

ICICI Bank (ICICIB) - BUY

Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.1,389	Rs.1,800

Rationale:

- ICICI Bank delivered ~5% yoy earnings growth, led by similar growth in operating profits.
- Despite slower loan (12% yoy) and deposit (8% yoy) growth, the bank delivered well on Net Interest Margin (NIM) (flat qoq).
- Macro tailwinds support growth, but a potential management transition poses a valuation overhang.
- Maintain BUY with an FV of Rs1,800 (Rs1,700 earlier).

Q2FY26 Earnings Update:

👍 Positives:

- NIM was flat qoq at ~4.3%, better than expected.
- GNPL ratio declined 10 bps qoq to 1.6%, while net NPL ratio was flat qoq at 0.4%.
- Gross slippage ratio at 1.5% of opening loans (annualized) during Q2FY26 against 1.9% in Q1FY26 and 1.7% in Q2FY25.
- CASA ratio for the bank was broadly flat qoq at 41%.
- Subsidiary performance continues to be steady.

👎 Negatives:

- We see risks to valuations emerging from speculation around the continuity of the current management.
- Growth in most retail segments has slowed down.



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months