

News Release**January 29, 2004****Performance Review – Nine months ended December 31, 2003:
36% 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 nine months ended December 31, 2003 (Apr-Dec 2003). The Board also approved the audited consolidated accounts for the period.

Highlights

- Profit after tax for Apr-Dec 2003 increased 36% to Rs. 1,182 crore (US\$ 259 million) from Rs. 868 crore (US\$ 190 million) for the nine months ended December 31, 2002 (Apr-Dec 2002).
- Profit after tax increased 33% to Rs. 440 crore (US\$ 96 million) for the quarter ended December 31, 2003 (Q3-2004) from Rs. 330 crore (US\$ 72 million) for the quarter ended December 31, 2002 (Q3-2003).
- Net interest income increased 41% to Rs. 485 crore (US\$ 106 million) for Q3-2004 from Rs. 343 crore (US\$ 75 million) for Q3-2003.
- Fee income increased 41% to Rs. 305 crore (US\$ 67 million) for Q3-2004 from Rs. 216 crore (US\$ 47 million) for Q3-2003.
- Retail assets increased 85% to Rs. 28,265 crore (US\$ 6.2 billion) at December 31, 2003 from Rs. 15,286 crore (US\$ 3.4 billion) at December 31, 2002.

Operating review***Retail credit growth***

The Bank maintained its growth momentum in the retail segment. The Bank's home loan disbursements during Apr-Dec 2003 were Rs. 8,641 crore (US\$ 1.9 billion). Retail assets constituted 49% of advances and 42% of customer assets. The Bank's net customer assets at December 31, 2003 were about Rs. 67,200 crore (US\$ 14.7 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 Apr-Dec 2003, the total sell-down/ securitisation of assets was Rs. 7,900 crore (US\$ 1.7 billion).

Robust growth in low cost deposits

The Bank's deposits increased 26% to Rs. 60,872 crore (US\$ 13.4 billion) at December 31, 2003 from Rs. 48,169 crore (US\$ 10.6 billion) at March 31, 2003, compared to the banking system's deposit growth of about 9% during the same period. Savings and current account deposits (including savings-linked and current-linked deposits) increased by 42% during Apr-Dec 2003. During this period, the Bank repaid Rs. 6,000 crore (US\$ 1.3 billion) of erstwhile ICICI's liabilities as they fell due in accordance with their terms of repayment. At December 31, 2003, deposits constituted 60% of the Bank's funding compared to 48% at December 31, 2002. The Bank's average cost of deposits for the quarter was 5.3% compared to 6.7% for Q3-2003.

International initiative

The Bank continued to make rapid progress in the implementation of its international strategy. The Bank's subsidiaries in the United Kingdom and Canada commenced operations in Q3-2004. The Bank has also received permission for setting up an offshore branch in Bahrain and a representative office in Bangladesh.

Stable capital position

ICICI Bank's capital adequacy at December 31, 2003 was 11.32% (including Tier-1 capital adequacy of 7.18%), well above RBI's requirement of 9.0%.

Asset quality

The Bank's net restructured assets at December 31, 2003 were Rs. 7,410 crore (US\$ 1.6 billion), a decline of Rs. 3,081 crore (US\$ 676 million) since June 30, 2003. At December 31, 2003, the Bank's net non-performing assets constituted 4.7% of customer assets.

Audited consolidated accounts

The consolidated profit after tax was Rs. 1,138 crore (US\$ 250 million) in Apr-Dec 2003 as compared to Rs. 815 crore (US\$ 179 million) in Apr-Dec 2002.

ICICI Securities' profit after tax increased 68% to Rs. 128 crore (US\$ 28 million) in Apr-Dec 2003 from Rs. 76 crore (US\$ 17 million) in Apr-Dec 2002. ICICI Lombard General Insurance Company (ICICI Lombard) earned an underwriting profit, and achieved a profit after tax of Rs. 16 crore (US\$ 4 million) in Apr-Dec 2003. 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. Faster-growing companies typically record higher losses in the initial years; the profit streams after breakeven is achieved are expected to be correspondingly higher. While the growing operations of ICICI Prudential Life had a negative impact of Rs. 113 crore (US\$ 25 million) on the Bank's reported consolidated profit after tax in Apr-Dec 2003 on account of the above reasons, the company's unaudited New Business Achieved Profit (NBAP) for Apr-Dec 2003 was Rs. 128 crore (US\$ 28 million), as compared to Rs. 71 crore (US\$ 16 million) for the full year ended March 31, 2003 (FY2003). NBAP represents the present discounted value of future profit streams from new policies written by the company during the quarter, calculated on the basis of certain assumptions as to mortality and other parameters.

1 crore = 10.0 million

US\$ amounts represent convenience translations at US\$1 = Rs. 45.60.

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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