

ICICI Bank (ICICIBC IN)

FUNDAMENTAL VIEW ¹

As of 23 Jul 2025

- ICICI Bank is one of the leading private banks in India and has a good diversified business model, with well regarded life and general insurance subsidiaries.
- Under its previous CEO, the bank suffered setbacks from sizeable bad debt problems in FY17/18, but the situation has since stabilised following a leadership change and the bank has done well ever since.

RISKS & CATALYSTS

As of 23 Jul 2025

- ICICI has been delivering both relatively strong loan and deposit growth momentum, while maintaining its leading LDR and profitability, in testament to its strong franchise. Rate cuts will impact the NIM in FY26, but treasury gains provide some offset. Loan growth has been slow for the sector as a whole despite improved system liquidity; the hope is for rate cuts to drive a pickup in loan growth.
- We are cautious about Indian unsecured retail and microfinance given a stretched urban middle and lower-middle class consumer by earlier high inflation and interest costs. ICICI's prudence towards the segment than peers however is keeping asset quality well controlled.
- Leadership and governance issues under the previous CEO Ms. Chanda Kochhar have been dealt with well, since her replacement in Oct-18.

CREDIT QUALITY SCORE (CQS) ²

As of 26 Sep 2025

CURRENT CQS

51

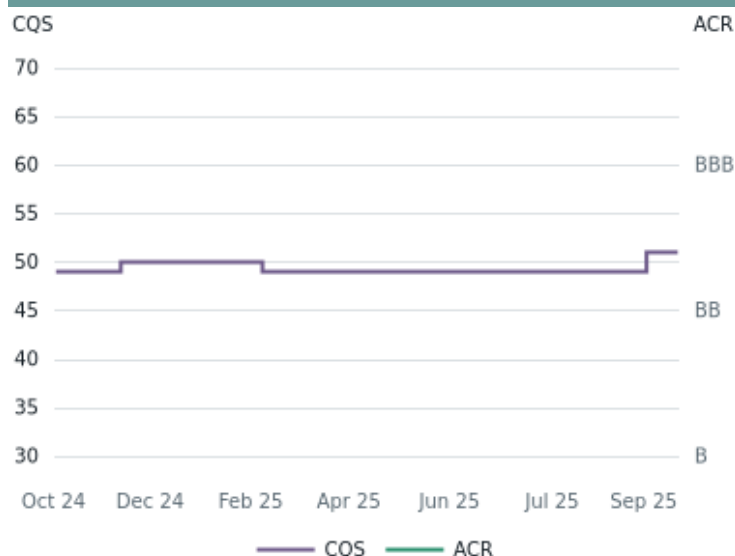
CQS OUTLOOK ³

NEGATIVE

STABLE

POSITIVE

HISTORICAL RATINGS: AVERAGE AGENCY RATING (ACR) ⁴ VS CQS



KEY METRICS

As of 23 Jul 2025

INR BN	FY22	FY23	FY24	FY25	1Q26
NIM	3.96%	4.48%	4.53%	4.32%	4.34%
ROAA	1.77%	2.13%	2.37%	2.37%	2.41%
ROAE	14.7%	17.2%	18.7%	17.9%	17.2%
Equity/Assets	12.1%	12.6%	12.7%	13.7%	14.3%
CET1 Ratio	17.3%	16.9%	15.4%	15.8%	15.5%
Gross NPA Ratio	3.60%	2.81%	2.16%	1.67%	1.67%
Provisions/Loans	0.97%	0.65%	0.30%	0.34%	0.50%
PPP ROA	2.97%	3.28%	3.36%	3.37%	3.54%

BUSINESS DESCRIPTION

As of 23 Jul 2025

- The original Industrial Credit and Investment Corporation of India (ICICI) was established in 1955 by the World Bank, the Government of India and representatives of Indian industry as a financial institution to provide Indian businesses with medium and long-term project financing.
- In 1994, ICICI established a commercial banking subsidiary, ICICI Bank as India's financial sector opened up, and in 2002 ICICI merged with ICICI Bank, keeping the latter's name.
- Retail now accounts for 52% of its loan book, corporates are at 20%, while rural and business banking & SMEs are at 6% and 20% respectively, and overseas (which is being de-emphasised) consists of just 2% at F1Q26.
- The bank has well regarded life insurance (ICICI Prudential) and general insurance (ICICI Lombard) businesses.

GLOSSARY

¹ The **Fundamental View** is our current assessment of credit quality and our expectation of how credit quality will trend over the next year or longer.

² The **Credit Quality Score (CQS)** is a number between 5 and 100. It is a medium-term credit score for corporates and financial institutions that utilizes a combination of sector fundamental scores and equity market signals. Values of CQS above 50 generally indicate investment grade credit quality.

³ The **Credit Quality Score (CQS) Outlook** is the near-term (3 month) outlook for the CQS, based on its trend, volatility and distance from the adjacent CQS risk bucket.

⁴ The **Agency Composite Rating (ACR)** is the average senior unsecured rating from one or more major rating agencies.

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