

Bloomberg Code	ICICIBC:IN
No of share O/S	689.57
Market Cap (Rs. In Cr.)	261172.73
Face Value	2.00
Dividend Yield	0.00
52 Wk High/Low	552/269

Shareholding	
Promoters	
Institutional	89.13
Public	10.87
Total	100

### Con-call Quick Takeaways:

On the advances front, the bank has witnessed a pick up in rural demand with products like Gold loans and Kisan Credit Cards reaching pre-Covid levels. Further, the bank refrains from providing guidance for the advance growth considering the uncertainty in the environment, with a short term focus on maintaining liquidity for future demand and conserving capital.

According to the bank, the rural economy has shown good resilience due to the lower impact of the pandemic, good Rabi crop and monsoons. Further, it expects the Kharif season to go well.

ICICI Bank has seen an improvement in demand since the month of June and a turnaround in Toll and GST Collection. The Toll Collection reached 85% - 90% of pre-Covid levels and Credit card spends in July have reached 65% - 70% of pre-Covid levels.

The bank expects to have a clear picture of demand post the next phase of revival, after September, wherein the restrictions of inter and intra state movements of good and people would be permitted.

On the deposit front, the bank has witnessed a robust growth of 21.3% YoY in Q1FY21 and continues to expect growth in the future.

The bank had participated in the TLTRO and had raised nearly Rs. 11,000 Cr which was mainly deployed in short term papers of highly rated corporates to meet their short term working capital needs.

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Kyon ki bhaiya, sabse bada rupaiya.

On the moratorium front, the bank had nearly 17.5% of the book under moratorium (June 2020). The ratio of various segments remained within the same range except for the Builder Finance and Commercial Vehicle book, which were under pressure even before Covid19.

The bank expects the spread and margins to hold up as the business resumes to normalcy. Further, it may witness an improvement in margins by 30-40 bps, due to the impact of holding excess liquidity.

After appointment of Mr. Sandeep Bakshi (MD & CEO), the bank has adopted a customer-oriented approach along with a focus on parameters like core operating profits and provisions as a percentage of core operating profits.

The bank raised capital of Rs. 15,000 Cr, which has helped in improving its CET 1 ratio to 15.5% from the previous 13.29% (June 2020). This capital raise is further expected to improve the competitive position and strengthen the Capital Adequacy ratio of the bank.

Under the loan restructuring scheme by the RBI, the bank is awaiting the parameters which will be laid down by the committee and expects the restructuring process to be fully implemented by Q4FY21 or Q1FY22.

Operating expenditure (Excluding Employee cost) has declined majorly due to lower business origination and is expected to pick up as the business resumes. Further, renegotiation of rent and lease agreements and lower travel costs are expected to keep the expenditure under control.

**Valuation:** The stock is trading at FY22 P/B of 1.8X

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