

ICICI BANK LIMITED

Well-placed levers underpin sustainable growth

LKP
Since 1948

Trust • Invest • Grow

ICICI Bank reported a strong quarterly performance, driven by enhanced profitability on lower-than-expected provisions and robust asset quality. The bank witnessed strong traction in its lending portfolio driven by retail, rural and business banking. Margins remain steady and are expected to remain rangebound in the coming quarters, as most of the deposit repricing has taken place. Despite global uncertainties, such as the conflict in West Asia, the bank has improved its asset quality and continues to calibrate its risk acceptance and monitor sectoral impacts regularly to ensure growth remains profitable and sustainable. We remain optimistic about the bank's ability to deliver RoA/RoE of 2.3%/16.1% by FY28E, driven by an uptick in loan growth supported by strong capital base & adequate liquidity, and continued focus on operational efficiency. Hence, we reiterate our BUY rating on the stock, with a Sum-of-the-Parts (SOTP)-based target price of ₹1,730.

Business growth momentum intact

During the quarter, ICICI bank's net advances rose 15.8% YoY (+6.0% QoQ), led by growth in business banking segment (+24.4% YoY), retail segment (+9.5% YoY) and corporate segment (+9.3% YoY). Growth in rural segment picked by 25.6% YoY and 18.0% sequentially. The rural growth was specifically bolstered by high demand for gold loans. Moreover, the bank's deposit grew 11.4% YoY where its CASA ratio stands at 41.4% (vs. 40.2% in Q3FY26). The bank is comfortable that its deposit growth is healthy and adequate to support its lending goals, therefore, we expect, the bank to deliver a loan book growth of 16.4% CAGR over FY27-FY28E, led by macro tailwinds.

Steady margins; profitability improves on lower provisions

In Q4FY26, the bank's net-interest income (NII) grew 8.4% YoY (4.8% QoQ) to ₹230 bn, driven by healthy growth in advances. A 100 bps YoY decrease in yield led to 9 bps decline in the bank's net interest margin (NIM) to 4.3%, as this was partly offset by 60 bps decrease in cost of funds. Further, PPOP increased slightly 3.0% YoY to ₹182 bn (4.9% QoQ), primarily due to increase in operating expenses (+12.1% YoY) as the bank took higher provisions for retirement benefits and technology expenses. Subsequently, PAT grew 8.5% YoY to ₹137 bn (21.1% QoQ), owing to decrease in provision expenses to ₹0.96 mn (89.2% YoY/96.2% QoQ).

Asset quality on an improving trend

Asset quality improved materially, with gross non-performing assets (NPAs) and net NPAs at 1.40% and 0.33%, respectively (vs. 1.53% and 0.37% in Q3FY26). This improvement was led by lower incremental slippage, particularly in the retail and rural portfolios, where gross additions were ₹31.45 in the quarter compared to ₹42.77 bn in the previous quarter and higher recoveries. Recoveries and upgrades (excluding write-offs and sale) were ₹30.68 bn, vs. ₹32.8 bn in the previous quarter.

Key Financials (₹ bn)	FY24	FY25	FY26	FY27E	FY28E
Loan & Advances	11,844	13,418	15,539	18,103	21,054
Net Interest Income	743	812	881	997	1,129
PPP ex Except. Items	581	673	716	813	931
Reported Profits	409	472	501	569	650
Earnings Per Share (₹)	58.2	66.3	70.0	79.5	90.8
P/E (x)	23.1	20.3	19.2	17.0	14.8
Adj. BV (₹)	329.2	398.0	458.1	522.5	598.3
P/ABV (x)	4.1	3.4	2.9	2.6	2.3
Gross NPAs Ratio (%)	2.2	1.7	1.4	1.2	1.2
Adj. RoA	2.4	2.4	2.2	2.3	2.3
Adj. RoE	18.7	17.9	16.1	16.0	16.1

BUY

Current Market Price (₹)	1,347
12M Price Target (₹)	1,730
Potential Return (%)	28

Stock Data

Sector	:	Banking
Face Value (₹)	:	2
Total MCap (₹ bn)	:	9,688
Free Float MCap (₹ bn)	:	9,648
52-Week High / Low (₹)	:	1,500 / 1,188
BSE Code / NSE Symbol	:	532174 / ICICIBANK
Bloomberg	:	ICICIBC IN
Sensex / Nifty	:	78,494 / 24,354

Shareholding Pattern

(%)	Dec-25	Sep-25	Jun-25	Mar-25
FPIs	43.87	45.56	46.76	45.82
MFs	32.08	30.76	29.62	29.86
Insurance	10.15	10.34	10.62	11.25
Others	13.90	13.34	13.00	13.07

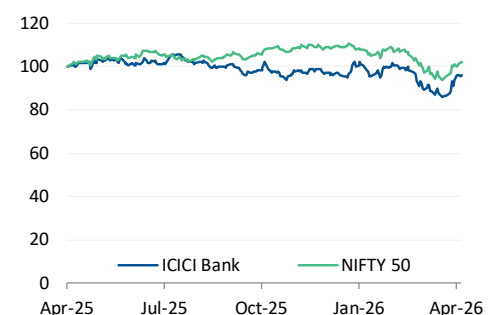
Source: BSE

Price Performance (%)

(%)	1M	3M	6M	12M
ICICIBANK	5.8%	-4.5%	-6.3%	-4.3%
NIFTY 50	4.0%	-5.2%	-5.3%	2.1%

* To date / current date : April 17, 2026

ICICIBANK vs NIFTY 50



Quarterly Financial Snapshot

(₹ bn)	Q4FY26	Q4FY25	% yoy / bps	Q3FY26	% qoq / bps	FY26	FY25	% yoy / bps
Interest Inc.	433	424	2.0	420	3.1	1,699	1,633	4.1
Interest Expenses	203	212	(4.4)	200	1.3	819	821	(0.3)
Net Interest Income	230	212	8.4	219	4.8	881	812	8.5
NIM (%)	4.3	4.4	(9)	4.3	2	4.1	4.3	(16)
Other Income - Total	73	73	0.7	74	(0.8)	308	285	7.9
Net Operating Revenue	303	285	6.4	293	3.4	1,188	1,097	8.4
Employee Expenses	45	41	8.8	44	1.0	180	165	8.7
Other Opex	76	67	14.0	75	1.3	293	258	13.3
Total Opex	121	108	12.1	119	1.2	472	424	11.5
Pre Provision Profits	182	177	3.0	174	4.9	716	673	6.4
PPP ex Except. Items	182	177	3.0	174	4.9	716	673	6.4
Provisions & Contingencies - Total	1	9	(89.2)	26	(96.2)	54	47	14.9
Profit Before Tax	181	168	7.9	148	22.3	662	626	5.8
Tax	44	41	6.2	35	26.4	161	154	4.4
Reported Profits	137	126	8.5	113	21.1	501	472	6.2
Basic EPS	19.2	17.9	7.2	15.8	20.9	70.2	67.0	4.8

Source: Company, LKP Research

Sum of Total Part Valuation (SOTP)

Business Line	Year	Method	NW / PAT/ EV / AUM / Mcap (₹ mn)	Assigned Multiple (X)	Value of Firm (₹ mn)	Stake (%)	Value Assigned to Listed Entity (₹ mn)	Per Share (₹)
Standalone Entity	FY28E	P/ABV	42,84,295	2.4	1,02,48,033	100%	1,02,48,033	1,433
Subsidiaries / Associates								
Lending Business								
ICICI Bank UK	Mar'25	P/ABV	30,082	0.9	27,074	100%	27,074	4
ICICI Bank Canada	Mar'25	P/ABV	28,952	0.9	26,056	100%	26,056	4
ICICI Home Finance	Mar'25	P/ABV	38,211	1.2	45,853	100%	45,853	6
Insurance Business								
ICICI Prudential Life Insurance	Mar'25	P/EV	4,79,510	1.5	7,19,265	51%	3,67,041	51
ICICI Lombard General Insurance	Mar'25	P/ABV	1,49,838	4.5	6,74,271	52%	3,47,587	49
Assets Management Business								
ICICI Assets Management	4QFY25	AUM	87,94,110	0.4	35,17,644	51%	17,93,998	251
ICICI Securities	Mar'25	P/E	17,520	1.6	17,520	100%	17,520	2
ICICI Securities Primary Dealership	Mar'25	P/E	5,350	6	32,100	100%	32,100	4
Value of Investment & Sub (Rs Mn)							26,57,230	372
HOLD Company Discounts							20%	
Value of Investment & Sub - ex HOLD Co Discounts							21,25,784	297
SOTP Based Enterprise Valuation							1,23,73,816	1,730

Key Concall Highlights

Business highlights

- Business Banking and Rural segment were the fastest-growing segments, with business banking growing 24.4% and the rural portfolio (including gold loans) growing 25.6% YoY. Business banking has shown resilience through previous economic dislocations and is being monitored for further expansion.
- Momentum in retail/rural segment is expected to continue, supported by recent pickups in lending-linked rates. Within the retail, the mortgage segment grew 13.2% YoY, due to stabilizing benchmark rates, which provided the space for the bank to grow the portfolio and price loans appropriately across the spectrum.
- The domestic corporate portfolio grew by 9.3%, while commercial vehicles and equipment loans grew by 11.6%. Management has seen good accretion to the corporate book over the recent quarters and continues to see opportunities with better-rated clients despite short-term external issues.
- The bank maintains a comfortable outlook on deposits, stating that current growth levels are more than adequate and healthy to support its lending objectives. While the growth in deposits has been lower than advances, management views this as closely matched to average loan growth and does not believe liquidity will constrain future expansion.
- Whereas, the outlook is currently clouded by the West Asia war, which has created a degree of uncertainty regarding general economic conditions, the management noted it is too early to determine if supply shocks or external events will impact production, working capital utilization, or overall system loan growth in the coming quarters.
- The bank maintains CAR of 17.2% and LCR at 125-126% for the quarter, providing a significant buffer for future growth.

Operational highlights

- Management expects NIM to remain rangebound as most of the benefit of repo rate cut has been passed on to deposit rates. Further, 56% of domestic loans are linked to the repo rate and other external benchmarks, meaning margins will continue to reflect changes as and when repo rate changes.
- Management aims to drive better traction in fee income by focusing on transaction banking, trade, and foreign exchange. They also anticipate that as loan growth continues, lending-linked fees will provide sustained momentum.
- The bank's primary objective for the upcoming year is to ensure that operating expense (Opex) growth remains below top-line revenue growth. While the bank does not target a specific cost-to-income metric, management is focused on driving the bank toward this positive revenue-to-cost trajectory.

Asset quality

- Provisions declined significantly, this was facilitated by higher recoveries and write-backs, particularly in the corporate portfolio, as well as a moderation in slippages within the retail and unsecured loan segments.
- Despite the lower quarterly provisions, the bank maintained a strong PCR of 75.8% on non-performing loans and continued to hold contingency provisions of 1.31%, or approximately 0.9% of total advances.

Annual Projections

Profit and Loss Statement

(₹ bn)	FY24	FY25	FY26	FY27E	FY28E
Int. Income / Opr. Revenue	1,429	1,633	1,699	1,873	2,082
Interest Expenses	686	821	819	877	953
Net Interest Income	743	812	881	997	1,129
<i>NIM (%)</i>	4.5	4.3	4.1	4.1	4.2
Other Income - Total	230	285	308	342	387
Net Operating Revenue	973	1,097	1,188	1,339	1,515
Employee Exp.	151	165	180	196	217
Other Opex	240	258	293	329	368
Total Opex	391	424	472	526	585
<i>C/I Ratio (%)</i>	40.2	38.6	39.7	39.3	38.6
Pre Provision Profits	581	673	716	813	931
<i>PPP Growth (yoy %)</i>	18.4	15.8	6.4	13.6	14.4
Provisions & Contingencies - Total	36	47	54	62	72
<i>Credit Cost (As % of Op. AUM)</i>	0.25	0.28	0.29	0.30	0.30
Profit Before Tax	545	626	662	752	859
Tax	136	154	161	182	208
<i>Effective Tax Rate (%)</i>	25.0	24.6	24.3	24.3	24.3
Reported Profits	409	472	501	569	650
<i>PAT Growth (yoy %)</i>	28.2	15.5	6.2	13.5	14.3

Source: Company, LKP Research

Balance Sheet

(₹ bn)	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	14	14	14	14	14
Reserves (ex Revel. Reserve)	2,325	2,848	3,294	3,759	4,305
Net Worth - Ex Revaluation	2,339	2,863	3,308	3,773	4,319
Deposits	14,128	16,103	17,946	20,036	22,854
Borrowings	1,250	1,235	1,250	1,324	1,381
Interest Bearing Liabilities	15,378	17,339	19,196	21,360	24,236
Other Lia. & Prov.	953	923	1,155	1,336	1,497
Total Liabilities	18,715	21,182	23,725	26,495	30,079
Assets					
Cash & Cash Equivalent	1,399	1,856	2,303	1,855	1,735
Investments	4,619	5,048	4,922	5,475	6,108
Loan & Advances	11,844	13,418	15,539	18,103	21,054
<i>Growth (yoy %)</i>	16.2	13.3	15.8	16.5	16.3
Fixed Assets	109	128	139	157	182
Other Assets	744	733	822	906	1,000
Total Assets	18,715	21,182	23,725	26,495	30,079

Source: Company, LKP Research

Detailed ROA Tree

Y/E Mar	FY24	FY25	FY26	FY27E	FY28E
<u>Yields / Margins</u>					
Yield on Advance	10.1	10.0	9.0	8.8	8.5
Yield on Funds	8.7	8.6	7.9	7.8	7.7
Cost of Funds (CoF)	4.8	5.0	4.5	4.3	4.2
Interest Spread	3.9	3.5	3.4	3.5	3.5
NIM's	4.5	4.3	4.1	4.1	4.2
Interest Income / Assets	8.3	8.2	7.6	7.5	7.4
Interest Exp. / Assets	4.0	4.1	3.6	3.5	3.4
NII / Assets	4.3	4.1	3.9	4.0	4.0
Fee Income / Assets	0.9	1.0	0.9	0.9	1.0
Other Non Core Income / Assets	0.3	0.3	0.3	0.3	0.3
Other Income / Assets	1.3	1.4	1.4	1.4	1.4
Net Operating Income / Assets	5.6	5.5	5.3	5.3	5.4
<u>Operating Ratios</u>					
NII to Net Operative Income	76.4	74.0	74.1	74.4	74.5
Other Income to Net Operative Income	23.6	26.0	25.9	25.6	25.5
Empl. Cost/Oper. Exps.	38.7	39.0	38.1	37.3	37.0
Other Op. Exps./Oper. Exps.	61.3	61.0	61.9	62.7	63.0
C/I Ratio (%)	40.2	38.6	39.7	39.3	38.6
Provisions as % PPP	3.7	4.3	4.5	4.6	4.7
Credit Cost (As % of Op. AUM)	0.3	0.3	0.3	0.3	0.3
Effective Tax Rate (%)	25.0	24.6	24.3	24.3	24.3
Employee Exp. / Assets	0.9	0.8	0.8	0.8	0.8
Other Opex/ Assets	1.4	1.3	1.3	1.3	1.3
Total Opex / Assets	2.3	2.1	2.1	2.1	2.1
Operating Profits / Assets	3.4	3.4	3.2	3.2	3.3
Op Profit ex Except Items / Assets	3.4	3.4	3.2	3.2	3.3
Provisions / Assets	0.2	0.2	0.2	0.2	0.3
Profit Before Tax / Assets	3.2	3.1	2.9	3.0	3.0
Tax Expenses / Assets	0.8	0.8	0.7	0.7	0.7
RoA	2.4	2.4	2.2	2.3	2.3
Leverage (x)	8.0	7.4	7.2	7.0	7.0
RoE	18.7	17.9	16.1	16.0	16.1
Adj. RoA	2.4	2.4	2.2	2.3	2.3
Adj. RoE	18.7	17.9	16.1	16.0	16.1

Source: Company, LKP Research

Key Assumptions & Forecasts

(₹ bn)	FY24	FY25	FY26	FY27E	FY28E
Loan & Advances	11,844	13,418	15,539	18,103	21,054
<i>Growth (yoy %)</i>		13.3	15.8	16.5	16.3
Interest Bearing Liabilities	15,378	17,339	19,196	21,360	24,236
<i>Growth (yoy %)</i>		12.8	10.7	11.3	13.5
<i>Yield on Funds</i>	8.7	8.6	7.9	7.8	7.7
<i>Cost of Funds (CoF)</i>	4.8	5.0	4.5	4.3	4.2
<i>Interest Spread</i>	3.9	3.5	3.4	3.5	3.5
<i>NIM's</i>	4.5	4.3	4.1	4.1	4.2
<i>Other Income Growth</i>	15.8	24.2	7.9	11.3	13.1
<i>C/I Ratio (%)</i>	40.2	38.6	39.7	39.3	38.6
<i>Effective Tax Rate (%)</i>	25.0	24.6	24.3	24.3	24.3
<u><i>Return Ratios</i></u>					
<i>Adj. RoA</i>	2.4	2.4	2.2	2.3	2.3
<i>Adj. RoE</i>	18.7	17.9	16.1	16.0	16.1
<u><i>Asset Quality Metrics</i></u>					
<i>Credit Cost (As % of Op. AUM)</i>	0.3	0.3	0.3	0.3	0.3
<i>Gross NPAs Ratio (%)</i>	2.2	1.7	1.4	1.2	1.2
<i>Net NPAs Ratio (%)</i>	0.4	0.4	0.3	0.3	0.3

Source: Company, LKP Research

DISCLAIMERS AND DISCLOSURES

LKP Securities Limited (CIN-L67120MH1994PLC080039, www.lkpsec.com) herein after referred as “LKP” and its affiliates are a full-fledged, brokerage and financing group. LKP was established in 1994 and is a brokerage and distribution house. LKP is a registered Research Analyst (SEBI Regn.: INH00001758), corporate trading member (SEBI Regn.: INZ000216033) of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Metropolitan Stock Exchange of India Limited (MSEI) and Depository Participant (SEBI Regn.:IN-DP-705-2022) of CDSL and SEBI Registered Portfolio Management Services (SEBI Regn.: INH00001758). LKP along with its subsidiaries offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking (SEBI Regn.: INM000002483), commodity broking, depository participant, insurance broking (IRDA Regn.: IRDA- CA0365) and services rendered in connection with distribution of primary market issues and financial products like mutual funds(ARN: 31751) etc. LKP hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on LKP for certain operational deviations in ordinary/routine course of business. LKP has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

LKP offers research services to clients. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report. Other disclosures by LKP and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:- LKP or its associates or Research Officials employed by LKP or relatives of research officials may have financial interest in the subject company. LKP or its associates and Research Analyst or his/her relative's may have actual/beneficial ownership of 1% or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of public appearance. LKP or its associates and Research officials or his/her relative's does not have any material conflict of interest in the subject company.

LKP or its associates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12(twelve) months. LKP or its associates may have co-managed public offering of securities for the subject company in the past 12(twelve) months. LKP or its associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12(twelve) months. LKP or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12(twelve) months. LKP or its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. LKP or its associates may have received any compensation from the subject company in the past twelve months. Subject Company may have been client of LKP or its associates during twelve months preceding the date of distribution of the research report for the services provided by LKP or its associates. Research Officials has served as officer, director or employee of the subject company: (NO). The research Analyst or research entity (LKP) has not been engaged in market making activity for the subject company. LKP and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject LKP or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of LKP or its Group Companies.

The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read “Risk Disclosure Document for Capital Market and Derivatives Segments” as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. All material presented in this report, unless specifically indicated otherwise, is under copyright to LKP. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of LKP.

Ashwin Patil

Assistant Vice President - Research

ashwin_patil@lkpsec.com