

January 25, 2025

**RESULT REPORT Q3 FY25** | Sector: Banks

# ICICI Bank Ltd

## ICICI closest to being the optimal banking model

**Our view – ICICI seems to recoup via opex and credit cost what its losing on growth and margin**

**Asset Quality** – Slippages rose on sequential basis but primarily due to seasonal agri slippages: Gross NPA additions amounted to Rs 60.85bn for 3QFY25 (Rs 50.73bn in 2QFY25), translating to an annualized slippage ratio of 1.8% for the quarter. The KCC book saw slippages worth Rs 7.14bn in 3Q. On unsecured retail, management stated that the bank had taken corrective steps earlier and trends have now stabilized. Provisions were Rs 12.27bn, down by -0.5% QoQ but up by 16.9% YoY, translating to annualised credit cost of 37bps. Net provisions benefited from improvement in non-fund portfolio, restructured book and BB and below book which have led to writebacks.

**Net Interest Margin** - NIM saw a marginal contraction sequentially driven by interest reversals on agri slippages: NIM was 4.25%, down -2bps QoQ and -18bps YoY. The 8 bps decline QoQ in yield on advances was driven by interest reversals on KCC slippages, for which interest for a longer period gets reversed. Management shared that its share of floating rate loans were 69% of loan book, of which 52% was repo rate linked loans.

**Balance sheet growth** – Balance sheet growth was better than large peers but slower than its own recent trend: Total advances for the bank stood at Rs 13,144 bn, up by 2.9% QoQ and 13.9% YoY. The retail loan book growth was relatively slow at 10.5% YoY and 1.4% QoQ. The mortgages book growth was slow at 11.4% YoY and 2.1% QoQ, impacted by competitive pressure. Auto loans were slower, growing 6.6% YoY and 1.7% QoQ, impacted by the OEM sales slowdown.

**We maintain 'Buy' rating on ICICI with a revised price target of Rs 1500:** We value the standalone bank at 2.8x FY26 P/BV for an FY25/26/27E RoE profile of 17.5/16.2/16.2%. We assign a value of Rs 234 per share to the subsidiaries, on SOTP.

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

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

- **Opex control:** Total cost to income ratio at 38.5% was down by -12/-212bps QoQ/YoY and the Cost to assets was at 2.1% down by -6/-18bps QoQ/YoY.
- **Fee income:** Core fee income to average assets was at 1.2%, up 2/3bps QoQ/YoY.

### Exhibit 1: Result table

Particulars (Rs mn)	Q3 FY25	Q2 FY25	% qoq	Q3 FY24	% yoy
Total Interest Income	412,998	405,374	1.9	366,946	12.6
Interest Expense	(209,292)	(204,894)	2.1	(180,160)	16.2
<b>Net Interest Income</b>	<b>203,706</b>	<b>200,480</b>	<b>1.6</b>	<b>186,786</b>	<b>9.1</b>
Fee Income	61,800	58,940	4.9	53,130	16.3
Non-fee Income	8,881	12,827	(30.8)	7,841	13.3
<b>Total Non-Interest Income</b>	<b>70,681</b>	<b>71,767</b>	<b>(1.5)</b>	<b>60,971</b>	<b>15.9</b>
<b>Total Income</b>	<b>274,387</b>	<b>272,246</b>	<b>0.8</b>	<b>247,756</b>	<b>10.7</b>
Employee Expense	(39,291)	(41,361)	(5.0)	(38,127)	3.1
Non-employee Opex	(66,231)	(63,653)	4.0	(62,393)	6.2
<b>Total Operating expenses</b>	<b>(105,521)</b>	<b>(105,015)</b>	<b>0.5</b>	<b>(100,520)</b>	<b>5.0</b>
PPOP	168,866	167,232	1.0	147,236	14.7
Provisions	(12,267)	(12,331)	(0.5)	(10,494)	16.9
PBT	156,599	154,901	1.1	136,743	14.5
Tax	(38,675)	(37,442)	3.3	(34,027)	13.7
<b>PAT</b>	<b>117,924</b>	<b>117,459</b>	<b>0.4</b>	<b>102,715</b>	<b>14.8</b>

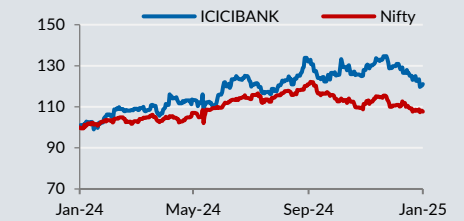
Source: Company, YES Sec-Research

Recommendation	: BUY
Current price	: Rs 1,209
Target Price	: Rs 1,500
Potential Return	: +24%

### Stock data (as on January 25, 2025)

Nifty	23,092
52 Week h/l (Rs)	1362 / 985
Market cap (Rs/USD mn)	8484974 / 98434
Outstanding Shares (mn)	7,061
6m Avg t/o (Rs mn):	17,302
Div yield (%):	0.8
Bloomberg code:	ICICIBC IN
NSE code:	ICICIBANK

### Stock performance



	1M	3M	1Y
Absolute return	-6.8%	-3.7%	19.7%

### Shareholding pattern (As of Sep'24 end)

Promoter	0.0%
FII+DII	92.5%
Others	7.5%

### Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	1500	1525


### Financial Summary

(Rs mn)	FY25E	FY26E	FY27E
NII	800,294	894,909	1,044,881
PPOP	662,095	727,746	849,584
Net Profit	449,375	479,626	553,115
Growth (%)	9.9	6.7	15.3
EPS (Rs)	64.0	68.3	78.8
BVPS (Rs)	393	452	520
P/E (x)	15.3	14.3	12.4
P/BV (x)	2.5	2.2	1.9
ROE (%)	17.5	16.2	16.2
ROA (%)	2.3	2.2	2.2
Tier-1 (%)	15.3	14.7	14.5

### Δ in earnings estimates

Rs.	FY25E	FY26E	FY27E
EPS (New)	64.0	68.3	78.8
EPS (Old)	63.8	70.0	79.9
% change	0.3%	-2.5%	-1.4%

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## COMPREHENSIVE CON-CALL TAKEAWAYS

### Asset quality

- **Slippages**
  - Gross NPA additions amounted to Rs 60.85bn for 3QFY25, translating to an annualized slippage ratio of 1.8% for the quarter. (Gross NPA additions had amounted to Rs 50.73bn during 2QFY25.)
  - **Segmental breakdown**
    - The retail, rural and business banking book contributed Rs 53.04bn to overall slippages.
    - The KCC book, which sees higher slippages in the first and third quarters, saw slippages worth Rs 7.14bn in 3Q compared with Rs 7.21bn in 1Q.
  - **Comments on unsecured retail**
    - There has been increase in slippages from unsecured retail book over the past 6 quarters.
    - The bank had taken corrective steps and trends have stabilized and one should start seeing an improvement in the coming quarters.
- **Recoveries and upgrades**
  - Recoveries and upgrades amounted to Rs 33.92bn for 3QFY25, implying net NPA addition of Rs 26.93bn for the quarter.
  - The recoveries and upgrades from the retail, rural and business banking book amounted to Rs 27.86bn for the quarter.
- **Write off and sale of NPA**
  - Write off and sale of NPA amounted to Rs 20.11bn and Rs 0.58bn, respectively.
- **Provisions**
  - **P&L provisions**
    - Provisions were Rs 12.27bn, down by -0.5% QoQ but up by 16.9% YoY, translating to calculated annualised credit cost of 38bps (reported figure of 37 bps).
    - Net provisions benefited from improvement in non-fund portfolio, restructured book and BB and below book (which presumably have led to writebacks).
  - **Outstanding provisions**
    - The bank continues to hold contingent provisions worth Rs 131bn or 1% of total loan book.
    - Total non-specific provisions including contingent provisions amounted to Rs 225bn of 1.7% of total loan book.
    - **Provision coverage**
      - The PCR for the book stood at 78.2%.
- **Restructured book**
  - The total fund based outstanding restructured advances stood Rs. 21.07bn or 0.2% of gross advances
- **NPA ratios**
  - GNPA ratio stands at 2.0%, down -1bp QoQ and -34bps YoY while NNPA ratio stands at 0.4%, flat QoQ but down -2bps YoY.

(Con call takeaways continue on the next page)

## Loan growth

- **Overall outcomes**
  - Total advances for the bank stood at Rs 13,144 bn, up by 2.9% QoQ and 13.9% YoY.
  - The domestic loan growth was 15.1% YoY and 3.2% QoQ.
- **Segmental outcomes**
  - The retail loan book was up 10.5% YoY and 1.4% QoQ.
  - The rural loan book was up 12.2% YoY and 0.9% QoQ.
  - The business banking book was up 31.9% YoY and 6.4% QoQ.
  - The domestic corporate book was up 13.2% YoY and 4.3% QoQ.
  - The overseas book declined 21.2% YoY in USD terms and occupied 2.4% of overall book.
  - **Retail segment outcomes**
    - The mortgages book was up 11.4% YoY and 2.1% QoQ.
    - Auto loans were up 6.6% YoY and 1.7% QoQ.
    - CV/CE book was up 7.4% YoY and 1.7% QoQ.
    - The personal loans book was up 8.8% YoY and down 1.3% QoQ.
    - The credit cards book was up 17.9% YoY and 2.8% QoQ.
- **Wholesale lending**
  - The bank is not taking finely priced long-term exposures.
  - At the same time, it is looking at the overall relationship and P&L with a wholesale client.
- **Mortgage loans**
  - There has been some slowdown in mortgage loan growth due to price competition.
- **Auto loans**
  - This segment is a function of underlying OEM sales.
  - The bank is primarily in new car financing but the market has slowed.
- **Business banking**
  - Business banking is going strong due to digital adoption of clients, formalization and credit discipline.
  - The management is very comfortable with the quality of this portfolio, whose credit cost is currently lower than that of the overall bank.

## Deposits growth

- Total deposits were at Rs 15,203 bn, up by 1.5% QoQ and 14.1% YoY.
- Average deposits were up 13.7% YoY and 2.1% QoQ.
- Average CASA deposits were up 12.6% YoY and 2.3% QoQ.
- **Comment on softer sequential deposits growth**
  - Management stated that the deposits growth was as per the funding requirement and not due to the tight liquidity in the environment.
  - Furthermore, the bank took some cost-effective refinance borrowings.
- **Savings accounts**
  - The savings account balance growth has nothing to do with product pricing.
  - The bank is focused on garnering quality customers.
  - Digital platforms help in improving customer stickiness for the bank.

## Net interest margin

- **NIM for the quarter**
  - NIM was at 4.25%, down -2bps QoQ and -18bps YoY.  
(Con call takeaways continue on the next page)

- **LCR**
  - The average LCR for the quarter was 123%, higher sequentially.
- **Loan book by rate category**
  - Repo rate – 52%
  - MCLR and other – 16%
  - Other EBLR – 1%
  - Fixed rate – 31%
- **Yield on advances**
  - The 8 bps decline in yield on advances was driven by interest reversals on KCC slippages, for which interest for a longer period gets reversed.
  - It may be noted that 4Q has lesser number of days on sequential basis.
- **RIDF book**
  - The RIDF book for the bank has come down.
  - The bank buys PSLC for small and marginal farmer compliance but is in surplus for other segments.

## Capital adequacy

- The CET1 ratio amounted to 15.93%.
- The CRAR amounted to 16.6% including 9M profit.

## Fee income

- Total fee income rose 16.3% YoY.
- The retail, rural and business banking businesses contributed to 78% of total fees.
- Fee income is being driven by the bank's transaction platforms doing well, where it is focused on adoption and new customer acquisition.
- The bank is also doing well on card and payments.
- Transaction banking, FX and derivatives and lending-linked fees are also contributing reasonably.

## Treasury operations

- The treasury gains for the quarter amounted to Rs 3.71bn for the quarter.

## Operating expenses

- **Total opex**
  - Total opex, at Rs. 105.5bn, is up by 0.5% QoQ and 5% YoY.
  - Consequently, cost/income ratio came in at 38.5%, down by -12bps QoQ and -212bps YoY.
- **Staff opex**
  - The staff opex is down by -5.0% QoQ but up by 3.1% YoY.
  - Management stated that there could be fluctuation in retiral provision and headcount from quarter to quarter but, eventually, hiring will be carried as per business growth requirement and branch addition.
  - At the same time, they added that they are aiming to leverage the cost base better and there would not be a liner relationship between cost and topline.

(Con call takeaways continue on the next page)

- **Non-staff opex**
  - Non-staff opex is up by 4% QoQ and 6.2% YoY.
  - **Branch addition**
    - 129 branches were added during the quarter, taking the branch count to 6742 branches.

## Exhibit 2: Business Data

(Rs mn)	Q3 FY25	Q2 FY25	% qoq	Q3 FY24	% yoy	Q3 FY25*	chg qoq*	chg yoy*
Loans	13,143,661	12,772,404	2.9	11,537,710	13.9	100.0	0bps	0bps
Corporate	2,806,800	2,690,290	4.3	2,478,850	13.2	21.4	29bps	-13bps
Retail Book	7,827,610	7,722,960	1.4	7,070,350	10.7	59.6	-91bps	-173bps
Mortgages	4,277,450	4,191,050	2.1	3,841,320	11.4	32.5	-27bps	-75bps
Vehicle Loans	956,250	943,190	1.4	905,010	5.7	7.3	-11bps	-57bps
Personal Loans	1,208,630	1,225,010	(1.3)	1,110,990	8.8	9.2	-40bps	-43bps
Credit Card	568,470	552,810	2.8	481,970	17.9	4.3	0bps	15bps
Rural Loans	794,960	787,890	0.9	708,480	12.2	6.0	-12bps	-9bps
Others	21,850	23,010	(5.0)	22,580	(3.2)	0.2	-1bps	-3bps
Business Banking	2,480,480	2,330,250	6.4	1,880,850	31.9	18.9	63bps	257bps
BRDS/IBPC	(287,110)	(312,600)	(8.2)	(281,850)	1.9	(2.2)	26bps	26bps
Overseas Loans	315,880	341,500	(7.5)	389,510	(18.9)	2.4	-27bps	-97bps
Deposits	15,203,088	14,977,607	1.5	13,323,145	14.1	100.0	0bps	0bps
CA	1,904,380	1,830,900	4.0	1,534,110	24.1	12.5	30bps	101bps
SA	4,251,480	4,256,330	(0.1)	3,745,840	13.5	28.0	-45bps	-15bps
Term	9,047,228	8,890,377	1.8	8,043,195	12.5	59.5	15bps	-86bps
Investments	4,719,783	4,790,985	(1.5)	4,366,498	8.1	NA	NA	NA
Investments/(Invest. + Net Adv.) (%)	26.4	27.3	-86bps	27.5	-103bps	NA	NA	NA
Borrowings	1,277,318	1,244,929	2.6	1,268,713	0.7	NA	NA	NA
Borrowings/(Borr. + Deposits) (%)	7.8	7.7	8bps	8.7	-94bps	NA	NA	NA
Total assets	20,133,431	19,768,582	1.8	17,832,221	12.9	NA	NA	NA
RWA	15,467,070	14,812,960	4.4	13,253,250	16.7	NA	NA	NA

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

## Exhibit 3: Key Ratios

(%)	Q3 FY25	Q2 FY25	chg qoq	Q3 FY24	chg yoy
Net interest margin	4.25	4.27	-2bps	4.43	-18bps
Yield on advances	9.65	9.73	-8bps	9.79	-14bps
Cost of Deposits	4.91	4.88	3bps	4.72	19bps
CASA	40.5	40.6	-15bps	39.6	86bps
Loan to Deposit ratio	86.5	85.3	118bps	86.6	-15bps
Non-int. income / Total income	25.8	26.4	-60bps	24.6	115bps
Fee Income to Avg. Total Assets	1.2	1.2	2bps	1.2	3bps
Cost to Income	38.5	38.6	-12bps	40.6	-212bps
Opex to Avg. Total Assets	2.1	2.2	-6bps	2.3	-18bps
Credit Cost	0.4	0.4	-2bps	0.4	1bps
RoE	17.6	18.1	-50bps	18.5	-90bps
RoA	2.4	2.4	-4bps	2.3	4bps
Annualised Slippage Ratio*	1.8	1.6	25bps	2.0	-13bps
Provision Coverage Ratio	78.2	78.5	-30bps	80.7	-250bps
Gross NPA	2.0	2.0	-1bps	2.3	-34bps
Net NPA	0.4	0.4	0bps	0.4	-2bps
Capital adequacy ratio	14.7	15.4	-64bps	14.6	10bps
Tier I capital ratio	14.0	14.7	-61bps	13.9	10bps

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

## Exhibit 4: Quarterly Actuals Vs Estimates

Q3FY25 (Rs. mn)	Actuals	Estimates	Diff, %
Net Interest Income	203,706	207,884	(2.0)
Pre-Prov. Operating Profit	168,866	171,692	(1.6)
Profit After Tax	117,924	118,644	(0.6)

Source: Company, YES Sec – Research

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

(Rs mn)	Q3 FY25	Q2 FY25	% qoq	Q3 FY24	% yoy
Fee Income (A)	61,800	58,940	4.9	53,130	16.3
Total Other Income (B)	3,791	7,417	(48.9)	1,341	182.7
Treasury Income	3,710	6,800	(45.4)	1,230	201.6
Dividend income	5,090	5,410	(5.9)	6,500	(21.7)
Others	81	617	(86.9)	111	(27.2)
Total Non-Interest Income (A+B)	65,591	66,357	(1.2)	54,471	20.4

Source: Company, YES Sec – Research

## Exhibit 6: Rating profile for Corporate Portfolio

%	Q3 FY25	Q2 FY25	chg qoq
AA- and Above	37.7	39.4	-170bps
A+, A, A-	38.2	38.1	10bps
A- and above	75.9	77.5	-160bps
BBB+, BBB, BBB-	23.4	21.3	210bps
BB and below	0.2	0.8	-60bps
Non-performing loans	0.1	0.1	0bps
Unrated	0.4	0.3	10bps

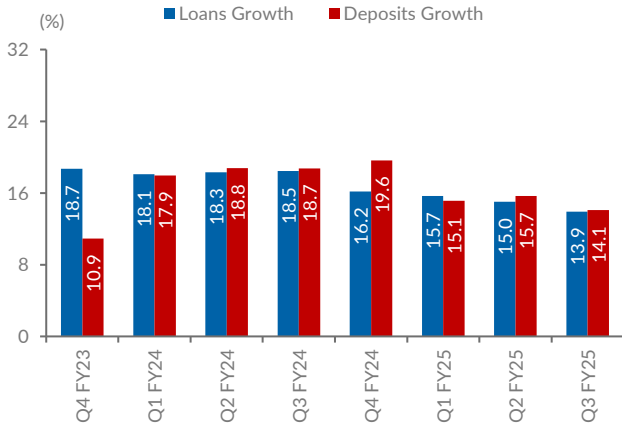
Source: Company, YES Sec – Research

## Exhibit 7: Subsidiaries PAT

(Rs mn)	Q3 FY25	Q2 FY25	% qoq	Q3 FY24	% yoy
ICICI Prudential Life	3,260	2,520	29.4	2,270	43.6
ICICI Lombard General	7,240	6,940	4.3	4,310	68.0
ICICI Pru. Asset Mgmt.	6,320	6,940	(8.9)	5,460	15.8
ICICI Sec. (Consolidated)	5,040	5,290	(4.7)	4,660	8.2
ICICI Sec. PD	650	2,680	(75.7)	1,370	(52.6)
ICICI Home Finance	2,030	1,830	10.9	1,860	9.1
ICICI Venture	10	0	#DIV/0!	10	0.0
ICICI Bank UK (USD mn)	5	8	(36.3)	7	(23.9)
ICICI Canada (CAD mn)	20	19	2.6	16	23.3

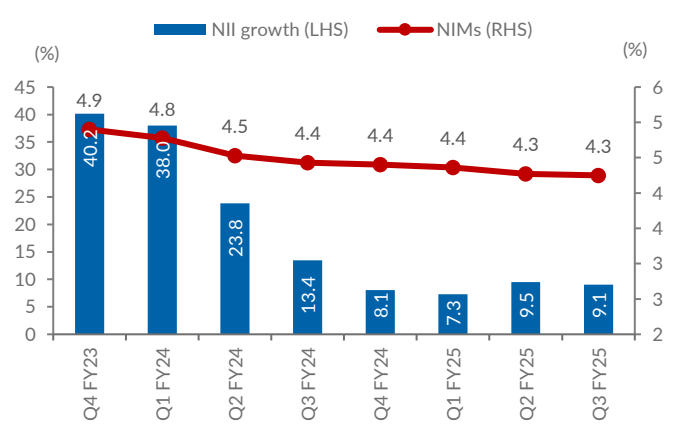
Source: Company, YES Sec – Research

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



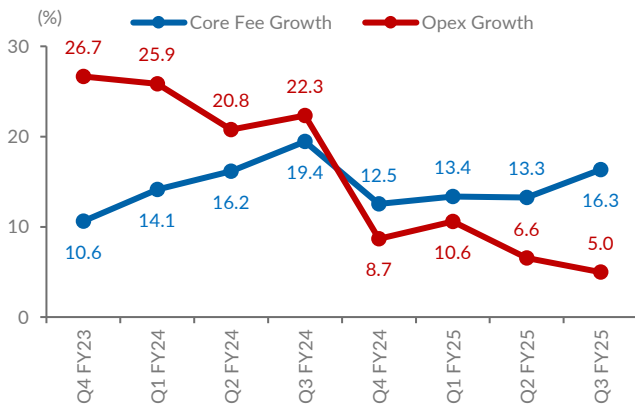
Source: Company, YES Sec - Research

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



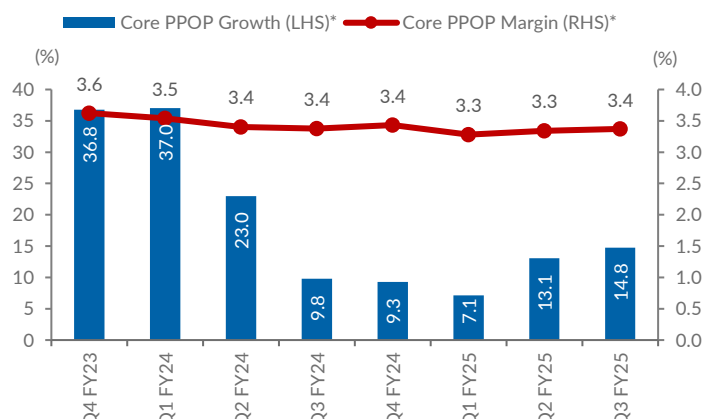
Source: Company, YES Sec - Research

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



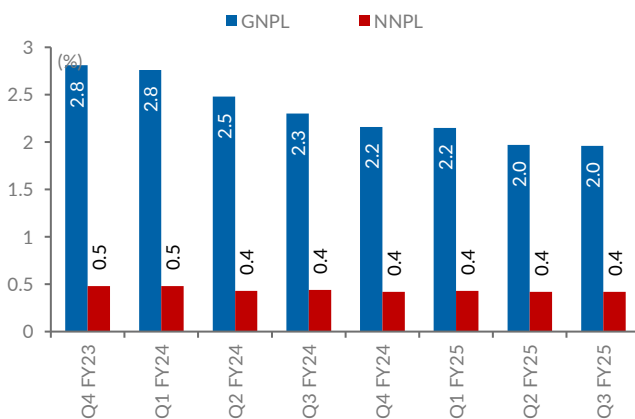
Source: Company, YES Sec - Research

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



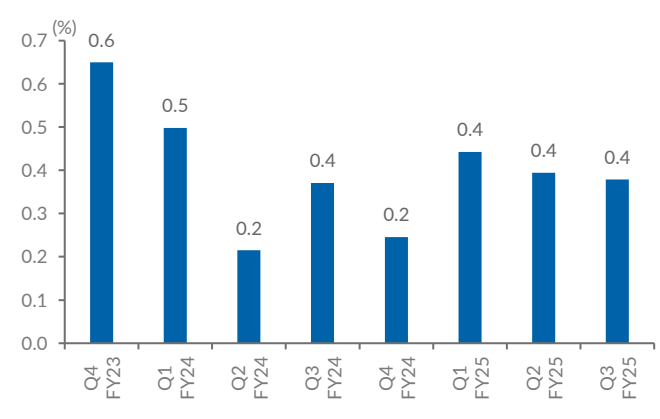
Source: Company, YES Sec - Research. \* Core PPOP is derived by adjusting PPOP for gain/loss on sale of investments and misc. income

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



Source: Company, YES Sec - Research

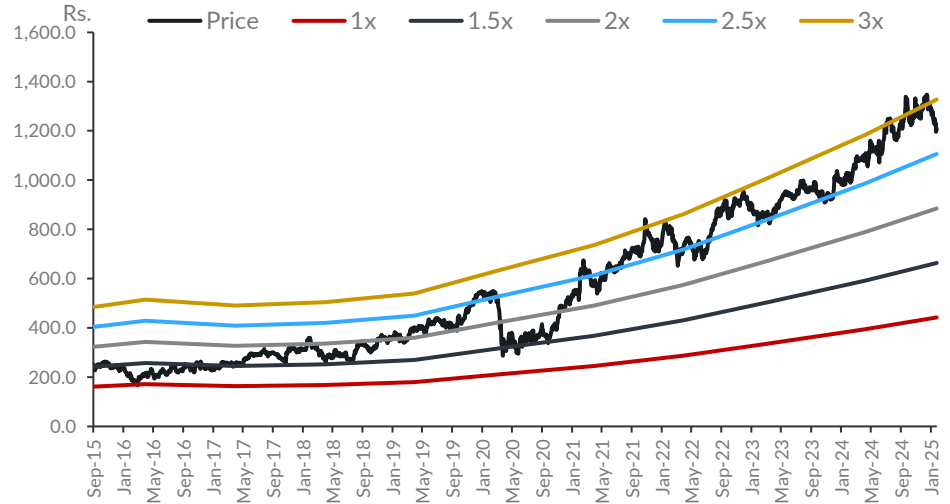
**Exhibit 13: Provisions/Average Advances (%)**



Source: Company, YES Sec - Research



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



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

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



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

## ANNUAL FINANCIALS

### Exhibit 16: Balance sheet

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Total cash & equivalents	1,194,383	1,399,260	1,595,156	1,850,382	2,164,946
Investments	3,623,297	4,619,423	4,460,395	5,117,069	5,913,835
Advances	10,196,383	11,844,064	13,502,233	15,662,590	18,325,230
Fixed assets	95,998	108,598	119,458	131,404	144,544
Other assets	732,005	743,801	818,181	899,999	989,999
<b>Total assets</b>	<b>15,842,067</b>	<b>18,715,146</b>	<b>20,495,423</b>	<b>23,661,443</b>	<b>27,538,555</b>
Net worth	2,007,154	2,383,993	2,763,135	3,172,527	3,655,408
Deposits	11,808,407	14,128,250	16,118,052	18,710,481	21,905,649
Borrowings	1,193,255	1,249,676	853,168	1,207,400	1,630,264
Other liabilities	833,251	953,227	761,068	571,035	347,233
<b>Total liabilities incl. Equity</b>	<b>15,842,067</b>	<b>18,715,146</b>	<b>20,495,423</b>	<b>23,661,443</b>	<b>27,538,555</b>

Source: Company, YES Sec – Research

### Exhibit 17: Income statement

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Interest income	1,092,313	1,428,909	1,618,883	1,832,751	2,148,329
Interest expense	(471,027)	(685,852)	(818,589)	(937,841)	(1,103,447)
<b>Net interest income</b>	<b>621,286</b>	<b>743,057</b>	<b>800,294</b>	<b>894,909</b>	<b>1,044,881</b>
Non-interest income	198,314	229,578	286,189	324,953	378,039
<b>Total income</b>	<b>819,600</b>	<b>972,635</b>	<b>1,086,483</b>	<b>1,219,863</b>	<b>1,422,920</b>
Operating expenses	(328,732)	(391,327)	(424,388)	(492,116)	(573,336)
<b>PPoP</b>	<b>490,868</b>	<b>581,308</b>	<b>662,095</b>	<b>727,746</b>	<b>849,584</b>
Provisions	(66,656)	(36,429)	(62,928)	(88,245)	(112,097)
<b>Profit before tax</b>	<b>424,212</b>	<b>544,878</b>	<b>599,167</b>	<b>639,502</b>	<b>737,487</b>
Taxes	(105,247)	(135,996)	(149,792)	(159,875)	(184,372)
<b>Net profit</b>	<b>318,965</b>	<b>408,883</b>	<b>449,375</b>	<b>479,626</b>	<b>553,115</b>

Source: Company, YES Sec – Research

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

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Interest income	7.3	8.3	8.3	8.3	8.4
Interest expense	-3.1	-4.0	-4.2	-4.2	-4.3
<b>Net interest income</b>	<b>4.1</b>	<b>4.3</b>	<b>4.1</b>	<b>4.1</b>	<b>4.1</b>
Non-interest income	1.3	1.3	1.5	1.5	1.5
<b>Total income</b>	<b>5.5</b>	<b>5.6</b>	<b>5.5</b>	<b>5.5</b>	<b>5.6</b>
Operating expenses	-2.2	-2.3	-2.2	-2.2	-2.2
<b>PPoP</b>	<b>3.3</b>	<b>3.4</b>	<b>3.4</b>	<b>3.3</b>	<b>3.3</b>
Provisions	-0.4	-0.2	-0.3	-0.4	-0.4
<b>Profit before tax</b>	<b>2.8</b>	<b>3.2</b>	<b>3.1</b>	<b>2.9</b>	<b>2.9</b>
Taxes	-0.7	-0.8	-0.8	-0.7	-0.7
<b>Net profit</b>	<b>2.1</b>	<b>2.4</b>	<b>2.3</b>	<b>2.2</b>	<b>2.2</b>

Source: Company, YES Sec – Research

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

Subsidiary	Market Cap / Assigned value (Rs mn)	Valuation metric	Metric value (Rs mn)	Trailing multiple (Implied / Assigned)	Stake (%)	Stake value (Rs mn)	Per share (Rs)
ICICI Pru Life	853,624	EV	460,180	1.9	51%	437,397	62.6
ICICI Pru AMC	841,227	AUM	8,412,273	10%	51%	429,026	61.4
ICICI Lombard	899,159	BV	119,605	7.5	48%	431,776	61.8
ICICI Securities	261,243	BV	38,927	6.7	75%	195,540	28.0
ICICI Home Fin	50,824	BV	33,882	1.5	100%	50,824	7.3
ICICI Bank UK	31,223	BV	28,385	1.1	100%	31,223	4.5
ICICI Bank Canada	55,712	BV	39,795	1.4	100%	55,712	8.0
<b>Value of Subsidiaries</b>						<b>1,631,498</b>	<b>233.6</b>

Source: Company, YES Sec – Research

## Exhibit 20: Change in annual estimates

Y/e 31 Mar (Rs mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net Interest Income	800,294	894,909	1,044,881	848,483	969,748	1,114,987	(5.7)	(7.7)	(6.3)
Pre-Prov. Operating Profit	662,095	727,746	849,584	687,559	776,170	888,965	(3.7)	(6.2)	(4.4)
Profit after tax	449,375	479,626	553,115	448,066	491,718	560,869	0.3	(2.5)	(1.4)

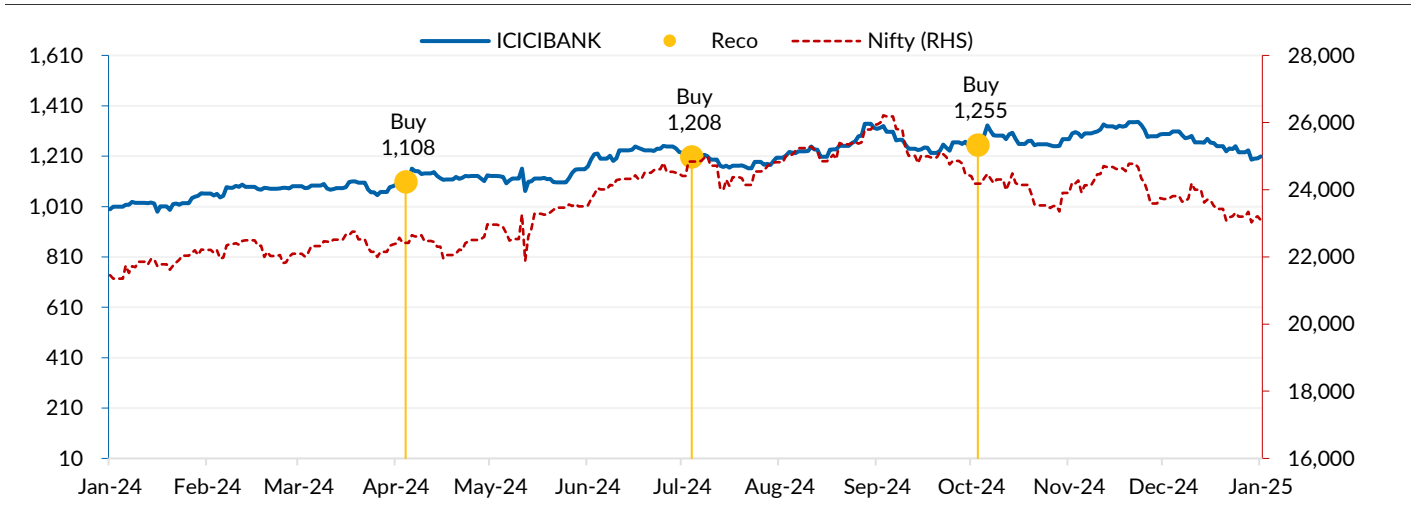
Source: Company, YES Sec – Research

## Exhibit 21: Ratio analysis

Y/e 31 Mar	FY23	FY24	FY25E	FY26E	FY27E
<b>Growth matrix (%)</b>					
Net interest income	30.9	19.6	7.7	11.8	16.8
PPoP	25.1	18.4	13.9	9.9	16.7
Net profit	36.7	28.2	9.9	6.7	15.3
Loans	18.7	16.2	14.0	16.0	17.0
Deposits	10.9	19.6	14.1	16.1	17.1
<b>Profitability Ratios (%)</b>					
Net interest margin	4.5	4.5	4.3	4.3	4.3
Return on Average Equity	17.2	18.6	17.5	16.2	16.2
Return on Average Assets	2.1	2.4	2.3	2.2	2.2
<b>Per share figures (Rs)</b>					
EPS	45.7	58.2	64.0	68.3	78.8
BVPS	287	339	393	452	520
ABVPS	280	332	374	421	480
<b>Valuation multiples</b>					
P/E	21	17	15	14	12
P/BV	3.4	2.9	2.5	2.2	1.9
P/ABV	3.5	2.9	2.6	2.3	2.0
<b>NIM internals (%)</b>					
Yield on loans	8.9	10.1	10.0	10.0	10.1
Cost of deposits	3.5	4.5	4.9	5.0	4.9
Loan-deposit ratio	86.3	83.8	83.8	83.7	83.7
CASA ratio	45.8	42.2	40.5	40.5	41.5
<b>Opex control (%)</b>					
Cost/Income ratio	40.1	40.2	39.1	40.3	40.3
Cost to average assets	2.2	2.3	2.2	2.2	2.2
<b>Capital adequacy (%)</b>					
Tier 1 capital ratio	17.6	15.6	15.3	14.7	14.5
<b>Asset quality (%)</b>					
Slippage ratio	1.9	1.7	1.8	1.8	1.7
Gross NPL ratio	2.9	2.3	2.3	2.4	2.3
Credit cost	-0.1	0.1	0.4	0.5	0.6
Net NPL ratio	0.5	0.5	1.0	1.4	1.6

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

## Recommendation Tracker



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