

# HSIE Results Daily

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- **ICICI Bank:** ICICI Bank's (ICICIB) earnings beat expectations, largely benefitting from strong loan growth (~16% YoY) and negligible credit costs, partly offset by relatively soft operating performance. Loan growth was healthy, driven by continued traction in business banking loans, and an uptick in mortgage loans. Deposit growth (~11% YoY; 8% QoQ) witnessed uptick but continues to lag loan growth, even as end-period CASA% improved to 41.4% (+121bps QoQ), led by strong seasonality in current account balances (+23% QoQ). ICICIB is placed comfortably on LCR and LDR ratios to outgrow the industry in medium-term. Credit costs were negligible owing to recoveries from written-off accounts, higher corporate recoveries, and lower retail slippages. Softer traction in other income owing to hardening of bond yields and curb on forex trading, coupled with soft NII growth led to relatively weak operating performance (FY26 PPOP growth: ~3%). ICICIB's superior tech capabilities, coupled with distribution expansion, are likely to help sustain operating efficiencies. We maintain BUY with a revised SOTP-based TP of INR1,630 (standalone at 2.4x Mar-28 ABVPS).

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# ICICI Bank

## Best-positioned to counter macro headwinds

ICICI Bank's (ICICIB) earnings beat expectations, largely benefitting from strong loan growth (~16% YoY) and negligible credit costs, partly offset by relatively soft operating performance. Loan growth was healthy, driven by continued traction in business banking loans, and an uptick in mortgage loans. Deposit growth (~11% YoY; 8% QoQ) witnessed uptick but continues to lag loan growth, even as end-period CASA% improved to 41.4% (+121bps QoQ), led by strong seasonality in current account balances (+23% QoQ). ICICIB is placed comfortably on LCR and LDR ratios to outgrow the industry in medium-term. Credit costs were negligible owing to recoveries from written-off accounts, higher corporate recoveries, and lower retail slippages. Softer traction in other income owing to hardening of bond yields and curb on forex trading, coupled with soft NII growth led to relatively weak operating performance (FY26 PPOP growth: ~3%). ICICIB's superior tech capabilities, coupled with distribution expansion, are likely to help sustain operating efficiencies. We maintain BUY with a revised SOTP-based TP of INR1,630 (standalone at 2.4x Mar-28 ABVPS).

- **Strong loan growth offset by flattish margin trajectory:** Loan growth (+16% YoY) was healthy, led by business banking, mortgages, and rural loans. We build in 14% loan CAGR over FY26-FY28E. Muted NII growth (3% YoY) along with flattish NIMs (4.3%) was due to a drop in loan yields (-21bps QoQ) owing to policy rate cuts and muted growth in the unsecured book even as funding costs came in lower at 4.5% (-14bps QoQ). We expect NIMs to reflate to 4.6% (+20bps in FY27E), factoring in a 50bps policy rate hike during FY27.
- **Best-in-class asset quality:** Gross slippages shrank sharply to 1.1% (9MFY26: 1.6%), aided by lower retail slippages even as recovery run-rate continues to be healthy. Credit cost was negligible for Q4FY26, owing to higher recoveries from written-off accounts. We build in average credit costs of 52bps (FY26:38bps), factoring in elevated stress owing to supply-side inflation.
- **Operating efficiencies key to retain sector leadership:** With superior tech and continued investments in tech and distribution, ICICIB is likely to see operating leverage gains. A pick-up in growth and NIMs are likely to drive a marginal reflation in return ratios, even as credit costs normalize upward.

### Financial summary

(INR bn)	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)	FY26A	FY27E	FY28E
NII	229.8	212.0	8.4%	219.3	4.8%	880.8	1,028.6	1,148.0
PPOP	182.0	176.7	3.0%	173.6	4.9%	716.0	831.0	943.4
PAT	137.0	126.4	8.4%	113.2	21.1%	501.5	551.1	634.4
EPS (INR)	19.2	17.6	8.8%	15.6	22.6%	70.4	77.4	89.1
ROAE (%)						15.9	15.3	15.4
ROAA (%)						2.2	2.2	2.3
ABVPS (INR)						435.5	491.9	560.9
P/ABV (x)						3.1	2.7	2.4
P/E (x)						19.1	17.4	15.1

### Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	Δ	New	Old	Δ
Net advances	17,681	17,412	1.5%	20,245	19,912	1.7%
NIM (%)	4.6	4.6	2 bps	4.5	4.5	3 bps
NII	1,028.6	1,034.7	-0.6%	1,148.0	1,144.3	0.3%
PPOP	831.0	839.0	-1.0%	943.4	942.5	0.1%
PAT	551.1	549.1	0.4%	634.4	631.3	0.5%
Adj. BVPS (INR)	491.9	486.3	1.2%	560.9	555.0	1.1%

Source: Company, HSIE Research

## BUY

CMP (as on 17 Apr 2026) INR 1,349

Target Price INR 1,630

NIFTY 24,367

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR1,600	INR 1,630
	FY27E	FY28E
EPS %	+0.4%	+0.5%

### KEY STOCK DATA

Bloomberg code	ICICIB IN
No. of Shares (mn)	7,161
MCap (INR bn) / (\$ mn)	9,663/1,03,987
6m avg traded value (INR mn)	20,024
52 Week high / low	INR 1,500/1,188

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.4)	(4.8)	(0.5)
Relative (%)	1.7	1.1	(2.5)

### SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	0	0
FIs & Local MFs	45.3	47.0
FPIs	45.6	43.9
Public & Others	9.1	9.1
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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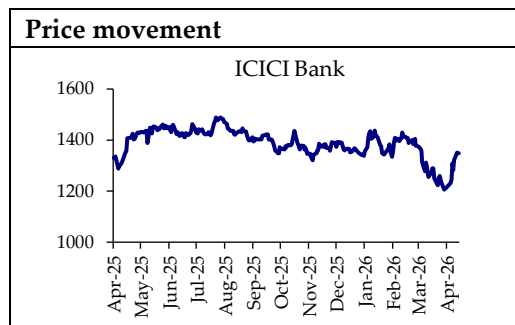
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**Rating Criteria**

BUY: >+15% return potential  
 ADD: +5% to +15% return potential  
 REDUCE: -10% to +5% return potential  
 SELL: > 10% Downside return potential

**Disclosure:**

Analyst	Company Covered	Qualification	Any holding in the stock
Krishnan ASV	ICICI Bank	PGDM	NO
Akshay Badlani	ICICI Bank	CA	YES



**Disclosure:**

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