

ICICI Bank's financial position sound; rumours baseless and malicious: K. V. Kamath, Managing Director & CEO

ICICI Bank Limited (NYSE: IBN) is aware that rumours are being repeatedly circulated in certain centres regarding the financial strength of the Bank. The Bank states that these rumours are baseless and malicious. As these rumours could create concern among the Bank's customers, the Bank reiterates that:

- ICICI Bank has a very strong capital position, having proactively raised Rs. 20,000 crore (about US\$ 5 billion) in June 2007, almost doubling its capital base. It has a networth of over Rs. 47,000 crore (i.e. over US\$ 10 billion) and a capital adequacy ratio of 13.4% at June 30, 2008, as against the regulatory requirement of 9.0%. This is among the highest levels of capital adequacy in large Indian banks. This reflects the healthy capital position and comfortable level of leverage. Its banking and non-banking subsidiaries are also well-capitalised.

- ICICI Bank has consolidated total assets of over Rs. 484,000 crore (over US\$ 105 billion), which is diversified across a wide range of asset classes in India and overseas.

- ICICI Bank is profitable. It made a profit after tax of Rs. 4,158 crore (over US\$ 900 million) in FY2008 and Rs. 728 crore (over US\$ 155 million) in the first quarter of this year. This was due to the strong core performance, which more than offset the impact of adverse debt and

equity market conditions in India and globally since the second half of FY2008.

- ICICI Bank's wholly-owned subsidiary, ICICI Bank UK PLC has, as part of its normal treasury operations, a diversified investment portfolio. ICICI Bank UK PLC has zero exposure to US sub-prime credit, and zero non-performing loans. About 98% of its non-India investment book of

US\$ 3.5 billion is rated investment grade and above, with about 89% rated A- and above. In addition, ICICI Bank UK PLC holds cash equivalent instruments (inter-bank placements and certificates of deposit) of USD 1.1 billion. As on the last balance sheet date of June 30, 2008, ICICI Bank UK PLC had a capital adequacy ratio of 17.4%.

- The absorption of the impact of current market conditions on investment portfolio valuation will not pose any challenge to ICICI Bank's capital position.

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