



# Performance Review: FY2008

April 26, 2008

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# Agenda

Highlights

Operating review

Key subsidiaries

Financial performance



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# Highlights

## Profitability

- Profit after tax crosses US\$ 1.0 billion
  - 34% increase in profit after tax to Rs. 41.58 billion in FY2008 from Rs. 31.10 billion in FY2007
  - 39% increase in profit after tax to Rs. 11.50 billion in Q4-2008 from Rs. 8.25 billion in Q4-2007
- 30% increase in net interest income to Rs. 73.04 billion in FY2008 from Rs. 56.37 billion in FY2007
- 32% increase in fee income to Rs. 66.27 billion in FY2008 from Rs. 50.12 billion in FY2007
- The Board of Directors of the Bank has recommended a dividend of 110%



# Highlights

## Balance sheet

- 19% increase in consolidated advances<sup>1</sup> to Rs. 2,520.71 bn at March 31, 2008 from Rs. 2,116.60 bn at March 31, 2007
  - Reflecting robust growth in the loan book of international branches and subsidiaries and ICICI Home Finance Company
- 27% increase in CASA deposits to Rs. 637.81 bn at March 31, 2008 from Rs. 502.14 bn at March 31, 2007
  - Improvement in CASA ratio from 22% to 26%
- Net NPA ratio of 1.49% at March 31, 2008 compared to 1.47% at December 31, 2007

1. Including overseas banking subsidiaries and ICICI Home Finance Company



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# Retail banking

## Deposits

- Savings deposit growth of 36% from Rs. 288.39 bn at Mar 31, 2007 to Rs. 390.89 bn at Mar 31, 2008
- Average of 375,000 accounts added per month
- Opening of new branches on target: network of 1,308 branches as on April 23, 2008

## Credit & Fees

- Maintained overall market leadership in retail credit despite premium pricing across retail assets
- Robust growth in retail fee income despite lower disbursements

## Small & Medium Enterprises

- Comprehensive non-fund based product suite: roaming current account, trade, cash management
- Focused lending strategy



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# Corporate & investment banking

## Performance

- Involved in 75% of outbound M&A deals by value
- Ranked #1 in offshore loan syndications of Indian corporates in 2007
- Estimated market share of 33% in domestic syndication

## Opportunity

- Investment pipeline of about US\$ 700 billion
- Strong corporate performance with high cash accruals supporting investment plans
- Expanding global presence

## Strategy

- Integrated franchise: origination to syndication across domestic and international markets
- Access to low cost funding from international subsidiaries



# International banking

## Investment banking

- Build global syndication network in Canada and Singapore to complement origination capabilities in Indian corporate credit
- Preferred banker for overseas acquisitions by Indian corporates

## Retail deposits

- Building a sustainable retail deposit base
- Aggregate retail deposits of ICICI Bank UK<sup>1</sup> and Canada increased 90% to Rs. 298.61 bn at March 31, 2008

## NRI services

- Achieving the status of preferred non-resident Indian community bank in key markets
- Market share of 25% in inward remittances into India
- ICICI Bank UK achieved community banking status with over 25% penetration in the bankable Indian community

1. ICICI Bank UK profit after tax Rs. 1.55 bn in FY2008





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# Life insurance

## Market leadership

- Increased market share from 9.9% in FY2007 to 13.1%<sup>1</sup> in FY2008

## Highlights

- Retail WRP growth of 68.3% to Rs. 66.84 bn
- 100.9% growth in renewal premium to Rs. 55.22 bn
- Assets held of Rs. 285.78 bn, of which 67.7% is equity
- Increased branch network from 583 at March 31, 2007 to 1,956 at March 31, 2008

## Financial performance

- 42.4% increase in New Business Profit to Rs. 12.54 bn in FY2008
- NBP margin at 19.2%

1. April 2007 - February 2008 on new business weighted received premium basis



# General insurance

## Market leadership

- Sustained overall market share at 12.3%<sup>1</sup> with continued leadership in private sector
- Growth in gross written premium (GWP) by 11.4% to Rs. 33.44<sup>2</sup> bn in FY2008, despite price de-regulation

## Highlights

- Non-corporate business accounts for 63% of GWP with a growth of 26%
- Improved expense ratio for the year to 16% in FY2008 from 17% in FY2007

## Financial performance

- 50.5% increase in PAT to Rs. 1.03 bn in FY2008
  - Adverse impact of losses of TP motor pool
- Combined ratio at 99.8% in FY 2008 (Combined ratio including TP motor pool at 102.5%)

1. April 2007 - February 2008
2. Excluding TP motor pool



# Asset management

## ICICI Prudential Asset Management

- Second largest mutual fund with market share of 9.6%
  - Average mutual fund AUM of Rs. 543.55 bn in March 2008
- Profit after tax increased by 69.7% to Rs. 821.0 mn in FY2008 from Rs. 483.8 mn in FY2007
- More than 500,000 new customers added during the year

## ICICI Venture

- Total AUM of Rs. 95.52 bn at March 31, 2008
- Ranked as the best PE firm in India in 2007<sup>1</sup>
- Profit after tax of Rs. 904.0 mn in FY2008

1. Private Equity International Awards 2007

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# Securities business

## ICICI Securities

- Ranked #1 among merchant bankers by Prime Database in terms of amount raised in FY2008
- ICICI Direct: Customer base of about 1.5 million customers
- Distribution business: Over 300 branches operational
- Unconsolidated profit after tax of Rs. 1.50 bn in FY2008

## ICICI Securities Primary Dealership

- Won the Finance Asia award for “Best Bond House” for the third year in a row
- Profit after tax of Rs. 1.40 bn in FY2008



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# Profit & loss statement

(Rs. in billion)

	Q4-2007	Q4-2008	Q4-o-Q4 growth	FY2007	FY2008	Y-o-Y Growth
NII <sup>1</sup>	16.09	20.79	29.2%	56.37	73.04	29.6%
Non-int. income	20.99	23.62	12.5%	69.28	88.11	27.2%
- Fee income	14.27	19.28	35.1%	50.12	66.27	32.2%
- Treasury income	4.45	1.64	-63.1%	10.13	8.15	-19.5%
-- Others	2.27	2.70	18.9%	9.03	13.69	51.6%
<b>Total income</b>	<b>37.08</b>	<b>44.41</b>	<b>19.8%</b>	<b>125.65</b>	<b>161.15</b>	<b>28.3%</b>
Operating expenses	14.54	17.46	20.1%	49.79	64.29	29.1%
DMA expenses	4.23	3.58	-15.4%	15.24	15.43	1.2%
Lease dep.	0.44	0.46	4.5%	1.88	1.82	-3.2%
<b>Operating profit</b>	<b>17.88</b>	<b>22.91</b>	<b>28.1%</b>	<b>58.74</b>	<b>79.61</b>	<b>35.5%</b>

1. Net of premium amortisation on government securities of Rs. 2.66 bn in Q4-2007, Rs. 2.40 bn in Q4-2008, Rs. 9.99 bn in FY2007 and Rs. 8.98 bn in FY2008.



# Profit & loss statement

(Rs. in billion)

	<b>Q4- 2007</b>	<b>Q4- 2008</b>	<b>Q4-o-Q4 growth</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>Y-o-Y growth</b>
<b>Operating profit</b>	<b>17.88</b>	<b>22.91</b>	<b>28.1%</b>	<b>58.74</b>	<b>79.61</b>	<b>35.5%</b>
Provisions	8.76	9.48	8.2%	22.26	29.05	30.5%
<b>Profit before tax</b>	<b>9.12</b>	<b>13.43</b>	<b>47.3%</b>	<b>36.48</b>	<b>50.56</b>	<b>38.6%</b>
Tax	0.87	1.93	123.2%	5.38	8.98	66.9%
<b>Profit after tax</b>	<b>8.25</b>	<b>11.50</b>	<b>39.3%</b>	<b>31.10</b>	<b>41.58</b>	<b>33.7%</b>





# Balance sheet: Assets

(Rs. in billion)

	Mar 31, 2007	Dec 31, 2007	Mar 31, 2008	Y-o-Y growth
Cash balances with banks & SLR	1,044.89	1,073.62	1,130.72	8.2%
- Cash & bank balances	371.21	310.02	380.41	2.5%
- SLR investments	673.68	763.60	750.31	11.4%
Advances <sup>1</sup>	1,958.66	2,155.17	2,256.16	15.2%
- <i>Retail advances</i>	<i>1,277.03</i>	<i>1,323.11</i>	<i>1,316.63</i>	<i>3.1%</i>
- <i>Overseas branches</i>	<i>244.10</i>	<i>447.73</i>	<i>477.46</i>	<i>95.6%</i>
- <i>Others</i>	<i>437.53</i>	<i>384.33</i>	<i>462.07</i>	<i>5.6%</i>
Other investments	238.90	289.52	364.23	52%
Fixed & other assets	204.13	248.69	246.84	20.9%
<b>Total assets</b>	<b>3,446.58</b>	<b>3,767.00</b>	<b>3,997.95</b>	<b>16.0%</b>

1. Consolidated advances of the Bank and its overseas banking subsidiaries and ICICI HFC increased 19% to Rs. 2,520.71 bn at March 31, 2008 from Rs. 2,116.60 bn at March 31, 2007.



# Balance sheet: Liabilities

(Rs. in billion)

	Mar 31, 2007	Dec 31, 2007	Mar 31, 2008	Y-o-Y growth
Net worth	243.13	465.14	464.70	91.1%
- Equity capital	8.99	11.12	11.13	23.7%
- Reserves	234.14	454.01	453.58	93.7%
Preference	3.50	3.50	3.50	-
Deposits	2,305.10	2,297.79	2,444.31	6.0%
<i>Of which: current &amp; savings accounts</i>	<i>502.14</i>	<i>624.93</i>	<i>637.81</i>	<i>27.0%</i>
Other borrowings	706.61	816.27	863.99	22.3%
Other liabilities	188.24	184.30	221.45	17.6%
<b>Total liabilities</b>	<b>3,446.58</b>	<b>3,767.00</b>	<b>3,997.95</b>	<b>16.0%</b>



# Key ratios

(Percent)

	Q4- 2007	Q4- 2008	FY 2007	FY 2008
Return on average networth <sup>1</sup>	13.5	10.0	13.4	11.1
Weighted avg EPS (Rs.)	37.3	41.6	34.8	39.4
Book value (Rs.)	281.5	417.5	281.5	417.5
NIM	2.28	2.40	2.19	2.22
Cost <sup>2</sup> to income	39.7	39.7	40.2	40.4
Cost <sup>2</sup> to average assets	1.88	1.79	1.75	1.75
Fee to income	38.9	43.9	40.5	41.6

1. Based on quarterly average net worth

2. Excludes Direct Marketing Agent (DMA) expenses

- As per Reserve Bank of India's revised guidelines on Basel II norms ICICI Bank's total capital adequacy at March 31, 2008 was 13.97% and Tier 1 capital adequacy was 11.76% (14.92% and 11.32% as per earlier norms)
- ICICI Bank UK and Canada's total capital adequacy ratios were 18.6% and 22.9% respectively



# Asset quality and provisioning

(Rs. in billion)

	<b>Mar 31, 2007</b>	<b>Jun 30, 2007</b>	<b>Sep 30, 2007</b>	<b>Dec 31, 2007</b>	<b>Mar 31, 2008</b>
Gross NPAs	48.50	60.43	66.89	72.46	83.50
Less: Cumulative w/offes & provisions	28.31	33.01	36.53	39.45	47.86
Net NPAs	20.19	27.42	30.36	33.01	35.64
Net NPA ratio	0.98%	1.33%	1.41%	1.47%	1.49%



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*Except for the historical information contained herein, statements in this Release which contain words or phrases such as 'will', 'would', 'indicating', '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 to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion in business, the adequacy of our allowance for credit losses, technological implementation and changes, the actual growth in demand for banking products and services, investment income, cash flow projections, our exposure to market risks as well as other risks 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.*



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Thank you

