



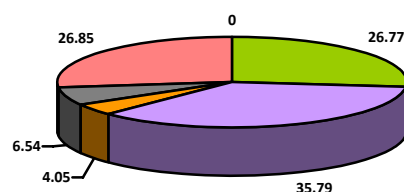
BUY

BSE code	532174
NSE code	ICICIBANK
Bloomberg code	ICICIB IN
Current price	882
Target Price	1000
MCap Rs bn	970.1
MCap US\$ mn	19040.17
52 WK H/L	1129.00 / 641.00
Face value	10
2 WAv vol ('000)	4446.95

Financial Snapshot

Rs Mn	FY 09	FY 10	FY 11
Sales	310925.	257069.	259740.
% Ch	0.99	-17.32	1.04
OPM	37467.6	39306.9	51232.4
PAT			
% Ch	-8.89	4.91	30.34
EPS	10.27	27.51	25.9
PER	444.92	462.99	478.29
BV	0.75	2.06	2.33
P/BV	18.61	27.45	28.21
EV / EBIDTA			

Share holding pattern



■ PROMOTERS
 ■ DII
 ■ FII
 ■ BODIES CORPORAT
 ■ RETAIL
 ■ CUSTODIANS

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Revaluation round the corner

Although we are giving a technical Buy call on ICICI bank there are strong fundamentals to back our technical views.

Technical view

ICICI Bank following a run up in the beginning of the calendar year has been consolidating over the past month and a half. If we see the chart (attached on page 2) the stock has been forming a declining wedge pattern. This is a bullish pattern and a break above that would indicate the next run up in the stock. During the past session the stock had broken above but could not hold due to the news flow from moody for a downgrade. However once again today the stock has moved above the resistance level at Rs883. This break up is significant and we believe the stock will start moving up to higher levels following this. The reason for our conviction is the strong quarterly numbers which would make the market look at reviewing the valuations of ICICI Bank.

Fundamental view

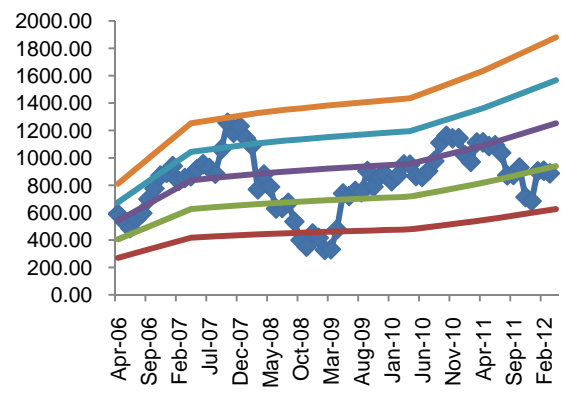
The entire banking space had undergone massive correction in price following rising NPA's with the sharp interest rate hike over the past 2 years. ICICI however has been plagued with this negative sentiment over the past 3 years. However over the past few years the bank had slowed down growth and focused on improving its asset quality. This can be seen with NPA's coming in lower in the current results. Further to that They have even been able to post a growth in the current quarter in its loan book which had been limited over the past few years.

ICICI Bank has been trading at a discount to many of the other private sector banks due to these concerns on asset quality. Now with them getting things in order and it showing growth again there is a strong possibility the stock could get rerated to higher valuations closer to its peers. If this were to happen ICICI would definitely give a move up closer to the Rs1100 levels.

Taking both the technical positive signs and the improved fundamentals we believe the stock warrants a BUY and we expect ICICI to start to move up initially to Rs1000 levels. One has to keep in Mind ICICI has traded at much higher valuations in the past and could start moving closer to those valuations.



P/BV Ratios



ICICI Daily Chart



Financials

Profit & Loss

In Rs million	FY 09	FY 10	FY 11
Net sales	310925.5	257069.3	259740.5
YoY (%)	0.99	-17.32	1.04
Total expenses	107503	96301.9	83446.5
EBIDTA	203422.5	160767.4	176294
YoY (%)	0.52	-20.97	9.66
EBIDTA (%)	65.42	62.54	67.87
Other income	81762.6	74776.5	66479
PBIDT	285185.1	235543.9	242773
Depreciation	6786	6195	5624.4
PBIT	278399.1	229348.9	237148.6
Interest	227259.4	175925.7	169571.5
PBT	51139.7	53423.2	67577.1
Tax	13558.4	13173.4	16063.3
Tax/ PBT	26.51	24.66	23.77
PAT	37581.3	40249.8	51513.8
Extra-ordinary	113.7	942.9	281.4
Net Profit	37467.6	39306.9	51232.4
YoY (%)	-8.89	4.91	30.34

Cash Flow

In Rs million	FY 09	FY 10	FY 11
Net profit	51169.7	53453.2	67607
Depn and w/o	8576.4	7550.3	6779.2
Deferred tax			
Change in wrkg cap	-232835.51	-71184.8	-154534.1
Other income	52971	44858.8	29561.7
Operating cash flow	-135578.1	18692.1	-69089.2
Other income	-212536.29	-39994.5	-46158.8
Capex	-9901.5	-1936.8	-4004.3
Investments	86859.7	60623.4	-18926.1
Investing cash flow	38578.8	56553	-9806.6
Dividend	-13691.3	-13731	-15025.3
Equity	452.4	610.4	1404.9
Debt	29492.5	26946.8	44680.1
Financing cash flow	16253.6	13826.2	31059.7
Others			
Net change in cash	-80745.7	89071.3	-47836.1

Disclaimer

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Balance Sheet

In Rs million	FY 09	FY 10	FY 11
Equity capital	11132.9	11148.9	11518.2
Reserves	484197.3	505034.8	539391.1
Net worth	495330.2	516183.7	550909.3
Total borrowings	3115032.8	2962801.7	3351563.9
Deferred tax	5486.4	4671.1	4444.1
Total liabilities	3615849.4	3483656.5	3906917.3
Net block	38016.2	32126.9	47442.6
CWIP	0	0	0
Investments	1030583.1	1208928	1346859.6
Current assets	523378.7	560129.6	477475.2
Inventories	0	0	0
Debtors	0	0	0
Cash	299665.6	388737	340900.8
Loans and advances	223713.1	171392.6	136574.4
Current liabilities	170400.8	141633.2	143737.7
Provisions	12245.8	13378.6	16125.8
Net current assets	340732.1	405117.8	317611.7
Misc expenses	23409.5	25427.8	31344.4
Total assets	1432740.9	1671600.5	1743258.3

Key Ratios

In Rs million	FY 09	FY 10	FY 11
EPS (Rs)	32.4	34.63	42.97
CEPS (Rs)	38.49	40.19	47.85
Book value (Rs)	444.92	462.99	478.29
DPS (Rs)	11	12	14
Debt-equity (x)	0	0	0
ROCE	0	0	0
ROE	7.83	7.96	9.65

Valuations

PE (x)	10.27	27.51	25.9
Cash PE (x)	8.64	23.71	23.25
Price/book value (x)	0.75	2.06	2.33
Dividend yield			
Market cap/sales	0.94	3.2	3.93
EV/sales (x)	10.25	14.14	16.53
EV/EBDITA (x)	15.66	22.62	24.35