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

News Release **January 29, 2014**

Performance Review – Quarter ended December 31, 2013

- **Operating profit increased by 29% to ₹ 4,439 crore (US$ 718 million) for the quarter ended December 31, 2013 (Q3-2014) from ₹ 3,453 crore (US$ 559 million) for the quarter ended December 31, 2012 (Q3-2013)**
- **Profit before tax increased by 21% to ₹ 3,744 crore (US$ 606 million) for Q3-2014 from ₹ 3,084 crore (US$ 499 million) for Q3-2013**
- **Profit after tax increased by 13% to ₹ 2,532 crore (US$ 410 million) for Q3-2014 from ₹ 2,250 crore (US$ 364 million) for Q3-2013, after additional tax provision of ₹ 215 crore (US$ 35 million) for deferred tax liability on special reserve for the nine months ended December 31, 2013 (9M-2014); growth in profit after tax excluding this impact was 22%**
- **Retail advances growth at 22% year-on-year at December 31, 2013**
- **Current and savings account (CASA) ratio maintained at 43.3% at December 31, 2013; year-on-year growth of 17% in CASA deposits**
- **Net interest margin improved to 3.32% in Q3-2014 compared to 3.07% in Q3-2013; domestic NIM at 3.67%**
- **Total capital adequacy of 16.81% and Tier-1 capital adequacy of 11.53% as per Reserve Bank of India's guidelines on Basel III norms (17.94% and 12.66% including profits for nine months ended December 31, 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 December 31, 2013.

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Profit & loss account

- Operating profit increased by 29% to ₹ 4,439 crore (US$ 718 million) for the quarter ended December 31, 2013 (Q3-2014) from ₹ 3,453 crore (US$ 559 million) for the quarter ended December 31, 2012 (Q3-2013).
- Profit before tax increased by 21% to ₹ 3,744 crore (US$ 606 million) for Q3-2014 from ₹ 3,084 crore (US$ 499 million) for Q3-2013.
- Profit after tax increased by 13% to ₹ 2,532 crore (US$ 410 million) for Q3-2014 from ₹ 2,250 crore (US$ 364 million) for Q3-2013, after additional tax provision of ₹ 215 crore (US$ 35 million) for deferred tax liability on Special Reserve; growth in profit after tax excluding this impact was 22%.
- Net interest income increased 22% to ₹ 4,255 crore (US$ 688 million) in Q3-2014 from ₹ 3,499 crore (US$ 566 million) in Q3-2013.
- Net interest margin increased by 25 basis points from 3.07% for Q3-2013 and 3.31% for Q2-2014 to 3.32% for Q3-2014. The domestic net interest margin was 3.67% and net interest margin of international branches was 1.70% for Q3-2014.
- Non-interest income increased by 26% to ₹ 2,801 crore (US$ 453 million) in Q3-2014 from ₹ 2,215 crore (US$ 358 million) in Q3-2013.
- Fee income increased by 13% to ₹ 1,997 crore (US$ 323 million) in Q3-2014 from ₹ 1,771 crore (US$ 287 million) in Q3-2013.
- Cost-to-income ratio was maintained sequentially at 37.0% in Q3-2014.
- Profit before tax increased by 24% to ₹ 10,228 crore (US$ 1.7 billion) for the nine months ended December 31, 2013 from ₹ 8,253 crore (US$ 1.3 billion) for the nine months ended December 31, 2012
- Profit after tax increased by 19% to ₹ 7,158 crore (US$ 1.2 billion) for 9M-2014 from ₹ 6,021 crore (US$ 974 million) for 9M-2013, after additional tax provision of ₹ 215 crore (US$ 35 million) for deferred tax liability on Special Reserve; growth in profit after tax excluding this impact was 22%.

Operating review

The Bank has continued with its strategy of pursuing profitable growth. The Bank continued to grow its retail franchise. During the quarter, the Bank added 81 branches, and 117 ATMs to its network. At December 31, 2013, the Bank had 3,588 branches, the largest branch network among private sector banks in the country. The Bank's ATM network increased to 11,215 ATMs at December 31, 2013 as compared to 10,040 at December 31, 2012.

Credit growth

Total advances increased by 16% year-on-year to ₹ 332,632 crore (US$ 53.8 billion) at December 31, 2013 from ₹ 286,766 crore (US$ 46.4 billion) at December 31, 2012. The Bank has continued to see healthy growth in its retail disbursements resulting in a year-on-year growth of 22% in the total retail portfolio at December 31, 2013.

Deposit growth

The Bank has seen healthy trends in current and savings account (CASA) deposits mobilisation. During Q3-2014, savings account deposits increased by ₹ 2,190 crore (US$ 354 million) and current account deposits increased by ₹ 1,068 crore (US$ 173 million). At December 31, 2013, savings account deposits were ₹ 95,725 crore (US$ 15.5 billion) and current account deposits were ₹ 41,441 crore (US$ 6.7 billion). The Bank's CASA ratio was 43.3% at December 31, 2013, at a similar level as September 30, 2013. The average CASA ratio for Q3-2014 was at 39.1%.

Capital adequacy

The Bank's capital adequacy at December 31, 2013 as per Reserve Bank of India's guidelines on Basel III norms was 16.81% and Tier-1 capital adequacy was 11.53%, well above regulatory requirements. In line with applicable guidelines, the Basel III capital ratios reported by the Bank for at December 31, 2013 do not include the profits for the nine months ended December 31, 2013. Including the profits for 9M-2014, the capital adequacy ratio for the Bank as per Basel III norms would have been 17.94% and the Tier I ratio would have been 12.66%.

Asset quality

Net non-performing assets at December 31, 2013 were ₹ 3,121 crore (US$ 505 million) compared to ₹ 2,707 crore (US$ 438 million) at September 30, 2013. The net non-performing asset ratio was 0.81% at December 31, 2013 compared to 0.73% at September 30, 2013. The Bank's provision coverage ratio, computed in accordance with the RBI guidelines, was 70.0% at December 31, 2013. Net loans to companies whose facilities have been restructured were ₹ 8,602 crore (US$ 1.4 billion) at December 30, 2013 compared to ₹ 6,826 crore (US$ 1.1 billion) at September 30, 2013.

Consolidated results

The consolidated return on equity on an annualised basis increased from 14.6% in 9M-2013 to 15.1% in 9M-2014. The consolidated profit after tax increased by 17% from ₹ 7,112 crore (US$ 1.2 billion) for 9M-2013 to ₹ 8,317 crore (US$ 1.3 billion) for 9M-2014. Consolidated profit after tax increased 9% to ₹ 2,872 crore (US$ 465 million) for Q3-2014 from ₹ 2,645 crore (US$ 428 million) for Q3-2013. The consolidated return on equity on an annualised basis was 15.0% for Q3-2014. The growth in consolidated profit after tax excluding the impact of deferred tax liability on Special Reserve for the Bank would have been 17% and 20% for Q3-2014 and 9M-2014 respectively.

Insurance subsidiaries

ICICI Life's profit after tax for Q3-2014 was ₹ 428 crore (US$ 69 million) compared to ₹ 398 crore (US$ 64 million) for Q3-2013. ICICI Life's new business annualised premium equivalent (APE) was ₹ 868 crore (US$ 140 million) in Q3-2014 compared to ₹ 904 crore (US$ 146 million) in Q3-2013. The assets under management at December 31, 2013 were ₹ 77,393 crore (US$ 125.2 billion).

ICICI Lombard General Insurance Company (ICICI General) maintained its leadership in the private sector with overall market share of 9.6% in April-November 2013. The gross premium income of ICICI General increased by 3% to ₹ 1,738 crore (US$ 281 million) in Q3-2014 from ₹ 1,687 crore (US$ 273 million) in Q3-2013. ICICI General's profit after tax in Q3-2014 was ₹ 76 crore (US$ 12 million) as compared to ₹ 95 crore (US$ 15 million) in Q3-2013.

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

₹ crore

	FY2013	Q3-2013	9M-2013	Q2-2014	Q3-2014	9M-2014
Net interest income	**13,866**	**3,499**	**10,063**	**4,044**	**4,255**	**12,119**
Non-interest income	**8,346**	**2,215**	**6,138**	**2,166**	**2,801**	**7,452**
- Fee income	*6,901*	*1,771*	*5,126*	*1,994*	*1,997*	*5,784*
- Lease and other income	*950*	*193*	*609*	*251*	*357*	*897*
- Treasury income	*495*	*251*	*403*	*(79)*	*447*	*771*
Less:						
Operating expense	9,013	2,261	6,606	2,322	2,617	7,430
Operating profit	**13,199**	**3,453**	**9,595**	**3,888**	**4,439**	**12,141**
Less: Provisions	1,803	369	1,342	625	695	1,913
Profit before tax	**11,396**	**3,084**	**8,253**	**3,263**	**3,744**	**10,228**
Less: Tax	3,071	834	2,232	911	1,212	3,070
Profit after tax	**8,325**	**2,250**	**6,021**	**2,352**	**2,532**	**7,158**

1. *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, vide its circular dated December 20, 2013, has advised banks to create a deferred tax liability (DTL) on the amount outstanding in Special Reserve, as a matter of prudence. In accordance with these RBI guidelines, during Q3-2014 the Bank has created a DTL of ₹ 1,419 crore on Special Reserve outstanding at March 31, 2013, by reducing the reserves. Further, DTL of ₹ 215 crore on the estimated Special Reserve for 9M-2014 has been created in the quarter ended December 31, 2013. Accordingly, the tax expense for Q3-2014 and 9M-2014 was higher by ₹ 215 crore. Excluding this impact, the growth in the Bank's profit after tax for the three months as well as nine months ended December 31, 2013 over the respective corresponding periods of the previous year would have been 22%.*
2. *Prior period figures have been regrouped/re-arranged where necessary.*

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Summary Balance Sheet

₹ crore

	At			
	December 31, 2012	March 31, 2013	September 30, 2013	December 31, 2013
	(Audited)	(Audited)	(Audited)	(Audited)
Capital and Liabilities				
Capital	1,153	1,154	1,154	1,155
Employee stock options outstanding	4	4	6	6
Reserves and surplus[1]	65,961	65,548	71,943	72,896
Deposits	286,418	292,614	309,046	316,970
Borrowings (includes subordinated debt)[2]	147,149	145,341	145,356	150,940
Other liabilities	26,654	32,134	36,003	32,159
Total Capital and Liabilities	**527,339**	**536,795**	**563,508**	**574,126**
Assets				
Cash and balances with Reserve Bank of India	21,778	19,053	18,751	19,157
Balances with banks and money at call and short notice	19,351	22,365	14,830	13,369
Investments	166,842	171,394	168,829	171,985
Advances	286,766	290,249	317,786	332,632
Fixed assets	4,619	4,647	4,611	4,629
Other assets	27,983	29,087	38,701	32,354
Total Assets	**527,339**	**536,795**	**563,508**	**574,126**

1. *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, vide its circular dated December 20, 2013, has advised banks to create a deferred tax liability (DTL) on the amount outstanding in Special Reserve, as a matter of prudence. In accordance with these RBI guidelines, during Q3-2014, the Bank has created a DTL of ₹ 1,419 crore on Special Reserve outstanding at March 31, 2013, by reducing the reserves.*
2. *Borrowings include preference share capital of ₹ 350 crore.*
3. *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= ₹ 61.81