

CMP Rs. 878

Bloomberg Code	ICICIBC:IN
No of share O/S (Cr.)	696.8
Market Cap (Rs. in Cr.)	6,11,846
Face Value	2.00
Dividend Yield	0.55
52 Wk High/Low	642/958

Key Highlights:

ICICI Bank reported Net Interest Income (NII) of INR 34,881.6 cr in Q3FY23, marking a YoY growth of 18.30% led by continued strong advances. Other income stood at INR 16,240.7cr having a 4.40% YoY growth driven by fee income growth. Opex increased a 11.80% YoY, resulting in PPOp growth of 28.90% YoY to INR 14,369.7 cr.

Performance:

Shareholding	
Promoters	0.0
Institutional	72.69
Public	17.31
Total	100.00

Advances grew by 19.70% on a YoY basis, which was mainly driven by 24.60% YoY growth in retail loans, 23.10% YoY growth in domestic corporate loans while rural loans grew by 11.70% YoY. The overseas loan portfolio was about 4.00% of the overall loan book at September 30 2022. Deposits increased 12.00% YoY and 4.00% QoQ, with the YoY growth being CASA driven, resulting in a nearly 50bps expansion in the CASA ratio to 46.6% (although it marginally declined on a sequential basis).

The Capital Adequacy Ratio stood at 16.33%.

GNPA and NNPA stood at 1.78% and 0.64% in Q3FY23 as against GNPA and NNPA of 1.88% and 0.74% in Q2FY23. Slippages meaningfully moderated QoQ, resulting in GNPA improving to 4.21% (vs. 1.88% in Q2FY23), and overall restructured advances declined too.



Concall Highlights:

- The domestic corporate portfolio grew by 18.2% year-on-year and 4.7% sequentially at December 31, 2022 driven by growth across well-rated financial and non-financial corporates.
- The rural portfolio grew by 12.5% year-on-year and 3.8% sequentially. The domestic loan portfolio grew by 21.4% year-on-year and 4.2% sequentially. The overall loan portfolio grew by 19.7% year-on-year and 3.8% sequentially at December 31, 2022.
- The capital position of the Bank continued to be strong with a CET-1 ratio of 17.09%, Tier 1 ratio of 17.58% and total capital adequacy ratio of 18.33% at December 31, 2022, including profits for 9M-2023.
- The net NPA ratio declined to 0.55% at December 31, 2022 from 0.61% at September 30, 2022 and 0.85% at December 31, 2021. During the quarter, there were net additions of 11.19 billion Rupees to gross NPAs, excluding write-offs and sale.

Valuation:

At the CMP of INR. 878, the stock is trading at 1.6 FY24E P/BV.

Financial Summary

NII grew by 18.3% YoY led by continued strong advances & better margins.

NIMs for the quarter stood at 4.2%.

Operating expenses grew by 11.8% YoY and -0.08% QoQ.

Provisions stood at INR 2434.1 cr up by 48% YoY.

Year ending Mar (Rs Cr)	Q3FY23	Q3FY22	YoY (%)	Q2FY23	QoQ (%)
Total Income	47,859.5	39,865.8	20.1	45,178.2	5.9
- Interest Income	23,855.4	17,636.2	35.3	21,302.0	12.0
- Investment Income	7,136.3	5,384.9	32.5	6,814.6	4.7
- Others	627.1	1,293.2	-51.5	733.9	-14.5
- Other Income	16,240.7	15,551.6	4.4	16,327.7	-0.5
Interest Expense	12,977.9	10,372.4	25.1	11,997.0	8.2
Net Interest Income (NII)	34,881.6	29,493.4	18.3	33,181.3	5.1
Net Interest Margin (NIM, %)	4.2	4.1	17 bps	4.2	0 bps
Operating Expenses	20,511.9	18,341.8	11.8	20,683.3	-0.8
Opex to Total Income (%)	42.9	46.0	-315 bps	45.8	-292 bps
PPoP	14,369.7	11,151.6	28.9	12,497.9	15.0
Cost to Income Ratio (%)	40.1	40.7	-60 bps	41.8	-165 bps
Provisions & Contingencies	2,434.1	1,644.5	48.0	1,653.0	47.3
PBT	11,935.6	9,507.1	25.5	10,844.9	10.1
Tax Rate (%)	26.3	31.2	-491 bps	26.2	17 bps
PAT	8,792.4	6,536.6	34.5	8,007.0	9.8
Loan Book	974,047.0	813,992.0	19.7	938,563.0	3.8
Deposits	1,122,050.0	1,017,467.0	10.3	1,090,008.0	2.9
- Term Deposits	613,208.0	536,811	14.2	582,168.0	5.3
- Share of Term Deposit (%)	54.7	52.8		53.4	
- CASA	508,842.0	480,656.0	5.9	507,840.0	0.2
- Share of CASA (%)	45.3	47.2		46.6	
* CA deposit	145,626.0	146,043.0	-0.3	145,356.0	0.2
* Share of CA Deposit (%)	13.0	14.4		13.3	
*SA deposit	363,216.0	334,613.0	8.5	362,484.0	0.2
*Share of SA Deposit (%)	32.4	32.9		33.3	

GNPA and NNPA stood at 1.78% and 0.64% in Q3FY23 as against GNPA and NNPA of 1.88% and 0.74% in Q2FY23.

The bank total branches stood at 5,718 as against 5,298 in the same quarter last year.

Year ending Mar (Rs Cr)	Q3FY23	Q3FY22	YoY (%)	Q2FY23	QoQ (%)
GNPA	12,245.0	13,594.0	-9.9	12,343.0	-0.79
GNPA (%)	1.78	2.43	-65 bps	1.88	10 bps
NNPA	4,351.0	5,521.0	-21 bps	4,781.0	-9.0
NNPA %	0.64	1.00	-36 bps	0.74	-10 bps
CRAR (%)	16.3	17.9	-165 bps	16.9	-67 bps
Tier I Capital (%)	15.5	16.9	-66 bps	16.2	-66 bps
Tier II Capital (%)	0.8	1.0	-23 bps	0.8	-1 bps

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