

News Release**October 26, 2019****Performance Review: Quarter ended September 30, 2019**

- **Core operating profit (profit before provisions and tax, excluding treasury income) grew by 24% year-on-year to ₹ 6,533 crore (US\$ 922 million) in the quarter ended September 30, 2019 (Q2-2020)**
 - **Net interest margin at 3.64% in Q2-2020**
 - **Fee income grew by 16% year-on-year in Q2-2020**
- **On a standalone basis, the profit after tax was ₹ 655 crore (US\$ 92 million) in Q2-2020 compared to ₹ 909 crore (US\$ 128 million) in Q2-2019. Excluding the impact of one-time additional charge due to re-measurement of accumulated deferred tax, profit after tax would have been ₹ 3,575 crore (US\$ 504 million) in Q2-2020 compared to ₹ 909 crore (US\$ 128 million) in Q2-2019.**
- **25% year-on-year growth in total deposits at September 30, 2019**
- **Domestic loan growth at 16% year-on-year at September 30, 2019 driven by retail**
 - **Retail loans grew by 22% year-on-year**
- **Net non-performing asset (NPA) ratio decreased from 1.77% at June 30, 2019 to 1.60% at September 30, 2019 - the lowest in the last 15 quarters**
 - **Net NPAs decreased by 51% from ₹ 22,086 crore (US\$ 3.1 billion) at September 30, 2018 to ₹ 10,916 crore (US\$ 1.5 billion) at September 30, 2019**
 - **Provisions (excluding taxes) declined by 37% year-on-year to ₹ 2,507 crore (US\$ 354 million) at September 30, 2019**
- **Total capital adequacy ratio of 16.14% and Tier-1 capital adequacy ratio of 14.62% on standalone basis at September 30, 2019, including profits for the half year ended September 30, 2019 (H1-2020)**

The Board of Directors of ICICI Bank Limited (NSE: ICICIBANK, BSE: 532174, NYSE: IBN) at its meeting held at Mumbai today, approved the standalone and consolidated accounts of the Bank for the quarter ended September 30, 2019. The statutory auditors have conducted a limited review and have issued an unmodified report on the standalone and consolidated financial statements for the quarter ended September 30, 2019.

Profit & loss account

- The core operating profit (profit before provisions and tax, excluding treasury income) increased by 24% year-on-year to ₹ 6,533 crore (US\$ 922 million) in Q2-2020 from ₹ 5,285 crore (US\$ 746 million) in the quarter ended September 30, 2018 (Q2-2019).
- Net interest income (NII) increased by 26% year-on-year to ₹ 8,057 crore (US\$ 1.1 billion) in Q2-2020 from ₹ 6,418 crore (US\$ 906 million) in Q2-2019.
- The net interest margin was 3.64% in Q2-2020 compared to 3.61% in Q1-2020 and 3.33% in Q2-2019.
- Non-interest income, excluding treasury income, was ₹ 3,854 crore (US\$ 544 million) in Q2-2020 compared to ₹ 3,191 crore (US\$ 450 million) in Q2-2019.
 - Fee income grew by 16% year-on-year to ₹ 3,478 crore (US\$ 491 million) in Q2-2020 from ₹ 2,995 crore (US\$ 423 million) in Q2-2019. Retail fees constituted 74% of total fees in Q2-2020
- Treasury reported a profit of ₹ 341 crore (US\$ 48 million) in Q2-2020 compared to a loss of ₹ 35 crore (US\$ 5 million) in Q2-2019.
- Provisions (excluding taxes) declined by 37% year-on-year to ₹ 2,507 crore (US\$ 354 million) in Q2-2020 from ₹ 3,994 crore (US\$ 564 million) in Q2-2019.
- The profit before tax was ₹ 4,367 crore (US\$ 616 million) in Q2-2020 compared to ₹ 1,256 crore (US\$ 177 million) in Q2-2019.
- Tax expense was ₹ 3,712 crore (US\$ 524 million) in Q2-2020 compared to ₹ 347 crore (US\$ 49 million) in Q2-2019. The tax expense in Q2-2020 includes the one-time additional charge of ₹ 2,920 crore (US\$ 412 million) due to re-measurement of accumulated deferred tax assets consequent to a reduction in marginal tax from 35% to 25%.
- On a standalone basis, the profit after tax was ₹ 655 crore (US\$ 92 million) in Q2-2020 compared to ₹ 909 crore (US\$ 128 million) in Q2-2019. Excluding the impact of one-time additional charge due to re-measurement of accumulated deferred tax, profit after tax would have been ₹ 3,575 crore (US\$ 504 million) in Q2-2020 compared to ₹ 909 crore (US\$ 128 million) in Q2-2019.

Operating review

Credit growth

The year-on-year growth in domestic advances was 16% at September 30, 2019. The Bank has continued to leverage its strong retail franchise, resulting in a 22% year-on-year growth in the retail loan portfolio at September 30, 2019. Including non-fund outstanding, retail was 49.9% of the total portfolio at September 30, 2019. Excluding non-performing and restructured loans, the growth in domestic corporate loans was about 7% year-on-year. Total advances increased by 13% year-on-year to ₹ 613,359 crore (US\$ 86.5 billion) at September 30, 2019 from ₹ 544,487 crore (US\$ 76.8 billion) at September 30, 2018.

Deposit growth

Total deposits increased by 25% year-on-year to ₹ 696,273 crore (US\$ 98.2 billion) at September 30, 2019. Average CASA deposits increased by 11% year-on-year in Q2-2020. The average CASA ratio was 42.2% in Q2-2020 compared to 43.4% in Q1-2020 and 47.1% in Q2-2019. The period-end CASA ratio was 46.7% at September 30, 2019 compared to 45.2% at June 30, 2019 and 50.8% at September 30, 2018. Term deposits increased by 35% year-on-year to ₹ 371,273 crore (US\$ 52.4 billion) at September 30, 2019.

The Bank had a network of 5,228 branches and 15,159 ATMs at September 30, 2019. The Bank is looking to open 450 branches during the year ended March 31, 2020 (FY2020). During Q2-2020, 346 new branches were opened. The branches seek to meet evolving customer requirements, with contemporary design, rationalised use of space and dedicated areas for transactions and customer engagement.

Rural initiatives

The Bank's reach in rural areas is supported by a network of branches, on-field staff and business correspondents providing last-mile access in remote areas. Of the Bank's network of 5,228 branches, nearly half are in rural and semi-urban areas. The Bank has a reach in over 100,000 villages and is working to provide dedicated banking services to the customers at their homes in 66,000 of these villages. The Bank has also recently partnered with CSC e-Governance Services India to expand rural reach and extend all banking services to the rural customers including transaction and bill payment services at their door step.

Digital transactions

In Q2-2020, the value of debit card transactions and credit card transactions increased by 13% y-o-y and 30% y-o-y respectively. The volume of mobile transactions increased by 136% y-o-y in Q2-2020. Digital channels like internet, mobile banking, POS and others accounted for over 87% of the savings account transactions in H1-2020.

Asset quality

Net NPAs decreased by 51% from ₹ 22,086 crore (US\$ 3.1 billion) at September 30, 2018 to ₹ 10,916 crore (US\$ 1.5 billion) at September 30, 2019. The net NPA ratio decreased from 3.65% at September 30, 2018 and 1.77% at June 30, 2019 to 1.60% at September 30, 2019. The provision coverage on non-performing loans, excluding cumulative technical write-offs, increased from 58.9% at September 30, 2018 to 76.1% at September 30, 2019. The provision coverage ratio on non-performing loans, including cumulative technical write-offs, was 85.0% at September 30, 2019 compared to 69.4% at September 30, 2018. The gross additions to NPAs were ₹ 2,482 crore (US\$ 350 million) in Q2-2020 compared to ₹ 3,117 crore (US\$ 440 million) in Q2-2019 and ₹ 2,779 crore (US\$ 392 million) in Q1-2020. Recoveries and upgrades of non-performing loans were ₹ 1,263 crore (US\$ 178 million) in Q2-2020 compared to ₹ 1,006 crore (US\$ 142 million) in Q2-2019 and ₹ 931 crore (US\$ 131 million) in Q1-2020. At September 30, 2019, the fund-based and non-fund based outstanding to borrowers rated BB and below (excluding non-performing assets) was ₹ 16,074 crore (US\$ 2.3 billion) compared to ₹ 17,525 crore (US\$ 2.5 billion) at March 31, 2019 and ₹ 15,355 crore (US\$ 2.2 billion) at June 30, 2019.

Capital adequacy

The Bank's total capital adequacy at September 30, 2019 as per Reserve Bank of India's guidelines on Basel III norms, including profits for H1-2020, was 16.14% and Tier-1 capital adequacy was 14.62% compared to the minimum regulatory requirements of 11.08% and 9.08% respectively.

Consolidated results

Consolidated profit after tax was ₹ 1,131 crore (US\$ 160 million) in Q2-2020 compared to ₹ 2,514 crore (US\$ 355 million) in Q1-2020 and ₹ 1,205 crore (US\$ 170 million) in Q2-2019. Excluding the impact of one-time additional charge due to re-measurement of accumulated deferred tax, profit after tax would have been ₹ 4,101 crore (US\$ 579 million) in Q2-2020.

Consolidated assets grew by 13.3% year-on-year to ₹ 1,288,190 crore (US\$ 181.8 billion) at September 30, 2019 from ₹ 1,136,942 crore (US\$ 160.4 billion) at September 30, 2018.

Subsidiaries

Value of new business of ICICI Life grew by 20% year-on-year from ₹ 590 crores (US\$ 83 million) in the six months ended September 30, 2018 (H1-2019) to ₹ 709 crores (US\$ 100 million) in H1-2020. The new business margin increased from 17.0% in FY2019 to 21.0% in H1-2020. Protection based annualised premium equivalent grew by 87% year-on-year to ₹ 497 crore (US\$ 70 million) in H1-2020 and accounted for 14.8% of the total annualised premium equivalent in H1-2020. The Embedded value grew by 18% from ₹ 19,248 crores (US\$ 2.7 billion) at September 30, 2018 to 22,680 crore (US\$ 3.2 billion) at September 30, 2019. ICICI Life's profit after tax was ₹ 587 crore (US\$ 83 million) for H1-2020 compared to ₹ 583 crore (US\$ 82 million) for H1-2019.

The gross written premium of ICICI General was ₹ 6,591 crore (US\$ 930 million) in H1-2020 compared to ₹ 7,492 crore (US\$ 1.1 billion) in H1-2019. The company's combined ratio was 101.5% in H1-2020 compared to 100.1% in H1-2019. ICICI General's profit after tax increased by 6% to ₹ 618 crore (US\$ 87 million) in H1-2020 from ₹ 582 crore (US\$ 82 million) in H1-2019.

The profit after tax of ICICI Securities, on a consolidated basis, as per Ind AS, was ₹ 135 crore (US\$ 19 million) in Q2-2020 compared to ₹ 134 crore (US\$ 19 million) in Q2-2019.

The profit after tax of ICICI Prudential Asset Management Company (ICICI AMC), as per Ind AS, was ₹ 305 crore (US\$ 43 million) in Q2-2020 compared to ₹ 196 crore (US\$ 28 million) in Q2-2019.

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

₹ crore

	FY2019	Q1-2019	Q2-2019	H1-2019\	Q1-2020	Q2-2020	H1-2020
Net interest income	27,015	6,102	6,418	12,520	7,737	8,057	15,794
Non-interest income	13,146	3,085	3,191	6,276	3,247	3,854	7,101
- Fee income	11,989	2,754	2,995	5,749	3,039	3,478	6,517
- Dividend income from subsidiaries	1,078	317	167	485	191	377	568
- Other income	79	14	29	42	17	(1)	16
Less:							
Operating expense	18,089	4,145	4,324	8,469	4,874	5,378	10,252
Core operating profit²	22,072	5,042	5,285	10,327	6,110	6,533	12,643
- Treasury income ¹	1,366	766	(35)	731	179	341	520
Operating profit	23,438	5,808	5,250	11,058	6,289	6,874	13,163
Less:							
Provisions	19,661	5,971	3,994	9,965	3,496	2,507	6,003
Profit before tax	3,777	(163)	1,256	1,093	2,793	4,367	7,160
Less:							
Tax	414	(43)	347	304	885	792	1,677
One time additional charge on re-measurement of deferred tax assets	-	-	-	-	-	2,920	2,920
Profit after tax	3,363	(120)	909	789	1,908	655	2,563

1. Includes profit on sale of shareholding in subsidiaries of ₹ 1,110 crore in FY2019 and Q1-2019.
2. Excluding treasury income
3. The Bank has decided to exercise the option of lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from FY2020. Accordingly, the Bank has recognised the provision for income tax for Q2-2020 and H1-2020 and re-measured the accumulated deferred tax asset at March 31, 2019 based on the rate prescribed under Section 115BAA. The resultant impact has been taken through the profit and loss account. The re-measurement of accumulated deferred tax asset has resulted in a one-time additional charge of ₹ 29.20 billion in standalone financial results in Q2-2020 and H1-2020. Excluding the impact of one-time additional charge due to re-measurement of accumulated deferred tax, standalone net profit would have been ₹ 35.75 billion for Q2-2020 and ₹ 54.83 billion for H1-2020
4. Prior period figures have been re-grouped/re-arranged where necessary

Summary Balance Sheet

₹ crore

	30-Sep-18	31-Mar-19	30-Jun-19	30-Sep-19
Capital and Liabilities				
Capital	1,287	1,289	1,291	1,292
Employee stock options outstanding	5	5	5	4
Reserves and surplus	104,080	107,074	109,104	109,314
Deposits	558,669	652,920	660,732	696,273
Borrowings (includes subordinated debt)	174,686	165,320	156,720	151,033
Other liabilities	35,613	37,851	35,901	39,095
Total Capital and Liabilities	874,340	964,459	963,753	997,011
Assets				
Cash and balances with Reserve Bank of India	33,122	37,858	35,990	414,95
Balances with banks and money at call and short notice	24,490	42,438	29,758	30,144
Investments	187,500	207,733	219,996	223,376
Advances	544,487	586,647	592,415	613,359
Fixed assets	7,842	7,931	7,858	7,936
Other assets	76,899	81,852	77,736	80,701
Total Assets	874,340	964,459	963,753	997,011

1. Prior period figures have been re-grouped/re-arranged where necessary.

Certain statements in this release relating to a future period of time (including inter alia concerning our future business plans or growth prospects) are forward-looking statements intended to qualify for the 'safe harbor' under applicable securities laws including the US Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. These risks and uncertainties include, but are not limited to statutory and regulatory changes, international economic and business conditions; political or economic instability in the jurisdictions where we have operations, increase in non-performing loans, unanticipated changes in interest rates, foreign exchange rates, equity prices or other rates or prices, our growth and expansion in business, the adequacy of our allowance for credit losses, the actual growth in demand for banking products and services, investment income, cash flow projections, our exposure to market risks, changes in India's sovereign rating, as well as other risks detailed in the reports filed by us with the United States Securities and Exchange Commission. Any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of the date of this release. ICICI Bank undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof. Additional risks that could affect our future operating results are more fully described in our filings with the United States Securities and Exchange Commission. These filings are available at www.sec.gov.

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= ₹ 70.88