



Performance Review: Q1-2008

July 21, 2007

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Highlights

Profitability

- 25.0% increase in profit after tax to Rs. 7.75 billion in Q1-2008 from Rs. 6.20 billion in Q1-2007
- Continued momentum in fee income: 35.4% increase to Rs. 14.28 billion in Q1-2008 from Rs. 10.55 billion in Q1-2007
- 16.2% increase in net interest income to Rs. 17.14 billion in Q1-2008 from Rs. 14.75 billion in Q1-2007
 - Negative impact of higher CRR requirement with no interest payment from Q1-2008 onwards and funding cost increases in Q4-2007
- 57.9% increase in operating profit to Rs. 15.24 billion in Q1-2008 from Rs. 9.65 billion in Q1-2007



Highlights

Balance sheet

- 35% growth in total advances¹ from Rs. 1,471.84 bn at June 30, 2006 to Rs. 1,982.77 bn at June 30, 2007
 - Retail loan growth at 29% y-o-y¹
 - Continued growth in loan portfolio of international branches with 143% y-o-y growth
- Deposit growth of 26% from Rs. 1,830.06 bn to Rs. 2,307.88 bn
 - Savings account deposit growth of 33%

1. Net of sell-downs



Profit & loss statement

(Rs. in billion)

	FY 2007	Q1-2007	Q1-2008	Q-o-Q Growth
NII	66.36	14.75	17.14	16.2%
Non-interest income	59.14	12.60	17.55	39.4%
- Fee income ¹	50.12	10.55	14.28	35.3%
- Others (including dividend from subsidiaries)	9.02	2.05	3.27	59.5%
Core operating income	125.50	27.35	34.69	26.8%
Operating expenses	49.79	10.80	14.79	37.0%
DMA ² expenses	15.24	3.91	3.83	(2.2%)
Lease depreciation	1.88	0.50	0.43	(14.0%)
Core operating profit	58.59	12.14	15.64	28.8%

1. Includes merchant forex income and margin on customer derivative transactions
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 2007	Q1-2007	Q1-2008	Q-o-Q Growth
Core operating profit	58.59	12.14	15.64	28.8%
Treasury income	10.14	0.18	1.95	-
Less: Premium amort on SLR	9.99	2.67	2.35	(11.7%)
Operating profit	58.74	9.65	15.24	57.9%
Provisions & w-off	22.26	2.16	5.52 ¹	155.5%
Profit before tax	36.48	7.49	9.72	29.8%
Tax	5.38	1.29	1.97	52.7%
Profit after tax	31.10	6.20	7.75	25.0%

1. Includes impact of higher proportion of non-collateralised loans in the retail portfolio and seasoning of the retail portfolio



Balance sheet: Assets

(Rs. in billion)

	Mar 31, 2007	June 30, 2006	June 30, 2007	Y-o-Y growth
Cash balances with banks & SLR	1,044.89	810.76	1,060.69	30.8%
- Cash & bank balances	371.21	205.63	296.49	44.2%
- SLR investments	673.68	605.13	764.20	26.3%
Advances	1,958.66	1,471.84	1,982.77 ¹	34.7%
Other investments	238.90	208.27	330.81	58.8%
Fixed & other assets	204.13	171.78	195.05	13.5%
Total assets	3,446.58	2,662.65	3,569.32	34.1%

1. Net of sell-down of about Rs. 38.50 bn in Q1-2008



Balance sheet: Liabilities

(Rs. in billion)

	Mar 31, 2007	June 30, 2006	June 30, 2007	Y-o-Y growth
Net worth	243.13	227.70	246.86	8.4%
- Equity capital	8.99	8.92	9.03	1.2%
- Reserves	234.14	218.78	237.83	8.7%
Preference	3.50	3.50	3.50	-
Deposits	2,305.10	1,830.06	2,307.88	26.1%
Borrowings - domestic	385.17	334.26	362.56	8.5%
Borrowings – overseas branches	321.44	134.17	340.25	153.6%
Other liabilities	188.24	132.96	308.27	131.9%
Total liabilities	3,446.58	2,662.65	3,569.32	34.1%



Capital adequacy

	Mar 31, 2007		June 30, 2006		June 30, 2007	
	Rs. bn	%	Rs. bn	%	Rs. bn	%
Total Capital	338.95	11.69	280.20	12.46	326.46	11.03
- Tier I	215.03	7.42	193.45	8.60	209.48 ¹	7.08
- Tier II	123.92 ¹	4.27	86.75	3.86	116.98 ²	3.95
Risk weighted assets	2,899.93		2,248.07		2,959.41	

1. Does not include capital raised through public issue in India and American Depository Share offering, which would be reflected in the quarter ending September 30, 2007
2. Excludes US\$ 750 million Upper Tier II issue made in Jan-2007 pending clarifications required by RBI on the clauses for principal and interest payment. If this is included in Tier II capital, total capital adequacy ratio would be 12.06%



Key ratios

(Percent)

	FY2007	Q1-2007	Q1-2008
Return on average networth	13.4	11.1	13.0 ¹
Weighted avg EPS (Rs.)	34.8	27.8	34.6
Book value (Rs.)	269.8	254.4	272.9
NIM	2.6	2.5	2.3
Cost ² / income	40.2	44.3	43.7
Cost ² / average assets	1.75	1.63	1.74
Fee to income	40.5	43.3	42.2

1. RoE including profit of banking subsidiaries and excluding investment in insurance – 15.9%
2. Excludes DMA expenses



Asset quality and provisioning

(Rs. in billion)

	Mar 31, 2007	June 30, 2007
Gross NPAs	48.50	60.43
Less: Cumulative w/offs & provisions	28.31	33.01
Net NPAs	20.19	27.42
Net NPA ratio	1.0%	1.3%

- Gross retail NPLs as on June 30, 2007: Rs. 38.67 bn (of which 54% were non-collateralised)
- Net retail NPLs as on June 30, 2007: Rs. 19.43 bn (of which 46% were non-collateralised)
- Net restructured loans: Rs. 49.26 bn (Mar 31, 2007: Rs. 48.83 bn)



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

