

**CMP : Rs.933**

**STOCK INFO**

BSE	532174
NSE	ICICIBANK
Bloomberg	ICICIB IN
Reuters	ICBK.BO
Sector	Banking-Private
Face Value (Rs)	10
Equity Capital (Rs Mn)	11522
Mkt Cap (Rs Mn)	1,074,984
52w H/L (Rs)	1277/814
Avg Daily Vol (BSE+NSE)	4,255,391

**SHAREHOLDING PATTERN**

	%
<i>(as on 30th Sep. 2011)</i>	
FII	38.17
DII	25.24
Others	36.59

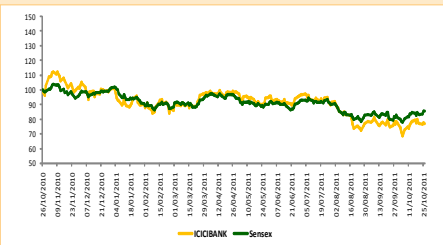
Source: BSE

**STOCK PERFORMANCE (%) 1m 3m 12m**

ICICIBANK	2	-18	-23
Sensex	8	-8	-15

Source: Capitaline; IndiaNivesh Research

**ICICI BANK v/s BSE SENSEX**



Source: Capitaline; IndiaNivesh Research

**Numbers inline with street expectations.... Stable Loan growth, NIMs and asset quality....**

Loan growth remains consistent at 21% yoy while deposit growth muted at 10% yoy. However sequentially, deposit growth remains inline with advances growth.

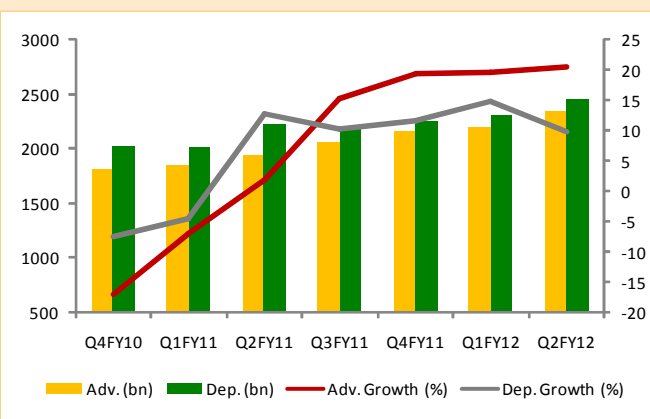
Bank has been successful in maintaining its NIMs at 2.6% in Q2FY12 backed by stable low cost deposit of 42%.

Continuous improvement seen in Asset quality in last 8 quarters, Gross/Net NPA stood at 4.14%/0.93%.

**Result Highlights**

- Bank's total business grew by 15% at Rs 4790 bn attributed to consistent growth in advances at 21% yoy (6% QOQ) at Rs 2340 bn and deposit growth was slower at 10% yoy (6% QoQ) at Rs 2451 bn. Credit to deposit ratio remains high at 95.5% as compared to 87% in Q2FY11. Management is focusing more on secured loans like Housing. Bank is targeting a Credit growth of 18% yoy for FY12E.

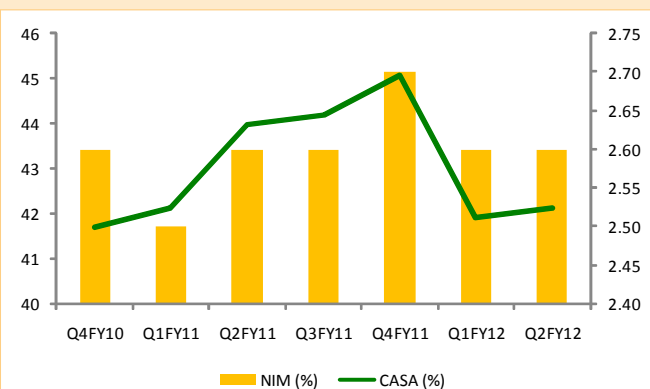
**Advances / Deposits (in bn) & Growth (%)**



Source: Company Filings; IndiaNivesh Research

- NIMs remain stable at 2.6% backed by CASA ratio 42.1% as compared to 44% in Q2FY11 and 41.9% in Q1FY12. Yield on advances (calc) was up by 112 bps while the cost of funds was up by 103 bps yoy.

**NIM / CASA (%)**



Source: Company Filings; IndiaNivesh Research

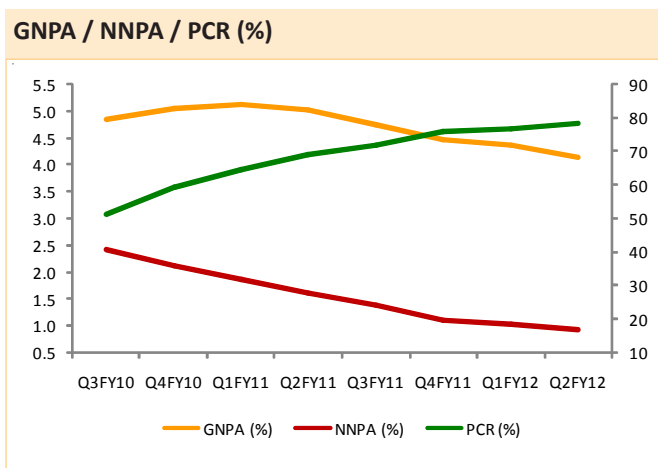
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- Net Interest income was up by 14% yoy at Rs 25 bn attributed to interest income growth of 29% yoy at Rs 81.6 bn and interest expense growth of 38% yoy at Rs 56.5 bn.
- Non Interest income grew by 10% yoy at Rs 17.4 bn. Fee income was up by 7% at Rs 25 bn as compared to Rs 15.9 bn in Q2FY11.
- Operating expenses grew by 21% at Rs 18.9 bn as compared to Rs 15.7 bn and Cost to income ratio was up at 44.6% vs 41.5% in Q2FY11.
- Provisioning expense was down significantly by 50% yoy at Rs 3.19 bn and resulted in Net profit growth of 22% yoy at Rs 15bn. With this ROA and ROE improved to 1.41% and 10.5% as compared to 1.31% and 9.3% in Q2FY11.
- Capital adequacy was strong at 19% with a Tier capital of 13.1% as compared to 13.8% in Q2FY11.
- Asset quality has improved consistently in last 8 quarters however further scope for improvement is limited. Gross and Net NPA has come down from 5.03% and 1.62% in Q2FY11 to 4.14% and 0.93% in Q2FY12 respectively. Gross and Net NPA of the bank stood at Rs 100 bn and Rs 21.8 bn, down by 1% and 31% yoy respectively. Provision coverage ratio improved to 78% as compared to 69% in Q2FY11.



Source: Company Filings; IndiaNivesh Research

### Subsidiaries

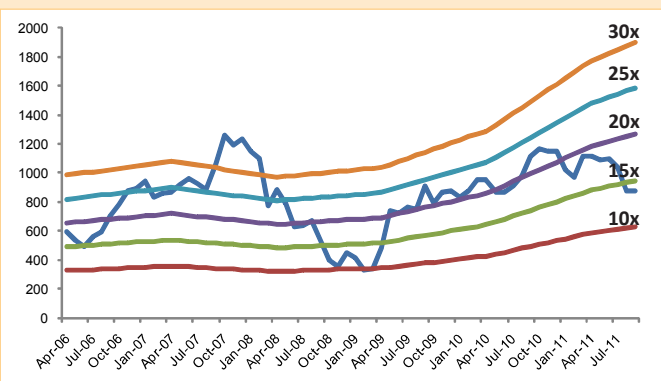
ICICI prudential Life insurance has reported a Net profit of Rs 3.5 bn as compared to 0.15 bn in Q2FY11. Asset under management stood at Rs 649 bn.

ICICI Lombard's Gross premium was up by 20% yoy to Rs 13.1 bn as compared to Rs 10.9 bn in Q2FY11. The company has reported a Net profit of Rs 560 mn vs 1040 mn in Q2FY11.

### Valuation

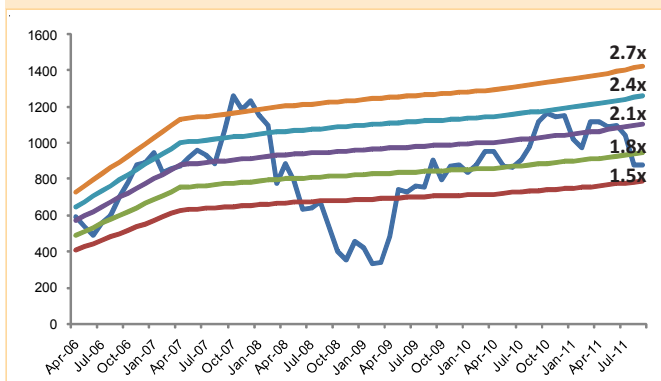
At CMP of Rs 933, based on street estimates, the stock is trading at P/BV of 1.8x and 1.7x for FY12E and FY13E. Our previous recommendation was on 18<sup>th</sup> August 2011 when the price was Rs 833 with the target price of Rs 940, which was achieved on 31<sup>st</sup> October 2011. We will come up with the further details and target price after the conference call scheduled on 31<sup>st</sup> October 2011.

PE Band



Source: Company Filings; IndiaNivesh Research

PBV Band



Source: Company Filings; IndiaNivesh Research

Q2FY12 - Rs mn	Q2FY12	Q2FY11	% YoY	Q1FY12	% QoQ	H1FY12	H1FY11	% YoY
Interest Income	81576	63091	29.3	76185	7.1	157761	121216	30.1
Interest on advances	53807	39492	36.2	49351	9.0	103159	77277	33.5
Income on Investments	23450	19161	22.4	22510	4.2	45960	35747	28.6
Other Interest	4319	4438	-2.7	4324	-0.1	8643	8193	5.5
Interest Expense	56512	41047	37.7	52076	8.5	108588	79262	37.0
Net Interest Income	25064	22044	13.7	24109	4.0	49174	41954	17.2
Non Interest Income	17396	15779	10.2	16429	5.9	33824	32584	3.8
Net Income	42460	37823	12.3	40538	4.7	82998	74539	11.3
Total Income	98972	78870	25.5	92614	6.9	191586	153801	24.6
Total Expenses	18922	15704	20.5	18198	4.0	37120	30539	21.6
Operating/Pre Provisioning Profit	23538	22119	6.4	22340	5.4	45878	44000	4.3
Provisions	3188	6411	-50.3	4539	-29.8	7727	14390	-46.3
Profit Before Tax	20350	15708	29.5	17802	14.3	38151	29611	28.8
Tax	5318	3345	59.0	4480	18.7	9797	6988	40.2
Net Profit	15032	12363	21.6	13322	12.8	28354	22623	25.3
EPS (Rs)	12.0	10.9	10.0	11.6	3.8	24.6	20.1	22.3
Book Value (Rs)	508	469	8.3	490	3.7	508	469	8.3
Advances	2339522	1942010	20.5	2206930	6.0			
Deposits	2450917	2230940	9.9	2306780	6.2			
Total Business	4790439	4172950	14.8	4513710	6.1			
Investments	1476849	1362755	8.4	1395560	5.8			
Asset	4407252	3899980	13.0	4152153	6.1			
Gross NPA	100213	101412	-1.2	99828	0.4			
Net NPA	21838	31452	-30.6	23025	-5.2			

Key Ratios (%)	bps			bps	
NIM	2.60	2.60	0	2.60	0
Cost of Funds	6.36	5.33	103	6.13	23
Yield on Advances	9.47	8.35	112	9.03	43
Yield on Investments	6.53	5.81	72	6.57	-4
Yield on Funds	8.80	7.86	94	8.57	23
Cost to Income Ratio	44.6	41.5	305	44.9	-33
CASA	42.1	44.0	-190	41.9	20
CAR	19.0	20.2	-124	19.6	-58
Tier I Capital	13.1	13.8	-70	13.4	-26
Credit to Deposit	95.5	87.0	841	95.7	-22
GNPA	4.14	5.03	-89	4.36	-22
NNPA	0.93	1.62	-69	1.04	-11
Provision Coverage Ratio	78.2	69.0	920	76.9	130
ROE	10.5	9.3	119	9.6	90
ROA	1.41	1.31	10	1.29	12

Source: Company Filings; IndiaNivesh Research



Trust.....we earn it.

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