April 25, 2025

BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th floor
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

Dear Sir/Madam,

Please find attached the transcripts of the call with media and of earnings call with analysts and investors on the financial results for the quarter and financial year ended March 31, 2025.

The same has also been uploaded on the website of the Bank and can be accessed at the below links:

Sr. No	Particulars	Link
1.	Transcript of the Media Conference Call	https://www.icicibank.com/about-us/article/interaction-with-media-on-icici-bank-financial-performance-in-the-quarter-ended-march-31-2025
2.	Transcript of the Earnings Call with Analysts and Investors	https://www.icicibank.com/about-us/qfr

This is for your records and information.

Yours sincerely,
For ICICI Bank Limited

VIVEK RANJAN

Digitally signed by VIVEK RANJAN
Date: 2025.04.25 17:32:53 +05'30'

Vivek Ranjan
Associate Leadership Team
Encl.: as above

Copy to-

(i) New York Stock Exchange (NYSE)
(ii) Singapore Stock Exchange
(iii) Japan Securities Dealers Association
(iv) SIX Swiss Exchange Ltd.

ICICI Bank Limited Media conference call for quarter ended March 31, 2024

on April 19, 2025

Certain statements in this release relating to a future period of time (including inter alia concerning our future business plans or growth prospects) are forward-looking statements intended to qualify for the 'safe harbor' under applicable securities laws including the US Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. These risks and uncertainties include, but are not limited to statutory and regulatory changes, international economic and business conditions; political or economic instability in the jurisdictions where we have operations, increase in non-performing loans, unanticipated changes in interest rates, foreign exchange rates, equity prices or other rates or prices, our growth and expansion in business, the adequacy of our allowance for credit losses, the actual growth in demand for banking products and services, investment income, cash flow projections, our exposure to market risks, changes in India's sovereign rating, as well as other risks detailed in the reports filed by us with the United States Securities and Exchange Commission. Any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of the date of this release. ICICI Bank undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof. Additional risks that could affect our future operating results are more fully described in our filings with the United States Securities and Exchange Commission. These filings are available at www.sec.gov. This release does not constitute an offer of securities.

Moderator:

Ladies and gentlemen, we welcome you all to ICICI Bank's Results Conference Call with Mr. Sandeep Batra, Executive Director, ICICI Bank and Mr. Anindya Banerjee, Group Chief Financial Officer, ICICI Bank. Mr. Batra will now give you an overview of the results, which will be followed by a Q&A session.

Thank you and over to you, sir.

Sandeep Batra:

Good evening everyone. Thank you all for joining us today.

The Indian economy continues to be supported by a series of structural reforms implemented over the past years and continuing policy measures. The authorities are taking various steps to maintain macroeconomic stability and support growth in the context of global headwinds and a volatile external environment. In this backdrop, we continue to remain focused on our long-term strategy, aligned with India's evolving economic landscape and growth potential, while being mindful of risks.

At ICICI Bank, our strategic focus continues to be on growing profit before tax excluding treasury through the 360-degree customer centric approach and by serving opportunities across ecosystems and micromarkets. We continue to operate within our strategic framework to strengthen our franchise. Maintaining high standards of governance, deepening coverage and enhancing delivery capabilities are focus areas for our risk calibrated profitable growth.

Our Board has today approved the financial results of ICICI Bank for the quarter and year ended March 31, 2025. I would like to highlight some key numbers:

First of all on profit and capital

A. Profit and capital

1. Net interest income increased by 11.0% year-on-year to ₹21,193 crore in Q4-2025
2. Net interest margin was 4.41% in Q4-2025 compared to 4.25% in Q3-2025 and 4.40% in Q4-2024. The net interest margin was 4.32% in FY2025 compared to 4.53% in FY2024
3. Fee income grew by 16.0% year-on-year to ₹6,306 crore in Q4-2025
4. Core operating profit grew by 13.7% year-on-year to ₹17,425 crore in Q4-2025
5. Provisions (excluding provision for tax) were ₹891 crore in Q4-2025. The Bank, on a prudent basis, continues to hold provision against the security receipts guaranteed by the government, which will be reversed on actual receipt of recoveries or approval of claims, if any.

6. Profit before tax excluding treasury grew by 13.2% year-on-year to ₹16,534 crore in Q4-2025
7. Profit after tax grew by 18.0% year-on-year to ₹12,630 crore in Q4-2025 and grew by 15.5% year-on-year to ₹47,227 crore in FY2025
8. Consolidated profit after tax grew by 15.7% year-on-year to ₹13,502 crore in Q4-2025 and grew by 15.3% year-on-year to ₹51,029 crore in FY2025
9. The Board has recommended a dividend of ₹11 per share for FY2025. The declaration and payment of dividend is subject to requisite approvals
10. At March 31, 2025, the Bank had a net worth over ₹2.92 lakh crore. After reckoning the impact of proposed dividend, CET-1 ratio was 15.94% and total capital adequacy ratio was 16.55%

Moving on to deposit growth.

B. Deposit growth

1. Total period-end deposits increased by 14.0% year-on-year to ₹16,10,348 crore at March 31, 2025
2. Average deposits increased by 11.4% year-on-year to ₹14,86,635 crore during Q4-2025
3. Average current account deposits increased by 9.6% year-on-year
4. Average savings account deposits increased by 10.1% year-on-year
5. The Bank opened 241 branches during Q4-2025, 460 branches in the last 12 months and had a network of 6,983 branches and 16,285 ATMs and cash recycling machines at March 31, 2025

Moving to loan growth

C. Loan growth

1. The domestic loan portfolio grew by 13.9% year-on-year and 2.2% sequentially at March 31, 2025
2. The retail loan portfolio grew by 8.9% year-on-year and 2.0% sequentially. Including non-fund outstanding, the retail loan portfolio was 43.8% of the total portfolio. The personal loan portfolio grew by 4.2% year-on-year and 0.6%

sequentially. The credit card portfolio grew by 11.7% year-on-year and 0.9% sequentially. The business banking portfolio grew by 33.7% year-on-year and 6.2% sequentially. The rural portfolio grew by 5.1% year-on-year and declined by 1.5% sequentially. Growth in the domestic corporate portfolio was 11.9% year-on-year and declined by 0.4% sequentially at March 31, 2025

3. 74.8% of the corporate loan portfolio was rated A- and above at March 31, 2025

D. Technology initiatives

We continue to enhance the use of technology in our operations to provide simplified solutions to customers and making investments in our digital channels. We expect to further strengthen system resilience and simplify processes.

Moving to asset quality.

E. Asset Quality

1. Net NPA ratio was 0.39% at March 31, 2025 compared to 0.42% at December 31, 2024 and 0.42% at March 31, 2024
2. During Q4-2025, there were net additions to gross NPAs of ₹1,325 crore
3. Gross NPA additions were ₹5,142 crore in Q4-2025. Recoveries and upgrades of NPAs, excluding write-offs and sale, were ₹3,817 crore in Q4-2025
4. Gross NPAs written off were ₹2,118 crore in Q4-2025
5. There was sale of NPAs of ₹2,786 crore in the current quarter. The sale of NPA consists of ₹1,605 crore of security receipts and ₹314 crore in cash. The Bank continues to hold 100% provisions against these security receipts
6. Provisioning coverage ratio on non-performing loans was 76.2% at March 31, 2025
7. Total fund based outstanding to all borrowers under resolution as per the various extant regulations declined to ₹1,956 crore or 0.1% of total advances at March 31, 2025 from ₹2,107 crore at December 31, 2024. The Bank holds provisions amounting to ₹643 crore against these borrowers under resolution, as of March 31, 2025

8. Loans and non-fund based outstanding to performing corporate borrowers rated BB and below were ₹2,854 crore at March 31, 2025 compared to ₹2,193 crore at December 31, 2024
9. The total provisions during Q4-2025 were ₹891 crore or about 5.1% of core operating profit and about 0.27% of average advances. The Bank continues to hold contingency provisions of ₹13,100 crore at March 31, 2025

Going forward, we will continue to operate within our strategic framework while focussing on micromarkets and ecosystems. The principles of "Fair to Customer, Fair to Bank", "One Bank, One Team" and "Return of Capital" will guide our operations. We focus on building a culture where every employee in the Bank serves customers with humility and upholds the values of brand ICICI. We aim to be the trusted financial services provider of choice for our customers and deliver sustainable returns to our shareholders.

With this, I conclude my opening remarks. I will be happy to take your questions.

Moderator:

Thank you very much, sir. We will now begin the Q&A session with Mr. Batra and Mr. Banerjee.

Anyone who wishes to ask a question may press "*" and "1" on their telephone. If you wish to remove yourself from the question, you may press "*"and "2". Today's announcement is on the Bank's financial performance. Hence, we would like to request you to ask questions related to that. Please write to the Corporate Communications team separately for any other queries.

Due to time constraints, I request all of you to ask two questions at a time. If you have additional queries, you may join the queue again if time permits. Thank you.

The first question is from the line of Vishwanath Nair from NDTV Profit. Please go ahead.

Vishwanath Nair:

Good evening, Mr. Batra. Just wanted to get a sense on this net interest margin number, the sudden jump of 4.41%, what is contributing to this?

And the second one: you talked about an uncertain global environment. Looking at your corporate portfolio, is there anything that you're looking at doing specifically at the Bank, which may protect the book against any undue volatility?

Sandeep Batra:

Thank you, Vishwanath. As you are aware, the net interest margin was 4.41% in this quarter, compared to about 4.25% in the previous quarter. The movement in NIM from Q3 to Q4 was primarily due to impact of day count, which we had in a way highlighted earlier, CRR reduction in Q3 and some interest on tax refunds. And of course, this was partly offset by repo rate and increase in cost of funds.

And from our overall long-term perspective, if you recall, NIM was around 4%, prior to commencement of rate cycle in FY22. And with increase in repo rates and NIM movement to the level, we had moved it about 4.5% over the last two years before it has declined to about 4.3% during the current year.

In the near term, we will follow by and large what's happening in the banking system. And these margins would be impacted by repo rate cuts. And we do expect more repo rates to happen. And as you are aware, the deposits reprice happened with a lag. So, we will continue to look at various ways to maximise the opportunities to increase our risk-calibrated profits on a 360 basis.

To your second question around the volatile environment, specifically in the context of the book that we have built, we are very confident of the quality of the book that we have built. Of course, we will continue to watch the portfolio very carefully and we will see how it goes. There could be opportunities also during this period. But our approach has always been to maintain a risk-calibrated growth, and be focused on a return of capital principle, and that continues to be the same.

Vishwanath Nair:

Thank you.

Moderator:

Thank you. Next question is from Kshipra Petkar from Informist Media. Please go ahead.

Kshipra Petkar:

Sir, just a couple of questions. One, on your loan growth and deposit growth, are you expecting them to grow in the same pattern? Or are you expecting loan growth to be higher than deposit growth?

Sandeep Batra:

So, Kshipra, both these growths have to grow in tandem. If you see, we grew our loan portfolio by 13.9% for the year against the Bank, about 11%. And while we will see competitive intensity in pricing, but we do expect these growths will be a function of overall market. And our loan growth and deposit growth have to largely move in tandem. And if you see over last year also, they have grown in tandem. From our perspective, whenever we see opportunities, we have not been constrained by deposit growth.

Kshipra Petkar:

Right, sir. The other thing was on slippages. Where are you seeing the slippages coming from? And also, are you seeing any stress in any particular portfolio in any segment?

Sandeep Batra:

If I look at the slippages for the quarter, we had a total gross additions to NPAs of about ₹5,100 crore. Out of which retail and rural was about ₹4,300 crore, and corporate and business banking were ₹803 crore. Along with this, there have been recoveries, upgrades. The retail and rural portfolio, they were recoveries of about ₹3,000 crore, and corporate and business banking, we had a recovery of about ₹778 crore. So, ~~net-net,~~ the net additions have been just about ₹1,300 crore.

So, we continue to remain focused on both the quality of our customers, and that strategy continues to remain unchanged. We are not seeing any specific trends per se, but we will be closely monitoring our portfolio to identify any buildup of early stress. But at this point of time, the portfolio is quite stable.

Kshipra Petkar:

Okay. Thank you so much, sir.

Moderator:

Thank you. Next question is from the line of Siddhi Nayak from Thomson Reuters. Please go ahead.

Siddhi Nayak:

Hi, sir. Good evening. Just wanted some clarity on the numbers front. What percentage of your total retail book comprises of unsecured as of March 31?

Sandeep Batra:

Out of a total retail portfolio, our personal loan is about 16.9%, and credit cards is about 8%.

Anindya Banerjee:

No. Total is 13.4%.

Sandeep Batra:

Of the total book or of the retail book? Of the total book, it's about 13%.

Siddhi Nayak:

13%, right? And credit cards specifically is how much?

Anindya Banerjee:

4%.

Sandeep Batra:

Credit card is about 4%.

Siddhi Nayak:

4%. Okay. So, I just wanted to get a sense on what trends are you seeing, especially in the unsecured book, in terms of the bounce rates, etc. What are the trends that are emerging and how would you want to plan to grow this unsecured book in the coming quarters?

Sandeep Batra:

If you see our rate of growth in personal loan and credit card has slowed down. Year-on-year, our personal loan has grown by about 4.2% and credit cards is about 11.7%. We really do not have a target and we largely look at customer segments, as long as we are comfortable with the quality of the credit that we are happy to lend to these segments. These principles we have been talking for a long time. I mean, we fundamentally follow the principles of return of capital and assess cash flows. We are not focused on any particular segment or a product. And we always focus on known and accessible customers, try to deepen the existing relationships, which provide us liability information and credit assessments. These considerations have been helping us over the years and the strategy continues to remain the same. Based on current overdue trends and delinquency levels, the credit quality portfolio in this segment is quite stable. And of course, as I mentioned, even on the corporate side, even here, we will continuously monitor these portfolios to identify any early buildup of stress.

Siddhi Nayak:

Okay, sir, I'll come back.

Moderator:

Thank you. The next question is from the line of Shayan Ghosh from Mint. Please go ahead.

Shayan Ghosh:

Hi, Mr. Batra. I had a question on CASA. Do you see an impact of this recent savings deposit rate cut on your CASA ratio, which anyway has been declining in the last couple of quarters? That's one.

The second question is, corporate loans have grown faster than retail. That was the case last quarter also. Are these fresh loans or would it be largely refinanced? And if you could give us an outlook on how these two segments, corporate and retail, how do you see them in the next financial year, in FY26? Thank you.

Sandeep Batra:

Thank you, Shayan. First of all, on your questions around CASA, we have been seeing a healthy growth of deposits, with average total deposits grew by 11.4% year-on-year and CASA has grown by about 10%. The period end deposit was, of course, about 14% when the banking system grew at about 10%. Our focus is essentially around overall quantum and cost of deposit mobilisation. And of course, CASA and retail term performance play an important part of it.

We focus on overall relationships. We focus on money in banks. And we do not, frankly, drive any particular kind of deposits, whether CA, SA or term deposits. Our objective is to serve the customers and do 360-degree banking. We are comfortable, and we would certainly like to be a primary bank for the customers. And that's an area of our focus and we will continue to remain with that.

Moving to your questions around retail and wholesale loans. As we have articulated earlier, we do not have any product mix targets. We continue to assess risks and whatever falls within our risk framework, we are happy to lend in that basis. Based on this, we have built our portfolio. The allocation between retail, business banking, rural and wholesale is an outcome rather than a specific strategy. We focus on customers as opposed to focussing on segments. So, that continues to remain.

Shayan Ghosh:

Okay. Thank you.

Moderator:

Thank you. We'll take our next question from the line of Lalatendu Mishra from Hindu. Please go ahead.

Lalatendu Mishra:

Good evening, Mr. Batra. In continuation with Vishwanath's question, I would like to know what would be the overall impact of the trade war, and the likely disruptions to supply chain globally, if you can please elaborate. I'll ask the second question later.

Sandeep Batra:

It's very difficult for us to make that assessment. I'm sure the authorities are on top of it. As a bank, we will continue to support our customers in this direction. So, we would want to have a resilient balance sheet. We will continue to strengthen our capital position. We do have liquidity.

And both the Government and the Reserve Bank of India are seized of these, and they are taking proactive steps to mitigate the challenging environment at this point of time. I think, corporate India will respond appropriately. There will be challenges, there is no doubt about it. But there could well be opportunities for us as a country, and we will see how it goes.

See as a bank, we will continue to focus on monitoring this portfolio and developments very, very carefully. We will be focused on our risk-calibrated strategy, which we have articulated. It has paid us well over the years, and we will continue to remain focused there.

Lalatendu Mishra:

Okay, okay. Sir have you already done the transmission of the repo rate cut in two tranches?

Sandeep Batra:

That happens immediately. For at least the retail as well as the business banking, whatever is linked to the external benchmarks, it resets within a period of about 3 months. So, that happens automatically.

Lalatendu Mishra:

Both on interest rate as well, on the borrowers as well?

Sandeep Batra:

On the lending side, yes. Sorry, there's nothing on the deposit side. Did you say deposits?

Lalatendu Mishra:

No, I didn't know the lending side.

Sandeep Batra:

On the lending side, it is just fairly automatic. It's the regulation around it. Transmission happens within a period of 3 to 6 months. Largely 3 months, actually.

Lalatendu Mishra:

Thank you so much, sir. Thank you.

Sandeep Batra:

Thank you.

Moderator:

Thank you. We'll take our next question from the line of V. Narayanan from Financial Express. Please go ahead.

V. Narayanan:

Good evening, sir. The retail loan portfolio growth has sharply come down from 19% like-to-like basis last year to just 9%. So, what contributed to this slowdown? That's my first question. And also, you are proposing to sell entire stake in NIIT Institute of Finance and Banking. If you can give what is the consideration there?

Sandeep Batra:

Two separate questions. Okay, one, the loan growth has primarily slowed down in the unsecured segment, where the loan growth for the year on personal loan was just about 4.2%, and credit card was 11.7%. As we have been talking, our approach has been more a risk-calibrated growth. And, of course, during this period, we have seen strong competition intensity in pricing of mortgages and corporate loans. And given the expectations of eminent rate cut, we were focused on appropriate spreads over our benchmark during the quarter and were focused more on sustainable profitability. So, that is essentially what it is.

We drive our business largely from a fairness to customers and a fairness to bank. And our objective is essentially to maximise our profit before tax. So, within that framework, both based on risk and profitability, we do our pricing. So, frankly, we are not really concerned about between retail, wholesale, as I mentioned earlier. We would like to grow our overall book in a risk-calibrated fashion. And that is what it is. If you see, the overall loan growth for the year has been about 13.3%. And that is also very much in line with what our deposit growth is. So, we look at everything as an overall thing.

The stake sale is a very small amount. We had had a JV with NIIT, which was set up, somewhere in 2006. And over the period, we are just wanting to rationalise and simplify our own portfolio where we want to remain focused on. And as part of that, we are doing the same.

V. Narayanan:

Thank you.

Moderator:

Thank you. Next question is from the line of Hamsini Karthik from Moneycontrol. Please go ahead.

Hamsini Karthik:

Hi. Good evening, Mr. Batra. Just like to understand a couple of things. The CASA ratio has now fallen well below around 40%. I'm sorry I don't have the final numbers with me, because the presentation is not up yet. And you guys have also reduced your rates on SA. Given that there is still a reasonable sight for deposits in the market, how much do you believe there is a scope for you to tinker with the overall deposit rates, and particularly more for SA? Do you believe that 2.7% is the rock bottom that we've hit, or you would want to revisit this number at subsequent ALCOs?

Sandeep Batra:

We largely respond to what is happening on the policy side. If you see, there has been a sharp reduction in the repo rate, two rate cuts have already happened. And with further rate cuts expected in the horizon, we were of the view it is an appropriate time to make a reduction in the savings account deposit rate.

So, this is something that we evaluate, given the macro environment. So, from our overall perspective, the CASA ratio for the current quarter was about 38.4%. Now this has very much been stable at around this level. Last year in March it was about, again, 38.9%, so it's marginally lower.

So, as I did mention earlier, we are looking at the overall deposit. Our overall average deposits has grown by about 11.4%, and about 1.9% sequentially. We are focused on the overall quantum and cost of deposit mobilisation and not necessarily individually on CASA and retail deposits.

Our focus has been on money in bank concepts, as I mentioned earlier, and that is where we will be. We would like to be the primary banker of our customers offering complete 360-degree solutions, and probably try to maximise our share within the customer's wallet and try to serve them as best as we can. So, that is essentially where we are.

Hamsini Karthik:

Perfect sir. There is also a notion that money might move out of SA to liquid funds which offer better rates. I know it's a little too early. We've just been about 10-15 days since the rate adjustments. But are you seeing any initial signs of it? And is it something as a trend that you would possibly be very watchful of, given that bulk deposits also matter quite significantly to large banks, including yours?

Sandeep Batra:

That is one way to look at it. There are all kinds of customers. Banking is largely a transacting account. Liquid funds have been around for a very long period of time, and across various cycles. Whatever money remains, money largely retains within the banking system. So, our focus is to maximise whatever the customer needs. Our focus is on our customers trying to deliver whatever he or she wants. And we will remain focused on that. And we do hope once we are able to deliver 360- degree, and being a complete banking suite, we will have the deposits that we need. So, as I said, we are not really focused on. If a customer wants to invest in liquid funds, we are happy to support that as well.

Hamsini Karthik:

Perfect sir. On the loan side, there has been a deceleration in growth on a sequential basis on rural banking. And it's also seen the weakest y-o-y growth, 5.1% or so. Earlier today, another bank also indicated that some sort of stress building up there. What really led to you slowing down? And if you could give a little more colour in terms of the quality of pressure that you're facing there in rural banking, both in terms of asset quality as well as challenges on the growth front?

Sandeep Batra:

~~No,~~ Our growth is largely a function of risk-calibrated approach that we take. I don't think so in our assessment there is any specific stress which I need to call out. We have had a growth of about 5.1% during the course of the year. That's on the rural loans and they contribute about 6% of our overall book.

We are happy with the quality of the book that we have built over here. And we will continue to expand it in a risk-calibrated fashion. So there is nothing specific that I want to call out here.

Hamsini Karthik:

So just one small request before I leave. Request, if you could please put in your presentation so that our questions can be a lot more informed. I mean, what are we doing is based on the basic questions, not helping our case much.

Sandeep Batra:

Yes, we will just do that shortly. Thank you.

Moderator:

Thank very much. Our next question comes from the line of Ashish Agashe from PTI. Please go ahead.

Ashish Agashe:

Thank you so much, sir. I hope I'm audible. So what percentage of your book would be linked to external benchmark and how much would be to others?

Sandeep Batra:

Our fixed loan book is about 31%, 53% is linked to repo, and about 15% is linked to MCLR.

Ashish Agashe:

53% to repo, right sir?

Sandeep Batra:

53% is to repo, 15% to MCLR, and 31% is fixed. Broadly, that is how the split is.

Ashish Agashe:

Okay, so given 53% is a repo, what sort of outlook do you keep on the margin front going ahead? You just mentioned that okay. It would be in sync with the industry, but do you expect sort of a sharper movement down or what sort of outlook do you keep this?

Sandeep Batra:

No, I think from an outlook and a business strategy perspective, we are focused on PBT and NIM is of course an important lever as part of that. There are product mixes and there are levers as repo rate cut happens. There is also a corresponding actions that we can take on the deposit side. As you are aware, we have reduced our savings bank account interest. And over a period of time, depending on competition etc., we will continue to look at even the fixed deposit rates. As you are aware, the repricing of the loan book happens much faster than deposits. To that extent, there will be some kind of a match. So, beyond that, as a bank, we are clearly focused on, as I mentioned, to the profit before tax. And of course, NIM is an important component of that.

Ashish Agashe:

Okay, sir. And has there been any review undertaken at the Bank side say on derivative rates and other things, especially after considering some difficulties at a peer bank?

Sandeep Batra:

No, we continuously do that review. I mean, both, I mean, between from internal audit etc. Based on our reviews, we are very comfortable with the accounting treatment and the book that we have built over here. So there is nothing to worry about on this count at all.

Ashish Agashe:

Thank you so much sir.

Moderator:

Thank you. We'll take the next question from Ram Kumar from Hindu Business Line. Please go ahead.

Ram Kumar:

Yes. Good evening. So your board today took a decision on buying back securities. So I just wanted to understand how much of the securities will you be buying and what will be the effect of this buyback of the securities actually? What is the purpose of this purchase?

Anindya Banerjee:

So it is just enabling approval that we take annually to do any buyback of debt securities. You know there are opportunities in the market, if markets are dislocated. But it's more of an enabling approval and there is no specific plan.

Ram Kumar:

Okay, it is not with a view to I mean to say refinancing because older securities would have contracted at a higher rate so anyway rates are coming down in the market, so maybe you are replacing the older securities with the newer securities actually. Is that the way you are looking at?

Anindya Banerjee:

Typically, it wouldn't work that way because the holder of the higher yielding securities would not want to give them up. So these are only if there are market dislocations of some kind. Sometimes there are opportunities. But typically, we are not looking. It's more of an enabling approach. There's no specific plan.

Ram Kumar:

And also, you pointed out about this capital strengthening, actually. So what is the kind of capital and the strengthening exercise you are undertaking here? Any plans to raise money through probably equity, through 81 bonds? What exactly is your plan?

Sandeep Batra:

No, we don't. Even the tier 1 and 81 approvals that we have got, these are enabling in nature. So there is no specific plans done. And whenever we see an opportunity or a need, both from a pricing point of view, we will do that.

Ram Kumar:

And can you give us an outlook on the deposit and credit growth? This time it has grown by 14%. Do you expect it to be higher than this or lower than this? What exactly is the position?

Sandeep Batra:

Ram, it's very difficult to point this out. A lot of it depends on macros, how RBI looks at it. It is an environment you are all familiar with. So we will try to continue to remain nimble and react to both opportunities and risks in an appropriate fashion.

Ram Kumar:

Yes, and one last question about branch addition. This year, how many branches will you be adding?

Sandeep Batra:

So during the last year, we added a little over 400 branches. We do expect to add a similar number of branches during the next year.

Ram Kumar:

Thank you.

Moderator:

Thank you very much. Next question is from line of Advait from Bloomberg. Please go ahead.

Advait:

Hi, good evening, sir. Just wanted to know, given that sequentially the retail loan growth has come down, is there less demand for loans or is it probably from your credit assessment? Even though inflation is down, and the economy has rebounded, do you expect consumption to be weak or from a retail loan side? And also, corporate loan side, given that tariff is a bit of a mixed basket as to the impact on specific sectors, but the Bank taken any sectoral stance in terms of trade finance, supply chain finance, export-oriented companies?

Sandeep Batra:

No, we can't. I think that two, three parts of it. Our approach has been having a risk calibrated growth. You've seen the numbers for both corporate and retail. On the business banking side, we continue to see a healthy growth. We do have an integrated approach covering coverage, credit delivery to our customers. Our corporate portfolio is about 20% of our overall portfolio and it is doing well. The business banking portfolio is also doing very well. We look at customer from a 360 degree and assess the total relationship value with the customers and ecosystems. So I think, as I did mention, given all the impact on tariffs, while this environment externally will remain volatile, we will continue to remain nimble. We will continue to remain focused. And for the segments that we are comfortable and which meets our risk threshold, we are happy to grow the segment also. We do believe while there will be risks, there will also be opportunities during the course of the year and we will be mindful of both.

Advait:

On the retail side, I think sequentially it's sub 1% is what is reflected. People aren't borrowing as much as they should. I mean, whether they could or should we just see that credit started coming to you through the Bank?

Sandeep Batra:

No, I don't think so. We look at a customer and in case there is a need, and we are more than happy to lend. I don't think so there is any specific segment which I can really call out whether customers are borrowing or not borrowing. Every customer who is bankable, we are happy to lend to that segment.

Moderator:

Thank you. We'll take the next question from line of Anupreksha Jain from Business Standard. Please go ahead.

Anupreksha Jain:

So my first question is regarding, so how do you see tariffs impacting the international business given that the volatility has increased in global markets. And second, I want to know about how's the attrition rate so far and where are we seeing on retaining people or employees. And thirdly, growth guidance on NIM. Just want to know these three points.

Sandeep Batra:

That's lots of questions, Anupreksha. Let me try to answer them. Coming on the tariffs, I have in a way sort of answered it. There is an uncertain global environment. And of course, it will put pressure on long-term growth. And we will continue to prioritise resilience. And we will continue to look at the customer segments, which we believe are strong and which meet our risk threshold, so that is a strategy. As I mentioned, we will continue to remain nimble and focused. The second question was on the attrition rate. These rates, we will give it as a headcount. We will probably give it as part of our annual report. And the third question was around. Sorry, what was the question?

Anupreksha Jain:

Growth guidance on NIM.

Sandeep Batra:

NIM as I did mention, I mean, there are many moving parts, such as extent and timing of further repo cards, quantum and timing of decline of both retail and wholesale deposits, competition intensity, global uncertainty and liquidity. While the quantum of rate cuts expected has increased, we have also seen moderation in retail and wholesale deposits. So the NIM trajectory over a longer term, it's difficult to call out, but in the past, NIM was around 4% prior to the current rate hike cycle which started at the end of FY22. When the rate increase happened, our NIMS moved from about 4% to about 4.5% in FY23 and 24, before declining to about 4.3% during the current year. So in the near term, by and large, we will be in line with the banking system. We will, of course, our margins will get impacted by repo rate cuts because a fair bit of loans are linked to the external benchmarks, which reprice pretty fast within a three to six months period and deposits reprice to the lag. So from our perspective, we will continue to look at ways to leverage the overall franchise to maximise the risk calibrated profits and look at all the levers of which NIM is one of them.

Anupreksha Jain:

Thank you.

Moderator:

Thank you. We'll take the next question from Falaknaaz Syed from Deccan Chronicle. Please go ahead.

Falaknaaz Syed:

Slippages are more from the retail book. Are there any segments that you will focus on and which are the segments you will want to stay away from? And the other question is on MCLR rates. It is almost three months, two rate cuts have happened. This EVLR rates has fallen, but we are not seeing anything on the MCLR rates. When do you see MCLR rates falling for the banking sector and also for your own bank?

Sandeep Batra:

So Falak, I think we will be watchful of the situation. I don't have any specific guidance on deposits. As I think we have already explained that this is all external linked. On MCLR, it's formula based. I don't think so we have too much of flexibility. There is a whole formula prescribed by Reserve Bank of India. And based on that, it is more linked to the deposit repricing. And as I did mention, deposits reprice with a lag. As the deposit rates reprice, the MCLR also will go down. So that is on the deposit side. Your first question was on?

Falaknaaz Syed:

Slippages are mostly from the retail book?

Sandeep Batra:

Falak, I don't think so we are focused on any segment, as I've been talking about. We are focussing more on a customer. And if a customer is good, the segment that you see is more an outcome of the quality of customers that we have onboarded. There is no specific area or sub segment within a retail that we need to call out. And I think if you see the overall numbers, they are well within our thresholds and we are quite comfortable with the quality of book that we have built.

Falaknaaz Syed:

Can you give a breakup of the retail slippages?

Sandeep Batra:

I did mention it, but probably I will read out for your benefit.

Falaknaaz Syed:

So ₹4,300 crore is retail?

Sandeep Batra:

That's right.

Falaknaaz Syed:

So can you give of that how much more? Mostly it has come from which segment?

Sandeep Batra:

Falak, we don't give further splits. This is retail and rural combined. So out of this ₹4,300 crore, ₹3,000 crore was also there were recoveries and upgrades happened.

Falaknaaz Syed:

Thank you.

Moderator:

The next question is from the line of Benn from New Indian Express. Please go ahead.

Benn:

Good evening, Mr. Batra. Hello. Can you hear me?

Sandeep Batra:

Yes, Benn, go ahead.

Benn:

Mr. Batra, this is pertained to the trade war issues. I don't know whether you'll give a breakup. What is your total corporate book? How much is your trade finance? Can you give that number? Just to know the impact, whether it goes for a toss, what will be if the trade war gets worse than what it is today?

Sandeep Batra:

No, we do not give that split. I mean, it's very difficult to give that kind of a split. I think corporate India is strong and they are taking effective steps to steer the challenges that have emerged at this point of time. And we will see how it goes.

Benn:

And my last question is, there are reports about credit card delinquency pricing. How is your book, these two books, is the total of the total slippages, can you put a percentage to that, whether it came more from these two books?

Sandeep Batra:

No, of course, I mean, the credit card is a product which has a relatively higher provisions, which is the nature of the product. But we have built our overall retail portfolio on the fundamental premises of capital and cash flow assessment. So we try to work with borrowers who are known and accessible. We continue to remain focused. The delinquencies on unsecured portfolio have been marginally higher over the last one year. They are low in the overall context. So as you are aware, over the last 12 to 15 months, we have strengthened our credit parameters, which is a combination of profile, track records, bureau score, leverage etc. And we have sort of strengthened these areas. The overall loan growth, based on that, the personal loan growth has declined by about 32.5%, which was there in Q4 of 2024, to about 4.2% in the current quarter. So we have taken effective steps to reduce the growth rate, which is in line with our assessment of the opportunities and risks that we see in the portfolio. But overall, we see the unsecured portfolio stabilising. And as it does, we'll be happy to grow that portfolio.

Benn:

And how big is your PL book and the CC in terms of overall assets outstanding?

Sandeep Batra:

So, the overall credit card, sorry, you're talking of credit cards or CC?

Benn:

Credit card and as well as the personal loan, unsecured personal loan, the book size.

Sandeep Batra:

The credit card is about ₹57,000 crore. The personal loan is ₹ 1,21,000 crore.

Benn:

₹1,21,000 crore. Okay, thank you so much.

Moderator:

Thank you very much.

Sandeep Batra:

Thank you so much and hope for have a good evening and thank you for being with us today afternoon.

Moderator:

Thank you very much. This brings the conference call to an end. On behalf of ICICI Bank, we thank you all for joining us and you may now disconnect your lines. Thank you.

ICICI Bank Limited

Earnings conference call - Quarter ended March 31, 2025 (Q4-2025)

April 19, 2025

Certain definitions in this release relating to a future period of time (including inter alia concerning our future business plans or growth prospects) are forward-looking statements intended to qualify for the 'safe harbor' under applicable securities laws including the US Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. These risks and uncertainties include, but are not limited to statutory and regulatory changes, international economic and business conditions, political or economic instability in the jurisdictions where we have operations or which affect global or Indian economic conditions, increase in nonperforming loans, unanticipated changes in interest rates, foreign exchange rates, equity prices or other rates or prices, our growth and expansion in business, the adequacy of our allowance for credit losses, the actual growth in demand for banking products and services, investment income, cash flow projections, our exposure to market risks, changes in India's sovereign rating, as well as other risks detailed in the reports filed by us with the United States Securities and Exchange Commission. Any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of the date of this release. ICICI Bank undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof. Additional risks that could affect our future operating results are more fully described in our filings with the United States Securities and Exchange Commission. These filings are available at www.sec.gov

This release does not constitute an offer of securities.

Moderator:

Ladies and gentlemen, good day and welcome to ICICI Bank Limited Q4-FY2025 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Sandeep Bakhshi, Managing Director and CEO of ICICI Bank. Thank you and over to you sir.

Mr. Bakhshi's opening remarks

Thank you. Good evening to all of you and welcome to the ICICI Bank Earnings Call to discuss the results for Q4 of FY2025. Joining us today on this call are Sandeep Batra, Rakesh, Ajay, Anindya and Abhinek.

At ICICI Bank, our strategic focus continues to be on growing profit before tax excluding treasury through the 360-degree customer centric approach and by serving opportunities across ecosystems and micromarkets. We continue to operate within our strategic framework to strengthen our franchise. Maintaining high standards of governance, deepening coverage and enhancing delivery capabilities are focus areas for our risk calibrated profitable growth.

The profit before tax excluding treasury grew by 13.2% year-on-year to 165.34 billion Rupees in this quarter and by 11.4% year-on-year to 607.13 billion Rupees in FY2025. The core operating profit increased by 13.7% year-on-year to 174.25 billion Rupees in this quarter and by 12.5% year-on-year to 653.96 billion Rupees in FY2025. The profit after tax grew by 18.0% year-on-year to 126.30 billion Rupees in this quarter. For the fiscal year 2025, the profit after tax grew by 15.5% year-on-year to 472.27 billion Rupees. The consolidated profit after tax grew by 15.7% year-on-year to 135.02 billion Rupees in this quarter and by 15.3% year-on-year to 510.29 billion Rupees in FY2025. The Board has recommended a dividend of 11 Rupees per share for FY2025, subject to requisite approvals.

Total deposits grew by 14.0% year-on-year and 5.9% sequentially at March 31, 2025. During the quarter, average deposits grew by 11.4% year-on-year and 1.9% sequentially and average current and savings account deposits grew by 10.0% year-on-year and 0.5% sequentially. The Bank's average liquidity coverage ratio for the quarter was about 126%.

The domestic loan portfolio grew by 13.9% year-on-year and 2.2% sequentially at March 31, 2025. The retail loan portfolio grew by 8.9% year-on-year and 2.0% sequentially. Including non-fund based outstanding, the retail portfolio was 43.8% of the total portfolio. The rural portfolio grew by 5.1% year-on-year and declined by 1.5% sequentially. The business banking portfolio grew by 33.7% year-on-year and 6.2% sequentially. The domestic corporate portfolio grew by 11.9% year-on-year and declined by 0.4% sequentially. The overall loan portfolio including the international branches portfolio grew by 13.3% year-on-year and 2.1% sequentially at March 31, 2025.

The net NPA ratio was 0.39% at March 31, 2025 compared to 0.42% at December 31, 2024 and 0.42% at March 31, 2024. The total provisions during the quarter were 8.91 billion Rupees or 5.1% of core operating profit and 0.27% of average advances. The provisioning coverage ratio on non-performing loans was 76.2% at March 31, 2025. In addition, the Bank continues to hold contingency provisions of 131.00 billion Rupees or about 1.0% of total advances at March 31, 2025.

The capital position of the Bank continued to be strong with a CET-1 ratio of 15.94% and total capital adequacy ratio of 16.55% at March 31, 2025, after reckoning the impact of proposed dividend.

Looking ahead, we see many opportunities to drive risk calibrated profitable growth. We believe our focus on customer 360 degree, extensive franchise and collaboration within the organisation, backed by our focus on enhancing delivery systems and simplifying processes will enable us to deliver holistic solutions to customers in a seamless manner and grow market share across key segments. We will continue to make investments in technology, people, distribution and building our brand. We are laying strong emphasis on strengthening our operational resilience for seamless delivery of services to customers. We will remain focused on maintaining a strong balance sheet with prudent provisioning and healthy levels of capital. The principles of “Return of Capital”, “Fair to Customer, Fair to Bank” and “One Bank, One Team” will continue to guide our operations. We remain focused on delivering consistent and predictable returns to our shareholders.

I now hand the call over to Anindya.

Anindya’s opening remarks

Thank you, Sandeep. I will talk about loan growth, credit quality, P&L details, technology initiatives, portfolio trends and the performance of subsidiaries.

A. Loan growth

Sandeep covered the loan growth across various segments. Coming to the growth across retail products, the mortgage portfolio grew by 11.0% year-on-year and 2.8% sequentially. Auto loans grew by 4.6% year-on-year and 0.4% sequentially. The commercial vehicles and equipment portfolio grew by 7.0% year-on-year and 2.9% sequentially. Personal loans grew by 4.2% year-on-year and 0.6% sequentially. The credit card portfolio grew by 11.7% year-on-year and 0.9% sequentially. The personal loans and credit card portfolio were 9.1% and 4.3% of the overall loan book respectively at March 31, 2025.

The overseas loan portfolio, in US dollar terms, declined 10.2% year-on-year at March 31, 2025. The overseas loan portfolio was about 2.3% of the overall loan book at March 31, 2025. Of the overseas corporate portfolio, about 91% comprises Indian corporates.

B. Credit quality

The gross NPA additions were 51.42 billion Rupees in the current quarter compared to 60.85 billion Rupees in the previous quarter. Recoveries and upgrades from gross NPAs, excluding write-offs and sale, were 38.17 billion Rupees in the current quarter compared to 33.92 billion Rupees in the previous quarter. The net additions to gross NPAs were 13.25 billion Rupees in the current quarter compared to 26.93 billion Rupees in the previous quarter.

The gross NPA additions from the retail and rural portfolios were 43.39 billion Rupees in the current quarter compared to 53.04 billion Rupees in the previous quarter. Recoveries and upgrades from the retail and rural portfolios were 30.39 billion Rupees compared to 27.86 billion Rupees in the previous quarter. The net additions to gross NPAs in the retail and rural portfolios were 13.00 billion Rupees compared to 25.18 billion Rupees in the previous quarter.

The gross NPA additions from the corporate and business banking portfolios were 8.03 billion Rupees compared to 7.81 billion Rupees in the previous quarter. Recoveries and upgrades from the corporate and business banking portfolios were 7.78 billion Rupees compared to 6.06 billion Rupees in the previous quarter. There were net additions to gross NPAs of 0.25 billion Rupees in the corporate and business banking portfolios compared to net additions of 1.75 billion Rupees in the previous quarter.

The gross NPAs written-off during the quarter were 21.18 billion Rupees. Further, there was sale of NPAs of 27.86 billion Rupees in the current quarter compared to 0.58 billion Rupees in the previous quarter. These were fully provided NPAs, and in lieu of sale, the Bank received 16.05 billion Rupees of security receipts and 3.14 billion Rupees in cash, with the balance 8.67 billion Rupees being written-off, which is in addition to the write-offs mentioned earlier. The Bank continues to hold 100% provisions against these security receipts.

The non-fund based outstanding to borrowers classified as non-performing was 30.75 billion Rupees as of March 31, 2025 compared to 31.60 billion Rupees as of December 31, 2024. The provisions on this non-fund based outstanding was 16.60 billion Rupees at March 31, 2025 compared to 17.12 billion Rupees at December 31, 2024.

The total fund based outstanding to all standard borrowers under resolution as per various guidelines declined to 19.56 billion Rupees or about 0.1% of the total loan portfolio at March 31, 2025 from 21.07 billion Rupees at December 31, 2024. Of the total fund based outstanding under resolution at March 31, 2025, 17.55 billion Rupees was from the retail and rural portfolios and 2.01 billion Rupees was from the corporate and business banking portfolios. The Bank holds provisions of 6.43 billion Rupees against these borrowers, which is higher than the requirement as per RBI guidelines.

Moving on to the P&L details:

C. P&L details

Net interest income increased by 11.0% year-on-year to 211.93 billion Rupees in this quarter. The net interest margin was 4.41% in this quarter compared to 4.25% in the previous quarter and 4.40% in Q4 of last year. The impact of interest on tax refund was about 2 basis points in the current quarter compared to about 1 basis point in the previous quarter and nil in Q4 of last year. The net interest margin was 4.32% in FY2025.

The domestic NIM was 4.48% in this quarter compared to 4.32% in the previous quarter and 4.49% in Q4 of last year. The cost of deposits was 5.00% in this quarter compared to 4.91% in the previous quarter. Of the total domestic loans, interest rates on about 53% of the loans are linked to the repo rate, 15% to MCLR and other older benchmarks and 1% to other external benchmarks. The balance 31% of loans have fixed interest rates.

Non-interest income, excluding treasury, grew by 18.4% year-on-year to 70.21 billion Rupees in Q4 of 2025.

- Fee income increased by 16.0% year-on-year to 63.06 billion Rupees in this quarter. Fees from retail, rural and business banking customers constituted about 80% of the total fees in this quarter.

- Dividend income from subsidiaries was 6.75 billion Rupees in this quarter compared to 4.84 billion Rupees in Q4 of last year. Dividend income from subsidiaries was 26.19 billion Rupees in FY2025 compared to 20.73 billion Rupees in FY2024. The year-on-year increase in dividend income was primarily due to higher dividend from ICICI Bank Canada, ICICI Prudential Asset Management Company and ICICI Securities Primary Dealership.

On Costs: The Bank's operating expenses increased by 11.2% year-on-year in this quarter and 8.3% year-on-year in FY2025. Employee expenses increased by 10.3% year-on-year and non-employee expenses increased by 11.7% year-on-year in this quarter. Our branch count has increased by 241 in Q4 and 460 in FY2025. We had 6,983 branches as of March 31, 2025. The technology expenses were about 10.7% of our operating expenses in FY2025.

The total provisions during the quarter were 8.91 billion Rupees or 5.1% of core operating profit and 0.27% of average advances compared to the provisions of 12.27 billion rupees in the previous quarter. The total provisions during FY2025 increased by 28.5% year-on-year to 46.83 billion Rupees. The Bank, on a prudent basis, continues to hold provision against the security receipts guaranteed by the government, which will be reversed on actual receipt of recoveries or approval of claims, if any.

The provisioning coverage on non-performing loans was 76.2% as of March 31, 2025. In addition, we hold 6.43 billion Rupees of provisions on borrowers under resolution. Further, the Bank continues to hold contingency provision of 131.00 billion Rupees as of March 31, 2025. At the end of March, the total provisions, other than specific provisions on fund-based outstanding to borrowers classified as non-performing, were 226.51 billion Rupees or 1.7% of loans.

The profit before tax excluding treasury grew by 13.2% year-on-year to 165.34 billion Rupees in Q4 of this year and by 11.4% year-on-year to 607.13 billion Rupees in FY2025.

Treasury gains were 2.39 billion Rupees in Q4 as compared to a treasury loss of 2.81 billion Rupees in Q4 of the previous year. The treasury loss in Q4 of previous year includes the transfer of negative balance of 3.40 billion Rupees in Foreign Currency Translation Reserve related to Bank's Offshore Banking Unit in Mumbai to profit and loss account in view of the proposed closure of the Unit.

The tax expense was 41.43 billion Rupees in this quarter compared to 36.13 billion Rupees in the corresponding quarter last year. The profit after tax grew by 18.0% year-on-year to 126.30 billion Rupees in this quarter. The profit after tax grew by 15.5% year-on-year to 472.27 billion Rupees in FY2025.

D. Technology initiatives

We continue to enhance the use of technology in our operations to provide simplified solutions to customers and make investments in our digital channels. We expect to further strengthen system resilience and simplify our processes.

E. Portfolio information

We have provided details on our retail, rural and business banking portfolios on slides 25 to 28 of the investor presentation.

The loans and non-fund based outstanding to performing corporate borrowers rated BB and below were 28.54 billion Rupees at March 31, 2025 compared to 21.93 billion Rupees at December 31, 2024. This portfolio was about 0.2% of our advances at March 31, 2025. Other than two accounts, the maximum single borrower outstanding in the BB and below portfolio was less than 5.00 billion Rupees at March 31, 2025. The Bank holds provision of 4.38 billion Rupees against this portfolio at March 31, 2025.

The total outstanding to NBFCs and HFCs was 918.38 billion Rupees at March 31, 2025 compared to 893.60 billion Rupees at December 31, 2024. The total outstanding loans to NBFCs and HFCs were about 6.8% of our advances at March 31, 2025.

The builder portfolio including construction finance, lease rental discounting, term loans and working capital was 616.24 billion Rupees at March 31, 2025 compared to 586.36 billion Rupees at December 31, 2024. The builder portfolio was about 4.6% of our total loan portfolio. Our portfolio largely comprises well-established builders and this is also reflected in the sequential increase in the portfolio. About 1.7% of the builder portfolio at March 31, 2025 was either rated BB and below internally or was classified as non-performing, compared to 1.7% at December 31, 2024.

F. Consolidated results

The consolidated profit after tax grew by 15.7% year-on-year to 135.02 billion Rupees in this quarter. The consolidated profit after tax grew by 15.3% year-on-year to 510.29 billion Rupees in FY2025.

The details of the financial performance of key subsidiaries are covered in slides 36 to 38 and 57 to 62 in the investor presentation.

The annualised premium equivalent of ICICI Life was 104.07 billion Rupees in FY2025 compared to 90.46 billion Rupees in FY2024. The value of new business was 23.70 billion Rupees in FY2025 compared to 22.27 billion Rupees in FY2024. The value of new business margin was 22.8% in FY2025 compared to 24.6% in FY2024. The profit after tax of ICICI Life was 11.89 billion Rupees in FY2025 compared to 8.52 billion Rupees in FY2024 and was 3.86 billion Rupees in current quarter compared to 1.74 billion Rupees in Q4 of last year.

Gross Direct Premium Income of ICICI General was 268.33 billion Rupees in FY2025 compared to 247.76 billion Rupees in FY2024. The combined ratio stood at 102.8% in FY2025 compared to 103.3% in FY2024. Excluding the impact of CAT losses of 0.94 billion Rupees in FY2025 and 1.37 billion Rupees in FY2024, the combined ratio was 102.4% and 102.5% respectively. The profit after tax was 25.08 billion Rupees in FY2025 compared to 19.19 billion Rupees in FY2024. The profit after tax was 5.10 billion Rupees in this quarter compared to 5.19 billion Rupees in Q4 of last year.

The profit after tax of ICICI AMC, as per Ind AS was 6.92 billion Rupees in this quarter compared to 5.29 billion Rupees in Q4 of last year.

The profit after tax of ICICI Securities, as per Ind AS on a consolidated basis, was 3.81 billion Rupees in this quarter compared to 5.37 billion Rupees in Q4 of last year. Pursuant to the Scheme of Arrangement amongst ICICI Bank Limited and ICICI Securities Limited and their respective shareholders, ICICI Securities Limited has been delisted from stock exchanges on March 24, 2025 and became a wholly-owned subsidiary of the Bank.

ICICI Bank Canada had a profit after tax of 12.5 million Canadian dollars in this quarter compared to 19.9 million Canadian dollars in Q4 last year.

ICICI Bank UK had a profit after tax of 6.0 million US dollars in this quarter compared to 9.5 million US dollars in Q4 of last year.

As per Ind AS, ICICI Home Finance had a profit after tax of 2.41 billion Rupees in the current quarter compared to 1.69 billion Rupees in Q4 of last year.

With this, we conclude our opening remarks and we will now be happy to take your questions.

Moderator:
Thank you very much. The first question is from the line of Mahrukh Adajania from Nuvama Wealth Management. Please go ahead.

Mahrukh Adajania:
First of all, congratulations on a very strong set. I just had a few questions. Firstly, on loan growth. So, have you tightened or have you been cautious on some segments, especially PLCC, overall retail, corporate growth? Because while the loan growth is good, it's a tad lower than your last few quarters. So, is there any cautious approach? And if there is why? Or is this the general demand that the Bank is presented with? So, that's my first question and then I have another question on deposits.

Anindya Banerjee:
So as far as the loan growth is concerned, I don't think anything specific incrementally in terms of caution on the credit side. I think we are pretty comfortable with what we are underwriting. Of course, on personal loans and cards, as you know, we had tightened a few quarters ago, and that is showing up in the volumes over the last couple of quarters and the loan growth. But other than that, no specific caution on the credit side. I would say it's largely a function of what is happening in the system. And also, I guess, on the pricing side, some consciousness given that during this quarter, we were at the sort of cusp of the downward movement in benchmark rates. So, we had to be a little more

disciplined in terms of the spreads etc. that we were charging over the benchmark. But other than that no specific caution on the credit side.

Mahrukh Adajania:

Okay, thanks. And on deposit growth, my question was that obviously banks are cutting deposit rates to transmit policy rates. But there has been a lot of tightness in deposits, not recently, but over the last one and a half years. So, with the liquidity situation improving, is there confidence that a sustained deposit growth will now flow through?

Anindya Banerjee:

I guess that's reflected in what is happening. We have seen liquidity improve substantially over the last couple of months with all the measures that the central bank has taken. And deposit growth for us has continued to be quite strong. You would have seen the numbers for the fourth quarter have also been pretty strong for us. And as the repo rate has fallen by 50 bps, so that will start to see a transmission into deposit rates, which is what has started. So, I think that's in the natural course of things.

Mahrukh Adajania:

Thanks a lot. Thank you.

Moderator:

Thank you. The next question is from the line of Kunal Shah from Citigroup. Please go ahead.

Kunal Shah:

Hello. So, the question was on margin. When we look at it in terms of the yields particularly, there has been 21 basis points expansion. So partly, obviously, there could be some elements of lower reversals on KCC. But besides that, anything else to look into this? Was there maybe in the recovery, there was any one-off interest or something which was there besides the interest on income tax refund? Was there any other one-off in the yield on advances?

Anindya Banerjee:

So, there was no one-off in the yield on advances. I think probably the largest component driving up the yield was what we had spoken of in, I think, Q2 and Q3 last year, which is the benefit of the day count, which brought down the yield in Q2 vis-a-vis Q1. And we had mentioned at that time that this would reverse out largely in Q4, which has happened. So that is one factor. The second factor is what you alluded to, the absence of the KCC non-accrual in Q4 relative to Q3. We did speak about the 2 bps of interest on tax refund. Other than that, I think nothing one-off in that sense. There would be some better returns on liquidity deployment, a little better interest collection on NPLs, things like that, but no single item that requires to be called out, I would say.

Kunal Shah:

Yes, so this derecognition would be then significant component of it because it was thought to be like earlier when you indicated it seemed like there is a benefit of 3 to 4 odd basis points which is coming in margin. But then it seems like that component was quite high.

Anindya Banerjee:

I'm sorry, what component?

Kunal Shah:

This derecognition.

Anindya Banerjee:

Yes, I think the larger number is really on account of the day count convention. So, as we had said, I think, the margin number to focus on in our mind is really the 4.3% for the full year. That would be a more representative number.

Kunal Shah:

And in terms of also going forward, in fact, you have always been indicating that maybe if it's a shallow rate-cut cycle, we should be able to manage the margins. But now if we expect like say 100 bps kind of a repo rate-cut over say 4 MPCs, would you still believe it to be shallow rate? And maybe from here on in terms of the margin trajectory, if we have to look at it, how do we see it on the repricing of the yields? Do we follow like a monthly reset and business banking happens immediately and maybe that will entirely flow through? And are there any levers available to improve margins or maybe to take care of the EBLR repricing impact?

Anindya Banerjee:

So, whether the rate-cut was relatively less or more, there would be some impact on margins because the deposit rates would, the deposit repricing would occur with a lag while the loan repricing would be immediate. Indeed, the expectations of the rate cut have gone up compared to where they were, say, a couple of months ago and a higher level of rate-cut is now expected. At the same time, as we spoke earlier, the deposit rates have also started falling. So, we will have to see as we go along how we manage through this. But there would be an impact on margins definitely. What that will be, we will have to see as we go through the year, because there are a number of factors that will come into play. I think, overall, we have to look at the overall risk adjusted PPOP and what are all the levers starting with growth, margins and other aspects that we have to optimise and that's what we will keep continuing to do.

Kunal Shah:

Thanks and all the best.

Moderator:

Thank you. The next question is from the line of Anand Swaminathan from Bank of America. Please go ahead.

Anand Swaminathan:

I had a couple of questions. One is on the elasticity of savings rate cuts. What, according to you, is the kind of modeling you have done in going ahead with the concerted all banks have done at 25 bps rate cut? And is there theoretically a base limit that we should think about for savings rate cuts? Or can it kind of continue to mirror the repo rate cuts over the next few quarters? That's my first question.

Anindya Banerjee:

We will have to see as we go along. I don't think we can say that there is sort of any kind of direct relationship. I would say the repo rate has fallen by 25 bps and significant actions have also happened on liquidity in the system. And we will have to see how it goes on from here. I don't think that there is any direct relation in that sense, which is quantifiable at this stage.

Anand Swaminathan:

Okay, theoretically there is no limit to how much savings rate can go down from here?

Anindya Banerjee:

It's a rate which each bank can set for itself in that sense. So, it can move as per what a bank thinks is optimal.

Anand Swaminathan:

Okay, my second question is on the business banking side. The loan growth has been exceptionally good, especially it seems to have accelerated in the last few quarters. Can you help us understand what is the risk in this business? How are you assessing the incremental risk? Like how much riskier is it versus your corporate book? If you can give us something in terms of how much is the self-funded nature of the business? Is it going to contribute to a slightly higher average credit cost down the line? Some color on this to get a better understanding would be good. Thank you.

Anindya Banerjee:

I think last quarter we had a fairly extensive commentary on this in the earnings call. So, the way we have built this business over the last several years, I think we have invested in, I would say, three aspects, one certainly in the distribution, so equipping more and more of our branches to deal with the business banking or self-employed segment customers. Second, investing in our credit underwriting models and processes for this segment to be able to understand and assess the credit and deliver credit in a timely manner. And third, I think on the digital side, because our technology offerings, digital offerings, and transaction banking capabilities for this segment have been pretty good. And that has driven growth in the business, I would say holistically, both on the lending side as well as on the fee and current account side.

And in terms of, I would say, the risk profile of this business, it is a fairly granular portfolio and pretty well diversified geographically and industry-wise and so on. Secondly, I think, it's not in that sense a particularly high yield business. So, this is not the sort of mid-teens lending rate kind of business. It's pretty at the higher end of the quality spectrum and pretty much competed for amongst the banks. But it's also a business where we have a very much better scope to do the customer-360, because you are really doing a lot of things for the business and the owner. In terms of the credit performance, it has actually been quite good. In fact, if we look back five years, I think at the onset of the pandemic, when of course we were also, the portfolio was relatively more recently built for us. This would have been one of the portfolios that we would have been most concerned about, but it is probably the portfolio which surprised significantly on the upside. Even if you look at a systemic level, ECLGS utilization and so on, relative to this portfolio has been marginal. So, it has behaved well. Currently, credit costs are pretty low, I would say almost mirroring what we are seeing on the corporate side. But of course, it is something that has to be tightly monitored as we go along. So, we will keep monitoring it and managing the portfolio dynamically.

Anand Swaminathan:

And what will be the average yield on this business versus your corporate business just to understand how much more profitable this is?

Anindya Banerjee:

We don't really give the segment-wise yield. It would be somewhat higher. But I think more importantly, it is the holistic P&L of the business in terms of the full customer-360, the liability side and the transaction banking and the ability to manage delivery cost and credit cost which yields the bigger benefit. And of course, the granularity of it.

Moderator:

Thank you. Ladies and gentlemen, in order to ensure that the management is able to address questions from all the participants, please limit your question to two per participant. If you have a follow-up question, I would request you to rejoin the queue. The next question is from the line of Nitin Aggarwal from Motilal Oswal Financial Services. Please go ahead.

Nitin Aggarwal:

Good evening, everyone and congratulations on a very strong performance. So, first question is around asset quality. If I look back, the normalisation trend that started at the beginning of the year has reached a fair degree of stability. So just wanted to know your views, how comfortable you feel about asset quality now versus how the situation was six months back? And how is that trending now in unsecured retail products?

Anindya Banerjee:

Actually, we were always quite comfortable. So, we were never too worried. But I would say that what we have been saying holds true. I think the corporate portfolio continues to behave extremely well as does business banking. On the retail side, the secured products, I think, are behaving quite well. On unsecured, I think that generally the NPL formation has broadly stabilised. We would hope for it to come down, but let us wait for that to happen. Maybe it will take another couple of quarters. And all of that is getting absorbed in the credit costs that we are reporting. This quarter, of course, we had a very low credit cost of some 30 basis points. But even if we kind of were to try and adjust out the fact that there were KCC provisions in the previous quarter and we had some writeback this quarter and so on, it will still be just about 40 odd bps or so. So, things are quite stable. Of course, as we go into the year, I think what happens to the overall economy globally and in India and this whole trade related issues is something we will have to watch out for. But as of today, we are very comfortable with the portfolio.

Nitin Aggarwal:

Right. And I mean, the second question is around growth again. So, we have seen a very healthy growth, continued growth across business banking, but the retail growth has moderated if you compare over the prior years. Now looking forward with other banks becoming more and more aggressive in lending in certain products, where ICICI Bank is? So, how do you see the trend about the overall loan growth? Will it remain skewed in favor of select products which are PPOP and the profitability thresholds or one can expect more broad based growth?

Anindya Banerjee:

So we are really focused on the risk adjusted PPOP and of course I think as we focus on that, if we want to make tactical calls on pricing etc. in a particular customer or segment or product for a particular period of time, I think our funding franchise gives us the flexibility to do that. But overall, we are quite focused on the overall PPOP. I think we would continue to see pretty healthy growth on the business banking side as things currently stand. Retail, we will see how the market evolves. And I think as the rate environment stabilises during the year, pricing may also stabilise. So, that's where I would look at it. On the unsecured side, probably the growth has bottomed-out. And we may see some improved growth from here is what we feel.

Nitin Aggarwal:

And lastly on the PSL frontline, I see there's stronger growth in business banking, but slightly toned-down growth in retail and rural. How is the Bank faring on the PSL front?

Anindya Banerjee:

So, I think it's pretty similar to what we have seen in past quarters. We meet our overall PSL requirement. We also meet our MSME requirement. In fact, overall and MSME, we have some surplus in the some of the categories like the small farmer and weaker section etc., we do have shortfalls which we have addressed through either buyouts or through purchase of the PSLC certificates. So pretty much the same continues.

Nitin Aggarwal:

Okay, sure. Thanks so much and wish you all the best.

Moderator:

Thank you. The next question is from the line of MB Mahesh from Kotak Securities. Please go ahead.

MB Mahesh:

Hi, a couple of questions. First one is on the income, if any, which moves on the interest income line on recovery of bad loans. Let us say the security receipts have come in on cash-basis. Does anything of it move to the interest income line as well?

Anindya Banerjee:

So that the cash, the cash portion of the NPA sale would be reflected as a writeback in provisions, not as interest income.

MB Mahesh:

And there is nothing there in the interest income line from...

Anindya Banerjee:

There will always be some interest recovery on NPLs in any quarter. It may vary a little quarter to quarter, but it will always be there.

MB Mahesh:

So the second one is on the current differential that exists on, let's say, some of the benchmark loans between, let's say, private sector banks and public sector banks. How much does it hurt you right now? Some color on, because the transmission seems to be a bit clear from the private sectors bank side in comparison to public banks atleast?

Anindya Banerjee:

Are you talking about competition, I mean the lending rates?

MB Mahesh:

Yes. Because when I look at some of the housing...

Anindya Banerjee:

Yes, clearly it is an issue. I think in retail, it's not just about pricing because you really need the distribution scale, processing capacity to back up your pricing. So, I wouldn't say it's just about pricing. But certainly there are very large, capable competitors who are also priced meaningfully below us. It does create some challenges in terms of growth, but I guess that's part of life. So, we will have to keep dealing with it as we go along and look at how we can drive other levers to continue to maintain profitable growth.

MB Mahesh:

And one clarification, unsecured loans, today you would say that you have well passed the peak in terms of fresh slippages?

Anindya Banerjee:

I would say it has, it's broadly stable. We are yet to see it coming down meaningfully. But I think more importantly, the behavior of portfolios originated more recently, say what we originated post making some of the credit changes, which we did maybe 18 months ago, the behaviour of those portfolios gives us a fair degree of comfort on building the portfolio incrementally.

Moderator:

Thank you. The next question is from the line of Harsh Modi from JP Morgan. Please go ahead.

Harsh Modi:

Thanks for the opportunity to ask question. I just want to understand on RWA growth, it's 17% year-on-year for growth of around 13%. Could you please explain what drove the faster growth in risk-weighted assets? I have a follow-up question after that. Thank you.

Anindya Banerjee:

It is an evolving mix of the different categories of loans and how one classifies them, what you can justify, in which risk-weight category. In the year end, I think market risk also went up because we did take some larger positions as the interest rate environment turned favorable for taking trading positions.

Harsh Modi:

Got it. Thanks. The follow up is on just the use of capital. You have significant capital generation. CET-1 is at 15.94. And the way it seems, your incremental RWA of 2.4 trillion growth versus profit of almost half a trillion. So, let's say over the next two to three years, how do you see the use of capital at the Bank, assuming, given your competitive position and the modes, you may be able to generate significant amount of capital over next two to three years? Thank you.

Anindya Banerjee:

Two, three things. One, clearly I think that there is a certain expectation among stakeholders, market etc. of the level of capital that a large private sector bank should be maintaining. And I think our capital levels are not out of line with most of our peers in that context. And as far as the capital generation that will happen in future and how much of that is absorbed by growth, we will see as we go along. But I think that maintaining a certain level of capital is important from a strategic perspective and a market confidence perspective.

Harsh Modi:

Right. Thanks for that. That was exactly my question that organically seems growth would be you're already doing quite well, focused on, as you said, risk-adjusted PPOP. And given the excess capital generation, because right now your RWA growth is just 5x of your net profit. So, is there any possibility of for strategic purposes, what are the places that you may incrementally allocate capital over the next two to three years?

Anindya Banerjee:

We will, I think, believe that our franchise gives us sufficient opportunity to grow and leverage the capital. If at a stage we feel that we are, we can always look at other things like maybe increasing payouts or things like that. But for the time being, I think we believe that given the franchise that we have, we have a lot of runway for growth.

Harsh Modi:

Got it. Thank you.

Moderator:

The next question is from the line of Param Subramanian from Investec Capital. Please go ahead.

Param Subramanian:

Thanks for taking my question. Firstly, on the net-worth movement in the quarter, so it's up Rs. 20,000 crore quarter-on-quarter, which is higher than the PAT. So, is that the AFS mark to market that's happened?

Anindya Banerjee:

One of the main items this quarter would be the issue of shares, the recording of the additional investment in ISec. So, we would have issued shares to the minority shareholders of ISec that would have, while it's capital neutral, it would have increased the net-worth by a substantial amount. That would be the biggest item.

Param Subramanian:

Okay, not as much as that. Secondly, broadly the outlook on CASA, right? So, over the last year, the CASA ratio for the Bank is almost flat YoY, which is a great outcome given the context. But if you compare with, say, the pre-covid period, CASA used to be 48%, 49%, we are lower. And we are looking at, like you pointed out, a very accommodative RBI on liquidity. Do you think this has legs to go up going ahead, seeing the scenario as it is building up, say, from a macro perspective?

Anindya Banerjee:

Yes, I think that we basically have to look at the total quantum and cost of funding that is available to us. And that should be superior to our competitors because CASA trends will not vary very widely across the large banks. So, that is the right way to look at it rather than, I think, too much about what is going to be the CASA growth for us. I think we have to really look at what is the total quantum of funding and the cost of that funding and its deployability because very volatile CASA may not help also and its deployability and really look at it from that perspective, which is what we do. And not really, we wouldn't have a specific outlook on CASA per se.

Param Subramanian:

Okay. Would you think that the worst of the CASA pressures for yourself and the sector are largely behind?

Anindya Banerjee:

Logically, that should be so.

Param Subramanian:

Okay, perfect. Thanks, Anindya. All the best. Thank you.

Moderator:

Thank you. The next question is from the line of Piran from CLSA. Please go ahead.

Piran:

Hi team, congrats on the quarter. Firstly, just on the previous question of Param, why do you say that the CASA pressure is over? Sorry, I missed that.

Anindya Banerjee:

I said logically that should be so given the monetary easing, the improvement in system liquidity and to the extent that it was a factor, the sort of some calm in capital markets, but it's something we will have to see as we go ahead.

Piran:

Okay, okay, that's the reason. Just moving on to my questions, firstly on vehicle growth slowdown, how do we really interpret this? Is this just a function of more competition at the counter or are you all intentionally scaling back due to asset quality or pricing or is it just something else?

Anindya Banerjee:

I think it's more the underlying demand and maybe at the margin a little bit on the pricing side, nothing on asset quality per se.

Piran:

Okay. And Anindya, just on cost of deposit, it was inching up 2-3 bps a quarter, which was understandable. This quarter's up almost 10 bps and the CASA ratio probably, or the drop in CASA ratio explains maybe 2-3 bps of that. What explains the rest?

Anindya Banerjee:

Yes, it would be partly a number of days.

Piran:

Okay. And just my last question, out of your buildup portfolio of Rs. 60,000 crores, how much would be LRD?

Anindya Banerjee:

We have not given that breakup. There will be some component of LRD there.

Piran:

But would it be significant or more minor?

Anindya Banerjee:

I don't think it'll be minor, but we have not given the breakup. I mean, it'll be a reasonable number.

Piran:

Okay, fair enough. That's all from my end. And if I could just squeeze in one humble suggestion, if we could move our calls and our results releases to either a weekday or a Saturday morning, it would be great. You know, times like this when it's literally clashing and in a minute, we've got an HDFC Bank call, it doesn't do justice to either of the banks. So, if you could take that suggestion, it would be great. Yes, I'm done. Thank you.

Moderator:

Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments.

Anindya Banerjee:

Thank you everyone and we will be happy to take any other questions offline. Thank you.

Moderator:

On behalf of ICICI Bank, that concludes this conference. Thank you for joining us and you may now disconnect your lines.