



Performance Review: Q1:FY2003

July 31, 2002

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Highlights

ICICI Bank

- Profit after tax Rs. 2.53 billion despite full impact of merger transition costs and increase in general provision against standard assets
- Return on assets at 1% and return on networth at 15.9%
- Diversifying asset mix with increasing proportion of retail assets
 - Retail assets constitute 10% of total assets
- Shift towards low-cost liability profile
 - Deposits constitute 36% of liabilities



Agenda

Financial Performance

Operational Focus

Capital & Shareholding



Profit & loss statement

ICICI Bank

(Rs. in billion)

	Q1- FY02	Q1- FY03	FY02 ¹
▶ Interest income	4.68	23.96	21.52
▶ Interest expense	3.18	20.60	15.59
Net interest income	1.50	3.36	5.93
Non-interest income	1.27	4.38	5.75
- Fee income	0.61	1.95	2.83
- Treasury income	0.66	0.75	2.92
- Lease income	-	1.38	-
- Others	-	0.30	-
Total income	2.77	7.74	11.68

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

2. Results for Q1-FY03 are not comparable to results of standalone ICICI Bank for Q1-FY02.



Profit & loss statement

ICICI Bank

(Rs. in billion)

	Q1- FY02	Q1- FY03	FY02 ¹
Total income	2.77	7.74	11.68
Operating expenses	1.38	3.64	6.23
Lease depreciation	-	0.79	-
Operating profit	1.39	3.31	5.45
Provisions	0.46	0.49	2.55
Profit before tax	0.93	2.82	2.90
Tax	0.28	0.29	0.32
Profit after tax	0.65	2.53	2.58

1. Includes operations of ICICI and two subsidiaries from the Appointed Date i.e., Mar 30, 2002.
2. Results for Q1-FY03 are not comparable to results of standalone ICICI Bank for Q1-FY02.



Conservative general provisioning policy

ICICI Bank

- Higher general provisions against standard assets
- 2.0% on dealer funding, credit cards, personal loans & consumer durables
- 0.5% on home loans
- 1.0% on all other wholesale and retail assets
 - Excluding ICICI's corporate and project assets fair valued for the merger
- Total general provision against standard assets of Rs. 0.84 billion for the quarter



Balance sheet: Assets

		(Rs. in billion)	
		March 31, 2002	June 30, 2002
ICICI Bank	Cash, balances with banks & SLR	355.78	323.92
	- Cash & balances with RBI & banks	127.86	78.88
	- SLR investments	227.92	245.04
	Advances	470.35	469.87
	Debentures & bonds	64.36	59.69
	Other investments	66.63	50.74
	Fixed assets	42.39	41.92
	Other assets	41.55	50.56
	Total assets	1,041.06	996.70



Balance sheet: Liabilities

		(Rs. in billion)	
		March 31, 2002	June 30, 2002
ICICI Bank	Net worth	62.45	64.98
	- Equity capital	6.13	6.13
	- Reserves	56.32	58.85
	Preference capital	3.50	3.50
	Deposits	320.85	333.49
	Borrowings	589.70	533.92
	Of which: Subordinated debt	97.51	97.70
	Other liabilities	64.56	60.81
	Total liabilities	1,041.06	996.70



Spreads

ICICI Bank

	(Per cent)		
	Q1- FY02	Q1- FY03	FY02
Yield on interest-earning assets (1)	10.4	10.4	9.7
Cost of funds (2)	7.6	9.2	7.5
- Cost of deposits	7.5	7.4	7.3
Spread (1) – (2)	2.8	1.2	2.2
Net interest margin	3.3	1.4	2.7



Key ratios

ICICI Bank

(Per cent)

	Q1- FY02	Q1- FY03	FY02
Return on assets	1.4	1.0	1.1
Return on net worth	19.4	15.9	17.6
EPS (Rs.)	11.8	16.5	11.6
Cost to income	49.9	47.0	53.3
Cost to average assets	2.9	1.4	2.7



Consolidated profits

ICICI Bank

(Rs. in billion)

	Q1-FY02	Q1- FY03
ICICI Bank standalone profit	0.65	2.53
Add:		
- ICICI Securities	-	0.18
- ICICI Prudential Life	-	(0.25)
- Others	-	0.04
Less:		
- Dividend received from subsidiaries and affiliates	-	0.17
ICICI Bank consolidated profit	0.65	2.33

Indian GAAP



Segment-wise results

ICICI Bank

(Rs. in billion)

	Revenue	P B T	Net assets ¹
Commercial banking	22.87	1.97	(142.85)
Investment banking	8.54	1.04	101.89
Others	1.46	(0.25)	32.54
Inter-segment adj./ unallocated	(2.94)	-	8.43
Total	29.93	2.76	-

1. Segment assets less segment liabilities.

Indian GAAP



Performance of subsidiaries

Key subsidiaries

(Rs. in million)

	PAT	
	Q1-FY02	Q1-FY03
ICICI Securities ¹	411	177
ICICI Venture	10	32
ICICI Prudential	(33)	(335)
ICICI Lombard	(18.6)	(9.5)
ICICI Home	6	14

¹ Consolidated



Classification of loan assets

ICICI Bank

(Rs. in billion)

	March 31, 2002		June 30, 2002	
	Amt.	%	Amt.	%
Loss	-		-	
Doubtful	21.80		22.00	
Sub-standard	12.57		12.91	
Less: additional provision against non- performing loans	7.16		6.25	
Net non-performing loans	27.21	4.7	28.66	4.9
Standard	548.05	95.3	551.03	95.1
- incl. restructured	46.98	8.2	50.36	8.7
Total	575.26	100.0	579.69	100.0

Standard assets have not been adjusted for general provisions.



Agenda

Financial Performance

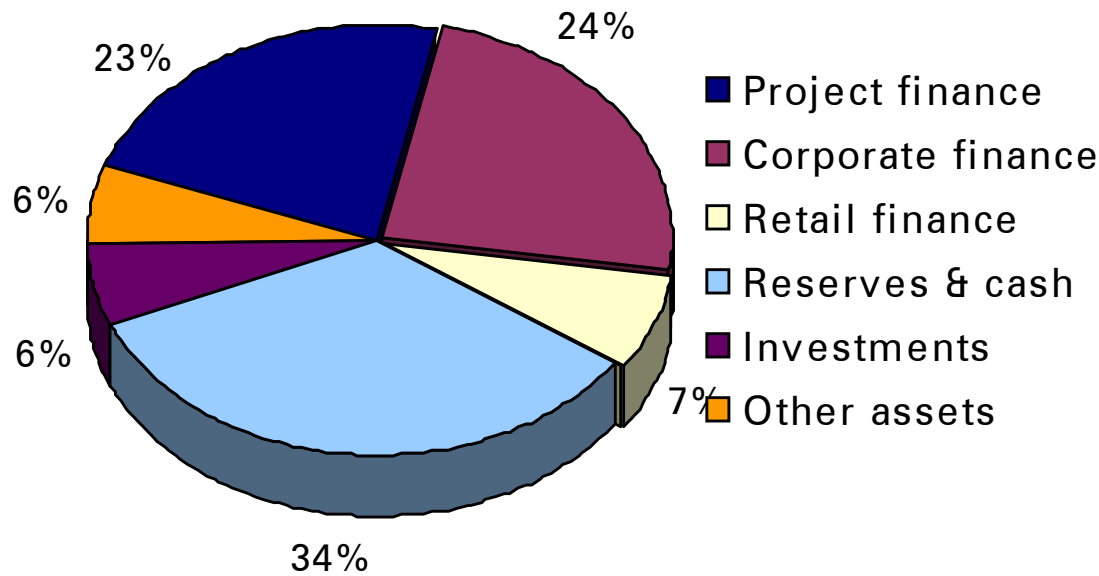
Operational Focus

Capital & Shareholding



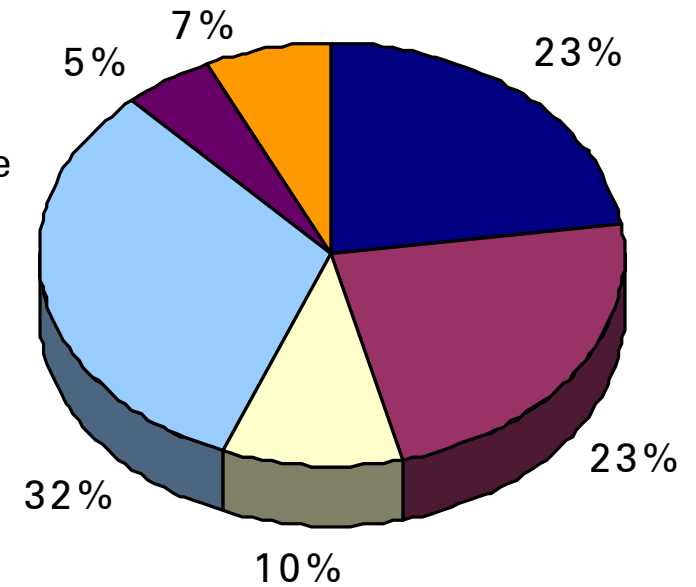
Diversification of asset mix...

March 2002



Rs. 1,056.88 billion¹

June 2002



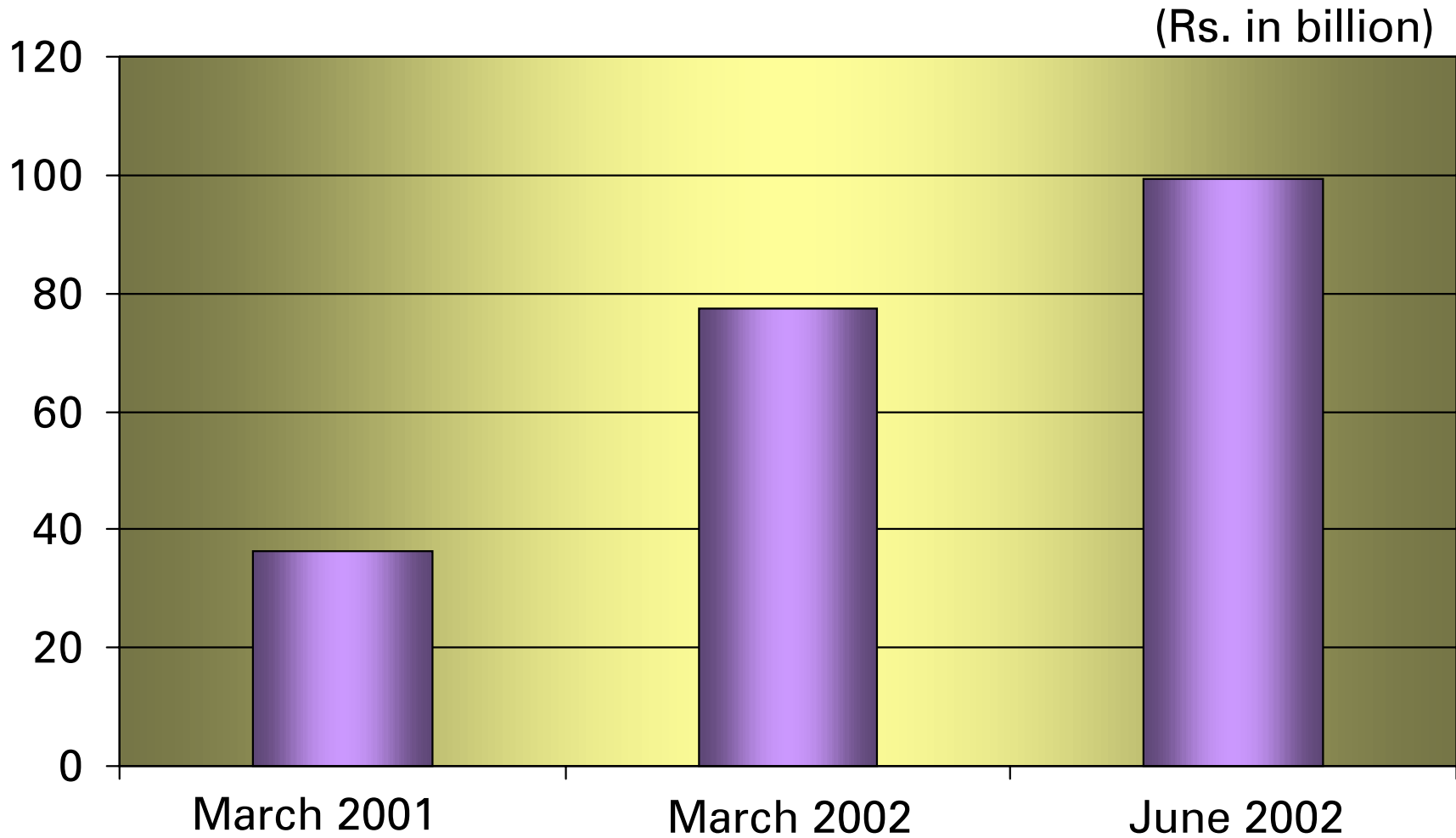
Rs. 1,012.21 billion¹

...in line with strategy of increasing proportion of retail assets and reducing proportion of historical project finance assets

¹Including assets of ICICI Home Finance Company Limited



Strong growth in retail assets...



Including assets of ICICI Home Finance Company Limited



Shift towards lower cost liability profile...

ICICI Bank

- About Rs. 70.00 billion of erstwhile ICICI's high cost borrowings repaid during the quarter
 - Including exercise of all available prepayment options
- Deposits now constitute 36% of total liabilities
- Strengthening distribution network
 - ATM network expanded to 1,066 ATMs
- Distribution capability being leveraged for third part distribution as well
 - Total third party distribution of about Rs. 37.00 billion for the quarter



Top 10 industry-wise exposure

Industry	(% to total)	
	March 31, 2002	June 30, 2002
Retail finance ¹	9.7	12.0
Services	9.1	10.8
Iron & steel	10.9	10.4
Power	10.7	10.0
Textiles	6.2	6.3
Crude petroleum & refining	5.1	5.5
Telecom	5.0	5.1
Engineering	3.5	4.5
Electronics	3.0	3.5
Metal & metal products	2.6	2.7
Total exposure (Rs. bn)	819.90	829.54

¹ Includes ICICI Home Finance portfolio

ICICI Bank



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Capital adequacy

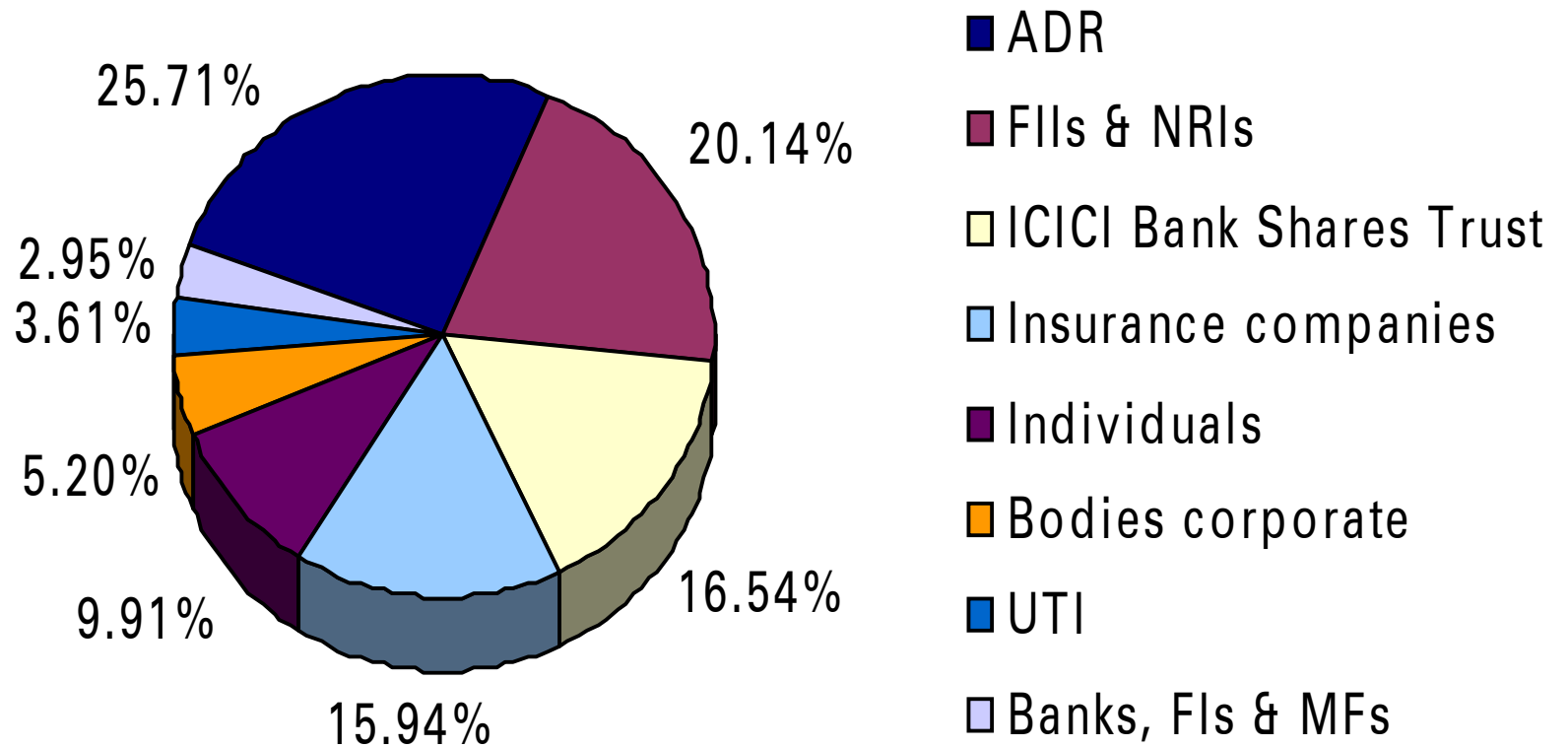
ICICI Bank

	FY02		Q1-FY03	
	Rs. bn	%	Rs. bn	%
Total capital	90.12	11.44	94.08	12.36
- Tier I	58.88	7.47	60.94	8.01
- Tier II	31.24	3.97	33.14 ¹	4.35
Total risk weighted assets	787.90	-	761.13	-

¹ Includes general provisions of Rs. 2.38 billion.



Shareholding pattern



Paid-up capital Rs. 6.13 billion





Thank You

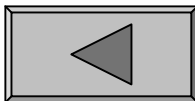


Interest income

ICICI Bank

(Rs. in billion)

	Q1 FY02	Q1 FY03	FY02
Interest/discount on advances/bills	1.90	14.68	7.72
Income on investments	2.39	8.05	12.34
Interest on balances with RBI & banks	0.33	1.14	1.22
Others	0.06	0.09	0.24
Total interest income	4.68	23.96	21.52

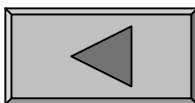


Interest expense

ICICI Bank

(Rs. in billion)

	Q1 FY02	Q1 FY03	FY02
Interest on deposits	2.91	5.97	13.89
Interest on RBI / inter- bank borrowings	0.08	0.47	0.48
Others (incl. erstwhile ICICI's borrowings)	0.19	14.16	1.22
Total interest expense	3.18	20.60	15.59



Operating expenses

ICICI Bank

(Rs. in billion)

	Q1 FY02	Q1 FY03	FY02
Salary	0.33	0.89	1.47
Rents, taxes & lighting	0.15	0.28	0.66
Printing & stationery	0.08	0.13	0.35
Postage & courier	0.08	0.23	0.38
Repairs & maintenance	0.15	0.40	0.78
Depreciation	0.14	0.42	0.64
Advertising & publicity	0.02	0.03	0.08
Others	0.43	1.26	1.87
Total operating expense	1.38	3.64	6.23

