

Bloomberg Code	ICICIBC:IN
No of share O/S (Cr.)	543.29
Market Cap (Rs. in Cr.)	5,83,350
Face Value	2.00
Dividend Yield	0.0
52 Wk High/Low	859/388

Key Highlights:

ICICI Bank reported Net Interest Income (NII) of INR 11,690 cr in Q2FY22, marking a YoY growth of 24.8%, which was mainly driven by a rise in advances by 17.2% YoY while NIM margin expanded by 43bps YoY to 4.0%. Retail loan portfolio grew by 20% YoY and 5% QoQ and comprised 62.1% of the total loan portfolio v/s 51.6% in Q2FY21 while domestic wholesale banking portfolio grew by 14% YoY. The cost to income ratio rose by 154bps YoY to 39.9% in Q2FY21. Other income for the quarter rose by 19.1% YoY.

Shareholding	
Promoters	0.00
Institutional	90.05
Public	9.95
Total	100.00

Operating profit witnessed a YoY growth of 20.0% to INR 9,915 cr in Q2FY22. Provisions during the quarter stood at INR 2,713 cr, de-growing by 9.4% YoY. ICICI Bank posted a net profit of INR 5,511 cr after tax in Q2FY22 as against a PAT of INR 4,251 cr in Q2FY21.

Asset quality shows further improvement

GNPA and NNPA stood at 4.8% and 1.0%, respectively, as against the GNPA of 5.2% and NNPA of 1.2% reported in the previous quarter.

Provision coverage ratio improved by 190 bps QoQ to reach 80.1%. Covid-19 related provisions stood at INR 6,425 cr (0.8% of advances) which provides the cushion to the P&L. The BB & below book declined by 9% QoQ; it stood at 2.8% vs 3.7% QoQ. Restructured assets stood at 1.3% vs 0.7% QoQ. CASA ratio stood at 46.1% to INR 4,50,704 cr improving by 255bps YoY but unchanged QoQ.



Concall Highlights:

- There were about 15 lakhs activations of iMobile Pay from non-ICICI Bank account holders in Q2FY22.
- Total activations now stands at 40 lakhs. The transactions by non-ICICI Bank account holders in terms of value and volume respectively, were 3x and 13x higher in Q2FY22 compared to Q1FY21.
- InstaBIZ which is a platform designed for business banking and SME franchise has seen the value of financial transactions grow by 80% YoY.
- The value of the Bank's merchant acquiring transactions through UPI more than doubled year-on-year and grew by 34% sequentially in Q2FY22.
- Mobile banking transactions increased by 62% YoY in value terms in Q2FY22.
- Credit card spends grew by 47.0% QoQ in Q2FY22. Spends across most categories other than travel crossed March 2021 levels in Q2FY22.
- The Bank's total capital adequacy stood at 19.52% and Tier-1 capital adequacy (including profits for H1-2022) was 18.53%.

Valuation:

At the CMP of INR 841, the stock is trading at ~3.6x FY22 standalone P/BV.

Financial Summary

NII rose by 24.8% YoY due to 17.2% YoY increase in advances.

NIMs for the quarter improved by 43bps YoY to 4.0%.

Operating expenses grew by 28.0% YoY and 8.9% QoQ. Cost to income ratio rose by 154bps YoY at 39.9%.

CASA ratio improved by 255bps YoY.

Year ending Mar (Rs Cr)	Q2FY22	Q2FY21	YoY (%)	Q1FY21	QoQ (%)
Total Income	21,234	19,622	8.2	20,383	4.2
- Interest Income	15,998	14,459	10.6	15,125	5.8
- Investment Income	4,098	4,314	-5.0	4,042	1.4
- Others	1,138	850	33.9	1,217	-6.5
- Other Income	4,797	4,028	19.1	3,996	20.1
Interest Expense	9,544	10,256	-6.9	9,448	1.0
Net Interest Income (NII)	11,690	9,366	24.8	10,936	6.9
Net Interest Margin (NIM, %)	4.0	3.6	43bps	3.9	11bps
Operating Expenses	6,572	5,133	28.0	6,037	8.9
Opex to Total Income (%)	39.9	38.3	154bps	40.4	-57bps
PPoP	9,915	8,261	20.0	8,894	11.5
Cost to Income Ratio (%)	39.9	38.3	154bps	40.4	-57bps
Provisions & Contingencies	2,713	2,995	-9.4	2,852	-4.8
PBT	7,201	5,266	36.8	6,043	19.2
Tax Rate (%)	23.5	19.3	421bps	23.6	-14bps
PAT	5,511	4,251	29.6	4,616	19.4
Loan Book	764,937	652,608	17.2	738,598	3.6
Deposits	977,449	833,290	17.3	922,122	6.0
- Term Deposits	526,745	470,308	12.0	497,021	6.0
- Share of Term Deposit (%)	53.9	56.4	-255bps	53.9	-1bps
- CASA	450,704	362,982	24.2	425,101	6.0
- Share of CASA (%)	46.1	43.6	255bps	46.1	1bps

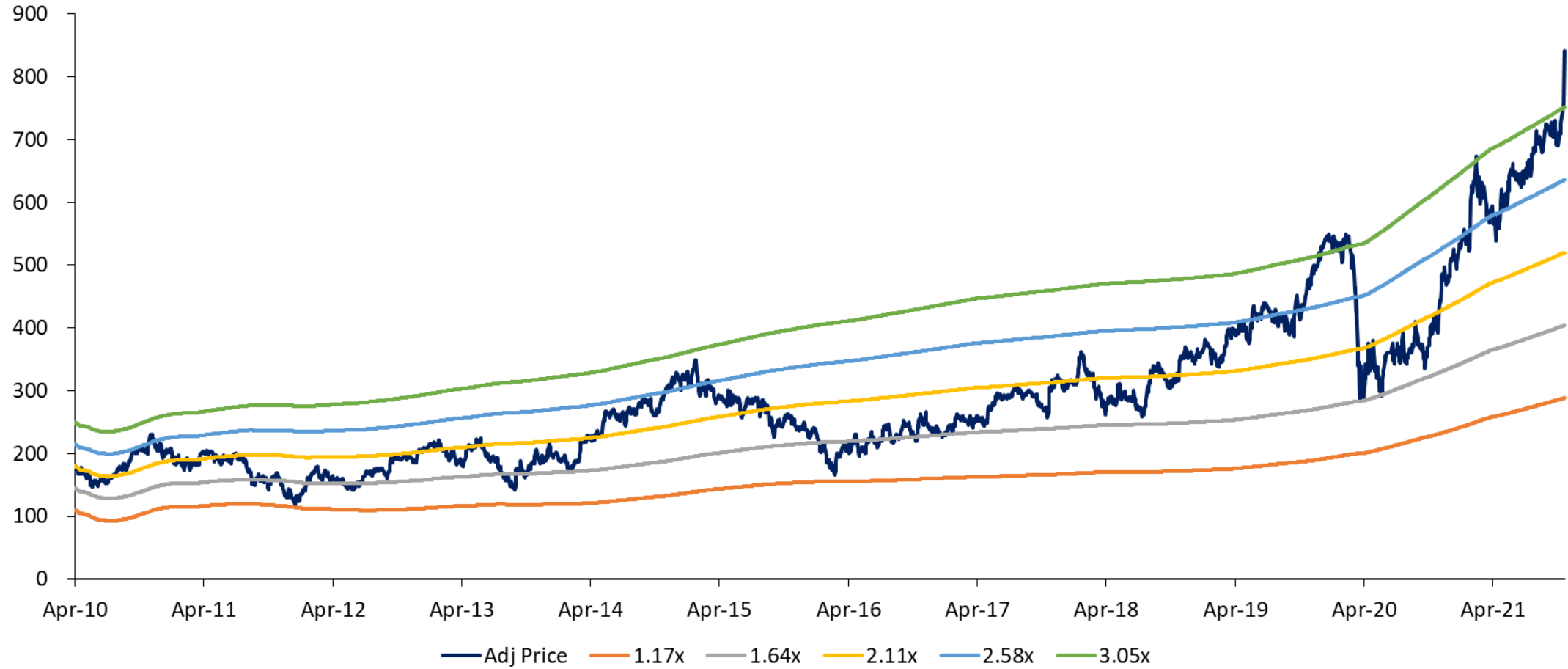
GNPA and NNPA stood at 4.8% and 1.0% in Q2FY22 as against GNPA and NNPA of 5.2% and 1.2% in Q1FY22.

The gross NPA additions declined to INR 5,578 cr in Q2FY22 from INR 7,231 cr in Q1FY22.

Recoveries and upgrades of NPAs, excluding write-offs and sale, increased to INR 5,482 crore in Q2FY22 from INR 3,627 cr in Q1FY22. The gross NPAs written off were INR 1,717 cr in Q2FY22.

Year ending Mar (Rs Cr)	Q2FY22	Q2FY21	YoY (%)	Q1FY22	QoQ (%)
Stressed Assets					
Slippages					
GNPA	41,437	38,989	6.3	43,146	-4.0
GNPA (%)	4.82	5.17	-35bps	5.15	-33bps
PCR %	80.1	81.5	-140bps	78.2	190bps
NNPA	8,161	7,188	13.5	9,306	-12.3
NNPA %	0.99	1.00	-1bps	1.16	-17bps
RoA (%) annualised	1.8	1.5	29bps	1.5	25bps
RoE (%)	15.3	13.6	170bps	13.2	206bps
Networth	144,265	125,260.2	15.2	139,665	3.3

1 year forward P/BV band chart



Ventura Securities Limited (VSL) is a SEBI registered intermediary offering broking, depository and portfolio management services to clients. VSL is a member of BSE and NSE. VSL is a depository participant of NSDL. VSL states that no disciplinary action whatsoever has been taken by SEBI against it in last five years except administrative warning issued in connection with technical and venial lapses observed while inspection of books of accounts and records. Ventura Guaranty Limited is the holding Company of VSL; Ventura Commodities Limited and Ventura Allied Services Private Limited are subsidiaries of VSL. Research Analyst (RA) involved in the preparation of this research report and VSL, disclose that neither RA nor VSL nor its associates (i) have any financial interest in the company which is the subject matter of this research report (ii) holds ownership of one percent or more in the securities of subject company (iii) have any material conflict of interest at the time of publication of this research report (iv) have received any compensation from the subject company in the past twelve months (v) have managed or co-managed public offering of securities for the subject company in past twelve months (vi) have received any compensation for investment banking, merchant banking or brokerage services from the subject company in the past twelve months (vii) have received any compensation for products or services from the subject company in the past twelve months (viii) have received any compensation or other benefits from the subject company or third party in connection with the research report. RA involved in the preparation of this research report discloses that he / she has not served as an officer, director or employee of the subject company. RA involved in the preparation of this research report and VSL discloses that they have not been engaged in the market making activity for the subject company. Our sales people, dealers, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein. We may have earlier issued or may issue in future, reports on the companies covered herein with recommendations/ information inconsistent or different than those made in this report. In reviewing this document, you should be aware that any or all of the foregoing, among other things, may give rise to or potential conflicts of interest. We may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of VSL. This report is for information purposes only and this document/material should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein. It is for the general information of the clients / prospective clients of VSL. VSL will not treat recipients as clients by virtue of their receiving this report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of clients / prospective clients. Similarly, this document does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The securities discussed in this report may not be suitable for all investors. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive this document should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. And such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this document. The projections and forecasts described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. Projections and forecasts are necessarily speculative in nature, and it can be expected that one or more of the estimates on which the projections and forecasts were based will not materialize or will vary significantly from actual results, and such variances will likely increase over time. All projections and forecasts described in this report have been prepared solely by the authors of this report independently for the Company. These projections and forecasts were not prepared with a view toward compliance with published guidelines or generally accepted accounting principles. No independent accountants have expressed an opinion or any other form of assurance on these projections or forecasts. You should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by VSL, its associates, the authors of this report or any other person that these projections or forecasts or their underlying assumptions will be achieved. For these reasons, you should only consider the projections and forecasts described in this report after carefully evaluating all of the information in this report, including the assumptions underlying such projections and forecasts. The price and value of the investments referred to in this document/material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. Future returns are not guaranteed and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. We do not provide tax advice to our clients, and all investors are strongly advised to consult regarding any potential investment. VSL and the RA involved in the preparation of this research report and its associates accept no liabilities for any loss or damage of any kind arising out of the use of this report. This report/document has been prepared by VSL, based upon information available to the public and sources believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. VSL has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. The opinions expressed in this document/material are subject to change without notice and have no obligation to tell you when opinions or information in this report change. This report or recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. The report is for the use and consumption of the recipient only. This publication may not be distributed to the public /used by the public media without the express written consent of VSL. This report or any portion hereof may not be printed, sold or distributed without the written consent of VSL. This document does not constitute an offer or invitation to subscribe for or purchase or deal in any securities and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. This document is strictly confidential and is being furnished to you solely for your information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The opinions and projections expressed herein are entirely those of the author and are given as a part of the normal research activity of VSL and are given as of this date and are subject to change without notice. Any opinion, estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimates or projection. This document has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Information in this document must not be relied upon as having been authorized or approved by the company or its directors or any other person. Any opinions and projections contained herein are entirely those of the authors. Neither the company nor its directors or any other person accepts any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection therewith. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Securities Market.

Ventura Securities Limited

Corporate Office: 8th Floor, 'B' Wing, I Think Techno Campus, Pokhran Road no. 02, Off Eastern Express Highway, Thane (West) 400 607

SEBI Registration No.: INH00001634