

24th October 2025

Close* – ₹1,363.70/-

View – **Hold**
Key Highlights – Q2FY26

- Loan book grew +10.3% YoY and +3.2% QoQ to ₹14,085bn.
- Overall deposits increased by +7.7% YoY and +0.3% QoQ to ₹16,128bn.
- During the quarter, bank witnessed a NIM moderation of ~4bps QoQ to ~4.3%.
- While cost of funds moderated by ~24bps to 4.8%, yield on advances also declined ~24bps QoQ to 9.3%.
- Asset quality improved sequentially with GNPA and NNPA coming in at 1.58% and 0.39% respectively.
- Cost to income ratio deteriorated ~280bps QoQ 40.6% in Q2FY26.
- Loan growth has picked up well and outlook remains positive. Focus will be on improving risk-adjusted PPoP.

Important Statistics

Nifty	26,104
Sensex	85,290
Close* (₹)	1,363.70
M.CAP (₹ tn)	₹9.74
52 Week H/L (₹)	1,500/1,186
NSE Code	ICICIBANK
BSE Code	532174
Bloomberg Code	ICICIBC:IN

Close* as on 23rd October 2025

Shareholding Pattern (%)	Sep'25
FIIIs	37.03%
DII	36.84%
Public	05.84%
Others	20.30%

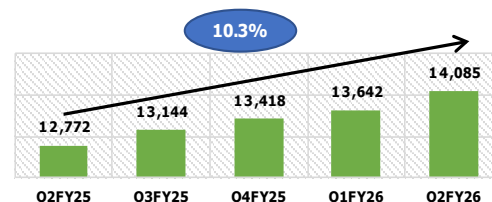
Q2FY26 Result Update
Advances

- ICICI Bank's gross advances grew at a softer pace of +10.3% YoY/ +3.2% QoQ to ₹14,085bn.
- Retail segment growth witnessed soft growth of +6.6% YoY and +2.6% QoQ to ₹7,394bn. In retail, mortgage book grew at +10% YoY/+3% QoQ to ₹4,606bn.
- Robust growth momentum in Business Banking segment continued with the book growing by +24.8% YoY / +6.5% QoQ to ₹2,909bn.
- Corporate lending book growth moderated to +3.5% YoY/ +1.0% QoQ to ₹2,784bn.

Key Segmental numbers – Q2FY26

Loan Portfolio	YoY Growth %
Overall Advances	10.3%
Retail Loans	6.6%
Rural Loans	-1.3%
Business Banking	24.8%
Corporate Loans	3.5%
Domestic Loans	8.8%
Overseas Loans	-2.8%

Loanbook (₹ bn)



Source: Company, Way2wealth

(₹ bn)	Q2FY26	Q2FY25	YoY Chng	Q1FY26	QoQ Chng	Book Mix (Q2FY26)
Mortgages	4,606	4,191	10%	4,479	3%	62%
Vehicle Loans	963	943	2%	963	0%	13%
Auto Finance	616	607	1%	615	0%	8%
CV and Equipment	342	321	6%	340	1%	5%
2W Loans	-	15	-	7	-	-
Personal Loans	1,217	1,225	-1%	1,200	1%	16%
Credit Cards	588	553	6%	543	8%	8%
Loan against shares	20	23	-11%	21	-3%	0%
Total Retail Loans	7,394	6,935	6.6%	7,205	2.6%	-

Source: Company, Way2wealth

Relative Performance

Return (%)	1 Yr	3Yr	5 Yr
ICICI Bank	9%	50%	247%
Nifty 50	6%	45%	116%
Sensex	5%	41%	107%

Deposits

- Overall deposits increased by +7.7% YoY and +0.3% QoQ to ₹16,128bn.
- Current deposits increased by +12.9% YoY/ down -4.7% QoQ in Q2FY26 to ₹2,067bn while the savings account deposits were up by +6.2% YoY/ +1.4% QoQ to ₹4,521bn, thus leading to ~30bps YoY / ~50bps QoQ improvement in avg. CASA ratio to 39.2%.
- Total term deposits increased by +7.3% YoY and +0.9% QoQ to ₹9,540bn by end-Q2FY26.

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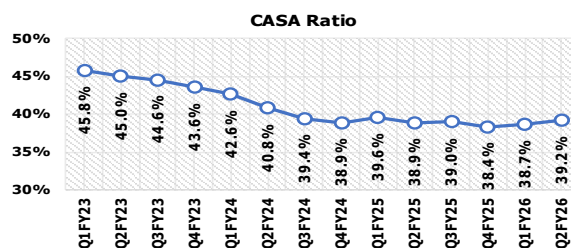
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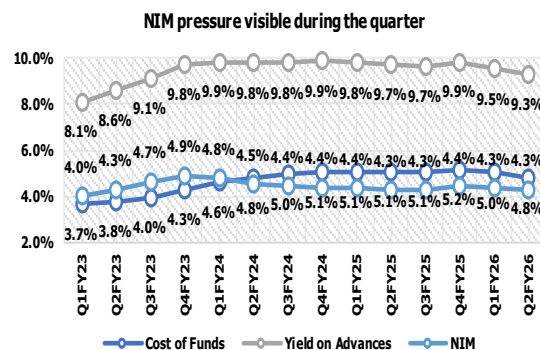
(₹ bn)	Q2FY26	Q2FY25	% YoY Chng	Q1FY26	% QoQ Chng	% Share (Q1FY26)
Current Deposits	2,067	1,831	13%	2,170	-5%	13%
Savings Deposits	4,521	4,256	6%	4,458	1%	28%
CASA Deposits	6,589	6,087	8%	6,628	-1%	41%
Term Deposits	9,540	8,890	7%	9,457	1%	59%
Total Deposits	16,128	14,978	8%	16,085	0%	-

Source: Company, Way2wealth



Operational performance

- Net interest income rose +7% YoY/flat QoQ to ₹215bn with NIM coming at 4.3% moderating slightly by -4bps sequentially / +3bps YoY.
- Interest income for the quarter rose +3% YoY/ down -3% QoQ to ₹418bn, with ~24bps QoQ moderation in Yields on advances to 9.3%.
- Interest expense were lower by -1% YoY/ -5% QoQ to ₹202bn, with cost of funds also reducing ~24bps QoQ to 4.8%.
- During Q2FY26, operating expenses grew by +12% YoY and +4% QoQ to ₹118bn, with cost to income ratio slipped +280bps to 40.6% QoQ. Resulting in the bank's core operating profit coming in at ₹171bn of +6% YoY /down -2% QoQ.
- Provisions during the quarter witnessed significant moderation falling -26% YoY / -50% QoQ at ₹9bn.
- Treasury gains were muted during the quarter at ₹2bn which led to PBT coming at ₹164bn up +6% YoY/down -3% QoQ. PAT was up +5% YoY/-3% QoQ to ₹124bn.
- ICICI Bank added 180 branches during the quarter taking the total branch network to 7,246 while number of ATMs reduced significantly by 2766, to 10,610.

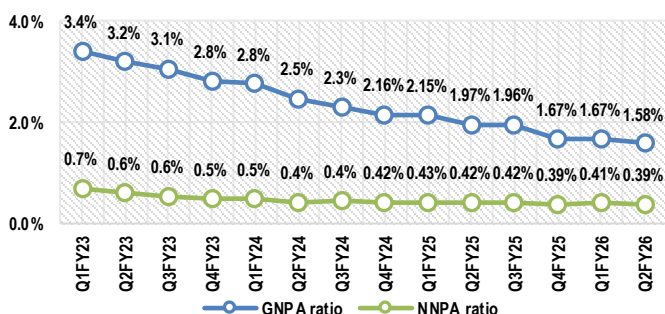


Source: Company, Way2wealth

Asset Quality

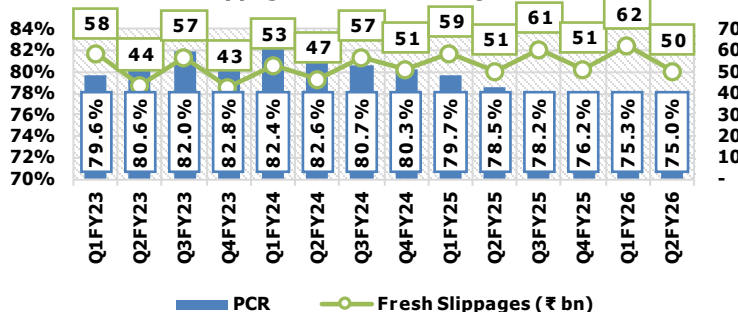
- Asset quality improved during the quarter with GNPA and NNPA coming in at 1.58% and 0.39%, falling 39bps/9bps and 3bps/2bps (on YoY/QoQ basis) respectively.
- Fresh slippages were also down -19% sequentially to ₹50bn.
- The bank continued to hold contingency provisions of ₹131bn as on Sept 30, 2025. At end-Q2FY26, the bank holds a CET-1 ratio of 14.94%, and a total capital adequacy ratio of 15.57%.

Asset Quality improves further



Source: Company, Way2wealth

Slippages moderates in Q2FY26



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View – **Hold**

View

ICICI Bank Ltd. posted a mix set of results with growth, taking a back seat amid structural challenges and focusing on maintaining profitability. Advances growth at 10% was tad below expectations and at multi-quarter low indicating implementation of improved underwriting standards in a quest for building good quality book. Softer growth during the quarter was primarily on account of cautious retail loan book growth of 6.6% YoY, amid challenging environment, while corporate lending advancement was flat. The management looks to capture more of the transactional business of corporates via current accounts, cash flows, digital transactions, etc. over the lending. With the change in product mix and incorporating the impact of interest rate cut, yields moderated, adversely impacting the NIM profile. However, NIMs can bottom out this quarter and can see improvement from 2HFY26 onwards.

Key highlight for the quarter was the improvement in asset quality with GNPA and NNPA improving 9bps and 2bps respectively. Provisions were down ~50% sequentially during the quarter, resulting in annualized credit cost of 30 bps.

Overall, we remain bullish on the bank with expectation of a growth recovery in 2HFY26 to be supported by festive season demand and margin improvement from current levels. Although, MD and CEO, Mr. Sandeep Bakshi's term will conclude in a year or so, any development or news flow can impact the stock price. We recommend to HOLD the stock, trading at valuation of **P/BV ~2.6x FY27E at CMP of ₹1,363.70.**

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Quarterly Performance

(₹ bn)

Particulars	Q2FY26	Q2FY25	YoY Chng	Q1FY26	QoQ Chng	1HFY26	1HFY25	YoY Chng
Net interest earned	418	405	3%	429	-3%	847	795	7%
Net interest expensed	202	205	-1%	213	-5%	415	399	4%
Net interest income	215	200	7%	216	0%	432	396	9%
NIM	4.3%	4.3%	3 bps	4.3%	-4 bps	4.3%	4.3%	1 bps
Non-interest income	74	65	13%	73	1%	146	129	13%
Fee income	65	59	10%	59	10%	124	114	9%
Dividend income from subsidiaries/associates	8	5	50%	13	-39%	21	14	50%
Operating expense	118	105	12.4%	114	3.6%	232	210	10%
Core operating profit	171	160	6.5%	175	-2.4%	346	315	10%
Total net provision	9	12	-26%	18	-50%	27	26	6%
Treasury income	2	7		12		15	13	
Profit before tax	164	155	6%	169	-3%	333	302	10%
Provision for taxes	40	37	8%	42	-3%	82	74	11%
Profit after tax	124	117	5%	128	-3%	251	228	10%
Advances	14,085	12,772	10.3%	13,642	3.2%	14,085	12,772	10%
Deposits	16,128	14,978	7.7%	16,085	0.3%	16,128	14,978	8%
BVPS	436	368	18%	429	2%	436	368	18%
ROE	16.0%	18.1%	-210 bps	17.1%	-110 bps	16.6%	18.1%	-150 bps
ROAA	2.3%	2.4%	-6 bps	2.4%	-11 bps	2.4%	2.4%	bps
EPS	17	16	4%	18	-3%	35	32	9%

Source: Company, Way2wealth

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Disclosure of Interest Statement ICICI Bank Ltd. as on October 24, 2025

Name of the Security	ICICI Bank Ltd.
Name of the analyst	Prasad Hase
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL

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