FINANCIALS AS PER INDIAN GAAP

The effective date of the merger of ICICI, ICICI PFS and ICICI Capital with ICICI Bank ("the merger") was May 3, 2002. However, the Appointed Date was March 30, 2002 as provided in the Scheme of Amalgamation. Accordingly, ICICI Bank's profit and loss account for fiscal 2002 includes the results of operations of ICICI, ICICI PFS and ICICI Capital for only two days i.e. March 30 and 31, 2002. In fiscal 2001, ICICI Bank had acquired Bank of Madura. The effective as well as appointed date of the merger of Bank of Madura with ICICI Bank was March 10, 2001. Accordingly, ICICI Bank's profit and loss account for fiscal 2001 included the results of operations of Bank of Madura for only 21 days. ICICI Bank's profit and loss account for fiscal 2002 is therefore not comparable with the profit and loss account for fiscal 2001.

ICICI Bank's operating profit increased 87.9% to Rs. 5.45 billion in fiscal 2002 as compared to Rs. 2.90 billion in fiscal 2001. ICICI Bank's profit after tax increased 60.3% to Rs. 2.58 billion in fiscal 2002 from Rs. 1.61 billion in fiscal 2001. The profit after tax for fiscal 2002 includes about Rs. 0.08 billion attributable to ICICI, ICICI PFS and ICICI Capital for March 30 and 31, 2002.

Operating Results Data

Rs. billion

	Fiscal 2001	Fiscal 2002	Growth %
Interest Income	12.42	**21.52**	73.3
Interest Expenditure	8.38	**15.59**	86.0
Net-interest income	4.04	**5.93**	46.8
Non-interest Income	2.20	**5.75**	161.4
– Fee income	1.71	**2.83**	65.5
– Trading gains	0.49	**2.92**	475.5
Operating Income	6.24	**11.68**	87.2
Operating Expenditure	3.34	**6.23**	86.5
Operating Profit	2.90	**5.45**	87.9
Provisions for non-performing assets	0.63	**2.68**	325.4
Write-back of depreciation on investments	0.06	**0.16**	166.7
Other Provisions	0.07	**0.03**	(57.1)
Profit before tax	2.26	**2.90**	28.3
Provision for tax	0.65	**0.32**	(50.8)
Net Profit	1.61	**2.58**	60.3

Net Interest Income and Spread Analysis

Rs. billion, except percentages

	Fiscal 2001	Fiscal 2002
Average interest-earning assets	113.88	**222.39**
Interest income	12.42	**21.52**
Average interest-bearing liabilities	104.30	**207.37**
Total interest expense	8.38	**15.59**
Net interest income	4.04	**5.93**
Net interest margin	3.55%	**2.67%**
Average yield	10.91%	**9.68%**
Average cost of funds	8.03%	**7.52%**
Yield spread	2.88%	**2.16%**

ICICI Bank's average yield, net interest margin and yield spread were adversely impacted by the large investments made in Government securities to comply with Statutory Liquidity Ratio (SLR) requirements on ICICI's outstanding liabilities that were transferred to ICICI Bank on merger. Government securities typically have lower rates of interest. The average volume of investments in Government securities increased by 186.9% to Rs. 84.69 billion in fiscal 2002 compared to fiscal 2001. Yields on advances were also impacted by the overall decline in interest rates in the economy. However, the total interest income and net interest income increased due to the increase in the average interest-earning assets. They also reflected the full-year impact of acquisition of Bank of Madura compared to less than a month in fiscal 2001. Interest income increased 73.3% to Rs. 21.52 billion in fiscal 2002 as compared to Rs. 12.42 billion in fiscal 2001, due to an increase of 95.3% in the average volume of interest-earning assets. This was offset in part by a decline of 123 basis points in yield on average interest-earning assets to 9.68% in fiscal 2002 from 10.91% in fiscal 2001.

Interest expense increased 86.0% to Rs. 15.59 billion in fiscal 2002 as compared to Rs. 8.38 billion in fiscal 2001, due to an increase of 98.8% in the average interest-bearing liabilities offset, in part, by a decline of 51 basis points in cost of funds. Net interest income increased 46.8% to Rs. 5.93 billion in fiscal 2002 primarily due to an increase of 95.3% in average interest-earning assets, offset, in part, by a decline of

88 basis points in net interest margin to 2.67%. The yield spread decreased by 72 basis points to 2.16% in fiscal 2002 from 2.88% in fiscal 2001.

Non-Interest Income

Non-interest income increased 161.4% to Rs 5.75 billion in fiscal 2002 as compared to Rs 2.20 billion in fiscal 2001. The components of non-interest income are discussed below:

Fee Income

Fee income increased 65.5% to Rs. 2.83 billion in fiscal 2002 as compared to Rs. 1.71 billion in fiscal 2001. Retail banking fee income increased 154.8% to Rs. 1.07 billion in fiscal 2002 as compared to Rs. 0.42 billion in fiscal 2001, primarily due to the growth in income from credit and debit cards. The number of credit cards increased to about 610,000 in fiscal 2002 from about 220,000 in fiscal 2001. The number of debit cards increased to about 600,000 in fiscal 2002 from only about 10,000 in fiscal 2001. Corporate banking fee income increased 36.4% to Rs. 1.76 billion in fiscal 2002 from Rs. 1.29 billion in fiscal 2001, driven primarily by a 71.4% increase in income from foreign exchange services, a 41.2% increase in income from guarantees and a 37.5% increase in income from cash management services.

Treasury Income

The total income from treasury-related activities increased to Rs. 2.92 billion in fiscal 2002 from Rs. 0.49 billion in fiscal 2001, due to the increase in trading profits on Government securities and corporate debt trading as a result of the declining interest rate environment.

Non-Interest Expense

Non-interest expense increased 86.5% to Rs. 6.23 billion in fiscal 2002 from Rs. 3.34 billion in fiscal 2001 primarily due to the full year's impact of the amalgamation of Bank of Madura, expenditure on refurbishment of branches taken over from Bank of Madura and growth in the retail franchise, including lease and maintenance of ATMs, credit card expenses, call centre expenses and technology expenses.

Non-interest expense as a percentage of average total assets decreased marginally to 2.66% in fiscal 2002 from 2.77% in fiscal 2001.

The following table sets forth, for the periods indicated, the break-up of the principal components of non-interest expense.

Rs. billion, except percentages

	Fiscal 2001	Fiscal 2002	Growth %
Staff cost	0.52	**1.47**	182.7
Repairs & maintenance	0.27	**0.78**	188.9
Rentals, taxes and lighting	0.36	**0.66**	83.3
Depreciation on fixed assets	0.36	**0.64**	77.8
Advertisement and publicity	0.14	**0.08**	(42.9)
Communications expense	0.21	**0.38**	81.0
Other	1.48	**2.22**	50.0
Total non-interest expense	3.34	**6.23**	86.5

Provisions and Write-offs

All credit exposures are classified as per Reserve Bank of India (RBI) guidelines into performing and non-performing assets. Non-performing assets are further classified into sub-standard, doubtful and loss assets. In fiscal 2002, ICICI Bank had a policy of making provisions as per the RBI guidelines. ICICI Bank also made additional provisions against specific non-performing assets where considered necessary by the management. ICICI Bank made aggregate provisions and write-offs against non-performing assets of Rs. 2.68 billion in fiscal 2002. The write-back on depreciation on investments was Rs. 0.16 billion in fiscal 2002. From fiscal 2001 ICICI had adopted an accelerated provisioning policy whereby provisions aggregating 50% of the secured portion of non-performing assets are made over a three-year period instead of a five-and-a-half year period prescribed by RBI. Subsequent to the merger, ICICI Bank has also adopted the same accelerated provisioning policy. Loss assets and the unsecured portion of doubtful assets are fully provided for / written off. Additional provisions are made against specific non-performing assets if considered necessary by the management. ICICI Bank made provision for other contingencies of Rs. 0.03 billion in fiscal 2002.

Income Tax Expense

Charge to profit for tax expense in fiscal 2002 was lower at Rs. 0.32 billion as compared to Rs. 0.65 billion in fiscal 2001, due to deferred tax credit of Rs. 0.90 billion accounted for in accordance with the provisions of Accounting Standard 22 issued by the Institute of Chartered Accountants of India, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of the events that have been included in the financial statements or tax returns. ICICI Bank's effective tax rate for fiscal 2002 was 11.0%.

FINANCIAL CONDITION

The merger has been accounted for under the purchase method of accounting. Accordingly, ICICI Bank has recorded the assets acquired from ICICI at carrying values adjusted to fair values wherever fair values are lower than the carrying values. The fair values of assets have been determined to the satisfaction of ICICI Bank, mainly on the basis of valuations conducted by independent valuers. The key areas of fair valuation included loans and all credit substitutes which were fair-valued by Deloitte Haskins & Sells; investments (including investments in venture capital funds) which were marked to market in accordance with the RBI guidelines; and fixed assets which have been incorporated at revalued amounts accounted for in the books of ICICI at June 30, 2001 on the basis of a report by an independent firm of valuers. Subsidiaries where the management does not have an established intent to sell or where regulatory constraints exist in reducing ICICI Bank's stake have been recorded at their carrying cost. The aggregate provisions and write-offs required consequent to the above fair valuation were Rs. 37.80 billion including provisions and write-offs of Rs. 9.02 billion against non-performing assets, Rs. 9.25 billion against investments and Rs. 19.53 billion against other assets. Of the above, provisions and write-offs aggregating Rs. 5.57 billion were charged to ICICI's profit and loss account prior to March 30, 2002, while the balance were adjusted against ICICI's reserves transferred to ICICI Bank on merger. It is probable that future provisions arising out of ICICI's asset book could result in taxation benefits. This has not been considered in the fair valuation exercise and no deferred tax impact has been considered in accordance with Accounting Standard 22.

Liabilities have been considered at values to the satisfaction of ICICI Bank having regard to the nature of the liabilities. These are primarily of fixed tenure and are generally contracted at fixed rates without repricing options. These cannot be ordinarily sold either in the open market or over the counter due to contractual obligations between ICICI (now transferred to ICICI Bank) and the liability holder.

ICICI Bank

The following table sets forth, for the periods indicated, the summarized balance sheet of ICICI Bank.

Rs. billion

	March 31, 2001	March 31, 2002
Assets:		
Cash, balances with banks & SLR	77.06	**355.80**
– Cash & balances with RBI & banks	35.94	**127.87**
– SLR investments	41.12	**227.93**
Advances	70.32	**470.35**
Debentures & bonds	30.70	**64.36**
Other investments	10.05	**66.62**
Fixed assets	3.84	**42.39**
Other assets	5.40	**41.58**
Total assets	197.37	**1,041.10**
Liabilities:		
Equity capital & reserves	13.13	**62.49**
– Equity capital	2.20	**6.13**
– Reserves	10.93	**56.36**
Preference capital	—	**3.50**
Deposits	163.78	**320.85**
– Savings deposits	18.81	**24.97**
– Current deposits	26.22	**27.36**
– Term deposits	118.75	**268.52**
Borrowings	12.01	**589.70**
Of which : Subordinated debt[1]	1.68	**97.51**
Other liabilities	8.45	**64.56**
Total liabilities	197.37	**1,041.10**

[1] Included in 'other liabilities' in schedule 5 of the balance sheet.

ICICI Bank's total assets increased to Rs. 1,041.10 billion at March 31, 2002 compared to Rs. 197.37 billion at March 31, 2001 primarily due to the merger. The increase in investments and cash and balances with RBI was due to compliance with SLR and Cash Reserve Ratio (CRR) requirements on ICICI's liabilities.

Total deposits increased 95.9% to Rs. 320.85 billion at March 31, 2002 from Rs.163.78 billion at March 31, 2001. This increase was achieved through a strong focus on deposit mobilization and fully leveraging the branch network acquired in the amalgamation of Bank of Madura, supported by migration of customer transaction volumes to non-branch channels. Savings account deposits increased 32.7% to Rs.24.97

billion in fiscal 2002 from Rs. 18.81 billion in fiscal 2001. Time deposits increased 126.1% in fiscal 2002. The greater increase in time deposits as compared to demand deposits was due to the large requirement of resources for compliance with SLR and CRR requirements in less than six months. Borrowings primarily reflect transfer of ICICI's liabilities aggregating Rs. 560.80 billion.

Despite the write-down of assets to the extent of Rs. 37.80 billion on account of fair valuation of ICICI's assets, ICICI Bank's capital adequacy ratio was 11.44% including Tier-I capital adequacy of 7.47% as against the regulatory requirement of 9%. The following table sets forth, for the periods indicated, details of ICICI Bank's capital adequacy.

Rs. billion, except percentages

	March 31, 2001		**March 31, 2002**	
	Amount	% of Risk-weighted assets	**Amount**	**% of Risk-weighted assets**
Tier I capital	13.02	10.42%	**58.87**	**7.47%**
Tier II capital	1.45	1.15%	**31.25**	**3.97%**
Total capital	14.47	11.57%	**90.12**	**11.44%**
Risk-weighted assets	125.05		**787.73**	

Select Ratios

The following table sets forth, for the periods indicated, certain key ratios.

	Fiscal 2001	**Fiscal 2002**
Return on Net Worth (%)	12.98	**17.74**
Return on Assets[1] (%)	1.34	**1.10**
Earnings per Share (Rs.)	8.13	**11.61**
Book Value (Rs.)	59.57	**102.04**
Average earning assets / Total average assets (%)	94.51	**95.07**
Non-interest income to total income (%)	15.05	**21.08**
Cost to income (%)	53.53	**53.32**
Cost to average assets (%)	2.77	**2.66**

[1] Return on assets is based on average daily assets.

RECONCILIATION OF PROFITS AS PER INDIAN GAAP AND AS PER US GAAP

Under US GAAP, business combinations are accounted for in the accounting period in which they are consummated and not in a previous accounting period. The sanction of the High Court of Bombay and approval of RBI to the merger were received in April 2002. Therefore, the date of merger for accounting purposes under US GAAP was April 1, 2002 and not March 30, 2002. Accordingly, ICICI Bank's US GAAP accounts for fiscal 2002 do not reflect the results of operations, assets and liabilities of ICICI, ICICI PFS and ICICI Capital, or of subsidiaries of ICICI that have now become subsidiaries of ICICI Bank.

The net income as per US GAAP in fiscal 2002 increased to Rs. 2.04 billion as compared to Rs.1.31 billion in fiscal 2002. The following table sets forth, for the periods indicated, the reconciliation of profit after tax as per Indian GAAP with net income as per US GAAP.

Rs. billion

	Fiscal 2001	Fiscal 2002
Profit after tax as per Indian GAAP	1.61	**2.58**
Adjustments as per US GAAP		
– Profits of ICICI, ICICI Capital & ICICI PFS for two days included under Indian GAAP	—	**(0.08)**
– Deferred taxation	0.44	**0.21**
– Provisions for credit losses	(0.40)	**0.10**
– MTM on trading & AFS portfolio	(0.41)	**(0.05)**
– Premium & processing fee amortization	(0.09)	**(0.34)**
– Business combinations in respect of Bank of Madura merger	—	**(0.17)**
– Others	0.16	**(0.21)**
Total adjustments as per US GAAP	(0.30)	**(0.54)**
Net income as per US GAAP	1.31	**2.04**

ASSET QUALITY AND COMPOSITION

Loan Portfolio

ICICI Bank follows a strategy of building a diversified and de-risked asset portfolio and limiting or correcting concentrations in particular sectors.

ICICI Bank limits its exposure to any particular industry to 15.0% of its total exposure. The following table sets forth ICICI Bank's industry-wise exposure at March 31, 2002.

Rs. billion

Industry	Exposure[1]	% of total
Iron & steel	89.34	10.9
Electricity	87.53	10.7
Retail[2]	77.35	9.4
Services	74.78	9.1
Textiles	51.14	6.2
Crude petroleum & refining	42.01	5.1
Telecommunications	40.82	5.0
Engineering	28.50	3.5
Electronics	24.21	3.0
Cement	22.67	2.8
Metal & metal products	21.26	2.6
Chemicals	20.96	2.6
Automobiles	17.93	2.2
Paper & paper products	17.51	2.1
Man-made fibres	13.40	1.6
Roads, ports & railways	12.84	1.6
Hotels	12.37	1.5
Food processing	12.03	1.5
Plastics	11.41	1.4
Fertilisers	10.06	1.2
Non-banking finance companies	10.06	1.2
Drugs & pharmaceuticals	9.77	1.2
Petrochemicals	9.49	1.1
Sugar	8.97	1.1
Mining	8.93	1.1
Shipping	8.59	1.0
Agriculture	4.25	0.5
Rubber & rubber products	3.91	0.5
Other infrastructure	2.18	0.3
Miscellaneous	65.63	8.0
Total	819.90	100.0

1 Includes principal outstanding, charges and non-fund-based exposures at 50% and is gross of write-offs and provisions.

2 Including portfolio of ICICI Home Finance Company Limited, a wholly-owned subsidiary.

At March 31, 2002, the largest exposure to a single industry, iron & steel, was 10.9% of the total exposure. Retail finance represents the fastest growing segment and constituted 9.4% of total exposure at

March 31, 2002. Other sectors that constituted a significant portion of exposure were electricity (10.7%) and services (9.1%).

As per RBI guidelines, the current exposure ceiling for a single borrower is 15% of total capital and for a group of borrowers is 40% of total capital. In the case of financing for infrastructure projects, the limit for a group may be extended to 50% of total capital. Total capital comprises Tier I and Tier II capital as defined for determining capital adequacy.

The largest borrower at March 31, 2002 accounted for approximately 2.4% of ICICI Bank's total exposure and 21.4% of ICICI Bank's total capital. The excess of the exposure over the prescribed limit is due to the reduction in total capital consequent to fair valuation of ICICI's assets. We have applied to RBI seeking its permission to exceed the exposure limit. The largest borrower group at March 31, 2002 accounted for approximately 4.5% of ICICI Bank's total exposure and 41.3% of ICICI Bank's total capital which is within the prescribed limit taking into account infrastructure financing. At March 31, 2002, ICICI Bank's ten largest individual borrowers in aggregate accounted for approximately 14.6% of its total exposure and its ten largest borrower groups in aggregate accounted for approximately 21.7% of its total exposure.

CLASSIFICATION OF LOAN ASSETS

All credit exposures are classified as per RBI guidelines into performing and non-performing assets. Further, non-performing assets are classified into sub-standard, doubtful and loss assets. The RBI guidelines require restructured assets to be separately disclosed.

ICICI Bank makes provisions for substandard and doubtful assets at rates higher than those prescribed by RBI. A provision of 50% is made over a three-year period instead of five and a half years as prescribed by RBI. Loss assets and unsecured portion of doubtful assets are fully provided / written off. Over and above this, additional provisions are made against specific non-performing assets, if in the opinion of the management increased provisions are necessary. Non-performing assets acquired in the merger were fair valued and additional provisions recorded to reflect the fair valuation. For restructured or rescheduled assets, provision is made in accordance with the guidelines issued by the RBI, which require that the difference between the present values of the future interest as per the original loan agreement and the present values of future interest on the basis of rescheduled terms be provided at the time of restructuring.

The following table sets forth classification of net customer assets (net of write-offs and provisions) of ICICI Bank at March 31, 2002.

Rs. billion

	March 31, 2002
Loss assets	—
Doubtful assets	**21.80**
Sub-standard assets	**12.57**
Of which, restructured sub-standard assets	**0.18**
Less: general provisions held against non-performing assets	**7.16**
Standard assets	**548.05**
Of which, restructured standard assets	**46.98**
Net customer assets	**575.26**

1. All loss assets have been written off or provided for.
2. Provisions of Rs. 7.16 billion are held as general provisions against non-performing assets.
3. Standard assets have not been adjusted for general provisions.

The ratio of net non-performing assets to net customer assets increased to 4.7% at March 31, 2002 from 1.4% at March 31, 2001 due to the merger. At March 31, 2002, the gross non-performing assets (net of write-offs) were Rs. 53.69 billion. Including write-offs against ICICI's assets, the gross non-performing assets work out to Rs. 74.66 billion. The coverage ratio (i.e. total provisions and write-offs made against non-performing assets as a percentage of gross non-performing assets) at March 31, 2002 was 63.6%.

As per RBI guidelines, a general provision of 0.25% is required to be made on standard assets. ICICI Bank has a policy of making an additional general provision of 0.25%, thus making total general provision of 0.50% on standard assets. Consequent to the fair valuation of ICICI's assets for the merger, ICICI Bank had a provision of Rs. 21.71 billion against standard assets transferred from ICICI, amounting to a provisioning cover of 4.5% against those assets.

From the current year, ICICI Bank has adopted a policy of making general provisions of 2% against credit card outstandings, personal loans, consumer durable loans and dealer funding, 0.50% against home loans and 1% against all other standard assets (excluding ICICI's corporate and project finance portfolio which was fair-valued for the merger).

At March 31, 2002, the net outstanding amount of the 20 largest non-performing cases where ICICI Bank has decided to recall loans and enforce its security interest against the borrowers was Rs. 4.65 billion with no individual borrower accounting for more than Rs. 0.90 billion. At March 31, 2002, the net outstanding amount of the 20 largest non-performing cases, other than where ICICI Bank had decided to recall loans, aggregated Rs. 12.31 billion, with no individual borrower accounting for more than Rs. 1.70 billion.

Classification of Non-Performing Loans by Industry

The following table sets forth the classification of net non-performing loans by industry sector at March 31, 2002.

Rs. billion, except percentage

Industry	Net outstanding	% of total
Iron & steel	5.28	15.4
Textiles	5.19	15.1
Man-made fibres	2.85	8.3
Chemicals	2.71	7.9
Engineering	2.42	7.0
Metal & metal products	2.01	5.8
Food processing	1.67	4.9
Petrochemicals	1.38	4.0
Paper & paper products	1.36	4.0
Drugs	1.18	3.4
Cement	1.03	3.0
Plastic	0.93	2.7
Electronics	0.74	2.2
Sugar	0.55	1.6
Hotels	0.52	1.5
Shipping	0.31	0.9
Non-banking finance companies	0.30	0.9
Rubber & rubber products	0.25	0.7
Services	0.25	0.7
Miscellaneous & others	3.44	10.0
Total of above	34.37	100.0
Less: general provisions held against non-performing loans	(7.16)	
Net non-performing loans	27.21	

Safe Harbour Clause

Except for the historical information contained herein, statements in this document which contain words or phrases such as 'will', 'would', 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 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.