

October 27, 2024

Q2FY25 Result Update

☒ Change in Estimates | ☒ Target | ☒ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	1,640		1,520	
NII (Rs. m)	9,23,812	10,69,084	9,25,322	10,64,945
% Chng.	(0.2)	0.4		
Op. Profit (Rs. m)	7,40,399	8,71,002	7,24,956	8,47,470
% Chng.	2.1	2.8		
EPS (Rs.)	71.4	84.2	70.7	82.3
% Chng.	0.9	2.3		

Key Financials - Standalone

Y/e Mar	FY24	FY25E	FY26E	FY27E
NII (Rs bn)	743	819	924	1,069
Op. Profit (Rs bn)	581	667	740	871
PAT (Rs bn)	409	460	503	593
EPS (Rs.)	58.2	65.3	71.4	84.2
Gr. (%)	27.5	12.2	9.3	17.9
DPS (Rs.)	10.0	11.1	12.1	14.3
Yield (%)	0.8	0.9	1.0	1.1
NIM (%)	4.5	4.3	4.1	4.1
RoAE (%)	18.9	18.0	17.0	17.3
RoAA (%)	2.4	2.3	2.2	2.2
P/BV (x)	3.7	3.2	2.8	2.4
P/ABV (x)	3.8	3.3	2.8	2.5
PE (x)	21.6	19.2	17.6	14.9
CAR (%)	16.3	16.6	16.5	16.8

Key Data

ICBK.BO | ICICIBC IN

52-W High / Low	Rs.1,362 / Rs.899
Sensex / Nifty	79,402 / 24,181
Market Cap	Rs.8,849bn/ \$ 1,05,241m
Shares Outstanding	7,048m
3M Avg. Daily Value	Rs.18210.09m

Shareholding Pattern (%)

Promoter's	-
Foreign	44.17
Domestic Institution	46.48
Public & Others	9.35
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(5.2)	12.7	37.0
Relative	1.7	5.5	10.5

Gaurav Jani

gauravjani@plindia.com | 91-22-66322235

Aditya Modani

adityamodani@plindia.com | 91-22-66322257

Harshada Gite

harshadagite@plindia.com | 91-22-66322237

Remains an industry best performer; re-rating due

Quick Pointers:

- Core PAT beat owing to higher fees and lower opex; asset quality stable
- Earnings quality remains best in the sector; superior core RoA at 2.1%

ICICIB saw a strong quarter yet again as core PPOp/PAT beat PLe due to better fees and opex. Considering the deposit and asset quality environment, earnings quality has been the best in the sector. Deposit growth was stronger at 5.0% QoQ compared to 3% for the system and CASA accretion of 4.3% QoQ was superior to larger peers. While unsecured pool is seeing stress across the system, the bank's portfolio has performed better in H1FY25 compared to large private peers as reflected in best-in-class provisions of 43bps (private peers 50-78bps). Hence, provisions over FY24-27E may be lower at 40-50bps (peers 50-65bps). The bank is consistently delivering on protecting core PPOp as the softer NIM environment is being countered by cost control measures. Core RoA of 2.1% is the best in class. Keeping multiple at 3.0x, we raise SOTP-based TP to Rs1,640 from Rs1,520 as we roll forward to Sep'26 core ABV. Reiterate 'BUY'.

- Strong quarter; core PPOp/PAT beat due to lower opex/better fees:** NII was a tad lower at Rs200.5bn (PLe Rs201.9bn) due to miss on NIM to 4.55% (PLe 4.60%) as IEA yields were softer at 9.20% (PLe 9.26%). Loan/deposit growth was 15.0/15.7% YoY (PLe 14.5/14.9%). Other income was higher at Rs71.8bn (PLe Rs63.5bn) due to beat on fees at Rs58.9bn (PLe Rs57.1bn) and better treasury/dividend. Opex at Rs105bn was 4.3% below PLe led by lower other opex and staff cost. Core PPOp at Rs154.4bn was 3.4% above PLe; PPOp was Rs167.2bn. Slippages were Rs50.7bn (PLe Rs51.1bn); recoveries were in-line at Rs33.2bn. GNPA reduced by 18bps QoQ to 1.97% (PLe 2.14%) partly due to higher write-offs at Rs33.4bn; PCR was 79% (80% in Q1FY25). Provisions were Rs12.3bn. Core PAT was 4.6% above PLe at Rs107.7bn; PAT was Rs117.5bn.
- Sequential loan accretion led by BuB and corporate:** Domestic loan growth was 4.4% QoQ; segmental growth was corporate at 4.9%, BuB at 10.0%, retail at 2.9% and rural at 1.7%. Unsecured disbursements are moderating as reflected in softer growth at 3.5% QoQ, due to tightened credit filters and sourcing cost optimization; this trend is likely to continue. While the unsecured portfolio is seeing delinquencies, stress has been controlled for ICICIB as focus has been on underwriting, sourcing and filtering. ICICIB's unsecured portfolio has performed better than its larger peers. Overall credit costs are expected to range at 40-50bps.
- Blip in NIM but opex lower:** NIM saw a slight blip as (1) loan accretion QoQ was in lower yielding segments of corporate and BuB and (2) Q2FY25 has higher number of days. With liquidity easing and improved credit growth, margins may remain stable. However, future rate cuts could lead to a temporary fall in margins. With NIM reducing, cost control has been a focus; opex growth was controlled in Q2FY25, partly due to softer other opex growth of 3.3% QoQ due to shift in festive season to Q3FY25. Opex growth is expected to be higher in H2FY25 vs H1 due to upcoming festive season and likely increase in branches & technology expenses.

Exhibit 1: PAT beat due to better fee and cost management; asset quality stable

P & L (Rs mn)	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Q2FY25E	% Var.
Interest income	405,374	349,204	16.1	389,958	4.0	406,675	(0.3)
Interest expense	204,894	166,125	23.3	194,429	5.4	204,731	0.1
Net interest income (NII)	200,480	183,079	9.5	195,529	2.5	201,943	(0.7)
Other income	71,767	57,767	24.2	70,019	2.5	63,546	12.9
- Fee income	58,940	52,040	13.3	54,900	7.4	57,096	3.2
- Other non-interest income	12,827	5,727	124.0	15,119	(15.2)	6,450	98.9
Total income	272,246	240,846	13.0	265,548	2.5	265,489	2.5
Operating expenses	105,015	98,553	6.6	105,300	(0.3)	109,711	(4.3)
- Staff expenses	41,361	37,254	11.0	43,705	(5.4)	41,957	(1.4)
- Other expenses	63,653	61,299	3.8	61,595	3.3	67,754	(6.1)
Operating profit	167,232	142,293	17.5	160,248	4.4	155,778	7.4
Core operating profit	154,405	136,566	13.1	145,129	6.4	149,328	3.4
Total provisions	12,331	5,826	111.6	13,322	(7.4)	12,044	2.4
Profit before tax	154,901	136,466	13.5	146,927	5.4	143,734	7.8
Tax	37,442	33,856	10.6	36,336	3.0	35,934	4.2
Profit after tax	117,459	102,610	14.5	110,591	6.2	107,801	9.0
Balance Sheet (Rs mn)							
Deposits	14,977,607	12,947,417	15.7	14,261,495	5.0	14,870,981	0.7
Advances	12,772,404	11,105,421	15.0	12,231,543	4.4	12,714,689	0.5
Profitability ratios (%) (calc)							
NIM	4.5	4.8	-29bps	4.6	-9bps	4.6	-5bps
RoAA	2.5	2.6	-2bps	2.5	4bps	2.3	20bps
RoAE	19.8	20.6	-84bps	19.0	73bps	18.0	175bps
Asset Quality							
Gross NPA (Rs m)	271,212	298,369	(9.1)	287,186	(5.6)	289,275	(6.2)
Net NPA (Rs m)	56,851	50,465	12.7	56,848	0.0	57,855	(1.7)
Gross NPL ratio	2.0	2.5	-55bps	2.2	-18bps	2.1	-17bps
Net NPL ratio	0.4	0.4	-1bps	0.4	-1bps	0.4	-1bps
Coverage ratio (calc.)	79.0	83.1	-405bps	80.2	-117bps	80.0	-96bps
Business & Other Ratios							
CASA mix	40.6	40.8	-11bps	40.9	-28bps		
CASA mix - Average	38.9	40.8	-190bps	39.6	-70bps		
Cost-income ratio	38.6	40.9	-235bps	39.7	-108bps	41.3	-275bps
Non int. inc / total income	26.4	24.0	238bps	26.4	-1bps	23.9	243bps
Credit deposit ratio	85.3	85.8	-50bps	85.8	-49bps	85.5	-22bps
CAR	15.4	16.1	-72bps	16.0	-61bps		
Tier-I	14.7	15.4	-70bps	15.2	-59bps		

Source: Company, PL

Key Q2FY25 Concall Highlights

Assets/Liabilities

- **Advances:** Growth in personal loans segment has slowed, primarily due to increased filters applied during loan disbursal. This trend is expected to continue with further moderation in growth. Conversely, the credit card portfolio has seen robust growth, driven by a stronger emphasis on bank-customer relationships. This growth is anticipated to remain steady.
- **Deposit:** The bank continued its focus on becoming the prime bank for customers, leading to higher wallet share with the bank.
- **Average LCR** for the quarter was 120%.

NIM/Opex

- Interest on **retail deposits** increased by 10bps in Q4FY24 and 5bps in Q1FY25, which will affect cost of deposits by 1-2bps. **Wholesale rates** are higher than expected. No impact of interest on tax refund.
- **Movement in NIM** includes the impact of higher number of days in the current quarter, which should reverse in Q4 (~7bps impact) and higher competitive intensity.
- With liquidity easing and improved credit growth, **margins may remain stable**. However, future rate cuts could lead to a temporary fall in margins.
- **Opex growth** is expected to be higher in H2FY25 vs H1 due to the festive season and increase in branches & technology expenses.
- ICICIB reiterated its focus on investments in technology, people and distribution to provide holistic solutions to customers. **Technology expenses** were 10% of operating expenses for H1FY25.

Asset Quality

- **Generally higher slippages** are expected from KCC portfolio in Q1 and Q3.
- **Provisions** were higher QoQ due to reversal of AIF provisions in Q1FY25.
- While the unsecured portfolio is seeing delinquencies, stress is controlled for ICICIB as focus has been on underwriting, sourcing and filtering.
- **Credit cost** is expected to at 40-50bps going forward.
- **Write-offs** increased, primarily related to loans that were fully provided for. Retail loans are written-off on the basis of the DPD bucket, whereas corporate loans are written-off on a case-to-case basis.

Domestic loan growth was strong across segments at 15.7% YoY/4.6% QoQ; international loan book saw a blip.

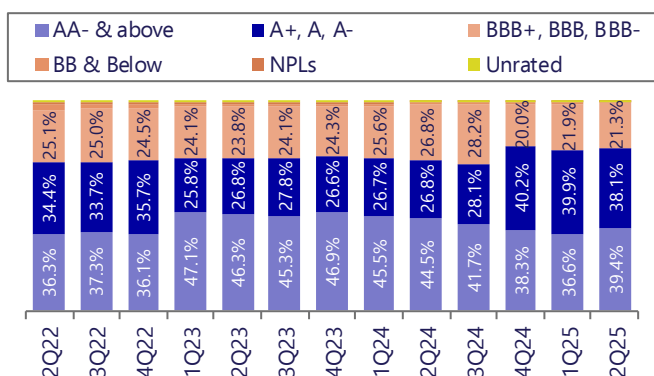
Retail growth was strong led by strong home loans (+14.2% YoY) and credit card (+27.9% YoY). PL witnessed slower growth.

Exhibit 2: Business banking grows strong at 30.0% YoY, followed by retail

Loan Book Details (Rs bn)	Q2FY25	Q2Y24	YoY gr. (%)	Q1FY25	QoQ gr. (%)
Total Loan Book	12,772	11,105	15.0	12,232	4.4
Domestic Loan book	12,431	10,742	15.7	11,886	4.6
Retail Loan book	6,935	6,071	14.2	6,741	2.9
Domestic Corporate book	2,690	2,406	11.8	2,564	4.9
Rural	788	676	16.5	775	1.7
Business Banking	2,330	1,793	30.0	2,106	10.7
International Loan book	342	363	(6.0)	346	(1.2)
Retail Loan book break-up					
Home Loans	4,191	3,704	13.2	4,060	3.2
Vehicle loans	943	870	8.4	941	0.3
Personal Loans	1,225	1,044	17.3	1,184	3.5
Credit Cards	553	432	27.9	535	3.4
Loan against shares and others	23	21	10.8	22	3.6
Composition of Loan Book					
Domestic Loan book	97%	97%	60bps	97%	15bps
Retail Loan book	54%	55%	-37bps	55%	-82bps
Domestic Corporate book	21%	22%	-60bps	21%	10bps
Rural	6%	6%	8bps	6%	-16bps
Business Banking	18%	16%	210bps	17%	103bps
International Loan book	3%	3%	-60bps	3%	-15bps
Retail Loan book break-up					
Home Loans	60%	61%	-57bps	60%	21bps
Vehicle loans	14%	14%	-74bps	14%	-35bps
Personal Loans	18%	17%	46bps	18%	10bps
Credit Cards	8%	7%	85bps	8%	4bps
Loan against shares and others	0%	0%	-1bps	0%	0bps

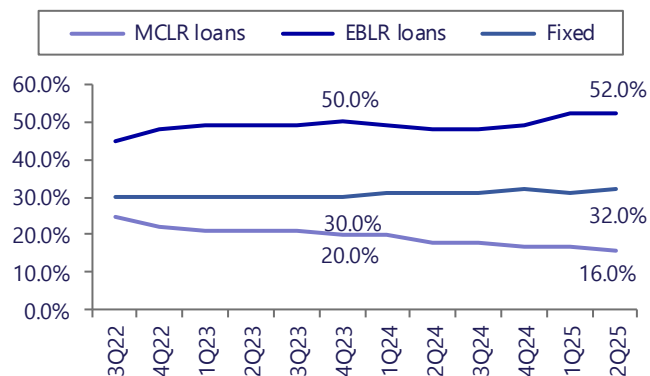
Source: Company, PL

Exhibit 3: A- & above rated book dominates at 77.5%

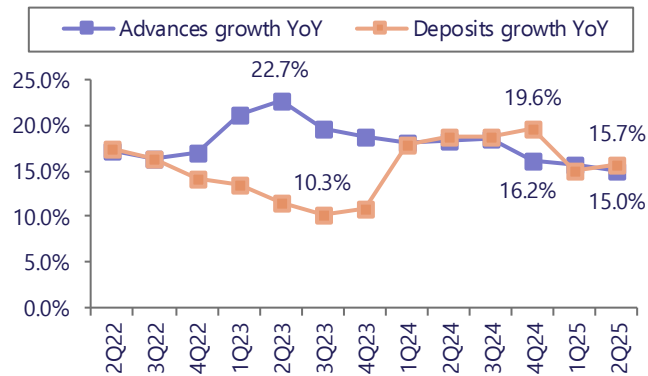


Source: Company, PL

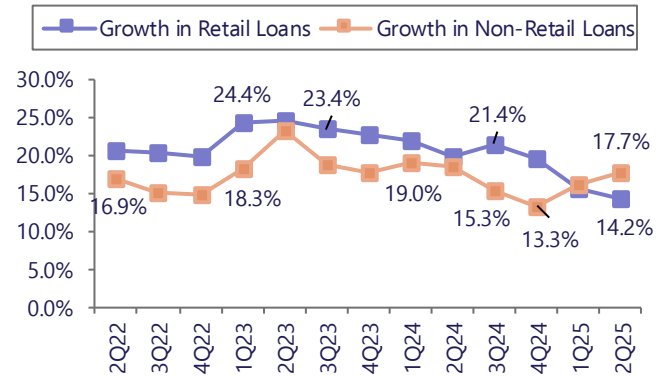
Exhibit 4: Fixed rate book increases to 32% (31% QoQ)



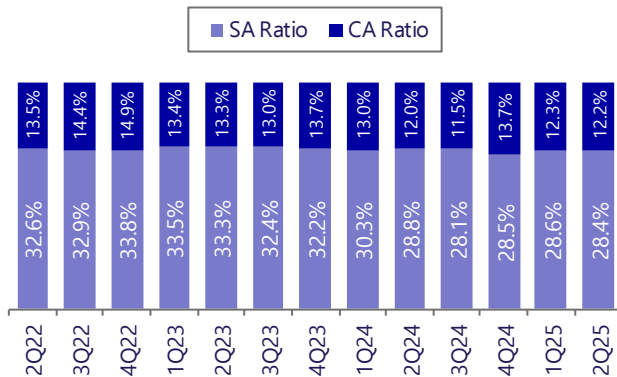
Source: Company, PL

Exhibit 5: Deposits grow faster than advances at 15.7% YoY

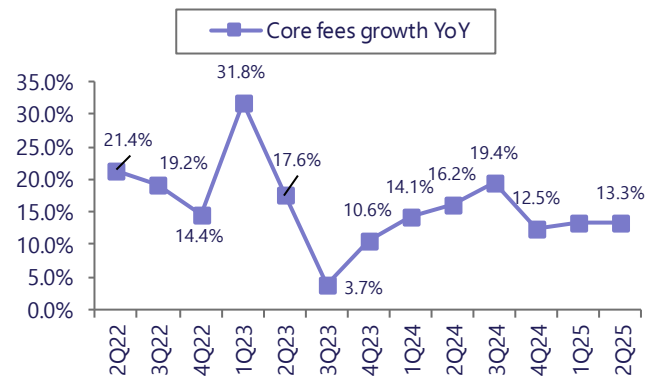
Source: Company, PL

Exhibit 6: Retail grows slower at 14.2% YoY

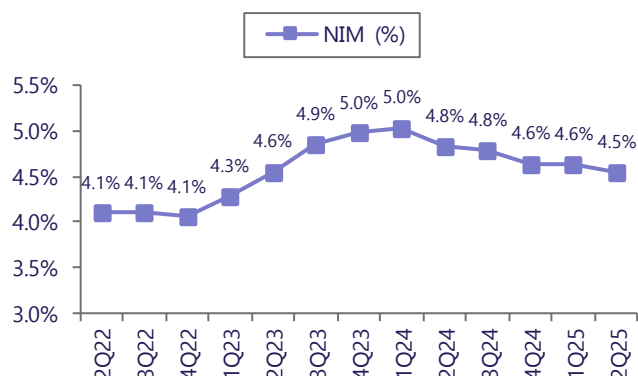
Source: Company, PL

Exhibit 7: CASA declines by 28bps QoQ to 40.64%

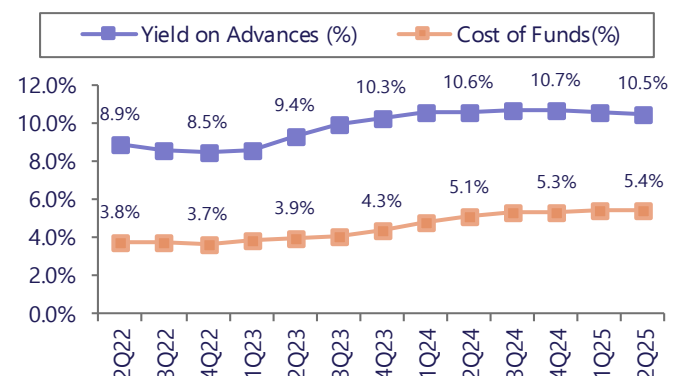
Source: Company, PL

Exhibit 8: Core fees grows 13.3% YoY

Source: Company, PL

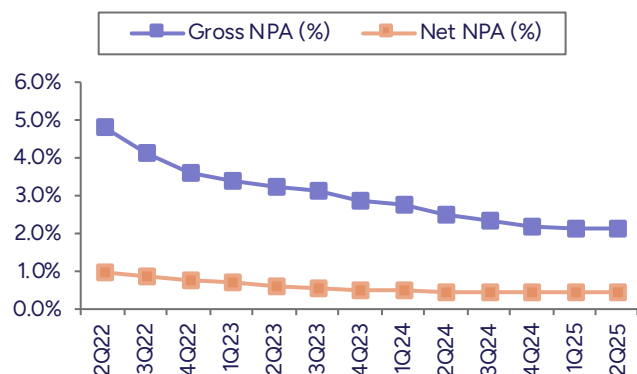
Exhibit 9: NIM (calc) falls by 9bps at 4.55%

Source: Company, PL

Exhibit 10: Cost of funds grows, yield on advances declines

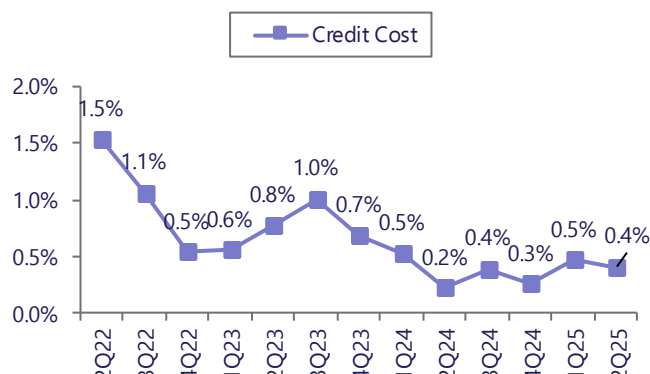
Source: Company, PL

Exhibit 11: GNPA's improve by 18bps QoQ to 2.0%



Source: Company, PL

Exhibit 12: Credit cost falls by 5bps QoQ to 0.41%



Source: Company, PL

Exhibit 13: BB rated and below book sees improvement; net stressed assets at 1.0%

Particulars (Rs Million)	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Gross Restructured Loans	36,920	23,890	22,890	21,980	8,790	7,740	7,270	6,230	6,610	6,450	5,720	0
Non Fund O/s to non-performing loans	36,380	36,400	36,700	35,160	38,690	37,800	37,040	38,860	36,940	36,710	35,430	33,820
Borrowers with o/s >Rs1.0bn	52,340	58,810	38,050	32,550	26,060	18,010	15,030	21,910	31,660	26,890	27,220	25,530
Borrowers with o/s <Rs1.0bn	29,160	25,380	21,150	21,850	20,960	21,290	20,460	8,790	20,260	21,940	8,990	8,330
Total BB & Below rated book	154,800	144,480	118,790	111,540	94,500	84,840	79,800	86,750	95,470	91,990	77,070	67,680
Total BB & Below rated book (excl. NFB o/s to NPL)	118,420	108,080	82,090	76,380	55,810	47,040	42,760	36,930	58,530	55,280	41,640	33,860
Movement in BB & Below Book												
Slippage to NPA	230	1,560	1,190	570	11,210	1,520	NA	NA	NA	NA	NA	NA
Upgrades to investment grade & O/s reduction	9,460	18,040	26,730	8,570	12,460	12,580	NA	NA	NA	NA	NA	NA
Downgrades from investment grade	970	3,850	1,930	3,430	3,100	3,640	NA	NA	NA	NA	NA	NA
BB & Below at end of period	154,800	144,480	118,790	111,540	94,500	84,840	79,800	86,750	95,470	91,990	77,070	67,680
% of Net Advances	1.9%	1.7%	1.3%	1.2%	1.0%	0.8%	0.8%	0.8%	0.8%	0.8%	0.7%	0.7%
GNPA %	4.8%	4.1%	3.6%	3.4%	3.2%	3.1%	2.9%	2.8%	2.5%	2.3%	2.2%	2.0%
NNPA %	1.0%	0.9%	0.8%	0.7%	0.6%	0.6%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%
Net Stressed Assets %	3.2%	2.8%	2.5%	2.1%	1.8%	1.6%	1.3%	1.3%	1.2%	1.3%	1.1%	1.0%

Source: Company, PL **Note – Total BB & below disclosed only for corporate book from Q2FY25**

Exhibit 14: Slippages controlled at Rs50.73bn; write-offs increase to Rs33.36bn

Asset Quality Break-up	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Fresh Slippages	55,780	40,180	42,040	58,250	43,360	57,230	42,970	53,180	46,870	57,140	51,390	59,160	50,730
- Retail	46,240	38,530	37,360	50,370	36,580	41,590	40,200	50,720	43,640	54,820	49,280	57,320	43,410
- Non retail (corporate/SME)	9,540	1,650	4,680	7,880	7,080	15,640	2,770	2,460	3,230	2,320	2,110	1,840	7,320
- Slippages below Investment grade	7,300	230	1,560	1,190	570	11,210	1,520	0	0	0	0	0	0
Recovery & Upgrades	54,820	42,090	46,930	54,430	37,610	46,040	42,830	35,103	45,710	53,510	39,180	32,920	33,190
Write-offs & Sale of NPA	18,070	41,930	26,440	11,393	11,673	11,616	13,585	11,690	19,220	16,048	20,340	17,530	33,360

Source: Company, PL

Exhibit 15: On track towards +17% 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	4.0	4.0
Other Inc. from operations	2.1	1.6	1.6	1.6	1.4	1.3	1.3	1.4	1.3	1.3
Total income	4.9	4.5	4.8	5.0	5.0	5.5	5.6	5.5	5.3	5.3
Employee expenses	0.7	0.7	0.8	0.7	0.7	0.8	0.9	0.9	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
Operating profit	3.0	2.5	2.7	3.1	3.0	3.3	3.4	3.3	3.2	3.2
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	0.3	0.3	0.3
RoAA	0.8	0.4	0.8	1.4	1.8	2.1	2.4	2.3	2.2	2.2
RoAE	6.8	3.2	7.3	12.6	15.0	17.5	18.9	18.0	17.0	17.3

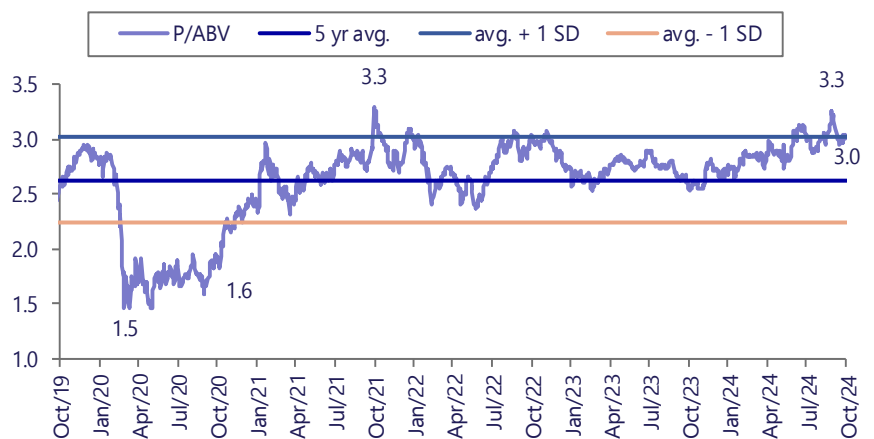
Source: Company, PL

Exhibit 16: SOTP valuation of Rs1,640, core bank valued at 3.0x on FY26E

Particulars	Stake	Rs per share	% of total	Valuation (x)	Basis
ICICI Bank	100.0%	1,398	82.9	3.0	Sep'26 Core ABV
ICICI Pru Life	51.2%	78	4.9	1.00	Mkt Cap
ICICI Lombard	51.3%	70	4.6	1.00	Mkt Cap
ICICI Pru AMC	51.0%	71	4.5	47.0	FY24 PAT
ICICI Securities	74.7%	29	1.7	1.00	Mkt Cap
ICICI Home Fin.	100.0%	11	0.7	2.50	FY24 ABV
ICICI UK+Canada	100.0%	10	0.6	1.00	FY24 ABV
Total		1,667	100.0		
Holdco discount 10%		27			
Target Price		1,640			

Source: Company, PL

Exhibit 17: ICICIBC 1-year forward P/ABV trades at 3.0x



Source: Company, PL



Income Statement (Rs. m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Int. Earned from Adv.	11,09,439	12,79,677	14,48,185	16,44,881
Int. Earned from invt.	2,86,310	3,41,451	3,81,105	4,28,814
Others	15,246	11,403	11,403	11,403
Total Interest Income	14,28,909	16,53,713	18,66,027	21,16,432
Interest Expenses	6,85,852	8,34,960	9,42,215	10,47,348
Net Interest Income	7,43,057	8,18,752	9,23,812	10,69,084
Growth(%)	19.6	10.2	12.8	15.7
Non Interest Income	2,29,578	2,85,054	3,13,105	3,58,346
Net Total Income	9,72,635	11,03,807	12,36,917	14,27,430
Growth(%)	28.5	16.9	12.4	13.6
Employee Expenses	1,51,420	1,74,097	1,96,544	2,16,283
Other Expenses	2,23,281	2,62,262	2,99,974	3,40,144
Operating Expenses	3,91,327	4,36,358	4,96,519	5,56,428
Operating Profit	5,81,308	6,67,448	7,40,399	8,71,002
Growth(%)	18.4	14.8	10.9	17.6
NPA Provision	9,448	34,388	46,146	54,732
Total Provisions	36,429	56,113	69,521	79,847
PBT	5,44,878	6,11,336	6,70,878	7,91,155
Tax Provision	1,35,996	1,51,155	1,67,719	1,97,789
Effective tax rate (%)	25.0	24.7	25.0	25.0
PAT	4,08,883	4,60,181	5,03,158	5,93,366
Growth(%)	28.2	12.5	9.3	17.9

Balance Sheet (Rs. m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Face value	2	2	2	2
No. of equity shares	7,023	7,047	7,047	7,047
Equity	14,047	14,095	14,095	14,095
Networth	23,83,993	27,88,416	32,06,037	36,98,531
Growth(%)	18.8	17.0	15.0	15.4
Adj. Networth to NNPA's	53,778	58,646	65,644	74,603
Deposits	1,41,28,250	1,62,36,881	1,88,30,266	2,16,59,871
Growth(%)	19.6	14.9	16.0	15.0
CASA Deposits	59,58,722	66,81,191	78,24,286	90,64,324
% of total deposits	42.2	41.1	41.6	41.8
Total Liabilities	1,87,15,146	2,15,49,307	2,50,14,907	2,88,67,749
Net Advances	1,18,44,064	1,38,01,349	1,60,05,726	1,84,10,891
Growth(%)	16.2	16.5	16.0	15.0
Investments	46,19,423	51,93,797	60,23,360	69,28,484
Total Assets	1,87,15,146	2,15,49,307	2,50,14,907	2,88,67,749
Growth (%)	18.1	15.1	16.1	15.4

Asset Quality

Y/e Mar	FY24	FY25E	FY26E	FY27E
Gross NPAs (Rs m)	2,79,620	2,92,902	3,27,502	3,72,744
Net NPAs (Rs m)	53,778	58,646	65,644	74,603
Gr. NPAs to Gross Adv.(%)	2.2	2.0	1.9	1.9
Net NPAs to Net Adv. (%)	0.4	0.4	0.4	0.4
NPA Coverage %	80.8	80.0	80.0	80.0

Profitability (%)

Y/e Mar	FY24	FY25E	FY26E	FY27E
NIM	4.5	4.3	4.1	4.1
RoAA	2.4	2.3	2.2	2.2
RoAE	18.9	18.0	17.0	17.3
Tier I	15.6	15.8	15.8	15.9
CRAR	16.3	16.6	16.5	16.8

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q3FY24	Q4FY24	Q1FY25	Q2FY25
Interest Income	3,66,946	3,79,484	3,89,958	4,05,374
Interest Expenses	1,80,160	1,88,556	1,94,429	2,04,894
Net Interest Income	1,86,786	1,90,928	1,95,529	2,00,480
YoY growth (%)	13.4	8.1	7.3	9.5
CEB	53,130	54,360	54,900	58,940
Treasury	-	-	-	-
Non Interest Income	60,971	56,488	70,019	71,767
Total Income	4,27,916	4,35,971	4,59,977	4,77,140
Employee Expenses	38,127	37,202	43,705	41,361
Other expenses	62,393	59,826	61,595	63,653
Operating Expenses	1,00,520	97,028	1,05,300	1,05,015
Operating Profit	1,47,236	1,50,388	1,60,248	1,67,232
YoY growth (%)	10.9	8.8	13.3	17.5
Core Operating Profits	1,39,396	1,48,260	1,45,129	1,54,405
NPA Provision	-	-	-	-
Others Provisions	10,494	7,185	13,322	12,331
Total Provisions	10,494	7,185	13,322	12,331
Profit Before Tax	1,36,743	1,43,203	1,46,927	1,54,901
Tax	34,027	36,127	36,336	37,442
PAT	1,02,715	1,07,075	1,10,591	1,17,459
YoY growth (%)	23.6	17.4	14.6	14.5
Deposits	1,33,23,145	1,41,28,250	1,42,61,495	1,49,77,607
YoY growth (%)	18.7	19.6	15.1	15.7
Advances	1,15,37,710	1,18,44,064	1,22,31,543	1,27,72,404
YoY growth (%)	18.5	16.2	15.7	15.0

Key Ratios

Y/e Mar	FY24	FY25E	FY26E	FY27E
CMP (Rs)	1,255	1,255	1,255	1,255
EPS (Rs)	58.2	65.3	71.4	84.2
Book Value (Rs)	335	391	451	520
Adj. BV (70%)(Rs)	327	383	441	510
P/E (x)	21.6	19.2	17.6	14.9
P/BV (x)	3.7	3.2	2.8	2.4
P/ABV (x)	3.8	3.3	2.8	2.5
DPS (Rs)	10.0	11.1	12.1	14.3
Dividend Payout Ratio (%)	17.2	17.0	17.0	17.0
Dividend Yield (%)	0.8	0.9	1.0	1.1

Efficiency

Y/e Mar	FY24	FY25E	FY26E	FY27E
Cost-Income Ratio (%)	40.2	39.5	40.1	39.0
C-D Ratio (%)	83.8	85.0	85.0	85.0
Business per Emp. (Rs m)	184	199	219	241
Profit per Emp. (Rs lacs)	29	30	32	36
Business per Branch (Rs m)	3,982	4,247	4,600	4,994
Profit per Branch (Rs m)	63	65	66	74

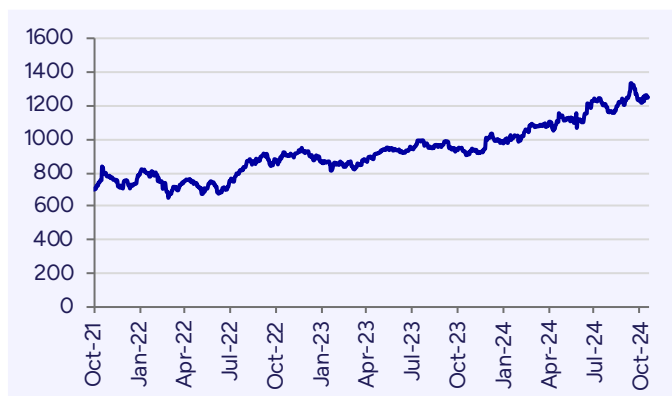
Du-Pont

Y/e Mar	FY24	FY25E	FY26E	FY27E
NII	4.30	4.07	3.97	3.97
Total Income	5.63	5.48	5.31	5.30
Operating Expenses	2.26	2.17	2.13	2.07
PPoP	3.36	3.32	3.18	3.23
Total provisions	0.21	0.28	0.30	0.30
RoAA	2.37	2.29	2.16	2.20
RoAE	18.89	18.01	16.96	17.34

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Oct-24	BUY	1,520	1,240
2	28-Jul-24	BUY	1,520	1,207
3	08-Jul-24	BUY	1,450	1,233
4	28-Apr-24	BUY	1,450	1,108
5	09-Apr-24	BUY	1,300	1,087
6	21-Jan-24	BUY	1,300	1,009
7	08-Jan-24	BUY	1,280	994

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Accumulate	1,875	1,745
2	Axis Bank	BUY	1,530	1,132
3	Bank of Baroda	BUY	315	240
4	Can Fin Homes	BUY	1,000	871
5	City Union Bank	BUY	190	150
6	DCB Bank	BUY	155	116
7	Federal Bank	BUY	210	194
8	HDFC Asset Management Company	BUY	5,360	4,555
9	HDFC Bank	BUY	2,000	1,682
10	ICICI Bank	BUY	1,520	1,240
11	IndusInd Bank	BUY	1,600	1,280
12	Kotak Mahindra Bank	BUY	2,230	1,872
13	LIC Housing Finance	Hold	660	618
14	Nippon Life India Asset Management	BUY	820	680
15	State Bank of India	BUY	960	797
16	UTI Asset Management Company	BUY	1,050	1,202

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

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Gaurav Jani- CA, Passed CFA Level II, Mr. Aditya Modani- CA, Passed CFA Level II, Ms. Harshada Gite- CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Gaurav Jani- CA, Passed CFA Level II, Mr. Aditya Modani- CA, Passed CFA Level II, Ms. Harshada Gite- CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com