

News Release**January 31, 2018****Performance Review: Quarter ended December 31, 2017**

- **Acceleration in loan growth: total domestic loan growth at 16% year-on-year at December 31, 2017 compared to 13% year-on-year at September 30, 2017**
- **Retail loans grew by 22% year-on-year at December 31, 2017 compared to 19% year-on-year at September 30, 2017**
- **Continued improvement in asset quality trends**
 - **Decline in gross non-performing asset (NPA) additions to ₹ 4,380 crore (US\$ 686 million) in the quarter ended December 31, 2017 (Q3-2018) compared to ₹ 4,674 crore (US\$ 732 million) in the quarter ended September 30, 2017 (Q2-2018) and ₹ 7,037 crore (US\$ 1.10 billion) in the quarter ended December 31, 2016 (Q3-2017)**
 - **Recoveries and upgrades of ₹ 1,108 crore (US\$ 173 million) from non-performing loans in Q3-2018 compared to ₹ 1,029 crore (US\$ 161 million) in Q2-2018 and ₹ 625 crore (US\$ 98 million) in Q3-2017**
 - **Net NPA ratio decreased to 4.20% at December 31, 2017 from 4.43% at September 30, 2017**
- **160 basis points increase in provisioning coverage ratio to 60.9% (including cumulative prudential/ technical write-offs), further strengthening the balance sheet**
- **Current and savings account (CASA) ratio at 50.4% at December 31, 2017**
- **Domestic net interest margin was maintained above 3.5% in Q3-2018**
- **Core operating profit, excluding treasury income and exchange rate gains relating to overseas operations, grew by 10% to ₹ 4,992 crore (US\$ 782 million) in Q3-2018 from ₹ 4,549 crore (US\$ 712 million) in Q3-2017**

- **Provisions declined sequentially from ₹ 4,503 crore (US\$ 705 million) in Q2-2018 to ₹ 3,570 crore (US\$ 559 million) in Q3-2018**
- **Total capital adequacy of 18.10% and Tier-1 capital adequacy of 15.04% on standalone basis at December 31, 2017, including profits for nine months ended December 31, 2017 (9M-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 December 31, 2017.

Profit & loss account

- Net interest income grew by 6% year-on-year to ₹ 5,705 crore (US\$ 893 million) in the quarter ended December 31, 2017 (Q3-2018) compared to ₹ 5,363 crore (US\$ 840 million) in the quarter ended December 31, 2016 (Q3-2017).
- Domestic net interest margin was 3.53% and the overall net interest margin was 3.14% in Q3-2018.
- Non-interest income was ₹ 3,167 crore (US\$ 496 million) in Q3-2018 compared to ₹ 3,939 crore (US\$ 617 million) in Q3-2017. In Q3-2017, non-interest income included ₹ 893 crore (US\$ 140 million) of treasury gains due to increase in liquidity & decline in yields following demonetisation, and ₹ 82 crore (US\$ 13 million) of exchange rate gains relating to overseas operations (subsequently reversed in Q4-2017 as RBI disallowed recognition of such gains in the P&L account).
- Core operating profit, excluding treasury income and exchange rate gains relating to overseas operations, increased by 10% year-on-year to ₹ 4,992 crore (US\$ 782 million) in Q3-2018 compared to ₹ 4,549 crore (US\$ 712 million) in Q3-2017.
- Provisions declined sequentially from ₹ 4,503 crore (US\$ 705 million) in Q2-2018 to ₹ 3,570 crore (US\$ 559 million) in Q3-2018.
- Standalone profit after tax was ₹ 1,650 crore (US\$ 258 million) for Q3-2018 compared to ₹ 2,058 crore (US\$ 322 million) for Q2-2018 and ₹ 2,442 crore (US\$ 382 million) for Q3-2017.
- Consolidated profit after tax was ₹ 1,894 crore (US\$ 297 million) in Q3-2018 compared to ₹ 2,071 crore (US\$ 324 million) in Q2-2018 and ₹ 2,611 crore (US\$ 409 million) for Q3-2017.

Operating review

Credit growth

The year-on-year growth in domestic advances was 16% at December 31, 2017 compared to growth of 13% at September 30, 2017. The Bank has continued to leverage its strong retail franchise, resulting in a year-on-year growth of 22% in the retail portfolio at December 31, 2017 compared to growth of 19% at September 30, 2017. The retail portfolio constituted about 54% of the loan portfolio of the Bank at December 31, 2017. Total advances increased by 10% year-on-year to ₹ 505,387 crore (US\$ 79.1 billion) at December 31, 2017 from ₹ 457,469 crore (US\$ 71.6 billion) at December 31, 2016 compared to growth of 6% year-on-year at September 30, 2017.

Deposit growth

CASA deposits increased by 12% year-on-year to ₹ 260,635 crore (US\$ 40.8 billion) at December 31, 2017. The Bank's CASA ratio was 50.4% at December 31, 2017 compared to 49.5% at September 30, 2017 and 49.9% at December 31, 2016. The average CASA ratio increased to 45.7% in Q3-2018 from 45.2% in Q2-2018. Total deposits increased by 11% year-on-year to ₹ 517,403 crore (US\$ 81.0 billion) at December 31, 2017. The Bank had a network of 4,860 branches and 14,262 ATMs at December 31, 2017.

Capital adequacy

The Bank's capital adequacy at December 31, 2017 as per Reserve Bank of India's guidelines on Basel III norms was 17.65% and Tier-1 capital adequacy was 14.57% 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 December 31, 2017 do not include the profits for nine months ended December 31, 2017 (9M-2018). Including profits for 9M-2018, the capital adequacy ratio for the Bank as per Basel III norms would have been 18.10% and the Tier I capital adequacy ratio would have been 15.04%.

Asset quality

The gross additions to non-performing assets (NPA) were ₹ 4,380 crore (US\$ 686 million) in Q3-2018. Net loans to companies whose facilities have been restructured were ₹ 1,815 crore (US\$ 284 million) at December 31, 2017 compared to ₹ 2,029 crore (US\$ 318 million) at September 30, 2017. Recoveries and upgrades from non-performing loans were ₹ 1,108 crore (US\$ 173 million) in Q3-2018. There was a sequential increase of 160 bps in the provision coverage ratio on non-performing loans, including cumulative

technical/prudential write-offs to 60.9%, further strengthening the balance sheet. The gross NPA ratio decreased to 7.82% at December 31, 2017 from 7.87% at September 30, 2017. The net NPA ratio decreased to 4.20% at December 31, 2017 from 4.43% at September 30, 2017. Net NPAs and net restructured loans as proportion of net customer assets decreased from 5.21% at December 31, 2016 and 4.80% at September 30, 2017 to 4.52% at December 31, 2017.

Technology initiatives

Debit and credit card transactions continued to grow at a healthy rate of about 40% year-on-year in 9M-2018.

Over 8.3 million Unified Payment Interface (UPI) Virtual Payment Addresses have been created using the Bank's and partners' platforms till December 31, 2017. Further, the Bank had acquired over 158,000 merchants till December 31, 2017 on 'Eazypay', its mobile payments application for merchants.

During Q3-2018, the Bank entered into a new partnership for digital lending to launch a product that seamlessly offers interest-free digital credit instantly.

Digital channels like internet, mobile banking, POS and others accounted for about 81% of the savings account transactions in 9M-2018 compared to 73% in 9M-2017 driven by growth in the share of mobile banking transactions.

Consolidated results

Consolidated profit after tax was ₹ 1,894 crore (US\$ 297 million) in Q3-2018 compared to ₹ 2,071 crore (US\$ 324 million) in Q2-2018 and ₹ 2,611 crore (US\$ 409 million) in Q3-2017.

Consolidated assets grew by 9.4% from ₹ 962,897 crore (US\$ 150.7 billion) at December 31, 2016 to ₹ 1,053,677 crore (US\$ 165.0 billion) at December 31, 2017.

Subsidiaries

ICICI Life announced results for Q3-2018 on January 19, 2018. ICICI Life continued to maintain its market leadership among the private sector players in 9M-2018 on retail weighted received premium basis. ICICI Life's retail weighted received premium increased by 26% from ₹ 4,277 crore (US\$ 670 million) in the nine months ended December 31, 2016 (9M-2017) to ₹ 5,401 crore (US\$ 846 million) in 9M-2018. The new business margin has been continuously improving from 8.0% in FY2016 to 10.1% in FY2017 and further to 13.7% in 9M-2018. ICICI Life's profit after tax was ₹ 452 crore (US\$ 71 million) for Q3-2018 compared to ₹ 450 crore (US\$ 70 million) for Q3-2017.

The gross written premium of ICICI General grew by 17% from ₹ 8,250 crore (US\$ 1.3 billion) in 9M-2017 to ₹ 9,630 crore (US\$ 1.5 billion) in 9M-2018. The company continues to retain its market leadership among the private sector players. ICICI General's profit after tax was ₹ 232 crore (US\$ 36 million) in Q3-2018 compared to ₹ 220 crore (US\$ 34 million) in Q3-2017. The profit before tax grew by 43% to ₹ 322 crore (US\$ 50 million) in Q3-2018 compared to ₹ 225 crore (US\$ 35 million) in Q3-2017.

The profit after tax of ICICI Prudential Asset Management Company (ICICI AMC) increased by 22% year-on-year from ₹ 132 crore (US\$ 21 million) in Q3-2017 to ₹ 161 crore (US\$ 25 million) in Q3-2018. ICICI AMC continues to be the largest mutual fund in India based on average assets under management for Q3-2018.

The profit after tax of ICICI Securities, on a consolidated basis, was ₹ 153 crore (US\$ 24 million) in Q3-2018.

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

₹ crore

	FY 2017	Q3- 2017	9M- 2017	Q2- 2018	Q3- 2018	9M- 2018
Net interest income	21,737	5,363	15,775	5,709	5,705	17,004
Non-interest income	19,505	3,939	16,488	5,186	3,167	11,741
- Fee income	9,452	2,495	7,007	2,570	2,639	7,586
- Treasury income	8,577 ¹	893	8,073	2,193 ¹	66	3,117
- Other income	1,476	551 ²	1,408 ²	423	462	1,038
Less:						
Operating expense	14,755	3,778	10,888	3,909	3,814	11,518
Core operating profit³	17,910	4,549	13,014	4,794	4,992	14,110
Operating profit	26,487	5,524	21,375	6,986	5,058	17,227
Less:						
Provisions	15,208	2,713	12,311	4,503	3,570	10,681
Profit before Tax	11,279	2,811	9,064	2,483	1,488	6,546
Less: Tax	1,478	369	1,288	425	(162)	789
Profit after tax	9,801	2,442	7,776	2,058	1,650	5,757

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 ₹ 82 crore in Q3-2017 related to overseas operations which was reversed in Q4-2017
3. Excluding treasury income and exchange rate gains relating to overseas operations
4. Prior period figures have been re-grouped/re-arranged where necessary

Summary Balance Sheet

₹ crore

	31-Dec-16	31-Mar-17	30-Sep-17	31-Dec-17
	(Audited)	(Audited)	(Audited)	(Audited)
Capital and Liabilities				
Capital	1,164	1,165	1,284	1,285
Employee stock options outstanding	6	6	6	6
Reserves and surplus	96,344	98,780	101,498	103,210
Deposits	465,284	490,039	498,643	517,403
Borrowings (includes subordinated debt) ¹	159,098	147,556	150,702	158,176
Other liabilities	35,901	34,245	35,669	33,470
Total Capital and Liabilities	757,797	771,791	787,802	813,549
Assets				
Cash and balances with Reserve Bank of India	26,194	31,702	27,784	32,484
Balances with banks and money at call and short notice	34,973	44,011	25,578	23,380
Investments	168,987	161,507	179,935	179,807
Advances	457,469	464,232	482,780	505,387
Fixed assets	7,551	7,805	7,995	7,923
Other assets	62,623	62,534	63,730	64,568
Total Assets	757,797	771,791	787,802	813,549

1. Borrowings include preference share capital of ₹ 350 crore

2. 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.

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= ₹ 63.88