

Banking Business models and Financial Statements

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Atul Kedia

Managing Partner, Light Hill Capital

atul.kedia@iiml.org

Bouquet of financial services

- ▶ Payments
- ▶ Deposits and Lending
- ▶ Investing
- ▶ Wealth Management
- ▶ Insurance
- ▶ Financial inclusion
- ▶ Others

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Models of Banking - a comparison

- Intermediaries between security issuers and investors to help firms raise capital.
- Provide financial consultancy services, equity research.
- Provide various financial services - M&A, leveraged finance, restructuring, risk management, underwriting, securities trading, asset management, etc.
- Main Income source: Commissions and fees.

Investment
Banks

- Main functions - deposit taking, making loans -Asset Transformers.
- Clientele - private, corporate, government, sovereigns.
- Other services - credit cards, payments and settlements, private banking, custodial services, providing guarantees and trade financing.
- Main Income sources: Interest from loans and investments, commissions and fees from other services.

Commercial
Banks

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DBS Bank India Limited

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BALANCE SHEET AS AT 31 MARCH 2023

(Currency: Indian rupees in thousand)

	Schedule	31-Mar-23	31-Mar-22
CAPITAL AND LIABILITIES			
Capital	1	72,578,894	72,578,894
Reserves and Surplus	2	30,240,706	27,959,293
Deposits	3	613,750,902	489,778,971
Borrowings	4	277,757,207	176,414,361
Other Liabilities and Provisions	5	120,700,178	76,884,575
Total		1,115,027,887	843,616,094
ASSETS			
Cash and Balances with Reserve Bank of India	6	30,085,496	38,844,097
Balances with banks and money at call and short notice	7	52,670,535	61,058,485
Investments	8	430,708,139	215,655,079
Advances	9	471,595,386	438,980,204
Fixed Assets	10	5,975,529	4,595,798
Other Assets	11	123,992,802	84,482,431
Total		1,115,027,887	843,616,094
Contingent Liabilities	12	11,598,874,863	9,329,267,764
Bills for collection		311,841,758	270,661,169
Significant accounting policies and Notes to Accounts	18		

Handwritten annotations:

- Red arrows point to 'Cash and Balances with Reserve Bank of India', 'Balances with banks and money at call and short notice', 'Investments', 'Advances', 'Contingent Liabilities', and 'Bills for collection'.
- A red bracket groups 'Cash and Balances with Reserve Bank of India', 'Balances with banks and money at call and short notice', 'Investments', and 'Advances'.
- A red 'X' is marked over the 31-Mar-23 value for 'Cash and Balances with Reserve Bank of India'.
- A red arrow points from the 31-Mar-22 value for 'Investments' to the word 'NPA'.
- A red circle with 'R' is drawn next to the 31-Mar-22 value for 'Contingent Liabilities'.

DBS Bank India Limited

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

(Currency: Indian rupees in thousand)

	Schedule	31-Mar-23	31-Mar-22
I. INCOME			
Interest earned ✓	13	57,097,631	43,153,992
Other income ✓	14	9,950,333	8,868,706
TOTAL		67,047,964	52,022,698
II. EXPENDITURE			
Interest expended	15	33,534,481	23,103,677
Operating expenses	16	29,668,751	26,521,829
Provisions and contingencies	17	1,563,319	731,475
TOTAL		64,766,551	50,356,981
III. PROFIT			
Net Profit for the year		2,281,413	1,665,717
Profit brought forward		2,063,229	560,951
TOTAL		4,344,642	2,226,668
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		570,353	416,429
Transfer to Capital Reserve		13,590	18,955
(Transfer from) Investment Reserve		(40,651)	(73,093)
Transfer to / (Transfer from) Investment Fluctuation Reserve		5,717	(198,852)
Balance carried over to Balance Sheet		3,795,633	2,063,229
TOTAL		4,344,642	2,226,668
V. BASIC AND DILUTED EARNINGS PER SHARE (INR)	18[B.10]	0.31	0.25
Significant accounting policies and Notes to Accounts	18		



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Net interest income and spread analysis

The following table sets forth, for the periods indicated, the net interest income and spread analysis.

₹ in billion, except percentages

Particulars	Fiscal 2022	Fiscal 2023	% change
Interest income	₹ 863.75	₹ 1,092.31	26.5%
Interest expense	389.09	471.02	21.1
Net interest income	474.66	621.29	30.9
Average interest-earning assets	11,979.51	13,872.53	15.8
Average interest-bearing liabilities	₹ 10,478.20	₹ 11,998.16	14.5%
Net interest margin	3.96%	4.48%	-
Average yield	7.21%	7.87%	-
Average cost of funds	3.71%	3.93%	-
Interest spread	3.50%	3.94%	-

¹ All amounts have been rounded off to the nearest ₹ 10.0 million.

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The following table sets forth, for the periods indicated, the trend in yield, cost, spread and margin.

Particulars	Fiscal 2022	Fiscal 2023
Yield on interest-earning assets	7.21%	7.87%
- On advances	8.27	8.94
- On investments	5.98	6.57
- On SLR investments	6.22	6.62
- On other investments	4.72	6.16
- On other interest-earning assets	4.04	3.38
Cost of interest-bearing liabilities	3.71	3.93
- Cost of deposits	3.53	3.66
- Current and savings account (CASA) deposits	2.27	2.28
- Term deposits	4.54	4.78
- Cost of borrowings	5.37	5.97
Interest spread	3.50	3.94
Net interest margin	3.96%	4.48%

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The following table sets forth, for the period indicated, the trend in average interest-earning assets and average interest-bearing liabilities:

Particulars	₹ in billion, except percentages		
	Fiscal 2022	Fiscal 2023	% change
Advances	₹ 7,716.34	₹ 9,390.62	21.7%
Interest-earning investments ¹	2,744.51	3,180.93	15.9
Other interest-earning assets	1,518.66	1,300.98	(14.3)
Total interest-earning assets	11,979.51	13,872.53	15.8
Deposits	9,433.39	10,634.91	12.7
Borrowings ¹	1,044.80	1,363.25	30.5
Total interest-bearing liabilities	₹ 10,478.20	₹ 11,998.16	14.5%

¹ Average investments and average borrowings include average short-term repurchase transactions.

² All amounts have been rounded off to the nearest ₹ 10.0 million.

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Assets

The following table sets forth, at the dates indicated, the principal components of assets.

₹ in billion, except percentages			
Assets	At March 31, 2022	At March 31, 2023	% change
Cash and bank balances	₹ 1,678.22	₹ 1,194.38	(28.8%)
Investments	3,102.41	3,623.30	16.8
- Government and other approved investments ¹	2,563.78	3,057.69	19.3
- Equity investment in subsidiaries	67.13	69.78	3.9
- Other investments	471.50	495.83	5.2
Advances (net of BRDS/IBPC) ²	8,590.20	10,196.38	18.7
- Domestic	8,177.36	9,855.28	20.5
- Overseas branches	412.84	341.10	(17.4)
Fixed assets (including leased assets)	93.74	96.00	2.4
Other assets	648.41	732.01	12.9
- RIDF and other related deposits ³	264.19	216.22	(18.2)
Total assets	₹ 14,112.98	₹ 15,842.07	12.3%

¹ Banks in India are required to maintain a specified percentage, currently 18.00% (at March 31, 2023), of their net demand and time liabilities by way of investments in instruments referred as SLR securities by RBI or liquid assets like cash and gold.

² Bill Rediscounting Scheme (BRDS)/Interbank Participatory Certificate (IBPC).

³ Deposits made in Rural Infrastructure Development Fund and other related deposits pursuant to shortfall in the amount required to be lent to certain specified sectors called priority sector as per RBI guidelines.

⁴ All amounts have been rounded off to the nearest ₹ 10.0 million.

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The following table sets forth, at the dates indicated, the composition of the Bank's outstanding net advances:

Particulars	₹ in billion	
	March 31, 2022	March 31, 2023
Advances	₹ 8,590.20	₹ 10,196.38
- Domestic book	8,177.36	9,855.28
- Retail	4,546.35	5,578.17
- Rural	768.30	874.31
- Business banking	534.37	721.12
- SME	404.50	482.21
- Corporate and others	1,923.84	2,199.47
- Overseas book	₹ 412.84	₹ 341.10



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The following table sets forth, at the dates indicated, the composition of the Bank's net outstanding retail advances.

₹ in billion, except percentages

	March 31, 2022		March 31, 2023	
	Total retail advances	% of total retail advances	Total retail advances	% of total retail advances
Home loans	₹ 2,930.63	64.5%	₹ 3,446.96	61.8%
Personal loans	628.73	13.8	880.55	15.8
Automobile loans	418.84	9.2	518.78	9.3
Commercial business	261.67	5.8	275.41	4.9
Credit cards	250.62	5.5	378.41	6.8
Others ¹	55.86	1.2	78.06	1.4
Total retail advances²	₹ 4,546.35	100.0%	₹ 5,578.17	100.0%

¹ Includes loans against securities and dealer financing.

² All amounts have been rounded off to the nearest ₹ 10.0 million.

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₹ in billion, except percentages

Ratings category¹	March 31, 2022	March 31, 2023
AA- and above	36.1	46.9
A+, A, A-	35.7	26.6
A- and above	71.8	73.5
BBB+, BBB, BBB-	24.5	24.3
BB and below ²	2.9	1.2
Unrated	0.8	1.0
Total	100.0	100.0
Total net advances³	₹ 3,275.55	₹ 3,826.41

¹ Based on internal ratings.

² Includes net non-performing loans.

³ Includes business banking, SME, domestic, corporate and overseas loans.

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LIABILITIES

The following table sets forth, at the dates indicated, the principal components of liabilities (including capital and reserves).

₹ in billion, except percentages

Liabilities	At March 31, 2022	At March 31, 2023	% change
Equity share capital	₹ 16.56	₹ 21.58	30.3%
Reserves	1,688.56	1,985.58	17.6
Deposits	10,645.72	11,808.41	10.9
- Savings deposits	3,599.57	3,797.76	5.5
- Current deposits	1,584.80	1,614.86	1.9
- Term deposits	5,461.35	6,395.79	17.1
Borrowings (excluding subordinated debt)	933.80	1,110.44	18.9
- Domestic	614.59	852.30	38.7
- Overseas branches	319.21	258.14	(19.1)
Subordinated debt (included in Tier-1 and Tier-2 capital)	138.51	82.81	(40.2)
Other liabilities	689.83	833.25	20.8
Total liabilities	₹ 14,112.98	₹ 15,842.07	12.3%

¹ All amounts have been rounded off to the nearest ₹ 10.0 million.

OFF BALANCE SHEET ITEMS, COMMITMENTS AND CONTINGENCIES

The following table sets forth, for the periods indicated, the principal components of contingent liabilities.

Particulars	₹ in billion	
	At March 31, 2022	At March 31, 2023
Claims against the Bank, not acknowledged as debts	₹ 82.84	₹ 81.96
Liability for partly paid investments	0.01	0.01
Notional principal amount of outstanding forward exchange contracts	10,645.24	15,330.22
Guarantees given on behalf of constituents	1,037.75	1,238.18
Acceptances, endorsements and other obligations	462.81	441.91
Notional principal amount of currency swaps	498.34	564.63
Notional principal amount of interest rate swaps and currency options and interest rate futures	25,912.44	25,089.18
Other items for which the Bank is contingently liable	37.33	85.57
Total	₹ 38,676.76	₹ 42,831.66

¹ All amounts have been rounded off to the nearest ₹ 10.0 million.

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The following table sets forth, for the periods and at the dates indicated, the profit/(loss) and total assets of our principal subsidiaries/associates as per Indian GAAP.

₹ in billion

Company	Profit after tax		Total assets ¹	
	Fiscal 2022	Fiscal 2023	At March 31, 2022	At March 31, 2023
ICICI Bank Canada	₹ 1.74	₹ 2.82	₹ 348.35	₹ 363.46
ICICI Bank UK PLC	0.81	1.05	170.77	176.13
ICICI Prudential Life Insurance Company Limited	7.54	8.11	2,441.54	2,558.47
ICICI Lombard General Insurance Company Limited ^{2,3}	12.71	17.29	508.48	550.86
ICICI Prudential Asset Management Company Limited	14.36	15.08	21.48	24.89
ICICI Securities Limited (consolidated)	13.98	11.40	135.20	154.71
ICICI Securities Primary Dealership Limited	3.30	1.28	202.30	344.01
ICICI Home Finance Company Limited	0.93	3.65	157.58	187.01
ICICI Venture Funds Management Company Limited	₹0.00 ⁴	₹ 0.06	₹ 2.84	₹ 3.02

¹ Total assets are as per classification used in the consolidated financial statements and hence the total assets as per subsidiary's financial statements may differ.

² The entity have been accounted as per the equity method as prescribed by Accounting Standard – 23 – “Accounting for Investments in Associates in Consolidated Financial Statements”.

³ Total assets as per financial statements of ICICI Lombard General Insurance Company Limited.

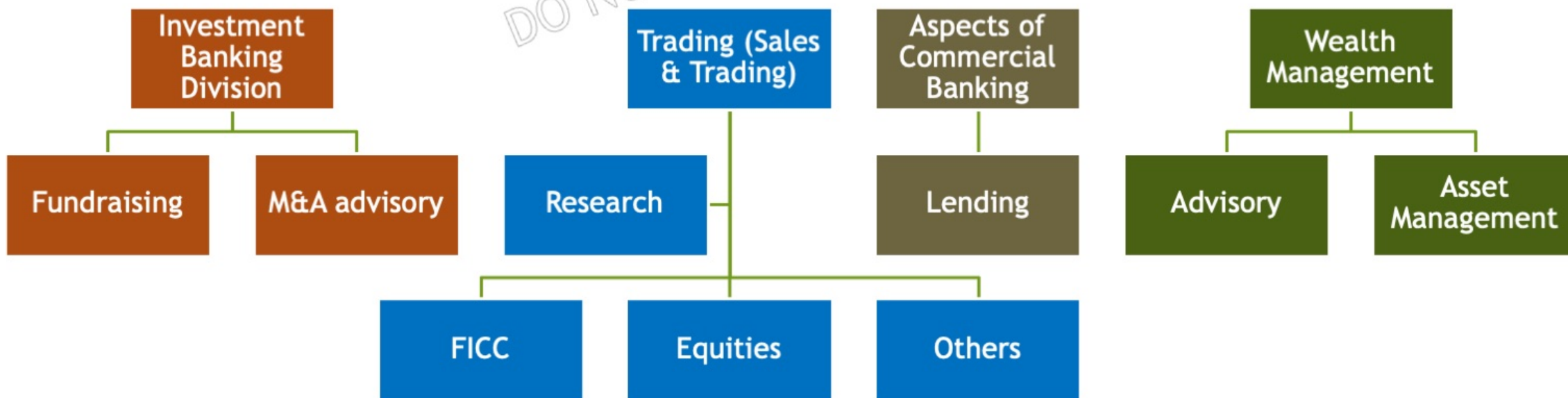
⁴ 0.00 represents insignificant amount.

⁵ See also “Financials- Statement pursuant to Section 129 of the Companies Act, 2013”.

⁶ All amounts have been rounded off to the nearest ₹ 10.0 million.

Principal business of Investment Banks

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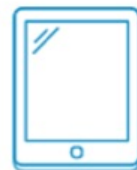
Morgan Stanley - Coverage Groups



BASIC MATERIALS



HEALTHCARE



COMMUNICATIONS



POWER & UTILITIES



REAL ESTATE



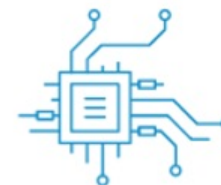
ENERGY



FINANCIAL INSTITUTIONS



FINANCIAL SPONSORS



TECHNOLOGY SERVICES



TRANSPORTATION



CONSUMER PRODUCTS & RETAIL



INDUSTRIALS

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Morgan Stanley - Income Statement

in millions, except per share data

	2022	2021	2020
Revenues			
Investment banking	\$ 5,599	\$ 10,994	\$ 7,674
Trading	13,928	12,810	13,983
Investments	15	1,376	986
Commissions and fees	4,938	5,521	4,851
Asset management	19,578	19,967	14,272
Other	283	1,042	678
Total non-interest revenues	44,341	51,710	42,444
Interest income	21,595	9,411	10,162
Interest expense	12,268	1,366	3,849
Net interest	9,327	8,045	6,313
Net revenues	53,668	59,755	48,757
Provision for credit losses	280	4	761

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JP Morgan Chase - Income Statement

Year ended December 31, (in millions, except per share data)	2022	2021	2020
Revenue			
Investment banking fees	\$ 6,686	\$ 13,216	\$ 9,486
Principal transactions	19,912	16,304	18,021
Lending- and deposit-related fees	7,098	7,032	6,511
Asset management, administration and commissions	20,677	21,029	18,177
Investment securities gains/(losses)	(2,380)	(345)	802
Mortgage fees and related income	1,250	2,170	3,091
Card income	4,420	5,102	4,435
Other income	4,322	4,830	4,865
Noninterest revenue	61,985	69,338	65,388
Interest income	92,807	57,864	64,523
Interest expense	26,097	5,553	9,960
Net interest income	66,710	52,311	54,563
Total net revenue	128,695	121,649	119,951
Provision for credit losses	6,389	(9,256)	17,480

Lazard - Income Statement

	Year Ended December 31,		
	2020	2019	2018
REVENUE			
Investment banking and other advisory fees	\$ 1,418,050	\$ 1,371,420	\$ 1,554,114
Asset management fees.....	1,117,419	1,180,857	1,268,399
Interest income.....	5,666	15,787	13,127
Other.....	105,634	98,894	49,193
Total revenue	2,646,769	2,666,958	2,884,833
Interest expense.....	80,631	80,185	58,481
Net revenue.....	2,566,138	2,586,773	2,826,352
OPERATING EXPENSES			
Compensation and benefits.....	1,550,684	1,563,395	1,514,735
Occupancy and equipment.....	127,682	123,149	121,107
Marketing and business development.....	42,426	115,033	108,644
Technology and information services.....	133,544	143,739	139,693
Professional services	66,304	71,852	61,349
Fund administration and outsourced services.....	103,070	114,049	132,964
Amortization and other acquisition-related costs (benefits).....	1,795	19,410	(15,897)
Benefit pursuant to tax receivable agreement	(439)	(503)	(6,495)
Other.....	38,931	43,951	89,486
Total operating expenses	2,063,997	2,194,075	2,145,586
OPERATING INCOME	502,141	392,698	680,766