

**News Release****October 27, 2017****Performance Review: Quarter ended September 30, 2017**

- **Decline in gross NPA additions to ₹ 4,674 crore (US\$ 716 million) in the quarter ended September 30, 2017 (Q2-2018) compared to ₹ 4,976 crore (US\$ 762 million) in the quarter ended June 30, 2017 (Q1-2018) and ₹ 8,029 crore (US\$ 1.23 billion) in the quarter ended September 30, 2016 (Q2-2017)**
- **Net NPA ratio decreased from 4.86% at June 30, 2017 to 4.43% at September 30, 2017**
- **410 basis points increase in provisioning coverage ratio to 59.3% (including cumulative prudential/ technical write-offs), further strengthening the balance sheet**
- **21% year-on-year growth in savings account deposits; CASA ratio at 49.5% at September 30, 2017**
- **19% year-on-year growth in retail portfolio**
- **Net interest margin at 3.27% in Q2-2018 compared to 3.13% in Q2-2017**
- **Standalone profit after tax of ₹ 2,058 crore (US\$ 315 million) for quarter ended September 30, 2017 (Q2-2018)**
- **Consolidated profit after tax of ₹ 2,071 crore (US\$ 317 million) for Q2-2018**
- **Total capital adequacy of 17.89% and Tier-1 capital adequacy of 14.85% on standalone basis at September 30, 2017, including profits for half year ended September 30, 2017 (H1-2018)**

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, 2017.

## **Profit & loss account**

- Net interest income increased by 9% on a year-on-year basis to ₹ 5,709 crore (US\$ 874 million) in the quarter ended September 30, 2017 (Q2-2018) from ₹ 5,253 crore (US\$ 805 million) in the quarter ended September 30, 2016 (Q2-2017). The net interest margin was stable sequentially at 3.27% in Q2-2018, and increased by 14 basis points compared to the net interest margin of 3.13% in Q2-2017.
- Non-interest income in Q2-2018 included gains of ₹ 2,012 crore (US\$ 308 million) related to sale of shareholding in ICICI Lombard General Insurance Company (ICICI General). In Q2-2017, non-interest income included gains of ₹ 5,682 crore (US\$ 870 million) related to sale of shareholding in ICICI Prudential Life Insurance Company (ICICI Life). Excluding the gains on sale of shareholding in insurance subsidiaries, the non-interest income was ₹ 3,174 crore (US\$ 486 million) in Q2-2018 compared to ₹ 3,438 crore (US\$ 527 million) in Q2-2017. Fee income increased by 9% on a year-on-year basis to ₹ 2,570 crore (US\$ 394 million) in Q2-2018 from ₹ 2,356 crore (US\$ 361 million) in Q2-2017.
- Standalone profit after tax was ₹ 2,058 crore (US\$ 315 million) for Q2-2018 compared to ₹ 2,049 crore (US\$ 314 million) for quarter ended June 30, 2017 (Q1-2018) and ₹ 3,102 crore (US\$ 475 million) for Q2-2017.
- Consolidated profit after tax was ₹ 2,071 crore (US\$ 317 million) in Q2-2018 compared to ₹ 2,605 crore (US\$ 399 million) in Q1-2018 and ₹ 2,979 crore (US\$ 456 million) for Q2-2017.

## **Operating review**

### ***Credit growth***

The year-on-year growth in domestic advances was 13%. The Bank has continued to leverage its strong retail franchise, resulting in a year-on-year growth of 19% in the retail portfolio. The retail portfolio constituted about 54% of the loan portfolio of the Bank at September 30, 2017. Total advances increased by 6% year-on-year to ₹ 482,780 crore (US\$ 73.9 billion) at September 30, 2017 from ₹ 454,256 crore (US\$ 69.6 billion) at September 30, 2016.

### ***Deposit growth***

CASA deposits increased by 20% year-on-year to ₹ 246,876 crore (US\$ 37.8 billion) at September 30, 2017. The Bank's CASA ratio was 49.5% at September 30, 2017 compared to 49.0% at June 30, 2017 and 45.7% at September 30, 2016. The average CASA ratio was 45.2% in Q2-2018. Total

deposits increased by 11% year-on-year to ₹ 498,643 crore (US\$ 76.4 billion) at September 30, 2017. The Bank had a network of 4,856 branches and 13,792 ATMs at September 30, 2017.

### ***Capital adequacy***

The Bank's capital adequacy at September 30, 2017 as per Reserve Bank of India's guidelines on Basel III norms was 17.56% and Tier-1 capital adequacy was 14.50% compared to the regulatory requirements of 10.35% and 8.35% respectively. In line with applicable guidelines, the Basel III capital ratios reported by the Bank for September 30, 2017 do not include the profits for half year ended September 30, 2017 (H1-2018). Including profits for (H1-2018), the capital adequacy ratio for the Bank as per Basel III norms would have been 17.89% and the Tier I ratio would have been 14.85%.

### ***Asset quality***

The gross NPA additions declined to ₹ 4,674 crore (US\$ 716 million) in Q2-2018 compared to ₹ 4,976 crore (US\$ 762 million) in Q1-2018 and ₹ 8,029 crore (US\$ 1.23 billion) in Q2-2017. Net non-performing assets (NPAs) decreased from ₹ 25,306 crore (US\$ 3.9 billion) at June 30, 2017 to ₹ 24,130 crore (US\$ 3.7 billion) at September 30, 2017. The Bank's net non-performing asset ratio declined from 4.86% at June 30, 2017 to 4.43% at September 30, 2017. Net loans to companies whose facilities have been restructured were ₹ 2,029 crore (US\$ 311 million) at September 30, 2017 compared to ₹ 2,370 crore (US\$ 363 million) at June 30, 2017. There was a sequential increase of 410 bps in provision coverage ratio on non-performing loans, including cumulative technical/prudential write-offs to 59.3%, further strengthening the balance sheet.

### ***Technology initiatives***

Debit and credit card transactions continued to grow at a healthy rate. The number and the value of debit card transactions at point-of-sale terminals increased year-on-year by 64% and 63% respectively in Q2-2018. Credit card transactions increased year-on-year by 40% and 45% in terms of number and value respectively in Q2-2018.

Over 5.0 million Unified Payment Interface (UPI) Virtual Payment Addresses have been created using the Bank's mobile platforms till September 30, 2017. Further, the Bank had acquired over 145,000 merchants till September 30, 2017 on 'Eazypay', its mobile payments application for merchants.

The Bank's artificial intelligence powered chatbot iPal, handles about 1.0 million queries/chats monthly on both website and mobile app with nearly 90% resolution. iPal's services involve simple FAQs, financial transactions and helping customers to discover new features.

Digital channels like internet, mobile banking, POS and call centre accounted for about 81% of the savings account transactions in H1-2018.

### **Consolidated results**

Consolidated profit after tax was ₹ 2,071 crore (US\$ 317 million) in Q2-2018 compared to ₹ 2,605 crore (US\$ 399 million) in Q1-2018 and ₹ 2,979 crore (US\$ 456 million) in Q2-2017.

Consolidated assets grew by 6% from ₹ 964,236 crore (US\$ 147.7 billion) at September 30, 2016 to ₹ 1,023,505 crore (US\$ 156.8 billion) at September 30, 2017.

### **Subsidiaries**

ICICI Life announced results for Q2-2018 on October 24, 2017. ICICI Life continued to maintain its market leadership among the private sector players in H1-2018. ICICI Life's retail weighted received premium increased by 17% from ₹ 1,544 crore (US\$ 237 million) in Q2-2017 to ₹ 1,807 crore (US\$ 277 million) in Q2-2018. ICICI Life's profit after tax was ₹ 421 crore (US\$ 64 million) for Q2-2018 compared to ₹ 419 crore (US\$ 64 million) for Q2-2017. The Embedded Value, based on Indian Embedded Value methodology, was ₹ 17,210 crore (US\$ 2.6 billion) as of September 30, 2017 compared to 16,184 crore (US\$ 2.5 billion) as of March 31, 2017.

During Q2-2018, ICICI General completed its IPO in which the Bank sold 7% shareholding. The Bank continues to hold 55.9% in the company. The gross written premium of ICICI General grew by 17% from ₹ 2,753 crore (US\$ 422 million) in Q2-2017 to ₹ 3,234 crore (US\$ 495 million). The company continues to retain its market leadership among the private sector players. ICICI General's profit after tax increased by 19% from ₹ 171 crore (US\$ 26 million) in Q2-2017 to ₹ 204 crore (US\$ 31 million) in Q2-2018.

The profit after tax of ICICI Prudential Asset Management Company (ICICI AMC) increased by 20% year-on-year from ₹ 130 crore (US\$ 20 million) in Q2-2017 to ₹ 156 crore (US\$ 24 million) in Q2-2018. ICICI AMC continues to be the largest mutual fund in India based on average assets under management for Q2-2018.

The profit after tax of ICICI Securities increased by 32% year-on-year from ₹ 99 crore (US\$ 15 million) in Q2-2017 to ₹ 131 crore (US\$ 20 million) in Q2-2018. The profit after tax of ICICI Primary Dealership was at ₹ 52 crore (US\$ 8 million) in Q2-2018 compared to ₹ 171 crore (US\$ 26 million) in Q2-2017.

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

₹ crore

	<b>FY 2017</b>	<b>Q1- 2017</b>	<b>Q2- 2017</b>	<b>H1- 2017</b>	<b>Q1- 2018</b>	<b>Q2- 2018</b>	<b>H1- 2018</b>
<b>Net interest income</b>	<b>21,737</b>	<b>5,159</b>	<b>5,253</b>	<b>10,412</b>	<b>5,590</b>	<b>5,709</b>	<b>11,299</b>
<b>Non-interest income</b>	<b>19,505</b>	<b>3,429</b>	<b>9,120</b>	<b>12,549</b>	<b>3,388</b>	<b>5,186</b>	<b>8,574</b>
- Fee income	9,452	2,156	2,356	4,511	2,377	2,570	4,947
- Treasury income	8,577 <sup>1</sup>	768	6,412 <sup>1</sup>	7,180 <sup>1</sup>	858	2,193 <sup>1</sup>	3,051 <sup>1</sup>
- Other income	1,476	505 <sup>2</sup>	352	5,404 <sup>2</sup>	153	423	576
Less:							
Operating expense	14,755	3,373	3,737	7,110	3,794	3,909	7,703
<b>Operating profit</b>	<b>26,487</b>	<b>5,215</b>	<b>10,636</b>	<b>15,851</b>	<b>5,184</b>	<b>6,986</b>	<b>12,170</b>
Less:							
Provisions	15,208	2,515	7,083	9,598	2,609	4,503	7,112
<b>Profit before Tax</b>	<b>11,279</b>	<b>2,700</b>	<b>3,553</b>	<b>6,253</b>	<b>2,575</b>	<b>2,483</b>	<b>5,058</b>
Less: Tax	1,478	468	451	919	526	425	951
<b>Profit after tax</b>	<b>9,801</b>	<b>2,232</b>	<b>3,102</b>	<b>5,334</b>	<b>2,049</b>	<b>2,058</b>	<b>4,107</b>

1. Includes profit on sale of shareholding in insurance subsidiaries of ₹ 5,682 crore in Q2-2017 and ₹ 2,012 crore in Q2-2018
2. As per the RBI circular on 'Guidelines on compliance with Accounting Standard (AS) 11 (The Effects of Changes in Foreign Exchange Rates) by banks' dated April 18, 2017, on repatriation of accumulated profits or retained earnings from overseas operations, the banks shall not recognise the proportionate exchange gains or losses held in the foreign currency translation reserve in the P&L account. Other income includes net foreign exchange gain amounting to ₹ 206 crore in Q1-2017 related to overseas operations which was reversed in Q4-2017
3. Prior period figures have been re-grouped/re-arranged where necessary

**Summary Balance Sheet**

₹ crore

	<b>30-Sep-16</b>	<b>30-Mar-17</b>	<b>31-Jun-17</b>	<b>30-Sep-17</b>
	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Audited)</b>
<b>Capital and Liabilities</b>				
Capital	1,164	1,165	1,283 <sup>1</sup>	1,284
Employee stock options outstanding	7	6	6	6
Reserves and surplus	93,845	98,780	99,335 <sup>2</sup>	101,498
Deposits	449,071	490,039	486,254	498,643
Borrowings (includes subordinated debt) <sup>3</sup>	171,757	147,556	141,460	150,702
Other liabilities	36,096	34,245 <sup>2</sup>	32,578	35,669
<b>Total Capital and Liabilities</b>	<b>751,940</b>	<b>771,791</b>	<b>760,916</b>	<b>787,802</b>
<b>Assets</b>				
Cash and balances with Reserve Bank of India	23,959	31,702	28,762	27,784
Balances with banks and money at call and short notice	28,605	44,011	13,748	25,578
Investments	174,349	161,507	185,408	179,935
Advances	454,256	464,232	464,075	482,780
Fixed assets	7,608	7,805	8,023	7,995
Other assets	63,163	62,534	60,900	63,730
<b>Total Assets</b>	<b>751,940</b>	<b>771,791</b>	<b>760,916</b>	<b>787,802</b>

1. The shareholders of the Bank have approved the issue of bonus shares of ₹ 2 each in the proportion of 1:10 i.e. 1 (One) bonus share of ₹ 2 each for every 10 (Ten) fully paid-up equity shares held (including shares underlying ADS), through postal ballot in June 2017. Accordingly, the Bank had issued 582,984,544 equity shares as bonus shares during Q1-2018. Capital and reserves at June 30, 2017 reflect the bonus shares issued by the Bank.

2. *The shareholders of the Bank also approved dividend of ₹ 2.50 per equity shares (pre-bonus issue) and dividend of ₹ 100 per preference share at the Annual General Meeting held on June 30, 2017. Accordingly, the Bank had appropriated an amount of ₹ 1,466 crore (including corporate dividend tax) from retained earnings during Q1-2018.*
3. *Borrowings include preference share capital of ₹ 350 crore*
4. *Prior period figures have been re-grouped/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](http://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 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 in our international operations, future levels of impaired loans, our growth and expansion in domestic and overseas markets, the adequacy of our allowance for credit and investment losses, regulatory assessments of our asset quality, provisions, risk management, capital adequacy and management functioning, other measures of the safety and soundness of our operations or compliance with applicable laws, regulations, accounting and taxation norms or regulatory policies, technological changes, investment income including the ability to successfully monetise our investment in subsidiaries, 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 equity, bond and loan market conditions and availability of liquidity amongst the investor community in these markets, the nature or level of credit spreads and 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= ₹ 65.29*