July 25, 2020

BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers,
1st floor
Dalal Street
Mumbai 400 001

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th floor
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051

Dear Sir/Madam,

**Sub: Earnings call for quarter results ended June 30, 2020**

This is further to our letter dated July 24, 2020 on the captioned subject.

Please find attached the investor presentation and the opening remarks for the analyst call for the Q1-2021 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**

Digitally signed by VIVEK RANJAN
DN: cn=VIVEK RANJAN, o, ou,
email=vivek178@yahoo.com, c=IN
Date: 2020.07.25 19:55:22 +05'30'

**Vivek Ranjan**
**Chief Manager**

# Q1-2021:
# Performance review

July 25, 2020

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# Highlights for Q1-2021

# Keeping up with business activities under the 'new normal'

## Quick response team continues to monitor activities pertaining to safety of employees and customers and ensure uninterrupted availability of banking services

- Nearly all branches and ATMs across the country functional; branches in red zones operational for fewer hours and with fewer employees
- Gradual rise in customer footfalls at branches in June and the first fortnight of July compared to April and May; branches staffed based on the footfalls
- Continued rostering of employees at branches and senior management level with adherence to safety and social distancing protocols
- Recent launches like ICICI STACK and video KYC led to higher adoption of digital channels and increase in transactions
- Ongoing monitoring of critical services and controls for IT infrastructure and information security to address any gaps or potential threats and generate alerts in case of any unusual events
- Facilitating health care support wherever needed for employees and their dependents; social initiatives undertaken by the Bank and ICICI Foundation to support the fight against Covid-19

# Key highlights for Q1-2021 (1/2)

- **Core operating profit**
  - 14.8% y-o-y growth in core operating profit to ₹ 70.14 billion
  - Excluding the impact of higher interest income on income tax refund in Q1-2020, the y-o-y growth in core operating profit was 18.0%

- **Strong deposit growth**
  - Average savings account deposits increased by 14.0% y-o-y
  - Average current account deposits increased by 19.8% y-o-y
  - Total deposits increased by 21.3% y-o-y at June 30, 2020

- **Loan growth**
  - Domestic loans grew by 9.6% y-o-y
  - Retail loan book grew by 11.3% y-o-y
  - Non-India linked corporate portfolio[1] declined by 40.4% y-o-y and 16.1% q-o-q

1. Includes fund and non-fund based outstanding of overseas branches, net of cash/bank/insurance backed lending

# Key highlights for Q1-2021 (2/2)

- **Asset quality**
  - Provision coverage ratio[1] increased further to 78.6% at June 30, 2020
  - As a prudent measure, Covid-19 related provisions of ₹ 55.50 billion made in Q1-2021 with the objective of completely cushioning the balance sheet from the impact of Covid-19

- **Capital**
  - Monetised stake in insurance subsidiaries, further strengthening the balance sheet through gains of ₹ 30.36 billion
  - Capital position after making further Covid-19 related provisions remains healthy with CET1 ratio of 13.60%[2]

- **Profit after tax grew by 36.2% y-o-y to ₹ 25.99 billion in Q1-2021**

1. Excluding technical write-offs
2. Includes profits for Q1-2021

# Operating performance

# P&L trends: Q1-2021

**Net interest margin (NIM)**

NIM was 3.69% in Q1-2021

**Operating expenses**

Decline of 4.7% y-o-y to ₹ 46.46 billon

**Core operating profit to average assets**

2.58% in Q1-2021

(Q4-2020: 2.84%, Q1-2020: 2.60%)

**Treasury income**

₹ 37.63 billion

(includes ₹ 30.36 billion from sale of stake in ICICI Life and ICICI General)

**Provisions**

Provisions, other than Covid-19 related, declined by 41.5% y-o-y to ₹ 20.44 billon

**Profit after tax**

Growth of 36.2% y-o-y to ₹ 25.99 billion in Q1-2021

# Profit & loss statement

| (₹ billion) | FY2020 | Q1-2020 | Q4-2020 | Q1-2021 | Q1-o-Q1 growth |
|---|---|---|---|---|---|
| Net interest income[1] | 332.67 | 77.37 | 89.27 | 92.80 | 19.9% |
| Non-interest income | 151.56 | 32.47 | 40.13 | 23.80 | (26.7)% |
| *- Fee income* | *137.11* | *30.39* | *35.98* | *21.04* | *(30.8)%* |
| *- Dividend income from subsidiaries* | *12.73* | *1.91* | *3.38* | *1.87* | *(2.1)%* |
| *- Others* | *1.72* | *0.17* | *0.77* | *0.89* | - |
| **Core operating income** | **484.23** | **109.84** | **129.40** | **116.60** | **6.2%** |
| Operating exp. | 216.15 | 48.74 | 57.92 | 46.46 | (4.7)% |
| *- Employee exp.* | *82.71* | *19.53* | *22.35* | *21.66* | *10.9%* |
| *- Non-employee exp.* | *133.44* | *29.21* | *35.57* | *24.80* | *(15.1)%* |
| **Core operating profit** | **268.08** | **61.10** | **71.48** | **70.14** | **14.8%** |

1. Includes interest on income tax refund of ₹ 0.24 bn in Q1-2021 (FY2020: ₹ 2.70 bn, Q4-2020: ₹ 0.27 bn, Q1-2020: ₹ 1.84 bn)

# Profit & loss statement

| (₹ billion) | FY2020 | Q1-2020 | Q4-2020 | Q1-2021 | Q1-o-Q1 growth |
|---|---|---|---|---|---|
| **Core operating profit** | **268.08** | **61.10** | **71.48** | **70.14** | **14.8%** |
| Treasury income | 12.93 | 1.79 | 2.42 | 37.63[1] | - |
| Operating profit | 281.01 | 62.89 | 73.90 | 107.77 | 71.4% |
| Covid-19 related provisions | 27.25 | - | 27.25 | 55.50 | - |
| Other provisions | 113.28 | 34.96 | 32.42 | 20.44 | (41.5)% |
| **Profit before tax** | **140.48** | **27.93** | **14.23** | **31.83** | **14.0%** |
| Tax | 61.17 | 8.85 | 2.02 | 5.84 | (34.0)% |
| **Profit after tax** | **79.31** | **19.08** | **12.21** | **25.99** | **36.2%** |

Segment-wise PBT: slide 44

Consolidated P&L: slides 45-46

1. Includes profit of ₹ 30.36 billion from sale of 1.5% shareholding in ICICI Life and 4.0% sale of shareholding in ICICI General

# Key ratios

| Percent | FY2020 | Q1-2020 | Q4-2020 | Q1-2021 |
|---|---|---|---|---|
| Net interest margin[1] | 3.73 | 3.61 | 3.87 | 3.69 |
| Cost to income | 43.5 | 43.7 | 43.9 | 37.5[2] |
| Provisions/core operating profit | 42.3[4] | 57.2 | 45.4[4] | 29.1[4] |
| Provisions/average advances | 1.86[4] | 2.40 | 2.06[4] | 1.30[4] |
| Core operating profit/average assets | 2.75 | 2.60 | 2.84 | 2.58 |
| Return on average assets[3] | 0.81 | 0.81 | 0.49 | 0.95 |
| Standalone return on equity[3] | 7.1 | 7.0 | 4.2 | 8.9 |
| Consolidated return on equity[3] | 8.1 | 8.7 | 4.1 | 10.0 |
| Weighted average EPS (₹)[3] | 12.3 | 11.90 | 7.6 | 16.1 |
| Book value (₹) | 180.0 | 171.1 | 180.0 | 183.2 |

Yield, cost and margin: slide 47 ▶ Consolidated ratios: slide 48 ▶

1. Includes interest on income tax refund of ₹ 0.24 bn in Q1-2021 (FY2020: ₹ 2.70 bn, Q4-2020: ₹ 0.27 bn, Q1-2020: ₹ 1.84 bn)
2. Excludes gain on sale of stake in subsidiaries
3. Annualised for all interim periods
4. Excluding Covid-19 related provisions

# Balance sheet growth

# Funding profile

| (₹ billion) | Jun 30, 2019 | Mar 31, 2020 | Jun 30, 2020 | Y-o-Y growth | % share at Jun 30, 2020 |
|---|---|---|---|---|---|
| CASA | 2,988.77 | 3,478.18 | 3,406.16 | 14.0% | 42.5% |
| *- Current* | *804.01* | *1,022.27* | *957.80* | *19.1%* | *11.9%* |
| *- Savings* | *2,184.76* | *2,455.91* | *2,448.36* | *12.1%* | *30.5%* |
| Term | 3,618.55 | 4,231.51 | 4,610.07 | 27.4% | 57.5% |
| **Total deposits** | **6,607.32** | **7,709.69** | **8,016.22** | **21.3%** | **100.0%** |

| | Q1-2020 | Q4-2020 | Q1-2021 | | |
|---|---|---|---|---|---|
| Average CASA ratio | 43.4% | 42.3% | 41.0% | - | - |

- 19.8% y-o-y growth in average CA and 14.0% y-o-y growth in average SA in Q1-2021

Balance sheet-liabilities: slide 49-50

Consolidated balance sheet: slide 51

Extensive franchise: slide 52

# Loan portfolio

| (₹ billion) | Jun 30, 2019 | Mar 31, 2020 | Jun 30, 2020 | Y-o-Y growth | % share at Jun 30, 2020 |
|---|---|---|---|---|---|
| Advances | 5,924.15 | 6,452.90 | 6,312.15 | 6.5% | 100.0% |
| - Domestic book | 5,327.75 | 5,913.23 | 5,841.87 | 9.6% | 92.5% |
| *- Retail* | *3,635.96* | *4,080.03* | *4,045.76* | *11.3%* | *64.1%* |
| *- SME[1]* | *176.98* | *228.51* | *208.57* | *17.9%* | *3.3%* |
| *- Corporate and others[2]* | *1,514.82* | *1,604.70* | *1,587.54* | *4.8%* | *25.2%* |
| - Overseas book[3] | 596.40 | 539.67 | 470.27 | (21.1)% | 7.5% |

- Growth in performing domestic corporate portfolio was 7.8% y-o-y at Jun 30, 2020
- Including non-fund based outstanding, the share of retail portfolio was 54.4% of the total portfolio at Jun 30, 2020 (Mar 31, 2020: 53.3%)

Balance sheet-assets: slides 53-54

Portfolio composition: slide 55

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

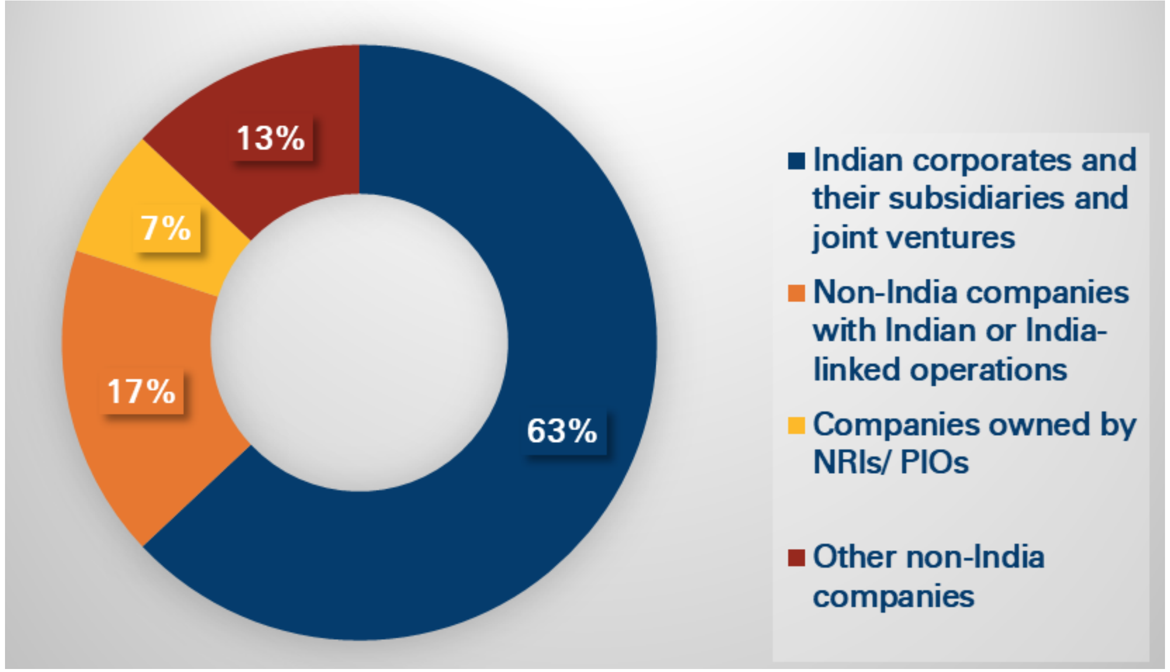
# Retail portfolio

| (₹ billion) | Jun 30, 2019 | Mar 31, 2020 | Jun 30, 2020 | Y-o-Y growth | % share at Jun 30, 2020 |
|---|---|---|---|---|---|
| Mortgage loans | 1,839.30 | 2,002.24 | 2,011.11 | 9.3% | 49.7% |
| Vehicle loans | 560.58 | 583.31 | 575.32 | 2.6% | 14.2% |
| *- Auto finance* | *314.78* | *322.17* | *313.41* | *(0.4)%* | *7.7%* |
| *- Commercial business* | *232.61* | *246.50* | *247.96* | *6.6%* | *6.1%* |
| *- Two wheeler loans* | *13.19* | *14.63* | *13.96* | *5.8%* | *0.3%* |
| Business banking | 193.45 | 265.63 | 258.72 | 33.7% | 6.4% |
| Rural loans | 500.33 | 568.50 | 571.77 | 14.3% | 14.1% |
| Personal loans | 344.42 | 452.88 | 439.80 | 27.7% | 10.9% |
| Credit cards | 136.94 | 156.54 | 147.29 | 7.6% | 3.6% |
| Others | 60.94 | 50.93 | 41.75 | (31.5)% | 1.0% |
| *- Dealer funding loans* | *42.84* | *33.53* | *26.95* | *(37.1)%* | *0.7%* |
| *- Loan against shares and others* | *18.10* | *17.39* | *14.80* | *(18.2)%* | *0.4%* |
| **Total retail loans[1]** | **3,635.96** | **4,080.03** | **4,045.76** | **11.3%** | **100.0%** |

1. Includes buyouts of ₹ 71.76 billion at Jun 30, 2020 (Jun 30, 2019: ₹ 84.27 billion; Mar 31, 2020: ₹ 75.13 billion)

# Portfolio of overseas branches

**Total outstanding[1] at June 30, 2020: USD 6.4 billion**



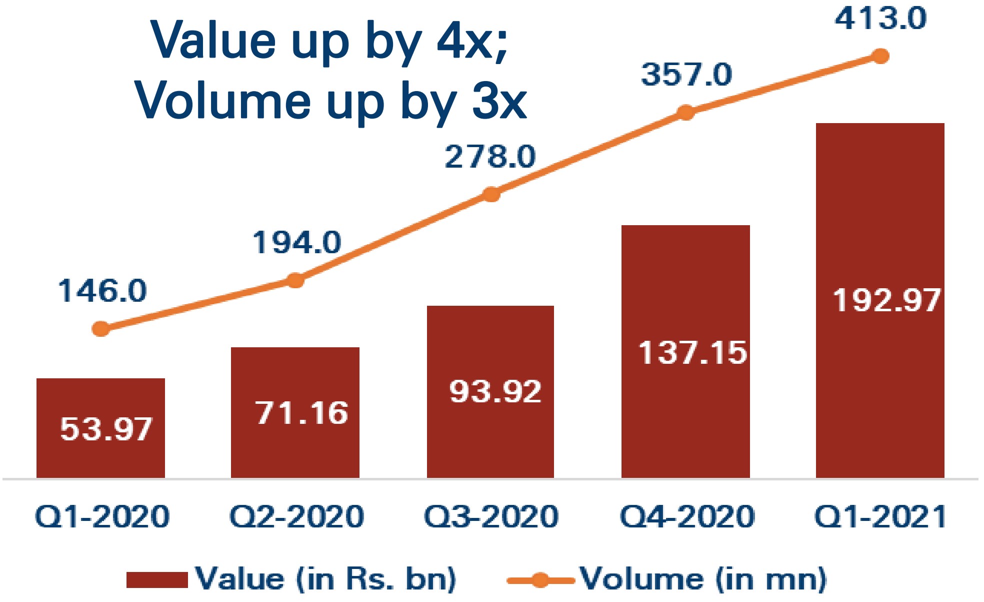

The overseas non-India linked corporate portfolio reduced by about 40.4% year-on-year and 16.1% sequentially at June 30, 2020

*Progressively exiting exposures that are not linked to India, in a planned manner*

1. Corporate fund and non-fund outstanding of overseas branches, net of cash/bank/insurance backed lending

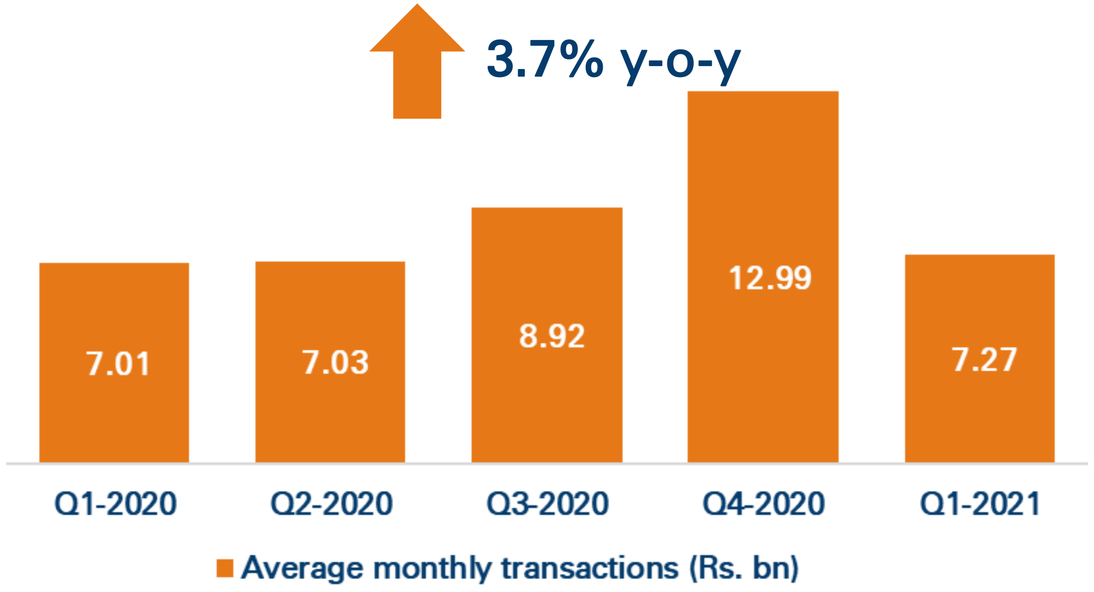
# Digital transactions

## UPI: P2M[1] transactions




Market share by value was 28% in June 2020; ranked 2nd in the industry

## Electronic toll collections




Market share by value was 38% in June 2020; ranked 1st in the industry

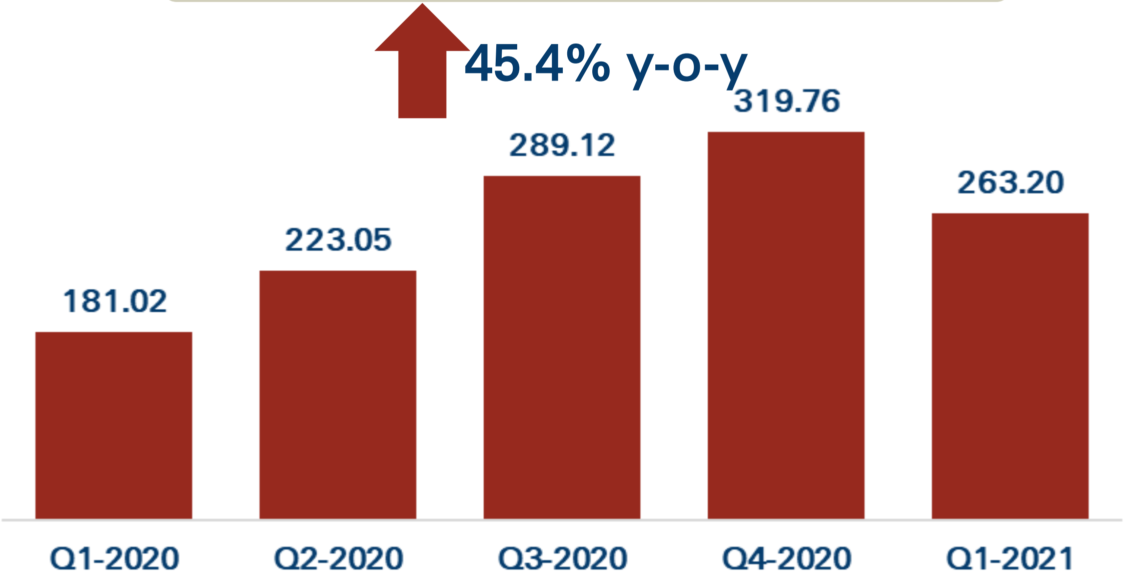
## Digital sourcing of products in Q1-2021

- 59% SIPs initiated via digital medium
- 63% fixed deposits sourced via digital channels

1. Payments to merchants

# Mobile banking

Transaction volumes (mn)




Over 90% of savings account transactions[1] in Q1-2021 through digital channels

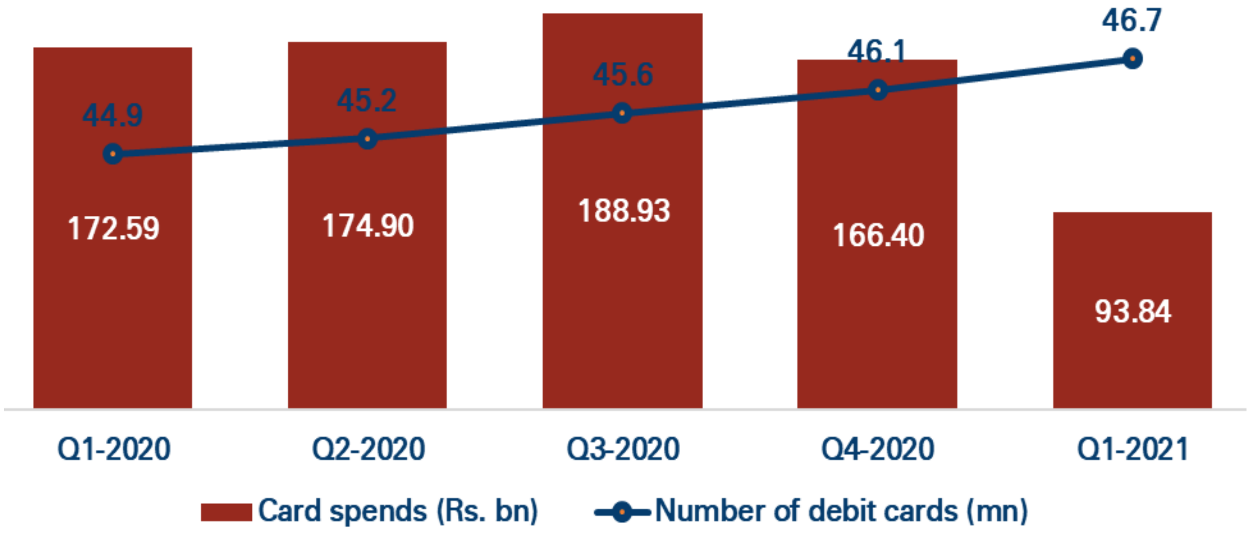

*Crossed milestone of 1 million users on the WhatsApp banking platform*


During Q1-2021, Swiggy used ICICI Bank's "insta wallet" offering to launch its digital wallet. Through this tie-up, Swiggy customers can store money, use funds for all food orders, top-up their wallets and avail instant refunds

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

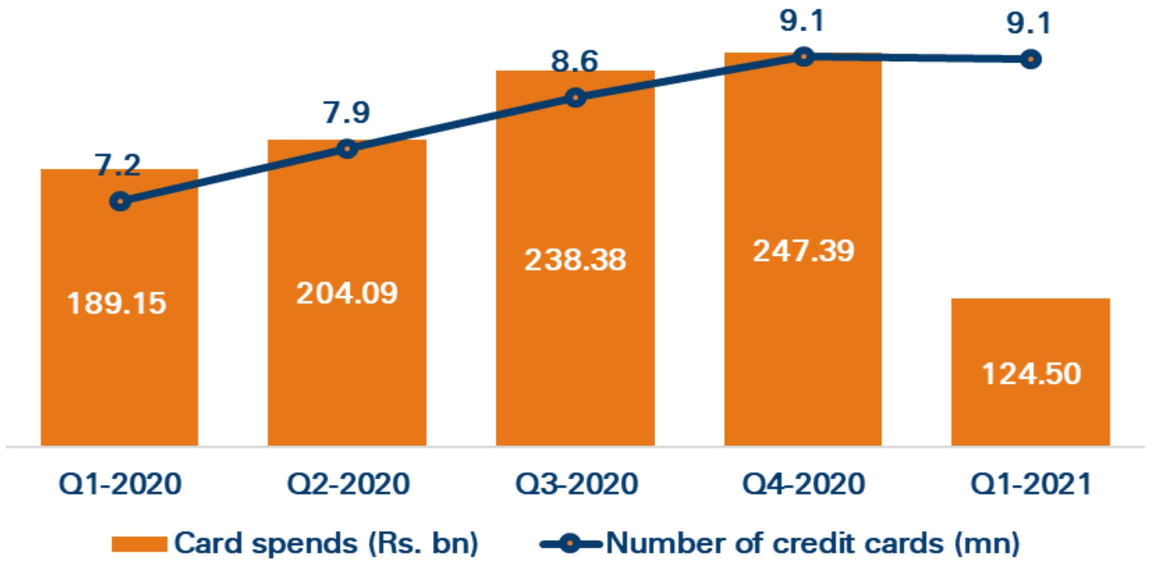
# Debit and credit cards

## Debit cards




During Q1-2021, average spends in June were higher by 60% compared to the average for April and May

## Credit cards




During Q1-2021, average spends in June were higher by 79% compared to the average for April and May

# ICICI STACK: Country's most comprehensive digital banking platform

# Launch of Video KYC

- To on board new savings account customers including salary accounts, personal loan account and Amazon Pay Credit Card customers
- Under ‘new normal’, this process makes the whole process digital via a video call, frictionless and fast for the customer
- Helps customers and lenders alike to build a new banking relationship quickly and safely, with zero physical contact

# Asset quality trends

# NPA trends

| (₹ billion) | Jun 30, 2019 | Mar 31, 2020 | Jun 30, 2020 |
|---|---|---|---|
| Gross NPAs[1] | 457.63 | 414.09 | 403.86 |
| Less: cumulative provisions[1] | 339.06 | 312.95 | 317.11 |
| **Net NPAs[1]** | **118.57** | **101.14** | **86.75** |
| Gross NPA ratio[1] | 6.49% | 5.53% | 5.46% |
| Net NPA ratio[1] | 1.77% | 1.41% | 1.23% |
| **Provision coverage ratio[2]** | **74.0%** | **75.7%** | **78.6%** |

- Net investment in security receipts of ARCs was ₹ 18.88 billion at June 30, 2020 (March 31, 2020 : ₹ 19.25 billion)
- Net restructured loans were ₹ 2.94 billion at June 30, 2020 (March 31, 2020 : ₹ 2.87 billion)

1. Based on customer assets
2. Excluding technical write-offs

# NPA addition trends

| NPA movement[1] (₹ billion) | FY2020 | Q1-2020 | Q4-2020 | Q1-2021 |
|---|---|---|---|---|
| Opening gross NPA | 462.92 | 462.92 | 434.54 | 414.09 |
| Add: gross additions | 142.95 | 27.79 | 53.06 | 11.60 |
| *- Retail* | *57.85* | *15.11*[2] | *12.94* | *6.02* |
| *- Corporate and SME* | *85.10* | *12.68* | *40.12* | *5.58* |
| Less: recoveries, upgrades & others | 76.73 | 9.31 | 18.83 | 7.57 |
| *- Retail* | *27.20* | *5.09* | *9.74* | *4.17* |
| *- Corporate and SME* | *49.53* | *4.22* | *9.09* | *3.40* |
| Net additions | 66.22 | 18.48 | 34.23 | 4.03 |
| Less: write-offs | 113.00 | 22.00 | 54.55 | 14.26 |
| : sale of NPAs | 2.05 | 1.77 | 0.13 | - |
| **Closing gross NPAs** | **414.09** | **457.63** | **414.09** | **403.86** |

Retail NPAs: slide 56

1. Based on customer assets
2. Includes slippages from the kisan credit card portfolio of ₹ 4.52 billion in Q1-2020

# Corporate and SME: NPA additions[1]

| ₹ billion | Q1-2021 |
|---|---|
| - Corporate and SME (1+2+3) | 5.58 |
| - Increase in outstanding of existing NPAs (1) | 0.35 |
| - BB and below portfolio (2) | 1.71 |
| *of which: Devolvement of non-fund based o/s to existing NPAs* | *0.17* |
| *Other BB and below* | *1.54* |
| - Others (3) | 3.52 |

1. Based on customer assets

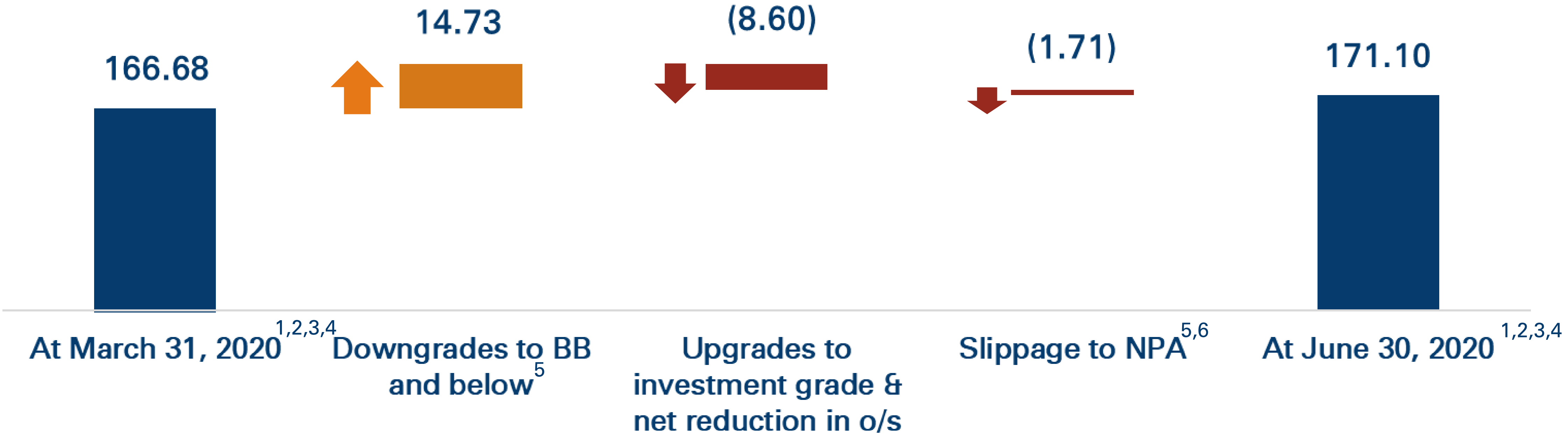
# Corporate and SME: BB and below

| ₹ billion | Jun 30, 2019 | Mar 31, 2020 | Jun 30, 2020 |
|---|---|---|---|
| BB and below outstanding[1,2,3] | 153.55 | 166.68 | 171.10 |
| - Fund and non-fund o/s to restructured loans | 2.42 | 1.80 | 1.68 |
| - Non-fund o/s to non-performing loans[4] | 36.27 | 50.63 | 48.29 |
| - Borrowers under RBI resolution schemes[5] | 40.03 | 15.33 | 14.60 |
| - Other borrowers with o/s greater than ₹ 1.00 bn[5] | 31.86 | 65.98 | 70.69 |
| - Other borrowers with o/s less than ₹ 1.00 bn[5] | 42.97 | 32.94 | 35.84 |

1. Excludes banks
2. Excludes investments
3. Excludes fund-based outstanding to NPAs
4. Provisions of ₹ 13.98 billion were held against non-fund o/s to non-performing loans at Jun 30, 2020 (Jun 30, 2019: ₹ 13.51 billion; Mar 31, 2020: ₹ 11.82 billion)
5. Fund-based and non-fund based outstanding

# Movement in Corporate and SME BB and below in Q1-2021

(₹ billion)




1. Fund-based and non-fund based outstanding
2. Excludes banks
3. Excludes investments
4. Excludes fund-based outstanding to NPAs
5. Excludes fund-based outstanding to accounts downgraded from investment grade during Q1-2021 and classified as non-performing during the same quarter
6. Includes devolvement of non-fund based outstanding to existing NPAs

# Moratorium

Our approach to the moratorium has been to permit the same for customers seeking it, after due engagement

- From about 30.0% of total loans being under moratorium at end-April, the loans to customers where moratorium was effected for June repayments was about 17.5% of total loans at June 30, 2020; in line with our expectations and the gradual resumption of economic activities in June
- About 90% of the portfolio under moratorium at end-June comprises loans that were also under moratorium at end-May

# Provisions not considered in provision coverage ratio

- Provisions of ₹ 143.68 billion (2.3% of outstanding loans) not considered in the computation of provision coverage ratio at Jun 30, 2020
  - Provision of ₹ 82.75 billion related to Covid-19
  - General provision of ₹ 41.85 billion on standard assets (other than Covid-19 related)
  - Provision of ₹ 13.98 billion on non-fund based outstanding to NPAs
  - Other provisions of ₹ 5.10 billion on standard assets

# Exposure to power sector

| (₹ billion) | Jun 30, 2019 | Mar 31, 2020 | Jun 30, 2020 | Share at Jun 30, 2020 (%) |
|---|---|---|---|---|
| Borrowers classified as NPA or part of BB and below portfolio[1] | 111.79 | 92.33 | 86.83 | 24.5% |
| Other borrowers | 279.26 | 287.95 | 267.63 | 75.5% |
| Total | 391.05 | 380.28 | 354.46 | 100.0% |

- Of the other borrowers aggregating ₹ 267.63 billion, excluding exposure to State Electricity Boards, ~81% was rated A- and above

Sector-wise exposures: slide 57

1. Including loans restructured or under a RBI resolution scheme

# NBFCs, HFCs and builder portfolio

| Outstanding (₹ billion) | Jun 30, 2019 | Mar 31, 2020 | Jun 30, 2020 |
|---|---|---|---|
| NBFCs[1] | 264.85 | 273.08 | 300.65 |
| HFCs[1] | 155.16 | 124.47 | 140.97 |
| Builder portfolio (construction finance, lease rental discounting, term loans and working capital loans) | 202.49 | 223.18 | 218.48 |

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

# Improving rating profile of overall loan book

| Rating category[1,2] | Mar 31, 2017 | Mar 31, 2018 | Mar 31, 2019 | Mar 31, 2020 | Jun 30, 2020 |
|---|---|---|---|---|---|
| AA- and above | 37.2% | 42.4% | 45.1% | 44.4% | 45.5% |
| A+, A, A- | 19.0% | 20.1% | 22.0% | 25.8% | 24.6% |
| **A- and above** | **56.2%** | **62.5%** | **67.1%** | **70.2%** | **70.1%** |
| BBB+, BBB, BBB- | 28.7% | 27.5% | 28.2% | 26.6% | 26.8% |
| BB and below | 9.2% | 4.0% | 2.2% | 1.4% | 1.6% |
| Non-performing loans | 5.4% | 5.4% | 2.3% | 1.5% | 1.3% |
| Unrated | 0.5% | 0.6% | 0.2% | 0.3% | 0.2% |
| **Total** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** |
| **Total net advances (₹ billion)** | **4,642** | **5,124** | **5,866** | **6,453** | **6,312** |

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

# Reduction in concentration risk

| Details | Mar 31, 2017 | Mar 31, 2018 | Mar 31, 2019 | Mar 31, 2020 | Jun 30, 2020 |
|---|---|---|---|---|---|
| Exposure to top 20 borrowers[1] as a % of total exposure | 12.4% | 12.5% | 10.8% | 11.0% | 10.8% |
| Exposure to top 10 groups as a % of total exposure | 16.8% | 14.3% | 13.6% | 12.1% | 12.1% |

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

1. Excludes banks

# Capital

# Strong capital position

| | Mar 31, 2020 | | Jun 30, 2020[1] | |
|---|---|---|---|---|
| | (₹ billion) | % | (₹ billion) | % |
| Total capital | 1,223.85 | 16.11% | 1,222.33 | 16.00% |
| - Tier I | 1,117.85 | 14.72% | 1,115.88 | 14.61% |
| *- of which: CET1* | *1,016.65* | *13.39%* | *1,014.68* | *13.29%* |
| - Tier II | 106.00 | 1.39% | 106.45 | 1.39% |
| Risk weighted assets | 7,594.90 | | 7,635.83 | |
| *- On balance sheet* | *6,676.25* | | *6,764.69* | |
| *- Off balance sheet* | *918.65* | | *871.14* | |

- Including profits for Q1-2021, CET1 ratio was 13.60%, Tier I ratio was 14.93% and total capital adequacy ratio was 16.32%
- Capital adequacy ratios well above the minimum regulatory requirement of CET1 ratio of 7.58%, Tier I ratio of 9.08% and total capital adequacy ratio of 11.08%

Consolidated capital adequacy: slide 58

1. Excluding profits for Q1-2021

# Subsidiaries

# Profit after tax of subsidiaries

| Profit after tax (₹ billion) | FY2020 | Q1-2020 | Q4-2020 | Q1-2021 |
|---|---|---|---|---|
| ICICI Prudential Life Insurance | 10.69 | 2.85 | 1.79 | 2.88 |
| ICICI Lombard General Insurance | 11.94 | 3.10 | 2.82 | 3.98 |
| ICICI Prudential Asset Management[1] | 10.46 | 2.19 | 2.17 | 2.57 |
| ICICI Securities (Consolidated)[1] | 5.42 | 1.14 | 1.56 | 1.93 |
| ICICI Securities Primary Dealership[1,2] | 3.31 | 0.69 | 0.26 | 3.46 |
| ICICI Home Finance[1] | 0.00[3] | (0.06) | 0.64 | 0.01 |
| ICICI Venture | 0.13 | 0.22 | (0.07) | 0.26 |
| ICICI Bank UK (USD million) | 23.2 | 10.1 | (6.8) | 5.0 |
| ICICI Bank Canada (CAD million) | 40.6 | 11.8 | (7.5) | 4.8 |

Details on subsidiaries: slides 59-64

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

# Insurance subsidiaries

## ICICI Prudential Life Insurance

- VNB[1] was ₹ 2.01 billion in Q1-2021 compared to ₹ 3.09 billion in Q1-2020; VNB margins increased from 21.7% in FY2020 to 24.4% in Q1-2021
- Protection annualised premium equivalent (APE) remained stable y-o-y at ₹ 2.14 billion in Q1-2021 and is 26.0% of APE in Q1-2021
- New business premium was ₹ 14.99 billion in Q1-2021 compared to ₹ 22.26 billion in Q1-2020

## ICICI Lombard General Insurance

- GDPI[2] was ₹ 33.02 billion in Q1-2021 compared to ₹ 34.87 billion in Q1-2020
  - Excluding crop segment, GDPI was ₹ 32.74 billion in Q1-2021 compared to ₹ 34.88 billion in Q1-2020; in line with the decrease in premium across industry (excluding crop segment) mainly due to Covid-19 pandemic
- Combined ratio was 99.7% in Q1-2021 compared to 100.4% in Q1-2020
- Return on average equity was 25.1% in Q1-2021

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

# Environmental, Social and Governance initiatives

# ESG at ICICI Bank

**Purpose** Building a sustainable and responsible business and creating a positive impact on the economy, society and the environment

**Approach** Board-approved Environment, Social and Governance Framework integrating the various policies and approaches of the Bank

- Released the Environmental, Social and Governance Report FY2020 elaborating on five pillars of our strategy which include promoting inclusive growth, managing environmental footprint, socially responsible banking, commitment towards a sustainable future and corporate governance
- Continued to support capacity creation in environment-friendly sectors subject to appropriate assessment of risk and returns and responsible financing governed by prudent risk management
- Committed to socially responsible conduct and ensure highest standards of integrity and ethics in its engagement with stakeholders

# Supporting the fight against Covid-19

## Several initiatives taken over the last few months covering over 500 districts

- Provided essential supplies like sanitisers, masks and over 40 other items
  - Over 2.0 million masks, 400,000 gloves, 60 non-invasive category ventilators and 24,000 personal protective equipment suits provided
  - Efforts made to reach out to government hospitals and paramilitary forces
- Engaged with migrant workers who have returned to their villages and assisted them to complete documentation and procure job cards under the MGNREGA
- Extensive engagement with farmers to help them during the harvesting season and facilitate market linkages during lockdown; digital mediums leveraged to communicate and advise farmers on storage and sale of their farm produce
- ICICI Group contributed ₹ 810.0 million to PM CARES Fund, with ICICI Bank contributing ₹ 500.0 million

MGNREGA: Mahatma Gandhi National Rural Employment Guarantee Act

# Thank you

# Additional financial information

# Unconsolidated segment-wise PBT

| Profit before tax (₹ billion) | FY2020 | Q1-2020 | Q4-2020 | Q1-2021 |
|---|---|---|---|---|
| Retail | 89.93 | 19.68 | 18.99 | 27.59 |
| Wholesale | 9.27 | (5.06) | (3.12) | 10.16 |
| Treasury | 50.55 | 10.77 | 12.74 | 48.89 |
| Others | 5.83 | 2.54 | 0.72 | 0.69 |
| Unallocated | (15.10)[1] | - | (15.10)[1] | (55.50)[1] |
| **Total** | **140.48** | **27.93** | **14.23** | **31.83** |

slide 10

1. Represents Covid-19 related provision

# Consolidated profit & loss statement

| (₹ billion) | FY2020 | Q1-2020 | Q4-2020 | Q1-2021 | Q1-o-Q1 growth |
|---|---|---|---|---|---|
| Net interest income | 401.70 | 93.57 | 107.16 | 110.76 | 18.4% |
| Non-interest income | 649.50 | 135.03 | 183.80 | 155.16 | 14.9% |
| *- Fee income* | *162.59* | *36.97* | *42.66* | *28.73* | *(22.3)%* |
| *- Premium income* | *455.01* | *92.67* | *134.87* | *85.25* | *(8.0)%* |
| *- Other income* | *31.90* | *5.39* | *6.27* | *41.18*[1] | - |
| **Total income** | **1,051.20** | **228.60** | **290.96** | **265.92** | **16.3%** |
| Operating expenses | 715.18 | 150.93 | 205.21 | 143.00 | (5.3)% |
| **Operating profit** | **336.02** | **77.67** | **85.75** | **122.92** | **58.3%** |

1. Includes profit of ₹ 27.16 billion from sale of 1.5% shareholding in ICICI Life and 4.0% sale of shareholding in ICICI General

# Consolidated profit & loss statement

| (₹ billion) | FY2020 | Q1-2020 | Q4-2020 | Q1-2021 | Q1-o-Q1 growth |
|---|---|---|---|---|---|
| **Operating profit** | **336.02** | **77.67** | **85.75** | **122.92** | **58.3%** |
| Covid-19 related provisions | 27.25 | - | 27.25 | 55.50 | - |
| Other provisions | 122.89 | 35.58 | 37.83 | 21.55 | (39.4)% |
| **Profit before tax** | **185.88** | **42.09** | **19.77** | **45.87** | **9.0%** |
| Tax | 73.63 | 12.95 | 3.64 | 10.00 | (22.8)% |
| Minority interest | 16.59 | 4.00 | 3.62 | 4.69 | 17.3% |
| **Profit after tax** | **95.66** | **25.14** | **12.51** | **31.18** | **24.0%** |

slide 10

# Yield, cost and margin

| Movement in yield, costs & margins (Percent)[1] | FY2020 | Q1-2020 | Q4-2020 | Q1-2021 |
|---|---|---|---|---|
| Yield on total interest-earning assets | 8.38 | 8.40 | 8.32 | 7.93 |
| *- Yield on advances* | *9.45* | *9.36* | *9.41* | *9.30* |
| Cost of funds | 5.09 | 5.23 | 4.92 | 4.61 |
| *- Cost of deposits* | *4.96* | *5.08* | *4.78* | *4.53* |
| Net interest margin | 3.73 | 3.61 | 3.87 | 3.69 |
| *- Domestic* | *4.01* | *3.93* | *4.14* | *3.91* |
| *- Overseas* | *0.35* | *0.33* | *0.28* | *0.33* |

- Include interest on income tax refund of ₹ 0.24 bn in Q1-2021 (FY2020: ₹ 2.70 bn, Q4-2020: ₹ 0.27 bn, Q1-2020: ₹ 1.84 bn)

slide 11

1. Annualised for all interim periods

# Key ratios (consolidated)

| Percent | FY2020 | Q1-2020 | Q4-2020 | Q1-2021 |
|---|---|---|---|---|
| Weighted average EPS[1] | 14.8 | 15.7 | 7.8 | 19.3 |
| Book value (₹) | 190 | 181 | 190 | 195 |

slide 11

1. Annualised for all interim periods

# Balance sheet: liabilities

| (₹ billion) | Jun 30, 2019 | Mar 31, 2020 | Jun 30, 2020 |
|---|---|---|---|
| Net worth | 1,104.00 | 1,165.04 | 1,186.19 |
| *- Equity capital* | *12.91* | *12.95* | *12.95* |
| *- Reserves* | *1,091.09* | *1,152.09* | *1,173.24* |
| Deposits | 6,607.32 | 7,709.69 | 8,016.22 |
| *- Current* | *804.01* | *1,022.28* | *957.80* |
| *- Savings* | *2,184.76* | *2,455.91* | *2,448.36* |
| *- Term* | *3,618.55* | *4,231.51* | *4,610.07* |
| Borrowings[1] | 1,567.20 | 1,628.97 | 1,649.18 |
| Other liabilities | 359.01 | 479.95 | 534.54 |
| **Total liabilities** | **9,637.53** | **10,983.65** | **11,386.13** |

- Credit/deposit ratio of 73.6% on the domestic balance sheet at Jun 30, 2020 (Mar 31, 2020: 77.4%)

1. Including impact of rupee depreciation

# Composition of borrowings

| (₹ billion) | Jun 30, 2019 | Mar 31, 2020 | Jun 30, 2020 |
|---|---|---|---|
| Domestic | 890.01 | 1,029.43 | 1,124.52 |
| *- Capital instruments* | *255.01* | *218.17* | *193.41* |
| *- Other borrowings* | *635.00* | *811.26* | *931.11* |
| *- Long term infrastructure bonds* | *194.97* | *194.77* | *194.92* |
| Overseas borrowings[1] | 677.19 | 599.53 | 524.66 |
| **Total borrowings** | **1,567.20** | **1,628.97** | **1,649.18** |

slide 13

1. Including impact of rupee depreciation

# Consolidated balance sheet

| (₹ billion) | Jun 30, 2019 | Mar 31, 2020 | Jun 30, 2020 |
|---|---|---|---|
| Cash & bank balances | 731.54 | 1,278.53 | 1,331.72 |
| Investments | 4,233.89 | 4,434.73 | 5,197.93 |
| Advances | 6,259.17 | 7,062.46 | 6,926.17 |
| Fixed & other assets | 1,010.12 | 997.20 | 979.94 |
| **Total assets** | **12,504.72** | **13,772.92** | **14,435.76** |
| | | | |
| Net worth | 1,167.52 | 1,229.60 | 1,261.48 |
| Minority interest | 67.43 | 67.95 | 78.63 |
| Deposits | 6,910.34 | 8,007.84 | 8,336.29 |
| Borrowings | 2,082.15 | 2,138.52 | 2,220.54 |
| Liabilities on policies in force | 1,557.44 | 1,454.86 | 1,618.07 |
| Other liabilities | 719.84 | 874.15 | 920.75 |
| **Total liabilities** | **12,504.72** | **13,772.92** | **14,435.76** |

slide 13

# Extensive franchise

| Branches | At Mar 31, 2018 | At Mar 31, 2019 | At Mar 31, 2020 | At Jun 30, 2020 | % share at Jun 30, 2020 |
|---|---|---|---|---|---|
| Metro | 1,443 | 1,438 | 1,585 | 1,585 | 30% |
| Urban | 991 | 991 | 1,067 | 1,067 | 20% |
| Semi urban | 1,449 | 1,453 | 1,546 | 1,546 | 29% |
| Rural | 984 | 992 | 1,126 | 1,126 | 21% |
| **Total branches** | **4,867** | **4,874** | **5,324** | **5,324** | **100%** |
| **Total ATMs** | **14,367** | **14,987** | **15,688** | **15,661** | **-** |

slide 13

# Balance sheet: assets

| (₹ billion) | Jun 30, 2019 | Mar 31, 2020 | Jun 30, 2020 |
|---|---|---|---|
| Cash & bank balances | 657.48 | 1,191.56 | 1,212.51 |
| Investments | 2,199.96 | 2,495.31 | 3,018.50 |
| *- SLR investments* | *1,533.75* | *1,883.20* | *2,258.36* |
| *- Equity investment in subsidiaries* | *98.03* | *98.03* | *97.63* |
| Advances | 5,924.15 | 6,452.90 | 6,312.15 |
| Fixed & other assets | 855.94 | 843.88 | 842.96 |
| *- RIDF [1] and related* | *291.41* | *287.57* | *282.18* |
| **Total assets** | **9,637.53** | **10,983.65** | **11,386.13** |

- Floating rate loan book was ~69.0% of total domestic loans at Jun 30, 2020; of which ~71.0% is linked to MCLR and ~19.0% is linked to repo rate

1. Rural Infrastructure Development Fund

# Equity investment in subsidiaries

| (₹ billion) | Jun 30, 2019 | Mar 31, 2020 | Jun 30, 2020 |
|---|---|---|---|
| ICICI Prudential Life Insurance | 32.97 | 32.97 | 32.75 |
| ICICI Bank Canada | 18.74 | 18.74 | 18.74 |
| ICICI Bank UK | 18.05 | 18.05 | 18.05 |
| ICICI Lombard General Insurance | 13.49 | 13.49 | 13.31 |
| ICICI Home Finance | 11.12 | 11.12 | 11.12 |
| ICICI Securities Limited | 1.28 | 1.28 | 1.28 |
| 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 |
| **Total** | **98.03** | **98.03** | **97.63** |

◀ slide 14

# Portfolio composition

| | Jun 30, 2019 | Mar 31, 2020 | Jun 30, 2020 |
|---|---|---|---|
| Domestic | 83.8% | 85.8% | 86.5% |
| International | 16.2% | 14.2% | 13.5% |
| Total consolidated advances (₹ billion) | 6,529 | 7,062 | 6,926 |

slide 14

# Retail NPAs

| Retail NPAs (₹ billion) | Jun 30, 2019 | Mar 31, 2020 | Jun 30, 2020 |
|---|---|---|---|
| Gross retail NPAs | 69.73 | 83.32 | 83.71 |
| *- as a % of gross retail advances* | *1.90%* | *2.02%* | *2.04%* |
| Net retail NPAs | 29.61 | 36.80 | 30.40 |
| *- as a % of net retail advances* | *0.81%* | *0.90%* | *0.75%* |

slide 24

# Sector-wise exposures

| Top 10 sectors[1]: % of total exposure of the Bank | Mar 31, 2017 | Mar 31, 2018 | Mar 31, 2019 | Mar 31, 2020 | Jun 30, 2020 |
|---|---|---|---|---|---|
| Retail finance | 31.9% | 34.2% | 37.3% | 40.5% | 41.0% |
| Services – finance | 6.2% | 7.0% | 7.3% | 8.4% | 8.5% |
| Crude petroleum/refining & petrochemicals | 5.5% | 5.6% | 5.7% | 5.9% | 6.3% |
| Banks | 6.0% | 8.4% | 7.9% | 6.4% | 6.2% |
| Electronics & engineering | 6.9% | 6.7% | 6.6% | 6.0% | 5.4% |
| Road, port, telecom, urban development & other infra | 5.3% | 4.2% | 4.6% | 4.3% | 3.8% |
| *of which: Telecom* | *1.7%* | *1.5%* | *2.0%* | *1.7%* | *1.4%* |
| Power | 5.1% | 4.6% | 3.3% | 3.1% | 2.9% |
| Wholesale/retail trade | 2.5% | 2.8% | 3.1% | 3.3% | 2.9% |
| Services - non finance | 4.0% | 3.3% | 3.1% | 2.7% | 2.7% |
| Construction | 3.1% | 3.2% | 2.9% | 2.5% | 2.4% |
| **Total (₹ billion)** | **9,372** | **10,265** | **11,207** | **12,446** | **12,319** |

slide 30

1. Top 10 based on position at Jun 30, 2020

# Consolidated capital adequacy

| Basel III (%) | Mar 31, 2020 | Jun 30, 2020[1] |
|---|---|---|
| Total capital | 15.81% | 15.62% |
| - Tier I | 14.41% | 14.24% |
| *- of which: CET 1* | *13.21%* | *13.05%* |
| - Tier II | 1.40% | 1.38% |

- Including profits for Q1-2021, CET1 ratio was 13.42%, Tier I ratio was 14.60% and total capital adequacy ratio was 15.97%

slide 35

1. Excludes profit for Q1-2021

# Insurance subsidiaries

| ICICI Life (₹ billion) | FY2020 | Q1-2020 | Q4-2020 | Q1-2021 |
|---|---|---|---|---|
| Annualised premium equivalent | 73.81 | 14.70 | 19.74 | 8.23 |
| *- Of which: protection* | *11.16* | *2.14* | *3.52* | *2.14* |
| Total premium | 334.31 | 63.29 | 106.47 | 57.47 |
| Assets under management | 1,529.68 | 1,640.24 | 1,529.68 | 1,700.06 |
| Expense ratio[1] | 15.9% | 17.0% | 14.3% | 14.8% |

| ICICI General (₹ billion) | FY2020 | Q1-2020 | Q4-2020 | Q1-2021 |
|---|---|---|---|---|
| Gross written premium | 135.92 | 35.61 | 32.32 | 33.94 |
| Combined ratio | 100.4% | 100.4% | 100.1% | 99.7% |
| Return on average equity[2] | 20.8% | 23.0% | 18.8% | 25.1% |

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

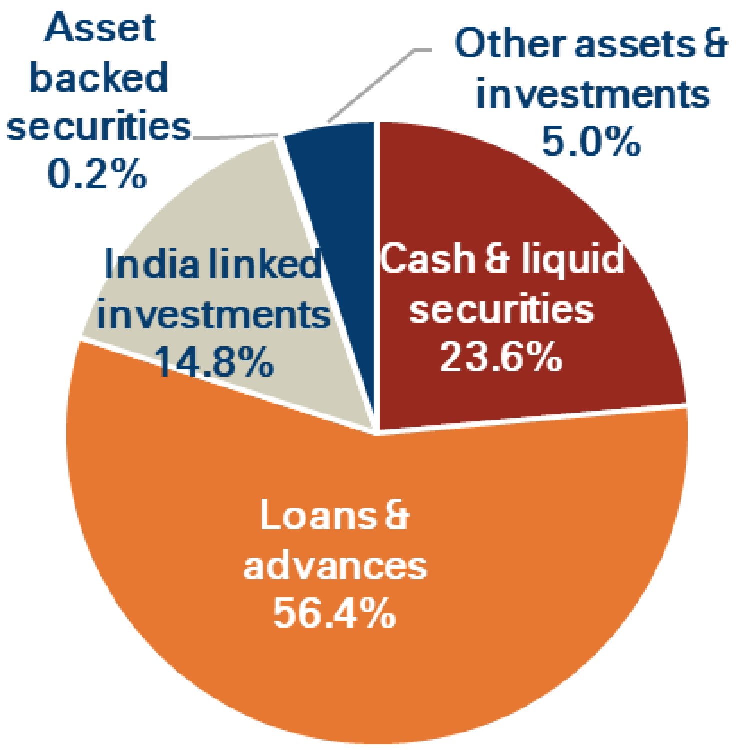
# ICICI Bank UK

| (USD million) | FY2020 | Q1-2020 | Q4-2020 | Q1-2021 |
|---|---|---|---|---|
| Net interest income | 64.3 | 17.0 | 15.9 | 13.5 |
| Operating profit | 40.9 | 11.8 | 8.7 | 4.6 |
| Loans and advances | 2,089.6 | 2,342.0 | 2,089.6 | 1,983.8 |
| Deposits | 2,042.2 | 2,241.7 | 2,042.2 | 2,256.6 |
| *- Retail term deposits* | *606.2* | *729.1* | *606.2* | *589.3* |
| Capital adequacy ratio | 18.6% | 17.7% | 18.6% | 19.5% |
| *- Tier I* | *15.0%* | *13.9%* | *15.0%* | *16.0%* |

- Net impaired loans was USD 82.4 million at Jun 30, 2020 compared to USD 79.8 million at Mar 31, 2020 and USD 60.7 million at Jun 30, 2019

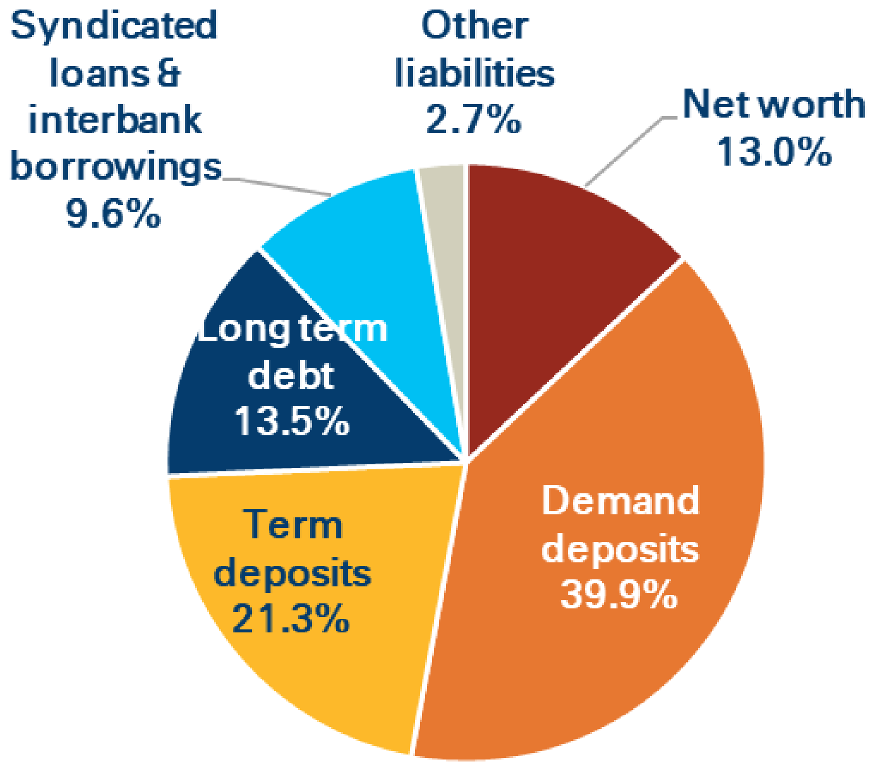
# ICICI Bank UK[1]

## Asset profile




**Total assets: USD 3.68 bn**

## Liability profile




**Total liabilities: USD 3.68 bn**

1. At Jun 30, 2020
2. Includes cash & advances to banks and T Bills
3. Includes securities re-classified to loans & advances

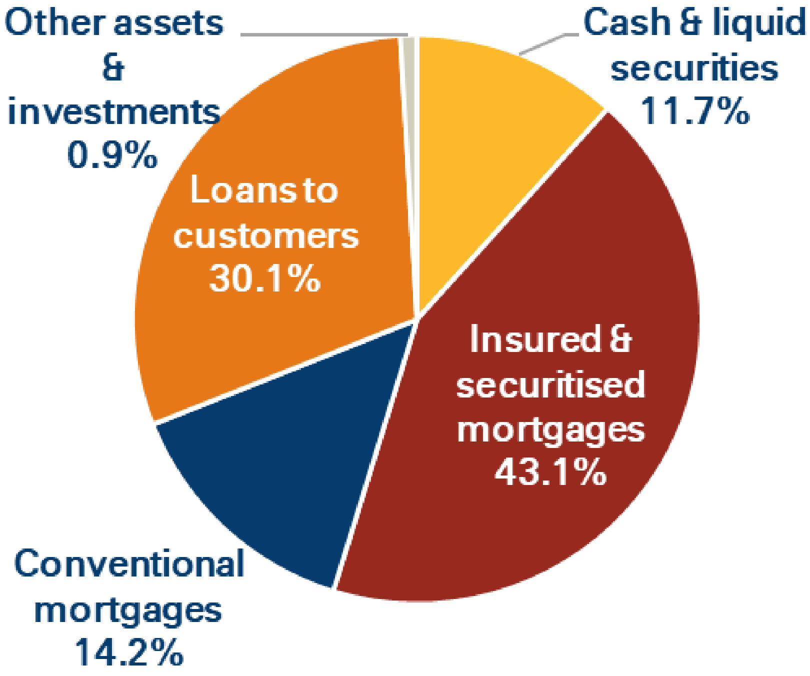
# ICICI Bank Canada

| (CAD million) | FY2020 | Q1-2020 | Q4-2020 | Q1-2021 |
|---|---|---|---|---|
| Net interest income | 95.3 | 23.1 | 20.0 | 14.1 |
| Operating profit | 76.1 | 15.0 | 18.1 | 8.3 |
| Loans and advances | 5,742.6 | 5,707.2 | 5,742.6 | 5,604.2 |
| *- Residential mortgages* | *3,686.5* | *3,560.7* | *3,686.5* | *3,674.9* |
| Deposits | 3,015.4 | 3,000.7 | 3,015.4 | 3,024.4 |
| Capital adequacy ratio | 19.1% | 18.4% | 19.1% | 20.2% |
| *- Tier I* | *18.4%* | *17.9%* | *18.4%* | *19.4%* |

- Net impaired loans at Jun 30, 2020 was CAD 18.4 million compared to CAD 4.4 million at Mar 31, 2020 and CAD 7.8 million at Jun 30, 2019

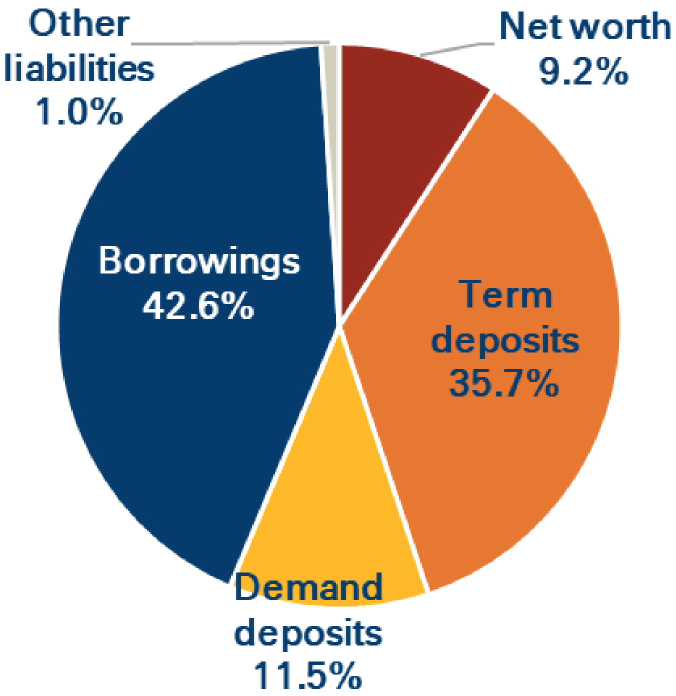
# ICICI Bank Canada[1]

### Asset profile




**Total assets: CAD 6.42 bn**

### Liability profile




**Total liabilities: CAD 6.42 bn**

1. At Jun 30, 2020
2. Includes cash & placements with banks and government securities
3. Insured mortgages include CAD 2,547.7 million at Jun 30, 2020 (Mar 31, 2020: CAD 2,619.3 million) of securitised mortgages
4. As per IFRS, proceeds of CAD 2,521.8 million at Jun 30, 2020 (Mar 31, 2020: CAD 2,593.2 million) on securitisation of residential mortgages are considered a part of borrowings

# ICICI Home Finance[1]

| (₹ billion) | Mar 31, 2020 | Jun 30, 2020 |
|---|---|---|
| Loans and advances | 140.92 | 140.80 |
| Gross impaired loans (stage 3)[2] | 8.46 | 7.91 |
| Net impaired loans (stage 3) | 4.70 | 4.57 |
| Capital adequacy ratio[3] | 14.80% | 14.76% |

slide 37

1. As per Ind AS
2. Includes commercial real estate loans of ₹ 4.43 billion at Jun 30, 2020 (Mar 31, 2020: ₹ 4.74 billion)
3. As per NHB guidelines

## Analyst call on July 25, 2020: opening remarks

*This announcement is not an offer of securities for sale in the United States. Any securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any United States state securities laws, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable United States state securities laws. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. 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, and the impact of the Covid-19 pandemic which could result in fewer business opportunities, lower revenues, and an increase in the levels of non-performing assets and provisions, depending inter alia upon the period of time for which the pandemic extends, the remedial measures adopted by governments and central banks, and the time taken for economic activity to resume at normal levels after the pandemic, 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 evening to all of you and welcome to the ICICI Bank Earnings Call to discuss the Q1 of 2021 results. Joining us today on this call are Vishakha, Anup, Sandeep Batra, Rakesh and Anindya.

Thank you everyone for joining us today. We hope that all of you are safe, healthy and doing well. During this period of the Covid-19 pandemic, the health care workers, sanitation workers, police and all essential service providers have shown utmost resilience in keeping us safe and their dedication motivates us. As the country has gradually reopened, many Indians have gone back to work, supporting the path of normalization. Team ICICI is thankful to all of them. We also appreciate the efforts of our employees who continue to serve our customers in these unprecedented times. Nearly all our branches and ATMs across the country are functional currently. We have seen a gradual rise in the customer footfalls in our branches in June and the first fortnight of July compared to April and May. Excluding the employees working at the branches and some of the team members from Operations and IT, a majority of the employees continue to work from home.

Since June, India has seen a resumption of economic activity. Some high frequency indicators such as electronic and physical toll collections, and generation of electronic permits for transportation of goods have shown an improvement and are close to pre-Covid levels. GST collections have increased in June compared to April and May 2020. Indicators such as kharif sowing, water reservoir levels, tractor sales volumes and sales of fertilizers reflect a relatively stronger rural economy. Of course, the trajectory of the pandemic and the pace and sustenance of the improvement in economic activity need to be monitored carefully over the next few months.

At ICICI Bank, we continue to steadily grow our franchise and maintain our strong balance sheet, within our well-defined strategic framework. This framework has the following key elements:

1. **Growth in the core operating profit in a risk-calibrated manner through the focused pursuit of target market segments**

   We were able to take the core operating profit from 189.40 billion Rupees in FY2018 to 268.08 billion Rupees in FY2020. The growth in core operating profit improved from 5.7% in FY2018 to 21.5% in FY2020. In Q1 of 2021, a significant decline in fee income due to the disruption in customer activities was more than offset by robust growth in net interest income and some decline in operating expenses, resulting in a core operating profit of 70.14 billion Rupees, which is a 14.8% growth on a year-on-year basis. Excluding the impact of higher interest income on income tax refund in the first quarter last year, the year-on-year core operating profit growth was 18.0%.

## 2. Further enhancing our strong deposit franchise

Our business and core operating profit are driven by our deposit franchise. During the quarter, we continued to see robust deposit flows, resulting in high liquidity and a Liquidity Coverage Ratio of 146.0% for the quarter. Our cost of deposits is the among the lowest in the system and during the quarter we reduced the interest rate offered on savings accounts as well as the key retail term deposit rate by 50 basis points each. Total deposits increased by 21.3% year-on-year at June 30, 2020. Average savings account deposits increased by 14.0% year-on-year. Average current account deposits increased by 19.8% year-on-year during the quarter, reflecting healthy inflows into current accounts which we see as a positive indicator of the business health of our customers as well as a result of the growth of our franchise. Our digital platforms and efforts towards process decongestion have played an important role in the growth of our deposit franchise.

## 3. Growing our loan portfolio in a granular manner with a focus on risk and reward

We have continued to increase the share of the granular, diversified lending to retail and small business customers in our overall portfolio. Our retail portfolio is largely secured, built based on proprietary data and analytics in addition to bureau checks, and well-priced in relation to the risk. Our strong deposit franchise enables us to offer competitive pricing to the selected customer segments.

In our corporate portfolio, we have emphasized reduction in concentration risk and improvement in the rating mix of business. Our approach is to provide a full suite of banking products to corporate clients and their ecosystems of employees and business partners.

Rakesh will give further details on our various portfolios, as we had done in the last earnings call.

Loan origination was impacted due to the nation-wide lockdown in April and May. The year-on-year loan growth declined and the loan book decreased sequentially, though month-wise trends indicate an improvement as the lockdown has been relaxed. In line with the approach we had articulated for the overseas business, the overall overseas branches portfolio and the non-India linked corporate portfolio declined both year-on-year and sequentially.

**4. Leveraging digital across our business**

The growth of our franchise is driven to a significant extent by the digital platforms and technology-led solutions that we offer our customers. The ICICI STACK, our API banking portal and our iMobile, InstaBizz and internet banking platforms as well as bespoke solutions in place for corporate and institutional customers provide seamless banking services digitally to our customers. During Q1 of 2021, an online food delivery platform used our "insta wallet" offering to launch its digital wallet; we introduced the Video KYC facility to on board new savings account and personal loan customers and customers availing the Amazon Pay Credit Card; and we crossed one million users on our WhatsApp banking platform. We have seen significant growth and improvement in market share in UPI transactions in the person-to-merchant or acquiring segment. Our digital trade solutions for corporates and SMEs have proved particularly relevant in the current environment.

## 5. Protecting the balance sheet from potential risks

Our approach with respect to asset quality and provisioning has been, One, to construct the portfolio in a manner that does not deliver concentrated shocks; Two, to build an operating profit base that can absorb required provisions; and Three, to be proactive in provisioning with the objective of ensuring that the balance sheet is robust and the impact on earnings is recognized on a prudent basis.

We continue to have a high provisioning coverage ratio on NPAs, with the PCR increasing further to 78.6% at June 30, 2020.

As part of the regulatory measures following the outbreak of the pandemic, banks have been permitted to grant moratorium on loan repayments to borrowers. This is a policy and regulatory support to customers facing sudden cashflow depletion or potential future uncertainty. Our approach to the moratorium has been to permit the same for customers seeking it, after due engagement. From about 30.0% of total loans being under moratorium at end-April, the loans to customers where moratorium was effected for June repayments were about 17.5% of total loans at June 30, 2020. This trend is in line with our expectations and the gradual resumption of economic activities in June. Rakesh will provide additional comments later on the call.

While moratorium trends would continue to evolve, we do not see these as a conclusive indicator of eventual outcomes. We monitor and analyse our portfolios with reference to a wide range of markers including cashflows, deposit account data, income levels, leverage, sources of income, the industry in which they operate or are employed and repayment behaviour. We are confident that the approach we have adopted in building the portfolio, which I outlined earlier, would hold us in good stead.

Our intention has been to cushion the balance sheet from the potential risks arising out of uncertainties around the trajectory of the pandemic and the pace and level of economic activity. We had made Covid-19 related provisions of 27.25 billion Rupees in Q4 of 2020 against standard assets to further strengthen the balance sheet. As a prudent measure, the Bank has made further Covid-19 related provisions of 55.50 billion Rupees during Q1 of 2021 with the objective of completely cushioning the balance sheet from the impact of Covid-19.

**6. Maintaining a strong capital base**

During the quarter, the Bank monetized 1.5% and 4.0% stake respectively in its life and general insurance subsidiaries, further strengthening the balance sheet by about 30.00 billion Rupees, which is reflected in the treasury income for the quarter. The capital position of the Bank after making the further Covid-19 related provisions with the objective of completely cushioning the balance sheet from the impact of Covid-19, continued to be healthy with a CET-1 ratio of 13.60% as of June 30, 2020, including the profits for the quarter.

Over the medium term, we see favourable prospects for the Indian economy. We expect India's strong domestic consumption and investment drivers to continue to support healthy rates of growth in a normal environment. Given our strong deposit franchise and robust technology platforms, we will seek to benefit from the growing formalization of the economy and the rapid adoption of technology in banking.

We seek to achieve profitable growth through identification and focus on pre-selected customer segments and micro-segments, and geographical micro-markets that offer an opportunity for growth. We aim to provide all relevant deposit, credit and fee-based products and services to these segments and in these markets, with digital delivery and decongested processes as a key enabler. This approach has aided in growth in core operating profit in the last year even as NPL additions and related provisions have declined. We will continue to build our business on this basis. We have also created a significant provisioning buffer with the objective of protecting the balance sheet from potential risks.

The Board of Directors of the Bank has approved raising of equity capital of an amount up to 150 billion Rupees, subject to regulatory, shareholders' and other approvals as may be required. The proposed capital raising, subject to necessary approvals and market conditions, is aimed at further strengthening our capital adequacy and improving our competitive positioning.

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

## Rakesh’s remarks

Thank you, Sandeep. I will talk about balance sheet growth, credit quality, P&L details, capital adequacy and performance of subsidiaries.

## A. Balance sheet growth

The overall loan portfolio grew by 6.5% year-on-year as of June 30, 2020. The domestic loan growth was 9.6% year-on-year as of June 30, 2020 compared to 12.9% year-on-year as of March 31, 2020. The domestic loan book declined by 1.2% sequentially. The retail portfolio grew by 11.3% year-on-year and declined by 0.8% sequentially. Within the retail portfolio, the mortgage loan portfolio grew by 9.3%, business banking by 33.7%, rural lending by 14.3% and commercial vehicle and equipment loans by 6.6%, while the auto loan portfolio was flat year-on-year. Growth in the personal loan and credit card portfolio also reduced to 22.0% year-on-year. This portfolio was 587.09 billion Rupees or 9.3% of the overall loan book as of June 30, 2020. The Bank has extended the Emergency Credit Line Guarantee Scheme to eligible MSME borrowers based on its credit assessment. Till July 22, we have sanctioned about 50 billion Rupees to about 19,000 borrowers under this scheme, of which about 38 billion Rupees has been disbursed.

The SME business comprising of borrowers having a turnover of less than 2.5 billion Rupees grew by 17.9% year-on-year to 208.57 billion Rupees as of June 30, 2020.

The growth of the performing domestic corporate portfolio was about 8% year-on-year. During the quarter we closely engaged with highly rated corporates to meet their short term funding needs. We also used TLTRO funds during the quarter to lend through corporate bonds.

The international loan portfolio declined by 21.1% year-on-year in Rupee terms and 27.9% year-on-year in US dollar terms at June 30, 2020. The international loan portfolio was 7.5% of the overall loan book as of June 30, 2020. We had mentioned in our previous quarter earnings call that we would be progressively exiting our non-India linked exposures in a planned manner. Excluding exposures to banks and retail lending against deposits, the total corporate fund and non-fund outstanding of overseas branches, net of cash or bank or insurance backed lending, was 6.41 billion US dollars at June 30, 2020 compared to 7.48 billion US dollars at March 31, 2020. The non-India linked corporate portfolio reduced by 40.4% year-on-year and 16.1% sequentially at June 30, 2020. 63% of the outstanding at June 30, 2020 was to Indian corporates and their subsidiaries and joint ventures. 17% of the outstanding was to non-India companies with Indian or India-linked operations and activities. As we had stated on the last earnings call, the portfolio in this segment is well-rated and the Indian operations of these companies are target customers for the Bank's deposit and transaction banking franchise, and the Bank would continue to pursue risk-calibrated opportunities in this segment. 7% of the outstanding was to companies owned by NRIs/ PIOs. 13% of the outstanding was to other non-India companies which is less than 1% of the total portfolio of the Bank.

Coming to the funding side: We continue to focus on growing the daily average CASA balances. Average savings account deposits increased by 14.0% year-on-year and average current account deposits increased by 19.8% year-on-year during the quarter. Total term deposits grew by 27.4% year-on-year to 4.6 trillion Rupees at June 30, 2020.

**B. Credit quality**

Gross NPA additions during the quarter were 11.60 billion Rupees. The gross NPA additions from the retail portfolio were 6.02 billion Rupees. Of the corporate and SME gross NPA additions of 5.58 billion Rupees, there were slippages of 1.71 billion Rupees from corporate and SME borrowers rated BB and below at March 31, 2020, the details of which are given on slide 25 of the investor presentation. The lower gross NPA additions reflect the asset classification standstill benefit on loans under moratorium.

Recoveries and upgrades excluding write-offs were 7.57 billion Rupees in the current quarter. There were recoveries and upgrades of 4.17 billion Rupees from the retail portfolio and 3.40

billion Rupees from the corporate portfolio. The gross NPAs written-off during the quarter aggregated to 14.26 billion Rupees. The Bank did not sell any gross NPAs in Q1 of 2021.

The total net non-performing assets were 86.75 billion Rupees at June 30, 2020 compared to 101.14 billion Rupees at March 31, 2020. The gross NPA ratio was 5.46% and the net NPA ratio was 1.23% at June 30, 2020. The provision coverage ratio, excluding write-offs, increased further to 78.6% as of June 30, 2020.

The loans and non-fund based outstanding to borrowers rated BB and below (excluding NPAs) were 171.10 billion Rupees at June 30, 2020 compared to 166.68 billion Rupees at March 31, 2020 of which:

- The non-fund based outstanding to non-performing borrowers was 48.29 billion Rupees at June 30, 2020 compared to 50.63 billion Rupees at March 31, 2020. The Bank holds provisions of 13.98 billion Rupees as of June 30, 2020 against this non-fund based outstanding;
- The fund and non-fund based outstanding to borrowers under RBI resolution schemes was 14.60 billion Rupees as of June 30, 2020 compared to 15.33 billion Rupees at March 31, 2020;
- The fund and non-fund outstanding to restructured borrowers was 1.68 billion Rupees at June 30, 2020; and

- The balance 106.53 billion Rupees of fund-based and non-fund based outstanding to borrowers rated BB and below, includes 70.69 billion Rupees related to cases with an outstanding greater than 1.00 billion Rupees and 35.84 billion Rupees related to cases with an outstanding of less than 1.00 billion Rupees.

Similar to the position at March 31, 2020, other than three accounts, one each in the telecom, power and construction sectors, the maximum single borrower outstanding in the BB and below portfolio was less than 6 billion Rupees as of June 30, 2020.

On slide 27 of the presentation, we have provided the movement in our BB and below portfolio during Q1 of 2021.

- The rating downgrades from investment grade categories (excluding fund-based outstanding to accounts that were also downgraded to NPA in the same period) were 14.73 billion Rupees in Q1 of 2021. The downgrades were granular in nature and spread across sectors;
- There were rating upgrades to the investment grade categories and a net decrease in outstanding of 8.60 billion Rupees; and
- There was a reduction of 1.71 billion Rupees in Q1 of 2021 due to slippage of some borrowers into the non-performing

category and devolvement of non-fund based outstanding to existing NPAs.

As Sandeep mentioned, our approach in recent years has been to make provisions upfront for potential losses and risks. For example, in the case of certain corporate NPL additions, we had made provisions substantially covering the outstanding amount in the quarter of NPL addition, as opposed to phasing out the same as permitted by applicable regulations. In Q4 of 2020, we had on a prudent basis made Covid-19 related provisions of 27.25 billion Rupees. In Q1 of 2021, we have made additional Covid-19 related provisions of 55.50 billion Rupees on a prudent basis with the objective of completely cushioning the balance sheet from the impact of Covid-19, primarily taking into account the following:

- The lower rated i.e. BB and below corporate and SME portfolio;
- Loans under moratorium in portfolios such as commercial vehicle loans and builder loans that were experiencing challenges even before the outbreak of the pandemic; and
- Loans under moratorium in certain other portfolios based on the nature of the product, collateral, borrower segment and underlying economic activity.

These provisions, we believe, are prudent in the context of uncertainties around the trajectory of the pandemic and the pace and sustenance of the improvement in economic activity.

The total outstanding provisions at June 30, 2020, excluding provisions for non-performing assets considered in the computation of the provisioning coverage ratio, were 143.68 billion Rupees, or 2.3% of loans. These include the Covid-19 related provisions, provisions held against the non-fund based outstanding to NPAs, general provisions on standard assets and other standard asset provisions.

## C. P&L Details

Net interest income increased by 19.9% year-on-year to 92.80 billion Rupees. Interest on income tax refund was 0.24 billion Rupees this quarter compared to 0.27 billion Rupees in the previous quarter and 1.84 billion Rupees in Q1 of last year. The net interest margin was at 3.69% in Q1 of 2021 compared to 3.61% in Q1 of last year and 3.87% in the previous quarter. The domestic NIM was at 3.91% in Q1 of 2021 compared to 4.14% in Q4 of 2020 and 3.93% in Q1 of 2020. International margins were at 0.33% in Q1 of 2021. The impact of interest on income tax refund and interest collections from NPAs was about 4 basis points, at a similar level compared to Q4 of 2020. The margins were lower in Q1 of 2021 compared to the previous quarter primarily due to the higher liquidity as deposit flows continued to be robust, with fewer lending opportunities.

Non-interest income, excluding treasury income, declined by 26.7% year-on-year to 23.80 billion Rupees in Q1 of 2021.

- Fee income declined by 30.8% year-on-year to 21.04 billion Rupees in Q1 of 2021 due to lower borrowing and investment activity by customers and lower consumer spends in the lockdown period. Retail fee income declined by 31.9% year-on-year and constituted about 70% of overall fees in the current quarter.
- Dividend income from subsidiaries was 1.87 billion Rupees in Q1 of 2021 compared to 1.91 billion Rupees in Q1 of 2020.

On Costs: The Bank's operating expenses decreased by 4.7% year-on-year in Q1 of 2021. The cost to income ratio, excluding gains from sale of stake in subsidiaries was 37.5% in Q1 of 2021 compared to 43.9% in Q4 of 2020 and 43.7% in Q1 of 2020. The employee expenses increased by 10.9% year-on-year during the quarter. The year-on-year increase in employee expenses reflects the increase in provisions on retirals and other employee benefits due to decline in yields the current quarter compared to Q1 of 2020. The Bank had 96,682 employees at June 30, 2020. Non-employee expenses decreased by 15.1% year-on-year in Q1 of 2021. The decrease in non-employee expenses was due to lower business volumes during the lockdown period and lower administrative and infrastructure related expenses, partly offset by increase in technology related expenses. We would expect business related expenses to increase in future quarters as business volumes increase from the current levels.

The core operating profit increased by 14.8% year-on-year to 70.14 billion Rupees in Q1 of 2021. Excluding the impact of higher interest income on income tax refund in the corresponding quarter last year, the core operating profit grew by 18.0% year-on-year in Q1 of 2021.

The treasury income was 37.63 billion Rupees this quarter compared to 2.42 billion Rupees in Q4 of 2020. The gains of 30.36 billion rupees through sale of shares of ICICI Life and ICICI General are reflected in treasury gains for Q1-2021.

Provisions, other than Covid-19 related, declined by 41.5% y-o-y to 20.44 billion Rupees in Q1 of 2021.

The profit before tax increased by 14.0% to 31.83 billion Rupees in Q1 of 2021 compared to 27.93 billion Rupees in Q1 last year. The profit after tax increased by 36.2% year-on-year to 25.99 billion Rupees in Q1 of 2021 compared to 19.08 billion Rupees in Q1 last year.

**D. Capital**

The CET1 ratio, including profits for Q1 of 2021, was 13.60% at June 30, 2020 compared to 13.39% at March 31, 2020. Including profits for Q1 of 2021, the tier 1 ratio was 14.93% and total capital adequacy ratio was 16.32% at June 30, 2020.

**E. Loan portfolio information**

Retail loans as a proportion of total loans were 64.1% as of June 30, 2020. Including non-fund based outstanding, the share of the retail portfolio was 54.4% of the total portfolio as of June 30, 2020. As we had mentioned in our previous quarter's earnings call, the portfolio level build-up strategy for the retail loan book has been based on utilising the existing customer database for sourcing in key retail asset products through cross sell and up-sell. We monitor the performance at a sub-segment level and in view of the current operating environment, customer selection and underwriting norms have been reviewed and are being monitored constantly with necessary policy strengthening carried out at micro-market and sub-segment level.

The disbursements across various retail products which had virtually entirely stopped in the months of April and May, have picked up in June. The disbursements across home and auto loans decreased by about 65% and personal loans and commercial business decreased by about 85% in Q1 of 2021 compared to Q4 of 2020. The incremental sourcing during Q1 of 2021 was primarily to existing customers of the Bank.

Our mortgages portfolio was about 50% of the retail loan portfolio and about 32% of the total loan portfolio at June 30,

2020. Of the total mortgage portfolio, home loans comprise about 70%, top-up loans given to existing home loan customers based on their track record comprise 8%, office premises loans are about 5% and loan against property comprises about 17%. About 70% of the mortgage customers have an existing liability relationship with the Bank. The home loan portfolio is granular in nature with average ticket size of about 3.5 million Rupees. It is geographically well diversified and has been built on fundamental premises of cashflow assessment of the underlying borrower as well as meeting the legal and technical standards of the Bank for the property being mortgaged. The average loan-to-value ratio of the home loan portfolio is about 65%. The loan against property portfolio has conservative loan to value ratios and lending is based on cash flows of business and individuals with limited reliance on the value of collateral. The valuation of the property is carried out internally. average loan-to-value ratio of the loan against property loan portfolio is about 55%.

The commercial business portfolio, including commercial vehicles, comprises 4% of the overall portfolio. With the gradual opening up of economy, we have seen the utilisation of commercial vehicles go up. Electronic toll collections through FASTag, where we are a market leader, fell to about 35% of pre-Covid levels in the last week of April and 60% in May before improving to above 80% in June and the first fortnight of July mainly due to demand for transportation of essential commodities. The utilisation levels of commercial vehicles based on daily average distance covered have recovered to about 80%

of pre-Covid levels in the first fortnight of July from a low of about 27% in April. The e-commerce sector, in particular, is seeing more than 100% logistics utilisation compared to pre-Covid levels. The Bank has a well-diversified commercial vehicle portfolio with the top 20 customers contributing to 3% of the book. Around 60% of our commercial vehicle portfolio comprises customers with long vintage. These customers are well seasoned and have witnessed multiple cycles in this business.

Auto loans comprise 5% of the overall portfolio. Overall the passenger car industry has started showing recovery and we understand that wholesale billing has reached 50% of the average of the last fiscal in June 2020. Retail trends too have been promising in the month of June and are estimated to have reached 70-80% of inquiries and bookings seen in pre-Covid times. Auto loan disbursement volumes in June 2020 have reached around 65% of the pre-Covid levels. About 87% of our auto loan portfolio comprises new vehicles and about 13% is used vehicles. About 50% of the new vehicle customers and 40% of the used vehicle customers have an existing relationship with the Bank.

Our personal loan and credit card portfolio is about 9% of the total loan portfolio. We have grown this portfolio from a low base primarily through cross-sell. About 70% of the personal loan and credit card portfolio is to the existing customer base which provides liability information for credit assessment. Around 85% of the portfolio comprises salaried individuals. About 75% of the customers in the salaried segment are employed with well rated corporates including MNCs, and government entities, and have stable income streams. The Bank has in place conservative underwriting norms in terms of higher income cut offs, lower leverage norms and loan caps, among others, for the remaining customers in the salaried segment. Our analysis of pre-moratorium bureau data suggests that the delinquencies in our unsecured retail portfolio were lower than both the industry average and the average for private sector banks. With respect to the moratorium, we see that, adjusted for usual attrition levels, about 97% of our personal loan and credit card customers who have availed the moratorium continue to receive salary credits. Credit card spends have recovered to around 65% of pre-Covid levels in June and we have observed a shift in consumer spending patterns with spends in categories such as travel and restaurants being replaced by health & wellness, insurance, electronics and e-commerce transactions.

Our rural portfolio comprises 9% of the total portfolio. Within this gold loans comprise 3% and kisan credit cards comprise 3%. Our overall micro finance loans are very small and negligible. The economic activity in the rural segment has been relatively less impacted by the pandemic. This, coupled with the satisfactory indicators Sandeep alluded to earlier, has led to healthy farm income and strong growth in the rural sector. The same has been witnessed in the increase in tractor sales. Disbursements in the rural portfolio have picked up and are close to pre-Covid levels. Gold loans grew by 32.0% year-on-year at June 30, 2020.

Our business banking portfolio accounts for 4% of the total portfolio. The average ticket size is 10-15 million Rupees. The portfolio is fully collateralized with about 85% of the portfolio having a collateral cover of more than 100%. The primary collateral is in the form of charge on current assets and is backed by self-occupied residential or commercial or industrial property. Our focus in this segment is on parameterised and programme based lending, digital channels, granularity, collateral and robust monitoring. The portfolio is well diversified, spans multiple sectors and industries and is well spread out geographically. Prior to the outbreak of Covid-19, the delinquency trends were low. With the gradual resumption of economic activities, credit summations in the overdraft accounts of small business customers have nearly reached pre-Covid levels in the last week of June 2020.

Even before the outbreak of Covid-19, we were using an artificial intelligence based pre-delinquency management engine which uses more than 100 variables to create multiple microsegments and accurately forecast almost 80% of our bounces for the right intervention at the right time. It was further sharpened during this quarter with additional markers such as zones under lockdown, industries directly impacted by Covid-19 and salary uploads, among others. We strengthened our collections team by re-organizing teams from sales, credit, operations and customer service. We have been able to connect to over 400,000 customers on a daily basis using Cloud Telephony and Voicebots to counsel them on the moratorium. We are using API based integrations with large payment channels to ensure timely credit of the overdue amount.

The corporate, international and SME portfolios were 35.9% of total loans as of June 30, 2020. Including non-fund based outstanding, the share of the corporate, international and SME portfolios was 45.6% of the total portfolio as of June 30, 2020.

The SME portfolio comprising exposures to companies with a turnover of upto 2.50 billion Rupees was 3% of total loans. Our focus in this portfolio is on granularity, collateral security and more parameterized lending. The average ticket size of the incremental sanctions in this portfolio has reduced by about 50% over the past few years and is about 0.10 billion Rupees now. The collateral cover has also improved significantly. Almost all the sanctions in financial year 2020 were through programme based lending. The customer sourcing has been largely through the internal channels of branches, wealth management and private banking. We have seen positive trends for customers as the lockdown has been gradually lifted. Besides certain industry segments like gems & jewellery, retail trade, hospitality and textiles in certain higher impacted regions, the recovery of cash flows for customers in other industry segments and regions has been positive. The average credit summation for clients who have opted for moratorium is similar to those who have not opted for moratorium.

As Sandeep mentioned earlier, in our corporate portfolio, we have emphasized reduction in concentration risk and improvement in the rating mix of business. We believe that our approach of granular exposures and focus on higher rated corporates is standing us in good stead in this environment, and we will continue with this approach. Our approach is to provide a full suite of banking products to corporate clients and their ecosystems of employees and business partners.

The builder portfolio including construction finance, lease rental discounting, term loans and working capital loans was 218.48 billion Rupees or about 3% of our total loan portfolio. As mentioned in our previous calls, our portfolio is granular in nature with the larger exposures being to well-established builders. About 12% of our builder portfolio at June 30, 2020 was either rated BB and below internally or was classified as non-performing.

The total outstanding to NBFCs and HFCs was 441.62 billion Rupees at June 30, 2020 compared to 397.55 billion Rupees at March 31, 2020 or about 5% of our total outstanding loans at June 30, 2020 and the details are given on slide 31 of the investor presentation. Our exposure is largely to well-rated entities with long vintage, PSUs, and entities owned by banks and well-established corporate groups. The sequential increase in the outstanding to NBFC and HFCs during the quarter reflects this. The proportion of the NBFC and HFC portfolio internally rated BB and below or non-performing is about 1%.

In line with the approach for the overseas business that we had articulated earlier, in our international business we focus on non-resident Indians for deposits, wealth and remittances businesses. We are also focused on deepening relationships with Indian corporates in international markets and multinational companies present in international as well as domestic market, for maximising the India-linked trade, transaction banking and lending opportunities. The non-India linked overseas corporate portfolio declined by about 16% or USD 460 million sequentially in Q1 of 2021.

RBI had permitted banks to grant moratorium on amounts falling due between March 1 – May 31. During the month of May, RBI extended the period for which moratorium could be granted till August 31. Various banks have adopted different approaches towards the grant of moratorium as well as disclosures regarding the same, including in the FY2020 financial statements. As per the latest Financial Stability Report released by RBI, about 31% of loans of private sector banks were under moratorium at April 30, 2020.

As Sandeep mentioned, our approach to the moratorium has been to permit the same for customers seeking it, after due engagement. From about 30.0% of total loans being under moratorium at end-April for us, the loans to customers where moratorium was effected for June repayments was about 17.5% of total loans at June 30, 2020. This trend is in line with our expectations and the gradual resumption of economic activities in June. For the moratorium up to May 31 we had granted automatic moratorium on certain categories, with customers being able to opt-out. For the moratorium from June 1 there is no opt-out category, other than for operational convenience reasons in some small ticket size portfolios like jewel loans, and all retail borrowers are required to opt-in for the moratorium in each of the months of June, July and August separately. About 90% of the portfolio under moratorium at end-June comprises loans that were also under moratorium at end-May. The percentage of loans under moratorium was higher for some portfolios such as commercial vehicles loans and builder loans, which had been experiencing challenges even prior to the outbreak of Covid-19. Apart from the above, there is no major difference in moratorium levels in the key portfolios, and hence the mix of moratorium loans would largely reflect the overall portfolio mix.

There would be a set of customers who availed moratorium prior to end-May and have not availed the moratorium from June so far, but have overdues. We are engaging with these customers and should they also come under moratorium, based on the pool of such loans the overall moratorium level may increase by up to a couple of percentage points.

**F. Subsidiaries**

The details of the financial performance of subsidiaries is covered in slides 37 to 38 and 59 to 64 in the investor presentation.

Value of new business of ICICI Life was 2.01 billion Rupees in Q1 of 2021 compared to 3.09 billion Rupees in Q1 of 2020. The new business margin increased from 21.7% in fiscal 2020 to 24.4% in Q1 of 2021. The protection based annualised premium equivalent remained stable year-on-year at 2.14 billion Rupees and accounted for 26.0% of the total annualised premium equivalent in Q1 of 2021. The new business premium was 14.99 billion Rupees in Q1 of 2021.

Gross Direct Premium Income of ICICI General declined by 5.3% year-on-year to 33.02 billion Rupees in Q1 of 2021 compared to 34.87 billion Rupees in Q1 of 2020. The combined ratio was 99.7% in Q1 of 2021 compared to 100.4% in Q1 of 2020. The profit after tax grew by 28.5% year-on-year to 3.98 billion Rupees in Q1 of 2021 from 3.10 billion Rupees in Q1 of 2020.

The profit after tax of ICICI AMC was 2.57 billion Rupees in the current quarter compared to 2.19 billion Rupees in Q1 of last year.

The profit after tax of ICICI Securities, on a consolidated basis, was 1.93 billion Rupees in the current quarter compared to 1.14 billion Rupees in Q1 of last year.

ICICI Bank Canada had a profit after tax of 4.8 million Canadian dollars in the current quarter compared to a net loss of 7.5 million Canadian dollars in Q4 of 2020 and profit of 11.8 million Canadian dollars in Q1 of 2020.

ICICI Bank UK had a net profit of 5.0 million US dollars this quarter compared to a net loss of 6.8 million US dollars in Q4 of 2020 and a net profit of 10.1 million US dollars in Q1 of 2020.

As mentioned in our earlier calls, the focus for the overseas subsidiaries is similar to that for the branches, primarily around NRI and India-related opportunities. The non-India corporate portfolio of the subsidiaries has reduced over the last one year and during the quarter and they are working on a further planned reduction going forward.

ICICI Home Finance had a profit after tax of 0.01 billion Rupees in the current quarter compared to a profit after tax of 0.64 billion Rupees in Q4 of 2020 and a loss of 0.06 billion Rupees in Q1 of 2020. The profit was higher in Q4 of 2020 due to gains from sell down of loans.

The consolidated profit after tax was 31.18 billion Rupees in Q1 of 2021 compared to 12.51 billion Rupees in Q4 of 2020 and 25.14 billion Rupees in Q1 of 2020.

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