



ICICI BANK

RESEARCH
REPORT 2024

MARKET CAP -7.77L Cr INR
CMP- 1,105.5 INR

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ABOUT THE COMPANY

ICICI Bank Limited is an Indian multinational bank and financial services company headquartered in Mumbai with a registered office in Vadodara. It offers a wide range of banking and financial services for corporate and retail customers through various delivery channels and specialized subsidiaries in the areas of investment banking, life, non-life insurance, venture capital and asset management.

ICICI Bank has a network of 6,000 branches and 17,000 ATMs across India, and has a presence in 17 countries. The bank has subsidiaries in the United Kingdom and Canada; branches in United States, Singapore, Bahrain, Hong Kong, Qatar, Oman, Dubai International Finance Centre, China and South Africa; as well as representative offices in United Arab Emirates, Bangladesh, Malaysia and Indonesia. The company's UK subsidiary has also established branches in Belgium and Germany. The Reserve Bank of India (RBI) has identified the State Bank of India, HDFC Bank, and ICICI Bank as Domestic Systemically Important Banks (D-SIBs), which are often referred to as banks that are "too big to fail".

HISTORY

The Industrial Credit and Investment Corporation of India (ICICI) was a government institution established on 5 January 1955 and Sir Arcot Ramasamy Mudaliar was elected as the first Chairman of ICICI Ltd. It was structured as a joint-venture of the World Bank, India's public-sector banks and public-sector insurance companies to provide project financing to Indian industry. ICICI Bank was established by ICICI, as a wholly owned subsidiary in 1994 in Vadodara. The bank was founded as the Industrial Credit and Investment Corporation of India Bank, before it changed its name to ICICI Bank. In October 2001, the Boards of Directors of ICICI and ICICI Bank approved the merger of ICICI and two of its wholly-owned retail finance subsidiaries, ICICI Personal Financial Services Limited and ICICI Capital Services Limited, with ICICI Bank. The merger of parent ICICI Ltd. into its subsidiary ICICI Bank led to privatization. In the 1990s, ICICI transformed its business from a development financial institution offering only project finance to a diversified financial services group, offering a wide variety of products and services, both directly and through a number of subsidiaries and affiliates like ICICI Bank. ICICI Bank launched Internet Banking operations in 1998.

ICICI's shareholding in ICICI Bank was reduced to 46% through a public offering of shares in India in 1998, followed by an equity offering in the form of American depositary receipts on the NYSE in 2000. ICICI Bank acquired the Bank of Madura Limited in an all-stock deal in 2001 and sold additional stakes to institutional investors during 2001-02. In 1999, ICICI became the first Indian company and the first bank or a financial institution from non-Japan Asia to be listed on the NYSE.

ICICI, ICICI Bank, and ICICI subsidiaries ICICI Personal Financial Services Limited and ICICI Capital Services Limited merged in a reverse merger in 2002. During the financial crisis of 2007-2008, customers rushed to ICICI ATMs and branches in some locations due to rumors of bank failure. The Reserve Bank of India issued a clarification on the financial strength of ICICI Bank to dispel the rumours.

In 2015, ICICI unveiled an outward remittance platform called 'Money2World'. The first of its kind, it enabled fully online outward remittance transactions for non-ICICI and ICICI customers alike. In March 2020, the board of ICICI Bank Ltd. approved an investment of ₹10 billion (US\$120 million) in Yes Bank, resulting in a 5% ownership interest in Yes.

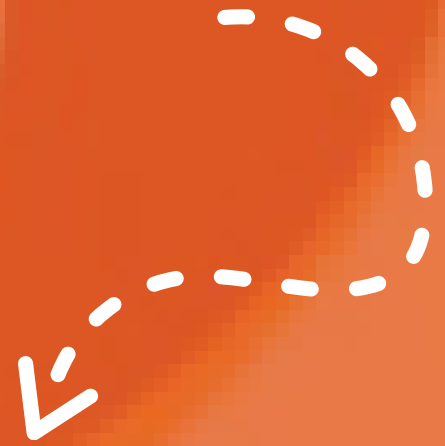
ROAD MAP OF ICICI



bankruptcy of
Lehman
Brothers in
2008



Infosys
terminating
1000cr from
ICICI to SBI



In 2018 , Chanda
Kochhar filed
early resignation



ICICI Bank
started giving
loan to
Videocon in
2008



Chanda Kochhar
and her husband
Deepak Kochhar
got arrested in
2022 for money
laundering



High court
passed the
judgement in
2023 that she
misused her
power

MAJOR SUBSIDIARIES

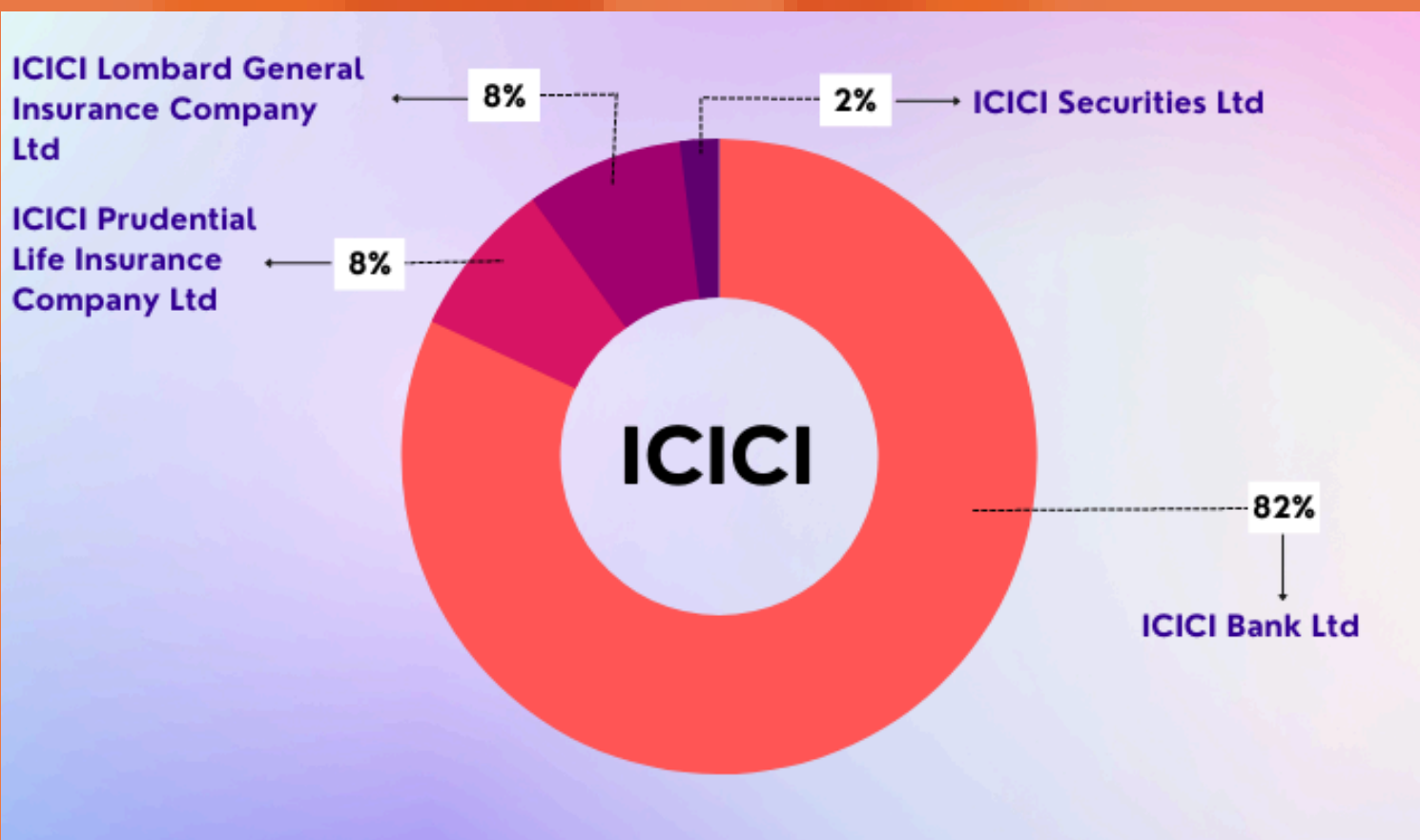
ICICI Bank, one of India's largest private sector banks, has several subsidiaries across various financial services and related sectors. Here are some of its notable subsidiaries:

1. **ICICI Prudential Life Insurance Company Limited:** A joint venture between ICICI Bank and Prudential Corporation Holdings Limited, offering life insurance products.
2. **ICICI Lombard General Insurance Company Limited:** Another joint venture between ICICI Bank and Fairfax Financial Holdings Limited, providing general insurance products.
3. **ICICI Securities Limited:** A subsidiary offering a wide range of financial services including brokerage, financial product distribution, and investment banking.
4. **ICICI Home Finance Company Limited:** Provides home loans and related financial products.
5. **ICICI Venture Funds Management Company Limited:** Manages various private equity funds, real estate funds, and other alternative investment funds.

6. ICICI Prudential Asset Management Company Limited: Manages mutual funds and other asset management services.

7. ICICI International Limited: Facilitates offshore banking and financial services for non-resident Indians (NRIs) and international clients.

8. ICICI Bank UK PLC: Operates as the UK subsidiary of ICICI Bank, offering banking services to customers in the United Kingdom.



BOARD OF DIRECTORS



Mr. Girish Chandra Chaturvedi, IAS aged 71 years, retired in January 2013 as the Secretary of Ministry of Petroleum and Natural Gas. Mr. Chaturvedi was an IAS Officer, Uttar Pradesh (1977 Batch). After his retirement from regular service, Mr. Chaturvedi was appointed by the Government of India as the Member and then the Chairman of Warehousing Development and Regulatory Authority of India till January 2018.

Mr. Girish Chandra Chaturvedi,
Non-Executive (part-time)
Chairman,



Mr. Sandeep Bakhshi is the Managing Director and CEO of ICICI Bank since October 15, 2018. Prior to his appointment as MD & CEO, he was a Wholetime Director and the Chief Operating Officer (COO) of the Bank.

Mr. Sandeep Bakhshi
Managing Director & CEO



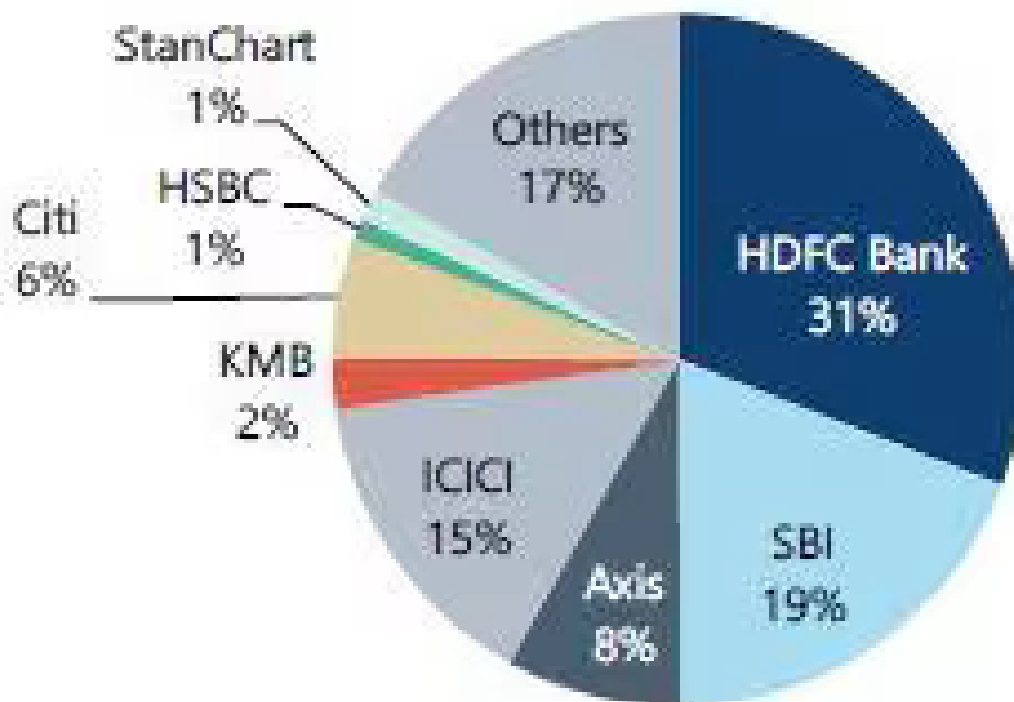
Mr. Sandeep Batra is an Executive Director on the Board of ICICI Bank and is responsible for Corporate Centre since July 2018.

He is responsible for the Corporate Communications, Finance, Human Resource, Legal, Customer Service & Secretarial Groups. He is also administratively responsible for Risk function, Internal Audit and Compliance Groups

Mr. Sandeep Batra
Executive Director, CFO

INDUSTRY OVERVIEW

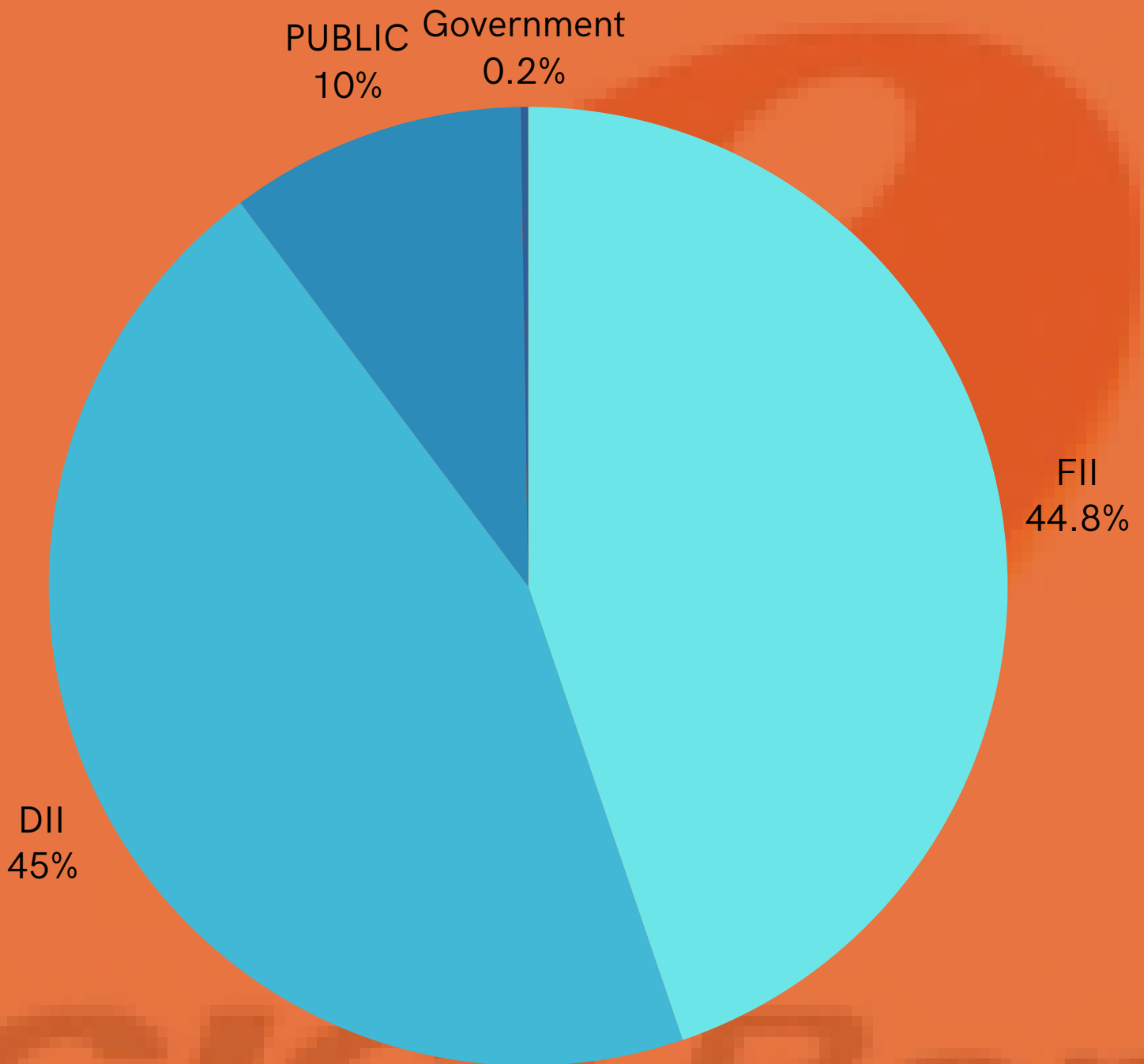
Contribution of the banking sector to GDP is about 7.7% of GDP. Banking sector intermediation as measured by total loan as a % of GDP is 30%. Mobilization of deposits from individuals and lending to individuals & small business.



The Indian banking system consists of 12 public sector banks, 21 private sector banks, 44 foreign banks, 12 Small finance banks. As of December 2023, the total number of micro-ATMs in India reached 16,88,558. Moreover, there are 1,26,205 on-site ATMs and Cash Recycling Machines (CRMs) and 93,671 off-site ATMs and CRMs. India's digital lending market witnessed a growth of CAGR 39.5% over a span of 10 years. The Indian digital consumer lending market is projected to surpass US\$ 720 billion by 2030, representing nearly 55% of the total US\$ 1.3 trillion digital lending market opportunity in the country.

ICICI Bank offers products and services such as savings and current accounts, trade and forex services, fixed and recurring deposits, business loans, home loans, personal loans, auto loans, and gold loans, NRI Banking services, remittances, card services, lockers, agri and rural services. The digital platforms that ICICI Bank offers include iMobile Pay, InstaBiz, Digital Rupee App, Retail Internet Banking, Corporate Internet Banking, Money2India, Money2World, and digital wallet named Pockets by ICICI Bank.

EQUITY SPLIT



Promoters have no share in the company, Foreign institutional investors have 44.8% share, public has 10% share, domestic institutional investors have 45.6% shares and government has 0.25%.

MAJOR CLIENTS

Some of its major client segments include:

1. **Retail Customers:** ICICI Bank caters to a vast number of retail customers through its extensive branch network, digital platforms, and a wide range of banking products including savings accounts, loans, credit cards, and investment services.
2. **Corporate Clients:** The bank provides comprehensive banking solutions to large and mid-sized corporates, including working capital loans, trade finance, treasury and cash management services, and corporate advisory services.
3. **Small and Medium Enterprises (SMEs):** ICICI Bank supports SMEs with tailored financial solutions such as business loans, vendor financing, supply chain finance, and current account management.
4. **Government Bodies and Institutions:** ICICI Bank serves various government bodies, municipalities, and public sector undertakings (PSUs) by providing banking services, including fund management, treasury operations, and payment solutions.

5. International Clients: Through its global presence and international banking services, ICICI Bank serves multinational corporations (MNCs), non-resident Indians (NRIs), and foreign companies operating in India or seeking Indian market entry.

6. Investment Banking Clients: ICICI Bank offers investment banking services such as mergers and acquisitions advisory, capital raising, structured finance, and project financing to corporate clients and institutional investors.

These client segments represent a broad spectrum of customers that ICICI Bank serves, reflecting its role as a leading financial institution in India with a significant presence in the banking and financial services industry.

OPERATIONS

ICICI Bank operates across a wide range of financial services, catering to both retail and corporate clients. Here are the key operations and services provided by ICICI Bank:

1. **Retail Banking:** ICICI Bank offers a comprehensive suite of retail banking products and services, including savings accounts, fixed deposits, loans (personal loans, home loans, auto loans, etc.), credit cards, debit cards, and investment products such as mutual funds and insurance.
2. **Corporate Banking:** ICICI Bank provides a variety of financial services to corporate clients, including working capital loans, term loans, trade finance, cash management services, treasury and forex services, and investment banking advisory services.
3. **International Banking:** Through its international branches and subsidiaries, ICICI Bank offers a range of services to NRIs (Non-Resident Indians), foreign nationals, and businesses with international operations. This includes NRI banking services, foreign exchange services, remittances, and trade finance.

4. Investment Banking: ICICI Bank operates an investment banking division that provides services such as mergers and acquisitions (M&A) advisory, equity and debt capital markets, project finance, structured finance, and advisory services to corporate clients and institutional investors.

5. Wealth Management: ICICI Bank offers wealth management services to high-net-worth individuals (HNIs) and affluent clients, including personalized investment advice, portfolio management services, estate planning, and wealth protection solutions.

6. Insurance: ICICI Bank provides a range of insurance products through tie-ups with insurance companies, including life insurance, health insurance, and general insurance products.

7. Digital Banking: ICICI Bank has invested heavily in digital banking initiatives, offering services through internet banking, mobile banking apps, and digital wallets. This includes features such as online account opening, bill payments, fund transfers, and digital lending.

8. Agri and Rural Banking: ICICI Bank serves rural and agricultural customers through specialized products and services tailored to their needs, including agricultural loans, rural savings accounts, Kisan credit cards, and agri-commodity finance.

9. Government and Institutional Banking: ICICI Bank provides banking services to government bodies, public sector undertakings (PSUs), and institutional clients. This includes treasury operations, payments and collections, and specialized banking solutions.

10. Technology and Innovation: ICICI Bank has been at the forefront of adopting technology in banking operations, leveraging AI (Artificial Intelligence), machine learning, blockchain, and other technologies to enhance customer experience, operational efficiency, and security.

Overall, ICICI Bank's operations span a broad spectrum of banking and financial services, aiming to meet the diverse needs of its customer base while maintaining a strong focus on innovation and digital transformation in the financial services industry.

SWOT ANALYSIS

Strengths:

- 1. Strong Market Position:** ICICI Bank is one of the leading private sector banks in India, with a significant market share in various banking segments.
- 2. Diversified Product Portfolio:** It offers a wide range of financial products and services including retail banking, corporate banking, investment banking, and wealth management.
- 3. Technological Advancements:** Known for its robust use of technology, ICICI Bank has implemented various digital initiatives to enhance customer experience and operational efficiency.
- 4. Strong Brand Equity:** It has built a strong brand reputation over the years, known for reliability, innovation, and customer service.
- 5. Extensive Network:** ICICI Bank has a vast network of branches and ATMs across India and presence in international markets, facilitating widespread customer reach.

Weaknesses:

1. **Dependence on Indian Market:** While ICICI Bank has expanded globally, a significant portion of its revenue and operations still depend on the Indian market, exposing it to local economic fluctuations.
2. **Regulatory Challenges:** Being in the financial sector, ICICI Bank faces stringent regulatory requirements and compliance burdens, which can impact operational flexibility.
3. **High Competition:** The banking sector in India is highly competitive with both domestic and international players, putting pressure on margins and customer acquisition.
4. **Non-Performing Assets (NPAs)**-ICICI Bank, like its industry peers, has Non-Performing Assets (NPAs), or bad loans, that threaten its financial performance. High NPAs can hurt the bank's profitability and balance sheet, requiring strong risk management. The Bank has written off gross NPAs amounting to Rs. 1,707 crore (US\$ 205 million) in Q4-2024.
5. **High Employee Turnover at Lower Levels**-The bank needs to work on employee turnover, especially at lower levels. This product disturbs operations and costs the bank more in salaries to retain people and assure stability.

Opportunities:

1. **Growing Digital Banking:** There is a rising trend towards digital banking in India, presenting opportunities for ICICI Bank to further innovate in digital services and attract tech-savvy customers.
2. **Expansion into Rural Markets:** Penetration in rural and semi-urban areas of India offers substantial growth opportunities, especially with government initiatives promoting financial inclusion.
3. **Cross-Selling Potential:** Leveraging its diversified product portfolio, ICICI Bank can enhance cross-selling opportunities to existing customers, thereby increasing revenue per customer.
4. **Increasing Customer Base in Lower Segments**-The shift of consumers from unlicensed operators to regulated financial companies gives ICICI Bank a chance to target the entry-level market. No-frill, necessary banking services could attract this neglected consumer niche, boosting growth and inclusion.
5. **Lower Inflation Rate**-Low inflation helps stabilize markets and allows banks to offer lower interest rates. ICICI Bank's products and services are used more with increased lending capacity and consumer affordability.

Threats:

- 1. Economic Uncertainty:** Economic fluctuations, both domestic and global, can impact credit quality, interest rates, and overall banking operations.
- 2. Cybersecurity Risks:** As digital banking grows, so does the risk of cyber threats and data breaches, which could harm customer trust and incur financial losses.
- 3. Regulatory Changes:** Changes in regulatory policies and compliance requirements could increase operational costs and impact profitability.
- 4. Intense Competition:** Competition from both traditional banks and new fintech startups poses a threat, especially in areas like digital payments and retail banking.

BALANCE SHEET

BALANCE SHEET OF ICICI BANK (in Rs. Cr.)	MAR 24	MAR 23	MAR 22	MAR 21	MAR 20
	12 mths	12 mths	12 mths	12 mths	12 mths
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	1,404.68	1,396.78	1,389.97	1,383.41	1,294.76
TOTAL SHARE CAPITAL	1,404.68	1,396.78	1,389.97	1,383.41	1,294.76
Revaluation Reserve	0.00	3,091.84	3,228.50	3,125.28	3,143.36
Reserves and Surplus	1,404.68	1,396.78	1,389.97	1,383.41	1,294.76
TOTAL RESERVES AND SURPLUS	268,627.58	212,340.13	180,396.11	156,200.99	121,661.81
TOTAL SHAREHOLDERS FUNDS	268,627.58	209,248.29	177,167.61	153,075.71	118,518.45
Minority Interest	0.00	6,686.75	5,980.89	9,588.34	6,794.77
Deposits	1,443,579.95	1,210,832.15	1,091,365.79	959,940.02	800,784.46
Borrowings	207,428.00	189,061.81	161,602.68	143,899.94	213,851.78
Other Liabilities and Provisions	443,022.82	98,544.63	82,808.33	99,616.41	87,414.91
TOTAL CAPITAL AND LIABILITIES	2,364,063.03	1,958,490.50	1,752,637.38	1,573,812.24	1,377,292.23
ASSETS					
Cash and Balances with Reserve Bank of India	89,943.02	68,648.94	60,228.71	46,302.20	35,311.93
Balances with Banks Money at Call and Short Notice	72,825.88	67,807.55	122,897.28	101,268.33	92,540.99
Investments	827,162.51	639,551.97	567,097.72	536,578.62	443,472.63
Advances	1,260,776.20	1,083,866.31	920,308.14	791,801.39	706,246.11
Fixed Assets	13,240.28	11,070.34	10,706.74	10,809.26	10,408.66
Other Assets	100,115.14	87,545.39	71,398.80	87,052.45	89,311.91
TOTAL ASSETS	2,364,063.03	1,958,490.50	1,752,637.38	1,573,812.24	1,377,292.23
CONTINGENT LIABILITIES, COMMITMENTS					
Bills for Collection	0.00	86,457.67	75,232.60	54,846.38	48,401.26
Contingent Liabilities	0.00	5,035,951.10	4,552,341.12	3,021,344.23	3,003,053.53

PROFIT & LOSS

Profit & Loss

Consolidated Figures in Rs. Crores / [View Standalone](#)

	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024
Revenue	71,982	84,836	89,163	95,407	121,067	159,516
Interest	39,178	44,666	42,659	41,167	50,543	74,108
Expenses +	83,775	85,361	91,309	80,798	87,864	101,495
Financing Profit	-50,971	-45,190	-44,805	-26,558	-17,341	-16,087
Financing Margin %	-71%	-53%	-50%	-28%	-14%	-10%
Other Income +	59,325	64,950	72,030	62,129	65,112	77,596
Depreciation	946	1,171	1,340	1,330	1,515	0
Profit before tax	7,408	18,589	25,884	34,241	46,256	61,508
Tax %	23%	40%	22%	25%	26%	25%
Net Profit +	5,689	11,225	20,364	26,538	35,461	46,081
EPS in Rs	6.60	14.78	26.58	36.14	48.74	63.02
Dividend Payout %	15%	0%	8%	14%	16%	16%

KEY RATIOS

Market Cap	₹ 8,15,109 Cr.	Current Price	₹ 1,159	High / Low	₹ 1,173 / 899
Stock P/E	18.4	Book Value	₹ 307	Dividend Yield	0.69 %
ROCE	8.37 %	ROE	20.6 %	Face Value	₹ 2.00

FINANCIALS

- The revenue of ICICI bank in 2024 has increased to Rs. 1,59,515cr from Rs. 1,21,067cr.
- The EPS has also increases Rs.63, which is a good thing as the comapnyn is earning more per share.
- The comany has been investing more since the last fiscal year, which has been depicted in the increase of 'investments'. Investments increased to Rs. 827,162.25cr.
- ROCE of the company is 8.3%, which is considered good in the banking industry.
- The interest income of the bank has increased to Rs. 77,596, which depicts that the company is running its operation rightfully.
- Borrowings and deposits of the company have increased which shows that the customers rely on the company, and trust the bank with their money.
- ROE of the bank is 20%, which means that the company is improving its efficiency in utilising shareholders' money.

PEER COMPARISON

Peer comparison

Sector: [Banks](#) Industry: [Banks - Private Sector](#)

[EDIT COLUMNS](#)

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	HDFC Bank	1606.00	19.06	1221467.97	1.22	18012.87	39.92	79433.61	67.06	9.50
2.	ICICI Bank	1113.40	17.72	783106.19	0.72	12200.05	18.46	42606.72	23.72	8.37
3.	Axis Bank	1184.90	13.85	366096.05	0.08	7630.07	53.87	30230.58	22.74	7.53
4.	Kotak Mah. Bank	1710.95	18.71	340128.57	0.09	5337.20	16.88	15156.18	26.50	8.75
5.	IndusInd Bank	1510.80	13.11	117646.20	1.10	2346.84	15.01	12198.53	21.73	8.42
6.	IDBI Bank	86.84	16.14	93373.85	1.14	1672.00	36.83	6994.70	22.08	6.55
7.	Yes Bank	23.83	58.09	74665.37	0.00	467.29	126.61	7457.81	19.93	6.29
	Median: 29 Co.	202.3	13.11	11602.63	0.57	321.68	15.01	2200.56	23.72	7.57

- In the peer comparison ICICI bank is second on the list, first being HDFC Bank.
- Its major competitors are HDFC Bank, Axis bank, Kotak Mahindra Bank to name a few
- The net profit of the company is Rs. 12,200.65cr., which is better than its peers.
- The market capital of the company is better than its peers, which stands at Rs. 7.77L cr .

CONCLUSION

In my opinion we can buy the shares of ICICI bank because the financial standing of the bank is really good. The company is thriving to improve daily.

As ICICI bank has been unpredictable and has been in the public eye for its controversies, buyers can go for HDFC Bank. HDFC is a better option in the banking sector as it has been stable throughout and has better financial standing than ICICI Bank.

