

EDUCATIONAL EQUITY RESEARCH REPORT : MAY

ICICI BANK LTD.

(NSE : ICICI BANK, BSE: 532174)

DATE : 15/5/24

ABOUT THE BUSINESS :

WE AT AS RESEARCH TECHNIC, INITIATE OUR COVERAGE ON ICICI BANK LTD.

ICICI Bank is a leading private sector bank in India and offers a wide range of banking products and financial services to Corporate, Small and Medium Enterprises (SME) and Retail customers through extensive multi-channel touch points including branches, state-of-the-art Internet Banking, Mobile Banking, WhatsApp Banking, and Phone Banking. ICICI Bank Limited is an Indian multinational bank and financial services company headquartered in Mumbai with a registered office in Vadodara.

PREVIOUS MONTH FOLLOWUP

AS MENTIONED IN THE PREVIOUS REPORT, THE SHARE PRICE BROKE 1125.26 ON THE UPPER SIDE. THE STOCK PRICE WENT UPTO 1169 AFTER BREAKING THE RESISTANCE 1114.83 ON THE UPPER SIDE.

PROS :

- Company is expected to give good quarter.
- Company has delivered good profit growth of 59.7% CAGR over last 5 years.

CONS :

- Stock is trading at 3.66 times its book value.
- Company has low interest coverage ratio.
- Contingent liabilities of Rs.51,22,409 Cr.
- Company might be capitalizing the interest cost.
- Earnings include an other income of Rs.72,596 Cr.

RESEARCH ANALYST :

P.SUNANDINI @ AS RESEARCH TECHNIC



FINANCIAL SNAP SHOT :

MARKET CAP	₹ 7,89,824 Cr.
STOCK P/E	17.8
ROE	20.6 %
CURRENT PRICE	₹ 1,124
BOOK VALUE	₹ 307
ROCE	8.37 %
HIGH	₹ 1,170
LOW	899
DIVIDEND YIELD	0.71 %
FACE VALUE	₹ 2.00

SHARE HOLDING PATTERN:

PROMOTERS	0
FIIS	44.77%
DIIS	45.10%
PUBLIC	9.84%
GOVERNMENT	0.28%
OTHERS :	0
NO.OF SHAREHOLDERS	17,85,572

PEER COMPARISON :

SECTOR: BANKS INDUSTRY: BANKS - PRIVATE SECTOR

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	Sales Qtr Rs.Cr.	ROCE %
1	HDFC Bank	1438.5	17.05	1092180.15	1.36	79433.61	9.5
2	ICICI Bank	1124.35	17.85	789824.16	0.71	42606.72	8.37
3	Axis Bank	1128.05	13.21	348434.05	0.09	30230.58	7.53
4	Kotak Mah. Bank	1650.8	18.02	328205.86	0.09	15156.18	8.75
5	IndusInd Bank	1418.85	12.35	110456.55	1.16	12198.53	8.42
6	IDBI Bank	84.2	15.64	90524.45	1.19	6994.7	6.55
7	Yes Bank	22.6	52.89	67968.23	0	7457.81	6.29

KEY POINTS :

- ICICI BANK has adopted a 360 degree approach to meet evolving needs of its customers by de-congesting its processes, re-orienting its technologies and making its HR practices more agile.
- Named 'customer 360' , the objective of this multi- dimensional approach is to bring the entire bank to the customer and offer solutions to them as well as their ecosystems as per their requirements.
- The bank is transferring itself from bank to bank tech, technology is assuming an integral role in its business strategy.
- iMOBILE pay is ICICI bank's mobile banking application which has more than 28 million users. The total value of transactions done through this app stood at close to ₹ 9,000 billion in fiscal 2023.
- ICICI bank has over 1.5 million active users on its business banking app, Insta biz. Around 2,25,000 non-ICICI bank account holders registered on this app. Value of financial transactions on Insta biz grew by 22% in fiscal 2023.
- Retail credit card spends grew by 60% in fiscal 2023 compared to the previous year.
- ICICI bank continues to be one of the leading bank in electric toll collections through FAS Tog with a market share of close to 29%
- The bank supported over 400 hospitals benefitting 1.5 million people by strengthening healthcare infrastructure and improving health facilities till date.
- During the fiscal 2023, the bank continued to focus on profitable growth in business while maintaining a strong balance sheet and robust liquidity.
- The bank delivered a healthy growth in profit along with improvement in asset quality parameters.
- Continuing on the journey from bank to bank tech, the bank is constantly upgrading and strengthening the technology infrastructure with a goal to make it secure, stable and resilient.

- One of the leading private sector banks in India, ICICI bank continues to focus on reimagining banking and leveraging digital capabilities, anchored to their commitment to be a trusted financial partner. for costumers
- Some of the bank's approaches are as follows:
 - 360 degree customer centric approach.
 - Focus on micro markets.
 - Focus on ecosystems .
 - Collaboration and external partnerships .
 - Bank to bank tech leveraging technology and digital.
 - Process decongestion and operational flexibility.
 - Risk and compliance culture.
- The volume of UPI person to merchant (P2M) transactions increased by 55.0% year-on-year in fiscal 2023 and the value of these transactions was 2.1 times the value in fiscal 2022.
- The bank has increased its market share in value of UPI P2M transactions to 19.3% in March 2023.

• THE SHARE PRICE CAN GO UPTO 1149.46 IF IT BREAKS 1140.73 ON THE UPPER SIDE.
 • THE SHARE PRICE CAN GO UPTO 1092.02 IF IT BREAKS 1102 ON THE LOWER SIDE.

PIVOT TABLE :

		SUPPORT				RESISTANCE			
DATE	WEEK CLOSE	S3	S2	S1	PIVOT	R1	R2	R3	PRV CLOSE
15-05-2024	1131.05	1099.13	1106.3	1113.4	1120.6	1127.7	1134.9	1142	1120.55
14-05-2024	1131.05	1112.38	1115.5	1121.7	1124.8	1131.1	1134.2	1140.4	1128
13-05-2024	1131.05	1171.67	1166.2	1141.6	1136.1	1111.6	1106.1	1081.5	1117.05
10-05-2024	1117.05	1092.02	1102	1108.9	1118.9	1125.7	1135.7	1142.6	1115.7
09-05-2024	1117.05	1093.53	1101.8	1112.4	1120.6	1131.2	1139.5	1150.1	1123
08-05-2024	1117.05	1101.62	1108.8	1117.6	1124.8	1133.5	1140.7	1149.5	1126.3

DISCLAIMER: INVESTMENT/TRADING IN SECURITIES MARKET IS SUBJECT TO MARKET RISK, PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE PERFORMANCE.THE RISK OF LOSS IN TRADING AND INVESTMENT IN SECURITIES MARKETS INCLUDING EQUITIES AND DERIVATIVES CAN BE SUBSTANTIAL.