

News Release

October 19, 2007

Performance Review – Quarter ended September 30, 2007: 33% 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 quarter ended September 30, 2007 (Q2-2008).

Highlights

- Operating profit excluding treasury income increased 52% in Q2-2008 to Rs. 1,712 crore (US\$ 430 million) from Rs. 1,129 crore (US\$ 283 million) in the quarter ended September 30, 2006 (Q2-2007).
- Profit after tax for Q2-2008 increased 33% to Rs. 1,003 crore (US\$ 252 million) from Rs. 755 crore (US\$ 189 million) for Q2-2007.
- Net interest income increased 34% to Rs. 1,786 crore (US\$ 448 million) for Q2-2008 from Rs. 1,334 crore (US\$ 335 million) for Q2-2007.
- Total advances increased 33% to Rs. 207,121 crore (US\$ 52.0 billion) at September 30, 2007 from Rs. 155,403 crore (US\$ 39.0 billion) at September 30, 2006.
- Current and savings account deposits increased 38% to Rs. 57,827 crore (US\$ 14.5 billion) at September 30, 2007 from Rs. 41,997 crore (US\$ 10.5 billion) at September 30, 2006.

Operating review

Credit growth

The Bank's total advances increased 33% to Rs. 207,121 crore (US\$ 52.0 billion) at September 30, 2007 from Rs. 155,403 crore (US\$ 39.0 billion) at September 30, 2006. The advances of the Bank's international branches increased 146% to Rs. 36,994 crore (US\$ 9.3 billion) at September 30, 2007 from Rs. 15,025 crore (US\$ 3.8 billion) at September 30, 2006, reflecting the combination of the Bank's strong corporate franchise, and its international presence. This has led to an increase in the proportion of advances of the Bank's international branches in total advances from 9.7% at September 30, 2006 to 17.9% at September 30, 2007. The Bank's retail advances were Rs. 131,014 crore (US\$ 32.9 billion) at September 30, 2007 and constituted 63% of total advances. The Bank is also extending its reach in the small and medium enterprises segment with advances increasing by 56% to Rs. 5,205 crore (US\$ 1.3 billion) at September 30, 2007 from Rs. 3,326 crore (US\$ 0.8 billion) at September 30, 2006.

Deposit growth

The Bank's total deposits increased 20% to Rs. 228,307 crore (US\$ 57.3 billion) at September 30, 2007 from Rs. 189,499 crore (US\$ 47.6 billion) at September 30, 2006. During this period, current and savings account deposits increased 38% to Rs. 57,827 crore (US\$ 14.5 billion) at September 30, 2007 from Rs. 41,997 crore (US\$ 10.5 billion) at September 30, 2006. The Bank had 950 branches and extension counters and about 3,600 ATMs at September 30, 2007.

International operations

The Bank has wholly-owned subsidiaries, branches and representative offices in 17 countries, and an offshore banking unit in Mumbai. At September 30, 2007 the Bank's international operations accounted for about 22% of its consolidated banking assets. The Bank's remittance business volumes were about Rs. 8,600 crore (US\$ 2.2 billion) during Q2-2008. ICICI Bank UK's profit after tax for the six-month period ended September 30, 2007 (H1-2008) was US\$ 36.0 million.

Capital adequacy

The Bank's capital adequacy at September 30, 2007 was 16.8%¹ (including Tier-1 capital adequacy of 13.0%), well above RBI's requirement of total capital adequacy of 9.0%.

Asset quality

At September 30, 2007, the Bank's net non-performing assets constituted 1.4% of customer assets.

Unaudited consolidated results

The unaudited consolidated profit after tax was Rs. 1,642 crore (US\$ 412 million) for the six-month period ended September 30, 2007 (H1-2008) compared to Rs. 1,319 crore (US\$ 331 million) for the six-month period ended September 30, 2006 (H1-2007).

ICICI Prudential Life Insurance Company (ICICI Life) continued to maintain its market leadership among private sector life insurance companies with a market share of about 26% on the basis of weighted received new business premium in April-August 2007. Life insurance companies worldwide make losses in the initial years, in view of business gestation and customer acquisition costs as well as reserving for actuarial liability. While the growing operations of ICICI Life had a negative impact of Rs. 406 crore (US\$ 102 million) on the unaudited consolidated profit after tax in H1-2008 on account of the above reasons, the company's unaudited New Business Profit (NBP) in H1-2008 was Rs. 432 crore (US\$ 108 million). NBP is a metric for the economic value of the new business written during a defined period. It is measured as the present value of all the future profits for the shareholders, on account of the new business based on standard assumptions of mortality, expenses and other parameters. Actual experience could differ based on variance from these assumptions especially in respect of expense overruns in the initial years.

ICICI Lombard General Insurance Company (ICICI General) maintained its leadership position with a market share of about 32% among private sector general insurance companies and an overall market share of about 12% during April-August 2007. ICICI General's profit after tax was Rs. 81 crore (US\$ 20 million) in H1-2008.

At September 30, 2007, ICICI Prudential Asset Management Company (ICICI AMC) had assets under management of about Rs. 50,400 crore (US\$

¹ Excludes US\$ 750 million Upper Tier II issue made in January 2007 pending clarifications required by Reserve Bank of India on the clauses for principal and interest payment.

12.6 billion). ICICI AMC's profit after tax was Rs. 53 crore (US\$ 13 million) in H1-2008.

Summary Profit and Loss Statement

Rs. crore

	Q2-2007	Q2-2008	Growth over Q2-2007	H1-2007	H1-2008	FY2007
Net interest income ¹	1,334	1,786	34%	2,543	3,265	5,637
Non-interest income (excluding treasury)	1,330	1,897	43%	2,590	3,653	5,915
- Fee income	1,185	1,486	25%	2,240	2,914	5,012
- Lease & other income	145	411	183%	350	739	903
Less:						
Operating expense	1,157	1,541	33%	2,237	3,020	4,979
Expenses on direct market agents (DMAs) ²	327	385	18%	718	768	1,524
Lease depreciation	51	45	-12%	102	88	188
Core operating profit	1,129	1,712	52%	2,076	3,042	4,861
Treasury income	240	175	-27%	258	369	1,013
Operating profit	1,369	1,887	38%	2,334	3,411	5,874
Less: Provisions	467	644	38%	683	1,197	2,226
Profit before tax	902	1,243	38%	1,651	2,215	3,648
Less: Tax	147	240	63%	276	437	538
Profit after tax	755	1,003	33%	1,375	1,778	3,110

1. Net of premium amortisation on government securities of Rs. 2.43 bn in Q2-2007, Rs. 2.10 bn in Q2-2008, Rs. 5.09 bn in H1-2007, Rs. 4.46 bn in H1-2008 and Rs. 9.99 bn in FY2007.
2. Represents commissions paid to direct marketing agents (DMAs) for origination of retail loans. These commissions are expensed upfront.
3. Prior period figures have been regrouped/re-arranged where necessary.

Summary Balance Sheet
Rs. crore

	Sept 30, 2006	Sept 30, 2007	Growth over Sept 30, 2006	March 31, 2007
Assets				
Cash balances with banks & SLR	84,539	108,397	28%	104,489
- Cash & bank balances	23,825	34,025	43%	37,121
- SLR investments	60,714	74,372	22%	67,368
Advances	155,403	207,121	33%	195,866
Other investments	22,278	27,916	25%	23,890
Fixed & other assets	20,153	21,510	7%	20,413
Total	282,373	364,944	29%	344,658
Liabilities				
Networth	23,550	44,752	90%	24,313
- Equity capital	893	1,111	24%	899
- Reserves	22,657	43,641	93%	23,414
Preference capital	350	350	-	350
Deposits	189,499	228,307	20%	230,510
Erstwhile ICICI borrowings	11,400	9,917	-13%	10,837
Other borrowings	40,201	63,668	58%	59,824
Other liabilities	17,373	17,950	3%	18,824
Total	282,373	364,944	29%	344,658

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.



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*1 crore = 10.0 million
US\$ amounts represent convenience translations at US\$1 = Rs. 39.85*