

Edgar Filing: ICICI BANK LTD - Form 6-K

ICICI BANK LTD  
Form 6-K  
October 31, 2002

United States  
Securities and Exchange Commission  
Washington, D.C. 20549

FORM 6-K

Report of Foreign Issuer  
Pursuant to Rule 13a-16 or 15d-16 under  
the Securities Exchange Act of 1934

For the month of October 2002

ICICI Bank Limited  
(Translation of registrant's name into English)

ICICI Bank Towers,  
Bandra-Kurla Complex  
Mumbai, India 400 051  
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F    
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Form 40-F    
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Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g 3-2(b) under the Securities Exchange Act of 1934.

Yes    
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No    
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If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g 3-2(b).

Not applicable.

INDEX TO EXHIBITS

Item  
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1. Form 6k dated October 31, 2002 along with Press Release

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: October 31, 2002

ICICI Bank Limited

By /s/ Nilesh Trivedi  
Name: Nilesh Trivedi  
Title: Assistant Company Secretary

Item 1

[ICICI BANK LOGO]

ICICI Bank Limited  
ICICI Bank Towers  
Bandra Kurla Complex  
Mumbai 400 051

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News Release

October 31, 2002

### Performance Review - Half-year ended September 30, 2002

The Board of Directors of ICICI Bank Limited (NYSE: IBN) at its meeting held at Mumbai today, approved the audited accounts of the Bank for the half-year ended September 30, 2002 (H1-2003). The Board also reviewed the unaudited consolidated accounts for the period. ICICI Limited (ICICI) and two of its subsidiaries merged with the Bank on March 30, 2002. The results for H1-2003 are therefore not comparable with the results on a standalone basis for the half-year ended September 30, 2001 (H1-2002).

### Results

The Bank's profit after tax increased 13% from Rs. 253 crore for the quarter ended June 30, 2002 (Q1-2003) to Rs. 285 crore for the quarter ended September 30, 2002 (Q2-2003). The Bank's profit after tax for H1-2003 was Rs. 538 crore as compared to Rs. 131 crore for H1-2002.

In accordance with Reserve Bank of India (RBI) norms, the Bank reduces the amortisation of premium on SLR investments in the "Held-to-Maturity" category from the interest income. This amortisation charge increased from Rs. 9 crore in Q1-2003 to Rs. 41 crore in Q2-2003. Further, in accordance with its revised accounting policy for income recognition on assistance to projects under implementation which have undergone significant delays, the Bank has suspended accrual of income on certain loans (although such non-accrual is not required by RBI norms), resulting in a reduction in interest income by about Rs. 40 crore in Q2-2003. The impact of the amortisation charge and non-accrual of interest was partially offset by a reduction in funding costs due to repayment of erstwhile ICICI's high-cost borrowings.

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In accordance with the Scheme of Amalgamation, the ICICI Bank Shares Trust divested 101.4 million shares of the Bank (transferred to the Trust by erstwhile ICICI prior to the merger) in September 2002, to strategic and institutional investors, resulting in capital gains of Rs. 1,191 crore flowing to the Bank.

The Bank has made accelerated/additional provisions and write-offs of Rs. 1,686 crore against loans and other assets, primarily relating to erstwhile ICICI's portfolio. The positive deferred tax impact of the additional provisions, net of provision for tax on profits for the period, was Rs. 443 crore.

### Operational highlights

The Bank's customer assets at September 30, 2002 were about Rs. 58,400 crore as against about Rs. 57,500 crore at March 31, 2002. There was a decline in the corporate assets by about Rs. 5,000 crore, primarily due to sell-down of loans as part of the Bank's strategy of churning its portfolio. However, the retail assets (including the assets of ICICI Home Finance Company, the Bank's wholly-owned subsidiary) increased by about Rs. 5,800 crore (a growth of 35%) to about Rs. 13,500 crore. Retail assets now constitute 13% of total assets and 22% of customer assets compared to 7% of total assets and 13% of customer assets at March 31, 2002. The growth in retail assets reflects the Bank's leadership across product segments. During H1-2003, the Bank achieved market leadership in home loan approvals. The Bank's retail approvals and disbursements in Q2-2003 were about Rs. 6,200 crore and Rs. 4,800 crore respectively, including home loan approvals and disbursements of about Rs. 3,770 crore and Rs. 2,370 crore respectively.

During H1-2003, the Bank repaid about Rs. 11,000 crore of erstwhile ICICI's liabilities as they fell due in accordance with their terms of repayment. At September 30, 2002, deposits constituted 42% of the Bank's funding compared to 35% at March 31, 2002.

As part of its strategy to offer an enhanced value proposition to its corporate clients, ICICI Bank reorganised its corporate Internet banking services into "ICICI e-business". ICICI Bank launched new client-specific solutions, such as the Roaming Current Account and a multi-lingual Internet portal for emerging corporates. ICICI Bank continued to leverage its corporate relationships in its retail business.

ICICI Bank continued to make progress in its international business initiatives. During H1-2003, ICICI Bank achieved an increase in NRI deposits and remittances and focused on new correspondent banking relationships, while establishing a presence and initiating dialogues with regulators in various target geographies.

At September 30, 2002, the Bank's net non-performing assets were Rs. 2,879 crore constituting 4.9% of customer assets. The Bank's standard assets included net restructured assets of Rs. 5,767 crore. At September 30, 2002, the Bank had a provision coverage of 6.5% against corporate standard assets, indicating the strength of the Bank's balance sheet.

ICICI Bank's capital adequacy at September 30, 2002 was 12.32% (including Tier-1 capital adequacy of 8.05%), well above RBI's requirement of 9.0%.

Unaudited Consolidated Accounts under Indian GAAP

The consolidated profit after tax was Rs. 506 crore in H1-2003 including the results of operations of subsidiaries and affiliates of erstwhile ICICI that became subsidiaries of the Bank on the merger. The Bank had no subsidiaries at September 30, 2001.

The consolidated profit was lower than the Bank's standalone profit due to the loss of Rs. 67 crore incurred by ICICI Prudential Life Insurance Company Limited, which had an impact of Rs. 50 crore on the Bank's consolidated profit in line with its shareholding of 74%. ICICI Prudential Life Insurance Company is India's largest private life insurance company and had sold over 180,000 policies by September 30, 2002. Losses in the initial years are a normal feature of the life insurance business, due to provisions required for future bonus payments and servicing costs and non-amortisation of agency commissions and operating expenditure. These expenses are disproportionately high initially due to the front-ended commission structure mandated by regulators and high marketing and administrative costs that yield benefits in later years as the business grows in scale. The Bank's general insurance subsidiary, ICICI Lombard General Insurance Company Limited, achieved financial break-even during Q2-2003. ICICI Securities & Finance Company Limited earned a profit after tax of Rs. 45 crore in H1-2003.

Rs. 1 crore = 10.0 million

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 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.

For further press queries please contact Madhvendra Das at 91-22-653 6124 or e-mail: madhvendra.das@icicibank.com

For investor queries please call Rakesh Jha at 91-22-653 6157 or Anindya Banerjee at 91-22-653 7131 or email at ir@icicibank.com

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ICICI Bank  
AUDITED FINANCIAL RESULTS FOR THE HALF-YEAR ENDED SEPTEMBER 30, 2002

Sr. No.	Particulars	Three months ended		Ha Sep 2002
		Sept 30, 2002	Sept 30, 2001	
1.	Interest earned (a)+(b)+(c)+(d)	2279.78	464.69	46
	a) Interest/discount on advances/bills	1469.83	195.20	29
	b) Income on investments	741.15	243.55	15
	c) Interest on balances with Reserve Bank of India and other interbank funds	46.53	23.21	1
	d) Others	22.27	2.73	
2.	Other Income	1722.51	95.11	21
	A) TOTAL INCOME (1) + (2)	4002.29	559.80	68
3.	Interest expended	1972.73	323.58	40
4.	Operating expenses (e) + (f)	481.71	139.26	9
	e) Payments to and provisions for employees	96.62	34.36	1
	f) Other operating expenses	385.09	104.90	7
	B) TOTAL EXPENDITURE (3)+ (4) (excluding provisions and contingencies)	2454.44	462.84	49
5.	OPERATING PROFIT (A-B) (Profit before Provisions and Contingencies)	1547.85	96.96	19
6.	Other provisions and contingencies	1734.21	1.25	18
7.	Provision for taxes			
	a) Current period tax	38.34	28.73	
	b) Deferred tax adjustment	(510.00)	0.83	(50)
8.	Net Profit (5-6-7)	285.30	66.15	5
9.	Paid-up equity share capital (face value Rs. 10/-)	612.55	220.36	6
10.	Reserves excluding revaluation reserves	6170.61	1223.66	61
11.	Analytical Ratios			
	(i) Percentage of shares held by Government of India	..	..	
	(ii) Capital Adequacy Ratio	12.32%	13.00%	1
	(iii) Earnings per share for the period (not annualised for quarter) (in Rs.) (basic and diluted)	4.65	3.00	
12.	Aggregate of non-promoter Shareholding			
	o No. of shares	61,30,31,404	11,89,62,731	61,30,3
	o Percentage of shareholding	100	53.99	
13.	Deposits	35947.41	17515.33	359
14.	Advances	48886.59	6283.22	488
15.	Total Assets	99680.22	20808.57	996

Segment information of ICICI Bank Limited and its Subsidiaries

Particulars	Commercial Banking		Investment Banking		Ot H1-2003
	H1-2003	Q2-2003	H1-2003	Q2-2003	
Segmental Revenue	4487.24	2205.14	2797.17	1942.22	432.54
Less: Inter segment revenue	..	..	..	..	..
Income from operations	..	..	..	..	..

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Segmental Results(Profit before tax & accelerated/additional Provisions)	441.81	271.83	1375.06	1274.23	(33.77)
Accelerated/additional Provisions*	1636.00	1636.00	50.00	50.00	..
Profit/(Loss) before tax	(1194.19)	(1364.17)	1325.06	1224.23	(33.77)
Current and deferred tax	..	..	..	..	..
Profit After Tax	..	..	..	..	..
Capital Employed	(17087.83)	(17087.83)	17143.45	17143.45	5541.16

\* represents additional/accelerated provisions made by the Bank as stated in Note 5 below

### Notes

1. The financials have been prepared in accordance with Accounting Standard 25 on 'Interim Financial Reporting'.
2. The results for the quarter ended September 30, 2002 and half year ended September 30, 2002 include the results of erstwhile ICICI Limited and its subsidiaries, ICICI Personal Financial Services Limited and ICICI Capital Services Limited, amalgamated with the Bank w.e.f March 30, 2002. The financials for the quarter are therefore not comparable with the earlier periods.
3. The segment information is based on the segments currently identified post merger.
4. Other Income includes gain of Rs. 1,191 crore on sale of equity shares of the Bank held by a trust, which were transferred to it by erstwhile ICICI Limited in accordance with the scheme of amalgamation.
5. The Bank made accelerated/additional provisions of Rs 1,686 crore. These are included in other provisions and contingencies.
6. Net NPAs to net customer assets are at 4.9%.
7. Previous period figures have been regrouped/reclassified where necessary to conform to current period classification.

The above financial results have been taken on record by the Board of Directors at its meeting held on October 31, 2002

Registered Office: Landmark, Race Course Circle, Alkapuri, Vadodara - 390 007  
 Corporate Office : ICICI Bank Towers, Bandra-Kurla Complex, Bandra (East),  
 Mumbai 400 051.  
 Web site : <http://www.icicibank.com> Electronic mail: [info@icicibank.com](mailto:info@icicibank.com)

Place: Mumbai  
 Date: October 31, 2002

Kalpana Morparia  
 Executive Director

[ICICI Bank Logo]

Performance Review:

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H1-2003

October 31, 2002

## Highlights

### ICICI Bank

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

1. Including ICICI Home Finance Company portfolio

[ICICI Bank Logo]

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## Highlights

### ICICI Bank

- o Sale of ICICI Bank shares with capital gains of Rs. 11.91 billion
- o 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
  - o Further de-risking portfolio with provision coverage of 6.5% on corporate standard assets
- o Capital adequacy 12.32% (including Tier-1 of 8.05%)

[ICICI Bank Logo]

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## Agenda

\* Financial Performance

Operational Review

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## Capital & Shareholding

[ICICI Bank Logo]

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### 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.

[ICICI Bank Logo]

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### 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.



[ICICI Bank Logo]

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## Profit &amp; 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.

[ICICI Bank Logo]

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## 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	73.091
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

[ICICI Bank Logo]

## 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

[ICICI Bank Logo]

## 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.

[ICICI Bank Logo]

## Consolidated profits

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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

[ICICI Bank Logo]

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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

[ICICI Bank Logo]

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Classification of loan assets

ICICI Bank

(Rs. in billion)

	March 31, 2002	Sept 30, 2002
Loss	-	-
Doubtful	21.80	22.12

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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%
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[ICICI Bank Logo]

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### Top 10 industry-wise exposure

ICICI Bank

(% to total)

	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
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(1) Includes ICICI Home Finance portfolio

[ICICI Bank Logo]

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### Agenda

Financial Performance

\* Operational Review

Capital & Shareholding

[ICICI Bank Logo]

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Leadership in retail assets

Retail

[A bar graph representing the information contained in the table below has been omitted.]

(Rs. in billion)

Auto	27.69	32.24	36.55
Home loans	29	42.02	63.17
CV	8.86	11.23	15.67
Others	11.8	13.94	19.22
Total	77.35	99.43	134.61

- o Achieved leadership in mortgages with Q2-2003 approvals Rs. 37.75 bn (disbursements Rs. 23.74 bn)
- o Maintained dominant position in other segments
- (1) Including assets of ICICI Home Finance Company

[ICICI Bank Logo]

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Other key highlights

Operational highlights

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

[ICICI Bank Logo]

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Completion of sale of ICICI Bank shares

Stake sale

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

[ICICI Bank Logo]

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### Agenda

Financial Performance

Operational Review

\* Capital & Shareholding

[ICICI Bank Logo]

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### 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.

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### Shareholding pattern

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[A pie graph representing the information contained in the table below has been omitted.]

October 14, 2002

ADR	FIIs & NRIs	Banks, FIs & UTI	Resident Indians	Bodies Corporate	Other Mutual Funds
26.1%	37.05%	20.74%	9.57%	4.89%	1.65%

Paid-up capital Rs. 6.13 billion

[ICICI Bank Logo]

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Thank you

[ICICI Bank Logo]

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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

- o 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
- o 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

[ICICI Bank Logo]

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Interest expense

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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

[ICICI Bank Logo]

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Spreads

ICICI Bank

(Rs. in billion)

	Q1- 2003	Q2- 2003	H1- 2003	H1- 2002	FY 2002
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

[ICICI Bank Logo]

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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



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Retail constitutes 12% of total assets

[A pie graph representing the information contained in the table below has been omitted.]

	March 2002 -----	September 2002 -----
Project finance	23%	23%
Corporate finance	25%	22%
Retail finance	6%	12%
Reserves & cash	34%	29%
Investments	6%	5%
Other assets	6%	9%
	Rs. 1,041.06 billion	Rs. 988.19 billion

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

[ICICI Bank Logo]

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#### ICICI Prudential Life Insurance

##### Insurance subsidiaries

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

[ICICI Bank Logo]

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#### ICICI Lombard General Insurance

##### Key subsidiaries

- o Gross written premium Rs. 727.5 million in H1-2003 compared to Rs. 271.1 million in FY2002 (operations commenced only in mid-FY2002)

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- o Achieved financial break-even
- o Expanding corporate market share
- o Launched home & personal accident insurance
- o Growing distribution network
  - o Presence in 19 locations, up from 10 in March, 2002

[ICICI Bank Logo]

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