

News Release**April 30, 2004****Performance Review – Year ended March 31, 2004: 36% 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 accounts of the Bank for the financial year ended March 31, 2004 (FY2004). The Board also approved the audited consolidated accounts for the period.

Highlights

- Profit after tax for FY2004 increased 36% to Rs. 1,637 crore (US\$ 374 million) from Rs. 1,206 crore (US\$ 276 million) for the financial year ended March 31, 2003 (FY2003).
- Profit after tax for the quarter ended March 31, 2004 (Q4-2004) increased 35% to Rs. 455 crore (US\$ 104 million) from Rs. 338 crore (US\$ 77 million) for the quarter ended March 31, 2003 (Q4-2003).
- Net interest income increased 32% to Rs. 1,879 crore (US\$ 430 million) for FY2004 from Rs. 1,424 crore (US\$ 326 million) for FY2003.
- Fee income increased 39% to Rs. 1,175 crore (US\$ 269 million) for FY2004 from Rs. 847 crore (US\$ 194 million) for FY2003.
- Retail assets increased 74% to Rs. 33,423 crore (US\$ 7.6 billion) at March 31, 2004 from Rs. 19,160 crore (US\$ 4.4 billion) at March 31, 2003.
- Deposits increased 41% to Rs. 68,109 crore (US\$ 15.6 billion) at March 31, 2004 from Rs. 48,169 crore (US\$ 11.0 billion) at March 31, 2003.
- At March 31, 2004, the Bank's net non-performing assets constituted 2.87% of customer assets.

Dividend

The Board has recommended a dividend on equity share capital of 75% for FY2004. The declaration and payment of dividend is subject to the approval of Reserve Bank of India (RBI) and the shareholders of the Bank.

Operating review

Credit growth

The Bank maintained its growth momentum in the retail segment. The Bank's home loan disbursements during FY2004 were Rs. 13,282 crore (US\$ 3.0 billion). Retail assets constituted 54% of advances and 47% of customer assets. The Bank's net customer assets at March 31, 2004 were Rs. 71,002 crore (US\$ 16.2 billion). While leveraging and enhancing its strong origination capabilities, the Bank continued to focus on securitisation of its customer assets. This has enabled the Bank to optimise resource and capital utilisation and diversify the composition of its asset portfolio. During FY2004, sell-down/ securitisation of assets was Rs. 10,700 crore (US\$ 2.4 billion).

Robust growth in low cost deposits

The Bank's deposits increased 41% to Rs. 68,109 crore (US\$ 15.6 billion) at March 31, 2004 from Rs. 48,169 crore (US\$ 11.0 billion) at March 31, 2003, compared to the banking system's deposit growth of about 17% during the same period. Savings and current account deposits constituted 41% of incremental deposits during the year. During this period, the Bank repaid Rs. 9,000 crore (US\$ 2.1 billion) of erstwhile ICICI's liabilities as they fell due in accordance with their terms of repayment. At March 31, 2004, deposits constituted 63% of the Bank's funding compared to 52% at March 31, 2003. The Bank's average cost of deposits for the quarter ended March 31, 2004 was 5.0% compared to 6.2% for the quarter ended March 31, 2003.

International initiative

During FY2004, ICICI Bank launched its operations in various international locations, including the India Offshore Banking Unit (OBU) in August 2003, Singapore OBU and China representative office in September 2003, United Arab Emirates (UAE) representative office in October 2003 and subsidiaries in UK and Canada in November and December 2003 respectively. In FY2004, the Bank has also received RBI approval for operations in Bahrain, Bangladesh, Russia and South Africa.

Asset quality

The Bank's net restructured assets at March 31, 2004 were Rs. 6,629 crore (US\$ 1.52 billion), a decline of Rs. 3,862 crore (US\$ 883 million) as compared to the peak restructured assets of Rs. 10,491 crore (US\$ 2.40 billion) at June 30, 2003. At March 31, 2004, the Bank's net non-performing assets constituted 2.87% of customer assets against 4.92% at March 31, 2003.

Audited consolidated accounts

The consolidated profit after tax was Rs. 1,580 crore (US\$ 361 million) in FY2004 as compared to Rs. 1,152 crore (US\$ 263 million) in FY2003.

Key highlights on subsidiaries

ICICI Securities' profit after tax increased 53% to Rs. 165 crore (US\$ 38 million) in FY2004 from Rs. 108 crore (US\$ 25 million) in FY2003. ICICI Lombard General Insurance Company (ICICI Lombard) earned an underwriting profit of Rs. 17 crore (US\$ 4 million), and achieved a profit after tax of Rs. 32 crore (US\$ 7 million) in FY2004. ICICI Lombard emerged as the leading private sector general insurance company with a market share of about 22% of the gross written premium earned by private sector general insurance companies in FY2004. 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. 164 crore (US\$ 38 million) on the Bank's reported consolidated profit after tax in FY2004 on account of the above reasons, the company's unaudited New Business Achieved Profit (NBAP) for FY2004 was Rs. 204 crore (US\$ 47 million). NBAP represents the present discounted value of future profit streams from new policies written by the company during the year, calculated on the basis of certain assumptions as to mortality and other parameters. Internationally, life insurance companies are valued as a multiple of their NBAP.

1 crore = 10.0 million

US\$ amounts represent convenience translations at US\$1= Rs. 43.72.

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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