

Key Highlights – Q4FY24

- Loan book grew 16.2% YoY and 2.7% QoQ to ₹11,844bn.
- Overall deposits increased by 19.6% YoY and 6.0% QoQ to ₹14,128bn.
- During the quarter, NIM compression was negligible sequentially as the company maintained it at ~4.4%.
- The rise in cost of funds by ~10bps sequentially was offset by the improvement in yield on advances of similar magnitude.
- Asset quality improvement continued as GNPA fell to 2.16% (-14bps QoQ) while NNPA remained stable at 0.42%.
- Deposit rates raised by 10bps in February 2024 for retail accounts.

Important Statistics

Nifty	22,643
Sensex	74,671
M.CAP (₹ tn)	₹8.18
52 Week H/L (₹)	1168/899
NSE Code	ICICIBANK
BSE Code	532174
Bloomberg Code	ICICIB:IN

Shareholding Pattern Mar'24

FII's	44.77%
DII	45.62%
Public & Others	9.61%

Q4FY24 Result Update

Advances

- ICICI Bank loan book growth remains strong and broad-based with total advances increasing by 16.2% YoY and 2.7% sequentially to ₹11,844bn.
- Retail segment remains the key driver of the healthy loan book growth, which increased by 19.4% YoY and 3.7% QoQ and stood at ₹6,662bn.
- The business banking portfolio also witnessed strong growth of 29.3% YoY and 5.7% QoQ to ₹932bn.
- The SME segment, comprising of borrowers with a turnover of less than ₹2.5bn, grew by 24.6% YoY and 3.8% QoQ to ₹601bn.

Key Segmental numbers – Q4FY24

Loan Portfolio	YoY Growth %
Overall Domestic Advances	16.2%
Retail Loans	19.4%
Rural Loans	17.2%
Business Banking	29.3%
SME Loans	24.6%
Corporate Loans	10.0%
Overseas Loans	-1.9%

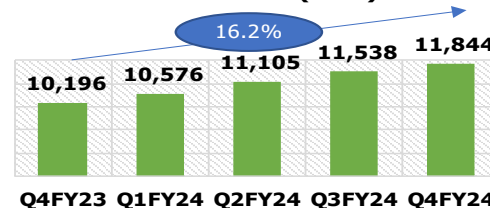
Source: Company, Way2wealth

Deposits and Margins

- Overall deposits increased by 19.6% YoY and 6.0% QoQ to ₹14,128bn.
- Current account deposits increased by healthy 19.9% YoY and 26.2% QoQ in Q4FY24 to ₹1,936bn while the savings account deposits increased by 5.9% YoY and 7.4% QoQ to ₹4,023bn, thus leading to a avg. CASA ratio of 38.9% (fell by ~50bps QoQ)
- Total term deposits increased by 27.7% YoY and 1.6% QoQ to ₹8,170bn by end-Q4FY24.
- During FY24, ICICI Bank added more than 600 branches taking the total branch network to 6,523 with nearly 150 branches added in Q4FY24. Total number of ATMs/cash recycling machines stood at 17,190 by end-FY24 up from 16,650 by end-FY23.

Key Ratios	Q4FY23	Q3FY24	Q4FY24
NIM	4.9%	4.4%	4.4%
CASA Ratio	43.6%	39.4%	38.9%
Cost of Deposits	4.0%	4.7%	4.8%
Cost to Income	39.2%	40.6%	39.2%

Loanbook (₹ bn)



Source: Company, Way2wealth

Operational performance

- The bank's core operating profit increased by 10.5% YoY and 4.9% QoQ to ₹153bn in Q4FY24.
- The Bank's operating expenses remained well-under control rising only by 8.7% YoY and degrowing -3.5% QoQ in Q4FY24 to ₹97bn while increase in employee expenses was capped to 9.4% YoY. Despite focus on branch expansion and adoption of 'Customer 360' initiatives, cost to income ratio has moderated notably to 39.2% in Q4FY24 and remained flat at 40.2% for FY24.

Relative Performance

Return (%)	1 Yr	3Yr	5 Yr
ICICI Bank	26%	92%	190%
Nifty 50	26%	55%	94%
Sensex	23%	54%	92%

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2nd May 2024

CMP – ₹1,150/-

 View – **Buy**
➤ Asset Quality

- The improving trend in asset quality continues with GNPA coming in at 2.16%, falling 14 bps QoQ in Q4FY24 while NNPA remained stable at 0.42%.
- During the quarter, fresh slippages also fell by 10% on QoQ basis to ₹51bn.
- The bank continued to hold contingency provisions of ₹131bn as on Mar 31, 2024.
- At end-Q4FY24, the bank holds a CET-1 ratio of 15.60%, a Tier 1 ratio of 15.60% and a total capital adequacy ratio of 16.33%.

Asset Quality	Q4FY23	Q3FY24	Q4FY24
GNPA ratio	2.8%	2.3%	2.2%
NNPA ratio	0.5%	0.4%	0.4%
PCR	82.8%	80.7%	80.3%
Fresh Slippages (₹ bn)	43	57	51

Source: Company, Way2wealth
View

ICICI Bank Ltd. posted robust performance during the quarter maintaining NIMs trajectory amid high interest rate and liquidity crunch scenario as the increase in cost of funds was offset by improvement in yield on advances. Strong growth in retail book is indicative of healthy demand environment and would support the improving yield trajectory going forward. Bank's ability to post robust deposit growth in a quarter, which exhibits cyclically high competitive intensity, highlights the bank's strong customer base developed over the years. On the other hand, improving NPA levels and fall in fresh slippages gives little room for any asset quality concerns.

At CMP of ₹1,150, the stock is traded at a P/BV ~2.5x FY26E. As the bank is marching ahead on its path of ROA and ROE expansion undertaking steps in the right directions, and posting notable improvement in its financial parameters as a result of some of the long-term initiatives taken over last several quarters makes it one of our top-pick in private sector bank basket and thus **we maintain our recommendation to Buy the stock.**

2nd May 2024

CMP – ₹1,150/-

 View – **Buy**
Quarterly Performance

Particulars	(₹ bn)								
	Q4FY24	Q4FY23	YoY Chng	Q3FY24	QoQ Chng	FY24	FY23	YoY	Chng
Net interest earned	379	310	22%	367	3%	1,429	1,092		31%
Net interest expensed	189	134	41%	180	5%	686	471		46%
Net interest income	191	177	8%	187	2%	743	621		20%
NIM	4.4%	4.9%	-50 bps	4.4%	-3 bps	4.5%	4.5%		5 bps
Non-interest income	59	51	16%	60	-1%	229	199		15%
Fee income	54	48	13%	53	2%	208	180		16%
Dividend income from subsidiaries/associates	5	3	77%	7	-26%	21	18		16%
Operating expense	97	89	8.7%	101	-3%	391	329		19%
Core operating profit	153	139	10.5%	146	5%	581	491		18%
Total net provision	7	16	-56%	11	-32%	36	67		-45%
Treasury income	(3)	(0)		1		0	(1)		
Profit before tax	143	122	17%	137	5%	545	424		28%
Provision for taxes	36	31	17%	34	6%	136	105		29%
Profit after tax	107	91	17%	103	4%	409	319		28%
Advances	11,844	10,196	16.2%	11,538	2.7%	11,844	10,196		16%
Deposits	14,128	11,808	19.6%	13,323	6.0%	14,128	11,808		20%
BVPS	340	287	18%	323	5%	340	287		18%
ROE	18.5%	18.9%	-40 bps	18.5%	bps	18.7%	17.3%		140 bps
ROAA	2.4%	2.4%	-1 bps	2.3%	3 bps	2.4%	2.2%		21 bps
EPS	15	13	17%	14	4%	57	45		28%

Source: Company, Way2wealth

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Disclosure of Interest Statement ICICI Bank Ltd. as on May 02, 2024

Name of the Security	ICICI Bank Ltd.
Name of the analyst	Prasad Hase
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
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