



Performance Review: H1-2005

October 21, 2004

Highlights

Profitability

- 129% increase in core operating profit to Rs. 10.92 billion in H1-2005 from Rs. 4.77 billion in H1-2004
 - Improvement in net interest margin to 2.4% in H1-2005 compared to 1.9% in H1-2004
 - 93% increase in fee income to Rs. 9.55 billion in H1-2005 from Rs. 4.96 billion in H1-2004
- 28% increase in profit before tax to Rs. 10.67 billion in H1-2005 from Rs. 8.34 billion in H1-2004
- 18% increase in profit after tax to Rs. 8.73 billion in H1-2005 from Rs. 7.42 billion in H1-2004



Key profitability indicators

	FY2004	H1-2004	H1-2005	Growth (%)
PAT (Rs. bn)	16.37	7.42	8.73	18%
NII (Rs. bn)	19.87	9.27	13.16	42%
Fee income (Rs. bn)	11.75	4.96	9.55	93%
NIM (%)	1.9	1.9 ¹	2.4 ¹	-
Cost of deposits (%)	5.4	5.8	4.4	-
RoA (%)	1.4	1.4 ¹	1.4 ¹	-
RoE (%)	21.8	20.6 ¹	16.8 ¹	-
EPS (Rs.)	26.7	24.2 ¹	24.3 ¹	-

1. Annualised.



Profit & loss statement

(Rs. in billion)

	FY- 2004	Q2- 2004	H1- 2004	Q1- 2005	Q2- 2005	H1- 2005	H1-on-H1 growth
NII	19.87	4.72	9.27	6.31	6.85	13.16	42.0%
Non-interest inc.	17.51	4.01	7.85	5.65	7.12	12.77	62.7%
- Fee income	11.75	2.60	4.96	4.18	5.37	9.55	92.5%
- Lease income	4.22	1.12	2.25	1.03	1.06	2.09	(7.1%)
- Others	1.54	0.29	0.64	0.44	0.69	1.13	76.6%
Core operating income	37.38	8.73	17.12	11.96	13.97	25.93	51.5%
Operating exp.	19.99	4.96	9.59	5.64	5.87	11.52	20.1%
Other DMA exp.	2.93	0.69	1.27	0.85	1.12	1.97	55.1%
Lease depn.	2.79	0.76	1.49	0.84	0.69	1.53	2.7%
Core operating profit	11.66	2.32	4.77	4.63	6.29	10.92	128.9%



Profit & loss statement

(Rs. in billion)

	FY- 2004	Q2- 2004	H1- 2004	Q1- 2005	Q2- 2005	H1- 2005	H1-on-H1 growth
Core operating profit	11.66	2.32	4.77	4.63	6.29	10.92	128.9%
Treasury income	13.14	4.61	7.21	0.93	1.23	2.16	(70.0%)
Operating profit	24.81	6.93	11.98	5.56	7.52	13.08	9.2%
Provisions / (write-back)	5.79	2.40	3.64	0.46	1.95	2.41	(33.8%)
Profit before tax	19.02	4.53	8.34	5.10	5.57	10.67	27.9%
Tax	2.65	0.51	0.92	0.79	1.15	1.94	110.9%
Profit after tax	16.37	4.02	7.42	4.31	4.42	8.73	17.7%



Balance sheet : Assets

(Rs. in billion)

	Sep 30, 2003	Mar 31, 2004	Jun 30, 2004	Sep 30, 2004	H1-on-H1 growth
Cash balances with banks & SLR	347.39	383.89	356.41	391.07	12.6%
- Cash & bank balances	60.70	84.71	79.17	103.30	70.2%
- SLR Investments	286.69	299.18	277.24	287.77	0.4%
Advances	541.27	620.96	652.66	679.01	25.4%
<i>Of which : Retail</i>	252.05	334.23	365.83	396.09	57.1%
Debentures & bonds	59.50	55.49	41.24	43.18	(27.4%)
Other investments	45.84	72.76	86.34	78.01	70.2%
Fixed assets	40.23	40.56	39.69	38.93	(3.2%)
Other assets	86.01	78.63	85.04	97.61	13.5%
Total assets	1,120.24	1,252.29	1,261.38	1,327.80	18.5%



Balance sheet: Liabilities

(Rs. in billion)

	Sep 30, 2003	Mar 31, 2004	June 30, 2004	Sep 30, 2004	H1-on-H1 growth
Net worth	76.81	80.10	115.79	120.92	57.4%
- Equity capital	6.13	6.16	7.31	7.34	19.7%
- Reserves	70.69	73.94	108.48	113.58	60.7%
Preference	3.50	3.50	3.50	3.50	-
Deposits	568.80	681.09	667.80	715.98	25.9%
ICICI borrowings	329.94	283.52	265.80	243.81	(26.1%)
Other borrowings	74.76	114.93	114.42	144.20	92.9%
Other liabilities	66.43	89.15	94.07	99.39	49.6%
Total liabilities	1,120.24	1,252.29	1,261.38	1,327.80	18.5%



Key ratios

(Percent)

	FY 2004	H1- 2004	H1- 2005
Return on assets	1.44	1.37	1.38
Return on net worth	21.8	20.6	16.8
EPS (Rs.)	26.7	24.2	24.3
NIM	1.9	1.9	2.4
Cost to income	41.9	42.0	43.4
Cost to average assets	1.8	1.8	1.8
Fee to income	24.6	21.7	36.0



Insurance subsidiaries



Market share

- Maintained leadership in private sector
- Retail market share of 34% in private sector during Apr-Aug 2004

Financial performance

- New business achieved profits (NBAP) of Rs. 1.21 billion in H1-2005 (Rs. 2.04 billion in FY2004)



Market share

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

Financial performance

- Underwriting profit of Rs. 173.2 million in H1-2005
- PAT of Rs. 217.1 million (Rs. 94.5 million in H1-2004)



Asset quality and provisioning

(Rs. in billion)

	Mar 31, 2003	Mar 31, 2004	Jun 30, 2004	Sep 30, 2004
Gross NPAs	84.14	67.15	65.80	64.55
Less: Cumulative w/offs & provisions	52.63	46.78	45.69	44.63
Net NPAs	31.51	20.37	20.11	19.92
Provision cover on NPAs	62.6%	69.7%	69.4%	69.1%

- Net NPA ratio at 2.6%
- Net restructured assets of Rs. 68.17 bn at September 30, 2004, down from Rs. 72.64 bn at June 30, 2004



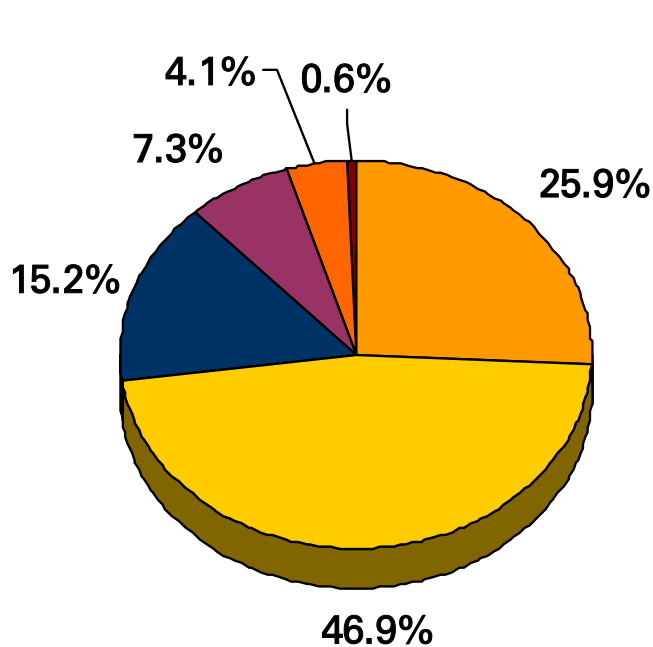
Capital adequacy

	Mar 31, 2004		Sep 30, 2004	
	Rs. bn	%	Rs. bn	%
Total Capital	94.01	10.36	152.24	15.20
- Tier I	55.25	6.09	93.98	9.38
- Tier II	38.76	4.27	58.27	5.82
Total risk weighted assets	907.34		1,002.87	



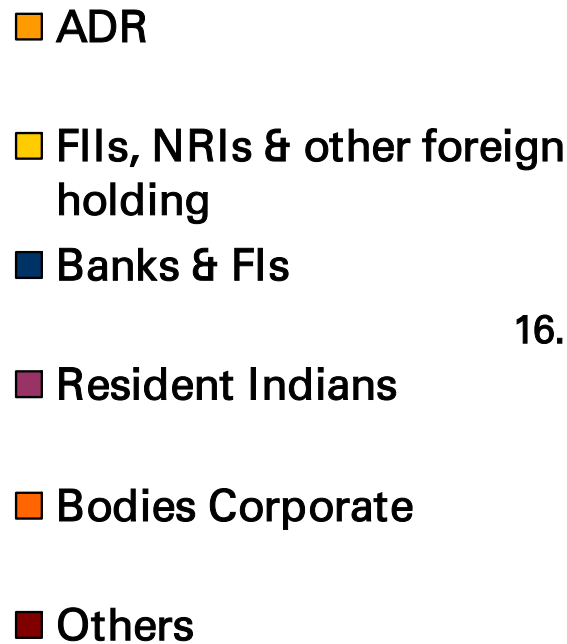
Shareholding pattern

March 31, 2004



Paid-up capital Rs. 6.16 billion

September 30, 2004



Paid-up capital Rs. 7.35 billion



Safe Harbour

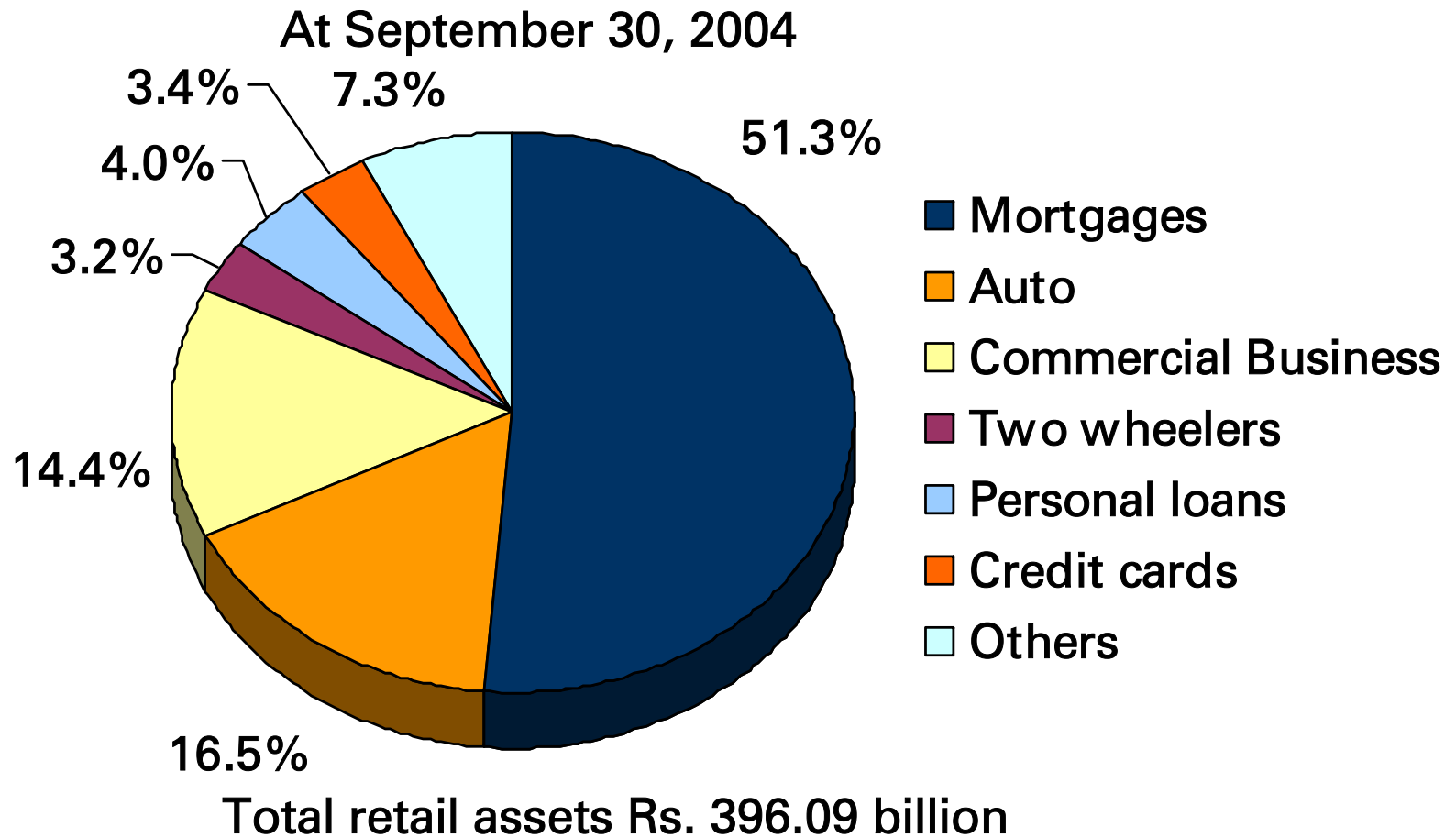
Except for the historical information contained herein, statements in this Release which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements 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.



Thank you



Retail asset composition



Interest income

(Rs. in billion)

	FY- 2004	Q2- 2004	H1- 2004	Q1- 2005	Q2- 2005	H1- 2005
Advances	60.74	14.78	30.47	15.86	15.72	31.58
Investments	25.40	6.80	13.20	5.02	5.46	10.48
Balances with RBI, banks and others	3.88	0.52	1.38	1.08	1.12	2.20
Total interest income	90.02	22.10	45.05	21.96	22.30	44.26



Interest expense

(Rs. in billion)

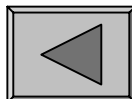
	FY- 2004	Q2- 2004	H1- 2004	Q1- 2005	Q2- 2005	H1- 2005
Deposits	30.23	7.39	14.65	7.22	7.36	14.58
RBI / inter-bank borrowings	2.29	0.69	1.56	0.47	0.44	0.92
Bonds, ICICI borrowings & others	37.63	9.30	19.57	7.96	7.65	15.60
Total interest expense	70.15	17.38	35.78	15.65	15.45	31.10



Spreads

(Percent)

	FY 2004	H1- 2004	Q1- 2005	Q2- 2005	H1- 2005
Yield on interest-earning assets (1)	9.1	9.6	8.3	8.1	8.2
Cost of funds (2)	7.1	7.5	6.0	5.7	5.8
- <i>Cost of deposits</i>	<i>5.4</i>	5.8	4.5	4.3	4.4
Spread (1) – (2)	2.0	2.1	2.4	2.4	2.4
NIM	1.9	1.9	2.3	2.4	2.4



Operating expenses

(Rs. in billion)

	FY 2004	Q2- 2004	H1- 2004	Q1- 2005	Q2- 2005	H1- 2005
Salary	5.46	1.25	2.44	1.67	1.80	3.47
Rent, taxes & lighting	1.49	0.39	0.74	0.43	0.46	0.89
Printing & stationary	0.86	0.23	0.44	0.19	0.21	0.40
Advertisement & publicity	0.69	0.15	0.28	0.15	0.22	0.37
Postage & courier	1.42	0.36	0.68	0.40	0.40	0.80
Repairs & maintenance	1.90	0.49	0.94	0.52	0.55	1.07
Insurance	0.33	0.09	0.18	0.15	0.15	0.30
Depreciation	2.61	0.65	1.24	0.69	0.71	1.40
Others	5.23	1.35	2.65	1.44	1.37	2.82
Total operating expenses	19.99	4.96	9.59	5.64	5.87	11.52

