

Price: 1,329

Recommendation: Buy

Industry: Private Sector Bank

Sector: Financial Services

Report Date: 03-Apr-2025

ICICI Bank is focused on risk-calibrated profitable growth with a 360-degree customer-centric approach. It aims to enhance its franchise through high governance standards, market coverage, and delivery capabilities. Key initiatives include DigiEase for business banking and iLens for retail credit integration. The bank maintains a strong capital position and emphasizes technology investments, operational resilience, and balanced growth with asset quality.

Sales		Profit & Loss		Profitability Matrix	
Current Year	158781 Cr	Operating Profit(Year)	112985 Cr	Operating Profit Margin	71.2 %
Previous Year	109231 Cr	Operating Profit(Quarter)	29521 Cr	EBITDA Margin	78.55 %
Current Quarter	41300 Cr	PAT (Year)	40878 Cr	Net Profit Margin	28.6 %
Previous Quarter	40537 Cr	PAT (Quarter)	11792 Cr	EPS	64.3
Revenue (QYoY)	36695 Cr				
Valuation Matrix		Growth(YoY)		Growth(QoQ)	
Trailing P/E	20.7	Sales Growth	16.8 %	Sales Growth	1.88 %
PEG Ratio	0.32	PAT Growth	28.32 %	Sales Growth QYoY	12.55 %
EV/EBITDA	18.5	EPS Growth	10.48 %	PAT Growth	0.39 %
P/B	3.48	Dividend Yield	0.75	PAT Growth QYoY	14.8 %
Capital Allocation		Holdings		Leverage	
RoE	18.6 %	Promoter	0.00 %	Debt/Equity	6.11
RoA	2.37 %	FII	45.7 %	Debt	1648041 Cr
RoCE	7.51 %	DII	45.0 %	Market Cap	938920 Cr
RoIC	7.51 %	Public	9.08 %	Enterprise value	2586960 Cr
		No of Shares	707 Cr	Cash Equivalents	0.00 Cr

source : Company filings

Company's Overview Based on Recent Concall and Performance:

The recent conference call highlighted ICICI Bank's strategic focus on risk-calibrated profitable growth, emphasizing a 360-degree customer-centric approach. The bank aims to enhance its franchise by maintaining high governance standards, deepening market coverage, and improving delivery capabilities. A key initiative is the introduction of DigiEase, a digital platform to streamline business banking customer onboarding, enhancing operational efficiency and customer experience. The iLens platform is also being upgraded to integrate retail credit cards, mortgages, personal loans, and education loans, reflecting the bank's commitment to leveraging technology for customer solutions. The bank's strategic framework is designed to strengthen its franchise and deliver consistent returns to shareholders.

ICICI Bank's business strategies include a strong emphasis on maintaining a robust balance sheet with prudent provisioning and healthy capital levels. The bank's capital position remains strong, with a CET-1 ratio of 15.93% and a total capital adequacy ratio of 16.60%. The bank continues to focus on delivering holistic solutions to customers, aiming to grow its market share across key segments. The bank's loan portfolio showed significant growth, with the domestic loan portfolio increasing by 15.1% year-on-year. The retail loan portfolio grew by 10.5%, while the business banking portfolio saw a remarkable 31.9% growth. The bank's approach to growth is balanced with a focus on asset quality, ensuring stable credit costs and minimal slippages.

The bank's diversification schemes are evident in its focus on various segments, including retail, rural, and business banking. The retail portfolio constitutes 43.9% of the total portfolio, while the rural portfolio grew by 12.2% year-on-year. The bank's international branches portfolio also contributed to the overall loan growth. The bank's fee income increased by 16.3% year-on-year, with a significant contribution from retail, rural, and business banking customers. The bank's operating expenses increased by 5.0% year-on-year, reflecting investments in technology and branch expansion. The bank's focus on technology is further highlighted by its investments in computing infrastructure and digital channel upgrades to enhance system resilience and customer experience.

Looking ahead, ICICI Bank sees numerous opportunities for growth, driven by its strategic focus on customer-centric solutions and technology investments. The bank aims to continue its investments in technology, people, distribution, and brand building. The bank's emphasis on operational resilience and seamless service delivery positions it well for future growth. The bank's approach to balancing growth with asset quality is commendable, ensuring stable credit costs and minimal slippages. However, there is room for improvement in managing operating expenses and further enhancing digital adoption among customers. The bank's focus on maintaining a strong balance sheet and delivering consistent returns to shareholders remains a key priority.

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
ICICI Bank	938919.67	20.72	18.62%	1.88%	12.55%	0.40%	14.81%
IDBI Bank	86729.50	12.03	11.77%	5.03%	19.40%	4.69%	29.14%
Yes Bank	56280.64	25.94	3.11%	1.24%	12.08%	9.32%	155.32%
IndusInd Bank	55270.06	7.65	15.25%	0.90%	10.62%	5.72%	-39.02%
Kotak Mah. Bank	424246.93	21.58	15.06%	1.26%	14.75%	-6.80%	10.23%

Aspect	Commentary
Revenue	The company shows a robust revenue increase, with a significant year-over-year growth, indicating strong market demand and effective sales strategies. The quarter-over-quarter growth is modest, suggesting stable performance. This consistent revenue growth reflects the company's ability to maintain its competitive position and expand its market share.
Profit & Loss	The profit and loss statement reveals a healthy operating profit margin, indicating efficient cost management. The net profit margin is strong, reflecting effective revenue conversion into profit. The year-over-year growth in profit after tax suggests improved operational efficiency and cost control, contributing to overall financial health.
Profitability Matrix	The profitability matrix highlights a high operating profit margin, showcasing the company's ability to manage expenses relative to revenue. The EBITDA margin is impressive, indicating strong earnings before interest, taxes, depreciation, and amortization. The net profit margin further underscores the company's profitability and financial stability.
Valuation Matrix	The valuation matrix shows a moderate trailing P/E ratio, suggesting the stock is reasonably priced relative to earnings. The PEG ratio indicates potential undervaluation given the growth rate. The EV/EBITDA ratio is within a healthy range, reflecting the company's enterprise value relative to earnings. The P/B ratio suggests a fair market valuation.
Growth (YoY)	Year-over-year growth metrics indicate strong sales and profit growth, reflecting successful business strategies and market expansion. The EPS growth is positive, suggesting increased earnings per share. The dividend yield, though modest, indicates a commitment to returning value to shareholders. Overall, the company demonstrates robust growth potential.
Growth (QoQ)	Quarter-over-quarter growth metrics show steady sales growth, indicating consistent market demand. The profit after tax growth is modest, suggesting stable financial performance. The sales growth QYoY is strong, reflecting effective business strategies. Overall, the company maintains a stable growth trajectory with potential for future expansion.
Capital Allocation	The capital allocation metrics reveal a strong return on equity, indicating efficient use of shareholder funds. The return on assets and capital employed are moderate, suggesting effective asset utilization. The return on invested capital is consistent, reflecting prudent investment strategies. Overall, the company demonstrates sound capital management.
Holdings	The holdings structure shows no promoter holding, with significant foreign and domestic institutional investor presence, indicating strong institutional confidence. The public holding is modest, suggesting limited retail investor participation. The number of shares indicates a large equity base, reflecting the company's substantial market presence.
Leverage	The leverage metrics indicate a high debt-to-equity ratio, suggesting significant reliance on debt financing. The total debt is substantial, reflecting the company's capital structure. The market cap and enterprise value are robust, indicating strong market valuation. The absence of cash equivalents suggests limited liquidity reserves, warranting careful financial management.

Analyst viewpoint: ICICI Bank demonstrates a robust strategic framework, emphasizing a strong customer-centric approach, and its consistent growth in key financial metrics positions it as a compelling buy for short to mid-term investors. With a year-over-year sales growth of 12.55% and profit after tax increasing by 14.8%, the bank clearly maintains a strong market position and effective financial strategies. Its focus on digital transformation, notably through the DigiEase and iLens platforms, underscores the bank's commitment to leveraging technology for enhanced operational efficiency and customer satisfaction. Furthermore, ICICI Bank's valuation metrics, such as a trailing P/E of 20.7 and a PEG ratio of 0.32, suggest favorable pricing relative to growth prospects, thereby solidifying its investment appeal when compared to peers like Yes Bank and Kotak Mahindra Bank.

The company also displays strong capital management through efficient asset utilization and sound capital allocation strategies, evidenced by a return on equity of 18.6% and continuous investment in technological improvements. A balanced approach to growth while maintaining asset quality and minimal slippages marks ICICI's financial prudence. While there is a slight need for improvement in managing operating expenses and enhancing digital adoption, its strategic initiatives and high governance standards ensure stable returns. Overall, ICICI Bank remains a significant player in India's financial sector, offering solid growth potential with consistent shareholder value returns.

Please read detailed disclosure on next page.

Explanation of Investment Rating*	
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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (hereinafter referred to as the Regulations).

1. GOALZEN CAPITAL SERVICES PRIVATE LIMITED is a SEBI-Registered Research Analyst having SEBI registration number INH000013448. GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"), the research entity, is engaged in providing research services on securities and information on personal financial products. This Research Report (called Report) is prepared and distributed by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with brand name 'GoalFi' (brand name trademarked to research analyst and company director 'Robin Arya') and used by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with mutual consent.

2. GOALZEN CAPITAL SERVICES PRIVATE LIMITED, its partners, employees, directors or agents, do not have any material adverse disciplinary history as on the date of publication of this report.

3. I, Robin Arya, author/s and the name/s in this report, hereby certify that all of the views expressed in this research report accurately reflect my/our views about the subject issuer(s) or securities. I/We also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any financial interest in the subject company.

4. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any material conflict of interest. I/we have not served as director / officer, etc. in the subject company in the last 12-month period.

5. I, Robin Arya, do not hold this stock as part of my investment portfolio at the date of recommendation. I/analysts in the Company have not traded in the subject stock thirty days preceding this research report and will not trade within five days of publication of the research report as required by regulations.

6. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received any compensation from the subject company in the past twelve months. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not been engaged in market making activity for the subject company.

7. In the last 12-month period ending on the last day of the month immediately preceding the date of publication of this research report, GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received compensation or other benefits from the subject company of this research report or any other third-party in connection with this report.

Analyst Certification:

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclaimers:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent.

This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment.

The investment discussed or views expressed may not be suitable for all investors. Certain transactions - including those involving futures, options, another derivative product as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document.

This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of GOALZEN CAPITAL SERVICES PRIVATE LIMITED. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject GOALZEN CAPITAL SERVICES PRIVATE LIMITED to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees responsible for any such misuse and further agrees to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of GOALZEN CAPITAL SERVICES PRIVATE LIMITED only.

GOALZEN CAPITAL SERVICES PRIVATE LIMITED has a contractual arrangement with a vendor - Smallcase Technologies Private Limited (STPL) whereby STPL provides technology solutions and related back-end infrastructure along with support for back-office related operations & processes. STPL does not provide any investment advice or recommendation nor does it make any claim of returns or performance with respect to any advice or recommendation.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Terms & Conditions:

These Terms and Conditions govern the use of the research subscription services provided by GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"). By subscribing to our services, you agree to these terms, if you disagree with any part of the terms, you must not use our services.

Payment and Renewal:

The subscription fee is non-refundable. No such requests over email or any other channel requesting for refund or for pro-rata refund will be acknowledged if smallcase constituents or research provided is accessed by the user. Please do not subscribe if you disagree with any part of the terms. Subscription renewals will be charged the standard rate unless otherwise notified.

Limitation of Liability:

GoalFi provides research based on data and analysis. The subscriber acknowledges that all investment decisions carry inherent risks, and GoalFi shall not be liable for any losses incurred based on our research.

No Investment Advice:

The content provided under the subscription is purely for informational purposes and should not be construed as investment advice. GoalFi, being a SEBI Registered Research Analyst (RA), provides research insights and not investment advisory services.

Termination:

GoalFi reserves the right to terminate the subscription at any time due to non-compliance with these terms or any other reasons deemed appropriate by us and no refund will be made.

No Guarantee: While we strive to provide accurate and reliable research, there is no guarantee on the returns or performance of the recommendations. Investing in securities involves risks, and there's the potential for losing money.

Review and Update: Our research products are reviewed and updated periodically to reflect the latest market conditions and insights. However, market conditions can change rapidly, and there's no guarantee that the conditions on which recommendations and insights are based will remain the same.

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

Customer having any query/feedback/ clarification/ In case of grievances for any of the services rendered by GOALZEN CAPITAL SERVICES PRIVATE LIMITED, write to hello@goalfi.app

Website: goalfiresearch.smallcase.com