

**Market Cap.**
**Rs. 8,07,180 Cr.**
**52 Week H/L**
**Rs. 1,169/899**
**CMP**
**Rs.1,149**
**Target Price**
**Rs.1,208**

## BFSI

### STOCK DATA

#### HOLD

Reuters Code	ICBK.BO	
Bloomberg Code	ICICIBC IN	
BSE Code	532174	
NSE Symbol	ICICIBANK	
Face Value	Rs.2	
Shares Outstanding	703 Cr.	
Avg. Daily Volume (6m)	1,58,48,763 Shares	
Price Performance (%)		
1M	3M	6M
6	12	22
200 days EMA Rs.1010		

### SHARE HOLDING (%)

Promoters	-
FII	36.0
FI/MF	33.5
Govt. Holding	0.2
Bodies Corporate	1.0
Public & Others	29.3

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### Key Highlights of Q4FY24 Results

- Net additions of Rs.1,220 cr to gross NPAs in the current quarter compared to Rs.3,630 cr in the previous quarter. The sequential increase is primarily due to higher recoveries and upgrades from the corporate and SME portfolio during the previous quarter. The net additions to gross NPAs were Rs.1,710 cr in the retail, rural and business banking portfolios and there were net deletions of gross NPAs of Rs.490 cr in the corporate and SME portfolio. The gross NPA additions were Rs.5,139 cr in the current quarter compared to Rs.5,714 cr in the previous quarter. Recoveries and upgrades from gross NPAs, excluding write-offs and sale, were Rs.3,920 cr in the current quarter compared to Rs.5,351 cr in the previous quarter. The net NPA ratio was 0.42% at FY24 compared to 0.44% at December 31, 2023 and 0.48% at FY23. The provisioning coverage ratio on NPAs was 80.3% at March 31, 2024. In addition, the Bank continues to hold contingency provisions of Rs.13,100 cr or about 1.1% of total loans at FY24.
- Loan book grew by 16.2% yoy, with corporate advances growing by 10% yoy and retail book growing at 19%. Coming to the growth across retail products, the mortgage portfolio grew by 14.9% yoy and 3.1% qoq. Auto loans grew by 19.2% yoy and 2.3% qoq. Personal loans grew by 32.5% yoy and 5.0% qoq compared to 37.3% yoy and 6.4% qoq at December 31, 2023. The Bank continued to work on increasing pricing, further refining credit parameters and optimising sourcing costs resulting in lower disbursements of personal loans during the quarter as compared to the previous quarter. The credit card portfolio grew by 35.6% yoy and 6.5% qoq. The personal loans and credit card portfolio were 9.9% and 4.3% of the overall loan book respectively at FY24.
- On the P&L front, NII grew at 8% yoy, the net interest margin was 4.40% in this quarter compared to 4.43% in the previous quarter. The domestic NIM was 4.49% this quarter compared to 4.52% in the previous quarter. The bank has raised the cost of deposits by 10 bps in Feb-24, the impact of which will be reflected in Q1FY25. Management expects slight moderation in NIM, however it will be range-bound for the next few quarters.

### OUTLOOK AND VALUATION

ICICI Bank is expanding its franchise with high branch addition in the recent past, as it witnesses market opportunities across different markets. The cost of deposits is expected to increase in the near term, however, net interest margin is expected to remain strong above 4% on account of high yielding portfolio. With a strong balance sheet and capital position, the bank is geared to capitalise on growth opportunities in the system. We believe high loan growth, strong CASA deposit franchise and digital initiatives should lead to a healthy ROE/ROA of 17.1%/2.2% by FY26. We have a SOTP-based target price of Rs.1,208 (2.5x FY26E ABV for the bank) with a period of 18-24 months.

Y/E Mar.	Net Income (Rs cr)	PAT (Rs cr)	AEPS (Rs)	NIM (%)	P/E (x)	P/ABV (%)	ROE (%)	ROA (%)
FY23	81,960	31,897	49.5	4.6%	20.2	3.6	17.2	2.1
FY24P	97,263	40,888	63.4	4.7%	15.8	3.0	18.7	2.4
FY25E	1,10,082	43,349	67.2	4.5%	14.9	2.6	17.0	2.2
FY26E	1,28,191	50,732	78.7	4.5%	12.7	2.3	17.1	2.2



### Earlier Recommendation

Date	Report Type	Reco	Price (Rs.)	Target (Rs.)
15-Jan-24	Initiating Coverage	Buy	1,001	1,208

**QUARTERLY STATEMENT**

(Rs.cr)

Y/E March	Q4FY23	Q3FY24	Q4FY24
<b>Net Interest Income</b>	<b>17,667</b>	<b>18,679</b>	<b>19,092</b>
Other Income	5,088	6,097	5,648
-Core Fee Income	4,830	5,313	5,436
Operating Income	22,755	24,776	24,741
Employee Exps.	3,401	3,813	3,720
Other Operating Exps.	5,527	6,239	5,982
<b>Operating Profit</b>	<b>13,826</b>	<b>14,723</b>	<b>15,039</b>
Provisions & Cont.	1,620	1,049	718
<b>PBT</b>	<b>12,207</b>	<b>13,674</b>	<b>14,320</b>
Tax	3,085	3,402	3,613
<b>PAT</b>	<b>9,122</b>	<b>10,272</b>	<b>10,708</b>

**PROFIT & LOSS STATEMENT**

(Rs.cr)

Y/E March	FY23	FY24P	FY25E	FY26E
Interest Income	1,09,231	1,42,891	1,63,689	1,88,319
Interest Expenses	47,103	68,585	79,086	88,567
<b>Net Interest Income</b>	<b>62,129</b>	<b>74,306</b>	<b>84,603</b>	<b>99,752</b>
Non- Interest Income	19,831	22,958	25,479	28,440
<b>Operating Income</b>	<b>81,960</b>	<b>97,263</b>	<b>1,10,082</b>	<b>1,28,191</b>
Total Operating Exp	32,873	39,133	45,299	52,242
<b>Pre Provision Profit</b>	<b>49,087</b>	<b>58,131</b>	<b>64,782</b>	<b>75,950</b>
Total Provisions	6,666	-723	6,984	8,307
<b>Profit before tax</b>	<b>42,421</b>	<b>54,488</b>	<b>57,798</b>	<b>67,643</b>
Tax	10,525	13,600	14,450	16,911
<b>Net Profit</b>	<b>31,897</b>	<b>40,888</b>	<b>43,349</b>	<b>50,732</b>

Source: Company, Sushil Finance Research

**FINANCIAL RATIO STATEMENT**

Y/E March	FY23	FY24P	FY25E	FY26E
<b>Profitability Ratios</b>				
EPS	49.5	63.4	67.2	78.7
Earnings growth (%)	36.7%	28.2%	6.0%	17.0%
PPP / Share	76.1	90.2	100.5	117.8
ROAA (%)	2.13%	2.37%	2.15%	2.18%
ROE (%)	17.2%	18.7%	17.0%	17.1%
<b>Efficiency Ratios (%)</b>				
C-I Ratio (Excl Treasury)	40.2%	40.3%	41.2%	40.8%
Other Inc/Total Inc	24.0%	23.5%	23.0%	22.0%
Cost Asset Ratio	2.2%	2.3%	2.2%	2.2%
CASA	45.8%	42.2%	40.6%	39.7%
<b>Asset Quality Ratios (%)</b>				
Gross NPLs	2.9%	2.3%	2.2%	2.1%
Net NPLs	0.51%	0.45%	0.42%	0.42%
Coverage	82.8%	80.8%	81.3%	80.5%
Provision/ Loans	-0.06%	-0.06%	0.50%	0.50%
Y/E March	FY23	FY24P	FY25E	FY26E
<b>Asset-Liab. Profile (%)</b>				
Capital Adequacy Ratio	19.4%	17.9%	17.9%	18.0%
- Tier I CAR	18.7%	17.4%	17.5%	17.6%
C/D ratio	86%	84%	86%	90%
Loan Growth	19%	16%	18%	19%
Deposit Growth	11%	20%	15%	13%
Balance Sheet Growth	12%	18%	16%	15%
Equity / Assets	12.7%	12.7%	12.7%	12.8%
Equity / Loans	19.7%	20.1%	19.7%	19.3%
<b>Asset-Liab. Profile (%)</b>				
Yield on Advances	8.9%	9.9%	9.9%	9.8%
Yield on Investments	6.2%	6.9%	6.9%	6.7%
Cost of funds	3.8%	4.8%	4.8%	4.7%
Net Interest Margin	4.56%	4.66%	4.46%	4.49%
<b>Valuation</b>				
BV / Share	286	337	390	453
Adjusted BV / Share	279	330	382	443
P/E (x)	20.2	15.8	14.9	12.7
P/PPP (x)	13.1	11.1	10.0	8.5
P/ABV (x)	3.59	3.04	2.62	2.26

Source: Company, Sushil Finance Research

**Rating Scale :**

This is a guide to the rating system used by our Institutional Research Team. Our rating system comprises of three rating categories.

**Total Expected Return Matrix (Rating and Return)**

**BUY : Over 12%**

**HOLD : -12% to 12%**

**SELL : Below -12%**

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Analyst Stock Ownership	No
Stock Recommended to Clients	Yes
Remuneration/Benefits received from company in 12 months	No
Merchant Banking Market Making activities / projects	No
Sushil Financial Services Pvt. Ltd and Group Companies Holding	No
Sushil Financial Services Pvt. Ltd and Group Directors Holding	No
Broking Relationship with the company covered	No