

July 23, 2022

**RESULT REPORT Q1 FY23** | Sector: Banks

# ICICI Bank Ltd

## Net slippages under control but ICICI makes material contingent provisions

### Result Highlights

- ✓ **Asset quality:** Gross NPA additions amounted to Rs 58.25bn for the quarter, translating to an annualized slippage ratio of 2.6% in 1QFY23
- ✓ **Margin picture:** NIM at 4.1% was up 1 bps QoQ, where it had a positive impact of 3bps on account of interest on income tax refund
- ✓ **Asset growth:** Advances grew 4.3%/21.3% QoQ/YoY driven sequentially by healthy growth in Retail, Business Banking and Overseas loans
- ✓ **Opex control:** Total opex grew 7.3%/25.3% QoQ/YoY, Employee expense grew 17.3%/20.0% QoQ/YoY and other exp. rose 2.1%/28.8% QoQ/YoY
- ✓ **Fee income:** Fee income de-grew/grew -2.8%/31.8% QoQ/YoY. The YoY growth has a low base effect due to the second Covid wave

### Our view - Net slippages under control but ICICI makes material contingent provisions

**Recoveries and upgrades amounted to Rs 54.43bn for 1QFY23, implying net NPA addition of Rs 3.82bn for the quarter:** Retail, rural and business banking contributed Rs 50.37bn to gross NPA additions. Within retail, rural and business banking, the KCC book contributed Rs 7.55bn, which is seasonal. Provisions were Rs 11.4bn, up by 7.0% QoQ but down -59.9% YoY. Provisions for the quarter contained contingent standard asset provisions worth Rs 10.5bn. The contingent standard asset provisions have not been made against specific assets but due to the macroeconomic situation, with higher interest rates and geopolitical aspects.

**Margin remained stable despite a material decline in yield on advances due to a rising loan to deposit ratio:** Yield on advances declined 19 bps QoQ to 8.12% whereas cost of deposits inched lower by 2 bps QoQ, to 3.46%, indicating a spread compression. Management explained that the yield on advances declined despite repo rate hikes since the rise in interest rates started to play out only in June, as such, and the rates had been competitive well into May. Also, the number of days in the quarter are lesser than in the fourth quarter. Importantly, loan to deposit ratio rose 458 bps QoQ to 85.3%.

**Retail loans excluding business banking outperformed corporate loans:** Retail ex business banking grew 4.4% QoQ whereas corporate loans grew 3.0% QoQ in 1QFY23.

**We maintain 'Buy' rating on ICICI with a revised price target of Rs 1115:** We value the standalone bank at 2.9x FY24 P/BV for an FY23E/24E/25E RoE profile of 15.4/16.4%/17.0%. We assign a value of Rs 167 per share to the subsidiaries, on SOTP.

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

### Exhibit 1: Result table

Particulars (Rs mn)	Q1 FY23	Q4 FY22	% qoq	Q1 FY22	% yoy
Total Interest Income	236,715	226,749	4.4	203,834	16.1
Interest expended	(104,615)	(100,703)	3.9	(94,477)	10.7
Net Interest Income	132,100	126,046	4.8	109,358	20.8
Other income	46,652	47,374	(1.5)	39,959	16.8
Total Income	178,752	173,420	3.1	149,316	19.7
Operating expenses	(75,663)	(70,490)	7.3	(60,372)	25.3
PPOP	103,089	102,929	0.2	88,944	15.9
Provisions	(11,438)	(10,690)	7.0	(28,517)	(59.9)
PBT	91,651	92,240	(0.6)	60,427	51.7
Tax	(22,601)	(22,053)	2.5	(14,267)	58.4
PAT	69,049	70,187	(1.6)	46,160	49.6

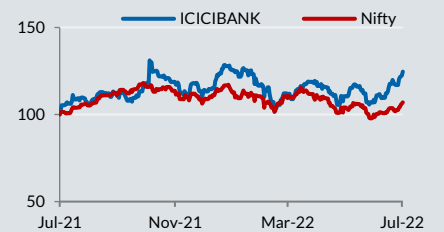
Source: Company, YES Sec-Research

Recommendation	: BUY
Current price	: Rs 800
Target Price	: Rs 1,115
Potential Return	: 39%

### Stock data (as on July 22, 2022)

Nifty	16,719
52 Week h/l (Rs)	867 / 642
Market cap (Rs/USD mn)	5565616 / 69698
Outstanding Shares (mn)	6,957
6m Avg t/o (Rs mn):	10,694
Div yield (%):	0.6
Bloomberg code:	ICICIBK IN
NSE code:	ICICIBANK

### Stock performance



	1M	3M	1Y
Absolute return	16.5%	7.0%	22.3%

### Shareholding pattern (As of Jun'22 end)

Promoter	0.0%
FII+DII	88.9%
Others	10.9%

### Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	1,115	1,120

### Financial Summary

(Rs mn)	FY23E	FY24E	FY25E
NII	572,564	672,716	798,307
PPOP	488,975	589,751	711,425
Net Profit	281,206	346,429	421,191
Growth (%)	20.5	23.2	21.6
EPS (Rs)	40.5	49.8	60.6
BVPS (Rs)	279	327	386
P/E (x)	15.6	12.7	10.4
P/BV (x)	2.3	1.9	1.6
ROE (%)	15.4	16.4	17.0
ROA (%)	1.8	1.9	2.0
Tier-1 (%)	17.3	16.4	15.4

### Δ in earnings estimates

Rs.	FY23E	FY24E	FY25E
EPS (New)	40.5	49.8	60.6
EPS (Old)	41.6	50.0	60.7
% change	-2.7%	-0.4%	-0.2%

### SHIVAJI THAPLIYAL

Lead Analyst

shivaji.thapliyal@ysil.in

+91 22 6885 0521



SIDDHARTH RAJPUROHIT, Analyst

## COMPREHENSIVE CON-CALL TAKEAWAYS

### Asset quality

- ✓ **Slippages and other NPA movement**
  - **Slippages**
    - Gross NPA additions amounted to Rs 58.25bn for 1QFY23, translating to an annualized slippage ratio of 2.6% for the quarter. (Gross NPA additions had amounted to Rs 42.04bn during 4QFY22.)
    - **Segmental breakup of slippages**
      - Retail, rural and business banking contributed Rs 50.37bn to gross NPA additions.
      - Corporate and SME book contributed Rs 7.88bn.
      - Within retail, rural and business banking, the KCC book contributed Rs 7.55bn.
  - **Recoveries and upgrades**
    - Recoveries and upgrades amounted to Rs 54.43bn for 1QFY23, implying net NPA addition of Rs 3.82bn for the quarter.
- ✓ **Non-fund outstanding to NPA**
  - The Non-fund outstanding to NPA stood at Rs 36.7bn.
- ✓ **Restructured book**
  - The fund-based outstanding to standard borrowers under resolution amounted to Rs 73.76bn or 0.8% of advances.
- ✓ **BB and below book**
  - The total BB and below outstanding is Rs 82.09bn.
  - Of this, Rs 22.89bn is to borrowers under resolution.
- ✓ **Provisions**
  - **P&L provisions**
    - Provisions were Rs 11.4bn, up by 7.0% QoQ but down -59.9% YoY.
    - This translated to a credit cost of 53 bps for the quarter on annualised basis.
    - **Contingent standard asset provisions**
      - Provisions for the quarter contained contingent standard asset provisions worth Rs 10.5bn.
      - The contingent standard asset provisions have not been added against specific assets but due to the macroeconomic situation with higher interest rates and geopolitical aspects.
  - **Outstanding provisions**
    - Outstanding contingent standard asset provisions amounted to Rs 85bn or 0.9% of advances.
    - The bank is holding a provision of Rs 20.75bn on the Non-fund outstanding to NPA.
    - The provision held on the restructured book amounted to Rs 22.9bn.
    - The provisions held on the BB and below portfolio amounted to Rs 8.61bn.
    - The total non-specific outstanding provisions amounted to Rs 187.7bn.

### Capital adequacy

- ✓ The CET1 ratio, Tier 1 ratio and CAR as of June 2022 was 17.23%, 17.95% and 18.74%, respectively, including profit.

(Con call takeaways continue on the next page)

## Net interest margin

- ✓ **NIM level**
  - NIM for the quarter was 4.01%, up 1 bp QoQ.
- ✓ **Cost of deposits**
  - Cost of deposits for the quarter was 3.46%, down 2 bps QoQ and continues to be one of the lowest in the banking sector.
  - **Duration of term deposits**
    - A significant proportion of the term deposits is in 1-year duration, like it is for other key banks.
    - There is a material proportion in the 3-year bucket as well.
- ✓ **Yield on advances**
  - **Interest on income tax refund**
    - The impact from interest on income tax refund was 3 bps in 1QFY23 and 1 bp each in 4QFY22 and 1QFY22.
  - **Loan book split by rate category**
    - 43% is repo rate-linked.
    - 6% is linked to other external benchmarks.
    - 21% is linked to MCLR and other floating rates.
    - The balance is fixed rate.
  - **Timing of re-pricing**
    - The floating rate loan book takes 3 months to 1 year to re-price.
  - **Sequential decline in yield on advances**
    - This is because the rise in interest rates started to play out only in June.
    - The rates were competitive well into May.
    - The number of days were also lesser than in the fourth quarter.
  - **Share of unsecured retail**
    - Based on credit trend, the bank is not looking at growing unsecured retail slower.
    - The revolve rate for credit cards is still below pre-pandemic levels but is expected to pick up as spends pick up.

## Deposits traction

- ✓ Average SA was up 4.4% QoQ.
- ✓ LCR was 127%.

## Loan growth

- ✓ **Segmental growth trends**
  - Retail loans were up 5.1% QoQ.
  - Rural loans were flat QoQ.
  - Business banking book was up 7.4% QoQ.
  - SME book declined 2.6% QoQ.
- ✓ **More segmental colour**
  - **SME and business banking**
    - SME and business banking loans were driven by leveraging the branch network, cross sell to current account customers and digital channel.

(Con call takeaways continue on the next page)

## Operating expenses

### ✓ Employee expenses

- The bank has added 7250 employees over the course of the last 12 months.
- The employee expenses include and impact of Rs 1.29bn due to fair valuation of ESOP granted to all employees.
- Promotions and increments have also been effective the first quarter.

### ✓ Non-employee expenses

- The rise in non-employee expenses by 28.8% YoY was driven by retail business and tech spends.
- Technology expenses were 8.5% of operating expenses for the quarter, similar to FY22.
- **Branch expansion**
  - The bank has opened 120 branches during the quarter.
  - There is flexibility to the operating team in terms of branch opening and they can open branches faster if they so choose to but not because of what some other bank is doing.

## Fee income

### ✓ Credit card spends

- Credit card spends rose 12.6% QoQ.
- This was driven by increased discretionary spending, higher activation rate through digital onboarding and diversification via commercial cards.

## Treasury book

- ✓ The bank carries a very low duration AFS book and the MTM loss is negligible.

## Exhibit 2: Business Data

(Rs mn)	Q1 FY23	Q4 FY22	% qoq	Q1 FY22	% yoy
Loans	8,956,248	8,590,204	4.3	7,385,979	21.3
Corporate	1,981,420	1,923,840	3.0	1,738,530	14.0
Retail Book (ex-Business banking)	5,549,390	5,314,650	4.4	4,551,920	21.9
Home Loans	3,050,760	2,930,630	4.1	2,493,870	22.3
Vehicle Loans	702,300	680,510	3.2	624,820	12.4
Personal Loans	683,750	628,730	8.8	494,700	38.2
Credit Card	280,100	250,620	11.8	171,560	63.3
Rural Loans	769,980	768,300	0.2	710,000	8.4
Others	62,500	55,860	11.9	56,970	9.7
Business Banking	573,960	534,370	7.4	396,760	44.7
SME	393,850	404,500	(2.6)	297,780	32.3
Overseas Loans	457,630	412,840	10.8	400,990	14.1
Deposits	10,503,490	10,645,716	(1.3)	9,262,239	13.4
CA	1,403,000	1,584,800	(11.5)	1,184,920	18.4
SA	3,518,140	3,599,570	(2.3)	3,066,090	14.7
Term	5,582,350	5,461,346	2.2	5,011,229	11.4
Investments	3,212,522	3,102,410	3.5	2,948,487	9.0
Borrowings	1,154,545	1,072,314	7.7	891,308	29.5
Total assets	14,155,808	14,112,977	0.3	12,206,544	16.0
RWA	9,415,420	8,835,910	6.6	8,036,260	17.2

Source: Company, YES Sec – Research

## Exhibit 3: Key Ratios

(%)	Q1 FY23	Q4 FY22	chg qoq	Q1 FY22	chg yoy
Net interest margin	4.01	4.00	1bps	3.89	12bps
Yield on advances	8.12	8.31	-19bps	8.26	-14bps
Cost of funds	3.67	3.68	-1bps	3.82	-15bps
CASA	46.9	48.7	-185bps	45.9	96bps
C/D	85.3	80.7	458bps	79.7	553bps
Non-int. income / Total income	26.1	27.3	-122bps	26.8	-66bps
Cost to Income	42.3	40.6	168bps	40.4	190bps
RoE	15.9	17.1	-120bps	12.3	360bps
RoA	2.0	2.1	-13bps	1.5	44bps
Annualised Slippage Ratio	2.6	1.9	63bps	4.0	-145bps
Provision Coverage Ratio	79.6	79.2	40bps	78.2	140bps
Gross NPA	3.4	3.6	-19bps	5.2	-174bps
Net NPA	0.7	0.8	-6bps	1.2	-46bps
Capital adequacy ratio	18.0	19.2	-112bps	18.7	-67bps
Tier I capital ratio	17.3	18.4	-110bps	17.7	-43bps

Source: Company, YES Sec – Research;

## Exhibit 4: Non-Interest income - break-up

(Rs mn)	Q1 FY23	Q4 FY22	% qoq	Q1 FY22	% yoy
Fee income	42,430	43,660	(2.8)	32,190	31.8
Treasury Income	360	1,290	(72.1)	2,900	(87.6)
Lease & Misc Income	3,862	2,424	59.3	4,869	(20.7)
Total non-interest income	46,652	47,374	(1.5)	39,959	16.8

Source: Company, YES Sec – Research

## Exhibit 5: Rating profile of loan book, excluding retail and rural portfolio

%	Q1 FY23	Q4 FY22	chg qoq
AA- and Above	47.1	36.1	1100bps
A+, A, A-	25.8	35.7	-990bps
A- and above	72.9	71.8	110bps
BBB+, BBB, BBB-	24.1	24.5	-40bps
BB and below	1.6	2.2	-60bps
Non-performing loans	0.7	0.7	0bps
Unrated	0.7	0.8	-10bps

Source: Company, YES Sec – Research

## Exhibit 6: Movement of Corporate and SME – BB and below

(Rs mn)	Q1 FY23	Q4 FY22	% qoq	Q1 FY22	% yoy
Opening	108,080	118,420	(8.7)	130,980	(17.5)
Slippage to NPA	(1,190)	3,850	(130.9)	(1,900)	(37.4)
Upgrades to Invest. grade	(26,730)	(18,040)	48.2	5,410	(594.1)
Downgrades	1,930	3,850	(49.9)	5,270	(63.4)
Closing	82,090	108,080	(24.0)	139,760	(41.3)

Source: Company, YES Sec – Research

## Exhibit 7: Subsidiaries PAT

(Rs mn)	Q1 FY23	Q4 FY22	% qoq	Q1 FY22	% yoy
ICICI Prudential Life	1,560	1,850	(15.7)	(1,860)	(183.9)
ICICI Lombard General	3,490	3,130	11.5	1,940	79.9
ICICI Pru. Asset Mgmt.	3,050	3,570	(14.6)	3,800	(19.7)
ICICI Sec. (Consolidated)	2,740	3,400	(19.4)	3,110	(11.9)
ICICI Sec. PD	200	420	(52.4)	1,240	(83.9)
ICICI Home Finance	400	530	(24.5)	170	135.3
ICICI Venture	(80)	160	(150.0)	10	(900.0)
ICICI Bank UK (USD mn)	3	3	9.7	3	17.2
ICICI Canada (CAD mn)	7	4	67.4	5	44.0

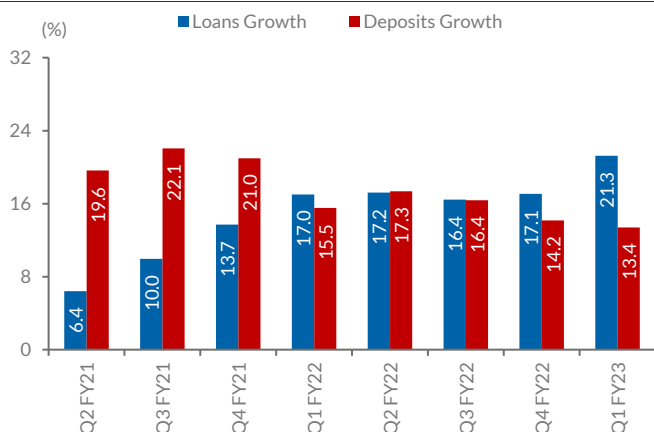
Source: Company, YES Sec – Research

## Exhibit 8: Quarterly Actuals Vs Estimates

Q1FY23 (Rs. mn)	Actuals	Estimates	Diff, %
Net Interest Income	132,100	131,464	0.5
Pre-Prov. Operating Profit	103,089	106,043	(2.8)
Profit After Tax	69,049	65,392	5.6

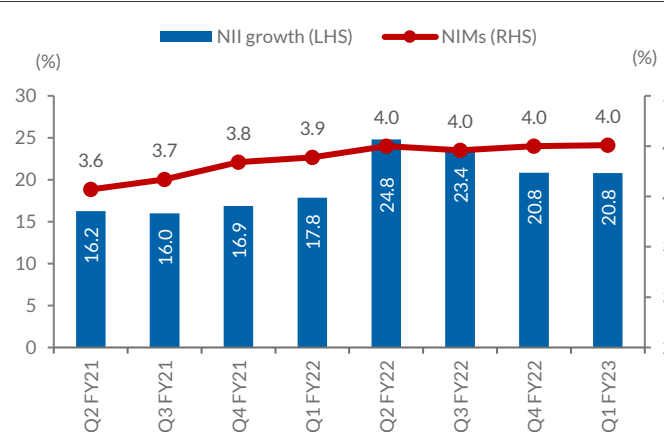
Source: Company, YES Sec – Research

**Exhibit 9: Loans and Deposits growth (YoY %)**



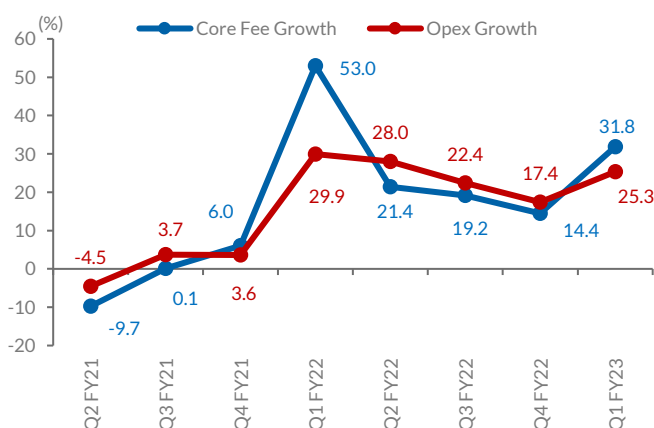
Source: Company, YES Sec – Research

**Exhibit 10: NII growth (YoY %) and NIM**



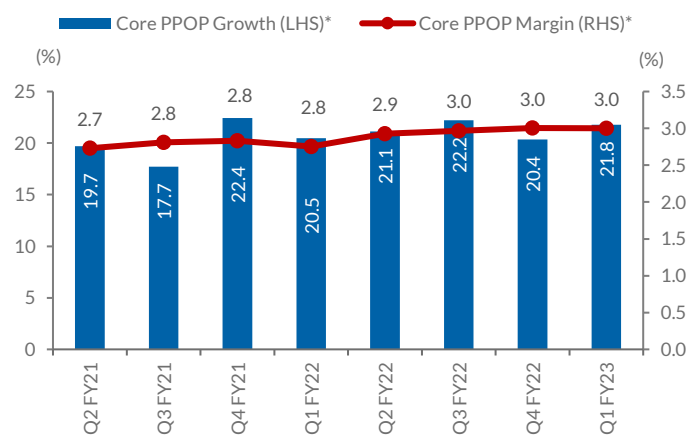
Source: Company, YES Sec – Research

**Exhibit 11: Core Fee and Opex growth (YoY %)**



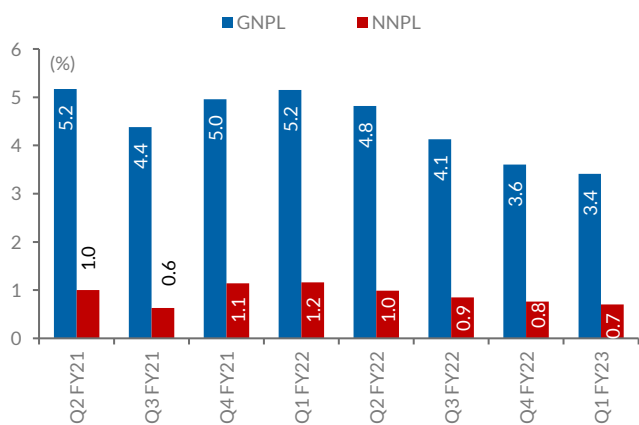
Source: Company, YES Sec – Research

**Exhibit 12: Core PPOP growth (YoY %) and Core PPOP margin**



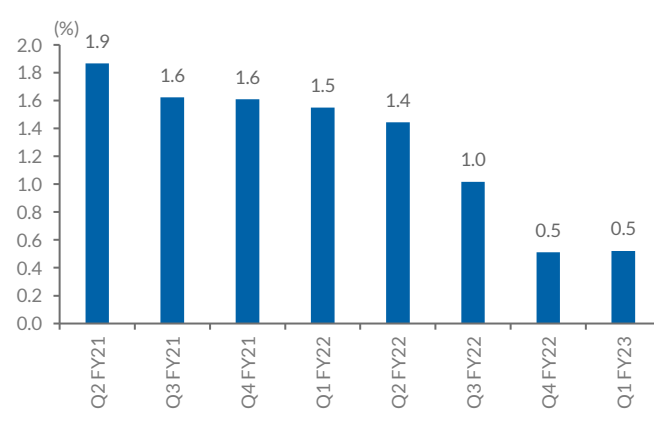
Source: Company, YES Sec – Research, \* Core PPOP is derived by adjusting PPOP for gain/loss on sale of investments and misc. income

**Exhibit 13: Gross NPA and Net NPA (%)**



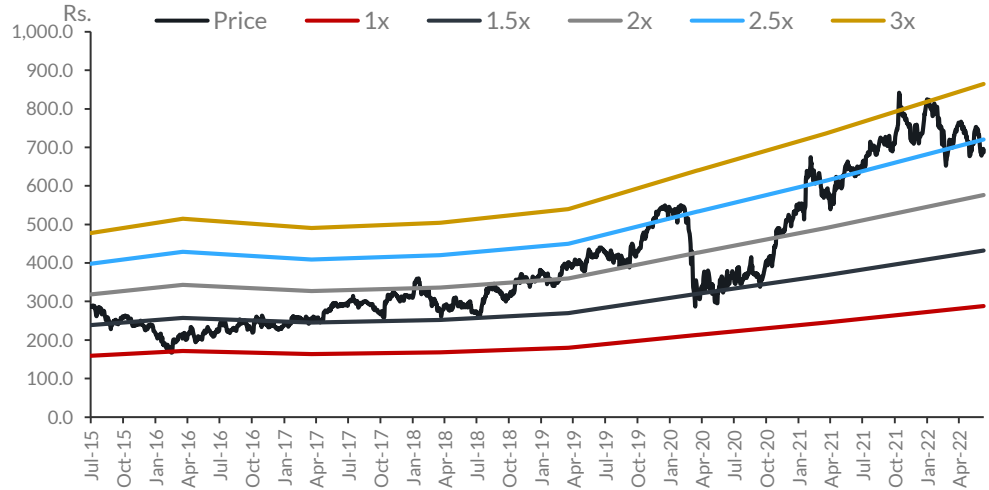
Source: Company, YES Sec – Research

**Exhibit 14: Provisions/Average Advances (%)**



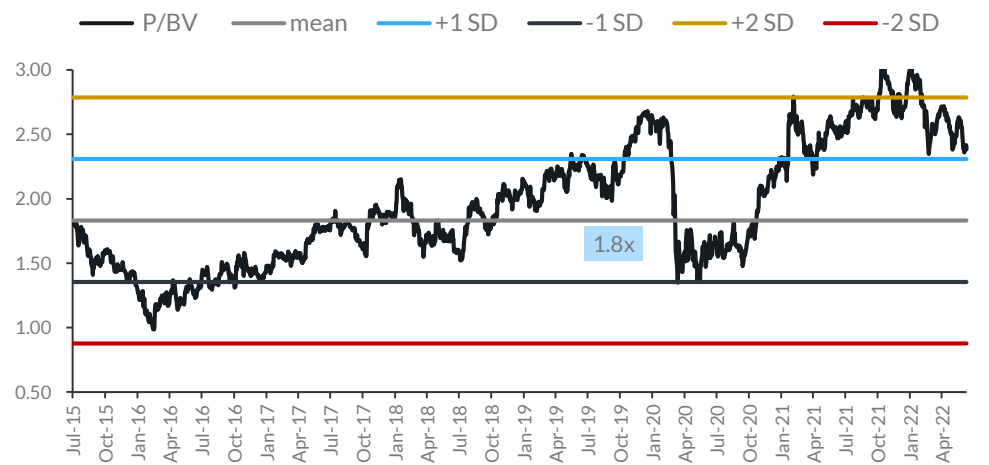
Source: Company, YES Sec – Research

**Exhibit 15: 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 16: 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 17: Balance sheet

Y/e 31 Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Total cash & equivalents	1,331,283	1,678,224	2,537,808	2,994,614	3,533,644
Investments	2,812,865	3,102,410	3,227,968	3,761,602	4,386,552
Advances	7,337,291	8,590,204	10,136,441	11,961,001	14,113,981
Fixed assets	88,776	93,738	103,112	113,423	124,766
Other assets	734,112	648,401	713,241	784,565	863,022
<b>Total assets</b>	<b>12,304,327</b>	<b>14,112,977</b>	<b>16,718,570</b>	<b>19,615,205</b>	<b>23,021,964</b>
Net worth	1,475,092	1,705,120	1,939,727	2,272,256	2,679,547
Deposits	9,325,222	10,645,716	12,269,265	14,185,052	16,445,681
Borrowings	916,310	1,072,314	1,900,060	2,699,003	3,631,313
Other liabilities	587,704	689,828	609,518	458,894	265,422
<b>Total liabilities incl. Equity</b>	<b>12,304,327</b>	<b>14,112,977</b>	<b>16,718,570</b>	<b>19,615,205</b>	<b>23,021,964</b>

Source: Company, YES Sec – Research

### Exhibit 18: Income statement

Y/e 31 Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Interest income	791,183	863,746	1,058,530	1,268,062	1,519,507
Interest expense	(401,288)	(389,085)	(485,966)	(595,345)	(721,200)
<b>Net interest income</b>	<b>389,894</b>	<b>474,661</b>	<b>572,564</b>	<b>672,716</b>	<b>798,307</b>
Non-interest income	189,685	185,175	221,951	266,971	314,528
<b>Total income</b>	<b>579,580</b>	<b>659,836</b>	<b>794,515</b>	<b>939,687</b>	<b>1,112,835</b>
Operating expenses	(215,608)	(267,333)	(305,540)	(349,936)	(401,410)
<b>PPoP</b>	<b>363,971</b>	<b>392,503</b>	<b>488,975</b>	<b>589,751</b>	<b>711,425</b>
Provisions	(162,144)	(86,414)	(114,034)	(127,846)	(149,838)
<b>Profit before tax</b>	<b>201,827</b>	<b>306,089</b>	<b>374,942</b>	<b>461,906</b>	<b>561,588</b>
Taxes	(39,900)	(72,694)	(93,735)	(115,476)	(140,397)
<b>Net profit</b>	<b>161,927</b>	<b>233,395</b>	<b>281,206</b>	<b>346,429</b>	<b>421,191</b>

Source: Company, YES Sec – Research

## Exhibit 19: Du Pont Analysis (RoA tree)

Y/e 31 Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Interest income	6.8	6.5	6.9	7.0	7.1
Interest expense	-3.4	-2.9	-3.2	-3.3	-3.4
<b>Net interest income</b>	<b>3.3</b>	<b>3.6</b>	<b>3.7</b>	<b>3.7</b>	<b>3.7</b>
Non-interest income	1.6	1.4	1.4	1.5	1.5
<b>Total income</b>	<b>5.0</b>	<b>5.0</b>	<b>5.2</b>	<b>5.2</b>	<b>5.2</b>
Operating expenses	-1.9	-2.0	-2.0	-1.9	-1.9
<b>PPoP</b>	<b>3.1</b>	<b>3.0</b>	3.2	3.2	3.3
Provisions	-1.4	-0.7	-0.7	-0.7	-0.7
<b>Profit before tax</b>	<b>1.7</b>	<b>2.3</b>	<b>2.4</b>	<b>2.5</b>	<b>2.6</b>
Taxes	-0.3	-0.6	-0.6	-0.6	-0.7
<b>Net profit</b>	<b>1.4</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>	<b>2.0</b>

Source: Company, YES Sec – Research

## Exhibit 20: 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	765,100	EV	291,060	2.6	51%	393,261	56.6
ICICI Pru AMC	448,732	AUM	4,487,322	10%	51%	228,853	32.9
ICICI Lombard	596,620	BV	74,355	8.0	52%	309,646	44.6
ICICI Securities	153,170	BV	18,038	8.5	75%	114,878	16.5
ICICI Home Fin	26,807	BV	17,871	1.5	100%	26,807	3.9
ICICI Bank UK	40,753	BV	37,048	1.1	100%	40,753	5.9
ICICI Bank Canada	48,089	BV	34,349	1.4	100%	48,089	6.9
<b>Value of Subsidiaries</b>						<b>1,162,286</b>	<b>167.2</b>

Source: Company, YES Sec – Research

## Exhibit 21: Change in annual estimates

Y/e 31 Mar (Rs mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Net Interest Income	572,564	672,716	798,307	570,452	667,846	792,363	0.4	0.7	0.8
Pre-Prov. Operating Profit	488,975	589,751	711,425	498,448	590,448	711,460	(1.9)	(0.1)	(0.0)
Profit after tax	281,206	346,429	421,191	288,933	347,721	422,142	(2.7)	(0.4)	(0.2)

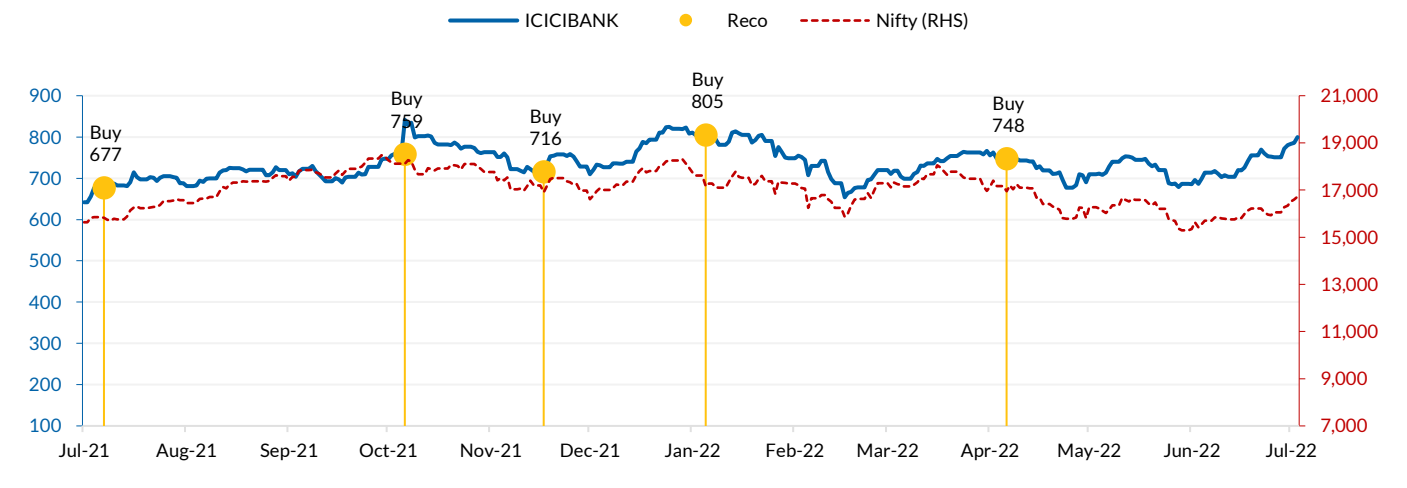
Source: Company, YES Sec – Research

## Exhibit 22: Ratio analysis

Y/e 31 Mar	FY21	FY22	FY23E	FY24E	FY25E
<b>Growth matrix (%)</b>					
Net interest income	17.2	21.7	20.6	17.5	18.7
PPoP	29.5	7.8	24.6	20.6	20.6
Net profit	104.2	44.1	20.5	23.2	21.6
Loans	13.7	17.1	18.0	18.0	18.0
Deposits	21.0	14.2	15.3	15.6	15.9
<b>Profitability Ratios (%)</b>					
Net interest margin	3.7	4.0	4.1	4.2	4.2
Return on Average Equity	12.3	14.7	15.4	16.4	17.0
Return on Average Assets	1.4	1.8	1.8	1.9	2.0
<b>Per share figures (Rs)</b>					
EPS	23.4	33.6	40.5	49.8	60.6
BVPS	213	245	279	327	386
ABVPS	200	235	267	314	370
<b>Valuation multiples</b>					
P/E	27	19	16	13	10
P/BV	3.0	2.6	2.3	1.9	1.6
P/ABV	3.2	2.7	2.4	2.0	1.7
<b>NIM internals (%)</b>					
Yield on loans	8.3	8.0	8.3	8.5	8.6
Cost of deposits	4.2	3.3	3.6	3.6	3.7
Loan-deposit ratio	78.7	80.7	82.6	84.3	85.8
CASA ratio	46.3	48.7	48.3	49.0	49.0
<b>Opex control (%)</b>					
Cost/Income ratio	37.2	40.5	38.5	37.2	36.1
Cost to average assets	1.9	2.0	2.0	1.9	1.9
<b>Capital adequacy (%)</b>					
Tier 1 capital ratio	18.1	18.3	17.3	16.4	15.4
<b>Asset quality (%)</b>					
Slippage ratio	2.3	2.4	1.6	1.5	1.5
Gross NPL ratio	5.4	3.8	3.6	3.4	3.2
Credit cost	2.2	1.0	1.1	1.0	1.0
Net NPL ratio	1.3	0.8	0.8	0.8	0.8

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

## Recommendation Tracker



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### YES Securities (India) Limited

**Registered Address:** 2<sup>nd</sup> Floor, North Side, YES BANK House,  
Off Western Express Highway, Santacruz East,  
Mumbai - 400 055, Maharashtra, India.

**Correspondence Address:** 4<sup>th</sup> Floor, AFL House,  
Lok Bharti Complex, Marol Maroshi Road, Andheri East,  
Mumbai - 400059, Maharashtra, India.

☎ +91 22 68850521 | ✉ research@ysil.in  
Website: www.yesinvest.in

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Name of the Research Analyst : Shivaji Thapliyal, Siddharth Rajpurohit

The analyst hereby certifies that opinion expressed in this research report accurately reflect his or her personal opinion about the subject securities and no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendation and opinion expressed in this research report.

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**Details of Compliance Officer:** Name: Vaibhav Purohit,  
Email id: compliance@ysil.in, Contact No: +91-22-6885 0278

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**BUY** - Upside greater than 20% over 12 months

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