

Result Update

Q1 FY26

ICICI Bank Ltd.

Institutional
Research

Strong performance across all segments; beats estimates

Operational Metrics

- ⇒ Net Interest Income (NII) stood at Rs. 21,635 crores in Q1FY26, up 2.1% QoQ / up 10.6% YoY, supported by credit growth and stable lending spreads. Operating Expenses were at Rs. 11,394 crores in Q1FY26, up 5.6% QoQ / up 8.2% YoY.
- ⇒ Pre-provision Operating Profit (PPOP) came in at Rs. 17,505 crores, down 0.9% QoQ / up 13.6% YoY, indicating sustained core profitability despite higher expenses. Net Profit for the quarter stood at Rs. 12,768 crores, up 1.1% QoQ / up 15.5% YoY.

Asset Quality & Balance Sheet Metrics

- ⇒ Gross NPA ratio stood at 1.67%, stable QoQ / improved by 48bps YoY, indicating continued reduction in stressed assets. Net additions to gross NPAs (excluding write-offs and sales) were Rs. 3,034 crores in Q1FY26 compared to Rs. 2,624 crores in Q1FY25. Net NPA ratio stood at 0.41%, up 2bps QoQ / down 2bps YoY, maintaining strong asset quality with adequate provisioning buffers.
- ⇒ Capital Adequacy Ratio (CAR) improved to 16.97%, up 42bps QoQ / up 101bps YoY, reflecting a robust capital position well above regulatory norms.
- ⇒ Gross Advances stood at Rs. 13,64,157 crores, up 1.6% QoQ / up 11.5% YoY. The retail loan portfolio grew by 6.9% YoY / 0.5% QoQ, comprising 52.2% of the total loan portfolio as of June 30, 2025. Gross Deposits stood at Rs. 16,08,517 crores, down 0.11% QoQ / up 12.79% YoY, supported by sustained traction in retail deposits.

Profitability Metrics

- ⇒ Net Interest Margin (NIM) stood at 4.34%, down 7bps QoQ / down 2bps YoY, marginally impacted by repo rate cuts and competitive pressures. Return on Assets (ROA) stood at 2.44%, down 8bps QoQ / up 8bps YoY, maintaining best-in-class profitability.

Subsidiaries

- ⇒ ICICI Prudential Asset Management Company reported a PAT of Rs. 782 crores in Q1FY26. ICICI Securities reported a PAT of Rs. 391 crores in Q1FY26, compared to Rs. 527 crores in Q1FY25, reflecting a 25.0% YoY decline.

Branch & ATM Network

- ⇒ The Bank added 83 branches during Q1FY26, taking the total network to 7,066 branches and 13,376 ATMs & cash recycling machines as of June 30, 2025. The Bank continues to enhance technology adoption to provide seamless customer experiences and invest in expanding digital channel.

Key Highlights

| Particulars (Rs. crores) | Q1FY26 | Q4FY25 | QoQ (%) | Q1FY25 | YoY (%) |
|--------------------------|--------|--------|---------|--------|---------|
| Net Interest Income | 21,635 | 21,194 | 2.1% | 19,553 | 10.6% |
| PPOP | 17,505 | 17,664 | -0.9% | 15,412 | 13.6% |
| Net Profit | 12,768 | 12,629 | 1.1% | 11,059 | 15.5% |
| NIM (%) | 4.34% | 4.41% | (7bps) | 4.36% | (2bps) |
| RoA (%) | 2.44% | 2.52% | (8bps) | 2.36% | 8bps |
| GNPA (%) | 1.68% | 1.67% | (1bps) | 2.15% | (48bps) |
| NNPA (%) | 0.41% | 0.39% | 2bps | 0.43% | (2bps) |
| CASA (%) | 41.20% | 41.80% | (60bps) | 40.90% | 30bps |

Source: Company, BP Equities Research

Sector Outlook

Positive

Stock

| | |
|------------|------------|
| CMP (Rs.) | 1,426 |
| BSE code | 532174 |
| NSE Symbol | ICICIBANK |
| Bloomberg | ICICIBC IN |
| Reuters | ICBK.BO |

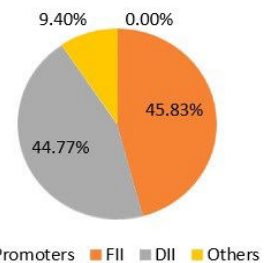
Key Data

| | |
|---------------------|-------------|
| Nifty | 24,968 |
| 52 Week H/L (Rs.) | 1,472/1,151 |
| O/s Shares (Mn) | 7,065 |
| Market Cap (Rs. bn) | 10,179 |
| Face Value (Rs.) | 2 |

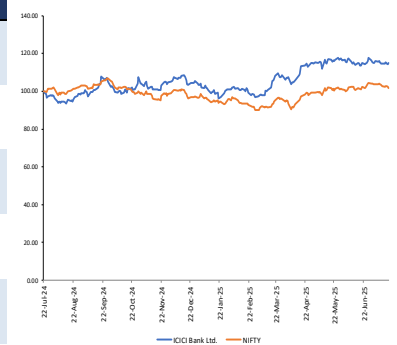
Average Volume

| | |
|----------|-------------|
| 3 months | 1,03,57,820 |
| 6 months | 1,11,23,680 |
| 1 year | 1,23,48,570 |

Share Holding (%)



Relative Price Chart



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Valuation and Outlook

ICICI Bank, India's second-largest private sector bank, delivered a steady performance in Q1FY26, with net profit rising nearly 15% YoY. The bank maintained strong operational momentum, supported by healthy net interest income and stable net interest margins despite rate cuts and intensified market competition. Loan growth remained robust, particularly in the retail and banking segments, while deposit mobilisation continued at a healthy pace. Asset quality remained resilient, although there was a rise in net NPA additions, which warrants continued monitoring. Fee income growth was healthy, further diversifying revenue streams. On the subsidiary front, ICICI's insurance and securities businesses made a meaningful contribution to consolidated earnings. While near-term challenges such as margin compression and higher operating expenses persist, the bank's strong capital position, superior return ratios, diversified loan book, and continued digital push position it well for sustainable long-term growth. **Overall, ICICI Bank's performance reflects its consistent execution, and we remain positive on the bank, expecting robust credit growth and further improvements in asset quality in FY26.**

"The bank may initiate growth in select higher-yielding segments; however, their contribution to overall NIM is expected to remain modest in the near term."

Key concall highlights

Asset Quality

- ⇒ The bank reported gross slippage ratio at 1.9% of opening loans during 1QFY26 against 1.6% in 4QFY25 and 2.0% in 1QFY25. Slippages were higher QoQ, mainly driven by the KCC portfolio because slippages there tend to be higher in the first and third quarters.
- ⇒ Overall credit cost for the bank stood at 50 bps. The bank did not add further to the contingency provision buffer, which now stands at Rs. 131 bn, around 100 bps of total advances.

"Management reiterated the credit cost is currently running low because of healthy recoveries from bad loans. It is likely to normalize upwards, but does not see a reason for increase from the current levels."

Advances and Deposit

- ⇒ Overall loan growth stood at 11.5% YoY, driven by an 11–12% YoY expansion in the domestic loan book. Within the domestic portfolio, retail loans grew 7% YoY, while rural lending saw a marginal decline of 0.4%. Business banking continued to show strong momentum with 30% YoY growth, and the domestic corporate segment grew 8% YoY, reflecting a balanced growth trajectory across key segments.
- ⇒ Personal loan growth moderated from 40% levels after management undertook portfolio actions in Q3FY24, including pricing hikes, reduced sourcing payouts, and tighter credit filters in the unsecured segment.
- ⇒ 53% of domestic loans are repo-linked, 15% to MCLR/legacy benchmarks, 1% to other external benchmarks, and 31% to fixed rates.
- ⇒ Overall CD ratio stood at 85% (up 200 bps QoQ). Management had earlier indicated that it is comfortable with CD ratio in the range of low-to-mid 80s.

"Share of unsecured loans (credit cards + personal loans) stands at 24% of the retail portfolio."

Net Interest Margin

- ⇒ Interest on income tax refund contributed 7 bps to margins in the current quarter.
- ⇒ Management noted that the impact of repo rate cuts on external benchmark-linked loans will be more pronounced in Q2FY26 compared to Q1FY26. However, this pressure on yields will be partially offset by the reduction in savings account rates in May and June, along with the gradual repricing of term deposits.

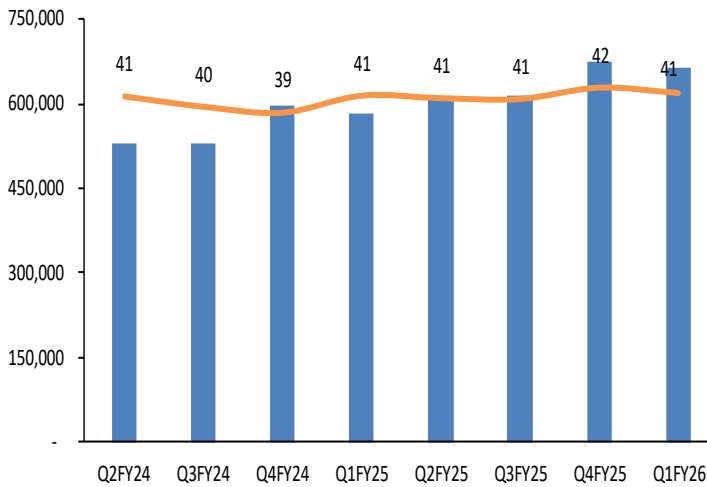
Other highlights

- ⇒ Non-interest income grew 22% YoY in Q1FY26, driven by a sharp 210% YoY rise in investment income, while fee income maintained steady growth at 8% YoY. Retail, rural, and business banking segments accounted for 79% of the total fee income.
- ⇒ Operating costs rose 8% YoY, led by an 8-9% increase in both staff and non-staff expenses.
- ⇒ The bank's capital position remains strong, with a CAR of 17.0% and a CET-1 ratio of 6.3%.

"Unless policy stance changes, CRR cut benefits are likely to kick in from Q3FY26."

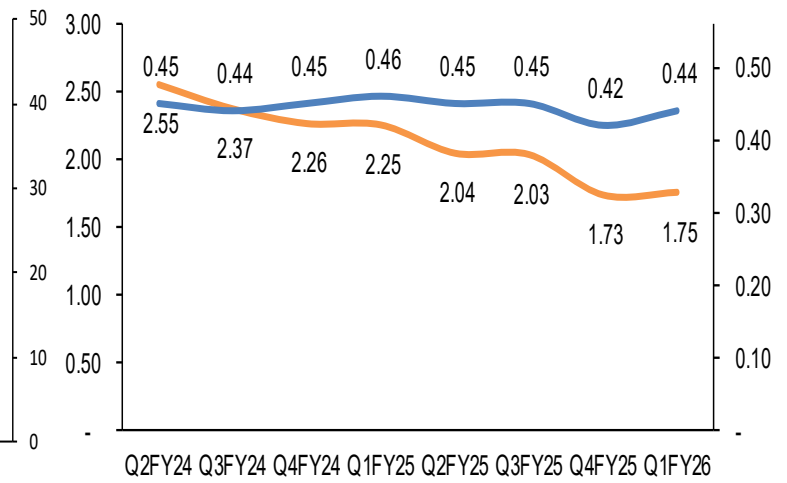
Quarterly Snapshot (Rs. crores)

CASA



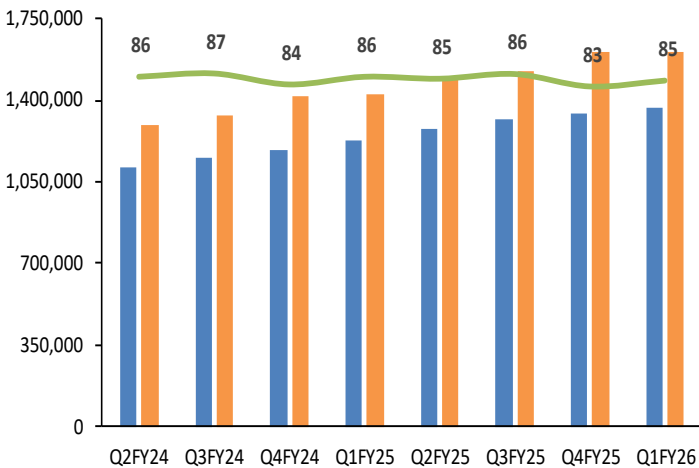
■ CASA Amount — CASA%

NPA Ratios (%)



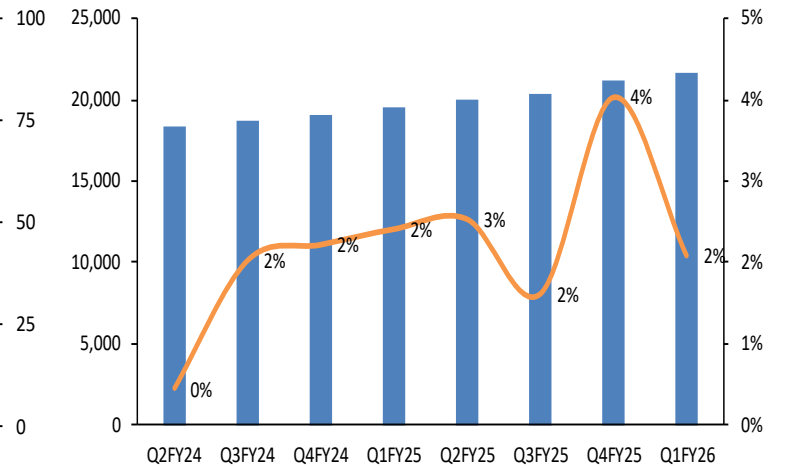
— % of Gross NPAs — % of Net NPAs

Loan - Deposit Ratio (%)



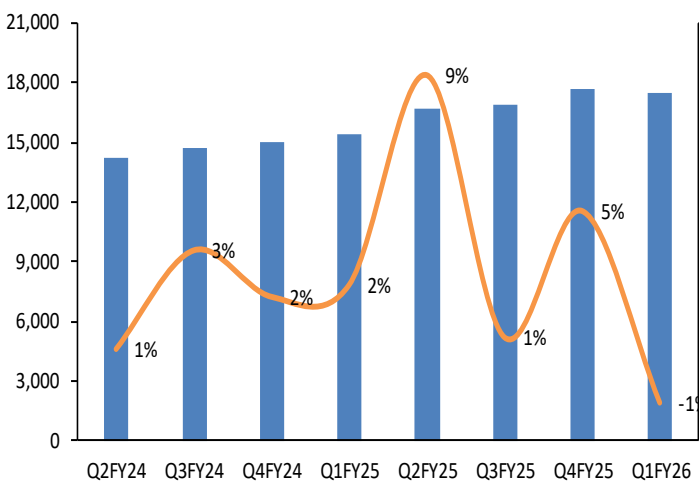
■ Advances ■ Deposits — LDR (%)

Net Interest Income



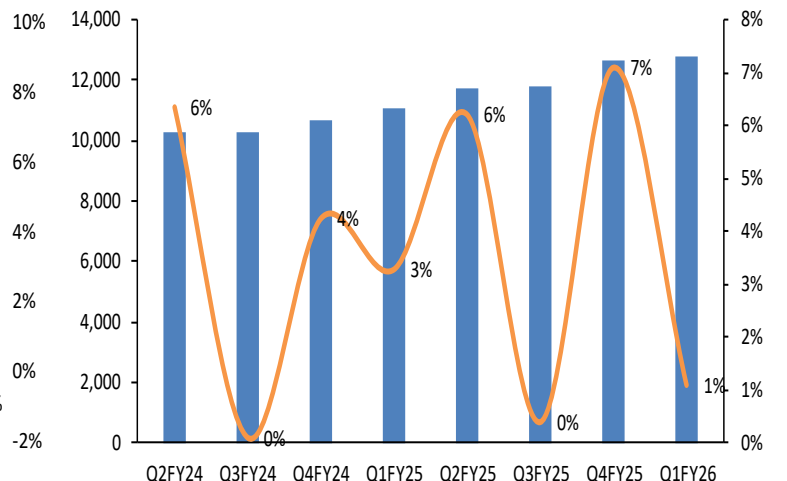
■ Net interest Income — Growth (%)

Pre-Provision Operating Profit



■ Pre Provision Operating Profit — Growth (%)

Profit After Tax



■ PAT — Growth (%)

Key Financials

| YE March (Rs. crores) | FY21 | FY22 | FY23 | FY24 | FY25 |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Net Interest Income | 38,989 | 47,466 | 62,129 | 74,306 | 81,164 |
| <i>Growth %</i> | 17.2% | 21.7% | 30.9% | 19.6% | 9.2% |
| PPOP | 31,351 | 38,347 | 49,139 | 58,122 | 67,299 |
| <i>Growth%</i> | 16.9% | 22.3% | 28.1% | 18.3% | 15.8% |
| Net Profit | 16,193 | 23,339 | 31,896 | 40,888 | 47,227 |
| <i>Growth %</i> | 104.2% | 44.1% | 36.7% | 28.2% | 16.1% |
| EPS | 24 | 33.7 | 45.8 | 58.4 | 66.3 |

Profitability & Valuation

| | | | | | |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| NIM (%) | 3.69% | 3.96% | 4.48% | 4.53% | 4.30% |
| RoA (%) | 1.42% | 1.84% | 2.16% | 2.37% | 2.40% |
| RoE (%) | 12.20% | 14.80% | 17.30% | 18.71% | 17.80% |
| BV per Share (Rs.) | 213.3 | 245.4 | 287.4 | 339.5 | 410.0 |
| P/E (x) | 59.4 | 42.3 | 31.1 | 24.4 | 20.6 |
| P/BV (x) | 6.7 | 5.8 | 5.0 | 4.2 | 3.5 |
| Cost to Income Ratio | 39.7% | 40.5% | 40.1% | 40.1% | 38.6% |

Key Operating Metrics

| | | | | | |
|-----------------|----------------|------------------|------------------|------------------|------------------|
| CASA % | 46% | 45% | 44% | 39% | 42% |
| CASA Amount | 431,623 | 518,437 | 541,262 | 595,872 | 673,729 |
| Deposits | 932,522 | 1,064,572 | 1,180,841 | 1,412,825 | 1,610,348 |
| <i>Growth%</i> | 21% | 14% | 11% | 20% | 14% |
| Advances | 733,729 | 859,020 | 1,019,638 | 1,184,406 | 1,341,766 |
| <i>Growth%</i> | 14% | 17% | 19% | 16% | 13% |
| LDR (%) | 79% | 81% | 86% | 84% | 83% |

Source: Company, BP Equities Research

Disclaimer Appendix**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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