



Performance Review: H1-2003

October 31, 2002

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Highlights

ICICI Bank

- Profit after tax increased from Rs. 2.53 bn in Q1-2003 to Rs. 2.85 bn in Q2-2003
- Profit after tax for H1-2003 Rs. 5.38 bn
 - Despite merger transition costs, higher general provisioning and conservative income recognition
- Return on assets 1.0% and return on net worth 16.5%
- Market leadership in retail assets
 - Retail constitutes 22% of customer assets and 13% of total assets¹
- Repayment of Rs. 110.00 bn of ICICI's liabilities
 - Deposits constitute 42% of ICICI Bank's funding

1. Including ICICI Home Finance Company portfolio



Highlights

ICICI Bank

- Sale of ICICI Bank shares with capital gains of Rs. 11.91 billion
- Additional provisions of Rs. 16.86 bn in Q2-2003 with positive deferred tax impact (net of tax provision for the period) of Rs. 4.43 bn
 - Further de-risking portfolio with provision coverage of 6.5% on corporate standard assets
- Capital adequacy 12.32% (including Tier-1 of 8.05%)



Agenda

Financial Performance

Operational Review

Capital & Shareholding



Profit & loss statement

ICICI Bank

(Rs. in billion)

	Q1- 2003	Q2- 2003	H1- 2003	H1- 2002	FY 2002 ¹
Interest income	23.96	22.79	46.75	9.33	21.52
Interest expense	20.60	19.72	40.32	6.42	15.59
Net interest income	3.36	3.07	6.43	2.91	5.93
Non-interest income	4.60	5.30	9.90	2.22	5.75
- Fee income	1.95	2.09	4.04	1.00	2.83
- Treasury income	0.97	1.53	2.50	1.13	2.92
- Lease income	1.38	1.37	2.75	-	-
- Others	0.30	0.31	0.61	0.09	-
Total income	7.96	8.37	16.33	5.13	11.68

1. Includes operations of ICICI and two subsidiaries from the Appointed Date i.e., Mar 30, 2002.

2. Previous year results are not comparable.



Profit & loss statement

ICICI Bank



(Rs. in billion)

	Q1- 2003	Q2- 2003	H1- 2003	H1- 2002	FY 2002 ¹
Total income	7.96	8.37	16.33	5.13	11.68
Operating expenses	3.51	3.65	7.16	2.78	6.23
DMA commission	0.13	0.38	0.51	-	-
Lease depreciation	0.79	0.78	1.57	-	-
Operating profit	3.53	3.56	7.09	2.35	5.45
Provisions	0.71	0.48	1.19	0.47	2.55
Profit before extraordinary items & tax	2.82	3.08	5.90	1.88	2.90

1. Includes operations of ICICI and two subsidiaries from the Appointed Date i.e., Mar 30, 2002.
2. Previous year results are not comparable.



Profit & loss statement

ICICI Bank

(Rs. in billion)

	Q1- 2003	Q2- 2003	H1- 2003	H1- 2002	FY 2002 ¹
Profit before extraordinary items & tax	2.82	3.08	5.90	1.88	2.90
Profit on sale of ICICI Bank shares	-	11.91	11.91	-	-
Additional provisions	-	16.86	16.86	-	-
Tax net of deferred tax	0.29	(4.72)	(4.43)	0.57	0.32
Profit after tax	2.53	2.85	5.38	1.31	2.58

1. Includes operations of ICICI and two subsidiaries from the Appointed Date i.e., Mar 30, 2002.
2. Previous year results are not comparable.



Balance sheet: Assets

ICICI Bank

(Rs. in billion)			
	March 31, 2002	June 30, 2002	Sept 30, 2002
Cash, balances with banks & SLR	355.78	323.92	292.23
- Cash & balances	127.86	78.88	51.79
- SLR investments	227.92	245.04	240.44
Advances	470.35	469.87	488.87
Of which : Retail	61.25	83.92	120.21
Debentures & bonds	64.36	59.69	57.00
Other investments	66.63	50.74	44.79
Fixed assets	42.39	41.92	40.82
Other assets	41.55	50.56	73.09 ¹
Total assets	1,041.06	996.70	996.80

1. Includes about Rs. 13.00 billion receivable on sale of ICICI Bank shares settled on October 3, 2002



Balance sheet: Liabilities

ICICI Bank

(Rs. in billion)

	March 31, 2002	June 30, 2002	Sept 30, 2002
Net worth	62.45	64.98	67.83
- Equity capital	6.13	6.13	6.13
- Reserves	56.32	58.85	61.70
Preference capital	3.50	3.50	3.50
Deposits	320.85	333.49	359.47
- Savings	24.97	27.12	30.17
- Current	27.36	24.01	34.47
- Term	268.52	282.36	294.83
Of which: Value added savings account deposits ¹	53.42	61.76	69.15
Borrowings	589.70	533.92	488.41
Of which: Subordinated debt	97.51	97.70	97.96
Other liabilities	64.56	60.81	77.59
Total liabilities	1,041.06	996.70	996.80

1. Term deposits linked to savings account s



Key ratios

ICICI Bank

	(Per cent)		
	H1-2002	H1-2003	FY2002 ¹
Return on assets	1.37	1.03	1.10
Return on net worth	19.1	16.5	17.7
EPS (Rs.)	11.9	17.6	11.6
Cost to income	52.3	48.5	51.8
Cost to average assets	2.88	1.37	2.57

1. Includes operations of ICICI and two subsidiaries from the Appointed Date i.e., Mar 30, 2002.
2. Previous year results are not comparable.



Consolidated profits

ICICI Bank and subsidiaries

(Rs. in billion)

	Q1- 2002	Q2- 2003	H1- 2003
ICICI Bank standalone profit	2.53	2.85	5.38
Add:			
- ICICI Securities	0.18	0.27	0.45
- ICICI Prudential Life	(0.25)	(0.25)	(0.50)
- Others	0.04	0.12	0.16
Less:			
- Dividend received from subsidiaries and affiliates	0.17	0.26	0.43
Consolidated profit	2.33	2.73	5.06



Performance of subsidiaries

Key subsidiaries

(Rs. in million)

	PAT		Assets	
	H1-2002	H1-2003	Mar 31, 2002	Sept 30, 2002
ICICI Securities ¹	626	447	22,670	31,729
ICICI Venture	30	68	679	602
ICICI Prudential	(34)	(671)	3,581	4,468
ICICI Lombard	(26)	7	374	1,969
ICICI Home	7	88	16,998	15,943

¹ Consolidated

 Business Review



Classification of loan assets

ICICI Bank

(Rs. in billion)

	March 31, 2002	Sept 30, 2002
Loss	-	-
Doubtful	21.80	22.12
Sub-standard	12.57	11.23
Less: additional provision against NPLs	(7.16)	(4.56)
Net NPLs	27.21	28.79
Standard	548.05	555.73
- including restructured	46.98	57.67
Total	575.26	584.52
Net NPL ratio	4.7%	4.9%



Top 10 industry-wise exposure

ICICI Bank	(% to total)		
	Industry	March 31, 2002	Sept 30, 2002
	Retail finance ¹	9.7	17.1
	Power	10.7	11.2
	Iron & steel	10.9	10.5
	Services	9.1	8.3
	Crude petroleum & refining	5.1	6.1
	Textiles	6.2	5.7
	Telecom	5.0	5.5
	Engineering	3.5	3.6
	Electronics	3.0	3.1
	Metal & metal products	2.6	2.4
	Total exposure (Rs. bn)	819.90	801.84

¹ Includes ICICI Home Finance portfolio



Agenda

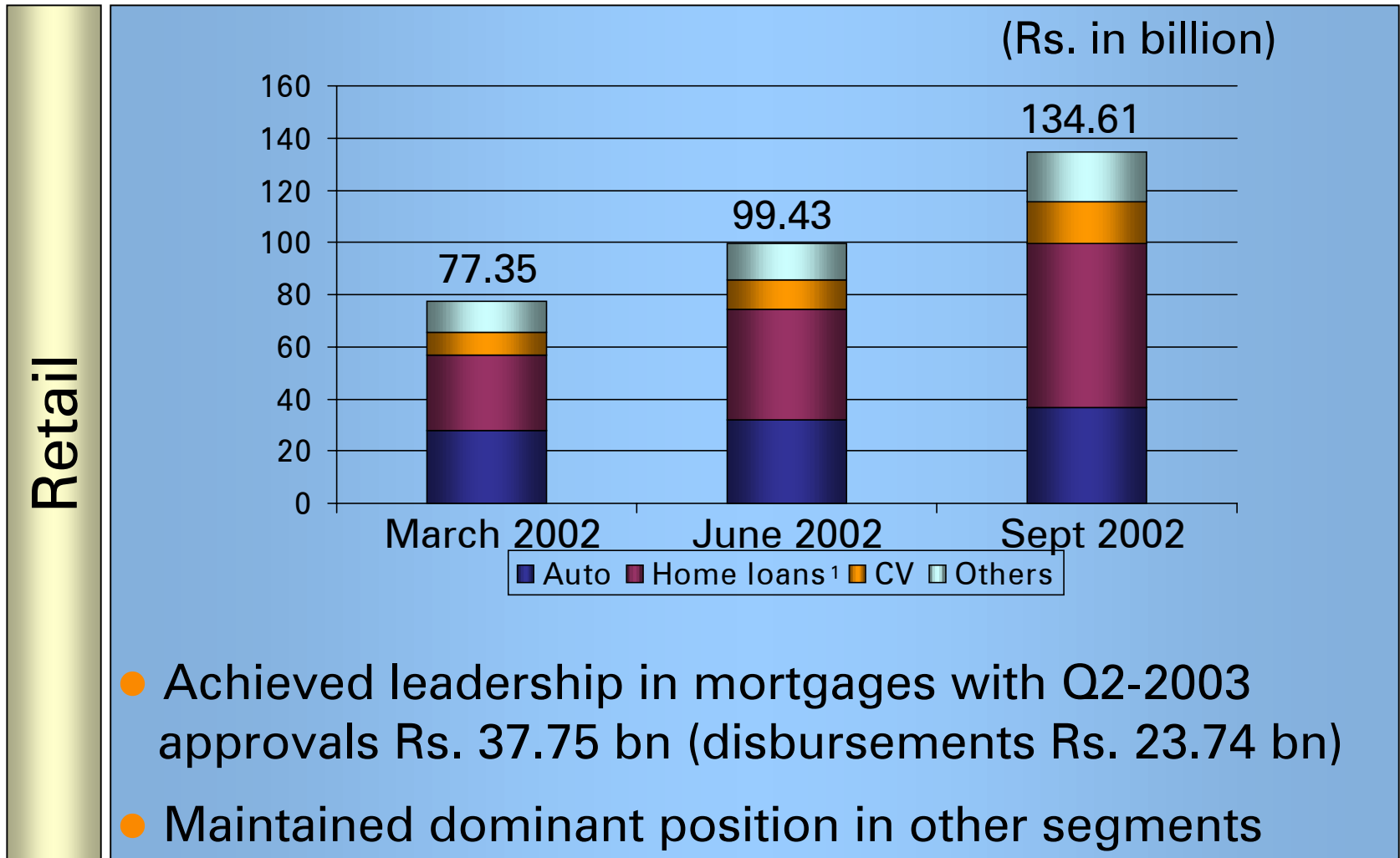
Financial Performance

Operational Review

Capital & Shareholding



Leadership in retail assets



1. Including assets of ICICI Home Finance Company



Other key highlights

Operational highlights

- Continued shift in liability profile
 - Repayment of Rs. 110.00 bn of ICICI borrowings
 - Deposits constitute 42% of funding
- Wholesale banking product and channel innovation
 - ICICI e-business, multilingual SME portal
 - Roaming Current Account
 - Increase in government relationships; wider product coverage for corporates with increase in volumes
- Focus on recoveries
- Progress of international initiatives
 - Increase in NRI deposits and remittances



Completion of sale of ICICI Bank shares

Stake sale

- Sale of 101.4 mn shares of ICICI Bank held by ICICI Bank Shares Trust at average price of Rs. 130
 - Inflow of about Rs. 13.00 billion and capital gains of Rs. 11.91 bn realised
- Shares placed with strategic & institutional investors
 - Including Hamblin Watsa, Govt. of Singapore and Prudential
- Investor confidence in ICICI Bank in difficult market conditions



Agenda

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Capital & Shareholding



Capital adequacy

ICICI Bank

	FY2002		H1-2003	
	Rs. bn	%	Rs. bn	%
Total capital	90.12	11.44	96.62	12.32
- Tier I	58.88 ¹	7.47	63.17 ¹	8.05
- Tier II	31.24 ²	3.97	33.45 ²	4.27
Total risk weighted assets	787.90	-	784.37	-

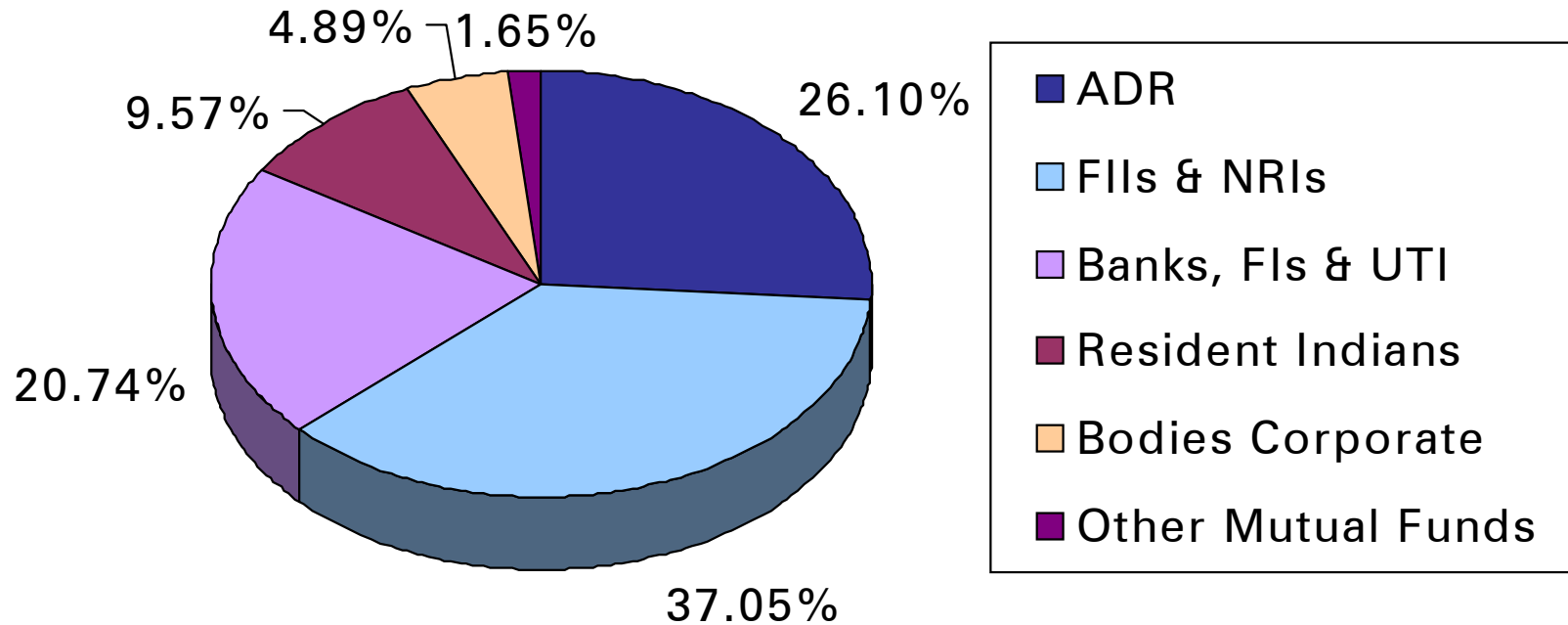
¹ Includes grant element of preference share capital.

² Includes general provisions of Rs. 2.38 billion in FY2002 and Rs. 1.59 billion in H1-2003.



Shareholding pattern

October 14, 2002



Paid-up capital Rs. 6.13 billion





Thank you



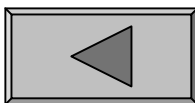
Interest income

ICICI Bank

(Rs. in billion)

	Q1-2003	Q2-2003	H1-2003	H1-2002	FY 2002
Interest/discount on advances/bills	14.68	14.70	29.38	3.85	7.72
Income on investments	8.06	7.40	15.46	4.83	12.34
Interest on balances with RBI, banks & others	1.22	0.69	1.91	0.66	1.46
Total interest income	23.96	22.79	46.75	9.33	21.52

- HTM investments premium amortisation (reduced from interest income) increased from Rs. 0.09 bn in Q1-2003 to Rs. 0.41 bn in Q2-2003
- Interest income lower by Rs. 0.40 bn due to non-accrual of income on loans (in line with revised accounting policy) to certain projects whose implementation has been delayed

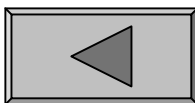


Interest expense

ICICI Bank

(Rs. in billion)

	Q1- 2003	Q2 – 2003	H1- 2003	H1- 2002	FY 2002
Interest on deposits	5.97	5.79	11.76	5.85	13.89
Interest on RBI / inter- bank borrowings	0.47	0.42	0.89	0.16	0.48
Others (incl. erstwhile ICICI's borrowings)	14.16	13.51	27.67	0.41	1.22
Total interest expense	20.60	19.72	40.32	6.42	15.59

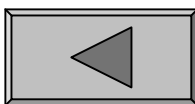


Spreads

ICICI Bank

(Per cent)

	Q1- 2003	Q2- 2003	H1- 2003	H1- 2002	FY2002
Yield on interest-earning assets (1)	10.4	10.2	10.3	10.2	9.7
Of which: SLR yield	8.5	7.5	7.9	10.0	9.0
Cost of funds (2)	9.2	9.0	9.1	7.5	7.5
- Cost of deposits	7.4	7.0	7.2	7.4	7.3
Spread (1) – (2)	1.2	1.2	1.2	2.7	2.2

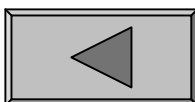


Operating expenses

ICICI Bank

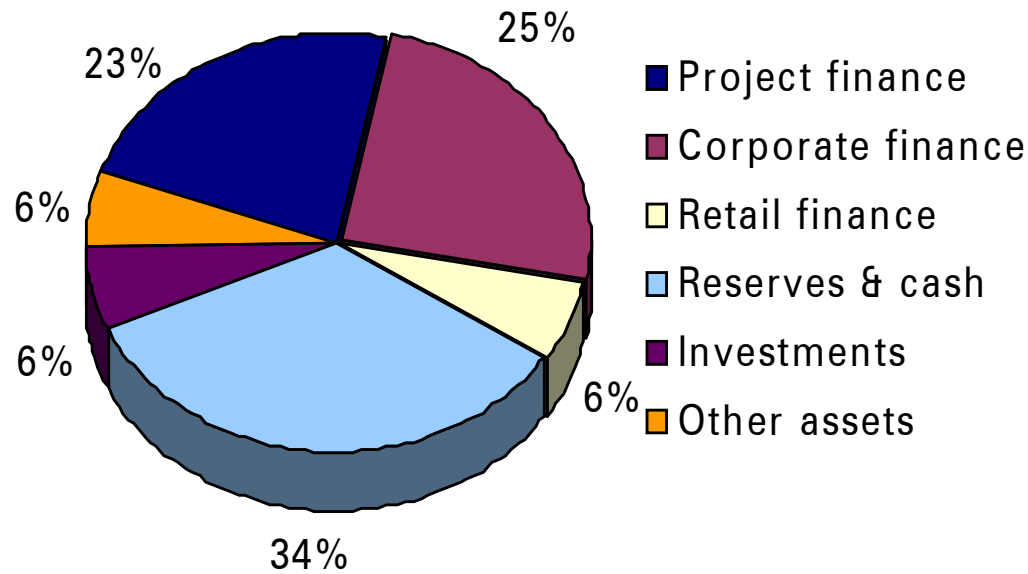
(Rs. in billion)

	Q1- 2003	Q2- 2003	H1- 2003	H1- 2002	FY 2002
Salary	0.89	0.97	1.86	0.67	1.47
Rents, taxes & lighting	0.28	0.29	0.57	0.31	0.66
Printing & stationery	0.13	0.17	0.30	0.16	0.35
Postage & courier	0.23	0.22	0.45	0.16	0.38
Repairs & maintenance	0.40	0.37	0.77	0.37	0.78
Depreciation	0.42	0.48	0.90	0.30	0.64
Advertising & publicity	0.03	0.03	0.06	0.04	0.08
Others	1.13	1.12	2.25	0.77	1.87
Total operating expense	3.51	3.65	7.16	2.78	6.23



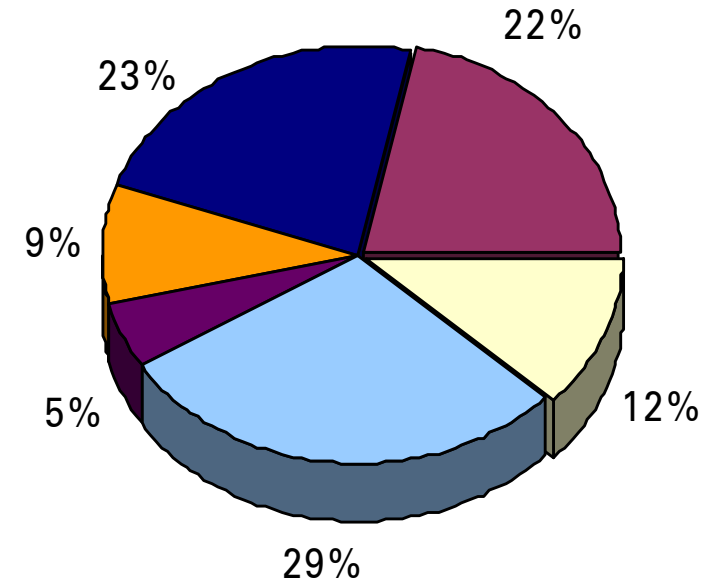
Retail constitutes 12% of total assets

March 2002



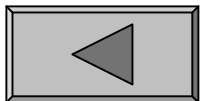
Rs. 1,041.06 billion

September 2002



Rs. 988.19 billion

Including assets of ICICI Home Finance Company, retail assets constitute 13% of total assets



ICICI Prudential Life Insurance

Insurance subsidiaries

- Rapidly increasing scale of operations
 - Estimated 4% incremental market share (including LIC)
 - Clear market leader among private life insurers
- Losses in initial years a normal feature of life insurance business
 - Provision for future bonuses and servicing costs on policies in force
 - Non-amortisation of acquisition costs
 - High commission paid in the first year
 - Significant operating and marketing expenditure in initial years
 - Profitability linked to achieving scale



ICICI Lombard General Insurance

Key subsidiaries

- Gross written premium Rs. 727.5 million in H1-2003 compared to Rs. 271.1 million in FY2002 (operations commenced only in mid-FY2002)
- Achieved financial break-even
- Expanding corporate market share
- Launched home & personal accident insurance
- Growing distribution network
 - Presence in 19 locations, up from 10 in March, 2002

