ICICI Bank Basel II – Pillar 3 Disclosures
For the six months ended September 30, 2009

1. SCOPE OF APPLICATION

a. Capital deficiency

Majority owned financial entities that are not consolidated for capital adequacy purposes and for which the investment in equity and other instruments eligible for regulatory capital status is deducted from capital, meet their respective regulatory capital requirements at all times. There is no deficiency in capital in any of the subsidiaries of the Bank at September 30, 2009. ICICI Bank maintains an active oversight on all its subsidiaries through their respective Boards and regular updates to the Board of the Bank. On a periodic basis the capital adequacy/solvency position of subsidiaries (banking, non-banking and insurance subsidiaries), as per the applicable regulations, is reported to their respective Boards as well as to the Board of the Bank.

b. Bank's interest in insurance entities

The details of the Bank's interest in its insurance subsidiaries at September 30, 2009 are as follows:

Rupees in billion

Name of the entity	Country of incorporation	Ownership interest	Book value of investment
ICICI Prudential Life Insurance Co. Ltd.	India	73.94%	35.93
ICICI Lombard General Insurance Co. Ltd.	India	73.81%	10.96

The quantitative impact on regulatory capital of using risk weighted investments method versus using the deduction method is set out in the following table:

Rupees in billion

Method	Quantitative impact
Deduction method	46.89
Capital at 9% based on risk weighted assets	4.22

2. CAPITAL STRUCTURE

a. Amount of Tier-1 capital (September 30, 2009)

Rupees in billion

	Amount
Paid-up share capital[1]	12.66
Reserves[2]	498.53
Innovative Tier-1 capital instruments	29.29
Gross Tier-1 capital	**540.48**
Deductions:	
Investments in instruments eligible for regulatory capital of financial subsidiaries/associates	68.63
Securitisation exposures, including credit enhancements	21.04

Intangible assets: deferred tax assets	19.39
Net Tier-1 capital	**431.42**

1. Includes preference shares permitted by RBI for inclusion in Tier-1 capital.
2. Includes statutory reserves, disclosed free reserves and capital reserves.

b. Amount of Tier-2 capital (September 30, 2009)

Rupees in billion

	Amount
General provisions & loss reserves	14.59
Upper Tier-2 capital instruments	117.00
Lower Tier-2 capital instruments	99.75
Gross Tier-2 capital	**231.34**
Deductions :	
Investments in instruments eligible for regulatory capital of financial subsidiaries/associates	68.63
Securitisation exposures, including credit enhancements	21.04
Net Tier-2 capital	**141.67**

c. Debt capital instruments eligible for inclusion in Tier-1 and Tier-2 capital

Rupees in billion

	Lower Tier-1	**Upper Tier-2**	**Lower Tier-2**
Total amount outstanding at September 30, 2009	29.29	117.00	129.21
Of which, amounts raised during the six months ended September 30, 2009	-	10.00	15.00
Amount eligible to be reckoned as capital funds at September 30, 2009	29.29	117.00	99.75

d. Total eligible capital (September 30, 2009)

Rupees in billion

	Amount
Tier-1 capital	431.42
Tier-2 capital	141.67
Total eligible capital	**573.09**

3. CAPITAL ADEQUACY

a. Capital requirements (September 30, 2009)

As required by Basel II RBI guidelines, the Bank's capital requirements have been computed using the Standardised approach for credit risk, Standardised Duration method for market risk and Basic Indicator approach for operational risk. The minimum capital required to be held at 9.00% for credit, market and operational risks were as follows:

Rupees in billion

	Amount
I. Credit risk	
- Exposures subject to standardised approach	245.33
- Securitisation exposure	1.69

Total	**247.02**
II. Market risk	
- Interest rate risk	19.91
- Foreign exchange & gold risk	0.54
- Equity position risk	2.99
Total	**23.45**
III. Operational risk	**21.16**
Total capital requirement at 9% (I+II+III)	**291.63**
Total capital funds of the Bank	**573.09**
Total risk weighted assets	**3,240.32**
Capital adequacy ratio	**17.69%**

b. The capital ratios of the Bank and of its banking subsidiaries at standalone level are as follows:

Capital ratios	**ICICI Bank Ltd**	**ICICI Bank UK PLC**[1]	**ICICI Bank Canada**[1]	**ICICI Bank Eurasia LLC**[1,2]
Tier-1 capital ratio	13.32%	10.89%	21.68%	N.A.
Total capital ratio	17.69%	16.33%	23.22%	21.41%

1. Computed as per capital adequacy guidelines issued by regulators of respective jurisdictions.
2. Total capital ratio is required to be reported in line with regulatory norms stipulated by Central Bank of Russia.

4. CREDIT RISK

a. Gross credit risk exposures (September 30, 2009)

Rupees in billion

	Credit exposure
- Fund-based	2,641.80
- Non-fund based	2,082.01
Total credit risk exposures	**4,723.81**

Credit exposure includes exposure towards term loans, working capital facilities (i.e. funded facilities like cash credit, demand loan, temporary limits and non-funded facilities like letter of credit, acceptances, financial guarantee, performance guarantee), sell-down options, securitisation, derivatives, credit derivatives and investments that are held-to-maturity. Direct claims on domestic sovereign (to the extent of Rs. 544.81 billion), regulatory capital instruments of subsidiaries and investments covered under specific market risk have been excluded.

b. Geographic distribution of exposures (September 30, 2009)

Rupees in billion

	Fund-based	Non-fund based
Domestic	2,118.10	1,790.12
Overseas	523.70	291.89
Total	**2,641.80**	**2,082.01**

c. Industry-wise distribution of exposures (September 30, 2009)

Rupees in billion

Industry	Fund Based	Non-fund based
Retail finance[1]	1,031.21	50.55
Crude petroleum/refining & petrochemicals	177.38	225.95
Electronics & engineering	68.30	286.85
Banks	12.49	321.22
Services - finance	237.25	87.60
Road, port, telecom, urban development & other infrastructure	120.89	196.91
Services - non finance	173.19	131.81
Iron/Steel & products	103.17	119.99
Power	101.82	109.50
Construction	26.03	107.02
Metal & products (excluding iron & steel)	20.83	110.46
Mutual funds	94.02	0.51
Food & beverages	78.16	12.34
Chemical & fertilisers	33.28	42.39
Wholesale / retail trade	26.59	48.24
Shipping	23.28	33.07
Automobiles	30.30	24.04
Drugs & pharmaceuticals	21.36	22.75
Cement	22.05	16.02
Manufacturing products excluding metal	20.77	11.62
Textiles	18.73	9.67
Gems & jewellery	15.46	9.78
FMCG	16.54	3.23
Venture capital funds	11.53	-
Mining	3.55	4.16
Other industries	153.60	96.32
Total	**2,641.80**	**2,082.01**

1. Includes home loans, automobile loans, commercial business loans, two wheeler loans, personal loans, credit cards, dealer funding (Rs. 9.06 billion) and developer financing (Rs. 25.47 billion).

d. Residual contractual maturity break-down of assets (September 30, 2009)

The residual contractual maturity of the Bank's assets at September 30, 2009 is as follows:

Rupees in billion

Maturity buckets	Cash & balances with RBI	Balances with banks & money at call and short notice	Investments	Loans & Advances	Fixed assets	Other assets	Total assets
Next day	90.14	31.21	288.99	7.76	0.04	18.81	**436.95**
2 to 7 days	-	7.70	1.79	15.88	-	10.42	**35.79**
8 to 14 days	-	1.95	2.16	14.76	-	12.11	**30.98**
15 to 28 days	9.45	6.80	52.58	20.85	0.01	24.75	**114.44**
29 days to 3 months	13.55	5.84	69.79	121.98	0.13	6.94	**218.23**
3 to 6 months	12.81	5.29	70.90	169.18	2.54	3.65	**264.37**
6 months to 1 year	17.38	28.98	108.32	223.86	0.44	5.05	**384.03**
1 to 3 years	43.93	4.51	275.52	672.40	0.35	8.43	**1,005.14**
3 to 5 years	1.57	-	19.31	377.04	0.13	3.32	**401.37**
Above 5 years	11.56	-	310.29	284.89	31.88	133.83	**772.45**
Total	**200.39**	**92.28**	**1,199.65**	**1,908.60**	**35.52**	**227.31**	**3,663.74**

e. Amount of non-performing loans (NPL) (September 30, 2009)

Rupees in billion

NPL Classification	Gross NPLs[1]	Net NPLs[2]
Sub-standard	60.53	37.62
Doubtful		
- Doubtful 1[3]	11.70	3.61
- Doubtful 2[3]	8.13	3.76
- Doubtful 3[3]	7.28	-
Loss	4.36	-
Total	**92.01**	**44.99**
NPL Ratio	**4.69%**	**2.36%**

1. Gross NPL ratio is computed as a ratio of Gross NPLs to Gross Advances.
2. Net NPL ratio is computed as a ratio of Net NPLs to Net Advances.
3. Loans classified as NPL for 456-820 days are classified as Doubtful 1, 820-1,550 days as Doubtful 2 and above 1,550 days as Doubtful 3.

f. Movement of NPLs

Rupees in billion

	Gross NPL	Net NPL
Opening balance at April 1, 2009	96.49	45.54

Additions during the period[1,2]	16.38	4.13
Reductions during the period[1]	(20.86)	(4.68)
Closing balance at September 30, 2009	**92.01**	**44.99**

1. Includes cases added to and deleted from NPLs during the half year ended September 30, 2009, with such gross loans amounting to Rs. 240.2 million and such net loans amounting to Rs. 206.4 million.
2. The difference between the opening and closing balances (other than accounts written off during the period) of NPLs in retail loans is included in additions during the period.

g. Movement of provisions for NPLs

Rupees in billion

	Amount
Opening balance at April 1, 2009[1]	50.95
Provisions made during the period[2]	20.39
Write-offs during the period	(17.49)
Write-back of excess provisions during the period	(6.83)
Closing balance at September 30, 2009[3]	**47.02**

1. Excludes technical write-off amounting to Rs. 1,179.2 million.
2. The difference between the opening and closing balances (adjusted for write-off and sale of NPLs during the period) of provisions in retail loans is included in provisions made during the period.
3. Excludes technical write-off amounting to Rs. 1,178.4 million.

h. Amount of non-performing investments (NPI) in securities, other than government and other approved securities

Rupees in billion

	Amount
Gross NPI at September 30, 2009	5.32
Total provisions held on NPI	3.14
Net NPI at September 30, 2009	2.18

i. Movement of provisions for depreciation on investments

Rupees in billion

	Amount
Opening balance at April 1, 2009[1]	14.32
Provisions made during the period	2.53
(Write-off)/(write back) of excess provisions during the period	(6.46)
Closing balance at September 30, 2009	10.39

1. After considering movement in appreciation on investments.

5. CREDIT RISK: PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

At September 30, 2009, the net credit exposures subject to the Standardised approach and after adjusting for credit risk mitigation by risk weights were as follows:

Rupees in billion

Exposure Category	**Amount outstanding[1,2]**
Less than 100% risk weight	1,573.49
100% risk weight	2,713.71
More than 100% risk weight	356.70
Deducted from capital	42.08

Total	4,685.99

1. Includes credit exposures and excludes direct claims on sovereign, regulatory capital instruments of subsidiaries and investments covered under specific market risk.
2. All amounts outstanding, other than for derivatives, are before adjustment for credit conversion factor.

6. CREDIT RISK MITIGATION

At September 30, 2009, the credit risk exposures covered by eligible financial collateral were as follows:

Rupees in billion

Exposures covered by eligible financial collateral	Amount
Exposures before considering eligible financial collateral	162.29
Exposures after considering eligible financial collateral	97.87

7. SECURITISATION

a. Break-up of total outstanding exposures securitized by exposure type (September 30, 2009)

Rupees in billion

Exposure type	Amount[1, 2]
Vehicle/equipment loans	45.03
Home & home equity loans	24.51
Personal loans	13.84
Corporate loans	
a. Deals originated in the six months ended September 30, 2009 where the Bank does not have any retained exposure	20.96
b. Deals originated in the six months ended September 30, 2009 where the Bank has retained exposure	-
c. Deals originated prior to April 1, 2009 where the Bank does not have any retained exposure	4.90
Total	**109.24**

1. The amounts represent the outstanding principal at September 30, 2009 for securitisation deals.
2. The figures include direct assignments.

b. Amount of impaired/past due assets securitised

The Bank has not securitised any impaired/past due assets.

c. Break-up of securitisation losses (net) by exposure type

Rupees in billion

Exposure type	Six months ended September 30, 2009
Vehicle / equipment loans	0.95
Home & home equity loans	(0.23)
Personal loans	1.41
Corporate loans	(0.04)
Mixed asset pool	(0.20)
Total[1]	**2.29**

1. Includes direct assignments.

d. Break-up of aggregate amount of securitisation exposures retained or purchased by exposure type[1]

Rupees in billion

Exposure type	September 30, 2009
Vehicle/equipment loans	33.04
Home & home equity loans	33.53
Personal loans	25.21
Corporate loans	3.19
Mixed asset pool	29.61
Total[2,3]	**124.58**

1. Securitisation exposures, include, but are not restricted to, securities, liquidity facilities, other commitments and credit enhancements such as interest only strips, cash collateral accounts and other subordinated assets.
2. Includes direct assignments.
3. Net of provisions.

e. Risk weight bands break-up of aggregate amount of securitisation exposures retained or purchased

Rupees in billion

Risk weight bands	September 30, 2009
Less than 100%	47.42
100%	34.18
More than 100%	0.90
Total[1]	**82.50**

1. Includes direct assignments.

f. Break-up of securitisation exposures deducted from capital by exposure type (September 30, 2009)

Rupees in billion

Exposure type	Exposures deducted entirely from Tier-1 capital[1,4]	Credit enhancement (interest only) deducted from total capital[2,4]	Other exposures deducted from total capital[3,4]
Vehicle/equipment loans	-	2.96	12.11
Home & home equity loans	-	0.31	4.16
Personal loans	-	3.37	10.69
Corporate loans	-	-	-
Mixed asset pool	-	1.47	7.00
Total	**-**	**8.12**	**33.96**

1. This includes gain on sale of assets.
2. Includes subordinate contribution amount deducted from capital.
3. Includes credit enhancements (excluding interest only strips) and capital deducted on Pass Through Certificates (PTCs) originated by ICICI Bank as well as devolved PTCs and PTCs purchased in case of third party originated securitisation transactions.
4. The figures include direct assignments.

g. Total number and book value of loan assets securitised – by type of underlying assets

Rupees in billion, except number of loans securitised

	Period ended September 30, 2008		Year ended March 31, 2009[1]		Period ended September 30, 2009[1]	
Underlying asset type	**Total number of loan assets securitised**	**Total book value of loan assets securitised**	**Total number of loan assets securitised**	**Total book value of loan assets securitized**	**Total number of loan assets securitized**	**Total book value of loan assets securitized**
Vehicle / equipment loans	-	-	-	-	-	-
Home & home equity loans	3,134	0.93	7,050	3.83	-	-
Personal loans	-	-	-	-	-	-
Corporate loans	3	4.75	3	4.75	15	40.30
Total	**3,137**	**5.68**	**7,053**	**8.58**	**15**	**40.30**

1. Includes direct assignments.

h. Summary of securitisation activity

Rupees in billion

For the period/year ended	September 30, 2008	March 31, 2009[1]	September 30, 2009[1]
Sale consideration received for the securitised assets	5.69	8.62	40.40
Net gain/(loss) on account of securitisation[2]	(0.53)	(3.21)	(2.29)

1. Includes direct assignments.
2. Includes loss booked upfront on sales during the period/year, gain/(loss) on deal closures, gain amortised during the period/year and expenses relating to utilisation of credit enhancement.

i. Summary of form and quantum of services provided

Rupees in billion

	At September 30, 2008	At March 31, 2009[1]	At September 30, 2009[1]
Outstanding credit enhancement			
- Funded	13.91	13.09	13.16
- Non-funded	27.74	27.73	22.72
Outstanding liquidity facility	8.33	6.85	4.88
Net outstanding servicing asset/(liability)	0.95	0.75	0.45
Outstanding subordinate contributions	10.28	8.85	8.37

1. Includes direct assignments.

8. CAPITAL REQUIREMENTS FOR MARKET RISK (September 30, 2009)

The capital requirements for market risk (general and specific) at September 30, 2009 were:

Rupees in billion

	Amount
Capital required	
- for interest rate risk	19.91
- for foreign exchange (including gold) risk	0.54
- for equity position risk	2.99

9. INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

The following table sets forth, using the balance sheet as at September 30, 2009 as the base, one possible prediction of the impact of changes in interest rates on net interest income (NII) for the six months ending September 30, 2009, assuming a parallel shift in the yield curve:

Rupees in million

Currency	Change in interest rates (in basis points)			
	(100)	(50)	50	100
	Impact on NII			
INR	943.1	471.5	(471.5)	(943.1)
USD	(759.8)	(379.9)	379.9	759.8
JPY	32.5	16.3	(16.3)	(32.5)
GBP	(23.7)	(11.8)	11.8	23.7
EURO	(13.4)	(6.7)	6.7	13.4
CHF	21.3	10.7	(10.7)	(21.3)
CAD	359.7	179.8	(179.8)	(359.7)
Others	66.4	33.2	(33.2)	(66.4)
Total	**626.2**	**313.1**	**(313.1)**	**(626.2)**

As on September 30, 2009, impact on economic value of equity is as follows:

Rupees in million

Currency	Change in interest rates (in basis points)			
	(100)	(50)	50	100
	Impact on Economic Value [1,2]			
INR	26,671.7	13,335.8	(13,335.8)	(26,671.7)
USD	(141.1)	(70.5)	70.5	141.1
JPY	(48.0)	(24.0)	24.0	48.0
GBP	(41.0)	(20.5)	20.5	41.0
EURO	(391.0)	(195.5)	195.5	391.0
CHF	52.6	26.3	(26.3)	(52.6)
CAD	348.6	174.3	(174.3)	(348.6)
Others	(48.9)	(24.5)	24.5	48.9
Total	**26,402.9**	**13,201.5**	**(13,201.5)**	**(26,402.9)**

1. The economic value has been computed assuming parallel shifts in the yield curves across all currencies.
2. For INR, coupon and yield of 7% across all time buckets have been assumed. For other currencies, coupon and yield of currency wise Libor/swap rates have been assumed across all time buckets that are closest to the mid point of the time buckets.