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

News Release **October 25, 2013**

Performance Review – Quarter ended September 30, 2013

- **20% year-on-year increase in standalone profit after tax to ₹ 2,352 crore (US$ 376 million) for the quarter ended September 30, 2013 (Q2-2014) after fully recognising mark-to-market provisions on investment portfolio**
- **Current & savings account (CASA) deposits increased by ₹ 8,073 crore (US$ 1.29 billion) in Q2-2014; year-on-year growth of 17% in CASA deposits**
- **CASA ratio maintained at 43.3% at September 30, 2013**
- **Net interest margin (NIM) increased to 3.31% in Q2-2014 compared to 3.00% in Q2-2013; domestic NIM at 3.65%**
- **Total capital adequacy of 16.50% and Tier-1 capital adequacy of 11.33% as per Reserve Bank of India's guidelines on Basel III norms (17.21% and 12.04% including profits for half year ended September 30, 2013)**

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 September 30, 2013.

Profit & loss account

- Standalone profit after tax increased 20% to ₹ 2,352 crore (US$ 376 million) for the quarter ended September 30, 2013 (Q2-2014) from ₹ 1,956 crore (US$ 312 million) for the quarter ended September 30, 2012 (Q2-2013).
- The Bank has fully recognised the mark-to-market provisions of ₹ 279 crore (US$ 45 million) on its investment portfolio, and has not availed the option permitted by the Reserve Bank of India of recognising the same over three quarters.
- Operating profit excluding treasury increased 31% year-on-year to ₹ 3,967 crore (US$ 634 million) in Q2-2014 from ₹ 3,022 crore (US$ 483 million) in Q2-2013.
- Net interest income increased 20% to ₹ 4,044 crore (US$ 646 million) in Q2-2014 from ₹ 3,371 crore (US$ 538 million) in Q2-2013.
- Net interest margin increased by 31 basis points from 3.00% for Q2-2013 and 3.27% in Q1-2014 to 3.31% for Q2-2014.

- Net interest margin of international branches increased from 1.60% in Q1-2014 to 1.80% in Q2-2014, while the domestic net interest margin was stable at 3.65% in Q2-2014 vis-à-vis 3.63% in Q1-2014.
- Fee income increased by 17% to ₹ 1,994 crore (US$ 319 million) in Q2-2014 from ₹ 1,709 crore (US$ 273 million) in Q2-2013.
- Cost-to-income ratio reduced to 37.3% in Q2-2014 from 40.9% in Q2-2013.
- Provisions were at ₹ 625 crore (US$ 100 million) in Q2-2014 compared to ₹ 508 crore (US$ 81 million) in Q2-2013.
- Return on average assets was 1.70% in Q2-2014 compared to 1.54% in Q2-2013.

Operating review

The Bank has continued with its strategy of pursuing profitable growth. The Bank continued to leverage its branch network, its strong corporate franchise and its international presence. During the quarter, the Bank added 157 branches, including 105 low cost Gramin branches, and 196 ATMs to its network. At September 30, 2013, the Bank had 3,507 branches, the largest branch network among private sector banks in the country. The Bank's ATM network increased to 11,098 ATMs at September 30, 2013 as compared to 10,006 at September 30, 2012.

Credit growth

Total advances increased by 16% year-on-year to ₹ 317,786 crore (US$ 50.8 billion) at September 30, 2013 from ₹ 275,076 crore (US$ 43.9 billion) at September 30, 2012. The year-on-year growth in domestic advances was 14%. The Bank has continued to see healthy growth in its retail disbursements. As a result, the outstanding mortgages and auto loan portfolios for the Bank have grown by 23% and 27% respectively on a year-on-year basis at September 30, 2013. Based on the above, the Bank has seen a year-on-year growth of 20% in its total retail portfolio at September 30, 2013.

Deposit growth

The Bank has seen healthy trends in current and savings account (CASA) deposits mobilisation. During Q2-2014, savings account deposits increased by ₹ 4,682 crore (US$ 748 million) and current account deposits increased by ₹ 3,391 crore (US$ 542 million). At September 30, 2013, savings account deposits were ₹ 93,535 crore (US$ 14.9 billion) and current account deposits were ₹ 40,373 crore (US$ 6.4 billion). The Bank's CASA ratio was maintained at 43.3% at September 30, 2013. The average CASA ratio

improved to 40.3% during Q2-2014 compared to 39.0% during the quarter ended June 30, 2013 (Q1-2014).

Capital adequacy

The Bank's capital adequacy at September 30, 2013 as per Reserve Bank of India's guidelines on Basel III norms was 16.50% and Tier-1 capital adequacy was 11.33%, well above regulatory requirements. In line with applicable guidelines, the Basel III capital ratios reported by the Bank for at September 30, 2013 do not include the profits for the half year ended September 30, 2013 (H1-2014). Including the profits for H1-2014, the capital adequacy ratio for the Bank as per Basel III norms would have been 17.21% and the Tier I ratio would have been 12.04%.

Asset quality

Net non-performing assets at September 30, 2013 were ₹ 2,707 crore (US$ 432 million) compared to ₹ 2,472 crore (US$ 395 million) at June 30, 2013. The net non-performing asset ratio was 0.73% at September 30, 2013 compared to 0.69% at June 30, 2013. The Bank's provision coverage ratio, computed in accordance with the RBI guidelines was 73.1% at September 30, 2013. Net loans to companies whose facilities have been restructured were ₹ 6,826 crore (US$ 1.1 billion) at September 30, 2013 compared to ₹ 5,915 crore (US$ 945 million) at June 30, 2013.

Consolidated profits

Consolidated profit after tax increased 13% to ₹ 2,698 crore (US$ 431 million) for Q2-2014 from ₹ 2,390 crore (US$ 382 million) for Q2-2013, after including the impact of market volatility on subsidiaries with market linked businesses. The consolidated return on equity on an annualised basis was 14.6% during Q2-2014. The consolidated profit after tax increased by 22% from ₹ 4,467 crore (US$ 714 million) for the half year ended September 30, 2012 (H1-2013) to ₹ 5,445 crore (US$ 870 million) for the half year ended September 30, 2013 (H1-2014). The consolidated return on equity on an annualised basis increased from 14.1% in H1-2013 to 15.1% in H1-2014

Insurance subsidiaries

ICICI Life's profit after tax for Q2-2014 was ₹ 387 crore (US$ 62 million) compared to ₹ 396 crore (US$ 63 million) for Q2-2013. ICICI Life's new business annualised premium equivalent (APE) was ₹ 954 crore (US$ 152 million) in Q2-2014 compared to ₹ 781 crore (US$ 125 million) in Q2-2013.

The assets under management at September 30, 2013 were ₹ 73,976 crore (US$ 11.8 billion).

ICICI Lombard General Insurance Company (ICICI General) maintained its leadership in the private sector during April-August 2013. The gross premium income of ICICI General increased by 12% to ₹ 1,701 crore (US$ 272 million) in Q2-2014 from ₹ 1,517 crore (US$ 242 million) in Q2-2013. ICICI General's profit after tax for Q2-2014 increased to ₹ 156 crore (US$ 25 million) from ₹ 101 crore (US$ 16 million) for Q2-2013.

Chief Financial Officer

Mr. Rakesh Jha, Deputy Chief Financial Officer has been designated as Chief Financial Officer of ICICI Bank. He will continue to report to Mr. N. S. Kannan, Executive Director.

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

₹ crore

	FY2013	Q1-2013	Q2-2013	H1-2013	Q1-2014	Q2-2014	H1-2014
Net interest income	**13,866**	**3,193**	**3,371**	**6,564**	**3,820**	**4,044**	**7,864**
Non-interest income	**8,346**	**1,880**	**2,043**	**3,923**	**2,484**	**2,166**	**4,651**
- Fee income	*6,901*	*1,647*	*1,709*	*3,356*	*1,793*	*1,994*	*3,787*
- Lease and other income	*950*	*254*	*162*	*416*	*288*	*251*	*540*
- Treasury income	*495*	*(21)*	*172*	*151*	*403*	*(79)*[1]	*324*
Less:							
Operating expense	9,013	2,124	2,221	4,344	2,490	2,322	4,813
Operating profit	**13,199**	**2,949**	**3,193**	**6,143**	**3,814**	**3,888**	**7,702**
Less: Provisions	1,803	466	508	974	593	625	1,218
Profit before tax	**11,396**	**2,483**	**2,685**	**5,169**	**3,221**	**3,263**	**6,484**
Less: Tax	3,071	668	729	1,398	947	911	1,858
Profit after tax	**8,325**	**1,815**	**1,956**	**3,771**	**2,274**	**2,352**	**4,626**

1. *The Bank has fully recognized the mark-to-market provisions of ₹ 279 crore (US$ 45 million) on its investment portfolio, and has not availed the option permitted by RBI of recognising the same over three quarters. During Q2-2014, the Bank transferred SLR securities with face value of ₹ 2,311 crore (US$ 369 million) from AFS and HFT category to HTM category and has recognised a loss of ₹ 10 crore (US$ 2 million) resulting from the said transfer on account of the movement of yields till July 15, 2013.*
2. *Prior period figures have been regrouped/re-arranged where necessary.*

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Summary Balance Sheet

₹ crore

	At			
	September 30, 2012	**March 31, 2013**	**June 30, 2013**	**September 30, 2013**
	(Audited)	**(Audited)**	**(Audited)**	**(Audited)**
Capital and Liabilities				
Capital	1,153	1,154	1,154	1,154
Employee stock options outstanding	3	4	5	6
Reserves and surplus	63,306	65,548	68,920	71,943
Deposits	281,438	292,614	291,185	309,046
Borrowings (includes subordinated debt)[1]	135,390	145,341	155,920	145,356
Other liabilities	29,904	32,134	31,375	36,003
Total Capital and Liabilities	**511,194**	**536,795**	**548,559**	**563,508**
Assets				
Cash and balances with Reserve Bank of India	21,175	19,053	19,408	18,751
Balances with banks and money at call and short notice	21,247	22,365	13,279	14,830
Investments	157,914	171,394	174,625	168,829
Advances	275,076	290,249	301,370	317,786
Fixed assets	4,621	4,647	4,657	4,611
Other assets	31,161	29,087	35,220	38,701
Total Assets	**511,194**	**536,795**	**548,559**	**563,508**

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

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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= ₹ 62.61