Q3 2023

1. Interest and foreign exchange rate impacts

- **Narrative:** Management has articulated a focused approach towards optimizing financial risk management amid interest and foreign exchange rate fluctuations. They are strategically positioning the bank to enhance its net interest margin, which is a critical factor influencing profitability in a volatile economic environment.
- **Management's Guidance:**
- Management aims to increase the net interest margin by 20 basis points over the next two quarters.
- **Actual Results:**
['Q1', '2024']:
- The net interest margin was 4.78% in this quarter compared to 4.90% in the previous quarter and 4.01% in Q1 of last year. The domestic NIM was at 4.88% this quarter compared to 5.02% in the previous quarter and 4.14% in Q1 of last year.
['Q2', '2024']:
- The net interest margin was 4.53% in this quarter compared to 4.78% in the previous quarter and 4.31% in Q2 of last year.
['Q3', '2023']:
- The net interest margin was reported at 4.65% in Q3 2023, compared to 4.31% in the previous quarter and 3.96% in Q3 of the previous year. This indicates an increase of 34 basis points from the previous quarter, exceeding the management's guidance of a 20 basis point increase over the next two quarters. The domestic net interest margin was reported at 4.79% for this quarter.
['Q4', '2023']:
- The net interest margin was 4.90% in this quarter compared to 4.65% in the previous quarter and 4.00% in Q4 of last year. The domestic NIM was at 5.02% this quarter compared to 4.79% in the previous quarter and 4.12% in Q4 of last year.
- **Evaluation:**
- Expectations Not Met: Management aimed to increase the net interest margin by 20 basis points over the next two quarters, but the net interest margin decreased from Q2 2023 to Q2 2024, indicating that expectations were not met.

2. Demand for banking products

- **Narrative:** Management emphasized the robust growth in the deposit base, highlighting the strategic efforts to capitalize on the rising retail deposit rates. This strategy indicates a focus on strengthening the deposit portfolio, which is expected to fuel further growth in banking products demand.
- **Management's Guidance:**
- The company observed a healthy increase in retail deposit accretion, which is anticipated to continue as retail deposit rates rise. This momentum supports an optimistic outlook for the expansion of banking products.
- **Actual Results:**
['Q2', '2024']:
- Data Not Available
['Q3', '2023']:
- We have seen a steady increase in demand for our retail banking products this year.
['Q4', '2023']:
- Data Not Available
['Q1', '2024']:
- Data Not Available
- **Evaluation:**
- Expectations Met: The management anticipated a healthy increase in retail deposit accretion, supporting an optimistic outlook for banking products, and the actual results showed a steady increase in demand for retail banking products in Q3 2023, aligning with the expectations.

3. Expansion in business

- **Narrative:** Management discussed plans to significantly expand their branch network as part of their growth and expansion strategy.
- **Management's Guidance:**
- Management has outlined a plan to open 100 new branches by the end of the next fiscal year.
- **Actual Results:**
['Q1', '2024']:
- Our branch count has increased by 174 in the first quarter and we had 6,074 branches as of June 30, 2023.
['Q2', '2024']:
- Our branch count has increased by 174 in Q2-2024 and we had 6,248 branches as of September 30, 2023.
['Q4', '2023']:
- We have opened 50 new branches in the last quarter.
['Q3', '2023']:
- Our branch count has increased by about 420 in the last twelve months and we had 5,718 branches as of December 31, 2022.
- **Evaluation:**
- Expectations Exceeded: Management planned to open 100 new branches by the end of the next fiscal year, but the actual results show an increase of 174 branches in Q1 and an additional 174 branches in Q2 of 2024, significantly surpassing the target within just two quarters.

4. Future business plans

- **Narrative:** Management has discussed maintaining a robust credit growth strategy for the remainder of the fiscal year, indicating their focus on sustaining an upward trajectory in lending activities.
- **Management's Guidance:**
- Management expects to maintain a credit growth of 15% to 17% for the remainder of the fiscal year.
- **Actual Results:**
['Q1', '2024']:
- Data Not Available
['Q2', '2024']:

- Data Not Available
['Q4', '2023']:
- Data Not Available
['Q3', '2023']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

5. Liquidity coverage ratio
- **Narrative:** Management discussed their operational efficiency and cost management strategies, indicating a focus on maintaining a strong liquidity position. They aim to balance operational costs with income to sustain a healthy liquidity coverage ratio.
- **Management's Guidance:**
- Management expects the cost-to-income ratio to remain around 40% in the upcoming quarters, suggesting a stable and efficient management approach to maintaining liquidity coverage.
- **Actual Results:**
['Q2', '2024']:
- The Bank's average liquidity coverage ratio for the quarter was about 122%.
['Q3', '2023']:
- The liquidity coverage ratio for Q3 2023 was reported to be about 123%.
['Q1', '2024']:
- Data Not Available
['Q4', '2023']:
- The liquidity coverage ratio for the quarter was about 124%.
- **Evaluation:**
- Expectations Met: Management aimed to maintain a strong liquidity position, and the liquidity coverage ratios for Q3 and Q4 2023, as well as Q2 2024, remained stable around the expected levels, indicating that expectations regarding liquidity were met.

6. Contingency provisions
- **Narrative:** The management of ICICI Bank has emphasized the importance of maintaining contingency provisions as an integral part of their risk management strategy. They are committed to regularly evaluating these provisions in response to evolving market conditions and potential risk factors.
- **Management's Guidance:**
- The bank plans to revisit its contingency provision every quarter, adjusting for any new developments and risk indicators that may arise.
- **Actual Results:**
['Q2', '2024']:
- The Bank continues to hold contingency provisions of ■131.00 billion as of September 30, 2023.
['Q3', '2023']:
- Contingency provision of ■ 15.00 billion made on a prudent basis
['Q1', '2024']:
- Data Not Available
['Q4', '2023']:
- Contingency provisions of ■ 131.00 bn at Mar 31, 2023 and contingency provision of ■ 16.00 bn; FY2023: ■ 56.50 bn.
- **Evaluation:**
- Expectations Met: The management's guidance to regularly evaluate and adjust contingency provisions was met, as demonstrated by the bank's consistent reporting and adjustments of provisions across quarters, aligning with their stated risk management strategy.

7. Total capital adequacy ratio
- **Narrative:** Management emphasized maintaining a robust capital adequacy ratio to support the bank's growth objectives and risk management strategy. The focus is on sustaining a strong capital buffer to ensure resilience against market fluctuations and regulatory requirements.
- **Management's Guidance:**
- Capital adequacy ratio is expected to remain above 18% for the foreseeable future.
- **Actual Results:**
['Q2', '2024']:
- The capital position of the Bank continued to be strong with a CET-1 ratio of 16.77%, Tier 1 ratio of 16.86% and total capital adequacy ratio of 17.59% at September 30, 2023, including profits for H1-2024.
['Q3', '2023']:
- The capital position of the Bank continued to be strong with a CET-1 ratio of 17.09%, Tier 1 ratio of 17.58%, and total capital adequacy ratio of 18.33% at December 31, 2022, including profits for 9 months 2023.
['Q1', '2024']:
- The capital position of the Bank continued to be strong with a CET-1 ratio of 16.66%, Tier 1 ratio of 16.76% and total capital adequacy ratio of 17.47% at June 30, 2023, including profits for Q1 of 2024.
['Q4', '2023']:
- The capital position of the Bank continued to be strong with a CET-1 ratio of 17.12%, Tier 1 ratio of 17.60%, and total capital adequacy ratio of 18.34% at March 31, 2023.
- **Evaluation:**
- Expectations Not Met: Management expected the capital adequacy ratio to remain above 18% for the foreseeable future, but the actual results showed the ratio dipping below this threshold in Q1 and Q2 of 2024, falling to 17.47% and 17.59% respectively.