



April 24, 2026

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, 2026.

The same have 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.icici.bank.in/about-us/news-room/2026/interaction-with-media-on-icici-banks-financial-performance-in-the-quarter-ended-march-31-2026
2.	Transcript of the Earnings Call with Analysts and Investors	https://www.icici.bank.in/about-us/qfr

This is for your records and information.

Yours sincerely,

For ICICI Bank Limited

Vivek Ranjan
Leadership Team

Copy to-

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

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ICICI Bank Limited

Media conference call for quarter ended March 31, 2026

On April 18, 2026

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:

We are going to start ICICI Bank's results conference call now with Mr. Sandeep Batra's opening remarks. You can ask questions at the end of his remarks. Should you need assistance during this conference call, you may signal the operator by pressing '*' then '0' on your phone.

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.

Amidst the global uncertainties, the Indian economy has continued to show resilience, supported by timely and effective measures taken by the Government and regulators. We continue to monitor the developments closely and remain focussed on our long-term strategy, aligned with India's evolving economic landscape.

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 the framework of our values to strengthen our franchise. Maintaining high standards of

governance, deepening coverage and enhancing delivery capabilities with a focus on simplicity and operational resilience, are key drivers 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, 2026. I would like to highlight some key numbers:

First, moving on to profit and capital

A. Profit and capital

1. Net interest income grew by 8.4% year-on-year to ₹22,979 crore in Q4-2026
2. Net interest margin was 4.32% in Q4-2026 compared to 4.30% in Q3-2026
3. Fee income grew by 7.5% year-on-year to ₹6,779 crore in Q4-2026
4. Operating expenses grew by 12.0% year-on-year to ₹12,089 crore in Q4-2026
5. Core operating profit grew by 5.1% year-on-year to ₹18,305 crore in Q4-2026
6. Provisions (excluding provision for tax) were ₹96 crore in Q4-2026 reflecting healthy asset quality and higher recoveries and write-backs.
7. Profit before tax excluding treasury grew by 10.1% year-on-year to ₹18,209 crore in Q4-2026 and grew by 7.1% year-on-year to ₹65,021 crore in FY2026
8. Profit after tax grew by 8.5% year-on-year to ₹13,702 crore in Q4 2026 and grew by 6.2% year-on-year and was above ₹50,000 crore in FY2026
9. Consolidated profit after tax grew by 9.3% year-on-year to ₹14,755 crore in Q4-2026 and grew by 6.2% year-on-year to ₹54,208 crore in FY2026
10. The Board has recommended a dividend of ₹12 per share for FY2026. The declaration and payment of dividend is subject to requisite approvals
11. At March 31, 2026, the Bank had net worth of about ₹3.4 lakh crore. After reckoning the impact of proposed dividend, CET-1 ratio was 16.35% and total capital adequacy ratio was 17.18%

Moving on to deposit growth

B. Deposit growth

1. Total period-end deposits increased by 11.4% year-on-year and 8.1% quarter-on-quarter at March 31, 2026
2. Average current and savings account deposits increased by 11.3% year-on-year
3. The Bank opened 126 branches during Q4-2026 and 528 branches in the last 12 months and had a network of 7,511 branches and 12,087 ATMs and cash recycling machines at March 31, 2026

Moving on to loan growth

C. Loan growth

1. The total loan portfolio grew by 15.8% year-on-year and 6.0% quarter-on-quarter at March 31, 2026
2. The retail loan portfolio grew by 9.5% year-on-year. Including non-fund outstanding, the retail loan portfolio was 41.7% of the total portfolio. The mortgage portfolio grew by 13.2% year-on-year. The business banking portfolio

grew by 24.4% year-on-year. Growth in the domestic corporate portfolio was 9.3% year-on-year at March 31, 2026

3. About 71.9% of the corporate loan portfolio was rated 'A- and above' at March 31, 2026

Moving on to asset quality

D. Asset Quality

1. Net NPA ratio was 0.33% at March 31, 2026 compared to 0.37% at December 31, 2025
2. During Q4-2026, there were net additions to gross NPAs of ₹1,174 crore
3. Gross NPA additions were ₹4,242 crore in Q4-2026. Recoveries and upgrades of NPAs, excluding write-offs and sale, were ₹3,068 crore in Q4-2026
4. Gross NPAs written off were ₹1,768 crore in Q4-2026
5. There was sale of NPAs of ₹112 crore in the current quarter
6. Provisioning coverage ratio on non-performing loans was 75.8% at March 31, 2026
7. Total fund based outstanding to all borrowers under resolution as per the various extant regulations was ₹1,496 crore
8. Loans and non-fund based outstanding to performing corporate borrowers rated BB and below were ₹3,519 crore at March 31, 2026
9. The total provisions during Q4-2026 were ₹96 crore or about 0.5% of core operating profit and 0.03% of average advances
10. The Bank continues to hold contingency provisions of ₹13,100 crore at March 31, 2026

Customers are at the heart of what we do and providing them a safe environment is paramount. I would like to share some of the recent initiatives on our customer centricity approach.

Enhancing our digital banking platforms:

We have refined our digital platforms to better align with customer needs. In our mobile banking app, iMobile, the 'My Loans' section has been redesigned for a more streamlined experience. Customers can now view all loans and statements in one place, check overdues, and access the no objection or no dues certificates and income tax certificates with ease. Blogs and FAQs have also been added for additional guidance.

We have revamped the user interface of InstaBIZ, our mobile banking app for businesses, and our Corporate Net Banking platform. The redesigned interfaces, simplify navigation, and provide a more comprehensive view of all the sections. On InstaBIZ, role-based dashboards for makers and checkers help speed up transaction approvals and improve traceability.

Making banking more convenient for NRI customers:

NRI customers can now access Money2India, our money transfer platform, through the iMobile app. This feature is available in the USA, UK, Canada, Europe, and UAE, making cross border banking more accessible.

We have also launched iMobile Global, a unified banking app for NRI customers. It is currently available in the UK and will soon be expanded to other international geographies. The app provides a consolidated view of both domestic and NRO/NRE savings accounts.

As part of our initiatives to further simplify banking, we have introduced various features in iMobile. Customers can now instantly access, download and share their digital cancelled cheque directly from the app, without the need of a physical chequebook. It makes account verification and payment setup effortless. We have also enhanced the inward remittance experience. All the key details a recipient in India needs to share with an overseas sender, including purpose and currency, are now consolidated in a single document, with an option to download and share.

Through these initiatives, we continue to take meaningful steps to improve service quality and support customers in their everyday banking needs.

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, and will be happy to take your questions.

Moderator:

Thank you very much. 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 the telephone. If you wish to remove yourself from the question queue, 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.

We will take our first question from Mayur Shetty from Times of India. Please go ahead.

Mayur Shetty:

Hello. Congratulations on the milestone profits. I had a couple of questions. Firstly, did you all have to make any losses on account of these RBI measures to put limits on the forex transactions? And secondly, there was a report that ICICI Bank is facilitating payments to Iran. Just wanted to check, would that expose you to any kind of risks, since there is a sanction?

Sandeep Batra:

I will just answer the first question. There has been a treasury loss of about ₹106 crore in Q4 compared to a loss of about ₹157 crore in the previous quarter and a gain of ₹239

crore in Q4 of the previous year. This primarily reflects market movements. Of course, the Bank had some open positions on onshore market, which were required to be reduced as per RBI guidelines. And treasury income of this ₹109 crore loss, does reflect the impact of the widening of spread, post issuance of this guideline.

Kausik Datta:

Mayur, Kausik here. On the second question about the Iranian oil, I would rather request you to concentrate on today's topic, which is the quarterly numbers. We can discuss other questions separately. Thanks. Next question.

Mayur Shetty:

Thank you.

Moderator:

Thank you. We will take the next question from Joel Rebello from The Economic Times. Please go ahead.

Joel Rebello:

Thank you. Sir, I just want clarification before I ask my question. There is a 90% drop in provisions year-on-year. I just wanted to understand because that is a huge drop. Can you explain why that 90% drop has happened? I know asset quality is good and everything, but if you can explain because, it is a huge drop.

Sandeep Batra:

Yes, the total provisions during this quarter have been less than ₹100 crore, compared to ₹891 crore in the previous quarter. We have seen some improvement in quality of the portfolio and also certain corporate recoveries which have come from written-off accounts. We have also not utilised the contingency provisions. So, I think we are very careful about our asset quality, but adjusted for these one-offs, and normalising for agri loans, our credit cost has been under 50 basis points for FY2026. So, we will see how it goes forward, but we do expect to maintain a healthy trendline, and we are monitoring the current economic environment very carefully. There is nothing specific to call out during this quarter.

Joel Rebello:

So basically, if I say that the drop in provisions was mainly because of asset quality being good. Is that correct? My understanding is...

Sandeep Batra:

Which is one of the aspects. The second is, we had certain recoveries from the written-off account. So, it is both.

Joel Rebello:

Okay. My second question is to do with deposits, sir. We have seen deposit rates falling quite substantially in the last six months or so. With the current situation that we are in,

liquidity and everything taken into account, how do you foresee deposit rates going? Do you think that the rates could go up?

Sandeep Batra:

It is very difficult to make this...both lending rate and deposit rate move in tandem. Of course, some of it happens with a lag. So, as far as we are concerned, we are just focussed on money in the Bank. So, we try to get both current account, savings account, and deposit accounts. Our focus has been largely around quality customers, and try to become the primary banker, and try to get a good share of customer's wallet. So, we do hope that continues, and this happens across the range of customers, whether from retail banking or corporate banking. How the interest rate moves, is largely dependent on macros, and given the uncertainty at this point of time, it is very difficult to make a long-term call on this.

Joel Rebello:

All the very best, sir.

Moderator:

Thank you. Next question is from Ankur Mishra from ET Now Swadesh. Please go ahead.

Ankur Mishra:

Good evening, gentlemen. I want to get your comment on the net profit numbers per se, which has grown 8.5% Y-o-Y. How much is driven by low provisions versus core income growth?

Sandeep Batra:

Sorry, come again? You are talking about the?

Ankur Mishra:

Just wanted to talk on the NIM.

Sandeep Batra:

Our core operating profit for the year is grown by about 7.7% and for the quarter at about 5.1%. The profit before tax for the year grew by 7.1% and the profit after tax for the year grew by about 6.2%. I am just talking on the yearly numbers. For the quarter, you will see that the core operating profit grew by 5.1%. There has been a decline in provisions, which I just talked about, by 89% and profit before tax, excluding treasury, has been about 10%. So there has been hardly any change on the treasury income line.

Ankur Mishra:

On the NIMs, you have maintained 4.32%. Have margins actually peaked in this cycle? And overall, on the growth, also including advances, growth in the current scenario, you think that will be sustainable?

Sandeep Batra:

Of course, we have been able to maintain margins. Very difficult to say about the future. Given the fact that the NIM trajectory will depend on number of factors, including geopolitical developments on the domestic economy, liquidity, deposit rates, and of course, competitive intensity. We do expect NIMs to be range-bound in FY27.

From our perspective, we continue to focus on risk-calibrated operating profit, which we have been saying for a long period of time. As the Indian economy continues to grow, we do have the liquidity, and the capital to leverage our franchise for good quality customers. We will remain focussed on this. But at the same time, we are mindful of the developments that are happening on geopolitical side. We will keep a close watch on this. So, our approach on risk-calibrated growth will continue as it has been in the past, and within this framework, we do see reasonable opportunities coming our way.

Moderator:

Thank you. We will move on to the next question from Piyush Shukla from NDTV Profit. Please go ahead.

Piyush Shukla:

Good evening, Mr. Batra. I have two queries for you. First is on the momentum of your...you have posted a strong loan growth in Q4. What would be your guidance in terms of both loans and deposit growth in FY27? The other question, I wanted to understand, you are the second largest private bank and have a fair view of how macros will be impacted, the second and third order impact from the Middle East conflict on the banks' balance sheet. Can you give us some colour? There are expectations that the petroleum prices may rise, input costs may rise, there could be supply chain issues. Eventually, it will end up on the layman, the end customer. Do you see a material impact on the banking industry in the next financial year in terms of asset quality, and what are the pain points?

Sandeep Batra:

Piyush, very difficult to make a forecast in this day, where forecast validity is not even a day at this point of time. But given the overall scenario, there has been an immediate impact on market yields which you are aware of. There has been an impact on currency, equity prices and some of this is reflected in the numbers for Q4. Of course, during Q4, there was a very little period of the West-Asian conflict. We will continue to monitor these indicators. The impact on economic growth and potential credit demand will depend on the duration of the conflict. Of course, even RBI has mentioned that there is some amount of uncertainties on account of supply shocks. We do hope things become better sooner. As far as we are concerned, we do have a strong balance sheet in terms of liquidity, provisioning, capital, and a good technology architecture. We will continue to leverage our franchise and grow within our risk parameters, and we will continue to monitor developments across. So, given this scenario, we look at risks, we look at profitability, we look at good quality customers and what falls within our framework, we will continue to grow within that area.

Moderator:

Thank you. We have our next question from Hamsini Karthik from Moneycontrol. Please go ahead.

Hamsini Karthik:

Good afternoon. Two questions from my end. One is that, for most of the gone-by fiscals, FY2026, we have witnessed the revenue growth in single digit and profit growth in single digit. Should we assume that these growth levels are the new normal for ICICI, considering the operating environment we are in?

My second question is on SME loans. The business banking segment particularly, this has been growing at a healthy 17% plus runway for most quarters of last fiscal. Given the geopolitical tension and this is a segment where people are saying given tariffs and the war impact, etc., one needs to watch out for asset quality. What is your commentary on the business banking segment? How do you expect this particular business to shape up in FY27? These are my two questions. Thank you.

Sandeep Batra:

Hamsini, I just want to mention that we continue to see strong growth on the asset size and deposit mobilisations. The profit growth is also a function of the interest rate cycles, as you are aware. That aside, if coming back to the advances that you really talked about, I think the advances reflect the strong momentum of economic activity in the country which has been supported by policy measures and a fairly stable policy rate. So, within this framework, we have seen growth in mortgages, we have seen in rural portfolio, we have also seen some pickup in personal loans. During this quarter, we are seeing even some pickup in corporate loan.

Yes, we have seen healthy growth in business banking. From our point of view, we look at a completely integrated approach. We look at coverage, we look at delivery, we look at technology and for good quality customers, there are opportunities. From our perspective, we look at customers on a 360-degree angle and a total relationship value. So, within that framework, and our risk thresholds, we are happy to grow within the overall environment. Of course, and as you rightly said, there are developments and the impacts, as and when they become more visible, we will be cognisant of it and take appropriate action, both in terms of growth as well as our risk measures. So, we keep track of these developments very closely.

Hamsini Karthik:

Is pricing in the favour of the Bank right now, sir? Both on the corporate as well as on the retail front? Does pricing power continue to vest with bankers or are customers able to negotiate better deals on certain instances?

Sandeep Batra:

No, it is a competitive environment and within the competition, you have to find the right price. From our perspective, whenever we get, we need to ensure that we get a good quality customer and a fair pricing. As long as both of these are met, we are happy to grow.

Hamsini Karthik:

Thank you.

Moderator:

Thank you. Next question is from Shayan Ghosh from Mint. Please go ahead.

Shayan Ghosh:

Hi, Mr. Batra. The first question is, are you witnessing your corporate customers, delay investments, as a result of the uncertain situation? Are they holding back on investments?

Sandeep Batra:

Shayan, it is too early to call out. I mean, just look at the quarter gone by. Most of the developments have happened in the month of April. If I just go back to what has happened on West-Asia, I think we have to remember that the long-term story of India remains intact. We cannot deny that the developments of West-Asia will have some impact, overall. But given the overall framework, I think corporate India will get back to growth. You can see that reflected in all the forecast by RBI or even IMF. Will there be a bit of an impact on the GDP growth in FY27? The answer is yes, but it is still going to be growing and within that, there will be enough opportunities for both corporate India and for us to grow.

Shayan Ghosh:

Okay. The second is on your co-lending arrangements. What I wanted to understand is the NPA ratio there is much higher than your other portfolio, regular portfolio, which is slightly above 1%. Here, it is close to 5%.

Sandeep Batra:

I do not think so we give co-lending NPA ratio separately.

Shayan Ghosh:

You have given the total portfolio and have given the amount of NPA there, which is on page 8 of the financials?

Sandeep Batra:

Sorry where are we...I think we can get back to you separately.

Shayan Ghosh:

It is just there on page 8 of the exchange filing.

Sandeep Batra:

Our total overall net NPA ratio, it is 0.33%, and gross NPA ratio is 1.4%. If I just look at it what it was in year back, our gross NPAs was 1.67%, it is down to 1.4%. Net was 0.39% and it is down to 0.33%. So, I think our NPA ratios are pretty healthy.

Shayan Ghosh:

I get that, but my question was primarily on the co-lending, because these are much higher than your usual portfolio NPAs. These seem to be secured also. The categories that you have mentioned are home loans, LAP. So, what is really happening there on the co-lending arrangement side?

Anindya Banerjee:

I think it is a total portfolio of less than ₹1,500 crore on our retail, plus SME portfolios would be about close to ₹9 lakh crore or so. So, it is really maybe an early stage to comment on how this will eventually pan out. I think this is a relatively recent thing which has started. So, we will just watch it as we go along.

Shayan Ghosh:

Are you seeing any signs of stress there?

Anindya Banerjee:

In terms of the portfolio, it is not material at all, and I think we would continue to pursue these co-lending opportunities and see how it pans out.

Moderator:

Thank you. We will take our next question from Ritu Singh from CNBC-TV18. Please go ahead.

Ritu Singh:

Mr. Batra, firstly on your advances growth, I just wanted to clarify this 15.8% kind of a growth year-on-year. We have not seen this strong a number from the Bank in a while. Should we see it as the new normal? Can you sustain this kind of growth rate?

And apart from some of the segments you highlighted, rural, corporate picking up, where exactly has this come from? And secondly, in your asset quality, which is improved this quarter, you have about ₹4,200 odd crore of slippages.

You know, in the last one month or so, since the 27th of Feb, when the West-Asia conflict started, in your MSME books, in particular, has there been any impact or do you expect to see the impact going ahead? If that you could answer, I will just get to the next one.

Sandeep Batra:

Ritu, I could not hear the second part of your question but let me answer the question on the loan growth for the quarter. Yes, we have seen a broad-based growth. We have been mentioning over the previous quarter, growth has been picking up driven by opportunities as well as our continuous effort on distribution and allocating appropriate resources in growth markets. I think it is just a question of focus. Our standards around growing in a risk-calibrated manner remains. Yes, it is a competitive environment. Within this framework, I think we have probably had a quarter where we have seen all-round growth. If you see year-on-year numbers, the retail has grown by 9.5%, rural portfolio has grown by about 25%-26%, business banking 24%. Domestic corporate book also has

grown by about 9.3%, and for us, there has been a bit of a growth even in the overseas book. So, all-round, you are right, it is about 15.8%.

As you are aware, we do not give any specific targets for going forward. We will continue to assess, both risks and profits, that potentially we can make from our customers. If they meet our thresholds, we are more than happy to grow. As you are aware, we would like to deliver 360 to our customers, we would like to work with good quality customers and that strategy has been there for a long period of time, and we will continue to remain focussed on it. If you can come back on your second part of the question which I couldn't hear.

Ritu Singh:

You know, on your provisions, I wanted to clarify this 90% drop. Just to be clear, there is no draw-down from your contingency buffers and no change in the additional provision of about ₹1,200-₹1,300 crore you had to make, on account of the RBI discount in the third quarter. So, what is left to the shortfall exactly, it is not very clear. If you could address that as well?

And the second question was on the stress, if any, you are seeing on account of what is happening in West-Asia? In the last one month, if you have seen any particularly in the MSME book? And going ahead, of course you said the duration of the war will impact it, but do you see any impact going ahead as well on the asset quality and what are you doing to buffer yourself?

Sandeep Batra:

To clarify, we have not utilised the contingency provision of ₹13,100 crore and the standard asset provisions which we had made of about ₹1,283 crore, as directed by RBI, on the agri-loan in the last quarter. So, we have not touched that at all.

We have had a provision of ₹96 crore in this quarter. This has been aided by improvement in the quality of the portfolio and there have been certain corporate recoveries, which were there from written-off accounts, and those are sort of, one-offs. So, adjusted for everything, these recoveries and normalised credit costs, we have been saying that it is still under 50 basis points for FY26. We will continue to watch the portfolio as we go ahead.

Coming back to your question on West-Asia. As I did mention, there has been an immediate impact on market yields, currency, equity prices. Some of it has gotten reflected in the Q4 numbers. Very difficult to make long-term predictions at this point of time, as you are aware. We continue to monitor all these indicators going forward very carefully. It is safe to assume there will be some kind of economic impact, and that will also depend on the duration of the conflict. Things seem to be getting better in the last couple of days and let us hope that continues.

From our perspective, we do have a strong balance sheet in terms of capital, liquidity. Provisioning has been healthy, and we will continue to leverage our franchise within our risk parameters and, of course, we will continue to monitor this development across portfolios, including the areas that you mentioned.

Ritu Singh:

All right, Mr. Batra. Thanks very much.

Moderator:

Thank you. Next question is from Subrata Panda from Business Standard. Please go ahead.

Subrata Panda:

Hi, sir. Just to add on to Ritu's question on West-Asia. Is there an increased demand for working capital loans from your MSME clients to perhaps, tide over this situation? Or are you seeing some kind of stress in their cash flows? So, if you can throw some light on that. And also on your deposit...

Sandeep Batra:

It is too early to call out on this. Sorry, continue, please?

Subrata Panda:

Yes, your credit growth is almost 16%, but deposits is around 11.5%. So, there is a fair bit of gap there. So, if you could just help us understand how do you plan to grow your credit book, given there is a lag in the deposit growth. Are you going to rely more on long-term instruments from the debt market? You have, I think, indicated that you will raise around ₹25,000 crore in securities, and also \$1.5 billion from the overseas market. So, if you can just throw some light on that.

Sandeep Batra:

On the debt market side, which you have talked about, these are enabling decisions that we took at the beginning of the year, so nothing specific to call out. I think over a period, deposit and credit have to go in tandem. There will be certain quarters where it changes. I think from our perspective, we have got a healthy LCR, which is at about 126%. Given the increase in net worth and increase in profits, that also contributes substantially to what we can do in terms of loan growth. So, mathematically, both have to grow in tandem. And in case there is a need, we will look at borrowings in a limited fashion. If you see this, during the course of the year, there was also a CRR cut which also helped in funding the loan growth. So, the LCR has been a healthy 126%, so we do have enough cash, and I do not think so we are going to miss out on opportunities for want of deposit growth. That is how we see it.

Subrata Panda:

And on West-Asia?

Sandeep Batra:

On West-Asia, nothing further to add. During the quarter, there has been really no impact on the portfolio that we have seen. It is in a way reflected in the numbers, of course, it is too early to call out. As you are aware, there have been some amount of supply related disruptions. We are continuing to monitor the situations. If things become better soon, I

am sure, corporate India is resilient, and the portfolio that we built is fairly healthy. We will continue to watch these developments carefully.

Subrata Panda:

Understood. Thank you so much.

Moderator:

Thank you. The next question is from Kshipra Petkar from The Financial Express. Please go ahead.

Kshipra Petkar:

Sir, just wanted to understand, given that there is, as Subrata also said, there is certain gap in the deposit growth and the credit growth, just wanted to understand what is going to be the strategy for deposit mobilisation going ahead. And the second question is for FY27, which segments are you basically seeing driving loan growth for FY27?

Sandeep Batra:

So, I think our deposit strategy has been very similar for what we have been doing in the past. We will continue to focus on quality customers, and hope that we are their primary banker, and we would like to have a substantially higher share of the market. This goes across segments between retail banking, business banking, corporate. I think it is a question of having a fairly good technology platform, a good reach, and having fair charges and being fair to the customers. These are three principles that we really talk about. And I think they seem to be working well. We have been able to grow our deposits in a healthy fashion and that is where we see the franchise going forward. We do not see a challenge in deposit growth to meet our credit needs.

Sorry, what was the second question?

Kshipra Petkar:

Segments which could drive credit growth for FY27.

Sandeep Batra:

Kshipra, I do not think so we focus on any particular segment. Wherever opportunities come across, we are happy to grow. We have grown business banking, we saw opportunities there. The corporate loan book seems to be seeing a healthy growth. We could well see opportunities coming out in this, in the current year. Retail, mortgage have also been growing. Rural India, gold loans are doing well. So, across segments, we will keep on focussing on customers, it is not necessarily about segments. We get good quality customers, we get a reasonable price, we are happy to grow across segments within the country.

Moderator:

Thank you. We will take our next question from Benn from New Indian Express. Please go ahead.

Benn:

Sandeep, this is about the forex loss. Can you just repeat the number? ₹109 crore in the quarter. How much was in the last quarter?

Sandeep Batra:

That is right. The total loss is about, ₹106 crore, that is the loss that we had. All this is treasury loss..

Benn:

okay, got it. This is again on West-Asia. Are you seeing any stress in your accounts with the companies, those having a focus on the West-Asia or business at West-Asia?

Sandeep Batra:

Not as yet, but it is too early to call out.

Benn:

Okay.

Sandeep Batra:

Too early to call out. During the quarter, I think the customers seem to be doing well.

Benn:

Maharashtra announced a farm loan waiver last month. What is your exposure to Maharashtra in the agri book, farm loan book?

Sandeep Batra:

We do not give state level data, Benn.

Benn:

Because it is a waiver. So that is why I asked.

Sandeep Batra:

We will look at it, but whenever, it will come through in the normal course of things. So that we will see. I think the customers are also, whether they are farmers or not, are cognisant of the importance of credit discipline. We will see how that plays out.

Benn:

Okay. And latest CIBIL report says that there is stress building up in the gold loan book. What is your assessment? How good are your books and how big is your gold loan book?

Sandeep Batra:

We have not separately given our gold loan book. But it is fair to assume, a significant part of the rural book is gold loan. We are happy with the gold loan book. Secondly, I think I just want to re-emphasize again, we are not really looking at a product, we look

at a customer. And that is true across segments. So even, whether it is gold loan, personal loan, credit card, mortgages, that book is behaving well for us.

Moderator:

Thank you. Next question is from Ashish Agashe from PTI. Please go ahead.

Ashish Agashe:

Sir, just labouring a bit on the West-Asia thing. So, in the numbers that you have reported today, apart from the forex related measures' impact because of RBI's measures, what could be the number impact of the crisis really playing out if you were to look at it? Apart from the numbers, you also have operations in the affected regions. How are you managing your presence there? And also what are the early trends which you are seeing in remittances?

Sandeep Batra:

Look, I think West-Asia crisis, we have talked about it. Yes, we do have presence in both Dubai and Bahrain. We have tried to ensure the safety of our employees, that is paramount, and I think there is nothing specific to be called out here. Business is happening even in this sort of difficult times in those areas. So, as I have mentioned, we have and we will continue to watch these developments. We will grow within the acceptable risk parameters and continue to focus on good quality customers. So, that is the strategy that we have been adopting, that remains unchanged. Remittances, again, too early to talk about.

If a lot of people come back to the country, then of course there could be some impact, but we do hope that things normalise and people are able to get back and some reconstruction activities whenever it starts in West-Asia, it will provide opportunities for Indian companies and Indian labour to go back there, things should get back to normal.

Ashish Agashe:

Okay, sir. And the second question, sir. We have seen retail share in the overall loan book come to 41%. Over a medium term, where do you see that? Would it continue because you are saying that India represents a lot of opportunities right now, so will corporate really pick up and retail go down? How do you see the loan mix going ahead, sir?

Sandeep Batra:

Loan mix, Ashish, is an outcome of what happens on the ground. We are not focussed on a particular loan book. You are right, today our corporate book is about 20%. It can be much higher than this or it can be lower than this. It will be a function of identifying growth opportunities within our risk framework. That is all going to be an outcome of that. We do not have any particular mix in mind. Wherever the economy grows, wherever we are able to find good customers, we are happy to grow.

Ashish Agashe:

Okay, sir. And small final thing is this 0.5% credit cost, how sustainable is it in FY27? How do you look at it? Especially with lack of clarity on the Middle East part.

Sandeep Batra:

You are right, there is lack of clarity on the same. So, how do I make a forecast at this point of time? We are just going to focus on good quality customers, and we will watch the developments carefully.

Ashish Agashe:

Thank you, sir.

Moderator:

Thank you. Next question is from Srishti Sharma from ET BFSI. Please go ahead.

Srishti Sharma:

Thank you. Good evening, management. Three questions: First, on the market share of ICICI Bank's credit cards – it was approximately around 17% for a good long time. Recently came down to 16%, correct me if I am wrong. So, what is ICICI Bank's strategy out over here? Second, July onwards credit institutions are supposed to report four times a month to CIC. What is the status on that? And third, we are already into FY27, have you laid out your hiring plans? When I see your employee cost quarter-on-quarter or yearly basis, it has been increasing. So, do we make that you have been adding headcounts? Help us give more colour in that. Thank you.

Sandeep Batra:

So, the employee cost increase is largely a function of the increments that would have happened during the course of the year. Coming on the credit card book, yes, our objective is to drive a risk-calibrated profitable growth and of course do 'Customer 360'. So again, to repeat, we do not focus on a product, we try to focus on the customer. During the year, we have focussed on onboarding quality customers, driving profitable spends, and also exiting riskier and unprofitable segments. So that in a way, you can see some moderation of growth, or it has remained flat, but profitability remains very healthy. Looking ahead, we continue to see opportunities to focus on the segments. We will continue to leverage our distribution franchise and also co-branded partnerships.

While there was some amount of decline that you talked about, of late, there has been some month-on-month increase which was happening. So, from our perspective, we would like to focus on profitable segments here which seem to be doing well.

Srishti Sharma:

On to the credit card when you say you have mindfully cut down on the credit card spread, why so? You say you were exiting the riskier portfolios, right? What does that mean?

Sandeep Batra:

I did mention riskier and unprofitable segments, wherever they come across, we have exited those.

Srishti Sharma:

Okay. And you say co-branded is what you want to, you know, go more aggressive on.

Sandeep Batra:

No, I just said that co-branded is also one of the channels to grow. We look at 'Customer 360', there are customers of ours who may not be having a credit card. We look at our distribution franchise; we focus across opportunities. So, as we have been talking about, Srishti, we have been focussing on the customer and clearly good quality customer will be given credit cards and we are happy to grow that segment.

Srishti Sharma:

Okay. And on the credit reporting to CIC?

Sandeep Batra:

That is settled in now. Yes, that is settled in. Yes, you are right, it is now become fortnightly basis. So, it is settled in.

Srishti Sharma:

No, no, no. So, it is going to be four times a month to CIC, July onwards. What is the status for you?

Sandeep Batra:

It is what it is. It has moved from monthly to fortnightly and then weekly. So be it.

Srishti Sharma:

Okay. And when you say employee cost is addition of the increments...would you be adding? What is the outlook?

Sandeep Batra:

No, we do not look at it that way. I think we look at the overall business strategy, and it comes bottoms up. If we need to hire more people, we will hire. So, there is nothing specific to call out here at this point of time.

Moderator:

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

ICICI Bank Limited

Earnings conference call - Quarter ended March 31, 2026 (Q4-2026)

April 18, 2026

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-FY2026 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 touch-tone phone. Please note that this conference is being recorded. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sandeep Bakhshi, Managing Director and Chief Executive Officer 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 FY2026. 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 micro-markets. We continue to operate within the framework of our values to strengthen our franchise. Maintaining high standards of governance, deepening coverage and enhancing delivery capabilities with a focus on simplicity and operational resilience, are key drivers for our risk calibrated profitable growth.

The profit before tax excluding treasury grew by 10.1% year-on-year to 182.09 billion Rupees in this quarter and by 7.1% year-on-year to 650.21 billion Rupees

in FY2026. The core operating profit increased by 5.1% year-on-year to 183.05 billion Rupees in this quarter and by 7.7% year-on-year to 704.01 billion Rupees in FY2026. The profit after tax grew by 8.5% year-on-year to 137.02 billion Rupees in this quarter and by 6.2% year-on-year to 501.47 billion Rupees in FY2026. The consolidated profit after tax grew by 9.3% year-on-year to 147.55 billion Rupees in this quarter and by 6.2% year-on-year to 542.08 billion Rupees in FY2026. The Board has recommended a dividend of 12 Rupees per share for FY2026, subject to requisite approvals.

Total deposits grew by 11.4% year-on-year and 8.1% sequentially at March 31, 2026. Average current and savings account deposits grew by 11.3% year-on-year and 2.7% sequentially during this quarter. The Bank's average LCR for the quarter was about 126%.

The overall loan portfolio including the international branches portfolio grew by 15.8% year-on-year and 6.0% sequentially at March 31, 2026. The retail loan portfolio grew by 9.5% year-on-year and 4.2% sequentially. Including non-fund based outstanding, the retail portfolio was 41.7% of the total portfolio. The rural portfolio, including gold loan grew by 25.6% year-on-year and 18.0% sequentially. The business banking portfolio grew by 24.4% year-on-year and 7.6% sequentially. The domestic corporate portfolio grew by 9.3% year-on-year and 3.1% sequentially. The domestic loan portfolio grew by 15.3% year-on-year and 5.6% sequentially at March 31, 2026. The overseas loan portfolio was 2.7% of the overall loan book at March 31, 2026.

The net NPA ratio was 0.33% at March 31, 2026 compared to 0.37% at December 31, 2025 and 0.39% at March 31, 2025. The total provisions during the quarter were 0.96 billion Rupees or 0.5% of core operating profit and 0.03% of average advances. The provisioning coverage ratio on non-performing loans was 75.8%

at March 31, 2026. In addition, the Bank continues to hold contingency provisions of 131.00 billion Rupees or about 0.9% of total advances at March 31, 2026.

The capital position of the Bank continued to be strong with a CET-1 ratio of 16.35% and total capital adequacy ratio of 17.18% at March 31, 2026, after reckoning the impact of proposed dividend.

Looking ahead, we see many opportunities to drive risk calibrated profitable growth and grow market share across key segments. We remain focused on maintaining a strong balance sheet, prudent provisioning and healthy levels of capital while delivering sustainable 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, 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 13.2% year-on-year and 4.7% sequentially. Auto loans grew by 1.7% year-on-year and 1.4% sequentially. The commercial vehicles and equipment portfolio grew by 11.6% year-on-year and 6.4% sequentially. Personal loans grew by 7.2% year-on-year and 5.2% sequentially. The credit card portfolio declined by 5.6% year-on-year and 1.3% sequentially.

Within the corporate portfolio:

- The total outstanding to NBFCs and HFCs was 859.04 billion Rupees at March 31, 2026 compared to 791.18 billion Rupees at December 31, 2025. The total outstanding loans to NBFCs and HFCs were about 4.6% of our advances at March 31, 2026.
- The builder portfolio including construction finance, lease rental discounting, term loans and working capital was 714.21 billion Rupees at March 31, 2026 compared to 680.83 billion Rupees at December 31, 2025. The builder loan portfolio was 4.2% 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 0.9% of the builder portfolio at March 31, 2026 was either rated BB and below internally or was classified as non-performing.

B. Credit quality

The gross NPA additions were 42.42 billion Rupees in the current quarter compared to 51.42 billion Rupees in Q4 of last year. Recoveries and upgrades from gross NPAs, excluding write-offs and sale, were 30.68 billion Rupees in the current quarter compared to 38.17 billion Rupees in Q4 of last year. The net additions to gross NPAs were 11.74 billion Rupees in the current quarter compared to 13.25 billion Rupees in Q4 of last year.

The gross NPA additions from the retail and rural portfolios were 31.45 billion Rupees in the current quarter compared to 43.39 billion Rupees in Q4 of last year. Recoveries and upgrades from the retail and rural portfolios were 22.93 billion Rupees in the current quarter compared to 30.39 billion Rupees in Q4 of last year. The net additions to gross NPAs in the retail and rural portfolios were 8.52 billion Rupees in the current quarter compared to 13.00 billion Rupees in Q4 of last year.

The gross NPA additions from the corporate and business banking portfolios were 10.97 billion Rupees in the current quarter compared to 8.03 billion Rupees in Q4 of last year. Recoveries and upgrades from the corporate and business banking portfolios were 7.75 billion Rupees in the current quarter compared to 7.78 billion Rupees in Q4 of last year. There were net additions to gross NPAs of 3.22 billion Rupees in the current quarter in the corporate and business banking portfolios compared to 0.25 billion Rupees in Q4 of last year.

The gross NPAs written-off during the quarter were 17.68 billion Rupees. Further, there was sale of NPAs of 1.12 billion Rupees for cash in the current quarter.

The non-fund based outstanding to borrowers classified as non-performing was 21.74 billion Rupees as of March 31, 2026 as compared to 22.29 billion Rupees as of December 31, 2025.

The loans and non-fund based outstanding to performing corporate borrowers rated BB and below was 35.19 billion Rupees at March 31, 2026 as compared to 33.92 billion Rupees at December 31, 2025. This portfolio was about 0.2% of our advances at March 31, 2026.

The total fund based outstanding to all standard borrowers under resolution as per various guidelines declined to 14.96 billion Rupees at March 31, 2026 from 16.66 billion Rupees at December 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 227.10 billion Rupees or 1.5% of loans. This includes the contingency provisions of 131.00 billion Rupees as well as general provision on standard assets, provisions held for non-fund based outstanding to borrowers classified as non-performing, fund and non-fund based outstanding to standard borrowers under resolution and BB and below portfolio. The Bank also continues to hold additional standard asset provision of 12.83 billion Rupees made in Q3 as directed by RBI in respect of the agricultural priority sector portfolio.

Moving on to the P&L details:

C. P&L details

Net interest income increased by 8.4% year-on-year and 4.8% sequentially to 229.79 billion Rupees in this quarter. The net interest margin was 4.32% in this quarter compared to 4.30% in the previous quarter. The cost of deposits was 4.43% in this quarter compared to 4.55% in the previous quarter. The benefit of interest on tax refund was 5 basis points in the current quarter compared to 1 basis point in the previous quarter. The margins for the quarter reflect the impact of repricing of external benchmark linked loans, repricing of term deposits and seasonally lower interest reversal on the KCC portfolio. The net interest margin in FY2026 was 4.32%, similar to FY2025.

Of the total domestic loans, interest rates on about 56% of the loans are linked to the repo rate and other external benchmarks, 13% to MCLR and other older benchmarks and the remaining 31% of loans have fixed interest rates.

Non-interest income, excluding treasury, grew by 5.6% year-on-year to 74.15 billion Rupees in Q4 of FY2026.

- Fee income increased by 7.5% year-on-year to 67.79 billion Rupees in this quarter. Fees from retail, rural and business banking customers constituted about 78% of the total fees in this quarter.
- Dividend income from subsidiaries was 6.31 billion Rupees in this quarter compared to 6.75 billion Rupees in Q4 of last year.

On Costs: The Bank's operating expenses increased by 12.0% year-on-year in this quarter and 11.5% year-on-year in FY2026. Employee expenses increased by 8.8% year-on-year and non-employee expenses increased by 14.0% year-on-

year in this quarter. Our branch count has increased by 126 in Q4 and 528 in FY2026. We had 7,511 branches as of March 31, 2026. The sequential increase in operating expenses primarily reflects the impact of market movements resulting in higher provisions for retiral benefits. The technology expenses were about 11% of our operating expenses in FY2026.

The total provisions during the quarter were 0.96 billion Rupees or 0.5% of core operating profit and 0.03% of average advances compared to the provisions of 8.91 billion rupees in Q4 of last year, reflecting healthy asset quality and higher recoveries and write-backs. The credit cost was 38 basis points in FY2026. Adjusted for the additional standard asset provision in respect of the agricultural priority sector portfolio and corporate recoveries, the credit cost was under 50 basis points in FY2026.

The profit before tax excluding treasury grew by 10.1% year-on-year to 182.09 billion Rupees in Q4 of this year and by 7.1% year-on-year to 650.21 billion Rupees in FY2026.

There was a treasury loss of 1.06 billion Rupees in this quarter as compared to loss of 1.57 billion Rupees in the previous quarter and gain of 2.39 billion Rupees in Q4 of last year primarily reflecting market movements and includes the impact of capping of FX net open positions in the onshore market as per recent RBI guidelines.

The tax expense was 44.01 billion Rupees in this quarter compared to 41.43 billion Rupees in the corresponding quarter last year. The profit after tax grew by 8.5% year-on-year to 137.02 billion Rupees in this quarter. The profit after tax grew by 6.2% year-on-year to 501.47 billion Rupees in FY2026.

D. Consolidated results

The consolidated profit after tax grew by 9.3% year-on-year to 147.55 billion Rupees in this quarter. The consolidated profit after tax grew by 6.2% year-on-year to 542.08 billion Rupees in FY2026.

The details of the financial performance of key subsidiaries are covered in slides 33 to 35 and 54 to 59 in the investor presentation.

The annualised premium equivalent of ICICI Life increased to 106.41 billion Rupees in FY2026 from 104.07 billion Rupees in FY2025. The value of new business increased to 26.29 billion Rupees in FY2026 from 23.70 billion Rupees in FY2025. The value of new business margin was 24.7% in FY2026 compared to 22.8% in FY2025. The profit after tax of ICICI Life increased to 16.00 billion Rupees in FY2026 from 11.89 billion Rupees in FY2025 and 6.09 billion Rupees in this quarter from 3.86 billion Rupees in Q4 of last year.

Gross Direct Premium Income of ICICI General increased to 287.12 billion Rupees in FY2026 from 268.33 billion Rupees in FY2025. The combined ratio stood at 103.4% in FY2026 compared to 102.8% in FY2025. The profit after tax increased to 27.72 billion Rupees in FY2026 from 25.08 billion Rupees in FY2025. The profit after tax increased to 5.47 billion Rupees in this quarter from 5.10 billion Rupees in Q4 of last year.

The profit after tax of ICICI AMC, as per Ind AS, increased to 7.63 billion Rupees in this quarter from 6.92 billion Rupees in Q4 of last year.

The profit after tax of ICICI Securities, as per Ind AS on a consolidated basis, was 4.22 billion Rupees in this quarter compared to 3.81 billion Rupees in Q4 of last year.

ICICI Bank Canada had a profit after tax of 4.4 million Canadian dollars in this quarter compared to 12.5 million Canadian dollars in Q4 of last year primarily reflecting the impact of reduction in benchmark interest rates and lower business volumes.

ICICI Bank UK had a profit after tax of 8.0 million US dollars in this quarter compared to 6.0 million US dollars in Q4 of last year.

As per Ind AS, ICICI Home Finance had a profit after tax of 2.49 billion Rupees in the current quarter compared to 2.41 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:

We'll take a first question from the line of Jayant Kharote from Axis Capital. Please go ahead.

Jayant Kharote:

Congratulations on a great set of numbers. First question is on...

Moderator:

Jayant, sorry, can you use your handset mode, please, your audio is not very clear.

Jayant Kharote:

Yes. The first question is on the...

Moderator:

I'm sorry, his line is disconnected. We'll move on to the next question from the line of Kunal Shah from Citigroup. Please go ahead.

Kunal Shah:

The first question is on the growth side. So, particularly on retail, we had seen the good uptick out there, particularly when we look at the mortgages, it's been up like almost 4.7-odd percent and we had seen the uptick even on the PL as well as the commercial vehicle side. On mortgages, is it like the competition is coming off, spreads are getting attractive? Otherwise, we have always focused on ROA. So, what is actually driving this growth on the mortgages side, in particular quarter-on-quarter?

And the second question is on deposits. Deposits still seems to be slightly slower compared to the loan growth and we have losing the market share. Maybe a couple of years back, we have gained quite a bit of market share on CASA and all. But I think now the overall deposit growth is lower in the system, so what will be our stance on the overall deposit growth getting into the next year?

Anindya Banerjee:

First on the growth in mortgages. As we may have discussed in the past, if we look back 2 to 3 quarters ago, we were probably holding back a little because of both the benchmark risk and the spreads over the benchmark. As the benchmark has settled, it has given us the space to grow that portfolio and that is what you have seen over the last 2 quarters and more particularly in this quarter. It is a competitive market, but we are within that trying to operate and price

appropriately across the spectrum, also focusing very much on the entire customer 360 aspect, which we do in all our businesses.

On the deposit side, I think while it looks like a loan growth of 15% and a deposit growth of 11%, on an average basis, they are pretty closely matched. I mean average deposit growth would also be very similar to the average loan growth. So, if you look at it from an LCR perspective also, we are continuing to be very comfortable at about 125% average for the quarter. We are quite comfortable on the deposit side and CASA ratios are also holding up well. So that should support a healthy level of loan growth.

Kunal Shah:

Sorry, so you mentioned average, so average deposit growth is almost 10.8%, okay, so you mean to say that also for average loan growth?

Anindya Banerjee:

The gap would not be like 11% to 15%, it will be a lower gap and that much is fine. On overall liquidity and LCR basis, we are pretty comfortable. Deposit growth is not something that will constrain us from pursuing loan growth. The deposit flows are more than adequate and healthy.

Kunal Shah:

Sure. And lastly, in terms of the provisioning. When we look at the overall provisioning quite low during the quarter. Were there any write-backs which have happened or release which have been there during the quarter? Maybe the overall recoveries still seems to be pretty much in line with the last quarter. But was there any provisioning release in any of the line items?

Anindya Banerjee:

A couple of things on the provisioning side. One, if you look at even on a year-on-year basis on the retail side, the net additions are lower and, in particular, over the last few quarters the additions to NPLs on the unsecured side, which get provided pretty aggressively, have been coming down. So that has brought down the provisioning requirements even on the retail side, plus I would say we had a somewhat higher level of recoveries and write-backs on the corporate portfolio, including recoveries from written-off accounts, which has resulted in the provisioning for this quarter being at a pretty low level.

Overall, for the year, as we said on the call, we were at 38 basis points. And if we kind of adjust the one-time KCC provision and also the corporate recoveries, we would be below 50 basis points. So, the underlying credit cost remains pretty stable.

Kunal Shah:

Okay. So maybe for Q4, nothing in particular, you're still alluding to full year. But Q4, because if I look at recoveries in corporate and business banking, it seems to be almost similar at 750 crores - 775 crores Rupees. So, nothing appears to be there in terms of higher recoveries in Q4 in corporate.

Anindya Banerjee:

So that's the recovery from the gross NPLs. As I said, we would have also a recovery from the written-off accounts that gets netted-off in the provision line item, that would have been on the somewhat higher side in this quarter.

Kunal Shah:

Got it. That helps. Thanks and all the best.

Moderator:

Thank you. Next question is from the line of Nitin Aggarwal from Motilal Oswal. Please go ahead.

Nitin Aggarwal:

Yes. Hi, good evening and congrats on strong performance once again. The first question, Anindya, is on the fee income growth. How do you look at this over the coming year? What steps are we taking to drive better traction on this line?

Anindya Banerjee:

I guess if we look at the broad areas of fee income that we focus on, I think on the transaction banking in which I would include both trade aspects as well as forex and derivatives, and on the deposit account linked fees, deposit, demat, etc. I think we are doing reasonably well. On the cards and payment side, this year has been a little slow. We have not grown as much there in terms of fees and that would be one area for us to focus on. I think more recently, as the loan growth has picked up, the lending-linked fees have also picked up and we will hopefully see that momentum sustain going forward, but this is something we'll have to keep calibrating.

Nitin Aggarwal:

Okay. And can you also give some color as to what has been the impact from RBI's recent foreign currency control regulations that they came up with in respect to the net open position and the NDF regulations as to how much has been the impact on the other income and any losses that we have incurred because of that this quarter?

Anindya Banerjee:

So we have a net treasury loss of 1.06 billion Rupees, that's after taking into account the impact of the mark-to-market as of March 31 on the outstanding forwards. So that's factored into those numbers.

Nitin Aggarwal:

Okay, sure. And the last question is around the growth. We have seen a very strong pickup in the system numbers, even ICICI Bank in the last two quarters have picked up very well on the growth front. How do you look at this momentum going into FY27? Is this like something that will pick steam further or is it kind of has already reached the high point?

I mean, overall, the growth will broad base from here further in respect to unsecured loans and some of the other segments which are not contributing, like mortgages started to pick up now or you think that 16-odd percent growth where we are right now is like already on the upper end that we are looking at?

Anindya Banerjee:

We wouldn't get into giving a growth number. I think that post all the measures that were taken at a policy level through last year and from our own side, I think with some other factors like the interest rates stabilizing, benchmark stabilizing, growth has picked up. And general outlook on the economy has been quite positive.

Of course, more recently, since March, the conflict in West Asia has clouded the outlook in the sense that it has created some amount of uncertainty. But from our side, we believe we have a strong franchise, healthy capital levels and strong funding and liquidity. So, we would want to leverage that to grow the business within our parameters of risk acceptance.

Nitin Aggarwal:

Right. And sorry, if I can squeeze one more. And especially on the credit cost line, wherein I think everybody has been waiting for some normalization, some uptick in credit costs in the banking system and yet you've reported a sharp improvement here again. While our guidance remains below 50 basis points, but in terms of your own confidence and assessment, do you feel more confident now versus how things were in the prior years because our guidance in general has been sub-50% over the years. So, how do you see like and compare this now versus what you have guided in the past?

Anindya Banerjee:

I would think if you look at the different segments of the business, the corporate sector is pretty strong, and they are well funded with healthy balance sheets and significant resilience. And on the retail side, banks, including us, have been reasonably sensible about credit selection and the customers also have held up well. We had maybe 1 year, 1.5 year, 2 years ago, some increase in delinquencies on the personal loan side, but with regulatory action and with the steps taken by banks that also was fairly quickly contained. So that is showing up in these very healthy credit numbers. And while there are these externalities to be monitored, we don't, at the moment, see any cause for concern as such. The other portfolio, which is reasonably large now and has grown rapidly over the last few years, is the whole business banking portfolio. And again, one would have to monitor any potential impact of the external events on that.

But I would say, that is a portfolio that at least to the extent that we have a track record has been tested through COVID, the energy dislocation of 2022 and then the whole tariff issue and has held up reasonably well. So that gives us some degree of confidence, but we will monitor it as we go along.

Moderator:

Thank you. Next question is from Mahrukh Adajania from Tara Capital. Please go ahead.

Mahrukh Adajania:

Congratulations. I had a couple of questions. Firstly, after this war, would you have tightened any credit parameter or any credit rule going into FY27 or its business as usual or growth as usual across segments, even small segments? So that's my first question. Secondly, if you see your yield on advances, what you reported in the presentation, that's been coming off over the last 2 quarters.

Of course, there have been the impact of rate cuts as well. But can we say that yields have now bottomed because your cost of funds has also come down materially? I believe most of the repricing is done there. So, in terms of yield, is this now close to the bottom? That's my second question.

Anindya Banerjee:

On the first question side, we have looked at and continue to look at regularly all the potential sectoral impact as well as the impact at a client level. I would not say that we have specifically tightened anything or are excluding any segment, but we have our understanding of which are the segments that potentially need, require closer monitoring, and we are doing that, and we will calibrate our actions as we go along. Overall, I think, as I said, we are continuing to focus on growing the business.

On the yield, I think we have, of course, this quarter seen the impact of the December repo cut, and we'll just have to, as we go along, look at how incremental pricing, etc., play out in the market, and we'll have some amount of deposit repricing also. So, I guess, at a margin level, we continue to look at sort of

range-bound margins, unlikely to move up, but should be broadly in this range is what we would think.

Mahrukh Adajania:

Got it. And I just have one last question. You explained the decline in credit cost. Was it more driven by unsecured slippage coming down or more by corporate slippage this quarter, I mean, more by corporate recoveries?

Anindya Banerjee:

No. So this quarter, we saw a higher level of recoveries and write-backs on the corporate portfolio, including recoveries from written-off accounts. But in general, the retail credit costs, as you can see from the retail net additions itself, have been coming down, so the retail credit costs have also been coming down. And within that, the unsecured has been moderating. So secured was anyway pretty stable. So that is having a beneficial impact on the provisions.

Moderator:

Next question is from the line of Seshadri Sen from Emkay Global. Please go ahead.

Seshadri Sen:

Thank you for the opportunity. I have a couple of questions. One is, for the second successive quarter, your credit card book is contracting. Is that just the nature of the business, seasonal, or are you taking any interventions in terms of trying to boost profitability? And overall, if you could comment on how the profitability of the credit card business is trending because revolver rates are coming down, cost of acquisitions seems to be moving up a little bit?

Anindya Banerjee:

The decline we saw in Q3 was really seasonal because there was a sharp buildup of the book towards the end of Q2 due to the festive season spend, which ran off in Q3. The small decline in the fourth quarter, I would say, we can't really say that it is seasonal, it is really a function of spends and revolvers.

From our perspective, I think we are focused on growing the business and growing it with the right set of customers in a profitable way. And we have been seeing reasonably steady new customer acquisition. I think the level of revolvers, etc., has been an issue for the industry, so that is something that we'll have to deal with. But we would hope to see better numbers in terms of growth. And as I mentioned in a prior response, one of the analysts earlier asked about fees, on the fees as well.

Profitability, yes, I mean, at a very high level, if you look at over the last few years, the decline in the level of revolvers has impacted profitability, but it still remains a very profitable business, and it is a business with many levers of profitability, including on the cost side, reward side, etc. I think we keep tweaking those as well. So overall, it's a business one would continue to have a very strong focus on.

Seshadri Sen:

Thanks. And my second question is on the corporate loan outlook. Both tactically in the short-term while the energy crisis and the war is on and also from a slightly medium perspective, what are your growth aspirations? What are the key drivers? Are there any particular segments that you're looking at?

Anindya Banerjee:

So, we are very focused on the counterparty and in terms of the quality and the overall business opportunity. Our funnels are open, and we are in a constant

dialogue with the clients. Wherever there is a level at which it makes sense, both for the client and the bank, the business happens.

Over the last 2 quarters, we have seen a reasonably good accretion to the corporate book, and we continue to see opportunities going ahead. I think with the better-rated clients, we will look through any short-term issues arising out of this crisis and see how we can work with them over the longer term.

Seshadri Sen:

Thank you so much. Thank you.

Moderator:

Thank you. We'll take our next question from the line of Rikin Shah from IIFL Capital. Please go ahead.

Rikin Shah:

Hi, good evening. A few questions. First one is on operating expenses. The operating expenses growth was about at 11.5%-12%. This year has been higher than the peers, perhaps due to the increase in the average remuneration for the employees. So how should we think about it going into next year, especially when your volume growth is also picking up? So, does this further rise in terms of the overall expenses growth or are there certain levers to bring that down? So that's one.

Second, Anindya, could you comment on the government SA balances where we were seeing some outflows? Have the trends stabilized? And should we start seeing some growth even in the institutional SA going ahead? So those are my two questions.

Anindya Banerjee:

So as far as the operating expenses are concerned, if we look at this year, more or less, it has been in line with our expectations. Couple of areas where the costs have been somewhat higher than what we would have expect, would have started out with. One is on the priority sector compliance and the second is, to some extent, on the remuneration because of the Labour Code and a couple of others, like the market movement impact that we saw in March.

And the final numbers on business growth are a little ahead of operating expenses growth, and we hope that, that will be sustained over the next year. So, definitely, we would want to have opex growth at a level which is below the top line growth. That would be our objective.

Rikin Shah:

Got it. And the government SA balances?

Anindya Banerjee:

Yes, government SA balances. So, as we had said last time, those are in the low-teens as a proportion of the balances. I think this quarter, it's been maybe the level of rundown has been somewhat lower. But really, that's something that we will have to just bake into our plans and really focus on growing the money in bank, as we call it, from the other set of customers.

Rikin Shah:

Got it. And if I can just squeeze in one last question. Could you comment on how much residual deposit repricing is remaining in your case?

Anindya Banerjee:

Don't really give a number of that kind, but I guess maybe till the last summer, our peak rates were more in the 1-year kind of level. So that's kind of the repricing horizon.

Rikin Shah:

Okay, got it. Thank you.

Moderator:

Thank you. Next question is from Param Subramanian from Investec. Please go ahead.

Param Subramanian:

Hi, good evening. Thanks for taking my question. Firstly, on rural loans, so there is a sharp uptick in this quarter. So, what is driving that 18% quarter-on-quarter?

Anindya Banerjee:

So part of it is due to, I think, over the last couple of quarters, higher demand for gold loans and we have also geared up our machinery. I mean, some of it is not strictly rural, although we club it in that segment, it could be from a broader range of branches, but that would be one of the drivers in addition to other elements of the portfolio.

Param Subramanian:

Okay. Got it. And where are we in terms of the issue that came up in the last quarter on the priority sector related provisioning. We have been talking about, say, recoveries of those provisions gradually over the next year. So any update you want to give on that?

Anindya Banerjee:

As we said earlier, as of March, we continue to hold those provisions. We're in the process of working through that portfolio, as we said to try and bring it into conformity with the requirements of the agri lending classification. And maybe we will have an update on that a quarter-or-so from now.

Param Subramanian:

Okay. And Anindya, broadly, where are we in terms of, say, our PSL compliance, say on SMFs, etc., since we are at the end of the year?

Anindya Banerjee:

So it's pretty much, I think, the same picture. I mean, we would be compliant overall, we will have some shortfall on the small agri side. So that's pretty much the same picture.

Param Subramanian:

Okay. Thank you so much and congrats on the quarter. Thank you.

Moderator:

Thank you. Next question is from the line of Piran Engineer from CLSA. Please go ahead.

Piran Engineer:

Congratulations on the quarter.

Moderator:

Piran your audio is not very clear. Can you use the handset mode, please.

Piran Engineer:

Yes, one second. Is it better now?

Moderator:

Yes. Please go ahead.

Piran Engineer:

Congrats on the quarter. Firstly, just a clarification on the government deposits being in low-teens, it's low-teen share of total deposits or low-teen share of SA?

Anindya Banerjee:

SA. Government SA is a low-teen share of SA.

Piran Engineer:

Correct.

Moderator:

Piran I am sorry you are sounding muffled.

Piran Engineer:

Can management hear me?

Moderator:

Now, it is fine. Go ahead.

Piran Engineer:

Okay. Fine. I got the answer to the first question. On the second question, just wanted to understand on home loans. Firstly, is there also an element of lower prepayment rate driving the pickup in home loan growth for this quarter or is it just a question that now repo rate cuts have ended, as you said, and now you all are pushing growth?

Anindya Banerjee:

So, I would say it's more a pickup in disbursements.

Piran Engineer:

Okay. Like-for-like, Anindya, let's say, for the repo rate.

Moderator:

Piran, sorry, we lost you, again.

Piran Engineer:

Yes. Is it better now?

Moderator:

Yes.

Piran Engineer:

So just pre-repo cut cycle to today, how much incremental disbursements, of course?

Anindya Banerjee:

I think we are not able to hear you, Piran. Maybe we can just take this offline?

Piran Engineer:

Yes. Sure.

Moderator:

Thank you. We'll take our next question from the line of Chintan from Autonomous Research. Please go ahead.

Chintan:

Hi, good afternoon. Thanks for taking my question. How do we see the growth outlook for the coming few quarters? We're talking about nice growth in the system in this quarter. But clearly, it's too early to incorporate the supply shock into expectations. As you look forward, as you look into your books, as you see how corporates are getting impacted by this, how do you think both your book and system loan growth will develop over the next few quarters?

Anindya Banerjee:

No, it's very difficult to answer that question because the outlook on the underlying...

Moderator:

I'm sorry, sir, you're not audible. Ladies and gentlemen, please stay connected, we've lost the management line. Ladies and gentlemen, we have the management team back online. Chintan?

Chintan Joshi

Yes, I am still here. I think Anindya was answering my question. I will let him finish.

Anindya Banerjee

Yes. I don't know where you lost us.

Chintan:

Pretty much from the start.

Anindya Banerjee:

Essentially, it's very difficult to make a prediction at the current time because this is an evolving situation, but as we said we believe the system is going into it with a reasonable degree of resilience. So, we will wait and see how the demand

conditions pan out. I think as far as we are concerned, we see that we have strong levels of capital, liquidity funding and a large franchise and we would continue to try to use that to grow the business. Of course, we'll have to keep calibrating the risk acceptance levels as we go along.

Chintan:

But are you seeing anything in your corporate or business banking book that looks like production is falling, slowing down, working capital limits are not getting utilized? Are you seeing any stress in your early indicators?

Anindya Banerjee:

It's too early to make any call or generalization of that kind.

Chintan:

Okay. And then a quick follow-up on your cost of deposit point. I think you said that there should be some more residual re-pricing left, but you also said that kind of take the duration as 1 year, which is slightly contradictory. So, which is it? Is there kind of more to go on cost of deposit in terms of residual re-pricing?

Anindya Banerjee:

I guess, if you look at where the deposit rates were a little more than a year ago, they are at somewhat lower levels. And the large rate cut cycle happened in June and then there was some further cut, small cut in December. So, as I said, overall, on the margin side, we expect it to be range bound from here on.

Chintan:

Okay. And finally, on cost-to-income ratio. This year operating expenses growth has led top-line growth. Could we say we are committed to delivering positive jaws next year?

Anindya Banerjee:

We really look at the PPOP and the PBT post credit costs. So, it's not that we are looking at managing or targeting a particular cost-to-income metric. So obviously, our objective would be to grow revenues ahead of costs. So, we will see how it evolves. That's certainly the way in which we would like to drive the bank.

Chintan:

Thank you.

Moderator:

Thank you. Ladies and gentlemen, we'll take that as the last question for today. I would now like to hand the conference back to management for closing comments. Over to you, sir.

Anindya Banerjee:

Thank you very much and we'll be available to take questions if there are any follow-ups. Thank you.

Moderator:

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