

News Release**January 20, 2007****Performance Review – Quarter ended December 31, 2006: 42% year-on-year growth in profit after tax**

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 December 31, 2006 (Q3-2007).

Highlights

- Operating profit increased 65% to Rs. 1,976 crore (US\$ 446 million) for Q3-2007 from Rs. 1,194 crore (US\$ 270 million) for Q3-2006.
- Profit after tax for Q3-2007 increased 42% to Rs. 910 crore (US\$ 206 million) from Rs. 640 crore (US\$ 145 million) for Q3-2006.
- Net interest income increased 32% to Rs. 1,709 crore (US\$ 386 million) for Q3-2007 from Rs. 1,296 crore (US\$ 293 million) for Q3-2006.
- Fee income increased 53% to Rs. 1,345 crore (US\$ 304 million) for Q3-2007 from Rs. 881 crore (US\$ 199 million) for Q3-2006.
- Profit after tax increased 31% to Rs. 2,285 crore (US\$ 516 million) for the nine-month period ended December 31, 2006 (9m-2007) from Rs. 1,750 crore (US\$ 395 million) for the nine-month period ended December 31, 2005 (9m-2006).
- Retail assets increased 50% to Rs. 117,914 crore (US\$ 26.6 billion) at December 31, 2006 from Rs. 78,495 crore (US\$ 17.7 billion) at December 31, 2005.
- Deposits increased 47% to Rs. 196,893 crore (US\$ 44.5 billion) at December 31, 2006 from Rs. 133,881 crore (US\$ 30.3 billion) at December 31, 2005.

Operating review

Credit growth

The Bank's net customer assets increased 42% to Rs. 180,960 crore (US\$ 40.9 billion) at December 31, 2006 compared to Rs. 127,319 crore (US\$ 28.8 billion) at December 31, 2005. In 9m-2007, the Bank's total retail disbursements were about Rs. 54,100 crore (US\$ 12.2 billion) including home loan disbursements of about Rs. 21,300 crore (US\$ 4.8 billion). Retail assets constituted 68% of advances and 65% of customer assets. The Bank is focusing on non-fund 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 grew by about 43% on a year-on-year basis. The Bank is also extending its reach in the small and medium enterprises segment.

Deposit growth

The Bank's total deposits increased 47% to Rs. 196,893 crore (US\$ 44.5 billion) at December 31, 2006 from Rs. 133,881 crore (US\$ 30.2 billion) at December 31, 2005. During this period, savings deposits increased by 53% from Rs. 18,951 crore (US\$ 4.3 bn) to Rs. 28,878 crore (US\$ 6.5 bn). The Bank added 35 branches and 345 ATMs during the quarter, taking the number of branches and extension counters to 667 and ATMs to 2,681.

International operations

The Bank now has wholly-owned subsidiaries, branches and representative offices in 16 countries, and an offshore banking unit in Mumbai. The total assets of the Bank's international branches increased to about Rs. 40,300 crore (US\$ 9.1 billion) at December 31, 2006 from about Rs. 25,180 crore (US\$ 5.7 billion) at December 31, 2005. The total assets of the Bank's international banking subsidiaries increased to about Rs. 24,450 crore (US\$ 5.5 billion) at December 31, 2006 from about Rs. 8,600 crore (US\$ 1.9 billion) at December 31, 2005. The Bank's remittance volumes grew by 30% in Q3-2007 compared to Q3-2006. The Bank has launched remittances services to Sri Lanka and the Philippines through its UK and Canada subsidiaries. ICICI Bank UK's unaudited profit after tax for 9m-2007 was US\$ 28.9 million (approximately Rs. 128 crore), translating into a return on equity of about 20%. During the quarter, the Bank opened representative offices in Thailand and Malaysia.

Capital adequacy

The Bank's capital adequacy at December 31, 2006 was 13.4% (including Tier 1 capital adequacy of 8.6%), well above RBI's requirement of total capital adequacy of 9%.

Asset quality

At December 31, 2006, the Bank's net non-performing assets constituted 1.0% of net customer assets.

Insurance and asset management businesses

ICICI Lombard General Insurance Company (ICICI Lombard) enhanced its leadership position with a market share of about 35.8% among private sector general insurance companies and an overall market share of about 12.5% during April-November 2006. ICICI Lombard's unaudited profit after tax for Q3-2007 was Rs. 16 crore (US\$ 4 million).

ICICI Prudential Life Insurance Company (ICICI Prudential Life) continued to maintain its market leadership among private sector life insurance companies. 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 Prudential Life had a negative impact of Rs. 95 crore (US\$ 21 million) on the Bank's consolidated profit after tax in Q3-2007 on account of the above reasons, the company's unaudited New Business Achieved Profit (NBAP) for Q3-2007 was Rs. 193 crore (US\$ 44 million) as compared to Rs. 142 crore (US\$ 32 million) in Q3-2006. 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.

Prudential ICICI Asset Management Company continues to be among the largest asset management companies in India with assets under management of over Rs. 33,350 crore (US\$ 7.5 billion) at December 31, 2006.

Summary Profit and Loss Statement
Rs. crore

| | Q3-2006 | Q3-2007 | Growth over Q3-2006 | 9m-2006 | 9m-2007 | FY2006 |
|--|--------------|------------------|---------------------|--------------|--------------|--------------|
| Net interest income ¹ | 1,296 | 1,709 | 32% | 3,335 | 4,761 | 4,709 |
| Non-interest income (excluding treasury) | 1,045 | 1,671 | 60% | 2,922 | 4,260 | 4,243 |
| - Fee income ² | 881 | 1,345 | 53% | 2,342 | 3,585 | 3,447 |
| - Lease & other income | 164 | 326 | 99% | 580 | 675 | 796 |
| Less: | | | | | | |
| Operating expense | 904 | 1,289 | 43% | 2,490 | 3,525 | 3,547 |
| Expenses on direct market agents (DMAs) ¹ | 301 | 383 | 27% | 812 | 1,101 | 1,177 |
| Lease depreciation | 76 | 42 | -45% | 204 | 144 | 277 |
| Core operating profit | 1,060 | 1,666 | 57% | 2,750 | 4,251 | 3,951 |
| Treasury gains ² | 134 | 310 | 131% | 459 | 568 | 740 |
| Operating profit | 1,194 | 1,976 | 65% | 3,209 | 4,819 | 4,691 |
| Less: Provisions ^{3,4} | 395 | 891 ⁵ | 126% | 997 | 2,083 | 1,594 |
| Profit before tax | 799 | 1,085 | 36% | 2,212 | 2,736 | 3,097 |
| Less: Tax | 159 | 175 | 10% | 462 | 451 | 557 |
| Profit after tax | 640 | 910 | 42% | 1,750 | 2,285 | 2,540 |

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. Includes premium amortisation on government securities: Rs. 220 crore in Q3-2006, Rs. 224 crore in Q3-2007, Rs. 559 crore in 9m-2006, Rs. 733 crore in 9m-2007 and Rs. 802 crore in FY2006.
4. Includes standard asset provisions of Rs. 208 crore in Q3-2006, Rs. 144 crore in Q3-2007, Rs. 248 crore in 9m-2006, Rs. 278 crore in 9m-2007 and Rs. 339 crore in FY2006.
5. Includes provision of Rs. 85 crore for potential losses from frauds pertaining to the warehouse receipt-based financing product for agricultural credit.
6. Prior period figures have been regrouped/re-arranged where necessary.

Summary Balance Sheet
Rs. crore

| | Dec 31, 2005 | Dec 31, 2006 | Growth over Dec 31, 2005 | March 31, 2006 |
|--------------------------------|-------------------------|-------------------------|-------------------------------------|---------------------------|
| Assets | | | | |
| Cash balances with banks & SLR | 59,043 | 82,428 | 40% | 68,114 |
| - Cash & bank balances | 17,786 | 24,819 | 40% | 17,040 |
| - SLR investments | 41,257 | 57,609 | 40% | 51,074 |
| Advances | 122,613 | 172,763 | 41% | 146,163 |
| Other investments | 15,923 | 21,924 | 38% | 20,473 |
| Fixed & other assets | 14,853 | 18,717 | 26% | 16,639 |
| Total | 212,432 | 295,832 | 39% | 251,389 |
| Liabilities | | | | |
| Networth | 21,052 | 24,445 | 16% | 22,206 |
| - Equity capital | 874 | 894 | 2% | 890 |
| - Reserves | 20,178 | 23,551 | 17% | 21,316 |
| Preference capital | 350 | 350 | - | 350 |
| Deposits | 133,881 | 196,893 | 47% | 165,083 |
| Erstwhile ICICI borrowings | 14,117 | 11,190 | -21% | 13,190 |
| Other borrowings | 29,690 | 47,629 ¹ | 60% | 35,477 |
| Other liabilities | 13,342 | 15,325 | 15% | 15,083 |
| Total | 212,432 | 295,832 | 39% | 251,389 |

1. Includes Hybrid Tier-1 and Upper Tier-2 capital of Rs. 4,197 crore.

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. 44.26.*