

**News Release****July 30, 2005****Performance Review – Quarter ended June 30, 2005: 23% year-on-year growth in profit after tax**

The Board of Directors of ICICI Bank Limited (NYSE: IBN) at its meeting held at Mumbai today, approved the audited Indian GAAP accounts of the Bank for the quarter ended June 30, 2005 (Q1-2006).

**Highlights**

- Profit after tax for the quarter ended June 30, 2005 (Q1-2006) increased 23% to Rs. 530 crore (US\$ 122 million) from Rs. 431 crore (US\$ 99 million) for the quarter ended June 30, 2004 (Q1-2005).
- Net interest income increased 35% to Rs. 851 crore (US\$ 196 million) for Q1-2006 from Rs. 631 crore (US\$ 145 million) for Q1-2005.
- Fee income increased 57% to Rs. 658 crore (US\$ 151 million) for Q1-2006 from Rs. 418 crore (US\$ 96 million) for Q1-2005.
- Retail assets increased 70% to Rs. 62,063 crore (US\$ 14.3 billion) at June 30, 2005 from Rs. 36,583 crore (US\$ 8.4 billion) at June 30, 2004. The Bank has the largest retail asset portfolio among Indian banks and finance companies.
- Deposits increased 70% to Rs. 113,778 crore (US\$ 26.1 billion) at June 30, 2005 from Rs. 66,780 crore (US\$ 15.3 billion) at June 30, 2004.

**Operating review*****Credit growth***

The Bank's net customer assets increased 40% to Rs. 103,487 crore (US\$ 23.8 billion) at June 30, 2005 compared to Rs. 73,701 crore (US\$ 16.9 billion) at June 30, 2004. The Bank maintained its growth momentum and market leadership in the retail segment. In Q1-2006, the Bank's total retail disbursements were about Rs. 11,700 crore (US\$ 2.7 billion) including home loan disbursements of about Rs. 4,600 crore (US\$ 1.1 billion). Retail assets constituted 63% of advances and 60% of customer assets. The Bank is focusing on loan origination in the retail and agriculture segments and on non-fund based products and services, as well as capitalising on opportunities presented by the domestic and international expansion of Indian companies. The Bank is also extending its reach in the small and medium enterprises segment.

***Funding***

The Bank's deposits increased 70% to Rs. 113,778 crore (US\$ 26.1 billion) at June 30, 2005 from Rs. 66,780 crore (US\$ 15.3 billion) at June 30, 2004, compared to the banking system's year-on-year deposit growth of 15% as on July 8, 2005. During Q1-2006, the Bank repaid about Rs. 1,600 crore (US\$ 368 million) of erstwhile ICICI's liabilities as they fell due in accordance with their terms of repayment. At June 30, 2005, erstwhile ICICI's liabilities constituted 11% of the Bank's funding compared to 25% at June 30, 2004.

***International operations***

ICICI Bank continued to build on its existing presence in various geographies as well as enter new markets. During Q1-2006, the Bank acquired the entire paid-up capital of Investitsionno-Kreditny Bank (IKB), a Russian bank with its registered office in Balabanovo in the Kaluga region and a branch in Moscow. At March 31, 2005, IKB had total assets of about US\$ 4 million. The Bank's subsidiaries have two branches in the United Kingdom and four branches in Canada. In addition to providing credit and trade finance solutions to Indian companies, the Bank is expanding its international retail franchise through technology-based banking services.

***Rural banking***

The Bank's rural banking strategy seeks to adopt a holistic approach to the financial services needs of various segments of the rural population, by delivering a comprehensive product suite encompassing credit, transaction banking, deposit, investment and insurance, through a range of channels. The Bank's rural delivery channels include branches, internet kiosks, franchisees and micro-finance institution (MFI) partners. The Bank has established about 5,000 points of contact through its various channels and channel partners.

***Network***

The Bank had 573 branches and extension counters at June 30, 2005 as compared to 469 branches and extension counters at June 30, 2004.

***Capital adequacy***

The Bank's capital adequacy at June 30, 2005 was 12.04% (including Tier-1 capital adequacy of 7.57%), well above RBI's requirement of total capital adequacy of 9.0%. The Bank has considered risk weightage at 125% for commercial real estate exposure and capital markets exposure in line with the guidelines issued by Reserve Bank of India on July 26, 2005.

***Asset quality***

The Bank's net restructured assets at June 30, 2005 were Rs. 6,209 crore (US\$ 1.4 billion), down from Rs. 7,264 crore (US\$ 1.7 billion) at June 30, 2004. At June 30, 2005, the Bank's net non-performing assets constituted 1.96% of customer assets against 2.73% at June 30, 2004.

***Group companies***

ICICI Securities achieved a profit after tax of Rs. 35 crore (US\$ 8 million) in Q1-2006 compared to a full year profit of Rs. 64 crore (US\$ 15 million) for the year ended March 31, 2005 (FY2005). ICICI Lombard General Insurance Company (ICICI Lombard) enhanced its leadership position among private sector general insurance companies with a market share of 29% in Q1-2006. ICICI Lombard achieved a profit after tax of Rs. 17 crore (US\$ 4 million) in Q1-2006.

ICICI Prudential Life Insurance Company (ICICI Prudential Life) continued to maintain its market leadership among private sector life insurance companies. Life insurance companies worldwide require five to seven years to achieve breakeven, in view of business set-up and customer acquisition costs in the initial years as well as reserving for actuarial liability. While the growing operations of ICICI Prudential Life had a negative impact of Rs. 47 crore (US\$ 11 million) on the Bank's consolidated profit after tax in Q1-2006 on account of the above reasons, the company's unaudited New Business Achieved Profit (NBAP) for Q1-2006 was Rs. 69 crore (US\$ 16 million). NBAP is a metric for the economic value of the new business written during a defined period. It is measured as the present value of all the future profits for the shareholders, on account of the new business based on standard assumptions of mortality, expenses and other parameters. Internationally, life insurance companies in the growth phase are valued as a multiple of their NBAP.

ICICI Venture Funds Management Company announced the first closing of its real estate fund with commitments of US\$ 200 million, while the India Advantage Fund continued to perform well and made its maiden distribution to its investors. Prudential ICICI Asset Management Company was the largest private sector mutual fund in India at June 30, 2005 with

assets under management of over Rs. 17,000 crore (US\$ 3.9 billion).

### Summary Profit and Loss Statement – Indian GAAP

*Rs. crore*

	Q1-2005	Q1-2006	Growth over Q1-2005	FY2005
Net interest income	631	851	35%	2,839
Non-interest income (excluding treasury)	565	907	61%	2,705
- Fee income	418	658	57%	2,098
- Lease & other income	147	249	69%	607
Treasury income	93	183	97%	711
Less:				
Operating expense	564	771	37%	2,517
Other DMA <sup>2</sup> expense	84	136	61%	485
Lease depreciation	84	64	(24%)	297
Provisions	46	298 <sup>1</sup>	548%	429
<b>Profit before tax</b>	<b>511</b>	<b>673</b>	<b>32%</b>	<b>2,527</b>
Less: Tax	79	143	80%	522
<b>Profit after tax</b>	<b>431</b>	<b>530</b>	<b>23%</b>	<b>2,005</b>

1. Includes Rs. 155 crore on account of amortization of premium on government securities.

2. Direct marketing agencies / associates.

*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.*

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*1 crore = 10.0 million  
US\$ amounts represent convenience translations at US\$1 = Rs. 43.52.*