)	184	196	211	230
Profit per Emp. (Rs lacs)	29	31	31	34
Business per Branch (Rs m)	3,982	4,228	4,476	4,812
Profit per Branch (Rs m)	63	67	66	72

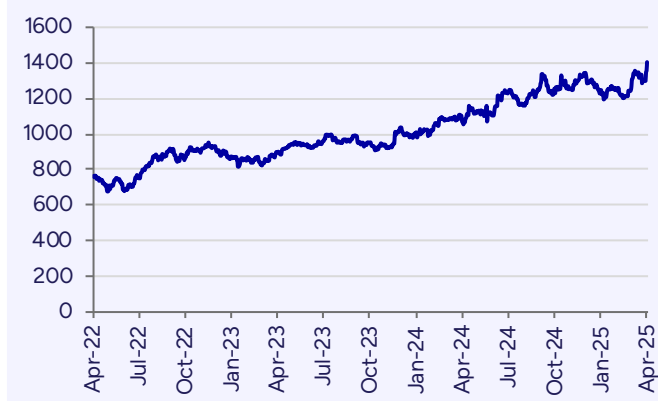
**Du-Pont**

Y/e Mar	FY24	FY25	FY26E	FY27E
NII	4.30	4.06	3.87	3.91
Total Income	5.63	5.49	5.25	5.27
Operating Expenses	2.26	2.12	2.09	2.07
PPoP	3.36	3.37	3.16	3.21
Total provisions	0.21	0.23	0.27	0.27
RoAA	2.37	2.37	2.17	2.20
RoAE	18.89	18.01	15.90	16.17

Source: Company Data, PL Research



Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Apr-25	BUY	1,550	1,288
2	27-Jan-25	BUY	1,550	1,209
3	08-Jan-25	BUY	1,640	1,279
4	27-Oct-24	BUY	1,640	1,255
5	07-Oct-24	BUY	1,520	1,240
6	28-Jul-24	BUY	1,520	1,207
7	08-Jul-24	BUY	1,450	1,233
8	28-Apr-24	BUY	1,450	1,108

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Accumulate	1,900	2,083
2	Axis Bank	BUY	1,350	1,048
3	Bank of Baroda	BUY	285	230
4	Can Fin Homes	BUY	860	660
5	City Union Bank	BUY	200	160
6	DCB Bank	BUY	155	113
7	Federal Bank	BUY	210	191
8	HDFC Asset Management Company	BUY	4,700	3,831
9	HDFC Bank	BUY	1,950	1,758
10	ICICI Bank	BUY	1,550	1,288
11	IndusInd Bank	Hold	860	676
12	Kotak Mahindra Bank	BUY	2,230	2,038
13	LIC Housing Finance	BUY	650	566
14	Nippon Life India Asset Management	BUY	725	545
15	State Bank of India	BUY	900	747
16	Union Bank of India	BUY	140	119
17	UTI Asset Management Company	BUY	1,320	1,035

PL's Recommendation Nomenclature (Absolute Performance)

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

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