



# Performance Review: Q2-2011

October 29, 2010

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*Certain statements in these slides are forward-looking statements. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors. More information about these factors is contained in ICICI Bank's filings with the Securities and Exchange Commission.*

*All financial and other information in these slides, 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 unconsolidated, consolidated and segmental results required by Indian regulations that has, along with these slides, 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).*





## Overview



## Q2-2011: Profitability highlights

- 18.8% increase in standalone profit after tax to ₹ 12.36 bn in Q2-2011 from ₹ 10.40 bn in Q2-2010
- Net interest income up 8.3% year-on-year
  - Increase in net interest margin to 2.6% in Q2-2011 from 2.5% in Q2-2010
- Fee income up 14.6% year-on-year
- Provisions down 40.2% year-on-year to ₹ 6.41 bn (Q2-2010: ₹ 10.71 bn; Q1-2011: ₹ 7.98 bn)
- Increase in consolidated profit after tax by 21.8% to ₹ 13.95 billion in Q2-2011 compared to ₹ 11.45 billion in Q2-2010

1. The merger of erstwhile Bank of Rajasthan (e-BoR) was effective from close of business of August 12, 2010. Financials for the quarter include operations of e-BoR from August 13, 2010.



## Q2-2011: Balance sheet highlights

- Continued sequential expansion in advances to ₹ 1,942.01 bn at September 30, 2010 from ₹ 1,843.78 bn at June 30, 2010
- Continued growth in CASA deposits to ₹ 981.05 bn at September 30, 2010 from ₹ 729.30 bn at September 30, 2009
  - Increase in CASA ratio to 44.0% at September 30, 2010
  - Average CASA ratio at 39.2% in Q2-2011

1. All numbers for September 30, 2010 are including e-BoR

2. At Aug 12, 2010, e-BoR had advances: ₹ 65.28 bn;  
deposits: ₹ 134.83 bn; CASA deposits: ₹ 46.80 bn



## Q2-2011: Balance Sheet highlights

- Net NPA ratio decreased to 1.37% at September 30, 2010 (June 30, 2010: 1.62%; September 30, 2009: 2.19%)
- Provisioning coverage ratio increased to 69.0% at September 30, 2010 (June 30, 2010: 64.8%; September 30, 2009: 51.7%)
- Strong capital adequacy ratio of 20.2% and Tier-1 capital adequacy of 13.8%

1. At Aug 12, 2010, e-BoR had networth: ₹ 3.56 bn;  
gross NPA: ₹ 4.11 bn; net NPA: ₹ 1.07 bn



# Merger of Bank of Rajasthan

## Accounts merged from August 13, 2010

- At August 12, 2010 BoR had total assets of ₹ 155.96 bn, advances of ₹ 65.28 bn and deposits of ₹ 134.83 bn (including CASA deposits ₹ 46.80 bn)
- Networth at August 12, 2010 was ₹ 3.56 bn compared to ₹ 9.37 bn at March 31, 2010 reflecting primarily provisions for employee benefits, move to 70% provision cover on NPAs and deferred tax asset reversal in e-BoR books prior to merger
- Fair valuation adjustment of ₹ 2.70 bn through reserves on merger, primarily due to impact of alignment to ICICI Bank pay scale on gratuity liability and mark-to-market on HTM investment portfolio





## Unconsolidated financials



# Profit & loss statement

(₹ billion)

	FY 2010	Q2- 2010	H1- 2010	Q1- 2011	Q2- 2011	H1- 2011	Q2-o-Q2 growth
NII	81.14	20.36	40.21	19.91	22.04	41.95	8.3%
Non-interest income	74.78	18.24	39.14	16.80	15.78	32.58	-13.5%
- Fee income	56.50	13.87	27.06	14.13	15.90	30.03	14.6%
- Other income	6.47	1.40	1.97	1.63	1.32	2.95	-5.7%
- Treasury income	11.81	2.97	10.11	1.04	-1.44	-0.40	-
<b>Total income</b>	<b>155.92</b>	<b>38.60</b>	<b>79.35</b>	<b>36.71</b>	<b>37.82</b>	<b>74.53</b>	<b>-2.0%</b>
Operating expenses	55.93	13.58	28.25	14.25	15.00	29.25	10.5%
DMA expenses	1.25	0.21	0.48	0.36	0.35	0.71	66.7%
Lease depreciation	1.42	0.46	0.98	0.22	0.35	0.57	-23.9%
<b>Operating profit</b>	<b>97.32</b>	<b>24.35</b>	<b>49.64</b>	<b>21.88</b>	<b>22.12</b>	<b>44.00</b>	<b>-9.2%</b>



# Profit & loss statement

(₹ billion)

	<b>FY 2010</b>	<b>Q2- 2010</b>	<b>H1- 2010</b>	<b>Q1- 2011</b>	<b>Q2- 2011</b>	<b>H1- 2011</b>	<b>Q2-o-Q2 growth</b>
<b>Operating profit</b>	<b>97.32</b>	<b>24.35</b>	<b>49.64</b>	<b>21.88</b>	<b>22.12</b>	<b>44.00</b>	<b>(9.2)%</b>
Provisions	43.87	10.71	23.95	7.98	6.41	14.39	(40.2)%
<b>Profit before tax</b>	<b>53.45</b>	<b>13.64</b>	<b>25.69</b>	<b>13.90</b>	<b>15.71</b>	<b>29.61</b>	<b>15.2%</b>
Tax	13.20	3.24	6.51	3.64	3.35	6.99	3.4%
<b>Profit after tax</b>	<b>40.25</b>	<b>10.40</b>	<b>19.18</b>	<b>10.26</b>	<b>12.36</b>	<b>22.62</b>	<b>18.8%</b>



# Balance sheet: Assets

(₹ billion)

	September 30, 2009	June 30, 2010	September 30, 2010	Y-o-Y growth
Cash & bank balances	292.67	304.45	348.48	19.1%
Investments	1,199.65	1,275.71	1,362.75	13.6%
- SLR investments	778.34	702.20	696.82	(10.5)%
- Equity investment in subsidiaries	121.00	122.00	122.00	0.8%
Advances	1,908.60	1,843.78	1,942.01	1.8%
Fixed & other assets	262.82	216.03	246.74	(6.1)%
<b>Total assets</b>	<b>3,663.74</b>	<b>3,639.97</b>	<b>3,899.98</b>	<b>6.4%</b>

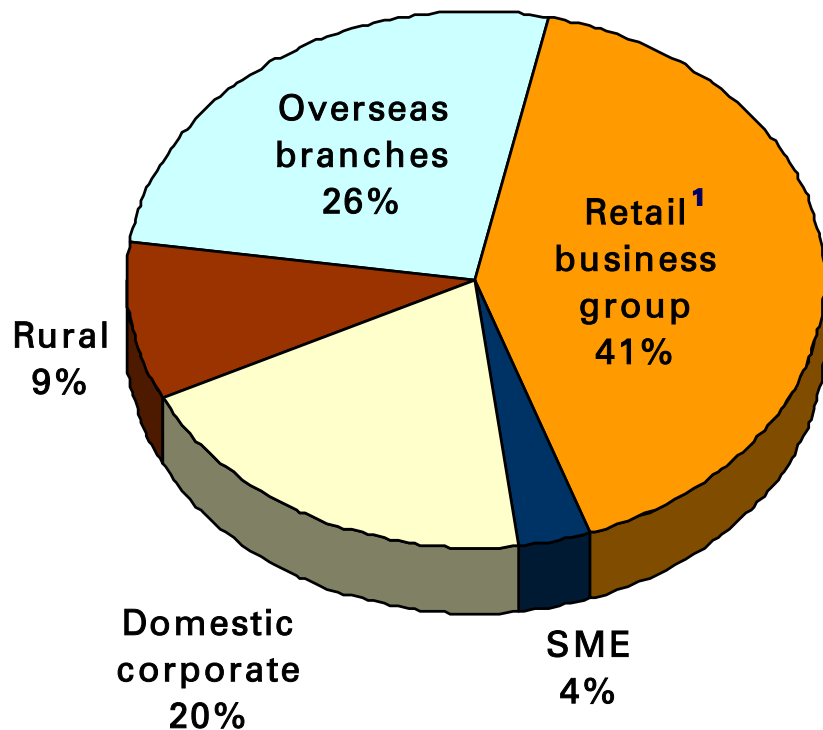
- Investment in security receipts of asset reconstruction companies at September 30, 2010 was ₹ 30.95 bn
- Credit derivative exposure (including off balance sheet exposure) of ₹ 45.06 bn at September 30, 2010 (underlying comprises Indian corporate credits)

Including impact of exchange rate movement



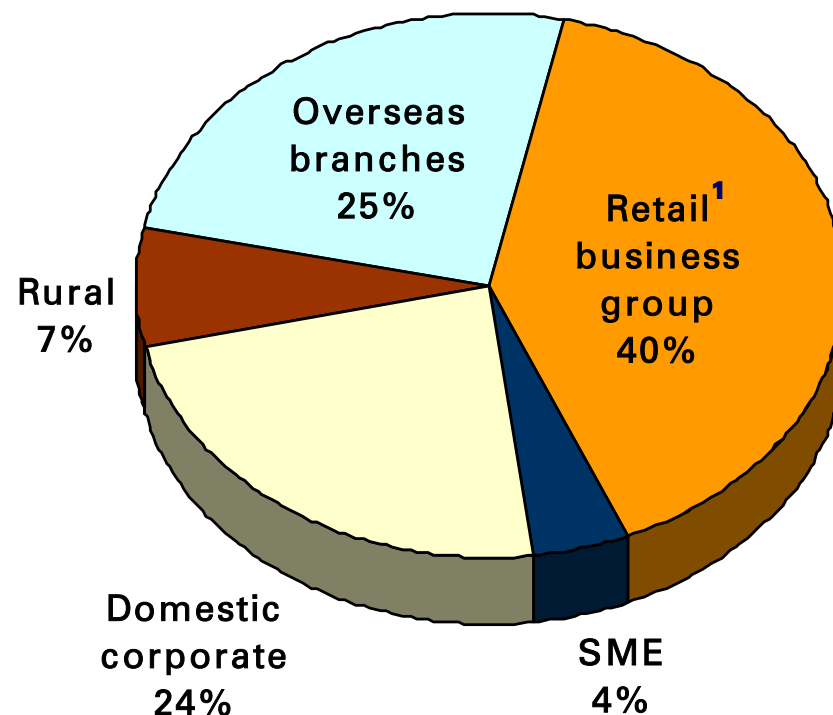
# Composition of total loan book

**At June 30, 2010**



**Total loan book: ₹ 1,844 bn**

**At September 30, 2010**



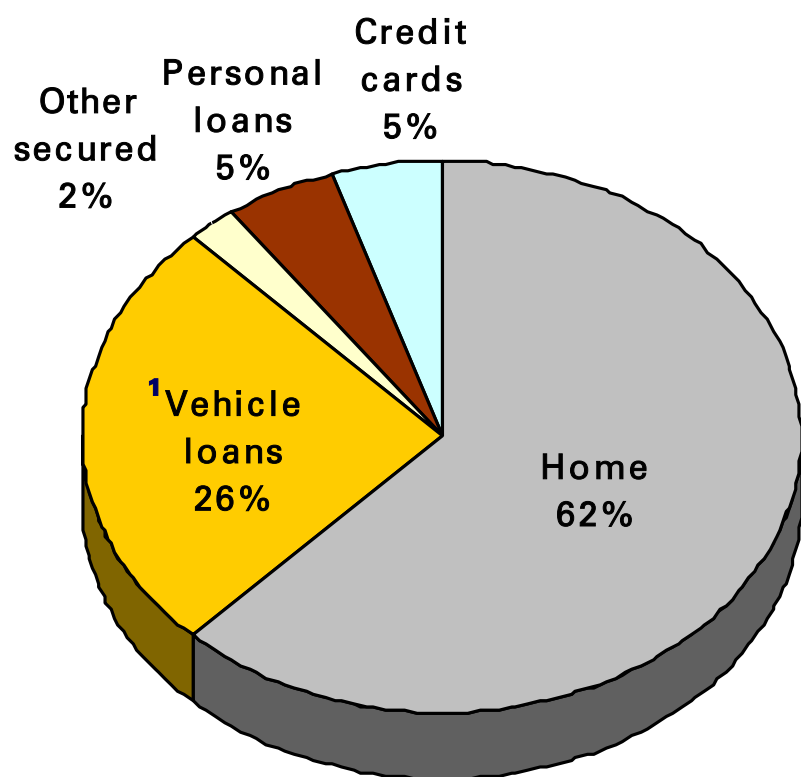
**Total loan book: ₹ 1,942 bn**

**1. Retail business group includes builder loans and dealer funding**



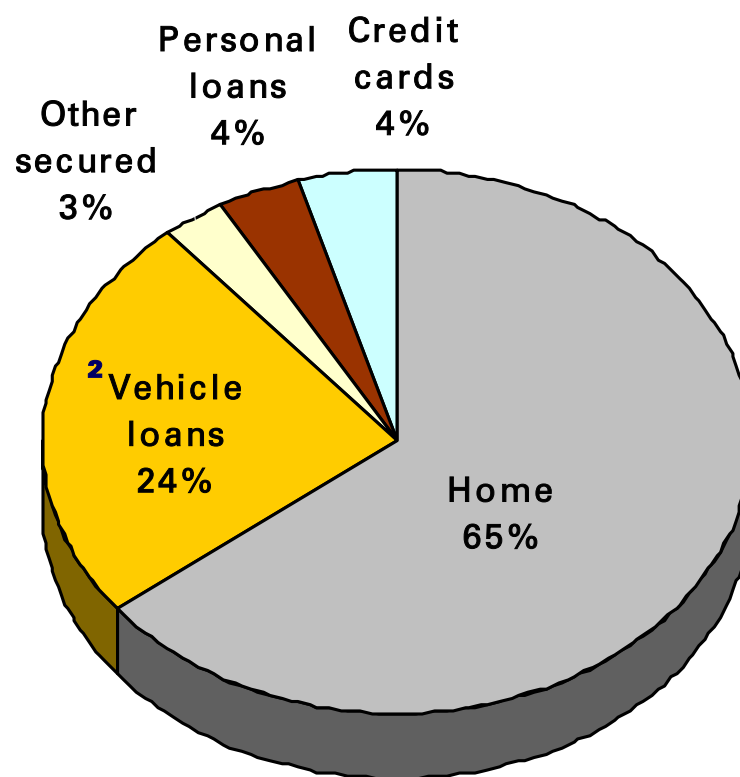
# Composition of retail loan book

**At June 30, 2010**



**Total retail loan book: ₹ 763 bn**

**At September 30, 2010**



**Total retail loan book: ₹ 781 bn**

1. June 30, 2010 :Vehicle loans includes auto loans 10% and commercial business 16%
2. September 30, 2010 :Vehicle loans includes auto loans 9% and commercial business 15%



# Equity investment in subsidiaries

(₹ billion)

	September 30, 2009	June 30, 2010	September 30, 2010
ICICI Prudential Life Insurance	35.93	35.93	35.93
ICICI Bank Canada	33.50	33.50	33.50
ICICI Bank UK	23.25	23.25	23.25
ICICI Home Finance	11.12	11.12	11.12
ICICI Lombard General Insurance	10.96	10.96	10.96
ICICI Bank Eurasia LLC	3.00	3.00	3.00
ICICI Securities Primary Dealership	1.58	1.58	1.58
ICICI Securities Limited	0.87	1.87	1.87
ICICI AMC	0.61	0.61	0.61
ICICI Venture Funds Mgmt	0.05	0.05	0.05
Others	0.14	0.14	0.14
<b>Total</b>	<b>121.00</b>	<b>122.00</b>	<b>122.00</b>



# Balance sheet: Liabilities

(₹ billion)

	September 30, 2009	June 30, 2010	September 30, 2010	Y-o-Y growth
Net worth	512.58	528.23	539.75	5.3%
- Equity capital	11.14	11.16	11.51	3.3%
- Reserves	501.44	517.07	528.24	5.3%
Deposits	1,978.32	2,009.13	2,230.94	12.8%
- Savings	493.18	565.46	632.48	28.2%
- Current	236.12	280.72	348.57	47.6%
Borrowings <sup>1</sup>	1,001.23	949.97	970.10	(3.1)%
Other liabilities	171.61	152.64	159.19	(7.2)%
<b>Total liabilities</b>	<b>3,663.74</b>	<b>3,639.97</b>	<b>3,899.98</b>	<b>6.4%</b>

1. Borrowings include preference shares amounting to ₹ 3.50 billion

- Credit/deposit ratio of 68% on the domestic balance sheet at September 30, 2010

Including impact of exchange rate movement



# Composition of borrowings

(₹ billion)

	September 30, 2009	June 30, 2010	September 30, 2010
Domestic	497.13	450.70	481.51
- Capital instruments <sup>1</sup>	262.71	316.48	333.60
- Other borrowings	234.42	134.22	147.91
Overseas	504.10	499.27	488.59
- Capital instruments	16.28	15.72	15.22
- Other borrowings	487.82	483.55	473.37
<b>Total borrowings</b>	<b>1,001.23</b>	<b>949.97</b>	<b>970.10</b>

1. Includes preference share capital ₹ 3.50 bn

- Capital instruments contribute 69% of domestic borrowings



## Capital adequacy (Basel II)

Basel II	September 30, 2009		June 30, 2010		September 30, 2010	
	₹ bn	%	₹ bn	%	₹ bn	%
Total Capital	573.09	17.7%	610.19	20.2%	640.57	20.2%
- Tier I	431.42	13.3%	422.97	14.0%	436.55	13.8%
- Tier II	141.67	4.4%	187.22	6.2%	204.02	6.4%
Risk weighted assets	3,240.32		3,020.37		3,166.80	
-On balance sheet	2,501.21		2,335.93		2,430.78	
-Off balance sheet	739.11		684.45		736.02	



# Key ratios

(Percent)

	FY 2010	Q2- 2010	H1- 2010	Q1- 2011	Q2- 2011	H1- 2011
Return on average net worth <sup>1, 2</sup>	7.9	8.1	7.5	7.9	9.2	8.5
Return on average net worth <sup>1, 2</sup> (Consolidated basis)	9.6	9.5	9.1	8.6	10.7	9.7
Return on average assets <sup>2</sup>	1.1	1.2	1.0	1.2	1.3	1.2
Weighted avg EPS (₹) <sup>2</sup>	36.1	37.1	34.4	36.9	43.3	40.2
Book value (₹)	463	460	460	474	470	470
Net interest margin <sup>2</sup>	2.5	2.5	2.4	2.5	2.6	2.6
Fee to income	36.6	36.4	34.5	38.7	42.4	40.6
Cost to income (incl. DMA)	37.0	36.1	36.7	40.0	41.0	40.5
Cost to average assets (incl. DMA) <sup>2</sup>	1.6	1.5	1.6	1.6	1.6	1.6
CASA ratio	41.7%	36.9%	36.9%	42.1%	44.0%	44.0%

1. Based on quarterly average net worth
2. Annualised for all interim periods



# Asset quality and provisioning

(₹ billion)

	September 30, 2009	June 30 2010	September 30, 2010
Gross NPAs	94.71	99.77	102.33
Less: Cumulative provisions	49.13	64.63	70.41
Net NPAs	45.58	35.14	31.92
Net NPA ratio	2.19%	1.62%	1.37%

- Gross retail NPLs at ₹ 67.99 bn and net retail NPLs at ₹ 17.12 bn at September 30, 2010
- Net restructured loans of ₹ 25.78 bn at September 30, 2010
- Outstanding general provision on standard assets: ₹ 14.80 bn at September 30, 2010
- Provisioning coverage ratio of 69.0% at September 30, 2010 computed in accordance with RBI guidelines



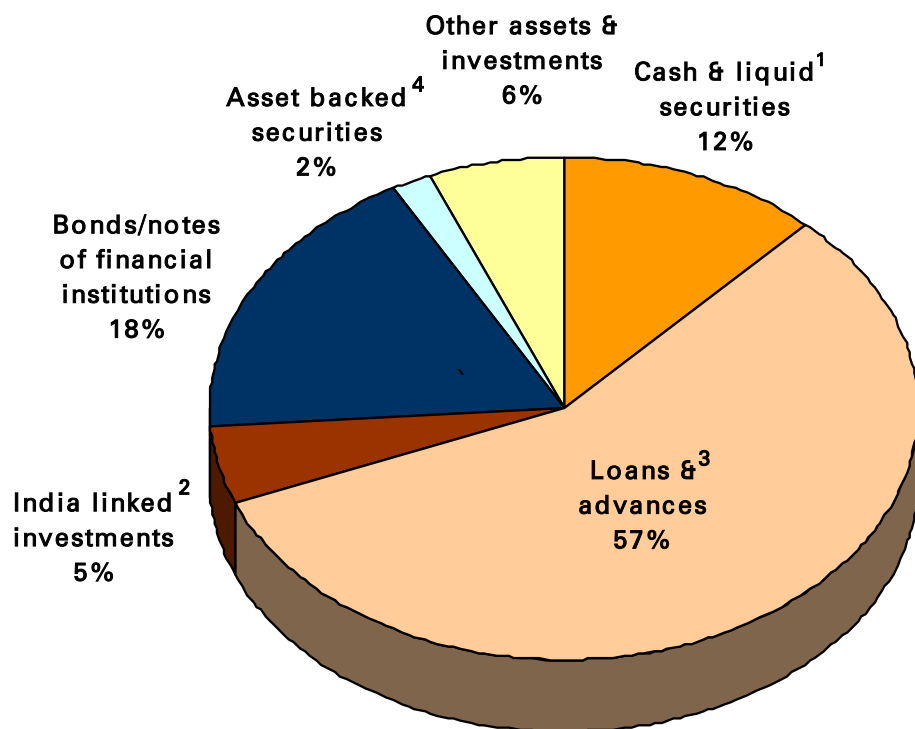


## Overseas subsidiaries



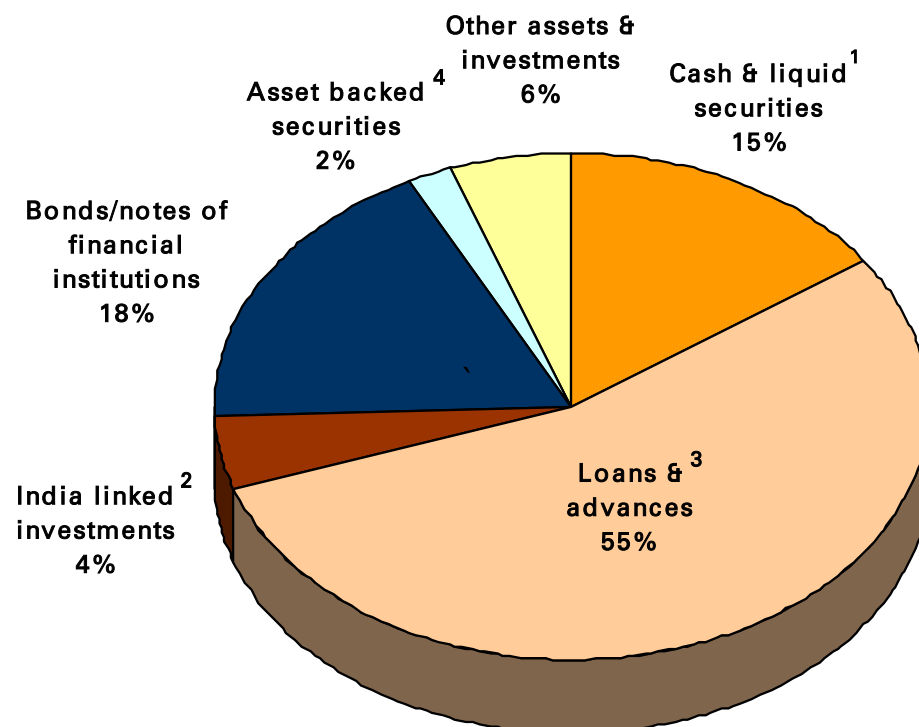
# ICICI Bank UK asset profile

**At June 30, 2010**



**Total assets: USD 6.9 bn**

**At September 30, 2010**



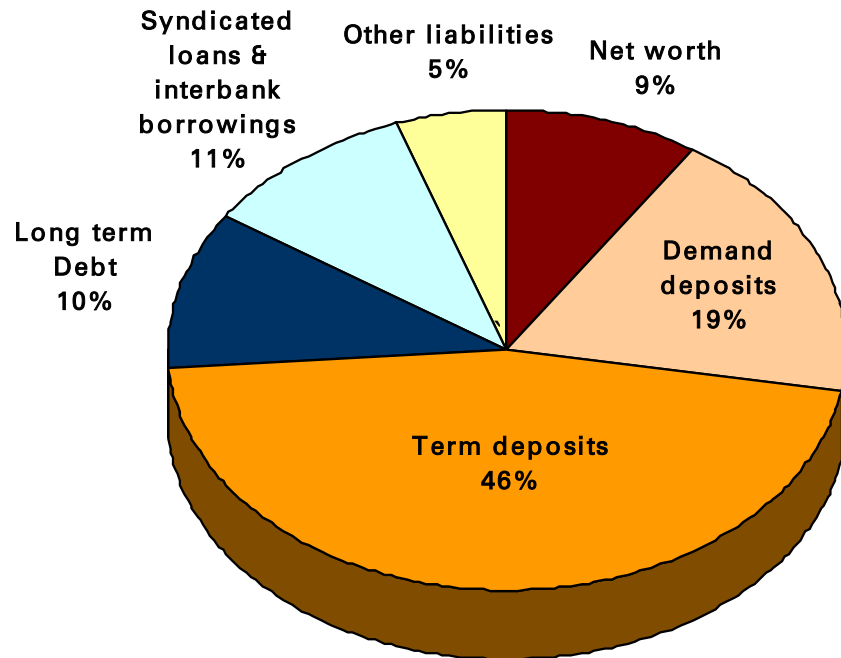
**Total assets: USD 7.2 bn**

1. Includes cash & advances to banks, T Bills and CDs
2. Includes India-linked credit derivatives of US\$ 121 mn at September 30, 2010 (US\$ 138 mn at June 30, 2010)
3. Includes securities reclassified to loans & advances
4. Does not include US\$ 137 mn of ABS reclassified as loans & receivable in FY2009



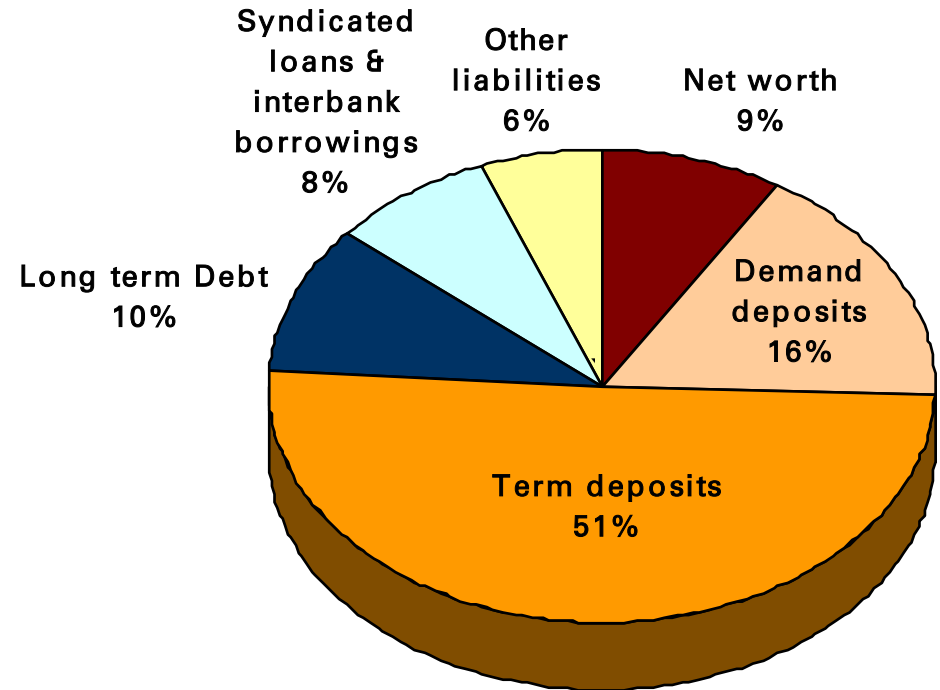
# ICICI Bank UK liability profile

**At June 30, 2010**



**Total liabilities: USD 6.9 billion**

**At September 30, 2010**



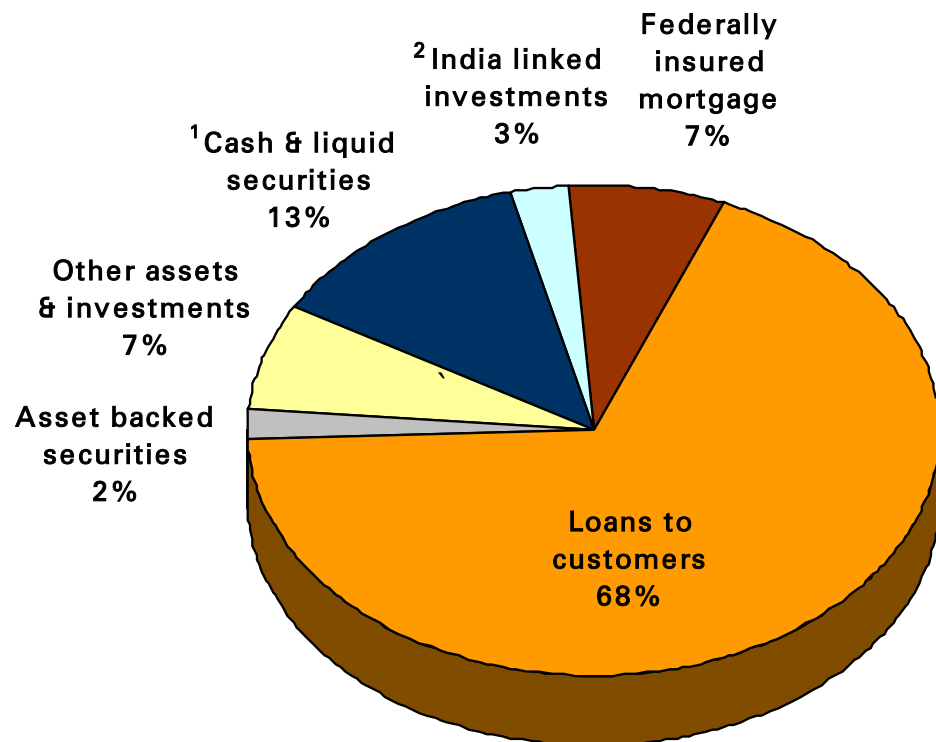
**Total liabilities: USD 7.2 billion**

- Profit after tax of USD 8.4 million in Q2-2011
- Capital adequacy ratio at 18.3%
- Net MTM writeback of USD 4.1 million (post-tax) in reserves in Q2-2011
- Proportion of retail term deposits in total deposits at 75% at September 30, 2010



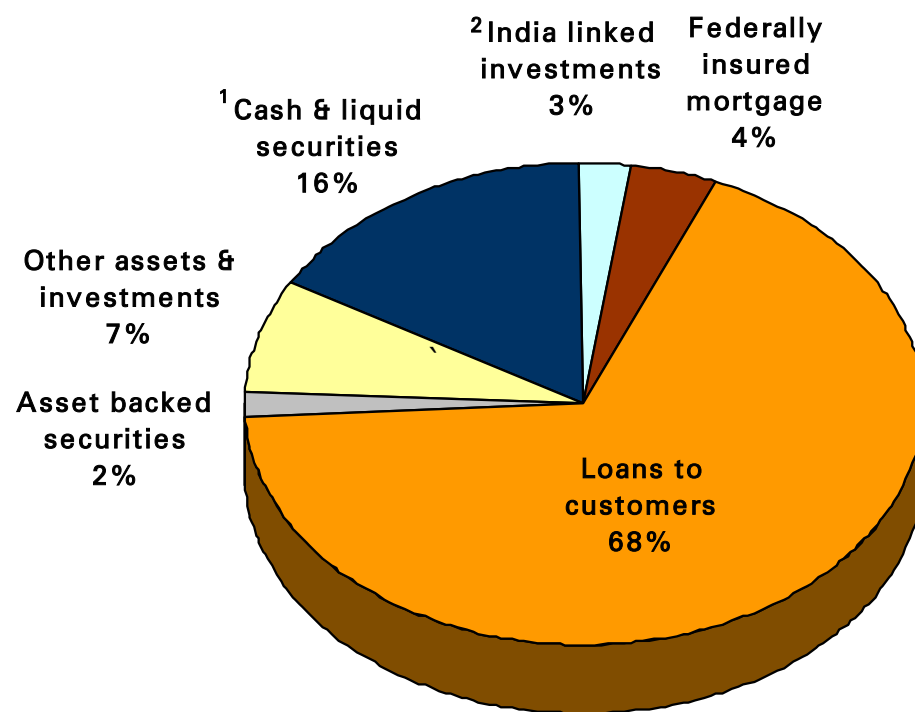
# ICICI Bank Canada asset profile

**At June 30, 2010**



**Total assets: CAD 5.2 bn**

**At September 30, 2010**



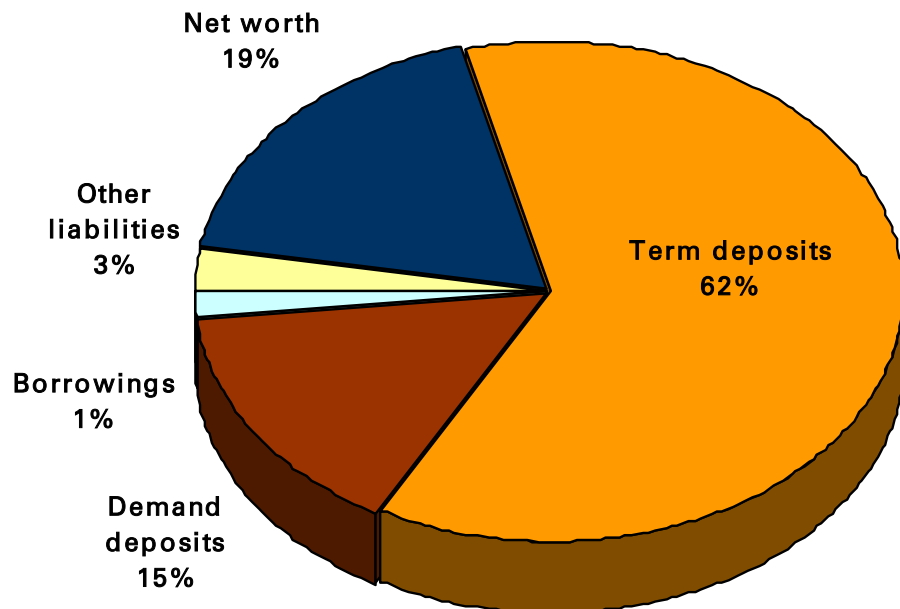
**Total assets: CAD 5.0 bn**

1. Includes cash & advances to banks and government securities
2. Includes India-linked credit derivatives of CAD 88 mn at September 30, 2010 (CAD 104 mn at June 30, 2010)



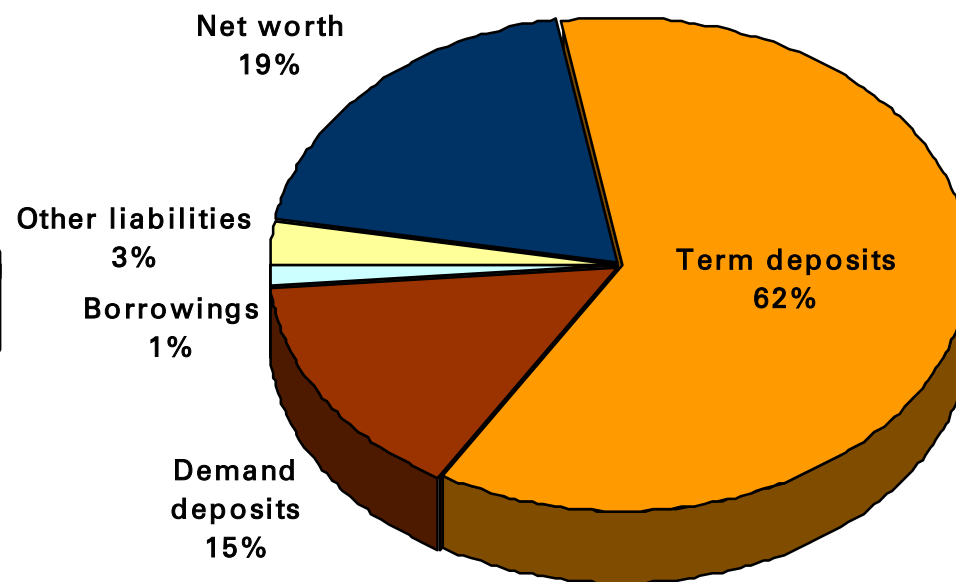
# ICICI Bank Canada liability profile

**At June 30, 2010**



**Total liabilities: CAD 5.2 billion**

**At September 30, 2010**



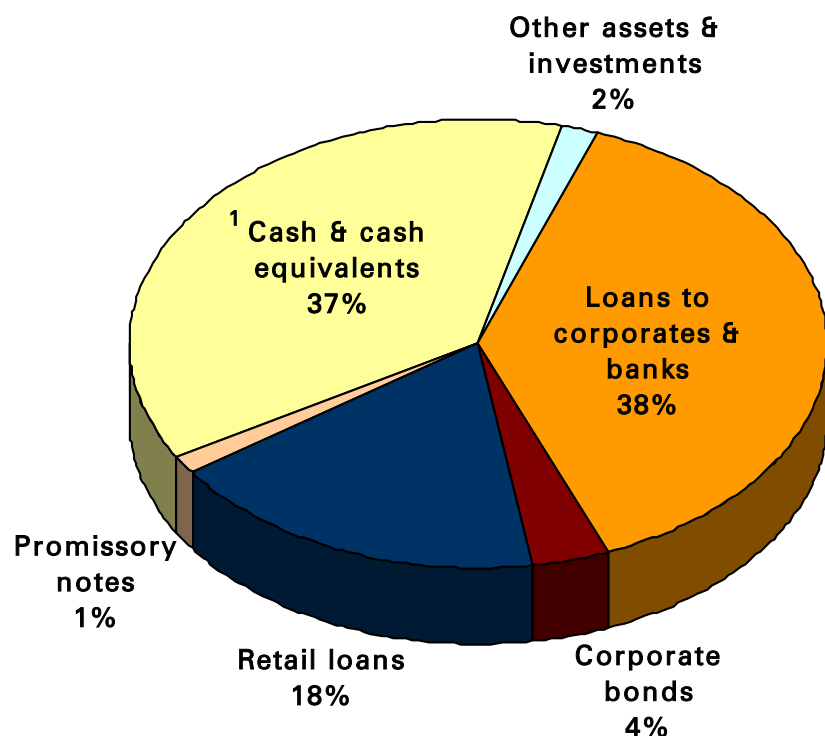
**Total liabilities: CAD 5.0 billion**

- Profit after tax of CAD 7.6 million in Q2-2011
- Capital adequacy ratio at 22.9%



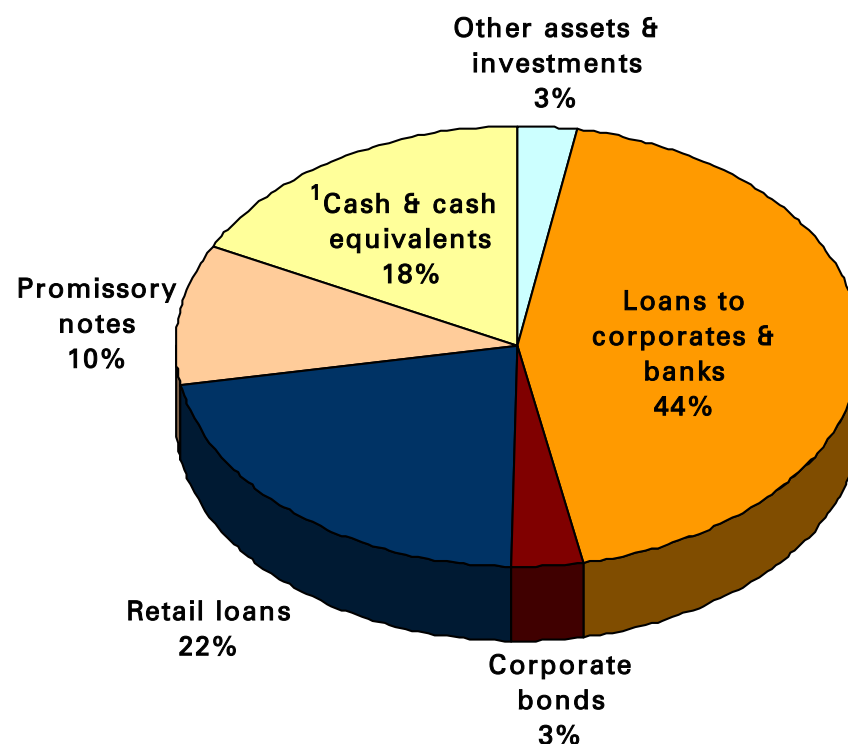
# ICICI Bank Eurasia asset profile

**At June 30, 2010**



**Total assets: USD 353 mn**

**At September 30, 2010**



**Total assets: USD 274 mn**

- Total borrowings of USD 168 million at September 30, 2010
- Capital adequacy of 37.7% at September 30, 2010

1. Includes cash & call placements with banks, balances with central bank and nostro balances





## Domestic subsidiaries



# ICICI Life

(₹ billion)

	Q2-2010	Q2-2011
Annualised premium equivalent (APE)	12.12	13.44
Renewal premium	23.11	22.64
Total premium	36.33	38.73
New Business Profit (NBP)	2.33	2.54
NBP margin	19.2%	18.9%
Statutory profit/ (loss)	(0.69)	0.15 <sup>1</sup>
Assets Under Management	500.93	654.84
Expense ratio <sup>2</sup>	10.8%	8.0%

## ● Continued market leadership in private sector<sup>3</sup>

1. For Q2-2011, there was a surplus of ₹ 2.54 billion in the non-participating policyholders' funds. The surplus in the non-participating funds would be available to be transferred to the shareholders account at the end of the financial year based on the appointed actuary's recommendation. Including this surplus, the net profit after tax for the Q2-2011 would have been ₹ 2.69 billion
2. Expense ratio: All expenses (excl. commission and front line sales cost) / (Total premium – 90% of Single Premium)
3. During April 2010 – September 2010 on new business retail weighted received premium basis



# ICICI General

(₹ billion)

	Q2-2010	Q2-2011
Gross premium <sup>1</sup>	8.01	10.91
PAT	0.51	1.04

- Continued market leadership in private sector<sup>2</sup>

1. *Excluding remittances from third party motor pool and including premium on reinsurance accepted*
2. *For the period April 2010 - September 2010*



## Other subsidiaries

(₹ billion)

<b>Profit after tax</b>	<b>Q2-2010</b>	<b>Q2-2011</b>
ICICI Home Finance	0.28	0.54
ICICI Securities Ltd.	0.38	0.29
ICICI Securities PD	-	(0.02)
ICICI Venture	0.14	0.22
ICICI Prudential Asset Management Company	0.48	0.14

- Consolidated profit after tax increased by 21.8% to ₹ 13.95 billion in Q2-2011 compared to ₹ 11.45 billion in Q2-2010
- If the surplus of ₹ 2.54 bn in the non-participating policyholders' funds of ICICI Life were transferred in Q2-2011, the Bank's consolidated profit after tax for Q2-2011 would have been ₹ 15.83 billion





Thank you

