October 31, 2020

BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

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

Dear Sir/Madam,

Sub: Earnings call for quarter results ended September 30, 2020

This is further to our letter dated October 30, 2020 on the captioned subject.

Please find attached the investor presentation and the opening remarks for the analyst call for the Q2-2021 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

VIVEK RANJAN

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Vivek Ranjan
Chief Manager

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Near Chakli Circle,
Old Padra Road
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Q2-2021: Performance review

October 31, 2020

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.

Highlights for Q2-2021

Key highlights for Q2-2021 (1/2)

- **Core operating profit**[1]
  - 18.1% y-o-y growth in core operating profit to ₹ 77.19 billion

- **Strong deposit growth**
  - Average savings account deposits increased by 15.4% y-o-y
  - Average current account deposits increased by 20.7% y-o-y
  - Total deposits increased by 19.6% y-o-y at September 30, 2020

- **Loan growth**
  - Domestic loans grew by 10.3% y-o-y and 4.5% q-o-q
  - Retail loan book grew by 12.8% y-o-y and 6.2% q-o-q
  - Non-India linked corporate portfolio[2] declined by 48.3% y-o-y and 19.6% q-o-q

1. Profit before provision and taxes, excluding treasury income
2. Includes fund and non-fund based outstanding of overseas branches, net of cash/bank/insurance backed lending

Key highlights for Q2-2021 (2/2)

- **Asset quality**
  - Provision coverage ratio increased further to 81.5% at September 30, 2020
  - Covid-19 related provisions of ₹ 87.72 billion at September 30, 2020
    - On a prudent basis, the Bank made provisions of ₹ 4.97 billion in Q2-2021 on loans of ₹ 14.10 billion which were not classified as NPA pursuant to the Supreme Court's interim order
  - Expect normalisation of credit costs in FY2022 based on current expectations of economic activity and portfolio trends

- The Bank raised ₹ 150 billion of equity capital through a QIP[1]
- **Capital adequacy substantially strengthened with CET1[2] ratio of 16.54%[3]**

- **Profit after tax of ₹ 42.51 billion (Q2-2020: ₹ 6.55 billion[4])**

1. Qualified institutions placement
2. Common equity tier 1
3. Includes profits for H1-2021
4. Includes impact of one-time additional charge due to re-measurement of accumulated deferred tax asset at the revised marginal tax rate

Operating performance

P&L trends: Q2-2021

Net interest margin (NIM)

3.57% in Q2-2021
(Q1-2021: 3.69%, Q2-2020: 3.64%)

Operating expenses

Decline of 4.6% y-o-y to ₹ 51.33 billon

Fee income

Growth of 49.2% q-o-q to ₹ 31.39 billon

Core operating profit to average assets

2.72% in Q2-2021
(Q1-2021: 2.58%, Q2-2020: 2.71%)

Provisions

Provisions, other than Covid-19 related, were ₹ 24.98 billon

Profit before tax

20.6% y-o-y growth to ₹ 52.66 billion

Profit & loss statement

(₹ billion)	FY 2020	Q2-2020	H1-2020	Q1-2021	Q2-2021	H1-2021	Q2-o-Q2 growth
Net interest income[1]	332.67	80.57	157.94	92.80	93.66	186.46	16.2%
Non-interest income	151.56	38.54	71.01	23.80	34.86	58.66	(9.5)%
- Fee income	*137.11*	*34.78*	*65.17*	*21.04*	*31.39*	*52.43*	*(9.7)%*
- Dividend income from subsidiaries	*12.73*	*3.77*	*5.68*	*1.87*	*3.34*	*5.21*	*(11.4)%*
- Others	*1.72*	*(0.01)*	*0.16*	*0.89*	*0.13*	*1.02*	*-*
Core operating income	**484.23**	**119.11**	**228.95**	**116.60**	**128.52**	**245.12**	**7.9%**
Operating expenses	216.15	53.78	102.52	46.46	51.33	97.79	(4.6)%
- Employee expenses	*82.71*	*21.41*	*40.94*	*21.66*	*19.67*	*41.33*	*(8.1)%*
- Non-employee expenses	*133.44*	*32.37*	*61.58*	*24.80*	*31.66*	*56.46*	*(2.2)%*
Core operating profit	**268.08**	**65.33**	**126.43**	**70.14**	**77.19**	**147.33**	**18.1%**

1. Includes interest on income tax refund of ₹ 0.26 bn in Q2-2021 and ₹ 0.50 bn in H1-2021 (FY2020: ₹ 2.70 bn, Q2-2020: ₹ 0.42 bn, H1-2020: ₹ 2.26 bn, Q1-2021: ₹ 0.24 bn)

Profit & loss statement

(₹ billion)	FY2020	Q2-2020	H1-2020	Q1-2021	Q2-2021	H1-2021	Q2-o-Q2 growth
Core operating profit	**268.08**	**65.33**	**126.43**	**70.14**	**77.19**	**147.33**	**18.1%**
Treasury income	12.93	3.41	5.20	37.63[1]	5.42[2]	43.05[1,2]	58.9%
Operating profit	281.01	68.74	131.63	107.77	82.61	190.38	20.2%
Covid-19 related provisions	27.25	-	-	55.50	4.97	60.47	-
Other provisions	113.28	25.07	60.03	20.44	24.98	45.42	(0.4)%
Profit before tax	**140.48**	**43.67**	**71.60**	**31.83**	**52.66**	**84.48**	**20.6%**
Tax	61.17[4]	37.12[3]	45.97[3]	5.84	10.15	15.98	(72.7)%
Profit after tax	**79.31**	**6.55**	**25.63**	**25.99**	**42.51**	**68.50**	-

Segment-wise PBT: slide 49

Consolidated P&L: slides 50-51

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
2. Includes profit of ₹ 3.05 billion from sale of 2.0% shareholding in ICICI Securities
3. Includes impact of one-time additional charge due to re-measurement of accumulated deferred tax asset at the revised marginal tax rate
4. The impact of the change in marginal tax rate including the one-time additional charge due to re-measurement of accumulated deferred tax asset and the tax expense at lower rate for FY2020 was ₹ 13.91 billion

Key ratios

Percent	FY 2020	Q2-2020	H1-2020	Q1-2021	Q2-2021	H1-2021
Net interest margin[1]	3.73	3.64	3.63	3.69	3.57	3.63
Cost to income	43.5	43.9	43.8	37.5[2]	39.2[2]	38.4[2]
Provisions/core operating profit	42.3[4]	38.4	47.5	29.1[3]	32.4[3]	30.8[3]
Provisions/average advances	1.86[4]	1.67	2.03	1.30[3]	1.58[3]	1.44[3]
Core operating profit/average assets	2.75	2.71	2.65	2.58	2.72	2.65
Return on average assets[4]	0.81	0.27	0.54	0.95	1.50	1.23
Standalone return on equity[4]	7.1	2.4	4.7	8.9	13.2	11.0
Consolidated return on equity[4]	8.1	3.9	6.3	10.0	14.2	12.1
Weighted average EPS (₹)[4]	12.3	4.0	7.9	16.1	25.2	20.8
Book value (₹)	180.0	171.4	171.4	183.2	199.6	199.6

Yield, cost and margin: slide 52 ▶

Consolidated ratios: slide 53 ▶

1. Includes interest on income tax refund of ₹ 0.26 bn in Q2-2021 and ₹ 0.50 bn in H1-2021 (FY2020: ₹ 2.70 bn, Q2-2020: ₹ 0.42 bn, H1-2020: ₹ 2.26 bn, Q1-2021: ₹ 0.24 bn)
2. Excludes gain on sale of stake in subsidiaries
3. Excluding Covid-19 related provisions
4. Annualised for all interim periods

Balance sheet growth

Healthy funding profile

(₹ billion)	Sep 30, 2019	Jun 30, 2020	Sep 30, 2020	Y-o-Y growth	% share at Sep 30, 2020
CASA	3,250.00	3,406.16	3,645.80	12.2%	43.8%
- Current	*944.31*	*957.80*	*1,075.17*	*13.9%*	*12.9%*
- Savings	*2,305.69*	*2,448.36*	*2,570.63*	*11.5%*	*30.9%*
Term	3,712.73	4,610.07	4,683.56	26.1%	56.2%
Total deposits	**6,962.73**	**8,016.22**	**8,329.36**	**19.6%**	**100.0%**
	Q2-2020	**Q1-2021**	**Q2-2021**		
Average CASA ratio	42.2%	41.0%	40.3%	-	-
Cost of deposits	5.06%	4.53%	4.22%	-	-

- 20.7% y-o-y growth in average CA and 15.4% y-o-y growth in average SA in Q2-2021

Balance sheet-liabilities: slide 54-55

Consolidated balance sheet: slide 56

Extensive franchise: slide 57

Loan portfolio

(₹ billion)	Sep 30, 2019	Jun 30, 2020	Sep 30, 2020	Y-o-Y growth	% share at Sep 30, 2020
Advances	6,133.59	6,312.15	6,526.08	6.4%	100.0%
- Domestic book	5,533.24	5,841.87	6,102.79	10.3%	93.5%
- Retail	*3,809.66*	*4,045.76*	*4,295.81*	*12.8%*	*65.8%*
- SME[1]	*190.64*	*208.57*	*233.41*	*22.4%*	*3.6%*
- Corporate and others[2]	*1,532.94*	*1,587.54*[3]	*1,573.57*[3]	*2.7%*	*24.1%*
- Overseas book[4]	600.35	470.27	423.29	(29.5)%	6.5%

- Growth in performing domestic corporate portfolio was 7.2% y-o-y at Sep 30, 2020
- Including non-fund based outstanding, the share of retail portfolio was 53.6% of the total portfolio at Sep 30, 2020

Balance sheet-assets: slides 58-59

Portfolio composition: slide 60

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. Excludes investment in high-rated corporate securities under T-LTRO
4. Includes impact of exchange rate movement

Retail portfolio

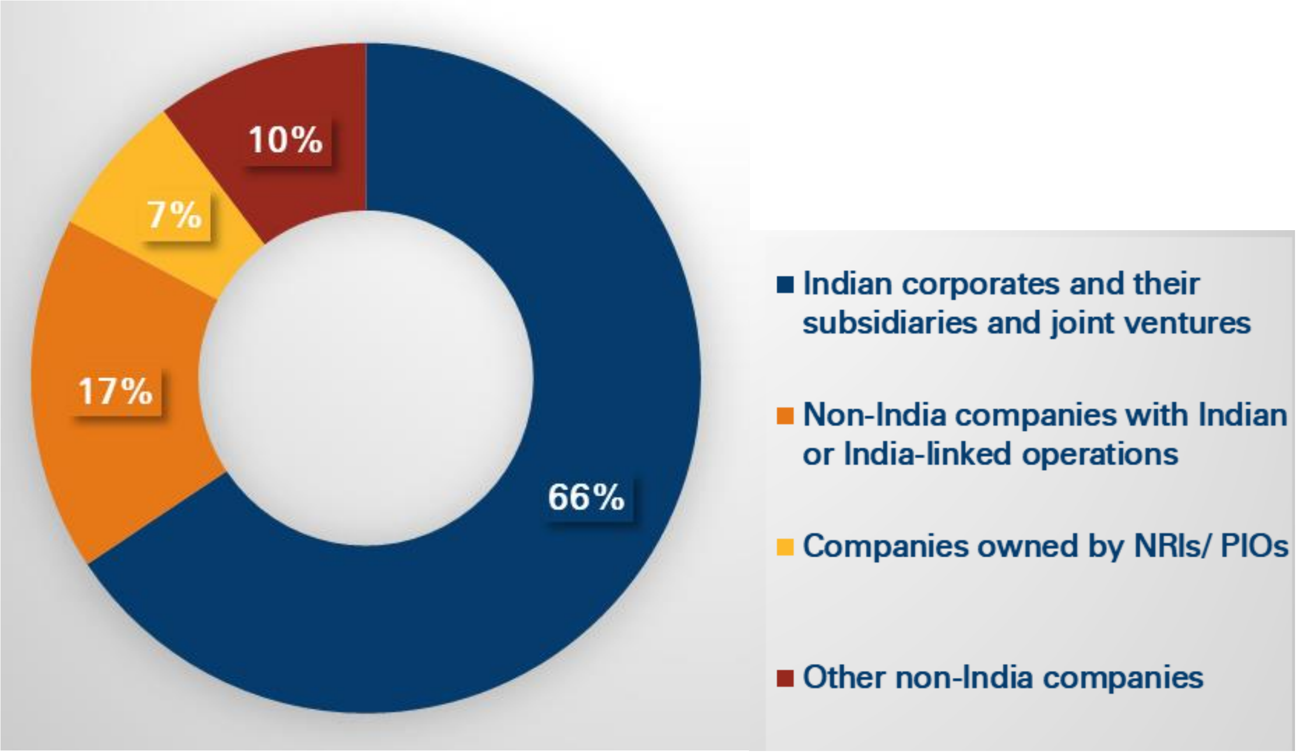
(₹ billion)	Sep 30, 2019	Jun 30, 2020	Sep 30, 2020	Y-o-Y growth	% share at Sep 30, 2020
Mortgage loans	1,907.76	2,011.11	2,117.34	11.0%	49.3%
Vehicle loans	569.12	575.32	597.87	5.1%	13.9%
- Auto finance	*315.17*	*313.41*	*322.77*	*2.4%*	*7.5%*
- Commercial business	*237.21*	*247.96*	*261.52*	*10.2%*	*6.1%*
- Two wheeler loans	*16.74*	*13.96*	*13.58*	*(18.9)%*	*0.3%*
Business banking	227.43	258.72	311.48	37.0%	7.3%
Rural loans	519.20	571.77	616.26	18.7%	14.3%
Personal loans	377.56	439.80	444.91	17.8%	10.4%
Credit cards	146.96	147.29	155.11	5.5%	3.6%
Others	61.63	41.75	52.84	(14.3)%	1.2%
- Dealer funding loans	*42.74*	*26.95*	*38.39*	*(10.2)%*	*0.9%*
- Loan against shares and others	*18.89*	*14.80*	*14.45*	*(23.0)%*	*0.3%*
Total retail loans[1]	**3,809.66**	**4,045.76**	**4,295.81**	**12.8%**	**100.0%**

- Till Oct 28, the Bank has sanctioned ~ ₹160 billion to ~187,000 borrowers under Emergency Credit Line Guarantee Scheme, of which ~ ₹ 106 billion has been disbursed

1. Includes buyouts of ₹ 76.83 billion at Sep 30, 2020 (Sep 30, 2019: ₹ 76.53 billion; Jun 30, 2020: ₹ 71.76 billion)

Portfolio of overseas branches

Total outstanding[1] at Sep 30, 2020: USD 5.47 billion



The overseas non-India linked corporate portfolio reduced by 48.3% year-on-year from USD 3.67 billion at Sep 30, 2019 to USD 1.90 at Sep 30, 2020; decreased 19.6% sequentially at Sep 30, 2020

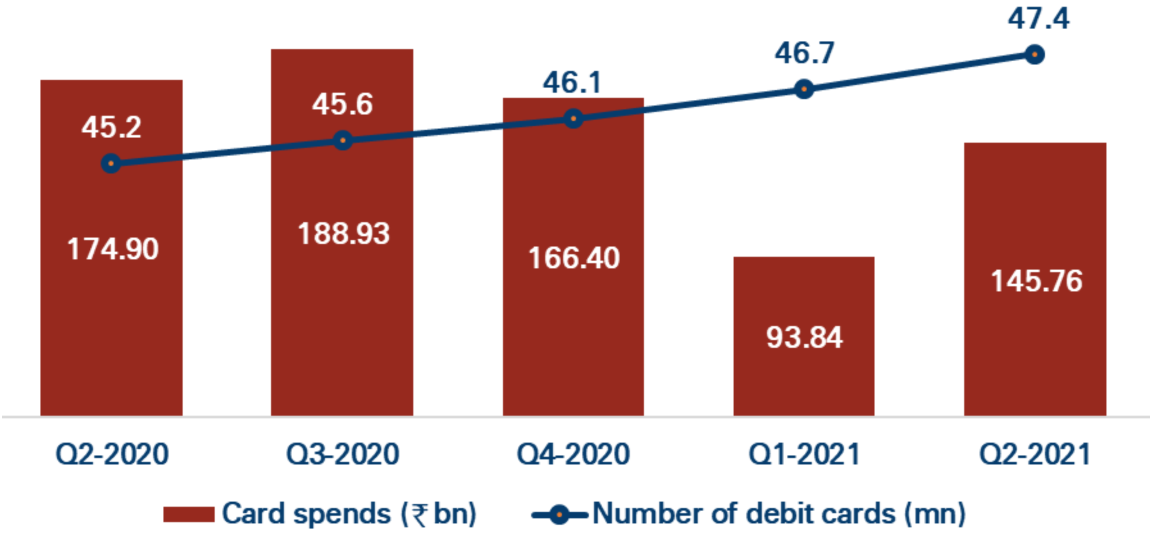
Progressively exiting exposures that are not linked to India, in a planned manner

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

Technology and digital trends

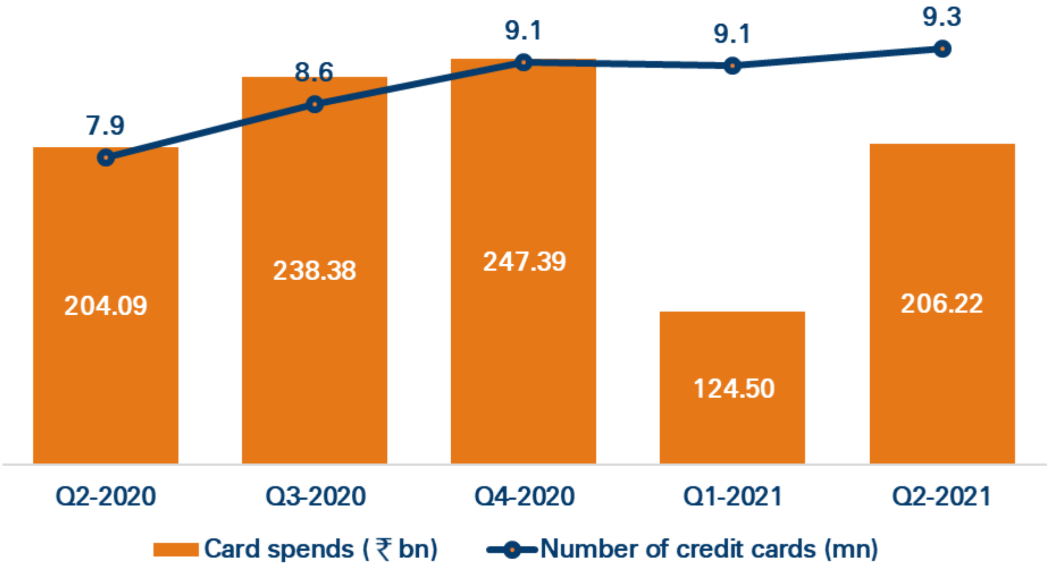
Debit and credit cards

Debit cards



Card spends in September 2020 **above 90%** of pre-Covid levels

Credit cards



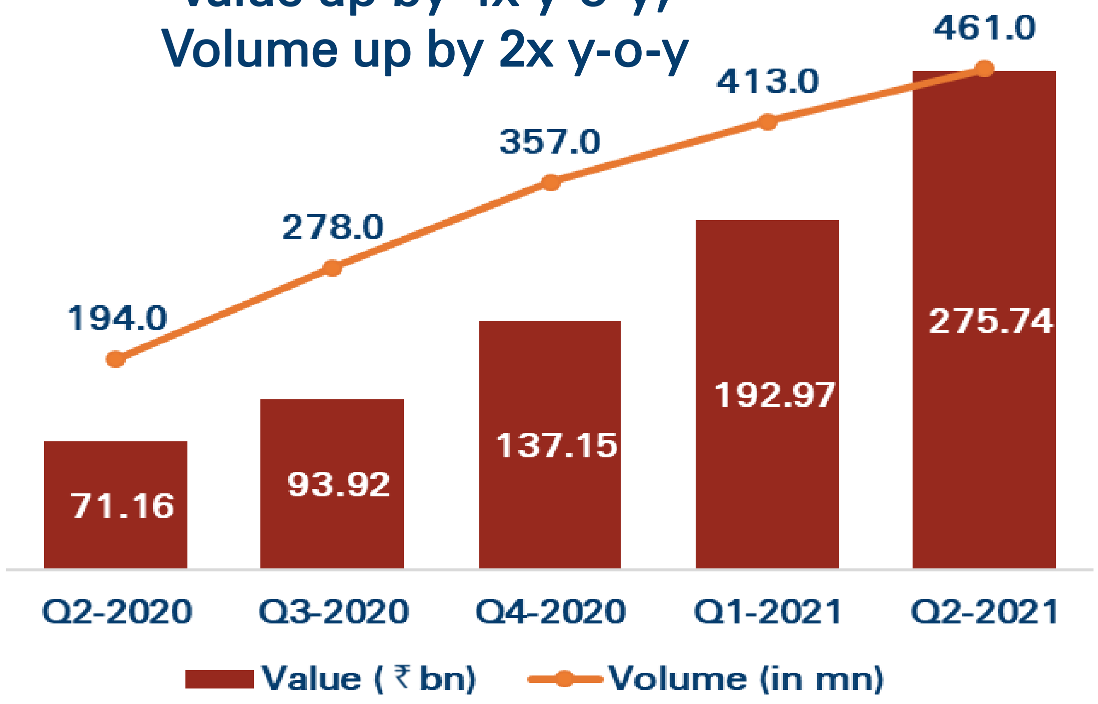
Card spends in September 2020 **about 85%** of pre-Covid levels

- Festive bonanza including attractive offers with leading e-commerce players across multiple product categories from Oct 1-Nov 30, 2020

Growth in payments

UPI: P2M[1] transactions

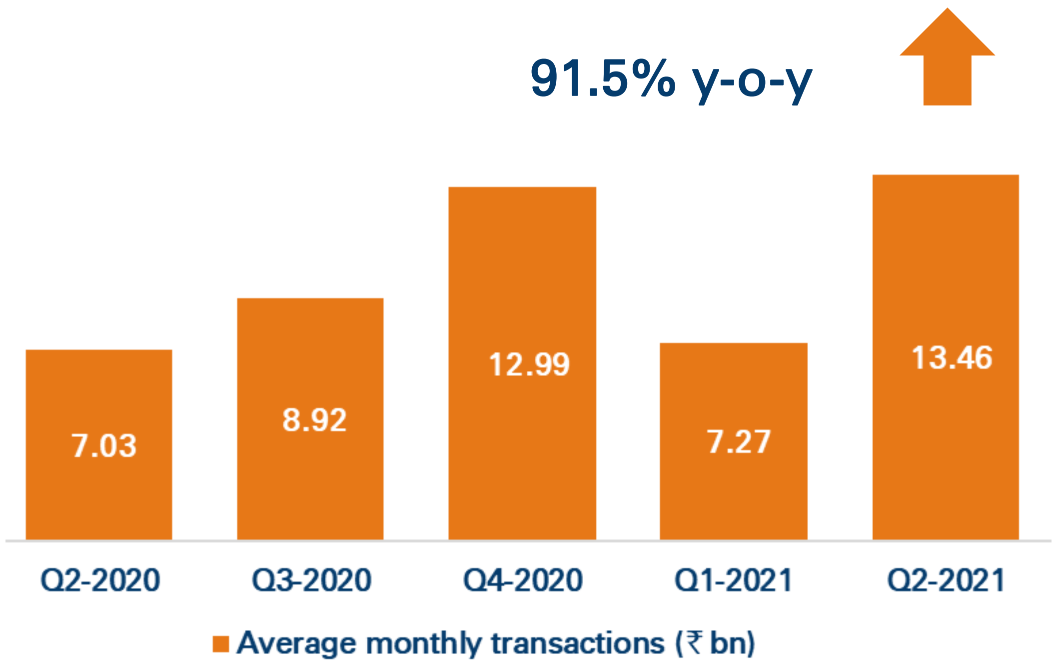
Value up by 4x y-o-y;
Volume up by 2x y-o-y



Market share by value was 21% in Sep 2020; ranked 3rd in the industry

Electronic toll collections through FASTag

91.5% y-o-y



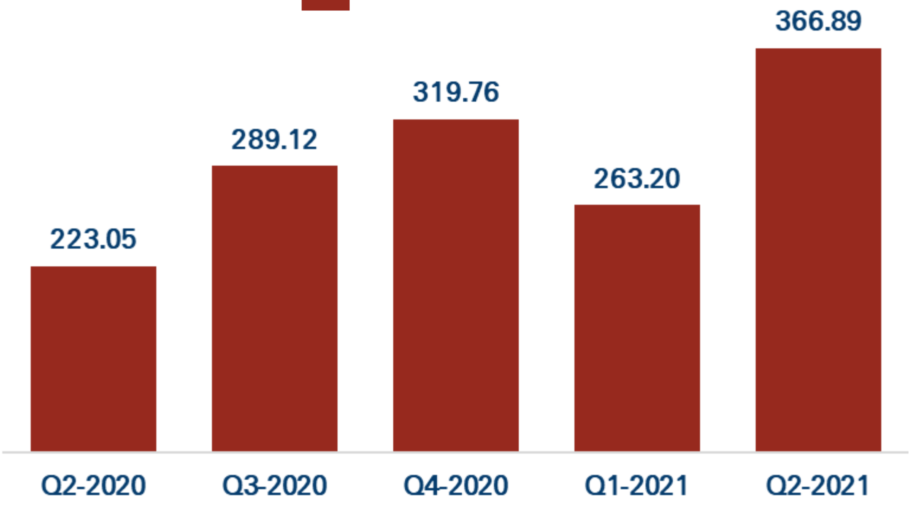
Market share by value was 38% in Sep 2020; ranked 1st in the industry

1. Payments to merchants

Mobile banking

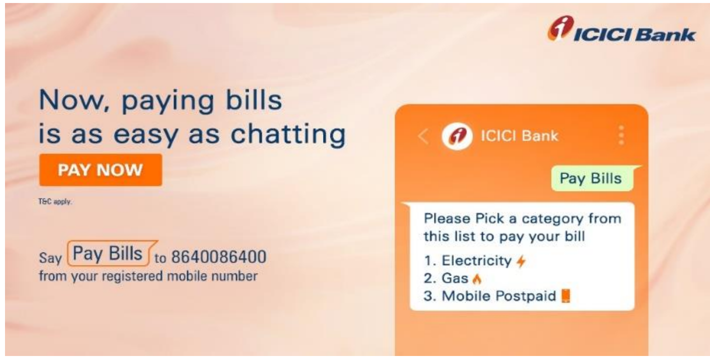
Transaction volumes (mn)

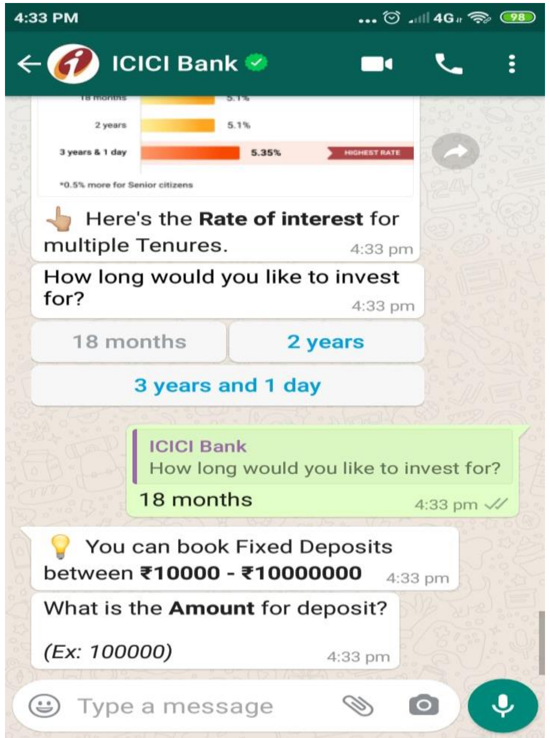
64.5% y-o-y



WhatsApp banking

Create fixed deposits, pay utility bills and access trade finance services instantly on WhatsApp





Over 2 million users

Over 90% of savings account transactions[1] in H1-2021 through digital channels[2]

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

Digital sourcing

Personal loans

53%[1] sourced via digital channels[2]

Credit cards

74%[1] sourced via digital channels[2]

Term life insurance

38%[1] protection policies sold online

Fixed deposits

61%[1] sourced via digital channels

SIPs initiated

55%[1] initiated via digital channels

Video KYC

- Launched in June 2020, to onboard new savings account (including salary accounts), personal loan and credit card customers
- In Sep 2020, **~35% of salary account** customers and **~31% of the credit card customers** were onboarded using **video KYC**

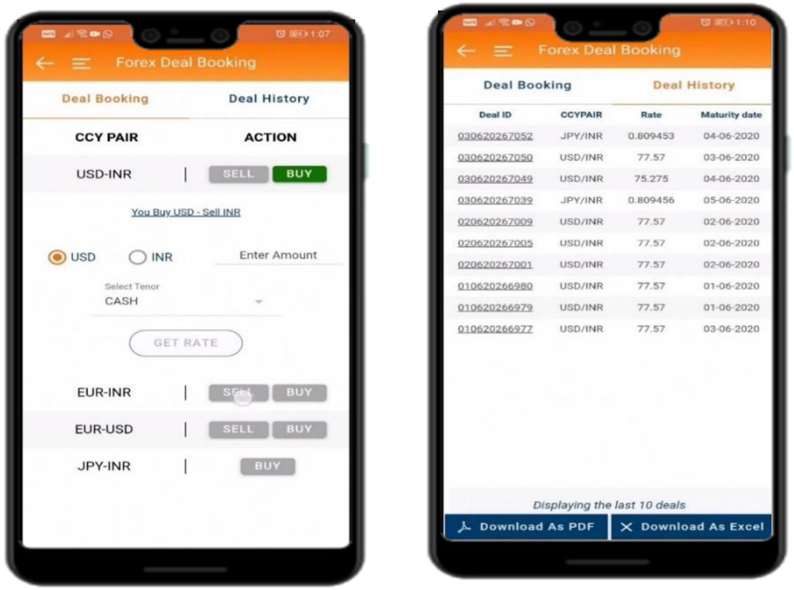
1. In H1-2021
2. Percentage share based on count of customers. Digital includes insta and digitally sourced customers with physical KYC

Recent digital initiatives

iStartup 2.0: Instant current accounts for startups

- **Instant generation of current account number** during incorporation using the Bank's **API integration** with Ministry of Corporate Affairs
- Access to experts at a discounted price for services such as company registration, taxation, compliance through **'Set-up' concierge**
- Offer services like website development, social media marketing to expand business digitally with **'Digital concierge'**

Forex on the move through InstaBIZ



- **Forex deal booking solution** for small business and corporate customers seamlessly through **InstaBIZ** platform

iTreasury: An intuitive, unified, one-view digital platform for treasury

Asset quality trends

NPA trends

(₹ billion)	Sep 30, 2019	Jun 30, 2020	Sep 30, 2020
Gross NPAs[1]	456.39	403.86	389.89
Less: cumulative provisions	347.23	317.11	318.01
Net NPAs[1]	**109.16**	**86.75**	**71.88**
Gross NPA ratio[1]	6.37%	5.46%	5.17%
Net NPA ratio[1]	1.60%	1.23%	1.00%
Provision coverage ratio	**76.1%**	**78.6%**	**81.5%**

- Including loans amounting to ₹ 14.10 billion which were not classified as NPA pursuant to the Supreme Court's interim order, the gross NPA ratio on a proforma basis would have been 5.36% and the net NPA ratio would have been 1.12% at September 30, 2020. On a prudent basis, the Bank made provisions of ₹ 4.97 billion on these loans in Q2-2021
- Net investment in security receipts of ARCs was ₹ 18.80 billion at Sep 30, 2020 (Jun 30, 2020 : ₹ 18.88 billion)
- Net restructured loans were ₹ 3.28 billion at Sep 30, 2020 (Jun 30, 2020 : ₹ 2.94 billion)

1. Based on customer assets

Retail NPAs: slide 61

NPA movement

NPA movement[1] (₹ billion)	FY2020	Q2-2020	Q1-2021	Q2-2021
Opening gross NPA	462.92	457.63	414.09	403.86
Add: gross additions	142.95	24.82	11.60	30.17
- Retail	*57.85*	*13.23*	*6.02*	*17.49*
- Corporate and SME	*85.10*	*11.59*	*5.58*	*12.68*
Less: recoveries, upgrades & others	76.73	12.63	7.57	19.45
- Retail	*27.20*	*7.14*	*4.17*	*6.83*
- Corporate and SME	*49.53*	*5.49*	*3.40*	*12.62*
Net additions	66.22	12.19	4.03	10.72
Less: write-offs	113.00	13.28	14.26	24.69
: sale of NPAs	2.05	0.15	-	-
Closing gross NPAs	**414.09**	**456.39**	**403.86**	**389.89**

- Pursuant to the Supreme Court's interim order dated Sep 3, 2020, loans amounting to ₹ 14.10 billion were not classified as NPA in Q2-2021

1. Based on customer assets

Corporate and SME: NPA additions[1]

₹ billion	Q2-2021
BB and below portfolio	12.12
Of which: Devolvement of non-fund based o/s to existing NPAs	*0.98*
Borrowers under RBI resolution schemes	*2.33*
Other BB and below	*8.81*
Others	0.56
Total corporate and SME gross NPA additions	12.68

1. Based on customer assets

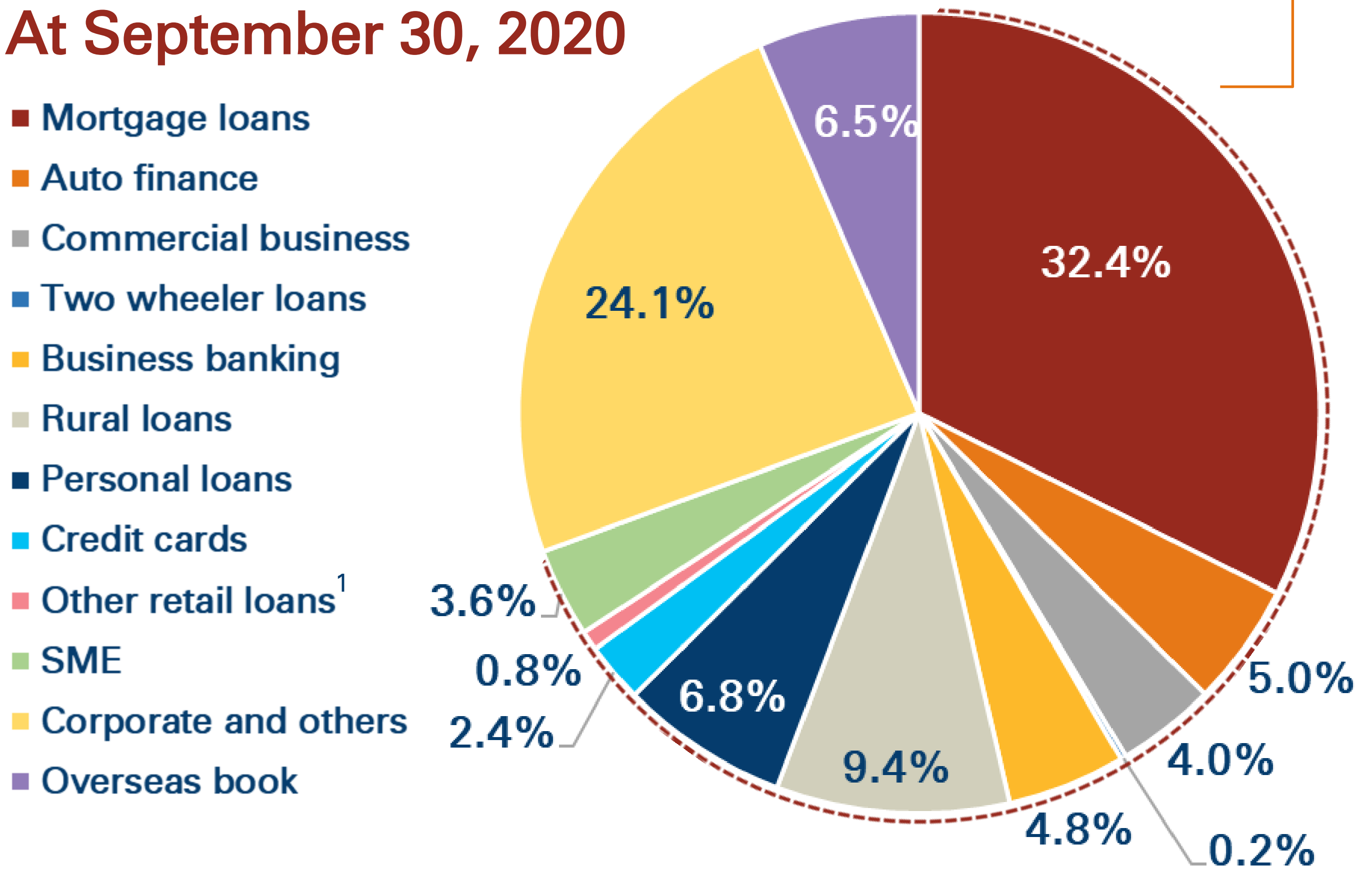
Provisions not considered in provision coverage ratio

- Provisions of ₹ 147.31 billion (2.26% of outstanding loans) at Sep 30, 2020
  - Provision of ₹ 87.72 billion related to Covid-19
  - General provision on standard assets and other provisions of ₹ 45.22 billion (other than Covid-19 related)
  - Provision of ₹ 14.37 billion on non-fund based outstanding to NPAs

Loan portfolio information

Diversified and granular loan book

At September 30, 2020



65.8% of total loans are retail[2]

Retail portfolio largely secured and built on proprietary data and analytics in addition to bureau checks and well-priced in relation to risk

Focus on granular exposures and higher rated corporates; provide full suite of banking products to corporate clients and their ecosystems

1. Includes dealer funding, loan against shares and others
2. Including non-fund based outstanding, the share of retail portfolio was 53.6% of the total portfolio at Sep 30, 2020

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	Sep 30, 2020
AA- and above	37.2%	42.4%	45.1%	44.4%	45.5%	47.3%
A+, A, A-	19.0%	20.1%	22.0%	25.8%	24.6%	24.3%
A- and above	**56.2%**	**62.5%**	**67.1%**	**70.2%**	**70.1%**	**71.6%**
BBB+, BBB, BBB-	28.7%	27.5%	28.2%	26.6%	26.8%	25.6%
BB and below	9.2%	4.0%	2.2%	1.4%	1.6%	1.5%
Non-performing loans	5.4%	5.4%	2.3%	1.5%	1.3%	1.1%
Unrated	0.5%	0.6%	0.2%	0.3%	0.2%	0.2%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Total net advances (₹ billion)	**4,642**	**5,124**	**5,866**	**6,453**	**6,312**	**6,526**

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

Mortgage portfolio

Total mortgage portfolio includes home loans ~70%, top-up loans given to existing home loan customers 6%, office premises loans ~5% and loan against property ~19%

Home loan **disbursements** in August and September **higher than pre-Covid levels**; supported by seamless onboarding experience and digital sanctions

Launched **'Home Utsav'**, a virtual property exhibition showcasing real estate projects by renowned developers across key cities. Healthy registrations through exhibition, of which **30%** were done digitally

Launched Express Home loans, a user friendly digital platform, to get a provisional sanction letter online by following a few simple steps; facility is available to both new to bank and existing bank customers

70%	**~ ₹ 3.5 mn**	**65%**	**55%**
mortgage customers have liability relationship with the Bank	Average ticket size of home loan	Average loan-to-value ratio of home loan	Average loan-to-value ratio of loan against property

Vehicle loans

Auto finance

Auto loan comprises 86% new vehicles and 14% used vehicles

Disbursements continue to rise since June; reached **pre-Covid levels** in September reflecting the rise in sale of passenger cars

50%
New vehicle customers have an existing relationship with the Bank

40%
Used vehicle customers have an existing relationship with the Bank

Commercial business

Disbursements grew in Q2-2021 compared to Q1-2021, yet continue to remain below pre-Covid levels

Growth attributed to **pent-up demand** and gradual resumption of supply chain + demand from the **rural areas** for agriculture and infrastructure related activities

3%
Contribution of top 20 customers in the commercial vehicle portfolio

60%
Customers with long vintage, well seasoned and have witnessed multiple business cycles

Rural and personal loan and credit card portfolio

Rural loans

Gold loans and kisan credit cards comprise 3% each of the total loan book; overall micro finance loans are negligible

Disbursements across portfolio **crossed pre-Covid levels** in Aug and Sep **driven by gold loans**

Satellite data used to measure parameters for land, irrigation, crop patterns in combination with demographic and financial parameters for expeditious lending decisions; **credit assessment done in a few days** compared to 15 days earlier

Personal loans and credit cards

Disbursements in personal loans **grew in Q2-2021** compared to Q1-2021, yet continue to remain below pre-Covid levels

Credit card spends recovered to **about 85% of pre-Covid levels** in September led by spends in health & wellness, electronics and e-commerce

70%
Portfolio to existing customers

85%
Portfolio comprises of salaried individuals

75%
Of salaried customers from well rated corporates, MNCs, and government entities

SME and business banking portfolio

Focus on parameterised and programme based lending, digital channels, granularity, collateral and robust monitoring; well diversified portfolio across sectors and geographies

CASH FLOW

Customer sourcing in SME portfolio largely through the internal channels of branches, wealth management and private banking

Primary collateral in the business banking portfolio in the form of **charge on current assets** and backed by self-occupied residential or commercial or industrial property

Average daily credit summations in the overdraft accounts of the SME and business banking customers in aggregate have **reached pre-Covid levels in Sep**

₹ 100 million
average ticket size of the incremental sanctions in SME

₹ 10-15 mn
Average ticket size of business banking loan

85%
Of business banking book fully collateralized with a collateral cover of >100%

Corporate and SME: BB and below

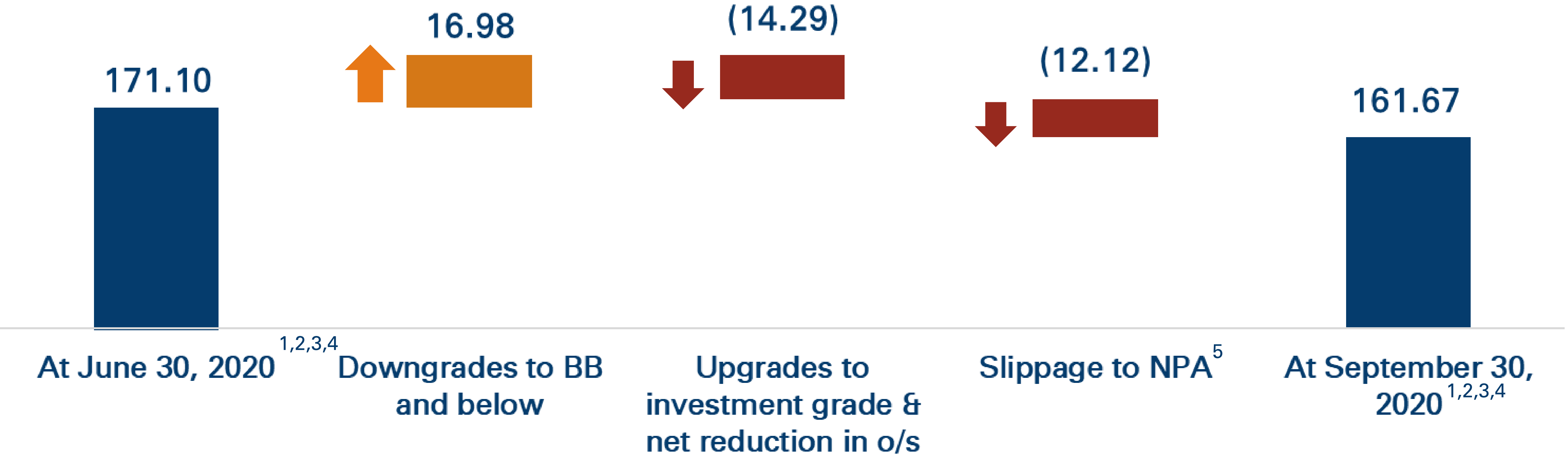
₹ billion	Sep 30, 2019	Jun 30, 2020	Sep 30, 2020
BB and below outstanding[1,2,3]	160.74	171.10	161.67
- Fund and non-fund o/s to restructured loans	2.24	1.68	2.08
- Non-fund o/s to non-performing loans[4]	33.71	48.29	42.38
- Borrowers under RBI resolution schemes[5]	39.29	14.60	12.35
- Other borrowers with o/s greater than ₹ 1.00 bn[5]	46.62	70.69	68.45
- Other borrowers with o/s less than ₹ 1.00 bn[5]	38.88	35.84	36.41

- Other than two accounts, one each in telecom and construction sectors, the maximum single borrower outstanding in the BB and below portfolio was less than ₹ 6 billion at Sep 30, 2020

1. Excludes banks
2. Excludes investments
3. Excludes fund-based outstanding to NPAs
4. Provisions of ₹ 14.37 billion were held against non-fund o/s to non-performing loans at Sep 30, 2020 (Sep 30, 2019: ₹ 13.43 billion; Jun 30, 2020: ₹ 13.98 billion)
5. Fund-based and non-fund based outstanding

Movement in Corporate and SME BB and below in Q2-2021

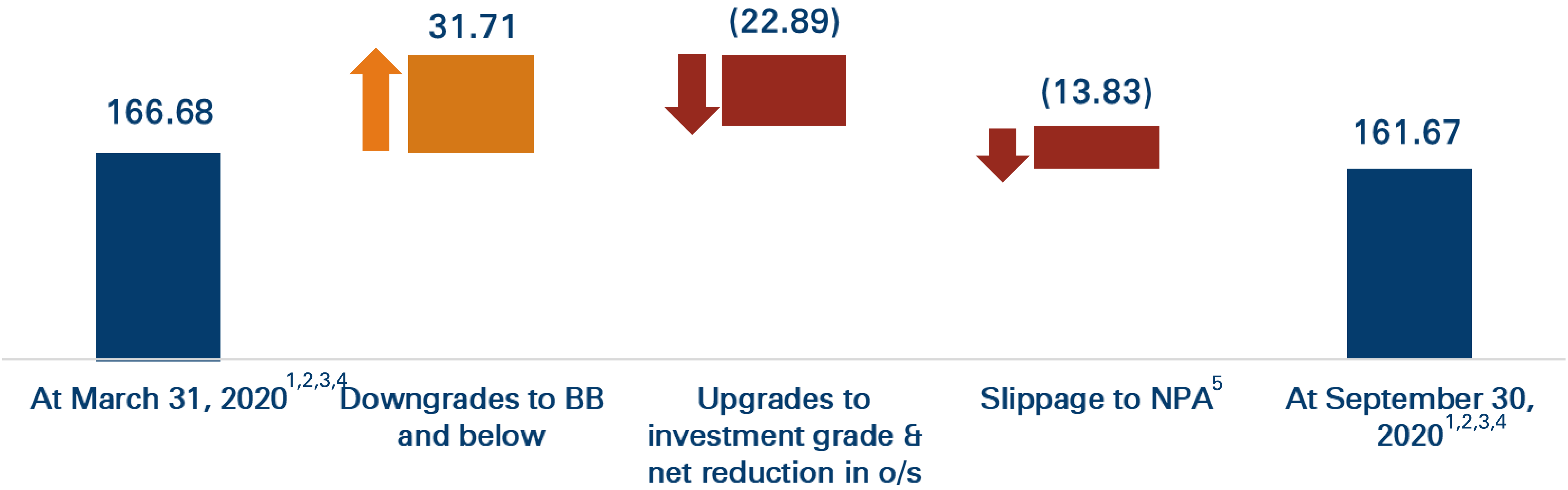
(₹ billion)



1. Fund-based and non-fund based outstanding
2. Excludes banks
3. Excludes investments
4. Excludes fund-based outstanding to NPAs
5. Includes devolvement of non-fund based outstanding to existing NPAs

Movement in Corporate and SME BB and below in H1-2021

(₹ billion)



1. Fund-based and non-fund based outstanding
2. Excludes banks
3. Excludes investments
4. Excludes fund-based outstanding to NPAs
5. Includes devolvement of non-fund based outstanding to existing NPAs

Exposure to power sector

(₹ billion)	Sep 30, 2019	Jun 30, 2020	Sep 30, 2020	Share at Sep 30, 2020 (%)
Borrowers classified as NPA or part of BB and below portfolio[1]	110.36	86.83	86.43	25.8%
Other borrowers	223.70	267.63	248.89	74.2%
Total	334.06	354.46	335.32	100.0%

- Of the other borrowers aggregating ₹ 248.89 billion, excluding exposure to State Electricity Boards, ~81% was rated A- and above

Sector-wise exposures: slide 62

1. Including loans restructured or under a RBI resolution scheme

NBFCs, HFCs and builder portfolio

Outstanding (₹ billion)	Sep 30, 2019	Jun 30, 2020	Sep 30, 2020
NBFCs[1]	265.78	300.65	363.35
HFCs[1]	141.31	140.97	137.96
Builder portfolio (construction finance, lease rental discounting, term loans and working capital loans)	225.15	218.48	231.86

- Proportion of the NBFC and HFC portfolio internally rated BB and below or non-performing at Sep 30, 2020 was about 1%
- About 12% of the builder portfolio at Sep 30, 2020 was either internally rated BB and below internally or classified as non-performing

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

Reduction in concentration risk

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

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

1. Excludes banks

Capital

Strong capital position

	Jun 30, 2020[1]		Sep 30, 2020[2]	
	(₹ billion)	%	(₹ billion)	%
Total capital	1,222.33	16.00%	1,371.58	18.47%
- Tier I	1,115.88	14.61%	1,264.13	17.02%
- of which: CET1	*1,014.68*	*13.29%*	*1,163.96*	*15.67%*
- Tier II	106.45	1.39%	107.45	1.45%
Risk weighted assets	7,635.83		7,428.65	
- On balance sheet	*6,764.69*		*6,621.24*	
- Off balance sheet	*871.14*		*807.41*	

- Including profits for H1-2021, CET1 ratio was 16.54%, Tier I ratio was 17.89% and total capital adequacy ratio was 19.33%
- 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%
- During Q2-2021, the Bank raised ₹ 150 billion of equity capital through a QIP

1. Excluding profits for Q1-2021
2. Excluding profits for H1-2021

Consolidated capital adequacy: slide 63

Subsidiaries

Profit after tax of subsidiaries

Profit after tax (₹ billion)	FY2020	Q2-2020	Q1-2021	Q2-2021
ICICI Prudential Life Insurance	10.69	3.02	2.88	3.03
ICICI Lombard General Insurance	11.94	3.08	3.98	4.16
ICICI Prudential Asset Management[1]	10.46	3.05	2.57	2.82
ICICI Securities (Consolidated)[1]	5.42	1.35	1.93	2.78
ICICI Securities Primary Dealership[1,2]	3.31	1.40	3.46	0.26
ICICI Home Finance[1]	0.00[3]	(0.61)	0.01	0.02
ICICI Venture	0.13	(0.04)	0.26	(0.08)
ICICI Bank UK (USD million)	23.2	11.9	5.0	4.9
ICICI Bank Canada (CAD million)	40.6	14.2	4.8	5.1

Details on subsidiaries: slides 64-69

1. As per Ind AS
2. Represents total comprehensive income
3. Insignificant amount

Insurance subsidiaries

ICICI Prudential Life Insurance

- VNB[1] was ₹ 4.01 billion in Q2-2021, at a similar level compared to Q2-2020; VNB margins increased from 21.7% in FY2020 to 27.4% in Q2-2021
- Embedded value was ₹ 257.11 billion at Sep 30, 2020 (Sep 30, 2019: ₹ 226.80 billion)
- Protection annualised premium equivalent was ₹ 2.32 billion in Q2-2021 compared to ₹ 2.83 billion in Q2-2020
- New business premium was ₹ 29.57 billion in Q2-2021 compared to ₹ 29.26 billion in Q2-2020

ICICI Lombard General Insurance

- GDPI[2] grew by 8.0% y-o-y to ₹ 31.89 billion in Q2-2021 from to ₹ 29.53 billion in Q2-2020
- Combined ratio was 99.7% in Q2-2021 compared to 102.6% in Q2-2020

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

Environment

- Evaluating opportunities for lending to positive impact sectors; funded new renewable energy projects during the year
- Addition of 8 KWp of rooftop solar capacity; total 2.9 MWp of onsite renewable energy capacity at Bank's premises

Social

- Reached out to 551 districts across all states and UTs in the fight against Covid-19
- Focus on digital medium for skill development by ICICI Foundation
- Empowering rural women entrepreneurs; credit provided to 7.4 million women through 570,000 SHGs till September 30, 2020

Governance

- Board-approved Environment, Social and Governance Framework
- Majority independent Board to oversee critical areas and functions of executive management
- Separation of Board's supervisory role from the executive management

Thank you

Additional financial information

Unconsolidated segment-wise PBT

Profit before tax (₹ billion)	FY2020	Q2-2020	H1-2020	Q1-2021	Q2-2021	H1-2021
Retail	89.93	25.69	45.37	27.59	30.12	57.71
Wholesale	9.27	5.13	0.09	10.16	6.84	17.00
Treasury	50.55	11.39	22.15	48.89	20.16	69.04
Others	5.83	1.46	3.99	0.69	0.51	1.20
Unallocated	(15.10)[1]	-	-	(55.50)[1]	(4.97)	(60.47)
Total	**140.48**	**43.67**	**71.60**	**31.83**	**52.66**	**84.48**

slide 9

1. Represents Covid-19 related provision

Consolidated profit & loss statement

(₹ billion)	FY2020	Q2-2020	H1-2020	Q1-2021	Q2-2021	H1-2021	Q2-o-Q2 growth
Net interest income	401.70	97.72	191.29	110.76	112.81	223.57	15.4%
Non-interest income	649.50	163.19	298.22	155.16	170.96	326.12	4.8%
- Fee income	*162.59*	*40.95*	*77.92*	*28.73*	*39.96*	*68.69*	*(2.4)%*
- Premium income	*455.01*	*112.36*	*205.03*	*85.25*	*118.05*	*203.30*	*5.1%*
- Other income	*31.90*	*9.88*	*15.27*	*41.18*[1]	*12.95*[2]	*54.13*[1,2]	*31.1%*
Total income	**1,051.20**	**260.91**	**489.51**	**265.92**	**283.77**	**549.69**	**8.8%**
Operating expenses	715.18	177.27	328.20	143.00	184.54	327.54	4.1%
Operating profit	**336.02**	**83.64**	**161.31**	**122.92**	**99.23**	**222.15**	**18.6%**

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
2. Includes profit of ₹ 2.80 billion from sale of 2.0% shareholding in ICICI Securities

Consolidated profit & loss statement

(₹ billion)	FY2020	Q2-2020	H1-2020	Q1-2021	Q2-2021	H1-2021	Q2-o-Q2 growth
Operating profit	**336.02**	**83.64**	**161.31**	**122.92**	**99.23**	**222.15**	**18.6%**
Covid-19 related provisions	27.25	-	-	55.50	4.97	60.47	-
Other provisions	122.89	27.26	62.84	21.55	25.53	47.08	(6.3)%
Profit before tax	**185.88**	**56.38**	**98.47**	**45.87**	**68.73**	**114.60**	**21.9%**
Tax	73.63[1]	40.54[1]	53.49	10.00	14.47	24.47	(64.3)%
Minority interest	16.59	4.53	8.53	4.69	5.44	10.13	20.1%
Profit after tax	**95.66**	**11.31**	**36.45**	**31.18**	**48.82**	**80.00**	**-**

slide 9

1. Includes impact of one-time additional charge due to re-measurement of accumulated deferred tax asset at the revised marginal tax rate

Yield, cost and margin

Movement in yield, costs & margins (Percent)[1]	FY2020	Q2-2020	H1-2020	Q1-2021	Q2-2021	H1-2021
Yield on total interest-earning assets	8.38	8.39	8.40	7.93	7.47	7.70
- Yield on advances	*9.45*	*9.52*	*9.44*	*9.30*	*8.88*	*9.09*
Cost of funds	5.09	5.19	5.21	4.61	4.35	4.48
- Cost of deposits	*4.96*	*5.06*	*5.07*	*4.53*	*4.22*	*4.37*
Net interest margin	3.73	3.64	3.63	3.69	3.57	3.63
- Domestic	*4.01*	*3.92*	*3.92*	*3.91*	*3.72*	*3.81*
- Overseas	*0.35*	*0.41*	*0.37*	*0.33*	*0.26*	*0.29*

1. Includes interest on income tax refund of ₹ 0.26 bn in Q2-2021 and ₹ 0.50 bn in H1-2021 (FY2020: ₹ 2.70 bn, Q2-2020: ₹ 0.42 bn, H1-2020: ₹ 2.26 bn, Q1-2021: ₹ 0.24 bn)

slide 10

1. Annualised for all interim periods

Key ratios (consolidated)

Percent	FY2020	Q2-2020	H1-2020	Q1-2021	Q2-2021	H1-2021
Weighted average EPS[1]	14.8	7.0	11.3	19.3	28.9	24.2
Book value (₹)	190	181	181	195	212	212

slide 10

1. Annualised for all interim periods

Balance sheet: liabilities

(₹ billion)	Sep 30, 2019	Jun 30, 2020	Sep 30, 2020
Net worth	1,106.10	1,186.19	1,376.52
- Equity capital	*12.92*	*12.95*	*13.79*
- Reserves	*1,093.18*	*1,173.24*	*1,362.73*
Deposits	6,962.73	8,016.22	8,329.36
- Current	*944.31*	*957.80*	*1,075.17*
- Savings	*2,305.69*	*2,448.36*	*2,570.63*
- Term	*3,712.73*	*4,610.07*	*4,683.56*
Borrowings[1]	1,510.33	1,649.18	1,364.27
Other liabilities	390.95	534.54	559.56
Total liabilities	**9,970.11**	**11,386.13**	**11,629.71**

- Credit/deposit ratio of 73.9% on the domestic balance sheet at Sep 30, 2020 (Jun 30, 2020: 73.6%)

1. Including impact of rupee depreciation

Composition of borrowings

(₹ billion)	Sep 30, 2019	Jun 30, 2020	Sep 30, 2020
Domestic	860.19	1,124.52	975.83
- Capital instruments	*245.33*	*193.41*	*193.39*
- Other borrowings	*614.86*	*931.11*	*782.44*
- Long term infrastructure bonds	*194.97*	*194.92*	*194.97*
Overseas borrowings[1]	650.14	524.66	388.43
Total borrowings	**1,510.33**	**1,649.18**	**1,364.27**

slide 12

1. Including impact of rupee depreciation

Consolidated balance sheet

(₹ billion)	Sep 30, 2019	Jun 30, 2020	Sep 30, 2020
Cash & bank balances	798.02	1,331.72	1,480.10
Investments	4,281.14	5,197.93	5,116.18
Advances	6,754.52	6,926.17	7,133.59
Fixed & other assets	1,047.22	979.94	1,030.27
Total assets	**12,881.90**	**14,435.76**	**14,760.14**
Net worth	1,172.77	1,261.48	1,460.26
Minority interest	69.48	78.63	84.83
Deposits	7,255.83	8,336.29	8,631.39
Borrowings	2,045.42	2,220.54	1,899.41
Liabilities on policies in force	1,578.16	1,618.07	1,726.85
Other liabilities	761.24	920.75	957.40
Total liabilities	**12,881.90**	**14,435.76**	**14,760.14**

slide 12

Extensive franchise

Branches	Mar 31, 2018	Mar 31, 2019	Mar 31, 2020	Jun 30, 2020	Sep 30, 2020	% share at Sep 30, 2020
Metro	1,443	1,438	1,585	1,585	1,554	30%
Urban	991	991	1,067	1,067	1,063	20%
Semi urban	1,449	1,453	1,546	1,546	1,545	29%
Rural	984	992	1,126	1,126	1,126	21%
Total branches	**4,867**	**4,874**	**5,324**	**5,324**	**5,288**	**100%**
Total ATMs	**14,367**	**14,987**	**15,688**	**15,661**	**15,158**	**-**

slide 12

Balance sheet: assets

(₹ billion)	Sep 30, 2019	Jun 30, 2020	Sep 30, 2020
Cash & bank balances	716.39	1,212.51	1,365.92
Investments	2,233.76	3,018.50	2,896.23
- SLR investments	*1,661.44*	*2,258.36*	*2,275.88*
- Equity investment in subsidiaries	*98.03*	*97.63*	*97.60*
Advances	6,133.59	6,312.15	6,526.08
Fixed & other assets	886.37	842.96	841.48
- RIDF [1] and related	*284.21*	*282.18*	*285.88*
Total assets	**9,970.11**	**11,386.13**	**11,629.71**

- Floating rate loan book was ~69.5% of total domestic loans at Sep 30, 2020; of which ~55.7% is linked to MCLR and ~33.7% is linked to repo rate/T-bills

1. Rural Infrastructure Development Fund

Equity investment in subsidiaries

(₹ billion)	Sep 30, 2019	Jun 30, 2020	Sep 30, 2020
ICICI Prudential Life Insurance	32.97	32.75	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	13.31	13.31
ICICI Home Finance	11.12	11.12	11.12
ICICI Securities Limited	1.28	1.28	1.25
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**	**97.63**	**97.60**

slide 13

Portfolio composition

	Sep 30, 2019	Jun 30, 2020	Sep 30, 2020
Domestic	84.2%	86.5%	87.8%
International	15.8%	13.5%	12.2%
Total consolidated advances (₹ billion)	**6,755**	**6,926**	**7,134**

slide 13

Retail NPAs

Retail NPAs (₹ billion)	Sep 30, 2019	Jun 30, 2020	Sep 30, 2020
Gross retail NPAs	75.39	83.71	92.63
- as a % of gross retail advances	*1.96%*	*2.04%*	*2.13%*
Net retail NPAs	32.17	30.40	33.73
- as a % of net retail advances	*0.84%*	*0.75%*	*0.79%*

slide 23

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	Sep 30, 2020
Retail finance	31.9%	34.2%	37.3%	40.5%	41.0%	41.9%
Services – finance	6.2%	7.0%	7.3%	8.4%	8.5%	9.5%
Banks	6.0%	8.4%	7.9%	6.4%	6.2%	7.7%
Crude petroleum/refining & petrochemicals	5.5%	5.6%	5.7%	5.9%	6.3%	5.6%
Electronics & engineering	6.9%	6.7%	6.6%	6.0%	5.4%	5.1%
Road, port, telecom, urban development & other infra	5.3%	4.2%	4.6%	4.3%	3.8%	3.4%
of which: Telecom	*1.7%*	*1.5%*	*2.0%*	*1.7%*	*1.4%*	*1.3%*
Power	5.1%	4.6%	3.3%	3.1%	2.9%	2.7%
Services - non finance	4.0%	3.3%	3.1%	2.7%	2.7%	2.6%
Wholesale/retail trade	2.5%	2.8%	3.1%	3.3%	2.9%	2.5%
Construction	3.1%	3.2%	2.9%	2.5%	2.4%	2.5%
Total (₹ billion)	**9,372**	**10,265**	**11,207**	**12,446**	**12,319**	**12,644**

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

Consolidated capital adequacy

Basel III (%)	Jun 30, 2020[1]	Sep 30, 2020[2]
Total capital	15.62%	17.95%
- Tier I	14.24%	16.52%
- of which: CET 1	*13.05%*	*15.31%*
- Tier II	1.38%	1.43%

- Including profits for H1-2021, CET1 ratio was 16.22%, Tier I ratio was 17.42% and total capital adequacy ratio was 18.85%

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1. Excludes profit for Q1-2021
2. Excludes profit for H1-2021

Insurance subsidiaries

ICICI Life (₹ billion)	FY2020	Q2-2020	Q1-2021	Q2-2021
Annualised premium equivalent	73.81	18.99	8.23	14.65
- Of which: protection	*11.16*	*2.83*	*2.14*	*2.32*
Total premium	334.31	81.91	57.47	87.33
Assets under management	1,529.68	1,655.12	1,700.06	1,814.92
Expense ratio[1]	15.9%	16.3%	14.8%	13.9%

ICICI General (₹ billion)	FY2020	Q2-2020	Q1-2021	Q2-2021
Gross written premium	135.92	30.31	33.94	32.55
Combined ratio	100.4%	102.6%	99.7%	99.7%
Return on average equity[2]	20.8%	22.0%	25.1%	24.7%

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

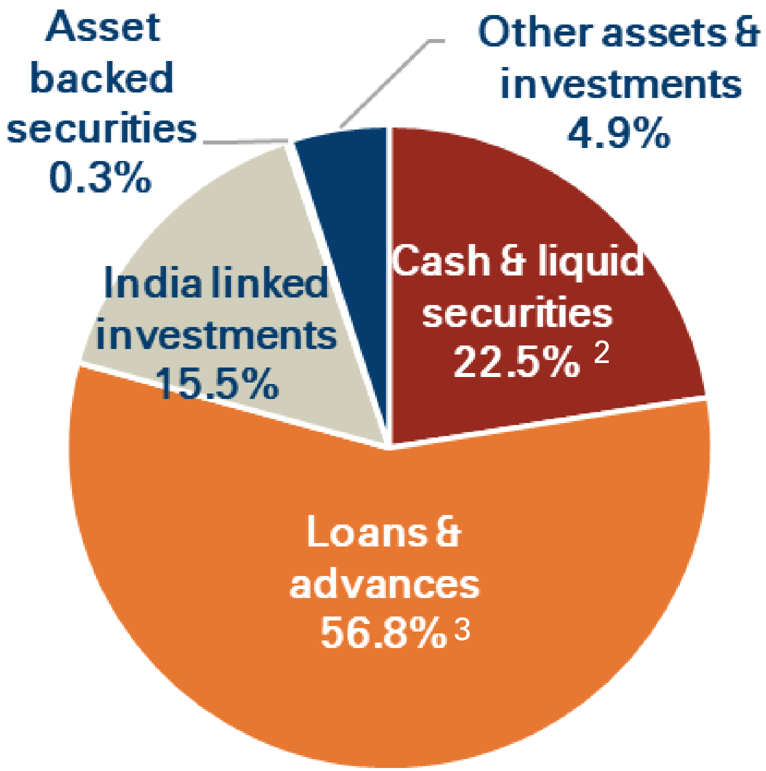
ICICI Bank UK

(USD million)	FY2020	Q2-2020	Q1-2021	Q2-2021
Net interest income	64.3	15.3	13.5	12.9
Operating profit	40.9	10.3	4.6	8.3
Loans and advances	2,089.6	2,319.2	1,983.8	1,980.6
Deposits	2,042.2	2,022.7	2,256.6	2,126.0
- Retail term deposits	*606.2*	*593.0*	*589.3*	*538.0*
Capital adequacy ratio	18.6%	17.9%	19.5%	19.8%
- Tier I	*15.0%*	*14.3%*	*16.0%*	*16.5%*

- Net impaired loans were USD 77.8 million at Sep 30, 2020 compared to USD 82.4 million at Jun 30, 2020 and USD 54.3 million at Sep 30, 2019

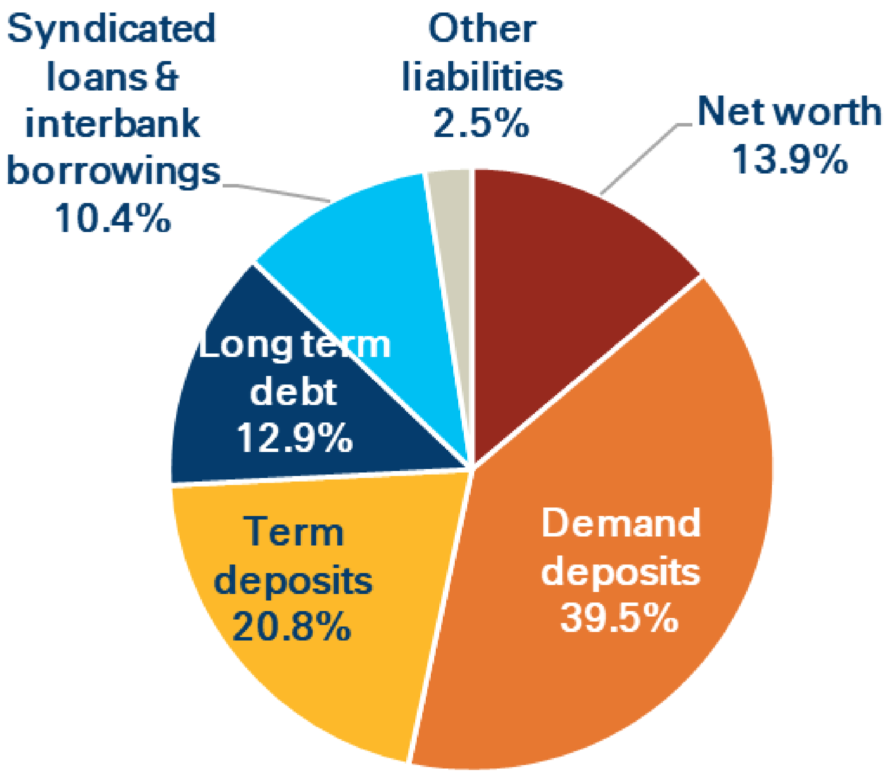
ICICI Bank UK[1]

Asset profile



Total assets: USD 3.52 bn

Liability profile



Total liabilities: USD 3.52 bn

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

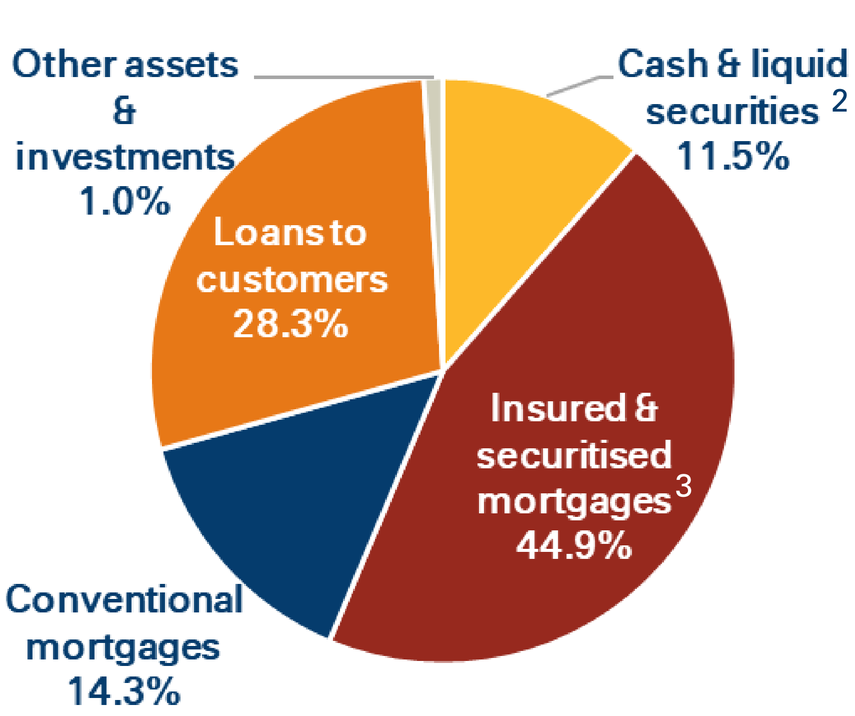
ICICI Bank Canada

(CAD million)	FY2020	Q2-2020	Q1-2021	Q2-2021
Net interest income	95.3	24.9	14.1	11.8
Operating profit	76.1	20.1	8.3	7.3
Loans and advances	5,742.6	5,664.4	5,604.2	5,451.8
- Residential mortgages	*3,686.5*	*3,566.4*	*3,674.9*	*3,689.9*
Deposits	3,015.4	3,036.6	3,024.4	2,889.3
Capital adequacy ratio	19.1%	18.9%	20.2%	21.4%
- Tier I	*18.4%*	*18.4%*	*19.4%*	*20.6%*

- Net impaired loans at Sep 30, 2020 was CAD 26.3 million compared to CAD 18.4 million at Jun 30, 2020 and CAD 6.4 million at Sep 30, 2019

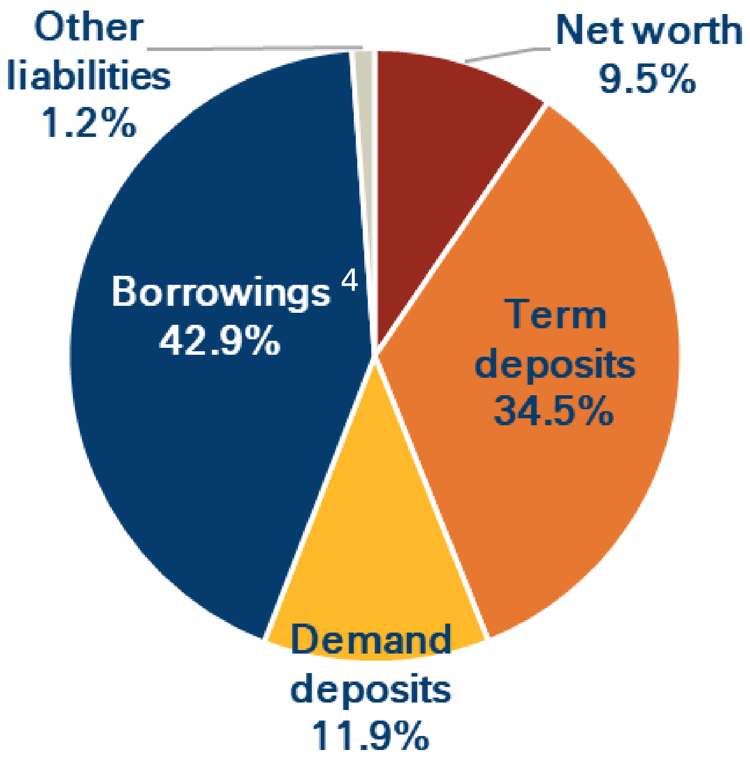
ICICI Bank Canada[1]

Asset profile



Total assets: CAD 6.23 bn

Liability profile



Total liabilities: CAD 6.23 bn

1. At Sep 30, 2020
2. Includes cash & placements with banks and government securities
3. Insured mortgages include CAD 2,515.8 million at Sep 30, 2020 (Jun 30, 2020: CAD 2,547.7 million) of securitised mortgages
4. As per IFRS, proceeds of CAD 2,488.8 million at Sep 30, 2020 (Jun 30, 2020: CAD 2,521.8 million) on securitisation of residential mortgages are considered a part of borrowings

ICICI Home Finance[1]

(₹ billion)	Jun 30, 2020	Sep 30, 2020
Loans and advances	140.80	142.16
Gross impaired loans (stage 3)[2]	7.91	7.68
Net impaired loans (stage 3)	4.57	4.42
Capital adequacy ratio[3]	14.76%	15.43%

- Loans amounting to ₹ 547.4 million were not classified as NPA pursuant to the Supreme Court's interim order. On a prudent basis, ICICI Home Finance held a provision of ₹ 80.8 million on these loans at Sep 30, 2020

slide 43

1. As per Ind AS
2. Includes commercial real estate loans of ₹ 4.18 billion at Sep 30, 2020 (Jun 30, 2020: ₹ 4.43 billion)
3. As per NHB guidelines

Analyst call on October 31, 2020: opening remarks

Certain statements in this release relating to a future period of time (including inter alia concerning our future business plans or growth prospects) are forward-looking statements intended to qualify for the 'safe harbor' under applicable securities laws including the US Private Securities Litigation Reform Act of 1995. Such forwardlooking 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.

This release does not constitute an offer of securities.

Mr. Bakhshi's opening remarks

Good evening to all of you and welcome to the ICICI Bank Earnings Call to discuss the results for Q2 of FY2021. Joining us today on this call are Vishakha, Anup, Sandeep Batra, Rakesh and Anindya.

We thank you for joining us and hope that you are safe and in good health. We thank the medical and healthcare fraternity, sanitation workers, providers of all essential services and police, who are enabling us to navigate these unprecedented times. We express our gratitude to our colleagues for their dedication in serving customers despite the current challenges. Most of our branches and ATMs across the country are operational, along with our digital channels. Most of our employees except for those working at the branches and in functions such as operations and technology, continue to work from home.

The Bank's Economic Research Group publishes a proprietary Ultra Frequency Index, comprising several high frequency indicators, to assess the resumption in economic activity. The Ultra Frequency Index was 94 for the week ending October 25, indicating that economic activity is at about 94% of the pre-COVID levels. Several high frequency indicators such as power consumption, fuel consumption, e-way bill generation and electronic toll collections were close to, and in some cases higher than, pre-Covid levels in the first two to three weeks of October. In September, GST collections were about 90% of pre-Covid levels, and there was a sharp month-on-month increase in the manufacturing PMI reflecting increasing production and stocking of inventories ahead of the festive season. Vehicle registrations in September have increased over the previous month and data released by auto companies suggests a sharp sequential and year-on-year growth in passenger vehicle and two-wheeler sales. We have also observed an increase in property registrations in the month of September compared to August. A bumper kharif crop, normal monsoons, and increase in tractor sales point to a stronger rural economy. Even as we keep a close eye on the trajectory of the pandemic, all the above indicators suggest an improvement in the economy in the second half of this financial year.

These trends are also reflected in the business and results of ICICI Bank, as we continue to steadily grow our business, within our well-defined framework.

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

Our approach to risk-calibrated growth in core operating profit is to have a 360-degree customer centric approach, tap opportunities across ecosystems, leverage internal synergies, build partnerships and decongest processes. The core operating profit increased by 18.1% year-on-year to 77.19 billion Rupees in Q2 of 2021. The profit after tax was 42.51 billion Rupees in Q2 of 2021 compared to 6.55 billion Rupees in Q2 last year.

2. Further enhancing our strong deposit franchise

Deposit growth continued to be strong, with 19.6% year-on-year growth in total deposits at September 30, 2020. During the quarter, average current account deposits increased by 20.7% year-on-year and average savings account deposits by 15.4% year-on-year. The liquidity coverage ratio for the quarter was 150%, higher than the previous quarter, reflecting significant surplus liquidity. Our cost of deposits continues to be among the lowest in the system.

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

Post the easing of restrictions, there has been a substantial month-on-month increase in disbursements across retail products. Mortgage disbursements during the quarter crossed pre-Covid levels and reached an all-time monthly high in September. Auto loan disbursements have continued to increase from June and have reached pre-Covid levels in September reflecting the rise in passenger car sales. Disbursements across the rural portfolio have crossed pre-Covid levels in August and September. The overall retail loan portfolio grew by 12.8% year-on-year and 6.2% sequentially. The domestic loan portfolio grew by 10.3% year-on-year and 4.5% sequentially. The overseas branches portfolio and within that, the non-India linked corporate portfolio, declined both year-on-year and sequentially in line with the approach which we have articulated earlier.

4. Leveraging digital across our business

Digital is core to our strategy of integrating across ecosystems, smooth onboarding and transactions, growth in liabilities and analytics for risk selection. We have continued to enhance our digital delivery with a range of new offerings and solutions. During this quarter, we launched the iStartup 2.0 programme, which enables startups to open current accounts digitally and instantly at the time of incorporation. It also offers startups a range of banking and non-banking services needed to expand their business digitally. We have seen an increase in the adoption of our newly launched services and platforms such as video KYC and WhatsApp banking. In September, we introduced new features on our WhatsApp banking platform which enable customers to create fixed deposits, pay their utility bills and access details of trade finance instantly. We have also introduced forex on mobile through our InstaBIZ platform for our small business customers.

5. Protecting the balance sheet from potential risks

Even as the robust growth in core operating profit demonstrates the strength of our franchise and our ability to capitalise on the ongoing recovery in economic activity, the portfolio trends have further enhanced our confidence in the robustness of our underwriting, and our confidence that the provisions made in the March and June quarters will completely cushion the balance sheet from potential credit losses due to Covid-19.

Loans under moratorium had decreased substantially from April-end to June-end and declined further at August-end. We had articulated that moratorium levels were not conclusive indicators of eventual outcomes. This is borne out by the trends in collections across the loan portfolio in September and October, which were either in line with or better than our expectations. Rakesh will share further information on these trends.

The gross NPA additions in Q2 of 2021 were 30.17 billion Rupees, and recoveries and upgrades were 19.45 billion Rupees. The provision coverage ratio on non-performing loans increased further to 81.5% as of September 30, 2020. During the quarter, the Bank did not utilise the Covid-19 related provisions made in earlier quarters.

14.10 billion Rupees of loans were not classified as non-performing pursuant to the Supreme Court's interim order directing that accounts which were not classified as non-performing till August 31, 2020, should not be classified as such until further orders. However, on a prudent basis, the Bank has made provisions of 4.97 billion Rupees in respect of these accounts. These provisions are included in the Covid-19 related provisions at September 30, 2020, which stood at 87.72 billion Rupees.

As expected, in the second half of fiscal 2021, the banking system, including us, would see higher gross NPA additions as well as some resolution of loans as per the framework announced by RBI given the disruption to economic activity in the first half and the dissipation of the moratorium impact. We would maintain the transparency and strength of our balance sheet by ensuring that appropriate provisions are held against any portfolio under resolution.

To summarise on asset quality and provisioning: collection and overdue trends are close to pre-Covid levels and are in line with or better than our expectations. We are confident that the Covid-19 provisions we have already made will completely cushion the balance sheet from potential credit losses which may arise due to the pandemic. We expect a normalisation of credit costs in fiscal 2022 based on our current expectations of economic activity and portfolio trends.

6. Maintaining a strong capital base

During the quarter, the Bank raised equity capital of 150.00 billion Rupees with the objective of further strengthening our capital adequacy and improving our competitive position. We thank our investors for their support. As of September 30, 2020, the Bank had a net worth of about 1.4 trillion Rupees, and a CET-1 ratio of 16.54% including the profits for H1 of 2021. This strong capital position does not include the value of the Bank’s investments in listed subsidiaries, of about 705 billion Rupees.

Looking ahead, we see wide-ranging opportunities for risk calibrated growth in the core operating profit. We believe our high quality digital platforms and focus on micro-markets, backed by our robust deposit franchise, prudent risk management practices and strong capital ratios put us in a good position to grow sustainably. We will continue to focus on delivering consistent and predictable returns to our shareholders.

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

Mr. Jha's remarks

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

A. Balance sheet growth

The overall loan portfolio grew by 6.4% year-on-year at September 30, 2020. The domestic loan growth was 10.3% year-on-year at September 30, 2020 compared to 9.6% year-on-year at June 30, 2020. The domestic loan book increased by 4.5% sequentially. The retail portfolio grew by 12.8% year-on-year and 6.2% sequentially. Within the retail portfolio, the mortgage loan portfolio grew by 11.0% year-on-year, business banking by 37.0%, rural lending by 18.7%, commercial vehicle and equipment loans by 10.2% and auto loan portfolio by 2.4%. Growth in the personal loan and credit card portfolio was 14.4%. This portfolio was 600.02 billion Rupees or 9.2% of the overall loan book at September 30, 2020.

The overall disbursements in the retail portfolio have increased substantially in Q2 compared to Q1. Sandeep has already talked about the trends in mortgages, auto loans and the rural portfolio. While the disbursements in the commercial vehicle and personal loan portfolios have increased in Q2 compared to Q1, they continue to remain below pre-Covid levels. Credit card spends have recovered to about 85% of pre-Covid levels in September led by increased spends in categories such as health & wellness, electronics and e-commerce. We expect the momentum in spends to continue on account of the festive season.

The Bank has extended the Emergency Credit Line Guarantee Scheme to eligible MSME borrowers based on its credit assessment. Till October 28, we have sanctioned about 160 billion Rupees to about 187,000 borrowers under this scheme, of which about 106 billion Rupees has been disbursed. This is reflected in the growth of the business banking portfolio. The SME business comprising borrowers with a turnover of less than 2.5 billion Rupees grew by 22.4% year-on-year to 233.41 billion Rupees at September 30, 2020.

The growth of the performing domestic corporate portfolio was about 7% year-on-year. In addition, we have made investments in high-rated corporate bonds by utilising TLTRO funds during H1 of 2021.

The international loan portfolio declined by 32.3% year-on-year in US dollar terms at September 30, 2020. The international loan portfolio was 6.5% of the overall loan book at September 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. The non-India linked corporate portfolio reduced by 48.3% year-on-year and 19.6% sequentially at September 30, 2020.

Coming to the funding side: We continue to focus on growing the daily average CASA balances and retail term deposits. Average savings account deposits increased by 15.4% year-on-year and average current account deposits increased by 20.7% year-on-year during the quarter. Total term deposits grew by 26.1% year-on-year to 4.7 trillion Rupees at September 30, 2020.

B. Credit quality

Gross NPA additions during the quarter were 30.17 billion Rupees. This excludes 14.10 billion Rupees of loans not classified as non-performing pursuant to the Supreme Court's interim order. The gross NPA additions from the retail portfolio were 17.49 billion Rupees. Corporate and SME gross NPA additions were 12.68 billion Rupees, of which 12.12 billion Rupees comprised portfolio rated BB and below at June 30, 2020. The details are given on slide 25 of the investor presentation.

Recoveries and upgrades, excluding write-offs, were 19.45 billion Rupees in the current quarter. There were recoveries and upgrades of 6.83 billion Rupees from the retail portfolio. The recoveries from the corporate and SME portfolio were 12.62 billion Rupees. The gross NPAs written-off during the quarter were 24.69 billion Rupees. The Bank did not sell any NPAs in the quarter.

The net non-performing assets were 71.88 billion Rupees at September 30, 2020 compared to 86.75 billion Rupees at June 30, 2020. The gross NPA ratio was 5.17% and the net NPA ratio was 1.00% at September 30, 2020. Including loans not classified as non-performing pursuant to the

Supreme Court's interim order, the gross NPA ratio on a proforma basis would have been 5.36% at September 30, 2020 compared to 5.46% at June 30, 2020 and the net NPA ratio would have been 1.12% at September 30, 2020 compared to 1.23% at June 30, 2020.

As Sandeep mentioned, the trends in collections across the loan portfolio in September and October were close to pre-Covid levels and in line with or better than our expectations. The demand resolution for the retail EMI and credit card portfolio was about 97% of pre-Covid levels in the month of September. Compared to the level of loans which were under moratorium, the level of overdues in the portfolio is substantially lower and more comparable to overdue levels pre-Covid. The percentage of the performing retail and credit card portfolio which was overdue at September 30, 2020 was about 4% higher than the normal pre-Covid trend, which we would expect to moderate as collections pick up further. The percentage of the performing rural portfolio which was overdue at September 30, 2020 was about 1% higher than the normal pre-Covid trend. The collection trend on the SME and business banking portfolio has been quite good and the percentage of performing portfolio overdue is now quite similar to the pre-Covid levels. In the performing domestic and overseas corporate loan portfolio, less than 3.0% of the portfolio was overdue at September 30, 2020.

In August 2020, RBI proposed a resolution framework for borrowers impacted by the pandemic, that were classified as standard and not in default for more than 30 days at March 1, 2020 and continue to be classified as standard till the date of invocation of resolution. The fund based outstanding of corporate and SME borrowers from whom we have received applications for resolution under the above framework till recently, is about 21 billion Rupees. Our current expectation is that corporate loans under resolution would be less than 1% of the total loan portfolio of the Bank. While resolution would result in asset classification benefit for the borrower on implementation of the resolution, we would maintain the transparency and strength of our balance sheet by ensuring that appropriate provisions are held against any portfolio under resolution.

C. P&L Details

Net interest income increased by 16.2% year-on-year to 93.66 billion Rupees. The net interest margin was at 3.57% in Q2 of 2021 compared to 3.69% in the previous quarter and 3.64% in Q2 of last year. The domestic NIM was at 3.72% in Q2 of 2021 compared to 3.91% in Q1 and 3.92% in Q2 last year. International margins were at 0.26%. The margins were lower in Q2 compared to the previous quarter primarily due to higher liquidity. The cost of deposits was 4.22% in Q2 compared to 4.53% in Q1.

Non-interest income, excluding treasury income, declined by 9.5% year-on-year to 34.86 billion Rupees in Q2 of 2021. The non-interest income grew by 46.5% sequentially.

- Fee income was 31.39 billion Rupees in Q2. Though the fee income declined by 9.7% year-on-year, it grew by about 49% sequentially reflecting the increase in customer spending and borrowing and investment activity in Q2 compared to the previous quarter
- Dividend income from subsidiaries was 3.34 billion Rupees in Q2 of 2021 compared to 3.77 billion Rupees in Q2 of 2020

On Costs: The Bank's operating expenses decreased by 4.6% year-on-year in Q2. The operating expenses increased by 10.5% sequentially. The employee expenses decreased by 8.1% year-on-year mainly due to decrease in provisions on retirals and other employee benefits during the quarter compared to the corresponding quarter of the previous year. This reflects the increase in yields of government securities during the current quarter compared to a decline in yields in Q2 of last year. The employee expenses increased marginally by 1.0% in H1 of 2021 compared to H1 of last year. The Bank had 92,127 employees at September 30, 2020. We expect the employee count to increase during the second half of fiscal 2021. Non-employee expenses decreased by 2.2% year-on-year in Q2 of 2021 due to lower business volumes and administrative and infrastructure related expenses, partly offset by increase in technology related expenses. The non-employee expenses increased by 27.7% sequentially reflecting the increase in business volumes during the quarter. We would expect business related expenses to increase in future quarters as business volumes increase from the current levels. We continue to make investments in technology and to grow our franchise.

The core operating profit increased by 18.1% year-on-year to 77.19 billion Rupees in Q2 of 2021. The core operating profit grew by 16.5% during H1 of 2021.

The treasury income was 5.42 billion Rupees this quarter compared to 37.63 billion Rupees in Q1. The treasury income this quarter includes 3.05 billion Rupees from sale of 2% stake in ICICI Securities which was done to meet the minimum public shareholding requirement for a listed company by March 2021. The treasury income in Q1 included gains of 30.36 billion rupees through sale of shares of ICICI Life and ICICI General.

Provisions, other than Covid-19 related, were 24.98 billion Rupees in this quarter compared to 25.07 billion Rupees in Q2 last year. The provision coverage ratio increased further to 81.5% at September 30, 2020. We have not utilized any Covid-19 related provisions during the current quarter.

At June 30, 2020, the Bank held Covid-19 related provisions of 82.75 billion Rupees. During the quarter, the Bank made provisions of 4.97 billion Rupees on accounts not classified as non-performing pursuant to the Supreme Court's interim order. At September 30, 2020, the Bank held Covid-19 related provisions of 87.72 billion Rupees. As Sandeep mentioned, we are confident that these provisions will completely cushion the balance sheet from the potential credit losses which may arise due to the pandemic. We would utilise these provisions in future periods as required.

The total outstanding provisions at September 30, 2020, excluding provisions for non-performing assets considered in the computation of the provisioning coverage ratio, were 147.31 billion Rupees, or 2.26% of loans. These include Covid-19 related provisions, provisions held against the non-fund based outstanding to NPAs, general provisions on standard assets and other standard asset provisions.

The profit before tax increased by 20.6% to 52.66 billion Rupees in Q2 of 2021 compared to 43.67 billion Rupees in Q2 last year. The tax expense was 10.15 billion in Q2 of 2021 compared to 37.12 billion Rupees in the corresponding quarter last year. The tax expense in Q2 last year included a one-time additional charge due to re-measurement of accumulated deferred tax assets at the revised marginal tax rate. The profit after tax was 42.51 billion Rupees in Q2 this year compared to 6.55 billion Rupees in Q2 of last year. The standalone RoE this quarter was 13.2%.

The consolidated profit after tax was 48.82 billion Rupees this quarter compared to 31.18 billion Rupees in Q1 and 11.31 billion Rupees in Q2 last year. The consolidated tax expense in Q2 last year included a one-time additional charge due to re-measurement of deferred tax assets at the revised marginal tax rate. The consolidated RoE was 14.2% this quarter.

D. Capital

The CET1 ratio, including profits for H1 of 2021, was 16.54% at September 30, 2020 compared to 13.60% at June 30, 2020. Including profits for H1 of 2021, the Tier 1 ratio was 17.89% and the total capital adequacy ratio was 19.33% at September 30, 2020.

E. Portfolio information

We are focused on growing our loan portfolio in a granular manner with a focus on risk and reward. Our retail portfolio is largely secured with mortgage loans comprising about half of it. It is 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. Our personal loans and credit card portfolio largely comprises salaried individuals and has been built up by cross-selling to the existing customer base which provides liability information for credit assessment. Adjusted for usual attrition levels, about 99% of our personal loan and credit card customers, having salary accounts with us, continue to receive salary credits in the month of September. Our growth in the business banking segment is driven by parameterised and programme based lending, digital channels, granularity, collateral and robust monitoring. In the corporate portfolio, our approach is to provide a full suite of banking products to corporate clients and their ecosystems of employees and business partners. The average daily credit summations in the overdraft accounts of the SME and business banking customers in aggregate have reached pre-Covid levels in September. We have given further information on our portfolio in slides 30 to 33 of our investor presentation.

The loans and non-fund based outstanding to corporate and SME borrowers rated BB and below (excluding NPAs) was 161.67 billion Rupees at September 30, 2020 compared to 171.10 billion Rupees at June 30, 2020, details of which are given on slide 34 of the investor presentation.

Other than two accounts, one each in the telecom and construction sectors, the maximum single borrower outstanding in the BB and below portfolio was less than 6 billion Rupees at September 30, 2020.

On slide 35 and 36 of the presentation, we have provided the movement in our BB and below portfolio during Q2 and H1 of 2021. In Q2 of 2021:

- The rating downgrades from investment grade categories were 16.98 billion Rupees. These were spread across sectors;
- There were rating upgrades to the investment grade categories and a net decrease in outstanding of 14.29 billion Rupees; and
- There was a reduction of 12.12 billion Rupees due to slippage of some borrowers into the non-performing category and devolvement of non-fund based outstanding to existing NPAs.

The builder portfolio including construction finance, lease rental discounting, term loans and working capital loans was 231.86 billion Rupees at September 30, 2020 or about 3.5% 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 September 30, 2020 was either rated BB and below internally or was classified as non-performing.

The total outstanding to NBFCs and HFCs was 501.31 billion Rupees at September 30, 2020 compared to 441.62 billion Rupees at June 30, 2020 or about 5% of our total outstanding loans at September 30, 2020. The details are given on slide 38 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%.

Coming to our overseas portfolio, 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 5.47 billion US dollars at September 30, 2020 compared to 6.41 billion US dollars at June 30, 2020 and 8.35 billion US dollars at September 30, 2019. 66% of the outstanding at September 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. 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 we would continue to pursue risk-calibrated opportunities in this segment. 7% of the outstanding was to companies owned by NRIs or PIOs. 10% of the outstanding was to other non-India companies which is less than 1% of the total portfolio of the Bank.

F. Subsidiaries

The details of the financial performance of subsidiaries is covered in slides 43-44 and 64-69 in the investor presentation.

Value of new business of ICICI Life was 6.02 billion Rupees in H1 of 2021 The new business margin increased from 21.7% in fiscal 2020 to 26.3% in H1 of 2021. The new business margin was 27.4% in Q2 of 2021. The protection based annualised premium equivalent was 4.46 billion Rupees and accounted for 19.5% of the total annualised premium equivalent in H1 of 2021. ICICI Life continued to have a well-diversified distribution mix with distribution channels other than ICICI Bank contributing about 65% of the annualised premium equivalent in H1 of 2021. The new business premium was 44.56 billion Rupees in H1 of 2021.

Gross Direct Premium Income of ICICI General increased by 0.8% year-on-year to 64.91 billion Rupees in H1 of 2021 compared to 64.40 billion Rupees in H1 of 2020. The combined ratio was 99.8% in H1 of 2021 compared to 101.5% in H1 of 2020. The profit after tax grew by 35.0% year-on-year to 4.16 billion Rupees this quarter from 3.08 billion Rupees in Q2 last year.

The profit after tax of ICICI AMC was 2.82 billion Rupees in the current quarter compared to 3.05 billion Rupees in Q2 of last year.

The profit after tax of ICICI Securities, on a consolidated basis, was 2.78 billion Rupees in the current quarter compared to 1.35 billion Rupees in Q2 of last year.

ICICI Bank Canada had a profit after tax of 5.1 million Canadian dollars in the current quarter compared to 4.8 million Canadian dollars in Q1 of 2021 and 14.2 million Canadian dollars in Q2 of 2020. The loan book of ICICI Bank Canada at September 30, 2020 declined by 3.8% year-on-year and 2.7% sequentially.

ICICI Bank UK had a net profit of 4.9 million US dollars this quarter compared to 11.9 million US dollars in Q2 of last year and 5.0 million US dollars in Q1 of 2021. The loan book of ICICI Bank UK at September 30, 2020 declined by 14.6% year-on-year and was at a similar level compared to June 30, 2020.

ICICI Home Finance had a profit after tax of 0.02 billion Rupees in the current quarter compared to a profit after tax of 0.01 billion Rupees in Q1 of 2021 and a loss of 0.61 billion Rupees in Q2 of 2020.

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