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

News Release **July 26, 2008**

Performance Review – Quarter ended June 30, 2008

The Board of Directors of ICICI Bank Limited (NYSE: IBN) at its meeting held at Vadodara today, approved the audited accounts of the Bank for the quarter ended June 30, 2008 (Q1-2009).

Highlights

- Core operating profit (operating profit excluding treasury) for Q1-2009 increased 74% to Rs. 2,308 crore (US$ 536 million) from Rs. 1,330 crore (US$ 309 million) for the quarter ended June 30, 2007 (Q1-2008).

- Net interest income increased 41% to Rs. 2,090 crore (US$ 486 million) for Q1-2009 from Rs. 1,479 crore (US$ 344 million) for Q1-2008.

- Fee income increased 37% to Rs. 1,958 crore (US$ 455 million) for Q1-2009 from Rs. 1,428 crore (US$ 332 million) for Q1-2008.

- Sharp increase in interest rates and adverse market conditions during the quarter had a negative impact of Rs. 594 crore (US$ 138 million) on the Bank's trading portfolio and Statutory Liquidity Ratio (SLR) securities portfolio, and its treasury income in Q1-2009.

- Despite the negative impact on the Bank's treasury income, profit after tax for Q1-2009 was Rs. 728 crore (US$ 169 million) compared to Rs. 775 crore (US$ 180 million) for Q1-2008.

- At June 30, 2008, ICICI Bank and its subsidiaries had consolidated total assets of Rs. 484,643 crore (US$ 112.6 billion).

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Operating review

Deposit growth

Savings account deposits increased 35% to Rs. 43,465 crore (US$ 10.1 billion) at June 30, 2008 from Rs. 32,121 crore (US$ 7.5 billion) at June 30, 2007. Current and savings account (CASA) deposits constituted 27.6% of total deposits at June 30, 2008 compared to 22.4% at June 30, 2007. The Bank has significantly expanded its branch network to expand its reach and further enhance its deposit franchise. At July 21, 2008, the Bank had 1,388 branches and extension counters and 4,233 ATMs.

Credit growth

Consolidated advances of the Bank and its overseas banking subsidiaries and ICICI Home Finance Company increased 20% to Rs. 257,287 crore (US$ 59.8 billion) at June 30, 2008 from Rs. 215,293 crore (US$ 50.0 billion) at June 30, 2007.

International operations

ICICI Bank's international business continued to focus on:

- Building a retail deposit base which gives the Bank access to low cost deposits on a sustainable basis: ICICI Bank UK Plc and ICICI Bank Canada raised about US$ 1.5 billion of retail deposits in Q1-2009.

- Being the preferred financier and adviser for overseas acquisitions by Indian corporates and strengthening the global syndication network: The Bank was ranked #1 in offshore loan syndications of Indian corporates during January-June 2008.

- Being the preferred bank for non-resident Indians: The Bank's remittance volumes increased by 35% in Q1-2009 to about Rs. 11,400 crore (US$ 2.6 billion) compared to Q1-2008.

Capital adequacy

The Bank's capital adequacy at June 30, 2008 as per Reserve Bank of India's revised guidelines on Basel II norms was 13.42% (including Tier-1 capital adequacy of 11.29%), well above RBI's requirement of total capital adequacy of 9.0%.

Asset quality

At June 30, 2008, the Bank's net non-performing assets constituted 1.74% of net customer assets[1].

Performance highlights of insurance subsidiaries

ICICI Prudential Life Insurance Company (ICICI Life) increased its overall market share from 12.7% in FY2008 to 13.8% during April-May 2008 on the basis of retail new business weighted received premiums. ICICI Life's new business weighted received premium increased by 46% in Q1-2009 to Rs. 1,178 crore (US$ 274 million). ICICI Life continued to grow its operations and new business volumes and expand its distribution infrastructure. While this resulted in the reduction of the consolidated profit after tax of ICICI Bank by Rs. 238 crore (US$ 55 million) in Q1-2009, ICICI Life's unaudited New Business Profit (NBP)[2] in Q1-2009 was Rs. 240 crore (US$ 56 million). This translates into an NBP margin of 19.1%. The assets held by ICICI Life were Rs. 26,967 crore (US$ 6.3 billion) at June 30, 2008.

ICICI Lombard General Insurance Company (ICICI General) increased its overall market share from 11.9% in FY2008 to 13.3% during April-May 2008. ICICI General's premiums increased 21% on a year-on-year basis to Rs. 1,077 crore (US$ 250 million) in Q1-2009. Despite pressure on pricing in the de-tariffed environment and continuing investment in distribution, the company maintained financial breakeven.

[1] Customer assets include loans and credit substitutes

[2] Life insurance companies worldwide make accounting losses in initial years due to business set-up and customer acquisition costs in the initial years and reserving for actuarial liability. Further, in India, amortization of acquisition costs is not permitted. These factors have resulted in statutory losses for ICICI Life since the company's inception, as its business has grown rapidly year on year. If properly priced, life insurance policies are profitable over the life of the policy, but at the time of sale, there is a loss on account of non-amortized expenses and commissions, generally termed as new business strain that emerges out of new business written during the year. New Business Profit (NBP) is an alternate measure of the underlying business profitability (as opposed to the statutory profit or loss) and relevant in the case of fast expanding companies like ICICI Life. NBP is the present value of the profits of the new business written during the year. It is based on standard economic and non-economic assumptions including risk discount rates, investment returns, mortality, expenses and persistency assumptions. Disclosure on economic assumptions are available in the annual report for the year ended March 31, 2008.

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

Rs. crore

	Q1-2008	Q1-2009	FY2008
Net interest income[1]	1,479	2,090	7,304
Non-interest income	1,756	2,132	7,997
- Fee income	*1,428*	*1,958*	*6,627*
- Lease and other income	*328*	*174*	*1,369*
Less:			
Operating expense	1,479	1,634	6,429
Expenses on direct market agents (DMAs)[2]	383	228	1,543
Lease depreciation	44	51	182
Core operating profit	**1,330**	**2,308**	**7,147**
Treasury income	195	(594)	815
Operating profit	**1,524**	**1,714**	**7,961**
Less: Provisions	552	792	2,905
Profit before tax	**972**	**922**	**5,056**
Less: Tax	197	194	898
Profit after tax	**775**	**728**	**4,158**

1. *Net of premium amortisation on government securities of Rs. 235 crore in Q1-2008, Rs. 219 crore in Q1-2009 and Rs. 898 crore 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.*

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Summary Balance Sheet

Rs. crore

	June 30, 2007	June 30, 2008	March 31, 2008
Assets			
Cash balances with banks & SLR	106,068	107,558	113,072
- Cash & bank balances	*29,648*	*35,551*	*38,041*
- SLR investments	*76,420*	*72,007*	*75,031*
Advances[1]	198,277	224,146	225,616
Other investments	33,081	35,998	36,423
Fixed & other assets	19,505	26,454	24,684
Total	**356,932**	**394,156**	**399,795**
Liabilities			
Networth	24,686	47,394	46,470
- Equity capital	*903*	*1,113*	*1,113*
- Reserves	*23,783*	*46,281*	*45,358*
Preference capital	350	350	350
Deposits	230,788	234,461	244,431
Borrowings	70,281	93,823	86,399
Other liabilities	30,826	18,128	22,145
Total	**356,932**	**394,156**	**399,795**

1. Consolidated advances of the Bank and its overseas banking subsidiaries and ICICI Home Finance Company increased 20% to Rs. 257,287 crore at June 30, 2008 from Rs. 215,293 crore at June 30, 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, our rural expansion, our exploration of merger and acquisition opportunities, our ability to integrate recent or future mergers or acquisitions into our operations and manage the risks associated with such acquisitions to achieve our strategic and financial objectives, 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. 43.035