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21 July 2025

## India

### Financial services

Reuters ICBK.BO  
Bloomberg ICICIB IB

#### Priced on 18 July 2025

CNX Nifty @ 24,968.4

**12M hi/lo** Rs1,461.75/1,162.20

**12M price target** Rs1,700.00  
**±% potential** +19%

**Shares in issue** 7,123.0m  
**Free float (est.)** 100.0%

**Market cap** US\$118.2bn

**3M ADV** US\$174.9m

**Foreign s'holding** 56.8%

#### Major shareholders

LIC 7.3%  
SBI MF 6.7%

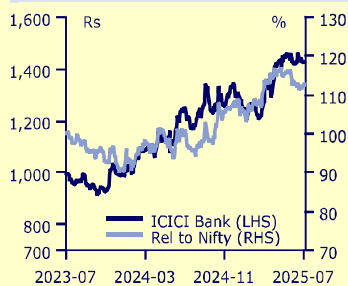
#### Blended ESG Score (%)\*

Overall 57.3  
Country average 59.1  
GEM sector average 55.2

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### Stock performance (%)

	1M	3M	12M
Absolute	1.1	1.4	14.3
Relative	0.4	(3.1)	13.5
Abs (US\$)	1.9	0.6	11.1



Source: Bloomberg

## Steady ship in turbulent waters

### Strong performance in a tough quarter; maintain O-PF

Given the current environment, ICICI Bank (ICICIB) delivered yet another strong quarter, with NII/core PPOP beating our estimates by 4-7%. Notably, ICICIB is the only bank under our coverage so far to report sequential growth in NII, despite the sharp rate cut environment. NIM, adjusted for one-offs and accounting intricacies, was only down 5bps QoQ. This is better than peers that witnessed a 11-13bp core NIM compression. Loan growth moderated to 11-12% YoY given the weak demand environment coupled with ICICIB's focus on profitable growth. Deposit growth also moderated, down from 14% to 13%, as the bank shed wholesale deposits. Asset quality remains stable. Opex was up 6% QoQ driven by staff costs. We keep our estimates largely unchanged (in the range of 0-2%) and maintain our O-PF rating with a TP of Rs1,700 (SOTP-based).

### Profitability metrics holding up well while growth softens

ICICIB reported some moderation in loan growth - around 12% YoY, down from the 13-16% observed in preceding quarters. This was driven by a further slowdown in retail loan growth - down to 7% YoY. Within retail, mortgages remain the only growth driver as vehicle finance, unsecured personal loans and credit cards are barely growing. Management believes growth in unsecured loans should pick up later this year as asset quality has been stable. In contrast, the business banking segment continued its strong expansion, growing c.30% YoY. On the deposit front, growth moderated to 13% YoY as the bank curtailed wholesale deposits. Notably, CASA deposits grew as fast as overall deposits, unlike other banks where CASA growth is lagging deposit growth.

### Strong performance on NIM; asset quality stable

Adjusted for interest on income tax refund and 'day count' accounting, ICICIB's margins dropped only 5bps QoQ to 4.34% versus our expectation of a c.15bp drop. It is hard to say exactly how much of the 100bp repo rate cut has been passed through - we think it is less than half. Hence, we expect NIM to compress in 2Q, but we also expect that to be the bottom. Gross slippage ratio moderated 15bps YoY to 1.9%, while credit costs were 50-55bps.

### Maintain O-PF

ICICIB has been a fairly consistent performer over the past few years. In the current retail asset quality cycle, it has proven itself to be among the best, given consistently benign credit costs. Its ROE should remain healthy at 16%% (2-4ppts higher than peers), in our view. We keep our FY26 PAT largely unchanged but trim our FY27/28 PAT by c.2% due to slower growth. We keep our TP unchanged at Rs1,700. We reiterate O-PF and ICICIB's top-pick status (along with SBI among large caps and Bandhan Bank among midcaps).

### Financials

Year to 31 March	24A	25A	26CL	27CL	28CL
Net profit (Rsm)	408,883	470,786	483,579	558,626	649,709
NP forecast change (%)	-	-	0.4	(1.5)	(2.2)
EPS (Rs)	58.2	66.1	67.8	78.3	91.0
CL/consensus (37) (EPS%)	-	-	96	96	99
PE (x)	24.5	21.6	21.1	18.2	15.7
PB (x)	4.2	3.5	3.1	2.7	2.4
ROA (%)	2.4	2.4	2.1	2.2	2.2
ROE (%)	18.6	17.7	15.5	15.8	16.2

Source: [www.clsa.com](https://www.clsa.com)

Change in earnings

Click to rate this research



## Financials at a glance

Year to 31 March	2024A	2025A	2026CL	(% YoY)	2027CL	2028CL
<b>Profit &amp; Loss (Rsm)</b>						
Interest income	1,428,909	1,632,638	1,759,085	7.7	1,993,038	2,309,300
Interest expense	(685,852)	(820,993)	(878,562)		(976,640)	(1,129,602)
<b>Net interest income</b>	<b>743,057</b>	<b>811,644</b>	<b>880,523</b>	<b>8.5</b>	<b>1,016,398</b>	<b>1,179,699</b>
Trading income	0	0	0		0	0
Fee income	207,960	238,114	264,307	11	303,953	349,546
Other operating income	21,618	43,637	57,204	31.1	67,250	77,217
<b>Non-interest income</b>	<b>229,578</b>	<b>281,751</b>	<b>321,511</b>	<b>14.1</b>	<b>371,203</b>	<b>426,763</b>
<b>Total op income</b>	<b>972,635</b>	<b>1,093,396</b>	<b>1,202,033</b>	<b>9.9</b>	<b>1,387,601</b>	<b>1,606,462</b>
Staff & related costs	(151,420)	(165,409)	(196,836)		(224,394)	(258,053)
Other operating expenses	(239,907)	(258,314)	(281,563)		(318,166)	(365,891)
<b>Total operating expenses</b>	<b>(391,327)</b>	<b>(423,723)</b>	<b>(478,399)</b>		<b>(542,559)</b>	<b>(623,943)</b>
<b>Preprovision OP</b>	<b>581,308</b>	<b>669,672</b>	<b>723,634</b>	<b>8.1</b>	<b>845,041</b>	<b>982,518</b>
Loan-loss provisions	(36,429)	(44,995)	(78,862)		(100,207)	(116,240)
<b>Operating profit</b>	<b>544,878</b>	<b>624,678</b>	<b>644,772</b>	<b>3.2</b>	<b>744,834</b>	<b>866,278</b>
Other income/expenses	0	0	-		-	-
<b>Profit before tax</b>	<b>544,878</b>	<b>624,678</b>	<b>644,772</b>	<b>3.2</b>	<b>744,834</b>	<b>866,278</b>
Taxation	(135,996)	(153,892)	(161,193)		(186,209)	(216,570)
Preference dividends	-	-	-		-	-
<b>Profit for period</b>	<b>408,883</b>	<b>470,786</b>	<b>483,579</b>	<b>2.7</b>	<b>558,626</b>	<b>649,709</b>
Minority interest	0	0	0		0	0
<b>Net profit</b>	<b>408,883</b>	<b>470,786</b>	<b>483,579</b>	<b>2.7</b>	<b>558,626</b>	<b>649,709</b>
<b>Adjusted profit</b>	<b>408,883</b>	<b>470,786</b>	<b>483,579</b>	<b>2.7</b>	<b>558,626</b>	<b>649,709</b>
<b>Balance sheet (Rsm)</b>						
<b>2024A</b>	<b>2025A</b>	<b>2026CL</b>	<b>(% YoY)</b>	<b>2027CL</b>	<b>2028CL</b>	
Net loans	11,844,064	13,417,662	15,229,046	13.5	17,665,693	20,492,204
Cash & equivalents	87,517	505,514	828,918	64	993,277	1,203,933
Placements with other banks	502,143	656,339	487,043	(25.8)	564,649	523,699
Other interest earning assets	4,619,423	5,047,567	5,754,227	14	6,617,361	7,676,139
<b>Total interest earning assets</b>	<b>17,053,146</b>	<b>19,627,081</b>	<b>22,299,234</b>	<b>13.6</b>	<b>25,840,980</b>	<b>29,895,974</b>
Net fixed assets	108,598	128,387	138,658	8	145,591	152,871
Intangible assets	0	0	0		0	0
Other assets	1,553,401	1,426,931	1,410,979	(1.1)	1,572,063	1,753,988
<b>Total non-interest earning assets</b>	<b>1,661,999</b>	<b>1,555,318</b>	<b>1,549,637</b>	<b>(0.4)</b>	<b>1,717,655</b>	<b>1,906,859</b>
<b>Total assets</b>	<b>18,715,146</b>	<b>21,182,400</b>	<b>23,848,871</b>	<b>12.6</b>	<b>27,558,635</b>	<b>31,802,833</b>
Customer deposits	14,128,250	16,103,480	18,196,933	13	21,108,442	24,485,793
Deposits from banks	-	-	-		-	-
Other int-bearing liabs	1,249,676	1,235,383	1,284,798	4	1,477,518	1,699,145
<b>Total int-bearing liabs</b>	<b>15,377,925</b>	<b>17,338,863</b>	<b>19,481,731</b>	<b>12.4</b>	<b>22,585,959</b>	<b>26,184,938</b>
Other non-int-bearing liabs	953,227	922,774	1,059,487	14.8	1,218,121	1,343,575
Shareholder funds	2,383,993	2,920,763	3,307,653	13.2	3,754,554	4,274,321
Other equity capital	0	0	0		0	0
<b>Total liabs &amp; equity</b>	<b>18,715,146</b>	<b>21,182,400</b>	<b>23,848,871</b>	<b>12.6</b>	<b>27,558,635</b>	<b>31,802,833</b>
Total tier 1 capital	2,141,508	2,544,184	3,065,831	20.5	3,512,731	4,032,498
<b>Total capital</b>	<b>2,241,720</b>	<b>2,641,546</b>	<b>3,165,935</b>	<b>19.9</b>	<b>3,612,835</b>	<b>4,132,602</b>
Risk weighted assets	13,727,617	15,961,003	18,447,175	15.6	21,867,861	25,871,702
<b>Average Risk weighted assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ratio analysis</b>						
<b>2024A</b>	<b>2025A</b>	<b>2026CL</b>	<b>(% YoY)</b>	<b>2027CL</b>	<b>2028CL</b>	
Net int inc growth (%)	19.6	9.2	8.5		15.4	16.1
Non-int inc growth (%)	15.8	22.7	14.1		15.5	15.0
Operating inc growth (%)	18.7	12.4	9.9		15.4	15.8
Net profit growth (%)	28.2	15.1	2.7		15.5	16.3
Net interest margin (%)	4.7	4.4	4.2		4.2	4.2
Cost/income (%)	40.2	38.8	39.8		39.1	38.8
Loans/deposits (%)	85.4	84.5	84.7		84.7	84.6
Gross NPLs/total loans (%)	2.3	1.8	1.6		1.5	1.5
Loan provisions/NPLs (%)	0.0	0.0	0.0		0.0	0.0
ROA (%)	2.4	2.4	2.1		2.2	2.2
ROE (%)	18.6	17.7	15.5		15.8	16.2
Tier 1 CAR (%)	15.6	15.9	16.6		16.1	15.6
CAR (%)	16.3	16.6	17.2		16.5	16.0

Source: www.clsa.com

Find CLSA research on Bloomberg, Thomson Reuters, FactSet and CapitalIQ - and profit from our evalu@tor proprietary database at clsa.com

## Key charts

Figure 1

### 1QFY26 summary

Rs bn	1QFY25	4QFY25	1QFY26	QoQ	YoY
Interest Income	390	424	429	1	10
Interest expense	194	212	213	0	10
Net interest income	196	212	216	2	11
Other income	70	73	85	17	21
Total income	266	285	301	6	13
Opex	105	108	114	6	8
Operating profit	160	177	187	6	17
Provisions	13	9	18	104	36
Profit before tax	147	168	169	1	15
Tax	36	41	42	0	15
<b>Profit after tax</b>	<b>111</b>	<b>126</b>	<b>128</b>	<b>1</b>	<b>15</b>
Loans	12,232	13,418	13,642	2	12
Investments	4,753	5,048	5,077	1	7
Deposits	14,261	16,103	16,085	0	13
Borrowings	1,201	1,235	1,171	-5	-3
CASA Deposits	5,837	6,737	6,628	-2	14
CASA Ratio	40.9	41.8	41.2	-63bp	28dp
Loan-Deposit Ratio	85.8	83.3	84.8	149bp	-96dp
Investments/NDTL	30.7	29.1	29.4	31bp	-131dp
<b>Asset Quality</b>					
GNPL	287	242	247	2	-14
GNPL ratio	2.2	1.7	1.7	0bp	-48dp
NNPL	57	56	60	7	5
NNPL ratio	0.4	0.4	0.4	2bp	-2dp
PCR	80.2	76.9	75.9	-101bp	-435dp
<b>Calculated Ratios (%)</b>					
Yield on advances	10.0	9.9	9.6	-26bp	-38dp
Yield on Investments	7.0	6.7	6.9	16bp	-8dp
Yield on IEA	9.1	9.0	8.9	-9bp	-19dp
Cost of Funds	5.0	5.0	4.9	-10bp	-11dp
Spread	4.1	4.0	4.0	0bp	-7dp
NIM on IEA	4.6	4.5	4.5	-1bp	-7dp
NIMs on total assets	4.2	4.1	4.1	-2bp	-8dp
C/I ratio	42.0	39.2	41.4	215bp	-67dp
Credit cost	0.4	0.3	0.5	27bp	9dp
RoA	2.4	2.4	-1.7	-412bp	-402dp
RoE	18.0	17.9	-11.9	-2978bp	-2982dp

Source: ICICIB, CLSA

## Conference call takeaways

### Business Updates

- Strong business banking growth is combination of technology, distribution and processes.
- Expect personal loan growth to pick up. Comfortable with early delinquency trends of loans disbursed in the past 12 months.
- Vehicle loan growth is weak due to auto demand as well as pricing competition in the industry.

PAT sequentially flat

Loans and deposits grew  
12-13% YoY

GNPL ratio lower by 50bps

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Loan growth of 12% YoY

**Deposits/Margins**

- In 1QFY26, ICICIB changed the computation of NIM from 'day count' to 'month count'. The impact in this quarter on a YoY basis was negligible. Core NIM adjusted for this as the IT refund would be down c.5bp.
- Impact of repo rate cut will be higher in 2QFY26 vs 1QFY26.
- Reduction in wholesale deposits helped in lowering cost of funds.
- June repo rate cut will flow into the numbers in 2Q.
- Even after the higher LCR requirement, wholesale term deposit cost is now lower than retail term deposit cost.

**Asset Quality**

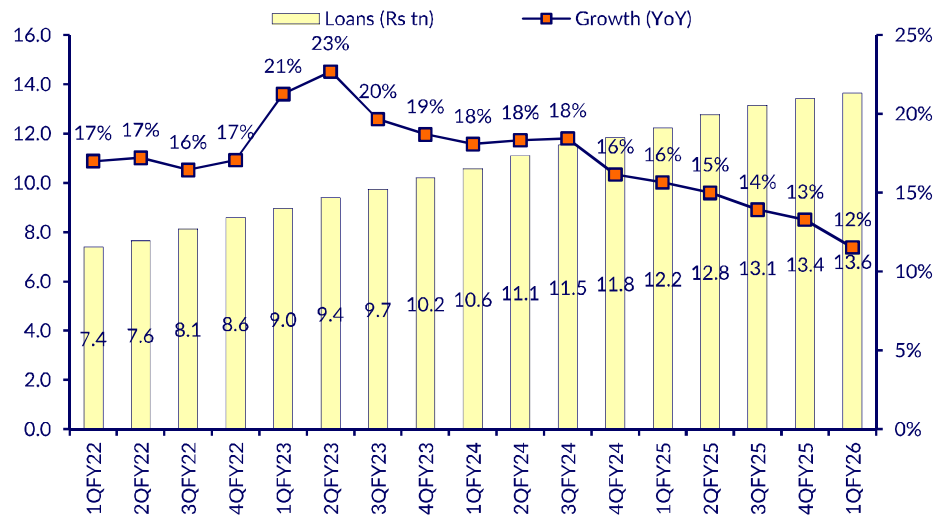
- Steady state credit costs would be 50bps.
- Not worried about business banking asset quality.

**Others**

- Decline in share of AAA-rated corporate loans is due to lower demand as well as pricing.
- Cannot restructure loans in the SMA book and classify.

Figure 2

**Loan book**

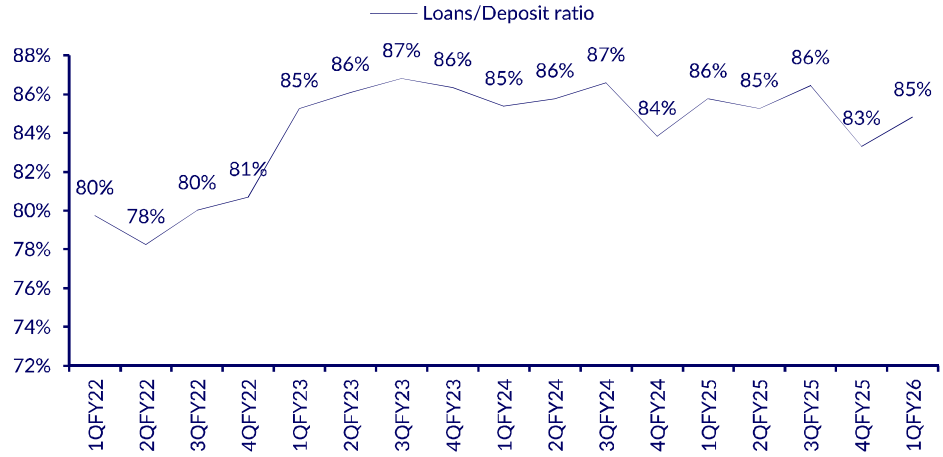


Source: ICICI Bank, CLSA

Loan/deposit ratio of 85%

Figure 3

**LDR had been range-bound for several quarters and is now at 85%**

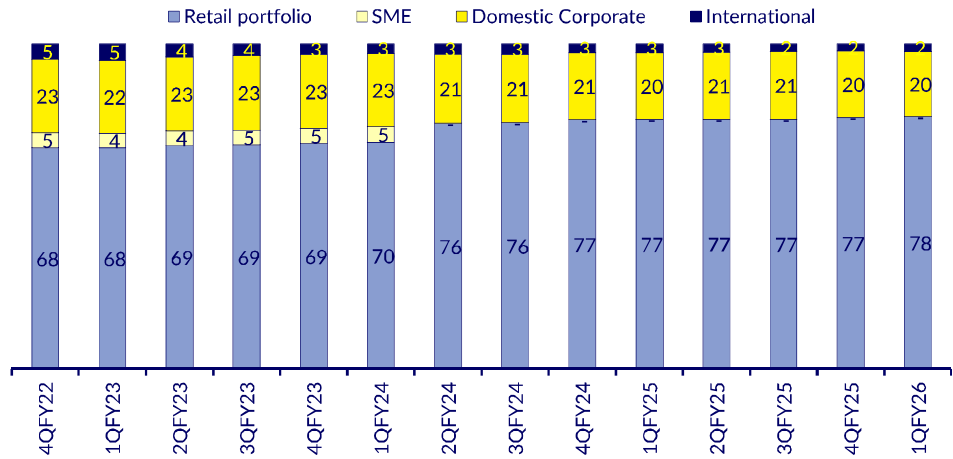


Source: ICICI Bank, CLSA

Largely a stable loan mix

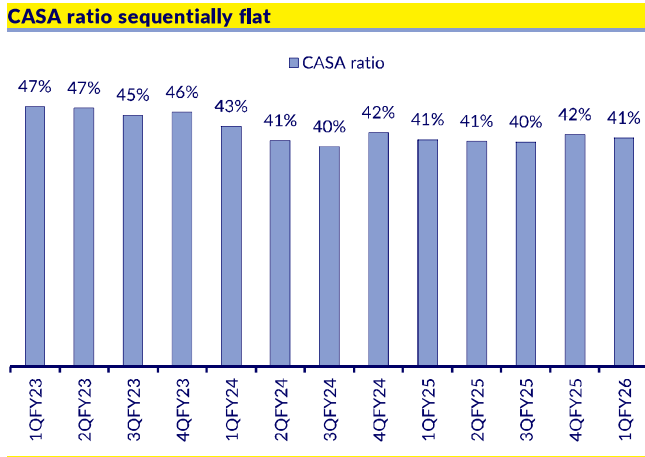
Figure 4

**Loan mix (%)**



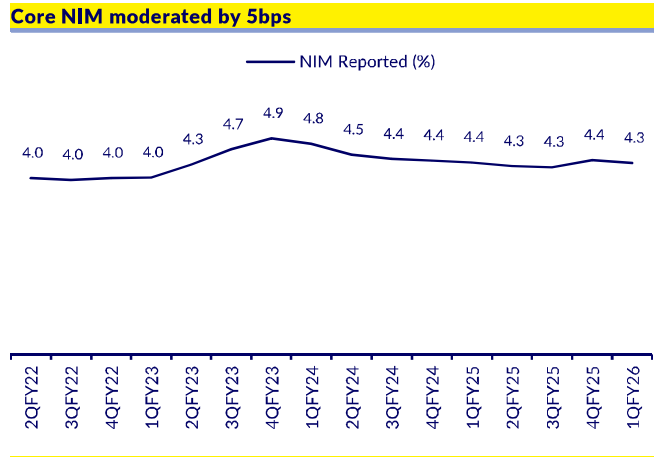
Source: ICICI Bank, CLSA

Figure 5



Source: ICICI Bank, CLSA

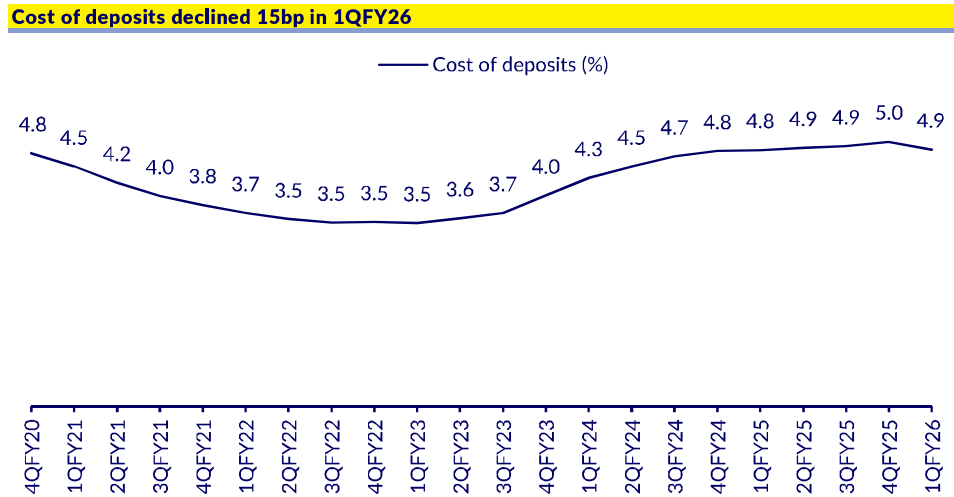
Figure 6



Source: ICICI Bank, CLSA

Deposit cost marginally lower

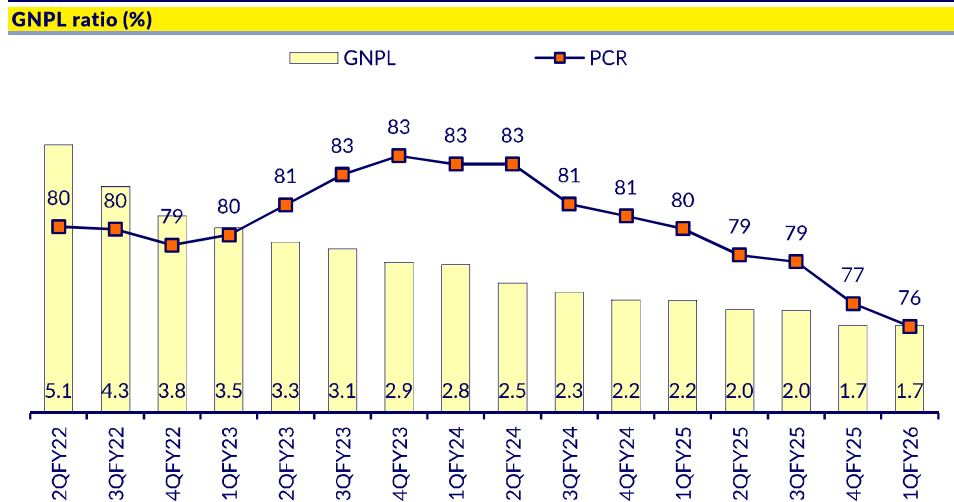
Figure 7



Source: ICICI Bank, CLSA

Its GNPL ratio remains flat

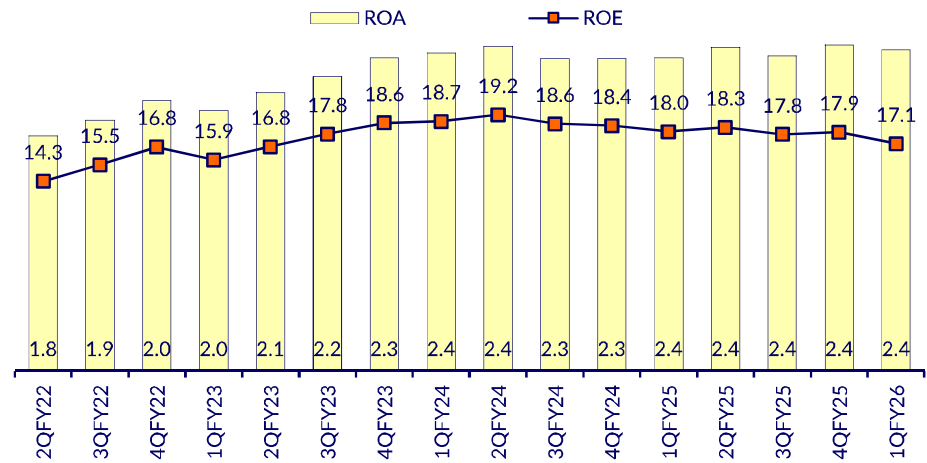
Figure 8



Source: ICICI Bank, CLSA

Figure 9

**ROE healthy at 17%**



Source: ICICI Bank, CLSA

Figure 10

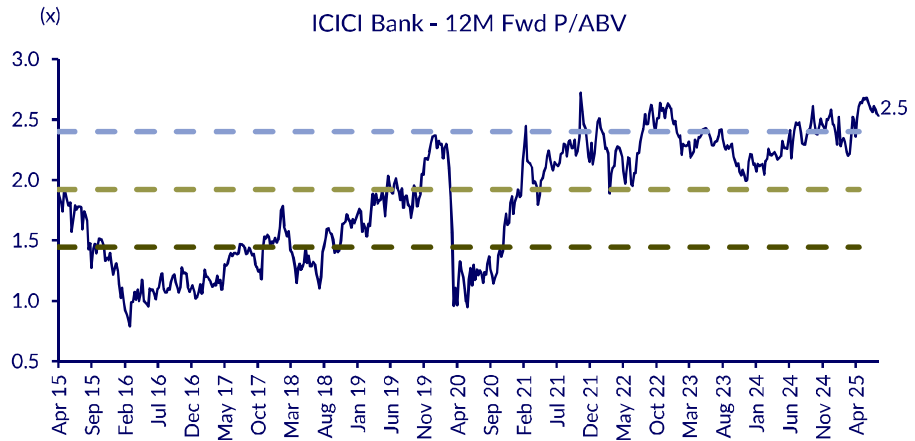
**We trim our estimates by ~2% due to lower loan growth**

Rs bn	Old Estimates			New Estimates			Change (%)		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
NII	875	1,027	1,199	881	1,016	1,180	0.6	(1.0)	(1.6)
Other Income	322	370	424	322	371	427	(0.2)	0.2	0.6
Total Income	1,197	1,397	1,623	1,202	1,388	1,606	0.4	(0.7)	(1.0)
Opex	475	538	619	478	543	624	0.8	0.8	0.8
PPOP	723	859	1,005	724	845	983	0.2	(1.6)	(2.2)
Provisions	80	103	119	79	100	116	(1.6)	(2.3)	(2.1)
PBT	642	756	886	645	745	866	0.4	(1.5)	(2.2)
Tax	161	189	221	161	186	217	0.4	(1.5)	(2.2)
PAT	482	567	664	484	559	650	0.4	(1.5)	(2.2)
<b>EPS</b>	<b>68</b>	<b>80</b>	<b>93</b>	<b>68</b>	<b>78</b>	<b>91</b>	<b>0.2</b>	<b>(1.7)</b>	<b>(2.4)</b>
Loans (Rs trn)	15	18	21	15	18	20	(1.3)	(2.1)	(2.1)
Deposits (Rs trn)	19	22	25	18	21	24	(1.7)	(2.6)	(2.6)
ROA	2.1	2.2	2.2	2.1	2.2	2.2			
ROE	15.7	16.2	16.7	15.7	16.0	16.4			

Source: CLSA

Figure 11

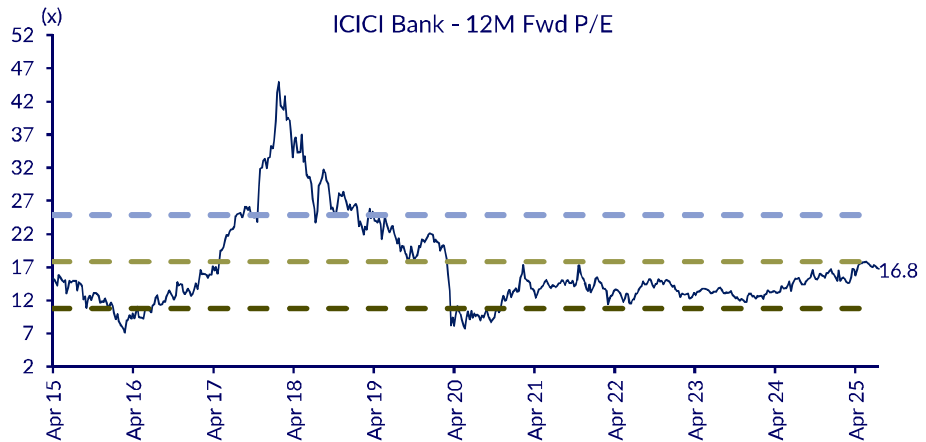
**ICICIB trades at 1 std. dev. above its average PB**



Source: BBG, CLSA

Figure 12

**ICICIB PE chart at long-term average PE**



Source: BBG, CLSA

We use a long-term residual income model to value the parent company's lending business. We believe a residual income model is the right way to value the company as it juxtaposes the return on equity with the cost of equity, and values the company on the 'excess' return above the cost of equity.

To arrive at our target price, we use a sum-of-the parts (SOTP) valuation for the standalone business (as described above) and the subsidiaries.

We have changed our cost of equity assumptions due to recent repo rate cuts, which brings down the risk-free rate, and to reflect increased market volatility and risk, which increases the equity risk premium. This is standardised for our India coverage.

We roll forward our RI model from March 25CL to March 26CL.

Figure 13

Cost of equity assumptions		
Assumptions	Old	New
Risk free rate	7.0%	6.3%
Risk premium	5.3%	5.5%
Beta	1.1	1.1
Required Cost of Equity	12.8%	12.3%

Source: CLSA

Figure 14

New RI Model																
Rsbm	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	Term
Risk free rate	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%
Risk premium	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Beta	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Required Cost of Equity	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
Networth	3,308	3,755	4,274	4,878	5,587	6,413	7,378	8,507	9,830	11,360	13,127	15,169	17,529	20,256	23,408	27,263
ROEs	15.7%	16.0%	16.4%	16.6%	17.1%	17.4%	17.7%	18.0%	18.3%	18.3%	18.3%	18.3%	18.3%	18.3%	18.3%	18.3%
PAT	484	559	650	760	895	1,044	1,221	1,430	1,678	1,939	2,241	2,589	2,992	3,458	3,996	4,637
growth	2%	16%	16%	17%	18%	17%	17%	17%	17%	16%	16%	16%	16%	16%	16%	16%

Source: CLSA

Figure 15

New RI Model Summary				
Rs bn	Value	Contribution of value	Avg. ROE assumption	Avg. COE assumption
Mar 26 Networth	3,308	31.9%		
PV of RI over FY27-30CL	531	5.1%	16.6%	12.3%
PV of RI over FY31-40CL	2,220	21.4%	18.1%	12.3%
Terminal value	4,311	41.6%	18.3%	12.3%
Total value of the firm	10,371	100.0%		
Total number of shares	7137			
Value per share	1,453			

Source: CLSA

Figure 16

New SOTP				
	Stake (%)	Value (Rs bn)	Value/Share (Rs)	Rationale
Parent		10,371	1,453	Based on RI model
ICICI Pru Life Insurance	51	546	76	Based on our TP
ICICI Home Finance	100	214	30	20x FY27 PE
Others	51	584	82	30x FY27 PE
ICICI Securities	100	342	48	18x FY27 PE
ICICI Lombard Gen. Ins	52	506	71	Based on our TP
Total Value of Subsidiaries		2,192	307	
Less: 20% holding Discount		438	61	
Value of Key Ventures		1,753	246	
Target Price			1,699	
Target Price (rounded-off)			1,700	

Source: CLSA

Figure 17

Old RI model															
Rsbm	2025	2026	2027	2028	2029	2030	2031	2034	2035	2036	2037	2038	2039	2040	Terminal
Risk free rate	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Risk premium	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
Beta	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Required Cost of Equity	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%
Networth	2,921	3,306	3,760	4,291	4,928	5,680	6,561	10,247	11,915	13,854	16,109	18,732	21,781	25,326	29,691
ROEs	18.1%	15.7%	16.2%	16.7%	17.5%	18.0%	18.3%	19.2%	19.2%	19.2%	19.2%	19.2%	19.2%	19.2%	19.2%
PAT	472	482	567	664	804	952	1,117	1,825	2,122	2,467	2,869	3,336	3,879	4,511	5,268
growth	16%	2%	18%	17%	21%	18%	17%	18%	16%	16%	16%	16%	16%	16%	16%

Source: CLSA

Figure 18

Old RI model summary				
Rsbm	Value	Contribution of value	Avg. ROE assumption	Avg. COE assumption
Mar 25 Networth	2,921	28.3%		
PV of RI over FY25-30CL	625	6.0%	17.0%	12.8%
PV of RI over FY31-40CL	2,382	23.1%	19.0%	12.8%
Terminal value	4,400	42.6%	19.2%	12.8%
Total value of the firm	10,328	100.0%		
Total number of shares	7,123			
Value per share	1,450			

Source: CLSA

Figure 19

Old SOTP-based target price of Rs1,700				
	Stake (%)	Value (Rsbm)	Value/Share (Rs)	Rationale
Parent		10,328	1,450	Based on RI model
ICICI Pru Life Insurance	51	502	70	Based on our TP
ICICI Home Finance	100	214	30	20x FY27 PE
Others	51	584	82	30x FY27 PE
ICICI Securities	100	402	56	18x FY27 PE
ICICI Lombard Gen. Ins	52	506	71	Based on our TP
Total Value of Subsidiaries		2,208	310	
Less: 20% holding Discount		442	62	
Value of key ventures		1,766	248	
Target Price			1,698	
<b>Target Price (rounded-off)</b>			<b>1,700</b>	

Source: CLSA

## Investment thesis

ICICI Bank is the second largest private sector bank in India and has undergone a transformation under its new CEO. It is gradually moving from high-risk corporate loans to high-profitability retail loans and has been consistently gaining market share in the latter. Its asset quality has improved meaningfully in the past three years and credit costs are low. It has the highest estimated ROE among all large banks under our coverage.

**Catalysts**

High-teens loan growth, aided by retail lending, and sustaining NIM above 4% are key catalysts for the stock.

**Valuation details**

We use a sum-of-the-parts methodology, valuing each of ICICI Bank's businesses (banking, insurance, asset management and international subsidiaries) based on growth and profitability. To value the banking business, we use a long-term residual income model.

**Investment risks**

The key risks are slowdown in loan growth and sharp repo rate cuts.



## Detailed financials

### Profit & Loss (Rsm)

Year to 31 March	2022A	2023A	2024A	2025A	2026CL	2027CL	2028CL
Interest income	863,746	1,092,313	1,428,909	1,632,638	1,759,085	1,993,038	2,309,300
Interest expense	(389,085)	(471,027)	(685,852)	(820,993)	(878,562)	(976,640)	(1,129,602)
<b>Net interest income</b>	<b>474,661</b>	<b>621,286</b>	<b>743,057</b>	<b>811,644</b>	<b>880,523</b>	<b>1,016,398</b>	<b>1,179,699</b>
Trading income	7,043	1,737	0	0	0	0	0
FX gains/(losses)	29,634	30,279	90	19,000	24,700	28,405	32,666
Fee/Commission income	126,397	147,766	207,960	238,114	264,307	303,953	349,546
Other operating income	22,101	18,533	21,528	24,637	32,504	38,845	44,552
<b>Non-interest income</b>	<b>185,175</b>	<b>198,314</b>	<b>229,578</b>	<b>281,751</b>	<b>321,511</b>	<b>371,203</b>	<b>426,763</b>
<b>Total op income</b>	<b>659,836</b>	<b>819,600</b>	<b>972,635</b>	<b>1,093,396</b>	<b>1,202,033</b>	<b>1,387,601</b>	<b>1,606,462</b>
Staff related expenses	(96,727)	(120,599)	(151,420)	(165,409)	(196,836)	(224,394)	(258,053)
Property related expenses	(11,523)	(13,048)	0	0	0	0	0
Other operating expenses	(159,083)	(195,085)	(239,907)	(258,314)	(281,563)	(318,166)	(365,891)
<b>Total operating expenses</b>	<b>(267,333)</b>	<b>(328,732)</b>	<b>(391,327)</b>	<b>(423,723)</b>	<b>(478,399)</b>	<b>(542,559)</b>	<b>(623,943)</b>
<b>Preprovision OP</b>	<b>392,503</b>	<b>490,868</b>	<b>581,308</b>	<b>669,672</b>	<b>723,634</b>	<b>845,041</b>	<b>982,518</b>
Specific provision for loans	(61,640)	6,223	(9,448)	(44,208)	(71,617)	(90,461)	(104,934)
General provision for loans	0	0	0	(787)	(7,246)	(9,747)	(11,306)
Other provisions	(24,774)	(72,879)	(26,981)	0	0	-	-
<b>Loan-loss provisions</b>	<b>(86,414)</b>	<b>(66,656)</b>	<b>(36,429)</b>	<b>(44,995)</b>	<b>(78,862)</b>	<b>(100,207)</b>	<b>(116,240)</b>
<b>Operating profit</b>	<b>306,089</b>	<b>424,212</b>	<b>544,878</b>	<b>624,678</b>	<b>644,772</b>	<b>744,834</b>	<b>866,278</b>
Associate income	0	0	0	0	0	0	0
Other exceptional items	-	-	-	-	-	-	-
Other income/expense	0	0	0	0	0	0	0
<b>Profit before tax</b>	<b>306,089</b>	<b>424,212</b>	<b>544,878</b>	<b>624,678</b>	<b>644,772</b>	<b>744,834</b>	<b>866,278</b>
Taxation	(72,694)	(105,247)	(135,996)	(153,892)	(161,193)	(186,209)	(216,570)
<b>Profit after tax (before preference dividends)</b>	<b>233,395</b>	<b>318,965</b>	<b>408,883</b>	<b>470,786</b>	<b>483,579</b>	<b>558,626</b>	<b>649,709</b>
Preference dividends	-	-	-	-	-	-	-
<b>Profit for period</b>	<b>233,395</b>	<b>318,965</b>	<b>408,883</b>	<b>470,786</b>	<b>483,579</b>	<b>558,626</b>	<b>649,709</b>
Minority interest	0	0	0	0	0	0	0
<b>Net profit</b>	<b>233,395</b>	<b>318,965</b>	<b>408,883</b>	<b>470,786</b>	<b>483,579</b>	<b>558,626</b>	<b>649,709</b>
<b>Adjusted profit</b>	<b>233,395</b>	<b>318,965</b>	<b>408,883</b>	<b>470,786</b>	<b>483,579</b>	<b>558,626</b>	<b>649,709</b>
EPS (Rs)	33.6	45.7	58.2	66.1	67.8	78.3	91.0
Adjusted EPS (Rs)	33.6	45.7	58.2	66.1	67.8	78.3	91.0
DPS (Rs)	2.0	5.0	8.0	9.9	13.6	15.7	18.2

### Profit & loss ratios

Year to 31 March	2022A	2023A	2024A	2025A	2026CL	2027CL	2028CL
<b>Growth (%)</b>							
Net int inc growth (%)	21.7	30.9	19.6	9.2	8.5	15.4	16.1
Non-int inc growth (%)	(2.4)	7.1	15.8	22.7	14.1	15.5	15.0
Operating inc growth (%)	13.8	24.2	18.7	12.4	9.9	15.4	15.8
Operating exp growth (%)	24.0	23.0	19.0	8.3	12.9	13.4	15.0
Loan provision expense growth	(42.9)	(110.1)	nm	376.2	75.3	27.1	16.0
Net profit growth (%)	44.1	36.7	28.2	15.1	2.7	15.5	16.3
EPS growth (% YoY)	43.5	36.0	27.5	13.5	2.5	15.5	16.3
Adj EPS growth (% YoY)	43.5	36.0	27.5	13.5	2.5	15.5	16.3
DPS growth (% YoY)	-	150.0	60.0	24.0	37.1	15.5	16.3
<b>Margins (%)</b>							
Spread (%)	3.8	4.4	4.2	3.9	3.6	3.6	3.7
Net interest margin (%)	4.1	4.6	4.7	4.4	4.2	4.2	4.2
<b>Returns (%)</b>							
ROA (%)	1.8	2.1	2.4	2.4	2.1	2.2	2.2
ROE (%)	14.7	17.2	18.6	17.7	15.5	15.8	16.2
<b>Other key ratios (%)</b>							
Non-interest inc/op inc (x)	28.1	24.2	23.6	25.8	26.7	26.8	26.6
Cost/income (%)	40.5	40.1	40.2	38.8	39.8	39.1	38.8
Staff costs/op costs (%)	36.2	36.7	38.7	39.0	41.1	41.4	41.4
Provision exp/loans (%)	1.0	0.7	0.3	0.3	0.5	0.6	0.6
Earnings payout ratio (%)	5.9	10.9	13.7	15.0	20.0	20.0	20.0

Source: www.clsa.com

## Balance sheet (Rsm)

Year to 31 March	2022A	2023A	2024A	2025A	2026CL	2027CL	2028CL
Gross loans	8,853,841	10,444,741	12,063,423	13,603,429	15,419,905	17,872,148	20,725,869
Loan loss reserve	(263,637)	(248,358)	(219,359)	(185,768)	(190,859)	(206,454)	(233,665)
<b>Net loans</b>	<b>8,590,204</b>	<b>10,196,383</b>	<b>11,844,064</b>	<b>13,417,662</b>	<b>15,229,046</b>	<b>17,665,693</b>	<b>20,492,204</b>
Cash & equivalents	71,208	85,594	87,517	505,514	828,918	993,277	1,203,933
Placements with other banks	582,995	509,121	502,143	656,339	487,043	564,649	523,699
Other interest earning assets	3,102,410	3,623,297	4,619,423	5,047,567	5,754,227	6,617,361	7,676,139
<b>Total interest earning assets</b>	<b>12,346,818</b>	<b>14,414,396</b>	<b>17,053,146</b>	<b>19,627,081</b>	<b>22,299,234</b>	<b>25,840,980</b>	<b>29,895,974</b>
Net fixed assets	93,738	95,998	108,598	128,387	138,658	145,591	152,871
Intangible assets	0	0	0	0	0	0	0
Other assets	1,672,421	1,331,672	1,553,401	1,426,931	1,410,979	1,572,063	1,753,988
<b>Total non-interest earning assets</b>	<b>1,766,159</b>	<b>1,427,671</b>	<b>1,661,999</b>	<b>1,555,318</b>	<b>1,549,637</b>	<b>1,717,655</b>	<b>1,906,859</b>
<b>Total assets</b>	<b>14,112,977</b>	<b>15,842,067</b>	<b>18,715,146</b>	<b>21,182,400</b>	<b>23,848,871</b>	<b>27,558,635</b>	<b>31,802,833</b>
Current deposits	1,584,797	1,614,860	1,935,720	2,329,570	2,585,823	3,025,413	3,479,224
Savings deposits	3,599,569	3,797,759	4,023,000	4,407,720	4,848,492	5,672,736	6,297,608
Other deposits	5,461,350	6,395,788	8,169,530	9,366,190	10,762,618	12,410,294	14,708,960
<b>Customer deposits</b>	<b>10,645,716</b>	<b>11,808,407</b>	<b>14,128,250</b>	<b>16,103,480</b>	<b>18,196,933</b>	<b>21,108,442</b>	<b>24,485,793</b>
Deposits from banks	-	-	-	-	-	-	-
Other int-bearing liabs	1,072,314	1,193,255	1,249,676	1,235,383	1,284,798	1,477,518	1,699,145
<b>Total int-bearing liabs</b>	<b>11,718,030</b>	<b>13,001,662</b>	<b>15,377,925</b>	<b>17,338,863</b>	<b>19,481,731</b>	<b>22,585,959</b>	<b>26,184,938</b>
Other non-int-bearing liabs	689,828	833,251	953,227	922,774	1,059,487	1,218,121	1,343,575
<b>Total liabilities</b>	<b>12,407,858</b>	<b>13,834,913</b>	<b>16,331,153</b>	<b>18,261,637</b>	<b>20,541,218</b>	<b>23,804,081</b>	<b>27,528,512</b>
Share capital	13,900	13,968	14,047	14,246	14,273	14,273	14,273
Retained earnings	1,691,220	1,993,186	2,369,946	2,906,517	3,293,380	3,740,281	4,260,048
Reserves	0	0	-	0	0	0	-
Treasury stock	-	-	-	-	-	-	-
<b>Shareholder funds</b>	<b>1,705,120</b>	<b>2,007,154</b>	<b>2,383,993</b>	<b>2,920,763</b>	<b>3,307,653</b>	<b>3,754,554</b>	<b>4,274,321</b>
Minorities/other equity	0	0	0	0	0	0	0
<b>Total equity</b>	<b>1,705,120</b>	<b>2,007,154</b>	<b>2,383,993</b>	<b>2,920,763</b>	<b>3,307,653</b>	<b>3,754,554</b>	<b>4,274,321</b>
<b>Total liabs &amp; equity</b>	<b>14,112,977</b>	<b>15,842,067</b>	<b>18,715,146</b>	<b>21,182,400</b>	<b>23,848,871</b>	<b>27,558,635</b>	<b>31,802,833</b>
Non-performing loans	332,949	299,861	273,139	241,662	248,285	268,573	303,970
Credit risk	-	-	-	-	-	-	-
Operational risk	-	-	-	-	-	-	-
Market risk	-	-	-	-	-	-	-
<b>Risk weighted assets</b>	<b>8,835,910</b>	<b>10,705,150</b>	<b>13,727,617</b>	<b>15,961,003</b>	<b>18,447,175</b>	<b>21,867,861</b>	<b>25,871,702</b>
Average Risk weighted assets	-	-	-	-	-	-	-
Total tier 1 capital	1,621,389	1,832,722	2,141,508	2,544,184	3,065,831	3,512,731	4,032,498
<b>Total capital</b>	<b>1,692,960</b>	<b>1,911,940</b>	<b>2,241,720</b>	<b>2,641,546</b>	<b>3,165,935</b>	<b>3,612,835</b>	<b>4,132,602</b>
BVPS (Rs)	245.3	287.4	339.4	410.0	463.5	526.1	598.9

## Balance sheet ratios

Year to 31 March	2022A	2023A	2024A	2025A	2026CL	2027CL	2028CL
<b>Growth (%)</b>							
Loan growth (%)	17.1	18.7	16.2	13.3	13.5	16.0	16.0
Deposits growth (%)	14.2	10.9	19.6	14.0	13.0	16.0	16.0
Loans/deposits (%)	83.2	88.5	85.4	84.5	84.7	84.7	84.6
Growth in total assets (% YoY)	14.7	12.3	18.1	13.2	12.6	15.6	15.4
Risk-wtd assets growth (%)	12.5	21.2	28.2	16.3	15.6	18.5	18.3
<b>Asset quality</b>							
Provision expense/loans (%)	1.0	0.7	0.3	0.3	0.5	0.6	0.6
Gross NPLs/total loans (%)	3.9	2.9	2.3	1.8	1.6	1.5	1.5
Loan provisions/NPLs (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NPL growth/loan growth	(108.2)	(53.2)	(55.1)	(86.7)	20.3	51.1	82.4
Loan provision growth/loan provision expense growth	nm	nm	nm	nm	nm	nm	nm
<b>Capital Adequacy</b>							
Tier 1 CAR (%)	18.4	17.1	15.6	15.9	16.6	16.1	15.6
CAR (%)	19.2	17.9	16.3	16.6	17.2	16.5	16.0
RWA/total assets (%)	62.6	67.6	73.4	75.4	77.4	79.4	81.4
Equity/total assets (%)	12.1	12.7	12.7	13.8	13.9	13.6	13.4

Source: www.clsa.com

## DuPont analysis

Year to 31 March	2022A	2023A	2024A	2025A	2026CL	2027CL	2028CL
Net int income/assets (%)	3.6	4.1	4.3	4.1	3.9	4.0	4.0
Non-int income/assets (%)	1.4	1.3	1.3	1.4	1.4	1.4	1.4
Total op income/assets (%)	5.0	5.5	5.6	5.5	5.3	5.4	5.4
Op expenses/assets (%)	2.0	2.2	2.3	2.1	2.1	2.1	2.1
Op profit/assets (%)	7.0	7.7	7.9	7.6	7.5	7.5	7.5
Provision expenses/assets (%)	(0.7)	(0.4)	(0.2)	(0.2)	(0.4)	(0.4)	(0.4)
Other items/assets (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax expense/assets (%)	(1.5)	(1.8)	(1.9)	(1.8)	(1.8)	(1.8)	(1.8)
ROA (%)	1.8	2.1	2.4	2.4	2.1	2.2	2.2
ROA incl other items/assets (%)	4.9	5.4	5.8	5.6	5.3	5.3	5.3
Leverage (x)	8.3	8.1	7.9	7.5	7.2	7.3	7.4
ROE (%)	14.7	17.2	18.6	17.7	15.5	15.8	16.2

Source: www.clsa.com

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**Companies mentioned**

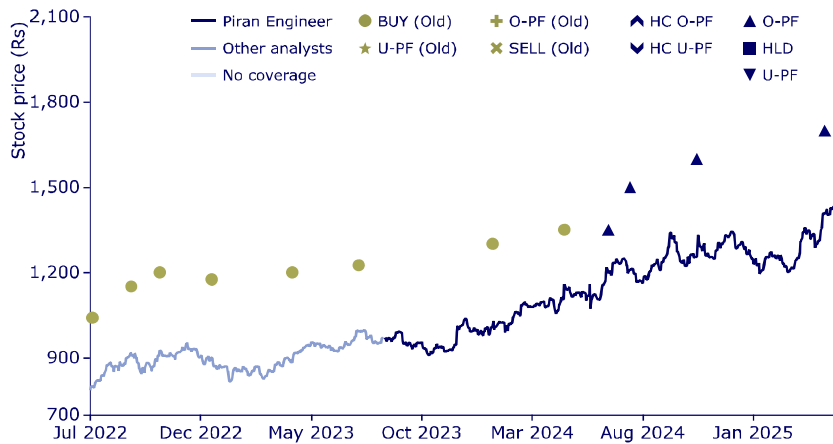
- ICICI Bank (ICICIB IB - RS1,426.50 - OUTPERFORM)
- Bandhan Bank (BANDHAN IN - RS187.0 - HC O-PF)
- ICICI Home Finance (N-R)
- ICICI Lombard (ICICIGI IN - RS1,912.8 - HLD)
- ICICI Prudential Life (IPRU IN - RS633.8 - O-PF)
- ICICI Securities (N-R)
- State Bank of India (SBIN IB - RS823.3 - O-PF)

**Analyst certification**

The analyst(s) of this report hereby certify that the views expressed in this research report accurately reflect my/our own personal views about the securities and/or the issuers and that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation or views contained in this research report.

**Important disclosures**

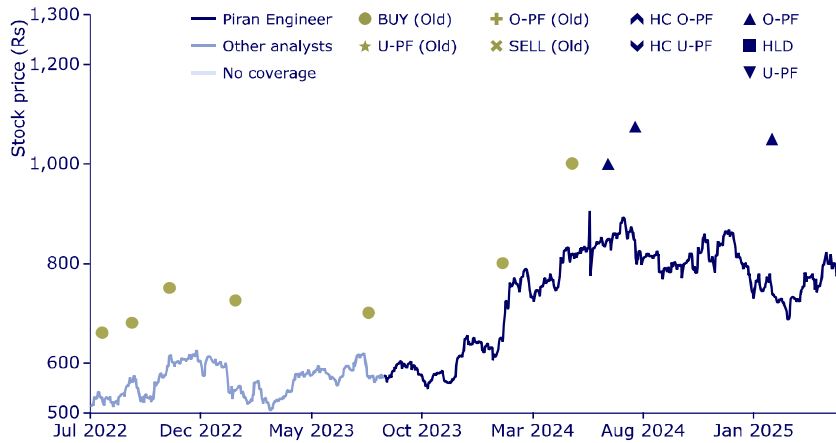
**Recommendation history of ICICI Bank Limited ICICIB IB**



Date	Rec	Target	Date	Rec	Target
20 Apr 2025	O-PF	1,700.00	23 Jul 2023	BUY	1,225.00
27 Oct 2024	O-PF	1,600.00	23 Apr 2023	BUY	1,200.00
28 Jul 2024	O-PF	1,500.00	03 Jan 2023	BUY	1,175.00
28 Jun 2024	O-PF	1,350.00	24 Oct 2022	BUY	1,200.00
29 Apr 2024	BUY	1,350.00	15 Sep 2022	BUY	1,150.00
22 Jan 2024	BUY	1,300.00	24 Jul 2022	BUY	1,040.00

Note: At 6pm (HKT) on 28 June 2024, we changed our ratings to Outperform (O-PF), Hold (HLD) and Underperform (U-PF); and on 16 December 2024, we added the ratings: High-Conviction Outperform (HC O-PF) and High-Conviction Underperform (HC U-PF). Please see Key to CLSA/CLST investment rankings below for details. Source: CLSA

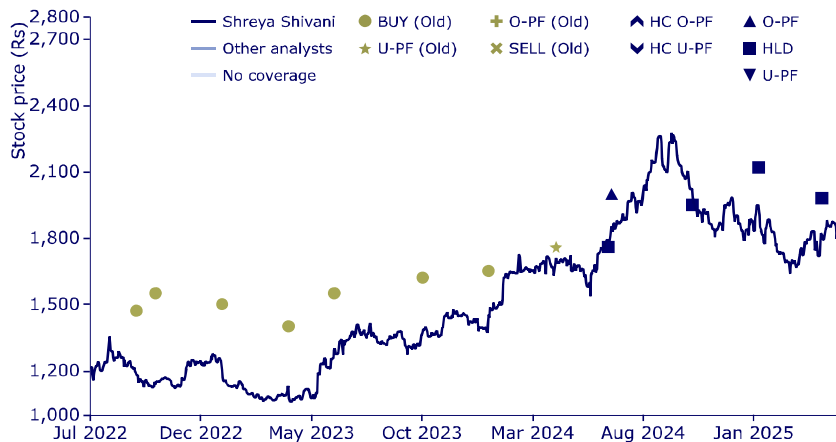
**Recommendation history of State Bank of India SBIN IB**



Date	Rec	Target	Date	Rec	Target
07 Feb 2025	O-PF	1,050.00	06 Aug 2023	BUY	700.00
04 Aug 2024	O-PF	1,075.00	05 Feb 2023	BUY	725.00
28 Jun 2024	O-PF	1,000.00	07 Nov 2022	BUY	750.00
10 May 2024	BUY	1,000.00	17 Sep 2022	BUY	680.00
05 Feb 2024	BUY	800.00	07 Aug 2022	BUY	660.00

Note: At 6pm (HKT) on 28 June 2024, we changed our ratings to Outperform (O-PF), Hold (HLD) and Underperform (U-PF); and on 16 December 2024, we added the ratings: High-Conviction Outperform (HC O-PF) and High-Conviction Underperform (HC U-PF). Please see Key to CLSA/CLST investment rankings below for details. Source: CLSA

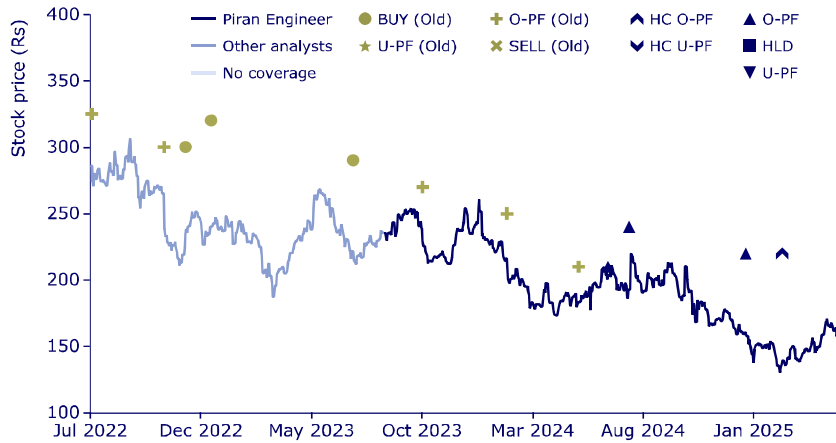
**Recommendation history of ICICI Lombard General Insurance Co Ltd ICICIGI IN**



Date	Rec	Target	Date	Rec	Target
16 Apr 2025	HLD	1,980.00	19 Oct 2023	BUY	1,620.00
20 Jan 2025	HLD	2,120.00	20 Jun 2023	BUY	1,550.00
21 Oct 2024	HLD	1,950.00	19 Apr 2023	BUY	1,400.00
03 Jul 2024	O-PF	2,000.00	18 Jan 2023	BUY	1,500.00
28 Jun 2024	HLD	1,760.00	19 Oct 2022	BUY	1,550.00
18 Apr 2024	U-PF	1,760.00	23 Sep 2022	BUY	1,470.00
17 Jan 2024	BUY	1,650.00			

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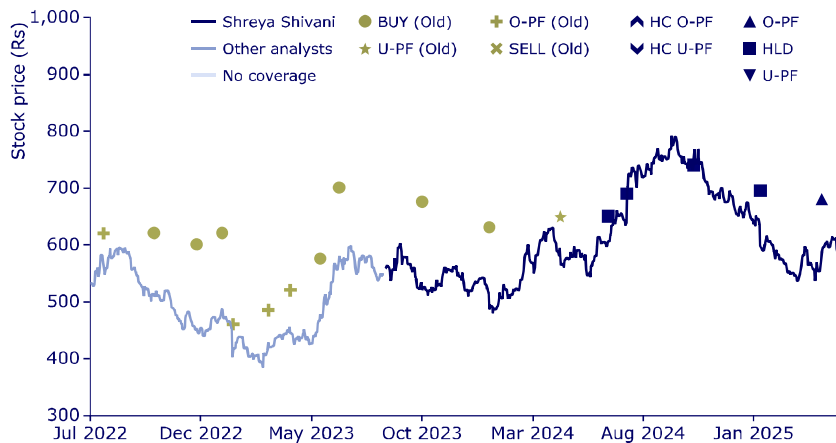
**Recommendation history of Bandhan Bank Ltd BANDHAN IN**



Date	Rec	Target	Date	Rec	Target
21 Feb 2025	HC O-PF	220.00	19 Oct 2023	O-PF	270.00
02 Jan 2025	O-PF	220.00	16 Jul 2023	BUY	290.00
27 Jul 2024	O-PF	240.00	03 Jan 2023	BUY	320.00
28 Jun 2024	O-PF	210.00	29 Nov 2022	BUY	300.00
19 May 2024	O-PF	210.00	31 Oct 2022	O-PF	300.00
11 Feb 2024	O-PF	250.00	24 Jul 2022	O-PF	325.00

Note: At 6pm (HKT) on 28 June 2024, we changed our ratings to Outperform (O-PF), Hold (HLD) and Underperform (U-PF); and on 16 December 2024, we added the ratings: High-Conviction Outperform (HC O-PF) and High-Conviction Underperform (HC U-PF). Please see Key to CLSA/CLST investment rankings below for details. Source: CLSA

**Recommendation history of ICICI Prudential Life Insurance Co Ltd IPRU IN**



Date	Rec	Target	Date	Rec	Target
16 Jul 2025	O-PF	740.00	27 Jun 2023	BUY	700.00
27 May 2025	O-PF	710.00	01 Jun 2023	BUY	575.00
16 Apr 2025	O-PF	680.00	21 Apr 2023	O-PF	520.00
22 Jan 2025	HLD	695.00	22 Mar 2023	O-PF	485.00
23 Oct 2024	HLD	740.00	02 Feb 2023	O-PF	460.00
24 Jul 2024	HLD	690.00	18 Jan 2023	BUY	620.00
28 Jun 2024	HLD	650.00	14 Dec 2022	BUY	600.00
24 Apr 2024	U-PF	650.00	17 Oct 2022	BUY	620.00
18 Jan 2024	BUY	630.00	09 Aug 2022	O-PF	620.00
18 Oct 2023	BUY	675.00			

Note: At 6pm (HKT) on 28 June 2024, we changed our ratings to Outperform (O-PF), Hold (HLD) and Underperform (U-PF); and on 16 December 2024, we added the ratings: High-Conviction Outperform (HC O-PF) and High-Conviction Underperform (HC U-PF). Please see Key to CLSA/CLST investment rankings below for details. Source: CLSA

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