

July 27, 2020



**Current Price:** ₹ 381.85

## STOCK DATA

BSE Code	532174
NSE Symbol	ICICIBANK
Reuters	ICBK.BO
Bloomberg	ICICIBC IN

## VALUE PARAMETERS

52 W H/L(Rs)	552.40/269.00
Mkt. Cap.(Rs Cr)	247291.59
Latest Equity(Subscribed)	1295.23
Latest Reserve (cons.)	118518.45
Latest EPS (cons.) -Unit Curr.	14.77
Latest P/E Ratio -cons	25.85
Latest Bookvalue (cons.) -Unit Curr.	185.01
Latest P/BV - cons	2.06
Dividend Yield -%	0.00
Face Value	2.00

## SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/06/2020
Foreign	53.75
Institutions	37.39
Govt Holding	0.34
Non Promoter Corp. Hold.	1.72
Public & Others	6.8

## Financial Results

Particulars	In Cr.		
	Qtr Ending Jun. 20	Qtr Ending Jun. 19	Var. (%)
Interest Earned	19924.35	17980.06	11
Interest Expended	10644.6	10242.63	4
Net Interest Income	9279.75	7737.43	20
Other Income	6142.6	3425.44	79
Net Total Income	15422.35	11162.87	38
Operating Expenses	4645.9	4874.41	-5
Operating Profits	10776.45	6288.46	71
Provisions & Contingencies	7593.95	3495.73	117
Profit Before Tax	3182.5	2792.73	14
Provision for tax	583.35	884.700	-34
Net Profit	2599.15	1908.03	36
EPS*(Rs)	4.81	3.89	

### Q1 FY2021 numbers : Builds strong provisions, above estimates

ICICI Bank reported 36% growth in net profit at Rs 2599.15 crore for the quarter ended June 2020 (Q1FY2021) driven by strong growth in the net interest income as well as non-interest income. The bank has reduced expenses, support sharp increase in operating profit.

The net interest margins of the bank has declined on sequential basis due to high liquidity, but it was higher over a year ago level. The bank has witnessed decline in the core fee income due to lockdown and moderation in loan growth.

The business growth of the bank was steady at 14% end June 2020 mainly driven by surge in deposits growth. The CASA deposits ratio of the bank decline mainly due to surge in term deposits.

- During Q1FY2021, the bank sold 4.0% shareholding in ICICI Lombard General Insurance (ICICI General) and 1.5% shareholding in ICICI Prudential Life Insurance (ICICI Life) generating gains of Rs 3036 crore further strengthening the balance sheet.
- The provisions of the bank declined by 42% to Rs 2044 crore in Q1FY2021 from Rs 3496 crore in Q1FY2020. The Bank has made additional Covid-19 related provisions of Rs 5550 crore on a prudent basis in Q1FY2021 with the objective of completely cushioning the balance sheet from the impact of Covid-19. The Bank held Covid-19 related provisions amounting to Rs 8275 crore end June 2020.

**Asset quality improves:** Bank has exhibited healthy improvement in the asset quality with the sharp dip in fresh slippages of advances in Q1FY2021.

- Fresh slippages dipped to Rs 1160 crore in Q1FY2021 from Rs 5306 crore a quarter ago and Rs 2779 crore in the corresponding quarter last year.
- Fresh slippages ratio galloped to 0.74% (annualized percentage of advance) against 3.29% a quarter ago 1.88% in the corresponding quarter last year.
- Meanwhile, the recovery, upgradations and write-offs declined to 1.38% (annualized percentage of advance) in the quarter ended June 2020 from 4.55% in Q4FY2019.
- Net restructured assets rose marginally to Rs 294 crore from Rs 287 crore on sequential basis.

## Asset Quality Indicators

Particulars	Qtr Ended	Qtr Ended	Qtr Ended	Qtr Ended	Qtr Ended	Variation	
	20-Jun	20-Mar	19-Dec	19-Sep	19-Jun	QoQ	YoY
Gross NPA (Rs Crore)	40386.24	41409.16	43453.86	45638.79	45763.08	-2	-12
Net NPA (Rs Crore)	8674.65	10113.86	10388.5	10916.4	11856.54	-14	-27
% Gross NPA	5.46	5.53	5.95	6.37	6.49	-7	-103
% Net NPA	1.23	1.41	1.49	1.60	1.77	-18	-54
% Provision Coverage Ratio	78.6	75.7	76.2	76.1	74	290	460
% CRAR - Basel III	16	16.11	16.5	16.14	16.19	-11	-19
% CRAR - Tier I Basel III	14.61	14.72	14.98	14.62	14.6	-11	1

Variation in basis points for figures given in percentages and in % for figures in Rs crore

- Overall stressed assets (Net NPA and restructured advances as a percentage of advances) declined to 1.42% at end June 2020 from 1.61% a quarter ago and 2.03% a year ago.
- Retail NPA's increased 20% yoy, while remained flat qoq to Rs 8371 crore at end June 2020.
- Risk weighted assets (on balance sheet) stood at Rs 763583 crore at end June 2020, showing an increase of 6% over June 2019.
- Provision coverage ratio (excluding technical write-offs) increased from 75.7% end March 2020 to 78.6% end June 2020.
- The loan book under moratorium has declined from 30% in April 2020 to 17.5% in June 2020. About 90% of the portfolio under moratorium at end June 2020 comprises loans that were also under moratorium at end May 2020.
- Total capital adequacy ratio of 16.32% and Tier-1 capital adequacy ratio of 14.93% on a standalone basis end June 2020 (including profits for Q1FY2021).

## Business performance:

**Business growth steady:** Business of the bank increased at steady pace of 14% yoy to Rs 1432837 crore at end June 2020, supported by the deposits growth rising to 21% at Rs 801622 crore. The loans growth moderated to 7% at Rs 631215 crore at end June 2020.

**Domestic loan growth eases:** Domestic advance book grew at slower pace of 10% yoy to Rs 584187 crore, while the overseas advance book declined 21% at Rs 47027 crore at end June 2020.

Growth in the domestic advance book was led by corporate book rising 5% yoy to Rs 158754 crore. SME loan book moved up 18% yoy to Rs 20857 crore at end June 2020. Further, the retail loan book expanded 11% yoy to Rs 404576 crore at end June 2020.

With the higher growth, the share of retail book in the overall advance book increased to 64% at end June 2020 from 61.40% at end June 2019.

**CASA ratio eases on spurt in term deposits:** CASA deposits increased 14% yoy to Rs 340616 crore, while the term deposits moved up 27% to Rs 461006 crore at end June 2020. CASA ratio of the bank eased to 42.5% at end June 2020 from 45.1% at end June 2019 and 45.2% at end June 2019.

**NIM** of the bank eased on sequential basis to 3.69% in Q1FY2021, while improved from 3.61% in the corresponding quarter last year. Domestic NIM moved up to 3.91%, but international NIM eased to 0.33% in Q1FY2021 from Q4FY2019.

**Investment book** increased 37% yoy to Rs 301851 crore at end June 2020, as SLR

investment galloped 47% to Rs 225836 crore, while equity investments in subsidiaries was flat at to Rs 9763 crore at end June 2020.

SLR ratio of the bank has jumped to 28.17% at end June 2020 from 23.21% a year ago.

**Network expansion:** Bank has network of 5324 branches and 15661 ATMs at end June 2020.

**Book Value** per share stood at Rs 175.1 per share at end June 2020 and adjusted book value (net of NNPA and 10% of restructured advances) stood at Rs 161.62 per share at end June 2020.

### Quarterly Performance:

**NII surges on higher margins:** Bank has posted healthy 20% increase in NII at Rs 9279.75 crore for the quarter ended June 2020. Interest income increased 11% to Rs 19924.35 crore, while interest expenses rose 4% to Rs 10644.60 crore.

**Equity asset sales income adds to non-interest income:** Other income zoomed 79% to Rs 6142.60 crore. The core fee income of the bank declined 31% to Rs 2104.00 crore. The other income also eased 2% to Rs 187.00 crore in Q1FY2021. However, the treasury income zoomed to Rs 3763 crore in Q1FY2021 from Rs 179 crore in Q1FY2020.

Net total income moved up 38% to Rs 15422.35 crore in the quarter ended June 2020.

**Expense ratio improves:** Operating expenses of the bank declined 5% to Rs 4645.90 crore, as other operating expenses declined 15% to Rs 2479.82 crore in Q1FY2021. The employee expenses moved up 11% to Rs 2166.08 crore. Expense ratio of the bank improved sharply to 30.1% in Q1FY2021 from 43.94% in Q1FY2020 and 43.67% in Q1FY2020.

Operating profit surged 71% to Rs 10776.45 crore in Q1FY2021.

**Provisions zooms:** Provisions and contingencies zoomed 117% to Rs 7593.95 crore in Q1FY2021 from Rs 3495.73 crore in Q1FY2020.

The profit before tax moved up 14% to Rs 3182.50 crore in Q1FY2021 over Q1FY2020.

Effective tax rate dipped to 18.33% from 31.68%, helping the Net Profit to rise 36% to Rs 2599.15 crore for the quarter ended June 2020.

### Consolidated Performance:

1. Consolidated profit after tax increased 24% to Rs 3118 crore for the quarter ended June 2020. Consolidated assets grew by 15% yoy to Rs 1443576 crore end June 2020 from Rs 1250472 crore end June 2019.

ICICI Home Finance PAT came in at Rs 1 crore in Q1FY2021. Capital adequacy ratio stood at 14.76% against 16.08% at end June 2019. The gross impaired loans (stage 3) of the company stood at 7.91% and net impaired loans (stage 3) at 4.57% end June 2020.

ICICI Life's profit after tax increased 1% to Rs 288 crore in Q1FY2021. AUM improved 4% yoy to Rs 170006 crore. Expense ratio has improved to 15% in Q1FY2021 against 17.00% in Q1FY2020. Value of New Business (VNB) Margins improved to 24.4% in Q1FY2021 from 21.0% in Q1FY2020.

ICICI General recorded 5% decline in the Gross premium at Rs 3394 crore, while PAT jumped 28% to Rs 398 crore for Q1FY2021 from Rs 310 crore in Q1FY2020. The combined ratio stood at 99.7% in Q1FY2021 compared to 100.4% in Q1FY2020. The combined ratio was 98.4% in Q1FY2021 excluding Rs 31 crore of impact of cyclones Amphan and Nisarga as compared to 99.7% in Q1FY2020 excluding Rs 16 crore of impact of cyclone Fani

Other domestic subsidiaries like ICICI securities Primary Dealership has reported 401% jump in

PAT at Rs 346 crore, while the PAT of ICICI Pru AMC increased 17% to Rs 257 crore in Q1FY2021. ICICI Securities reported 69% surge in PAT at Rs 193 crore for Q1FY2021. ICICI Venture posted 18% growth in net profit to Rs 26 crore in Q1FY2021.

ICICI Bank Canada's profit after tax declined 59% to Canadian Dollar 4.8 million in Q1FY2021. Loans fell 2% to Canadian Dollar 5604.2 million, while deposits moved up 1% to Canadian Dollar 3024.4 million at end June 2020. The capital adequacy ratio stood at 20.20% at end June 2020.

ICICI Bank UK's profit after tax dipped 50% to US\$ 5 million in Q1FY2021. Loans declined 15% to US\$ 1983.8 million, while deposits moved up 1% to US\$ 2256.6 million at end June 2020. The capital adequacy ratio stood at 19.50% at end June 2020.

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