October 26, 2019

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,

Sub: Earnings call for quarter results ended September 30, 2019

This is further to our letter dated October 25, 2019 on the captioned subject.

Please find attached the investor presentation and the opening remarks for the analyst call for the Q2-2020 results. The same has also been uploaded on the website of the Bank and can be accessed on the link https://www.icicibank.com/aboutus/qfr.page?#toptitle.

Yours faithfully,
For ICICI Bank Limited

Vivek Ranjan

Vivek Ranjan
Chief Manager

Encl: As above

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Q2-2020: Performance review

October 26, 2019

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.

Key highlights for Q2-2020

Profitability

- 23.6% y-o-y growth in core operating profit
- NII grew by 25.5% y-o-y
- Consolidated return on equity of 3.9%[1]

Healthy loan growth

- Domestic loan growth was 16.4% y-o-y
- Retail loan growth was 22.2% y-o-y

Stable funding profile

- 24.6% y-o-y growth in total deposits at Sep 30, 2019
- 42.2% average CASA ratio in Q2-2020

Improving asset quality

- Net NPA ratio at 1.60% at Sep 30, 2019 compared to 3.65% at Sep 30, 2018
- Provision coverage ratio[2] of 76.1% at Sep 30, 2019

Distribution network

- 346 new branches opened in Q2-2020
- Extensive footprint of 5,228 branches and 15,159 ATMs at Sep 30, 2019
- ~ 50% of branches in semi-urban and rural areas

Healthy capital position

- CET1[3] ratio of 13.24% and Tier I ratio of 14.62% at Sep 30, 2019

1. Annualized
2. Excluding technical write-offs
3. Common Equity Tier 1

Performance highlights: Q2-2020

NIM	NIM was 3.64% in Q2-2020 (Q1-2020: 3.61%, Q2-2019: 3.33%)
Fee income	Growth of 16.1% y-o-y to ₹ 34.78 billion driven by retail fee growth of 20.5%
Operating expenses	Growth of 24.4% y-o-y to ₹ 53.78 billion
Provisions	Declined by 37.2% y-o-y to ₹ 25.07 billion
Profit before tax	Grew from ₹ 12.56 billion in Q2-2019 to ₹ 43.67 billion in Q2-2020
Tax	One time impact of ₹ 29.20 billion in Q2-2020 due to re-measurement of accumulated deferred tax asset at the revised marginal tax rate of 25.17%

Strong operating performance

Profit & loss statement

(₹ billion)	FY 2019	Q2-2019	H1-2019	Q1-2020	Q2-2020	H1-2020	Q2-o-Q2 growth
Net interest income[1]	270.15	64.18	125.20	77.37	80.57	157.94	25.5%
Non-interest income	131.46	31.91	62.76	32.47	38.54	71.01	20.8%
- Fee income	*119.89*	*29.95*	*57.49*	*30.39*	*34.78*	*65.17*	*16.1%*
- Dividend income from subsidiaries	*10.78*	*1.67*	*4.85*	*1.91*	*3.77*	*5.68*	-
- Others	*0.79*	*0.29*	*0.42*	*0.17*	*(0.01)*	*0.16*	-
Core operating income	**401.61**	**96.09**	**187.96**	**109.84**	**119.11**	**228.95**	**24.0%**
Operating exp.	180.89	43.24	84.69	48.74	53.78	102.52	24.4%
- Employee exp.	*68.08*	*16.62*	*31.76*	*19.53*	*21.41*	*40.94*	*28.8%*[2]
- Non-employee exp.	*112.81*	*26.62*	*52.93*	*29.21*	*32.37*	*61.58*	*21.6%*
Core operating profit	**220.72**	**52.85**	**103.27**	**61.10**	**65.33**	**126.43**	**23.6%**

1. Includes interest on income tax refund of ₹ 0.42 bn in Q2-2020 and ₹ 2.26 bn in H1-2020 (FY2019: ₹ 4.48 bn, Q2-2019: ₹ 0.05 bn, H1-2019: ₹ 0.13 bn, Q1-2020: ₹ 1.84 bn)
2. In addition to the annual increment in salaries and increase in number of employees year-on-year, increase in employee expenses reflects the higher provisions on retirals

Profit & loss statement

(₹ billion)	FY 2019	Q2-2019	H1-2019	Q1-2020	Q2-2020	H1-2020	Q2-o-Q2 growth
Core operating profit	**220.72**	**52.85**	**103.27**	**61.10**	**65.33**	**126.43**	**23.6%**
Treasury income	13.66[1]	(0.35)	7.31[1]	1.79	3.41	5.20	-
Operating profit	234.38	52.50	110.58	62.89	68.74	131.63	30.9%
Provisions	196.61	39.94	99.65	34.96	25.07	60.03	(37.2)%
Profit before tax	**37.77**	**12.56**	**10.93**	**27.93**	**43.67**	**71.60**	**-**
Tax	4.14	3.47	3.04	8.85	7.92	16.77	-
Re-measurement of deferred tax assets[2]	-	-	-	-	29.20	29.20	-
Profit after tax	**33.63**	**9.09**	**7.89**	**19.08**	**6.55**	**25.63**	**-**

- Excluding the impact of one-time additional charge due to re-measurement of accumulated deferred tax asset, profit after tax would have been ₹ 35.75 billion in Q2-2020 and ₹ 54.83 billion in H1-2020

Segment-wise PBT: slide 38

Consolidated P&L: slides 39-40

1. Includes profit on sale of shareholding in subsidiaries of ₹ 11.10 billion in FY2019 and H1-2019
2. Deferred tax asset re-measured at the revised marginal tax rate of 25.17%

Key ratios

Percent	FY2019	Q2-2019	H1-2019	Q1-2020	Q2-2020	H1-2020
Net interest margin[1]	3.42	3.33	3.26	3.61	3.64	3.63
Cost to income	44.8[2]	45.2	46.0[2]	43.7	43.9	43.8
Provisions/core operating profit	89.1	75.6	96.5	57.2	38.4	47.5
Provisions/average advances[3]	3.67	3.05	3.89	2.40	1.67	2.03
Core operating profit/average assets	2.56	2.50	2.46	2.60	2.71	2.65
Return on average assets[3]	0.39	0.43	0.19	0.81	0.27	0.54
Standalone return on equity[3]	3.2	3.4	1.5	7.0	2.4	4.7
Consolidated return on equity[3]	3.8	4.3	2.2	8.7	3.9	6.3
Weighted average EPS (₹)[3]	5.2	5.6	2.5	11.9	4.0	7.9
Book value (₹)	168.1	163.7	163.7	171.1	171.4	171.4

Yield, cost and margin: slide 37

Consolidated ratios: slide 41

1. Includes interest on income tax refund of ₹ 0.42 bn in Q2-2020 and ₹ 2.26 bn in H1-2020 (FY2019: ₹ 4.48 bn, Q2-2019: ₹ 0.05 bn, H1-2019: ₹ 0.13 bn, Q1-2020: ₹ 1.84 bn)
2. Excludes gain on sale of stake in subsidiaries
3. Annualised for all interim periods

Balance sheet growth

Stable funding profile

(₹ billion)	Sep 30, 2018	Jun 30, 2019	Sep 30, 2019	Y-o-Y growth	% share at Sep 30, 2019
CASA	2,835.48	2,988.77	3,250.00	14.6%	46.7%
- Current	*760.72*	*804.01*	*944.31*	*24.1%*	*13.6%*
- Savings	*2,074.76*	*2,184.76*	*2,305.69*	*11.1%*	*33.1%*
Term	2,751.21	3,618.55	3,712.73	34.9%	53.3%
Total deposits	**5,586.69**	**6,607.32**	**6,962.73**	**24.6%**	

	Q2-2019	Q1-2020	Q2-2020		
Average CASA ratio	47.1%	43.4%	42.2%	-	-

- 10.9% y-o-y growth in average CASA deposits in Q2-2020

Balance sheet-liabilities: slide 42-43
Consolidated balance sheet: slide 46
Extensive franchise: slide 51

Healthy growth across loan portfolio

(₹ billion)	Sep 30, 2018	Jun 30, 2019	Sep 30, 2019	Y-o-Y growth	% share at Sep 30, 2019
Advances	5,444.87	5,924.15	6,133.59	12.6%	100.0%
- Domestic book	4,754.36	5,327.75	5,533.24	16.4%	90.2%
- Retail	*3,118.13*	*3,635.96*	*3,809.66*	*22.2%*	*62.1%*
- SME[1]	*146.73*	*176.98*	*190.64*	*29.9%*	*3.1%*
- Corporate and others[2]	*1,489.50*	*1,514.81*	*1,532.94*	*2.9%*	*25.0%*
- Overseas book[3]	690.51	596.40	600.35	(13.1)%	9.8%

- Excluding NPLs and restructured loans growth in the domestic corporate portfolio was 7.3% y-o-y at Sep 30, 2019
- Including non-fund based outstanding, the share of retail portfolio was 49.9% of the total portfolio at Sep 30, 2019 (Jun 30, 2019: 48.5%)

Balance sheet-assets: slides 44-45

Portfolio composition: slide 48

1. SME portfolio includes borrowers with turnover less than ₹ 2.50 billion
2. Includes SME borrowers with turnover of ₹ 2.50 billion - ₹ 7.50 billion
3. Includes impact of exchange rate movement

Retail portfolio

(₹ billion)	Sep 30, 2018	Jun 30, 2019	Sep 30, 2019	Y-o-Y growth	% share at Sep 30, 2019
Home loans	1,608.10	1,839.30	1,907.76	18.6%	50.1%
Vehicle loans	489.04	560.58	569.12	16.4%	14.9%
- Auto finance	*298.65*	*314.78*	*315.17*	*5.5%*	*8.3%*
- Commercial business	*185.05*	*232.61*	*237.21*	*28.2%*	*6.2%*
- Two wheeler loans	*5.34*	*13.19*	*16.74*	*-*	*0.4%*
Business banking	155.13	193.45	227.43	46.6%	6.0%
Rural loans	435.60	500.33	519.20	19.2%	13.6%
Personal loans	250.79	344.42	377.56	50.6%	9.9%
Credit cards	104.89	136.94	146.96	40.1%	3.9%
Others	74.58	60.94	61.63	(17.4)%	1.6%
- Dealer funding loans	*50.99*	*42.84*	*42.74*	*(16.2)%*	*1.1%*
- Loan against shares and others	*23.59*	*18.10*	*18.89*	*(19.9)%*	*0.5%*
Total retail loans[1]	**3,118.13**	**3,635.96**	**3,809.66**	**22.2%**	**100.0%**

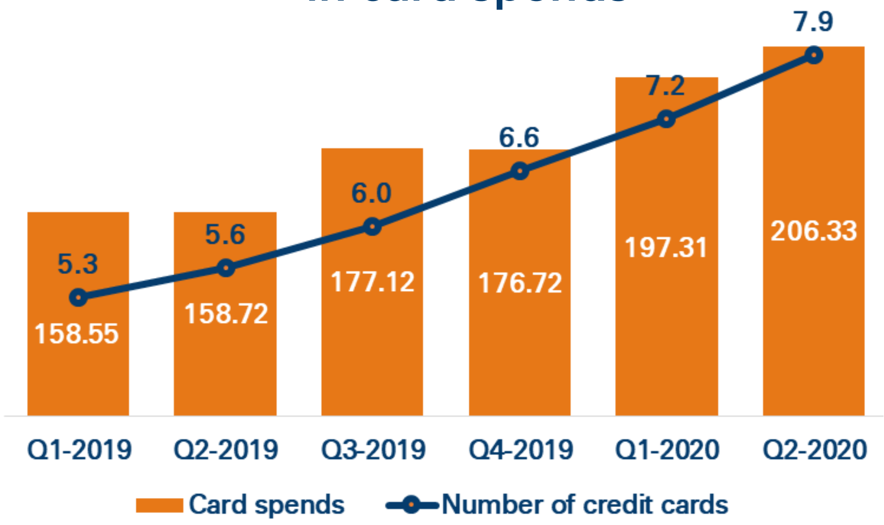
1. Includes buyouts of ₹ 76.53 billion at Sep 30, 2019 (Jun 30, 2019: ₹ 84.27 billion)

Card spends and partnerships

(₹ billion)

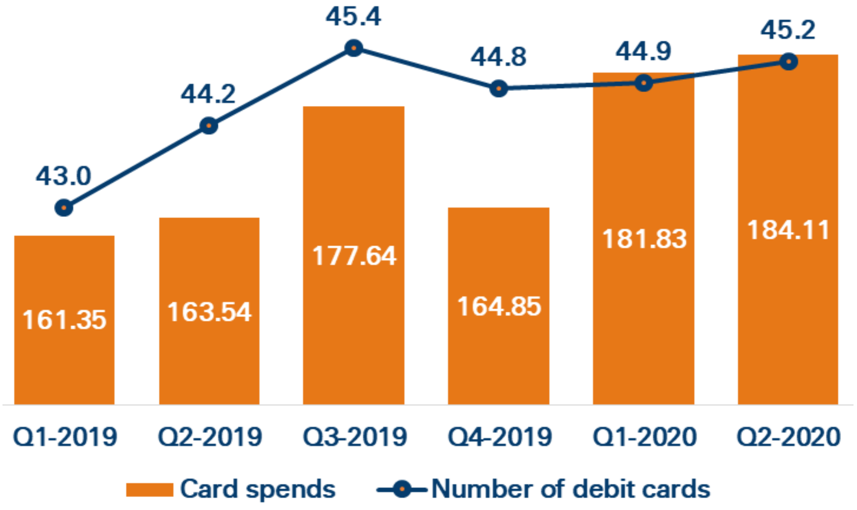
Credit cards

30% y-o-y
in card spends

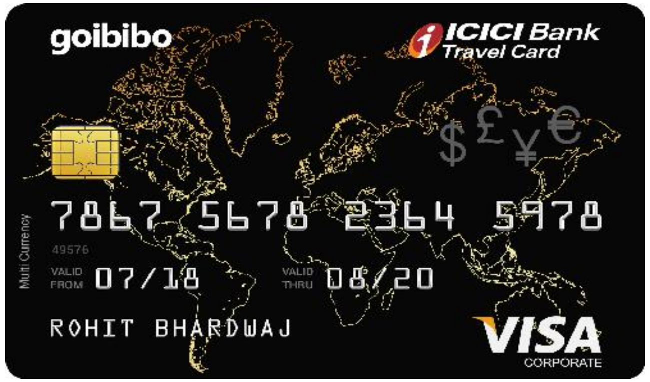


Debit cards

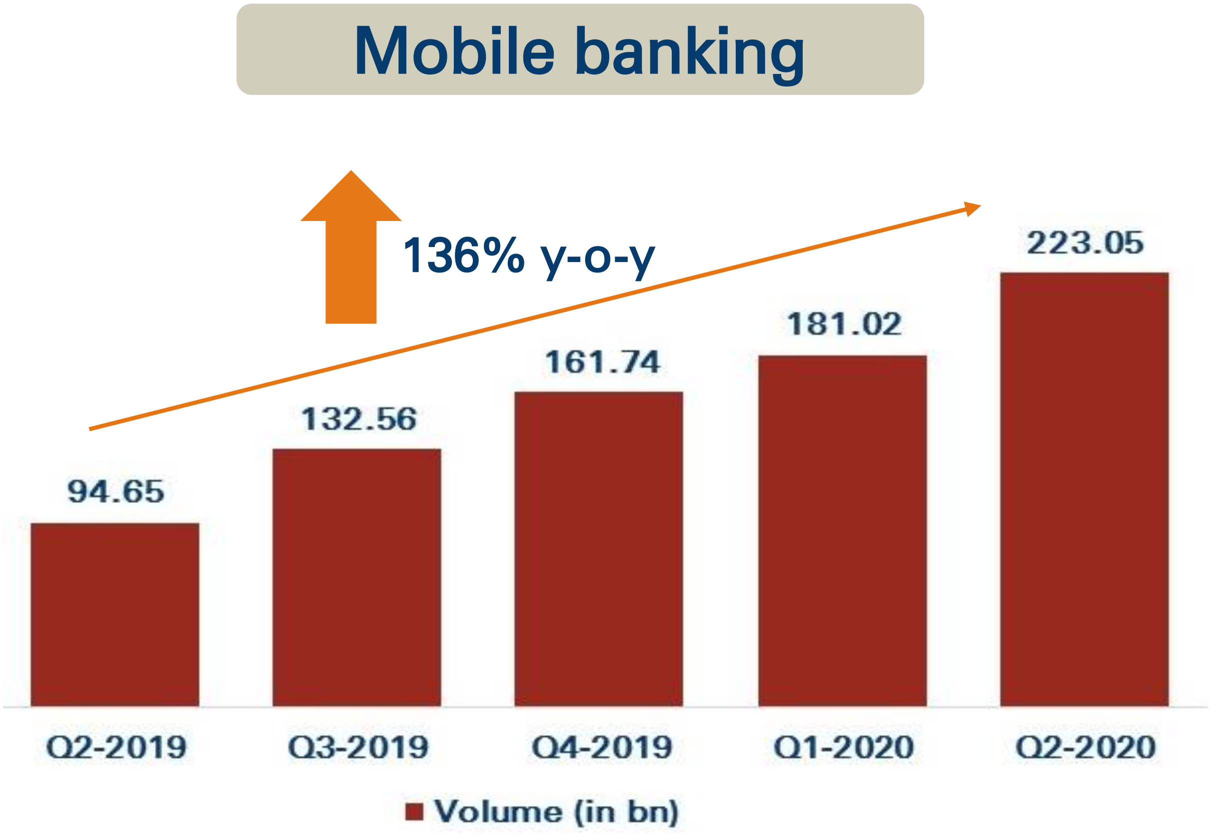
13% y-o-y
in card spends

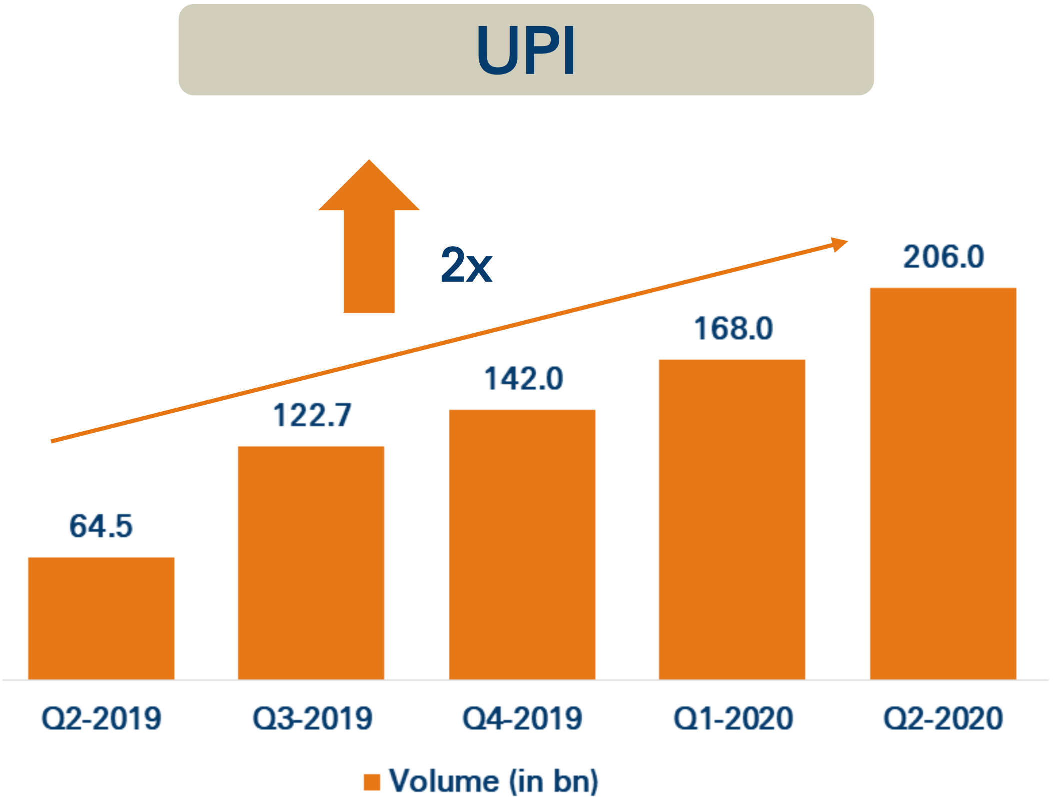


Partnerships



Digital transactions





- Over 87% of savings account transactions[1] in H1-2020 through digital channels

1. Includes internet, mobile, POS, touch banking, phone banking and debit cards e-commerce transactions

Improving asset quality trends

Reduction in net NPAs

(₹ billion)	Sep 30, 2018	Jun 30, 2019	Sep 30, 2019
Gross NPAs[1]	544.89	457.63	456.39
Less: cumulative provisions[1]	324.03	339.06	347.23
Net NPAs[1]	**220.86**	**118.57**	**109.16**
Gross NPA ratio[1]	8.54%	6.49%	6.37%
Net NPA ratio[1]	3.65%	1.77%	1.60%
Provision coverage ratio[2]	**58.9%**	**74.0%**	**76.1%**
Provision coverage ratio[3]	69.4%	83.4%	85.0%

- Net investment in security receipts of ARCs was ₹ 32.76 billion at Sep 30, 2019 (Jun 30, 2019 : ₹ 32.80 billion)
- Outstanding general provision on standard assets[4]: ₹ 30.92 billion at Sep 30, 2019 (Jun 30, 2019: ₹ 28.75 billion)
- Net standard restructured loans of ₹ 2.65 billion at Sep 30, 2019 (Jun 30, 2019: ₹ 1.39 billion)

1. Based on customer assets
2. Excluding technical write-offs
3. Including technical write-offs
4. Excludes specific provision against standard assets

Stable NPA addition trends

NPA movement[1] (₹ billion)	FY2019	Q2-2019	Q1-2020	Q2-2020
Opening gross NPA	540.63	534.65	462.92	457.63
Add: gross additions	110.39	31.17	27.79	24.82
- Retail	*35.96*	*7.60*	*15.11*[2]	*13.23*
- Corporate and SME	*74.43*	*23.57*	*12.68*	*11.59*
Less: recoveries & upgrades	47.16	*10.06*	9.31	12.63
- Retail	*20.68*	*5.92*	*5.09*	*7.14*
- Corporate and SME	*26.48*	*4.14*	*4.22*	*5.49*
Net additions	63.23	21.11	18.48	12.19
Less: write-offs	112.49	3.89	22.00	13.28
: sale of NPAs	28.45	6.98	1.77	0.15
Closing gross NPAs	**462.92**	**544.89**	**457.63**	**456.39**

Retail NPAs: slide 47

1. Based on customer assets
2. Includes slippages of ₹ 4.52 billion from the kisan credit card portfolio

Corporate and SME: NPA[1] additions

(₹ billion)	Q2-2020
- Corporate and SME	11.59
- Increase in outstanding on existing NPAs	4.13[2]
- BB and below portfolio	3.73
of which: Devolvement of non-fund based o/s to existing NPAs	*0.79*
Other BB and below	*2.94*
- Others	3.73

1. Based on customer assets
2. Includes ₹ 3.49 billion due to impact of rupee depreciation on foreign currency NPAs

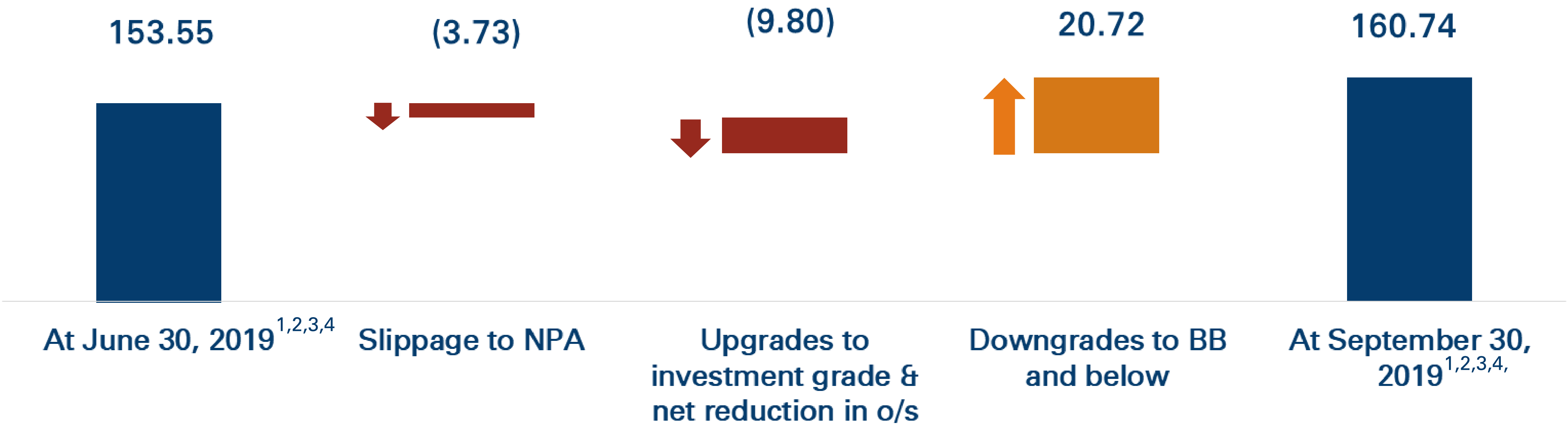
Corporate and SME: BB and below

(₹ billion)	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019
BB and below outstanding[1,2,3,4]	**175.25**	**153.55**	**160.74**
- Fund and non-fund o/s to restructured loans	5.64	2.42	2.24
- Non-fund o/s to non-performing loans[5]	42.20	36.27	33.71
- O/s to borrowers under RBI resolution schemes	39.95	40.03	39.29
- Other borrowers with o/s greater than ₹ 1.00 bn	38.05	31.86	46.62
- Other borrowers with o/s less than ₹ 1.00 bn	49.41	42.97	38.88

1. Fund-based and non-fund based outstanding
2. Excludes banks
3. Excludes investments
4. Excludes fund-based outstanding to NPAs
5. Provisions of ₹ 13.43 billion were held against non-fund o/s to non-performing loans at Sep 30, 2019 (Jun 30, 2019: ₹ 13.51 billion; Mar 31, 2019: ₹ 15.91 billion)

Movement in Corporate and SME BB and below in Q2-2020

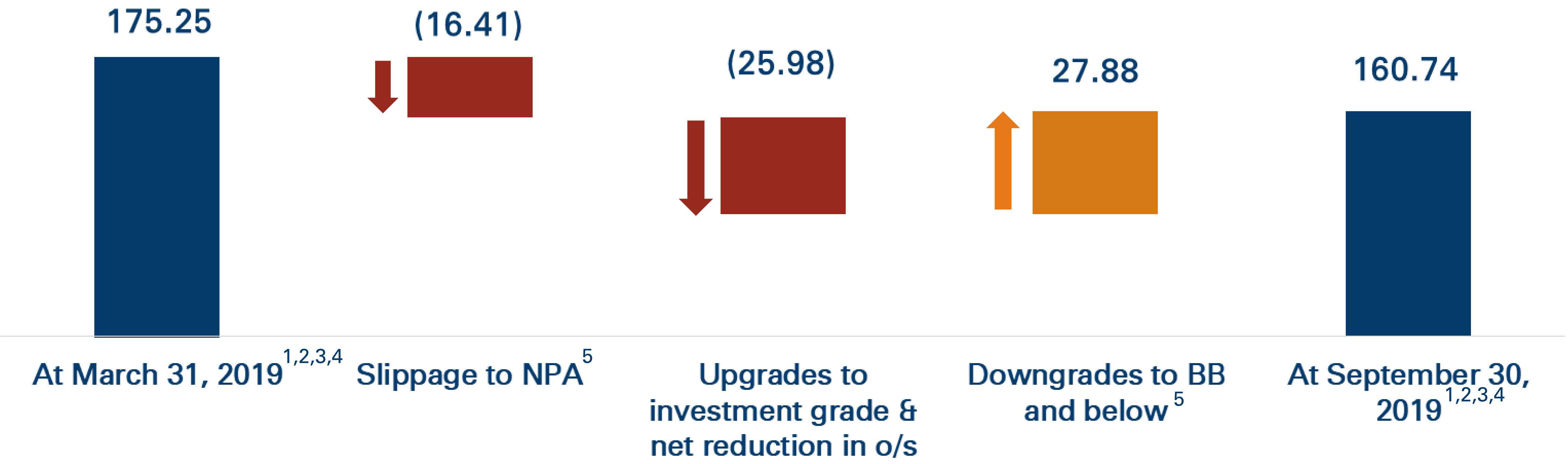
(₹ billion)



1. Fund-based and non-fund based outstanding
2. Excludes banks
3. Excludes investments
4. Excludes fund-based outstanding to NPAs

Movement in Corporate and SME BB and below in H1-2020

(₹ billion)



1. Fund-based and non-fund based outstanding
2. Excludes banks
3. Excludes investments
4. Excludes fund-based outstanding to NPAs
5. Includes cases downgraded from investment grade and classified as NPL during H1-2020

Exposure to power sector

(₹ billion)	Jun 30, 2019	Sep 30, 2019	Share at Sep 30, 2019 (%)
Borrowers classified as NPA or part of BB and below portfolio[1]	111.79	110.36	33.0%
Other borrowers	279.26	223.70	67.0%
Total	391.05	334.06	100.0%

- Of the other borrowers aggregating ₹ 223.70 billion, excluding exposure to State Electricity Boards, ~75% was rated A- and above

Sector-wise exposures: slide 49

1. Including loans restructured or under a RBI resolution scheme

NBFCs, HFCs and builder portfolio

Outstanding (₹ billion)	Jun 30, 2019	Sep 30, 2019
NBFCs[1]	264.85	265.78
HFCs[1]	155.16	141.31
Builder portfolio (construction finance, lease rental discounting, term loans and working capital loans)	202.49	225.15

1. Includes loans, investment and non-fund based outstanding

Improving rating profile of overall loan book

Rating category[1,2]	Mar 31, 2016	Mar 31, 2017	Mar 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019
AA- and above	30.6%	37.2%	42.4%	45.1%	44.7%	44.9%
A+, A, A-	21.3%	19.0%	20.1%	22.0%	22.4%	21.4%
A- and above	**51.9%**	**56.2%**	**62.5%**	**67.1%**	**67.1%**	**66.3%**
BBB+, BBB, BBB-	27.8%	28.7%	27.5%	28.2%	29.2%	30.2%
BB and below	16.6%	9.2%	4.0%	2.2%	1.5%	1.6%
Non-performing loans	3.0%	5.4%	5.4%	2.3%	2.0%	1.7%
Unrated	0.7%	0.5%	0.6%	0.2%	0.2%	0.2%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Total net advances (₹ billion)	**4,353**	**4,642**	**5,124**	**5,866**	**5,924**	**6,134**

- 89.5% of the disbursements in H1-2020 in the domestic and international corporate portfolio was to corporates rated A- and above

1. Based on internal ratings
2. For retail loans, ratings have been undertaken at the product level

Reduction in concentration risk

Details	Mar 31, 2016	Mar 31, 2017	Mar 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019
Exposure to top 20 borrowers[1] as a % of total exposure	13.3%	12.4%	12.5%	10.8%	11.4%	11.1%
Exposure to top 10 groups as a % of total exposure	18.5%	16.8%	14.3%	13.6%	13.3%	13.3%

- Hard limit on borrower groups based on turnover and track record, lower than the regulatory limits

1. Excludes banks

Capital

Strong capital position

	June 30, 2019[1]		Sep 30, 2019[2,3]	
	(₹ billion)	%	(₹ billion)	%
Total capital	1,170.75	16.19%	1,172.53	16.14%
- Tier I	1,055.75	14.60%	1,061.80	14.62%
- of which: CET1	*955.08*	*13.21%*	*961.82*	*13.24%*
- Tier II	115.00	1.59%	110.73	1.52%
Risk weighted assets	7,229.24		7,263.56	
- On balance sheet	*6,320.70*		*6,375.49*	
- Off balance sheet	*908.54*		*888.07*	

- Capital adequacy ratios well above the minimum regulatory requirement of Tier I ratio of 9.08% and total capital adequacy ratio of 11.08%

Consolidated capital adequacy: slide 50

1. As per Basel III guidelines, includes profit for Q1-2020
2. As per Basel III guidelines, includes profit for H1-2020
3. Impact of ~25 bps due to reduction in risk-weight on consumer loans, excluding credit card receivables

Subsidiaries

Profit after tax of subsidiaries

Profit after tax (₹ billion)	FY2019	Q2-2019	Q1-2020	Q2-2020
ICICI Prudential Life Insurance	11.41	3.01	2.85	3.02
ICICI Lombard General Insurance	10.49	2.93	3.10	3.08
ICICI Prudential Asset Management[1]	6.83	1.96	2.19	3.05
ICICI Securities (Consolidated)[1]	4.91	1.34	1.14	1.35
ICICI Securities Primary Dealership[1,2]	0.78	(0.32)	0.69	1.40
ICICI Home Finance[1]	0.44	0.15	(0.06)	(0.61)
ICICI Venture	0.70	(0.04)	0.22	(0.04)
ICICI Bank UK (USD million)	(52.9)	(14.7)	10.1	11.9
ICICI Bank Canada (CAD million)	52.4	12.4	11.8	14.2

Details on subsidiaries: slides 52-57

1. As per Ind AS
2. Represents total comprehensive income

Insurance subsidiaries

ICICI Prudential Life Insurance

- VNB[1] grew by 20.2% y-o-y to ₹ 7.09 billion in H1-2020; VNB margins increased from 17.0% in FY2019 to 21.0% in H1-2020
- Protection annualised premium equivalent (APE) grew by 86.8% y-o-y to ₹ 4.97 billion in H1-2020 and is 14.8% of APE in H1-2020
- New business premium grew by 20.5% to ₹ 51.52 billion in H1-2020
- Embedded Value was ₹ 226.80 billion at Sep 30, 2019 (Sep 30, 2018: ₹ 192.48 billion)

ICICI Lombard General Insurance

- GDPI[2] was ₹ 64.40 billion in H1-2020 compared to ₹ 73.05 billion in H1-2019
  - Excluding crop segment, GDPI grew by 16.2% y-o-y to ₹ 63.86 billion in H1-2020; higher than industry growth (excluding crop segment) of 14.4% y-o-y
- Combined ratio was 101.5% in H1-2020 compared to 100.1% in H1-2019
- Return on average equity was 22.3%[3] in H1-2020

1. Value of New Business
2. Gross Direct Premium Income
3. Annualised

ICICI Securities

Strategy of growing quality accounts playing out

- New product Prime providing privilege pricing, liquidity and curated research gaining traction
  - Subscribers increased from ~100,000 at June 30, 2019 to 160,000 at September 30, 2019; ~18% of current active customer base
- Market share of NSE active clients at 21 month high to 10.1% at September 30, 2019
- Market share of equity volumes improved 90 bps y-o-y to 8.7%

Financial performance

- Return on equity was ~48% in Q2-2020

Environmental and social initiatives

Environmental and social initiatives (1/2)

Focus

Creating a positive impact while building a sustainable business and ensuring value creation for all stakeholders

Key priorities

- Sound risk management practices underlying the business strategy of growing core operating profits
- Committed to supporting environment-friendly projects based on appropriate assessment of risks
- Continuous efforts towards operational efficiency and minimising impact on environment
  - The Bank is ensuring IGBC[1] green building features in all new offices and branches at the time of set up; nine offices awarded Platinum rating by IGBC
- Continued efforts towards providing skill training and sustainable livelihood opportunities through ICICI Foundation
- Meeting the complete financial requirements of the rural customers and their ecosystem

1. Indian Green Building Council

Environmental and social initiatives (2/2)

Environment

- 680 kWp of solar power capacity added during H1-2020; total 1.8 mWp of onsite renewable energy capacity at Sep 30, 2019
- ICICI RSETI[1] building in Jodhpur awarded 'Net Zero Energy – Platinum' rating by IGBC[2]; first building to be given the award in the country
- Call centre facility at Thane awarded "National Energy Leader" by CII
- Adopting environment-friendly business practices through technology initiatives and digitization

Social

- Increasing penetration of financial services in rural and unbanked areas
- Empowering women entrepreneurs; credit provided to 6.3 million women through 490,000 SHGs till September 30, 2019
- Skill training provided to over 450,000 individuals through the skill development initiatives of ICICI Foundation for Inclusive Growth

1. RSETI: Rural Self-Employment Training Institute; 2. Indian Green Building Council

Thank you

Additional financial information

Yield, cost and margin

Movement in yield, costs & margins (Percent)[1]	FY2019	Q2-2019	H1-2019	Q1-2020	Q2-2020	H1-2020
Yield on total interest-earning assets	8.03	7.85	7.77	8.40	8.39	8.40
- Yield on advances	*8.96*	*8.79*	*8.75*	*9.36*	*9.52*	*9.44*
Cost of funds	5.10	5.00	4.99	5.23	5.19	5.21
- Cost of deposits	*4.87*	*4.76*	*4.79*	*5.08*	*5.06*	*5.07*
Net interest margin	3.42	3.33	3.26	3.61	3.64	3.63
- Domestic	*3.77*	*3.71*	*3.63*	*3.93*	*3.92*	*3.92*
- Overseas	*0.30*	*0.05*	*0.18*	*0.33*	*0.41*	*0.37*

- Includes interest on income tax refund of ₹ 0.42 bn in Q2-2020 and ₹ 2.26 bn in H1-2020 (FY2019: ₹ 4.48 bn, Q2-2019: ₹ 0.05 bn, H1-2019: ₹ 0.13 bn, Q1-2020: ₹ 1.84 bn)

1. Annualised for all interim periods

Unconsolidated segment-wise PBT

Profit before tax (₹ billion)	FY2019	Q2-2019	H1-2019	Q1-2020	Q2-2020	H1-2020
Retail	82.23	21.20	41.67	19.68	25.69	45.37
Wholesale	(102.42)	(16.86)	(53.61)	(5.06)	5.13	0.09
Treasury	51.65	7.69	21.85	10.77	11.39	22.15
Others	6.31	0.53	1.02	2.54	1.46	3.99
Total	**37.77**	**12.56**	**10.93**	**27.93**	**43.67**	**71.60**

Consolidated profit & loss statement

(₹ billion)	FY2019	Q2-2019	H1-2019	Q1-2020	Q2-2020	H1-2020	Y-o-Y growth
Net interest income	328.04	78.27	152.83	93.57	97.72	191.29	24.9%
Non-interest income	593.25	146.91	271.27	135.03	163.19	298.22	11.1%
- Fee income	*143.63*	*36.11*	*70.28*	*36.97*	*40.95*	*77.92*	*13.4%*
- Premium income	*420.94*	*106.43*	*186.72*	*92.67*	*112.36*	*205.03*	*5.6%*
- Other income	*28.68*	*4.37*	*14.27*	*5.39*	*9.88*	*15.27*	*-*
Total income	**921.29**	**225.18**	**424.10**	**228.60**	**260.91**	**489.51**	**15.9%**
Operating expenses	642.59	160.54	292.20	150.93	177.27	328.20	10.4%
Operating profit	**278.70**	**64.64**	**131.90**	**77.67**	**83.64**	**161.31**	**29.4%**

Consolidated profit & loss statement

(₹ billion)	FY2019	Q2-2019	H1-2019	Q1-2020	Q2-2020	H1-2020	Y-o-Y growth
Operating profit	**278.70**	**64.64**	**131.90**	**77.67**	**83.64**	**161.31**	**29.4%**
Provisions	204.62	41.84	103.41	35.58	27.26	62.84	(34.9)%
Profit before tax	**74.08**	**22.80**	**28.49**	**42.09**	**56.38**	**98.47**	**-**
Tax	17.19	6.79	9.22	12.95	10.84	23.79	59.6%
Re-measurement of DTA[1]	-	-	-	-	29.70	29.70	-
Minority interest	14.35	3.96	7.17	4.00	4.53	8.53	14.4%
Profit after tax	**42.54**	**12.05**	**12.10**	**25.14**	**11.31**	**36.45**	**(6.1)%**

- Excluding the impact of tax related changes, profit after tax would have been ₹ 41.01 billion in Q2-2020 and ₹ 66.15 billion in H1-2020

1. Deferred tax asset (DTA) re-measured at the revised marginal tax rate of 25.17%

Key ratios (consolidated)

Percent	FY2019	Q2-2019	H1-2019	Q1-2020	Q2-2020	H1-2020
Weighted average EPS[1]	6.6	7.5	3.8	15.7	7.0	11.3
Book value (₹)	177	172	172	181	181	181

1. Annualised for all interim periods

Balance sheet: liabilities

(₹ billion)	Sep 30, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019
Net worth	1,053.72	1,083.68	1,104.00	1,106.10
- Equity capital	*12.87*	*12.89*	*12.91*	*12.92*
- Reserves	*1,040.85*	*1,070.79*	*1,091.09*	*1,093.18*
Deposits	*5,586.69*	6,529.20	6,607.32	6,962.73
- Savings	*2,074.76*	*2,276.71*	*2,184.76*	*2,305.69*
- Current	*760.72*	*962.69*	*804.01*	*944.31*
- Term	*2,751.12*	*3,289.80*	*3,618.55*	*3,712.73*
Borrowings[1]	*1,746.86*	1,653.20	1,567.20	1,510.33
Other liabilities	356.13	378.51	359.01	390.95
Total liabilities	**8,743.40**	**9,644.59**	**9,637.53**	**9,970.11**

- Credit/deposit ratio of 80.1% on the domestic balance sheet at Sep 30, 2019 (Jun 30, 2019: 81.4%)

1. Including impact of rupee depreciation

Composition of borrowings

(₹ billion)	Sep 30, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019
Domestic	936.27	905.42	890.01	860.19
- Capital instruments	*304.51*	*270.25*	*255.01*	*245.33*
- Other borrowings	*631.76*	*635.17*	*635.00*	*614.86*
- Long term infrastructure bonds	*194.97*	*194.97*	*194.97*	*194.97*
Overseas borrowings[1]	810.59	747.78	677.19	650.14
Total borrowings	**1,746.86**	**1,653.20**	**1,567.20**	**1,510.33**

1. Including impact of rupee depreciation

Balance sheet: assets

(₹ billion)	Sep 30, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019
Cash & bank balances	576.12	802.96	657.48	716.39
Investments	1,875.00	2,077.33	2,199.96	2,233.76
- SLR investments	*1,364.28*	*1,479.10*	*1,533.75*	*1,661.44*
- Equity investment in subsidiaries	*98.03*	*98.03*	*98.03*	*98.03*
Advances	5,444.87	5,866.47	5,924.15	6,133.59
Fixed & other assets[1]	847.41	897.83	855.94	886.37
- RIDF [2] and related	*272.00*	*292.55*	*291.41*	*284.21*
Total assets	**8,743.40**	**9,644.59**	**9,637.53**	**9,970.11**

1. Non-banking assets (net of provisions) acquired in satisfaction of claims of ₹ 3.32 billion at Sep 30, 2019 (₹ 6.66 billion at Jun 30, 2019; ₹ 10.04 billion at Mar 31, 2019 and ₹ 19.41 billion at Sep 30, 2018)
2. Rural Infrastructure Development Fund

Equity investment in subsidiaries

(₹ billion)	Sep 30, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019
ICICI Prudential Life Insurance	32.97	32.97	32.97	32.97
ICICI Bank Canada	18.74	18.74	18.74	18.74
ICICI Bank UK	18.05	18.05	18.05	18.05
ICICI Lombard General Insurance	13.49	13.49	13.49	13.49
ICICI Home Finance	11.12	11.12	11.12	11.12
ICICI Securities Limited	1.28	1.28	1.28	1.28
ICICI Securities Primary Dealership	1.58	1.58	1.58	1.58
ICICI AMC	0.61	0.61	0.61	0.61
ICICI Venture Funds Mgmt	0.05	0.05	0.05	0.05
Others	0.14	0.14	0.14	0.14
Total	**98.03**	**98.03**	**98.03**	**98.03**

Consolidated balance sheet

(₹ billion)	Sep 30, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019
Cash & bank balances	659.04	873.91	731.54	798.02
Investments	3,658.17	3,982.01	4,233.89	4,281.14
Advances	6,046.77	6,469.62	6,259.17	6,754.52
Fixed & other assets	1,005.44	1,062.40	1,010.12	1,047.22
Total assets	**11,369.42**	**12,387.94**	**12,504.72**	**12,881.90**
Net worth	1,109.79	1,142.53	1,167.52	1,172.77
Minority interest	62.63	65.81	67.43	69.48
Deposits	5,894.97	6,813.17	6,910.34	7,255.83
Borrowings	2,232.12	2,103.24	2,082.15	2,045.42
Liabilities on policies in force	1,386.07	1,523.79	1,557.44	1,578.16
Other liabilities	683.84	739.40	719.84	761.24
Total liabilities	**11,369.42**	**12,387.94**	**12,504.72**	**12,881.90**

Retail NPAs

Retail NPAs (₹ billion)	Sep 30, 2018	Jun 30, 2019	Sep 30, 2019
Gross retail NPAs	54.63	69.73	75.39
- as a % of gross retail advances	*1.73%*	*1.90%*	*1.96%*
Net retail NPAs	23.00	29.61	32.17
- as a % of net retail advances	*0.74%*	*0.81%*	*0.84%*

Portfolio composition

	September 30, 2018	June 30, 2019	September 30, 2019
Domestic	80.4%	83.7%	84.2%
International	19.6%	16.3%	15.8%
Total consolidated advances (₹ billion)	6,047	6,529	6,755

Sector-wise exposures

Top 10 sectors[1]: % of total exposure of the Bank	Mar 31, 2016	Mar 31, 2017	Mar 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019
Retail finance	27.1%	31.9%	34.2%	37.3%	38.5%	39.4%
Banks	8.0%	6.0%	8.4%	7.9%	7.1%	7.5%
Services – finance	4.9%	6.2%	7.0%	7.3%	7.2%	7.0%
Electronics & engineering	7.3%	6.9%	6.7%	6.6%	6.5%	6.2%
Crude petroleum/refining & petrochemicals	5.7%	5.5%	5.6%	5.7%	5.9%	6.1%
Road, port, telecom, urban development & other infra	5.8%	5.3%	4.2%	4.6%	4.7%	4.5%
of which: Telecom	*1.6%*	*1.7%*	*1.5%*	*2.0%*	*1.8%*	*1.8%*
Wholesale/retail trade	2.8%	2.5%	2.8%	3.1%	3.0%	3.0%
Services - non finance	4.9%	4.0%	3.3%	3.1%	2.9%	2.9%
Power	5.4%	5.1%	4.6%	3.3%	3.5%	2.9%
Construction	3.4%	3.1%	3.2%	2.9%	2.8%	2.7%
Total (₹ billion)	**9,428**	**9,372**	**10,265**	**11,207**	**11,261**	**11,613**

1. Top 10 based on position at September 30, 2019

Consolidated capital adequacy

Basel III (%)	September 30, 2018[1]	June 30, 2019[2]	September 30, 2019[3]
Total capital	17.13%	15.87%	15.81%
- Tier I	14.81%	14.27%	14.30%
- Tier II	2.32%	1.60%	1.51%

1. As per Basel III guidelines, includes profit for H1-2019
2. As per Basel III guidelines, includes profit for Q1-2020
3. As per Basel III guidelines, includes profit for H1-2020

Extensive franchise

Branches	At Mar 31, 2017	At Mar 31, 2018	At Mar 31, 2019	At Jun 30, 2019	At Sep 30, 2019	% share at Sep 30, 2019
Metro	1,440	1,443	1,438	1,444	1,563	30%
Urban	990	991	991	992	1,064	20%
Semi urban	1,444	1,449	1,453	1,453	1,527	29%
Rural	976	984	992	993	1,074	21%
Total branches	4,850	4,867	4,874	4,882	5,228	100%
Total ATMs	13,882	14,367	14,987	15,101	15,159	-

Insurance subsidiaries

ICICI Life (₹ billion)	FY2019	Q2-2019	Q1-2020	Q2-2020
Annualised premium equivalent	77.99	19.85	14.70	18.99
- Of which: protection	*7.22*	*1.52*	*2.14*	*2.83*
Total premium	309.30	76.82	63.29	81.91
Assets under management	1,604.10	1,461.29	1,640.24	1,655.12
Expense ratio[1]	15.0%	15.1%	17.0%	16.3%

ICICI General (₹ billion)	FY2019	Q2-2019	Q1-2020	Q2-2020
Gross written premium	147.89	36.37	35.61	30.31
Combined ratio	98.5%	101.1%	100.4%	102.6%
Return on average equity[2]	21.3%	23.9%	23.0%	22.0%

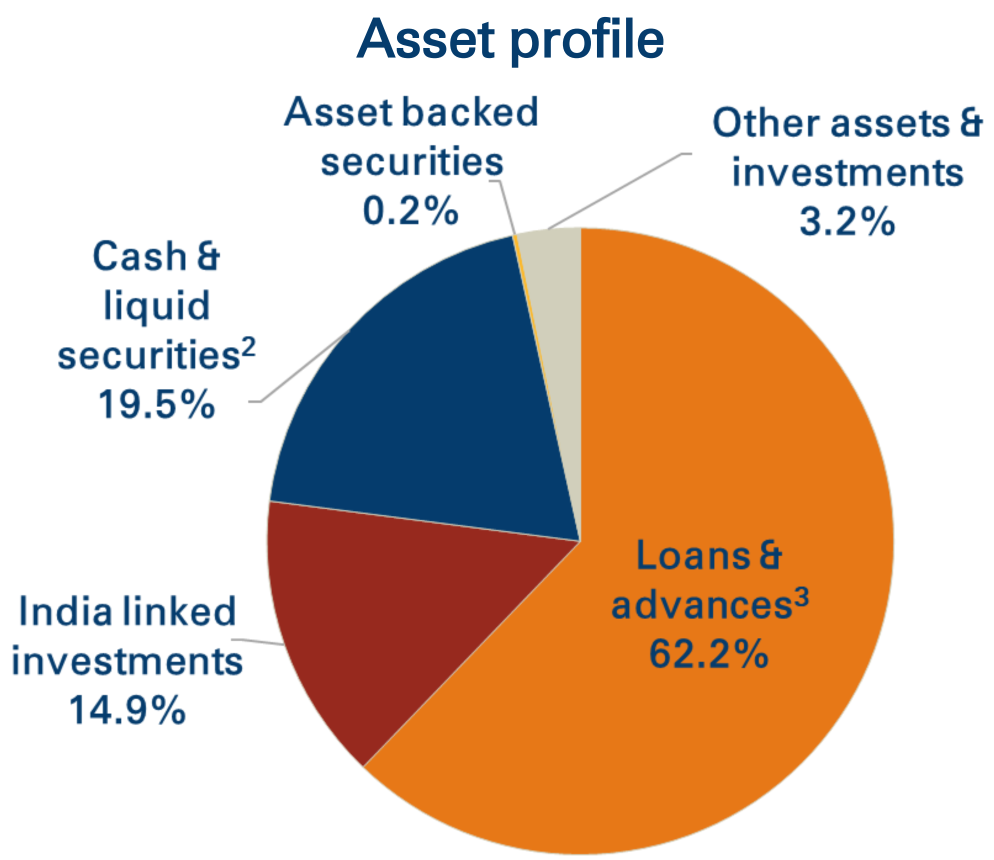
1. All expenses (including commission) / (Total premium – 90% of single premium)
2. Annualised for all interim periods

ICICI Bank UK

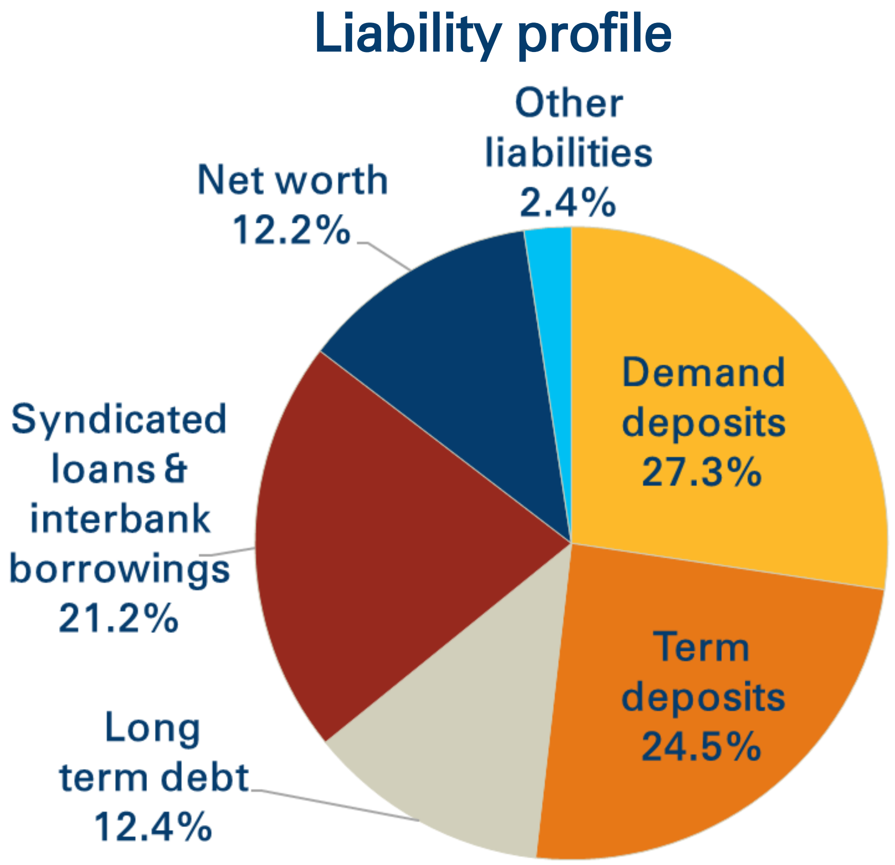
(USD million)	FY2019	Q2-2019	Q1-2020	Q2-2020
Net interest income	70.5	16.7	17.0	15.3
Loans and advances	2,442.5	2,359.0	2,342.0	2,319.2
Deposits	2,140.8	1,915.5	2,241.7	2,022.7
- Retail term deposits	*677.1*	*513.7*	*729.1*	*593.0*
Capital adequacy ratio	16.8%	17.6%	17.7%	17.9%
- Tier I	*12.9%*	*13.4%*	*13.9%*	*14.3%*

- Net impaired loans decreased from USD 60.7 million at June 30, 2019 to USD 54.3 million at Sep 30, 2019

ICICI Bank UK[1]



Total assets: USD 3.91 bn



Total liabilities: USD 3.91 bn

1. At Sep 30, 2019
2. Includes cash & advances to banks and T Bills
3. Includes securities re-classified to loans & advances

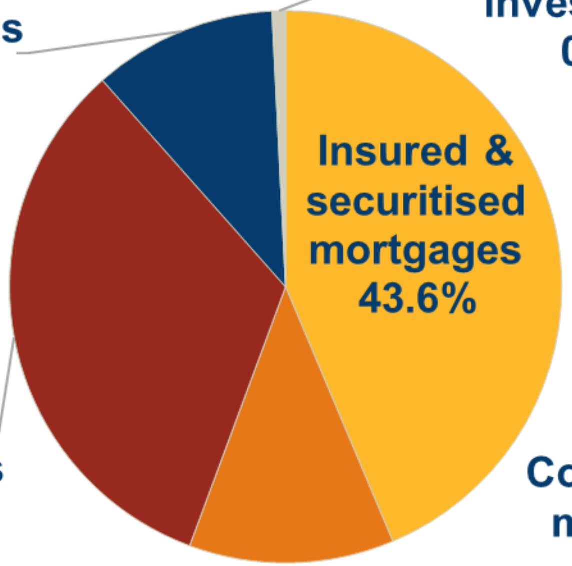
ICICI Bank Canada

(CAD million)	FY2019	Q2-2019	Q1-2020	Q2-2020
Net interest income	91.4	23.1	23.1	24.9
Loans and advances	5,771.6	5,814.0	5,707.2	5,664.4
- Residential mortgages	*3,546.6*	*3,418.4*	*3,560.7*	*3,566.4*
Deposits	3,195.0	3,185.0	3,000.7	3,036.6
Capital adequacy ratio	17.1%	17.3%	18.4%	18.9%
- Tier I	*16.6%*	*16.7%*	*17.9%*	*18.4%*

- Net impaired loans decreased from CAD 7.8 million at Jun 30, 2019 to CAD 6.4 million at Sep 30, 2019

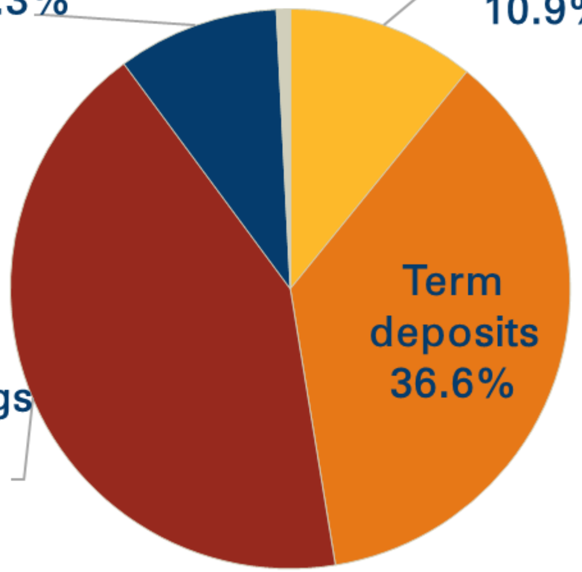
ICICI Bank Canada[1]

Asset profile



Total assets: CAD 6.40 bn

Liability profile



Total liabilities: CAD 6.40 bn

1. At Sep 30, 2019
2. Includes cash & placements with banks and government securities
3. Insured mortgages include CAD 2,617.9 million at September 30, 2019 (June 30, 2019: CAD 2,728.9) of securitised mortgages
4. As per IFRS, proceeds of CAD 2,592.0 million at September 30, 2019 (June 30, 2019: CAD 2,701.3 million) on securitization of residential mortgages are considered a part of borrowings

ICICI Home Finance[1]

(₹ billion)	June 30, 2019	Sep 30, 2019
Loans and advances	141.71	151.36
Gross impaired loans (stage 3)[2]	7.65	8.12
Net impaired loans (stage 3)	4.57	4.65
Capital adequacy ratio[3]	16.08%	15.02%

1. As per Ind AS
2. Includes commercial real estate loans of ₹ 4.72 billion at September 30, 2019 (June 30, 2019: ₹ 4.72 billion)
3. As per NHB guidelines

Analyst call on October 26, 2019: opening remarks

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.

Mr. Bakhshi's opening remarks

Good afternoon to all of you and welcome to the ICICI Bank Earnings Call to discuss the Q2-2020 results. Joining us today on this call are Vishakha, Anup, Sandeep Batra, Rakesh and Anindya.

Our core operating profit increased by 23.6% year-on-year to 65.33 billion Rupees in Q2 of 2020.

We continue to maintain a stable and healthy funding profile. We have focused on growing retail term deposits and our CASA deposits in absolute terms. During the quarter, savings account deposits increased by 120.93 billion Rupees to 2.3 trillion Rupees and current account deposits increased by 140.30 billion Rupees to 944.31 billion Rupees at September 30, 2019. The average CASA deposits increased by 10.9% year-on-year in Q2 of 2020.

On the assets side, the domestic loan book grew by 16.4% year-on-year at September 30, 2019 driven by retail loans, which grew by 22.2% year-on-year. The overall loan growth was 12.6% year-on-year.

Over the past year, we have taken a number of initiatives on the digital front to expand the customer base, smoothen the onboarding process further, enhance the transacting experience and deepen the penetration of our products and services among existing customers. Some of our initiatives such as Amazon Pay credit card and InstaBIZ have seen a lot of interest from customers. While digital transformation remains a cornerstone for driving business and improving efficiency, we are also focused on expanding our physical infrastructure. We are growing our branch network based on the economic activity and growth potential of different locations. We had earlier mentioned that we are looking at opening 450 branches during the year. We added 346 branches in Q2 of 2020. The branches seek to meet evolving customer requirements, with contemporary design, rationalised use of space and dedicated areas for transactions and customer engagement.

Coming to asset quality, the gross NPA additions during the quarter were 24.82 billion Rupees. The NPA additions and gross provisions for the quarter were in line with expectations. The provision coverage ratio excluding technical write-offs was 76.1%. The net NPA ratio declined from 1.77% at June 30, 2019 to 1.60% at September 30, 2019. The corporate and SME portfolio internally rated BB and below was 160.74 billion Rupees as of September 30, 2019 compared to 175.25 billion Rupees as of March 31, 2019 and 153.55 billion Rupees as of June 30, 2019.

As we have mentioned in the past, our focus is on growing the core operating profit in a risk calibrated manner. We are seeking to improve our share of profitable market opportunities by making our delivery to the customer more seamless and frictionless through digitization and process improvements.

We have recently undertaken several initiatives in the SME business to streamline the sales engine, credit processes and underwriting. Through these initiatives we aim for higher sales velocity, lower and predictable turnaround time and improved credit decisioning. These initiatives have been rolled out in our branches in multiple cities in the last quarter.

In our rural business, our strategy involves a comprehensive approach to cater to the needs of semi-urban and rural areas. Our reach in rural areas is supported by a network of branches, on-field staff and business correspondents providing last-mile access in remote areas. Of the Bank's network of 5,228 branches, nearly half are in rural and semi-urban areas. We have a reach in over 1 lakh villages and are working to provide dedicated banking services to the customers at their homes in 66,000 of these villages. We have recently partnered with CSC e-Governance Services India to expand rural reach and extend all banking services to the rural customers including transaction and bill payment services at their door step. Our approach revolves around meeting the end-to-end needs of our rural customers and offering a bouquet of services and products to capture the entire value chain. Specific initiatives include the Self Help Group programme which provides zero-balance savings account and term loans for meeting business requirements of women and solutions for dairy farmers. Digitization underpins the Bank's offerings in rural banking as well. Our unique mobile application called 'Mera iMobile' allows customers to avail more than 135 services including non-banking information and agri-related advisory on crop prices, news and weather. The app is available in 11 languages. Till date, the app has processed a total of 30 million financial and non-financial transactions.

In the corporate banking business, we continue to grow our credit portfolio with focus on granularity, transaction banking and improvement in the credit rating profile. Our aim is to capture the business opportunity across corporate ecosystems. We have dedicated teams of key account managers to cross-sell retail products to employees of corporate borrowers. In commercial banking, we are focusing on leveraging the India-linked trade corridor, driving granular business and increasing client coverage through about 100 dedicated branches.

We continue to be focused on achieving a consolidated return on equity of 15.0% by the quarter ended June 2020.

With these opening remarks, I will now hand the call over to Rakesh.

Mr. Jha’s remarks

Thank you, Sandeep. I will talk about the P&L details, our performance on growth, credit quality, performance of subsidiaries and capital during Q2 of 2020.

A. P&L Details

Net interest income increased by 25.5% year-on-year to 80.57 billion Rupees, driven by both loan growth and an increase in margins. The net interest margin was at 3.64% compared to 3.61% in Q1 of 2020 and 3.33% in Q2 of 2019. Interest on income tax refund was 0.42 billion Rupees this quarter compared to 1.84 billion Rupees in Q1 of 2020 and 0.05 billion Rupees in Q2 of 2019. The impact of interest on income tax refund on net interest margin was about 2 basis points this quarter compared to about 9 basis points in Q1 of 2020. The impact of interest collection from NPAs was about 4 basis points this quarter compared to 8 basis points in Q1 of 2020.

The domestic NIM was at 3.92% in Q2 of 2020 compared to 3.93% in Q1 of 2020 and 3.71% in Q2 of 2019. International margins were at 0.41% in Q2 of 2020 compared to 0.33% in Q1 of 2020 and 0.05% in Q2 of 2019.

Total non-interest income was 41.94 billion Rupees in Q2 of 2020 compared to 31.56 billion Rupees in Q2 of 2019.

- Fee income grew by 16.1% year-on-year to 34.78 billion Rupees in Q2 of 2020. Retail fee income grew by 20.5% year-on-year and constituted about 74.0% of overall fees in Q2 of 2020.

- Treasury recorded a profit of 3.41 billion Rupees this quarter compared to a loss of 0.35 billion Rupees in Q2 of 2019.

- Dividend income from subsidiaries was 3.77 billion Rupees in Q2 of 2020 compared to 1.67 billion Rupees in Q2 of 2019. Dividend income from subsidiaries in Q2 of 2020 included the final dividend for FY2019 from ICICI Securities and ICICI Prudential Life Insurance.

On Costs: The Bank's operating expenses increased by 24.4% year-on-year in Q2 of 2020. During the quarter, employee expenses increased by 28.9% year-on-year. The growth in payroll expenses was about 20% year-on-year which reflects employee additions of about 16,000 over the last 12 months and annual normal growth in salaries. The Bank had 99,893 employees at September 30, 2019. The non-employee expenses increased by 21.6% year-on-year in Q2 of 2020. Given the business opportunity, we have been investing in people, expanding our distribution network and spending on sales promotion and advertisements. While we will continue to make investments in people, technology, distribution and building our brand, our endeavour would be to ensure that revenues grow at a faster pace than expenses.

Provisions declined by 37.2% year-on-year to 25.07 billion Rupees in Q2 of 2020 compared to 39.94 billion Rupees in Q2 of 2019 and 34.96 billion Rupees in Q1 of 2020.

The growth in core operating profit and reduction in credit costs resulted in an increase in profit before tax from 12.56 billion Rupees in Q2 of 2019 to 43.67 billion Rupees in Q2 of 2020.

The tax expense was 37.12 billion Rupees during the quarter. Pursuant to the changes in the corporate tax rate, we have decided to exercise the option of lower marginal tax rate of 25.2%. Accordingly, the accumulated deferred tax asset has been re-measured resulting in a one-time additional charge of 29.20 billion Rupees in the standalone financial results. Profit after tax was 6.55 billion Rupees in Q2 of 2020 compared to 9.09 billion Rupees in Q2 of 2019. Excluding the impact of one-time additional charge due to re-measurement of accumulated deferred tax, the profit after tax would have been 35.75 billion Rupees in Q2 of 2020.

B. Growth

The domestic loan growth was 16.4% year-on-year as of September 30, 2019 driven by a 22.2% year-on-year growth in the retail business. Within the retail portfolio, the mortgage loan portfolio grew by 19% to 1.9 trillion Rupees, auto loans by 6%, business banking by 47%, rural lending by 19% and commercial vehicle and equipment loans by 28% year-on-year. The personal loan and credit card portfolio grew by 47% year-on-year, off a relatively small base, to 524.52 billion Rupees and was 8.6% of the overall loan book as of September 30, 2019. Given the recent developments around a particular housing finance company, I would like to mention that the portfolio we bought from this company is granular in nature and meets our risk return thresholds. Further, the collection for almost the entire portfolio has been taken over by the Bank.

Last quarter we had mentioned that we had reorganised the SME business, with the retail business group focusing on enterprises having a turnover of less than 2.5 billion Rupees and the mid-market group focusing on enterprises with turnover of 2.5 to 7.5 billion Rupees being aligned with the corporate banking group. The SME business comprising of borrowers having a turnover of less than 2.5 billion Rupees grew by 30% year-on-year to 190.64 billion Rupees as of September 30, 2019.

Excluding net NPAs and restructured loans as of September 30, 2019, growth in the domestic corporate portfolio was about 7.3% year-on-year. The Bank is focusing on meeting the commercial banking needs of its corporate clients, including foreign exchange and derivatives, trade finance, payments and collections.

The net advances of the overseas branches decreased by 13.0% year-on-year in Rupee terms and 11% year-on-year in US dollar terms as of September 30, 2019.

As a result of the above, the overall loan portfolio grew by 12.6% year-on-year as of September 30, 2019.

Retail loans as a proportion of total loans was 62.1% as of September 30, 2019. Including non-fund based outstanding, the share of the retail portfolio was 49.9% of the total portfolio as of September 30, 2019. The international loan portfolio was 9.8% of the overall loan book as of September 30, 2019.

Coming to the funding side: during the quarter, period-end CASA deposits grew by 14.6% to 3.2 trillion Rupees at September 30, 2019. The term deposits increased by 34.9% year-on-year, from 2.8 trillion Rupees to 3.7 trillion Rupees. The total deposits increased by 24.6% year-on-year to about 7.0 trillion Rupees at September 30, 2019.

C. Credit Quality

The gross non-performing assets were 456.39 billion Rupees at September 30, 2019 compared to 457.63 billion Rupees at June 30, 2019.

During the quarter, the retail portfolio saw gross NPA additions of 13.23 billion Rupees and recoveries and upgrades of 7.14 billion Rupees. The increase in additions was generally in line with the growth in the retail portfolio and reflects the seasoning of the portfolio.

Out of the corporate and SME gross NPA additions of 11.59 billion Rupees, about 4.13 billion Rupees represents the increase in outstanding of accounts classified as non-performing in prior periods. Of the balance slippages, 3.73 billion Rupees were from the BB and below portfolio as of September 30, 2019. These include 0.79 billion Rupees of devolvement of non-fund based outstanding to existing NPAs and slippages of 2.94 billion Rupees from other loans rated BB and below.

The recoveries and upgrades were 12.63 billion Rupees in Q2 of 2020. The gross NPAs written-off during the quarter aggregated to 13.28 billion Rupees. The Bank sold NPAs aggregating 0.15 billion Rupees during Q2 of 2020.

The net non-performing assets were 109.16 billion Rupees at September 30, 2019 compared to 118.57 billion Rupees at June 30, 2019. The net non-performing assets declined by about 51% compared to September 30, 2018.

The loans and non-fund based outstanding to borrowers rated BB and below (excluding NPAs) were 160.74 billion Rupees at September 30, 2019 compared to 175.25 billion Rupees at March

31, 2019 and 153.55 billion Rupees at June 30, 2019. The non-fund based outstanding to non-performing loans, was 33.71 billion Rupees as of September 30, 2019 compared to 36.27 billion Rupees as of June 30, 2019. The Bank holds provisions of 13.43 billion Rupees as of September 30, 2019 against this non-fund based outstanding. The fund and non-fund based outstanding to borrowers under the earlier resolution schemes was 39.29 billion Rupees as of September 30, 2019 compared to 40.03 billion Rupees as of June 30, 2019. The balance 85.50 billion Rupees of fund-based and non-fund based outstanding to borrowers rated BB and below, excluding restructured, includes 46.62 billion Rupees related to cases with an outstanding greater than 1.00 billion Rupees and 38.88 billion Rupees related to cases with an outstanding of less than 1.00 billion Rupees. On slide 20 and 21 of the presentation, we have provided the movement in our BB and below portfolio during Q2 of 2020 and H1 of 2020.

- There were rating upgrades to the investment grade categories and a net decrease in outstanding of 9.80 billion Rupees in Q2 of 2020 and 25.98 billion Rupees in H1 of 2020.
- The rating downgrades from investment grade categories were 20.72 billion Rupees in Q2 of 2020 and 27.88 billion Rupees in H1 of 2020. Downgrades during the quarter comprises a few accounts, spread across sectors.

- Lastly, there was a reduction of 3.73 billion Rupees in Q2 of 2020 and 16.41 billion Rupees in H1 of 2020 due to slippage of some borrowers into the non-performing category.

The loan, investment and non-fund based outstanding to NBFCs was 265.78 Rupees at September 30, 2019 at a similar level compared to June 30, 2019. The loan, investment and non-fund based outstanding to HFCs was 141.31 billion Rupees at September 30, 2019 compared to 155.16 billion Rupees at June 30, 2019. The loans to NBFCs and HFCs were about 5% of our total outstanding loans at September 30, 2019.

The builder portfolio including construction finance, lease rental discounting, term loans and working capital loans was 225.15 billion Rupees at September 30, 2019 compared to 202.49 billion Rupees at June 30, 2019. The increase in the builder portfolio was due to an increase in outstanding largely to well-established builders. Our builder portfolio is about 4% of our total loan portfolio.

Our exposure to the telecom sector was about 1.8% of our total exposure at September 30, 2019. The exposure would predominantly be to the top two players in this sector.

D. Subsidiaries

The details of the financial performance of subsidiaries is covered in slides 29 to 31 and 52 to 57 in the investor presentation. I will briefly talk about the major highlights. The financials of ICICI Securities, ICICI Securities Primary Dealership, ICICI AMC and ICICI HFC have been prepared as per Ind AS. The financial statements of these subsidiaries used for consolidated financials have been prepared as per Indian GAAP.

Value of new business of ICICI Life increased by 20.2% year-on-year to 7.09 billion Rupees in H1 of 2020. The new business margin increased from 17.0% in FY2019 to 21.0% in H1 of 2020. The protection based annualised premium equivalent increased by 86.8% year-on-year to 4.97 billion Rupees and accounted for 14.8% of the total annualised premium equivalent in H1 of 2020. The new business premium grew by 20.5% from 42.77 billion Rupees in H1 of 2019 to 51.52 billion Rupees in H1 of 2020. The Embedded Value was 226.80 billion Rupees at September 30, 2019 compared to 192.48 billion Rupees at September 30, 2018.

The Gross Direct Premium Income (GDPI) of ICICI General was 64.40 billion Rupees in H1 of 2020 compared to 73.05 billion Rupees in H1 of 2019. Excluding the crop segment, Gross Direct Premium Income (GDPI) increased by 16.2% in H1 of 2020 to 63.86 billion Rupees compared to industry growth of 14.4%. The company's combined ratio was 101.5% in H1 of 2020 compared to 100.1% in H1 of 2019 primarily on account of long-term motor policies and losses from catastrophic events in various states. Excluding the impact of catastrophes, the combined ratio was 100.1% in H1 of 2020 compared to 99.5% in H1 of 2019. The profit after tax increased by 6.1% year-on-year to 6.18 billion Rupees in

H1 of 2020. The return on average equity on an annualised basis was 22.3% in H1 of 2020.

The profit after tax of ICICI AMC increased from 1.96 billion Rupees in Q2 of 2019 to 3.05 billion Rupees in Q2 of 2020. The increase in profit after tax reflects the benefit of lower tax rate applicable to domestic corporates.

The profit after tax of ICICI Securities, on a consolidated basis, was 1.35 billion Rupees in Q2 of 2020 compared to 1.34 billion Rupees in Q2 of 2019. The company continues to broad base its business model to comprehensively cater to all investment, protection and borrowing needs of its customers. It is making progress in its strategy of becoming a digitally powered virtual financial supermarket and in articulating its strategy and performance to stakeholders.

ICICI Bank Canada had a profit after tax of 14.2 million Canadian dollars in Q2 of 2020 compared to 12.4 million Canadian dollars in Q2 of 2019.

ICICI Bank UK had a net profit of 11.9 million US dollars in Q2 of 2020 compared to a loss of 14.7 million US dollars in Q2 of 2019.

ICICI Home Finance had a loss of 0.61 billion Rupees in Q2 of 2020 compared to a loss of 0.06 billion Rupees in Q1 of 2020 and a profit after tax of 0.15 billion Rupees in Q2 of 2019. The loss in Q2 of 2020 was due to provisions on the non-mortgage portfolio and expenses on scaling up of business over the last few quarters.

The consolidated profit after tax was 11.31 billion Rupees in Q2 of 2020 compared to 25.14 billion Rupees in Q1 of 2020 and 12.05 billion Rupees in Q2 of 2019. Excluding the impact of one-time additional charge due to re-measurement of accumulated deferred tax, the consolidated profit after tax would have been 41.01 billion Rupees in Q2 of 2020.

E. Capital

As per Basel III norms, including profits for the half year, the Bank on a standalone basis had a CET-1 ratio of 13.24%, Tier 1 capital adequacy ratio of 14.62% and total capital adequacy ratio of 16.14% at September 30, 2019. On a consolidated basis, the Bank’s Tier 1 capital adequacy ratio was 14.30% and the total capital adequacy ratio was 15.81%. RBI during the quarter reduced the risk weights on consumer credit, excluding credit card receivables, from 125% to 100%. This has resulted in positive impact of about 25 basis points on the CET-1 ratio of the Bank.

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