



# **Q2-2018: Performance review**

**October 27, 2017**

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***Certain statements in these slides are forward-looking statements. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors. More information about these factors is contained in ICICI Bank's filings with the US Securities and Exchange Commission.***

***All financial and other information in these slides, other than financial and other information for specific subsidiaries where specifically mentioned, is on an unconsolidated basis for ICICI Bank Limited only unless specifically stated to be on a consolidated basis for ICICI Bank Limited and its subsidiaries. Please also refer to the statement of unconsolidated, consolidated and segmental results required by Indian regulations that has, along with these slides, been filed with the stock exchanges in India where ICICI Bank's equity shares are listed and with the New York Stock Exchange and the US Securities and Exchange Commission, and is available on our website [www.icicibank.com](http://www.icicibank.com)***





**ICICI Bank**

# Scale & strength

**₹ 10.2 trillion**

**Consolidated  
assets**

**₹ 2.6 trillion**

**Granular retail  
portfolio**

**18,648**

**Largest branch +  
ATM network  
among private  
sector banks**

**49.5%**

**Period-end CASA  
ratio**

**14.85%<sup>1</sup>**

**Tier-1 capital  
adequacy**

**₹ 70 billion**

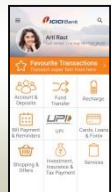
**Operating profit in  
Q2-2018**

1. Standalone Bank; including profits for H1-2018



# Leadership in technology

**Highest rated<sup>1</sup>**



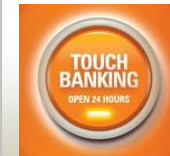
**Internet and  
mobile banking**

**Over 5.0 million**



**Virtual  
Payment  
Addresses**

**85%**



**Paperless  
capability  
for branch  
transactions**

**43.2 million**



**Debit &  
credit cards**

**~ 1.5 million  
automated  
transactions daily**

**SOFTWARE  
ROBOTICS**

**~57%**

**Increase in volume  
of mobile banking  
transactions in  
Q2-2018**

**Large scale initiatives spanning customer activities and  
internal processes**

1. In Benchmark Studies 2017 conducted by Forrester



## Q2-2018 review



# Q2-2018 review

Highlights

Growth

Credit quality

P&L indicators

Subsidiaries

Capital



# Q2-2018 review



**Highlights**

**Growth**

**Credit quality**

**P&L indicators**

**Subsidiaries**

**Capital**



## Key highlights for Q2-2018

Stable net interest margins

Completed IPO of ICICI General

Sustained momentum in retail loan growth and uptick in corporate loan growth

Healthy deposit growth

Sequential decline in gross NPA formation

Significant collections and recoveries

Sequential decline in gross and net NPA ratios

410 bps sequential increase in provision coverage ratio to 59.3%<sup>1</sup>, further strengthening the balance sheet

1. Including cumulative technical/ prudential write-offs



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# Loan growth led by retail

Loan portfolio	Y-o-Y growth (%)
Total domestic	12.8%
Retail	18.6%
SME	6.0%
Corporate	3.9%
Overseas <sup>1</sup>	(21.6)%

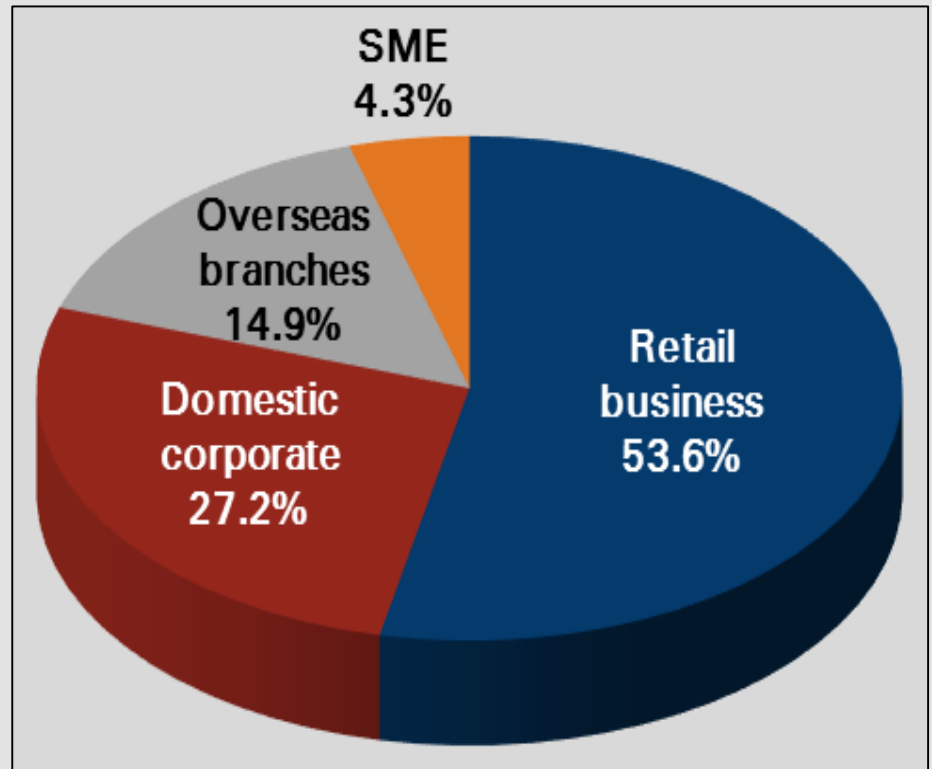
Excluding non-performing loans, restructured loans and loans to companies included in drilldown exposures, growth in the domestic corporate portfolio was ~ 14%

Total loans of ₹ 4,827.80 billion at September 30, 2017; y-o-y growth of 6.3%

1. Overseas portfolio decreased by 20.0% y-o-y in US\$ terms

# Increasing share of retail loans

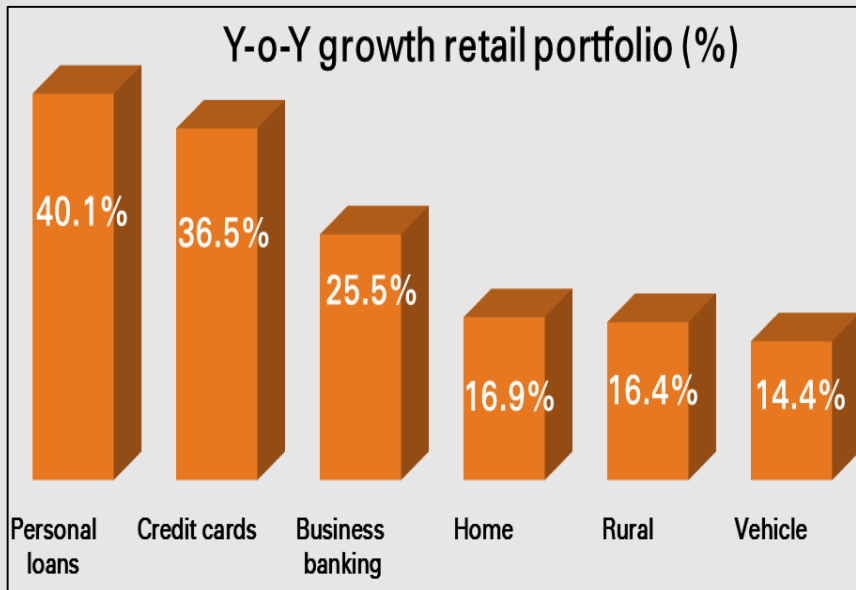
Share of retail loans in total loans increased from 48.0% at Sep 30, 2016 to 53.6% at Sep 30, 2017



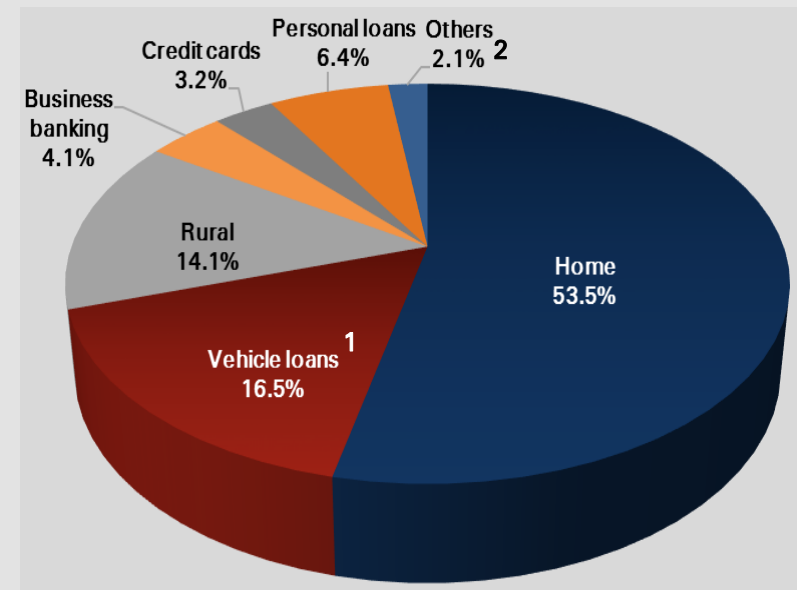
Balance sheet (assets): slide 58



# Growth across retail products



**Retail loan growth at 18.6%  
y-o-y**

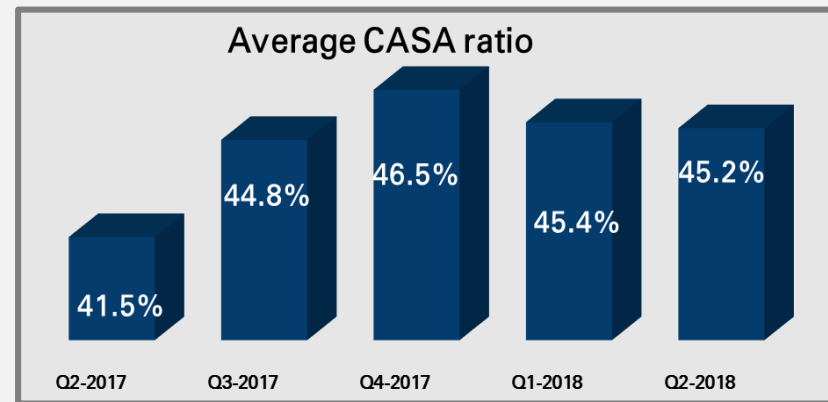
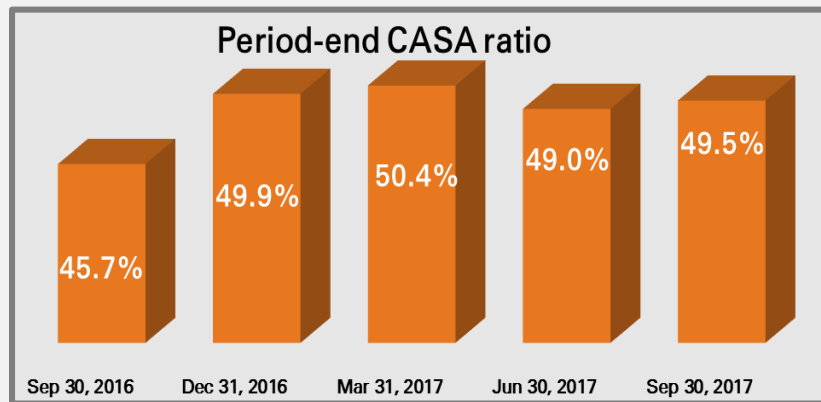


**Total retail loans at ₹ 2,588  
billion at Sep 30, 2017**

1. Vehicle loans include auto loans: 10.5%, commercial business: 5.9% and two-wheeler loans: 0.1%
2. Others include dealer funding: 1.4% and loan against securities: 0.7%

# Healthy funding mix maintained

- 24.2% y-o-y growth in average CASA deposits in Q2-2018
- CASA deposits increased by 20.3% y-o-y at Sep 30, 2017; period-end CASA ratio at 49.5%



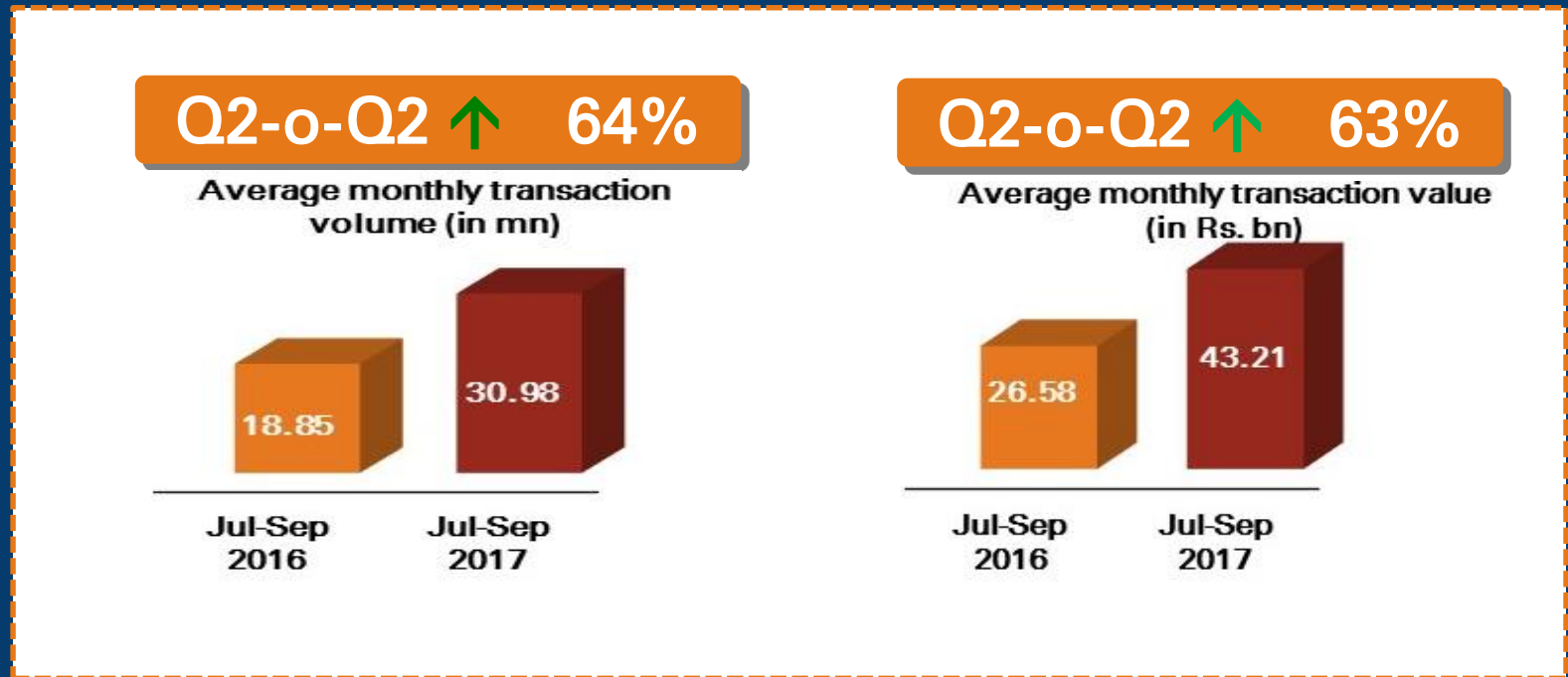
**Total deposits grew by 11.0% y-o-y at Sep 30, 2017**

Balance sheet (liabilities): slide 60

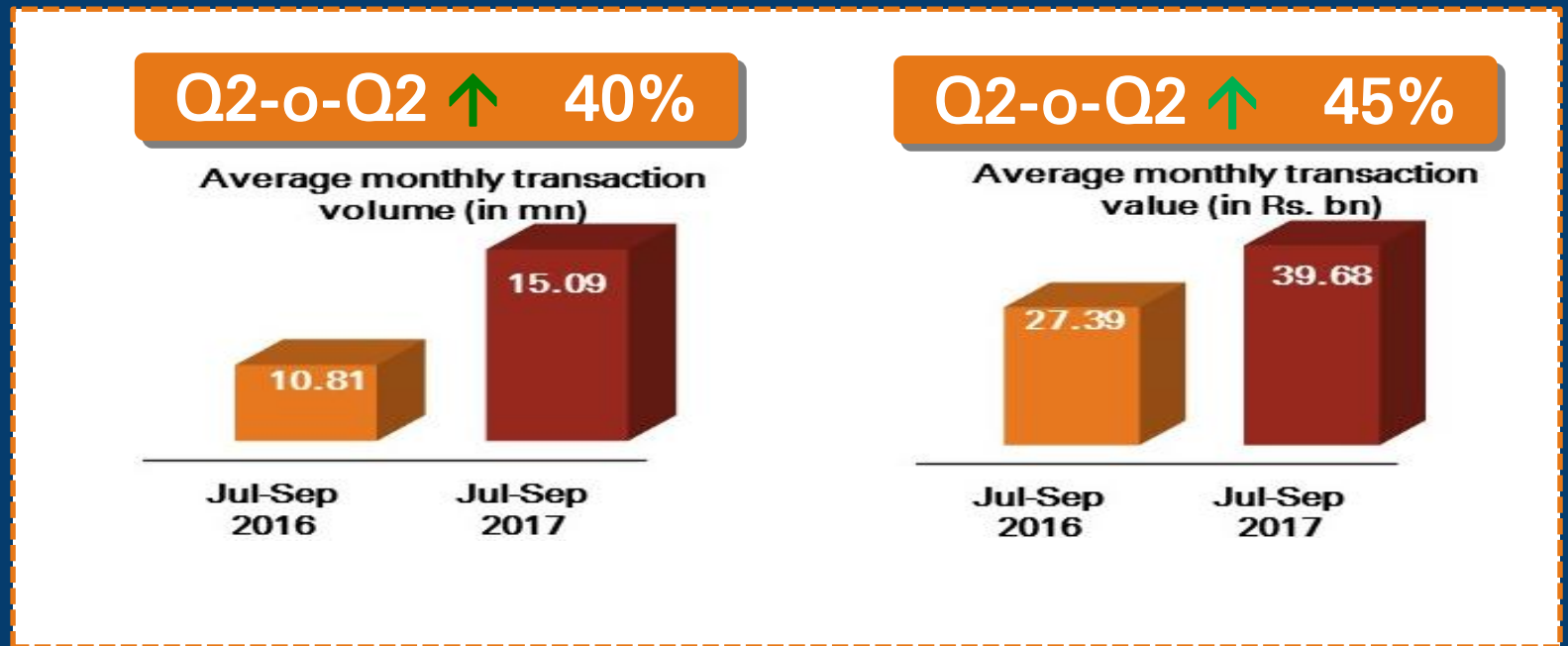
Branch network: slide 63



# Debit card transaction growth



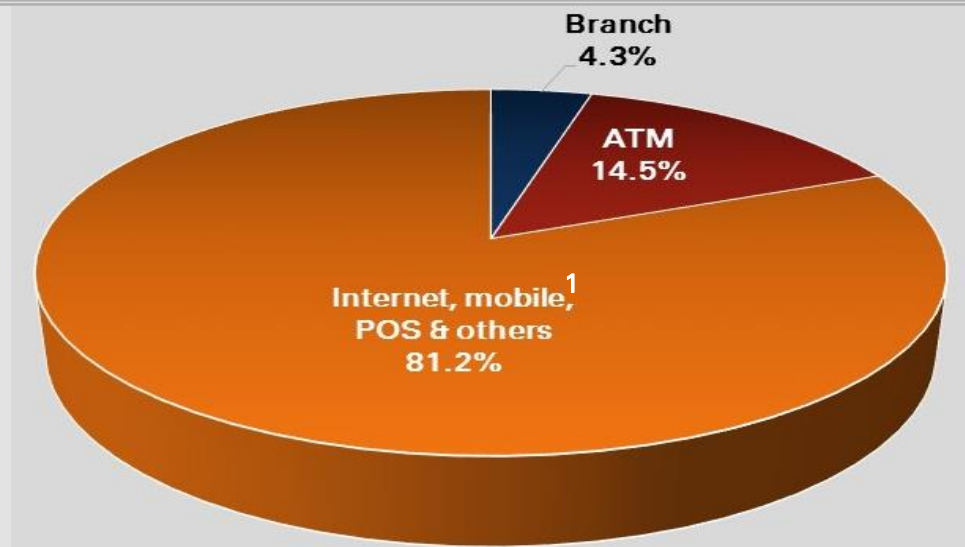
# Credit card transaction growth





# Adoption of digital offerings

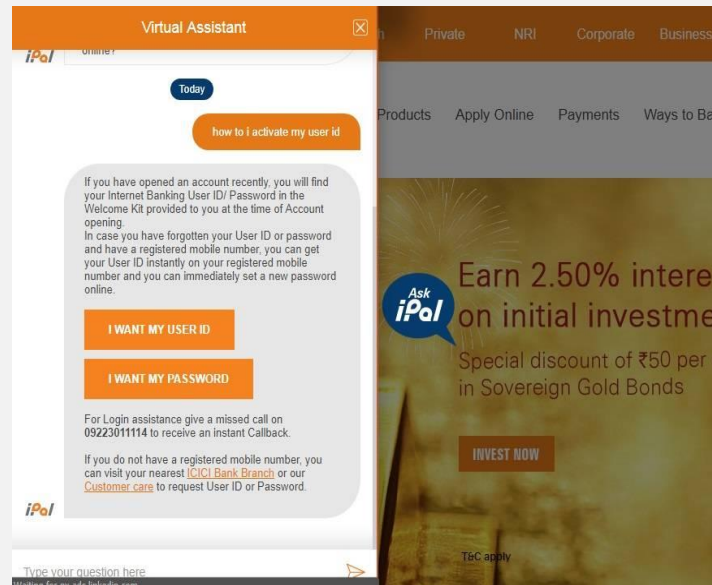
## Channel mix of transactions<sup>1</sup> for H1-2018



**Digital channels<sup>2</sup> accounted for 81.2% of the savings account transactions in H1-2018 compared to 75.3% in FY2017**

1. Financial and non-financial transactions of savings account customers
2. Includes touch banking, phone banking & debit cards POS transactions

# Leveraging Artificial Intelligence (AI)



- Artificial intelligence (AI) powered chatbot iPal handles ~ 1 million queries/ chats monthly on both website and mobile app with nearly 90% resolution
- Services involve simple FAQs, financial transactions & helping discover new features

**Leveraging technologies like AI and machine learning to enhancing customer experience and organisational efficiency**

# Q2-2018 review

Highlights

Growth

▶ Credit quality

P&L indicators

Subsidiaries

Capital

# Movement of NPA (1/2)

₹ billion	FY 2017	Q2- 2017	Q3- 2017	Q4- 2017	Q1- 2018	Q2- 2018
Opening gross NPA	267.21	275.63	325.48	380.85	425.52	431.48
Add: gross additions	335.44	80.29	70.37	112.89	49.76	46.74
- of which: slippages from						
-restructured assets	45.20	12.31	2.39	18.03	14.76	3.72
-drilldown	194.95	45.55	29.43	79.57	3.59	2.56
-loans to central PSU owned power company	-	-	-	-	-	8.79 <sup>1</sup>
- Existing NPA <sup>2</sup> & non- fund devolvment <sup>3</sup>	19.35	0.89	20.40	0.40	1.95	2.20
Less: recoveries & upgrades	25.38	8.00	6.25	14.13	27.75	10.29
Net additions	310.06	72.29	64.12	98.76	22.01	36.45
Less: write-offs & sale	151.75	22.44	8.75	54.09	16.05	23.04
Closing gross NPAs	425.52	325.48	380.85	425.52	431.48	444.89
Gross NPA ratio	7.89%	6.12%	7.20%	7.89%	7.99%	7.87%

1. Net exposure to the central power company was being disclosed as a footnote to the drilldown list disclosure
2. Increase in outstanding of existing NPA due to exchange rate movement
3. Relating to accounts classified as NPA in prior periods
4. Based on customer assets



# Movement of NPA (2/2)

Additions to NPAs from: restructured loans; loans to companies internally rated below investment grade in key sectors, or the drilldown list; devolvment of non-fund based exposure and increase in outstanding due to exchange rate movement<sup>1</sup>; and loans to a central PSU owned power company<sup>2</sup>, were about ₹ 17.27 billion

The balance addition to NPAs of ₹ 22.87 billion includes one large exposure in the oil & gas sector

1. Related to accounts classified as non-performing in prior periods
2. Net exposure to the central power company was being disclosed as a footnote to the drilldown list disclosure

# Proceedings under IBC<sup>1</sup> (1/2)

- In respect of the 12 accounts which RBI directed banks to refer to NCLT<sup>2</sup> under IBC<sup>1</sup>, minimum provisions of 50% for the secured portion of the outstanding balance plus 100% for the unsecured portion was required by March 31, 2018
- Additional provision of ₹ 6.51 bn<sup>3</sup> required over three quarters, made in Q2-2018
- Provision coverage against these accounts was 56.5%<sup>4</sup> at September 30, 2017

1. Insolvency and Bankruptcy Code

2. National Company Law Tribunal

3. In addition to the provisions required to be made as per the existing RBI guidelines

4. Excluding cumulative technical/prudential write-offs



## Proceedings under IBC (2/2)

- During Q2-2018, RBI directed banks to initiate insolvency resolution process for additional accounts under the provisions of IBC by December 31, 2017 if a resolution plan where the residual debt is not rated investment grade by two external credit rating agencies is not implemented by December 13, 2017
- At September 30, 2017, ICICI Bank had outstanding loans & non-fund facilities to 18 borrowers amounting to ₹ 104.76 bn & ₹ 13.84 bn respectively
  - 98.7% of the loans amounting to ₹ 103.37 billion are to borrowers classified as non-performing as of September 30, 2017
  - Provisions of ₹ 32.99 billion; coverage of 31.5% at September 30, 2017 reflects that these are more recent additions to NPAs





# Asset quality and provisioning (1/2)

₹ billion	September 30, 2016	June 30, 2017	September 30, 2017
Gross NPAs	325.48	431.48	444.89
Less: cumulative provisions	160.65	178.42	203.59
Net NPAs	164.83	253.06	241.30
Net NPA ratio	3.21%	4.86%	4.43%

Retail NPAs (₹ billion)	September 30, 2016	June 30, 2017	September 30, 2017
Gross retail NPAs	42.98	41.40	43.51
- as a % of gross retail advances	1.94%	1.65%	1.66%
Net retail NPAs	14.27	15.66	16.60
- as a % of net retail advances	0.65%	0.63%	0.64%

**Provisioning coverage ratio at 59.3% including cumulative technical/ prudential write-offs**





# Asset quality and provisioning (2/2)

- Net investment in security receipts of ARCs was ₹ 34.78 billion at September 30, 2017 (June 30, 2017: ₹ 34.05 billion)
- Non-fund outstanding to restructured assets: ₹ 4.15 billion at September 30, 2017 (June 30, 2017 : ₹ 5.15 billion)
- Outstanding general provision on standard assets: ₹ 25.63<sup>1</sup> billion at September 30, 2017
  - Includes additional general provision of ₹ 2.08 billion made in H1-2018 on standard loans to borrowers

1. Excludes provisions against standard assets



# NPA and restructuring trends

₹ billion	September 30, 2016	June 30, 2017	September 30, 2017
Net NPAs (A)	164.83	253.06	241.30
Net restructured loans (B)	63.36	23.70	20.29
Total (A+B)	228.19	276.76	261.59
Total as a % of net customer assets	4.44%	5.31%	4.80%

# Loans under RBI resolution schemes<sup>1</sup>

September 2017	Standard restructured	Drilldown	Others	Total
<b>Strategic debt restructuring (SDR)</b>				
- Implemented	4.99	24.70	10.10	39.78
- Invoked	0.13	-	0.18	0.31
<b>Change in management outside SDR</b>				
- Implemented	-	55.66	-	55.66
- Invoked	-	9.58	16.55	26.13
<b>Flexible restructuring under the 5/25 scheme</b>				
- Implemented		24.78 <sup>2</sup>	1.97	26.75
<b>S4A implemented</b>	0.95	-	2.74	3.69

1. Excludes NPA

2. Loans aggregating ₹ 17.26 billion also under SDR or change in management outside SDR

## Portfolio trends and approach

# Portfolio composition over the years

% of total advances	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	Sep 30, 2017
Retail	38.0%	37.0%	39.0%	42.4%	46.6%	51.8%	53.6%
Domestic corporate	28.6%	32.5%	30.1%	28.8%	27.5%	27.3%	27.2%
SME	6.0%	5.2%	4.4%	4.4%	4.3%	4.8%	4.3%
International <sup>1</sup>	27.4%	25.3%	26.5%	24.3%	21.6%	16.1%	14.9%
<b>Total advances (₹ billion)</b>	<b>2,537</b>	<b>2,902</b>	<b>3,387</b>	<b>3,875</b>	<b>4,353</b>	<b>4,642</b>	<b>4,828</b>

1. Including impact of exchange rate movement

# Sector-wise exposures

Top 10 sectors <sup>1</sup> : % of total exposure of the Bank	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	Sep 30, 2017
Retail finance	18.9%	22.4%	24.7%	27.1%	31.9%	32.4%
Electronics & engineering	8.3%	8.2%	7.6%	7.3%	6.9%	6.8%
Banks	8.8%	8.6%	7.8%	8.0%	6.0%	6.8%
Services – finance	6.0%	4.9%	4.2%	4.9%	6.2%	6.5%
Crude petroleum/refining & petrochemicals	6.6%	6.2%	7.0%	5.7%	5.5%	5.6%
Power	6.4%	5.9%	5.5%	5.4%	5.1%	5.1%
Road, port, telecom, urban development & other infra	6.0%	6.0%	5.9%	5.8%	5.3%	4.7%
Services - non finance	5.1%	5.2%	5.0%	4.9%	4.0%	3.8%
Iron/steel & products	5.1%	5.0%	4.8%	4.5%	3.6%	3.3%
Construction	4.2%	4.4%	4.0%	3.4%	3.1%	3.3%
<b>Total (₹ billion)</b>	<b>7,585</b>	<b>7,828</b>	<b>8,535</b>	<b>9,428</b>	<b>9,372</b>	<b>9,760</b>

1. Top 10 based on position at Sep 30, 2017



**In April 2016, the Bank had identified power, iron & steel, mining, cement and rigs sectors as the key sectors impacted by the uncertainties and challenges in the operating environment**

# Aggregate exposure to key sectors

% of total exposure of the Bank	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	Sep 30, 2017
Power	7.3%	6.4%	5.9%	5.5%	5.4%	5.1%	5.1%
Iron/steel	5.2%	5.1%	5.0%	4.8%	4.5%	3.6%	3.3%
Mining	2.0%	1.7%	1.7%	1.5%	1.6%	1.8%	1.7%
Others <sup>1</sup>	1.7%	1.9%	2.2%	2.0%	1.8%	1.5%	1.2%
<b>Total exposure of the Bank to key sectors</b>	<b>16.2%</b>	<b>15.1%</b>	<b>14.8%</b>	<b>13.8%</b>	<b>13.3%</b>	<b>12.0%</b>	<b>11.3%</b>

1. 'Others' includes exposure to cement & rigs sectors





# Further drilldown: approach

- 1 All internally 'below investment grade' rated companies in key sectors across domestic corporate, SME and international branches portfolios
- 2 Promoter entities internally 'below investment grade' where the underlying is partly linked to the key sectors
- 3 Fund-based limits and non-fund based outstanding to above categories considered
- 4 SDR and 5/25 refinancing relating to key sectors included
- 5 Loans already classified as restructured and non-performing excluded

# Further drilldown: sector-wise details

	At June 30, 2017		At September 30, 2017	
₹ billion	Exposure <sup>1,2,3</sup>	% of total exposure	Exposure <sup>1,2,3,4</sup>	% of total exposure
Power	70.76	0.8%	68.37	0.7%
Mining	55.90	0.6%	57.50	0.6%
Iron/steel	39.93	0.4%	40.14	0.4%
Promoter entities <sup>5</sup>	33.34	0.4%	25.83	0.3%
Others <sup>6</sup>	3.65	0.0%	4.06	0.0%

1. Aggregate fund based limits and non-fund based outstanding
2. Includes investment exposure
3. Includes non-fund based outstanding in respect of accounts included in the drilldown exposure where the fund based outstanding has been classified as non-performing during earlier periods
4. Unutilised limits of ₹ 0.98 bn cancelled subsequent to September 30, 2017
5. Includes promoter entities where underlying is partly linked to the key sectors
6. 'Others' includes exposure to cement & rigs sectors
7. In addition to above, the non-fund based outstanding to borrowers classified as non-performing was ₹ 21.19 bn at September 30, 2017 compared to ₹ 21.35 bn at June 30, 2017

# Further drilldown: movement

₹ billion

Aggregate exposure <sup>1,2,3,4</sup>	Q2-2018
Opening balance	203.58
Net decrease in exposure	(9.60)
Upgrades to 'investment grade'	-
Downgrades to 'below investment grade'	4.48 <sup>5</sup>
Classified as non-performing <sup>6</sup>	(2.56)
Closing balance	195.90

1. Aggregate fund based limits and non-fund based outstanding
2. Includes investment exposure
3. Includes promoter entities where underlying is partly linked to the key sectors
4. Includes non-fund based outstanding in respect of accounts included in the drilldown exposure where the fund based outstanding has been classified as non-performing during earlier periods
5. Unutilised limits of ₹ 0.98 bn cancelled subsequent to Sep 30, 2017
6. Includes investment exposure relating to accounts classified as non-performing
7. In addition to above, the non-fund based outstanding to borrowers classified as non-performing was ₹ 21.19 bn at September 30, 2017 compared to ₹ 21.35 bn at June 30, 2017



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# Profit & loss statement

₹ billion	FY 2017	Q2- 2017	H1- 2017	Q1- 2018	Q2- 2018	H1- 2018
NII	217.37	52.53	104.12	55.90	57.09	112.99
Non-interest income	195.05	91.20	125.49	33.88	51.86	85.74
- <i>Fee income</i>	94.52	23.56	45.12	23.77	25.70	49.47
- <i>Other income</i>	14.76	3.52	8.57 <sup>1</sup>	1.53	4.23	5.76
- <i>Treasury income</i> <sup>2</sup>	85.77	64.12	71.80	8.58	21.93	30.51
<b>Total income</b>	<b>412.42</b>	<b>143.73</b>	<b>229.61</b>	<b>89.78</b>	<b>108.95</b>	<b>198.73</b>

1. As per the RBI guidelines dated Apr 18, 2017, banks are not permitted to recognize proportionate exchange gains or losses held in the FCTR in the P&L account. Other income includes net foreign exchange gain relating to overseas operations amounting to ₹ 2.06 bn in H1-2017 which were reversed in Q4-2017
2. Includes profit on sale of shareholding in insurance subsidiaries of ₹ 56.82 billion in Q2-2017 and ₹ 20.12 billion in Q2-2018

# Profit & loss statement

₹ billion	FY 2017	Q2- 2017	H1- 2017	Q1- 2018	Q2- 2018	H1- 2018
<b>Total income</b>	<b>412.42</b>	<b>143.73</b>	<b>229.61</b>	<b>89.78</b>	<b>108.95</b>	<b>198.73</b>
Operating expenses	147.55	37.37	71.10	37.94	39.09	77.03
<b>Operating profit</b>	<b>264.87</b>	<b>106.36</b>	<b>158.51</b>	<b>51.84</b>	<b>69.86</b>	<b>121.70</b>
Provisions <sup>1</sup>	152.08	70.83	95.98	26.09	45.03	71.12
<b>Profit before tax</b>	<b>112.79</b>	<b>35.53</b>	<b>62.53</b>	<b>25.75</b>	<b>24.83</b>	<b>50.58</b>
Tax	14.78	4.51	9.19	5.26	4.25	9.51
<b>Profit after tax</b>	<b>98.01</b>	<b>31.02</b>	<b>53.34</b>	<b>20.49</b>	<b>20.58</b>	<b>41.07</b>

1. Drawdown from the collective contingency & related reserve of ₹ 8.65 billion in Q1-2017, ₹ 6.80 billion in Q2-2017 and ₹ 36.00 billion in FY2017

# Yield, cost & margin

Movement in yield, costs & margins (Percent) <sup>1</sup>	FY2017	Q2-2017	H1-2017	Q1-2018	Q2-2018	H1-2018
Yield on total interest-earning assets	8.09	8.14	8.15	7.87	7.78	7.83
- <i>Yield on advances</i>	8.88	8.82	8.94	8.69	8.67	8.68
Cost of funds	5.45	5.63	5.64	5.16	5.04	5.10
- <i>Cost of deposits</i>	5.39	5.52	5.58	5.06	4.91	4.98
Net interest margin	3.25	3.13	3.15	3.27	3.27	3.27
- <i>Domestic</i>	3.59	3.41	3.43	3.62	3.57	3.60
- <i>Overseas</i>	1.30	1.65	1.65	0.73	0.95	0.84

- Interest on income tax refund: ₹ 0.79 billion in Q2-2018 (₹ 4.51 billion in FY2017, ₹ 1.11 billion in Q2-2017, ₹ 1.77 billion in Q1-2018)

1. Annualised for all interim periods





# Other key ratios

Percent	FY 2017	Q2- 2017	H1- 2017	Q1- 2018	Q2- 2018	H1- 2018
Return on average networth <sup>1,2</sup>	10.3	13.2	11.5	8.2	8.0	8.1
Return on average assets <sup>1</sup>	1.35	1.70	1.49	1.09	1.08	1.08
Weighted average EPS <sup>1,3</sup>	15.3	19.2	16.6	12.8	12.7	12.8
Book value <sup>3</sup> (₹)	156 <sup>2</sup>	148	148	157	160	160
Fee to income	22.9	16.4	19.6	26.5	23.6	24.9
Cost to income	35.8 <sup>4</sup>	26.0 <sup>4</sup>	31.0 <sup>4</sup>	42.3	35.9 <sup>4</sup>	38.8 <sup>4</sup>
Average CASA ratio	43.7	41.5	41.6	45.4	45.2	45.3

1. Annualised for all interim periods
2. According to the revised AS 4 – 'Contingencies and events occurring after the balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, the Bank did not account for proposed dividend (including dividend distribution tax) as a liability for FY2017. However, the Bank had reduced proposed dividend for determining capital funds for computing capital adequacy ratio at March 31, 2017
3. Shareholders of the Bank approved the issue of bonus shares in ratio of 1:10 through postal ballot on June 12, 2017. Prior period numbers have been restated.
4. Includes gain on sale of stake in insurance subsidiaries





# Consolidated profit & loss statement

₹ billion	FY2017	Q2-2017	H1-2017	Q1-2018	Q2-2018	H1-2018
NII	261.04	63.57	125.52	67.05	69.32	136.37
Non-interest income	524.58	170.25	265.15	113.92	148.04	261.96
- Fee income	110.52	27.30	52.25	30.09	31.48	61.57
- Premium income	312.03	77.98	133.93	70.98	91.72	162.70
- Other income	102.03 <sup>1</sup>	64.97	78.97 <sup>1</sup>	12.85	24.84	37.69
<b>Total income</b>	<b>785.62</b>	<b>233.82</b>	<b>390.67</b>	<b>180.97</b>	<b>217.36</b>	<b>398.33</b>

- As per the RBI guidelines dated Apr 18, 2017, banks are not permitted to recognize proportionate exchange gains or losses held in the FCTR in the P&L account. Other income includes net foreign exchange gain relating to overseas operations amounting to ₹ 2.06 bn in H1-2017 which were reversed in Q4-2017

# Consolidated profit & loss statement

₹ billion	FY 2017	Q2- 2017	H1- 2017	Q1- 2018	Q2- 2018	H1- 2018
<b>Total income</b>	<b>785.62</b>	<b>233.82</b>	<b>390.67</b>	<b>180.97</b>	<b>217.36</b>	<b>398.33</b>
Operating expenses	481.70	120.99	216.11	116.33	140.03	256.36
<b>Operating profit</b>	<b>303.92</b>	<b>112.83</b>	<b>174.56</b>	<b>64.64</b>	<b>77.33</b>	<b>141.97</b>
Provisions <sup>1</sup>	165.82	72.82	99.95	26.85	45.67	72.52
<b>Profit before tax</b>	<b>138.10</b>	<b>40.01</b>	<b>74.61</b>	<b>37.79</b>	<b>31.66</b>	<b>69.45</b>
Tax	24.69	7.60	14.77	8.39	7.57	15.96
Minority interest	11.52	2.62	4.89	3.35	3.38	6.73
<b>Profit after tax</b>	<b>101.88</b>	<b>29.79</b>	<b>54.95</b>	<b>26.05</b>	<b>20.71</b>	<b>46.76</b>

1. Drawdown from the collective contingency & related reserve of ₹ 8.65 billion in Q1-2017, ₹ 6.80 billion in Q2-2017 and ₹ 36.00 billion in FY2017

Equity investment in subsidiaries: slide 59



# Key ratios (consolidated)

Percent	FY 2017	Q2- 2017	H1- 2017	Q1- 2018	Q2- 2018	H1- 2018
Return on average networth <sup>1,2,3</sup>	10.3	12.1	11.4	9.9	7.7	8.8
Weighted average EPS (₹) <sup>1,4</sup>	15.9	18.5	17.1	16.3	12.8	14.5
Book value (₹) <sup>3</sup>	163	155	155	165	168	168

1. Based on quarterly average networth
2. Annualised for all interim periods
3. According to the revised AS 4 – 'Contingencies and events occurring after the balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, the Bank had not accounted for proposed dividend (including dividend distribution tax) as a liability for FY2017. However, the Bank had reduced proposed dividend for determining capital funds for computing capital adequacy ratio at March 31, 2017
4. Shareholders of the Bank approved the issue of bonus shares in ratio of 1:10 through postal ballot on June 12, 2017. Prior period numbers have been restated



# Q2-2018 review

Highlights

Growth

Credit quality

P&L indicators

► Subsidiaries

Capital

# Leadership across financial sector

Life Insurance		<ul style="list-style-type: none"><li>▪ Market capitalisation of ~ ₹ 556 billion<sup>1</sup></li><li>▪ Private sector market leader<sup>2</sup></li></ul>
General Insurance		<ul style="list-style-type: none"><li>▪ Market capitalisation of ~ ₹ 311 billion<sup>1</sup></li><li>▪ Private sector market leader</li></ul>
AMC		<ul style="list-style-type: none"><li>▪ Sustained position of largest mutual fund in the country</li></ul>
Securities broking		<ul style="list-style-type: none"><li>▪ Largest online retail broking platform</li></ul>
Primary dealership		<ul style="list-style-type: none"><li>▪ Leading fixed income player</li></ul>

1. Source: BSE; at October 26, 2017

2. Source: Life Insurance Council; Retail weighted received premium basis for H1-2018



## Domestic subsidiaries



# ICICI Life (1/2)

₹ billion	FY2017	Q2-2017	Q1-2018	Q2-2018
New business premium	78.63	19.47	20.34	22.80
Renewal premium	144.91	35.21	28.51	43.19
Total premium	223.54	54.69	48.85	65.99
Profit after tax	16.82	4.19	4.06	4.21
Assets under management	1,229.19	1,128.27	1,265.91	1,305.91
Annualized premium equivalent (APE)	66.25	16.01	17.04	18.69
Expense ratio <sup>1</sup>	15.1%	14.5%	14.2%	14.1%

**The company continues to retain its market leadership among the private players with an overall market share of 13.7%<sup>2</sup> and private market share of 24.6%<sup>2</sup> in H1-2018**

1. All expenses (including commission) / (Total premium – 90% of single premium)
2. Source: IRDAI, Life insurance council; Retail weighted received premium basis



## ICICI Life (2/2)

- Proportion of protection business increased from 3.9% in FY2017 to 4.2% in H1-2018
- Value of New Business (VNB) margins<sup>1</sup> increased from 8.0% in FY2016 and 10.1% in FY2017 to 11.7% in H1-2018
- Indian Embedded Value at ₹ 172.10 billion at September 30, 2017 compared to at ₹ 161.84 billion at March 31, 2017

1. Based on actual costs for FY2016 and FY2017 and management forecast of full year cost for FY2018





# ICICI General

₹ billion	FY2017	Q2-2017	Q1-2018	Q2-2018
Gross written premium	109.60	27.53	33.94	32.34
Profit after tax	7.02	1.71	2.14	2.04

**Sustained leadership in private sector with an overall market share of 8.9%<sup>1</sup> and private sector market share of 18.6%<sup>1</sup> in H1-2018**

1. Source: General Insurance Council



# Other subsidiaries

Profit after tax (₹ billion)	FY2017	Q2-2017	Q1-2018	Q2-2018
ICICI Prudential Asset Management	4.80	1.30	1.41	1.56
ICICI Securities (Consolidated)	3.39	0.99	1.15	1.31
ICICI Securities Primary Dealership	4.12	1.71	0.66	0.52
ICICI Home Finance	1.83	0.45	0.19	0.14
ICICI Venture	0.09	0.01	(0.01)	(0.01)

Slide 64

## Overseas subsidiaries

# ICICI Bank UK

USD million	FY2017	Q2-2017	Q2-2018
Net interest income	65.6	16.6	16.9
Profit/(loss) after tax	(16.1)	2.3	2.4
Loans and advances	2,362.4	2,512.2	2,583.4
Deposits	1,648.6	1,783.0	1,617.5
- <i>Retail term deposits</i>	<i>407.7</i>	<i>522.0</i>	<i>324.1</i>
Capital adequacy ratio	18.4%	18.7%	16.2%
- <i>Tier I</i>	<i>15.5%</i>	<i>15.0%</i>	<i>14.2%</i>

Asset and liability composition: slide 65



# ICICI Bank Canada

CAD million	FY2017	Q2-2017	Q2-2018
Net interest income	77.2	19.8	19.0
Profit/(loss) after tax	(33.0)	(5.4)	12.8
Loans and advances	5,593.6	5,737.7	5,579.5
- <i>Insured mortgages</i>	<i>3,454.3</i>	<i>3,497.3</i>	<i>3,223.5</i>
Deposits	2,556.1	2,780.7	2,529.5
Capital adequacy ratio	21.8%	24.9%	21.2%
- <i>Tier I</i>	<i>21.8%</i>	<i>24.9%</i>	<i>21.2%</i>

Asset and liability composition: slide 66



# Q2-2018 review

Highlights

Growth

Credit quality

P&L indicators

Subsidiaries

▶ Capital

# Capital adequacy

## Standalone

17.89%<sup>1</sup> 14.85%<sup>1</sup>



Sep 30, 2017

- Capital ratios significantly higher than regulatory requirements
- Tier-1 capital is composed almost entirely of core equity capital
- Substantial scope to raise Additional Tier-1 and Tier-2 capital

**Excess Tier-1 ratio of 6.50% over the minimum requirement of 8.35% as per current RBI guidelines**

**Risk weighted assets increased by 0.1% y-o-y compared to 4.8% y-o-y growth in total assets**

**During the quarter, the Bank raised ₹ 10.80 billion by way of issuance of Additional Tier-I bonds**

1. Including profits for H1-2018

Capital adequacy ratios: slide 68



# Sharp focus on strategic priorities: 4x4 agenda

Portfolio quality	Monitoring focus	Improvement in portfolio mix
	Concentration risk reduction	Resolution of stress cases
Enhancing franchise	Robust funding profile	Digital leadership & strong customer franchise
	Continued cost efficiency	Focus on capital efficiency including value unlocking



**Thank you**



# Balance sheet: assets

₹ billion	September 30, 2016	June 30, 2017	September 30, 2017
Cash & bank balances	525.64	425.11	533.62
Investments	1,743.49	1,854.08	1,799.35
- <i>SLR investments</i>	1,225.40	1,327.39	1,231.49
- <i>Equity investment in subsidiaries</i>	105.82	103.23	102.90
Advances	4,542.56	4,640.75	4,827.80
Fixed & other assets	707.71	689.23	717.25
- <i>RIDF <sup>1</sup> and related</i>	263.73	236.67	238.71
<b>Total assets</b>	<b>7,519.40</b>	<b>7,609.16</b>	<b>7,878.02</b>

Net investment in security receipts of asset reconstruction companies was ₹ 34.78 billion at September 30, 2017  
(June 30, 2017 : ₹ 34.05 billion)

## 1. Rural Infrastructure Development Fund



Increasing share of retail loans: slide 12



# Equity investment in subsidiaries

₹ billion	September 30, 2016	June 30, 2017	September 30, 2017
ICICI Prudential Life Insurance	33.26	33.26	33.26
ICICI Bank Canada	25.31	22.74	22.74
ICICI Bank UK	18.05	18.05	18.05
ICICI Lombard General Insurance	13.81	13.81	13.49
ICICI Home Finance	11.12	11.12	11.12
ICICI Securities Limited	1.87	1.87	1.87
ICICI Securities Primary Dealership	1.58	1.58	1.58
ICICI AMC	0.61	0.61	0.61
ICICI Venture Funds Mgmt	0.05	0.05	0.05
Others	0.14	0.14	0.14
<b>Total</b>	<b>105.82</b>	<b>103.23</b>	<b>102.90</b>



Consolidated profit & loss statement: slide 42



# Balance sheet: liabilities

₹ billion	September 30, 2016	June 30, 2017	September 30, 2017
Net worth	950.16	1,006.24 <sup>1</sup>	1,027.88 <sup>1</sup>
- <i>Equity capital</i>	11.64	12.83	12.84
- <i>Reserves</i>	938.52	993.41	1,015.04
Deposits	4,490.71	4,862.54	4,986.43
- <i>Savings</i>	1,468.99	1,699.50	1,784.80
- <i>Current</i>	583.57	680.73	683.96
Borrowings <sup>2,3</sup>	1,717.57	1,414.60	1,507.02
Other liabilities	360.96	325.78	356.69
<b>Total liabilities</b>	<b>7,519.40</b>	<b>7,609.16</b>	<b>7,878.02</b>

**Credit/deposit ratio of 83.5% on the domestic balance sheet at September 30, 2017**

1. Capital and reserves reflect the change due to bonus shares issued by the Bank. Further, the reserves at June 30, 2017, were net of dividend paid.
2. Borrowings include preference shares amounting to ₹ 3.50 billion
3. Including impact of exchange rate movement



# Loans under RBI resolution schemes<sup>1</sup>

June 2017	Standard restructured	Drilldown	Others	Total
<b>Strategic debt restructuring (SDR)</b>				
- Implemented	5.59	24.47	8.41	38.47
- Invoked	0.17	-	6.43	6.60
<b>Change in management outside SDR</b>				
- Implemented	-	55.10	-	55.10
- Invoked	-	1.20	-	1.20
<b>Flexible restructuring under the 5/25 scheme</b>				
- Implemented	-	24.78 <sup>2</sup>	1.97	26.75 <sup>3</sup>
<b>S4A implemented</b>	<b>0.95</b>	<b>-</b>	<b>3.12</b>	<b>4.07</b>

1. Excludes NPAs
2. Loans aggregating ₹ 10.60 billion also under SDR or change in management outside SDR
3. Excludes a central public sector owned undertaking



Loans under RBI resolution schemes at Sep 30, 2017: slide 27



# Composition of borrowings

₹ billion	September 30, 2016	June 30, 2017	September 30, 2017
Domestic	789.87	656.70	720.25
- Capital instruments <sup>1</sup>	314.85	285.47	296.48
- Other borrowings	475.02	371.23	423.77
- <i>Long term infrastructure bonds</i>	<i>133.50</i>	<i>191.87</i>	<i>194.97</i>
Overseas <sup>2</sup>	927.69	757.90	786.77
- Capital instruments	22.65	-	-
- Other borrowings	905.05	757.90	786.77
<b>Total borrowings<sup>2</sup></b>	<b>1,717.57</b>	<b>1,414.60</b>	<b>1,507.02</b>

1. Includes preference share capital ₹ 3.50 billion

2. Including impact of exchange rate movement

**Raised ₹ 10.80 billion by way of issuance of Additional Tier-1 bonds in Q2-2018**



Healthy funding mix maintained: slide 15



# Extensive franchise

Branches	At Mar 31, 2015	At Mar 31, 2016	At Mar 31, 2017	At Sep 30, 2017	% share at Sep 30, 2017
Metro	1,011	1,159	1,287	1,288	26.5%
Urban	933	997	1,050	1,049	21.6%
Semi urban	1,217	1,341	1,442	1,447	29.8%
Rural	889	953	1,071	1,072	22.1%
<b>Total branches</b>	<b>4,050</b>	<b>4,450</b>	<b>4,850</b>	<b>4,856</b>	<b>100.0%</b>
<b>Total ATMs</b>	<b>12,451</b>	<b>13,766</b>	<b>13,882</b>	<b>13,792</b>	<b>-</b>



Healthy funding mix maintained: slide 14



# ICICI Home Finance

₹ billion	FY2017	Q2-2017	Q1-2018	Q2-2018
Loans and advances	89.73	89.37	91.26	91.16
Capital adequacy ratio	27.0%	26.3%	25.9%	25.6%
Net NPA ratio	0.75%	0.62%	2.17%	2.19%



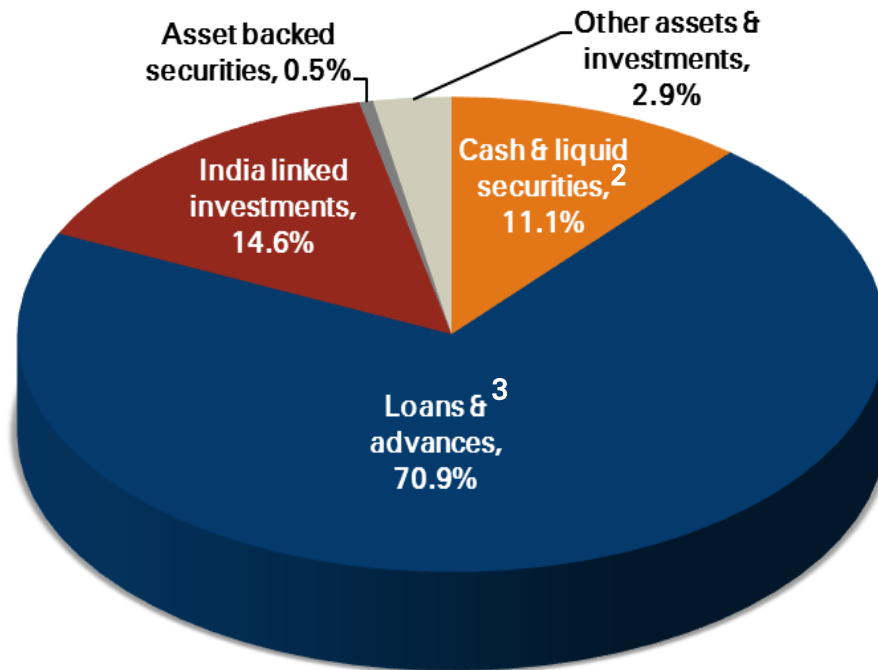
Other subsidiaries: slide 50





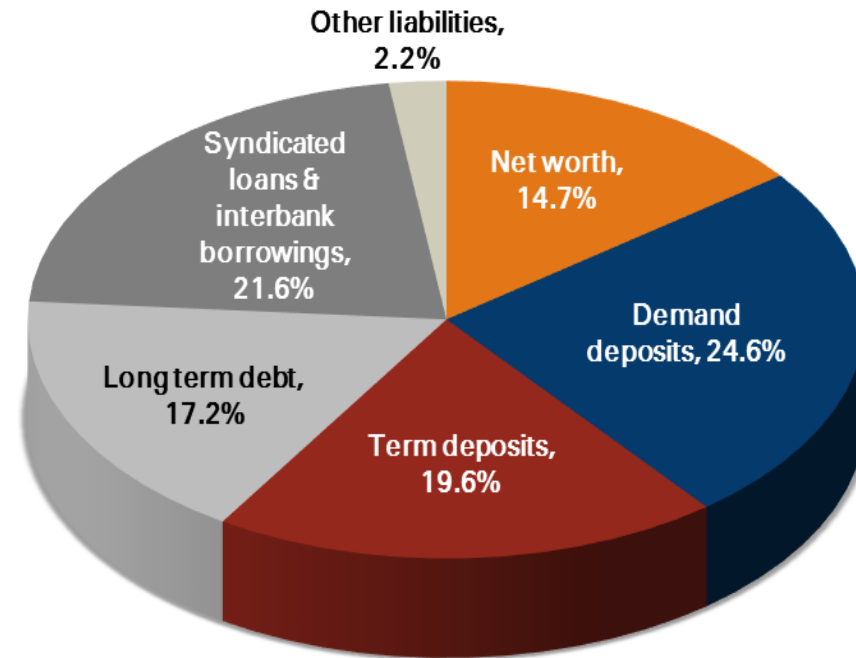
# ICICI Bank UK<sup>1</sup>

## Asset profile



**Total assets: USD 3.7 bn**

## Liability profile

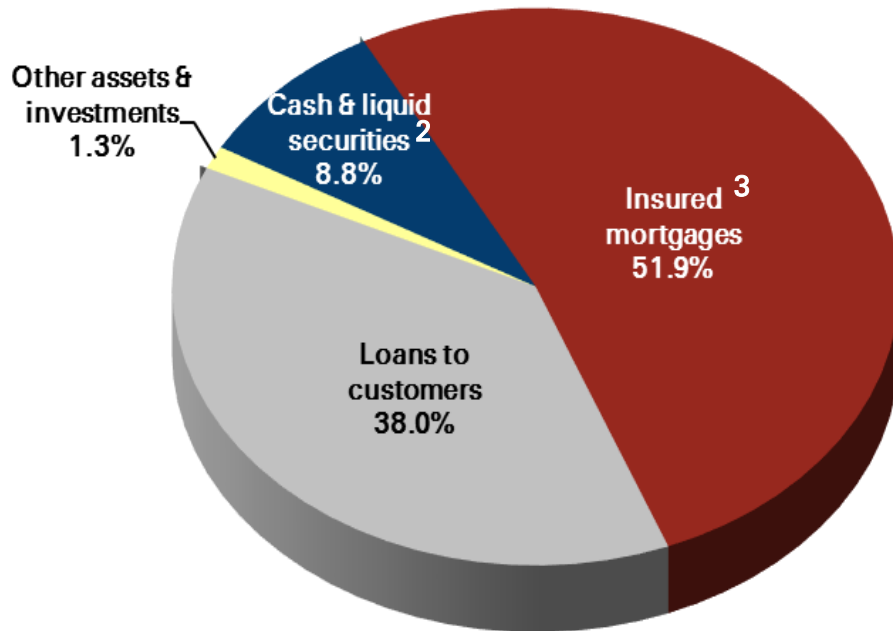


**Total liabilities: USD 3.7 bn**

1. At September 30, 2017
2. Includes cash & advances to banks, T Bills
3. Includes securities re-classified to loans & advances

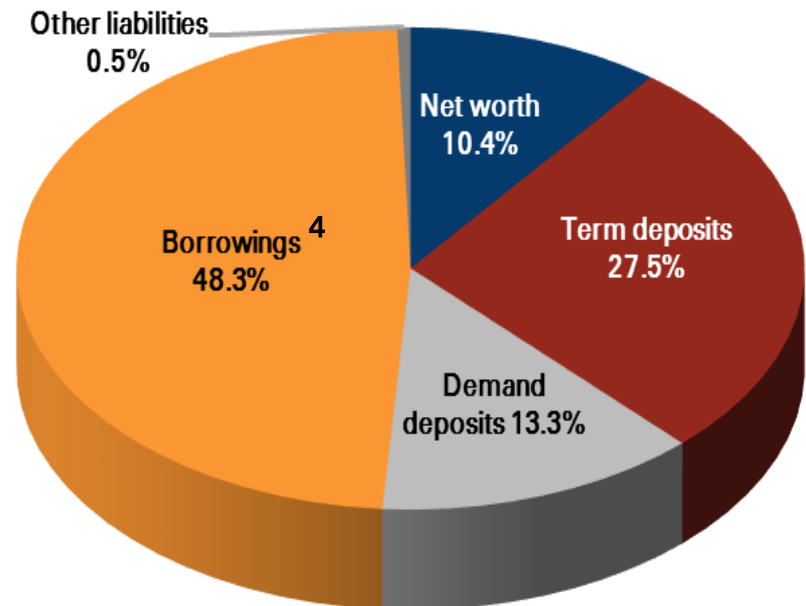
# ICICI Bank Canada<sup>1</sup>

## Asset profile



**Total assets: CAD 6.2 bn**

## Liability profile



**Total liabilities: CAD 6.2 bn**

1. At September 30, 2017
2. Includes cash & placements with banks and government securities
3. Based on IFRS, securitised portfolio of CAD 3,036 mn considered as part of insured mortgage portfolio in advances at September 30, 2017
4. As per IFRS, proceeds of CAD 3,000 mn from sale of securitised portfolio considered as part of borrowings at September 30, 2017



ICICI Bank Canada key performance highlights: slide 53

**ICICI Bank**

# Consolidated balance sheet

₹ billion	September 30, 2016	June 30, 2017	September 30, 2017
Cash & bank balances	569.82	492.51	570.07
Investments	3,144.71	3,380.94	3,400.52
Advances	5,084.02	5,156.94	5,382.04
Fixed & other assets	843.81	857.75	882.42
<b>Total assets</b>	<b>9,642.36</b>	<b>9,888.14</b>	<b>10,235.05</b>
Net worth <sup>1</sup>	996.15	1,058.80	1,081.04
Minority interest	45.11	51.88	56.29
Deposits	4,743.58	5,088.32	5,217.81
Borrowings	2,184.58	1,865.19	1,995.42
Liabilities on policies in force	1,063.39	1,189.97	1,230.08
Other liabilities	609.55	633.98	654.41
<b>Total liabilities</b>	<b>9,642.36</b>	<b>9,888.14</b>	<b>10,235.05</b>

1. Capital and reserves reflect the change due to bonus shares issued by the Bank. Further, the reserves at June 30, 2017, were net of dividend paid.



Key ratios (consolidated): slide 43



# Standalone capital adequacy

Basel III	June 30, 2017 <sup>1</sup>		September 30, 2017 <sup>1</sup>	
	₹ billion	%	₹ billion	%
Total capital	1,089.38	17.69%	1,100.40	17.56%
- Tier I	898.42	14.59%	908.50	14.50%
- of which: CET1	859.65	13.96%	859.91	13.72%
- Tier II	190.96	3.10%	191.90	3.06%
Risk weighted assets	6,157.63		6,267.62	
- On balance sheet	5,316.02		5,427.82	
- Off balance sheet	841.61		839.80	

1. In line with the applicable guidelines, the Basel III capital ratios reported by the Bank for the interim periods do not include profits for the period

Including the profits for H1-2018, the standalone capital adequacy ratio for the Bank as per Basel III norms would have been 17.89% and the Tier I ratio would have been 14.85% at September 30, 2017

# Consolidated capital adequacy

Basel III	June 30, 2017 <sup>1</sup>	September 30, 2017 <sup>1</sup>
	%	%
Total capital	17.33%	17.14%
- Tier I	14.44%	14.30%
- Tier II	2.89%	2.84%

1. In line with the applicable guidelines, the Basel III capital ratios reported by the Bank for the interim periods do not include profits for the period

Including the profits for H1-2018, the consolidated capital adequacy ratio for the Bank as per Basel III norms would have been 17.50% and the Tier I ratio would have been 14.67% at September 30, 2017

