



ICICI Bank Limited
ICICI Bank Towers
Bandra Kurla Complex
Mumbai 400 051

News Release

January 17, 2005

Performance Review – Quarter ended December 31, 2004: 28% year-on-year growth in profit before tax

The Board of Directors of ICICI Bank Limited (NYSE: IBN) at its meeting at Mumbai on January 16-17, 2005, approved the audited Indian GAAP accounts of the Bank for the quarter ended December 31, 2004 (Q3-2005).

Highlights

- Net interest income increased 43% to Rs. 733 crore (US\$ 169 million) for Q3-2005 from Rs. 513 crore (US\$ 118 million) for the quarter ended December 31, 2003 (Q3-2004).
- Fee income increased 83% to Rs. 558 crore (US\$ 128 million) for Q3-2005 from Rs. 305 crore (US\$ 70 million) for Q3-2004.
- Profit before tax increased 28% to Rs. 663 crore (US\$ 153 million) for Q3-2005 from Rs. 516 crore (US\$ 119 million) for Q3-2004.
- Profit after tax increased 18% to Rs. 518 crore (US\$ 119 million) for Q3-2005 from Rs. 440 crore (US\$ 101 million) for Q3-2004.
- Profit after tax increased 18% to Rs. 1,391 crore (US\$ 320 million) for nine-month period ended December 31, 2004 (Apr-Dec 2004) from Rs. 1,182 crore (US\$ 272 million) for nine-month period ended December 31, 2003 (Apr-Dec 2003).
- Retail assets increased 63% to Rs. 46,194 crore (US\$ 10.6 billion) at December 31, 2004 from Rs. 28,265 crore (US\$ 6.5 billion) at December 31, 2003.

Operating review

Credit growth

The Bank's total advances increased 32% to Rs. 76,092 crore (US\$ 17.5 billion) at December 31, 2004 compared to Rs. 57,812 crore (US\$ 13.3 billion) at December 31, 2003. The Bank maintained its growth momentum in the retail segment. The Bank's home loan disbursements during Apr-Dec 2004 were Rs. 13,147 crore (US\$ 3.0 billion). The Bank strengthened its

leadership in the credit card business and had a credit card base of over 3 million cards at December 31, 2004. Retail assets constituted 61% of advances and 54% of customer assets at December 31, 2004. While retail loans have been a major driver of banking sector credit growth, there are indications of a pickup in industrial credit as well. The Bank is focusing on credit origination in both the corporate and retail segments and on growth in non-fund based products. While seeking to fully leverage its origination skills, the Bank also focuses on syndication and securitisation.

Funding

Total deposits increased 35% to Rs. 81,928 crore (US\$ 18.8 billion) at December 31, 2004 from Rs. 60,872 crore (US\$ 14.0 billion) at December 31, 2003. During Apr-Dec 2004, the Bank repaid about Rs. 5,000 crore (US\$ 1.1 billion) of erstwhile ICICI's liabilities as they fell due in accordance with their terms of repayment. At December 31, 2004, erstwhile ICICI's liabilities constituted 18% of the Bank's funding compared to 31% at December 31, 2003.

International operations

ICICI Bank continued to build on its existing presence in various geographies as well as enter new markets. The Bank opened a representative office in Bangladesh in August 2004 and an offshore branch in Bahrain in October 2004, and has received regulatory approval for establishing a representative office in South Africa. The Board of Directors has approved the establishment of representative offices in Indonesia, Malaysia, Thailand and Kenya, subject to approval from Reserve Bank of India (RBI) and regulators in the respective countries. The Bank's international presence combined with its domestic balance sheet enables it to offer a wider range of credit and trade finance solutions to Indian companies. In addition to providing credit and trade finance solutions to Indian companies, the Bank is expanding its international retail franchise. Total inward remittances by non-resident Indians (NRIs) through the Bank for Apr-Dec 2004 were about Rs. 9,300 crore (US\$ 2.1 billion).

Network

The Bank had 505 branches and extension counters at December 31, 2004 as compared to 470 branches and extension counters at September 30, 2004. As part of its strategy to expand its reach in rural India, the Bank has a network of over 1,500 internet kiosks as franchisees for distribution of its financial products.

Capital adequacy

The Bank's capital adequacy at December 31, 2004 was 13.5% (including Tier-1 capital adequacy of 8.6%), well above RBI's requirement of total capital adequacy of 9.0%.

Asset quality

The Bank's net restructured assets at December 31, 2004 were Rs. 6,792 crore (US\$ 1.6 billion), down from Rs. 7,410 crore (US\$ 1.7 billion) at December 31, 2003. At December 31, 2004, the Bank's net non-performing assets constituted 2.3% of customer assets against 4.7% at December 31, 2003.

Group companies

ICICI Lombard General Insurance Company (ICICI Lombard) maintained its leadership position among private sector general insurance companies. ICICI Lombard achieved a profit after tax of Rs. 30 crore (US\$ 7 million) in Apr-Dec 2004, compared to 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. While the growing operations of ICICI Prudential Life had a negative impact of Rs. 138 crore (US\$ 32 million) on the Bank's consolidated profit after tax in Apr-Dec 2004 on account of the above reasons, the company's unaudited New Business Achieved Profit (NBAP) for Apr-Dec 2004 was Rs. 184 crore (US\$ 42 million) compared to a full year unaudited NBAP of Rs. 204 crore (US\$ 47 million) for FY2004. 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 in the growth phase are valued as a multiple of their NBAP.

The Bank's consolidated profit after tax for Apr-Dec 2004 was Rs. 1,248 crore (US\$ 287 million).

Summary Profit and Loss Statement
Rs. crore

	Q3-2004	Q3-2005	Growth over Q3-2004	Apr-Dec 2003	Apr-Dec 2004	FY2004
NII	513	733	43%	1,440	2,049	1,987
Non-interest income (excl. treasury)	432	691	60%	1,217	1,967	1,751
- Fee income	305	558	83%	801	1,513	1,175
- Lease income	95	87	(8%)	320	296	422
- Others	32	46	44%	96	158	154
Treasury income	381	199	(48%)	1,102	415	1,314
Less:						
Operating expense	510	644	26%	1,469	1,795	1,999
Other DMA expense	73	138	89%	200	334	293
Lease depreciation	62	71	14%	211	224	279
Provisions	165	108	(35%)	529	349	579
Profit before tax	516	663	28%	1,350	1,729	1,902
Less: Tax	76	145	91%	168	339	265
Profit after tax	440	518	18%	1,182	1,391	1,637

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Mumbai 400 051

For further press queries please call Madhvendra Das at 91-22-2653 8208 or e-mail: madhvendra.das@icicibank.com. For investor queries please call Rakesh Jha at 91-22-2653 6157 or Anindya Banerjee at 91-22-2653 7131 or email at ir@icicibank.com.

1 crore = 10.0 million

US\$ amounts represent convenience translations at US\$1 = Rs.43.46.