

28 July 2025

India | Equity Research | Results Update

SBI Cards and Payment Services

Financial Services

Multiple initiatives to help business improvement; awaiting better growth and credit cost

SBI Cards (SBIC)'s Q1FY26 results remained modest with 60bps higher credit cost QoQ and lower receivables growth guidance of ~10–12% vs. 12–14% earlier. We maintain that only directionally better credit cost may not suffice given the business environment's tough history; any exuberance should be tempered with the experience of lingering challenges faced in the last four years, viz.: 1) higher credit cost during Covid-19 and its escalation in FY24; 2) higher cost to income during the BNPL surge; 3) structural decline in revolver mix; 4) higher CoF post-Covid-19; 5) increase in risk weights; and 6) now, a resurgence of the credit cost cycle in FY26.

However, management has taken steps and remains calibrated about its credit cost and growth guidance. As such, while SBIC recorded near INR 20bn PAT in FY25 (down ~20% YoY), its journey to INR 30bn by FY27 is plausible.

Maintain HOLD; INR 884 TP unchanged

We expect PAT of INR 24bn/INR 30bn for FY26E/FY27E. This results in RoAA of ~3.5%/3.8% for FY26E/FY27E and RoAE of ~16.1%/17.4% in FY26E/FY27E. RoAA/RoAE stood at 3.4%/15.8% in Q1FY26 and 3.1%/14.8% in FY25.

Key downside risks: Possible regulatory cut in interchange fee (this risk has reduced vs. earlier, more so with fees being introduced recently in select modes on UPI platforms); and continued elevated credit costs (reduction may still take time apart from recurring bad cycles).

Key upside risk: Increase in NIM, especially with any acceleration in rate cut cycle; and faster-than-expected improvement in credit costs.

Ansuman Deb

ansuman.deb@icicisecurities.com
+91 22 6807 7312

Shubham Prajapati

shubham.prajapati@icicisecurities.com

Sanil Desai

sanil.desai@icicisecurities.com

Market Data

Market Cap (INR)	845bn
Market Cap (USD)	9,770mn
Bloomberg Code	SBICARD IN
Reuters Code	SBIC BO
52-week Range (INR)	1,027 /660
Free Float (%)	31.0
ADTV-3M (mn) (USD)	15.3

Price Performance (%)	3m	6m	12m
Absolute	2.4	17.2	21.6
Relative to Sensex	(0.4)	10.2	19.9

ESG Score	2023	2024	Change
ESG score	78.3	78.3	0.0
Environment	64.7	70.0	5.3
Social	77.0	76.9	(0.1)
Governance	83.0	82.5	(0.5)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

27-04-2025: [Q4FY25 results review](#)

30-10-2024: [Q2FY25 results review](#)

Financial Summary

(INR mn)	FY24A	FY25A	FY26E	FY27E
Net Interest Income (NII)	53,319	61,689	70,052	79,136
PAT	24,079	19,164	23,977	30,049
EPS (INR)	25.3	20.1	25.2	31.6
% Chg YoY	7.9	(20.4)	25.1	25.3
P/E (x)	35.1	44.1	35.3	28.1
P/BV (x)	7.0	6.1	5.3	4.5
Credit cost (%)	7.2	9.1	8.4	8.0
GNPA (%)	2.9	3.1	3.0	2.7
RoAA (%)	4.6	3.1	3.5	3.8
RoAE (%)	22.0	14.8	16.1	17.4

Yields stable QoQ; interest earning receivable mix a tad higher at 60%

- Gross interest income grew 11.1%/3.2% YoY/QoQ to INR 24.9bn in Q1FY26.
- Yields (reported) remained stable at 17% in Q1FY26 despite a slight increase in the EMI mix (35% in Q1FY26 vs 35% in Q4FY25) and marginally higher earning receivables (revolver + EMI) mix QoQ (60% in Q1FY26 vs. 62%/59% in Q1FY25/Q4FY25).
- Management remains cautious in onboarding new customers; risk profile of customers has improved and there has been an uptick in the EMI portfolio.
- We expect yields (calculated) to improve to ~18.4%/18.5% for FY26E/FY27E vs. yields (calculated) of 18.1% for FY25 and 18.4% for Q1FY26.

Selective in new cards additions; shall remain at 0.9–1mn per quarter

- During Q1FY26, cards in force were 21.2mn with growth of 10% YoY. The company added 0.9mn net new cards in Q1FY26 – continuing to be selective in new cards acquisitions, as per strategy. New card addition trend has been 0.9mn/0.9mn/1.2mn/1.1mn/0.9mn in Q1/Q2/Q3/Q4FY25/Q1FY26. Going forward, management expects a similar trend in new card addition of 0.9–1mn per quarter.
- The company has maintained a balanced sourcing strategy with 44% of new accounts coming from the banca channel and 56% from the open market. Management stated that demand is not a concern and quality acquisition is primary focus at this stage.
- We expect net new card addition of 2.2mn/2.4mn for FY26/FY27E and a CAGR of 10.5% in cards-in-force between FY25–27E.

Receivables growth slows; retail/corporate spends remain strong

- **Gross receivables have grown by ~7% YoY** to reach INR 566bn in Jun'25 (vs. INR 527bn in Jun'24). Earlier, the company expected receivable growth of 12–14% for FY26, which has been moderated to 10–12% with the optimism of the upcoming festive season. We estimate receivables growth of 10% for FY26 and a CAGR of 11.8% between FY25–27E.
- **Retail spends remain strong.** Q1FY26 total spends growth was 21% YoY, at INR 932bn. Within that, retail spends were INR 824bn with healthy growth of 15% YoY.
- **Corporate spends grew strong at 107% YoY in Q1FY26.** SBIC's strategy is to diversify its corporate portfolio while anticipating continued growth.
- **Average spends per card increased from INR 162k/172k in Q1FY25/Q4FY25 to INR 178k in Q1FY26.**
- **Spends market share grown to 16.6% (vs 15.9% in Q1FY25).** We estimate spends CAGR of 14.8% between FY25–27E vs 1.2% YoY growth in FY25. We expect spend per card CAGR of ~4%, (decline of ~9% YoY in FY25) between FY25–27E, leading to total spend of ~INR 3.8trn/INR 4.4trn for FY26/FY27E.
- **On an annualised basis, receivables as a proportion of total spend stood at 15.6%/15.4%/16.7% in FY23/FY24/FY25.** We factor in receivables-to-spends ratio at ~16.2%/16.2% in FY26E/27E which leads to receivables of INR 620bn/INR 712bn as of Mar'26E/Mar'27E, growth of 11%/15% for FY26/FY27E.

Cost of funds expected to see gradual improvement

- Interest expenses reported growth of 6%/2.2% YoY/QoQ in Q1FY26. Cost of funds (CoF) decreased YoY/QoQ by 40bps/10bps in Q1FY26 to 7.1% (FY25 CoF was 7.4%).

- NIM improved YoY by 30bps in Q1FY26 to 11.2% (stable QoQ) (FY25 NIM was 10.8%).
- Management expects cost of fund to be further lower by 25-30bps in the next quarter – as resets of lower rates and changed borrowing mix.
- We expect interest cost to report a CAGR of ~11.7% between FY26-FY27E. We estimate cost of fund (calculated) to improve in future to 7.1%/6.9% in FY26/FY27E. We envisage calculated NIM of 11.4%/11.6% for FY26E/FY27E vs. calculated NIM of 10.6%/10.7% in FY24/FY25. Reported NIM for Q1FY26 was at 11.2%.

Fees income grew strong in Q1

- During Q1FY26, SBI Cards reported growth in fees and other revenue of 12.7% YoY. We estimate fees and other revenue to report a CAGR of 10.5% between FY25-FY27E. In other way, operating income ex of interest income as a percentage of spend will average ~2.6% for FY26/27E (vs 2.7%/2.6% for FY24/FY25).

Cost to income ratio to be higher on corporate spends; expect credit cost to witness calibrated improvement

- During Q1FY26, cost to income ratio was 50.3%.
- We expect cost-to-income ratio moving from 56.2%/51.8%/50.3% in FY24/FY25/Q1FY26 to ~53.1%/52.9% in FY26E/FY27E and credit cost to be 8.4%/8.0% during the same period (7.2%/9.1%/9.6% in FY24/FY25/Q1FY26).
- We expect PAT of INR 24bn/INR 30bn for FY26E/FY27E. This results in RoAA of ~3.5%/3.8% for FY26E/FY27E and RoAE of ~16.1%/17.4% in FY26E/FY27E. RoAA/RoAE stood at 3.4%/15.8% in Q1FY26 and 3.1%/14.6% in FY25.

Asset quality deteriorated QoQ; management's range-bound outlook in near term indicates cautious optimism; significant efforts undertaken for improvement

- SBIC has continuously taken various measures over the last six to seven quarters to further strengthen its new acquisitions, underwriting and portfolio management framework, collection capabilities and expand capacity across digital and physical channels. These include reduction in limits, restrictions on cross-sell and trigger-based early blocking. As a practice, SBIC continues to refine its underwriting policy, based on portfolio diagnostics and bureau information.
- In terms of asset quality, macroeconomic environment continues to witness headwinds leading to stress in the unsecured lending ecosystem. SBIC's risk management framework, including policies, procedures, practices, systems and tools, is in line with the latest industry best practices and regulatory guidelines. This also includes constant fine tuning of models, processes and analytical capabilities. These improvements in underwriting, portfolio management, collection, fraud, risk management and provisioning have enhanced capability to support prudent business growth and protect customers.
- **Various performance metrics show improvement in asset quality (Exhibit 9)**
 - Write off has come down from INR 13bn in Q4FY25 to INR 12.8bn in Q1FY26 (decline of 2% QoQ).
 - Recoveries increased to INR 1.57bn in Q1FY26 from INR 1.54bn in Q4FY25, reaching peak in last 13 quarter.
 - GNPA % has come retreated from its peak of 3.3% in Q2FY25 to 3.2%/3.1%/3.1% in Q3/Q4FY25/Q1FY26.

- Stage-2/3 book has come down from 5.6%/3.2% in Q3FY25 to 5%/3.1% in Q4FY25 to 4.7%/3.1% in Q1FY26. Stage-1 book has improved from 91.1% in Q3FY25 to 91.9% in Q4FY25 to 92.2% in Q1FY26.
- Gross credit cost increased by 60bps to 9.6% in Q1FY26 from 9% in Q4FY25. As the model refresh happens (reset of credit cost data refresh happens quarterly and the eight years period is looked for the data), new data that is more recent have seen higher credit cost. This is one reason for ECL rates to rise and result in the higher credit cost.
- ECL rate is an output of ECL model, which is based on IFRS 9 and IND-AS 109, which are international and domestic standards for financial accounting. Model is validated through an external expert every year. ECL rates have increased from 3.4% in Q4FY25 to 3.5% in Q1FY26.
- Management expects credit cost to stay range bound in the near-term, depending on the changes in the unsecured lending ecosystem and macroeconomic factors. Management sees credit cost moderating in the future, based on various actions taken, and ranging 9–9.6% in near term.

Customer-centric initiatives; several measures to augment offerings

- SBIC has undertaken many customer-centric initiatives in Q1FY26. It continues to forge strategic partnerships and rollout new products to offer diverse and valuable options to customers. In partnership with Tata Digital, SBIC launched a co-branded product Tata Neu SBI Card. This card combines the scale of Tata's ecosystem with SBIC's credit expertise. SBIC launched Apollo SBI Card, a wellness focused credit card in collaboration with Apollo HealthCo. This card is aimed at fulfilling needs of India's growing health-conscious consumers.
- SBIC has also signed an MoU with Bank of Maharashtra to expand its co-branded credit card offerings for banks that want to offer credit cards to their customers.
- Q1FY26 witnessed strong growth across all key discretionary and non-discretionary spend categories across departmental stores, utilities, education, consumer durables, furnishing and hardware, apparel and jewellery among many others. The travel and entertainment category witnessed strong online spends. Online spends have witnessed strong growth with ~60.7% share in retail spends.

UPI opportunity is promising; more traction beyond tier-1

The UPI functionality on RuPay credit cards is gaining popularity among customers, reporting 20% YoY growth in UPI spends in Q1FY26. UPI penetration, in terms of active UPI users on RuPay cards' base, is growing strong in tier-2+ cities compared to tier-1. UPI active mix is split between 25% in tier-1 and 75% in tier-2. Similarly, UPI spends in tier-1 is 21% and in tier-2+ it is 79%. In tier-1, average spend per account per month is INR 13.6k (vs. INR ~14.8k in Q4FY25), while in tier-2+ cities, it is INR 17k (vs. INR ~18k in Q4FY25) in UPI spends on RuPay cards. Top categories for UPI spends include departmental stores, grocery, utilities, fuel, restaurants and consumer durables.

Key operating trends

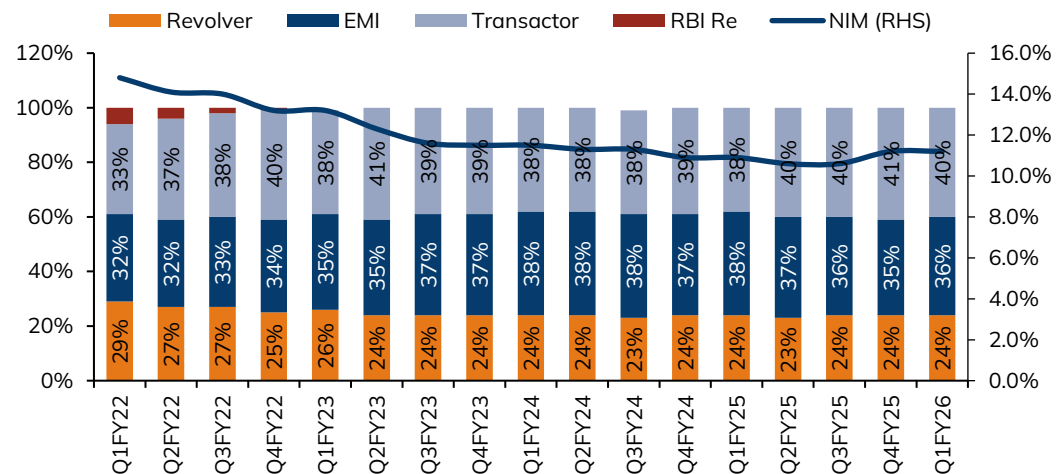
- New sourcing from open market stood at 44% in Q1FY26 (vs. 37% in Q4FY25) with SBIC's sourcing at 56% (vs. 63% in Q4FY25).
- New sourcing mix, from age profile of below-30 years – was 30% in Q1FY26 (vs. 30%/35%/33%/32% in Q4/Q3/Q2/Q1FY25).
- Sourcing mix in terms of salaried and self-employed customers skewed towards self-employed at 61%:39% in Q1FY26.
- CAR/tier-1 was 23.2%/17.9% in Q1FY26 (vs. 22.9%/17.5% in Q4FY25 and 20.6%/16.8% in Q1FY25)
- Q1FY26 RoA/RoE stood at 3.4%/15.8%.

Exhibit 1: Q1FY26 result review

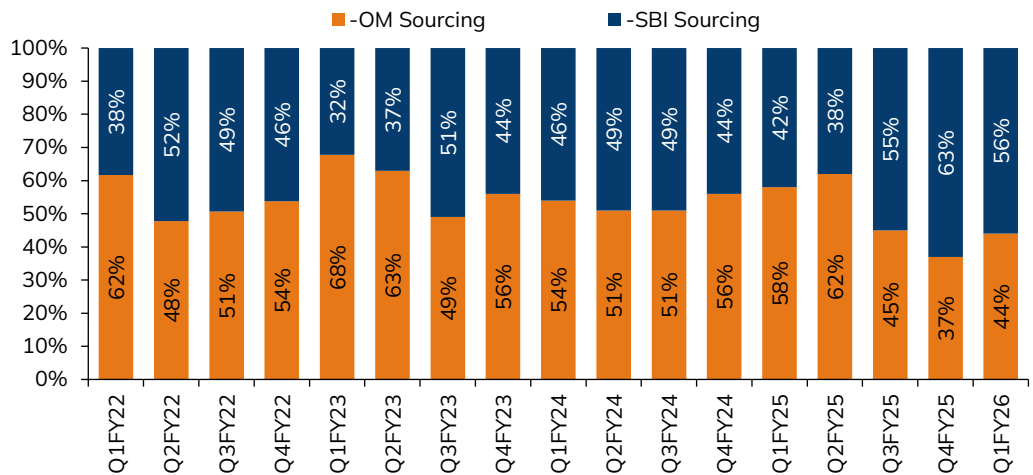
INR mn	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Interest Income	24,932	22,433	11.1%	24,152	3.2%
Income from membership fees	21,912	19,279	13.7%	20,928	4.7%
Service Charges	260	327	-20.6%	271	-4.2%
Business development incentive income	1,666	1,537	8.4%	1,381	20.6%
Insurance commission income	1	9	-94.6%	8	-93.7%
Net gain on fair value changes	-	1		-	
Total Revenue	48,769	43,586	11.9%	46,740	4.3%
Other Income	1,585	1,240	27.8%	1,578	0.4%
Finance Costs	8,128	7,668	6.0%	7,953	2.2%
Employee costs	1,614	1,341	20.3%	1,543	4.6%
Depreciation	350	494	-29.0%	-17	-2172.8%
Operating and other expense	19,262	16,325	18.0%	19,203	0.3%
Impairment losses and bad debts	13,516	11,006	22.8%	12,451	8.5%
Net loss on fair value changes	-	-		-	
Total Expense	42,870	36,834	16.4%	41,132	4.2%
PPOP	20,999	18,998	10.5%	19,637	6.9%
PBT	7,484	7,992	-6.4%	7,185	4.2%
Tax	1,924	2,047	-6.0%	1,844	4.4%
PAT	5,560	5,945	-6.5%	5,342	4.1%
ROAA	3.4%	4.1%	-70 bps	3.4%	0 bps
GNPA	3.1%	3.1%	1 bps	3.1%	-1 bps
NNPA	1.4%	1.1%	31 bps	1.5%	-4 bps
CAR	23.2%	20.6%	260 bps	22.9%	30 bps
NIM	11.2%	10.9%	30 bps	11.2%	0 bps
Cost of funds	7.1%	7.5%	-40 bps	7.2%	-10 bps
Gross credit cost	9.6%	8.5%	112 bps	9.0%	62 bps
Net credit cost	8.5%	7.5%	100 bps	7.9%	60 bps
Cost to Income ratio	50.3%	48.9%	140 bps	51.4%	-108 bps
Spends (INR bn)	932	771	21%	884	6%
Gross receivables (INR bn)	566	527	7%	558	1%
Revolver	24%	24%	0 bps	24%	0 bps
EMI	36%	38%	-200 bps	35%	100 bps
Transactor	40%	38%	200 bps	41%	-100 bps
Borrowing (INR bn)	462	409	13%	449	3%

Source: I-Sec research, Company data

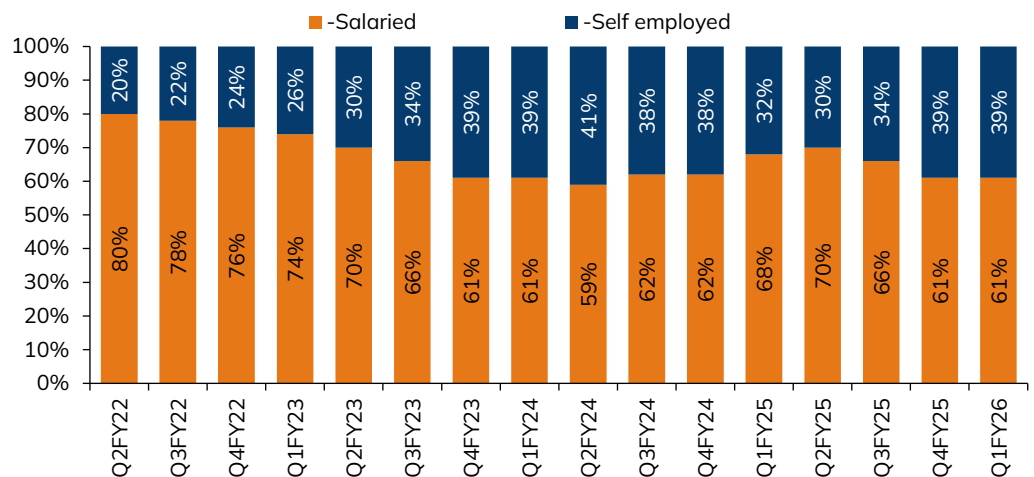
Exhibit 2: Receivables mix trend



Source: I-Sec research, Company data

Exhibit 3: New account sourcing in open market and SBI

Source: I-Sec research, Company data

Exhibit 4: Percentage of self-employed category in 'new accounts added' stable at 39% in Q1FY26

Source: I-Sec research, Company data

Exhibit 5: New accounts acquired in age category of under 30 years remained stable

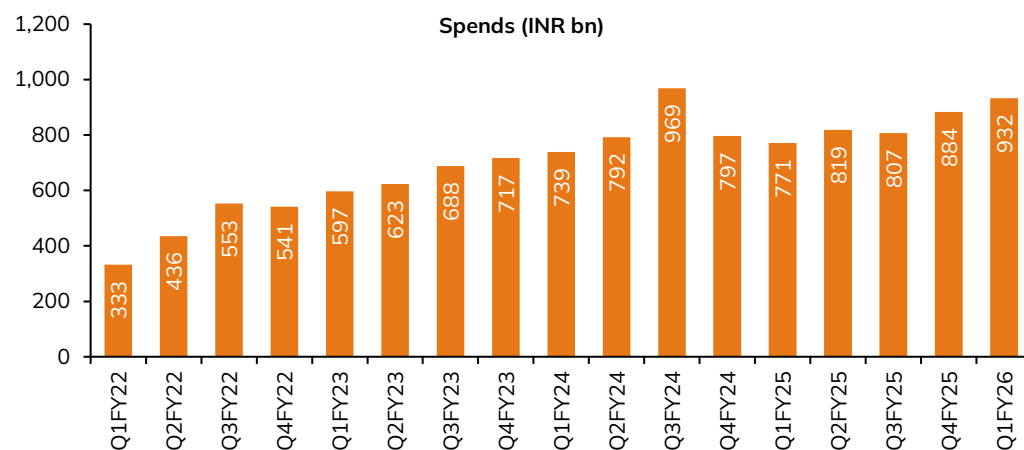
New Account Age	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
-Under 30	36%	36%	34%	35%	33%	33%	32%	33%	35%	30%	30%
-31-45	49%	48%	49%	48%	47%	48%	50%	49%	48%	50%	49%
->45	15%	16%	17%	17%	21%	18%	18%	18%	17%	20%	21%

Source: I-Sec research, Company data

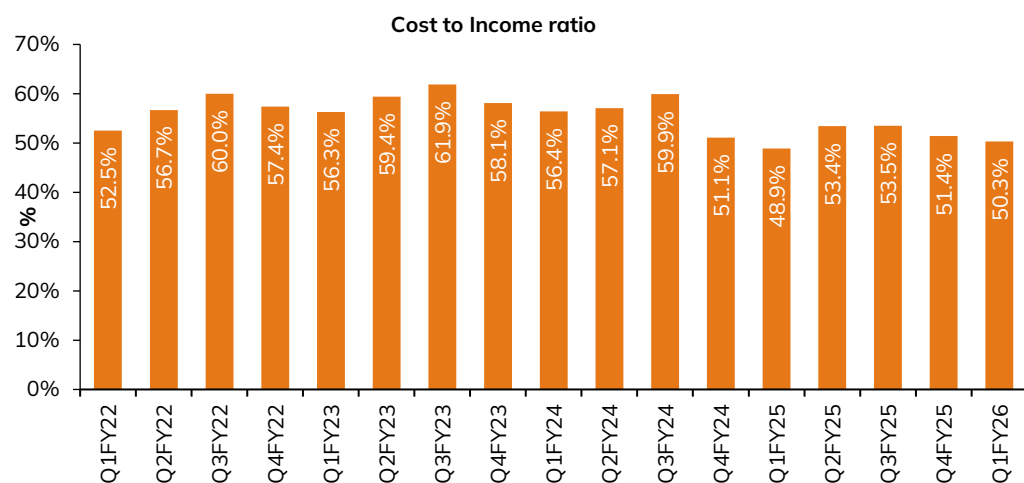
Exhibit 6: New account acquired from tier-3/others decreased

New Account City	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q2FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
-Tier 1	28%	26%	27%	27%	28%	29%	30%	31%	26%	23%	25%
-Tier 2	18%	18%	18%	18%	18%	19%	20%	21%	19%	18%	19%
-Tier 3	31%	32%	32%	33%	32%	31%	30%	30%	33%	34%	33%
-Others	22%	23%	23%	22%	22%	21%	20%	19%	22%	24%	23%

Source: I-Sec research, Company data

Exhibit 7: SBIC spends trend

Source: I-Sec research, Company data

Exhibit 8: SBIC cost-to-income ratio trend

Source: I-Sec research, Company data

Exhibit 9: Receivables and asset quality trend

	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Gross Receivables (INR bn)	386	408	433	451	489	508	527	556	548	558	566
Net receivables (INR bn)	374	394	418	436	472	491	508	536	528	539	546
INR mn											
Gross credit cost	5330	6280	7180	7420	8820	9450	11010	12130	13130	12440	13520
Gross write off	4900	5410	6220	6780	7170	8640	9690	11060	13540	13030	12800
Provisions	420	880	970	640	1640	810	1,320	1,070	-410	-590	720
Recoveries	1430	1520	1160	1320	1180	1260	1230	1330	1460	1540	1570
Net credit cost	3900	4770	6030	6100	7640	8190	9780	10790	11680	10910	11950
(%)											
Gross credit cost %	5.6%	6.3%	6.8%	6.7%	7.5%	7.5%	8.5%	9.0%	9.4%	9.0%	9.6%
Net credit cost %	4.1%	4.8%	5.7%	5.5%	6.5%	6.5%	7.5%	8.0%	8.4%	7.9%	8.5%
PCR % (S3)	64.1%	63.6%	63.8%	64.1%	64.1%	64.9%	64.4%	64.4%	64.3%	53.5%	54.3%
ECL %	3.3%	3.3%	3.4%	3.4%	3.5%	3.5%	3.6%	3.6%	3.6%	3.4%	3.5%
GNPA %	2.2%	2.4%	2.4%	2.4%	2.6%	2.8%	3.1%	3.3%	3.2%	3.1%	3.1%
NNPA %	0.8%	0.9%	0.9%	0.9%	1.0%	1.0%	1.1%	1.2%	1.2%	1.5%	1.4%
Receivables mix (%)											
Stage 1	92.0%	92.2%	92.3%	92.0%	91.8%	91.5%	90.8%	91.0%	91.1%	91.9%	92.2%
Stage 2	6.0%	5.4%	5.3%	5.6%	5.6%	5.7%	6.2%	5.7%	5.6%	5.0%	4.7%
Stage 3	2.0%	2.4%	2.4%	2.4%	2.6%	2.8%	3.1%	3.3%	3.2%	3.1%	3.1%
ECL Provisions (INR mn)											
Stage 1	1.7%	1.7%	1.7%	1.7%	1.6%	1.6%	1.5%	1.4%	1.4%	0.9%	0.9%
Stage 2	4.9%	4.7%	4.8%	4.7%	4.7%	4.4%	4.3%	4.2%	4.2%	19.2%	21.5%
Stage 3	64.2%	63.6%	63.8%	64.1%	64.1%	64.9%	64.4%	64.4%	64.3%	53.5%	54.3%

Source: I-Sec research, Company data

Exhibit 10: Shareholding pattern

%	Dec'24	Mar'25	Jun'25
Promoters	68.6	68.6	68.6
Institutional investors	25.7	26.8	27.4
MFs and others	9.7	9.7	9.8
Banks / FIs	0.1	0.5	0.6
Insurance	6.5	6.7	6.7
FIIIs	9.5	9.9	10.2
Others	5.7	4.6	4.0

Source: Bloomberg, I-Sec research

Exhibit 11: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 12: Profit & Loss

(Rs mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Interest Income	79,271	93,473	1,04,526	1,18,759
Interest Expenses	(25,952)	(31,784)	(34,474)	(39,623)
Net Interest Income (NII)	53,319	61,689	70,052	79,136
Other Income	5,151	5,649	6,201	6,940
Total Income (net of interest expenses)	1,22,931	1,22,804	1,39,597	1,59,155
Employee benefit expenses	(5,697)	(5,896)	(6,784)	(7,326)
Depreciation and amortization	(1,968)	(1,468)	(1,508)	(1,570)
Other operating expenses	(76,026)	(72,702)	(84,180)	(96,302)
Total Operating Expense	(83,691)	(80,066)	(92,472)	(1,05,198)
Pre Provisioning Profits (PPoP)	65,192	74,522	81,599	93,580
Provisions and write offs	(32,874)	(48,715)	(49,415)	(53,247)
Profit before tax (PBT)	32,318	25,807	32,184	40,334
Total tax expenses	(8,239)	(6,643)	(8,207)	(10,285)
Profit after tax (PAT)	24,079	19,164	23,977	30,049

Source Company data, I-Sec research

Exhibit 13: Balance sheet

(Rs mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Share capital	9,510	9,514	9,514	9,514
Reserves & surplus	1,11,331	1,28,304	1,49,883	1,76,927
Shareholders' funds	1,20,840	1,37,817	1,59,397	1,86,441
Borrowings	3,98,911	4,49,466	5,01,614	5,78,906
Provisions	17,223	18,438	19,132	21,987
Deferred tax liabilities (net)	-	-	-	-
Current Liabilities and short-term provisions	44,738	49,737	53,139	56,194
Other Liabilities	17,223	18,438	19,132	21,987
Total Liabilities and Stakeholder's Equity	5,81,712	6,55,458	7,33,283	8,43,528
Fixed assets	5,644	3,303	3,677	3,877
Loans	4,90,790	5,39,346	5,96,803	6,87,076
Investments	35,191	62,351	74,821	89,785
Deferred tax assets (net)	-	-	-	-
Current Assets including cash and bank	-	-	-	-
Other Assets	22,791	23,076	29,526	33,260
Total Assets	5,81,712	6,55,458	7,33,283	8,43,528

Source Company data, I-Sec research

Exhibit 14: Key Ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
Growth ratios				
Net Interest Income (NII) (%)	18.3	15.7	13.6	13.0
Non-interest income (%)	17.5	(2.8)	12.0	15.0
Total Income (net of interest expenses) (%)	11.9	(0.1)	13.7	14.0
Operating Expenses (%)	11.8	(4.3)	15.5	13.8
Employee Cost (%)	1.4	3.5	15.1	8.0
Non-Employee Cost (%)	12.5	(4.4)	15.8	14.4
Pre provisioning operating profits (PPoP) (%)	26.5	14.3	9.5	14.7
Provisions (%)	52.3	48.2	1.4	7.8
PBT (%)	8.0	(20.1)	24.7	25.3
PAT (%)	8.4	(20.4)	25.1	25.3
EPS (%)	7.9	(20.4)	25.1	25.3
Yields, interest costs and spreads (%)				
NIM on loan assets (%)	10.9	11.4	11.7	11.5
Yield on loan assets (%)	16.2	17.3	17.5	17.3
Cost of borrowings (%)	7.3	7.5	7.2	7.3
Interest Spreads (%)	8.8	9.8	10.3	10.0
Operating efficiencies				
Cost to income ratio	56.2	51.8	53.1	52.9
Capital Structure				
CAR (%)	25.1	19.8	20.5	20.9
Tier 1 CAR (%)	25.1	19.8	20.5	20.9

Source Company data, I-Sec research

	FY24A	FY25A	FY26E	FY27E
Asset quality and provisioning				
GNPA (%)	2.9	3.1	3.0	2.7
NNPA (%)	1.0	1.1	1.1	1.0
GNPA (INR mn)	14,042	16,824	17,976	18,522
Coverage ratio (%)	64.9	63.6	63.6	63.6
Return ratios				
RoAA (%)	4.6	3.1	3.5	3.8
RoAE (%)	22.0	14.8	16.1	17.4
Dividend Payout ratio (%)	10.0	12.4	10.0	10.0
Valuation Ratios				
No of shares	951	951	951	951
No of shares (fully diluted)	951	951	951	951
ESOP Outstanding	-	-	-	-
EPS (INR)	25.3	20.1	25.2	31.6
EPS fully diluted (INR)	25.3	20.1	25.2	31.6
Price to Earnings (x)	35.1	44.1	35.3	28.1
Price to Earnings (fully diluted) (x)	35.1	44.1	35.3	28.1
Book Value (fully diluted)	127	145	168	196
Adjusted book value	127	145	168	196
Price to Book	7.0	6.1	5.3	4.5
Price to Adjusted Book	7.0	6.1	5.3	4.5
DPS (INR)	2.5	2.5	2.5	3.2
Dividend yield (%)	0.3	0.3	0.3	0.4

Source Company data, I-Sec research

Exhibit 15: Key Metrics

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
DuPont Analysis				
Average Assets (INR mn)	5,18,584	6,18,585	6,94,370	7,88,405
Average Loans (INR mn)	4,42,200	5,15,068	5,68,075	6,41,940
Average Equity (INR mn)	1,09,570	1,29,329	1,48,607	1,72,919
Interest earned (%)	15.3	15.1	15.1	15.1
Interest expended (%)	5.0	5.1	5.0	5.0
Gross Interest Spread (%)	10.3	10.0	10.1	10.0
Credit cost (%)	7.2	9.1	8.4	8.0
Net Interest Spread (%)	3.1	0.9	1.7	2.0
Operating cost (%)	16.1	12.9	13.3	13.3
Lending spread (%)	(13.0)	(12.1)	(11.6)	(11.3)
Non-interest income (%)	18.4	15.0	15.0	15.2
Operating Spread (%)	5.4	2.9	3.4	3.9
Tax rate (%)	25.5	25.7	25.5	25.5
ROAA (%)	4.6	3.1	3.5	3.8
Effective leverage (AA/ AE)	4.7	4.8	4.7	4.6
RoAE (%)	22.0	14.8	16.1	17.4

Source Company data, I-Sec research

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : complianceofficer@icicisecurities.com

For any queries or grievances: [Mr. Bhavesh Soni](#) Email address: headservicequality@icicidirect.com Contact Number: 18601231122
