Sector: Private Sector Bank **RESULT REVIEW Q1FY27** **Declared On: 18 July 2026**

ICICI Bank Limited

RECOMMENDATION SNAPSHOT				
***CMP**	**MCap (Rsbn)**	**Recommendation**	**Target**	**Potential Upside**
Rs1445	**10,367**	**Accumulate**	**Rs1690**	**17%**

**as on 27th July, 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 Rs243.84bn as compared to Rs216.34bn in Q1FY26; a growth of 12.7%
- **Net Interest Margin (NIM)** for the quarter stood at 4.36% compared with 4.32% in March quarter and 4.34% in Q1FY26
- The Net Profit for the quarter stood at Rs148.05bn as compared to Rs127.68bn in Q1FY26, growth of 15.9%
- Capital Adequacy Ratio- Base III for the quarter stands at 16.84%
- Gross NPA for the quarter stood at 1.38% v/s 1.67% in Q1FY26 and 1.40% in Q4FY26
- Net NPA for the quarter stood at 0.35% v/s 0.41% in Q1FY26 and 0.33% in Q4FY26

Financials:

Performance (Q1FY27)						
Q/E (Rs bn)	**Q1FY27**	**Q1FY26**	**Y-o-Y**	**Q4FY26**	**Q-o-Q**	**Comments**
Interest Earned (A)	456.71	429.47	6.34%	432.75	5.54%	
Interest Expense (B)	212.86	213.12	(0.12%)	202.96	4.88%	
Net Interest Income (C) =(A)-(B)	**243.84**	**216.34**	**12.71%**	**229.79**	**6.12%**	Aided by growth in the domestic loans and deposits
Fees and Other Income (D)	85.76	85.05	0.84%	73.09	17.34%	The core fee income grew by 23.5% y-o-y on the back of healthy business momentum
Total Income (E) =(A)+(D)	542.47	514.52	5.43%	505.84	7.24%	
Net Income (F)=(E)-(B)	329.60	301.39	9.36%	302.88	8.82%	
Employee Cost	50.05	47.43	5.51%	44.68	12.01%	
Other Operating Expenses	75.70	66.50	13.82%	76.21	(0.67%)	The bank expects the opex growth to be below the revenue growth led by improvement in operating leverage
Total Operating Expenses	125.74	113.94	10.36%	120.89	4.02%	
Operating Profit/PPOP	203.86	187.46	8.75%	181.99	12.02%	There was a treasury gain of Rs1.51bn during the
Provisions & Contingencies	12.60	18.15	(30.54%)	0.96	-	The drop in the provisions directly powered the profitability growth
Profit Before Tax (PBT)	191.26	169.31	12.96%	181.03	5.65%	
Tax	43.21	41.63	3.80%	44.01	(1.82%)	
Profit After Tax (PAT)	**148.05**	**127.68**	**15.95%**	**137.02**	**8.05%**	Growth is led by robust loan growth, strong operating profits and lower provisioning during the quarter

Financials (contd.):

Balance Sheet items/Key Ratios						
Q/E (Rs in 'bn)	**Q1FY27**	**Q1FY26**	**Y-o-Y**	**Q4FY26**	**Q-o-Q**	**Comments**
Advances (Rs bn)	16312.60	13641.57	19.58%	15538.93	4.98%	Overseas advances have been seeing traction in trade-related books and overseas operations of well-rated domestic companies
Deposits (Rs bn)	18335.86	16085.17	13.99%	17946.25	2.17%	FCNRB deposit rates were lower than wholesale lending rates and shall provide an incremental loan growth opportunity
CASA (%)	38.10	38.70	(60bps)	38.60	(50bps)	
Book Value per share (Rs)	492.80	429.30	14.79%	471.20	4.58%	
CD Ratio(%)	87.50	83.80	370bps	85.50	200bps	
Capital Adequacy Ratio-Basel III (%)	16.84	16.31	53bps	17.18	(34bps)	
Tier-I (%)	16.19	16.31	(12bps)	16.35	(16bps)	
Profitability						
Yield on Advances (%)	8.86	9.53	(67bps)	8.14	72bps	
Cost of Funds (%)	4.51	5.02	(66bps)	4.53	(17bps)	
NIM (%)	4.36	4.34	2bps	4.32	4bps	
Cost/Income (%)	38.10	37.80	30bps	39.90	(180bps)	Have remained stable during the quarter, expected to be rangebound in FY27E
Tax Rate (%)	22.6%	24.6%	(2bps)	24.3%	(2bps)	
Return on Assets (%)	2.49	2.44	5bps	2.40	9bps	
Return on Equity (%)	17.10	17.10	-	16.60	50bps	
Gross NPA (Rs bn)	232.47	247.33	(6.01%)	230.52	0.85%	The drop of ~6.0% on a y-o-y basis indicates strengthened asset quality for the Bank
Net NPA (Rs bn)	59.08	59.71	(1.06%)	54.59	8.22%	
Gross NPA (%)	1.38	1.67	(29bps)	1.40	(2bps)	
Net NPA (%)	0.35	0.41	(6bps)	0.33	2bps	
Provision Coverage Ratio (%)	74.70	75.30	(60bps)	75.80	(110bps)	

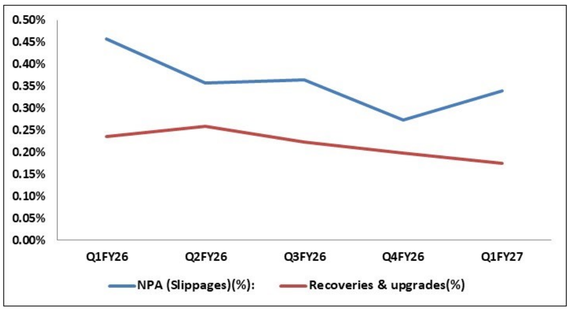
Conference Call Highlights:

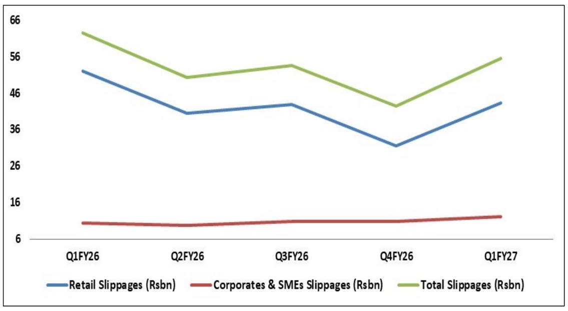
- The Bank had a network of 7,608 branches (added 97 in Q1FY27) and 12,190 ATMs as on Jun'26
- Fee income increased by 23.5% on a y-o-y basis to Rs72.86bn (USD770mn) in Q1FY27 from Rs59bn (USD623mn) in Q1FY26. Fees from retail, rural and business banking customers constituted about 72% of total fees in Q1FY27
- 0.7% of the builder portfolio was internally rated BB and below or NPA by the bank as on 30th June 2026
- The non-interest income, excluding treasury, increased by 16.0% on a y-o-y basis to Rs84.25bn (USD890mn) in Q1FY27 from Rs72.64bn (USD767mn) in Q1FY26
- The NII reported a growth of ~12.7% on a y-o-y basis. NIMs stood at 4.36% as compared to 4.34% in Q1FY26. The impact interest on tax refund was 8bps in Q1FY27 (3bps in FY26, 5bps in Q4FY26 and 7bps in Q1FY26); excluding this the NIM for the quarter stood at 4.28%, 4.27% each in Q4FY26 and Q1FY26

Conference Call Highlights (contd.):

- For the quarter under review, the Bank reported a treasury gain of Rs1.51bn (USD16mn) in as compared to loss of Rs1.06bn (USD11mn) in Q4FY26 and gain of Rs12.41bn (USD131mn) in Q1FY26
- The operating expenses increased by 10.4% on a y-o-y basis to Rs125.74bn. The tech expenses stood at ~11.4% of the total opex in Q1FY27
- Domestic loan grew by 18.8% on a y-o-y basis. Within the domestic loan book, retail loans grew by 12.0% to Rs8067.48bn. Out of this, mortgage loans are at Rs5133.47bn (63.6%)
- The credit card portfolio declined by 1.9% on a y-o-y basis and 1.7% sequentially
- Of the total domestic loan, the interest rate for about 57% of loans are linked to repo rate, ~13% are linked to MCLR and other older benchmark and the remaining 30% of loans have fixed interest
- **Asset quality:** There was a net addition of Rs27.07bn to the gross NPAs in Q1FY27. The total provisions during the quarter were Rs12.60bn. The contingency provision stood at Rs131bn as at Jun'26. The provision coverage ratio on NPAs stood at 74.7%
- Fund based outstanding to all borrowers under resolution was Rs13.63bn
- Gross non-performing asset ratio stood at 1.38% against 1.67% in Q1FY26. Net NPA ratio for the quarter stood at 0.35%. The gross NPA additions from the Retail and Rural portfolios were Rs55.52bn in Q1FY27 compared to Rs62.45bn in Q1FY26. During the quarter there were w/offs related to gross NPA amounting to Rs16.73bn and sale of NPAs amounting to Rs2.39bn
- The tax provision w/b during the quarter under review stood at Rs4.46bn on account of favorable tax orders. There were recoveries related to one case of NCLT that was witnessed in Q1 (the asset was earlier sold to NARCL)
- The Bank is working on remediation measures related to the agri portfolio and the process is expected to be completed in few months
- The CET-1 ratio stood at 16.19% and total capital adequacy ratio at 16.84% as on 30th June 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 Rs11.10bn v/s Rs13.36bn in Q1FY26
- The focus of the Management continues to grow the PBT excluding treasury through the 360-degree customer centric approach and by serving opportunities across ecosystems and micro-markets
- The Board would undertake borrowing by way of issuances of bonds/notes/offshore CDs in overseas markets for a revised limit of upto USD2.5bn

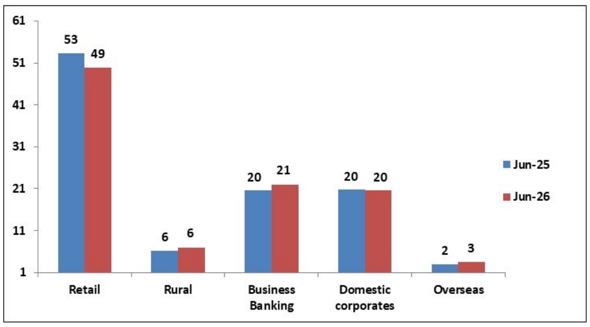
Exhibit 1: Asset Quality and Profitability Trends





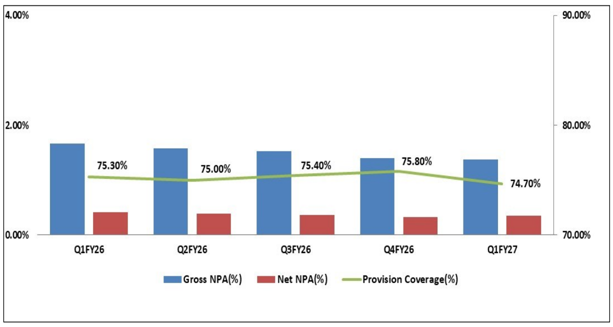
Source: Q1FY27 Press Release, Progressive Research

Exhibit 2: Bifurcation of Loan Book (Rs bn)



Source: Q1FY27 Press Release, Progressive Research

Exhibit 3: GNPA, NNPA and PCR (%)



Source: Q1FY27 Press Release, Progressive Research

Outlook and Recommendations:

The Bank has reported another strong quarter with PAT growth of 15.9% y-o-y and 8.0% q-o-q to Rs148.1bn, led by robust loan growth, strong operating profits, and lower provisioning. The NII grew by 12.7% y-o-y and 6.1% q-o-q to Rs243.8bn. The NIMs improved by 4bps q-o-q to 4.36% (with 8bps positive impact from interest on IT refund). The adjusted NIM improved by 1bps q-o-q for the quarter. It reflects a healthy funding franchise and bank's disciplined approach to pricing in loans and deposits and management of the g-sec book. Going ahead the Management expects the NIM to remain range bound (without changes in the policy rates) and despite the incremental cost of FCNRB deposits. The rise in the fee income of ~23.5% was attributed to the overall business volumes particularly on the banking side, pick up in retail, cards, loan processing fee, transaction banking trade, forex and derivatives, alongwith a base effect of Q1FY26. The advances growth was robust at 19.6% y-o-y and 5.0% q-o-q, led by continued traction in business banking as well as retail portfolio. The domestic corporate portfolio grew 18.5% y-o-y and 6.9% q-o-q. Deposits growth was steady at 14.0% y-o-y (up 2.2% q-o-q), with CASA deposits growing at 9.3% y-o-y but down by 2.6% q-o-q. The CASA ratio thus declined to 39.5% from 41.4% in Q4FY26. The Management expects the loan growth momentum to continue going forward as well and had picked up pace since last couple of quarters. This would also be supported by aggressive loan growth in the foreign portfolio related to FCNRB which the Management expects to mobilize in a short span of time. The total provisions were lower than expected at Rs2.6bn v/s Rs18.1bn in Q1FY26, aided by recoveries from NCLT. The contingency buffer remained stable at Rs131bn (0.8% of loans); the asset quality of the bank is amongst the best in the industry. GNPA improved to 1.38% while NNPA edged up to 0.35% and PCR moderated to 74.7%. The written-back tax provision was Rs4.46bn for the quarter. The Management has indicated of focus on growing the PBT through a 360-customer centric approach. The Bank is monitoring the business banking portfolio carefully. Fundamentally, it remains confident due to stable asset quality and the granularity of the book. Overall, the Bank is expected to deliver sustainable mid-teens earnings, supported by ~16% loan growth, stable-to-improving margins and contained credit costs over FY27-29E. It is well placed to deliver superior risk adjusted returns and compound book value at an attractive pace. 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 revised target of Rs1690.

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