

RECOMMENDATION SNAPSHOT				
*CMP	MCap (Rsbn)	Recommendation	Target	Potential Upside
Rs1348	9636	Accumulate	Rs1590	18%

*as on 17th April, 2026

About the Company:

ICICI Bank Limited (ICICI) is one of India's leading private sector bank, with well-diversified portfolio offering a wide range of banking and financial services. Apart from banking services; it offers life and general insurance, asset management, securities broking and private equity services through its specialized subsidiaries. The core business consists of commercial banking operations for Indian corporates and retail customers. Products and services include loan products, fee and commission-based products and services, deposit products, foreign exchange and derivatives products to India's leading corporations, mid-sized companies and SME's. Other offerings include agriculture and rural banking products.

Results: Quick Glance:

- The standalone **Net Interest Income (NII)** for the quarter came in at Rs229.7bn as compared to Rs211.9bn in Q4FY25; a growth of 8.4%
- **Net Interest Margin (NIM)** for the quarter stood at 4.32% as compared with 4.30% in Dec quarter and 4.41% in Q4FY25
- The Net Profit for the quarter stood at Rs137.0bn as compared to Rs126.3bn in Q4FY25, growth of 8.4%
- Capital Adequacy Ratio- Base III for the quarter stands at 17.1%
- Gross NPA for the quarter stood at 1.40% v/s 1.53% in Q3FY26 and 1.67% in Q4FY25
- Net NPA for the quarter stood at 0.33% v/s 0.37% in Q3FY26 and 0.39% in Q4FY25
- For the full year, NII and PAT grew by 8.5% and 6.2% respectively while NIM for FY26 stood at 4.32%
- The Board has recommended a dividend of Rs12 per share for FY26, subject to requisite approvals

Financials:

Performance (Q4&FY26)						
Q/E (Rs bn)	Q4FY26	Q4FY25	Y-o-Y	Q3FY26	Q-o-Q	Comments
Interest Earned (A)	432.75	424.31	1.99%	419.66	3.12%	
Interest Expense (B)	202.96	212.38	(4.43%)	200.34	1.31%	
Net Interest Income (C) =(A)-(B)	229.79	211.93	8.43%	219.32	4.77%	Supported by loan growth and stable margins
Fees and Other Income (D)	73.09	72.60	0.67%	73.68	(0.80%)	Slower due to weaker cards and payment related income; remains key focus in FY27E
Total Income (E) =(A)+(D)	505.84	496.91	1.80%	493.34	2.53%	
Net Income (F)=(E)-(B)	302.88	284.53	6.45%	293.00	3.37%	
Employee Cost	44.68	41.05	8.84%	44.22	1.05%	
Other Operating Expenses	76.21	66.84	14.02%	75.23	1.30%	The opex is broadly in line with expectations
Total Operating Expenses	120.89	107.89	12.05%	119.44	1.21%	
Operating Profit/PPOP	181.99	176.64	3.03%	173.56	4.86%	There was a treasury loss of Rs1.06bn during the quarter. The treasury remained weak due to MTM impact and RBI forex regulations on net open positions
Provisions & Contingencies	0.96	8.91	(89.20%)	25.56	(96.24%)	The drop in the provisions directly powered the profitability growth
Profit Before Tax (PBT)	181.03	167.74	7.93%	148.00	22.31%	
Tax	44.01	41.44	6.21%	34.83	26.38%	
Profit After Tax (PAT)	137.02	126.30	8.49%	113.18	21.06%	The sequential growth is a combination of steady operating income growth, dramatically lower provisions, and one of the cleanest asset quality prints the bank has produced in its history

Financials (contd.):

Balance Sheet items/Key Ratios						
Q/E (Rs in 'bn)	Q4FY26	Q4FY25	Y-o-Y	Q3FY26	Q-o-Q	Comments
Advances (Rs bn)	15538.93	13417.66	15.81%	14661.54	5.98%	
Deposits (Rs bn)	17946.25	16103.48	11.44%	16596.11	8.14%	The Management has indicated the growth as adequate and healthy
CASA (%)	38.60	38.40	20bps	39.00	(40bps)	
Book Value per share (Rs)	471.20	410.10	14.90%	451.90	4.27%	
CD Ratio(%)	85.50	82.40	310bps	87.40	(190bps)	
Capital Adequacy Ratio-Basel III (%)	17.18	16.55	63bps	15.59	159bps	
Tier-I (%)	16.35	15.94	41bps	14.71	164bps	
Profitability						
Yield on Advances (%)	8.87	9.86	(99bps)	9.08	(21bps)	
Cost of Funds (%)	4.53	5.18	(86bps)	4.67	(35bps)	
NIM (%)	4.32	4.41	(9bps)	4.30	2bps	Have remained stable during the quarter, expected to be rangebound in FY27E
Cost/Income (%)	39.90	37.90	200bps	40.80	(90bps)	
Tax Rate (%)	24.3	24.7	-	23.5	1bps	
Return on Assets (%)	2.40	2.49	(9bps)	2.11	29bps	
Return on Equity (%)	16.60	18.20	(160bps)	14.30	230bps	
Gross NPA (Rs bn)	230.52	241.66	(4.61%)	237.58	(2.97%)	There has been an improvement during the quarter; leading to better asset quality
Net NPA (Rs bn)	54.59	55.89	(2.32%)	57.32	(4.75%)	
Gross NPA (%)	1.40	1.67	(27bps)	1.53	(13bps)	
Net NPA (%)	0.33	0.39	(6bps)	0.37	(4bps)	
Provision Coverage Ratio (%)	75.80	76.20	(40bps)	75.40	40bps	

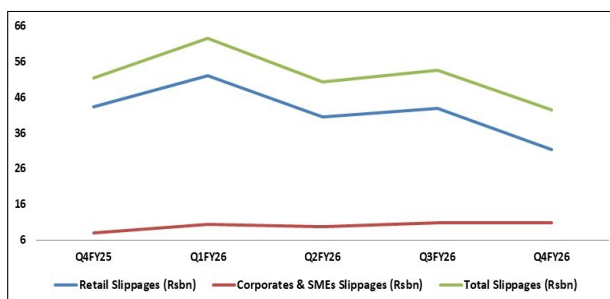
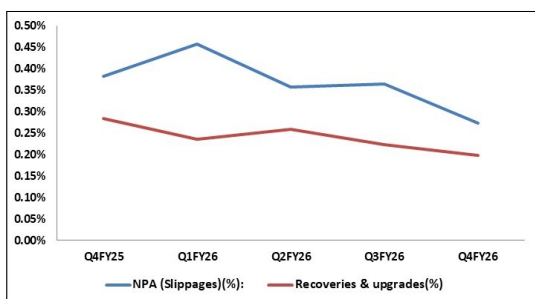
Conference Call Highlights:

- The bank had a network of 7,511 branches and 12087 ATMs as on March'26
- Fee income increased by 7.5% on a y-o-y basis to Rs67.7bn in Q4FY26. Fees from retail, business banking and SME customers constituted about 78.0% of total fees in Q4FY26
- The builder loan portfolio was 4.2% of the total loan portfolio; 0.9% of the builder portfolio was internally rated BB and below or NPA by the bank as on 31st March 2026
- The non-interest income excluding treasury performance saw a 5.6% growth at Rs74.15bn
- NIMs stood at 4.32%, compared to 4.3% in the previous quarter
- There was a treasury loss of Rs1.06bn in Q4FY26 as compared to loss of Rs1.5bn in Q3FY25 and gain of Rs2.39bn in Q4FY25 primarily reflecting market movements
- The operating expenses increased by 12.0% y-o-y and 11.5% y-o-y in FY26
- Domestic loan grew by 15.3% on a y-o-y basis. Within the domestic loan book, retail loans grew by 9.5% to Rs7851.57bn. Out of this, mortgage loans are at Rs4975.45bn (63.4%)
- The credit card portfolio declined by 5.6% y-o-y and 1.3% sequentially

Conference Call Highlights (contd.):

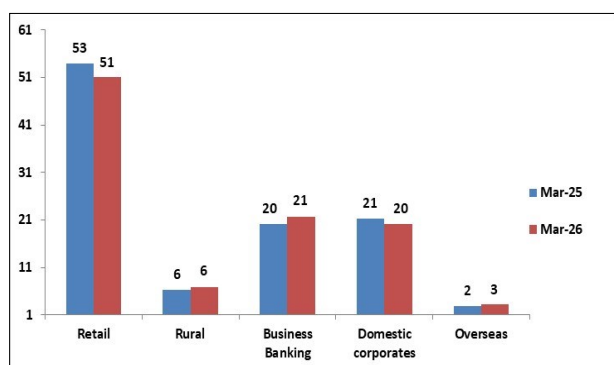
- Of the total domestic loan, the interest rate for about 56% of loans are linked to repo rate, ~13% are linked to MCLR and other older benchmark and the remaining 31% of loans have fixed interest
- **Asset quality:** There was a net addition of Rs11.74bn to the gross NPAs in Q4FY26. The total provisions during the quarter were Rs0.96bn. The contingency provision stood at Rs131bn on prudent basis. The provision coverage ratio on NPAs stood at 75.8% as of 31st March 2026
- Fund based outstanding to all borrowers under resolution was Rs14.96bn
- Gross non-performing asset ratio stood at 1.40% against 1.67% as on 31st Mar 2025. Net NPA ratio for the quarter stood at 0.33%
- The gross NPA additions from the retail and rural portfolios were Rs42.42bn in Q4FY26 compared to Rs51.42bn in Q4FY25
- The capital position of the bank continued to be strong with a CET-1 ratio of 16.35% and total capital adequacy ratio of 17.18% as on 31st March 2026, after reckoning the impact of proposed dividend
- The bank has written off accounts worth Rs17.68bn in Q4FY26 (sale of NPAs stood at Rs1.12bn)
- The dividend income during the quarter from the subsidiaries was Rs6.31bn v/s Rs6.75bn in Q4FY25
- The strategic focus continues to be on growing PBT excluding treasury through the 360-degree customer centric approach and by serving opportunities across ecosystems and micro-markets
- The bank said its Board of directors approved the annual renewal of fundraising limits via the issuance of debt securities, including by way of non-convertible debentures (NCDs) in domestic markets upto an overall limit of Rs250bn by way of private placement and issuances of bonds/notes/offshore certificate of deposits in overseas markets upto USD1.5bn for a period of one year. The Board also authorised the buyback of debt securities within the limits

Exhibit 1: Asset Quality and Profitability Trends



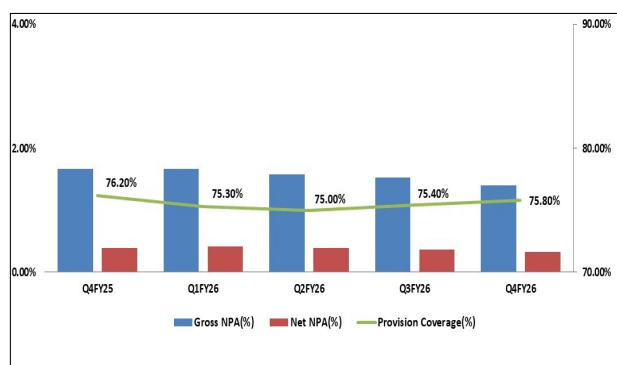
Source: Q4FY26 Press Release, Progressive Research

Exhibit 2: Bifurcation of Loan Book (Rs bn)



Source: Q4FY26 Press Release, Progressive Research

Exhibit 3: GNPA, NNPA and PCR (%)



Source: Q4FY26 Press Release, Progressive Research

Outlook and Recommendations:

The bank has reported a strong quarter with PAT growth of 8.49% y-o-y and 21.06% q-o-q majorly driven by the better-than-expected NII and the most notable element of lower provisions. It was further aided by the recoveries from written off accounts. The NII reported growth of 8.43% y-o-y and 4.77% q-o-q supporting the strong financial performance. The NIM was steady at 4.32% and is expected to be range bound in FY27E. The provisions fell to just Rs0.96bn from Rs8.91bn a year earlier; decline of 89.20% and from Rs25.56bn in Q3FY26, marking a steep 96.24% sequential drop; directly aiding the profitability. The contingency provisions remain untouched at Rs131bn; attributing the decline in the provisions in the reporting quarter to improvements in asset quality and higher write-backs. The bank reported a trading loss of Rs1.06bn impacted by RBI's Fx position limits and lower Fx volumes and spreads. The loan growth accelerated to 15.8% y-o-y and 6.0% q-o-q led by strong traction in business banking, rural and mortgages while deposits growth was healthy at 11.4% y-o-y and 8.1% q-o-q; while the bank remains comfortable with LCR around 125%. The asset quality for the lender remained quite strong this quarter as GNPA improved to 1.40% from 1.67% y-o-y translating to a 27bps improvement, and from 1.53% in Q3FY26, a sequential improvement of 13bps. The Net NPA also improved to 0.33% from 0.39% a year earlier and from 0.37% in Q3FY26, marking both annual and sequential improvements. The slippages declined 21% q-o-q, further reflecting strong asset quality. The total capital adequacy ratio by the end of FY26 was 17.18%, and the CET-1 ratio was 16.35% after reckoning the impact of the proposed dividend compared to the minimum regulatory requirements of 11.70% and 8.20%, respectively. Average current and savings account deposits increased by 11.3% y-o-y and 2.7% q-o-q in Q4FY26. The growth momentum has improved as the interest rates stabilised; Management believes FY27E growth should remain healthy despite uncertainty from West Asia conflict; leveraging its strong franchise, capital and liquidity to sustain growth. The bank will continue to focus on better-rated corporate clients and work through short-term disruptions with a long-term view. In terms of the broader guidance, the NIMs are expected to remain range-bound. The deposit repricing benefits should offset asset-side repricing pressure; while there is some residual deposit repricing benefit still left. The margins are unlikely to move up meaningfully hereon. The Management is focused on growing PBT excluding treasury and not on a specific cost to income target. The opex growth should stay below revenue growth over time despite temporary pressure from PSL compliance and labour code-related costs. Overall, PSL remains compliant with shortfall mainly on the small agricultural side. Looking ahead, the bank has chalked many opportunities to drive risk calibrated profitable growth and grow market share across key segments. It remains focused on maintaining a strong balance sheet, prudent provisioning and healthy levels of capital while delivering sustainable and predictable returns. With the sector leading loan growth, appropriate NIM management and strong asset quality; we maintain a positive view on the bank with an accumulate rating for a target of Rs1590.

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