BSE: 532174 | NSE: ICICIBANK

EQUITY RESEARCH REPORT

Financial Analysis, Forecasting and Valuation

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Company Overview

1. Introduction

ICICI Bank Limited is one of India's leading private sector banks, founded in 1955 to support industrial development through long-term financing. Over the years, it transitioned into a universal bank offering retail, corporate, SME, rural, and digital banking services. With strong capital adequacy, consistent profitability, and a conservative risk framework, ICICI remains one of the most stable and well-governed banks in India. The bank is widely recognized for its digital-first strategy and diversified financial services franchise through subsidiaries in insurance, asset management, and investment services.

2. Business Presence

ICICI Bank has a broad domestic and selective international presence.

Domestic Footprint

- **6,900+ branches** and **17,000+ ATMs/CRMs** across India
- Balanced distribution across metro, urban, semi-urban and rural regions
- Strong presence in high-growth retail and SME corridors

International Presence

- Branches in **US, UK, Canada, Singapore, Dubai IFSC, Hong Kong, Bahrain, South Africa, China**
- Representative offices across **UAE, USA, Bangladesh, Malaysia, Indonesia, Nepal**
- Overseas business contributes ~**3%** of total operations

3. Key Products and Categories

A. Retail Banking

- Home, auto, personal, gold, and education loans
- Savings, current accounts, deposit
- Credit cards, wealth management, NRI banking

B. Corporate & Business Banking

- Working capital, term loans, project finance
- Cash management, trade & forex services
- SME lending and supply-chain finance

C. Treasury Operations

- Investments in government securities and bonds
- Liquidity and interest-rate risk management

D. Insurance & Financial Services

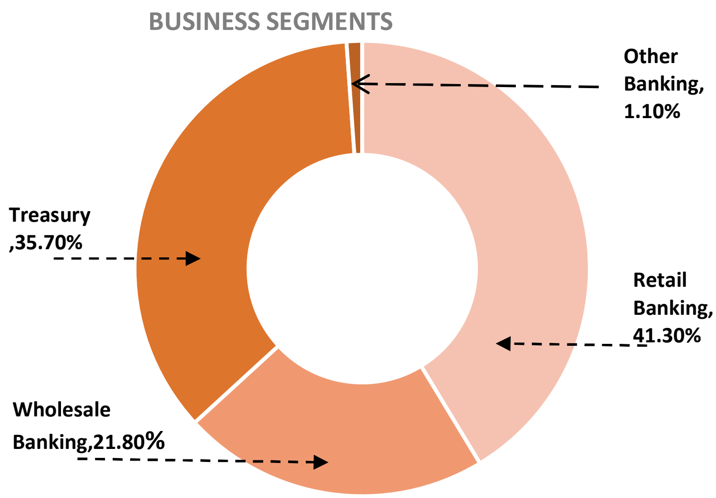
- ICICI Prudential Life Insurance
- ICICI Lombard General Insurance

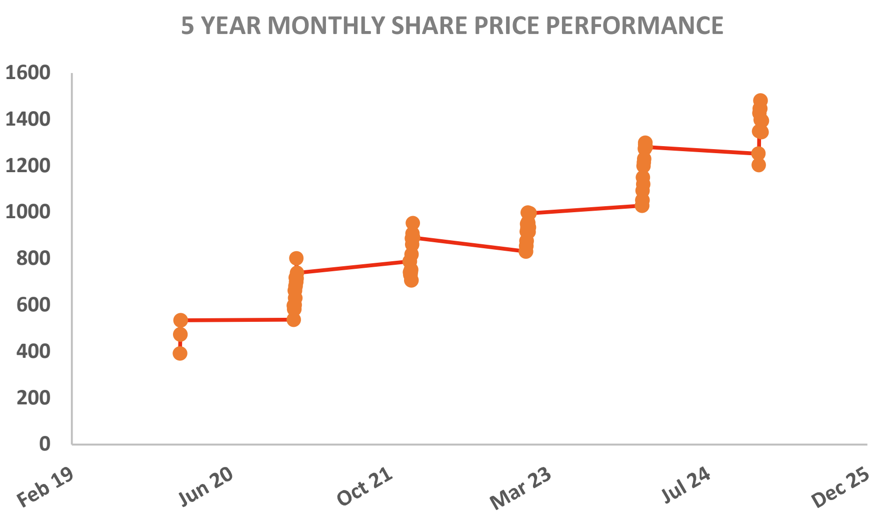
- Mutual funds, pension products, investment services

E. Digital Ecosystem

- iMobile Pay (retail)
- InstaBIZ (SME banking)
- ICICI Stack (end-to-end digital journeys)
- Pockets, UPI, digital onboarding, and analytics-based cross-selling

These platforms significantly scale customer engagement and support ICICI's 360-degree customer-centric strategy.





Share Price – Football Field Analysis

The Income Approach

To estimate a fair value, we employed three methods under the income approach, namely the **Dividend Discount Model (DDM)** under Bear/Base/Bull cases and the **Excess Return Valuation (ERV)** model. The terminal values across all DDM scenarios were computed using variations in payout ratios, discount rates and long-term growth assumptions. The ERV model incorporates the relationship between return on equity and the required rate of return to derive intrinsic value.

Across the DDM Bear, Base, and Bull cases, the valuation range lies between **₹ 415.23** and **₹ 983.44**, reflecting the sensitivity to adjustments in dividend expectations and long-term stability of cash flows. The ERV Base case delivers a comparatively higher valuation of **₹ 1,093.31 – ₹ 1,507.36**, owing to its reliance on sustained return generation and value creation over time.

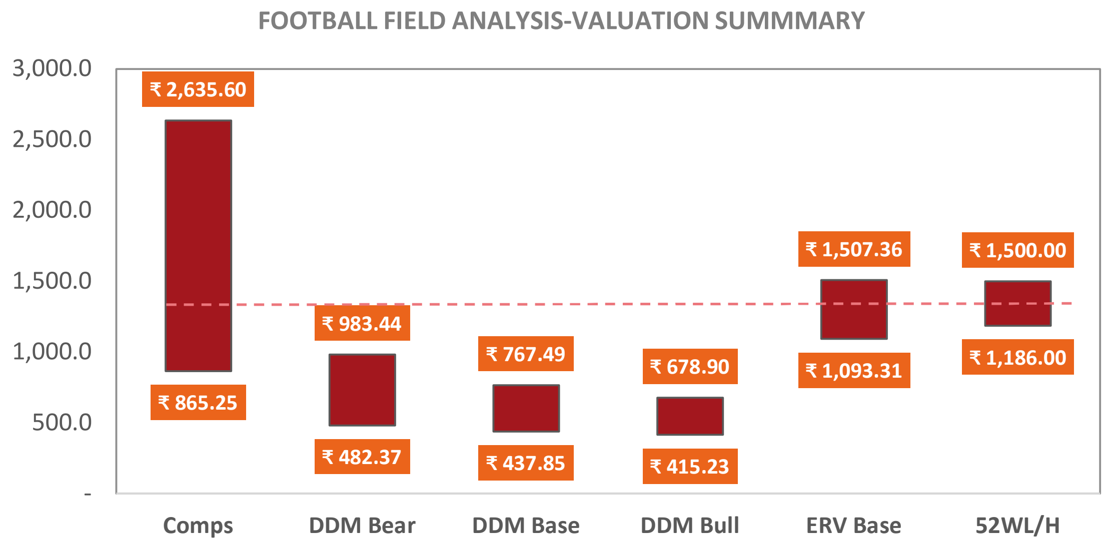
The final blended intrinsic value under the income approach is derived by applying appropriate weights to all models based on the reliability of their underlying assumptions. The resulting valuation range provides a comprehensive perspective on intrinsic worth across multiple performance trajectories.

The Market Approach

Under the market approach, we derived the per-share value by conducting a **Comparable Companies Analysis (Comps)**. The comps-based valuation produced the widest dispersion, ranging from **₹ 865.25** to **₹ 2,635.60**, driven primarily by variations in peer multiples, growth expectations and relative performance metrics.

To complement this, the **52-Week Low/High** price band of **₹ 1,186.00 – ₹ 1,500.00** acts as an external indicator of how the market has historically priced the asset under different sentiment cycles. This range also helps in validating whether model-based valuations deviate meaningfully from observed market behaviour.

By combining outputs from the DDM models, the ERV valuation, and the comparable analysis, the football field chart presents a consolidated valuation spectrum. The overall estimates converge around the median band, indicating a balanced intrinsic value when viewed through both earnings-based and market-based lenses.

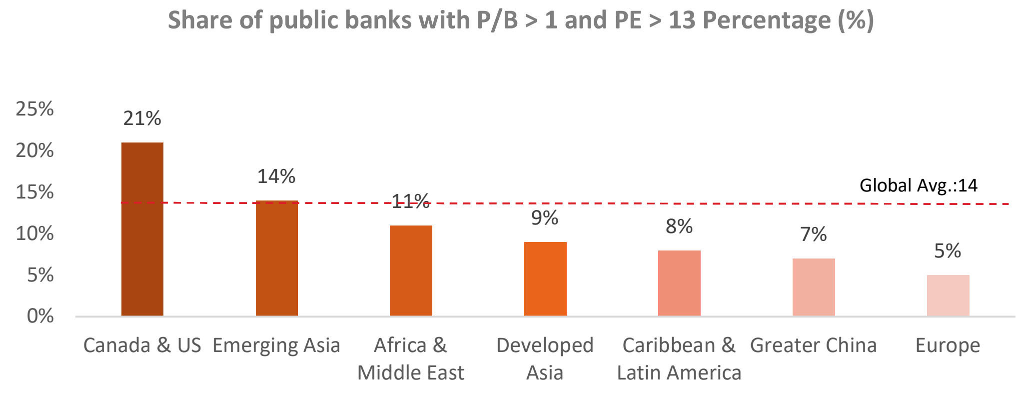


Global Banking Industry

The global banking industry continues to demonstrate strong resilience supported by expanding balance sheets, diversified revenue pools, and rapid digital transformation. According to McKinsey's *Global Banking Annual Review 2025*, worldwide banking revenues after risk costs reached a record **$5.5 trillion in 2024**, with **net income of $1.2 trillion**, the highest in the sector's history. Total assets also continue to scale, led by ICBC with **over $6.6 trillion**, underscoring the systemic importance of major global banks.

Regional performance remains uneven. In the U.S., FDIC data shows net income rose to **$268.2 billion in 2024** with RoA improving to **1.12%**, though **6.7% of banks** remained unprofitable. Payment's ecosystems have become central to revenue generation, with Asia–Pacific and EMEA forming the largest share of **global payments revenues** across commercial and consumer segments. Global banking revenues are projected to grow at **~4% annually through 2029**, driven by strong contributions from Asia-Pacific, North America, and EMEA.

Competitive pressure from fintechs and non-bank providers continues to accelerate. **Digital banks alone are projected to generate ~$1.61 trillion in net interest income by 2025**, reflecting their fast-growing customer base and low-cost operating models. Retail trading platforms and payment providers are projected to grow at **45–60%** and **25–35%** CAGR respectively, significantly outpacing traditional banks at **10–12%**. Fintech revenues grew **~21% in 2024**, nearly **3× faster** than incumbent banking revenues, supported by digital wallets, cross-border payments, and embedded finance. Non-interest income is expected to rise from **31% of total revenues in 2024 to 34% by 2027**, as shown in Deloitte's industry forecast, reinforcing the shift toward fee-based products and digital payment flows.



Despite robust profitability, structural challenges persist. Global debt has climbed to **$346 trillion**, increasing funding and credit risks, while regulatory recalibration—particularly in Europe—aims to strengthen capital and loss-absorption capacity. Geopolitical tensions and macroeconomic uncertainty continue to weigh on global liquidity and credit demand.

In summary, the global banking landscape is marked by **record profitability, rising digital adoption, strong payments-led growth, and rapid fintech expansion**, balanced against **debt-driven vulnerabilities and evolving regulatory pressure**. Sustained investment in digital capabilities, risk management, and capital strength will be essential for banks to capture emerging opportunities

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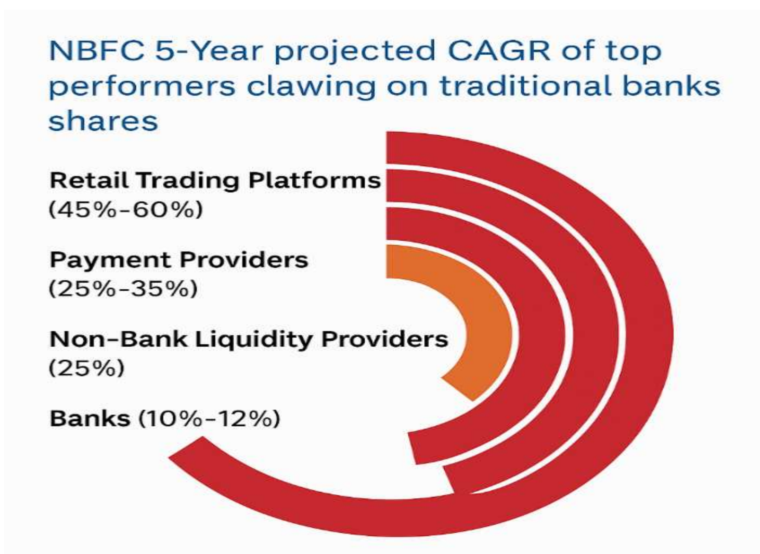
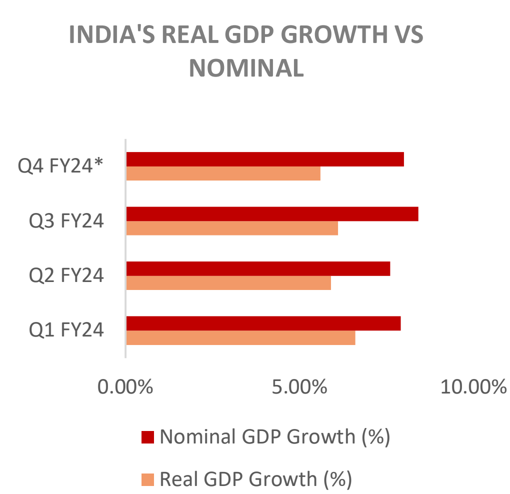


Indian Economy

The Indian economy continued to maintain its growth momentum through FY24 and FY25, with real GDP expanding by **7.3% in FY24** and estimated at around **6.8% in FY25**, supported by resilient domestic demand, strong services activity, and sustained public capital expenditure. Inflation remained on a moderating path as supply conditions improved, while credit growth held firm at **15–16%**, reflecting steady consumption and investment demand. The rupee, however, witnessed periods of depreciation, moving from **~₹83/USD** at the start of FY25 to around **₹85.5/USD** by March 2025, influenced by global monetary tightening and a stronger US dollar, though large forex reserves above **USD 640 billion** helped cushion volatility. India's external position remained manageable, with the current account deficit contained at **0.7% of GDP**, supported by robust services exports and a measured reduction in imports.

Global conditions posed mixed implications. With the recent tariffs imposed by the US and broader geopolitical uncertainties affecting trade flows, Fitch noted that India remains relatively insulated due to its lower reliance on goods exports; however, some moderation toward **6.3% growth in FY27** is possible if global trade slows more sharply. Domestic policy measures, including revised tax slabs and increased disposable income, are expected to support consumption, while improved net exports—particularly from sectors such as steel and cement—provided additional momentum during the year. The government's continued emphasis on infrastructure, logistics, and digital public infrastructure further reinforces the medium-term growth outlook, even as risks from global commodity volatility, currency pressures, and external demand remain.

Despite global headwinds, India is expected to sustain steady growth supported by resilient domestic demand, moderating inflation, strong services exports, and sustained investment momentum, positioning the economy on a stable footing heading into FY26.



Indian Banking Industry –

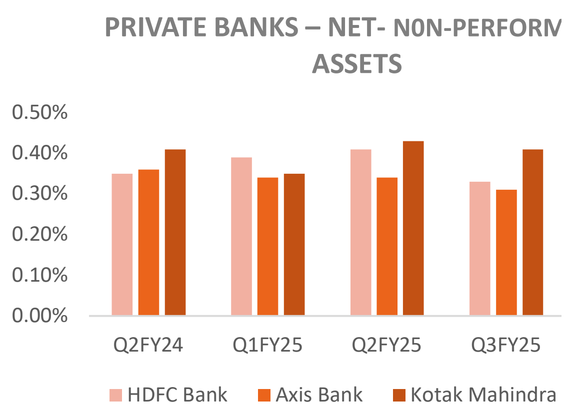
Indian Banking Industry Overview

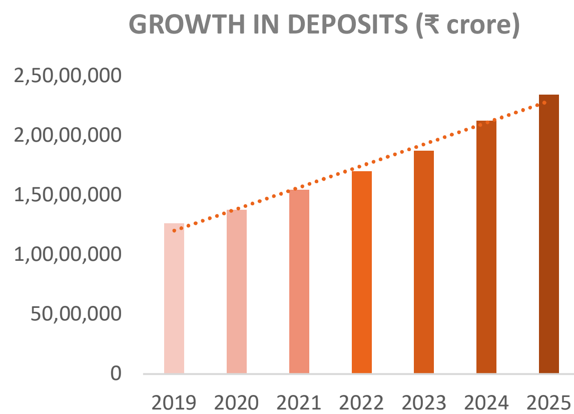
As of March 2025, India's scheduled commercial banking system reflects significant scale with improving balance sheet quality. The network comprised **1,61,232 offices**, with **public sector banks (PSBs)** accounting for **53.4%** of branches, while **private banks** constituted **28.1%**, underscoring PSBs' continued dominance in physical outreach. Banks serviced over **410 million loan accounts**, with private sector banks holding a higher share at **52.7%**, compared to **31.1% for PSBs**, highlighting their growing role in credit delivery. Outstanding credit stood at **₹187.9 lakh crore**, with PSBs and private banks contributing **₹98.2 lakh crore** and **₹75.2 lakh crore**, respectively.

On the funding side, aggregate deposits reached **₹234.5 lakh crore**, with urban and metropolitan centres accounting for nearly **74%** of balances. **Term deposits**, at **₹142.1 lakh crore**, formed the largest share, reflecting depositor preference for yield in a relatively elevated interest rate environment. Digitalisation continues to support system efficiency, led by **UPI**, which processed over **20 billion transactions per month in FY25**, with monthly transaction value exceeding **₹26 lakh crore**, reinforcing its role as the backbone of retail payments.

Asset quality remained at **multi-year lows in FY25**, supported by sustained recoveries and prudent underwriting, with private sector banks continuing to report superior metrics compared to PSBs. **Government policy support for MSMEs—through credit guarantee schemes, revised MSME classification thresholds, and targeted lending incentives—continues to strengthen credit flow, asset quality, and loan growth visibility for the banking sector.**

Overall, the sector remains on a stable footing, supported by scale, strong deposit accretion, and robust digital infrastructure, with **unsecured credit and funding costs remaining key monitorable** going into FY26.



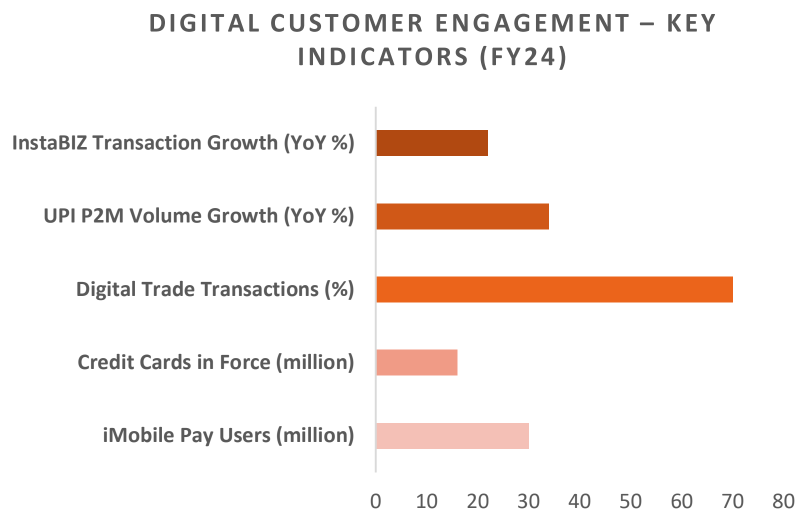


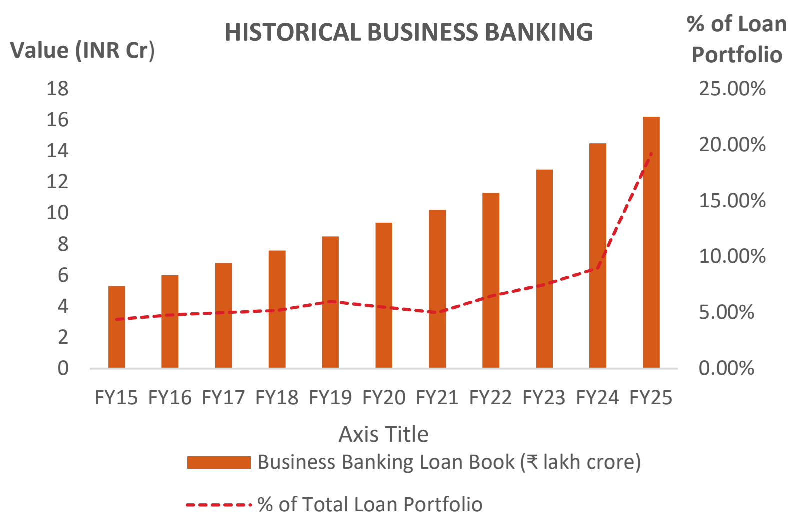
ICICI Bank – Growth Aspects

ICICI Bank is one of India's leading private sector banks with a diversified presence across retail, SME, and corporate banking segments. The Bank benefits from an extensive branch and ATM network, complemented by strong digital delivery capabilities, enabling scalable growth across geographies and customer segments. Technology remains central to ICICI Bank's operating model, supporting enhanced customer engagement through mobile and internet banking platforms.

As of FY21, ICICI Bank reported consolidated total assets of **₹15.74 trillion**, supported by a core operating profit of **₹313.5 billion** and profit after tax of **₹161.9 billion**. The Bank's balance sheet is underpinned by a stable funding profile, with an average **CASA ratio of 41%**, while earnings resilience is reflected in a healthy **net interest margin of 3.69%**. Capital adequacy remains strong, with a total capital adequacy ratio of **19.12%**, providing sufficient headroom to support future growth within the Bank's defined risk appetite.

Retail banking continues to be a key strategic focus, with the retail portfolio accounting for approximately **55% of the total loan book** (including non-fund-based exposure). Retail loans recorded **20% year-on-year growth**, while total deposits increased by **21% year-on-year**, indicating strong customer traction and balance sheet expansion. The Bank's growth strategy is anchored in a **customer-centric and digital-led approach**, supported by analytics-driven insights to deepen customer relationships, improve wallet share, and generate sustainable returns on capital over the long term.



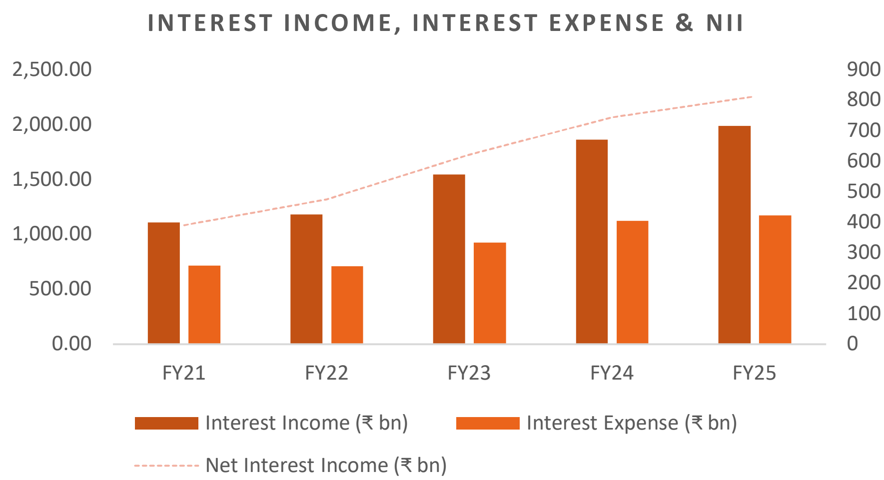


Net Interest Income (NII) & Net Interest Margin (NIM)

ICICI Bank's net interest income (NII) has demonstrated strong and consistent growth over the past five years, supported by balance sheet expansion and stable margins. NII increased from ₹389.9 billion in FY21 to ₹811.7 billion in FY25, implying a robust growth trajectory driven by higher interest-earning assets and improved operating leverage.

Net interest margin (NIM) improved from 3.69% in FY21 to 4.32% in FY25, reflecting a favourable shift in loan mix toward higher-yielding retail and business banking segments, improved funding efficiency, and disciplined pricing. NIM peaked at 4.53% in FY24 before moderating slightly in FY25, indicating normalization amid competitive pressures and evolving interest rate conditions.

Overall, the combination of expanding NII and resilient NIM underscores ICICI Bank's ability to generate stable core profitability across interest rate cycles, supported by a diversified loan book and a strong CASA-driven funding franchise.

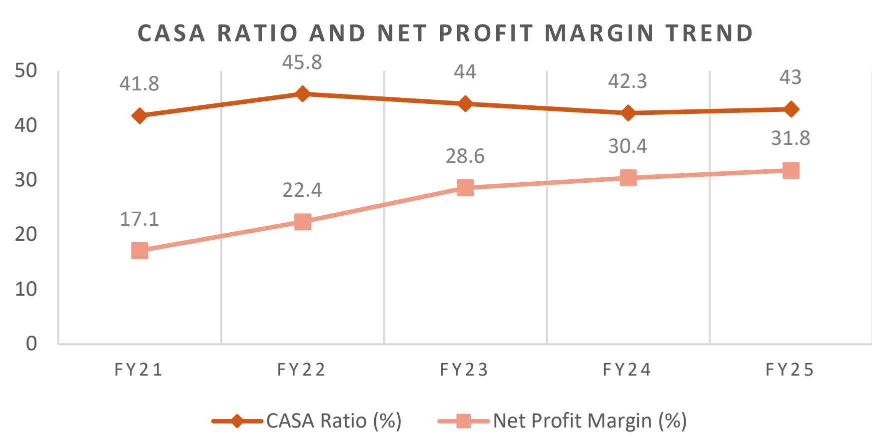


Interest Expense

Interest expense primarily comprises interest paid on deposits, borrowings from the RBI and other banks, and interest on bonds and subordinated debt. As per the Annual Report, ICICI Bank's **interest expended increased from ₹741.1 billion in FY24 to ₹890.3 billion in FY25**, driven mainly by higher deposit balances and an increase in cost of funds in a relatively tight liquidity environment. Deposits continue to account for the largest share of interest expense, reflecting the Bank's deposit-led funding structure.

Net Interest Margin (NIM)

Net interest margin represents the Bank's ability to generate spreads from its interest-earning assets. ICICI Bank's **NIM stood at 4.32% in FY25**, moderating slightly from **4.53% in FY24**, primarily due to competitive pricing pressures and higher funding costs. Despite the marginal decline, margins remain structurally strong, supported by a favourable loan mix, a high CASA ratio, and disciplined asset–liability management.

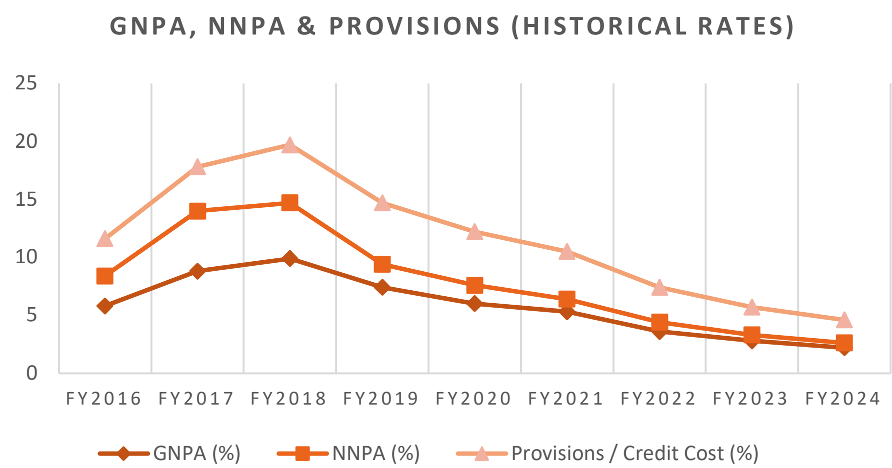


Other Income

Other income includes fee-based income, trading income, insurance-related income, and gains from investments and foreign exchange transactions. In FY25, **other income increased to ₹1,082.6 billion from ₹765.2 billion in FY24**, driven largely by strong performance in insurance subsidiaries and higher commission, exchange, and brokerage income. The diversified nature of other income enhances earnings stability and reduces reliance on interest income alone.

Provisions and Contingencies

Provisions and contingencies primarily relate to provisions for non-performing assets, standard asset provisions, and other risk-related buffers. During FY25, provisions increased to **₹233.4 billion from ₹191.4 billion in FY24**, reflecting prudent risk management and normalization of credit costs. The Bank continues to maintain adequate provisioning buffers while preserving asset quality across economic cycles.



Fixed Assets and Capital Expenditure

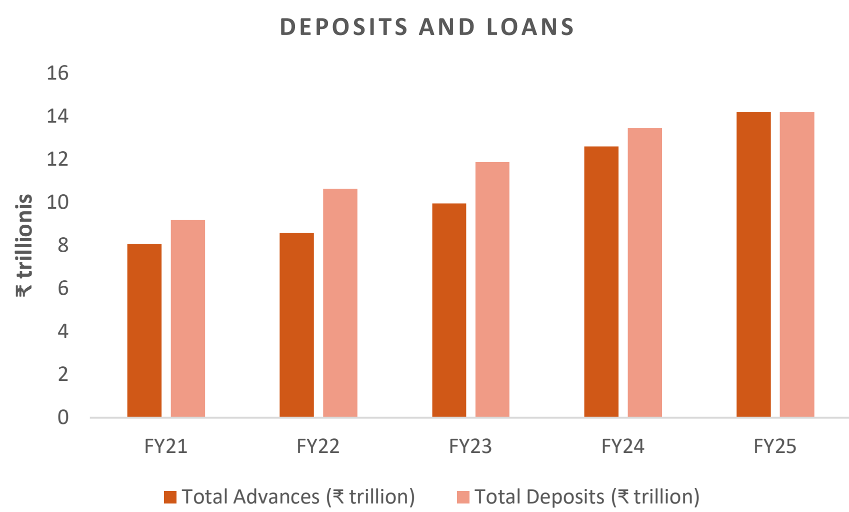
ICICI Bank's fixed assets comprise premises, other fixed assets (including furniture, fixtures, and IT infrastructure), and lease assets. As of March 31, 2025, **net fixed assets stood at ₹158.1 billion**, up from **₹132.4 billion in FY24**, reflecting ongoing investments in branch expansion, technology infrastructure, and operational capacity. Capital expenditure remains aligned with the Bank's digital-led growth strategy and distribution network enhancement.

Loans and Advances

Loans and advances form the core earning assets of ICICI Bank. **Total advances grew from ₹8.08 trillion in FY21 to ₹14.21 trillion in FY25**, driven by expansion across retail and business banking segments. The loan mix has gradually shifted toward more granular retail and SME exposures, improving risk-adjusted returns and earnings stability while maintaining prudent credit standards.

Deposits

Deposits are ICICI Bank's primary funding source and provide balance sheet stability. As per the Annual Report, **total deposits increased from ₹9.18 trillion in FY21 to ₹14.21 trillion in FY25**, reflecting strong retail and business banking traction. The Bank has consistently maintained a **CASA ratio of ~42–45%**, supporting low-cost funding and margin resilience. Deposit growth has broadly kept pace with loan growth, ensuring adequate liquidity and funding stability.



Valuation Summary:

Objective

The objective of this valuation is to estimate the intrinsic equity value of **ICICI Bank Limited** based on forecasted financials and equity-focused valuation models. The analysis assesses the Bank's ability to generate sustainable returns above its cost of equity, considering profitability, asset quality, and capital strength. Assumptions used are based on historical performance and publicly available disclosures.

Valuation Methodologies

Given the nature of banking operations, valuation approaches based on **equity returns and book value growth** are more appropriate than free cash flow–based models. Accordingly, the valuation relies primarily on income-based and market-based approaches, with the asset-based approach used as a reference.

The methodologies applied are:

1. **Market Approach** – Comparable Companies Analysis
2. **Income Approach** – Excess Return (EVA) Model and Dividend Discount Model
3. **Asset Approach** – Net Asset Value Method (reference)

Market Approach

Under the Market Approach, ICICI Bank is valued using relevant trading multiples of comparable listed private sector banks. Key multiples such as **Price-to-Book and Price-to-Earnings** are considered to assess relative valuation. The analysis indicates that ICICI Bank is valued broadly in line with peers, supported by improved asset quality, strong capitalisation, and better earnings visibility.

Income Approach

Excess Return (EVA) Model

The Excess Return model is the primary valuation methodology used. The model estimates intrinsic value by forecasting **ROE and book value**, comparing returns to the **cost of equity**, and discounting excess returns over the explicit forecast period along with a terminal value.

The results indicate that ICICI Bank is expected to generate returns above its cost of equity, supporting long-term value creation.

Dividend Discount Model (DDM)

The Dividend Discount Model is used as a supporting approach to value the Bank based on expected dividend payouts. Dividends are forecasted using profitability and payout assumptions and discounted at the cost of equity. The valuation outcome is broadly consistent with the Excess Return model.

Asset Approach

The Asset Approach estimates value based on the Bank's **Net Asset Value**, calculated as total assets less total external liabilities. This approach is used as a reference point, as it does not fully capture earnings potential or return generation.

Sensitivity Analysis

Sensitivity analysis is performed to assess the impact of changes in key assumptions, particularly the **cost of equity** and long-term growth rate. The valuation is most sensitive to changes in the cost of equity, highlighting its importance in the overall valuation outcome.

Conclusion from Valuation

Overall, the valuation reflects ICICI Bank's structurally improved financial profile, supported by sustainable profitability, improved asset quality, and adequate capital buffers. Consistency across valuation approaches strengthens confidence in the intrinsic value range estimated.

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Dividend Discount Model-ICICI BANK LTD

(Figures In INR Crore Unless Stated Otherwise)	Actual	Explicit Forecast Period					Maturity Phase				
Particulars	**FY2025A**	**FY2026E**	**FY2027E**	**FY2028E**	**FY2029E**	**FY2030E**	**FY2031E**	**FY2032E**	**FY2033E**	**FY2034E**	**FY2035E**
Payout Ratio Derivation											
Return On Equity(ROE)	17.34%	16.84%	16.34%	15.84%	15.34%	14.84%	14.34%	13.84%	13.34%	12.84%	12.34%
Stable Growth(g)	4.50%										
Stable ROE	12.34%										
Payout Ratio in Stable Growth	**63.52%**										
Dividend Forecasting											
Net Income	₹ 54,418.71	₹ 60,178.73	₹ 66,256.16	₹ 72,622.09	₹ 79,239.00	₹ 86,060.29	₹ 93,029.98	₹ 1,00,082.65	₹ 1,07,143.51	₹ 1,14,128.78	₹ 1,20,946.26
Payout Ratio	14.40%	16.59%	17.81%	19.04%	20.27%	21.50%	22.73%	23.96%	25.19%	26.42%	27.65%
Divivdends	**₹ 7,835.30**	**₹ 9,980.73**	**₹ 11,803.35**	**₹ 13,830.37**	**₹ 16,064.82**	**₹ 18,505.94**	**₹ 21,148.54**	**₹ 23,982.41**	**₹ 26,991.79**	**₹ 30,154.84**	**₹ 33,443.27**
Cost of Equity(Ke)		**10.00%**	**10.00%**	**10.00%**	**10.00%**	**10.00%**	**10.00%**	**10.00%**	**10.00%**	**10.00%**	**10.00%**
Mid Year Convention- Yes											
Discounting Period		0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5
Present Value Factor		0.9535	0.8668	0.7880	0.7164	0.6512	0.5920	0.5382	0.4893	0.4448	0.4044
Present Value Dividends		**₹ 9,516.25**	**₹ 10,230.96**	**₹ 10,898.13**	**₹ 11,508.04**	**₹ 12,051.58**	**₹ 12,520.47**	**₹ 12,907.45**	**₹ 13,206.47**	**₹ 13,412.79**	**₹ 13,523.16**

Terminal Value Calculation (PGR)	
$Dividend_{2035}$	₹ 33,443.27
Perpetual Growth Rate(PGR)	4.50%
$Dividend_{2036}$*(1+PGR)	₹ 34,948.21
Terminal Value	**635422.0498**

Key Value Driver (KVD)	
$Net\ Income_{2035}$	₹ 1,20,946.26
Stable Growth(g)	4.50%
RONE	13.34%
Terminal Value	**194305.53**

Equity Value Calculation	
Present Value Factor	0.3676
PV of Terminal Value	233581.85
Sum of PV Dividend	119775.29
Value of Equity	**353357.14**
Outstanding Shares	**712.19**
Per Share Equity Value	**₹ 496.16**
Current Share Price	**₹ 1,373.00**
Premium	**176.73%**

Equity Value Calculation	
PV of Terminal Value	71426.93
Sum of Cash Flows	119775.29
Value of Equity	**191202.22**
Outstanding Shares	**712.19**
Per Share Equity Value	**₹ 268.47**
Current Share Price	**₹ 1,373.00**
Premium	**411.42%**

Excess Return Model-ICICI BANK LTD

(Figures In INR Crore Unless Stated Otherwise)	Actual	Explicit Forecast Period					Maturity Phase				
Particulars	**FY2025A**	**FY2026E**	**FY2027E**	**FY2028E**	**FY2029E**	**FY2030E**	**FY2031E**	**FY2032E**	**FY2033E**	**FY2034E**	**FY2035E**
Equity Capital	₹ 3,13,905.91	₹ 3,57,440.88	₹ 4,07,070.74	₹ 4,63,648.79	₹ 5,28,147.76	₹ 6,01,676.58	₹ 6,85,499.45	₹ 7,81,057.51	₹ 8,89,993.70	₹ 10,14,180.96	₹ 11,55,754.43
Return on Equity(ROE)	17.34%	16.84%	16.34%	15.84%	15.34%	14.84%	14.34%	13.84%	13.34%	12.84%	12.34%
Net Income (PAT)	₹ 54,418.71	₹ 62,037.33	₹ 70,722.56	₹ 80,623.71	₹ 91,911.03	₹ 1,04,778.58	₹ 1,19,447.58	₹ 1,36,170.24	₹ 1,55,234.07	₹ 1,76,966.84	₹ 2,01,742.20
Cost of Equity	7.32%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Excess Return	**₹ 31,436.72**	**₹ 24,434.64**	**₹ 25,791.98**	**₹ 27,058.52**	**₹ 28,181.93**	**₹ 29,097.04**	**₹ 29,723.22**	**₹ 29,961.32**	**₹ 29,690.14**	**₹ 28,762.11**	**₹ 26,998.36**
Mid Year Convention- Yes											
Discounting Period		0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5
Present Value Factor		0.9535	0.8668	0.7880	0.7164	0.6512	0.5920	0.5382	0.4893	0.4448	0.4044
Present Value of Excess Cash Returns		**₹ 23,297.51**	**₹ 22,356.08**	**₹ 21,321.72**	**₹ 20,188.14**	**₹ 18,948.80**	**₹ 17,596.89**	**₹ 16,125.33**	**₹ 14,526.70**	**₹ 12,793.31**	**₹ 10,917.09**

Terminal Value Calculation	
Perpetual Growth Rate(PGR)	4.50%
Equity Capital (2035)	₹ 11,55,754.43
Return on Equity(ROE)	12.34%
Net Income(2035)	₹ 2,01,742.20
Terminal Excess Return	₹ 26,998.36
Terminal Value	**₹ 4,90,879.19**

Equity Value Calculation	
Discount Factor for the Terminal Value	0.3676
PV of Terminal Value	₹ 1,80,447.73
Sum of PV of Excess Returns	₹ 1,78,071.58
Equity Capital (2025)	₹ 3,13,905.91
Value of Equity	**₹ 6,72,425.22**

Outstanding Shares	**712.19**
Per Share Value	**₹ 944.17**
Current Share Price	**₹ 1,373.00**
Premium	**45.42%**

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Sensitivity Analysis-ICICI BANK LTD

DDM Sensitivity Table

Cost Of Equity (Ke) \ Perpetual Growth Rate	3.50%	4.00%	4.50%	5.00%	5.50%	6.00%
10.00%	678.90	719.50	767.49	825.08	895.46	983.44
10.80%	598.69	628.47	662.98	703.44	751.53	809.64
11.30%	558.06	582.93	611.47	644.53	683.29	729.37
12.30%	492.79	510.60	530.69	553.54	579.75	610.12
13.00%	456.72	471.06	487.10	505.13	525.57	548.93
14.00%	415.23	425.97	437.85	451.04	465.78	482.37

ERV Sensitivity Table

Cost Of Equity(Ke) \ Key Value Driver-RONE	10.00%	11.00%	12.00%	13.34%	14.00%	15.00%
10.00%	230.61	241.96	253.31	268.52	276.01	287.36
10.80%	225.98	236.50	247.02	261.12	268.06	278.58
11.30%	223.28	233.32	243.35	256.79	263.41	273.45
12.30%	218.28	227.41	236.54	248.78	254.81	263.95
13.00%	215.06	223.62	232.18	243.64	249.29	257.85
14.00%	210.85	218.65	226.45	236.90	242.05	249.85

Key Value Driver Sensitivity Table

Return on Equity(ROE) \ Key Value Driver-Perpetual Growth Rate	3.00%	4.00%	4.50%	5.20%	6.00%	6.50%
9.00%	1113.03	1100.98	1093.31	1079.90	1058.81	1040.74
10.50%	1221.47	1227.50	1231.33	1238.04	1248.58	1257.62
11.00%	1257.62	1269.67	1277.34	1290.75	1311.84	1329.91
12.34%	1354.49	1382.69	1400.63	1432.03	1481.37	1523.66
13.00%	1402.21	1438.35	1461.36	1501.61	1564.87	1619.09
13.50%	1438.35	1480.52	1507.36	1554.32	1628.12	1691.38

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Cost of Equity-ICICI BANK LTD

(Figures In INR Crore Unless Stated Otherwise)

	Actual	Explicit Forecast Period					Maturity Phase				
Particulars	**FY2025A**	**FY2026E**	**FY2027E**	**FY2028E**	**FY2029E**	**FY2030E**	**FY2031E**	**FY2032E**	**FY2033E**	**FY2034E**	**FY2035E**
Risk Free Rate											
10-Year Government Bond Yield	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
Default Risk	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Risk Free Rate	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%
Equity Risk Premium											
US ERP	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%
Default Risk	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Equity Risk Premium(ERP)	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
Capital Asset Pricing (CAPM)	**7.32%**	**7.32%**	**7.32%**	**7.32%**	**7.32%**	**7.32%**	**7.32%**	**7.32%**	**7.32%**	**7.32%**	**7.32%**

Company(Bank)	NSE Ticker	Beta
Kotak Mahindra Bank	KOTAKBANK	0.19
HDFC Bank	HDFCBANK	0.45
Axis Bank	AXISBANK	0.32
IDBI	INDUSINDBK	0.19
Mean		**0.29**
Median		**0.26**
75th Percentile		**0.35**
25th Percentile		**0.19**

Company(Insurance)	NSE Ticker	Beta
SBI Life Insurance	SBILIFE	0.36
HDFC Life Insurance	HDFCBANK	0.57
The New India	NIACL	1.04
General Insurance	GICRE	0.39
Mean		**0.59**
Median		**0.48**
75th Percentile		**0.69**
25th Percentile		**0.38**

Company(Treasury)	NSE Ticker	Beta
HDFC Asset	HDFCAMC	0.44
Nippon Life India	NIPF	0.35
Aditya Birla Sun Life	ABSLAMC	0.21
UTI Asset	UTIA	0.51
Mean		**0.38**
Median		**0.40**
75th Percentile		**0.46**
25th Percentile		**0.32**

Weighted Average Beta

	ICICI	Peer Beta	Unlevered Beta	D/E	Re-lever Beta	Weightage
Commercial Banking	0.28	0.26	0.05	5.93	0.26	0.65
Insurance	0.53	0.48	0.42	0.2	0.48	0.2
Treasury	0.19	0.40	0.09	4.43	0.40	0.15
Weighted Average Beta						**0.32**

Key Valuation Inputs

Exit Multiple

An **exit P/E multiple of 15x** is applied in the DCF valuation. The multiple is derived from the **median P/E of the private banking sector**, reflecting normalized sector valuation levels under steady-state conditions. This multiple is used to estimate terminal value at the end of the explicit forecast period.

Perpetual Growth Rate (PGR)

A **perpetual growth rate of 5.4%** is applied uniformly across all valuation methodologies, including **DCF, Dividend Discount Model (DDM), and Excess Return (EVA)**. The assumption is based on projections by **Economist Intelligence**, which estimate India's average real GDP growth at **5.4% per annum over the period 2024–2045**. The PGR reflects long-term economic growth while remaining consistent across valuation models.

Risk-Free Rate (RFr)

Story:
India's 10-year government bond yield has declined over the past two years, from **7.42% in April 2022 to approximately 6.40%**, reflecting easing inflation, improved macroeconomic stability, and increased foreign capital inflows. Over the same period, nominal GDP growth has moderated while sovereign credit fundamentals have strengthened.

Method:
A **default-risk–adjusted risk-free rate** is used. The 10-year Indian government bond yield of **6.6%** is adjusted for India's sovereign default risk of **1.0%**, estimated using **Prof. Aswath Damodaran's country risk framework**, resulting in a risk-free rate of **5.6%**.

Reason for Use:
The approach is simple, transparent, and consistent with emerging market valuation practices.

Cost of Equity (Ke)

The **Capital Asset Pricing Model (CAPM)** is used to estimate the cost of equity. Given the banking business model, the valuation focuses on equity returns without separately estimating the cost of debt. The cost of equity incorporates the risk-free rate, bottom-up beta, and equity risk premium as estimated in the model.

Equity Risk Premium (ERP)

Story:
Inflation has declined materially, falling from **6.21% in October 2024 to 3.13% in March 2025**, supported by easing price pressures and anticipated accommodative monetary policy. Fiscal measures and improving business conditions are expected to support economic activity, contributing to a lower perceived equity risk environment.

Method:
The ERP is estimated using a **spread-based approach**, wherein India's default risk premium of **1.0%** is added to the **US equity risk premium of 4.3%**, sourced from **Prof. Aswath Damodaran's published data**, resulting in an ERP of **5.3%**. Based on implied risk premium analysis, the ERP is assumed to gradually normalize to **4.6% by FY34**.

Reason for Use:
The method is consistent, data-driven, and widely applied in professional equity valuation.

Stable ROE (Excess Return Model)

A **stable ROE of 12.6%** is assumed in the Excess Return valuation. ROE is calculated as net profit for year *n* divided by the average shareholders' equity for years *n* and *n–1*, as derived from the integrated three-statement financial model.

Beta

Method:
A **bottom-up beta** is estimated using:

- **3-year weekly regression betas** for four banking companies
- **3-year weekly regression betas** for four insurance companies

- **2-year weekly regression betas** for three treasury companies

Median betas are calculated for each segment and combined using **revenue-based weights** to arrive at a weighted average beta reflective of ICICI Bank's diversified business mix.

Reason for Use:
The bottom-up approach provides better precision, incorporates multiple business segments, and reduces noise compared to a single traded beta.

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Forecasted Income Statement-ICICI BANK LTD

	Actual	Explicit Forecast Period					Maturity Phase				
Particulars	**FY2025A**	**FY2026E**	**FY2027E**	**FY2028E**	**FY2029E**	**FY2030E**	**FY2031E**	**FY2032E**	**FY2033E**	**FY2034E**	**FY2035E**
Interest Income	₹ 1,86,331.5	₹ 2,18,566.8	₹ 2,56,378.9	₹ 3,00,732.4	₹ 3,52,759.1	₹ 4,13,786.4	₹ 4,85,371.5	₹ 5,69,340.8	₹ 6,67,836.7	₹ 7,83,372.5	₹ 9,18,895.9
Interest Expense	₹ 89,027.7	₹ 89,612.4	₹ 1,04,545.6	₹ 1,22,038.0	₹ 1,42,531.1	₹ 1,66,543.2	₹ 1,94,681.8	₹ 2,27,659.7	₹ 2,66,312.7	₹ 3,11,621.6	₹ 3,64,736.2
Interest Expense %	*47.78%*	*41.00%*	*40.78%*	*40.58%*	*40.40%*	*40.25%*	*40.11%*	*39.99%*	*39.88%*	*39.78%*	*39.69%*
Net Interest Income(NII)	**₹ 97,303.81**	**₹ 1,28,954.41**	**₹ 1,51,833.26**	**₹ 1,78,694.45**	**₹ 2,10,227.98**	**₹ 2,47,243.23**	**₹ 2,90,689.67**	**₹ 3,41,681.08**	**₹ 4,01,523.96**	**₹ 4,71,750.90**	**₹ 5,54,159.66**
Other Income	₹ 1,08,255.47	₹ 1,19,081.02	₹ 1,30,989.12	₹ 1,44,088.03	₹ 1,58,496.83	₹ 1,74,346.52	₹ 1,91,781.17	₹ 2,10,959.29	₹ 2,32,055.21	₹ 2,55,260.74	₹ 2,80,786.81
Total Income	₹ 2,05,559.28	₹ 2,48,035.43	₹ 2,82,822.38	₹ 3,22,782.48	₹ 3,68,724.81	₹ 4,21,589.74	₹ 4,82,470.84	₹ 5,52,640.37	₹ 6,33,579.18	₹ 7,27,011.63	₹ 8,34,946.47
Operating Expenses	₹ 1,26,258.35	₹ 1,30,439.80	₹ 1,36,430.71	₹ 1,41,665.47	₹ 1,45,788.86	₹ 1,48,351.08	₹ 1,48,785.91	₹ 1,46,384.21	₹ 1,40,261.62	₹ 1,29,319.42	₹ 1,12,197.05
Pre-Provision Operating Profit(PPOP)	₹ 79,300.93	₹ 1,17,595.63	₹ 1,46,391.67	₹ 1,81,117.01	₹ 2,22,935.95	₹ 2,73,238.67	₹ 3,33,684.94	₹ 4,06,256.16	₹ 4,93,317.56	₹ 5,97,692.21	₹ 7,22,749.41
Provision Cost %	*8.13%*	*8.00%*	*7.78%*	*7.58%*	*7.40%*	*7.25%*	*7.11%*	*6.99%*	*6.88%*	*6.78%*	*6.69%*
Provision and Contingencies	₹ 6,447.39	₹ 9,407.65	₹ 11,386.02	₹ 13,729.12	₹ 16,507.66	₹ 19,805.95	₹ 23,724.52	₹ 28,383.25	₹ 33,925.08	₹ 40,520.48	₹ 48,372.74
PBT	**₹ 72,853.54**	**₹ 1,08,187.98**	**₹ 1,35,005.65**	**₹ 1,67,387.89**	**₹ 2,06,428.29**	**₹ 2,53,432.72**	**₹ 3,09,960.41**	**₹ 3,77,872.91**	**₹ 4,59,392.48**	**₹ 5,57,171.74**	**₹ 6,74,376.67**
Tax Rate	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*
Tax	₹ 18,213.39	₹ 27,047.00	₹ 33,751.41	₹ 41,846.97	₹ 51,607.07	₹ 63,358.18	₹ 77,490.10	₹ 94,468.23	₹ 1,14,848.12	₹ 1,39,292.93	₹ 1,68,594.17
PAT	**₹ 54,640.16**	**₹ 81,140.99**	**₹ 1,01,254.24**	**₹ 1,25,540.92**	**₹ 1,54,821.22**	**₹ 1,90,074.54**	**₹ 2,32,470.31**	**₹ 2,83,404.68**	**₹ 3,44,544.36**	**₹ 4,17,878.80**	**₹ 5,05,782.50**
Dividend	₹ 13,660.04	₹ 20,285.25	₹ 25,313.56	₹ 31,385.23	₹ 38,705.30	₹ 47,518.63	₹ 58,117.58	₹ 70,851.17	₹ 86,136.09	₹ 1,04,469.70	₹ 1,26,445.63
Retained Earnings	₹ 40,980.12	₹ 60,855.74	₹ 75,940.68	₹ 94,155.69	₹ 1,16,115.91	₹ 1,42,555.90	₹ 1,74,352.73	₹ 2,12,553.51	₹ 2,58,408.27	₹ 3,13,409.10	₹ 3,79,336.88

Forecasted Balance Sheet Statement-ICICI BANK LTD

	Actual	Explicit Forecast Period					Maturity Phase				
Particulars	**FY2025A**	**FY2026E**	**FY2027E**	**FY2028E**	**FY2029E**	**FY2030E**	**FY2031E**	**FY2032E**	**FY2033E**	**FY2034E**	**FY2035E**
Equity Share Capital	₹ 1,424.60	₹ 1,424.60	₹ 1,424.60	₹ 1,424.60	₹ 1,424.60	₹ 1,424.60	₹ 1,424.60	₹ 1,424.60	₹ 1,424.60	₹ 1,424.60	₹ 1,424.60
Reserves	₹ 3,12,481.31	₹ 3,73,337.05	₹ 4,49,277.73	₹ 5,43,433.42	₹ 6,59,549.33	₹ 8,02,105.24	₹ 9,76,457.97	₹ 11,89,011.48	₹ 14,47,419.75	₹ 17,60,828.85	₹ 21,40,165.73
Deposits & Borrowings	₹ 18,60,520.85	₹ 23,08,987.05	₹ 24,57,577.98	₹ 25,83,232.89	₹ 26,89,080.30	₹ 27,69,463.91	₹ 28,51,417.97	₹ 28,82,569.21	₹ 28,65,984.31	₹ 28,04,372.30	₹ 26,70,488.80
Other Liabilities	₹ 4,67,814.65	₹ 5,80,578.27	₹ 6,17,940.39	₹ 6,49,535.42	₹ 6,76,149.99	₹ 6,96,361.88	₹ 7,16,968.64	₹ 7,24,801.40	₹ 7,20,631.24	₹ 7,05,139.34	₹ 6,71,475.29
OL %	*0.25*	*0.25*	*0.25*	*0.25*	*0.25*	*0.25*	*0.25*	*0.25*	*0.25*	*0.25*	*0.25*
Total Liabilities	**₹ 26,42,241.41**	**₹ 32,64,326.97**	**₹ 35,26,220.70**	**₹ 37,77,626.33**	**₹ 40,26,204.23**	**₹ 42,69,355.62**	**₹ 45,46,269.17**	**₹ 47,97,806.69**	**₹ 50,35,459.90**	**₹ 52,71,765.09**	**₹ 54,83,554.42**
Net Block	₹ 24,271.85	₹ 25,485.44	₹ 26,759.71	₹ 28,097.70	₹ 29,502.59	₹ 30,977.71	₹ 32,526.60	₹ 34,152.93	₹ 35,860.58	₹ 37,653.61	₹ 39,536.29
Investments	₹ 8,86,376.81	₹ 9,11,862.94	₹ 9,82,298.35	₹ 10,52,733.76	₹ 11,23,169.17	₹ 11,93,604.59	₹ 12,64,040.00	₹ 13,34,475.41	₹ 14,04,910.82	₹ 14,75,346.24	₹ 15,45,781.65
Advances(Loan)	₹ 13,41,766.00	₹ 18,51,044.86	₹ 19,94,548.30	₹ 21,28,419.96	₹ 22,71,276.93	₹ 24,14,133.90	₹ 25,56,990.86	₹ 26,99,847.83	₹ 28,35,525.68	₹ 29,71,203.53	₹ 31,13,373.47
Other Assets	₹ 3,00,351.37	₹ 3,23,636.30	₹ 3,46,921.24	₹ 3,70,206.17	₹ 3,93,491.10	₹ 4,16,776.03	₹ 4,40,060.97	₹ 4,63,345.90	₹ 4,86,630.83	₹ 5,09,915.76	₹ 5,09,915.76
Total Non Current Assets	**₹ 25,52,766.03**	**₹ 31,12,029.54**	**₹ 33,50,527.60**	**₹ 35,79,457.59**	**₹ 38,17,439.79**	**₹ 40,55,492.23**	**₹ 42,93,618.43**	**₹ 45,31,822.07**	**₹ 47,62,927.91**	**₹ 49,94,119.14**	**₹ 52,08,607.16**
Cash & Balances with RBI	₹ 1,13,747.23	₹ 1,52,297.43	₹ 1,75,693.11	₹ 1,98,168.74	₹ 2,08,764.44	₹ 2,13,863.39	₹ 2,52,650.74	₹ 2,65,984.62	₹ 2,72,531.99	₹ 2,77,645.96	₹ 2,74,947.26
Total Current Assets	₹ 1,13,747.23	₹ 1,52,297.43	₹ 1,75,693.11	₹ 1,98,168.74	₹ 2,08,764.44	₹ 2,13,863.39	₹ 2,52,650.74	₹ 2,65,984.62	₹ 2,72,531.99	₹ 2,77,645.96	₹ 2,74,947.26
Total Assets	**₹ 26,42,241.41**	**₹ 32,64,326.97**	**₹ 35,26,220.70**	**₹ 37,77,626.33**	**₹ 40,26,204.23**	**₹ 42,69,355.62**	**₹ 45,46,269.17**	**₹ 47,97,806.69**	**₹ 50,35,459.90**	**₹ 52,71,765.09**	**₹ 54,83,554.42

Forecasted Ratios-ICICI BANK LTD										
Year	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
Advances Growth	37.96%	7.75%	7.19%	6.71%	6.29%	5.92%	5.59%	5.29%	5.03%	4.78%
Deposit Growth	2.88%	7.72%	7.17%	6.69%	6.27%	5.90%	5.57%	5.28%	5.01%	4.77%
CASA Ratio	39.60%	38.84%	38.08%	37.32%	36.56%	35.80%	35.04%	34.29%	33.53%	32.77%
NIM %	7.83%	8.20%	8.56%	8.93%	9.30%	9.67%	10.04%	10.40%	10.77%	11.14%
CD Ratio	100.73%	101.71%	102.69%	103.68%	104.66%	105.64%	106.63%	107.61%	108.59%	109.58%
Cost to Income Ratio	52.59%	48.24%	43.89%	39.54%	35.19%	30.84%	26.49%	22.14%	17.79%	13.44%
CASA Ratio	39.60%	38.84%	38.08%	37.32%	36.56%	35.80%	35.04%	34.29%	33.53%	32.77%
GNPA%	0.04%	-1.00%	-2.04%	-3.07%	-4.11%	-5.15%	-6.19%	-7.23%	-8.26%	-9.30%
NNPA%	61.83%	69.62%	77.40%	85.19%	92.97%	100.76%	108.54%	116.33%	124.11%	131.90%
Provison Coverage Ratio %	90.95%	94.57%	98.19%	101.81%	105.43%	109.05%	112.68%	116.30%	119.92%	123.54%
Credit Cost%	-0.40%	-0.76%	-1.11%	-1.46%	-1.82%	-2.17%	-2.52%	-2.88%	-3.23%	-3.58%
PAT Growth	35.29%	35.07%	34.86%	34.64%	34.43%	34.21%	34.00%	33.78%	33.57%	33.36%
ROE %	20.52%	22.29%	24.06%	25.83%	27.60%	29.38%	31.15%	32.92%	34.69%	36.46%
ROA %	249.61%	273.84%	298.07%	322.30%	346.53%	370.75%	394.98%	419.21%	443.44%	467.67%
Dividend Payout%	16.59%	17.81%	19.04%	20.27%	21.50%	22.73%	23.96%	25.19%	26.42%	27.65%
Cash Ratio	0.065959	0.07149	0.076713	0.077634	0.077222	0.088605	0.092273	0.095092	0.099005	0.102958

Commentary on Forecasted Data

ICICI Bank’s advances growth is forecast to **moderate from ~38% in FY26 to ~4.8% by FY35**, reflecting a transition to stable long-term growth. Deposit growth is assumed to broadly track advances, resulting in a **credit–deposit ratio rising above 100%**. The **CASA ratio is projected to decline from ~39.6% to ~32.8% by FY35**, while **net interest margins are expected to expand** due to asset repricing and yield mix improvement. Operational efficiency improves materially, with the **cost-to-income ratio declining from ~52.6% to ~13.4%**, driven by scale and digitalisation. Asset quality assumptions remain conservative, with **high provisioning coverage maintained** over the forecast period.

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Ratio Analysis-ICICI BANK LTD											
Years	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Trend	Mean	Median
Growth Ratios											
Interest Income Growth		15.80%	17.86%	5.10%	7.00%	26.90%	31.76%	16.81%		17.32%	16.81%
Interest Expense Growth		14.35%	14.01%	-4.49%	-3.50%	22.78%	46.62%	20.13%		15.70%	14.35%
Net Interest Income Growth		17.58%	22.45%	15.77%	16.64%	30.02%	21.11%	13.93%		19.64%	17.58%
Total Income Growth		8.76%	14.10%	12.90%	-1.94%	16.56%	19.39%	26.94%		13.81%	14.10%
Provisions Growth		3.10%	16.99%	10.40%	14.52%	23.56%	11.52%	16.12%		13.74%	14.52%
PAT Growth		-37.48%	97.31%	81.41%	26.61%	33.66%	30.59%	20.91%		36.15%	30.59%
Dividend Growth		-49.58%	0.00%	100.00%	60.19%	37.80%	20.45%	10.36%		25.60%	20.45%
PPOP Growth		-25.61%	114.91%	35.69%	29.53%	33.88%	28.79%	20.18%		33.91%	29.53%
Margin Ratios (as % of Total Income											
Interest Expense Margin	40.45%	42.52%	42.49%	35.95%	35.38%	37.26%	45.77%	43.31%		40.39%	41.47%
Net Interest Margin	32.94%	35.61%	38.21%	39.18%	46.61%	51.99%	52.74%	47.34%		43.08%	42.90%
Operating Expense Margin	83.92%	89.00%	79.28%	75.10%	67.11%	62.23%	59.25%	61.42%		72.16%	71.11%
PPOP Margin	16.08%	11.00%	20.72%	24.90%	32.89%	37.77%	40.75%	38.58%		27.84%	28.89%
Net Profit Margin	10.74%	6.18%	10.68%	17.16%	22.16%	25.41%	27.79%	26.47%		18.32%	19.66%
Profitability Ratios											
Return on Asset (ROA)	86.25%	48.15%	85.82%	138.01%	155.02%	185.73%	208.24%	217.40%		148.34%	155.02%
NIM	5.09%	5.46%	5.87%	5.81%	5.86%	6.34%	6.24%	8.73%		6.17%	5.86%
Return on Equity (ROE)	8.23%	4.98%	9.13%	12.92%	14.16%	16.07%	17.57%	17.34%		12.55%	13.54%
Net Profit Margin	10.74%	6.18%	10.68%	17.16%	22.16%	25.41%	27.79%	26.47%		18.32%	19.66%
Cost To Income Ratio	1.41%	1.55%	1.38%	1.17%	1.04%	0.99%	1.09%	1.08%		0.01x	0.01x
Capital and Growth Ratios											
Dividend Payout Ratio	10.60%	11.33%	0.00%	6.79%	13.48%	16.21%	15.61%	14.40%		11.05%	12.40%
Retention Ratio	89.40%	88.67%	100.00%	93.21%	86.52%	83.79%	84.39%	85.60%		88.95%	87.60%
Self Sustainable Growth Rate	7.35%	4.42%	9.13%	12.04%	12.25%	13.46%	14.83%	14.84%		11.04%	12.15%
Leverage & Liquidity Ratios											
Debt To Equity	634x	691x	784x	798x	901x	1002x	1175x	1306x		912x	850x
Credit/ Deposit Ratio	88.92%	90.12%	91.28%	96.45%	102.50%	113.31%	115.73%	72.12%		96.30%	93.86%
Investment/Deposit Ratio	45.66%	44.66%	43.71%	48.61%	45.26%	45.69%	50.10%	47.64%		46.42%	45.67%
Financial Leverage	874x	961x	1064x	1138x	1261x	1402x	1683x	1855x		1280x	1199x
Asset Quality Ratios											
Gross NPA Ratio	9.24%	7.03%	5.78%	5.15%	3.70%	2.88%	2.20%	1.69%		4.71%	4.43%
Net NPA Ratio	4.77%	2.06%	1.41%	1.14%	76.00%	48.00%	42.00%	39.00%		26.80%	21.89%
Provision Coverage Ratio	48.40%	70.70%	75.60%	77.80%	79.50%	83.50%	80.80%	81.00%		74.66%	78.65%
Capital Adequacy Ratio											
CAR	15.86%	14.98%	14.55%	16.10%	16.64%	17.45%	17.28%	18.77%		16.45%	16.37%
Tier 1 Capital Ratio	14.06%	13.18%	12.75%	14.30%	14.84%	15.65%	15.48%	16.97%		14.65%	14.57%
Banking Performance Ratios											
CASA Ratio	45.65%	45.82%	42.60%	41.37%	44.49%	44.80%	40.30%	39.09%		43.02%	43.55%
EPS	₹ 14.2	₹ 8.8	₹ 17.3	₹ 29.4	₹ 37.1	₹ 49.4	₹ 64.1	₹ 76.4		₹ 37.1	₹ 33.3
Book Value Per Share	₹ 172.1	₹ 177.2	₹ 190.0	₹ 227.9	₹ 262.0	₹ 307.2	₹ 364.8	₹ 440.8		₹ 267.7	₹ 244.9

Executive Summary – Trend Analysis

Business & Growth

- Advances and deposits have grown consistently post-FY21, supporting balance sheet expansion and scale benefits.
- Growth has become increasingly retail-led, improving portfolio diversification and earnings stability.

Profitability

- Net Interest Margin expanded steadily, reflecting better asset yields and repricing benefits.
- Net Profit Margin increased from ~11% in FY18 to ~26% in FY25, indicating improved cost control and lower provisioning burden.
- ROA and ROE improved structurally, highlighting better asset productivity and capital efficiency.

Operating Efficiency

- The cost-to-income ratio declined materially over FY18–FY25, supported by digital adoption and controlled operating expenses.
- PPOP margins expanded, strengthening the Bank's ability to absorb credit costs during stress periods.

Asset Quality

- GNPA reduced from ~9.2% to ~1.7%, while NNPA declined to ~0.4%, reflecting strong recoveries and prudent credit underwriting.
- Provision Coverage Ratio increased from ~48% to over ~80%, indicating a conservative and forward-looking risk framework.

Capital & Liquidity

- Capital Adequacy Ratio improved from ~16% to ~18.8%, strengthening balance sheet resilience.
- CASA ratio remained structurally strong, supporting low-cost funding despite some moderation in recent years.

Overall Assessment

- The quantified trends indicate that ICICI Bank has transitioned into a stable, high-quality growth phase, characterised by strong profitability, superior asset quality, and robust capital buffers, positioning the Bank for sustainable long-term growth.

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Comparable Company Valuation

Amount in Crores	Market Data					Financials				Valuation		
Company	Ticker	CMP	Market Cap	Net profit TTM	Outd.Shares	EPS TTM	BV TTM	CAGR	EPS 2027	P/E 2027	P/B	PEG
ICICI Bank	ICICIBANK	1,381.9	9,87,696.2	56,975.1	714.7	74.9	466.5	12.52%	113.5	12.2x	3.0x	97.2x
HDFC Bank	HDFCBANK	996.0	15,31,825.9	75,078.9	1,538.0	47.2	350.9	4.60%	54.0	18.4x	2.8x	0.3x
Kotak Mahindra Bank	KOTAKBANK	2,106.9	4,19,000.5	18,574.2	198.9	93.4	844.5	-3.39%	84.2	25.0x	2.5x	NA
Axis Bank	AXISBANK	1,269.3	3,93,913.7	26,134.1	310.4	83.9	639.0	-6.94%	67.6	18.8x	2.0x	NA
High										25.0x	3.0x	97.2x
75th Percentile										20.3x	2.9x	73.0x
Average										**18.6x**	**2.6x**	**48.8x**
Median										**18.6x**	**2.7x**	**48.8x**
25th Percentile										16.9x	2.4x	24.6x
Low										12.2x	2.0x	0.3x

ICICI Bank Comparable Valuation

Price-To-Earning Ratio

Equity Value Calculation	
Net Profit	101254.2383
Book Value	466.5
EPS Growth	12.52%
Preferred Multiple	**PE Ratio**
Range	**Median**
Median PE Ratio	18.6x
Equity Value	**1883766.2**
Shares Outstanding	**714.7**
Per Share Equity Value	**2635.6**
Current Share Price	**1,381.9**
Discount	**90.72%**

Price-To-Booking Ratio

Equity Value Calculation	
Net Profit	101254.2
Book Value	466.5
EPS Growth	12.52%
Preferred Multiple	**PB Ratio**
Range	**Median**
Median PE Ratio	2.7x
Equity Value	**889036.0**
Shares Outstanding	**714.7**
Per Share Equity Value	**1243.9**
Current Share Price	**1,381.9**
Premium	**11.10%**

PEG Ratio

Equity Value Calculation	
Net Profit	101254.2
Book Value	466.5
EPS Growth	12.52%
Preferred Multiple	**PEG Ratio**
Range	**Median**
Median PE Ratio	6.1x
Equity Value	**618426.9**
Shares Outstanding	**714.7**
Per Share Equity Value	**865.2**
Current Share Price	**1,381.9**
Premium	**37.39%**

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