



# Performance Review: Q3-2008

January 19, 2008

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# Highlights

## Profitability

- 35% increase in profit after tax to Rs. 12.30 billion in Q3-2008 from Rs. 9.10 billion in Q3-2007
- 32% increase in net interest income to Rs. 19.60 billion in Q3-2008 from Rs. 14.85 billion in Q3-2007
- 33% increase in fee income to Rs. 17.85 billion in Q3-2008 from Rs. 13.45 billion in Q3-2007



## Highlights

- 25% growth in total advances to Rs. 2,155.17 bn at December 31, 2007 from Rs. 1,727.63 bn at December 31, 2006
  - Retail loan growth at 12%
  - Continued growth in loan portfolio of international branches with 115% y-o-y growth
- Deposit growth of 17% from Rs. 1,968.93 bn at December 31, 2006 to Rs. 2,297.79 bn at December 31, 2007
  - CASA deposit growth of 33%



# Profit & loss statement

(Rs. in billion)

|                                  | FY-<br>2007   | Q3-<br>2007  | Q3-<br>2008  | Q3-o-Q3<br>growth | 9M-<br>2007  | 9M-<br>2008   | 9M-o-9M<br>growth |
|----------------------------------|---------------|--------------|--------------|-------------------|--------------|---------------|-------------------|
| NII <sup>1</sup>                 | 56.37         | 14.85        | 19.60        | 32.0%             | 40.28        | 52.25         | 29.7%             |
| Non-interest<br>income           | 59.15         | 16.71        | 21.45        | 28.4%             | 42.60        | 57.98         | 36.1%             |
| - Fee income                     | 50.12         | 13.45        | 17.85        | 32.7%             | 35.85        | 46.99         | 31.1%             |
| - Others                         | 9.03          | 3.26         | 3.60         | 10.4%             | 6.75         | 10.99         | 62.8%             |
| <b>Core operating<br/>income</b> | <b>115.52</b> | <b>31.56</b> | <b>41.05</b> | <b>30.1%</b>      | <b>82.88</b> | <b>110.23</b> | <b>33.0%</b>      |
| Operating<br>expenses            | 49.79         | 12.88        | 16.65        | 29.3%             | 35.25        | 46.84         | 32.9%             |
| DMA expenses <sup>2</sup>        | 15.24         | 3.83         | 4.16         | 8.6%              | 11.01        | 11.84         | 7.5%              |
| Lease<br>depreciation            | 1.88          | 0.42         | 0.47         | 11.9%             | 1.44         | 1.36          | -5.6%             |
| <b>Core operating<br/>profit</b> | <b>48.61</b>  | <b>14.42</b> | <b>19.77</b> | <b>37.1%</b>      | <b>35.18</b> | <b>50.19</b>  | <b>42.7%</b>      |

1. Net of premium amortisation on government securities of Rs. 2.12 bn in Q3-2008, Rs. 9.99 bn in FY2007 and Rs. 2.24 bn in Q3-2007.
2. Represents commissions paid to direct marketing agents (DMAs) for origination of retail loans. These commissions are expensed upfront.



# Profit & loss statement

(Rs. in billion)

|                              | FY-<br>2007  | Q3-<br>2007  | Q3-<br>2008  | Q3-o-Q3<br>growth | 9M-<br>2007  | 9M-<br>2008  | 9M-o-9M<br>growth |
|------------------------------|--------------|--------------|--------------|-------------------|--------------|--------------|-------------------|
| <b>Core operating profit</b> | <b>48.61</b> | <b>14.42</b> | <b>19.77</b> | <b>37.1%</b>      | <b>35.18</b> | <b>50.19</b> | <b>42.7%</b>      |
| Treasury income              | 10.13        | 3.10         | 2.82         | -9.0%             | 5.68         | 6.51         | 14.6%             |
| <b>Operating profit</b>      | <b>58.74</b> | <b>17.52</b> | <b>22.59</b> | <b>28.9%</b>      | <b>40.86</b> | <b>56.70</b> | <b>38.8%</b>      |
| Specific provisions          | 14.95        | 5.27         | 6.96         | 32.1%             | 10.76        | 17.92        | 66.5%             |
| General provisions           | 7.31         | 1.40         | 0.64         | -54.3%            | 2.74         | 1.65         | -39.8%            |
| <b>Profit before tax</b>     | <b>36.48</b> | <b>10.85</b> | <b>14.98</b> | <b>38.1%</b>      | <b>27.36</b> | <b>37.13</b> | <b>35.7%</b>      |
| Tax                          | 5.38         | 1.75         | 2.68         | 53.1%             | 4.51         | 7.05         | 56.3%             |
| <b>Profit after tax</b>      | <b>31.10</b> | <b>9.10</b>  | <b>12.30</b> | <b>35.2%</b>      | <b>22.85</b> | <b>30.08</b> | <b>31.6%</b>      |



## Balance sheet: Assets

(Rs. in billion)

|                                   | Dec 31,<br>2006 | Mar 31,<br>2007 | Sep 30,<br>2007 | Dec 31,<br>2007 | Y-o-Y<br>growth |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash balances with<br>banks & SLR | 824.28          | 1,044.90        | 1,083.97        | 1,073.62        | 30.2%           |
| - Cash & bank<br>balances         | 248.19          | 371.21          | 340.25          | 310.02          | 24.9%           |
| - SLR investments                 | 576.09          | 673.68          | 743.72          | 763.60          | 32.5%           |
| Advances                          | 1,727.63        | 1,958.66        | 2,071.21        | 2,155.17        | 24.7%           |
| Other investments                 | 219.24          | 238.90          | 279.16          | 289.52          | 32.1%           |
| Fixed & other assets              | 187.17          | 204.13          | 215.09          | 248.69          | 32.9%           |
| <b>Total assets</b>               | <b>2,958.32</b> | <b>3,446.58</b> | <b>3,649.44</b> | <b>3,767.00</b> | <b>27.3%</b>    |



# Balance sheet: Liabilities

(Rs. in billion)

|                                   | Dec 31,<br>2006 | Mar 31,<br>2007 | Sep 30,<br>2007 | Dec 31,<br>2007 | Y-o-Y<br>growth |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net worth                         | 244.45          | 243.13          | 447.52          | 465.14          | 90.3%           |
| - Equity capital                  | 8.94            | 8.99            | 11.11           | 11.12           | 24.4%           |
| - Reserves                        | 235.51          | 234.14          | 436.41          | 454.01          | 92.8%           |
| Preference                        | 3.50            | 3.50            | 3.50            | 3.50            | -               |
| Deposits                          | 1,968.93        | 2,305.10        | 2,283.07        | 2,297.79        | 16.7%           |
| Borrowings -<br>domestic          | 361.87          | 385.17          | 342.10          | 346.56          | -4.2%           |
| Borrowings –<br>overseas branches | 226.32          | 321.44          | 393.75          | 469.70          | 107.5%          |
| Other liabilities                 | 153.25          | 188.24          | 179.50          | 184.30          | 20.3%           |
| <b>Total liabilities</b>          | <b>2,958.32</b> | <b>3,446.58</b> | <b>3,649.44</b> | <b>3,767.00</b> | <b>27.3%</b>    |



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# Capital adequacy

|                      | Mar 31, 2007 |                     | Dec 31, 2007 |                     |
|----------------------|--------------|---------------------|--------------|---------------------|
|                      | Rs. bn       | %                   | Rs. bn       | %                   |
| Total Capital        | 338.95       | 11.69% <sup>1</sup> | 514.04       | 15.82% <sup>1</sup> |
| - Tier I             | 215.03       | 7.42%               | 393.53       | 12.11%              |
| - Tier II            | 123.92       | 4.27%               | 120.52       | 3.71%               |
| Risk weighted assets | 2,899.93     |                     | 3,249.01     |                     |

1. Excludes US\$ 750 million Upper Tier II issue made in Jan-2007 pending clarifications required by RBI on the clauses for principal and interest payment.





# Key ratios

(Percent)

|  | FY<br>2007 | 9M-<br>2007 | Q3-<br>2008       | 9M-<br>2008 |
|--|------------|-------------|-------------------|-------------|
| Return on average<br>networth <sup>1</sup> | 13.4       | 13.0        | 10.7 <sup>2</sup> | 11.4        |
| Weighted avg EPS (Rs.)                     | 34.8       | 34.0        | 44.0              | 38.6        |
| Book value (Rs.)                           | 270.0      | 272.8       | 418.3             | 418.3       |
| NIM  | 2.2        | 2.2         | 2.3               | 2.2         |
| Cost <sup>3</sup> to income                | 40.2       | 40.5        | 38.3              | 40.6        |
| Cost <sup>3</sup> to average assets        | 1.8        | 1.7         | 1.7               | 1.7         |
| Fee to income                              | 40.5       | 41.2        | 41.2              | 40.7        |

1. Based on quarterly average net worth.
2. Return on net worth including profit of banking subsidiaries and excluding investment in insurance would have been 12.0%.
3. Excludes DMA expenses (which are expensed upfront).



# Asset quality and provisioning

(Rs. in billion)

|  | Mar 31,<br>2007 | Jun 30,<br>2007 | Sep 30,<br>2007 | Dec 31,<br>2007 |
|--|-----------------|-----------------|-----------------|-----------------|
| Gross NPAs                               | 48.50           | 60.43           | 66.89           | 72.46           |
| Less: Cumulative<br>w/offes & provisions | 28.31           | 33.01           | 36.53           | 39.45           |
| Net NPAs                                 | 20.19           | 27.42           | 30.36           | 33.01           |
| Net NPA ratio                            | 0.98%           | 1.33%           | 1.41%           | 1.47%           |

- Gross retail NPLs at Rs. 46.30 bn and net retail NPLs at Rs. 21.79 bn
- Net restructured loans of Rs. 46.40 bn



# ICICI Prudential Life Insurance

## Market leadership

- Overall retail weighted market share: 11.8%<sup>1</sup>
- Overall group market share: 7.6%<sup>1</sup>

## Highlights

- WRP<sup>2</sup> growth of 67% compared to industry growth of 14%<sup>1</sup>
- Robust renewal streams: 40% of total premium
- About 80% Y-O-Y growth in assets held to Rs. 284.09 bn
- Increased branch network from 583 at March 31, 2007 to 785 branches and 280 micro branches at December 31, 2007

## Financial performance

- New Business Profit of Rs. 7.48 bn in 9M-2008 compared to Rs. 5.40 bn in 9M-2007
  - NBP margin at 19.3% in 9M-2008

1. April 2007 - November 2007
2. Retail new business weighted received premium



# ICICI Lombard General Insurance

## Market leadership

- Market leadership in private sector with market share of 31.9%<sup>1</sup>
  - Overall market share at 12.7%<sup>1</sup>

## Highlights

- 17% growth in gross written premium to Rs. 27.22 billion in 9M-2008
  - Despite the impact of de-tariffication
- Non- corporate business at 60% of gross premiums in Q3-2008

## Financial performance

- 134% increase in profit after tax to Rs. 1.15 bn in 9M-2008 from Rs. 0.49 bn in 9M-2007

1. April 2007 – November 2007



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# Asset management

## ICICI Prudential Asset Management

- Total FUM of Rs. 692.3 bn (including PMS & advisory AUM) at December 31, 2007
- Market share of 10.3% in mutual fund assets at December 31, 2007
- Profit after tax increased 127% to Rs. 0.75 bn in 9M-2008 from Rs. 0.33 bn in 9M-2007

## ICICI Venture

- Largest private equity player in India with funds under management of Rs. 96.34 bn
- Profit after tax of Rs. 0.52 bn in 9M-2008



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*Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', 'expected to', etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results, opportunities and growth potential to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the actual growth in demand for banking and other financial products and services in the countries that we operate or where a material number of our customers reside, our ability to successfully implement our strategy, including our use of the Internet and other technology and our rural expansion, our ability to integrate recent or future mergers or acquisitions into our operations, our ability to manage the increased complexity of the risks we face following our rapid international growth, future levels of impaired loans, our growth and expansion in domestic and overseas markets, the adequacy of our allowance for credit and investment losses, technological changes, investment income, our ability to market new products, cash flow projections, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions we are or become a party to, the future impact of new accounting standards, our ability to implement our dividend policy, the impact of changes in banking regulations and other regulatory changes in India and other jurisdictions on us, including on the assets and liabilities of ICICI, a former financial institution not subject to Indian banking regulations, the bond and loan market conditions and availability of liquidity amongst the investor community in these markets, the nature of credit spreads, interest spreads from time to time, including the possibility of increasing credit spreads or interest rates, our ability to roll over our short-term funding sources and our exposure to credit, market and liquidity risks as well as other risks that are detailed in the reports filed by us with the United States Securities and Exchange Commission. ICICI Bank undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.*





Thank you

