


STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Banking

COMPANY DETAILS

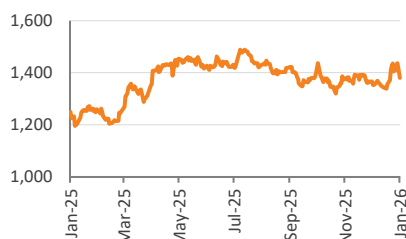
Market cap:	Rs. 9,86,857 cr
52-week high/low:	Rs. 1,494 / 1,187
NSE volume: (No of shares)	1.05 crore
BSE code:	532174
NSE code:	ICICIBANK
Free float: (No of shares)	712 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	-
FII	43.9
DII	46.9
Others	9.4

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART


Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	1.0	-2.6	-3.2	10.5
Relative to Sensex	2.7	-2.3	-4.0	2.4

Source: Mirae Asset Sharekhan Research, Bloomberg

 Reco/View: **BUY**

 CMP: **Rs. 1,380**

 Price Target: **Rs. 1,700**
Quick Snapshot

- NII largely met estimates, while NIMs remained stable sequentially (against our estimate of a ~3 bps rise).
- One-off provision of Rs. 1283 crore dragged PAT by 4% y-o-y, and it lagged estimates.
- Credit growth improved driven by business banking; momentum to continue in next quarter.
- Bank poised for steady growth and return ratios, we maintain Buy with an unchanged PT of Rs. 1700.

Result overview

- Net interest income (NII) rose 7% y-o-y and 1.9% q-o-q on stable NIMs and improving growth momentum. NIMs were stable at 4.3% q-o-q as pressure on yields (down 21 bps q-o-q) due to repricing of loans was absorbed by CRR cut and deposit repricing.
- Fee income rose 6.3% y-o-y owing to lower loan related fees due to competition, and lower income from cards, which is expected to pick up. bank clocked a treasury loss of Rs. 157 crore versus gain of Rs. 371 crore y-o-y.
- Operating expenses rose 13% y-o-y, as it had one time impact of Rs145 crore due to new labor code, cost/income ratio was up 20 bps q-o-q to 40.8%.
- In Q3FY26, the bank had to make a Rs. 1283 crore of standard asset provision to one Agri credit which did not meet regulatory requirements for PSL classification.
- Net profit was down 4% y-o-y to Rs. 111318 crore (9% below estimates) owing to one-off costs.
- Overall asset quality stayed healthy with GNPA and NNPA ratios falling by 5 bps and 2 bps q-o-q to 1.53% and 0.37%, respectively. Slippages rose 6% sequentially mainly owing to a Rs. 736 crore addition from Kisan Credit cards.
- Advances grew 11.5% y-o-y and 4.1% q-o-q, showing increased trajectory. Business banking posted robust growth of 22.8% y-o-y, while corporate book also saw good sequential growth of 6.5%. Retail segment was up 7.2% y-o-y and 1.9% q-o-q, mortgage book was up 11% y-o-y while off-take in credit card and personal loan segment was soft.

Our Call

Board has approved two-year term for Mr. Sandeep Bakshi as MD & CEO, this should remove overhang on the stock. Overall, ICICI Bank remains focused on delivering sustainable returns by maintaining a strong balance sheet and pursuing risk-calibrated growth across its diverse customer ecosystems. Strong return ratios, impeccable asset quality, steady growth and leadership position in various financial offerings bouquet makes the overall franchisee attractive. We value the bank at 2.3x FY28E BVPS, subsidiaries add to Rs217 per share, thus we maintain BUY rating on the stock with unchanged PT of Rs. 1700.

Key Risks

Lower-than-expected growth or margins could hamper performance consistency.

Valuation

	Rs cr				
Particulars	FY24	FY25	FY26E	FY27E	FY28E
Net Interest Income	74,306	81,164	88,553	1,01,351	1,16,205
Net profit	40,888	47,227	49,658	55,507	65,048
EPS (Rs)	58.2	65.9	69.3	77.4	90.8
P/E (x)	20.0	17.7	16.8	15.0	12.8
P/BV (x)	3.4	2.8	2.4	2.1	1.8
RoE	18.6	17.8	15.7	15.1	15.2
RoA	2.4	2.4	2.2	2.3	2.3

Source: Company; Mirae Asset Sharekhan estimates

Concall highlights

NIM and Yields

- **Yield on Advances:** It declined by 21 bps to 9.08% sequentially due to the repricing of the floating-rate loan book and seasonally higher non-accrual interest from Kisan Credit Card (KCC) NPAs.
- **Cost of deposits:** It improved to 4.55% from 4.64% in the previous quarter, providing a necessary buffer against yield compression.
- **Offsetting benefits:** The downward pressure on yields was mitigated by the repricing of retail deposits and the benefits of the Cash Reserve Ratio (CRR) cut.

Segmental loan growth

- **Business banking:** This remained the fastest-growing segment, increasing 22.8% y-o-y.
- **Retail banking:** It grew 7.2% y-o-y. Mortgages (+11.1%) and auto loans (+10.7%) were strong, while personal loans (+2.4%) remained muted but are expected to pick up as underwriting quality has improved.
- **Credit cards:** The business declined 6.7% q-o-q and 3.5% y-o-y on high repayments following heavy festive spending in the previous quarter, characterizing it as a “one-off” trend.
- **Corporate banking:** Business grew 5.6% y-o-y. The bank is focusing on a “360-degree” relationship approach and is selective with pricing, favoring the “A” rating family and above.

Deposit trends and CASA Growth

- Total deposits grew by 9.2% y-o-y. Average CASA deposits increased by 8.9% y-o-y. CASA ratio stood at 40.2% in Q3FY26.
- While individual retail savings and term deposits showed healthy growth, overall savings growth was dampened by a reduction in balances from institutional banking savings accounts.

Operating costs and the labor code

- **Operating expenses:** It rose 13.2% y-o-y. This increase was partially driven by the rising cost of PSLC used to meet regulatory requirements.
- A notable inclusion in expenses was a Rs. 145 crore provision made in anticipation of the new labour codes.
- Technology expenses remained a priority, accounting for 11% of total operating expenses.

Outlook and guidance

- Management expressed confidence that the growth momentum observed in Q3 would sustain into Q4, particularly in mortgages, rural, and corporate segments.
- **Margins:** NIM to remain rangebound as deposit repricing offsets the impact of repo rate cuts.
- **Operating efficiency:** Management intends to leverage technology to maximize Pre-Provisioning Operating Profit (PPoP), expecting that the rapid cost growth of previous quarters will not persist.
- **Leadership:** Board has sought a two-year extension for CEO Sandeep Bakshi, whose term expires in October 2026, ensuring leadership continuity through October 2028.

Results

Particulars	Rs cr				
	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Q-o-Q %
Net Interest Income	21,932	20,371	7.7	21,529	1.9
Other income	7,368	7,068	4.2	7,576	-2.7
Net Income	29,300	27,439	6.8	29,105	0.7
Opex	11,944	10,552	13.2	11,807	1.2
Operating Profit	17,356	16,887	2.8	17,298	0.3
Provisions	2,556	1,227	108.3	914	179.6
PAT	11,318	11,792	-4.0	12,359	-8.4
Advances	14,66,154	13,14,366	11.5	14,08,456	4.1
Deposits	16,59,611	15,20,309	9.2	16,12,825	2.9
			bps		bps
NIMs %	4.30	4.25	5	4.30	0
GNPA %	1.53	1.96	-43	1.58	-5
NNPA %	0.37	0.42	-5	0.39	-2
PCR %	75.9	78.7	-287	75.6	31

Source: Company; Mirae Asset Sharekhan Research

Additional Data
Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	SBI Funds	4.93
2	LIC	4.82
3	ICICI Pru AMC	4.34
4	HDFC AMC	3.46
5	Blackrock INC	2.88
6	NPS Trust A/C (UTI)	2.86
7	Vanguard Group INC	2.45
8	UTI Asset Management	2.01
9	Nippon Life India	2.00
10	FMR LLC	1.69

Source: Bloomberg

Key management personnel

Name	Designation
Sandeep Bakhshi	MD & CEO
Anindya Banerjee	CFO & ED
Pradeep Kumar Sinha	Chairman

Source: Company Website

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