

BSE SENSEX	S&P CNX	CMP: INR1,078		TP: INR1,230		Buy						
18,625	5,664	Year	Net Income	PAT	EPS	EPS	P/E	AP/E*	ABV*	AP/ABV*	Core	RoAA
Bloomberg	ICICIB IN	End	(INR m)	(INR m)	(INR)	Gr. (%)	(X)	(X)	(INR)	(X)	RoAE (%)	(%)
Equity Shares (m)	1,152.8	3/11A	156,648	51,514	44.7	23.9	-	20.2	371	-	11.5	1.3
52-Week Range (Rs)	1,102/641	3/12A	182,369	64,653	56.1	25.4	19.2	16.0	409	2.2	12.8	1.5
1,6,12 Rel.Perf.(%)	1/17/16	3/13E	221,404	80,236	69.6	24.1	15.5	12.7	454	1.9	14.4	1.6
M.Cap. (INR b)	1,243.0	3/14E	261,915	92,413	80.2	15.2	13.5	10.7	506	1.7	14.8	1.6
M.Cap. (USD b)	23.2											

* Price adjusted for value of key ventures & BV adjusted for investments in those key ventures

ICICI Bank's (ICICIB) 2QFY13 PAT grew 30% YoY to INR19.6b (7% above estimate). Healthy NIM of 3% (stable QoQ), strong domestic loan growth (+5.6% QoQ), lower provisions despite providing 85% on large media account exposure of INR5b, and higher than expected trading gains (INR1.7b v/s loss of INR210m a quarter ago) led to higher than expected PAT. **Key highlights:**

- Domestic NIM expanded 10bp QoQ to 3.4%, a positive surprise. However, a sharp fall of 38bp QoQ in international NIM to 1.2% led to overall NIM being stable QoQ.
- Fee income was flat YoY (up 4% QoQ) at INR17.1b, despite healthy asset growth, which was disappointing.
- Domestic loan growth was strong at 22% YoY (+6% QoQ – a positive), led by strong traction in domestic corporate loans (+16.5% QoQ and 38.4% YoY; adjusted for inter-bank participation certificates, corporate loan growth was 27% YoY) and pick-up in retail loans (+2% QoQ and 14% YoY).
- Other highlights:** (a) GNPA and restructured loans were flat QoQ, (b) Average daily CASA ratio declined 160bp QoQ to 37.5%, (c) Overall CAR at 18.3%, with tier-I ratio at 12.8%.

Valuation and view: RoA is likely to remain strong at ~1.6% over FY13-14, whereas core RoE should increase from 11% over FY08-12 to ~15% in FY14, led by increasing leverage and strong RoA. ICICIB has maintained strong capitalization, with tier-I at 12.8%. Retain as top pick.

ICICI Bank : Quarterly Performance	(INR Million)									
	FY12				FY13				FY12	FY13E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	76,185	81,576	85,919	91,746	95,457	100,263	102,807	105,325	335,427	403,852
Interest Expense	52,076	56,512	58,799	60,699	63,527	66,551	67,549	69,223	228,085	266,850
Net Interest Income	24,109	25,064	27,120	31,048	31,929	33,712	35,258	36,102	107,342	137,002
% Change (YoY)	21.1	13.7	17.3	23.7	32.4	34.5	30.0	16.3	19.0	27.6
Other Income	16,429	17,396	18,919	22,285	18,799	20,430	21,938	23,234	75,028	84,402
Net Income	40,538	42,460	46,039	53,332	50,729	54,142	57,196	59,336	182,369	221,404
Operating Expenses	18,200	18,922	19,168	22,216	21,235	22,209	23,735	24,304	78,504	91,484
Operating Profit	22,338	23,537	26,871	31,116	29,493	31,933	33,461	35,031	103,865	129,920
% Change (YoY)	2.1	6.4	14.7	35.0	32.0	35.7	24.5	12.6	14.8	25.1
Other Provisions	4,539	3,188	3,411	4,693	4,659	5,079	5,061	5,209	15,830	20,008
Profit before Tax	17,800	20,350	23,460	26,423	24,835	26,854	28,401	29,822	88,034	109,912
Tax Provisions	4,480	5,318	6,179	7,405	6,684	7,293	7,668	8,031	23,382	29,676
Net Profit	13,320	15,032	17,281	19,018	18,151	19,561	20,733	21,791	64,653	80,236
% Change (YoY)	29.8	21.6	20.3	31.0	36.3	30.1	20.0	14.6	25.5	24.1
Operating Parameters										
NIM (Reported,%)	2.6	2.6	2.7	3.0	3.0	3.0			2.7	
NIM (Cal, %)	2.5	2.5	2.5	2.8	2.8	2.9	2.9	2.9	2.7	3.0
Deposit Growth (%)	14.8	9.9	19.7	13.3	16.1	14.8	11.2	16.6	13.3	16.6
Loan Growth (%)	19.7	20.5	19.1	17.3	21.6	17.6	15.1	16.1	17.3	16.1
CASA Ratio (%)	40.0	38.3	39.0	39.0	39.1	37.5			39.0	
Asset Quality										
OSRL (INR b)	19.7	25.0	30.7	42.6	41.7	41.6			42.6	
OSRL (%)	0.9	1.1	1.2	1.7	1.6	1.5			1.7	
Gross NPA (INR b)	99.8	100.2	97.2	94.8	98.2	100.4	101.4	101.5	94.8	101.5
Gross NPA (%)	4.4	4.1	3.8	3.6	3.5	3.5	3.5	3.4	3.6	3.4

E: MOSL Estimates

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Investors are advised to refer through disclosures made at the end of the Research Report.

Quarterly performance v/s our estimates and reasons for deviation (INR m)

Y/E March	2QFY13A	2QFY13E	Var. (%)	Comments
Net Interest Income	33,712	32,582	3	Healthy margins and loan growth
% Change (YoY)	35	30		
Other Income	20,430	19,902	3	Fee income gr muted; Higher than expected trading gain
Net Income	54,142	52,484	3	
Operating Expenses	22,209	22,054	1	
Operating Profit	31,933	30,430	5	
% Change (YoY)	36	29		
Other Provisions	5,079	5,449	-7	Lower prov. due to healthy asset quality in retail segment and nil provisioning toward std. assets
Profit before Tax	26,854	24,981	7	
Tax Provisions	7,293	6,745	8	
Net Profit	19,561	18,236	7	Healthy NIM and asset quality
% Change (YoY)	30	21		

Source: Company, MOSL

Asset quality healthy; credit cost guidance of 75bp for FY13 maintained

During the quarter, ICICIBC recognized one large media account of INR5b as NPA and made provisions of 85% on the same. This implies that of the overall provisions of INR5.1b, INR4.3b was on account of this corporate account alone. However, overall provisioning was contained (7% below our estimate), led by higher recoveries in the retail segment (leading to release of provisions) and write-back of INR130m on standard asset provisioning.

Excluding the above mentioned exposure, gross slippages stood at INR7.2b as compared to INR8.7b a quarter ago and INR7.9b a year ago. Recoveries and upgradations were also healthy at INR5.6b as compared with INR4b a quarter ago. Higher write-offs of INR5.1b in 2QFY13 as compared to INR1.2b in 1QFY13 and INR815m in 2QFY12 coupled with continued low net slippages in retail loans led to stable GNPA. PCR was healthy at 78.7% v/s 80.4% a quarter ago.

The management expects asset quality to remain healthy and has maintained its FY13 credit cost guidance of 75bp. Currently, retail loans (34% of ICICIBC's loan book) are seeing negligible net slippages, also corroborated by the performance of private banks like HDFCB / IIB. Thus, the credit cost assessment largely factors in stress in corporate loans.

Restructured loan book flat QoQ; insignificant pipeline

ICICIBC restructured loans of INR1.4b during the quarter. However, these were offset by higher repayments from the restructured loan portfolio. As a result, the overall restructured loan portfolio declined marginally QoQ to INR41.6b (1.5% of overall loans). Of the overall referrals to CDR, ICICIBC's share stands at just INR5b, which is expected to be restructured in 2HFY13.

Domestic NIM improved 10bp QoQ to 3.4%; international NIM dragged overall NIM

Domestic NIM for the quarter was 3.4% (a positive surprise), led by run-off of low yielding priority sector loans and decline in cost of funds. The management remains confident of maintaining domestic NIM at current levels though there may be some volatility in the near term due to reduction in lending rate. International NIM declined

38bp QoQ to 1.2%. Excess liquidity in the balance sheet and one-off impact of bond issuance of ~15bp, which the bank accounted as interest expense, led to the fall in international NIM. Deployment of liquidity and absence of one-offs would propel international NIM upwards. The management has guided international NIM of 1.5% as compared to 1.25% for FY12. Overall blended NIM was stable QoQ at 3% and the management expects to maintain NIM at current levels.

Strong domestic loan growth, led by large corporate segment; share of international loans declined QoQ

The domestic loan portfolio grew 6% QoQ and 22% YoY to INR2.04t. Incremental loans during the quarter in the domestic book were led by strong growth in the corporate segment (+16% QoQ and 38% YoY). Growth in this segment was partly driven by inter-bank participation loans coming back on the balance sheet (adjusted for which growth would have been 27% YoY) and short-term loans. SME and agri & rural loans declined 10% QoQ (+6% YoY) and 3% QoQ (+25% YoY), respectively. Retail loans grew 14% YoY and 2% QoQ to INR933b (34% of the overall portfolio). Housing loan growth was healthy at 3% QoQ and 11% YoY. Contrary to the industry trend, the CV loans portfolio contracted 3% QoQ (led by run-off of securitized pool buyout). As a result, the share of CV loans declined marginally to 5.9% from 6.2% in 1QFY13. The share of unsecured retail loans remained largely stable QoQ at 1.3%.

In dollar terms, the international loan portfolio was flat QoQ. However, in rupee terms, it declined 5.5% QoQ (+6% YoY), led by appreciation of the rupee in 2QFY13. As a result, the share of international loans in overall loans declined to 25.8% as compared to 28% a quarter ago and 28.6% a year ago. The management guided domestic loan growth of 20% for FY13 (v/s expectation of 17-18% for the system), led by (1) pick-up in secured retail loans (especially mortgages), (2) working capital loans, and (3) disbursements from past sanctions. In dollar terms, the international loan portfolio is likely to be flat.

Healthy SA deposit growth; average CASA ratio declines 160bp QoQ to 37.5%

CASA deposits grew 5% QoQ and 11% YoY, led by healthy growth of 3% QoQ and 15% YoY in SA deposits. CA deposits continue to be volatile (up 10% QoQ but just 2% YoY). CASA ratio (quarter-end) was stable QoQ at 40.7%. However, average daily CASA ratio declined to 37.5% as compared to 39.1% a quarter ago. The management expects to maintain CASA ratio in the range of 38-40%.

Non-interest income above estimate, led by higher trading gains; fee income growth muted

During the quarter, ICICIBC booked a trading gain of INR1.7b as against a loss of INR210m in 1QFY13 and INR800m in 2QFY12. Resultantly, non-interest income was 3% higher than our estimate at INR33.7b. Lease and other income declined to INR1.6b from INR2.5b in 1QFY13 led by absence of dividend income from Canadian subsidiary (ICICIBC had received dividend income of INR1.3b in 1QFY13). Dividend from Life Insurance venture was stable QoQ at INR750m. Fee income growth remained sluggish (flat YoY and +4% QoQ) at INR17.1b. Core fee income growth remained sluggish through FY12 and continues to be weak. Lower growth in corporate fees led to muted performance.

Performance of subsidiaries

- **ICICI UK's total assets down ~3% QoQ** from USD3.9b to USD3.8b. ICICI UK's profits were USD4.3m v/s USD4.4m in 1QFY13 and USD2.2m in 2QFY12. CAR stood at 33.6%.
- **ICICI Canada's total assets stable QoQ at CAD5.3b.** Earnings were flat on a sequential basis but grew 135% YoY to CAD12.2m. CAR was at 34.1%.
- **ICICI Life Insurance reported PAT of INR4b** v/s INR3.5b in 1QFY13. APE for the quarter grew 6% YoY to INR7.8b. NBAP margin was stable QoQ at 15%.
- **General Insurance reported profit of INR1b** as compared to INR830m a quarter ago and net loss of INR4.6b for FY12. Gross premium income grew 16% YoY to INR15.2b.

Other highlights

- (a) **Overall CAR was 18.3%, with tier-I ratio at 12.8%.** ICICIBC is in the process of repatriating capital from its Canadian subsidiary, which will provide further capital. As loan growth is likely to remain at ~18% over FY13/14 and earnings momentum would be strong (19%+ CAGR over FY12-14), we expect the bank to maintain superior tier-I ratio.
- (b) ICICIBC opened 17 new branches and added 640 ATMs during the quarter, taking the total to 2,772 and 10,006, respectively.

Valuation and view

Sharp improvement in liability profile, asset quality and better ALM is helping to improve margins. Gradual improvement in NIM will be led by (1) lower securitization losses (INR2b in FY12, 5bp of NIM), (2) stable CASA ratio of 38-40%, and (3) higher international NIM (1.5% v/s FY12 average of 1.25%). Overall, we model margin improvement of 30bp for FY13 and 10bp for FY14. We expect FY12-14 NII CAGR of ~23%, compared with a loan CAGR ~18%.

Asset quality will remain strong, given the benign asset quality in the retail segment, changing loan portfolio mix (unsecured retail now forms only 1.3% as against 9%+ in FY08), and better risk management practices. With international and retail loan portfolio (58% of loans) remaining healthy, we believe guidance of 75bp on credit cost is conservative. Considering the macro environment and higher share of project loans in the balance sheet, we expect some restructuring to take place. However, ICICIBC is likely to be relatively better than peers.

We expect cost to income ratio to be maintained at 41-42% over next two years, translating into core operating profit CAGR of ~20% over FY12-14 v/s 7% over FY09-12. In effect, RoA is likely to remain strong at ~1.6% over FY13/14, whereas core RoE should increase from 11% over FY08-12 to ~15% in FY14 led by increasing leverage and strong RoA. ICICIBC has maintained strong capitalization, with tier-I at 12.8%. Retain as **top pick**, with an SOTP-based target price of INR1,230.

We largely maintain our earnings estimates for FY13/14 (INR b)

	Old Estimates		Rev. Estimates		Change (%)	
	FY13	FY14	FY13	FY14	FY13	FY14
Net Interest Income	135.8	161.0	137.0	163.7	0.9	1.7
Other Income	84.3	95.6	84.4	98.2	0.1	2.8
Total Income	220.1	256.5	221.4	261.9	0.6	2.1
Operating Expenses	90.9	104.6	91.5	106.9	0.7	2.2
Operating Profits	129.2	151.9	129.9	155.0	0.6	2.1
Provisions	21.3	27.6	20.0	28.4	-5.9	3.0
PBT	107.9	124.3	109.9	126.6	1.9	1.9
Tax	29.1	33.6	29.7	34.2	1.9	1.9
PAT	78.8	90.7	80.2	92.4	1.9	1.9
Margins (%)	3.0	3.0	3.0	3.1		
Credit Cost (%)	0.8	0.8	0.7	0.8		
RoA (%)	1.5	1.5	1.6	1.6		
RoE (%)	14.2	14.7	14.4	14.8		

Source: MOSL

ICICI BANK: SOTP FY14E

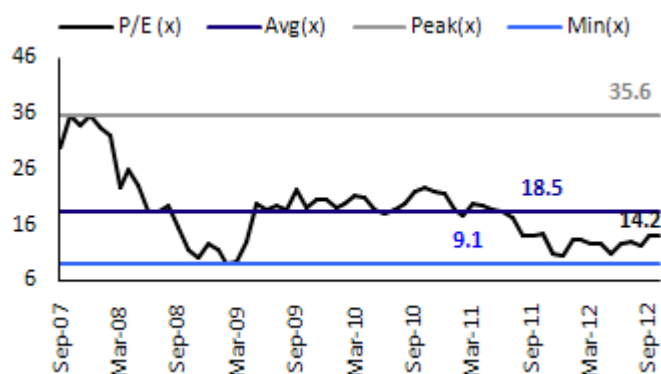
	Total Value INR b	Total Value USD b	Value Per Share INR	% of Total Value	Rationale
ICICI Bank	1,166	21.8	1,012	82.3	2x FY14E BV ex Investment in key ventures
Key Ventures					
ICICI Pru Life Insurance	134	2.5	116	9.5	Appraisal Value; 74% Economic stake
ICICI Bank Canada (100% Subsidiary)	50	0.9	43	3.5	1x FY14E BV
ICICI Bank UK (100% Subsidiary)	34	0.6	29	2.4	1x FY14E BV
ICICI Home Finance (100% Subsidiary)	30	0.6	26	2.1	2x FY14E BV
ICICI Pru Asset Management (51% stake)	17	0.3	15	1.2	Valued at 4% of Total AUM exp in FY14
ICICI Securities	12	0.2	11	0.9	12x FY14E PAT
ICICI Lombard General Insurance (74% stake)	17	0.3	15	1.2	1x FY14 Network
ICICI Ventures	10	0.2	9	0.7	10% FY14E AUMs
ICICI Securities PD	9	0.2	7	0.6	1x FY14 Network
Total Value of Ventures	313	5.8	272	22.1	
Less: 20% holding Discount	63	1.2	54	4	
Value of Key Ventures	251	4.7	217	17.7	
Target Price Post 20% Holding Co. Disc.	1,417	26.4	1,229	100	
Current Value	1,243	23.2	1,078		
Upside - %	14.0	14.0	14.0		
Target Price w/o 20% Holding Co. Disc.	1,479	27.6	1,283		
CMP (INR)	1,243	23.2	1,078		
Upside - %	19.0	19.0	19.0		

Return ratios have improved significantly led by improvement in risk adjusted margin

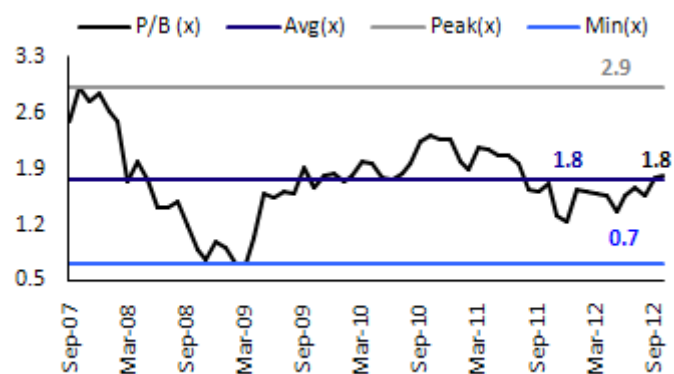
% of average assets	1Q2011	2Q2011	3Q2011	4Q2011	1Q2012	2Q2012	3Q2012	4Q2012	1Q2013	2Q2013
Net Interest Income	2.19	2.34	2.36	2.51	2.35	2.34	2.41	2.66	2.67	2.75
Fee income	1.55	1.69	1.66	1.79	1.54	1.59	1.51	1.48	1.38	1.39
Fee inc to Core income	41.5	41.9	41.3	41.6	39.6	40.4	38.5	35.8	34.0	33.6
Core Income	3.74	4.03	4.02	4.31	3.88	3.93	3.92	4.14	4.05	4.14
Operating Expenses	1.63	1.67	1.76	1.85	1.77	1.77	1.70	1.91	1.77	1.81
Employee expenses	0.63	0.66	0.78	0.86	0.71	0.79	0.74	0.95	0.82	0.79
Emp to total exp	38.8	39.8	44.3	46.4	40.3	44.5	43.6	49.7	46.5	43.5
Other expenses	1.00	1.00	0.98	0.99	1.06	0.98	0.96	0.96	0.95	1.02
Core Operating profits	2.11	2.36	2.27	2.46	2.11	2.16	2.22	2.24	2.27	2.33
Trading and others	0.29	-0.01	0.13	-0.15	0.06	0.04	0.17	0.43	0.19	0.27
Operating Profits	2.41	2.35	2.39	2.31	2.18	2.20	2.39	2.67	2.47	2.61
Provisions	0.88	0.68	0.47	0.38	0.44	0.30	0.30	0.40	0.39	0.41
PBT	1.53	1.67	1.92	1.92	1.73	1.90	2.09	2.27	2.08	2.19
Tax	0.40	0.35	0.45	0.47	0.44	0.50	0.55	0.64	0.56	0.59
RoA	1.13	1.31	1.47	1.45	1.30	1.40	1.54	1.63	1.52	1.60

Source: Company, MOSL

ICICI Bank: 1 year forward PE

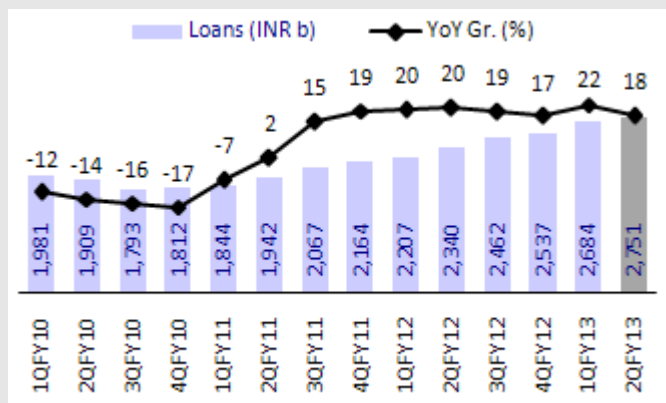


ICICI Bank: 1 year forward P/BV



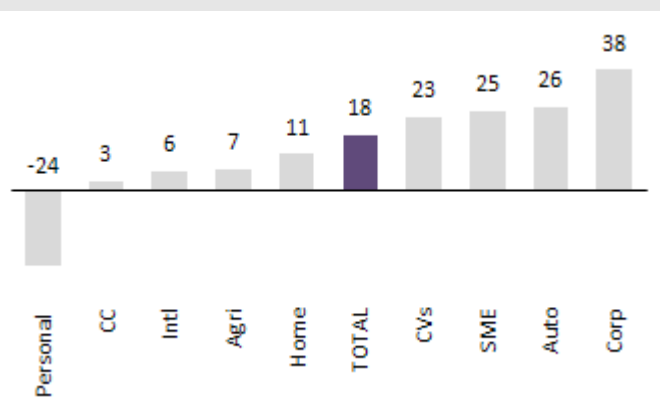
Quarterly trends

International portfolio drags overall loan growth



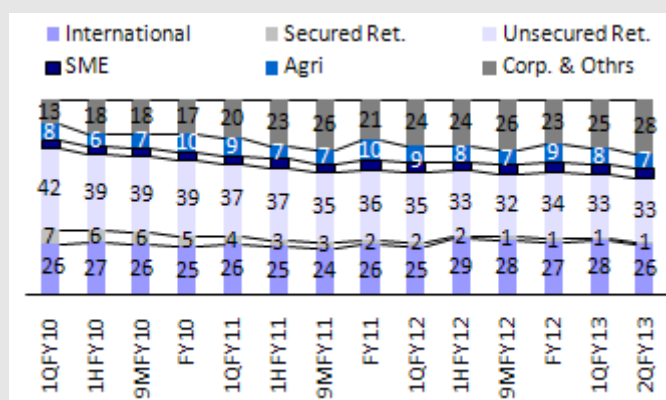
Domestic loans grew strongly by 22% YoY (+6% QoQ), while international loans de-grew 6% QoQ led by currency appreciation.

Strong YoY growth in corporate segment (%)



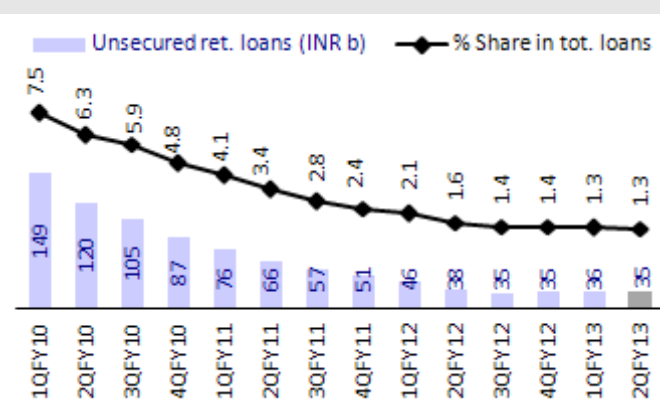
Adjusted for inter-bank participation certificates, corporate loan growth was 27% YoY.

Share of corporate loans increases QoQ (%)



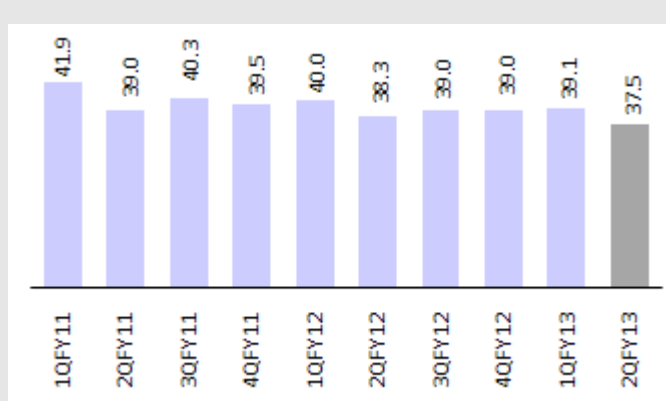
Strong growth in corporate loans and pick-up in retail loans led to shift in overall loan mix, while proportion of international loans declined, led by currency appreciation.

Proportion of unsecured loans stable QoQ



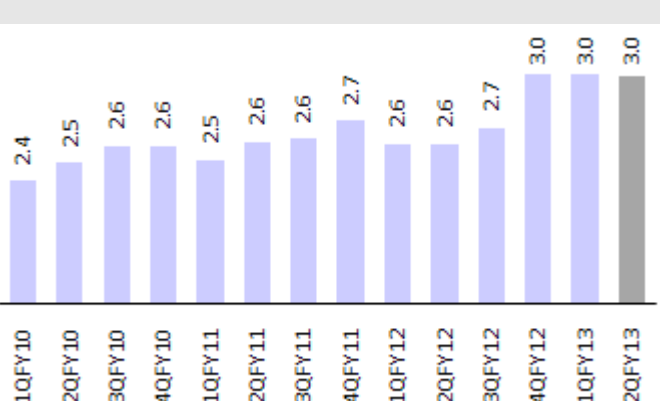
ICICIBank continues to focus on secured retail products; proportion of unsecured loans remains low.

Average CASA ratio dips QoQ; quarter-end CASA stable (%)



CASA deposits grew 5% QoQ and 11% YoY, led by healthy growth of 3% QoQ and 15% YoY in SA deposits.

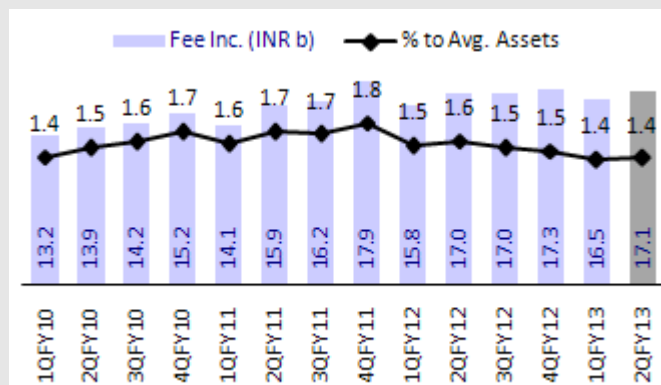
Blended NIM stable led by healthy domestic performance (%)



Domestic NIM improved 10bp QoQ to 3.4% (a positive surprise), but sharp fall of 38bp QoQ in international NIM to 1.2% led to overall stable NIM QoQ.

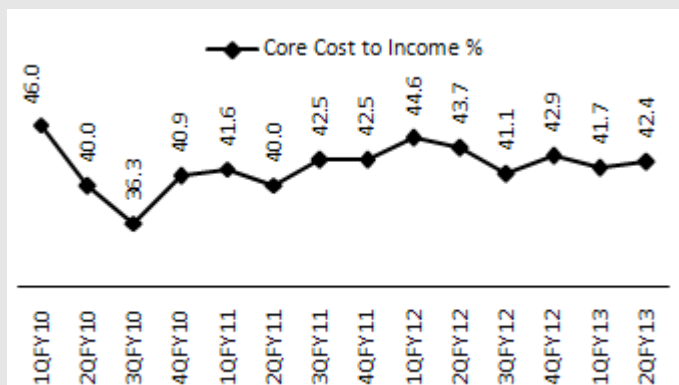
Quarterly trends (continued)

Fee income growth remains muted



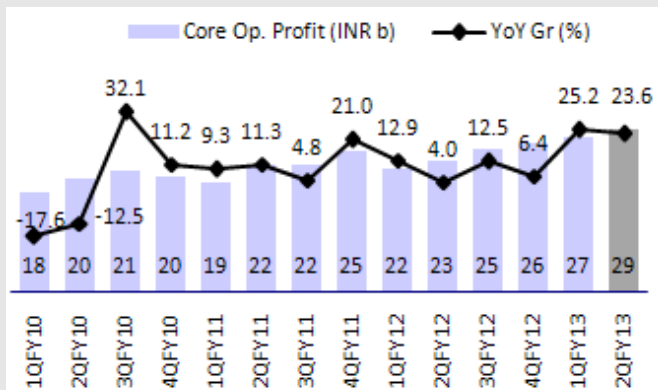
■ Fee income performance was disappointing - flat YoY (up 4% QoQ) at INR17.1b, despite healthy asset growth.

Cost to core income stable QoQ (%)



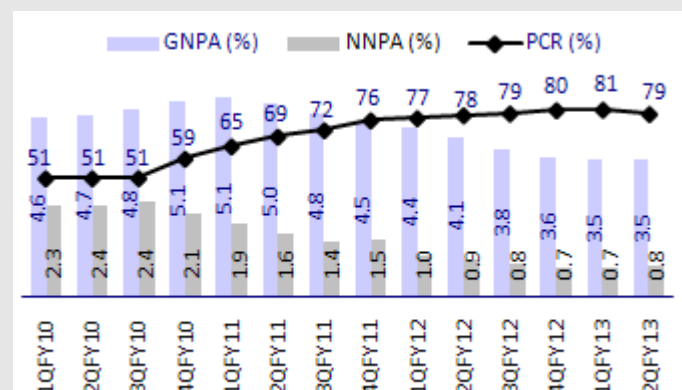
■ The management has guided cost to income ratio of 40-42%.

Core operating profitability remains healthy (%)



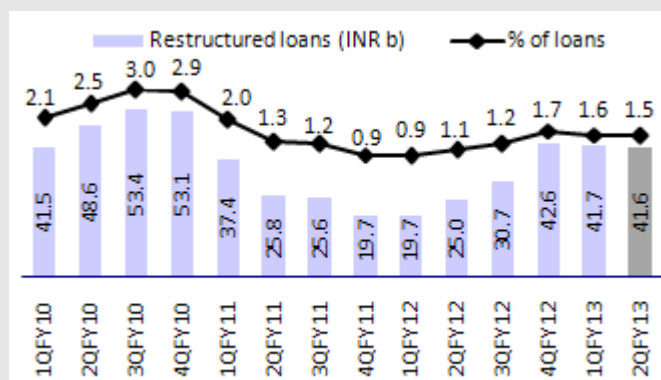
■ Strong margin performance and control over opex kept core operating profitability strong despite muted fee income growth.

Asset quality remains healthy; PCR strong



■ During the quarter, the bank recognized one large media account of INR5b as NPA, but write-off of similar quantum kept GNPA stable QoQ.

Net restructured loans stable QoQ



■ During the quarter, the bank restructured loans of INR1.4b but similar reductions led to restructured loans being flat.

Profitability of insurance business improves (INR m)

	2Q FY13	1Q FY13	QoQ Gr. (%)	2Q FY12	YoY Gr. (%)
Standalone PAT	19,561	18,151	8	15,032	30
I Sec	80	120	-33	180	-56
I Sec PD	270	330	-18	170	59
I Venture	1	6	-90	0	100
Pru AMC	230	280	-18	200	15
ICICI Home Finance	534	490	9	561	-5
ICIC Life Insurance	3,960	3,490	13	3,500	13
ICICI General Ins.	1,010	830	22	560	80
Consolidation Adj	-1,746	-2,927	-40	-283	NA
Consol. Profit	23,900	20,770	15	19,920	20

■ Contribution of insurance business in consolidated PAT up at 21% in 1HFY13 as compared to 12% in FY12.

Quarterly Snapshot

	FY12				FY13		Variation (%)		Cumulative Numbers		
	1Q	2Q	3Q	4Q	1Q	2Q	QoQ	YoY	1HFY12	1HFY13	YoY Gr (%)
Profit and Loss (INR m)											
Net Interest Income	24,109	25,064	27,120	31,048	31,929	33,712	6	35	49,174	65,642	33
Other Income	16,429	17,396	18,919	22,285	18,799	20,430	9	17	33,824	39,229	16
Trading profits	-250	-800	-650	1,580	-210	1,720	N.A.	N.A.	-1,050	1,510	-244
Fee Income	15,780	17,000	17,010	17,280	16,470	17,090	4	1	32,780	33,560	2
Miscellaneous Income	899	1,196	2,559	3,425	2,539	1,620	-36	35	2,094	4,159	99
Total Income	40,538	42,460	46,039	53,332	50,729	54,142	7	28	82,998	104,871	26
Operating Expenses	18,200	18,922	19,168	22,216	21,235	22,209	5	17	37,122	43,444	17
Employee	7,329	8,427	8,366	11,031	9,870	9,659	-2	15	15,756	19,529	24
Others	10,871	10,495	10,802	11,185	11,365	12,550	10	20	21,367	23,915	12
Operating Profits	22,338	23,537	26,871	31,116	29,493	31,933	8	36	45,876	61,426	34
Provisions	4,539	3,188	3,411	4,693	4,659	5,079	9	59	7,727	9,738	26
PBT	17,800	20,350	23,460	26,423	24,835	26,854	8	32	38,149	51,688	35
Taxes	4,480	5,318	6,179	7,405	6,684	7,293	9	37	9,797	13,977	43
PAT	13,320	15,032	17,281	19,018	18,151	19,561	8	30	28,352	37,712	33
Asset Quality											
GNPA	100,620	101,070	98,200	95,630	99,110	100,510	1	-1			
NNPA	23,510	22,360	20,820	18,940	19,410	21,380	10	-4			
GNPA (%)	3.9	3.6	3.3	3.1	3.1	3.1	-1	-51			
NNPA (%)	0.9	0.8	0.7	0.6	0.6	0.7	5	-14			
PCR (Calculated, %)	77	78	79	80	80	79	-169	85			
GNPA - Retail	63,580	63,170	61,700	59,770	59,440	52,670	-11	-17			
NNPA - Retail	11,180	9,760	8,320	7,250	6,820	5,990	-12	-39			
Restructured loans	19,660	25,010	30,700	42,560	41,720	41,580	0	66			
% to Loans	0.9	1.1	1.2	1.7	1.6	1.5	-4	44			
Ratios (%)											
Fees to Total Income	38.9	40.0	36.9	32.4	32.5	31.6			39.5	32.0	
Cost to Core Income	44.6	43.7	41.1	42.9	41.7	42.4			45.3	43.8	
Tax Rate	25.2	26.1	26.3	28.0	26.9	27.2			25.7	27.0	
CASA	41.9	42.1	43.6	43.5	40.6	40.7					
Dom. Loan/Deposit (Rep)	75.5	72.3	71.1	76.1	76.6	77.1					
Loan / Deposit	95.7	95.5	94.5	99.3	100.2	97.7					
CAR	19.6	19.0	18.9	18.5	18.5	18.3					
Tier I	13.4	13.1	13.1	12.7	12.8	12.8					
RoA (cal)	1.3	1.4	1.5	1.6	1.5	1.6					
RoE (Cal)	9.6	10.5	11.6	12.5	11.8	12.3					
Margins - Cal (%)											
Yield on loans	9.0	9.5	9.5	9.8	9.9	10.1	19	61	9.3	10.0	
Yield On Investments	6.6	6.5	6.6	6.8	6.9	7.0	15	48	6.5	6.9	
Yield on Funds	7.8	8.0	8.1	8.3	8.4	8.6	18	55	7.9	8.5	
Cost of funds	6.1	6.4	6.3	6.2	6.4	6.5	13	12	6.2	6.4	
Margins	2.5	2.5	2.5	2.8	2.8	2.9	7	42	2.5	2.8	
Margins - Reported	2.6	2.6	2.7	3.0	3.0	3.0	-1	39	2.6	3.0	

For %age change QoQ and YoY is bp

Source: Company, MOSL

Quarterly Snapshot

	FY11				FY12				FY13		Var. (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	QoQ	YoY
Balance Sheet (INR b)												
Loans	1,844	1,942	2,067	2,164	2,207	2,340	2,462	2,537	2,684	2,751	2	18
Investments	1,276	1,363	1,337	1,347	1,396	1,477	1,498	1,596	1,551	1,579	2	7
Customer Assets	2,169	2,330	2,477	2,616	2,584	2,795	2,974	3,055	3,182	3,239	2	16
Deposits	2,009	2,231	2,177	2,256	2,307	2,451	2,606	2,555	2,678	2,814	5	15
Borrowings	946	967	1,050	1,092	1,137	1,210	1,219	1,398	1,369	1,350	-1	12
Total Assets	3,640	3,900	3,929	4,062	4,152	4,407	4,593	4,736	4,835	4,971	3	13
Deposits Break Up												
CASA Deposits	846	981	962	1,016	966	1,031	1,135	1,110	1,087	1,144	5	11
% to total Deposits	42	44	44	45	42	42	44	43	41	41		
Savings	565	632	646	669	669	701	735	760	779	806	3	15
% to total Deposits	28	28	30	30	29	29	28	30	29	29		
Current	281	349	316	348	298	330	400	350	308	338	10	2
% to total Deposits	14	16	15	15	13	13	15	14	11	12		
Term Deposits	1,163	1,250	1,215	1,240	1,340	1,419	1,471	1,445	1,591	1,670	5	18
% to total Deposits	58	56	56	55	58	58	56	57	59	59		
Loan Break Up												
Agriculture	166	132	153	210	188	175	175	223	207	187	-10	7
SME Loans	74	85	87	104	110	110	116	134	142	138	-3	25
Corporate Loans	362	456	533	461	524	566	650	583	672	783	17	38
Retail Loans	763	781	790	837	827	819	824	901	912	933	2	14
of which												
Housing	473	504	517	539	546	551	547	577	594	614	3	11
Personal Loans	38	31	25	23	20	12	10	10	10	9	-7	-24
Credit Cards	38	34	32	28	26	25	25	25	26	26	2	3
Others	214	212	216	247	235	230	242	289	282	284	1	23
International Loans	479	487	504	552	558	669	697	695	752	710	-6	6
Loan Mix (%)												
Agriculture	9.0	6.8	7.4	9.7	8.5	7.5	7.1	8.8	7.7	6.8		
SME Loans	4.0	4.4	4.2	4.8	5.0	4.7	4.7	5.3	5.3	5.0		
Corporate Loans	19.6	23.5	25.8	21.3	23.7	24.2	26.4	23.0	25.0	28.5		
Retails	41.4	40.2	38.2	38.7	37.5	35.0	33.5	35.5	34.0	33.9		
International Loans	26.0	25.1	24.4	25.5	25.3	28.6	28.3	27.4	28.0	25.8		
Subsidiaries PAT (INR m)												
I Sec	250	290	350	240	100	180	180	330	120	80	-33	-56
I Sec PD	340	-20	40	170	230	170	490	-30	330	270	-18	59
I Venture	110	220	380	30	50	0	530	100	6	1	-90	100
Pru AMC	320	140	70	200	250	200	220	210	280	230	-18	15
ICICI Home Finance	572	539	497	720	704	561	670	665	490	534	9	-5
ICIC Life Insurance	-1,160	150	6,140	2,950	3,390	3,500	3,670	3,280	3,490	3,960	13	13
ICICI General Insurance	330	1,040	730	-2,900	400	560	-800	-4,770	830	1,010	22	80
Consol Profit	10,910	13,950	20,390	15,680	16,670	19,920	21,740	18,100	20,770	23,900	15	20

% change are in bp

Source: Company, MOSL

Stock Info

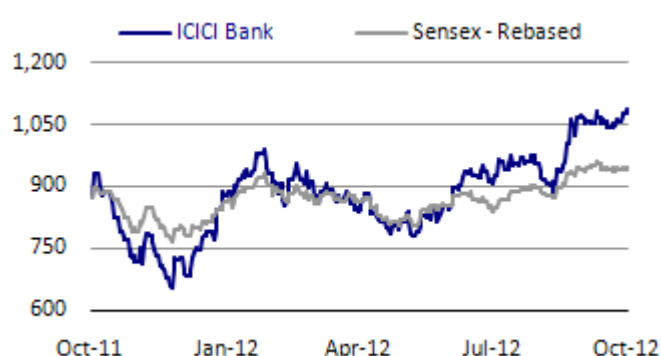
EPS: MOSL forecast v/s consensus (INR)

	MOSL Forecast	Consensus Forecast	Variation (%)
FY13	69.6	68.1	2.2
FY14	80.2	79.4	1.0

Shareholding pattern (%)

	Sep-12	Jun-12	Sep-11
Promoter	0.0	0.0	0.0
Domestic Inst	25.3	27.7	25.1
Foreign	65.8	62.7	65.0
Others	8.9	9.6	9.9

1-year Sensex rebased



Financials: Valuation Matrix

	Rating	CMP (INR)	Mcap (USD\$b)	EPS (INR)		P/E (x)		P/BV (x)		RoA (%)		RoE (%)		Dividend Yield (%) #
				FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14	
ICICIB*	Buy	1,078	23.2	70	80	12.7	10.7	1.9	1.7	1.6	1.6	14.4	14.8	1.5
HDFCB	Neutral	637	27.9	29	36	22.3	17.9	4.3	3.6	1.8	1.9	20.7	22.0	0.7
AXSB	Buy	1,231	9.5	114	131	10.8	9.4	2.0	1.7	1.6	1.5	19.5	19.1	1.3
KMB	Neutral	615	8.5	28	33	22.0	18.5	3.1	2.6	1.6	1.6	14.7	15.2	0.1
YES	Buy	413	2.7	36	43	11.6	9.6	2.6	2.1	1.5	1.5	24.3	23.9	1.0
IIB	Buy	363	3.2	22	27	16.5	13.5	3.2	2.6	1.6	1.6	20.8	21.3	0.6
VYSB	Buy	457	1.3	38	43	12.0	10.7	1.6	1.4	1.1	1.0	13.9	13.8	0.9
FB	Buy	488	1.6	47	56	10.4	8.8	1.3	1.2	1.2	1.3	13.3	14.2	1.8
J&KKB	Buy	1,149	1.0	186	206	6.2	5.6	1.2	1.0	1.4	1.3	20.3	19.4	2.9
SIB	Buy	22	0.2	3.4	4.0	6.4	5.4	1.0	0.9	1.0	1.0	18.8	17.6	2.7
Private Aggregate			79.1			16.2	13.7	2.5	2.2					
SBIN (cons)*	Buy	2,173	27.2	285	330	7.3	6.3	1.2	1.0	1.0	1.0	17.4	17.5	1.6
PNB	Buy	749	4.7	145	171	5.2	4.4	0.8	0.7	1.0	1.0	17.3	17.6	2.9
BOI	Neutral	287	3.1	54	64	5.3	4.5	0.8	0.7	0.7	0.7	15.5	16.0	2.4
BOB	Neutral	761	5.9	117	133	6.5	5.7	1.1	0.9	1.0	0.9	17.4	17.1	2.2
CBK	Buy	424	3.5	74	85	5.8	5.0	0.8	0.7	0.8	0.8	14.9	15.2	2.6
UNBK	Buy	206	2.1	42	48	4.9	4.3	0.8	0.7	0.8	0.8	16.7	16.9	3.9
IOB	Neutral	75	1.1	15	17	5.1	4.5	0.5	0.5	0.5	0.5	10.4	10.9	6.0
OBC	Buy	309	1.7	48	57	6.4	5.4	0.7	0.7	0.7	0.7	12.1	13.1	2.6
INBK	Buy	178	1.4	44	47	4.1	3.8	0.7	0.6	1.2	1.1	18.4	17.1	4.2
CRPBK	Neutral	405	1.1	111	119	3.7	3.4	0.6	0.6	0.9	0.9	18.4	17.3	5.1
ANDB	Buy	108	1.1	25	28	4.3	3.8	0.7	0.6	1.0	1.0	17.5	17.2	5.1
IDBI	Neutral	96	2.3	16	18	6.0	5.3	0.6	0.6	0.7	0.7	11.1	11.5	3.7
DBNK	Neutral	106	0.7	27	31	3.9	3.4	0.7	0.6	1.0	1.0	20.2	19.6	2.8
Public Aggregate			55.9			6.8	5.9	1.0	0.9					
HDFC*	Buy	758	20.9	32	38	17.4	13.7	5.2	4.2	2.9	2.9	29.2	30.4	1.5
LICHF	Buy	252	2.4	22	32	11.5	7.9	1.9	1.6	1.6	1.7	18.0	20.8	1.4
DEWH	Buy	205	0.4	38	51	5.4	4.0	1.1	0.9	1.5	1.4	21.7	22.7	1.7
IDFC	Buy	158	4.4	12	14	13.4	11.5	1.7	1.5	2.7	2.7	15.8	16.3	1.5
RECL	Buy	210	3.9	35	42	6.0	5.0	1.2	1.0	3.1	3.1	21.6	22.2	3.6
POWF	Buy	182	4.5	29	33	6.2	5.6	1.0	0.9	2.8	2.7	17.6	17.4	3.3
SHTF	Buy	604	2.6	60	70	10.1	8.6	1.9	1.6	2.6	2.6	20.6	20.3	1.1
MMFS	Buy	890	1.7	80	97	11.1	9.2	2.6	2.1	3.6	3.6	25.4	25.3	1.6
NBFC Aggregate			40.8			12.3	10.4	2.2	1.9					

*Multiples adj. for value of key ventures/Investments; For ICICI Bank, HDFC Ltd BV is adjusted for investments in subsidiaries

Div Yield based on FY12 declared dividend

Financials and Valuation

Income Statement					(INR Million)	
Y/E March	2009	2010	2011	2012	2013E	2014E
Interest Income	310,926	257,069	259,741	335,427	403,852	457,232
Interest Expended	227,259	175,926	169,572	228,085	266,850	293,556
Net Interest Income	83,666	81,144	90,169	107,342	137,002	163,677
Change (%)	14.5	-3.0	11.1	19.0	27.6	19.5
Other Income	76,037	74,777	66,479	75,028	84,402	98,239
Net Income	159,703	155,920	156,648	182,369	221,404	261,915
Change (%)	-0.9	-2.4	0.5	16.4	21.4	18.3
Operating Exp.	70,451	58,598	66,172	78,504	91,484	106,877
Operating Profits	89,252	97,322	90,475	103,865	129,920	155,038
Change (%)	12.1	9.0	-7.0	14.8	25.1	19.3
Provisions & Cont.	38,083	43,869	22,868	15,830	20,008	28,444
PBT	51,170	53,453	67,607	88,034	109,912	126,593
Tax	13,588	13,203	16,093	23,382	29,676	34,180
Tax Rate (%)	26.6	24.7	23.8	26.6	27.0	27.0
PAT	37,581	40,250	51,514	64,653	80,236	92,413
Change (%)	-9.6	7.1	28.0	25.5	24.1	15.2
Dividend (Including Tax)	13,764	15,020	18,170	21,228	28,163	32,437
Core PPP*	84,822	85,512	92,625	103,995	124,920	148,538
Change (%)	18.7	0.8	8.3	12.3	20.1	18.9

*Core PPP is (NII+Fee income-Opex)

Balance Sheet					(INR Million)	
Y/E March	2009	2010	2011	2012	2013E	2014E
Share Capital	14,633	14,649	15,018	15,028	15,028	15,028
Equity Share Capital	11,133	11,149	11,518	11,528	11,528	11,528
Preference Capital	3,500	3,500	3,500	3,500	3,500	3,500
Reserves & Surplus	484,197	505,035	539,391	592,525	644,598	704,574
Net Worth	498,830	519,684	554,409	607,552	659,625	719,602
Of which Equity Net Worth	495,330	516,184	550,909	604,052	656,125	716,102
Deposits	2,183,478	2,020,166	2,256,021	2,555,000	2,980,269	3,595,791
Change (%)	-10.7	-7.5	11.7	13.3	16.6	20.7
Of which CASA Deposits	626,678	842,158	1,016,465	1,110,194	1,240,225	1,451,924
Change (%)	-1.7	34.4	20.7	9.2	11.7	17.1
Borrowings	928,055	939,136	1,092,043	1,398,149	1,461,891	1,742,093
Other Liabilities & Prov.	182,647	155,012	159,864	175,770	192,684	230,538
Total Liabilities	3,793,010	3,633,997	4,062,337	4,736,471	5,294,470	6,288,023
Current Assets	299,666	388,737	340,901	362,293	392,654	479,236
Investments	1,030,583	1,208,928	1,346,860	1,595,600	1,715,270	1,972,561
Change (%)	-7.5	17.3	11.4	18.5	7.5	15.0
Loans	2,183,108	1,812,056	2,163,659	2,537,277	2,945,821	3,555,546
Change (%)	-3.2	-17.0	19.4	17.3	16.1	20.7
Net Fixed Assets	38,016	32,127	47,443	46,147	45,571	46,495
Other Assets	241,636	192,149	163,475	195,154	195,154	234,185
Total Assets	3,793,010	3,633,997	4,062,337	4,736,471	5,294,470	6,288,023

Asset Quality					(%)	
GNPA (INR m)	96,493	94,807	100,343	94,753	101,527	115,520
NNPA (INR m)	45,539	38,411	24,074	18,608	19,526	21,348
GNPA Ratio	4.3	5.1	4.5	3.6	3.4	3.2
NNPA Ratio	2.1	2.1	1.1	0.7	0.7	0.6
PCR (Excl Technical write of	52.8	59.5	76.0	80.4	80.8	81.5

E: MOSL Estimates

Financials and Valuation

Ratios						
Y/E March	2009	2010	2011	2012	2013E	2014E
Spreads Analysis (%)						
Avg. Yield - Earning Assets	9.2	7.9	7.7	8.5	8.8	8.6
Avg. Yield on Loans	10.1	8.7	8.3	9.4	10.0	9.6
Avg. Yield on Investments	6.9	5.8	6.2	6.6	6.7	6.7
Avg. Cost-Int. Bear. Liab.	6.5	5.2	4.8	5.7	5.8	5.5
Avg. Cost of Deposits	6.8	5.5	4.7	5.9	6.3	6.0
Interest Spread	2.6	2.7	2.9	2.8	3.0	3.1
Net Interest Margin	2.5	2.5	2.7	2.7	3.0	3.1
Profitability Ratios (%)						
RoE	7.9	8.0	9.7	11.3	12.9	13.6
Adjusted RoE	9.1	9.6	11.5	12.8	14.4	14.8
RoA	1.0	1.1	1.3	1.5	1.6	1.6
Int. Expended/Int.Earned	73.1	68.4	65.3	68.0	66.1	64.2
Other Inc./Net Income	47.6	48.0	42.4	41.1	38.1	37.5
Efficiency Ratios (%)						
Op. Exps./Net Income*	45.4	40.7	41.7	43.0	42.3	41.8
Empl. Cost/Op. Exps.	28.0	32.9	42.6	44.8	45.3	45.8
Busi. per Empl. (INR m)	131.0	99.8	72.4	81.6	88.9	98.8
NP per Empl. (INR lac)	10.9	9.8	9.0	11.1	12.9	14.0
* ex treasury						
Asset-Liability Profile (%)						
Loan/Deposit Ratio	100.0	89.7	95.9	99.3	98.8	98.9
CASA Ratio %	28.7	41.7	45.1	43.5	41.6	40.4
Invest./Deposit Ratio	47.2	59.8	59.7	62.5	57.6	54.9
G-Sec/Invest. Ratio	61.5	56.6	47.6	54.5	53.3	57.6
CAR	15.5	19.4	19.5	18.5	17.5	15.7
Tier 1	11.8	14.4	13.2	12.7	12.2	11.1
Valuation						
Book Value (INR)	440.5	463.0	478.7	516.6	561.8	613.8
BV Growth (%)	5.1	5.1	3.4	7.9	8.7	9.3
Price-BV (x)				2.1	1.9	1.8
ABV (for Subsidiaries) (INR)	331.8	353.6	370.6	408.6	453.7	505.8
ABV Growth (%)	-4.0	6.6	4.8	10.2	11.1	11.5
Price-ABV (x)				2.2	1.9	1.7
ABV (for Subs Invst & NPA) (303.2	329.5	356.0	397.3	441.9	492.8
Adjusted Price-ABV (x)				2.3	2.0	1.7
EPS (INR)	33.8	36.1	44.7	56.1	69.6	80.2
EPS Growth (%)	-9.7	6.9	23.9	25.4	24.1	15.2
Price-Earnings (x)				19.2	15.5	13.5
Adj. Price-Earnings (x)				16.0	12.7	10.7
Dividend Per Share (INR)	11.0	12.0	14.0	16.5	20.9	24.0
Dividend Yield (%)				1.5	1.9	2.2
E: MOSL Estimates						

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