



# Performance Review: FY2009

April 25, 2009

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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 audited 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). Further details will be published as a part of our annual report for the financial year 2009***





# Overview



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## Overview: FY2009

- Profit before tax for FY2009 was Rs. 51.17 bn compared to Rs. 50.56 bn for FY2008
  - Profit after tax for FY2009 was Rs. 37.58 bn compared to Rs. 41.58 bn for FY2008 due to the higher effective tax rate on account of lower proportion of income taxable as dividends and capital gains
- 15% increase in net interest income from Rs. 73.04 bn in FY2008 to Rs. 83.67 bn in FY2009
  - NIM increased from 2.2% in FY2008 to 2.4% in FY2009
- Fee income decreased marginally from Rs. 66.27 bn in FY2008 to Rs. 65.24 bn in FY2009
  - Lower corporate fees in H2-2009 due to slowdown in corporate activity
  - Reduced third party distribution and low disbursements impacted retail fees



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## Overview: FY2009

- Operating expenses (including direct marketing agency expenses) decreased 14% to Rs. 68.35 bn in FY2009 from Rs. 79.72 bn in FY2008
  - The cost/average asset ratio for FY2009 was 1.8% compared to 2.2% for FY2008
- Operating profit increased 12% from Rs. 79.61 bn in FY2008 to Rs. 89.25 bn in FY2009 as lower treasury & other income were offset by higher net interest income and lower operating & DMA expenses



## Q4-2009 operating trends

- 7% increase in net interest income to Rs. 21.39 bn in Q4-2009 from Rs. 19.91 bn in Q3-2009
  - Net interest margin at 2.6%
- Increase in deposit base by Rs. 92.83 bn in Q4-2009, of which Rs. 52.86 bn was CASA
  - CASA ratio improved by 130 bps to 28.7%
- Fee income in Q4-2009 at same level as Q3-2009
- 4% decrease in operating & DMA expenses compared to Q3-2009
- 8% quarter-on-quarter increase in operating profit before treasury
- Profit after tax of Rs. 7.44 bn in Q4-2009



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## Balance sheet highlights

- Continued focus on capital, liquidity and risk containment
  - Total capital adequacy of 15.5% and Tier-1 capital adequacy of 11.8% as per RBI's revised Basel II framework
  - Maintained high liquidity levels in domestic business and overseas subsidiaries
  - Decrease in loan book by 3.2% (decline of 8.4% excluding impact of exchange rates)
- Increase in CASA ratio to 28.7% at March 31, 2009 compared to 27.4% at December 31, 2008 and 26.1% at March 31, 2008
- Net NPA ratio of 1.96% at March 31, 2009 compared to 1.95% at December 31, 2008



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## Focus for the year ahead

- Increasing CASA ratio and rebalancing funding mix
- Selective lending and proactive management of existing portfolio
- Leveraging expanded branch network as integrated channel for deposit mobilisation, selected retail asset origination and fee income
- Continuing emphasis on cost efficiency
- Maintaining high capitalisation levels

*Positioning the balance sheet  
for next phase of growth*





# Unconsolidated financials



# Profit & loss statement

(Rs. in billion)

	Q4-2008	Q4-2009	Q4-o-Q4 Growth	FY 2008	FY 2009	Y-o-Y Growth
NII	20.79	21.39	2.9%	73.04	83.67	14.6%
Non-interest inc.	23.62	16.74	(29.1)%	88.11	76.04	(13.7)%
- Fee income	19.28	13.43	(30.3)%	66.27	65.24	(1.6)%
- Treasury income	1.64	2.14	30.5%	8.15	4.43	(45.6)%
- Dividend income <sup>1</sup>	2.61	0.61	(76.6)%	11.52	3.35	(70.9)%
- Others	0.09	0.56	-	2.17	3.02	39.2%
<b>Total income</b>	<b>44.41</b>	<b>38.13</b>	<b>(14.1)%</b>	<b>161.15</b>	<b>159.70</b>	<b>(0.9)%</b>
Operating expenses	17.46	15.52	(11.1)%	64.29	63.06	(1.9)%
DMA expenses	3.58	0.53	(85.2)%	15.43	5.29	(65.7)%
Lease depreciation	0.46	0.52	13.0%	1.82	2.10	15.4%
<b>Operating profit</b>	<b>22.91</b>	<b>21.56</b>	<b>(5.9)%</b>	<b>79.61</b>	<b>89.25</b>	<b>12.1%</b>

1. Includes Rs. 1.67 bn and Rs. 7.88 bn of income from funds managed by ICICI Venture in Q4-2008 and FY2008 respectively



# Profit & loss statement

(Rs. in billion)

	<b>Q4-2008</b>	<b>Q4-2009</b>	<b>Q4-o-Q4 Growth</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>Y-o-Y Growth</b>
<b>Operating profit</b>	<b>22.91</b>	<b>21.56</b>	<b>(5.9)%</b>	<b>79.61</b>	<b>89.25</b>	<b>12.1%</b>
Provisions	9.48	10.85	14.5%	29.05	38.08	31.1%
<b>Profit before tax</b>	<b>13.43</b>	<b>10.71</b>	<b>(20.3)%</b>	<b>50.56</b>	<b>51.17</b>	<b>1.2%</b>
Tax	1.93	3.27	69.4%	8.98	13.59	51.3%
<b>Profit after tax</b>	<b>11.50</b>	<b>7.44</b>	<b>(35.3)%</b>	<b>41.58</b>	<b>37.58</b>	<b>(9.6)%</b>



# Balance sheet: Assets

(Rs. in billion)

	Mar 31, 2008	Dec 31, 2008	Mar 31, 2009	Y-o-Y growth
Cash & bank balances	380.41	270.83	299.66	(21.2)%
Investments	1,114.54	1,065.38	1,030.58 <sup>1</sup>	(7.5)%
- SLR investments	750.31	684.84	633.87	(15.5)%
- Equity investment in subsidiaries	81.34	111.02	120.97	48.7%
Advances	2,256.16	2,125.21	2,183.11	(3.2)%
Fixed & other assets	246.84	282.67	279.66	13.3%
<b>Total assets</b>	<b>3,997.95</b>	<b>3,744.10</b>	<b>3,793.01</b>	<b>(5.1)%</b>

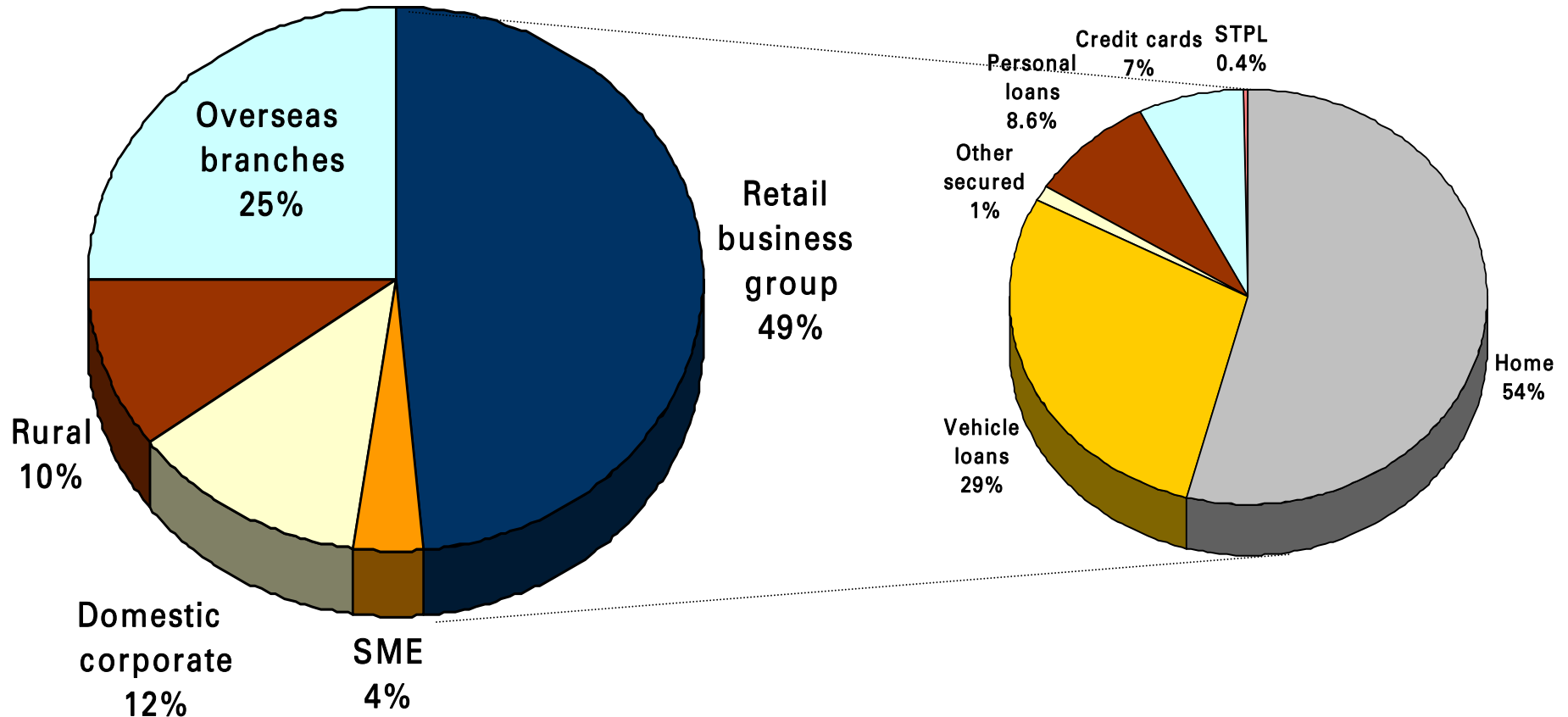
1. Net investment in security receipts of asset reconstruction companies at March 31, 2009 was Rs. 32.18 bn

Credit derivative exposure (including off balance sheet exposure) of Rs. 57.12 bn at March 31, 2009 (underlying comprises Indian corporate credits)

Including impact of exchange rate movement



# Composition of loan book: Mar 31, 2009



**Total loan book: Rs. 2,183 bn**

**Total retail loan book: Rs. 1,062 bn**

1. **STPL: Small ticket personal loans**
2. **Vehicle loans includes auto loans 13%, commercial business 14% and two wheelers 2%**
3. **Retail business group includes builder loans and dealer funding of Rs. 32.83 bn**



# Equity investment in subsidiaries

Rs. bn	Mar-08	Mar-09
ICICI Prudential Life Insurance	27.82	35.90
ICICI Lombard General Insurance	7.17	10.96
ICICI Bank Canada	13.53	33.50
ICICI Bank UK	18.55	23.25
ICICI Home Finance	7.97	11.12
ICICI Bank Eurasia LLC	3.00	3.00
ICICI Securities Primary Dealership	1.64	1.58
ICICI Securities Limited	0.87	0.87
ICICI AMC	0.61	0.61
ICICI Venture Funds	0.05	0.05
Others	0.14	0.14
<b>Total</b>	<b>81.34</b>	<b>120.97</b>



# Balance sheet: Liabilities

(Rs. in billion)

	Mar 31, 2008	Dec 31, 2008	Mar 31, 2009	Y-o-Y growth
Net worth	464.70	500.35	495.33	6.6%
- Equity capital	11.13	11.13	11.13	-
- Reserves	453.57	489.22	484.20	6.8%
Preference capital	3.50	3.50	3.50	-
Deposits	2,444.31	2,090.65	2,183.48	(10.7)%
- Savings	390.89	385.72	410.36	5.0%
- Current	246.91	188.10	216.32	(12.4)%
Borrowings	863.99	990.69	928.05	7.4%
Other liabilities	221.45	158.91	182.65	(17.5)%
<b>Total liabilities</b>	<b>3,997.95</b>	<b>3,744.10</b>	<b>3,793.01</b>	<b>(5.1)%</b>

Figures include impact of exchange rate movement



# Composition of borrowings

(Rs. in billion)

	Mar 31, 2008	Dec 31, 2008	Mar 31, 2009
Domestic	349.17	426.34	376.21
- Capital instruments	193.94	225.46	237.66
- Other borrowings	155.23	200.88	138.55
Overseas	514.82	564.35	551.84
- Capital instruments	13.56	16.48	17.16
- Other borrowings	501.26	547.87	534.68
<b>Total borrowings</b>	<b>863.99</b>	<b>990.69</b>	<b>928.05</b>

- Credit/deposit of 79% on the domestic balance sheet at March 31, 2009
- Capital instruments contribute 63.2% of domestic borrowings

**Figures include impact of exchange rate movement**



## Capital adequacy (Basel II)

Rs. billion except %	Mar 31, 2008		Dec 31, 2008		Mar 31, 2009	
Total Capital	500.59	14.0%	558.51	15.6%	553.69	15.5%
- Tier I	421.72	11.8%	433.57	12.1%	422.11	11.8%
- Tier II	78.86	2.2%	124.94	3.5%	131.59	3.7%
Total RWA	3,584.56		3,585.29		3,564.63	
- On b/s	2,770.45		2,710.07		2,758.15	
- Off b/s	814.11		875.22		806.48	

**As per Reserve Bank of India's revised Basel II guidelines**



# Key ratios

(Percent)

	<b>Q4- 2008</b>	<b>Q4- 2009</b>	<b>FY 2008</b>	<b>FY 2009</b>
Return on average networth <sup>1</sup>	10.0	6.1	11.1	7.7
Weighted avg EPS (Rs.)	41.6	27.1	39.4	33.8
Book value (Rs.)	418	445	418	445
Net interest margin	2.4	2.6	2.2	2.4
Cost to income (incl. DMA expenses)	47.9	42.7	50.0	43.4
Cost to average assets (incl. DMA expenses)	2.2	1.8	2.2	1.8
CASA ratio			26.1%	28.7%

1. Based on quarterly average net worth



# Asset quality and provisioning

(Rs. in billion)

	Mar 31, 2008	Dec 31, 2008	Mar 31, 2009
Gross NPAs	83.50	96.40	99.29
Less: Cumulative provisions	47.86	51.75	53.10
Net NPAs	35.64	44.65	46.19
Net NPA ratio	1.49%	1.95%	1.96%

- Gross retail NPLs at Rs. 71.42 bn and net retail NPLs at Rs. 31.26 bn at March 31, 2009
- 55% of net retail NPLs are from unsecured products
- Assets restructured during FY2009 amounted to Rs. 11.15 bn
  - In addition, applications for restructuring of loans aggregating to Rs. 20.03 bn had been received up to March 31, 2009

1. Gross NPAs and cumulative provisions include technical write-offs of Rs. 1.26 bn at March 31, 2009





# Overseas subsidiaries



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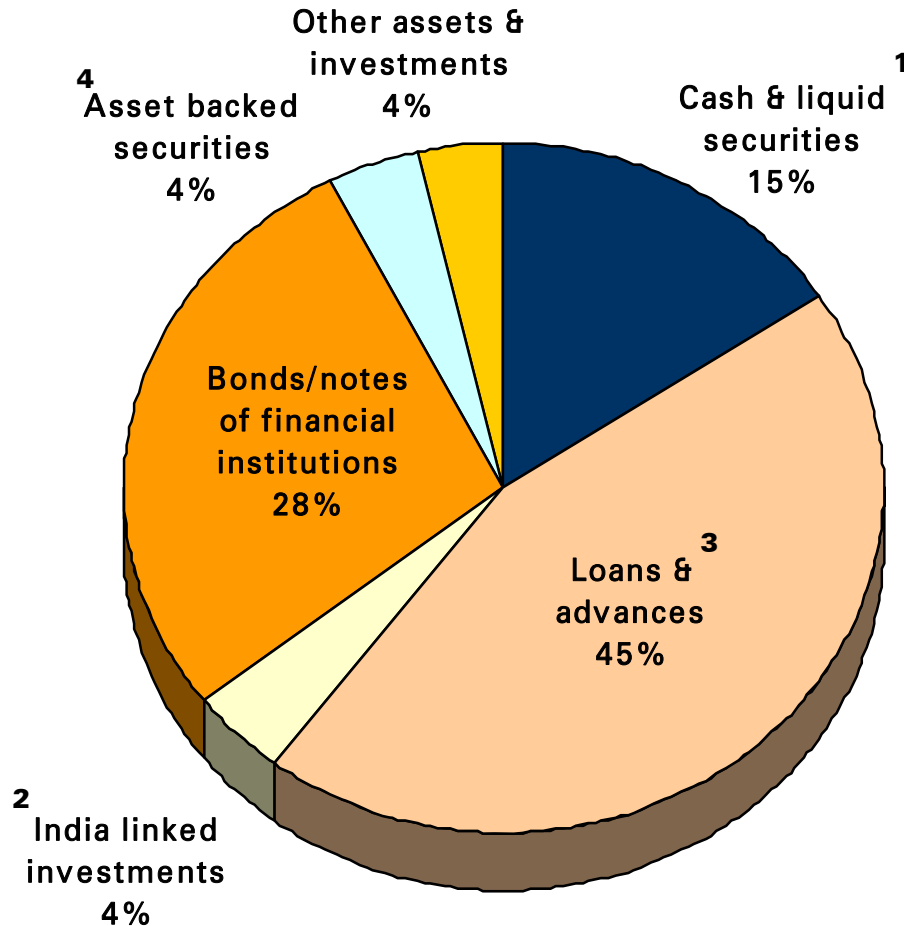
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## ICICI Bank UK

- Net profit of USD 6.8 million in FY2009
- Net MTM impact of USD 163.9 million (post-tax) in reserves in FY2009
- Capital adequacy ratio at 18.4%
- Certain investments were reclassified from the 'held for trading' (HFT) category to the 'available for sale' (AFS) category and from AFS category to 'loans and receivables' category, in accordance with amendments made to the applicable accounting standards in October 2008
  - If these reclassifications had not been made, pre-tax profit would have been lower by USD 58.5 million and unrealised losses, as deducted from reserves (pre-tax), on AFS securities would have increased by USD 10.5 million



# ICICI Bank UK asset profile

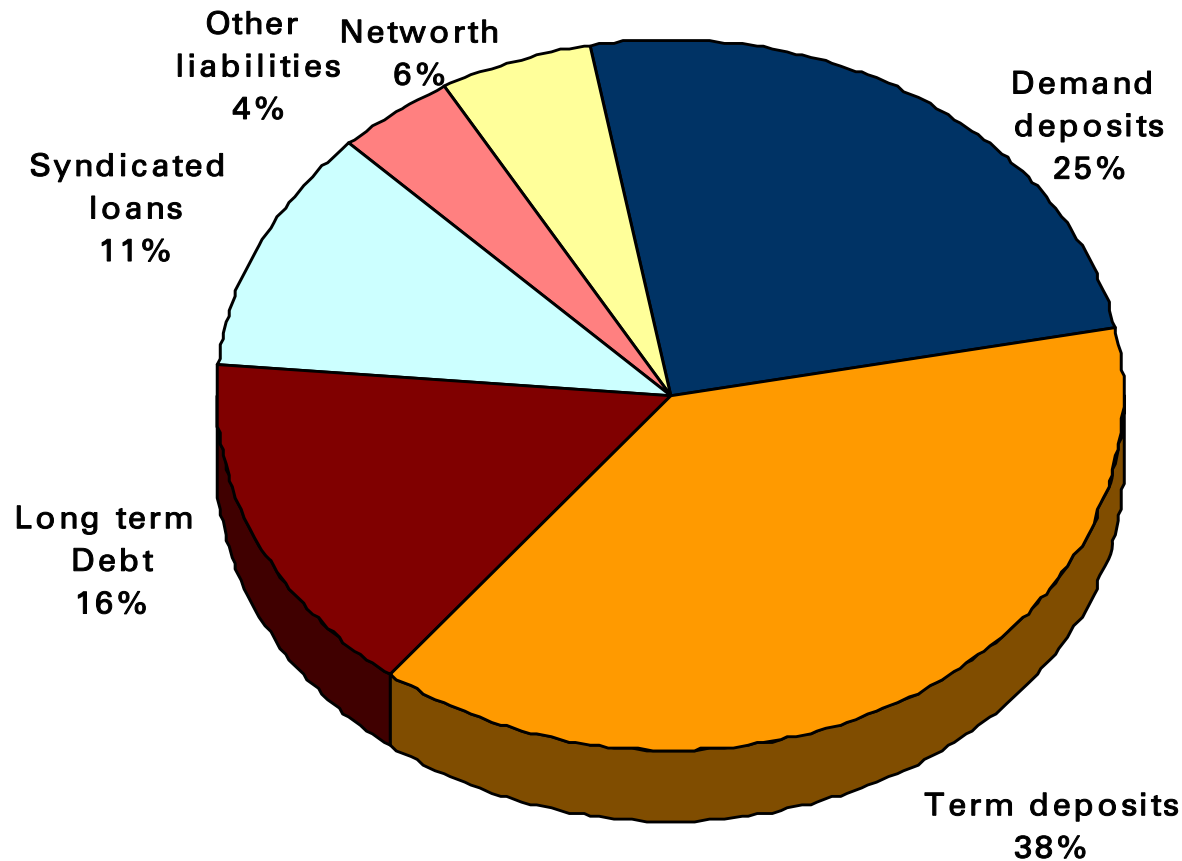


Total assets:  
USD 7.3 billion

1. Includes cash & advances to banks and certificates of deposit
2. Includes US\$ 154 mn of India-linked credit derivatives
3. Includes securities reclassified to loans & advances
4. Does not include US\$ 147.1 mn of ABS reclassified as loans & receivable



# ICICI Bank UK liability profile

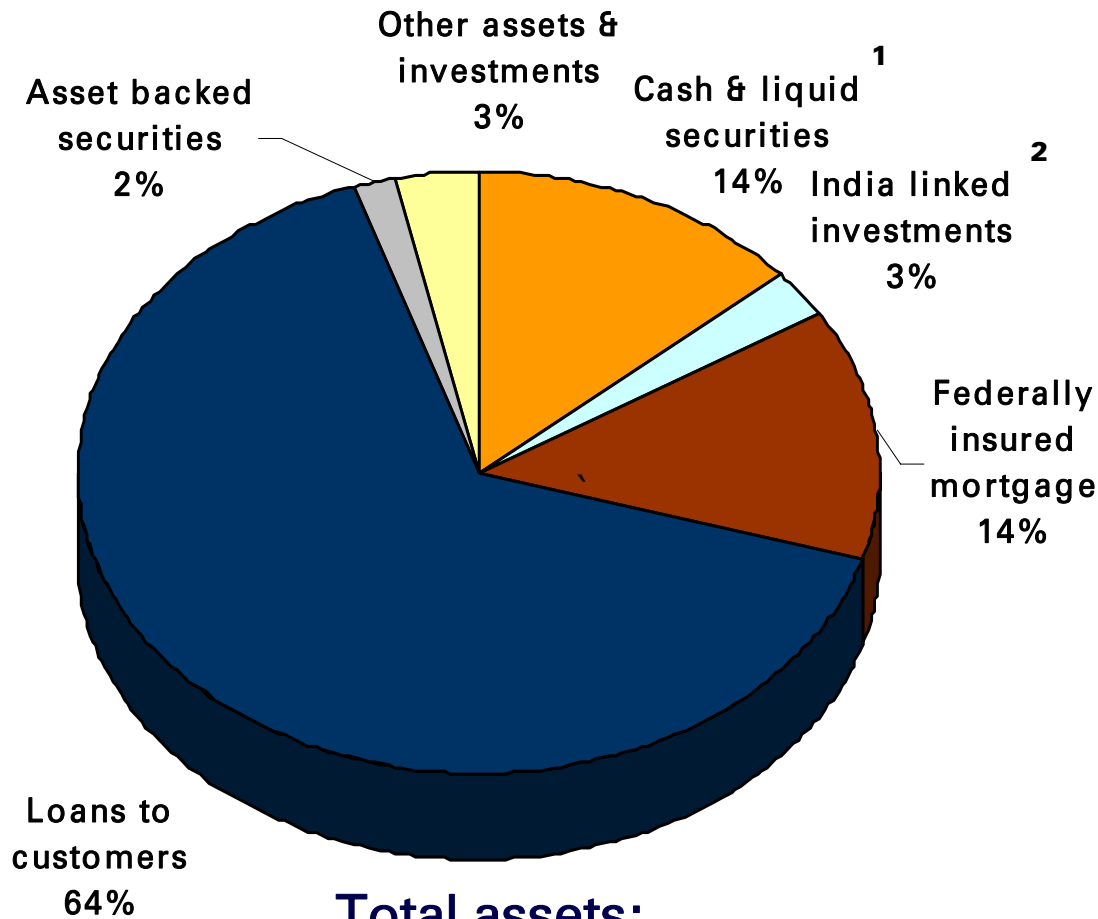


Total liabilities:  
USD 7.3 billion

- Proportion of retail term deposits in total deposits increased from 16% at March 31, 2008 to 58% at March 31, 2009



# ICICI Bank Canada



**Total assets:  
CAD 6.4 billion**

- Net profit of CAD 33.9 million in FY2009
- Capital adequacy ratio at 19.9%

1. Includes cash & advances to banks, government securities and banker's acceptances/depository notes
2. Includes CAD 149 mn of India-linked credit derivatives



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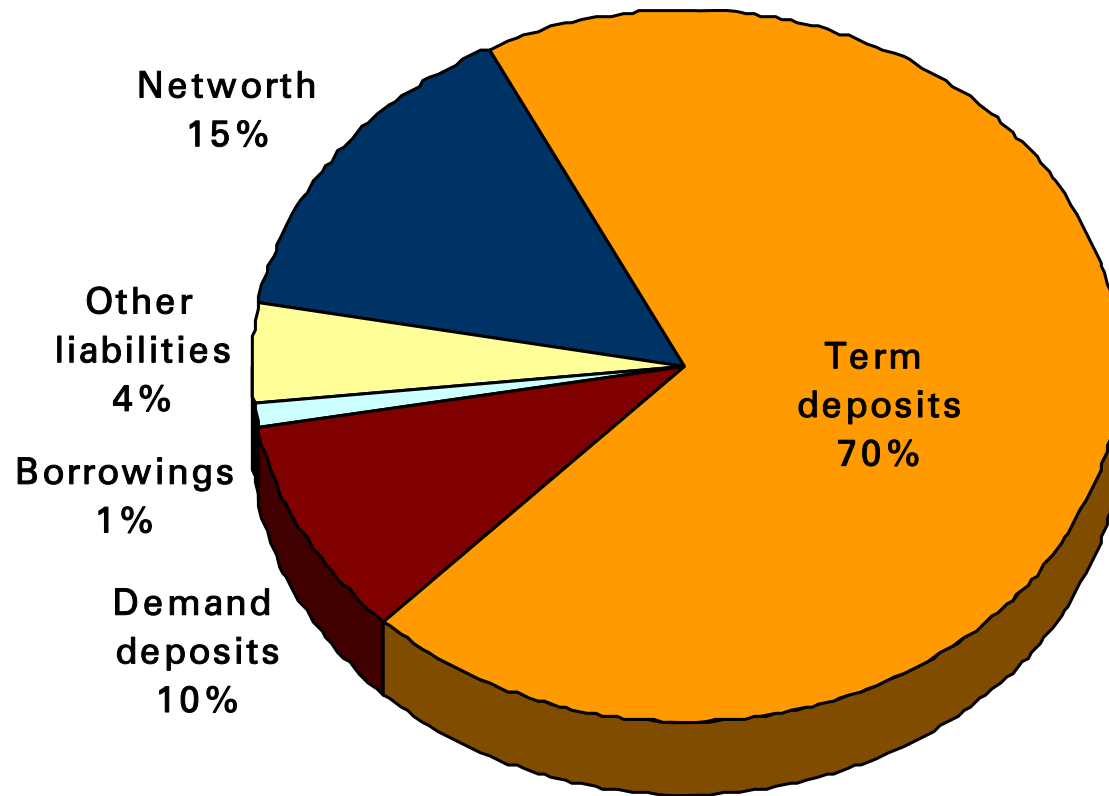
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# ICICI Bank Canada liability profile



Total liabilities:  
CAD 6.4 billion

- ICICI Bank Canada balance sheet funded largely out of retail term deposits



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## ICICI Bank Eurasia

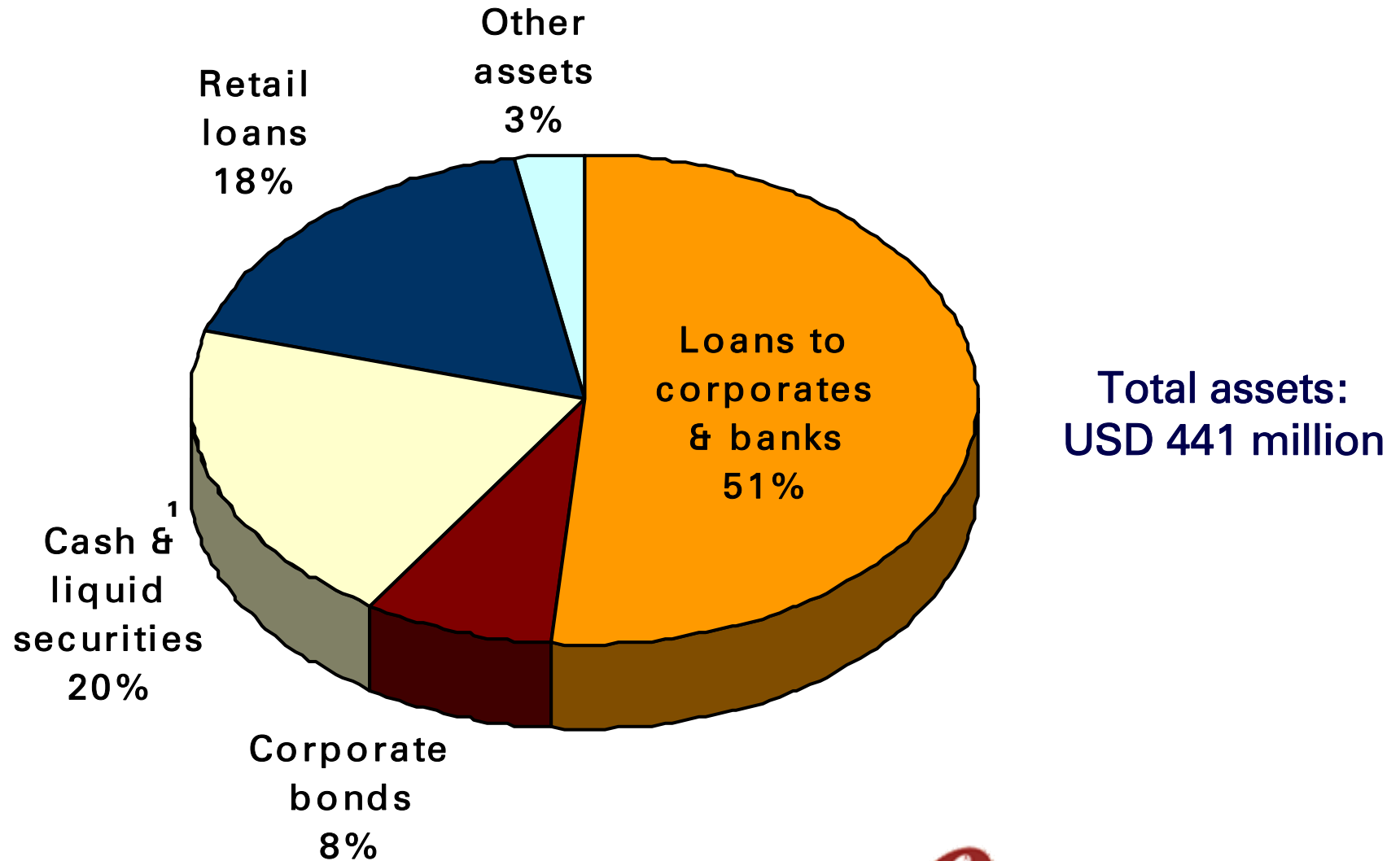
- Total assets of USD 441 million at March 31, 2009 compared to USD 772 million at December 31, 2007
- Total borrowings of USD 357 million at March 31, 2009
- Capital adequacy of 15.1% as on March 31, 2009
- Net profit of USD 2.0 million for the year ended December 31, 2008

As per IFRS

**Figures include impact of exchange rate movement**



# ICICI Bank Eurasia asset profile



1. Includes cash & advances to banks, balances with central bank and nostro balances





## Key non-banking subsidiaries



# ICICI Life

(Rs. in billion)

	FY2008	FY2009
APE	65.16	53.02
Renewal premium	55.26	88.72
Total premium	135.61	153.56
New Business Profit (NBP)	12.54	10.04
NBP margin	19.2%	18.9%
Statutory Loss	(13.95)	(7.80)
Assets Under Management	285.78	327.88
Expense ratio	14.9%	11.8%

- Continued market leadership in private sector with overall market share of 11.8%<sup>1</sup>

1. For the period April 2008 - February 2009 on new business weighted received premium basis



# ICICI General

(Rs. in billion)

	FY 2008	FY2009
Gross premium	33.45	34.57
Net earned premium	14.39	16.99
PBT	1.30	-
PAT <sup>1</sup>	1.03	0.24

- Leadership in private sector with overall market share of 11.7%<sup>2</sup>
- Continued impact of motor pool & de-tariffing in the industry

1. Includes impact of deferred tax
2. For the period April 2008 – February 2009



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## Other subsidiaries

(Rs. billion)

<b>Profit after tax</b>	<b>FY2008</b>	<b>FY2009</b>
ICICI Securities Ltd.	1.50	0.04
ICICI Securities PD	1.40	2.72
ICICI Venture	0.90	1.48
ICICI Prudential Asset Management Company	0.82	0.01
ICICI Home Finance Company	0.70	1.43

Consolidated profit after tax increased by 5% to Rs. 35.77 billion in FY2009 compared to Rs. 33.98 billion in FY2008





Thank you

