



# Performance Review: Q1-2005

July 23, 2004

# Highlights

## Profitability

- 90% increase in core operating profit to Rs. 4.63 billion in Q1-2005 from Rs. 2.44 billion in Q1-2004
  - Improvement in net interest margin to 2.3% in Q1-2005 compared to 1.9% in Q1-2004
  - 77% increase in fee income to Rs. 4.18 billion in Q1-2005 from Rs. 2.36 billion in Q1-2004
- 34% increase in profit before tax to Rs. 5.10 billion in Q1-2005 from Rs. 3.81 billion in Q1-2004



# Highlights

## Profitability

- Retail assets increased 62% to Rs. 365.83 billion at June 30, 2004 from Rs. 225.35 billion at June 30, 2003
  - Home loan disbursements of Rs. 38.55 billion in Q1-2005
- Sell down/ securitisation of assets of about Rs. 40.00 billion in Q1-2005



# Key profitability indicators

	FY2004	Q1-2004	Q1-2005	Growth (%)
PAT (Rs. bn)	16.37	3.40	4.31	27%
NII (Rs. bn)	19.87	4.55	6.31	39%
Fee income (Rs. bn)	11.75	2.36	4.18	77%
NIM (%)	1.9	1.9 <sup>1</sup>	2.3 <sup>1</sup>	-
Cost of deposits (%)	5.4	6.0 <sup>1</sup>	4.5 <sup>1</sup>	-
RoA (%)	1.4	1.2 <sup>1</sup>	1.4 <sup>1</sup>	-
RoE (%)	21.8	19.2 <sup>1</sup>	17.9 <sup>1</sup>	-
EPS (Rs.)	26.7	22.2 <sup>1</sup>	24.1 <sup>1</sup>	-

1. Annualised.



# Profit & loss statement

(Rs. in billion)

	FY2004	Q1-2004	Q1-2005	Growth %
NII	19.87	4.55	6.31	38.7%
Non-interest income	17.51	3.83	5.65	47.5%
- Fee income	11.75	2.36	4.18	77.1%
- Lease income	4.22	1.12	1.03	-8.0%
- Others	1.54	0.35	0.44	25.7%
<b>Core operating income</b>	<b>37.38</b>	<b>8.38</b>	<b>11.96</b>	<b>42.7%</b>
Operating expense	19.99	4.63	5.64	21.8%
Other DMA expense	2.93	0.58	0.85	46.6%
Lease depreciation	2.79	0.73	0.84	14.9%
<b>Core operating profit</b>	<b>11.66</b>	<b>2.44</b>	<b>4.63</b>	<b>89.8%</b>



# Profit & loss statement

(Rs. in billion)

	FY2004	Q1-2004	Q1-2005	Growth %
<b>Core operating profit</b>	<b>11.66</b>	<b>2.44</b>	<b>4.63</b>	<b>89.8%</b>
Treasury income	13.14	2.61	0.93	-64.4%
<b>Operating profit</b>	<b>24.81</b>	<b>5.05</b>	<b>5.56</b>	<b>10.2%</b>
Provisions / (write-back)	5.79	1.24	0.46	-62.9%
<b>Profit before tax</b>	<b>19.02</b>	<b>3.81</b>	<b>5.10</b>	<b>34.0%</b>
Tax	2.65	0.41	0.79	92.7%
<b>Profit after tax</b>	<b>16.37</b>	<b>3.40</b>	<b>4.31<sup>1</sup></b>	<b>26.9%</b>

1. Positive impact of Rs. 290 mn on account of mark-to-market of rupee derivatives in line with market practice and RBI guidelines, given rapidly growing volumes



# Balance sheet : Assets

(Rs. in billion)

	June 30, 2003	Jun 30, 2004	Growth %	Mar 31, 2004
Cash balances with banks & SLR	338.30	356.41	5.4%	383.89
- Cash & bank balances	68.01	79.17	16.4%	84.71
- SLR Investments	270.29	277.24	2.6%	299.18
Advances	543.80	652.66	20.0%	620.96
<i>Of which: Retail</i>	<i>225.35</i>	<i>365.83</i>	<i>62.3%</i>	<i>334.23</i>
Debentures & bonds	60.08	41.24	-31.4%	55.49
Other investments	41.39	86.34	108.6%	72.76
Fixed assets	39.68	39.69	0.0%	40.56
Other assets	75.16	85.04	13.1%	78.63
<b>Total assets</b>	<b>1,098.41</b>	<b>1,261.38</b>	<b>14.8%</b>	<b>1,252.29</b>



# Balance sheet: Liabilities

(Rs. in billion)

	June 30, 2003	June 30, 2004	Growth %	Mar 31, 2004
Net worth	72.73	115.79	59.2%	80.10
- Equity capital	6.13	7.31	19.2%	6.16
- Reserves	66.61	108.48	62.9%	73.94
Preference	3.50	3.50	-	3.50
Deposits	538.53	667.80	24.0%	681.09
ICICI borrowings	349.32	265.80	-23.9%	283.52
Other borrowings	63.86	114.42	79.2%	114.93
Other liabilities	70.47	94.07	33.5%	89.15
<b>Total liabilities</b>	<b>1,098.41</b>	<b>1,261.38</b>	<b>14.8%</b>	<b>1,252.29</b>





# Key ratios

			(Percent)
	FY2004	Q1-2004 <sup>1</sup>	Q1-2005 <sup>1</sup>
Return on assets	1.4	1.2	1.4
Return on net worth	21.8	19.2	17.9
EPS (Rs.)	26.7	22.2	24.1 <sup>2</sup>
NIM	1.9	1.9	2.3
Cost to income	41.9	45.2	46.8
Cost to average assets	1.8	1.7	1.8
Fee to income	27.5	23.9	34.7

1. Annualised
2. Weighted average for the period



# Consolidated profits

(Rs. in billion)

	FY2004	Q1-2004	Q1-2005
<b>ICICI Bank standalone profit</b>	<b>16.37</b>	<b>3.40</b>	<b>4.31</b>
Add:			
- ICICI Securities	1.65	0.63	0.02
- ICICI Venture	0.26	0.04	0.06
- ICICI Prudential Life	(1.64)	(0.26)	(0.30)
- ICICI Lombard	0.24	0.05	0.15
Less:			
- Dividend and other adjustments	1.08	0.49	0.24
<b>Consolidated profit</b>	<b>15.80</b>	<b>3.37</b>	<b>4.00</b>



# Asset quality and provisioning

(Rs. in billion)

	Mar 31, 2003	Mar 31, 2004	Jun 30, 2004
Gross NPAs	84.14	67.15	65.41
Less: Cumulative w/offs & provisions	52.63	46.78	45.30
Net NPAs	31.51	20.37	20.11
Provision cover on NPAs	62.6%	69.7%	69.3%

- Net NPA ratio at 2.7%
- Net restructured assets of Rs. 72.64 bn at June 30, 2004



# Capital adequacy

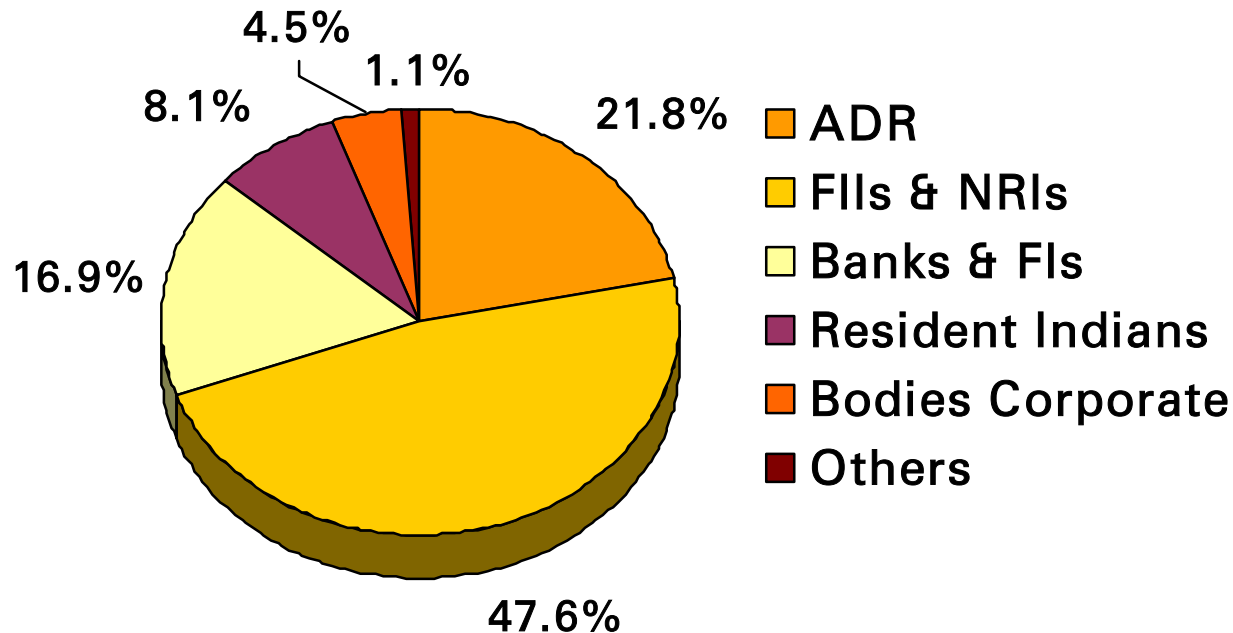
	Mar 31, 2004		June 30, 2004	
	Rs. bn	%	Rs. bn	%
Total Capital	94.01	10.36	146.12	15.21
- Tier I	55.25	6.09	89.90	9.36
- Tier II	38.76	4.27	56.22	5.85
Total risk weighted assets	907.34		960.07	

- Deferred tax asset netted off as per RBI guidelines Rs. 5.16 bn at June 30, 2004 with negative impact of 48 basis points on Tier-1 capital adequacy
- Unamortised ERO expense of Rs. 1.56 bn deducted from Tier-1 capital
- IFR of Rs. 7.30 bn is considered in Tier-2 capital



# Shareholding pattern

June 30, 2004



Paid-up capital Rs. 7.32 billion<sup>1</sup>

*1. Net of calls unpaid Rs. 0.02 bn*



Thank you



# Interest income

(Rs. in billion)

	FY2004	Q1-2004	Q1-2005
Advances	60.74	15.69	15.86
Investments	25.40	6.40	5.02
Balances with RBI, banks and others	3.88	0.86	1.08
<b>Total interest income</b>	<b>90.02</b>	<b>22.95</b>	<b>21.96</b>



# Interest expense

(Rs. in billion)

	FY2004	Q1-2004	Q1-2005
Deposits	30.23	7.27	7.22
RBI / inter-bank borrowings	2.29	0.87	0.47
Bonds, ICICI borrowings & others	37.63	10.26	7.96
<b>Total interest expense</b>	<b>70.15</b>	<b>18.40</b>	<b>15.65</b>

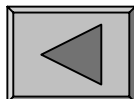




# Spreads

(Percent)

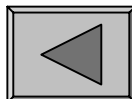
	FY2004	Q1-2004	Q4-2004	Q1-2005
Yield on interest-earning assets (1)	9.1	9.7	8.6	8.3
Cost of funds (2)	7.1	7.8	6.5	6.0
- <i>Cost of deposits</i>	<i>5.4</i>	<i>6.0</i>	5.0	4.5
Spread (1) – (2)	2.0	1.9	2.1	2.4
NIM	1.9	1.9	2.0	2.3



# Operating expenses

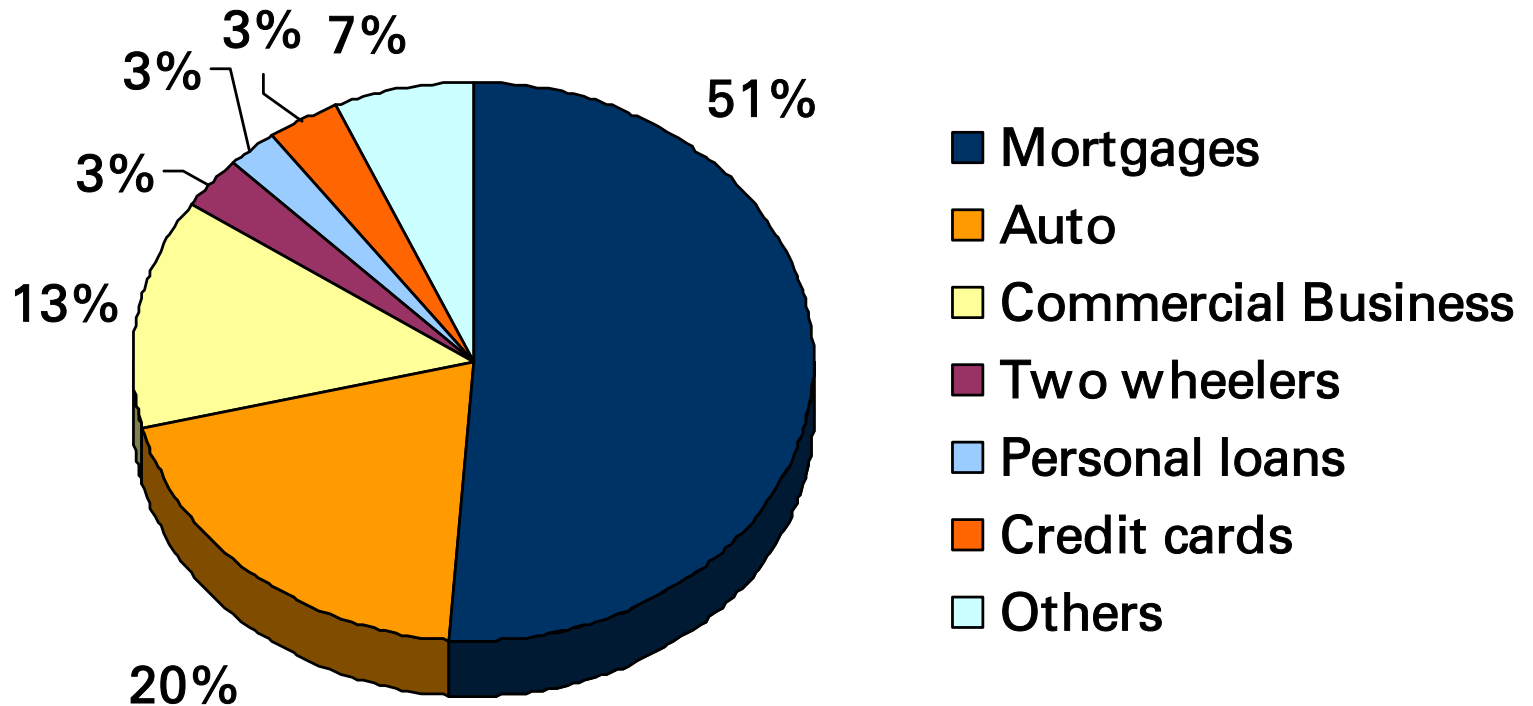
(Rs. in billion)

	FY2004	Q1-2004	Q4-2004	Q1-2005
Salary	5.46	1.19	1.57	1.67
Rent, taxes & lighting	1.49	0.35	0.39	0.43
Printing & stationery	0.86	0.21	0.20	0.19
Advertisement & publicity	0.69	0.13	0.24	0.15
Postage & courier	1.42	0.32	0.38	0.40
Repairs & maintenance	1.90	0.45	0.46	0.52
Insurance	0.33	0.09	0.09	0.15
Depreciation	2.61	0.59	0.69	0.69
Others	5.23	1.30	1.27	1.44
<b>Total operating expenses</b>	<b>19.99</b>	<b>4.63</b>	<b>5.29</b>	<b>5.64</b>



# Retail asset composition

At June 30, 2004



Total retail assets Rs. 365.83 billion



# Life insurance

## Market share

- Maintained leadership in private sector
- Market share of 35% during Apr-May 2004

## Bancassurance

- Contributed 16% of annualised premium equivalent in Q1-2005
- ICICI Bank's share in bancassurance was 61%

## Reach

- Presence in 58 locations, with 76 branches
- About 36,700 agents
- 12 bancassurance partners

## Financial performance

- New business achieved profits (NBAP) of Rs. 0.60 billion in Q1-2005 (Rs. 2.04 billion in FY2004)



# General insurance

## Market share

- Maintained leadership in private sector
- Market share of about 24% during Apr-May 2004

## Portfolio mix

- Profitable, low-risk fire & engineering segment about 59% of portfolio
- Also focussed on other growth segments such as motor, travel and home

## Reach

- 67 offices, up from 63 in March 2004
- 75% of all policies issued online in Q1-2005

## Financial performance

- Underwriting profit of Rs. 210.2 million in Q1-2005
- PAT of Rs. 198.2 million in Q1-2005 (Rs. 64.0 million in Q1-2004)
- RoE of 26.0% in Q1-2005

