



Performance Review: Q1-2007

July 22, 2006

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Highlights

Profitability

- 45% increase in core operating profit¹ to Rs. 11.44 billion in Q1-2007 from Rs. 7.88 billion in Q1-2006
- 17% increase in profit after tax to Rs. 6.20 billion in Q1-2007 from Rs. 5.30 billion in Q1-2006 despite a 52% decrease in treasury income and 62% increase in provisions
- 52% increase in net interest income to Rs. 14.75 billion in Q1-2007 from Rs. 9.69 billion in Q1-2006
- 50% increase in fee income to Rs. 9.85 billion in Q1-2007 from Rs. 6.58 billion in Q1-2006

1. Operating profit excluding treasury income.



Highlights

Balance sheet

- Robust year-on-year loan growth
 - 50% growth in total advances from Rs. 979.09 bn to Rs. 1,471.84 bn
 - 92% growth in international portfolio¹ from Rs. 69.70 bn to Rs. 133.77 bn, leveraging Indian corporate client base
 - 59% growth in retail portfolio from Rs. 620.63 bn to Rs. 986.87 bn
- Deposit growth of 61% from Rs. 1,137.78 bn to Rs. 1,830.06 bn
- Net NPA ratio at 0.8% at June 30, 2006 compared to 2.0% at June 30, 2005



1. Loan portfolio of international branches.

Key profitability indicators

	Q1-2006	Q1-2007	Growth	FY2006
PAT (Rs. bn)	5.30	6.20	17%	25.40
NII ¹ (Rs. bn)	9.69	14.75	52%	47.10
Fee income (Rs. bn)	6.58	9.85	50%	32.59
Treasury income (Rs. bn)	1.83	0.88	-52%	9.28
NIM ^{1,2} (%)	2.6%	2.5%	-	2.7%
ROE ^{2,3} (%)	16.7	11.1⁴	-	16.4%⁴
EPS ^{2,3} (Rs.)	28.7	28.0⁴	-6%	32.5⁴
Book value (Rs.)	175.8	256.7⁴	46%	248.6⁴

1. Auto DMA, which was earlier deducted from NII, is now shown as an expense.
2. Annualised.
3. Weighted average.
4. Additional capital of about Rs. 80.00 billion raised in FY2006.



Profit & loss statement

(Rs. in billion)

	FY 2006	Q1-2006	Q1-2007	Q1-o-Q1 growth
NII ¹	47.10	9.69	14.75	52%
Non-interest income	40.56	9.07	11.90	31%
- Fee income	32.59	6.58	9.85	50%
- Others	7.97	2.49	2.05	(18%)
Core operating income	87.66	18.76	26.65	42%
Operating expenses	35.47	7.71	10.80	40%
Auto DMA ^{1,2} expense	5.23	1.18	1.64	39%
Other DMA ² expense	6.55	1.36	2.27	67%
Lease depreciation	2.77	0.64	0.51	(20%)
Core operating profit	37.63	7.88	11.44	45%

1. Auto DMA, which was earlier deducted from NII, is now separately shown as an expense.
2. Represents commissions paid to direct marketing agents (DMAs) / dealers for origination of retail loans.



Profit & loss statement

(Rs. in billion)

	FY 2006	Q1-2006	Q1-2007	Q1-o-Q1 growth
Core operating profit	37.63	7.88	11.44	45%
Treasury income	9.28	1.83	0.88	(52%)
Operating profit	46.91	9.71	12.31	27%
Provisions ¹	15.94	2.98	4.83 ²	62%
Profit before tax	30.97	6.73	7.49	11%
Tax	5.57	1.43	1.29	(10%)
Profit after tax	25.40	5.30	6.20	17%

1. Includes premium amortisation on government securities of Rs. 2.67 bn in Q1-2007, Rs. 8.02 bn in FY2006 and Rs. 1.55 bn in Q1-2006.
2. Taking into account additional general provisions for standard assets of Rs. 0.47 bn pursuant to increase mandated by RBI in April 2006.



Balance sheet: Assets

(Rs. in billion)

	June 30, 2005	June 30, 2006	Y-o-Y growth	Mar 31, 2006
Cash balances with banks & SLR	575.63	810.76	40.8%	681.14
- Cash & bank balances	130.37	205.63	57.7%	170.40
- SLR investments	445.26	605.13	35.9%	510.74
Advances	979.09	1,471.84	50.3%	1,461.63
Other investments	131.83	208.26	58.0%	204.73
Fixed & other assets	125.72	171.79	36.6%	166.39
Total assets	1,812.27	2,662.65	46.9%	2,513.89



Balance sheet: Liabilities

(Rs. in billion)

	June 30, 2005	June 30, 2006	Y-o-Y growth	Mar 31, 2006
Net worth	131.08	227.71	73.7%	222.06
- Equity capital	7.39	8.92	20.7%	8.90
- Reserves	123.69	218.79	76.9%	213.16
Preference capital	3.50	3.50	-	3.50
Deposits	1,137.78	1,830.06	60.8%	1,650.83
eICICI borrowings	177.49	127.14	(28.4%)	131.90
Other borrowings	245.85	341.29	38.8%	354.77
Other liabilities	116.57	132.96	14.1%	150.83
Total liabilities	1,812.27	2,662.65	46.9%	2,513.89



Key ratios

(Percent)

	FY2006	Q1-2006	Q1-2007
Return on weighted average net worth	16.4	16.7	11.1 ¹
Weighted avg EPS (Rs.)	32.5	28.7	28.0
Book value (Rs.)	248.6	175.8	256.7
NIM	2.7	2.6	2.5 ²
NIM, excluding sell-down gains	2.4	2.2	2.5
Cost ³ to income	37.7	38.7	40.0
Cost ³ to average assets	1.80	1.80	1.63
Fee to income	34.6	33.0	36.5

1. Return on networth considers the entire impact of the equity issue in December 2005.
2. Impact of 100 bps increase on existing floating rate home loan portfolio effective July 1, 2006 was not reflected in Q1-2007.
3. Excludes DMA expenses.



Asset quality and provisioning

(Rs. in billion)

	Jun 30, 2005	Jun 30, 2006	Mar 31, 2006
Gross NPAs	52.41	32.67	29.63
Less: Cumulative w/offes & provisions	32.11	19.72	18.88
Net NPAs	20.30	12.95	10.75
Net NPA ratio	2.0%	0.8%	0.7%

- Net retail NPAs: Rs. 8.86 bn.
- Net restructured loans: Rs. 54.69 bn (Mar 31, 2006: Rs. 53.16 bn).



Capital adequacy

	Mar 31, 2006		Jun 30, 2006	
	Rs. bn	%	Rs. bn	%
Total Capital	278.43	13.35	280.20	12.46
- Tier I	191.82	9.20	193.45	8.60
- Tier II	86.61	4.15	86.75	3.86
Risk weighted assets	2,085.94		2,248.07	

Unaudited capital adequacy estimated based on RBI's draft guidelines on Basel II works out to about 12.8% (including Tier 1 capital adequacy of about 9.6%)



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Thank you

