ICICI Bank

October 26, 2018

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

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

Dear Sir,

Sub: Earnings call for results for the quarter ended 30th September, 2018

This is further to our letter dated October 25, 2018 on the captioned subject.

Please find attached the investor presentation and the opening remarks for the analyst call for the Q2-2019 results. The same has also been uploaded on the website of the Bank and can be accessed on the link http://www.icicibank.com/aboutus/qfr.page?#toptitle.

Yours faithfully,
For ICICI Bank Limited

Vivek Ranjan

Vivek Ranjan
Chief Manager

Encl: As above

Q2-2019: Performance review

October 26, 2018

Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', 'expected to', etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results, opportunities and growth potential to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the actual growth in demand for banking and other financial products and services in the countries in which we operate or where a material number of our customers reside, future levels of non-performing and restructured loans and any increased provisions and regulatory and legal changes relating to those loans, our exposure to securities of asset reconstruction companies, our ability to successfully implement our strategies, including our retail deposit growth strategy, the strategic use of technology and the Internet and our strategy to reduce our net non-performing assets, the continued service of our senior management, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions in which we are or become a party to, the outcome of any internal or independent enquiries or regulatory or governmental investigations,, our rural expansion, our exploration of merger and acquisition opportunities, our ability to integrate recent or future mergers or acquisitions into our operations and manage the risks associated with such acquisitions to achieve our strategic and financial objectives, our ability to manage the increased complexity of the risks that we face in following our international growth, future levels of impaired loans, our growth and expansion in domestic and overseas markets, our status as a systemically important bank in India, our ability to maintain enhanced capital and liquidity requirements, the adequacy of our allowance for credit and investment losses, our ability to market new products, investment income, cash flow projections, the impact of any changes in India's credit rating, the impact of new accounting standards or new accounting framework, our ability to implement our dividend payment practice, the impact of changes in banking and insurance regulations and other regulatory changes in India and other jurisdictions on us, including changes in regulatory intensity, supervision and interpretations, the state of the global financial system and systemic risks, bond and loan market conditions and availability of liquidity amongst the investor community in these markets, the nature of credit spreads and interest spreads from time to time, including the possibility of increasing credit spreads or interest rates, our ability to roll over our short-term funding sources and our exposure to credit, market, liquidity and reputational risks. ICICI Bank undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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




Savings
Credit
Investment
Protection
Capital flows
ICICI Group

Scale & strength

Consolidated assets	₹ 11 trillion	57.3%	% of retail loans to total advances
Core operating profit[1] in Q2-2019	₹ 52.85 bn	15.38%	Tier-1 capital adequacy
Average CASA ratio for Q2-2019	47.1%	19,284	Extensive branch + ATM network

1. Profit before tax, excluding provision and treasury income

Agenda

- Highlights
- Growth
- P&L indicators
- Credit quality
- Portfolio trends and approach
- Capital
- Subsidiaries



Agenda

- **Highlights**
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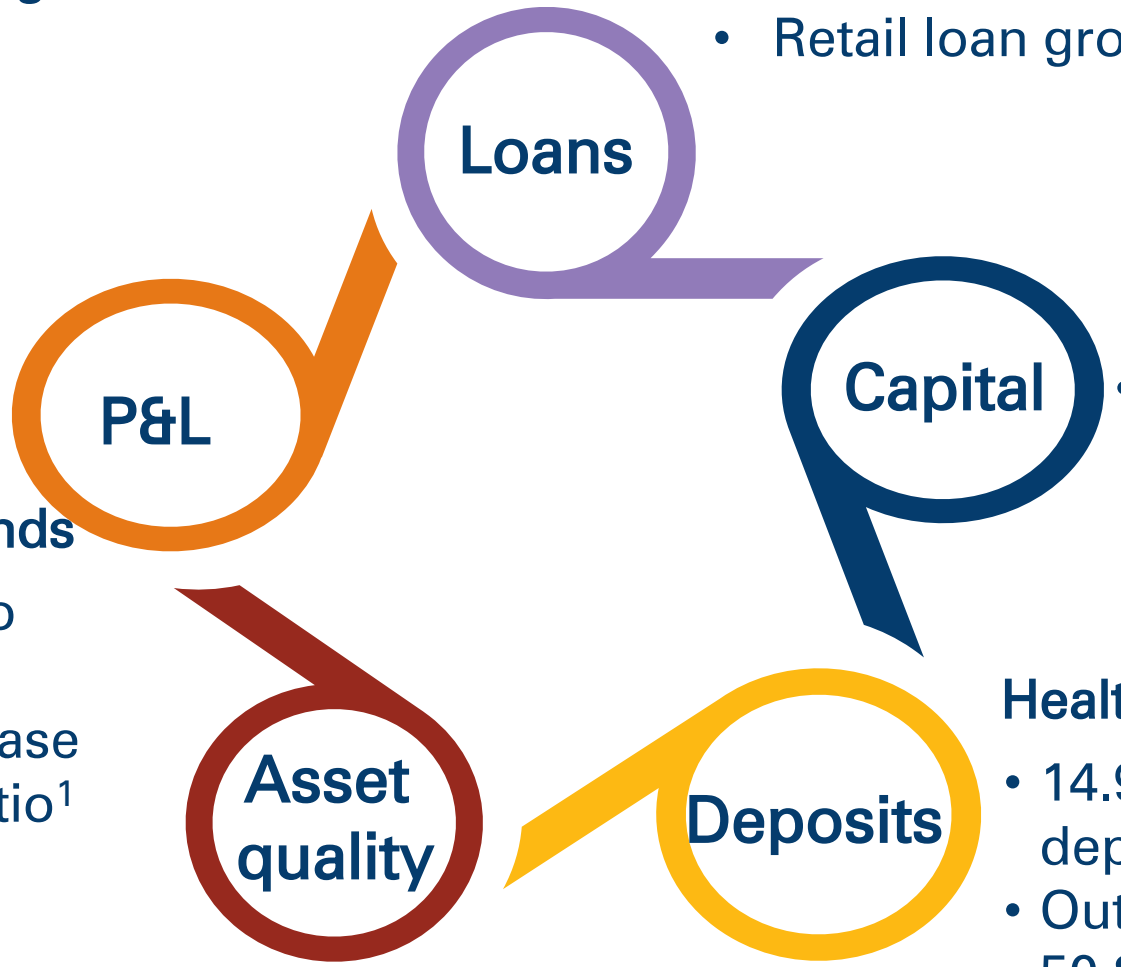
Key highlights for Q2-2019

Continued strong operating performance

- Domestic NIM maintained >3.5%
- 16.5% y-o-y growth in fee income
- 10.3% y-o-y growth in core operating profit

Improving asset quality trends

- Net NPA ratio declined to 3.65%
- 480 bps sequential increase in provision coverage ratio[1] to 58.9%



Healthy growth in loan portfolio

- Domestic loan growth was 15.7% y-o-y
- Retail loan growth was 20.5% y-o-y

Strong capital position

- Tier I ratio of 15.38%

Healthy deposit growth

- 14.9% y-o-y growth in CASA deposits
- Outstanding CASA ratio of 50.8%

1. Excluding technical/prudential write-offs. Including technical/prudential write-offs the provision coverage ratio was 69.4%

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- **Growth**
- P&L indicators
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- Portfolio trends and approach
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Loan growth led by retail

(₹ billion)	Sep 30, 2017	Jun 30, 2018	Sep 30, 2018	Y-o-Y growth	% share at Sep 30, 2018
Advances	4,827.80	5,162.89	5,444.87	12.8%	100.0%
- Domestic book	4,110.23	4,518.40	4,754.36	15.7%	87.3%
- Retail	*2,588.45*	*2,970.44*	*3,118.13*	*20.5%*	*57.3%*
- SME	*210.03*	*239.16*	*252.94*	*20.4%*	*4.6%*
- Corporate	*1,311.74*	*1,308.81*	*1,383.29*	*5.5%*	*25.4%*
- Overseas book[1]	717.57	644.49	690.51	(3.8)%	12.7%

Excluding NPLs, restructured loans and loans to companies included in drilldown exposures, growth in the domestic corporate portfolio was 15% y-o-y

▶ Balance sheet (assets): slide 49

1. Overseas portfolio decreased by 13.3% y-o-y in US$ terms

Growth across retail products

(₹ billion)	Sep 30, 2017	Jun 30, 2018	Sep 30, 2018	Y-o-Y growth	% share at Sep 30, 2018
Secured loans	**2,338.90**	**2,643.98**	**2,762.46**	**18.1%**	**88.6%**
- Home loans	*1,383.82*	*1,544.55*	*1,608.10*	*16.2%*	*51.6%*
- Vehicle loans[1]	*427.43*	*476.56*	*489.04*	*14.4%*	*15.7%*
- Business banking	*107.19*	*132.42*	*155.13*	*44.7%*	*5.0%*
- Rural loans	*366.12*	*427.35*	*435.60*	*19.0%*	*14.0%*
- Others[2]	*54.34*	*63.10*	*74.58*	*37.2%*	*2.4%*
Unsecured loans	**249.55**	**326.46**	**355.67**	**42.5%**	**11.4%**
- Personal loans	*166.07*	*223.41*	*250.79*	*51.0%*	*8.0%*
- Credit cards	*83.48*	*103.04*	*104.89*	*25.6%*	*3.4%*
Total retail loans	**2,588.45**	**2,970.44**	**3,118.13**	**20.5%**	**100.0%**

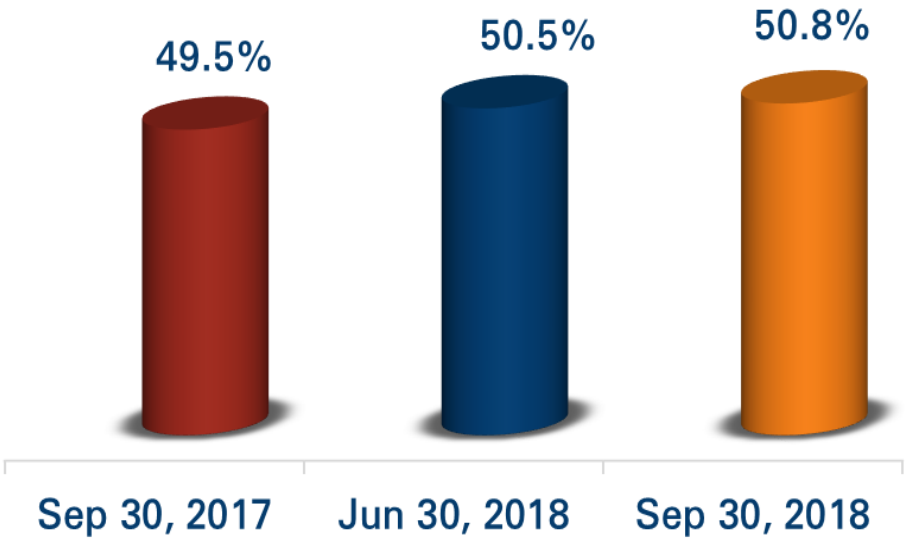
1. Includes auto finance (Sep 30, 2018: ₹ 298.65 billion), commercial business (Sep 30, 2018: ₹ 185.05 billion) and two wheeler loans (Sep 30, 2018: ₹ 5.34 billion)
2. Includes dealer funding loans (Sep 30, 2018: ₹ 50.99 billion), loans against securities and others (Sep 30, 2018: ₹ 23.59 billion)

Healthy funding mix maintained

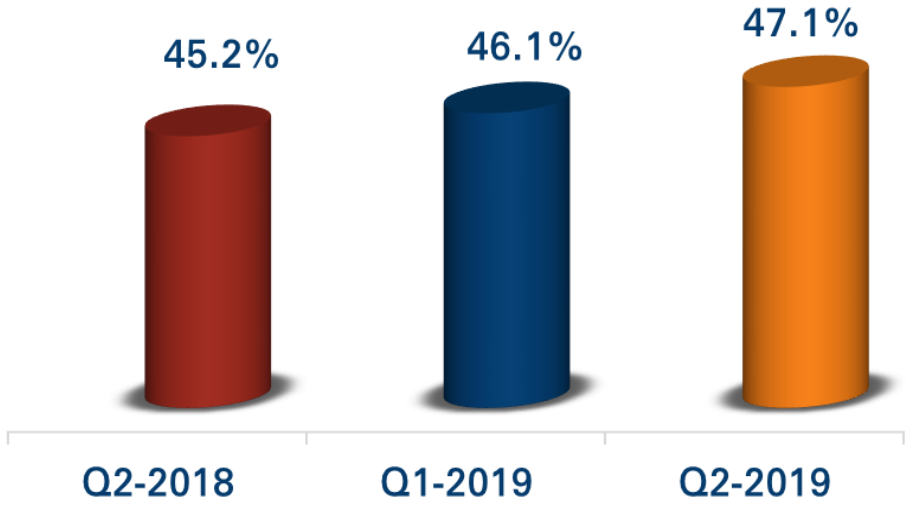
CASA deposits increased by 14.9% y-o-y to ₹ 2,835.48 billion at Sep 30, 2018

15.4% y-o-y growth in average CASA deposits in Q2-2019

Outstanding CASA ratio



Average CASA ratio



Total deposits grew by 12.0% y-o-y at Sep 30, 2018

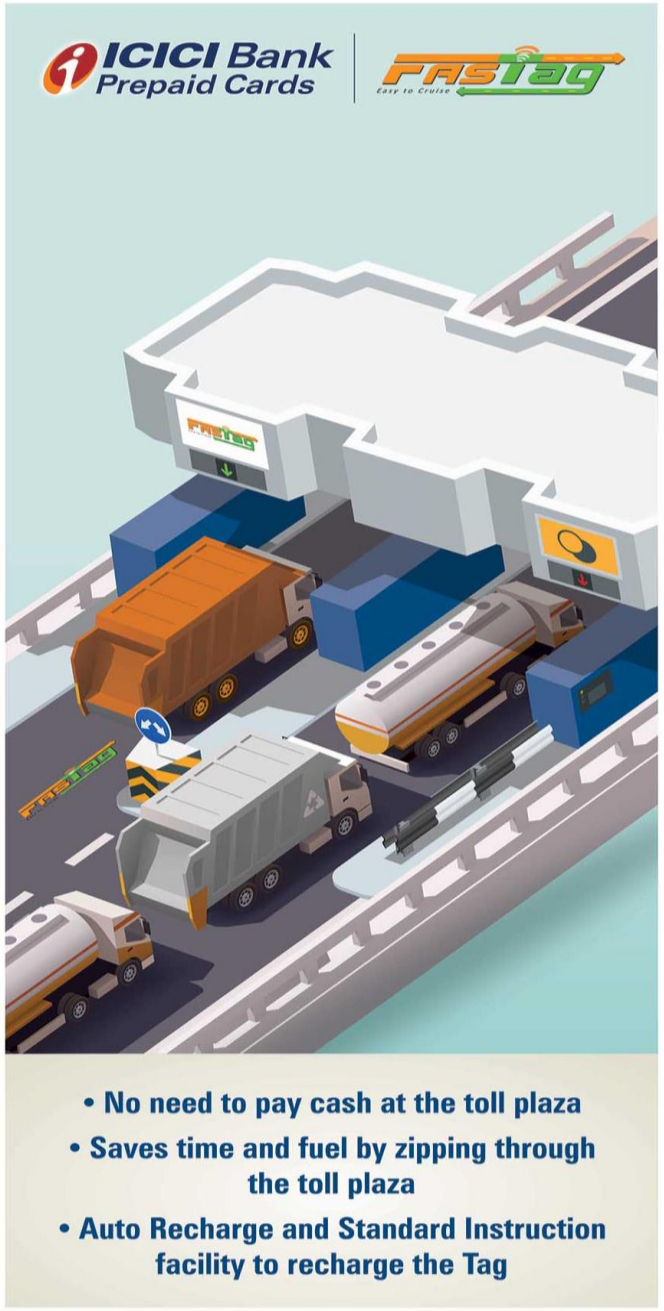
Balance sheet (liabilities): slide 50

Branch network: slide 52

Growth in payments

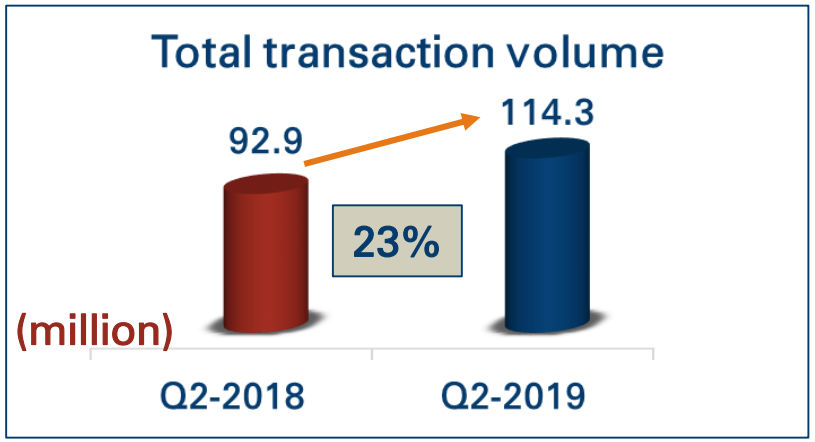
- **ICICI Bank was the first bank to launch and implement an inter-operable Electronic Toll Collection (ETC) platform on national highways**
  - The platform allows motorists to pay at multiple toll plazas acquired by the Bank using a single 'FASTag'

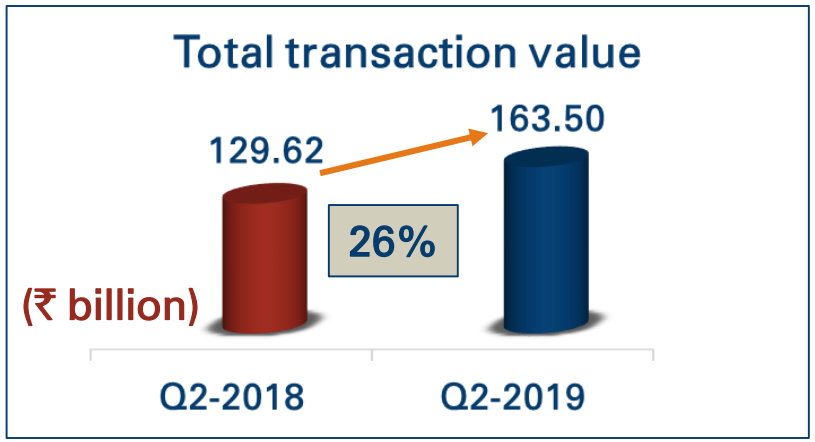
- **The Bank is first in the country to issue over 1 million FASTags until Sep 30, 2018**
  - ~70% market share in terms of value of transactions per month
  - ~ 125 million transactions undertaken monthly (Industry: 200 million transactions monthly)



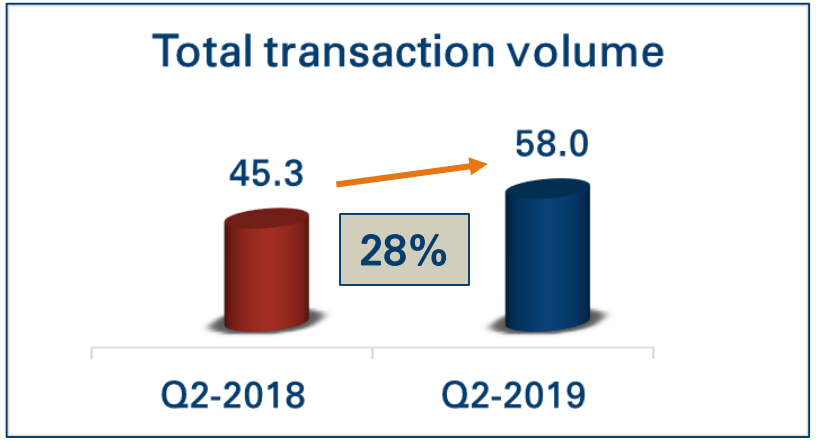
Growth in digital channels

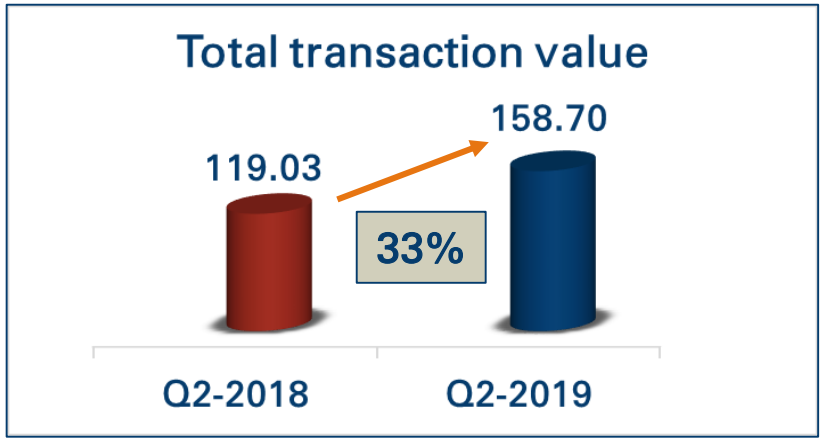
Debit cards





Credit cards





New launches

Partnered with Manchester United and MakeMyTrip to offer a range of co-branded debit/credit cards





Digital channels accounted for over 80% of the savings account transactions in H1-2019

Recent digital initiatives

Insta Loan against shares

- **Loan up to ₹ 2.0 million by way of an overdraft facility for eligible customers**
- Reduction in TAT from 5-7 working days to a matter of few minutes

Insta Auto loan

- **Pre-approved car loans up to ₹ 2.0 million for existing customers**
- Loan disbursal within four working hours

GST Overdraft

- **A new working capital facility for MSMEs based on their GST returns**
- Loan amount from ₹ 1.0-10.0 million to MSMEs
- Quick sanction, within two working days
- Hassle-free documentation and simplified disbursal process

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- Growth
- **P&L indicators**
- Credit quality
- Portfolio trends and approach
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- Subsidiaries



Profit & loss statement

(₹ billion)	FY2018	Q2-2018	H1-2018	Q1-2019	Q2-2019	H1-2019	Q2-o-Q2 growth
Net interest income	230.26	57.09	112.99	61.02	64.18	125.20	12.4%
Non-interest income	116.18	29.93	55.23	30.85	31.91	62.76	6.6%
- Fee income	*103.41*	*25.70*	*49.47*	*27.54*	*29.95*	*57.49*	*16.5%*
- Dividend income from subsidiaries	*12.14*	*4.11*	*5.45*	*3.17*	*1.67*	*4.85*	*(59.4)%*
- Other income	*0.62*	*0.12*	*0.31*	*0.14*	*0.29*	*0.42*	*150.0%*
Core operating income	**346.44**	**87.02**	**168.22**	**91.87**	**96.09**	**187.96**	**10.4%**
Operating expenses	157.04	39.09	77.03	41.45	43.24	84.69	10.6%
Core operating profit	**189.40**	**47.93**	**91.19**	**50.42**	**52.85**	**103.27**	**10.3%**
Core operating profit excl. dividend from subsidiaries	***177.26***	***43.82***	***85.74***	***47.25***	***51.18***	***98.42***	***16.8%***

Profit & loss statement

(₹ billion)	FY2018	Q2-2018	H1-2018	Q1-2019	Q2-2019	H1-2019	Q2-o-Q2 growth
Core operating profit	**189.40**	**47.93**	**91.19**	**50.42**	**52.85**	**103.27**	**10.3%**
Treasury income[1]	58.02	21.93	30.51	7.66	(0.35)	7.31	-
Operating profit	247.42	69.86	121.70	58.08	52.50	110.58	(24.8)%
Provisions	173.07	45.03	71.12	59.71	39.94	99.65	(11.3)%
Profit before tax	**74.35**	**24.83**	**50.58**	**(1.63)**	**12.56**	**10.93**	**(49.4)%**
Tax	6.58	4.25	9.51	(0.43)	3.47	3.04	(18.4)%
Profit after tax	**67.77**	**20.58**	**41.07**	**(1.20)**	**9.09**	**7.89**	**(55.8)%**

1. Includes profit on sale of shareholding in subsidiaries of ₹ 11.10 billion in Q1-2019, ₹ 20.12 billion in Q2-2018 and ₹ 53.32 billion in FY2018

Yield, cost and margin

Movement in yield, costs & margins (Percent)[1]	FY2018	Q2-2018	H1-2018	Q1-2019	Q2-2019	H1-2019
Yield on total interest-earning assets	7.71	7.78	7.83	7.69	7.85	7.77
- Yield on advances	*8.63*	*8.67*	*8.68*	*8.71*	*8.79*	*8.75*
Cost of funds	5.00	5.04	5.10	4.99	5.00	4.99
- Cost of deposits	*4.87*	*4.91*	*4.98*	*4.81*	*4.76*	*4.79*
Net interest margin	3.23	3.27	3.27	3.19	3.33	3.26
- Domestic	*3.60*	*3.57*	*3.60*	*3.54*	*3.71*	*3.63*
- Overseas	*0.49*	*0.95*	*0.84*	*0.30*	*0.05*	*0.18*

- Interest on income tax refund was ₹ 0.05 billion in Q2-2019 (Q1-2019: ₹ 0.08 billion, Q2-2018: ₹ 0.79 billion)

1. Annualised for all interim periods

Other key ratios

Percent	FY2018	Q2-2018	H1-2018	Q1-2019	Q2-2019	H1-2019
Return on average networth[1]	6.6	8.0	8.1	-	3.4	1.5
Return on average assets[1]	0.87	1.08	1.08	-	0.43	0.19
Weighted average EPS[1]	10.6	12.7	12.8	(0.8)	5.6	2.5
Book value (₹)	163.6	160.2	160.2	163.8	163.7	163.7
Fee to income	25.6[2]	23.6[2]	24.9[2]	27.7[2]	31.3	29.4[2]
Cost to income	38.8[2]	35.9[2]	38.8[2]	41.6[2]	45.2	43.4[2]

1. Annualised for all interim periods
2. Includes gain on sale of stake in subsidiaries

Unconsolidated segment-wise PBT

Profit before tax	FY2018	Q2-2018	H1-2018	Q1-2019	Q2-2019	H1-2019
Retail	71.41	15.55	32.41	20.47	21.20	41.67
Wholesale	(82.81)	(24.07)	(30.72)	(36.75)	(16.86)	(53.61)
Treasury	81.14	32.14	45.35	14.16	7.69	21.85
Others	4.61	1.21	3.54	0.49	0.53	1.02
Total	**74.35**	**24.83**	**50.58**	**(1.63)**	**12.56**	**10.93**

Consolidated profit & loss statement

(₹ billion)	FY2018	Q2-2018	H1-2018	Q1-2019	Q2-2019	H1-2019	Q2-o-Q2 growth
Net interest income	279.00	69.32	136.37	74.56	78.27	152.83	12.9%
Non-interest income	568.07	148.04	261.96	124.36	146.91	271.27	(0.8)%
- Fee income	*128.15*	*31.48*	*61.57*	*34.17*	*36.11*	*70.28*	*14.7%*
- Premium income	*369.37*	*91.72*	*162.70*	*80.29*	*106.43*	*186.72*	*16.0%*
- Other income	*70.55*	*24.84*	*37.69*	*9.90*	*4.37*	*14.27*	*(82.4)%*
Total income	**847.07**	**217.36**	**398.33**	**198.92**	**225.18**	**424.10**	**3.6%**
Operating expenses	557.56	140.03	256.36	131.66	160.54	292.20	14.6%
Operating profit	**289.51**	**77.33**	**141.97**	**67.26**	**64.64**	**131.90**	**(16.4)%**

Consolidated profit & loss statement

(₹ billion)	FY2018	Q2-2018	H1-2018	Q1-2019	Q2-2019	H1-2019	Q2-o-Q2 growth
Operating profit	**289.51**	**77.33**	**141.97**	**67.26**	**64.64**	**131.90**	**(16.4)%**
Provisions	179.73	45.67	72.52	61.57	41.84	103.41	(8.4)%
Profit before tax	**109.78**	**31.66**	**69.45**	**5.69**	**22.80**	**28.49**	**(28.0)%**
Tax	18.79	7.57	15.96	2.43	6.79	9.22	(10.3)%
Minority interest	13.87	3.38	6.73	3.21	3.96	7.17	17.2%
Profit after tax	**77.12**	**20.71**	**46.76**	**0.05**	**12.05**	**12.10**	**(41.9)%**

Equity investment in subsidiaries: slide 54

Key ratios (consolidated)

Percent	FY2018	Q2-2018	H1-2018	Q1-2019	Q2-2019	H1-2019
Return on average networth[1,2]	7.1	7.7	8.8	0[3]	4.3	2.2
Weighted average EPS[2]	12.0	12.8	14.5	0[3]	7.5	3.8
Book value (₹)	172	168	168	172	172	172

▶ Consolidated balance sheet: slide 55

1. Based on quarterly average networth
2. Annualised for all interim periods
3. Insignificant

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Movement of NPA[1]

(₹ billion)	FY2018	Q2-2018	Q1-2019	Q2-2019
Opening gross NPA	425.52	431.48	540.63	534.65
Add: gross additions	287.30	46.74	40.36	31.17
- Retail	*29.29*	*6.30*	*11.20*	*7.60*
- Corporate and SME	*258.01*	*40.44*	*29.16*	*23.57*
Less: recoveries & upgrades	81.07	10.29	20.36	*10.06*
Net additions	206.23	36.45	20.00	21.11
Less: write-offs & sale	91.12	23.04	25.98	10.87
Closing gross NPAs	**540.63**	**444.89**	**534.65**	**544.89**
Gross NPA ratio	8.84%	7.87%	8.81%	8.54%

1. Based on customer assets

Movement of NPA[1]

(₹ billion)	Q2-2019
Gross additions	31.17
- Retail	7.60
- Corporate and SME	23.57
:Of which - Increase in o/s of existing NPAs due to rupee depreciation	13.04
- BB and below portfolio	10.14
Of which: Restructured assets	*0.54*
Devolvement of non-fund based o/s to existing NPAs	*1.32*
Other BB and below	*8.28*
- Others	0.39

1. Based on customer assets

Asset quality and provisioning (1/2)

(₹ billion)	Sep 30, 2017	Jun 30, 2018	Sep 30, 2018
Gross NPAs	444.89	534.65	544.89
Less: cumulative provisions	203.59	292.95	324.03
Net NPAs	241.30	241.70	220.86
Net NPA ratio	4.43%	4.19%	3.65%
Provision coverage ratio[1]	59.3%	66.1%	69.4%
Provision coverage ratio[2]	45.7%	54.1%	58.9%

Retail NPAs (₹ billion)	Sep 30, 2017	Jun 30, 2018	Sep 30, 2018
Gross retail NPAs	43.51	53.44	54.63
- as a % of gross retail advances	*1.66%*	*1.78%*	*1.73%*
Net retail NPAs	16.60	22.57	23.00
- as a % of net retail advances	*0.64%*	*0.76%*	*0.74%*

1. Including technical write-off
2. Excluding technical write-off

Asset quality and provisioning (2/2)

- Net investment in security receipts of ARCs was ₹ 34.36 billion at September 30, 2018 (June 30, 2018 : ₹ 34.38 billion)
- Outstanding general provision on standard assets: ₹ 28.01[1] billion at September 30, 2018
  - Includes additional general provision of ₹ 1.28 billion on standard loans to borrowers

1. Excludes specific provision against standard assets

Proceedings under IBC

List I

- At September 30, 2018, the Bank had outstanding loans and non-fund facilities amounting to ₹ 38.81 billion and ₹ 1.47 billion respectively
- The provision coverage ratio was 89.7% at September 30, 2018

List II

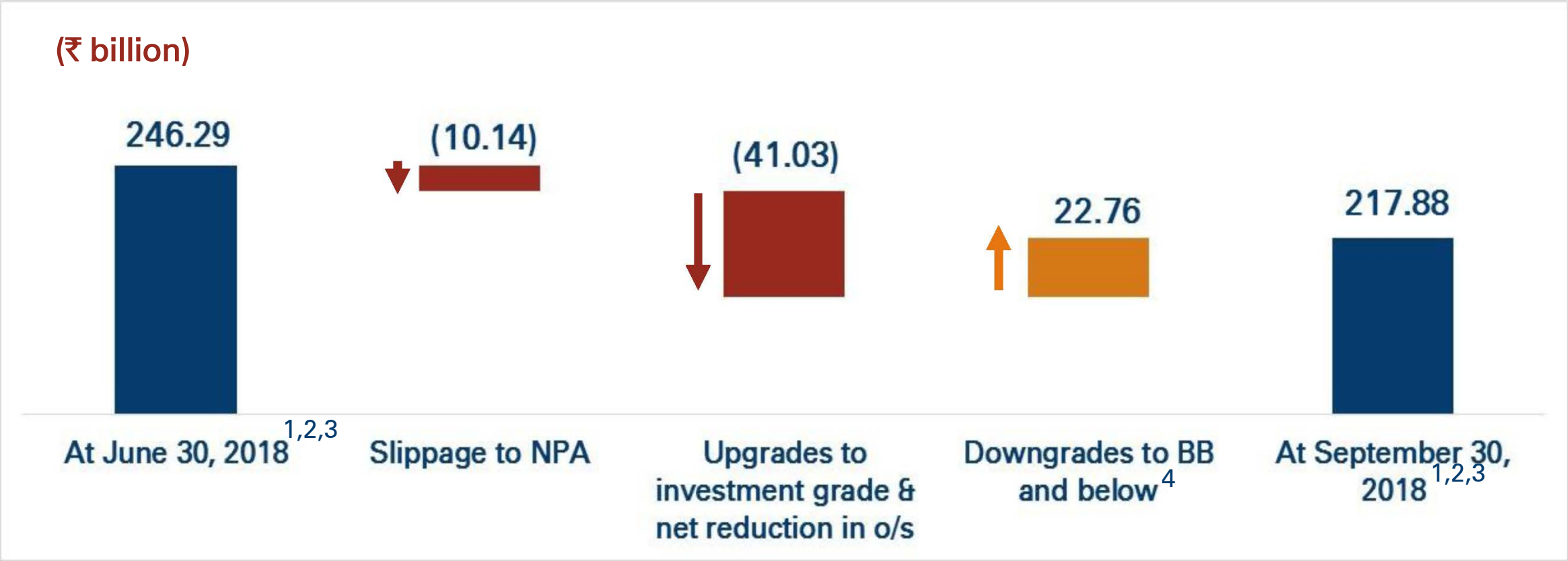
- At September 30, 2018, the Bank had outstanding loans and non-fund facilities amounting to ₹ 93.68 billion and ₹ 7.82 billion respectively
- The provision coverage ratio was 62.1% at September 30, 2018

Corporate and SME: BB and below portfolio

	(₹ billion)	Jun 30, 2018	Sep 30, 2018
	BB and below outstanding[1,2,3]	**246.29**	**217.88**
	- Gross restructured loans	14.45	14.43
	- Non-fund o/s to restructured loans	3.58	1.27
	- Non-fund o/s to non-performing loans	29.29	30.47
slide 55	- Drilldown list[4]	44.01	32.83
slide 60	- Other loans under RBI schemes not included above[5]	18.95	18.98
	- Non-fund o/s to borrowers where S4A has been implemented	14.63	15.07
	- Other borrowers with o/s greater than ₹ 1.00 bn	54.50	45.50
	- Other borrowers with o/s less than ₹ 1.00 bn	66.88	59.33

1. Fund-based and non-fund based outstanding
2. Excludes banks
3. Excludes fund-based outstanding to NPAs
4. Fund-based exposure and non-fund based outstanding
5. Excludes borrowers where SDR or change in management outside SDR has been fully implemented

Movement in Corporate and SME BB and below portfolio



1. Fund-based and non-fund based outstanding
2. Excludes banks
3. Excludes fund-based outstanding to NPAs
4. Includes downgrades to drilldown list of ₹ 8.21 billion, fund and non-fund outstanding to a group engaged in infrastructure, infrastructure financing and EPC businesses and some other accounts

Exposure to power sector

Exposure at September 30, 2018	(₹ billion)	%
Borrowers classified as NPA, drilldown, restructured or RBI schemes	143.97	30%
Other borrowers	337.52	70%
Total	481.50	100%

- Of the other borrowers aggregating ₹ 337.52 billion, excluding exposure to State Electricity Boards, ~81% was rated A- and above

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- Subsidiaries



Portfolio composition over the years

% of total advances	Mar 31, 2015	Mar 31, 2016	Mar 31, 2017	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018
Retail	42.4%	46.6%	51.8%	56.6%	57.5%	57.3%
Domestic corporate	28.8%	27.5%	27.3%	25.8%	25.4%	25.4%
SME	4.4%	4.3%	4.8%	5.0%	4.7%	4.6%
International[1]	24.3%	21.6%	16.1%	12.6%	12.5%	12.7%
Total advances (₹ billion)	**3,875**	**4,353**	**4,642**	**5,124**	**5,163**	**5,445**

1. Including impact of exchange rate movement

Rating-wise total loan book

Rating category[1,2]	March 31, 2016	March 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018
AA- and above	30.6%	37.2%	42.4%	43.3%	44.7%
A+, A, A-	21.3%	19.0%	20.1%	20.0%	20.8%
A- and above	**51.9%**	**56.2%**	**62.5%**	**63.3%**	**65.5%**
BBB+,BBB, BBB-	27.8%	28.7%	27.5%	27.9%	27.5%
BB and below[3]	19.6%	14.6%	9.4%	8.1%	6.8%
Unrated	0.7%	0.5%	0.6%	0.7%	0.2%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Total net advances (₹ billion)	**4,353**	**4,642**	**5,124**	**5,163**	**5,445**

1. Based on internal ratings
2. For retail loans, ratings have been undertaken at the product level
3. Includes net non-performing loans

Concentration risk management approach

Details	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018
Exposure to top 20 borrowers[1] as a % of total exposure	15.0%	13.3%	12.4%	12.5%	12.2%	11.8%
Exposure to top 10 groups as a % of total exposure	20.2%	18.5%	16.8%	14.3%	14.1%	14.1%

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

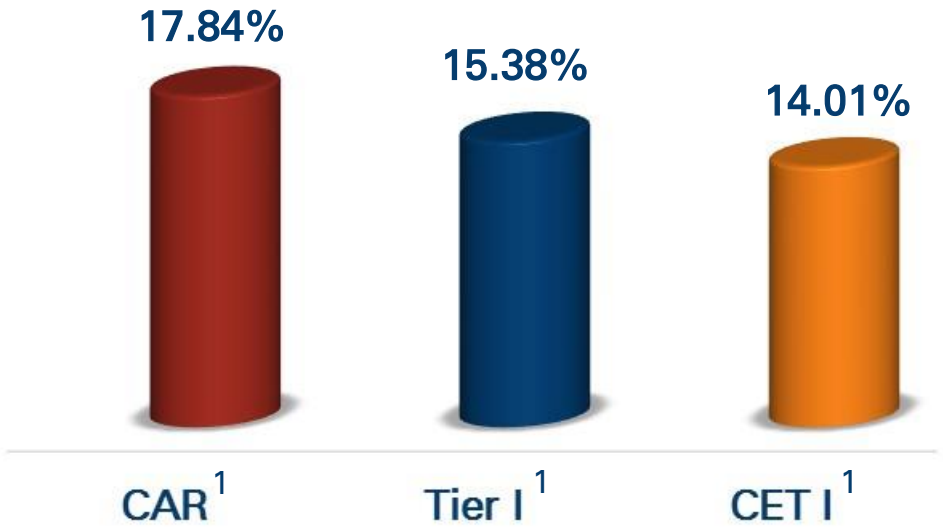
1. Excludes banks

Agenda

- Highlights
- Growth
- P&L indicators
- Credit quality
- Portfolio trends and approach
- **Capital**
- Subsidiaries



Capital adequacy



- **Capital ratios significantly higher than regulatory requirements**
- **Substantial scope to raise Additional Tier I and Tier II capital**

- Excess Tier-1 ratio of 6.35% over the minimum requirement of 9.03% as per current RBI guidelines
- Risk weighted assets grew by 4.0% y-o-y, compared to a 11.0% y-o-y growth in total assets
- Market capitalisation of listed subsidiaries at ~₹ 900 billion[2]; Bank's current shareholding valued at ~₹ 505 billion[2]

Capital adequacy ratios: slide 61

1. Standalone basis
2. At October 25, 2018

Agenda

- Highlights
- Growth
- P&L indicators
- Credit quality
- Portfolio trends and approach
- Capital
- **Subsidiaries**



Domestic subsidiaries

ICICI Life (1/2)

(₹ billion)	FY2018	Q2-2018	Q1-2019	Q2-2019
Annualized premium equivalent	77.92	18.69	13.96	19.85
Profit after tax	16.20	4.21	2.82	3.01
Total premium	270.69	65.99	55.18	76.82
Assets under management	1,395.32	1,305.91	1,426.63	1,461.29
Expense ratio[1]	13.7%	14.1%	17.5%	15.1%

1. All expenses (including commission) / (Total premium – 90% of single premium)

ICICI Life (2/2)

- Proportion of protection business increased from 5.7% in FY2018 to 7.9% in H1-2019
- Protection annualised premium equivalent grew by 77.3% y-o-y to ₹ 2.66 billion in H1-2019
- Persistency stable at 85.2% for 13th month
- Value of New Business (VNB)[1] grew by 41.5% y-o-y to ₹ 5.90 billion in H1-2019; VNB margins[1] increased from 16.5% in FY2018 to 17.5% in H1-2019
- Embedded value was ₹ 192.48 billion as at September 30, 2018
- Private sector market share[2] of 20.2% in H1-2019

1. FY2018 based on actual costs; based on management forecast of costs for FY2019
2. Source: IRDAI, Life insurance council; Retail weighted received premium basis

ICICI General

(₹ billion)	FY2018	Q2-2018	Q1-2019	Q2-2019
Gross written premium	126.00	32.34	38.56	36.37
Profit before tax	11.96	2.86	4.43	4.49
Profit after tax	8.62	2.04	2.89	2.93
Combined ratio	100.2%	102.9%	98.8%	101.1%

Sustained leadership in private sector with an overall market share of 8.9%[1]

1. Source: IRDAI

Other subsidiaries

Profit after tax (₹ billion)	FY2018	Q2-2018	Q1-2019	Q2-2019
ICICI Prudential Asset Management	6.26	1.56	0.80	1.96
ICICI Securities (Consolidated)[1]	5.53	1.30	1.34	1.34
ICICI Securities Primary Dealership	1.12	0.52	(0.36)	(0.43)
ICICI Home Finance	0.64	0.14	0.14	0.11
ICICI Venture	0.11	(0.01)	0.03	(0.04)

1. As per Ind AS

Overseas subsidiaries

ICICI Bank UK

(USD million)	FY2018	Q2-2018	Q1-2019	Q2-2019
Net interest income	66.9	16.9	16.7	16.7
Profit/(loss) after tax	(25.5)	2.4	1.8	(14.7)
Loans and advances	2,373.8	2,583.4	2,348.6	2,359.0
Deposits	1,748.8	1,617.5	1,768.5	1,915.5
- Retail term deposits	*297.5*	*324.1*	*280.6*	*513.7*
Capital adequacy ratio	16.5%	16.2%	16.4%	17.6%
- Tier I	*14.0%*	*14.2%*	*14.0%*	*13.4%*

▶ Asset and liability composition: slide 63

ICICI Bank Canada

(CAD million)	FY2018	Q2-2018	Q1-2019	Q2-2019
Net interest income	79.2	19.0	21.4	23.1
Profit/(loss) after tax	44.2	12.8	14.0	12.4
Loans and advances	5,733.2	5,579.5	5,727.0	5,814.0
- Residential mortgages	*3,387.0*	*3,403.4*	*3,409.1*	*3,418.4*
Deposits	2,818.4	2,529.6	3,092.4	3,185.0
Capital adequacy ratio	17.3%	21.2%	17.6%	17.3%
- Tier I	*16.7%*	*21.2%*	*17.0%*	*16.7%*

Asset and liability composition: slide 64

Thank you

Balance sheet: assets

(₹ billion)	Sep 30, 2017	Jun 30, 2018	Sep 30, 2018
Cash & bank balances	533.62	632.94	576.12
Investments	1,799.35	1,863.60	1,875.00
- SLR investments	*1,231.49*	*1,337.82*	*1,364.28*
- Equity investment in subsidiaries	*102.90*	*98.03*	*98.03*
Advances	4,827.80	5,162.89	5,444.87
Fixed & other assets[1]	717.25	791.84	847.41
- RIDF[2] and related	*238.71*	*258.40*	*272.00*
Total assets	**7,878.02**	**8,451.28**	**8,743.40**

Loan growth led by retail: slide 9

1. Non-banking assets acquired in satisfaction of claims of ₹ 19.41 billion at September 30, 2018 (June 30, 2018: ₹ 19.53 billion; September 30, 2017: ₹ 25.32 billion)
2. Rural Infrastructure Development Fund

Balance sheet: liabilities

(₹ billion)	Sep 30, 2017	Jun 30, 2018	Sep 30, 2018
Net worth	1,027.88	*1,053.42*	1,053.72
- Equity capital	*12.84*	*12.87*	*12.87*
- Reserves	*1,015.04*	*1,040.55*	*1,040.85*
Deposits	4,986.43	5,468.78	*5,586.69*
- Savings	*1,784.80*	*1,996.04*	*2,074.76*
- Current	*683.96*	*766.89*	*760.72*
Borrowings[2]	1,507.02[1]	1,619.70	*1,746.86*
Other liabilities	356.69	309.38	356.13
Total liabilities	7,878.02	8,451.28	8,743.40

Credit/deposit ratio of 85.9% on the domestic balance sheet at Sep 30, 2018

1. Borrowings include preference shares amounting to ₹ 3.50 billion which were redeemed on April 20, 2018
2. Including impact of rupee depreciation

Composition of borrowings

(₹ billion)	Sep 30, 2017	Jun 30, 2018	Sep 30, 2018
Domestic	720.25	827.61	936.27
- Capital instruments	*296.48*[1]	*304.91*	*304.51*
- Other borrowings	*423.77*	*522.70*	*631.76*
- Long term infrastructure bonds	*194.97*	*194.97*	*194.97*
Overseas borrowings[2]	786.77	792.09	810.59
Total borrowings	**1,507.02**	**1,619.70**	**1,746.86**

Healthy funding mix maintained: slide 11

1. Borrowings include preference shares amounting to ₹ 3.50 billion which were redeemed on April 20, 2018
2. Including impact of rupee depreciation

Extensive franchise

Branches	At Mar 31, 2016	At Mar 31, 2017	At Mar 31, 2018	At Sep 30, 2018	% share at Sep 30, 2018
Metro	1,313	1,440	1,443	1,441	30%
Urban	938	990	991	991	20%
Semi urban	1,340	1,444	1,449	1,449	30%
Rural	859	976	984	986	20%
Total branches	**4,450**	**4,850**	**4,867**	**4,867**	**100%**
Total ATMs	**13,766**	**13,882**	**14,367**	**14,417**	**-**

◀ Healthy funding mix maintained: slide 11

Equity investment in subsidiaries

(₹ billion)	Sep 30, 2017	Jun 30, 2018	Sep 30, 2018
ICICI Prudential Life Insurance	33.26	32.97	32.97
ICICI Bank Canada	22.74	18.74	18.74
ICICI Bank UK	18.05	18.05	18.05
ICICI Lombard General Insurance	13.49	13.49	13.49
ICICI Home Finance	11.12	11.12	11.12
ICICI Securities Limited	1.87	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	**102.90**	**98.03**	**98.03**

◀ Consolidated profit & loss statement: slide 23

Consolidated balance sheet

(₹ billion)	Sep 30, 2017	Jun 30, 2018	Sep 30, 2018
Cash & bank balances	570.07	701.33	659.04
Investments	3,400.52	3,621.47	3,658.17
Advances	5,382.04	5,722.39	6,046.77
Fixed & other assets	856.05	942.71	1,005.44
Total assets	**10,208.68**	**10,987.90**	**11,369.42**
Net worth	1,081.04	1,107.60	1,109.79
Minority interest	56.29	60.80	62.63
Deposits	5,217.81	5,736.36	5,894.97
Borrowings	1,995.42	2,098.19	2,232.12
Liabilities on policies in force	1,230.08	1,351.45	1,386.07
Other liabilities	628.04	633.50	683.84
Total liabilities	**10,208.68**	**10,987.90**	**11,369.42**

◀ Key ratios (consolidated): slide 23

Sector-wise exposures

Top 10 sectors[1]: % of total exposure of the Bank	Mar 31, 2015	Mar 31, 2016	Mar 31, 2017	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018
Retail finance	24.7%	27.1%	31.9%	34.2%	35.3%	35.6%
Banks	7.8%	8.0%	6.0%	8.4%	7.9%	8.0%
Electronics & engineering	7.6%	7.3%	6.9%	6.7%	6.9%	6.8%
Services – finance	4.2%	4.9%	6.2%	7.0%	6.5%	6.8%
Crude petroleum/refining & petrochemicals	7.0%	5.7%	5.5%	5.6%	5.8%	5.2%
Power	5.5%	5.4%	5.1%	4.6%	4.6%	4.6%
Road, port, telecom, urban development & other infra	5.9%	5.8%	5.3%	4.2%	4.2%	4.2%
Services - non finance	5.0%	4.9%	4.0%	3.3%	3.3%	3.2%
Construction	4.0%	3.4%	3.1%	3.2%	3.1%	3.2%
Wholesale/retail trade	2.2%	2.8%	2.5%	2.8%	2.8%	3.2%
Total (₹ billion)	**8,535**	**9,428**	**9,372**	**10,265**	**10,121**	**10,505**

1. Top 10 based on position at September 30, 2018

Aggregate exposure to key sectors

% of total exposure of the Bank	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	September 30, 2018
Power	5.9%	5.5%	5.4%	5.1%	4.6%	4.6%
Iron/steel	5.0%	4.8%	4.5%	3.6%	2.8%	2.7%
Mining	1.7%	1.5%	1.6%	1.8%	1.5%	1.5%
Others[1]	2.2%	2.0%	1.8%	1.5%	1.2%	1.1%
Total exposure of the Bank to key sectors	**14.8%**	**13.8%**	**13.3%**	**12.0%**	**10.1%**	**9.9%**

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

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

Further drilldown: approach

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

Further drilldown: sector-wise details

(₹ billion)	At June 30, 2018		At September 30, 2018	
	Exposure [1,2]	% of total exposure	Exposure [1,2]	% of total exposure
Power	12.49	0.1%	16.87	0.2%
Iron/steel	26.77	0.3%	8.39	0.1%
Mining	4.30	0.0%	4.36	0.0%
Others[3]	0.45	0.0%	3.21	0.0%
Total	**44.01**	**0.4%**	**32.83**	**0.3%**

1. Aggregate fund based limits and non-fund based outstanding
2. Includes investment exposure
3. 'Others' includes exposure to cement & rigs sectors

Further drilldown: movement

Aggregate exposure[1,2]	Q2-2019
Opening balance	44.01
Less: Upgrades to 'investment grade'	18.73
Less: Decrease in exposure	0.66
Add: Downgrades to 'below investment grade'	8.21
Closing balance at September 30, 2018	**32.83**

Corporate and SME BB and below : slide 31

1. Aggregate fund based limits and non-fund based outstanding
2. Includes investment exposure

Loans under RBI resolution schemes[1]

September 2018 (₹ billion)	Standard restructured	Drilldown	Others	Total
Flexible structuring implemented under the 5/25 scheme[3]	-	6.60	13.45[2]	20.05
S4A implemented[3]	-	-	5.53[4]	5.53
June 2018 (₹ billion)				
Flexible structuring implemented under the 5/25 scheme[3]	-	6.64	13.40[2]	20.04
S4A implemented[3]	0.62	-	5.55[4]	6.17

Corporate and SME BB and below : slide 30

1. Excludes NPA
2. Includes central public sector owned undertaking upgraded from NPA during Q4-2018
3. Represents loans, credit substitutes and shares under S4A package and implementation amount outstanding for 5/25 scheme
4. In addition, non-fund based outstanding to these borrowers aggregated ₹ 15.07 billion in Sep 2018 and ₹ 14.63 billion in June 2018

Standalone capital adequacy

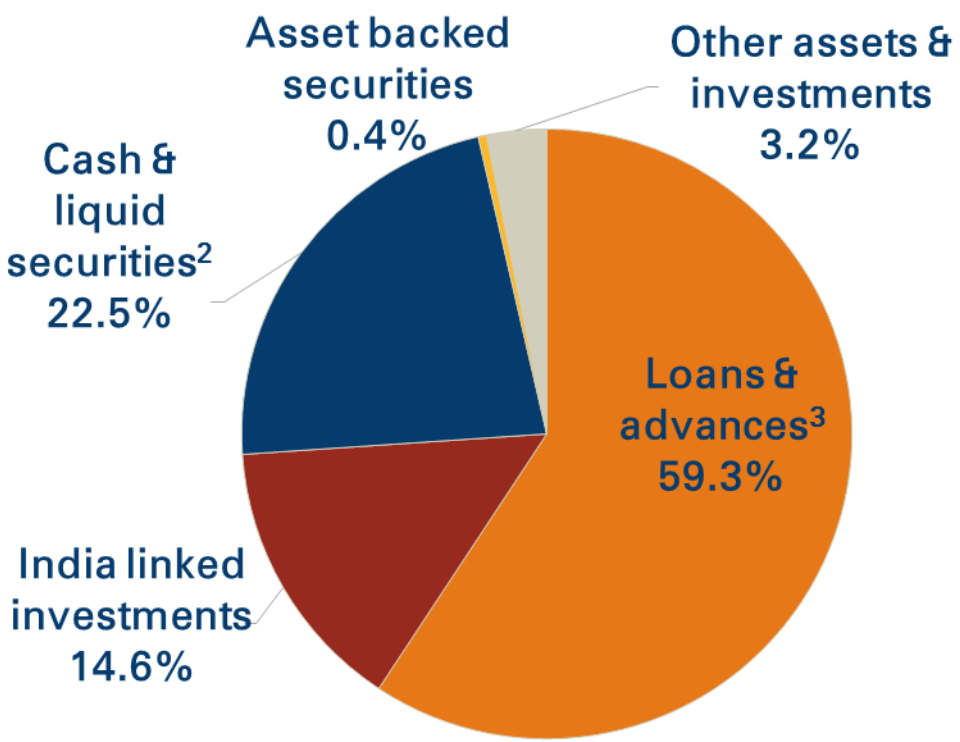
	June 30, 2018		September 30, 2018	
	(₹ billion)	%	(₹ billion)	%
Total capital	1,166.60	18.35%	1,170.17	17.84%
- Tier I	1,006.53	15.84%	1,008.81	15.38%
- of which: CET1	*916.82*	*14.42%*	*919.01*	*14.01%*
- Tier II	160.07	2.51%	161.36	2.45%
Risk weighted assets	6,355.93		6,558.42	
- On balance sheet	*5,526.22*		*5,665.17*	
- Off balance sheet	*829.71*		*893.25*	

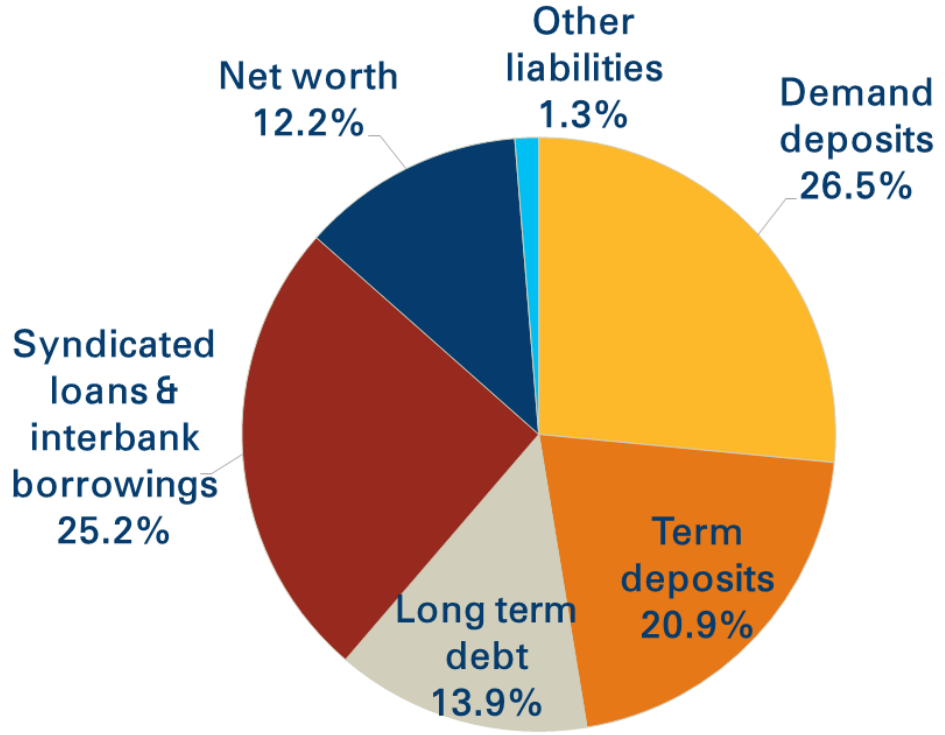
Consolidated capital adequacy

Basel III (%)	June 30, 2018	September 30, 2018
Total capital	17.80%	17.13%
- Tier I	15.41%	14.81%
- Tier II	2.39%	2.32%

Capital adequacy: slide 38

ICICI Bank UK[1]



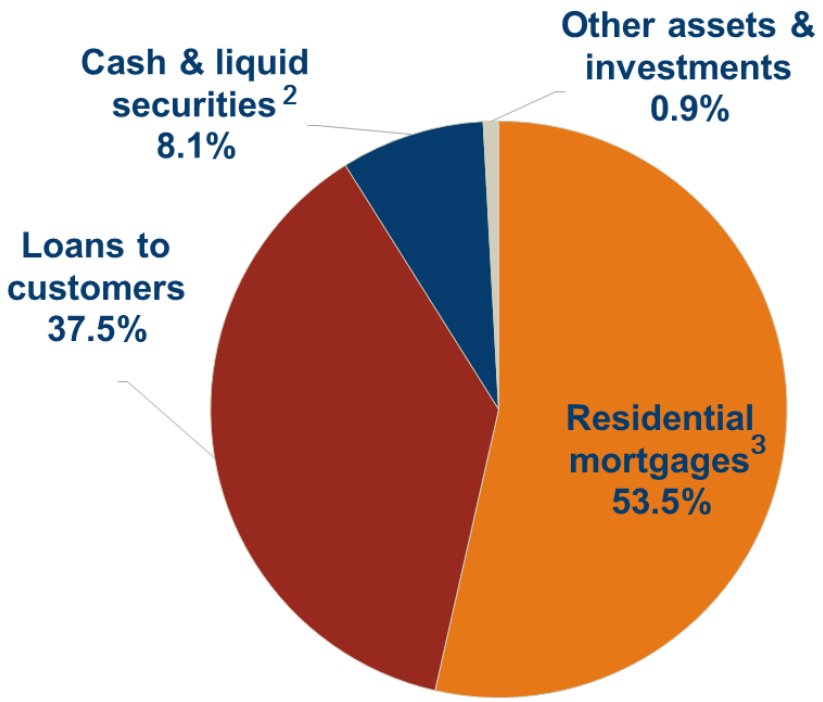


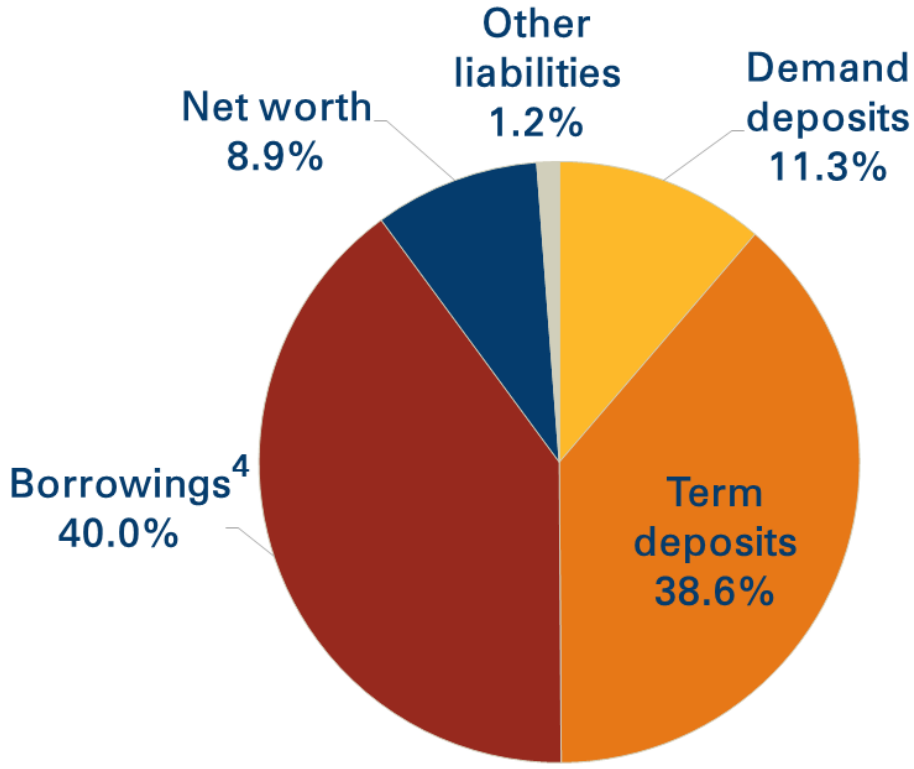
Total assets: USD 4.0 billion

Total liabilities: USD 4.0 billion

1. At September 30, 2018
2. Includes cash & advances to banks, T Bills and reverse repo
3. Includes securities re-classified to loans & advances

ICICI Bank Canada[1]





Total assets: CAD 6.4 billion

Total liabilities: CAD 6.4 billion

1. At September 30, 2018
2. Includes cash & placements with banks and government securities
3. Includes insured mortgages of CAD 2,931.6 million and conventional mortgages of CAD 486.8 million. Insured mortgages include CAD 2,582.0 million of securitised mortgages
4. As per IFRS, proceeds of CAD 2,556.1 million on securitization of residential mortgages are considered a part of borrowings

ICICI Home Finance

(₹ billion)	Q2-2018	Q1-2019	Q2-2019
Loans and advances	91.16	99.20	104.58
Capital adequacy ratio	25.6%	22.5%	21.4%
Net NPA ratio	2.19%	1.89%	1.79%

Analyst call on October 26, 2018: opening remarks

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

Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', 'expected to', etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results, opportunities and growth potential to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the actual growth in demand for banking and other financial products and services in the countries in which we operate or where a material number of our customers reside, future levels of non-performing and restructured loans and any increased provisions and regulatory and legal changes relating to those loans, our exposure to securities of asset reconstruction companies, our ability to successfully implement our strategies, including our retail deposit growth strategy, the strategic use of technology and the Internet and our strategy to reduce our net non-performing assets, the continued service of our senior management, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions in which we are or become a party to, the outcome of any internal or independent enquiries or regulatory or governmental investigations, our rural expansion, our exploration of merger and acquisition opportunities, our ability to integrate recent or future mergers or acquisitions into our operations and manage the risks associated with such acquisitions to achieve our strategic and financial objectives, our ability to manage the increased complexity of the risks that we face in following our international growth, future levels of impaired loans, our growth and expansion in domestic and overseas markets, our status as a systemically important bank in India, our ability to maintain enhanced capital and liquidity requirements, the adequacy of our allowance for credit and investment losses, our ability to market new products, investment income, cash flow projections, the impact of any changes in India's credit rating, the impact of new accounting standards or new accounting framework, our ability to implement our dividend payment practice, the impact of changes in banking and insurance regulations and other regulatory changes in India and other jurisdictions on us, including changes in regulatory intensity, supervision and interpretations, the state of the global financial system and systemic risks, bond and loan market conditions and availability of liquidity amongst the investor community in these markets, the nature of credit spreads and interest spreads from time to time, including the possibility of increasing credit spreads or interest rates, our ability to roll over our short-term funding sources and our exposure to credit, market, liquidity and reputational risks. ICICI Bank undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

This opening remarks 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 Q2-2019 results. Joining us today on this call are our Executive Directors – Vishakha, Anup and Vijay; President Corporate Centre – Sandeep Batra; CFO – Rakesh and our Head of Investor Relations - Anindya.

Team ICICI is excited about the opportunities that the financial landscape has to offer and the team is geared up to maximise the Bank's share of these opportunities. Our focus is on further growing our core operating profit through granular and risk-calibrated business growth. The core operating profit increased by 10% year-on-year to 52.85 billion Rupees in Q2 of 2019. The core operating profit, excluding dividend income from subsidiaries, increased by 17% year-on-year to 51.18 billion Rupees in Q2 of 2019. The domestic loan book grew by 15.7% year-on-year led by retail loan growth of 20.5% year-on-year. The proportion of the loan portfolio rated A- and above increased from 63.3% at June 30, 2018 to 65.5% at September 30, 2018. Our funding profile continues to be healthy. The outstanding CASA deposits increased by 14.9% year-on-year at September 30, 2018, from 2.47 trillion Rupees to 2.84 trillion Rupees. The average CASA ratio was maintained above 45% during Q2 of 2019. The team is taking a number of initiatives to expand the customer base and deepen the penetration of our products and services among existing customers, through improving and expanding our product offerings and sharpening our focus on

specific micro-markets. We are working on making our delivery more seamless and frictionless by decongesting our processes and appropriately empowering our teams.

Even as we focus on healthy growth in core operating profits, we remain equally focused on addressing the stress in the corporate and SME portfolio originated in earlier years. The NPA additions during the quarter have further moderated to 31.17 billion Rupees, of which 13.04 billion Rupees represents the impact of currency depreciation on existing foreign currency NPAs. The corporate and SME NPA additions were mainly from the portfolio rated BB and below at June 30, 2018. The additions to NPAs in FY2019 are expected to be significantly lower than FY2018. Our gross non-performing assets were 544.89 billion Rupees as of September 30, 2018. The provision coverage ratio excluding technical/prudential write-offs increased by 480 basis points sequentially to 58.9% as of September 30, 2018. Including technical/ prudential write-offs, the provision coverage ratio was 69.4%. Since the last quarter, we have been disclosing our BB and below corporate and SME portfolio. This has decreased from 246.29 billion Rupees at June 30, 2018 to 217.88 billion Rupees at September 30, 2018.

During the quarter, concerns emerged around a group engaged in infrastructure, infrastructure financing and EPC businesses. Our exposure to this group is primarily to an EPC company within the group, and is primarily non-fund in nature, comprising guarantees. This exposure has been broadly at the same level for

several years. The internal rating of this company was downgraded to BB and below during Q2-2019 and the same is included in our corporate and SME BB and below portfolio at September 30, 2018. The exposure was standard as of September 30, 2018.

Recently, there have been concerns regarding the liquidity issues faced by certain NBFCs and HFCs. Our total loans, investment and non-fund based outstanding to NBFCs and HFCs were 367.34 billion Rupees at September 30, 2018. The loans to NBFCs and HFCs were about 5.4% of our total outstanding loans at September 30, 2018. Our lending has been focused on entities that are well rated, have long vintage and are in the public sector or owned by banks and well-established corporate groups. We continue to do business with them subject to appropriate risk assessment and pricing.

As we had mentioned on our previous earnings call, our objective is to collaborate and bring all our capabilities together to be the trusted partner in serving our customers and become their banker of choice. Our focus is on further growing our core operating profit through granular and risk-calibrated business growth. We expect the provisions in FY2019 to remain elevated and are closely monitoring the asset quality.

We look forward to building the business performance and shareholder value with support from all our stakeholders.

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

Mr. Jha's remarks

Thank you, Sandeep. I will talk about our performance on growth and credit quality during Q2 of 2019. I will then talk about the P&L details and capital.

A. Growth

The domestic loan growth was 15.7% year-on-year as of September 30, 2018 driven by a 20.5% year-on-year growth in the retail business.

Within the retail portfolio, the mortgage loan portfolio grew by 16%, auto loans by 10%, business banking by 45% and rural lending by 19% year-on-year. Commercial vehicle and equipment loans grew by 20% year-on-year. The unsecured credit card and personal loan portfolio grew by 43% year-on-year, off a relatively small base, to 355.67 billion Rupees and was about 6.5% of the overall loan book as of September 30, 2018. We continue to grow the unsecured credit card and personal loan portfolio primarily driven by a focus on cross-sell to our existing customers.

Growth in the SME portfolio was 20.4% year-on-year at September 30, 2018. The SME portfolio constituted 4.6% of total loans as of September 30, 2018.
We saw continued growth in domestic corporate loans. Excluding net NPAs, restructured loans and loans internally rated below investment grade in key sectors at September 30, 2018, growth in the domestic corporate portfolio was 15% year-on-year.

The net advances of the overseas branches decreased by 3.8% year-on-year in Rupee terms and 13.3% year-on-year in US dollar terms at September 30, 2018. The international loan portfolio was about 12.7% of the overall loan book as of September 30, 2018.

As a result of the above, the overall loan portfolio grew by 12.8% year-on-year at September 30, 2018.

Coming to the funding side: Total deposits grew by 12.0% year-on-year to 5.6 trillion Rupees as of September 30, 2018. CASA deposits grew by 14.9% year-on-year to 2.8 trillion Rupees at September 30, 2018. The outstanding CASA ratio was 50.8% at September 30, 2018 compared to 49.5% at September 30, 2017.

B. Credit Quality

During Q2 of 2019, the gross NPA additions were 31.17 billion Rupees.

The retail portfolio had gross NPA additions of 7.60 billion Rupees and recoveries & upgrades of 5.92 billion Rupees.

Of the corporate and SME gross NPA additions of 23.57 billion Rupees, about 13.04 billion Rupees represents the impact of rupee depreciation on existing foreign currency NPAs. The balance slippage of 10.53 billion Rupees was largely from the BB and below portfolio which we had disclosed during the previous quarter. It includes slippages of 0.54 billion Rupees from restructured loans, devolvement of non-fund based exposure of 1.32 billion Rupees and slippages of 8.28 billion Rupees from other loans rated BB and below. As the corporate portfolio is lumpy in nature, the additions to gross NPA may fluctuate on a quarterly basis. NPA additions in FY2019 are expected to be significantly lower compared to FY2018.

The aggregate deletions from NPA due to recoveries and upgrades were 10.06 billion Rupees in Q2 of 2019. The gross NPAs written-off during the quarter aggregated 3.89 billion Rupees. The Bank sold gross NPAs aggregating to 6.98 billion Rupees during the quarter for 100% cash consideration.

The Bank's net non-performing asset ratio decreased from 4.19% as of June 30, 2018 to 3.65% as of September 30, 2018.

The provision coverage ratio on non-performing loans, excluding cumulative technical/ prudential write-offs, increased by 480 bps sequentially to 58.9% as of September 30, 2018 compared to

54.1% as of June 30, 2018. Including cumulative technical/ prudential write-offs, the provision coverage ratio on non-performing loans improved to 69.4% as of September 30, 2018 from 66.1% as of June 30, 2018.

During FY2018, RBI had directed banks to initiate insolvency resolution process for certain accounts. At September 30, 2018, the Bank had outstanding loans & non-fund facilities amounting to 38.81 billion Rupees & 1.47 billion Rupees respectively to accounts referred to NCLT in List 1. The provision coverage ratio on these loans was 89.7% as of September 30, 2018. The Bank had outstanding loans & non-fund facilities amounting to 93.68 billion Rupees & 7.82 billion Rupees respectively to accounts referred to NCLT in List 2. The provision coverage ratio on these loans was 62.1% as of September 30, 2018.

The total non-fund based outstanding to borrowers classified as non-performing was 30.47 billion Rupees as of September 30, 2018.

The net standard restructured loans were 14.13 billion Rupees at September 30, 2018. The non-fund based outstanding to companies in the restructured portfolio was 1.27 billion Rupees as of September 30, 2018.

Standards loans under the remaining RBI schemes, namely, 5/25 and S4A excluding overlaps from drilldown which have been fully implemented were 18.98 billion Rupees, as of September 30,

2018. In addition, non-fund based outstanding to borrowers under S4A, other than standard restructured cases, aggregated 15.07 billion Rupees as of September 30, 2018.

Moving on to the drilldown list, the aggregate fund based limits and non-fund based outstanding to companies that were internally rated below investment grade in the key sectors and promoter entities decreased from 44.01 billion as of June 30, 2018 to 32.83 billion Rupees as of September 30, 2018. There was a net decrease in exposure of 0.66 billion Rupees and net rating upgrades of 10.52 billion Rupees during the quarter.

The drilldown list has decreased from 440.65 billion Rupees at March 31, 2016 to 32.83 billion Rupees at September 30, 2018. Going forward, we will merge the drilldown list with other categories in the corporate and SME BB and below portfolio.

As of September 30, 2018, the fund-based and non-fund based outstanding to standard borrowers rated BB and below was 217.88 billion Rupees. This included gross standard restructured loans, the drilldown list, fund based and non-fund based outstanding of borrowers under fully implemented RBI schemes, and non-fund based outstanding to non-performing and restructured accounts, excluding overlaps, of 113.05 billion Rupees as of September 30, 2018 compared to 124.91 billion as of June 30, 2018. The balance 104.83 billion Rupees of fund-based and non-fund based outstanding to borrowers rated BB and below included 45.50 billion Rupees related to cases with an

outstanding greater than 1.00 billion Rupees and 59.33 billion Rupees related to cases with an outstanding of less than 1.00 billion Rupees. On slide 31 of the presentation, we have provided the movement in our BB and below portfolio during Q2 of 2019.

- There were rating upgrades to the investment grade categories and a net decrease in outstanding, of 41.03 billion Rupees
- There were rating downgrades of 22.76 billion Rupees from the investment grade category during the quarter. This includes downgrades to drilldown list of about 8.21 billion Rupees, fund and non-fund outstanding to a group engaged in infrastructure, infrastructure financing and EPC businesses and some other accounts
- Lastly, there was a reduction of 10.14 billion Rupees due to classification of certain borrowers as non-performing.

Coming to our exposure to the power sector, our total exposure was about 481.50 billion Rupees at September 30, 2018. Of the total power sector exposure, about 30% was either non-performing, restructured, part of the drilldown list or under a RBI resolution scheme. Of the balance 70% of the exposure, 53% was to private sector and 47% was to public sector companies. Our exposure to public sector companies included about 16.14 billion Rupees to state electricity boards. Also, of the balance 70% of the exposure, excluding state electricity boards, about 81% was rated A- & above.

The loan, investment and non-fund based outstanding to NBFCs was 241.90 billion Rupees at September 30, 2018 compared to 219.15 billion Rupees at September 30, 2017. The loan, investment and non-fund based outstanding to HFCs was 125.44 billion Rupees at September 30, 2018 compared to 101.74 billion Rupees at September 30, 2017. The loans to NBFCs and HFCs were about 5.4% of our total outstanding loans at September 30, 2018. The builder portfolio including construction finance, lease rental discounting, term loans and working capital loans was about 184 billion Rupees at September 30, 2018.

C. P&L Details

The core operating profit (profit before provisions and tax, excluding treasury income) grew by 10.3% to 52.85 billion Rupees in Q2 of 2019 from 47.93 billion Rupees in Q2 of 2018.

The net interest margin was at 3.33% in Q2 of 2019 compared to 3.19% in Q1 of 2019 and 3.27% in Q2 of 2018. The domestic NIM was at 3.71% in Q2 of 2019 compared to 3.54% in Q1 of 2019 and 3.57% in Q2 of 2018. International margins decreased to 0.05% in Q2 of 2019 compared to 0.30% in Q1 of 2019. Overseas margins reduced sequentially in Q2 of 2019 due to lower interest collection from non-performing loans.

There has been an increase in the incremental cost of term deposits for the banking system in September. While the Bank has been passing on the increase in cost of deposits to borrowers

by hiking the MCLR and the incremental lending rates, the impact of the same on margins would come with a lag due to the lower reset frequency of loans linked to MCLR.

Total non-interest income was 31.56 billion Rupees in Q2 of 2019 compared to 51.86 billion Rupees in Q2 of 2018.

- Fee income grew by 16.5% year-on-year to 29.95 billion Rupees in Q2 of 2019. Retail fee income grew by 20.6% and constituted about 72% of overall fees in Q2 of 2019.

- Dividend income from subsidiaries was 1.67 billion Rupees in Q2 of 2019 compared to 4.11 billion Rupees in Q2 of 2018. The dividend income in Q2 of 2018 included the final dividend of ICICI Life for FY2017. The final dividend of ICICI Life for FY2018 was received in Q1 of 2019. Other income excluding dividend income from subsidiaries was 0.30 billion Rupees in Q2 of 2019 compared to 0.12 billion Rupees in Q2 of 2018.

On Costs: The Bank's operating expenses increased by 10.6% year-on-year in Q2 of 2019. The cost-to-income ratio was 45.2% in Q2 of 2019 compared to 44.0% in Q2 of 2018 which excluded gains from stake sale in subsidiaries. The Bank had 83,927 employees at September 30, 2018.

There was a treasury loss of 0.35 billion Rupees in Q2 of 2019 compared to a profit of 21.93 billion Rupees in Q2 of 2018. Treasury income in Q2 of 2018 included gains of 20.12 billion Rupees from sale of stake in ICICI General.

Provisions were 39.94 billion Rupees in Q2 of 2019 compared to 59.71 billion Rupees in Q1 of 2019 and 45.03 billion in Q2 of 2018.

The Bank had a net profit of 9.09 billion Rupees in Q2 of 2019 compared to 20.58 billion Rupees in Q2 of 2018.

D. Subsidiaries

The performance of subsidiaries is covered in slides 41 to 47 in the investor presentation.

The consolidated profit after tax was 12.05 billion Rupees in Q2 of 2019 compared to 0.05 billion Rupees in Q1 of 2019 and 20.71 billion Rupees in Q2 of 2018.

E. Capital

The Bank had a standalone Tier 1 capital adequacy ratio of 15.38% and total standalone capital adequacy ratio of 17.84%.

We will now be happy to take your questions.