

News Release

April 26, 2008

Performance Review – Year ended March 31, 2008: ICICI Bank's profit after tax crosses US\$ 1.0 billion

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 year ended March 31, 2008 (FY2008).

Highlights

- Profit after tax for the quarter ended March 31, 2008 (Q4-2008) increased 39% to Rs. 1,150 crore (US\$ 287 million) from Rs. 825 crore (US\$ 206 million) for the quarter ended March 31, 2007 (Q4-2007).
- Profit after tax for FY2008 increased 34% to Rs. 4,158 crore (US\$ 1.0 billion) from Rs. 3,110 crore (US\$ 775 million) for the year ended March 31, 2007 (FY2007).
- Net interest income increased 30% to Rs. 7,304 crore (US\$ 1.8 billion) for FY2008 from Rs. 5,637 crore (US\$ 1.4 billion) for FY2007.
- Fee income increased 32% to Rs. 6,627 crore (US\$ 1.7 billion) for FY2008 from Rs. 5,012 (US\$ 1.2 billion) for FY2007.
- Current and savings account (CASA) deposits ratio increased to 26% at March 31, 2008 from 22% at March 31, 2007.
- At March 31, 2008, ICICI Bank and its subsidiaries had consolidated total assets of Rs. 485,830 crore (US\$ 121.1 billion).

Dividend on equity shares

The Board has recommended a dividend of 110% for FY2008 i.e. Rs. 11 per equity share (equivalent to US\$ 0.55 per ADS) as compared to 100% for FY2007. The declaration and payment of dividend is subject to requisite approvals. The record/book closure dates shall be announced in due course.

Operating review

Deposit growth

Current and savings account deposits increased 27% to Rs. 63,781 crore (US\$ 15.9 billion) at March 31, 2008 from Rs. 50,214 crore (US\$ 12.5 billion) at March 31, 2007 and constituted 26% of total deposits at March 31, 2008 compared to 22% at March 31, 2007. The Bank is significantly expanding its branch network to expand its reach and further enhance its deposit franchise. At April 23, 2008 the Bank had 1,308 branches and extension counters as compared to 755 branches and extension counters at March 31, 2007. This increase of 553 branches and extension counters includes about 190 branches on account of the merger of Sangli Bank. The Bank had 3,950 ATMs at April 23, 2008.

Credit growth

Consolidated advances of the Bank and its overseas banking subsidiaries and ICICI Home Finance Company increased 19% to Rs. 252,071 crore (US\$ 62.8 billion) at March 31, 2008 from Rs. 211,660 crore (US\$ 52.8 billion) at March 31, 2007. This reflects robust growth in the loan book of the Bank's international branches, its international subsidiaries and ICICI Home Finance Company.

International operations

ICICI Bank's international business is focused on:

- Building a retail deposit base which gives the Bank access to low cost deposits on sustainable basis: Aggregate retail deposits of ICICI Bank UK and Canada increased 90% from Rs. 15,740 crore (US\$ 3.9 billion) at March 31, 2007 to Rs. 29,861 crore (US\$ 7.4 billion) at March 31, 2008.
- Building a global syndication network which enables the Bank to syndicate its foreign currency assets across a wide variety of investors: The Bank was ranked #1 in offshore loan syndications of Indian corporates in 2007.
- Being the preferred advisor and financier for overseas acquisitions of Indian corporates
- Achieving the status of the preferred bank for non-resident Indians in key markets of UK and Canada.

ICICI Bank UK PLC achieved profit after tax of Rs. 155 crore (US\$ 38.4 million) for FY2008 and increased its balance sheet by 80% to Rs. 35,300 crore (US\$ 8.8 billion) at March 31, 2008. Its retail deposit base almost doubled to Rs. 17,250 crore (US\$ 4.3 billion) on the back of the successful internet savings product and a 25% penetration in the bankable Indian community.

At March 31, 2008 the Bank's international operations accounted for about 25% of its consolidated banking assets.

Capital adequacy

The Bank's capital adequacy at March 31, 2008 as per Reserve Bank of India's revised guidelines on Basel II norms was 13.97% (including Tier-1 capital adequacy of 11.76%), well above RBI's requirement of total capital adequacy of 9.0%. At March 31, 2008, the capital adequacy ratios of ICICI Bank's UK and Canada subsidiaries were 18.6% and 22.9% respectively.

Asset quality

At March 31, 2008, the Bank's net non-performing assets constituted 1.49% of net customer assets.

Performance highlights of key non-banking subsidiaries

ICICI Prudential Life Insurance Company (ICICI Life) significantly increased its overall market share from 9.9% in FY2007 to 13.1% during April-February 2008 on the basis of retail new business weighted received premiums. ICICI Life's new business weighted received premium increased by 68% in FY2008 compared to industry growth of 37% during April-February 2008. The growing operations of ICICI Life had a negative impact of Rs. 1,032 crore (US\$ 257 million) on the consolidated profit after tax of ICICI Bank in FY2008. However, ICICI Life's unaudited New Business Profit (NBP) in FY2008 was Rs. 1,254 crore (US\$ 313 million). The assets held by ICICI Life increased from about Rs. 15,818 crore (US\$ 3.9 billion) at March 31, 2007 to Rs. 28,578 crore (US\$ 7.1 billion) at March 31, 2008.

ICICI Lombard General Insurance Company (ICICI General) maintained its overall market share of 12.3% during April-February 2008. ICICI General's premiums increased 11.4% to Rs. 3,345 crore (US\$ 834 million) in FY2008 despite the impact of de-tariffing. ICICI General's profit after tax increased by 51% to Rs. 103 crore (US\$ 26 million) in FY2008 from Rs. 68 crore (US\$ 17 million) in FY2007.

ICICI Securities' unconsolidated revenues and profit after tax for FY2008 were Rs. 750 crore (US\$ 187 million) and Rs. 150 crore (US\$ 37 million) respectively. ICICI Securities Primary Dealership's profit after tax for FY2008 was Rs. 140 crore (US\$ 35 million).

ICICI Prudential Asset Management Company's (ICICI AMC) average mutual fund assets under management was Rs. 54,355 crore (US\$ 13.5 billion) in March 2008. ICICI AMC's profit after tax increased by 70% to Rs. 82 crore (US\$ 20 million) in FY2008 from Rs. 48 crore (US\$ 12 million) in FY2007.

ICICI Venture Funds Management Company (ICICI Venture) is the largest Indian private equity company with assets under management of about Rs. 9,550 crore (US\$ 2.4 billion). ICICI Venture's profit after tax for the year ended March 31, 2008 was Rs. 90 crore (US\$ 22 million).

Summary Profit and Loss Statement (as per unconsolidated Indian GAAP accounts)

Rs. crore

	Q4-2007	Q4-2008	Growth over Q4-2007	FY2007	FY2008	Growth over FY2007
Net interest income ¹	1,609	2,079	29%	5,637	7,304	30%
Non-interest income	2,099	2,362	13%	6,928	8,811	27%
- Fee income	1,427	1,928	35%	5,012	6,627	32%
- Treasury income	445	164	-63%	1,013	815	-20%
- Other income	227	270	19%	903	1,369	52%
Total income	3,708	4,441	20%	12,565	16,115	28%
Less:						
Operating expense	1,454	1,746	20%	4,979	6,429	29%
Expenses on direct market agents (DMAs) ²	423	358	-15%	1,524	1,543	1%
Lease depreciation	44	46	5%	188	182	-3%
Operating profit	1,788	2,291	28%	5,874	7,961	36%
Less: Provisions	876	948	8%	2,226	2,905	31%
Profit before tax	912	1,343	47%	3,648	5,056	39%
Less: Tax	87	193	123%	538	898	67%
Profit after tax	825	1,150	39%	3,110	4,158	34%

1. Net of premium amortisation on government securities of Rs. 2.66 bn in Q4-2007, Rs. 2.40 bn in Q4-2008, Rs. 9.99 bn in FY2007 and Rs. 8.98 bn in FY2008.
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

	Mar 31, 2007	Mar 31, 2008
Assets		
Cash balances with banks & SLR	104,489	113,072
- Cash & bank balances	37,121	38,041
- SLR investments	67,368	75,031
Advances ¹	195,866	225,616
Other investments	23,890	36,423
Fixed & other assets	20,413	24,684
Total	344,658	399,795
Liabilities		
Networth	24,313	46,470
- Equity capital	899	1,113
- Reserves	23,414	45,358
Preference capital	350	350
Deposits	230,510	244,431
Other borrowings	70,661	86,399
Other liabilities	18,824	22,145
Total	344,658	399,795

1. Consolidated advances of the Bank and its overseas banking subsidiaries and ICICI HFC increased 19% to Rs. 252,071 crore at March 31, 2008 from Rs. 211,660 crore at March 31, 2007.

Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', '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, opportunities and growth potential to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the actual growth in demand for banking and other financial products and services in the countries that we operate or where a material number of our customers reside, our ability to successfully implement our strategy, including our use of the Internet and other technology and our rural expansion, our ability to integrate recent or future mergers or acquisitions into our operations, our ability to manage the increased complexity of the risks we face following our rapid international growth, future levels of impaired loans, our growth and expansion in domestic and overseas markets, the adequacy of our allowance for credit and investment losses, technological changes, investment income, our ability to market new products, cash flow projections, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions we are or become a party to, the future impact of new accounting standards, our ability to implement our dividend policy, the impact of changes in banking regulations and other regulatory changes in India and other jurisdictions on us, including on the assets and liabilities of ICICI, a former financial

institution not subject to Indian banking regulations, the bond and loan market conditions and availability of liquidity amongst the investor community in these markets, the nature of credit spreads, interest spreads from time to time, including the possibility of increasing credit spreads or interest rates, our ability to roll over our short-term funding sources and our exposure to credit, market and liquidity risks as well as other risks that are 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. 40.12