



Pick of the week

ICICI Bank Ltd. (ICICIBC)

Recommendation: **BUY**

Current Price: ₹802

Potential Upside: 12.2%

Dated: 1st Nov 2021

Time Period: 12 Month

Target Price: ₹900

Why invest?

- ICICI Bank reported ~30% YoY earning growth on 20% yoy operating profit growth.
- Headline NPA declines as recovery and upgrades match slippages.
- Well diversified loan growth of 17% YoY; Deposit grew 17% yoy.
- NIM were at all-time high of 4%, increased by ~10 bps qoq.
- Gross NPL declined 25 bps qoq to 4.8%. The provision cover is 80%.
- We maintain our positive view, our top pick.
- The scope of earning upgrades remain high. Valuation has room for expansion.
- We maintain Buy with revised Fair Value of Rs. 900 (at 2.6x Dec 23 book value) from Rs. 810.