

Press Release

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For Immediate Release in United Kingdom only

PRE-BUDGET BRITS MUST FACE COALITION CUT-BACKS

Hot on the heels of last week's announcement that Britain can expect Chancellor George Osborne's first Budget Statement on Tuesday 22nd June, ICICI Bank gives its own savings tips to help Brits prepare for cut-backs which may lie ahead.

With authorised overdraft rates at a 10-year high*, now is the time for UK adults to look for reliable money savings options that increase self-sufficiency and leave something in reserve for uncertain economic times. Using the first of a quarterly index which tracks the true financial health of British adults, ICICI Bank has interviewed more than 2,000 adults across 15 UK cities, asking them about their spending and savings habits.

Anubrata Biswas, Head of Retail Banking for ICICI Bank UK plc comments on anticipated **tax rises** and **higher monthly household bills**: "Average living costs amount to around £900 per month for most adults in the UK, which leaves the average person with just over £120 per week to live on after outgoings. Our research reveals that over 60% of British adults expect to save less than £50 in the next month and more than half of them have less than £1000 put aside for future plans. The imminent budget might mean that people would be relying more on savings to meet higher living costs. Everyone is making adjustments but what's even more important is generating the best possible return on what you're able to put away. Savers need to look for the best possible deal to make their money work harder."

Continuing on the **rising cost of borrowing**, **Anubrata Biswas** said: "Rising credit card and loan rates mean that borrowing should no longer be considered a bail-out option. Of the UK adults we interviewed, 77% did not expect to spend using new borrowing in the coming month, with a further 9% expecting to borrow only £50 or less. Money that is spent monthly on debt can, once the debt is cleared, be put into savings, ready to cover any emergency in the face of possible government cut-backs."

Average basic salaries vs monthly outgoings, by city:

UK cities	Basic Salary per month after income tax	Monthly outgoings (made up of amount spent on essential living costs, existing debts, amount spent on everyday social and luxury items, borrowing and savings & investments)	Difference
Oxford	£1,768.34	£1,218.30	£550.04
Brighton	£1,768.34	£1,114.00	£654.34
Southampton	£1,768.34	£1,025.80	£742.54
Bristol	£1,446.64	£1,167.80	£278.84
Edinburgh	£1,489.62	£1,155.20	£334.42

Nottingham	£1,467.78	£981.20	£486.58
Leeds	£1,235.52	£1,283.10	-£47.58
Cardiff	£1,379.04	£1,232.80	£146.24
Newcastle	£1,604.02	£886.20	£717.82
Norwich	£1,651.18	£970.20	£680.98
Manchester	£1,494.82	£914.30	£580.52
Plymouth	£1,446.64	£1,097.40	£349.24
Glasgow	£1,579.42	£986.10	£593.32
London	£2,090.06	£1,288.60	£801.46
Birmingham	£1,448.38	£1,026.80	£421.58

References:

*The Mirror, 'Groans on Loans', 15th May 2010

**1 ONS DATA, April 2010

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Notes to editors

1. The HiSAVE research was conducted by Vision Critical among a weighted, GB representative sample of 2,000 adults in April 2010. This sample was supplemented to give a minimum representative sample of 100 people in each of the 15 cities surveyed.
2. Photography and further HiSAVE product information is available on request.
3. The HiSave City Saving Index will be published every three months to reveal the changing financial fortunes of British cities. To be added to the priority email list for forthcoming releases, email your contact details to: icicipressuk@fd.com
4. About HiSAVE and ICICI Bank UK PLC (website www.hisave.co.uk and www.icicibank.co.uk):

HiSAVE is ICICI Bank UK PLC's range of interest online savings accounts. About 175,000 UK savers trust HiSAVE to look after their hard-earned savings. The HiSAVE savings range consists of:

- The HiSAVE Savings Account: an easy access savings account with one consistently high interest rate for everyone plus a unique guarantee that the AER will beat the Base Rate by at least 0.30% until at least December 2011. The minimum balance is just £1 and there are no penalties or notice periods for withdrawals. The current interest rate is 1.30% AER.
- The HiSAVE Fixed Rate Account: a range of fixed rate savings accounts that enable customers to avoid interest rate fluctuations by saving a lump sum for a fixed term (of either 6, 12, 18, 24, 36, 48 and 60 months) in return for a fixed interest rate (the current interest rates are 1.5%AER, 2.75%AER, 3.20%AER, 3.70% AER, 4.25% AER, 4.50% AER and 5% AER respectively). The minimum balance is just £1000.

ICICI Bank UK PLC is a UK bank offering retail, corporate and investment banking services in the UK and Europe. It is:

- Authorised and regulated by the Financial Services Authority
- A member of the UK Financial Services Compensation Scheme.
- A subscriber to the Lending Code – a voluntary code that sets the standards for good banking practice

And:

- Has been operating in the UK since 2003 and for the financial year ending 31 March 2010 ICICI Groups had assets in excess of \$80 billion.
- Has a strong capital adequacy ratio: 17.30 (as at 31 March 2010). A bank's capital adequacy ratio is a measure of a bank's capital relative to its risk. Banks have specific capital adequacy requirements to ensure they can absorb a reasonable amount of loss and are complying with their statutory capital requirements. The UK government has recently recapitalised a number of UK banks to help get their capital adequacy ratio up to a healthier ratio – around 12%. ICICI Bank UK PLC's capital adequacy is considerably higher than this 12% benchmark.
- Has a credit rating of Baa2 from Moody's.
- Is part of a global banking group that looks after 25 million customers worldwide.

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