January 31, 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 nine months ended December 31, 2024.

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-december-31-2024
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

Prachiti Lalingkar
Digitally signed by Prachiti Lalingkar
Date: 2025.01.31 18:08:28 +05'30'

Prachiti Lalingkar
Company Secretary

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 December 31, 2024

on January 25, 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. Joining me today for this call is Anindya Banerjee our Group Chief Financial Officer. Thank you all for joining us on a Saturday afternoon.

The operating environment for the banking system continues to be dynamic based on evolving global and domestic economic factors. We would continue to monitor domestic inflation, liquidity, rates and uncertainties in the global environment.

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 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 ended December 31, 2024. I would like to highlight some key numbers:

A. Profit and capital

1. Net interest income increased by 9.1% year-on-year to ₹20,371 crore in Q3-2025. The interest on income tax refund was ₹50 crore in current quarter compared to ₹170 crore in Q3-2024.
2. Net interest margin was 4.25% in Q3-2025 compared to 4.27% in Q2-2025 and 4.43% in Q3-2024
3. Fee income grew by 16.3% year-on-year to ₹6,180 crore in Q3-2025
4. Core operating profit grew by 13.1% year-on-year to ₹16,516 crore in Q3-2025. Excluding dividend income from subsidiaries, core operating profit grew by 14.7% year-on-year in Q3-2025
5. Provisions (excluding provision for tax) were ₹1,227 crore in Q3-2025
6. Profit before tax excluding treasury, grew by 12.8% year-on-year to ₹15,289 crore in Q3-2025
7. Profit after tax grew by 14.8% year-on-year to ₹11,792 crore in Q3-2025
8. Consolidated profit after tax grew by 16.6% year-on-year to ₹12,883 crore in Q3-2025
9. Standalone RoE was 17.6% in Q3-2025

10. At December 31, 2024, the Bank had a net worth over ₹2.72 lakh crore. Including profits for 9M-2025, CET-1 ratio was 15.93% and total capital adequacy ratio was 16.60%

Moving on to deposit growth

B. Deposit growth

1. Total period-end deposits increased by 14.1% year-on-year to ₹15,20,309 crore at December 31, 2024
2. Average deposits increased by 13.7% year-on-year to ₹14,58,489 crore during Q3-2025
3. Average current account deposits increased by 13.1% year-on-year
4. Average savings account deposits increased by 12.3% year-on-year
5. The Bank opened 129 branches during Q3-2025, 371 branches in the last 12 months and had a network of 6,742 branches and 16,277 ATMs and cash recycling machines at December 31, 2024

Moving to loan growth

C. Loan growth

1. The domestic loan portfolio grew by 15.1% year-on-year and 3.2% sequentially at December 31, 2024
2. The retail loan portfolio grew by 10.5% year-on-year and 1.4% sequentially. Including non-fund outstanding, the retail loan portfolio was 43.9% of the total portfolio. The personal loan portfolio grew by 8.8% year-on-year and declined 1.3% sequentially. The credit card portfolio grew by 17.9% year-on-year and 2.8% sequentially. The business banking portfolio grew by 31.9% year-on-year and 6.4% sequentially. The rural portfolio grew by 12.2% year-on-year and 0.9% sequentially. Growth in the domestic corporate portfolio was 13.2% year-on-year and 4.3% sequentially at December 31, 2024

3. 75.9% of the corporate loan portfolio was rated A- and above at December 31, 2024

Moving to technology initiatives

D. Technology initiatives

We continue to enhance the use of technology in our operations to provide simplified solutions to customers. The Bank has introduced DigiEase, a digital platform designed to streamline the customer onboarding process for Business Banking. This enhances operational efficiency and customer experience by integrating multiple digital services into a single seamless workflow. iLens, the retail lending platform, is being upgraded on an ongoing basis, with retail credit cards now integrated in the platform along with mortgages, personal loans and education loans.

We continue to make investments in the computing infrastructure and upgrade digital channels to further strengthen system resilience and simplify processes for enhancing customer experience.

E. Asset Quality

1. Net NPA ratio was 0.42% at December 31, 2024 compared to 0.42% at September 30, 2024 and 0.44% at December 31, 2023
2. During Q3-2025, there were net additions to gross NPAs of ₹2,693 crore
3. Gross NPA additions were ₹6,085 crore in Q3-2025. Recoveries and upgrades of NPAs, excluding write-offs and sale, were ₹3,392 crore in Q3-2025
4. Gross NPAs written off were ₹2,011 crore in Q3-2025
5. There was sale of NPAs worth ₹58 crore in the current quarter
6. Provisioning coverage ratio on non-performing loans was 78.2% at December 31, 2024
7. Total fund based outstanding to all borrowers under resolution as per the various extant regulations declined to ₹2,107 crore or 0.2% of total advances at December 31, 2024 from ₹2,546 crore at September 30, 2024. The Bank holds provisions amounting to ₹691 crore against these borrowers under resolution, as of December 31, 2024

8. Loan and non-fund based outstanding to performing corporate borrowers rated BB and below reduced to ₹2,193 crore at December 31, 2024 from ₹3,386 crore at September 30, 2024
9. The Bank continues to hold contingency provisions of ₹13,100 crore at December 31, 2024

Going forward, we will continue to operate within our strategic framework while focusing on micro markets 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. Thank you.

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 queue, you may press * and 2. Today's announcement is on the Bank's financial performance. Hence, we would like you to request 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:

I just wanted to understand the gross addition number having gone up. If you can just tell me, is this largely the agri portfolio, the Kisan Credit Card portfolio that's adding, firstly? And my second question is, from here on, do you think that the 0.42 net NPA ratio is maybe like the most optimal level and maybe going down further would not be possible?

Sandeep Batra:

On your first question on NPA, Vishwanath: the gross additions that we have had within the quarter were about ₹6,085 crore, out of which retail and rural were ₹5,300 crore and the balance was from corporate and Business Banking. We also had recoveries of ₹3,392 crore, out of which retail was ₹2,786 crore. This resulted in the net NPA additions of ₹2,693 crore. So, that is on the NPA side.

Giving on the percentages, I think this is an evolving thing. We are focused on the quality of the book that we really underwrite, and we have been comfortable with the approach that we have taken. So, this will keep on evolving and, that's where we are. We continue to closely monitor and identify early buildup of stress. Overall, the quality of the book is stable, and we are very happy with that.

Vishwanath Nair:

If I can add: your BB portfolio has come down again sharply during this quarter. I wanted to understand, is the aim to get out of there completely or are you happy with the level it is at this point?

Sandeep Batra:

No, you don't start lending to BB. It becomes this over a period of time because of slippages. So, these things evolve. I mean, every lender, which is rated at higher level, may not continue to remain rated over a period of time. It's a function of many factors which could include business cycles or the performance of individual companies. The amounts are small and yes, it is just about ₹2,100 crore at this point of time. So, it is also a function of the book that you selected at the beginning of the year.

As you are aware, over the last many years, our focus has primarily been on better-rated portfolio. In fact, even today our A- and above portfolio for corporates is about 76% of our overall loans in that category.

Moderator:

Next question is from the line of Saloni Shukla from Economics Times. Please go ahead.

Saloni Shukla:

Just wanted to understand some colour on the unsecured book. Personal loans you didn't grow a lot as compared to the credit card book. Going forward, I know you categorically state that you focused on your underwriting and the quality of customers. But going forward, are you seeing stress in the system? Because we have seen across some of the lenders, your peer lenders, that there has been stress emerging in this book for some time now. So, is there any segment in particular that you are staying away, or you tighten your underwriting? Any colour that you can throw on that?

Sandeep Batra:

No. Thank you, Saloni, for the question. We have been saying this in the past as well. Our retail portfolio is built on the fundamental premise of return of capital and cash flow assessments and without any focus on a particular segment and product.

I think you rightly pointed out there has been a slowdown in personal loan growth. It has grown by about 8.8% year-on-year for this quarter. It was growing in the mid-30s about a year back. I think this has been a conscious decision.

From our point of view, it is more about risk assessment. As you are aware, we continuously monitor the various parameters in which we assess the risk and in case wherever we need to tighten, we have been doing that.

Particularly on personal unsecured sections, I think there has been a call out by even RBI about a year back, and we have since then calibrated our growth. But at the same time, if we get quality customers, we are more than happy to lend even in this segment.

Saloni Shukla:

Just one more on the corporate book. We have seen a little bit of competition obviously on the rate. And you know, better rated corporates are also diversifying, moving at other funds. So, what's your sense on the corporate book? How will you see the growth going forward also because there is some question mark on whether, when the CAPEX will return actually?

Sandeep Batra:

Thank you, Saloni. Again, our domestic portfolio has grown, actually, a little higher this quarter. We grew by 13.2% in December quarter as compared to about 11.8% in the previous quarter. So, sequentially it has grown by about 4.3%.

As we have been saying, our focus has always been to grow within our risk and return thresholds while considering all available opportunities for serving our customers in a 360 degree manner. So, we will look at the entire ecosystem as a whole and continue to grow.

So, over the past few years, we have been looking at all sectors. We really do not have any adverse sectors or any favorable sectors. We largely look at borrowers. As long as they are meeting our risk and reward requirement, we are happy to grow this book. Overall angle, yes, corporate India has got multiple areas in which they can borrow from which could well be from the markets, but we are happy to serve them whenever they need borrowing.

Moderator:

Thank you very much. The next question is from the line of Ben from The New Indian Express. Please go ahead.

Ben:

Can you give some light on credit card asset quality?

Sandeep Batra:

We give the overall credit portfolio. We do not give it separately, Ben, but the credit card portfolio itself has been growing steadily, and we are quite happy with the progress that we are making. We will keep on introducing cards whatever is required from a customer perspective. During the period under consideration, the credit card portfolio grew by 18%. So, the outstanding book is about ₹ 56,800 crore.

Ben:

How good is your liquidity?

Sandeep Batra:

Liquidity is a macro number. So, I think from our perspective we focus on our liability gathering and our deposit and borrowing gathering. So, we are quite comfortable with that.

Moderator:

Thank you very much. Next question is from line of Piyush Shukla from The Hindu Business Line. Please go ahead.

Piyush Shukla:

I just have two queries. One is, if you have estimated the amount of provision you would have to make if ECL gets implemented in this quarter or in next fiscal, sir. One is that. And separately, I want to ask, in terms of margins, I understand you don't give any particular figures, but have we largely come at a saturation point in the sense that it will be lower from here on? Or just a trajectory, whether it will be on the downward bias, have a downward bias going ahead?

Anindya Banerjee:

So, I think, if I can take that, the RBI's guidelines on ECL are yet to come. So, we will take a view as they come. I think there was just a discussion paper on which banks gave feedback and thereafter RBI had an internal committee. So, the next step would be the issue of draft guidelines. So, we will make an assessment at that time. I think given the very robust level of provisioning that we carry on the balance sheet, we don't expect the impact to be very significant, but we will have to see the final guidelines.

Sandeep Batra:

And your question on NIM, let me answer that. We do expect the margins to be broadly stable until the rate cycle starts. Of course, after the rate cuts happen, margins would be impacted due to lead lag effect as floating loans will get repriced much faster than fixed deposits. So, from our perspective, we will continue to remain disciplined in pricing across loan segments while we focus on having a healthy funding profile.

Piyush Shukla:

Sir, just one question, if you allow me. In terms you spoke about large corporate, there was this pricing issue that was flagged by bankers quarters back. That sizing issue, sir, when you are asking for lower rate, that will continue. What is the large corporate loan growth at our Bank and what is your guidance? What is the sort of sanctions we are entitled to?

Sandeep Batra:

No, we do not give any specific guidelines. As I mentioned earlier, the domestic corporate grew by about 13.2% in this quarter as compared to 11.8%. From a competitive perspective, there is always a fair level of competition, both across corporate and lending. Our focus is to stay disciplined on pricing, look at customer 360, assess the total relationship value and the overall ecosystem and we have our risk and return thresholds and basically to drive profitable growth and being fair both to the customer as well as to our shareholders. That's the strategy. We have articulated for quite some time now and we will continue to pursue that.

Moderator:

Thank you very much. We take our next question from the line of Hamsini Karthik from Moneycontrol. Please go ahead.

Hamsini Karthik:

Couple of things. This quarter in particular has seen more than average growth on the mid-market corporate business loan segment. What exactly is giving you a comfort in this phase because a few other banks are going cautious here and they are also seeing a bit of elevated NPA positions? So, I would like to understand what is the sense at ICICI Bank on this segment.

Sandeep Batra:

We have been having this, the Business Banking group, that's what I presume when you say mid-market, has been growing in this range of about 32% year-on-year, and this has broadly been the range that we have been growing for the last couple of years.

With this sector getting more and more formalised, we continue to see healthy opportunities over here. So, as long as these customers meet our thresholds, we are happy to lend them and one of the big drivers has been the introduction of GST, which has resulted in a fair bit of formalisation in this sector.

Also, with increasing level of compliance in this sector, we get a sense that a large segment is becoming more bankable and we are happy to lend this across the country. This is also a segment, which goes beyond the top cities in the country. So, we are happy to assess growth within our risk thresholds which can happen anywhere across the country.

Hamsini Karthik:

I wanted to understand the rationale exactly for the stake sale in ICICI Merchant Private Limited because that's one of your oldest joint ventures also in the payment space. What exactly drove that? And as an ally to it, the pace at which card enforce addition that happened about a year or so back, that seems to soften the bid. What is your commentary on that as well, sir?

Sandeep Batra:

First on the stake sale, the Bank was managing this business completely internally till 2010 when we sold this to First Data. Since merchant acquiring is a strategic part of our overall business, we felt it is better to do it in-house. And from an overall perspective, especially given the strategy of driving 360 perspective, we are able to drive synergies much better. So, it's not that we have got out of merchant acquiring. In fact, we have invested much more in merchant acquiring which is from an in-house angle. So, that is essentially the nature of study.

Hamsini Karthik:

Doesn't it jack up the cost at least till you get all the stacks right on that part?

Sandeep Batra:

No, it is like this. We have been started building our own stacks and that has been happening. We held a little less than 20% in this company. And from a synergy perspective, I think we are getting our own POS machines which you may be noticing across many counters at this point of time. We do believe with this, we will be able to do a much better service to all our customers. And payments and merchants service is the core part of our business and we would like to be invested 100% over here as opposed to 20% in the JV.

Hamsini Karthik:

And on cards, I have one more question also. Unfortunately, you even uploaded the slide deck for me to refer it. But how are things at ICICI Home Finance, because you had a capital infusion a couple of quarters back? I would like to understand the NPA numbers also on that, but before that, if you could help me with the CIF data for cards, credit cards?

Sandeep Batra:

No, the credit card, I think we don't focus as numbers. We focus on the overall customer relationships and value. I think we look at the spends. We look at, I mean just, credit card is just one of the products that we offer to our customers. We are looking at 360 as a whole. So overall, the credit card business continues to do well. I mean, if you see the outstanding, it is about 18% growth, which has happened during this quarter.

We have continued to launch new products in the segment, acquire and keep on adding products, which meet evolving customer needs. And of course, we also at the same time try to simplify our proposition to our customers. So, we will remain invested in it. And we are never looking at the number of cards. We are essentially looking at the overall value of relationships.

Hamsini Karthik:

Home loans, sir? ICICI Home Finance?

Sandeep Batra:

There is nothing specific to call out. We will send you the data. It will be uploaded. It's a pretty small portion of our consolidated Bank statement.

Hamsini Karthik:

If you could please upload before the call, sir, that would help us streamline our questions as well.

Sandeep Batra:

It will get shortly uploaded.

Moderator:

Thank you very much. The next question is from the line of Kabir Sharma from the Informist. Please go ahead.

Kabir Sharma:

I just wanted to know your LCR and how comfortable are you in terms of liquidity?

Sandeep Batra:

LCR is 122%. We are very comfortable with the liquidity. 123%, sorry. I hope you got that. So, I will just repeat. Our LCR is 123%, and we are very comfortable with our liquidity.

Moderator:

Kabir, do you have any follow-up question?

Kabir Sharma:

No, no, that's it.

Moderator:

Thank you. The next question comes from the line of Dipankar Kumar from PTI. Please go ahead.

Dipankar Kumar:

I just want to understand about the recovery. You said ₹3,900 crore recovery has been done in last three quarters. How does the pipeline look for the Q4?

Sandeep Batra:

Dipankar, we don't give forward-looking guidance. We continue to look at the overall movements. It's fair to say that the recoveries from the corporate book will slow down as most of the recoveries would have happened. But that's where it is.

Dipankar Kumar:

And on the capital adequacy ratio front, are you comfortable at this level? Are there any plans? I know in Q4, the profit will be added and definitely, the CAR will go up, but I just wanted your view.

Sandeep Batra:

I mean including the process of this for nine months, the CET1 ratio was 15.93 and the total capital adequacy has been 16.6%. This is a very comfortable position. We have got no immediate plans of raising equity. I just want to correct it. There are no plans to raise it.

Moderator:

Thank you very much. The next question is from the line of Manish Surana from Moneycontrol. Please go ahead.

Manish Surana:

So, I have two questions. One is on your treasury gains. So, it has increased almost 200% from the same quarter previous year. Just wanted to understand what were the drivers for the further treasury gains and what has contributed the most to report such kinds of treasury gains in this quarter?

Sandeep Batra:

No, the treasury gains declined from ₹681 crore in Q2 '25 to about ₹371 crore in the current quarter, primarily on account of increasing G-Sec Yields. Coming to year-on-year basis, I don't think it's fair to compare it because the accounting norms change it. With the new accounting norms, Treasury will be subject to MTM, will be market-linked, and will remain volatile.

Manish Surana:

So, after the new regulations, do you think that the last quarter was without the regulations, but this quarter is with the regulations, and you have to report it. So, going ahead will it be on the lower side or it will be on the... how it will be?

Sandeep Batra:

It's a function of the market. It will depend on market movement.

Manish Surana:

And sir, one more question. So, I remember from last year you have raised one infra bond. So, is there any plan for fundraising in Q4?

Anindya Banerjee:

So, it's one of the sources of funding. So, depending upon what are the rates and what is our overall strategy on the balance sheet, we can look at it from time to time. I mean, there is no specific plan as of now.

Moderator:

Thank you very much, ladies and gentlemen. 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 December 31, 2024 (Q3-2025)

January 25, 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 Q3-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 Q3 of FY2025. Joining us today on this call are Sandeep Batra, Rakesh, Ajay, Anindya and Abhinek.

The operating environment for the banking system continues to be dynamic based on evolving global and domestic economic factors. We would continue to monitor domestic inflation, liquidity, rates and uncertainties in the global environment.

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 12.8% year-on-year and 3.2% quarter-on-quarter to 152.89 billion Rupees in this quarter. The core operating profit increased by 13.1% year-on-year and 2.9% quarter-on-quarter to 165.16 billion Rupees in this quarter. Excluding dividend income from subsidiaries, the core operating profit increased by 14.7% year-on-year and 3.3% quarter-on-quarter to 160.07 billion Rupees in this quarter. The profit after tax grew by 14.8% year-on-year to 117.92 billion Rupees in this quarter.

Total deposits grew by 14.1% year-on-year and 1.5% sequentially at December 31, 2024. During the quarter, average deposits grew by 13.7% year-on-year and 2.1% sequentially and average current and savings account deposits grew by 12.6% year-on-year and 2.3% sequentially. The Bank's average liquidity coverage ratio for the quarter was about 123%.

The domestic loan portfolio grew by 15.1% year-on-year and 3.2% sequentially at December 31, 2024. The retail loan portfolio grew by 10.5% year-on-year and 1.4% sequentially. Including non-fund based outstanding, the retail portfolio was 43.9% of the total portfolio. The rural portfolio grew by 12.2% year-on-year and 0.9% sequentially. The business banking portfolio grew by 31.9% year-on-year and 6.4% sequentially. The domestic corporate portfolio grew by 13.2% year-on-year and 4.3% sequentially. The overall loan portfolio including the international branches portfolio grew by 13.9% year-on-year and 2.9% sequentially at December 31, 2024.

The net NPA ratio was 0.42% at December 31, 2024 compared to 0.42% at September 30, 2024 and 0.44% at December 31, 2023. The total provisions during the quarter were 12.27 billion Rupees or 7.4% of core operating profit and 0.37% of average advances. The provisioning coverage ratio on non-performing loans was 78.2% at December 31, 2024. In addition, the Bank continues to hold contingency provisions of 131.00 billion Rupees or about 1.0% of total loans at December 31, 2024.

The capital position of the Bank continued to be strong with a CET-1 ratio of 15.93% and total capital adequacy ratio of 16.60% at December 31, 2024, including profits for 9M-2025.

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 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 11.4% year-on-year and 2.1% sequentially. Auto loans grew by 6.6% year-on-year and 1.7% sequentially. The commercial vehicles and equipment portfolio grew by 7.4% year-on-year and 1.7% sequentially. Personal loans grew by 8.8% year-on-year and declined 1.3% sequentially. The credit card portfolio grew by 17.9% year-on-year and 2.8% sequentially. The personal loans and credit card portfolio were 9.2% and 4.3% of the overall loan book respectively at December 31, 2024.

The overseas loan portfolio, in US dollar terms, declined 21.2% year-on-year at December 31, 2024. The overseas loan portfolio was about 2.4% of the overall loan book at December 31, 2024. Of the overseas corporate portfolio, about 90% comprises Indian corporates.

B. Credit quality

The gross NPA additions were 60.85 billion Rupees in the current quarter compared to 59.16 billion Rupees in the first quarter of the current fiscal year and 50.73 billion Rupees in the previous quarter i.e. second quarter of the current fiscal year. Recoveries and upgrades from gross NPAs, excluding write-offs and sale, were 33.92 billion Rupees in the current quarter compared to 32.92 billion Rupees in the first quarter of the current fiscal year and 33.19 billion Rupees in the previous quarter. The net additions to gross NPAs were 26.93 billion Rupees in the current quarter compared to 26.24 billion Rupees in the first quarter of the current fiscal year and 17.54 billion Rupees in the previous quarter.

The gross NPA additions from the retail and rural portfolios were 53.04 billion Rupees in the current quarter compared to 52.04 billion Rupees in the first quarter of the current fiscal year and 43.41 billion Rupees in the previous quarter. We typically see higher NPA additions from the kisan credit card portfolio in the first and third quarter of a fiscal year. There were gross NPA additions of about 7.14 billion Rupees from the kisan credit card portfolio in the current quarter compared to 7.21 billion Rupees in the first quarter of the current fiscal year. Recoveries and upgrades from the retail and rural portfolios were 27.86 billion Rupees compared to 25.32 billion Rupees in the first quarter of the current fiscal year and 25.92 billion Rupees in the previous quarter. The net additions to gross NPAs in the retail and rural portfolios were 25.18 billion Rupees compared to 26.72 billion Rupees in the first quarter of the current fiscal year and 17.49 billion Rupees in the previous quarter.

The gross NPA additions from the corporate and business banking portfolios were 7.81 billion Rupees compared to 7.32 billion Rupees in the previous quarter. Recoveries and upgrades from the corporate and business banking portfolios were 6.06 billion Rupees compared to 7.27 billion Rupees in the previous quarter. There were net additions to gross NPAs of 1.75 billion Rupees in the corporate and business banking portfolios compared to net addition of 0.05 billion Rupees in the previous quarter.

The gross NPAs written-off during the quarter were 20.11 billion Rupees. There was sale of NPAs of 0.58 billion Rupees for cash in the current quarter compared to 0.16 billion Rupees in the previous quarter.

The non-fund based outstanding to borrowers classified as non-performing was 31.60 billion Rupees as of December 31, 2024 compared to 33.82 billion Rupees as of September 30, 2024. The provisions on this non-fund based outstanding declined to 17.12 billion Rupees at December 31, 2024 from 19.11 billion Rupees at September 30, 2024, reflecting the decline in the outstanding itself.

The total fund based outstanding to all standard borrowers under resolution as per various guidelines declined to 21.07 billion Rupees or about 0.2% of the total loan portfolio at December 31, 2024 from 25.46 billion Rupees at September 30, 2024. Of the total fund based outstanding under resolution at December 31, 2024, 19.36 billion Rupees was from the retail and rural portfolios and 1.71 billion Rupees was from the corporate and business banking portfolios. The Bank holds provisions of 6.91 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 9.1% year-on-year to 203.71 billion Rupees in this quarter. The net interest margin was 4.25% in this quarter compared to 4.27% in the previous quarter and 4.43% in Q3 of last year. The impact of interest on income tax refund on net interest margin was 1 basis point in current quarter, nil in the previous quarter and 4 basis points impact in Q3 of last year.

The domestic NIM was 4.32% in this quarter compared to 4.34% in the previous quarter and 4.52% in Q3 of last year. The cost of deposits was 4.91% in this quarter compared to 4.88% in the previous quarter. Of the total domestic loans, interest rates on 52% of the loans are linked to the repo rate, 16% 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 12.1% year-on-year to 66.97 billion Rupees in Q3 of 2025.

- Fee income increased by 16.3% year-on-year to 61.80 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 5.09 billion Rupees in this quarter compared to 6.50 billion Rupees in Q3 of last year. Dividend income from subsidiaries was 19.44 billion Rupees in 9M of current year compared to 15.89 billion Rupees in 9M of last year.

On Costs: The Bank's operating expenses increased by 5.0% year-on-year in this quarter. Employee expenses increased by 3.1% year-on-year and non-employee expenses increased by 6.2% year-on-year in this quarter. Our branch count has increased by 129 in Q3 and 219 in 9M of current year. We had 6,742 branches as of December 31, 2024. The technology expenses were about 10.5% of our operating expenses in 9M of current year.

The total provisions during the quarter were 12.27 billion Rupees or 7.4% of core operating profit and 0.37% of average advances compared to the provisions of 12.33 billion rupees in the previous quarter.

The provisioning coverage on non-performing loans was 78.2% as of December 31, 2024. In addition, we hold 6.91 billion Rupees of provisions on borrowers under resolution. Further, the Bank continues to hold contingency provision of 131.00 billion Rupees as of December 31, 2024. At the end of December, the total provisions, other than specific provisions on fund-based outstanding to borrowers classified as non-performing, were 225.69 billion Rupees or 1.7% of loans.

The profit before tax excluding treasury grew by 12.8% year-on-year to 152.89 billion Rupees in Q3 of this year.

Treasury gains were 3.71 billion Rupees in Q3 as compared to a treasury gain of 1.23 billion Rupees in Q3 of the previous year. As you are aware, the treasury gains for the current quarter vis-a-vis the same quarter last year, would not be comparable due to the implementation of the revised investment accounting guidelines from the first of April of the current year.

The tax expense was 38.68 billion Rupees in this quarter compared to 34.02 billion Rupees in the corresponding quarter last year. The profit after tax grew by 14.8% year-on-year to 117.92 billion Rupees in this quarter.

D. Technology initiatives

We continue to enhance the use of technology in our operations to provide simplified solutions to customers. The Bank has introduced DigiEase, a digital platform designed to streamline the customer onboarding process for Business Banking. This enhances operational efficiency and customer experience by integrating multiple digital services into a single seamless workflow. iLens, the retail lending platform, is being upgraded on an ongoing basis, with retail credit cards now integrated in the platform along with mortgages, personal loans and education loans.

We continue to make investments in the computing infrastructure and upgrade digital channels to further strengthen system resilience and simplify processes for enhancing customer experience.

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 loan and non-fund based outstanding to performing corporate borrowers rated BB and below was 21.93 billion Rupees at December 31, 2024 compared to 33.86 billion Rupees at September 30, 2024. This portfolio was about 0.2% of our advances at December 31, 2024. Other than one account, the maximum single borrower outstanding in the BB and below portfolio was less than 5.00 billion Rupees at December 31, 2024. The Bank holds provision of 0.92 billion Rupees against this portfolio at December 31, 2024.

The total outstanding to NBFCs and HFCs was 893.60 billion Rupees at December 31, 2024 compared to 880.27 billion Rupees at September 30, 2024. The total outstanding loans to NBFCs and HFCs were about 6.8% of our advances at December 31, 2024.

The builder portfolio including construction finance, lease rental discounting, term loans and working capital was 586.36 billion Rupees at December 31, 2024 compared to 542.16 billion Rupees at September 30, 2024. The builder portfolio was about 4.5% 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 December 31, 2024 was either rated BB and below internally or was classified as non-performing, compared to 1.9% at September 30, 2024.

F. Consolidated results

The consolidated profit after tax grew by 16.6% year-on-year to 128.83 billion Rupees in this quarter.

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 69.05 billion Rupees in nine months ended December 31, 2024 compared to 54.30 billion Rupees in nine months of last year. The value of new business was 15.75 billion Rupees in nine months ended December 31, 2024 compared to 14.51 billion Rupees in nine months of last year. The value of new business margin was 22.8% in nine months ended December 31, 2024 compared to 26.7% in nine months of last year and 24.6% in FY2024. The profit after tax of ICICI Life was 8.03 billion Rupees in nine months ended December 31, 2024 compared to 6.79 billion Rupees in nine months of last year and 3.26 billion Rupees in current quarter compared to 2.27 billion Rupees in Q3 of last year.

Gross Direct Premium Income of ICICI General was 62.14 billion Rupees in current quarter compared to 62.30 billion Rupees in Q3 of last year. The combined ratio stood at 102.7% in current quarter compared to 103.6% in Q3 of last year. The profit after tax was 7.24 billion Rupees in current quarter compared to 4.31 billion Rupees in Q3 of last year. With effect from October 1, 2024, long-term products are accounted on 1/n basis, as mandated by IRDAI, hence Q3 numbers are not fully comparable.

The profit after tax of ICICI AMC, as per Ind AS was 6.32 billion Rupees in this quarter compared to 5.46 billion Rupees in Q3 of last year.

The profit after tax of ICICI Securities, as per Ind AS on a consolidated basis, was 5.04 billion Rupees in this quarter compared to 4.66 billion Rupees in Q3 of last year.

ICICI Bank Canada had a profit after tax of 19.6 million Canadian dollars in this quarter compared to 15.9 million Canadian dollars in Q3 last year.

ICICI Bank UK had a profit after tax of 5.1 million US dollars in this quarter compared to 6.7 million US dollars in Q3 of last year.

As per Ind AS, ICICI Home Finance had a profit after tax of 2.03 billion Rupees in the current quarter compared to 1.86 billion Rupees in Q3 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. We will now begin with the question and answer session. The first question is from the line of Mahrukh Adajania from Nuvama Wealth. Please go ahead.

Mahrukh Adajania:
My first question is on provisioning. So, what would be the utilisation or reversal of provisions this quarter? Because provisions in your non-fund have gone down and you explained that, that's because the exposure has only gone down and then restructuring or resolution provisions have also gone down. So, what would be the number? Or it's just the two of these?

Anindya Banerjee:
We don't give the number of write-back separately. I think what we are seeing overall on the credit cost side is that on the retail business banking portfolio, it continues to be quite stable. On the corporate portfolio, incrementally, there is practically no credit cost or NPL formation, but we are seeing continuous improvement in the quality of the portfolios that we have been calling out over the years, such as the non-fund outstanding to NPAs or restructured assets or the 'BB and below' portfolio. We also continue to see some recoveries from accounts written off in the past. So, I think that's contributing to the provision line.

Overall, as we have been saying, the provisions do vary a little bit from quarter-to-quarter, both because of the loan book and other factors. For example, over the last, maybe not the last quarter, but previous two-three quarters, we had ups and downs in, for example, the AIF-related provisioning. But I think overall, we continue to be within sort of the 50 bps that we have been talking of in previous calls, the reported number for this quarter being 37 bps.

Mahrukh Adajania:
Got it. Fair enough. And just on deposit growth, so the sequential run rate is a bit softer this time. That is just because of the liquidity environment or any comments there?

Anindya Banerjee:
I think it's because of the funding requirement, you know, so if you see system loan growth did slow down a little bit, which is to a lesser extent reflected in our portfolio as well. There was a CRR cut effective the middle of December. And we also saw some reduction if you look at our investor presentation in our RIDF portfolio and so on. So, it's really a function of the requirement.

We also were able to take in some very cost-effective refinance borrowings. We continue to maintain very strong liquidity. Our LCR actually went up slightly this quarter. Average for the quarter was 123%. So, it's more driven by the requirement than anything else.

Mahrukh Adajania:
Okay. I just wanted one last clarification. So, you have called out gross farm slippages. I mean, you always do call out. So, thank you for that. But would there be a comparable number for second quarter or it's just first and third only? Like if you want to?

Anindya Banerjee:
Largely it comes in the first and third only.

Moderator:
Thank you. Next question is from the line of Rikin Shah from IIFL. Please go ahead.

Rikin Shah:

Just one question, and it's on operating cost, operating expenses. So, they have been flattish for the last three quarters and this is despite the tech expenses that you have been incurring. Just wanted to understand how much further flex do we have to manage the opex at the current levels or alternatively when do you see that kind of picking up in line with your business growth? And data keeping question would be, what would be the outstanding employee headcount as of end of December?

Anindya Banerjee:

You know, the head count does keep evolving in line with our requirements, how we want to staff the Bank and what is the requirement at any point in time. We continue to invest in branches. As you would have seen, we have added 129 in the current quarter.

Overall, when we look at costs, I think the way we feel is that we do have a large cost base, and there are always opportunities for bringing in efficiencies in that cost base by streamlining our internal processes, integrating workflows, and removing redundancies which are not required.

So, I think that's an ongoing journey, both in terms of how do we sort of leverage the cost base much better, and at the same time, we continue to invest in the growth requirements of the business as well as in things like IT security and reliability. So, that's a process which goes on.

I would think that our aim would be to continue to leverage the cost base better. And we don't think that there needs to be a sort of linear relationship with the top line.

Rikin Shah:

Very helpful. And would you be able to quantify the outstanding headcount as of December?

Anindya Banerjee:

We give that number on an annual basis now. So, we have not been giving it.

Moderator:

Next question is from the line of Kunal Shah from Citigroup. Please go ahead.

Kunal Shah:

Firstly, on the yield side, so last time you indicated the impact of number of days also being there. So, this time when we look at the over declining yields of 8 odd basis points, is it primarily on account of KCC or there has been any impact of the days? And would it be fair to assume that this day count would entirely unwind in 4Q and there should be a positive bias towards the yields?

Anindya Banerjee:

So, as far as the movement from Q2 to Q3 is concerned, you are right, it's largely the impact of the KCC because there a longer period of interest accrual gets reversed in that one quarter. As far as the day count etc. as we had said, I think last quarter, that Q4 has a lesser number of days, so just mathematically you would see some unwinding.

Kunal Shah:

So, that should be there. And secondly, on the corporate banking side, generally maybe we are more focused in terms of the risk-return approach. This quarter, we have seen a decent level of growth on the corporate side, while retail, there is some slowdown because of the unsecured lending. But otherwise, maybe is the pricing intensity easing over there? Would it be slightly margin dilutive? We have not seen the impact this quarter. So, how should we look at the overall corporate banking growth?

Anindya Banerjee:

I wouldn't say it is going to be margin dilutive and so on. The way we look at it is we look at the overall relationship with the corporate. I think we don't want to take very chunky, finely priced, long-term exposures just for the sake of loan growth. That's not our approach at all.

But we do have an ongoing relationship with corporates where there could be periodic working capital requirements or short-term lending requirements or longer-term requirements where indeed it does meet our overall sort of P&L aspirations.

So, we keep looking, I think we have a very active franchise and engagement with corporate clients across the spectrum, and we keep taking advantage of those opportunities to work with them as and when they come up and fit our sort of approach.

Kunal Shah:

And there was an increase also in 'BBB and above', okay, by almost like 210 odd basis points. So, this is maybe incremental growth coming in from there or maybe business banking. How should we read that?

Anindya Banerjee:

I think it could largely be an upgrade from the BB because as you can see the BB portfolio has reduced.

Kunal Shah:

Yes, that's 60 basis points. Yes.

Anindya Banerjee:

That will reflect partly in the increase in the BBB. Of course, we could be doing incremental BBB lending also. I mean, it's investment grade for us. But we have limits on how much of that we would do.

Moderator:

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

Piran Engineer:

Congrats on another steady quarter. Just firstly on retail products, a couple of ones on mortgages, we were growing at 16-17%, now down to 11%. Is that more a function of pricing in the industry or just overall slowdown? And same for vehicle loans. We understand that this year was a slowdown, but what's your house outlook for next year?

Anindya Banerjee:

So, in mortgages, of course, I think there is an element of price competition which is there and which has been there over a period of time. But there has been, I would say, the incremental disbursements have not been growing as much. They continue to hold up. As you are aware, overall, there seems to be continued momentum in the mid and higher segments of the market and maybe some softening in the more affordable type of segment.

On vehicle loans, I think it's more a function of the underlying sort of asset class itself, because we are primarily in new car financing. And there I think we had, if you look at actually last year or early part of this year, we had a pretty good run, maybe more recently the market has slowed. I think it will go through its ups and downs as customers replace or as new models come, which typically create their sort of wave of excitement in the market. I guess, you will see it go from a good quarter to a bad quarter. That's the way it will work.

Piran Engineer:

Secondly, just on business banking now, this has been a product that you all, as well as your peers, have gone really strong on. What really can go wrong for the industry two years later? Because today everything looks hunky-dory but is there some part which we are missing here because it seems like almost a fairy tale business?

Anindya Banerjee:

So, I think if you look at the bigger picture of the way this business has evolved over the last few years. I think at the customer level, I think that there has been a great deal of formalisation, introduction of GST, digitisation of the business and a fairly high degree of digital adoption by this customer segment itself and a reasonable level of credit discipline. I think in India, we are one of the countries where you have the commercial bureau as well. So that certainly helps. So, I think that there is a fair degree of formalisation, digitisation, and credit discipline. That helps banks like us for whom this segment becomes much more underwritable.

Also, we look at this segment from a holistic perspective, we have a very strong customer 360 focus in this segment, and we really look at not just the lending piece but also all the transaction banking and the liability piece as well. So, in that sense, it's a segment which we want to focus on.

From a credit perspective, two, three things, I think. One is that it's a reasonably well-secured segment. So, you do get, particularly in the more granular sections of the portfolio, you do have collateral as well. Second, the portfolio itself is quite granular and quite diversified. So, it will hopefully behave more like a retail portfolio rather than a corporate portfolio where a single borrower or a couple of borrowers can create more damage. And of course, it's a portfolio where you have to keep monitoring, and you have to have a very close eye on what is happening with the borrowers. A lot of it is working capital which also helps because you see the way that the account is being operated and how it is behaving. So, it has to be tightly managed in terms of not just the initial underwriting, but also keeping a close eye on borrower behavior through the appropriate portfolio monitoring mechanism. I think as of now, we are very comfortable with the quality of the portfolio.

Piran Engineer:
And it's fair to say that the credit cost in this business is lower than your retail book. Right?

Anindya Banerjee:
Yes, currently that would be the case. Yes.

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

Nitin Agarwal:
So, I have a few questions. First is on the fee income. We have seen a good traction in fee income this quarter. So, now with the margins being constantly like under pressure and likely to remain so as the cycle turns, is it fair to say that fee income will continue to gain share as a percentage of total income? And what kind of opportunities in particular are we looking at in respect to transaction banking over the years?

Anindya Banerjee:
So, we don't really get into the proportion piece. I think we have an overall PPOP objective, and we look at what is the way to sort of maximize that. I think specifically on fees, as we have said, we believe that our transacting platforms are pretty strong and the whole objective is to get more and more adoption of those by our existing customers and acquire more and more new customers on

the strength of those platforms across the entire spectrum from large corporates to small businesses.

Cards and payments is also a focus area, which is doing well for us. So, I would say we have seen a pretty decent growth across cards and payments, transaction banking, the Fx and derivatives part of transaction banking, as well as the pure lending-linked fees that are related to loan disbursals or renewals or sanctions and so on.

So, I think we will continue to look at that and try to drive adoption of our platforms as much as possible.

Nitin Agarwal:
And the second question is on the trade-off between say growth and the focus around asset quality. Because if I see while Bank has done a very good job in navigating through this environment and yet delivering one of the better growth amongst the larger banks. But if I look at in context to that the slippages have also been just 6% Y-o-Y growth in slippages and the slippage rate has actually come down. So, how are we like assessing this asset quality situation and strategizing on growth? Because it's a very sort of a fine way to maintain between the two. So, are we tightening too much or how are we actually reading that on the growth part?

Anindya Banerjee:
So, as I spoke, I don't think concerns on asset quality are really holding us back from growth. I mean, we definitely see growth, a good growth opportunity. As I mentioned, on the corporate sector continues to do, which is 20% of our portfolio continues to do very well. And at the margin, we are actually continuing to see some clawbacks of past provisioning or losses that we may have taken. Again, now close to 20%, 17-18% of the portfolio now is the whole business banking

space, which we talked about in some detail. So, we certainly see very good growth opportunity there.

On the retail side, I would say that on the secured side, I think the slippages have been quite stable. You know, they will keep going up in absolute terms as the portfolio grows and seasons, but I think our credit experience has been pretty stable.

Unsecured, as we have commented in the past, we have seen, as has the whole system, some increase in delinquencies and NPL additions over the last maybe six quarters or six to seven quarters and we have taken corrective actions on that because of which, for example, you see the personal loan portfolio flattening out this quarter, but I think there also the trend has stabilized and hopefully as these actions feed through more maybe a couple of quarters down the line, we should start seeing some improvement.

But even for the moment I think they are quite stable and all of these are anyway getting absorbed in a very healthy credit cost number. So, as of today, I don't think we see that trade-off and to the extent we needed to make that trade-off, particularly on the PL side, I think we have made it.

Moderator:
Next question is from the line of Param Subramanian from Nomura. Please go ahead.

Param Subramanian:
Congratulations on another great quarter. Firstly on CASA, so if I look at both your daily average CASA which you report and the period end, for the last three quarters both these numbers have actually been in a band, which is not the case for the rest of the system and especially your SA growth is pretty healthy at 13%.

I think most of your peer group would be at a low single-digit sort of number. So, what is driving this outperformance?

Anindya Banerjee:

So, I guess, the way we approach this is that we don't really pursue any particular type of deposit. I think what we want to achieve is that we should increase our share of business with existing customers and acquire new good customers and they should do as much of their banking as possible through us. And whatever shape that takes, it could be CA or SA or a fixed deposit, we would want a bigger portion of that share. So, we don't really therefore drive any particular number in this regard.

I think this approach has worked well because I think probably the conversation with the customer is really about doing more banking with us rather than getting a particular deposit or type of deposit. I think our digital platforms do help because once the customer becomes digitally active and starts using those platforms, the stickiness and therefore, the balances tend to go up.

Param Subramanian:

Got it, Anindya, but it's not any change in the product offering or pricing or any such thing at all, right?

Anindya Banerjee:

No, no, none at all.

Param Subramanian:

Secondly, Anindya, I don't know if you mentioned this earlier, but just on the employee cost, the absolute number is down for two quarters in a row now. So, what is driving that?

Anindya Banerjee:

So that, you know, there are many variables, for example, provisions for retirals and things like that, which do impact it on a sequential basis.

Param Subramanian:

And headcount reduction as well, the gross number?

Anindya Banerjee:

That is something, as I said, that's a moving number. There could be in a quarter some reduction and then it will come back up later as and when we hire to meet our requirements.

Moderator:

Thank you. Next question is from the line of Chintan Joshi from Autonomous. Please go ahead.

Chintan Joshi:

Hi, Anindya. Two questions. If I can pick up your comment about kind of the provisioning cost, you are indicating that the underlying level is comfortable around 50 basis points. Should we think about this also in the context of the next year? And the reason to ask the question is mainly because you recycled about 30 basis points of provisions. Actually, that's incorrect. Your provisions to loan number has come down from 2% to 1.7% and we are not sure how much of that is recycled through the P&L. So, just trying to understand what could be a sustainable level as we look into the next 12-18 months.

Anindya Banerjee:

No, there is nothing called recycling. I mean, we give that absolute number. As you are aware, in part of that number is the Rs. 131 billion of contingency provision, which is really sort of a fixed number that we, I think, reached that level by March of 2023. And thereafter, we have not been making further contingency provisions.

As I said, apart from the retail provisioning and so on, on the corporate side, there are always some releases which come, which are really reflective of improvement in the quality of the portfolio or recoveries that we have made. So, that's the way it works. The numbers are all there.

We don't really give an outlook for next year, but as we have always been saying, these numbers could inch up, but we don't see anything which worries us particularly or where we see any dramatic increase.

Chintan Joshi:
And then the second question was on the RIDF. Your requirements, your RIDF number has been coming down for a while now. I am just wondering, are there any shortfalls building up on the balance sheet that RBI may ask you to increase this balance down the line or take on some more PSLC or are you very comfortably placed even in the more difficult segments of the PSL? Just wondering how much of this is sustainable or if we should factor some increase down the line?

Anindya Banerjee:
So, the number is so small now that even if you factor some increase, I don't think it will have too much of an impact. We, of course do significant PSLC purchases, particularly for the small farmer category, while on most other categories we are in a surplus position. So, that's a cost that has been getting reflected in the P&L over the years. Hopefully, we will be able to still meet the compliance targets, but at a Rs. 17,000 crore portfolio on this balance sheet now, it's Rs. 15,000 crore portfolio actually, it's not too relevant a number even if it goes up somewhat.

Chintan Joshi:

And a quick data question. How much of the business banking book is unsecured?

Anindya Banerjee:

So, we don't split that out. It could be largely secured.

Moderator:

Thank you very much. Ladies and Gentlemen, we will take that as the last question. I will now hand the conference over to the management for closing comments.

Anindya Banerjee:

As always, thank you for taking time out on a Saturday evening and we can take any other questions you have offline. Thank you very much.

Moderator:

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