



ICICI Group: Strategy & Performance

Agenda

India: macroeconomic scenario

Indian banking sector

ICICI Group



Growth indicators

Strong long term growth fundamentals

Key drivers of growth

Favourable demographics

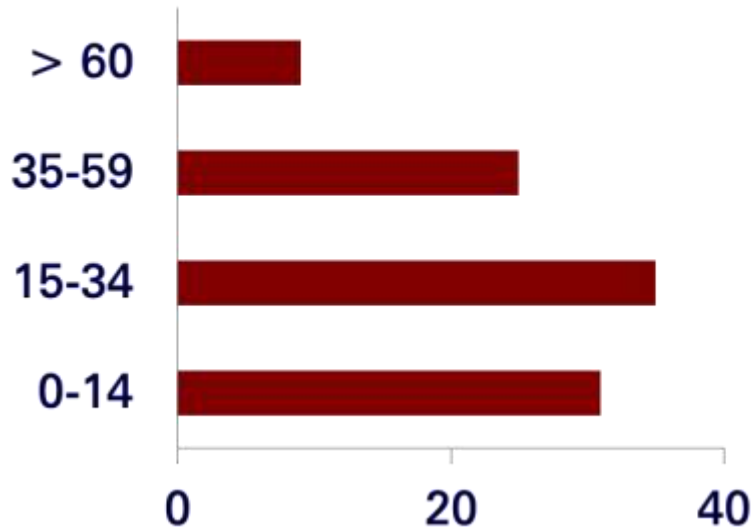
Healthy savings & investment rates

Rising per capita income

High potential for infrastructure development

Favorable demographic profile

India (% of population)



A young population with median age of 25 years

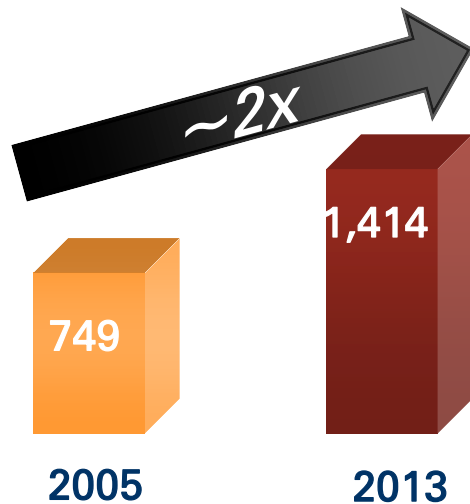
- Rising share of working age population
- Addition of around 11 million to the workforce every year for next five years
 - Working age population to exceed 50% of total population in 2025

Dependency ratios to remain low till 2040

Domestic demand

Strong domestic demand

Per Capita GDP (USD)

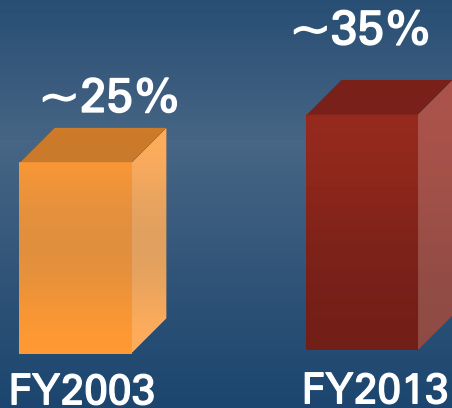


**Rising per capita GDP
accelerating domestic demand**

Healthy private consumption driven by favourable demographics and rising income levels

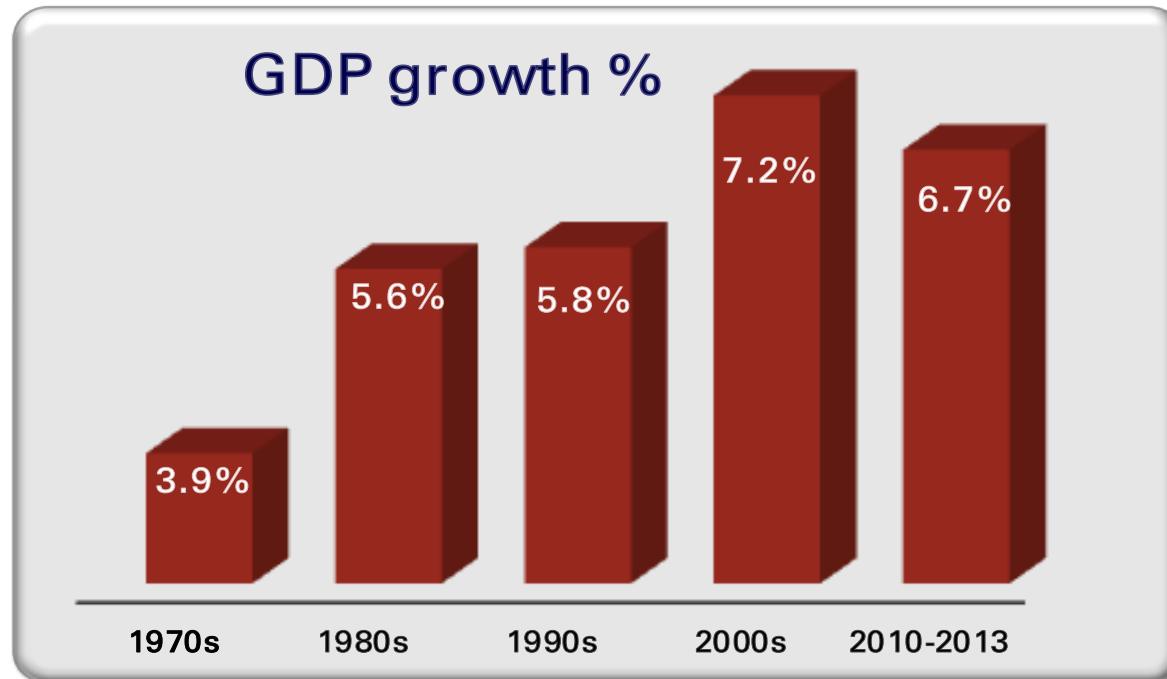
Investment

Increased investment in infrastructure sector



**Savings & investment rates
continue to be in excess of
30%**

Structurally high growth potential



Domestic driven growth model



**Macro
environment**

Recent developments

Key concerns

- Moderation in GDP growth to less than 5%; industrial growth subdued
- Slowdown in investments and savings
- Inflationary pressures resulting in tight monetary policy

Positive trends

- Substantial reduction in trade deficit and current account deficit in current year
- Government has indicated commitment towards reduction of fiscal deficit
- Policy measures announced by government
- Strong growth in agriculture sector
- GDP growth improved from 4.4% in Q1-2014 to 4.7% in Q3-2014



Agenda

India: macroeconomic scenario

Indian banking sector

ICICI Group



Indian financial sector: a transformation



Pre-reform

The 1990s

Today

Indian economy

- Extensive regulation
- Focus on industrial sector

- Liberalisation
- Globalisation
- Structural change – services

- Competitive and global corporate sector
- Buoyant services sector

Banking sector

- Highly segmented
- Public sector dominance

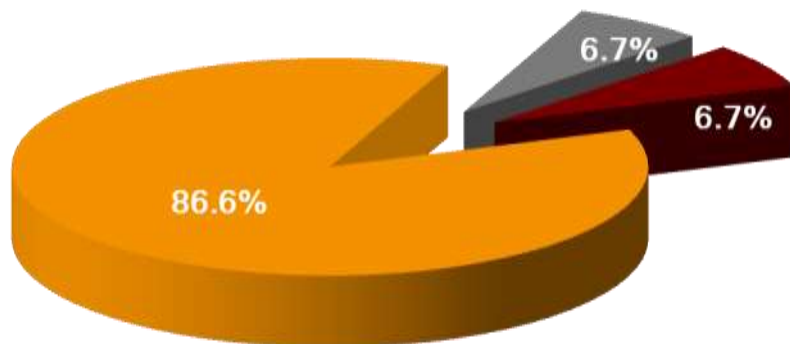
- Opening up of various sub-sectors
- Private sector participation

- Diversified financial groups
- Retail credit

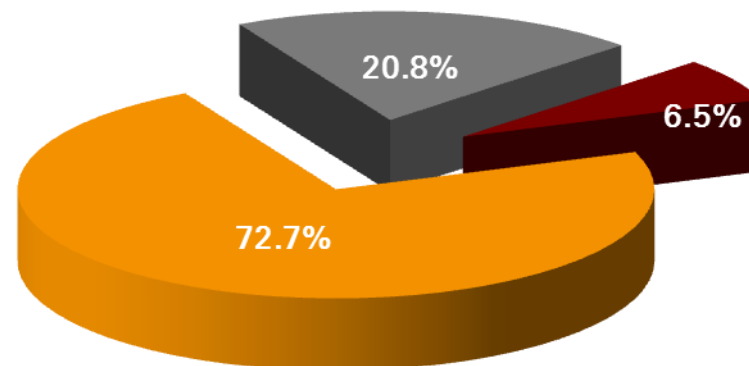
Market share

Private sector banks gaining market share¹

FY1995



FY2013



■ Public sector banks ■ Private sector banks

■ Foreign banks

At December 31, 2013 ICICI Bank is the largest private sector bank in terms of total assets

1. Based on total assets



Growth potential

Under penetrated sector

Growth potential

- Bank credit / GDP: ~58%
- Retail credit / GDP: ~10%
- Mortgage / GDP: ~5%

Funding profile

- High proportion of deposit funding
- Conservative equity to assets

Asset profile

- About 23% of net demand and time liabilities (NDTL) invested in government securities
- 4.00% of NDTL as cash reserve ratio with RBI
- Domestic oriented balance sheets



Conservative regulatory framework

Capital adequacy

- Average capital adequacy for the system ~13%
- Implementation of Basel III in FY2014
 - Capital requirements 1% higher as compared to BCBS

Countercyclical capital and provisioning requirements

- Proactive regulatory approach
 - Increase in provisioning requirements on non performing and restructured assets
 - Proactive adjustments of risk weights for loans depending on economic cycle

Agenda

India: macroeconomic scenario

Indian banking sector

ICICI Group



Transformation over the years

Development Finance

Project finance to India's corporate sector

1955

Commercial Banking

Capitalising on liberalisation of financial sector

1994

Retail Banking

First mover in consumption led growth opportunity

1998

Insurance

Becoming a universal bank

2000

International

Serving Indian MNCs, NRIs and local communities

2003

Strong diversified financial services franchise

ICICI Bank

Largest private sector bank

74%

**Life Insurance
(JV with Prudential)**

Largest private sector life insurer

74%

**General Insurance
(JV with Fairfax)**

Largest private sector general insurer

51%

**Asset Management
(JV with Prudential)**

Among top three mutual funds

100%

**Private Equity
(Wholly owned)**

Leading private equity company

100%

**Securities
(Wholly owned)**

Leading securities & broking company



Growth over the years

	1995 ¹	CAGR	Current
Branches	6	40%	~3,600
ATMs	-		11,215
Employee base	~1,200	24%	~71,500
Assets (US\$ billion)	3	21%	114
Profit after tax (US\$ billion) ²	0.1	19%	1.5
Consolidated PAT (US\$ billion) ²	0.1	20%	1.8

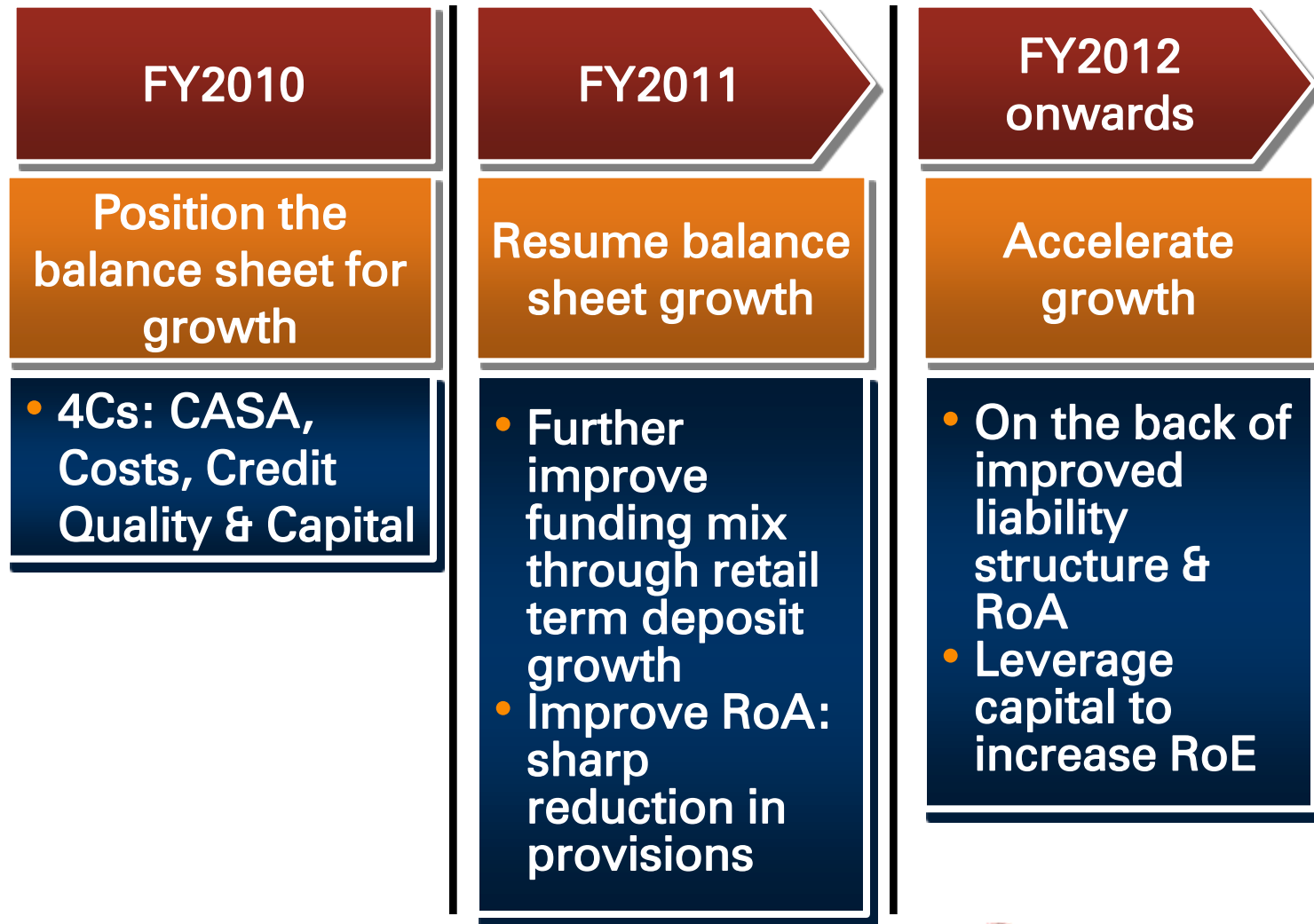
1. ICICI Limited and ICICI Bank combined
2. Current PAT refers to FY2013

Investment grade ratings

	Rating
Moody's	Baa2
S&P	BBB-

Ratings for senior unsecured debt

Our strategic path



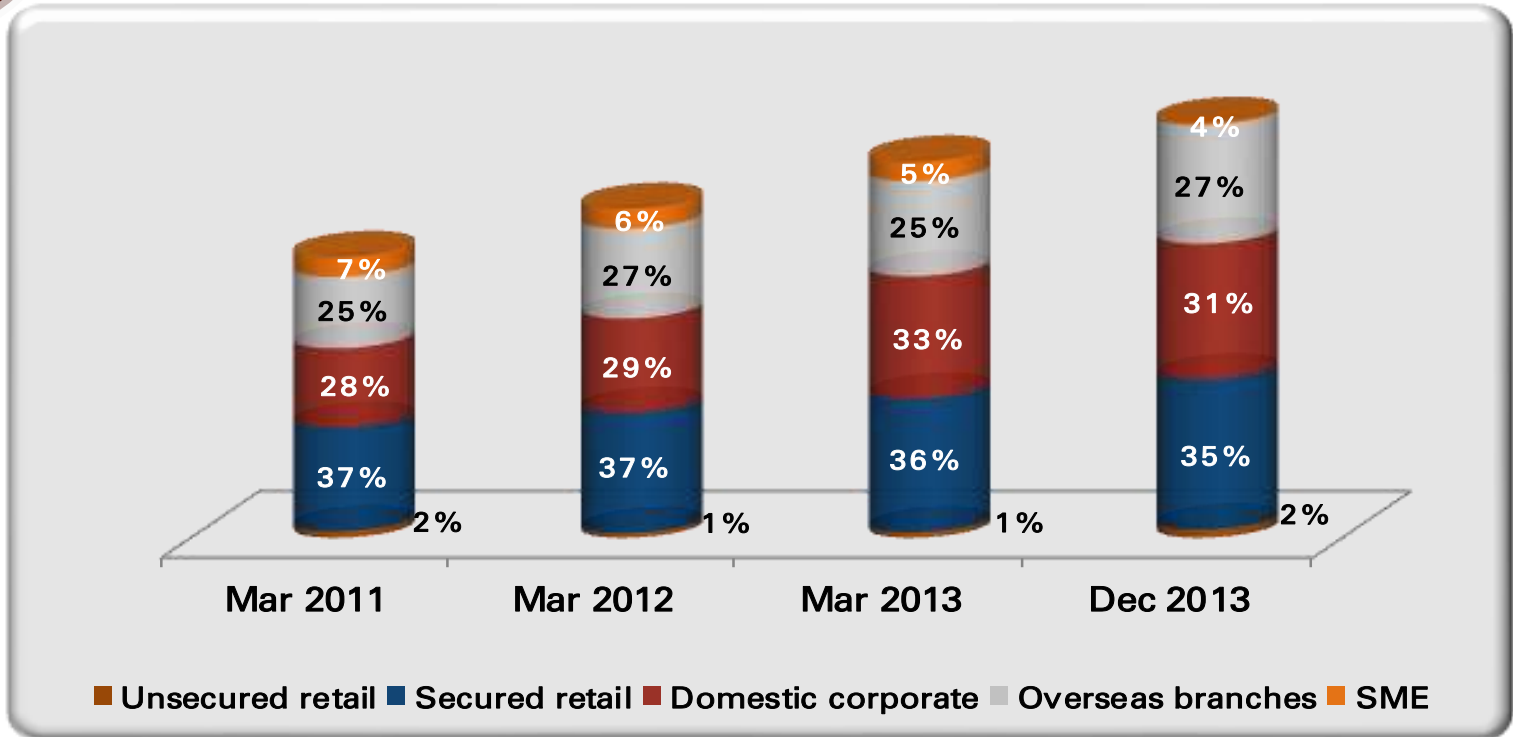
Based on long-term economic growth outlook for the Indian economy



Significant improvement in asset and funding profile



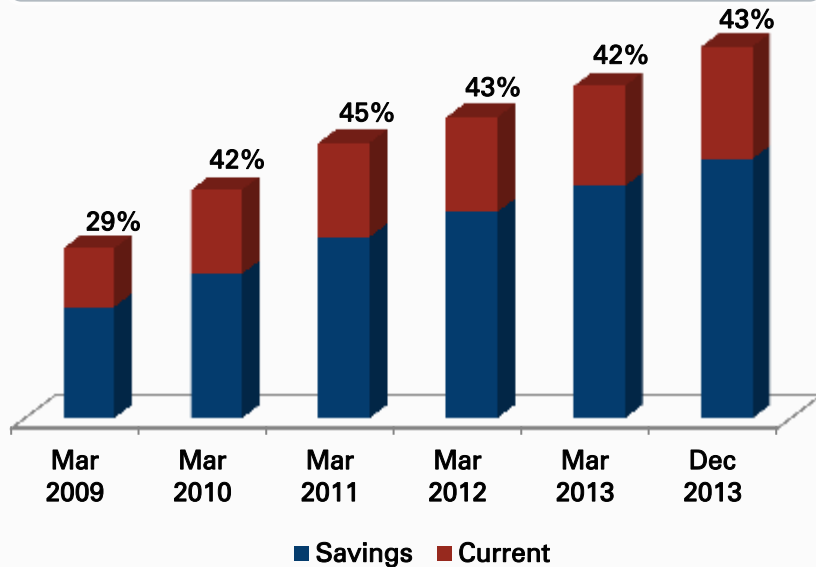
Healthy mix and calibrated growth



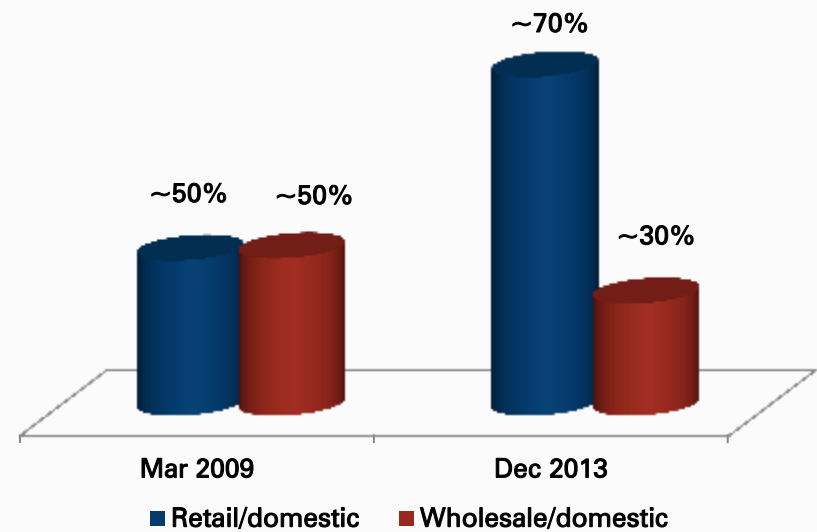
Retail segment expected to be key growth driver going forward

Building a low cost and granular base

CASA deposits



Retail deposits

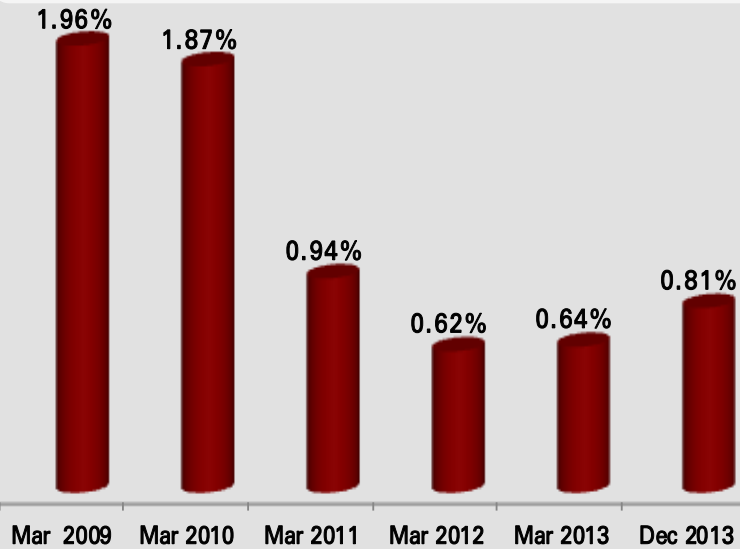


Increasing proportion of CASA and retail deposits

**Asset
quality**

Improvement in trends over years

Net NPA ratio



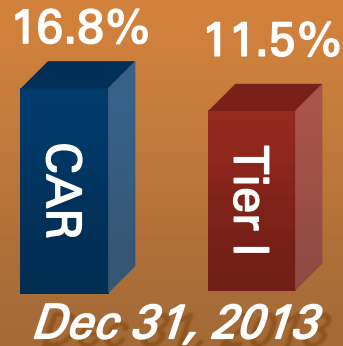
**Net NPA ratio well below
industry average**

**Provisioning coverage healthy at 70.0% at December
2013**

Capital

Strong capital position

Capital



Including profits for 9M-2014, Basel III tier 1 ratio at over 12.5% at December 31, 2013

Among the best capitalised large Indian banks



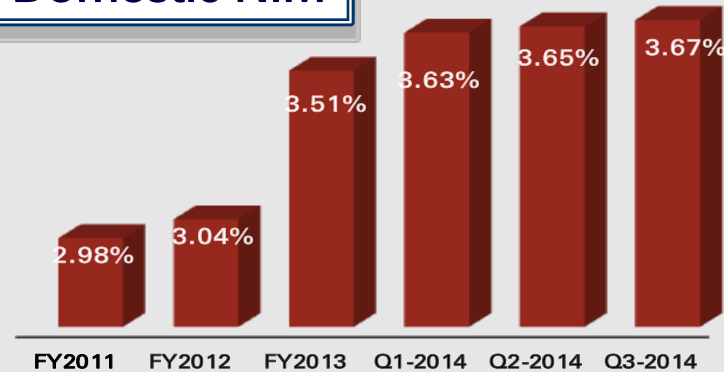
Sustained improvement in financial performance



Granular
income

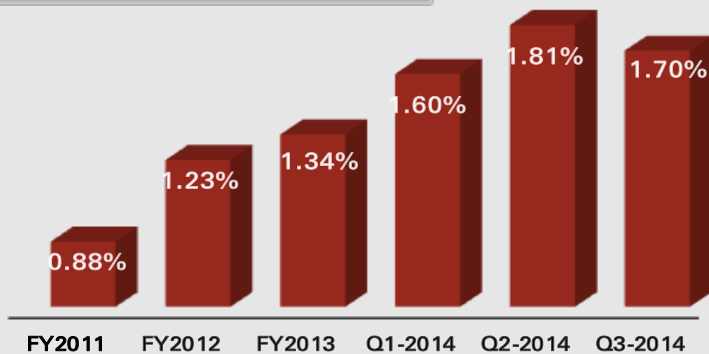
Sustained improvement across businesses

Domestic NIM



Improvement in funding base

International NIM



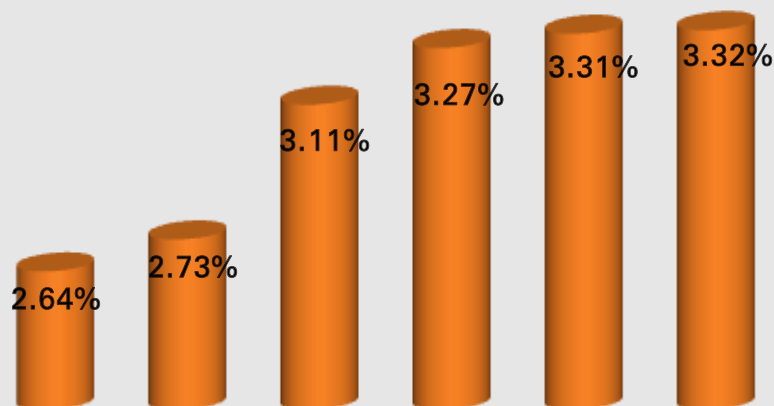
Bond/loan repayments covered
by asset maturities; no
refinancing risk



**Granular
income**

Substantial increase in overall NIMs

Overall NIM



**Driven by profit and
margin focus across
domestic and international
businesses**

~65 bps improvement in overall NIM since FY2011



**Granular
income**

Steady fee streams

Retail fees

Forex & derivative

Commercial banking

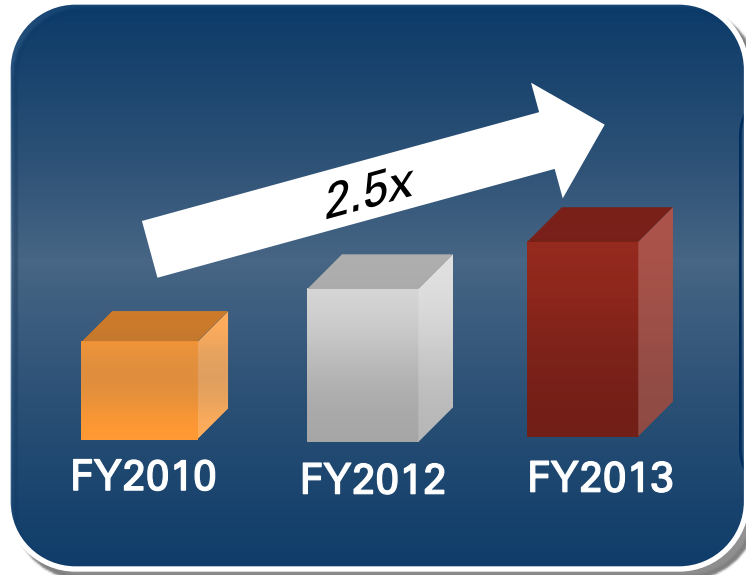
**Focus on building granular
and stable revenues**

Overall fee growth of 13% y-o-y in 9M-2014



**Granular
income**

Regular and increasing dividend income



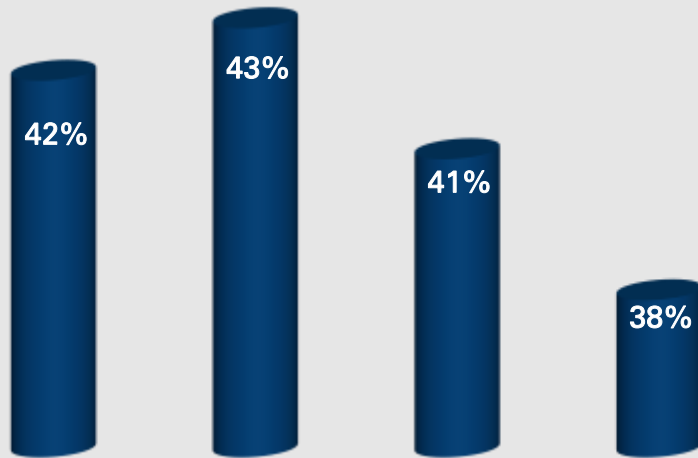
- Diversified financial services franchise yielding high returns
- Remains healthy with increased payout by ICICI Life

Contributing to increase in non-interest income

**Operating
efficiency**

Driving efficiency on larger network and business

Cost-income %



FY2011

FY2012

FY2013

9M-2014

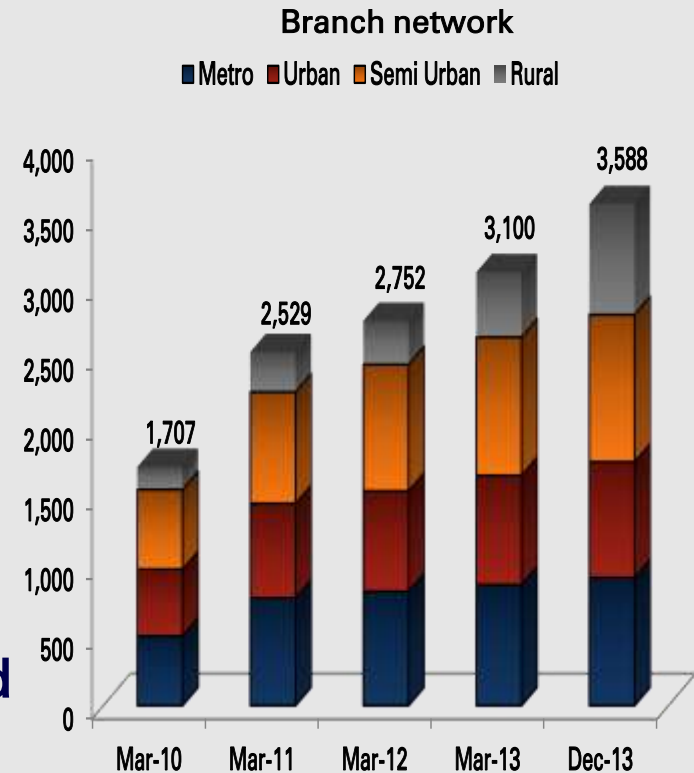
- **Sustaining best in class cost-income ratios**
- **Despite significant scale up in infrastructure**

Focus on cost efficiency to continue



Significant scale up in physical presence

- Network of 3,588 at Dec 2013; largest in private sector banks
 - Supplemented by >11,000 ATMs
- Largest rural branch network among private sector banks
 - ~75% of branch additions since March 2012 in rural and semi-urban areas



Technology

Efficiency & differentiated customer proposition

Advanced mobile banking platform

Leveraging social networking platforms

24x7 electronic branch; Tab banking

Supporting customer service & cost efficiency

Enhanced ATM functionality

"Money2India Mobile App" for NRIs

"MySavings Rewards" program



Insurance

- Life insurance: sustained profitability; growth and margins to stabilise following regulatory changes
- General insurance: maintains leadership position in private sector; healthy profitability

Asset
management &
broking

- Focus on maintaining market position
- Business performance linked to market conditions; however, franchises remain profitable

Return profile

Consistent delivery against stated objectives

Standalone RoA



Over 70 bps improvement over FY2009

Consolidated RoE



Near doubling of consolidated RoE since FY2009



Key strengths

Well capacitated for future growth

Diversified business lines

- Presence across all segments of financial services

Build up of branch network

- Scaled up to 3,588 branches at December 31, 2013
- Largest branch network among private sector banks¹

Strong capital base

- CAR of 16.81%² with Tier 1 ratio of 11.53%² at December 31, 2013 as per RBI's guidelines on Basel III norms

1. Source: Quarterly financial disclosures of other private sector banks

2. Excluding profits for nine months ended December 31, 2013



Thank you





Financial results



Profit & loss statement

(₹ billion)

	FY 2013	Q3- 2013	9M- 2013	Q2- 2014	Q3- 2014	9M- 2014	Q3-o-Q3 growth
NII	138.66	34.99	100.63	40.44	42.55	121.19	21.6%
Non-interest income	83.46	22.15	61.38	21.66	28.01	74.52	26.5%
- Fee income	69.01	17.71	51.26	19.94	19.97	57.84	12.8%
- Other income	9.50	1.93	6.09	2.51	3.57	8.97	85.0%
- Treasury income	4.95	2.51	4.03	(0.79)	4.47	7.71	78.1%
Total income	222.12	57.14	162.01	62.10	70.56	195.71	23.5%
Operating expenses ¹	90.13	22.61	66.06	23.22	26.17	74.30	15.7%
Operating profit	131.99	34.53	95.95	38.88	44.39	121.41	28.6%

1. Includes commissions paid to direct marketing agents (DMAs) for origination of retail loans and lease depreciation



Profit & loss statement

(₹ billion)

	FY 2013	Q3-2013	9M-2013	Q2-2014	Q3-2014	9M-2014	Q3-o-Q3 growth
Operating profit	131.99	34.53	95.95	38.88	44.39	121.41	28.6%
Provisions	18.03	3.69	13.42	6.25	6.95	19.13	88.3%
Profit before tax	113.96	30.84	82.53	32.63	37.44	102.28	21.4%
Tax	30.71	8.34	22.32	9.11	12.12 ¹	30.70 ¹	45.3%
Profit after tax	83.25	22.50	60.21	23.52	25.32	71.58	12.5%

1. Includes additional tax provision of ₹ 2.15 billion for deferred tax liability on Special Reserve for 9M-2014



Balance sheet: Assets

(₹ billion)

	December 31, 2012	September 30, 2013	December 31, 2013	Y-o-Y growth
Cash & bank balances	411.29	335.81	325.26	(20.9)%
Investments	1,668.42	1,688.29	1,719.85	3.1%
- SLR investments	924.11	986.20	999.45	8.2%
- Equity investment in subsidiaries	124.53	120.23	120.23	(3.4)%
- RIDF ¹ and related	193.42	229.40	222.54	15.1%
Advances ²	2,867.66	3,177.86	3,326.32	16.0%
Fixed & other assets	326.02	433.12	369.83	13.4%
Total assets²	5,273.39	5,635.08	5,741.26	8.9%

- Net investment in security receipts of asset reconstruction companies was ₹ 10.14 bn at December 31, 2013 (September 30, 2013: ₹ 10.91 bn)
- Net credit derivative portfolio completely wound down at December 31, 2013 compared to US\$ 2 mn at September 30, 2013 and US\$ 59 mn at December 31, 2012

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



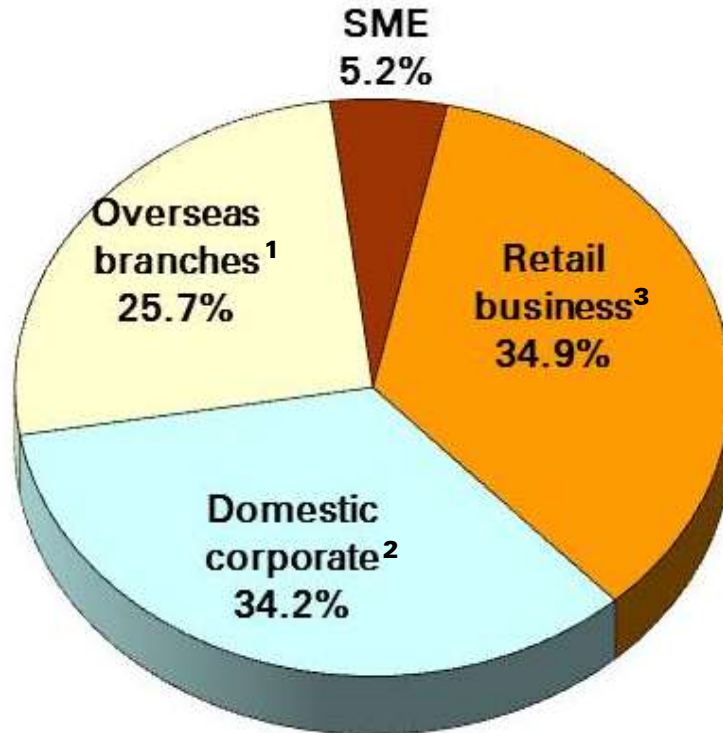
Loan book classification: reporting from March 2013

Nature of loan	Earlier reported in	Now reported in
Builder finance	Retail - home	Domestic corporate
Loans to small businesses	SME	Retail - business banking
Dealer funding	Retail - other secured	Retail - business banking
Rural retail i.e. portfolios like jewel loans, farm equipment loans etc.	Rural	Retail - others
Loans to SMEs related to agriculture	Rural	SME
Loans to corporates related to agriculture	Rural	Domestic corporate



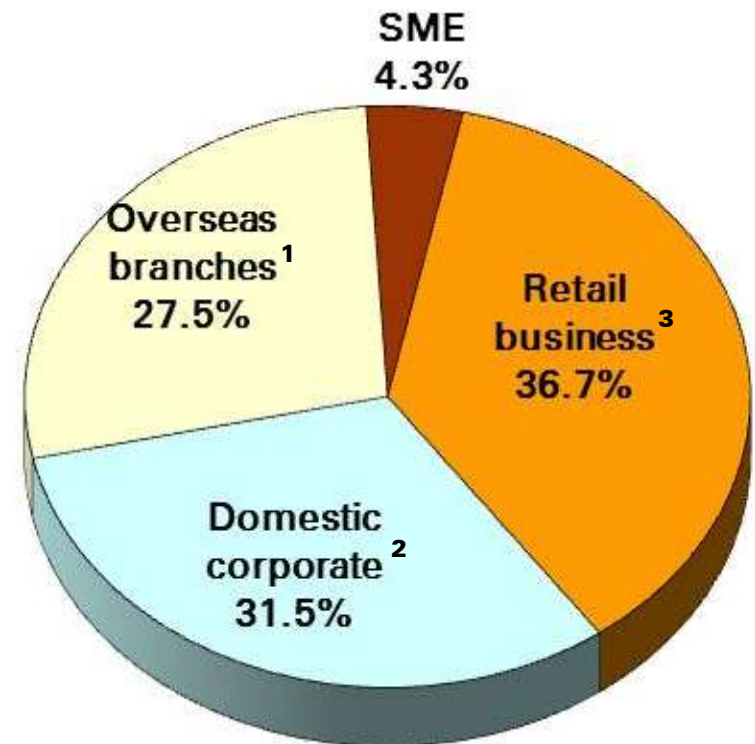
Composition of loan book (y-o-y)

December 31, 2012



Total loan book: ₹ 2,868 bn

December 31, 2013



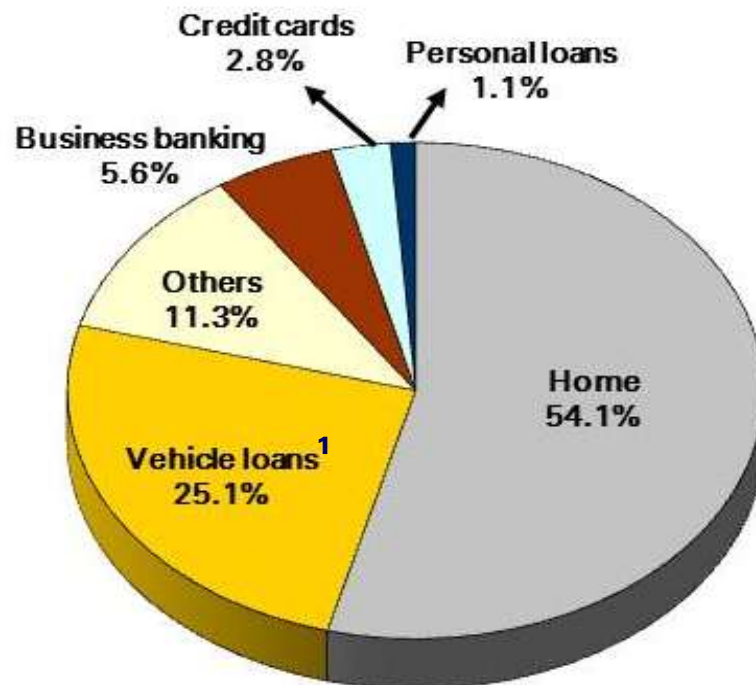
Total loan book: ₹ 3,326 bn

1. Including impact of exchange rate movement
2. Domestic corporate loans include builder finance
3. Including buyouts & inter-bank participation certificates

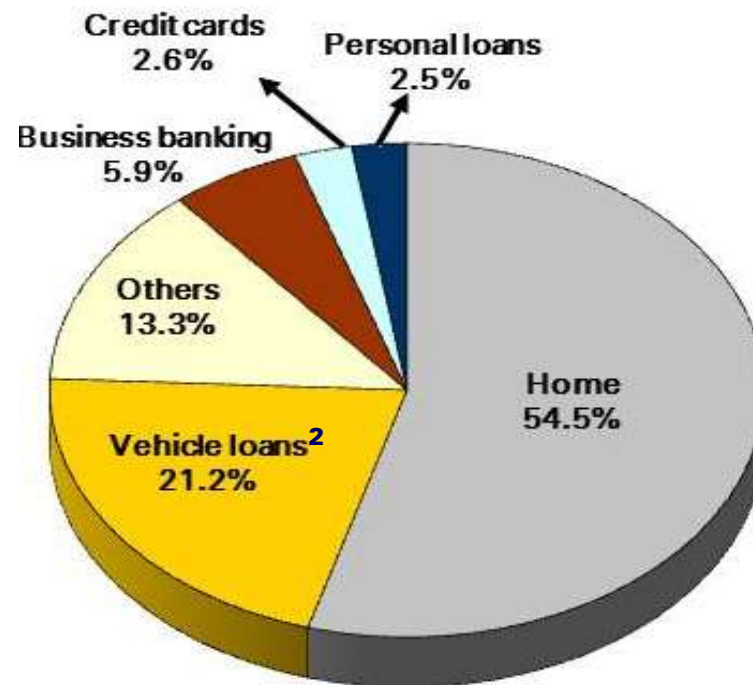


Composition of retail loan book (y-o-y)

December 31, 2012



December 31, 2013



Total retail loan book: ₹ 999 bn

Total retail loan book: ₹ 1,222 bn

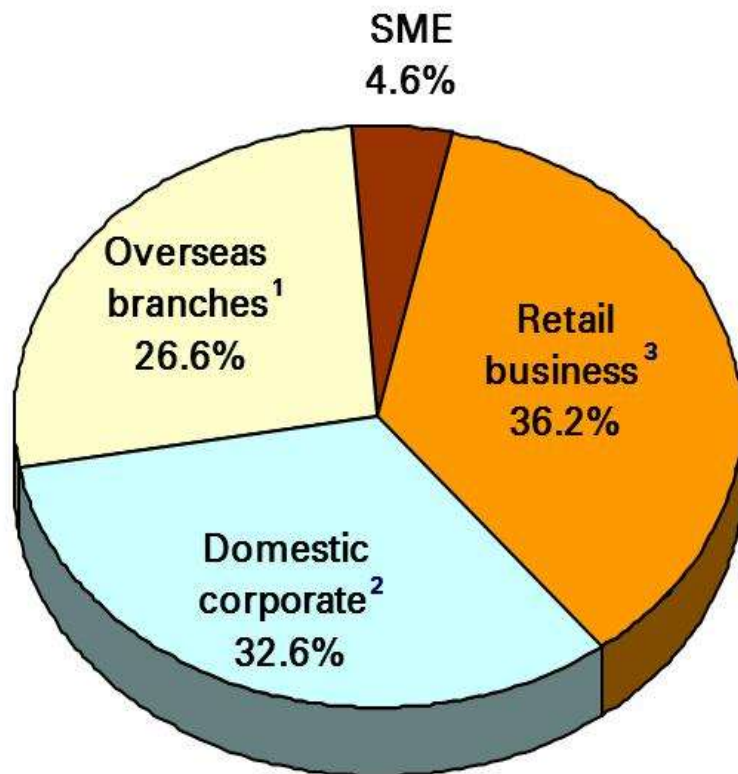
- Total retail advances growth of 22.3%

1. December 31, 2012 : Vehicle loans includes auto loans 10.0%, commercial business 15.1%
2. December 31, 2013: Vehicle loans includes auto loans 11.0%, commercial business 10.2%



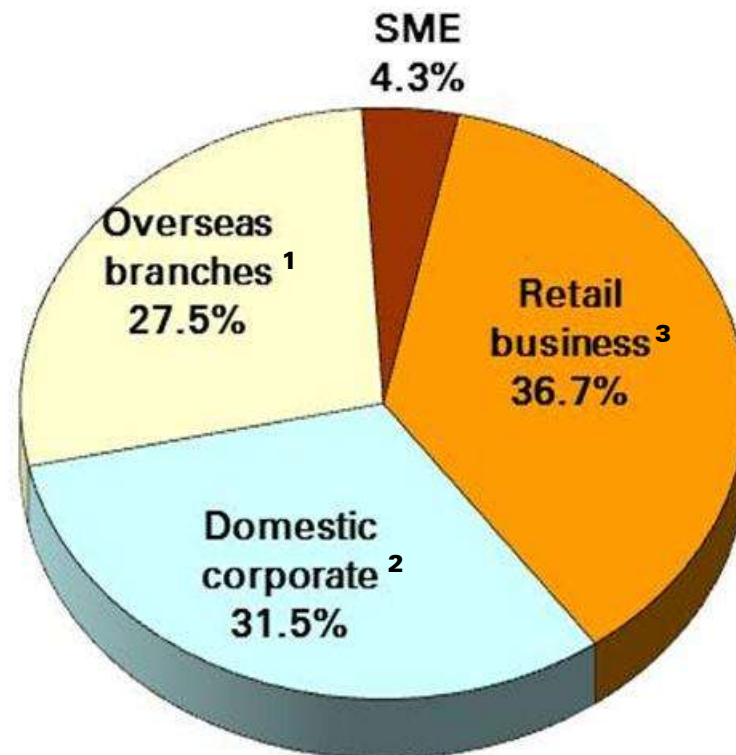
Composition of loan book (q-o-q)

September 30, 2013



Total loan book: ₹ 3,178 bn

December 31, 2013



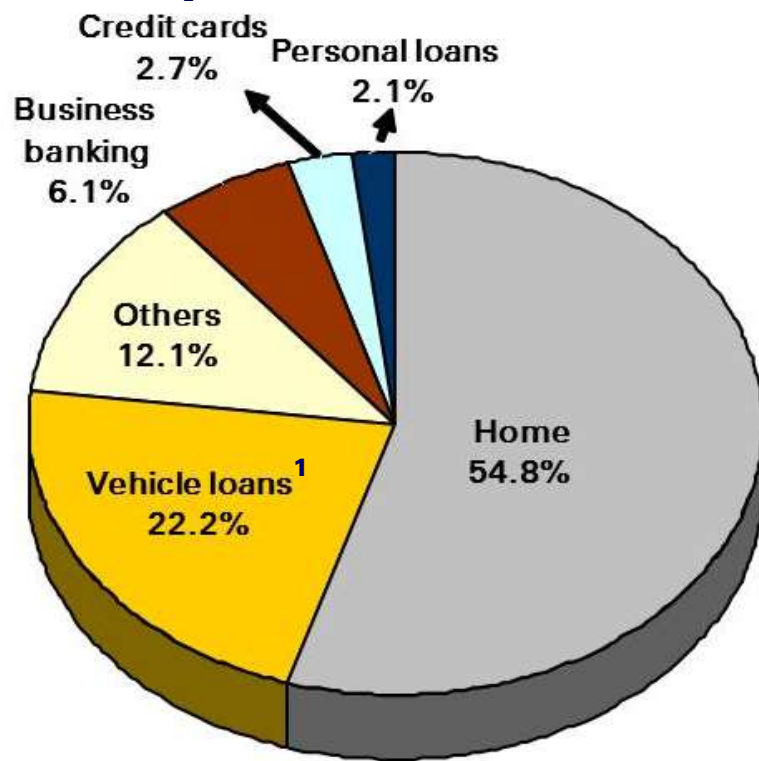
Total loan book: ₹ 3,326 bn

1. Including impact of exchange rate movement
2. Domestic corporate loans include builder finance
3. Including buyouts & inter-bank participation certificates

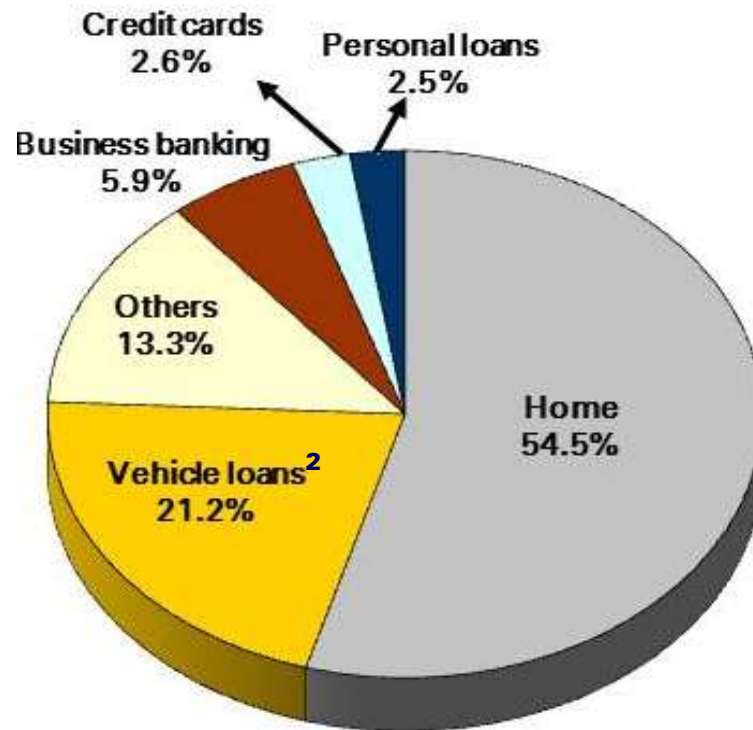


Composition of retail loan book (q-o-q)

September 30, 2013



December 31, 2013



Total retail loan book: ₹ 1,151 bn

Total retail loan book: ₹ 1,222 bn

1. September 30, 2013: Vehicle loans includes auto loans 10.5%, commercial business 11.7%
2. December 31, 2013: Vehicle loans includes auto loans 11.0%, commercial business 10.2%



Equity investment in subsidiaries

(₹ billion)

	December 31, 2012	September 30, 2013	December 31, 2013
ICICI Prudential Life Insurance	35.93	35.93	35.93
ICICI Bank Canada	33.50	30.51	30.51
ICICI Bank UK	23.25	21.20	21.20
ICICI Lombard General Insurance	13.48	14.22	14.22
ICICI Home Finance	11.12	11.12	11.12
ICICI Bank Eurasia LLC	3.00	3.00	3.00
ICICI Securities Limited	1.87	1.87	1.87
ICICI Securities Primary Dealership	1.58	1.58	1.58
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	124.53	120.23	120.23



Balance sheet: Liabilities

(₹ billion)

	December 31, 2012	September 30, 2013	December 31, 2013	Y-o-Y growth
Net worth	671.19	731.03	740.57	10.3%
- Equity capital	11.53	11.54	11.55	0.2%
- Reserves ¹	659.65	719.49	729.02	10.5%
Deposits	2,864.18	3,090.46	3,169.70	10.7%
- Savings	814.63	935.35	957.25	17.5%
- Current	356.74	403.73	414.41	16.2%
Borrowings ^{2,3}	1,471.49	1,453.56	1,509.40	2.6%
Other liabilities ³	266.53	360.03	321.59	20.7%
Total liabilities²	5,273.39	5,635.08	5,741.26	8.9%

1. During the three months ended December 31, 2013, the Bank has created a DTL of ₹ 14.19 billion on Special Reserve outstanding at March 31, 2013, by reducing the reserves
2. Borrowings include preference shares amounting to ₹ 3.50 bn
3. Including impact of exchange rate movement

- Credit/deposit ratio of 80.5% on the domestic balance sheet at December 31, 2013



Composition of borrowings

(₹ billion)

	December 31, 2012	September 30, 2013	December 31, 2013
Domestic	779.59	697.12	692.17
- Capital instruments ¹	388.37	387.71	386.88
- Other borrowings	391.22	309.42	305.29
Overseas ²	691.90	756.44	817.23
- Capital instruments	18.65	21.24	20.97
- Other borrowings	673.25	735.20	796.26
Total borrowings²	1,471.49	1,453.56	1,509.40

1. Includes preference share capital ₹ 3.50 bn
2. Including impact of exchange rate movement

- Capital instruments constitute 55.9% of domestic borrowings



Capital adequacy

Standalone Basel III	September 30, 2013		December 31, 2013	
	₹ bn	%	₹ bn	%
Total Capital ¹	820.38	16.50%	843.87	16.81%
- Tier I	563.24	11.33%	578.70	11.53%
- Tier II	257.14	5.17%	265.17	5.28%
Risk weighted assets	4,971.00		5,018.83	
-On balance sheet	3,798.66		3,863.45	
-Off balance sheet	1,172.34		1,155.38	

1. In line with applicable guidelines, the Basel III capital ratios reported by the Bank for the interim periods do not include the profits for the period

- Including the profits for 9M-2014, the capital adequacy ratio for the Bank as per Basel III norms would have been 17.94% and the Tier I ratio would have been 12.66%
- On a consolidated basis, excluding profits, the total capital adequacy ratio as per Basel III norms is 17.45%; Tier-1 capital adequacy is 11.70%



Asset quality and provisioning

(₹ billion)

	December 31, 2012	September 30, 2013	December 31, 2013
Gross NPAs	98.03	100.78	104.48
Less: Cumulative provisions	76.18	73.71	73.27
Net NPAs	21.85	27.07	31.21
Net NPA ratio	0.64%	0.73%	0.81%

- Gross retail NPLs at ₹ 44.43 bn and net retail NPLs at ₹ 7.88 bn at December 31, 2013 as compared to ₹ 64.84 bn and ₹ 8.81 bn respectively at December 31, 2012¹
- Provisioning coverage ratio of 70.0% at December 31, 2013 computed in accordance with RBI guidelines
- Net loans to companies whose facilities have been restructured at ₹ 86.02 bn at December 31, 2013 compared to ₹ 68.26 bn at September 30, 2013 and ₹ 45.75 bn at December 31, 2012
- Outstanding general provision on standard assets: ₹ 18.49 bn at December 31, 2013

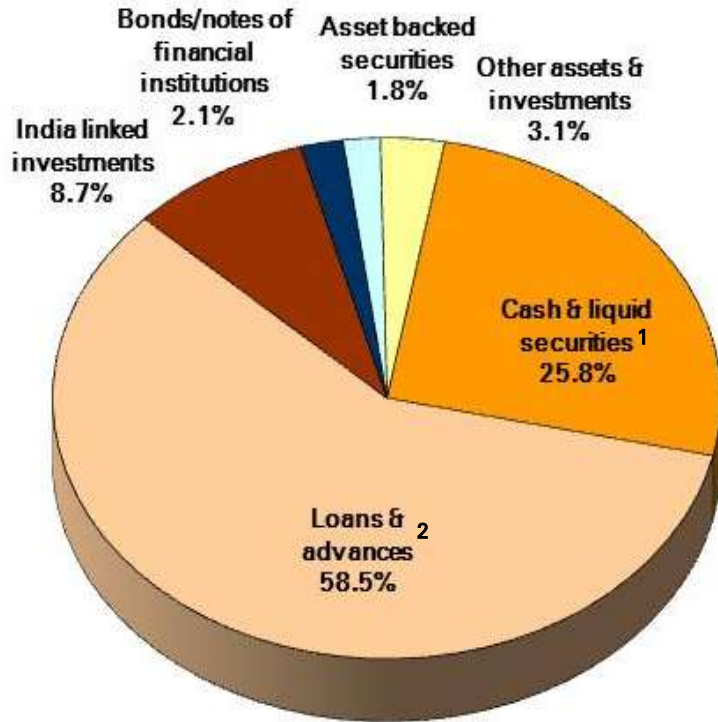
1. Based on revised definition of retail loans

Overseas subsidiaries



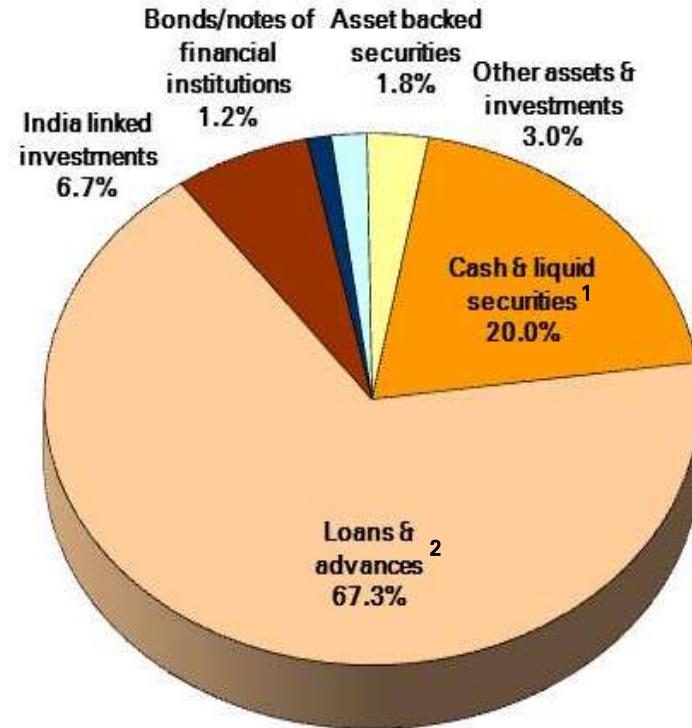
ICICI Bank UK asset profile

September 30, 2013



Total assets: USD 4.2 bn

December 31, 2013



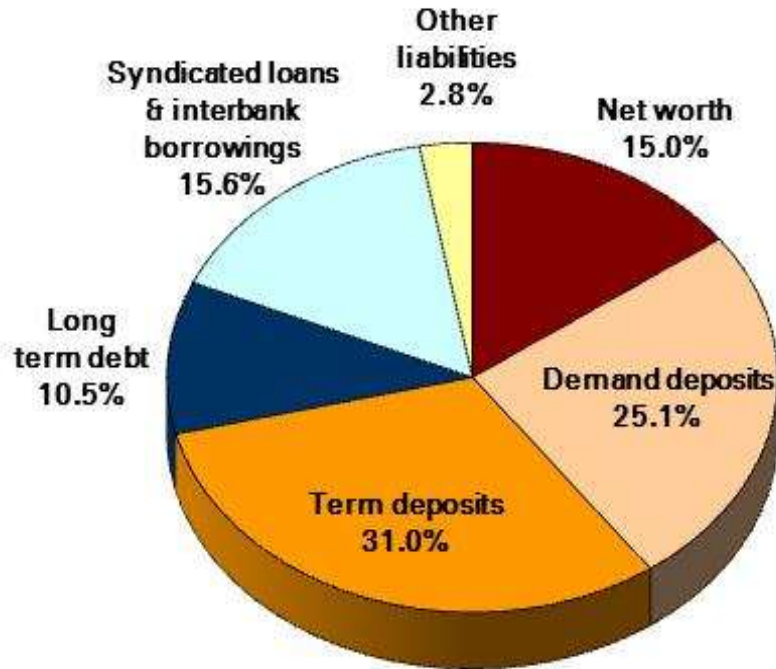
Total assets: USD 4.4 bn

1. Includes cash & advances to banks, T Bills
2. Includes securities re-classified to loans & advances



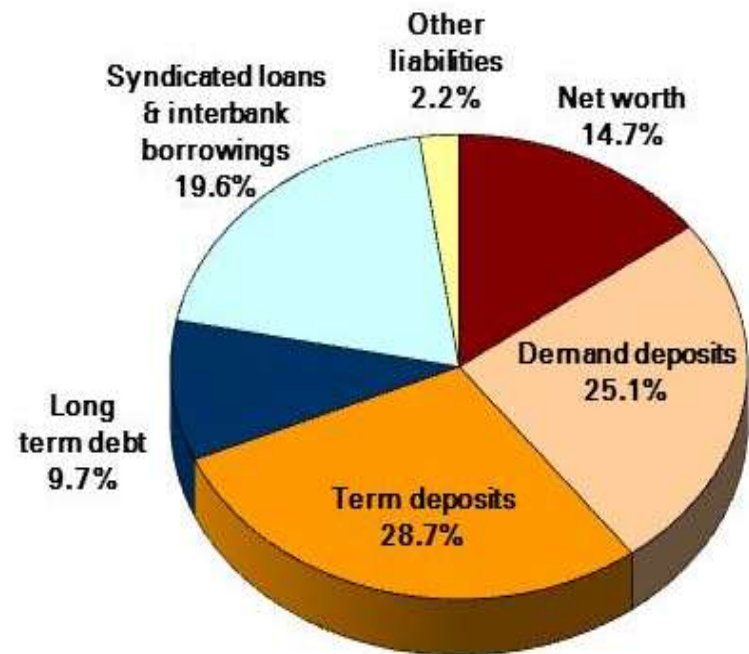
ICICI Bank UK liability profile

September 30, 2013



Total liabilities: USD 4.2 bn

December 31, 2013



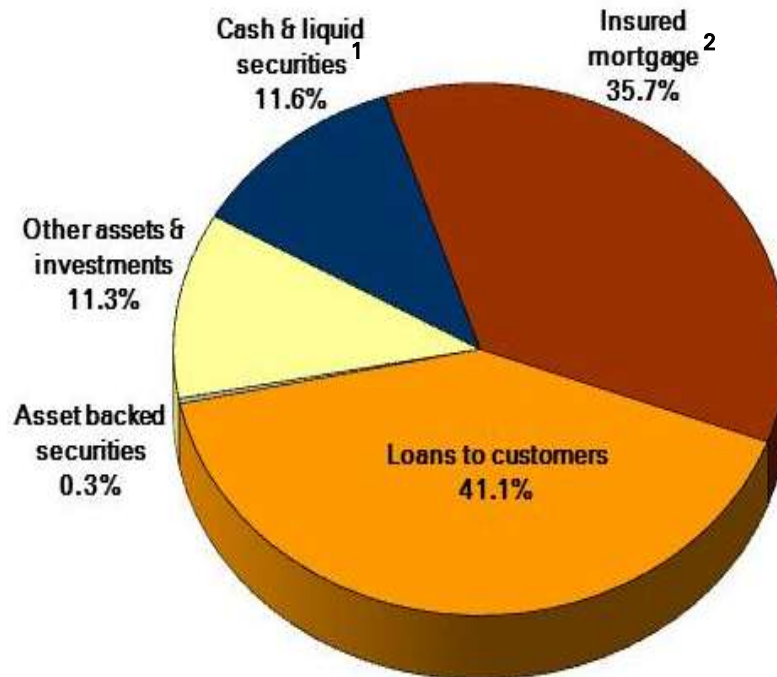
Total liabilities: USD 4.4 bn

- Profit after tax of US\$ 8.5 mn in Q3-2014 compared to US\$ 5.4 mn in Q3-2013
- Capital adequacy ratio at 24.4%
- Proportion of retail term deposits in total deposits at 36% at December 31, 2013



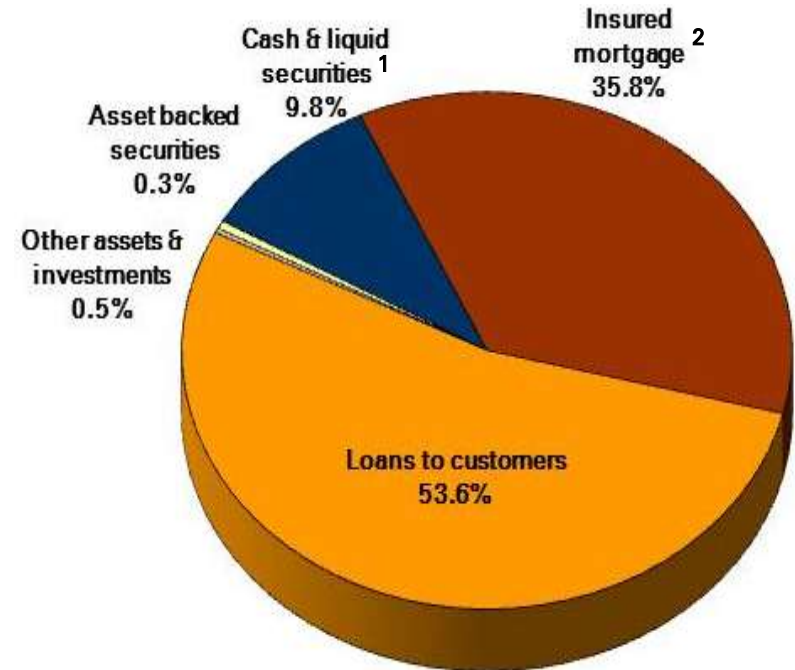
ICICI Bank Canada asset profile

September 30, 2013



Total assets: CAD 5.3 bn

December 31, 2013



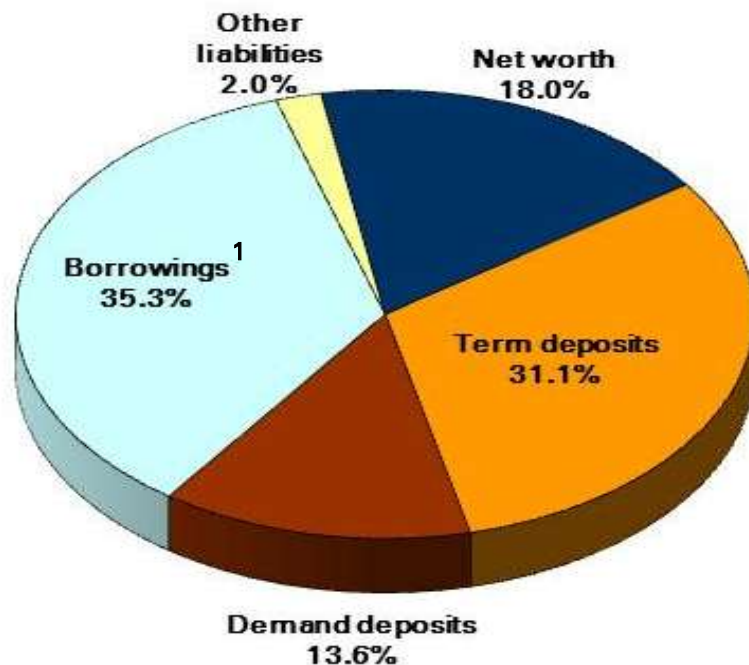
Total assets: CAD 5.3 bn

1. Includes cash & advances to banks and government securities
2. Based on IFRS, securitised portfolio of CAD 1,815 mn and CAD 1,818 mn considered as part of Insured mortgage portfolio at September 30, 2013 and December 31, 2013 respectively



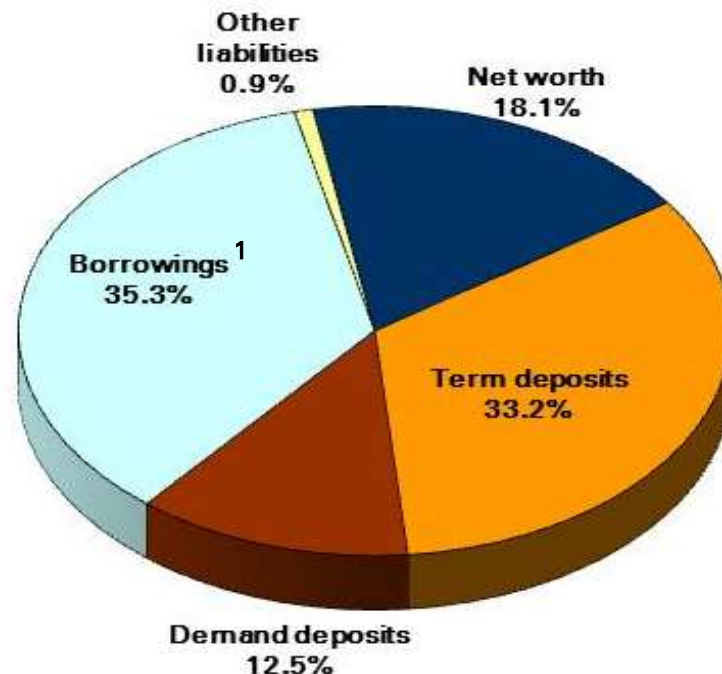
ICICI Bank Canada liability profile

September 30, 2013



Total liabilities: CAD 5.3 bn

December 31, 2013



Total liabilities: CAD 5.3 bn

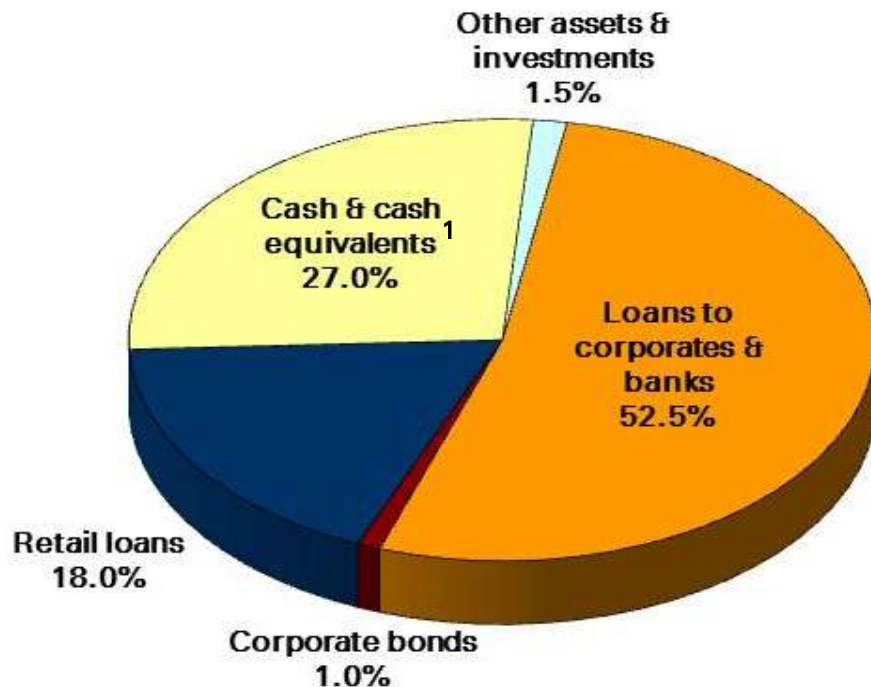
- Profit after tax of CAD 10.0 mn in Q3-2014 compared to CAD 8.3 mn in Q3-2013
- Capital adequacy ratio at 31.6%

1. As per IFRS, proceeds of CAD 1,809 mn and CAD 1,815 mn from sale of securitised portfolio considered as part of borrowings at September 30, 2013 and December 31, 2013 respectively



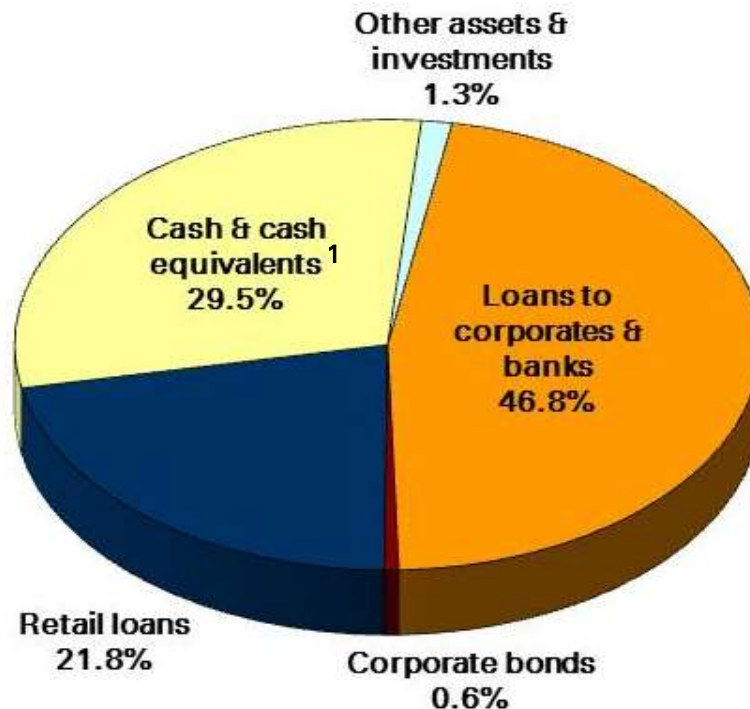
ICICI Bank Eurasia asset profile

September 30, 2013



Total assets: USD 182 mn

December 31, 2013



Total assets: USD 144 mn

- Total borrowings of USD 67 mn at December 31, 2013
- Capital adequacy of 41.6% at December 31, 2013
- Net profit of USD 0.1 mn in Q3-2014 compared to USD 2.4 mn in Q3-2013

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



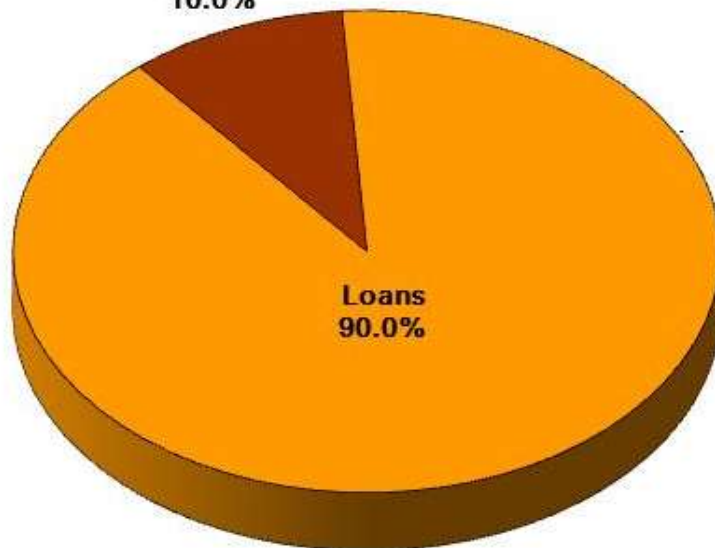
Domestic subsidiaries



ICICI Home Finance

September 30, 2013

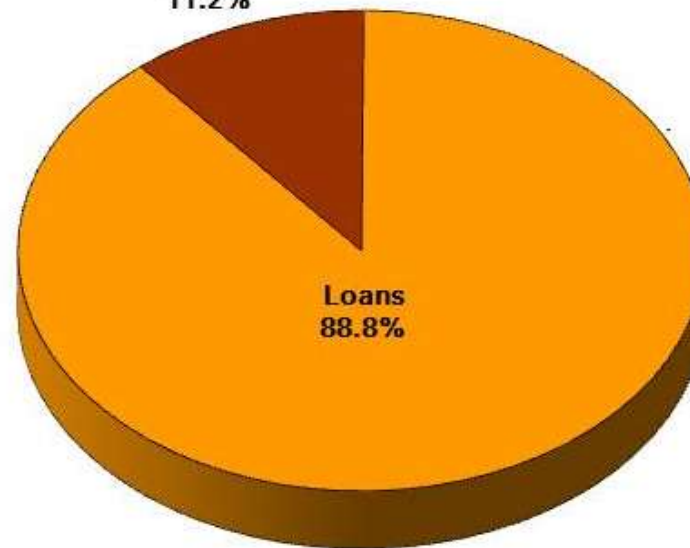
Investments and other assets
10.0%



Total assets: ₹ 69.68 bn

December 31, 2013

Investments and other assets
11.2%



Total assets: ₹ 71.68 bn

- Profit after tax of ₹ 516.7 mn in Q3-2014 compared to ₹ 533.7 mn in Q3-2013
- Capital adequacy ratio of 32.2% at December 31, 2013
- Net NPA ratio: 0.8%
- At December 31, 2013: Networth ₹ 15.11 bn; Deposits ₹ 3.34 bn and Borrowings & other liabilities ₹ 52.23 bn

ICICI Life

(₹ billion)

	Q3-2013	Q3-2014	FY2013
New business received premium	11.05	9.33	48.08
Renewal premium	21.02	20.95	87.30
Total premium	32.07	30.28	135.38
Annualised premium equivalent (APE)	9.04	8.68	35.32
New Business Profit (NBP) ¹	1.36	0.95	5.29
NBP margin	15.0%	10.9%	15.0%
Statutory profit	3.97	4.28	14.96
Assets Under Management	749.82	773.93	741.64
Expense ratio ²	19.4%	18.2%	19.2%

- Sustained leadership in private space with an overall market share of 7.2%³ for H1-2014
 - Private sector market share increased from 18.3% in H1-2013 to 19.9% in H1-2014

1. On Traditional Embedded Value basis; post tax
2. All expenses (including commission) / (Total premium – 90% of single premium)
3. Source: IRDA (new business retail weighted premium)



ICICI General

(₹ billion)

	Q3-2013	Q3-2014	FY2013
Gross premium ¹	16.87	17.38	64.20
PAT	0.95	0.76	3.06 ²

- Profit after tax of ₹ 4.35 billion for 9M-2014 compared to ₹ 2.79 billion in 9M-2013
- Market share based on gross written premium was 9.6%³ for April-November 2013

1. Excluding remittances from third party motor pool (the Pool) and including premium on reinsurance accepted
2. Includes impact of third party motor pool losses on account of actuarial valuation of the liability for the period FY2007 to FY2012
3. Source: IRDA



Other subsidiaries

(₹ billion)

Profit after tax	Q3-2013	Q3-2014	FY2013
ICICI Securities (Consolidated)	0.28	0.35	0.64
ICICI Securities Primary Dealership	0.23	0.48	1.22
ICICI Venture	0.04	0.07	0.20
ICICI Prudential Asset Management	0.28	0.47	1.10

- 16.9% increase in consolidated profit after tax from ₹ 71.12 bn in 9M-2013 to ₹ 83.17 bn in 9M-2014
 - 8.6% increase in consolidated profit after tax from ₹ 26.45 bn in Q3-2013 to ₹ 28.72 bn in Q3-2014
- Consolidated return on average net worth for 9M-2014 at 15.1% compared to 14.6% for 9M-2013 (14.7% for FY2013)
 - Consolidated return on average net worth (annualised) for Q3-2014 at 15.0% compared to 15.7% for Q3-2013



Key ratios



Key ratios (consolidated)

(Percent)

	FY 2013	Q3- 2013	9M- 2013	Q2- 2014	Q3- 2014	9M- 2014
Return on average networth ^{1,2} (consolidated)	14.7	15.7	14.6	14.6	15.0	15.1
Weighted avg EPS (₹) ²	83.3	91.0	81.9	92.7	98.7	95.6
Book value (₹)	607	598	598	657	668	668

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



Key ratios (standalone)

(Percent)

	FY 2013	Q3- 2013	9M- 2013	Q2- 2014	Q3- 2014	9M- 2014
Return on average networth ¹	12.9	13.6	12.5	13.0	13.7	13.4
Return on average assets ¹	1.66	1.76	1.61	1.70	1.75	1.73
Weighted avg EPS (₹) ¹	72.2	77.4	69.3	80.8	87.0	82.3
Book value (₹)	578	582	582	633	641	641
Net interest margin ¹	3.11	3.07	3.03	3.31	3.32	3.30
Fee to income	31.1	31.0	31.7	32.1	28.3	29.6
Cost to income	40.5	39.5	40.7	37.3	37.0	37.9
Average CASA ratio	38.0	37.4	38.0	40.3	39.1	39.5

1. Annualised for all interim periods

