



ICICI Group: Strategy & Performance

February 2012

A solid grey horizontal bar is located at the bottom of the slide.

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 US 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 and Exchange Commission, and is available on our website www.icicibank.com



Agenda

Recent economic developments

Strategy & execution

Financial results: Q3-2012



Economic developments

Current trends

- Advance estimate for GDP growth for FY2012 at 6.9% by CSO; at 7.0% by RBI
- Growth in IIP for Apr-Dec 2011 at 3.6% compared to 8.3% for Apr-Dec 2010
- Corporate performance: moderation in sales and net profits both on a y-o-y and sequential basis

Outlook

- Growth outlook expected to improve
 - Moderation in inflation
 - Expectations of reversal in interest rate cycle
 - Policy and administrative steps to facilitate investments



Credit & deposits

Non-food credit growth moderated to 16.7% y-o-y

- Non-food credit growth at 16.7% y-o-y at Jan 13, 2012
 - 21.2% at March 25, 2011 and 23.2% at Jan 14, 2011

Deposit growth improving

- Total deposits: 17.2% y-o-y increase at Jan 13, 2012
 - 15.9% at March 25, 2011 & 16.5% at Jan 14, 2011
- Demand deposits: increase of 5.1% y-o-y at Jan 13, 2012
 - Demand deposit growth declined till end-Dec 2011



Monetary policy action: January 2012

CRR reduced by 50 basis points, repo rate unchanged

- **Monetary policy stance**
 - Maintain an interest rate environment to contain inflation and anchor inflation expectations
 - Manage liquidity to ensure it remains in moderate deficit, consistent with effective monetary transmission
 - Respond to increasing downside risks to growth
- GDP growth estimate for FY2012 revised to 7.0%
- Non-food credit growth estimate revised to 16.0% at end-Mar 2012
- Inflation estimates maintained at 7.0% by March 2012
- Need for fiscal consolidation emphasised



Agenda

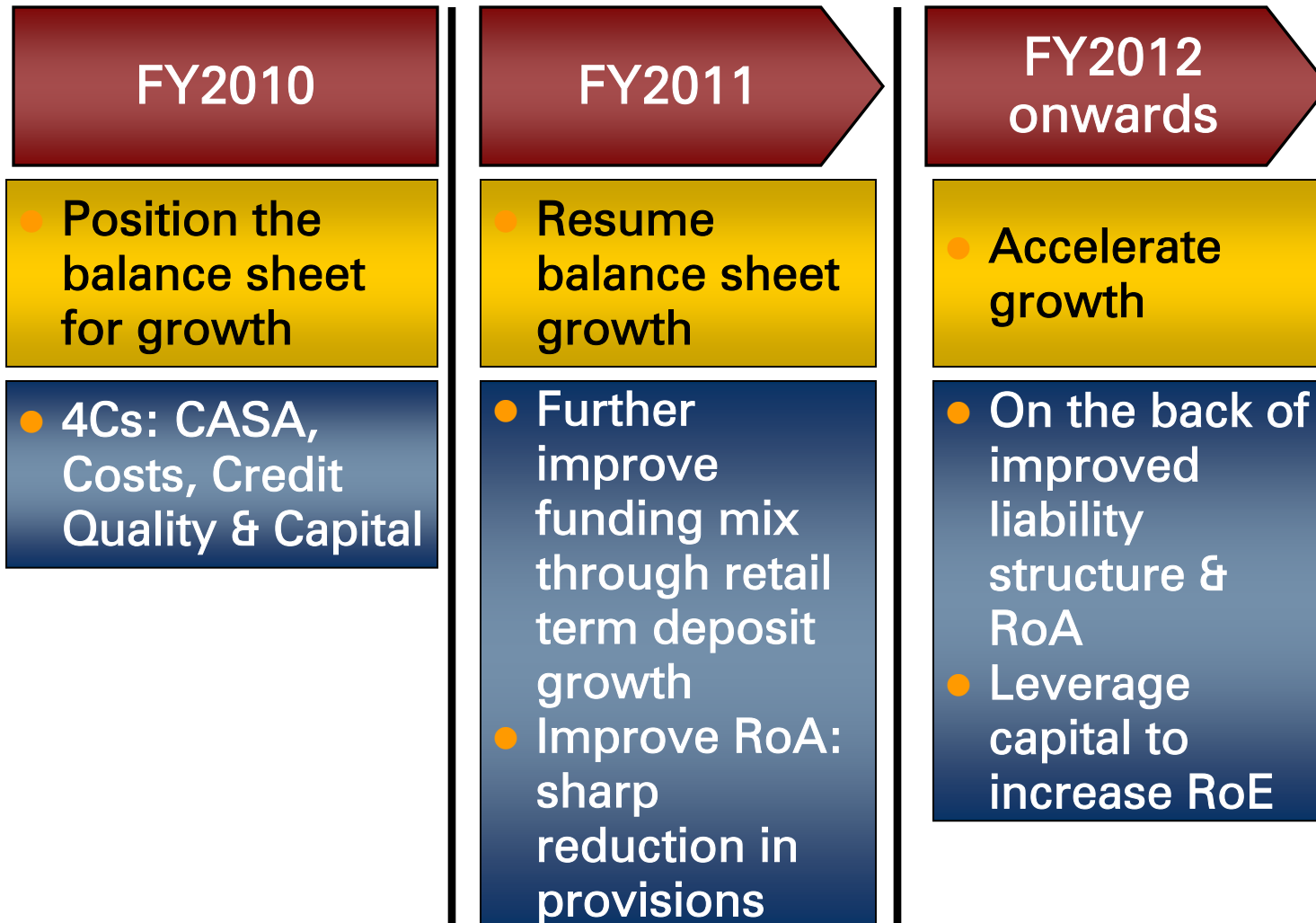
Recent economic developments

Strategy & execution

Financial results: Q3-2012



Our strategic path



Based on long-term economic growth outlook for the Indian economy



Progress against strategy: funding profile

Improvement in funding profile

₹ in bn	March 31, 2009	December 31, 2011	CAGR
Savings deposits	410.36	734.98	23.6%
Current account deposits	216.32	400.39	25.1%
CASA ratio	28.7%	43.6%	



Progress against strategy: asset quality

Strengthening asset quality			
₹ in bn	Q3-2010	Q3-2012	Change
Provisions	10.02	3.41	-66.0%
Unsecured retail / domestic loans	5.8%	1.4%	
Net NPA ratio	2.19%	0.70%	
Provisioning coverage	51.2%	78.9%	



Focus on derisking portfolio

ICICI Bank UK

- Reduction in investments in bonds/notes of financial institutions from about US\$ 2.2 bn at September 30, 2009 to about US\$ 228 mn at December 31, 2011
- No exposure to peripheral Europe in investment portfolio

Credit derivative portfolio

- Reduction in credit derivative exposure (including off balance sheet exposure) from US\$ 1.12 bn at September 30, 2009 to US\$ 210 mn at December 31, 2011
- Underlying comprises Indian corporate credits



Progress against strategy: efficiency improvements

Significant improvement in operating efficiency

₹ in bn	FY2008	FY2011	9M-2012
Operating expenses	79.72	65.38	55.95
Cost/income	50.0%	41.9%	43.5%
Cost/average assets	2.2%	1.7%	1.7%

Despite significant scale up in branch network from 1,262 at March 2008 to 2,552 at December 2011



Key subsidiaries

Domestic subsidiaries

- Continued focus on building franchise to capitalise on long-term opportunity
- Healthy profitability in life insurance business

Overseas banking subsidiaries

- Consolidation strategy in view of regulatory approach
- Ongoing dialogue on future plan



Resulting in improvement in profitability

	FY2009	FY2011	9M-2012
Consolidated RoE	7.8%	11.6%	13.3%
Standalone RoA	0.98%	1.34%	1.43%
Standalone RoE	7.7%	9.6%	10.5%



Well-placed to meet short-term challenges

Key challenges

- Volatility in global markets
- Slowdown in domestic macroeconomic activity
- Issues relating to project execution

ICICI Bank's position

- Substantially reduced exposure to international markets
- Careful project selection in infrastructure sector
- Retail portfolio mainly comprises secured loans



Well capacitated for future growth

**Diversified
business
lines**

- Presence across all segments of financial services

**Build up of
branch
network**

- Scale up to 2,552 branches at December 31, 2011
- Largest branch network among private sector banks

**Strong
capital base**

- CAR of 18.9% with Tier 1 ratio of 13.1% at December 31, 2011



Focus in FY2013

Loan growth

- Focus on domestic market, including retail lending
 - Substantial loan maturities in overseas branches; new lending to be calibrated to debt market conditions

Deposit franchise

- Maintain and enhance traction in retail deposit growth
- Leverage branch network for productivity

Profitability

- Net interest margin improvement
- Diversified fee income streams
- Improvement in operating cost ratios
- Continued control over credit costs

...improving return metrics



Agenda

Recent economic developments

Strategy & execution

Financial results: Q3-2012



Q3-2012: Performance highlights (1/2)

- 20.3% increase in standalone profit after tax from ₹ 14.37 bn in Q3-2011 (October-December 2010) to ₹ 17.28 bn in Q3-2012 (October-December 2011)
 - Net interest income increased by 17.3% year-on-year; net interest margin at 2.70%
 - 4.7% increase in fee income year-on-year
 - Other income increased from ₹ 1.03 bn in Q3-2011 to ₹ 2.56 bn in Q3-2012, driven by first dividend from life insurance subsidiary
 - 26.7% reduction in provisions



Q3-2012: Performance highlights (2/2)

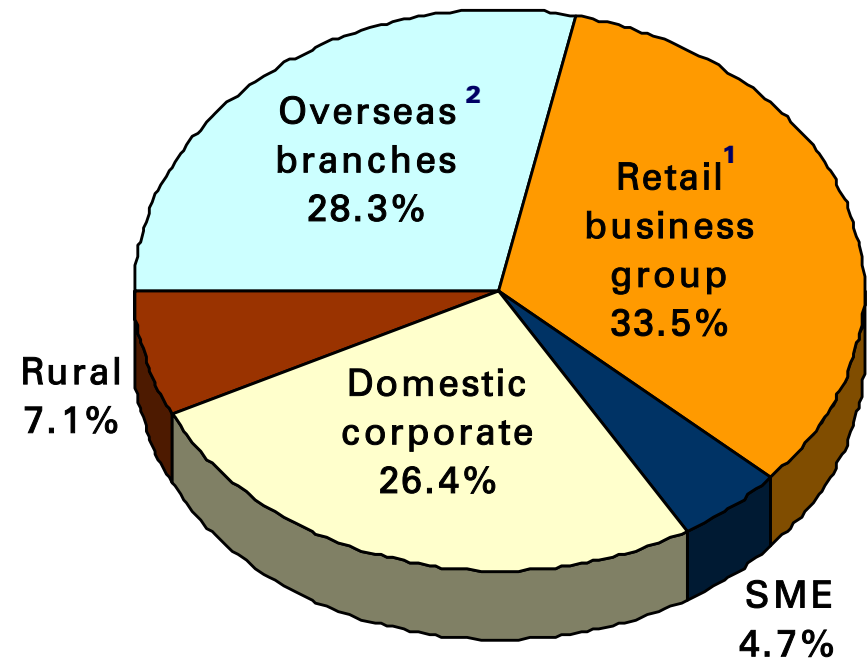
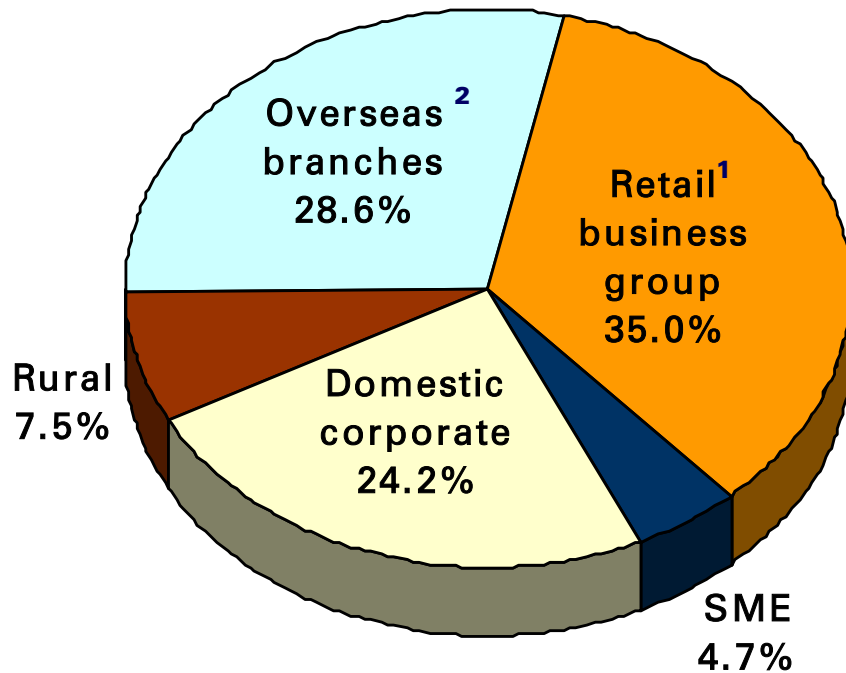
- Advances increased by 19.1% year-on-year to ₹ 2,461.57 billion at December 31, 2011
- CASA ratio at 43.6% at December 31, 2011; average CASA ratio at 39.0% in Q3-2012
- Net NPA ratio decreased to 0.70% at December 31, 2011 from 0.80% at September 30, 2011 (December 31, 2010: 1.16%)



Composition of total loan book

September 30, 2011

December 31, 2011



Total loan book: ₹ 2,340 bn

Total loan book: ₹ 2,462 bn

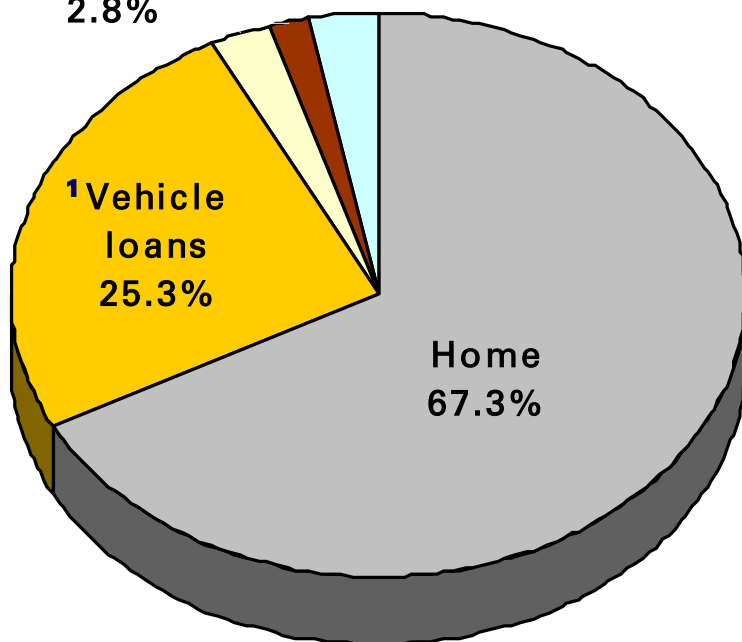
1. Retail business group includes builder loans and dealer funding
2. Including impact of exchange rate movement



Composition of retail loan book

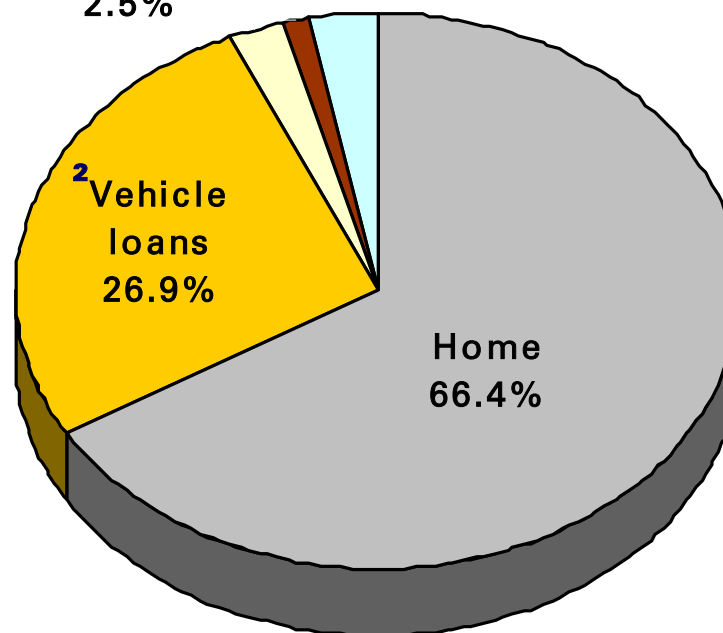
September 30, 2011

Personal Credit
 Other loans secured 1.5%
 cards 3.1%
 2.8%



December 31, 2011

Personal Credit
 Other loans secured 1.2%
 cards 3.0%
 2.5%



Total retail loan book: ₹ 819 bn

Total retail loan book: ₹ 824 bn

1. September 30, 2011 :Vehicle loans includes auto loans 9.2%, commercial business 16.0%
2. December 31, 2011 :Vehicle loans includes auto loans 9.7%, commercial business 17.1%



Asset quality and provisioning

(₹ billion)

	December 31, 2010	September 30, 2011	December 31, 2011
Gross NPAs	102.30	101.07	98.20
Less: Cumulative provisions	73.57	78.71	77.38
Net NPAs	28.73	22.36	20.82
Net NPA ratio	1.16%	0.80%	0.70%

- Gross retail NPLs at ₹ 61.70 bn and net retail NPLs at ₹ 8.32 bn at December 31, 2011
- Provisioning coverage ratio of 78.9% at December 31, 2011 computed in accordance with RBI guidelines
- Net restructured loans of ₹ 30.70 bn at December 31, 2011
- Outstanding general provision on standard assets: ₹ 14.80 bn at December 31, 2011



Key ratios

(Percent)

	FY 2011	Q3- 2011	9M- 2011	Q2- 2012	Q3- 2012	9M- 2012
Return on average networth ^{1,2} (consolidated)	11.6	15.2 ³	11.6	13.7	14.2	13.3
Return on networth ²	9.6	10.4	9.2	10.4	11.5	10.5
Return on average assets ²	1.34	1.47	1.31	1.41	1.57	1.43
Weighted avg EPS (₹) ²	45.3	49.5	43.3	51.9	59.6	52.7
Book value (₹)	478	481	481	509	529	529
Net interest margin ²	2.64	2.64	2.59	2.61	2.70	2.63
Fee to income	41.2	40.1	40.4	40.2	37.0	38.7
Cost to income	41.9	42.1	41.1	44.4	41.5	43.5
Cost to average assets ²	1.70	1.75	1.66	1.77	1.74	1.75
CASA ratio	45.1	44.2	44.2	42.1	43.6	43.6

1. Based on quarterly average networth
2. Annualised for all interim periods
3. Includes surplus of ₹ 3.84 bn for 9M-2011 on non-participating policyholders' funds of ICICI Life; accounted on quarterly basis for subsequent quarters





Thank you





Unconsolidated financials



Profit & loss statement

(₹ billion)

	FY 2011	Q3- 2011	9M- 2011	Q2- 2012	Q3- 2012	9M- 2012	Q3-o-Q3 growth
NII	90.17	23.12	65.07	25.06	27.12	76.29	17.3%
Non-interest income	66.48	17.49	50.07	17.40	18.92	52.74	8.2%
- Fee income	64.19	16.25	46.28	17.00	17.01	49.79	4.7%
- Other income	4.44	1.03	3.98	1.20	2.56	4.65	-
- Treasury income	(2.15)	0.21	(0.19)	(0.80)	(0.65)	(1.70)	-
Total income	156.65	40.61	115.14	42.46	46.04	129.03	13.4%
Operating expenses	63.81	16.67	45.92	18.44	18.70	54.88	12.2%
DMA expenses	1.57	0.40	1.12	0.36	0.37	1.07	-7.5%
Lease depreciation	0.79	0.11	0.68	0.12	0.10	0.33	-9.1%
Operating profit	90.48	23.43	67.42	23.54	26.87	72.75	14.7%



Profit & loss statement

(₹ billion)

	FY 2011	Q3- 2011	9M- 2011	Q2- 2012	Q3- 2012	9M- 2012	Q3-o-Q3 growth
Operating profit	90.48	23.43	67.42	23.54	26.87	72.75	14.7%
Provisions	22.87	4.65	19.03	3.19	3.41	11.14	-26.7%
Profit before tax	67.61	18.78	48.39	20.35	23.46	61.61	24.9%
Tax	16.10	4.41	11.40	5.32	6.18	15.98	40.1%
Profit after tax	51.51	14.37	36.99	15.03	17.28	45.63	20.3%



Balance sheet: Assets

(₹ billion)

	December 31, 2010	September 30, 2011	December 31, 2011	Y-o-Y growth
Cash & bank balances	314.61	361.79	393.46	25.1%
Investments	1,337.03	1,476.85	1,497.91	12.0%
- SLR investments	667.11	760.73	769.38	15.3%
- Equity investment in subsidiaries	122.00	124.53	124.53	-
- RIDF ¹ and related	143.92	162.66	172.00	19.5%
Advances ²	2,066.92	2,339.52	2,461.57	19.1%
Fixed & other assets	210.41	229.09	239.99	14.1%
Total assets²	3,928.97	4,407.25	4,592.93	16.9%

- Investment in security receipts of asset reconstruction companies was ₹ 23.86 bn at December 31, 2011
- Credit derivative exposure (including off balance sheet exposure) decreased from US\$ 413 mn at Sep 30, 2011 to US\$ 210 mn at Dec 31, 2011 due to contractual maturities
 - Underlying comprises of Indian corporate credits

1. Rural Infrastructure Development Fund
2. Including impact of exchange rate movement



Equity investment in subsidiaries

(₹ billion)

	December 31, 2010	September 30, 2011	December 31, 2011
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 Lombard General Insurance	10.96	13.48	13.48
ICICI Home Finance	11.12	11.12	11.12
ICICI Bank Eurasia LLC	3.00	3.00	3.00
ICICI Securities Primary Dealership	1.58	1.58	1.58
ICICI Securities Limited	1.87	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
Total	122.00	124.53	124.53



Balance sheet: Liabilities

(₹ billion)

	December 31, 2010	September 30, 2011	December 31, 2011	Y-o-Y growth
Net worth	554.29	586.02	609.76	10.0%
- <i>Equity capital</i>	11.51	11.52	11.53	-
- <i>Reserves</i>	542.78	574.50	598.23	10.2%
Deposits	2,177.47	2,450.92	2,605.89	19.7%
- <i>Savings</i>	645.77	701.49	734.98	13.8%
- <i>Current</i>	316.23	329.97	400.39	26.6%
Borrowings ^{1,2}	1,053.27	1,213.24	1,222.81	16.1%
Other liabilities	143.94	157.07	154.47	7.3%
Total liabilities²	3,928.97	4,407.25	4,592.93	16.9%

1. Borrowings include preference shares amounting to ₹ 3.50 bn

2. Including impact of exchange rate movement

- Credit/deposit ratio of 71.1% on the domestic balance sheet at December 31, 2011



Composition of borrowings

(₹ billion)

	December 31, 2010	September 30, 2011	December 31, 2011
Domestic	509.51	543.70	552.10
- Capital instruments ¹	333.54	349.30	351.88
- Other borrowings	175.97	194.40	200.22
Overseas ²	543.76	669.54	670.71
- Capital instruments	15.14	16.60	18.00
- Other borrowings	528.62	652.94	652.71
Total borrowings²	1,053.27	1,213.24	1,222.81

1. Includes preference share capital ₹ 3.50 bn
 2. Including impact of exchange rate movement
- Capital instruments constitute 63.7% of domestic borrowings



Capital adequacy (Basel II)

Basel II	December 31, 2010		September 30, 2011		December 31, 2011	
	₹ bn	%	₹ bn	%	₹ bn	%
Total Capital	659.19	19.98%	696.76	18.99%	726.35	18.88%
- Tier I	452.63	13.72%	482.26	13.14%	505.32	13.13%
- Tier II	206.56	6.26%	214.50	5.85%	221.03	5.75%
Risk weighted assets	3,299.65		3,669.55		3,848.13	
-On balance sheet	2,536.26		2,803.94		2,888.64	
-Off balance sheet	763.39		865.61		959.49	



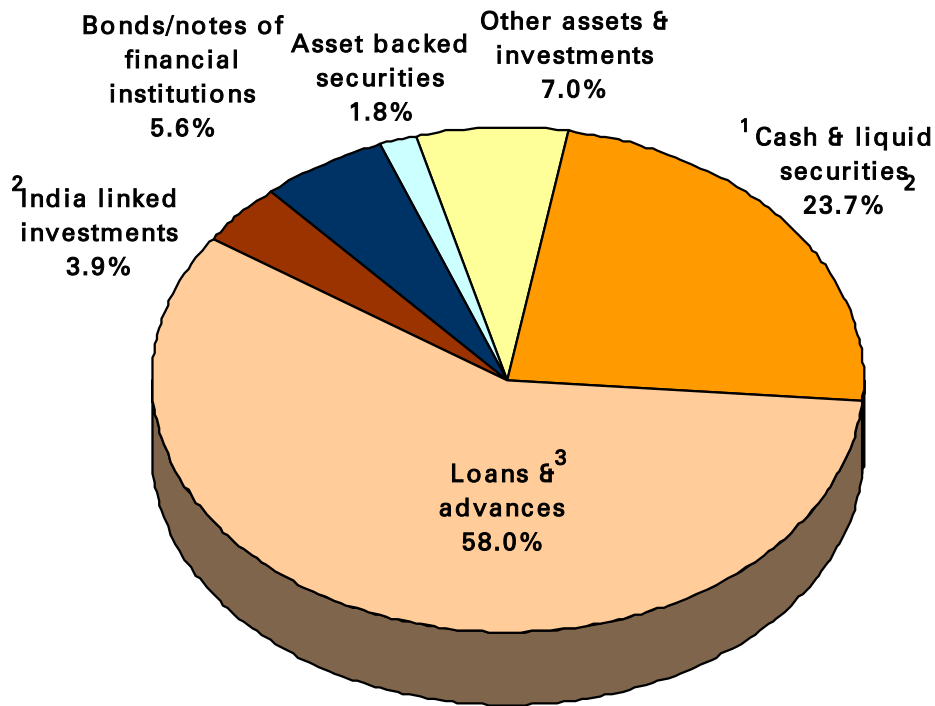


Overseas subsidiaries



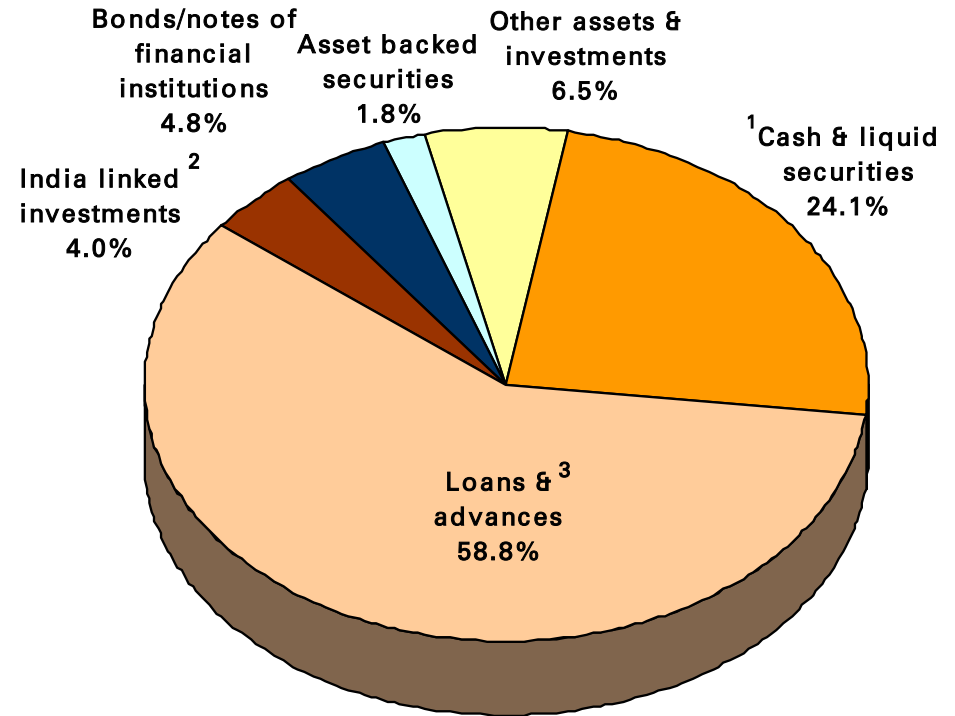
ICICI Bank UK asset profile

September 30, 2011



Total assets: USD 5.1 bn

December 31, 2011



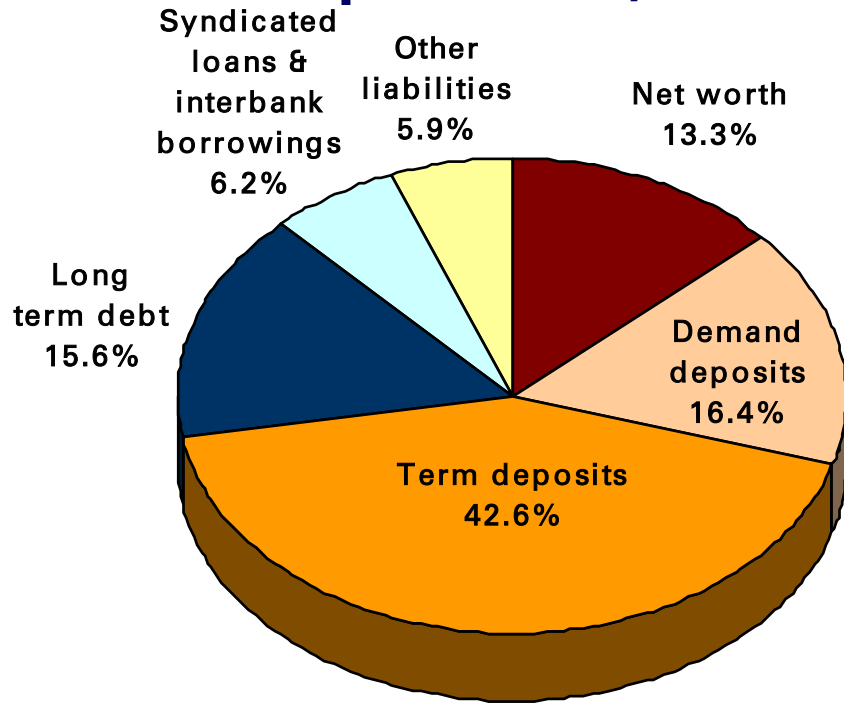
Total assets: USD 4.8 bn

1. Includes cash & advances to banks, T Bills and CDs
2. Includes India-linked credit derivatives of US\$ 14 mn at December 31, 2011 (US\$ 14 mn at September 30, 2011)
3. Includes securities re-classified to loans & advances



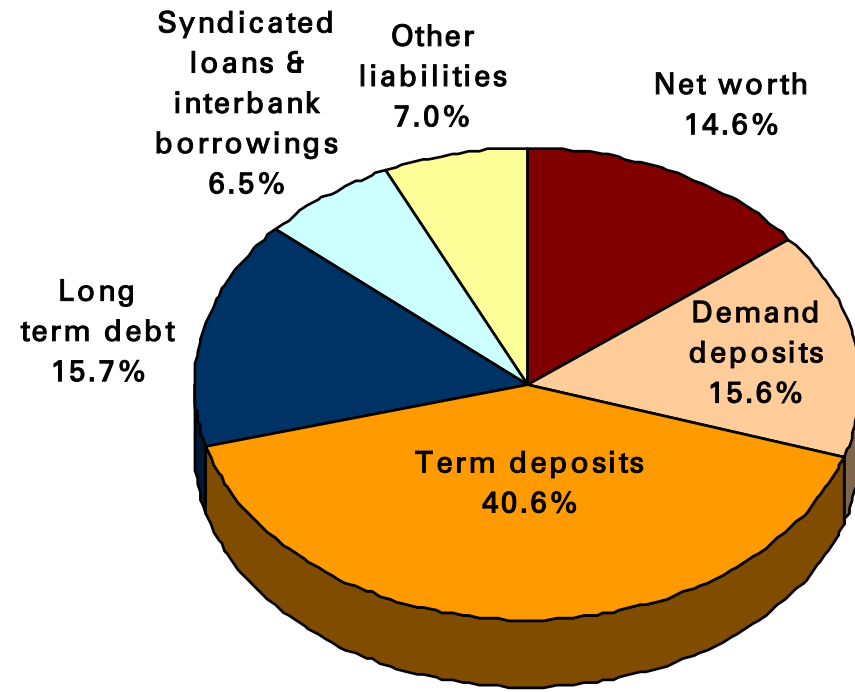
ICICI Bank UK liability profile

September 30, 2011



Total liabilities: USD 5.1 bn

December 31, 2011



Total liabilities: USD 4.8 bn

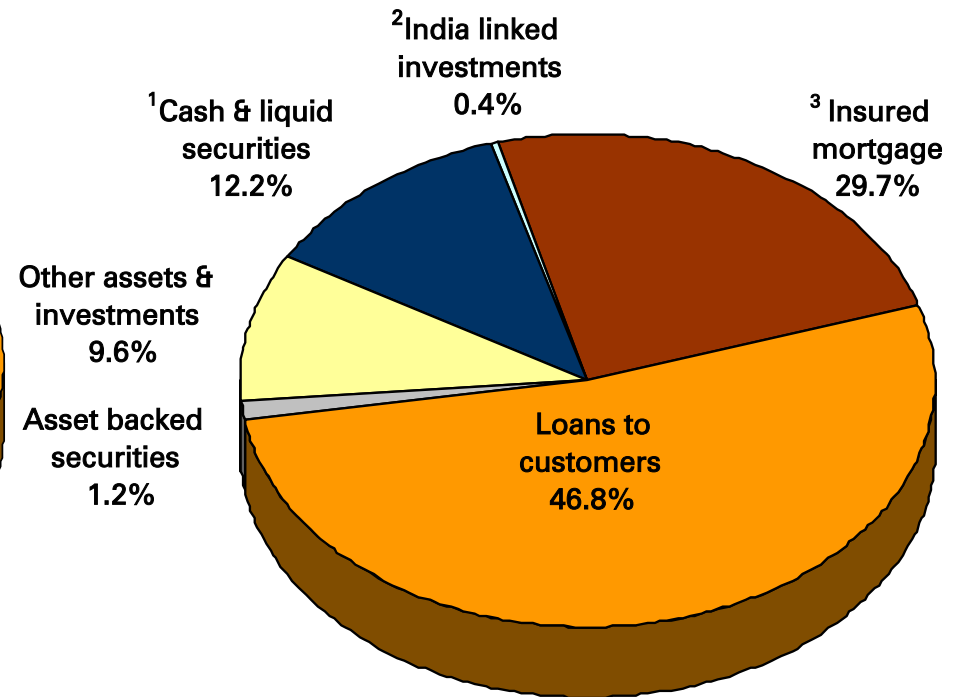
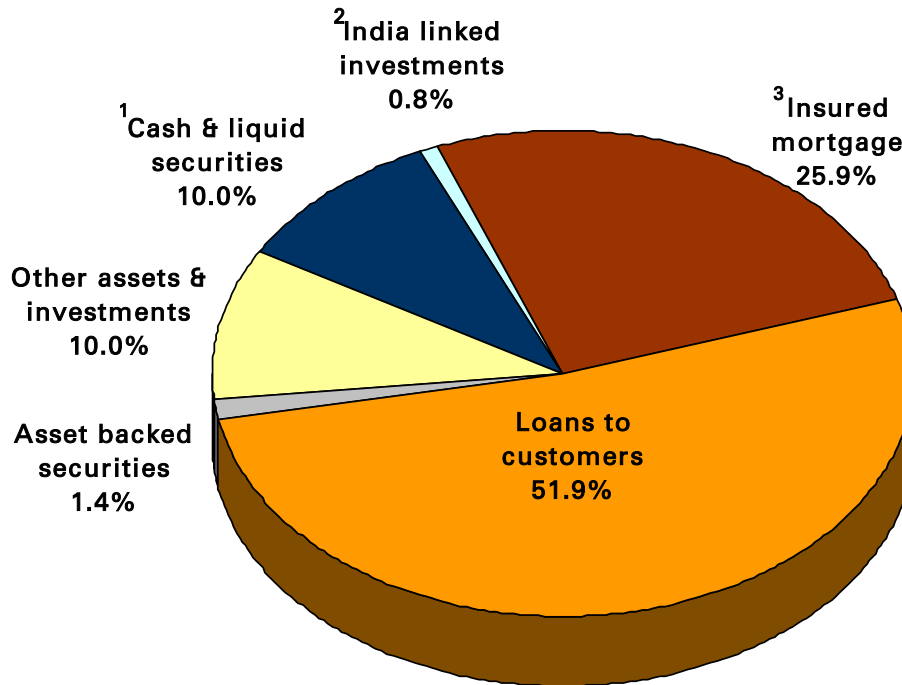
- Profit after tax of US\$ 7.7 mn in Q3-2012 compared to US\$ 10.9 mn in Q3-2011
- Capital adequacy ratio at 29.3%
- Proportion of retail term deposits in total deposits at 69% at December 31, 2011



ICICI Bank Canada asset profile

September 30, 2011

December 31, 2011



Total assets: CAD 5.1 bn

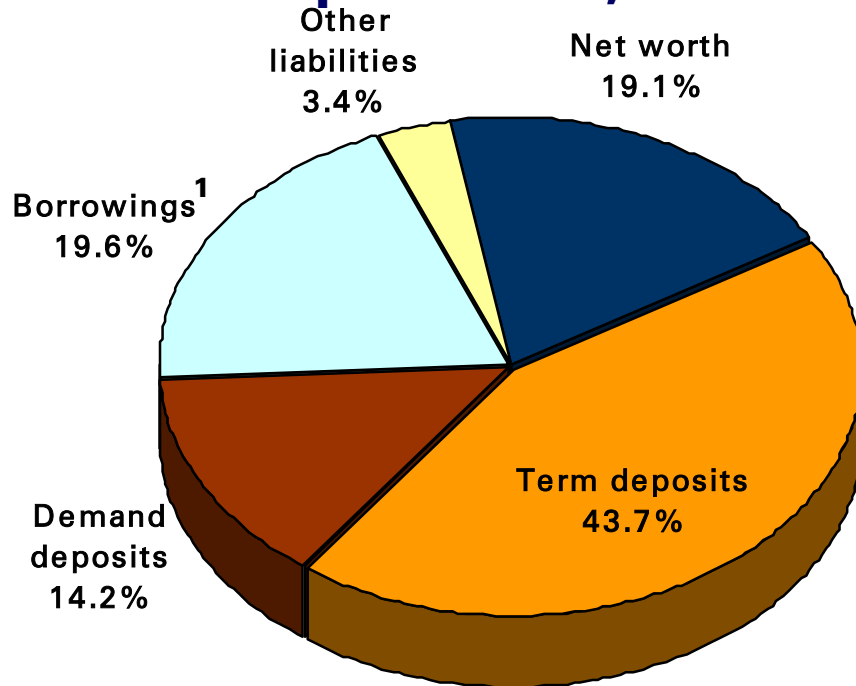
Total assets: CAD 5.3 bn

1. Includes cash & advances to banks and government securities
2. Includes India-linked credit derivatives of CAD 15 million at December 31, 2011 (CAD 32 million at September 30, 2011)
3. Based on IFRS, securitised portfolio of CAD 921 million and CAD 1,137 million considered as part of Insured mortgage portfolio at September 30, 2011 and December 31, 2011 respectively



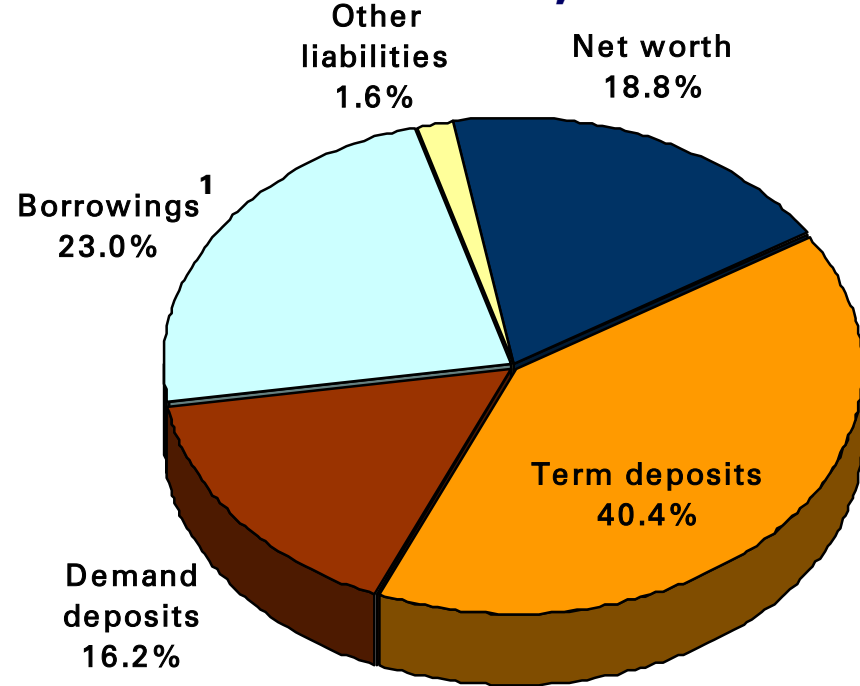
ICICI Bank Canada liability profile

September 30, 2011



Total liabilities: CAD 5.1 bn

December 31, 2011



Total liabilities: CAD 5.3 bn

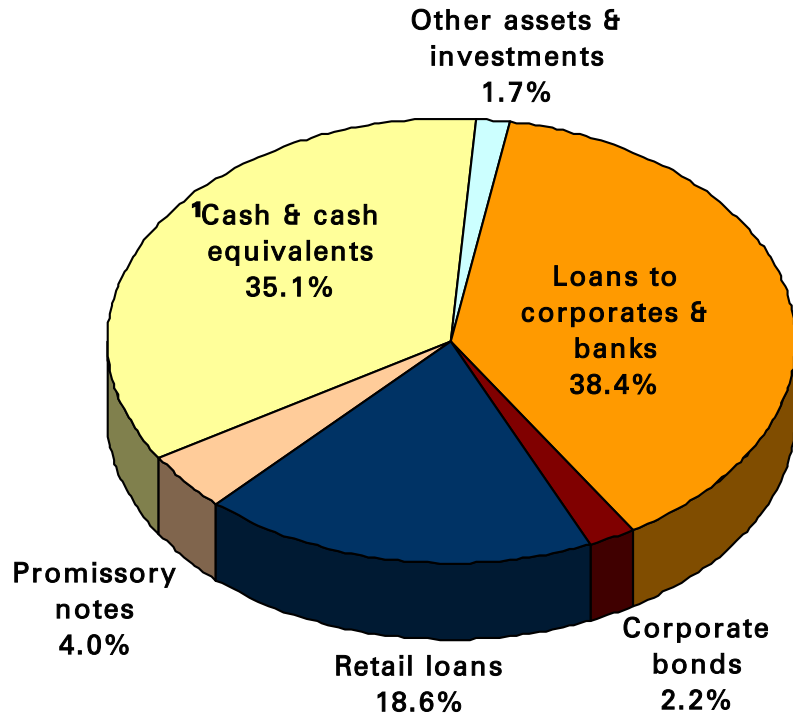
- Profit after tax of CAD 6.6 mn in Q3-2012 compared to CAD 10.7 mn in Q3-2011
- Capital adequacy ratio at 31.6%

1. As per IFRS, proceeds of CAD 926 million and CAD 1,141 million from sale of securitised portfolio considered as part of borrowings at September 30, 2011 and December 31, 2011 respectively



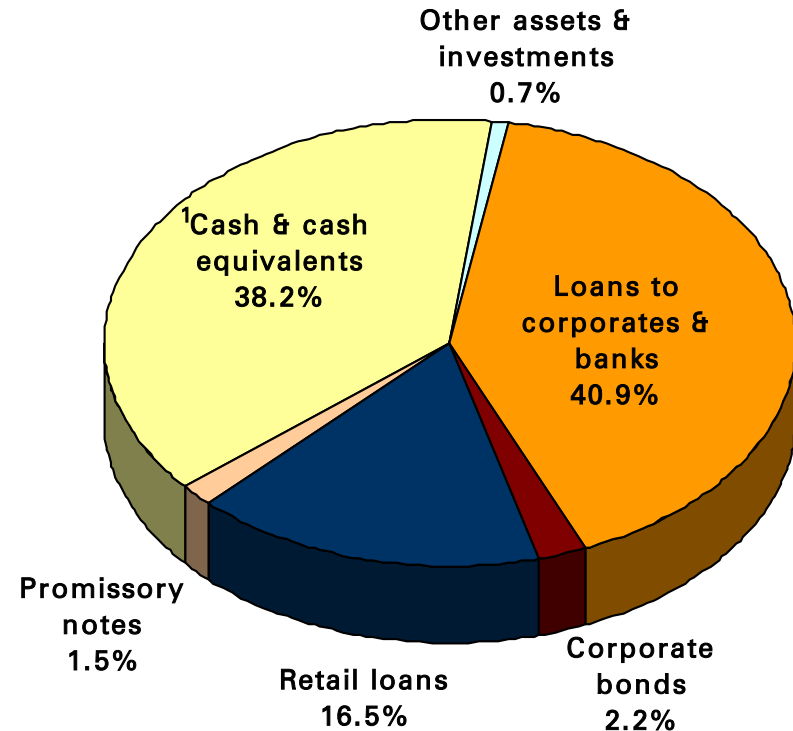
ICICI Bank Eurasia asset profile

September 30, 2011



Total assets: USD 272 mn

December 31, 2011



Total assets: USD 283 mn

- Total borrowings of USD 170 mn at December 31, 2011
- Capital adequacy of 24.8% at December 31, 2011
- Net profit of USD 0.9 mn in Q3-2012

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





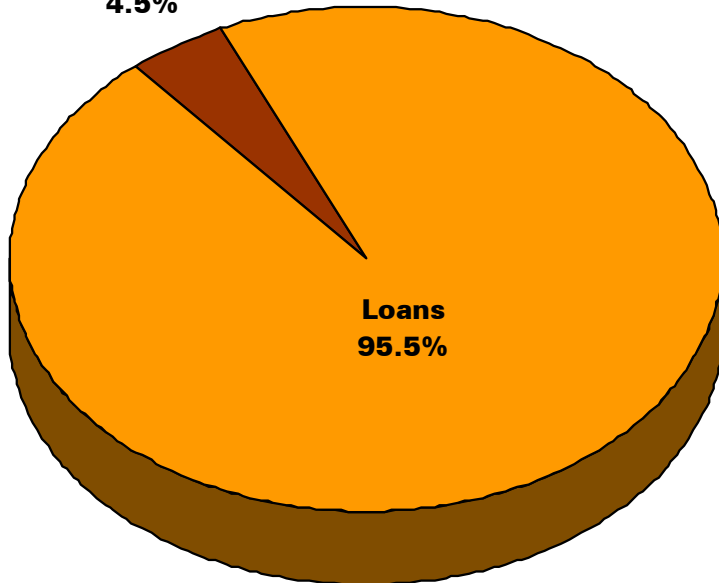
Domestic subsidiaries



ICICI Home Finance

September 30, 2011

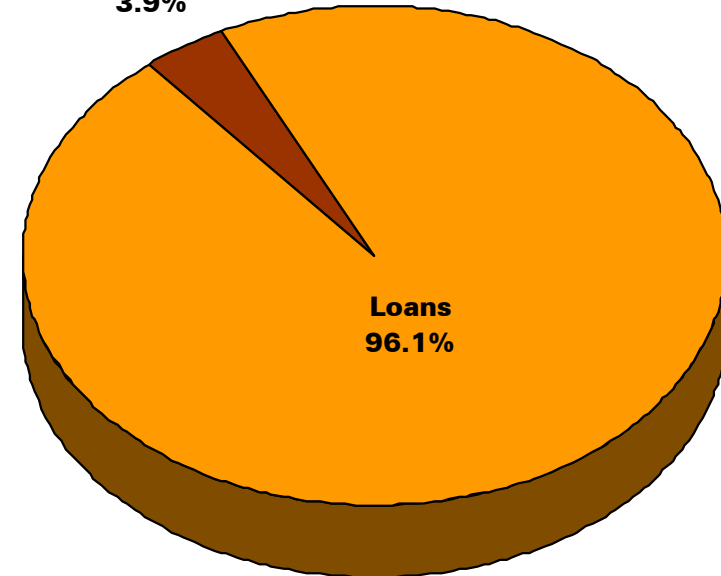
Investments and other
assets
4.5%



Total assets: ₹ 76.50 bn

December 31, 2011

Investments and other
assets
3.9%



Total assets: ₹ 73.13 bn

- Profit after tax of ₹ 670 mn in Q3-2012 compared to ₹ 497 mn in Q3-2011
- Capital adequacy ratio of 26.5% at December 31, 2011
- Net NPA ratio: 1.3%
- At December 31, 2011: Networth ₹ 14.02 bn; Deposits ₹ 9.05 bn and Borrowings ₹ 50.06 bn



ICICI Life

(₹ billion)

	Q3-2011	Q3-2012	FY2011
New business received premium	16.35	11.97	78.62
Renewal premium	24.21	20.07	100.19
Total premium	40.56	32.04	178.81
Annualised premium equivalent (APE)	5.71	8.60	39.75
New Business Profit (NBP)	1.00	1.38	7.13
NBP margin	17.6%	16.0%	17.9%
Statutory profit/(loss)	6.14 ¹	3.67	8.08
Assets Under Management	663.34	632.22	681.50
Expense ratio ²	17.6%	21.4%	17.3%

- Profit after tax of ₹ 10.56 billion for 9M-2012 compared to ₹ 5.13 for 9M-2011
- Market share based on retail weighted received premium was 6.3%³ for April-December 2011

1. Includes surplus of ₹ 5.20 billion for 9M-2011 on non-participating policyholders' funds; accounted on quarterly basis for subsequent quarters
2. Expense ratio: All expenses (including commission) / (Total premium – 90% of Single Premium)
3. Source: IRDA



ICICI General

	(₹ billion)		
	Q3-2011	Q3-2012	FY2011
Gross premium ¹	10.41	13.56	44.08
PAT	0.73	1.01	(0.80) ²

- Market share based on gross weighted premium was 9.6%³ for April-December 2011

1. Excluding remittances from third party motor pool (TPMP) and including premium on reinsurance accepted
2. As per IRDA order dated March 12, 2011, all general insurance companies were required to provide for TPMP losses at a provisional loss ratio of 153% (from FY2008 to FY2011) compared to earlier loss ratios of 122-127%. The results for FY2011 included an impact of ₹ 2.72 bn on account of the above.
3. IRDA vide its order dated January 3, 2012 has enhanced the ultimate loss ratios (ULR) of the Pool to 159.0%-213.0% for the above years. The ULR for FY2012 is awaited. IRDA has clarified that the effect of the above is to be considered as at the end of March 2012. The General Insurance Council has sought relaxations from IRDA, in the manner in which the liability has to be determined and treated in the books of accounts. Based on the ULRs specified, the additional liability reserve to be provided for is estimated at ₹ 6.27 bn as at the end of March 2012, which would impact the profit & loss account of ICICI General in the future.
4. Source: IRDA



Other subsidiaries

(₹ billion)

Profit after tax	Q3-2011	Q3-2012	FY2011
ICICI Securities Ltd	0.35	0.18	1.13
ICICI Securities Primary Dealership	0.04	0.49	0.53
ICICI Venture	0.38	0.53	0.74
ICICI Prudential Asset Management	0.07	0.22	0.72

- 6.6% increase in consolidated profit after tax from ₹ 20.39¹ bn in Q3-2011 to ₹ 21.74 bn in Q3-2012
- Consolidated return on average net worth for 9M-2012 at 13.3% compared to 11.6% in 9M-2011
 - Consolidated return on average net worth for Q3-2012 at 14.2%

1. Includes surplus of ₹ 3.84 bn for 9M-2011 on non-participating policyholders' funds of ICICI Life; accounted on quarterly basis for subsequent quarters

