

## Q4 2024

### 1. Interest and foreign exchange rate impacts

- **Narrative:** Management highlighted the potential impacts of interest rate changes on the company's financials. They are preparing for an increase in deposit costs due to repricing and higher retail deposit rates observed during the fourth quarter. This scenario could lead to some moderation in the Net Interest Margin (NIM).

- **Management's Guidance:**

- Management anticipates that the NIM will remain relatively stable, albeit with slight moderation, over the coming quarters until a rate cut occurs.

- **Actual Results:**

**['Q2', '2025']:**

- Data Not Available

**['Q4', '2024']:**

- The net interest margin was 4.40% in this quarter compared to 4.43% in the previous quarter and 4.90% in Q4 of last year. The domestic NIM was 4.49% this quarter compared to 4.52% in the previous quarter and 5.02% in Q4 of last year. The cost of deposits was 4.82% in this quarter compared to 4.72% in the previous quarter.

**['Q1', '2025']:**

- Data Not Available

- **Evaluation:**

- **Expectations Met:** Management anticipated a slight moderation in the NIM, and the actual results showed a slight decrease from 4.43% to 4.40% in Q4 2024, aligning with their guidance.

### 2. Credit losses allowance adequacy

- **Narrative:** The management conveyed confidence in the adequacy of their credit loss allowances. They emphasized that, even after adjusting for one-off events, the credit losses are expected to remain under control, suggesting a stable risk management approach.

- **Management's Guidance:**

- Management anticipates that credit loss allowances, when adjusted for non-recurring items, will remain under 50 basis points, with a slight potential increase. However, they do not foresee any significant or dramatic changes in this area.

- **Actual Results:**

**['Q1', '2025']:**

- Anindya Banerjee noted that credit costs are still at or below around 50 basis points.

**['Q2', '2025']:**

- Data Not Available

**['Q4', '2024']:**

- Data Not Available

- **Evaluation:**

- **Expectations Met:** The actual results show that credit costs remained at or below the anticipated 50 basis points, aligning with management's guidance, indicating that the expectations for credit loss allowance adequacy were met.

### 3. Future business plans

- **Narrative:** Management discussed the expectations for a stable to moderately increasing headcount, indicating a focus on maintaining or slightly expanding the workforce to support future business operations and strategic goals.

- **Management's Guidance:**

- Management expects stability to a moderate increase in headcount as the company moves forward, aligning with anticipated promotions and increments in the first quarter.

- **Actual Results:**

**['Q1', '2025']:**

- Data Not Available

**['Q2', '2025']:**

- Data Not Available

**['Q4', '2024']:**

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

### 4. Expansion in business

- **Narrative:** Management emphasized a continued focus on expanding ICICI's business footprint through the strategic opening of new branches. This approach aims to enhance the company's ability to serve a broader customer base while maintaining operational efficiency.

- **Management's Guidance:**

- The company plans to proceed with branch openings and franchise expansion, accompanied by necessary additions to the employee base. However, these expansions will occur at a more measured pace compared to the rapid growth observed in the past 12 to 15 months.

- **Actual Results:**

**['Q4', '2024']:**

- As of March 31, 2024, ICICI Bank had 6,523 branches, indicating an increase of 623 branches over the past 12 months and an increase of 152 branches in the current quarter. The employee base grew by about 12,000 employees over the last 12 months, with an addition of approximately 180 employees in the current quarter.

**['Q1', '2025']:**

- Our branch count has increased by 64 in the first quarter. We had 6,587 branches as of June 30, 2024.

**['Q2', '2025']:**

- Data Not Available

- **Evaluation:**

- **Expectations Met:** ICICI Bank's strategic expansion resulted in the addition of 623 branches over the past 12 months, aligning with management's guidance of a measured pace of branch openings, thereby meeting expectations.

**5. Process simplification**

- **Narrative:** Management has focused on streamlining operational processes to enhance efficiency. This involves a strategic approach to manage operating expenses, which typically rise due to annual increments and promotions at the beginning of the fiscal year. However, management is committed to maintaining a moderate pace of operational expenditure growth moving forward.

- **Management's Guidance:**

- Management anticipates that while there will be an increase in operating expenses due to regular annual increments and promotions, the growth in operational expenses will proceed at a moderate pace from here on.

- **Actual Results:**

**['Q1', '2025']:**

- The Bank's operating expenses increased by 10.6% year-on-year in this quarter compared to 19.0% in FY2024.

**['Q2', '2025']:**

- The Bank's operating expenses increased by 6.6% year-on-year in this quarter. Employee expenses increased by 11.0% year-on-year and non-employee expenses increased by 3.8% year-on-year in this quarter.

**['Q4', '2024']:**

- The Bank's operating expenses increased by 8.7% year-on-year in this quarter and 19.0% year-on-year in FY2024. Employee expenses increased by 9.4% year-on-year in this quarter, and non-employee expenses increased by 8.3% year-on-year in this quarter.

- **Evaluation:**

- **Expectations Met:** Management anticipated a moderate pace of increase in operational expenses post-annual increments, and the actual results showed a significant decrease in the growth rate from 19.0% in FY2024 to 10.6% in Q1 2025 and further to 6.6% in Q2 2025, aligning with their guidance.