Industrial and Commercial Bank of…

HK$7.95
As of Sun 8 Nov 2026, 12:00 UTC

HKEX:1398	Financials	Country Hong Kong	PE (Fwd) 6.231	TSR 10Y CAGR 12.47%	Div yield 4.59%	ROTE 8.75%
Banks (Diversified)		Beta (5Y) 0.12	PE TTM 6.777	TSR TTM 42.58%	Mkt cap HK$3.362T	NIM 1.27%

SE Grade™	★☆☆
Value	★★★
Quality	★☆☆
Moat	★★☆

Consensus	Reference
$8.10	$28
1.94%	251.02%
Buy 9|6|2|0|0	



	4Q25	1Q26	2Q26	3Q26
Earnings per share ¥				
	0.27	0.24	0.24	**0.30**
	3.79%	4.35%	4.21%	11.11%
Revenue ¥B				
	190.4	222.0	224.2	**221.0**
	1.82%	8.45%	9.68%	9.45%

Next earnings 30 Oct

TTM	FYE 31 Dec	CNY	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026E	Trend	5Y	10Y	Peers
857.6	Revenue	¥B	641.1	727.9	773.8	776.0	800.1	860.9	842.4	806.5	786.1	801.4	***874.3***		0.03%	2.51%	93
7.47	*Revenue growth*	*%*	–	*13.53*	*6.31*	*0.29*	*3.10*	*7.60*	*(2.15)*	*(4.26)*	*(2.52)*	*1.94*	***9.09***		*(2.15)*	*1.94*	17
1.27	*NIM*	*%*	*2.03*	*2.16*	*2.21*	*2.27*	*2.11*	*2.09*	*1.92*	*1.61*	*1.42*	*1.28*	***1.20***		*1.61*	*2.06*	40
29.08	*Effic. R.*	*%*	*29.82*	*32.55*	*30.99*	*26.45*	*25.66*	*27.11*	*27.89*	*29.06*	*30.23*	*30.31*	***29.91***		*29.06*	*29.44*	100
43.44	*Net margin*	*%*	*42.71*	*38.69*	*37.89*	*39.65*	*38.38*	*39.35*	*41.11*	*43.28*	*44.64*	*44.52*	***42.45***		*43.28*	*40.38*	97
6.777	P/E ratio (avg)	x	4.975	6.004	6.505	5.757	5.051	4.157	3.897	3.670	4.162	5.285	***6.463***		4.157	5.013	100
0.593	P/TBV	x	0.732	0.838	0.859	0.700	0.541	0.454	0.404	0.356	0.384	0.460	***0.556***		0.404	0.500	90
0.593	P/B	x	0.721	0.826	0.847	0.693	0.536	0.451	0.402	0.354	0.381	0.457	***0.556***		0.402	0.496	87
680.8	NII	¥B	471.8	522.1	572.5	632.2	646.8	690.7	692.0	655.0	637.4	635.1	***694.0***		(0.36%)	3.36%	–
–	*NII grth*	*%*	–	*10.65*	*9.66*	*10.43*	*2.30*	*6.79*	*0.19*	*(5.34)*	*(2.69)*	*(0.36)*	***9.27***		*(0.36)*	*2.30*	23
8.75	*ROTE*	*%*	*14.71*	*13.95*	*13.20*	*12.16*	*10.70*	*10.93*	*10.38*	*9.70*	*9.23*	*8.71*	***8.56***		*9.70*	*10.82*	10
8.97	*Return on equity*	*%*	*14.48*	*14.30*	*13.64*	*12.80*	*11.27*	*11.26*	*10.68*	*10.00*	*9.41*	*8.96*	***8.64***		*10.00*	*11.26*	13
0.64	*Return on assets*	*%*	*1.13*	*1.08*	*1.06*	*1.02*	*0.92*	*0.96*	*0.87*	*0.78*	*0.72*	*0.67*	***0.63***		*0.78*	*0.94*	47
1.00	EPS	¥	0.77	0.79	0.82	0.86	0.86	0.95	0.97	0.98	0.98	1.00	***1.05***		3.05%	2.99%	–
6.99	*EPS growth*	*%*	–	*2.85*	*4.10*	*4.96*	*(0.21)*	*10.31*	*2.24*	*0.78*	*0.54*	*1.68*	***4.67***		*1.68*	*2.24*	30
11.40	Bookvalue per sh	¥	5.30	5.75	6.31	7.17	8.12	8.76	9.43	10.16	10.76	11.59	***12.16***		7.37%	9.07%	–
11.40	TBV/sh	¥	5.22	5.66	6.23	7.10	8.05	8.70	9.37	10.10	10.67	11.50	***12.16***		7.39%	9.16%	–
0.31	Dividend per sh	¥	0.23	0.24	0.25	0.26	0.27	0.29	0.30	0.31	0.31	0.31	***0.32***		3.13%	3.17%	–
4.59	*Div yield (avg)*	*%*	*6.13*	*5.08*	*4.68*	*5.29*	*6.11*	*7.42*	*8.01*	*8.52*	*7.52*	*5.86*	***4.80***		*7.52*	*6.12*	97
–	*Payout ratio*	*%*	*30.50*	*30.48*	*30.56*	*30.56*	*30.93*	*30.87*	*31.29*	*31.29*	*31.43*	*31.03*	***31.20***		*31.29*	*30.90*	37
356.4	Shares (diluted)	B	356.4	356.4	356.4	356.4	356.4	356.4	356.4	356.4	356.4	356.4	***356.4***		–	–	17
1.02	*Buyback yield*	*%*	–	–	–	–	–	–	–	–	–	–	***–***		–	–	17
7.61	*Eq/Assets*	*%*	*8.21*	*8.21*	*8.47*	*8.94*	*8.73*	*9.31*	*8.88*	*8.45*	*8.17*	*7.99*	***7.61***		*8.45*	*8.46*	80
57,823	Assets	¥B	24,137	26,087	27,700	30,109	33,345	35,171	39,610	44,697	48,822	53,478	***58,864***		9.91%	9.24%	100
3,008	LT debt	¥B	374.2	535.5	621.8	780.0	834.6	833.2	932.7	1,394	2,055	2,243	***3,076***		21.86%	22.02%	83

Peers (US$428.8B)	Cap (US$)	PE
Agricultural Bank of…	375.0B	6.961x
China Construction…	360.7B	6.762x
Bank of China Limited	310.0B	7.072x
Bank of America…	341.0B	11.76x

Capital	TTM	5Y	10Y
Tang eq %	7.36	8.05	8.04
LT debt %	5.20	3.12	2.44
Cash %	3.47	2.50	2.64
Sh yield %	5.61	7.52	6.11

Owners		
Insiders/Inst %	–	42.46
Short interest %		–
SBC / revenue %		–

Record	10Y
Profitable years	10/10
Revenue growth years	6/9
EPS growth years	8/9
Dividend streak yrs	2
ROE range %	9–14
$1 test x	0.3
Incr. ROIC %	–

ICBC's third quarter showed a margin that has stopped sliding. Revenue rose 9.5% from a year earlier and diluted EPS climbed 11.1%, helped by three things management named. A deposit self-discipline initiative cut liability costs, loan repricing has run its course with new loan rates stabilising, and equity and fund investment income lifted other non-interest income. Earnings power looks underappreciated: SE fair value of HK$28 is 251.8% above the price.

Management expects net interest margin to find a bottom this year if policy rates hold, then narrow slightly in 2027. Full-year loan growth is guided at around 6%, above national GDP growth. The bank also said attributable net profit growth of 3.3% in 2026 would fully offset dilution from its CNY 100 billion private placement, which goes to priority sectors and international expansion. Analysts pressed on the margin outlook and whether bond growth keeps outpacing credit. Consensus has EPS growth slowing into 2027, matching the guided margin squeeze.

Analysts look for FY2026 EPS growth of 4.7%, which clears management's 3.3% dilution threshold, on revenue growth of 9.1%. For FY2027 they see EPS growth easing to 3.7%, consistent with the slight margin narrowing the bank flagged. The stock trades near six times forward earnings, so even low single-digit growth sustains a high earnings yield. One caution: earnings beat estimates in only 1 of the last 8 quarters, so the third-quarter beat breaks a pattern rather than extending one.

Profitability per unit of revenue has improved while returns on capital have not. Net margin moved from 41.1% in FY2022 to 44.5% in FY2025 and now sits at 43.4%, in line with its five-year median. That ranks near the top of the 31 similarly sized diversified banks. The efficiency ratio worsened over the same span, from 27.9% to 30.3%. Return on tangible equity is in line with its median but fell from 10.4% to 8.7% over three years, near the bottom of peers. Thin return on assets and share count growth hold back Quality.

SE fair value of HK$28 is 251.8% above the price, with high confidence. Yet the P/E of 6.8x is 36% above its 10-year own median of 5.0x. The analyst target of HK$8.10 sits 1.9% above the price, so the Street expects far less re-rating than the model. For the price to hold and the gap to close, results must land near the model's base case, with the margin bottoming as guided. FY2026 profit growth falling short of 3.3% would show dilution is not being covered.

The SE Score is 1 of 3. Quality earns one star: a 9% ROE clears a 2.8% cost of equity, but return on assets of 0.6% is thin for a bank this size. Moat earns two stars, as book value per share grew in 9 of the last 9 years. Value earns three stars because SE fair value sits 251.8% above the price, and that lifted the overall score one notch. The five-year return over the hurdle does not rank in the top 10% of companies, so a rank cap lowered the score from two stars.

Q3 2026

Industrial and Commercial Bank of China Limited provides banking products and services in the People's Republic of China and internationally through Corporate Banking, Personal Banking, and Treasury Operations segments, offering loans, deposits, card and wealth management services to corporations, government agencies, financial institutions and individuals, plus money market, securities, foreign exchange and insurance activities.

Profit by segment	Profit	Trend	Revenue	Rel margin	Revenue by region	Top 3 63%	Trend	Reinvestment returns	10Y median	Trend
Corporate Banking	49.29%		50.02%	0.99×	Bohai Rim	25.10%		Retention rate	69.99%	
Personal Banking	33.77%		38.98%	0.87×	Yangtze River Delta	21.24%		Return on capital	11.26%	
Treasury Operations	16.94%		11.00%	1.54×	Western China	16.31%		Spread over hurdle	8.48%	

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