

**News Release****October 23, 2021****Performance Review: Quarter ended September 30, 2021**

- **Core operating profit (profit before provisions and tax, excluding treasury income) grew by 23% year-on-year to ₹ 9,518 crore (US\$ 1.3 billion) in the quarter ended September 30, 2021 (Q2-2022)**
  - **Net interest income grew by 25% year-on-year**
  - **Net interest margin of 4.00%**
- **Profit after tax grew by 30% year-on-year to ₹ 5,511 crore (US\$ 742 million) in Q2-2022**
- **Total deposits grew by 17% year-on-year to ₹ 977,449 crore (US\$ 131.7 billion) at September 30, 2021**
  - **28% year-on-year growth in average current and savings account (CASA) deposits in Q2-2022; average CASA ratio was 44% in Q2-2022**
- **Domestic loan portfolio grew by 19% year-on-year**
- **Net NPA ratio declined from 1.16% at June 30, 2021 to 0.99% at September 30, 2021, the lowest since December 31, 2014**
- **Provision coverage ratio was 80.1% at September 30, 2021**
- **Total capital adequacy ratio was 19.52% and Tier-1 capital adequacy ratio was 18.53% on a standalone basis at September 30, 2021 (including profits for the six months ended September 30, 2021 (H1-2022))**

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, 2021 (Q2-2022). 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 Q2-2022.

**Profit & loss account**

- The core operating profit (profit before provisions and tax, excluding treasury income) increased by 23% year-on-year to ₹ 9,518 crore (US\$ 1.3 billion) in Q2-2022 from ₹ 7,719 crore (US\$ 1.0 billion) in the quarter ended September 30, 2020 (Q2-2021)
- Net interest income (NII) increased by 25% year-on-year to ₹ 11,690 crore (US\$ 1.6 billion) in Q2-2022 from ₹ 9,366 crore (US\$ 1.3 billion) in Q2-2021
- The net interest margin increased to 4.00% in Q2-2022 from 3.89% in the quarter ended June 30, 2021 (Q1-2022) and 3.57% in Q2-2021
- Non-interest income, excluding treasury income, increased by 26% year-on-year to ₹ 4,400 crore (US\$ 593 million) in Q2-2022 from ₹ 3,486 crore (US\$ 470 million) in Q2-2021
- Fee income grew by 21% year-on-year to ₹ 3,811 crore (US\$ 513 million) in Q2-2022 from ₹ 3,139 crore (US\$ 423 million) in Q2-2021. Fees from retail, business banking and SME customers increased by 25% year-on-year and constituted about 78% of total fees in Q2-2022
- Treasury income was ₹ 397 crore (US\$ 53 million) in Q2-2022 compared to ₹ 542 crore (US\$ 73 million) in Q2-2021. The treasury income in Q2-2021 included gain of ₹ 305 crore (US\$ 41 million) from sale of shares of ICICI Securities
- Provisions (excluding provision for tax) declined by 9% year-on-year to ₹ 2,714 crore (US\$ 366 million) in Q2-2022 from ₹ 2,995 crore (US\$ 403 million) in Q2-2021
- The profit before tax grew by 37% year-on-year to ₹ 7,201 crore (US\$ 970 million) in Q2-2022 from ₹ 5,266 crore (US\$ 709 million) in Q2-2021
- On a standalone basis, the profit after tax grew by 30% year-on-year to ₹ 5,511 crore (US\$ 742 million) in Q2-2022 from ₹ 4,251 crore (US\$ 573 million) in Q2-2021

***Growth in digital and payments platforms***

In December 2020, the Bank had expanded its state-of-the-art mobile banking app, iMobile, to iMobile Pay which offers payment and banking services to customers of any bank. There were about 1,500,000 activations of iMobile Pay from non-ICICI Bank account holders in Q2-2022, taking the total such activations to 4,000,000 within nine months of launch. The transactions by non-ICICI Bank account holders in terms of value and volume respectively, were three times and 13 times higher in September 2021 compared to June 2021. The value of transactions through the 'Pay to Contact' feature, which enables users to easily transfer money to any payment app or digital wallet via UPI, was about three times higher in September 2021 compared to June 2021.

The Bank continues to expand the suite of services offered through iMobile Pay to achieve high engagement levels with users. Recently, the Bank launched a facility which enables its savings account holders to manage dues of credit cards of any bank through iMobile Pay. The Bank also launched a contactless payment facility on iMobile Pay which enables users of android based smartphones to make credit and debit card payments on POS terminals in a safe and secure manner by tapping their phones.

The business banking and SME franchise continues to grow on the back of digital offerings and platforms like InstaBIZ. InstaBIZ offers various services such as instant overdraft facility, payment of Goods and Services Tax (GST), foreign exchange deal booking, business loans based on revenues reported in GST returns, automatic bank reconciliations and inward and outward remittances. The value of financial transactions on InstaBIZ has grown by about 80% year-on-year in Q2-2022. The Bank's supply chain platforms enable corporates to seamlessly manage their supply chain financing and payments, collection and reconciliation requirements of their dealers and vendors in a convenient and paperless manner. The Bank has onboarded about 200 corporate customers on these supply chain platforms. About 70% of the dealers of these customers are active on the supply chain platforms. The value of transactions through these platforms increased 4.7 times year-on-year in Q2-2022.

In the Unified Payment Interface (UPI) space, the Bank's strategy is to participate directly through the Bank's own platforms as well as partner with third party players, in both the peer-to-peer and payment-to-merchant segments. The value of the Bank's merchant acquiring transactions through UPI more than doubled year-on-year and grew by 34% sequentially in Q2-2022.

The value of mobile banking transactions increased by 62% year-on-year to ₹ 406,501 crore (US\$ 54.8 billion) in Q2-2022. Digital channels like internet, mobile banking, PoS and others accounted for over 90% of the savings account transactions in H1-2022. The Bank is the market leader in electronic toll collections through FASTag. The Bank had a market share of 37% by value in electronic toll collections through FASTag in Q2-2022, with a 63% year-on-year growth in collections.

The Bank had launched ICICI STACK for corporates and has created 19 industry specific STACKs which provide bespoke and purpose-based digital solutions to corporate clients and their ecosystems. The volume of transactions through these solutions grew 2.4 times year-on-year in Q2-2022. These solutions along with the depth of the Bank's coverage have supported the strong growth in average current account deposits. Further, the Bank is well positioned to capture the opportunities arising from the growing FDI and capital market flows.

The Bank is focusing holistically on the merchant ecosystem, both directly and through partnerships. The Super Merchant current account which offers various benefits such as digital account opening and instant overdraft facilities based on point-of-sale transactions has received good response from customers. The Bank has partnered with Amazon India to offer instant overdraft to sellers, including non-ICICI Bank customers, on its portal. The Bank has also launched an instant overdraft facility for MSMEs registered on the GEM Sahay application through API integration with the OCEN network.

### **Operating review**

With the increase in economic activity, disbursements across all retail products increased sequentially in Q2-2022. Mortgage disbursements were close to the level seen in the quarter ended March 31, 2021 (Q4-2021) reflecting the increase in demand coupled with the Bank's seamless customer onboarding experience through pre-approved offers and digitisation. Disbursements of personal loans and auto loans were also close to Q4-2021 levels. The value of credit card spends grew by 47.0% sequentially in Q2-2022. Spends across most categories other than travel crossed March 2021 levels in September 2021. The Bank continued to focus on providing the full suite of banking products to corporate clients and their ecosystems and lending to well-rated corporates.

***Credit growth***

The retail loan portfolio grew by 20% year-on-year and 5% sequentially, and comprised 62.1% of the total loan portfolio at September 30, 2021. Including non-fund outstanding, the retail loan portfolio was 51.6% of the total portfolio at September 30, 2021. The business banking portfolio grew by 43% year-on-year and 12% sequentially at September 30, 2021. The SME business, comprising borrowers with a turnover of less than ₹ 250 crore (US\$ 34 million), grew by 42% year-on-year and 11% sequentially at September 30, 2021. Growth in the domestic wholesale banking portfolio was 14% year-on-year at September 30, 2021. The domestic advances grew by 19% year-on-year and 4% sequentially at September 30, 2021. Total advances increased by 17% year-on-year and 4% sequentially to ₹ 764,937 (US\$ 103.0 billion) at September 30, 2021 from ₹ 652,608 crore (US\$ 87.9 billion) at September 30, 2020 and ₹ 738,598 crore (US\$ 99.5 billion) at June 30, 2021.

***Deposit growth***

Total deposits increased by 17% year-on-year and 6% sequentially to ₹ 977,449 crore (US\$ 131.7 billion) at September 30, 2021. Average current account deposits increased by 36% year-on-year and 5% sequentially in Q2-2022. Average savings account deposits increased by 25% year-on-year and 4% sequentially in Q2-2022. Total term deposits increased by 12% year-on-year to ₹ 526,745 crore (US\$ 71.0 billion) at September 30, 2021.

The Bank had a network of 5,277 branches and 14,045 ATMs at September 30, 2021.

***Asset quality***

The net non-performing assets declined by 12% sequentially to ₹ 8,161 crore (US\$ 1.1 billion) at September 30, 2021 from ₹ 9,306 crore (US\$ 1.3 billion) at June 30, 2021. The net NPA ratio declined to 0.99% at September 30, 2021 from 1.16% at June 30, 2021. The net addition to gross NPAs declined to ₹ 96 crore (US\$ 13 million) during Q2-2022 from ₹ 3,604 crore (US\$ 486 million) in Q1-2022. The gross NPA additions declined to ₹ 5,578 crore (US\$ 751 million) in Q2-2022 from ₹ 7,231 crore (US\$ 974 million) in Q1-2022. Recoveries and upgrades of NPAs, excluding write-offs and sale, increased to ₹ 5,482 crore (US\$ 739 million) in Q2-2022 from 3,627 crore (US\$ 489 million) in Q1-2022. The gross NPAs written off were ₹ 1,717 crore (US\$ 231 million) in Q2-2022. Excluding NPAs, the total fund based outstanding to all borrowers under resolution as per the various extant regulations/guidelines was ₹ 9,684 crore (US\$ 1.3 billion) or 1.3% of total advances at September 30, 2021 compared to ₹ 4,864 crore (US\$ 655 million) at June 30, 2021. The Bank holds provisions amounting to ₹ 1,950 crore (US\$ 263 million) against these borrowers under resolution as of September 30, 2021. In addition,

the Bank continues to hold Covid-19 provisions of ₹ 6,425 crore (US\$ 866 million) as of September 30, 2021, the same level as June 30, 2021. The loan and non-fund based outstanding to performing borrowers rated BB and below reduced to ₹ 12,714 crore (US\$ 1.7 billion) at September 30, 2021 from ₹ 13,975 crore (US\$ 1.9 billion) at June 30, 2021.

### ***Capital adequacy***

The Bank's total capital adequacy at September 30, 2021 was 19.52% and Tier-1 capital adequacy (including profits for H1-2022) was 18.53% compared to the minimum regulatory requirements of 11.08% and 9.08% respectively.

### **Consolidated results**

In accordance with the Scheme of Arrangement (Scheme) between ICICI Lombard General Insurance Company Limited (ICICI General) and Bharti AXA General Insurance Company Limited (Bharti AXA), assets and liabilities of Bharti AXA's general insurance business vested with ICICI General on the Appointed Date of April 1, 2020. The Bank's consolidated financial results for Q2-2022 reflect the impact of the Scheme and the accounting for investment in ICICI General as an associate, and consolidated financial results for Q1-2022 have also been restated accordingly.

The consolidated profit after tax was ₹ 6,092 crore (US\$ 821 million) in Q2-2022 compared to ₹ 4,763 crore (US\$ 642 million) in Q1-2022 and ₹ 4,882 crore (US\$ 657 million) in Q2-2021.

### **Key subsidiaries and associates**

Value of New Business (VNB) of ICICI Prudential Life Insurance (ICICI Life) increased by 45% year-on-year to ₹ 873 crore (US\$ 118 million) in H1-2022 from ₹ 602 crore (US\$ 81 million) in the six months ended September 30, 2020 (H1-2021). The new business premium increased by 45% year-on-year to ₹ 6,461 crore (US\$ 870 million) in H1-2022 from ₹ 4,456 crore (US\$ 600 million) in H1-2021. The new business margin increased from 25.1% in FY2021 to ₹ 27.3% in H1-2022. The profit after tax increased by 46.6% year-on-year to ₹ 445 crore (US\$ 60 million) in Q2-2022 from ₹ 303 crore (US\$ 41 million) in Q2-2021.

The Gross Direct Premium Income (GDPI) of ICICI Lombard General Insurance Company (ICICI General) grew by 33% year-on-year to ₹ 8,613 crore (US\$ 1.2 billion) in H1-2022 from ₹ 6,491 crore (US\$ 874 million) in H1-2021. The combined ratio was 114.3% in H1-2022 compared to 99.8% in H1-2021. The combined ratio for H1-2022 included the impact of Covid-19 claims of ₹ 561 crore (US\$ 76 million) compared to ₹ 115 crore (US\$ 15 million) in H1-2021. The profit after tax of ICICI General was ₹ 446 crore (US\$ 60 million) in Q2-2022 compared to ₹ 416 crore (US\$ 56 million) in Q2-2021. Prior period numbers are not comparable due to the reflection of the Scheme of Arrangement in current period numbers.

The profit after tax of ICICI Securities, on a consolidated basis, as per Ind AS, grew by 26% year-on-year to ₹ 351 crore (US\$ 47 million) in Q2-2022 from ₹ 278 crore (US\$ 37 million) in Q2-2021.

The profit after tax of ICICI Prudential Asset Management Company (ICICI AMC), as per Ind AS, grew by 37% year-on-year to ₹ 383 crore (US\$ 52 million) in Q2-2022 from ₹ 282 crore (US\$ 38 million) in Q2-2021.

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

₹ crore

	<b>FY2021</b>	<b>Q2-2021</b>	<b>H1-2021</b>	<b>Q1-2022</b>	<b>Q2-2022</b>	<b>H1-2022</b>
	<b>Audited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
<b>Net interest income</b>	<b>38,989</b>	<b>9,366</b>	<b>18,646</b>	<b>10,936</b>	<b>11,690</b>	<b>22,626</b>
<b>Non-interest income</b>	<b>13,923</b>	<b>3,486</b>	<b>5,866</b>	<b>3,706</b>	<b>4,400</b>	<b>8,106</b>
- Fee income	12,659	3,139	5,243	3,219	3,811	7,030
- Dividend income from subsidiaries	1,234	334	521	410	583	993
- Other income	30	13	102	77	6	83
Less:						
Operating expense	21,561	5,133	9,779	6,037	6,572 <sup>2</sup>	12,609 <sup>2</sup>
<b>Core operating profit<sup>1</sup></b>	<b>31,351</b>	<b>7,719</b>	<b>14,733</b>	<b>8,605</b>	<b>9,518</b>	<b>18,123</b>
- Treasury income	5,046 <sup>3</sup>	542 <sup>3</sup>	4,305 <sup>3</sup>	290	397	686
<b>Operating profit</b>	<b>36,397</b>	<b>8,261</b>	<b>19,038</b>	<b>8,895</b>	<b>9,915</b>	<b>18,809</b>
Less:						
Total net provision	16,214	2,995	10,589	2,852 <sup>5</sup>	2,714	5,565
Covid-19 related provisions <sup>6</sup>	4,750	-	5,550	(1,050)	-	(1,050)
Other provisions	11,464	2,995 <sup>4</sup>	5,039 <sup>4</sup>	3,902	2,714	6,615
<b>Profit before tax</b>	<b>20,183</b>	<b>5,266</b>	<b>8,448</b>	<b>6,043</b>	<b>7,201</b>	<b>13,244</b>
Less:						
Provision for taxes	3,990	1,015	1,598	1,427	1,690	3,117
<b>Profit after tax</b>	<b>16,193</b>	<b>4,251</b>	<b>6,850</b>	<b>4,616</b>	<b>5,511</b>	<b>10,127</b>

1. Excluding treasury income
2. The Reserve Bank of India, through its clarification dated August 30, 2021, has advised banks that the fair value of share-linked instruments granted after March 31, 2021 should be recognised as an expense. Accordingly, the Bank has changed its accounting policy from intrinsic value method to fair value method for valuation of all stock options granted after March 31, 2021 under its Employee Stock Options Scheme. The fair value of stock options is estimated on the date of grant using Black-Scholes model and is recognised as employee expense over the vesting period. Accordingly, the Bank has accounted for additional employee expenses of ₹ 125 crore (US\$ 17 million) during the quarter and half year ended September 30, 2021 with a consequent reduction in profit after tax by the said amount
3. Includes profit on sale of shareholding in subsidiaries of ₹ 3,670 crore (US\$ 494 million) in FY2021 (Q2-2021: ₹ 305 crore (US\$ 41 million), H1-2021: ₹ 3,341 crore (US\$ 450 million))
4. Includes Covid-19 related contingency provisions of ₹ 497 crore (US\$ 67 million) on borrower accounts not classified as non-performing pursuant to the Supreme Court's interim order
5. During Q1-2022, the Bank has changed its policy on non-performing loans to make it more conservative. The change in policy resulted in higher provision on non-performing advances amounting to about ₹ 1,127 crore (US\$ 152 million) in Q1-2022
6. During FY2021, the Covid-19 pandemic resulted in a nation-wide lockdown in April-May 2020 which substantially impacted economic activity. Regulatory measures like moratorium on payment of dues and standstill in asset classification were implemented to mitigate the economic consequences on borrowers. The pandemic resulted in increase in provisioning reflecting higher actual and expected additions to non-performing loans. The easing of lockdown measures subsequently led to gradual improvement in economic activity and progress towards normalcy from the second half of FY2021.

*The second wave of the Covid-19 pandemic in April-May 2021 led to the re-imposition of localised/regional lock-down measures in various parts of the country. The second wave has started to subside from June 2021 onwards and there has been a lifting of lock downs, resulting in a gradual increase in economic activity.*

*The Bank made net Covid-19 related provision of ₹ 4,750 crore (US\$ 640 million) in FY2021 and held an aggregate Covid-19 related provision of ₹ 7,475 crore (US\$ 1.0 billion) at March 31, 2021. During H1-2022, the Bank wrote-back Covid-19 related provision of ₹ 1,050 crore (US\$ 141 million) (Q1-2022: ₹ 1,050 crore (US\$ 141 million), Q2-2022: Nil) and accordingly held Covid-19 related provision of ₹ 6,425 crore (US\$ 866 million) at September 30, 2021.*

*While there has been a reduction in the number of new reported Covid-19 cases, significant progress on vaccination and increase in economic activity, the impact, including with respect to credit quality and provisions, of the Covid-19 pandemic on the Bank and the Group, is uncertain and will depend on the trajectory of the pandemic, progress and effectiveness of the vaccination programme, the effectiveness of current and future steps taken by the government and central bank to mitigate the economic impact and the steps taken by the Bank and the Group.*

7. *Prior period numbers have been re-arranged wherever necessary*

**Summary Balance Sheet**

₹ crore

	30-Sep-20	31-Mar-21	30-Jun-21	30-Sep-21
	Unaudited	Audited	Unaudited	Unaudited
<b>Capital and Liabilities</b>				
Capital	1,379 <sup>1</sup>	1,383	1,385	1,387
Employee stock options outstanding	3	3	3	127
Reserves and surplus	136,269 <sup>1</sup>	146,123	150,988	155,270
Deposits	832,936	932,522	926,224	977,449
Borrowings (includes subordinated debt)	136,427	91,631	89,131	82,989
Other liabilities	55,956	58,771	52,923	58,780
<b>Total capital and liabilities</b>	<b>1,162,971</b>	<b>1,230,433</b>	<b>1,220,654</b>	<b>1,276,002</b>
<b>Assets</b>				
Cash and balances with Reserve Bank of India	30,538	46,031	42,036	45,097
Balances with banks and money at call and short notice	106,054	87,097	63,828	104,947
Investments	289,623	281,287	294,849	285,220
Advances	652,608	733,729	738,598	764,937
Fixed assets	8,707	8,878	8,956	9,153
Other assets	75,441	73,411	72,387	66,648
<b>Total assets</b>	<b>1,162,971</b>	<b>1,230,433</b>	<b>1,220,654</b>	<b>1,276,002</b>

1. During Q2-2021, the Bank issued 418,994,413 equity shares of face value of ₹ 2 each at a price of ₹ 358 per equity share including a premium of ₹ 356 per equity share, aggregating to ₹ 15,000 crore (US\$ 2.0 billion) through Qualified Institutions Placement
2. Prior period figures have been re-grouped/re-arranged wherever 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, and the impact of the Covid-19 pandemic which could result in fewer business opportunities, lower revenues, and an increase in the levels of non-performing assets and provisions, depending inter alia upon the period of time for which the pandemic extends, the remedial measures adopted by governments and central banks, and the sustenance of economic activity at normal levels after the pandemic, 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](http://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= ₹ 74.23*