kotak Securities

Dated: 19th January 2026

ICICI Bank (ICICIBC) - BUY

Result Update Q3FY26

Current Market Price (CMP)	Fair Value (FV)
Rs.1411	**Rs.1800**

Rationale:

- ICICI Bank delivered a ~4% yoy earnings decline in Q3FY26, led by higher oneoff provisions.
- Board approved the extension of Sandeep Bakhshi as MD & CEO by two years (October 2028), removing a key overhang.
- Headline performance was weak on loan growth (10% yoy), deposit growth (8% yoy) and operating profit growth (3% yoy), but stable on asset quality metrics.
- Bank's superior liability profile and its ability to deliver superior growth and profitability metrics drive our positive view.
- Retain BUY with an FV of Rs1,800 (unchanged).

Positives:

- GNPL and NNPL ratios were broadly flat qoq at 1.6% and 0.4%, respectively.
- Growth in most segments (except business banking) had slowed over the past year, but the bank reported sequential pickup in several products.
- Overall reported NIM was flat qoq at 4.3%.
- Subsidiary performance continues to be stable overall.
- The extension of tenure for Mr Sandeep Bakshi as MD & CEO for two years (till October 2028) was the key development for the quarter.

Negatives:

- Total deposits grew 9% yoy (slower than net advances growth of 12% yoy).
- Overall Credit to Deposit ratio stood at 88% (up 100 bps qoq).
- Credit cost at 0.7% (against a run-rate of 30-50 bps), led by additional standard asset provisions.

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

FUNDAMENTAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
Head of Research
shrikant.chouhan@kotak.com
+91 22 6218 5408

Arun Agarwal
Auto/Auto Ancillary, Building Material
Cement, Consumer Durable
arun.agarwal@kotak.com
+91 22 6218 6443

Amit Agarwal, CFA
Transportation, Paints, FMCG
agarwal.amit@kotak.com
+91 22 6218 6439

Rini Mehta
Research Associate
rini.mehta@kotak.com
+91 22 6218 6433

Sumit Pokharna
Oil and Gas, Information Tech
sumit.pokharna@kotak.com
+91 22 6218 6438

K. Kathirvelu
Support Executive
k.kathirvelu@kotak.com
+91 22 6218 6427

Pankaj Kumar
Construction, Capital Goods & Midcaps
pankajr.kumar@kotak.com
+91 22 6218 6434

Amarjeet Maurya
Internet Software & Services
amarjeet.maurya@kotak.com
+91 22 6218 6427

Veer Trivedi
BFSI
veer.trivedi@kotak.com
+91 22 6218 6432

TECHNICAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
shrikant.chouhan@kotak.com
+91 22 6218 5408

Amol Athawale
amol.athawale@kotak.com
+91 20 6620 3350

Sayed Haider
sayed.haider@kotak.com
+91 22 62185458

DERIVATIVES RESEARCH TEAM (PRIVATE CLIENT GROUP)

Sahaj Agrawal
sahaj.agrawal@kotak.com
+91 79 66041701

Prasenjit Biswas, CMT, CFTe
prasenjit.biswas@kotak.com
+91 33 6638 8331

Karan Kulkarni
karan.kulkarni@kotak.com
+91 20 66203350

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