



Performance Review: Q3-2007

January 20, 2007

Highlights

Profitability

- 42% increase in profit after tax to Rs. 9.10 billion in Q3-2007 from Rs. 6.40 billion in Q3-2006
- 32% increase in net interest income to Rs. 17.09 billion in Q3-2007 from Rs. 12.96 billion in Q3-2006
- 53% increase in fee income to Rs. 13.45 billion in Q3-2007 from Rs. 8.81 billion in Q3-2006
- 65% increase in operating profit to Rs. 19.76 billion in Q3-2007 from Rs. 11.94 billion in Q3-2006
- 31% increase in profit after tax to Rs. 22.85 bn in 9M-2007 from Rs. 17.50 bn in 9M-2006



Highlights

- Robust year-on-year loan growth
 - 41% growth in total advances from Rs. 1,226.13 bn to Rs. 1,727.63 bn
 - 73% growth in loan portfolio of international branches from Rs. 120.68 bn to Rs. 208.29 bn, leveraging Indian corporate client base
 - 83% growth in loan portfolio of international subsidiaries from Rs. 53.01 bn to Rs. 96.77 bn
 - 50% growth in retail portfolio from Rs. 784.95 bn to Rs. 1,179.14 bn
- Deposit growth of 47% from Rs. 1,338.81 bn to Rs. 1,968.93 bn



Profit & loss statement

(Rs. in billion)

	FY- 2006	Q3- 2006	Q3- 2007	Q3-o-Q3 growth	9M- 2006	9M- 2007	9M-o-9M growth
NII	47.09	12.96	17.09	32%	33.35	47.61	43%
Non-interest income	42.43	10.45	16.71	60%	29.22	42.60	46%
- Fee income ¹	34.47	8.81	13.45	53%	23.42	35.85	53%
- Others	7.96	1.64	3.26	99%	5.80	6.75	16%
Core operating income	89.52	23.41	33.80	44%	62.57	90.21	44%
Operating expenses	35.47	9.04	12.89	43%	24.90	35.25	42%
DMA ² expenses	11.77	3.01	3.83	27%	8.12	11.01	36%
Lease depreciation	2.77	0.76	0.42	(45%)	2.04	1.44	(29%)
Core operating profit	39.51	10.60	16.66	57%	27.50	42.51	55%

1. Includes income from treasury products and services (earlier included in treasury income and now reclassified for all periods).
2. Represents commissions paid to direct marketing agents (DMAs) for origination of retail loans. These commissions are expensed upfront.



Profit & loss statement

(Rs. in billion)

	FY- 2006	Q3- 2006	Q3- 2007	Q3-o-Q3 growth	9M- 2006	9M- 2007	9M-o-9M growth
Core operating profit	39.51	10.60	16.66	57%	27.50	42.51	55%
Treasury income	7.40	1.34	3.10	131%	4.59	5.68	24%
Operating profit	46.91	11.94	19.76	65%	32.09	48.19	50%
Provisions & w-off ^{1,2}	15.94	3.95	8.91 ³	126%	9.97	20.83	109%
Profit before tax	30.97	7.99	10.85	36%	22.12	27.36	24%
Tax	5.57	1.59	1.75	10%	4.62	4.51	(2%)
Profit after tax	25.40	6.40	9.10	42%	17.50	22.85	31%

1. Includes premium amortisation on government securities: Rs. 2.20 bn in Q3-2006, Rs. 2.24 bn in Q3-2007, Rs. 5.59 bn in 9m-2006, Rs. 7.33 bn in 9m-2007 and Rs. 8.02 bn in FY2006.
2. Includes standard asset provisions of Rs. 2.08 bn in Q3-2006, Rs. 1.44 bn in Q3-2007, Rs. 2.48 bn in 9m-2006, Rs. 2.78 bn in 9m-2007 and Rs. 3.39 bn in FY2006.
3. Includes provision of Rs. 0.85 bn for potential losses from frauds pertaining to the warehouse receipt-based financing product for agricultural credit.



Balance sheet: Assets

(Rs. in billion)

	Dec 31, 2005	Mar 31, 2006	Sep 30, 2006	Dec 31, 2006	Y-o-Y growth
Cash balances with banks & SLR	590.43	681.14	845.40	824.28	40%
- Cash & bank balances	177.86	170.40	238.25	248.19	40%
- SLR investments	412.57	510.74	607.15	576.09	40%
Advances	1,226.13	1,461.63	1,554.03	1,727.63	41%
Other investments	159.23	204.73	222.78	219.24	38%
Fixed & other assets	148.53	166.39	201.51	187.17	26%
Total assets	2,124.32	2,513.89	2,823.73	2,958.32	39%



Balance sheet: Liabilities

(Rs. in billion)

	Dec 31, 2005	Mar 31, 2006	Sep 30, 2006	Dec 31, 2006	Y-o-Y growth
Net worth	210.52	222.06	235.50	244.45	16%
- Equity capital	8.74	8.90	8.93	8.94	2%
- Reserves	201.78	213.16	226.57	235.51	17%
Preference	3.50	3.50	3.50	3.50	-
Deposits	1,338.81	1,650.83	1,894.99	1,968.93	47%
Borrowings	296.90	354.77	402.01	476.29	60%
eICICI borrowings	141.17	131.90	114.00	111.90	(21%)
Other liabilities	133.42	150.83	173.72	153.25	15%
Total liabilities	2,124.32	2,513.89	2,823.73	2,958.32	39%



Key ratios

(Percent)

	FY 2006	9M- 2006	Q3- 2007	9M- 2007
Return on weighted average networth	16.4	17.2	15.1	13.0
Weighted avg EPS (Rs.)	32.5	31.2	40.4	34.0
Book value (Rs.)	248.6	235.4	272.8	272.8
NIM	2.7	2.8	2.6	2.5
NIM, excluding sell-down gains	2.4	2.4	2.6	2.5
Cost ¹ to income	37.7	38.2	35.3	37.3
Cost ¹ to average assets	1.80	1.80	1.79	1.70
Fee to income	36.6	36.0	36.9	38.0

1. Excludes DMA expenses.



Asset quality and provisioning

(Rs. in billion)

	Dec 31, 2005	Mar 31, 2006	Jun 30, 2006	Sep 30, 2006	Dec 31, 2006
Gross NPAs	27.87	29.63	32.67	37.01	43.54
Less: Cumulative w/offers & provisions	17.62	18.88	19.72	21.56	24.97
Net NPAs	10.25	10.75	12.95	15.45	18.57
Net NPA ratio	0.8%	0.7%	0.8%	0.9%	1.0%

- Gross retail NPLs at Dec 31, 2006: Rs. 25.37 bn (of which non-collateralised products accounted for 53%).
- Net retail NPLs at Dec 31, 2006: Rs. 12.60 bn (of which non-collateralised products accounted for 44%).
- Net restructured loans: Rs. 49.73 bn (Mar 31, 2006: Rs. 53.16 bn).



Capital adequacy

	Mar 31, 2006		Dec 31, 2006	
	Rs. bn	%	Rs. bn	%
Total capital	278.43	13.35	345.79	13.37
- Tier I	191.82	9.20	223.26	8.63
- Tier II	86.61	4.15	122.53	4.74
Risk weighted assets	2,085.94		2,586.19	



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 impact of any acquisitions, 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

