ICICI Bank Limited
ICICI Bank Towers
Bandra Kurla Complex
Mumbai 400 051

News Release **July 31, 2014**

Performance Review: Quarter ended June 30, 2014

- **17% year-on-year increase in standalone profit after tax to ₹ 2,655 crore (US$ 441 million) for the quarter ended June 30, 2014 (Q1-2015) from ₹ 2,274 crore (US$ 378 million) for the quarter ended June 30, 2013 (Q1-2014)**
- **Operating profit increased by 18% to ₹ 4,517 crore (US$ 751 million) for Q1-2015 from ₹ 3,814 crore (US$ 634 million) for Q1-2014**
- **26% year-on-year increase in retail advances at June 30, 2014**
- **Year-on-year growth of 15% in current and savings account (CASA) deposits; CASA ratio at 43.0% at June 30, 2014**
- **Net interest margin improved to 3.40% in Q1-2015 compared to 3.27% in Q1-2014**
- **Total capital adequacy of 17.39% and Tier-1 capital adequacy of 12.62% at June 30, 2014, including profits for Q1-2015**
- **Consolidated profit after tax was ₹ 2,832 crore (US$ 471 million) for Q1-2015**

The Board of Directors of ICICI Bank Limited (NYSE: IBN) at its meeting held at Mumbai today, approved the audited accounts of the Bank for the quarter ended June 30, 2014.

Profit & loss account

- Standalone profit after tax increased by 17% to ₹ 2,655 crore (US$ 441 million) for the quarter ended June 30, 2014 (Q1-2015) from ₹ 2,274 crore (US$ 378 million) for the quarter ended June 30, 2013 (Q1-2014).
- Net interest income increased 18% to ₹ 4,492 crore (US$ 746 million) in Q1-2015 from ₹ 3,820 crore (US$ 635 million) in Q1-2014.
- Non-interest income increased by 15% to ₹ 2,850 crore (US$ 474 million) in Q1-2015 from ₹ 2,484 crore (US$ 413 million) in Q1-2014.
- Cost-to-income ratio reduced to 38.4% in Q1-2015 from 39.4% in Q1-2014.
- Provisions were at ₹ 726 crore (US$ 121 million) in Q1-2015 compared to ₹ 593 crore (US$ 99 million) in Q1-2014.
- Consolidated profit after tax increased by 3% to ₹ 2,832 crore (US$ 471 million) for Q1-2015 from ₹ 2,747 crore (US$ 457 million) for Q1-2014.

Operating review

The Bank has continued with its strategy of pursuing profitable growth. The Bank continued to grow its retail franchise and has seen healthy growth in retail assets and deposits. The Bank continued to strengthen its deposit franchise with healthy mobilisation of current and savings account (CASA) deposits, leveraging its increased branch network and technology initiatives. At June 30, 2014, the Bank had 3,763 branches, the largest branch network among private sector banks in the country. The Bank's ATM network increased to 11,447 ATMs at June 30, 2014 compared to 10,902 at June 30, 2013.

Credit growth

Total advances increased by 15% year-on-year to ₹ 347,067 crore (US$ 57.7 billion) at June 30, 2014 from ₹ 301,370 crore (US$ 50.1 billion) at June 30, 2013. The year-on-year growth in domestic advances was 17%. The Bank has continued to see healthy growth in its retail disbursements resulting in a year-on-year growth of 26% in the retail portfolio at June 30, 2014.

Deposit growth

At June 30, 2014, savings account deposits increased by 16% year-on-year to ₹ 102,736 crore (US$ 17.1 billion) while current account deposits increased by 13% year-on-year to ₹ 41,678 crore (US$ 6.9 billion). The Bank's CASA ratio was 43.0% at June 30, 2014. The average CASA ratio for Q1-2015 was 39.5% compared to 39.0% for Q1-2014. Total deposits increased by 15% year-on-year to ₹ 335,767 crore (US$ 55.8 billion) at June 30, 2014.

Capital adequacy

The Bank's capital adequacy at June 30, 2014 as per Reserve Bank of India's guidelines on Basel III norms was 17.00% and Tier-1 capital adequacy was 12.23%, well above regulatory requirements. In line with applicable guidelines, the Basel III capital ratios reported by the Bank for June 30, 2014 do not include the profits for the quarter ended June 30, 2014. Including the profits for Q1-2015, the capital adequacy ratio for the Bank as per Basel III norms would have been 17.39% and the Tier I ratio would have been 12.62%.

Asset quality

Net non-performing assets at June 30, 2014 were ₹ 3,474 crore (US$ 577 million) compared to ₹ 3,301 crore (US$ 549 million) at March 31, 2014 and ₹ 2,472 crore (US$ 411 million) at June 30, 2013. The net non-performing asset ratio was 0.87% at June 30, 2014 compared to 0.82% at March 31, 2014 and 0.69% at June 30, 2013. The Bank's provision coverage ratio, computed in accordance with RBI guidelines, was 68.4% at June 30, 2014. Net loans to companies whose facilities have been restructured were ₹ 11,265 crore (US$ 1.9 billion) at June 30, 2014 compared to ₹ 10,558 crore (US$ 1.8 billion) at March 31, 2014 and ₹ 5,915 crore (US$ 983 million) at June 30, 2013.

Consolidated results

Consolidated profit after tax increased to ₹ 2,832 crore (US$ 471 million) for Q1-2015 from ₹ 2,747 crore (US$ 457 million) for Q1-2014. The annualised consolidated return on equity was 14.6% in Q1-2015.

Insurance subsidiaries

ICICI Prudential Life Insurance Company's (ICICI Life) profit after tax for Q1-2015 was ₹ 382 crore (US$ 63 million) compared to ₹ 364 crore (US$ 60 million) for Q1-2014. ICICI Life's annualised premium equivalent (APE) was ₹ 659 crore (US$ 110 million) in Q1-2015 compared to ₹ 541 crore (US$ 90 million) in Q1-2014. During Q1-2015, ICICI Life has seen an increase in its assets under management to ₹ 86,110 crore (US$ 14.3 billion).

ICICI Lombard General Insurance Company (ICICI General) maintained its leadership in the private sector during April-May 2014. The gross premium income of ICICI General was ₹ 1,847 crore (US$ 307 million) in Q1-2015 compared to ₹ 1,859 crore (US$ 309 million) in Q1-2014. ICICI General's profit after tax for Q1-2015 was ₹ 72 crore (US$ 12 million) compared to ₹ 203 crore (US$ 34 million) in Q1-2014. The decrease in profit after tax on a year-on-year basis was due to lower realised investment income in Q1-2015.

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Summary Profit and Loss Statement (as per unconsolidated Indian GAAP accounts)

₹ crore

	Q1-2014	Q4-2014	Q1-2015	FY2014
Net interest income	**3,820**	**4,357**	**4,492**	**16,475**
Non-interest income	**2,484**	**2,976**	**2,850**	**10,428**
- Fee income	*1,793*	*1,974*	*1,936*	*7,758*
- Lease and other income	*288*	*757*[1]	*526*[1]	*1,653*[1]
- Treasury income	*403*	*245*	*388*	*1,017*
Less:				
Operating expense	2,491	2,879	2,825	10,309
Operating profit	**3,814**	**4,454**	**4,517**	**16,594**
Less: Provisions	593	714	726	2,626
Profit before tax	**3,221**	**3,740**	**3,791**	**13,968**
Less: Tax[2]	947	1,088	1,136	4,158
Profit after tax	**2,274**	**2,652**	**2,655**	**9,810**

1. *Includes foreign exchange gain on repatriation of retained earnings from overseas branches of ₹ 222 crore in Q4-2014 and ₹ 103 crore in Q1-2015.*
2. *The Bank creates Special Reserve through appropriation of profits, in order to avail tax deduction as per Section 36(1)(viii) of the Income Tax Act, 1961. The Reserve Bank of India (RBI), through its circular dated December 20, 2013, had advised banks to create deferred tax liability (DTL) on the amount outstanding in Special Reserve, as a matter of prudence. In accordance with RBI guidelines, during the year ended March 31, 2014 the Bank created DTL of ₹ 1,419 crore on Special Reserve outstanding at March 31, 2013, by reducing the reserves. Further, DTL of ₹ 95 crore has been created for the three months ended June 30, 2014 on the estimated amount to be transferred to Special Reserve (June 30, 2013: Nil) and DTL of ₹ 89 crore and ₹ 304 crore was created for the three months and year ended March 31, 2014 respectively on the amount transferred to Special Reserve. Accordingly, the tax expense for the three months ended June 30, 2014 is higher by ₹ 95 crore (June 30, 2013: Nil) and for the three months and year ended March 31, 2014 the tax expense is higher by ₹ 89 crore and ₹ 304 crore respectively.*
3. *Prior period figures have been regrouped/re-arranged where necessary.*

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Summary Balance Sheet

₹ crore

	June 30, 2013 (Audited)	June 30, 2014 (Audited)	March 31, 2014 (Audited)
Capital and Liabilities			
Capital	1,154	1,156	1,155
Employee stock options outstanding	5	7	7
Reserves and surplus	68,920	74,736	72,052
Deposits	291,185	335,767	331,914
Borrowings (includes subordinated debt)[1]	155,920	145,946	154,759
Other liabilities	31,375	30,743	34,755
Total Capital and Liabilities	**548,559**	**588,355**	**594,642**
Assets			
Cash and balances with Reserve Bank of India	19,408	20,256	21,822
Balances with banks and money at call and short notice	13,279	21,945	19,708
Investments	174,625	170,153	177,022
Advances	301,370	347,067	338,703
Fixed assets	4,657	4,671	4,678
Other assets	35,220	24,263	32,709
Total Assets	**548,559**	**588,355**	**594,642**

1. *Borrowings include preference share capital of ₹ 350 crore.*
2. *Prior period figures have been regrouped/re-arranged where necessary.*

All financial and other information in this press release, 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 that we operate or where a material number of our customers reside, our ability to successfully implement our strategy, including our use of the Internet and other technology, 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 we face following our rapid international growth, future levels of impaired loans, our growth and expansion in domestic and overseas markets, the adequacy of our allowance for credit and investment losses, technological changes, investment income, our ability to market new products, cash flow projections, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions we are or become a party to, the future impact of new accounting standards, our ability to implement our dividend policy, the impact of changes in banking regulations and other regulatory changes in India and other jurisdictions on us, the bond and loan market conditions and availability of liquidity amongst the investor community in these markets, the nature or level of credit spreads, 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 and liquidity risks as well as other risks that are detailed in the reports filed by us with the United States Securities and Exchange Commission. ICICI Bank undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

This release does not constitute an offer of securities.

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1 crore = 10.0 million

US$ amounts represent convenience translations at US$1= ₹ 60.18