

**News Release****April 28, 2007****Performance Review – Year ended March 31, 2007: 22% 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 year ended March 31, 2007 (FY2007).

**Highlights**

- Operating profit increased 51% to Rs. 5,874 crore (US\$ 1,351 million) for FY2007 from Rs. 3,888 crore (US\$ 894 million) for the year ended March 31, 2006 (FY2006).
- Profit after tax increased 22% to Rs. 3,110 crore (US\$ 715 million) for FY2007 from Rs. 2,540 crore (US\$ 584 million) for FY2006.
- Net interest income increased 41% to Rs. 6,636 crore (US\$ 1,527 million) for FY2007 from Rs. 4,709 crore (US\$ 1,083 million) for FY2006.
- Fee income increased 45% to Rs. 5,012 crore (US\$ 1,153 million) for FY2007 from Rs. 3,447 crore (US\$ 793 million) for FY2006.
- Profit before general provisions and tax increased 40% to Rs. 1,369 crore (US\$ 315 million) for the quarter ended March 31, 2007 (Q4-2007) from Rs. 975 crore (US\$ 224 million) for the quarter ended March 31, 2006.
- Profit after tax for Q4-2007 increased 4% to Rs. 825 crore (US\$ 190 million) from Rs. 790 crore (US\$ 182 million) for Q4-2006.
- Total advances increased 34% to Rs. 195,866 crore (US\$ 45.1 billion) at March 31, 2007 from Rs. 146,163 crore (US\$ 33.6 billion) at March 31, 2006.
- Deposits increased 40% to Rs. 230,510 crore (US\$ 53.0 billion) at March 31, 2007 from Rs. 165,083 crore (US\$ 38.0 billion) at March 31, 2006.

**Dividend on equity shares**

The Board has recommended a higher dividend of 100% for FY2007 i.e. Rs. 10 per equity share (equivalent to US\$ 0.46 per ADS) as compared to 85% for FY2006. The declaration and payment of dividend is subject to requisite approvals. The record/book closure dates shall be announced in due course.

**Operating review*****Credit growth***

The Bank's net customer assets increased 35% to Rs. 205,374 crore (US\$ 47.2 billion) at March 31, 2007 compared to Rs. 152,049 crore (US\$ 35.0 billion) at March 31, 2006. The Bank's retail advances increased by 39% to Rs. 127,689 crore (US\$ 29.4 billion) at March 31, 2007 from Rs. 92,198 crore (US\$ 21.2 billion) at March 31, 2006. Retail assets constituted 65% of advances and 62% of customer assets. The Bank is focusing on fee based products and services, as well as capitalising on opportunities presented by the domestic and international expansion of Indian companies. The Bank's rural portfolio increased by 37% on a year-on-year basis to about Rs. 20,179 crore (US\$ 4.6 billion). The Bank is also extending its reach in the small and medium enterprises segment.

***Deposit growth***

The Bank's total deposits increased 40% to Rs. 230,510 crore (US\$ 53.0 billion) at March 31, 2007 from Rs. 165,083 crore (US\$ 38.0 billion) at March 31, 2006. During this period, savings deposits increased by 38% from Rs. 20,938 crore (US\$ 4.8 billion) to Rs. 28,839 crore (US\$ 6.6 billion). The Bank added 141 branches and 1,071 ATMs during the year, taking the number of branches and extension counters to 755 and ATMs to 3,271. The Bank has also received Reserve Bank of India's approval for amalgamation of Sangli Bank, which will increase the Bank's branch network to about 950 branches.

***International operations***

The Bank now has wholly-owned subsidiaries, branches and representative offices in 17 countries, and an offshore banking unit in Mumbai. The total assets of the Bank's international branches increased to about Rs. 52,500 crore (US\$ 12.1 billion) at March 31, 2007 from about Rs. 27,500 crore (US\$ 6.3 billion) at March 31, 2006. The total assets of the Bank's international banking subsidiaries increased to about Rs. 30,500 crore (US\$ 7.0 billion) at March 31, 2007 from about Rs. 13,400 crore (US\$ 3.1 billion) at March 31, 2006. The Bank's remittance volumes grew by

45% in FY2007 compared to FY2006. ICICI Bank UK's profit after tax for FY2007 was US\$ 39 million, translating into a return on equity of about 22%. At March 31, 2007 the Bank's international operations accounted for about 19% of its consolidated banking assets.

### ***Capital adequacy***

The Bank's capital adequacy at March 31, 2007 was 11.7%<sup>1</sup> (including Tier-1 capital adequacy of 7.4%).

### ***Asset quality***

At March 31, 2007, the Bank's net non-performing assets constituted 0.98% of net customer assets. The net non-performing asset ratio in the home loan portfolio was 0.71%.

### ***Consolidated profits***

The consolidated profit after tax increased 14% to Rs. 2,761 crore (US\$ 635 million) in FY2007 from Rs. 2,420 crore (US\$ 557 million) in FY2006. The consolidated profit was lower than the standalone profit due to the accounting losses of ICICI Prudential Life Insurance Company (ICICI Life).

### ***Insurance and asset management subsidiaries***

ICICI Life continued to maintain its market leadership among private sector life insurance companies with a market share of 29% on the basis of weighted received premium. Life insurance companies worldwide make losses in the initial years, 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 Life had a negative impact of Rs. 480 crore (US\$ 110 million) on the Bank's consolidated profit after tax in FY2007 on account of the above reasons, the company's unaudited New Business Achieved Profit (NBAP) for FY2007 was Rs. 881 crore (US\$ 203 million) as compared to Rs. 528 crore (US\$ 121 million) in FY2006. NBAP 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.

---

<sup>1</sup> USD 750 million (Rs. 3,260 crore) of foreign currency bonds raised for Upper Tier II capital have been excluded from the above capital adequacy ratio (CAR) computation, pending clarification required by Reserve Bank of India (RBI) regarding certain terms of these bonds. If these bonds were considered as Tier-II capital, the total capital adequacy ratio would be 12.8%.

ICICI Lombard General Insurance Company (ICICI General) enhanced its leadership position with a market share of about 35% among private sector general insurance companies and an overall market share of about 12.4% during April 2006-February 2007. ICICI General's gross written premium grew by 89% from Rs. 1,592 crore (US\$ 366 million) in FY2006 to Rs. 3,004 crore (US\$ 691 million) in FY2007. ICICI General is required to expense upfront, on origination of a policy, all sourcing expenses related to the policy. While ICICI General's profit after tax for FY2007 was Rs. 68 crore (US\$ 16 million), its combined ratio for FY2007 was 97%. The combined ratio is the sum of net claims and expenses as a percentage of premiums and indicates the surplus generated on an annualised basis from the business written during a period (excluding investment income). The surplus based on the combined ratio, and investment income aggregated Rs. 180 crore (US\$ 41 million) on a pre tax basis in FY2007.

At March 31, 2007, ICICI Prudential Asset Management Company (ICICI AMC) was among the top two asset management companies in India with assets under management of over Rs. 37,900 crore (US\$ 8.7 billion). ICICI AMC's profit after tax increased by 55% to Rs. 48 crore (US\$ 11 million) in FY2007 from Rs. 31 crore in FY2006 (US\$ 7 million).

### Summary Profit and Loss Statement

*Rs. crore*

	Q4-2006	Q4-2007	Growth over Q4-2006	FY2006	FY2007	Growth over FY2006
Net interest income <sup>1</sup>	1,374	1,875	36%	4,709	6,636	41%
Non-interest income (excluding treasury)	1,321	1,654	25%	4,243	5,914	39%
- Fee income <sup>2</sup>	1,105	1,427	29%	3,447	5,012	45%
- Lease & other income	216	227	5%	796	902	13%
Less:						
Operating expense	1,057	1,454	38%	3,547	4,979	40%
Expenses on direct marketing agents (DMAs) <sup>1</sup>	365	423	16%	1,177	1,524	29%
Lease depreciation	73	44	-40%	277	188	-32%
<b>Core operating profit</b>	<b>1,200</b>	<b>1,608</b>	<b>34%</b>	<b>3,951</b>	<b>5,859</b>	<b>48%</b>
Treasury gains <sup>2</sup>	281	446	59%	740	1,014	37%
Less: Premium amortisation on SLR securities <sup>3</sup>	243	266	9%	802	999	25%
<b>Operating profit</b>	<b>1,238</b>	<b>1,788</b>	<b>44%</b>	<b>3,888</b>	<b>5,874</b>	<b>51%</b>
Less: Specific provisions & write-offs <sup>4</sup>	263	419	59%	453	1,495	230%
<b>Profit before general provisions and tax</b>	<b>975</b>	<b>1,369</b>	<b>40%</b>	<b>3,436</b>	<b>4,379</b>	<b>27%</b>

General provisions	91	457 <sup>5</sup>	402%	339	731 <sup>6</sup>	116%
<b>Profit before tax</b>	<b>884</b>	<b>912</b>	<b>3%</b>	<b>3,097</b>	<b>3,648</b>	<b>18%</b>
Less: Tax	94	87	-7%	557	538	-3%
<b>Profit after tax</b>	<b>790</b>	<b>825</b>	<b>4%</b>	<b>2,540</b>	<b>3,110</b>	<b>22%</b>

1. DMA expense on automobile loans, which was earlier deducted from net interest income, is now included in "Expenses on direct marketing agents (DMAs)".
2. Includes income from treasury products and services.
3. As required by Reserve Bank of India's circular no. DBOD.BP.BC.87/21.04.141/2006-07 dated April 20, 2007, the Bank has deducted the amortisation of premium on government securities, which was earlier included in "Provisions & contingencies", from "Other income".
4. Net of write backs.
5. Includes impact of about Rs. 310 crore (US\$ 71 million) due to increase in general provisioning requirement stipulated by RBI to 2% on certain categories of loans in Q4-2007.
6. Includes impact of about Rs. 555 crore (US\$ 128 million) due to increase in general provisioning requirement stipulated by RBI during the year.
7. Prior period figures have been regrouped/re-arranged where necessary.
8. Figures for Q4-2006 and Q4-2007 are unaudited.

### Summary Balance Sheet

Rs. crore

	Mar 31, 2006	Mar 31, 2007	Growth over Mar 31, 2006
<b>Assets</b>			
Cash balances with banks & SLR	68,115	104,489	53%
- Cash & bank balances	17,040	37,121	118%
- SLR investments	51,075	67,368	32%
Advances	146,163	195,866	34%
Other investments	20,473	23,890	17%
Fixed & other assets	16,638	20,413	23%
<b>Total assets</b>	<b>251,389</b>	<b>344,658</b>	<b>37%</b>
<b>Liabilities</b>			
Networth	22,206	24,313	9%
- Equity capital	890	899	1%
- Reserves	21,316	23,414	10%
Preference capital	350	350	-
Deposits	165,083	230,510	40%
Erstwhile ICICI borrowings	13,190	10,837	-18%
Other borrowings	35,477	59,823	69%
Other liabilities	15,083	18,824	25%
<b>Total liabilities</b>	<b>251,389</b>	<b>344,658</b>	<b>37%</b>

*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.*

*For further press queries please call Charudatta Deshpande at 91-22-2653 8208 or e-mail: [charudatta.deshpande@icicibank.com](mailto:charudatta.deshpande@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](mailto:ir@icicibank.com).*

*1 crore = 10.0 million  
US\$ amounts represent convenience translations at US\$1= Rs. 43.47*