



Buy ICICI Bank – TP Rs.620

- Buy ICICI Bank with a one-year target price of Rs.620 as against the current price of Rs.363.85.
- The bank has posted strong EPS numbers for the latest quarter (Q3FY09) and the performance appeared to be better than market expectations.
- Better earning numbers are mainly due to strong gains from treasury operations, lower operating expenses and stable net interest margins at reasonably higher levels.
- Looking ahead, the bank has got new licenses for 580 new branches. Significant enhancement could be expected in its reach and scale. However, operating cost may slightly go up.
- Gross NPL is lower than expected and the accretion rate is slowing down.
- EPS estimates for FY09 is Rs.30.84 and this may increase to Rs. 40.72 in FY10. Expected EPS for FY11 is Rs.48.34.

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