

21st April 2026

Close* – ₹1,356/-

 View – **Hold**
Key Highlights – Q4FY26: Deposits accelerates, Asset quality improves

- ICICI Bank continues to solidify its position as a market leader, reporting a stellar Q4FY26 performance that highlights its deep operational strength. The bank's Net Profit reached **₹137bn**, representing a healthy **8.5% YoY increase**.
- **Growth Momentum:** Loan advances exceeded expectations, expanding by **6% QoQ**, fuelled by diversified credit demand.
- **Superior Margins:** The Net Interest Margin (NIM) remained robust at **4.32%**, showcasing efficient capital management despite the competitive interest rate environment.
- **Immaculate Asset Quality:** Credit risk profiles improved, with slippages cooling to **1.2%** (down from 1.5% last quarter).
- **Liquidity Strength:** Deposit mobilization was a standout surprise, growing **11.4% YoY**. Crucially, the bank saw a revitalization in CASA (Current Account Savings Account) trends, which provides a low-cost funding advantage.
- We maintain our high-conviction stance on ICICI Bank. Its ability to balance growth with prudential risk management makes it our **premier selection** within the Indian banking space.

Important Statistics

Nifty	24,365
Sensex	78,520
Close* (₹)	1,356
M.CAP (₹ tn)	₹9.67
52 Week H/L (₹)	1,500/1,188
NSE Code	ICICIBANK
BSE Code	532174
Bloomberg Code	ICICIB:IN

Close as on 20th April 2026*

Shareholding Pattern (%)		Mar'26
FII's		34.48%
DII		39.94%
Public		25.36%
Others		0.22%

Q4FY26 Result Update

- **Business Efficiency:**
 - **Net Interest Income (NII):** Grew steadily by **8.4% YoY**, totaling ₹229.8bn.
 - **Net Interest Margins (NIM):** Reported a slight improvement to **4.32%** (up 2 bps QoQ). While a tax refund interest provided a 5 bps tailwind, the underlying core margins remained stable and in line with projections.
 - **Other Income:** Reported at ₹73.1bn. While treasury losses narrowed to ₹1.1 bn, fee income growth was slightly tempered at 7.5% YoY due to a cooling period in the cards and payments segment.
 - **Expense Management:** Operating expenses (Opex) rose 12% YoY, with a significant **11% of total spend dedicated to technology**.
 - **Cost-to-Income (C/I):** Improved to **40%** (down from 40.8% in Q3). Management expects future expense growth to lag behind revenue growth as the bank begins to reap the benefits of operating leverage.
 - **Core Profit:** Core operating profit saw a healthy increase of 4.5% QoQ, reaching ₹183.1bn.

Financials & Valuation (₹ bn)

Particulars	FY25	FY26	FY27E	FY28E
NII	812	881	1,060	1,237
PPOP	673	716	860	1,022
NP	472	501	574	678
NIM (%)	4.3	4.1	4.4	4.6
EPS (₹)	67	70	80	95
EPS Gr (%)	14	5	14	18
BV/Sh (₹)	410	473	540	620
ABV/Sh (₹)*	383	442	509	589
RoA (%)	2.4	2.2	2.3	2.4
RoE (%)	17.8	15.9	15.9	16.4
Div. Payout (%)	17	-	16	16

Valuations				
P/E (x)	20	19	17	14
AP/E (x)	19	18	15	12
P/BV (x)	3.3	2.9	2.5	2.2
AP/ABV (x)	3.1	2.6	2.2	1.8
Div. Yield (%)	0.8	-	1.0	1.1

Source: Company, Way2wealth

₹ Bn	Q4FY26	Q4FY25	YoY Growth	Q3FY26	QoQ Growth	Retail Mix
Mortgage Loan	4,975	4,396	13%	4,753	5%	63%
Vehicle loans	1,008	965	4%	978	3%	13%
- Auto finance	630	619	2%	621	1%	8%
CV and Equipments	375	336	12%	353	6%	5%
Personal Loans	1,302	1,216	7%	1,238	5%	17%
Credit Cards	541	573	-6%	549	-1%	7%
Loan Against Shares	25	22	13%	22	14%	0%
Total Retail Loans	7,852	7,033	12%	7,538	4%	

Source: Company, Way2wealth
Relative Performance

Return (%)	1 Yr	3Yr	5 Yr
ICICI Bank	-2%	54%	142%
Nifty 50	1.7%	38%	71%
Sensex	0.8%	32%	65.3%

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View – **Hold**

➤ **Strengthening Liability Franchise**

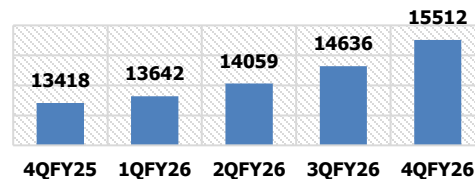
One of the most positive surprises was the bank's ability to mobilize low-cost deposits:

- **Total Deposits:** Increased by **11.4% YoY**, with a massive **8.1% sequential surge**.
- **CASA Improvement:** pushing the **CASA ratio up to 41.4%** from 40.2% in the previous quarter.
- **Sustainability:** Management is confident in maintaining this deposit momentum, supported by stable government savings balances
- ICICI Bank is successfully navigating the transition into FY27 with a leaner cost structure, a stronger deposit base, and clear momentum in its high-growth business banking and retail segments.

Key Segmental numbers – Q4FY26

Loan Portfolio	YoY Growth %
Overall Advances	15.8%
Retail Loans	9.5%
Rural Loans	25.6%
Business Banking	24.4%
Corporate Loans	19.2%
Domestic Loans	15.1%
Overseas Loans	37.4%

Loan Book (Rs. bn)

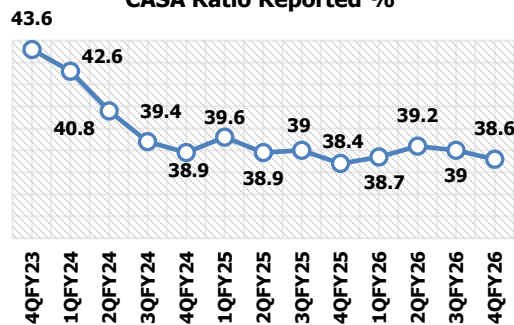


Source: Company, Way2wealth

₹ Bn	Q4FY26	Q4FY25	YoY growth	Q3FY26	QoQ Growth
Current account	2680	2,330	15%	2180	23%
Savings account	4756	4,408	8%	4496	6%
CASA	7436	6,737	10%	6676	11%
Term Deposits	10510	9,366	12%	9920	6%
Total deposits	17946	16,103	11%	16596	8%

Source: Company, Way2wealth

CASA Ratio Reported %

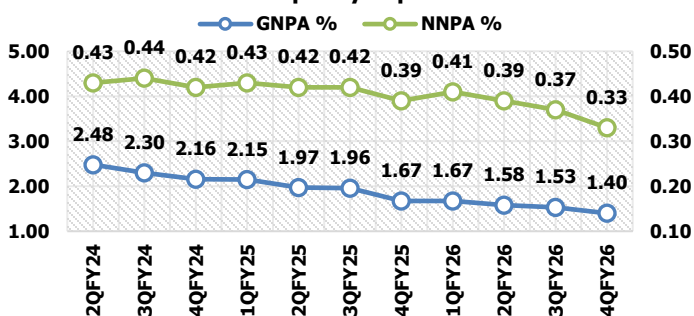


Source: Company, Way2wealth

➤ **Asset Quality**

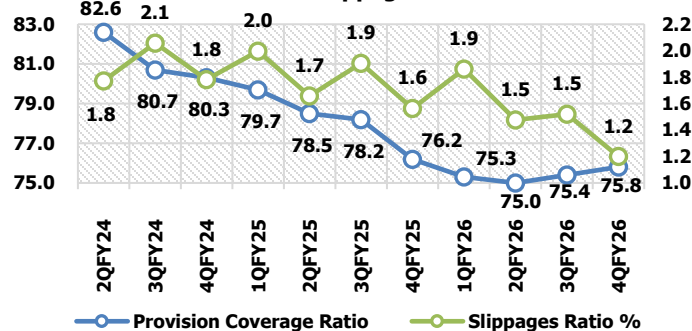
- Asset quality improved during the quarter with GNPA and NNPA coming in at 1.4% and 0.33%, falling 27bps/6bps and 13bps/4bps (on YoY/QoQ basis) respectively.
- **Slippages:** Improved significantly to **₹42.4bn** (down from ₹53bn), driven by a recovery in the retail and rural portfolios.
- **Safety Buffers:** With **NNPA at just ~33 bps** and a Provision Coverage Ratio (PCR) exceeding **75%**, the bank's balance sheet is heavily fortified.
- **Efficiency:** Credit costs remain low, aided by corporate write-backs, providing a clear runway for earnings stability.

Asset quality improves



Source: Company, Way2wealth

PCR & Slippages Ratio



Conference Call Key takeaways

➤ **Mortgage & Retail Loan Growth**

- Management explained that the bank had **held back mortgage disbursements** in prior quarters due to benchmark risk and spread concerns. As benchmarks stabilized, the bank resumed growing the portfolio more aggressively.
- On deposit growth appearing slower than loan growth (11% vs 15%), the CFO clarified that on an **average basis**, the gap is much smaller, and the bank remains comfortable with LCR at ~125%. Deposit flows were described as healthy and not a constraint on loan growth.

➤ **Provisioning & Credit Costs**

- Management attributed it to two factors — **declining NPA additions on the unsecured retail side** (which carry higher provision requirements) and **higher recoveries and write-backs on the corporate portfolio**, including from written-off accounts.
- Full-year credit cost of 38 bps was highlighted, with management reiterating their **sub-50 bps guidance** as sustainable going forward.

➤ **Fee Income Growth**

- Management identified **transaction banking** (trade, ForEx, derivatives, deposit-linked fees) as performing well. Cards and payments fees were acknowledged as a relatively **slower area** this year.
- With loan growth picking up, lending-linked fees were also expected to gain momentum.

➤ **Impact of RBI's FX Regulations**

- Management confirmed a **net treasury loss of ₹1.06bn** in Q4, which incorporated the mark-to-market impact of swaps and forwards as of March 31, after accounting for RBI's new FX net open position and NDF regulations.

➤ **Growth Momentum into FY27**

- Management refrained from giving specific growth guidance but noted positive factors — **interest rate stabilization, benchmark stabilization, and a generally positive economic outlook**.
- However, they flagged the **West Asia conflict since March** as an emerging uncertainty that could cloud the broader outlook.
- They expressed confidence in ICICI's strong capital, funding, and liquidity position to navigate any conditions.

➤ **Credit Cost Sustainability**

- Management pointed to the **resilience of the corporate sector** with healthy balance sheets, **contained delinquencies on the retail side** (especially personal loans, which had spiked ~1.5-2 years ago but were quickly addressed), and a business banking portfolio that has been tested through COVID, the 2022 energy dislocation, and the current tariff environment.

➤ **Credit Parameters & War Impact**

- Management stated they are **continuously monitoring sectoral and client-level impacts** but have not specifically tightened or excluded any segment yet. They will calibrate actions as the situation evolves.
- On yields, management indicated that **margins are likely to be range-bound** — the December repo cut impact is still playing out, and deposit repricing will also continue, keeping NIM broadly stable.

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View – **Hold**

➤ **Driver of Low Credit Costs**

- The decline in credit costs was driven by **both** lower unsecured retail slippages (coming down over several quarters) and higher corporate recoveries/write-backs in Q4. Secured retail costs have been broadly stable.

➤ **Credit Card Book Contraction**

- Management clarified that the Q3 decline was **seasonal** (post-festive buildup running off), while Q4 is more a function of **spends and revolvers**.
- Management acknowledged that **revolver rates** have been an industry-wide issue impacting profitability. However, they maintained that credit cards remain a **profitable and strategically important business**, with ongoing focus on new customer acquisition and cost/reward calibration.

➤ **Corporate Loan Outlook**

- On corporate loan growth amid the energy crisis and West Asia conflict, management said their **funnels remain open** and they are in constant dialogue with clients. They will continue to grow the corporate book with better-rated clients and look through short-term issues for long-term relationships.

➤ **OpEx Trajectory**

- OpEx growth of ~11.5-12% this year was slightly above peers, driven by priority sector compliance costs and remuneration (labor code impact).
- Management's stated objective is to keep **OpEx growth below top-line growth**, aiming for positive operating leverage in FY27.

➤ **Government SA Balances**

- Government savings account balances are in the **low-teens as a share of total SA balances**. Rundown has been somewhat lower this quarter, but management treats this as a variable that needs to be managed by growing non-government SA balances.

➤ **Rural Loan Surge**

- The 18% sequential jump in rural loans was attributed to **higher demand for gold loans** and increased machinery gearing. Management noted that some of the gold loan portfolio, while classified under rural, originates from a broader branch network.

➤ **Priority Sector Provisions**

- The additional ₹12.83bn standard asset provision (made in Q3 as directed by RBI for the agri priority sector portfolio) is being held. The bank is working to bring the portfolio into conformity with agri lending classification requirements, with an update expected in **a quarter or so**.

➤ **Macro Outlook & Loan Growth**

- Management acknowledged it is **difficult to predict loan demand** given the evolving geopolitical and tariff situation. They noted it is too early to see stress in working capital utilization or corporate books, but are monitoring closely.
- The bank will leverage its **strong capital, liquidity, and franchise** to grow within its risk parameters.

➤ **Management Outlook**

- Management expressed confidence in sustaining risk-calibrated growth while acknowledging near-term macro uncertainties, particularly from geopolitical tensions (West Asia conflict). They maintained credit cost guidance below 50 basis points and signaled that NIMs are likely to remain range-bound going forward.

View

ICICI Bank delivered a robust quarterly performance, characterized by near-zero credit provisions and steady net interest margins. Other income came in slightly below expectations, primarily due to a modest loss on the treasury book. Looking ahead, management anticipates NIMs to hover around current levels through FY27, as the full benefit of lower cost of funds is yet to be reflected. Corporate portfolio recoveries drove a partial release of provisions during the quarter, though the bank continues to guide conservatively at a credit cost ceiling of 50 basis points — a range we estimate will likely settle between 0.4% and 0.5%. With best-in-class asset quality metrics and a healthy contingency buffer of ₹131bn (approximately 0.9% of the loan book), **we view the bank as well-positioned to generate average Return on Assets of 2.2%-2.3% over FY27-28.**

Our TP is ₹1710, valuing the core bank at 2.45x FY28e P/ABV.

Quarterly Performance

(₹ bn)

Particulars	Q4FY26	Q4FY25	YoY Change	Q3FY26	QoQ Change
Interest earned	432.8	424.3	2.0%	419.7	3.1%
Interest expenses	203.0	212.4	-4.4%	200.3	1.3%
Net interest income	229.8	211.9	8.4%	219.3	4.8%
NIM%	4.32	4.41		4.30	
Non Interest income	73.1	72.6	0.7%	73.7	-0.8%
Total Income	302.9	284.5	6.4%	293.0	3.4%
Operating expenses	120.9	107.9	12.1%	119.4	1.2%
Pre-provision operating profit (PPOP)	182.0	176.6	3.0%	173.6	4.9%
Total Provisions	1.0	8.9	-89.2%	25.6	-96.2%
PBT	181.0	167.7	7.9%	148.0	22.3%
Provision for Taxes	44.0	41.4	6.2%	34.8	26.4%
PAT	137.0	126.3	8.5%	113.2	21.1%
Advances	15538.9	13417.7	15.8%	14661.5	6.0%
Deposits	17946.2	16103.5	11.4%	16596.1	8.1%
BVPS	473	410		451.8	
ROA	2.4	2.52		2.1	
EPS	19.15	17.87		15.84	
GNPA	1.40%	1.67%		1.53%	
NNPA	0.33%	0.39%		0.37%	

Source: Company, Way2wealth

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 View – **Hold**
Financials

	(₹ mn)			
Income Statement	FY25	FY26	FY27E	FY28E
Interest income	16,32,638	16,99,461	18,85,250	21,15,627
Interest expense	8,20,993	8,18,709	8,25,454	8,78,985
Net interest income	8,11,644	8,80,752	10,59,796	12,36,642
Fee Income	2,38,700	2,57,420	2,88,310	3,22,908
Trading Profits	19,030	11,980	(11,750)	(12,925)
Dividend from Subs & other income	26,190	34,580	38,038	41,842
Other income	1,147	3,599	4,031	4,555
Total non-interest income	2,85,067	3,07,579	3,18,630	3,56,380
Total revenue	10,96,711	11,88,331	13,78,426	15,93,022
Employee expense	1,65,409	1,79,749	1,97,065	2,16,814
Other expense	2,58,314	2,92,591	3,21,850	3,54,035
Total expenses	4,23,723	4,72,340	5,18,915	5,70,849
Pre-provision operating profit	6,72,988	7,15,992	8,59,511	10,22,173
Provisions	46,826	53,804	1,01,467	1,26,947
Profit before tax	6,26,162	6,62,188	7,58,044	8,95,227
Taxes	1,53,892	1,60,718	1,84,299	2,17,651
Net profit after tax	4,72,270	5,01,469	5,73,745	6,77,575
Core PPOP	6,52,811	7,00,413	8,67,230	10,30,543
EPS	67	70	80	95

Source: Company, Way2wealth

	(₹ mn)			
Balance Sheet	FY25	FY26	FY27E	FY28E
Cash & balances with RBI	11,99,281	12,10,241	11,27,290	12,03,407
Money at call and others	6,56,339	10,93,111	8,05,207	9,02,555
Investments	50,47,567	49,22,173	56,02,388	61,58,763
Net advances	1,34,17,662	1,55,11,830	1,75,56,878	1,99,14,009
Fixed assets	1,28,387	1,39,225	1,53,147	1,68,462
Other Assets	7,33,163	8,21,631	12,95,095	14,19,942
Total Assets	2,11,82,400	2,36,98,211	2,65,40,006	2,97,67,138
Share Capital	14,246	14,273	14,273	14,273
Reserves and Surplus	29,06,517	33,59,392	38,40,361	44,10,888
Net Worth	29,20,763	33,73,665	38,54,635	44,25,161
Preference share capital	-	-	-	-
Deposits	1,61,03,480	1,79,46,250	2,01,97,257	2,27,67,705
Borrowings	12,35,383	12,49,941	12,74,940	13,00,439
Other Liabilities	9,22,774	11,55,405	12,13,175	12,73,834
Total Liabilities	2,11,82,400	2,37,25,261	2,65,40,006	2,97,67,138

Source: Company, Way2wealth

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 View – **Hold**

Margins (%)	FY25	FY26	FY27E	FY28E
Yield on advances	10.01	9.03	9.10	9.10
Yield on investments	6.82	6.74	6.37	6.16
Yield on bank balances	2.38	2.76	2.16	2.38
Yield on interest earning assets	8.55	7.89	7.88	7.94
Cost of deposits	4.67	4.28	3.91	3.74
Cost of borrowings	9.26	7.19	6.28	5.91
Cost of interest bearing liabilities	5.02	4.48	4.06	3.86
Interest spread	3.53	3.41	3.82	4.08
Net interest margin	4.25	4.09	4.43	4.64
Loan-to-deposit ratio	83.3	86.4	86.9	87.5
Incremental loan-to-deposit ratio	79.7	113.6	90.9	91.7
CASA ratio	41.8	41.4	41.5	41.6

Source: Company, Way2wealth

Asset quality (%)	FY25	FY26	FY27E	FY28E
GNPA (mn)	2,41,662	2,30,520	2,48,252	2,81,837
NNPA (mn)	55,894	54,590	63,754	78,016
GNPA ratio	1.8	1.5	1.4	1.4
NNPA ratio	0.4	0.4	0.4	0.4
Slippage ratio	1.9	1.6	1.8	1.9
Upgrades & Recoveries ratio	1.2	1.0	1.0	1.0
Net Slippage ratio	0.7	0.6	0.8	0.9
Write-off ratio	1.0	0.7	0.7	0.7
PCR (Excl Technical write off)	76.9	76.3	74.3	72.3
Credit cost (% of avg. loans)	0.37	0.37	0.61	0.68
Total provisions as % of gross loans	1.6	-	-	-
Net NPA as % of networth	1.9	1.6	1.7	1.8

Source: Company, Way2wealth

VALUATION	FY25	FY26	FY27E	FY28E
Book Value (₹)	410	473	540	620
BV growth (%)	21	15	14	15
Price-BV (x)	3.3	2.9	2.5	2.2
ABV (for Subsidiaries) (₹)	383	442	509	589
ABV Growth (%)	19	15	15	16
Adjusted Price-ABV (x)	3.1	2.6	2.2	1.8
ABV (for Subs Invst & NPA) (₹)	377	436	502	580
Adj. Price-ABV (for subs & NNPA) (x)	3.1	2.6	2.2	1.9
EPS (₹)	67	70	80	95
EPS growth (%)	14	5	14	18
P / E (x)	20.3	19.3	16.9	14.3
Core EPS	63	65	75	89
Core P / E (for subsidiaries) (x)	18.6	17.6	14.9	12.2
Dividend Per Share (₹)	11.0	-	13.0	15.0
Payout ratio	16.6	-	16.2	15.8
Dividend Yield (%)	0.8	-	1.0	1.1

Source: Company, Way2wealth

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View – Hold

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Disclosure of Interest Statement ICICI Bank Ltd. as on April 21, 2026

Name of the Security	ICICI Bank Ltd.
Name of the analyst	Dhananjay Kansara
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL

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