



Innovative **solutions** to enhance  
customer experience



**i ICICI Bank** | *khayaal aapka*

## Innovative solutions to enhance customer experience

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At ICICI Bank, we understand that consumers need access to smart and efficient solutions to manage their financial needs. By offering a bouquet of services, many of which are the first of their kind in the industry, we have changed the paradigm of banking in the country.

As a pioneer in the banking industry, we believe in leveraging technology to make banking more accessible and convenient to our customers. Through continuous innovations across banking touch points such as ATMs, Internet, Mobile and Call Centre, we have made financial transactions faster, simpler and more secure.

Our adoption of innovative technology is a manifestation of our philosophy of 'Khayaal Aapka'. Offering convenience through technology-led solutions is a reinforcement of our commitment towards continuously improving and deepening our relationship with our customers.

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## ENCLOSURES

Notice  
Attendance Slip and Form of Proxy

## REGISTERED OFFICE

Landmark  
Race Course Circle  
Vadodara 390 007

## CORPORATE OFFICE

ICICI Bank Towers  
Bandra-Kurla Complex  
Mumbai 400 051

## STATUTORY AUDITORS

S. R. Batliboi & Co.  
Chartered Accountants  
Express Towers, 6th Floor  
Nariman Point, Mumbai 400 021

## REGISTRAR AND TRANSFER AGENTS

3i Infotech Limited  
International Infotech Park, Tower 5, 3rd Floor,  
Vashi Railway Station Complex,  
Vashi, Navi Mumbai 400 703



K.V. KAMATH Chairman

## Message from the Chairman

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The year gone by has seen several developments in the economic landscape in India and globally. The United States has shown signs of recovery, and global financial markets have been relatively stable. At the same time, continuing concerns over the fiscal position of countries in Europe, events in the middle-east and north Africa, rising oil prices and emerging inflationary trends in many countries have emerged as challenges impacting the global growth outlook.

India continues to be well-placed to achieve robust economic growth, in a challenging environment. Investment in infrastructure, urban development & rejuvenation, the growth of the rural economy and financial inclusion will be the key factors that will shape India in the coming decade.

Investment in infrastructure will be a key driver of India's growth in the coming years. The Government of India is targeting infrastructure investment of USD 1 trillion between 2012 and 2017. This will cover the whole gamut of infrastructure that forms the backbone of an economy: power, communications, transport, water resources management and so on. An investment of this magnitude will have significant positive implications for the economy, in terms of improvement in productivity, demand for various input goods and services, job creation and income growth.

Economic growth and investment in infrastructure will drive urban development and urban rejuvenation. This will take many forms – modernisation and redevelopment

of existing large cities; expansion and upgradation of existing second-tier cities that are emerging as important engines of growth; and the creation of new towns in corridors of infrastructure development and industrial investment. Growing urbanisation will spur demand for a range of services and sectors and improve standards of living.

Rural India has over the years emerged as an important driver of India's growth. The rural economy has become diversified, and rural India is now estimated to account for close to half the country's GDP. Thus, rural India contributes significantly to the industrial and services sectors, in addition to the agriculture sector. It also represents a large and fast-growing market for many goods and services. Government policies and schemes introduced over the last few years have enhanced the resilience of the rural economy. The growth in per capita incomes in rural India will lead to accelerated reduction in poverty and socio-economic inclusion, and have significant positive outcomes for the economy as a whole.

The engagement of a much larger section of our population in the economic mainstream through financial inclusion will be a key feature of our growth going forward. Developments in low-cost information and communications technology and the unique identity initiative have the potential to rapidly accelerate financial inclusion by reducing the costs of providing access to basic financial services, both in terms of initial enrolment and ongoing servicing. Banks are already working on business models to serve the un-banked segment through deployment of innovative solutions, and this will gain momentum in the coming years.

Investment in social infrastructure – healthcare and education & training – is key to realising the benefits of our demographic dividend and spreading the benefits of growth. Here too, a range of initiatives are being taken by both the government and the private sector. There is recognition that building capacity among the poor to lead healthy and productive lives through access to basic healthcare and relevant primary and vocational education is

essential for long-term, sustainable growth. It is essential for Indian business to be competitive and maintain healthy growth; and it is essential to the larger national goal of inclusive growth and prosperity.

There will no doubt be challenges along the way. The most immediate issue that policymakers are concerned with is inflation. This is in some ways a global phenomenon that is accentuated in India by our high economic growth and consequent increase in demand. Various measures are being put in place to address this, including monetary measures to contain demand side pressures. The results of these will be witnessed over time.

The ICICI Group is a key player in India's economic landscape. The management has in place a well thought out strategy for each segment of the financial services sector, catering to the diverse needs of customers across the spectrum. This strategy is being executed within a sound governance framework that seeks to balance the interests of all stakeholders to ensure sustainable value creation.

Let me end by saying that India is a land of great opportunity. The rapid changes of the last decade are only a precursor to the much greater growth and prosperity that we can achieve in the coming years. The ICICI Group is well placed to benefit from these opportunities.

With best wishes,



K. V. Kamath



CHANDA KOCHHAR Managing Director & CEO

## Letter from the Managing Director & CEO

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Dear Stakeholders,

In 2009, we had clearly set out our strategic path for the next five years. The first stage of this strategy was to reposition the balance sheet for the next phase of growth. To this end, in fiscal 2010, we focused on rebalancing our asset and liability mix, improving cost efficiency and reducing credit costs, while maintaining a strong capital position. We had shared with our stakeholders last year, our success in these efforts. Based on this progress, we had articulated our move to the next stage of our strategy. Our strategy for fiscal 2011 was to resume growth by capitalising on the emerging opportunities in the Indian economy, while maintaining and enhancing the more efficient balance sheet structure that we achieved in fiscal 2010.

It gives me great pleasure to share with you that in fiscal 2011, we successfully executed this strategy, with robust growth in our loan portfolio; improved profitability; and continued focus on key operating parameters.

- ICICI Bank's total advances grew by 19.4% in fiscal 2011. This was driven mainly by strong growth in domestic corporate advances, as well as in the lending to Indian companies from our international branches. The retail portfolio also stabilised and started growing in the second half of the year after several quarters of decline.
- The net profit after tax for fiscal 2011 was ₹51.51 bn, representing a 28% increase over



the previous year. The return on assets, or RoA, improved substantially to 1.34% in fiscal 2011 from 1.13% in the previous year.

- The strong results achieved by the Bank are reflected in the higher level of proposed dividend of ₹ 14 per equity share compared to ₹ 12 per equity share in the previous year.
- The above growth and profitability was achieved on the back of sustaining and enhancing the improvements achieved in key operating metrics. The proportion of current and savings account deposits in total deposits, which had already increased from 28.7% at March 31, 2009 to 41.7% at March 31, 2010, was further improved to 45.1% at March 31, 2011. The net non-performing asset ratio was reduced substantially from 1.87% at March 31, 2010 to 0.94% at March 31, 2011. The cost-to-asset ratio was contained at 1.7% despite the expansion in the branch network and increase in business volumes. The Bank's capital adequacy position continued to be very strong, with total capital adequacy of 19.5% and Tier-1 capital adequacy of 13.2%.

While executing our organic growth strategy, we continued to focus on opportunities to further strengthen our franchise and our platform for capitalising on the growth opportunities in the Indian economy. To this end, we undertook the major strategic initiative of the merger of Bank of Rajasthan with ICICI Bank during fiscal 2011. With this merger, we created a combined network of over 2,500 branches, substantially expanding our presence not only in Rajasthan but also in other major banking centres in the country. Following receipt of regulatory approvals for the merger in August 2010, we moved quickly to integrate the Bank of Rajasthan franchise with ICICI Bank. We have been able to achieve integration of human resources and various aspects of operations seamlessly in a short span of time. We believe this provides us a powerful platform for pursuing our objective of sustained profitable growth in the coming years.

The ICICI Group has a unique diversified financial services franchise in India, with leadership positions across many segments of financial services. Our non-banking businesses – insurance, securities, asset management and private equity - continue to build on their strong positions in their respective businesses and realign their strategies to the emerging market environment wherever required. In fiscal 2011, we achieved a 30.5% increase in the

consolidated profit after tax, despite the impact of regulatory changes and volatility in financial markets on several businesses.

As the second-largest bank in India, we are also conscious of our larger role in the growth and development of the Indian economy. Our vision encompasses not only participating in all aspects of the Indian economy and its international linkages, but also catalysing India's growth. We are executing a focused financial inclusion plan-leveraging information & communications technology and the enabling regulatory framework to provide basic banking services to the unbanked. Through the ICICI Foundation for Inclusive Growth, we are seeking to improve the quality of school education and primary healthcare in a number of states, thereby playing our role in the strengthening of the soft infrastructure that is critical to long-term sustainable growth of our country. Through our specialised technology finance practice, we continue to support research & development in the area of clean technology and energy efficiency to mitigate climate change.

Looking ahead, we see strong fundamentals driving sustained high growth in India for several years to come. There would continue to be periodic challenges on account of global developments, volatility in capital flows, inflation and other factors. However, the underlying momentum of our demographic dividend and investment potential will support robust growth over the long-term. The ICICI Group therefore has a range of growth opportunities across its businesses and a strong platform to leverage these opportunities and create value for its stakeholders. We are committed to playing a proactive role in India's growth and also helping to achieve the national goal of social & economic inclusion of the less advantaged sections of our society.

We look forward to your continued support and goodwill as we move forward.

With best wishes,



Chanda Kochhar

# Board of Directors

K. V. Kamath

*Chairman*

Sridar Iyengar

Homi Khusrokhana

Anup K. Pujari

M. S. Ramachandran

Tushaar Shah

V. Sridar

V. Prem Watsa

Chanda Kochhar

*Managing Director & CEO*

N. S. Kannan

*Executive Director & CFO*

K. Ramkumar

*Executive Director*

Rajiv Sabharwal

*Executive Director*

# Senior Management

Vijay Chandok

*President*

Zarin Daruwala

*President*

Pravir Vohra

*President*

# Senior General Managers

Sandeep Batra  
*Group Compliance Officer  
& Company Secretary*

K M Jayarao

Rakesh Jha

Maninder Juneja

Shilpa Kumar

Pramod Rao

Kumar Ashish

Suresh Badami

Sanjay Chougule

Dhamodaran S

Sudhir Dole

Ajay Gupta

Mukeshkumar Jain

Sachin Khandelwal

Sanjeev Mantri

Sangeeta Mhatre

Suvek Nambiar

Girish Nayak

Anita Pai

Saurabh Singh

G Srinivas

T K Srirang

Rahul Vohra

# Board Committees

## Audit Committee

Sridar Iyengar, *Chairman*

Homi Khusrokhana, *Alternate Chairman*

M. S. Ramachandran

V. Sridar

## Board Governance, Remuneration & Nomination Committee

Sridar Iyengar, *Chairman*

K. V. Kamath

Homi Khusrokhana

V. Prem Watsa

## Corporate Social Responsibility Committee

M. S. Ramachandran, *Chairman*

Anup K. Pujari

Tushaar Shah

Chanda Kochhar

## Credit Committee

K.V. Kamath, *Chairman*

Homi Khusrokhana

M. S. Ramachandran

Chanda Kochhar

## Customer Service Committee

K. V. Kamath, *Chairman*

M. S. Ramachandran

V. Sridar

Chanda Kochhar

## Fraud Monitoring Committee

V. Sridar, *Chairman*

K. V. Kamath

Homi Khusrokhana

Anup K. Pujari

Chanda Kochhar

Rajiv Sabharwal

## Risk Committee

K. V. Kamath, *Chairman*

Sridar Iyengar

Anup K. Pujari

V. Sridar

V. Prem Watsa

Chanda Kochhar

## Share Transfer & Shareholders' / Investors' Grievance Committee

Homi Khusrokhana, *Chairman*

V. Sridar

N. S. Kannan

## Committee Of Executive Directors

Chanda Kochhar, *Chairperson*

N. S. Kannan

K. Ramkumar

Rajiv Sabharwal



# Directors' Report

Your Directors have pleasure in presenting the Seventeenth Annual Report of ICICI Bank Limited with the audited statement of accounts for the year ended March 31, 2011.

## FINANCIAL HIGHLIGHTS

The financial performance for fiscal 2011 is summarised in the following table:

₹ billion, except percentages	Fiscal 2010	Fiscal 2011	% change
Net interest income and other income	155.92	156.65	0.5%
Provisions & contingencies <sup>1</sup>	43.87	22.87	(47.9)%
Profit before tax	53.45	67.61	26.5%
Profit after tax of the Bank	40.25	51.51	28.0%

1. Excludes provision for taxes.

₹ billion, except percentages	Fiscal 2010	Fiscal 2011	% change
Consolidated profit after tax	46.70	60.93	30.5%

## Appropriations

The profit after tax of the Bank for fiscal 2011 is ₹ 51.51 billion after provisions and contingencies (excluding provision for taxes) of ₹ 22.87 billion and all expenses. The disposable profit is ₹ 86.15 billion, taking into account the balance of ₹ 34.64 billion brought forward from the previous year. Your Directors have recommended a dividend at the rate of ₹ 14 per equity share of face value ₹ 10 for the year and have appropriated the disposable profit as follows:

₹ billion	Fiscal 2010	Fiscal 2011
To Statutory Reserve, making in all ₹ 73.75 billion <sup>1</sup>	10.07	12.88
To Special Reserve created and maintained in terms of Section 36(1) (viii) of the Income-tax Act, 1961, making in all ₹ 31.69 billion	3.00	5.25
To Capital Reserve, making in all ₹ 21.46 billion	4.44	0.83
To/(from) Investment Reserve, making in all Nil	1.16	(1.16)
To General Reserve, making in all ₹ 49.80 billion	0.01	--
Dividend for the year (proposed)		
– On equity shares @ ₹ 14 per share (@ ₹ 12 per share for fiscal 2010) <sup>2</sup>	13.38	16.15
– On preference shares (₹)	35,000	35,000
– Corporate dividend tax	1.64	2.02
Leaving balance to be carried forward to the next year <sup>3</sup>	34.64	50.18

1. Includes ₹ 2.00 billion on amalgamation of The Bank of Rajasthan Limited with ICICI Bank Limited.

2. Includes dividend for the prior year paid on shares issued after the balance sheet date and prior to the record date.

3. After taking into account transfer to Reserve Fund ₹ 0.4 million for fiscal 2011, making in all ₹ 11.3 million.



## Internet Banking

Our comprehensive Internet Banking service is designed to give our customers a convenient banking experience from the comfort of their homes or offices.

Our Internet Banking offering has evolved over time not only to enable basic online transactions but also to provide cutting edge features.

Innovative features, such as applying for a new account, opening a fixed deposit and the Money Manager, help our customers to manage almost all their financial needs online. Further, our Internet Banking service goes beyond fulfilling the routine banking needs of customers by enabling them to buy mutual funds, insurance, forex and gold online.