

Price: 1,427

Recommendation: Buy

Industry: Private Sector Bank

Sector: Financial Services

Report Date: 01-May-2025

ICICI Bank is a leading financial institution in India, known for its customer-centric approach and robust governance. With a diversified portfolio across retail, corporate, and rural segments, the Bank leverages technology to enhance service delivery. Strong financial performance, prudent provisioning, and strategic growth initiatives position ICICI Bank as a resilient player in the evolving economic landscape.

Sales		Profit & Loss		Profitability Matrix	
Current Year	163264 Cr	Operating Profit(Year)	116209 Cr	Operating Profit Margin	71.2 %
Previous Year	142891 Cr	Operating Profit(Quarter)	30751 Cr	EBITDA Margin	88.64 %
Current Quarter	42431 Cr	PAT (Year)	47227 Cr	Net Profit Margin	28.9 %
Previous Quarter	41300 Cr	PAT (Quarter)	12630 Cr	EPS	66.3
Revenue (QYoY)	37948 Cr				
Valuation Matrix		Growth(YoY)		Growth(QoQ)	
Trailing P/E	21.5	Sales Growth	14.3 %	Sales Growth	2.74 %
PEG Ratio	0.50	PAT Growth	15.53 %	Sales Growth QYoY	11.81 %
EV/EBITDA	19.0	EPS Growth	0.0 %	PAT Growth	7.11 %
P/B	3.50	Dividend Yield	0.70	PAT Growth QYoY	17.95 %
Capital Allocation		Holdings		Leverage	
RoE	17.9 %	Promoter	0.00 %	Debt/Equity	5.98
RoA	2.37 %	FII	45.8 %	Debt	1733886 Cr
RoCE	7.62 %	DII	44.8 %	Market Cap	1016816 Cr
RoIC	7.62 %	Public	9.12 %	Enterprise value	2750702 Cr
		No of Shares	713 Cr	Cash Equivalents	0.00 Cr

source : Company filings

Company's Overview Based on Recent Concall and Performance:

ICICI Bank's Q4 FY2025 earnings call highlighted its strategic focus on risk-calibrated profitable growth, leveraging a 360-degree customer-centric approach across ecosystems and micromarkets. The Bank emphasized maintaining high governance standards, deepening coverage, and enhancing delivery capabilities. Key initiatives included expanding its branch network by 460 branches in FY2025, strengthening digital channels, and simplifying processes to improve customer experience. Technology investments accounted for 10.7% of operating expenses, underscoring the Bank's commitment to operational resilience and seamless service delivery. The Bank also continues to prioritize prudent provisioning, holding contingency provisions of 13,100 crore, ensuring a robust balance sheet amidst global uncertainties.

The Bank reported strong financial performance, with profit before tax (excluding treasury) growing 13.2% YoY to 16,534 crore in Q4 FY2025 and consolidated profit after tax increasing 15.7% YoY to 13,502 crore. Deposit growth was robust at 14% YoY, with average CASA deposits growing 10% YoY. Loan growth was driven by a 33.7% YoY increase in business banking and 13.9% growth in the domestic loan portfolio, while retail loans grew 8.9% YoY. The Bank maintained a healthy net interest margin (NIM) of 4.41% in Q4 FY2025, supported by disciplined pricing strategies and favorable day count adjustments. Asset quality remained stable, with net NPA ratio improving to 0.39% and provisioning coverage at 76.2%.

Looking ahead, ICICI Bank aims to capitalize on opportunities in retail, business banking, and corporate segments while maintaining a risk-calibrated approach. The Bank plans to sustain its growth momentum by leveraging its extensive franchise, focusing on customer-360 solutions, and expanding its presence in micromarkets. It remains committed to delivering sustainable returns to shareholders, guided by principles of "Fair to Customer, Fair to Bank" and "Return of Capital." The Bank also sees potential in unsecured retail loans, with growth expected to stabilize following tightened credit parameters.

ICICI Bank's diversification efforts include a well-balanced portfolio across retail, rural, and corporate segments, with significant contributions from builder loans, NBFCs, and HFCs. The Bank's subsidiaries, including ICICI Life, ICICI General, and ICICI AMC, demonstrated strong performance, contributing to consolidated profitability. With a CET-1 ratio of 15.94%, the Bank is well-positioned to navigate macroeconomic challenges and scale its operations. Its focus on technology, customer-centricity, and operational efficiency ensures a resilient and competitive growth trajectory in the evolving financial landscape.

ICICIBANK Daily Closing One Year Price Chart



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
IDBI Bank	85836.43	11.25	13.54%	-10.70%	-0.17%	7.16%	25.38%
IndusInd Bank	65315.93	9.04	15.25%	0.90%	10.62%	5.72%	-39.02%
Yes Bank	55563.14	22.71	5.44%	-2.68%	2.22%	20.21%	59.33%
Kotak Mah. Bank	439019.52	22.33	15.06%	1.26%	14.75%	-6.80%	10.23%
Axis Bank	367087.70	13.08	16.36%	0.90%	7.35%	10.87%	-1.63%

Aspect	Commentary
Revenue	ICICI Bank's revenue growth reflects strong performance, with a 14.3% YoY increase and 2.74% QoQ growth. Quarterly revenue reached Rs.42,431 Cr, driven by diversified portfolio expansion across retail, corporate, and rural segments, supported by disciplined pricing strategies and favorable day count adjustments.
Profit & Loss	Operating profit grew to Rs.116,209 Cr annually, with a robust PAT of Rs.47,227 Cr. Quarterly PAT rose 7.11% QoQ to Rs.12,630 Cr, showcasing effective cost management and strategic provisioning. EPS remains stable at Rs.66.3, indicating consistent shareholder returns.
Profitability Matrix	Operating profit margin stands at 71.2%, while net profit margin is 28.9%, reflecting efficient cost control and revenue optimization. EBITDA margin of 88.64% highlights strong operational efficiency, supported by disciplined pricing and favorable adjustments.
Valuation Matrix	Trailing P/E of 21.5 and PEG ratio of 0.50 indicate attractive valuation relative to growth. EV/EBITDA at 19.0 and P/B at 3.50 suggest strong market confidence. Dividend yield of 0.70% underscores consistent shareholder payouts.
Growth (YoY)	Sales grew 14.3% YoY, driven by diversified loan portfolio expansion. PAT growth of 15.53% YoY reflects improved profitability. Retail loans grew 8.9%, while business banking loans surged 33.7%, showcasing balanced growth across segments.
Growth (QoQ)	QoQ sales growth of 2.74% and PAT growth of 7.11% highlight steady quarterly performance. Revenue QYoQ growth of 11.81% and PAT QYoQ growth of 17.95% reflect strong operational execution and favorable market conditions.
Capital Allocation	RoE of 17.9% and RoA of 2.37% indicate efficient capital utilization. RoCE and RoIC at 7.62% reflect prudent investment strategies. Contingency provisions of Rs.13,100 Cr ensure a robust balance sheet amidst global uncertainties.
Holdings	FII holdings at 45.8% and DII holdings at 44.8% reflect strong institutional confidence. Promoter holdings remain at 0%, ensuring diversified ownership. Public holdings at 9.12% indicate retail investor participation.
Leverage	Debt/Equity ratio of 5.98 highlights significant leverage, supported by Rs.17,33,886 Cr in debt. Market cap of Rs.10,16,816 Cr and enterprise value of Rs.27,50,702 Cr underscore the Bank's strong market positioning and financial stability.

Analyst viewpoint: ICICI Bank's robust financial performance and strategic initiatives position it as a compelling investment opportunity in the short to mid-term. The Bank reported a 14.3% YoY revenue growth and a 2.74% QoQ increase, driven by its diversified portfolio across retail, corporate, and rural segments. Quarterly PAT grew 7.11% QoQ to Rs.12,630 Cr, supported by disciplined pricing strategies and effective cost management. With a trailing P/E of 21.5 and a PEG ratio of 0.50, the Bank offers attractive valuation metrics relative to its growth trajectory. Its focus on technology investments, accounting for 10.7% of operating expenses, and branch network expansion by 460 branches in FY2025 further enhance its operational resilience and customer-centric approach. Additionally, ICICI Bank's subsidiaries, including ICICI Life, ICICI General, and ICICI AMC, continue to contribute significantly to consolidated profitability, reinforcing its competitive edge in the financial services sector.

The Bank's strong asset quality, reflected in a net NPA ratio of 0.39% and provisioning coverage of 76.2%, underscores its prudent risk management. Loan growth remains balanced, with business banking loans surging 33.7% YoY and retail loans growing 8.9% YoY, while maintaining a healthy net interest margin of 4.41%. Institutional confidence is evident with FII holdings at 45.8% and DII holdings at 44.8%. However, the Bank's high leverage, with a debt/equity ratio of 5.98, warrants close monitoring as it scales operations. Overall, ICICI Bank's strategic focus on customer-360 solutions, operational efficiency, and sustainable growth makes it a strong contender in the evolving financial landscape.

Please read detailed disclosure on next page.

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Investment Rating	Expected Return (over 12-month)
BUY	>=15%
SELL	<-10%
NEUTRAL	>-10% to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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Research Analyst Details:

Name: Robin Arya

Email: smallcase@goalfi.in

Contact: +91-9394306085

GOALZEN CAPITAL SERVICES PRIVATE LIMITED

CIN: U66190TS2023PTC176030

Address: Co ikeva Office 10, Level 3, NSL Centrum, Serene Estate Pvt Ltd, Site No. Phase I and II, Opp KPHB Colony Lane Opp. Forum Mall Kukatpally, HYDERABAD, TELANGANA, 500072

Support Telephone: +91 9063309052, Support Email – support@goalfi.in

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