

## ICICI Bank (ICICIBC) - BUY

### Result Update

Current Market Price (CMP)

**Rs.1150**

Target Price

**Rs.1300**

### Rationale:

- Bank reported ~17% yoy earnings growth led by ~10% yoy operating profit growth and lower provisions.
- NIM (Net Interest Margin) held up well sequentially at 4.4%.
- Deposit growth was impressive at 20% yoy while Credit deposit ratio stands comfortable at ~85%.
- Asset quality continues to hold up well.
- The levers to deliver best-in-class return and growth ratios are intact.
- Maintain BUY with FV at 1,300 (Rs1,220 earlier).

### Result update:

#### **Positives:**

- Loan growth was healthy and broad-based; minor tweaks to origination in unsecured retail.
- Deposit growth stood at 20% yoy – better than the loan growth print of 16% yoy.
- CASA ratio for the bank improved ~250 bps qoq to ~42%.
- GNPL ratio declined ~10 bps qoq to 2.3%, while NNPL ratio was broadly flat qoq at 0.5%

#### **Negatives:**

- NIM is likely to see only a marginal contraction from here.

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For detailed report dated 28<sup>th</sup> April. Note: CMP & valuation may differ due to difference in dates.



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