ICICI BANK LTD
Form F-3/A
March 10, 2005

As filed with the Securities and Exchange Commission on March 10, 2005
Registration No. 333-121664

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1 to
FORM F-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ICICI BANK LIMITED
(Exact Name of Registrant as Specified in Its Charter)

VADODARA, GUJARAT, INDIA	**Not Applicable**	**Not Applicable**
(State or Other Jurisdiction of Incorporation or Organization)	(Translation of Registrant's name into English)	(I.R.S. Employer Identification Number)

ICICI Bank Towers
Bandra-Kurla Complex
Mumbai 400051, India
Tel: 011-91-22-2653-1414
(Address and Telephone Number of Registrant's Principal Executive Offices)

Mr. Madhav Kalyan
Joint General Manager, ICICI Bank
New York Representative Office
500 Fifth Avenue, Suite 2830
New York, New York 10110
Tel: (646) 827-8448

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

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Tel. No.: 011-33-1-5659-3670	**Tel. No.: 011-65-6536-1161**

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. o

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. o

CALCULATION OF REGISTRATION FEE

Title Of Securities To Be Registered(1)	**Number of Equity Shares(2)**	**Proposed Maximum Aggregate Price Per Unit(3)**	**Proposed Maximum Aggregate Offering Price**	**Amount Of Registration Fee(4)**
Equity Shares, par value Rs. 10 per share	22,103,832	$22.02	$243,307,933	$28,637

(1) American Depositary Shares evidenced by American Depositary Receipts issuable on deposit of the equity shares registered hereby have been registered under a separate statement on Form F-6, Registration No. 333-11504 and another separate statement on Form F-6, Registration No. 333-123236. Each American Depositary Share represents two equity shares.

(2) The number of Equity Shares being registered in this amendment is in addition to the 22,071,886 Equity Shares registered at the time of the initial filing of this Registration Statement, for a total of 44,143,772 Equity Shares registered in connection with the offering described within.

(3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act on the basis of the average of the high and low prices of the equity shares represented by the American Depositary Shares on the New York Stock Exchange on March 7, 2005.

(4) A fee of $25,459 was previously paid for 22,071,886 Equity Shares registered at the time of the initial filing of this Registration Statement.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such dates as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. Prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS DATED MARCH 10, 2005 SUBJECT TO COMPLETION

ICICI BANK LIMITED

American Depositary Shares

Representing Equity Shares

American Depositary Shares, or ADSs, representing of our equity shares are being sold by the selling shareholders. Included among the selling shareholders may be certain officers, directors and shareholders who beneficially own 5% or more of our equity shares. Each ADS offered represents two equity shares of ICICI Bank Limited. We will not receive any of the proceeds from this offering.

Our outstanding ADSs are traded on the New York Stock Exchange under the symbol IBN. The last reported sales price of our ADSs on the New York Stock Exchange on March 8, 2005 was US$20.88 per ADS. Our equity shares are traded in India on The Stock Exchange, Mumbai and the National Stock Exchange of India Limited. The closing price for our equity shares on the National Stock Exchange of India Limited on March 8, 2005 was US$9.15 assuming an exchange rate of Rs. 43.58 per dollar.

Investing in our ADSs involve certain risks, see Risk Factors beginning on page 10.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per ADS	Total
Initial Price to Public	US$	US$
Underwriting Discounts and Commissions	US$	US$
Proceeds to Selling Shareholders, Before Expenses	US$	US$

The selling shareholders have granted the underwriters an option exercisable within seven days from the date of this prospectus to purchase up to an aggregate of an additional ADSs, representing up to an additional equity shares, from them at the initial price to the public, less the underwriting discounts and commissions.

The underwriters are offering the ADSs subject to various conditions. The underwriters expect to deliver the ADSs in book-entry form only through the facilities of The Depository Trust Company against payment in New York, New York on March , 2005.

Joint Global Coordinators and Joint Bookrunners

(listed alphabetically)

Merrill Lynch International **Morgan Stanley** **UBS Investment Bank**

Prospectus dated , 2005

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ABOUT THIS PROSPECTUS

You should read this prospectus together with the additional information described under the heading “Where You Can Find More Information About Us.”

Unless otherwise stated in this prospectus or unless the context otherwise requires, references in this prospectus to “we”, “our”, “us”, “the Company” and “ICICI Bank” are to ICICI Bank Limited and its consolidated subsidiaries and other consolidated entities. References in this prospectus to “ICICI” are to ICICI Limited prior to its amalgamation with ICICI Bank Limited.

In this prospectus, references to “US” or “United States” are to the United States of America, its territories and its possessions. References to “India” are to the Republic of India. References to “$” or “US$” or “dollars” or “US dollars” to the legal currency of the United States and references to “Rs.” or “rupees” or “Indian rupees” are to the legal currency of India. References to a particular “fiscal” year are to our fiscal year ended March 31 of such year.

Except as otherwise stated in this prospectus, all translations from Indian rupees to US dollars are based on the noon buying rate in the City of New York on December 31, 2004, for cable transfers in Indian rupees as certified for customs purposes by the Federal Reserve Bank of New York which was Rs. 43.27 per $1.00. No representation is made that the Indian rupee amounts have been, could have been or could be converted into US dollars at such a rate or any other rate. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding.

SUMMARY

You should read the following summary together with the risk factors and the more detailed information about us and our financial results included elsewhere in this prospectus or incorporated by reference. See "Incorporation of Documents by Reference."

Overview

We are a leading Indian private sector commercial bank offering a variety of products and services. We were incorporated in India in 1994. In 2002, ICICI, a long-term financial institution and two of its subsidiaries, ICICI Personal Financial Services and ICICI Capital Services, were amalgamated with us. ICICI Personal Financial Services was engaged in the distribution and servicing of various retail credit products and other services offered by ICICI and us. ICICI Capital Services was a distributor of financial and investment products. Our products and services now include those previously offered by ICICI. As of March 31, 2004 we were the largest private sector bank in India and the second largest bank in India, in terms of assets.

Our commercial banking operations span the corporate and the retail sector. At February 28, 2005, our principal network consisted of 478 branches, 52 extension counters and 1,880 ATMs in 348 centers across several Indian states. We offer a suite of products and services for both our corporate and retail customers. We offer a range of retail credit and deposit products and services to retail customers. The implementation of our retail strategy and the growth in our commercial banking operations for retail customers has had a significant impact on our business and operations in recent years. At December 31, 2004, consumer loans and credit card receivables represented 47.7% of our gross loans outstanding compared to 39.2% at year-end fiscal 2004 and 27.5% at year-end fiscal 2003. We have over 10 million retail customer accounts. Our corporate customers include India's leading companies as well as growth-oriented small and middle market businesses, and the products and services offered to them include loan and deposit products and fee and commission-based products and services. Through our treasury operations, we manage our balance sheet and strive to optimize profits from our trading portfolio by taking advantage of market opportunities. We believe that the international markets present a major growth opportunity and have, therefore, expanded to countries other than India to serve our customers' cross border needs and offer our commercial banking products to international customers.

We offer our customers a choice of delivery channels, and we use technology to differentiate our products and services from those of our competitors. We remain focused on changes in customer needs and technological advances to remain at the forefront of electronic banking in India, and seek to deliver high quality and effective services.

Strategy

Our objective is to enhance our position as a provider of banking and other financial services in India and to leverage our competencies in financial services and technology to develop an international business franchise. The key elements of our business strategy are to:

Focus on Quality Growth Opportunities: From fiscal 2003, we have achieved significant growth in our commercial banking operations for retail customers. Our consumer loans and credit card receivables grew by approximately 65.7% during fiscal 2004 and 42.2% during the nine months ended December 31, 2004. We aim to focus on quality growth opportunities through several specific objectives, which include building on our leadership position in retail credit, strengthening individual customer relationships, focusing on leveraging our corporate relationships and increased capital base to increase our market share in non-fund-based working capital products and fee-based services. We aim to provide comprehensive and integrated services, and to increase the cross-selling of our products and services and maximize the value of our corporate relationships through the effective use of technology, speedy response times, quality service and the provision of products and services designed to meet specific customer needs. In April 2004, we completed a share issuance of Rs. 32.5 billion (US$ 751 million) to support growth in various areas of our business operations.

Strengthen Our Insurance Business: We believe that the insurance sector has significant growth potential. We believe that our subsidiaries, ICICI Prudential Life Insurance Company Limited and ICICI Lombard General Insurance Company Limited have built a platform for continued growth, high market share and profitability in the medium term based on extensive distribution efforts, brand recall and underwriting capabilities. According to statistics published by the Insurance Regulatory & Development Authority, ICICI Prudential Life Insurance is the largest private sector life insurance company in India, with a market share of approximately 33% in the private sector based on new business premiums (excluding group insurance) from April through December 2004. According to these statistics, ICICI Lombard General Insurance is the largest private sector general insurance company in India, with a market share of approximately 25% in the private sector based on gross premium from April through December 2004. We seek to leverage the synergies we have with our insurance subsidiaries.

Build an International Presence: We believe that the international markets present a major growth opportunity. We have therefore expanded to countries other than India to cater to our customers’ cross border needs and offer our commercial banking products in select international markets, and aim to develop an international presence.

Emphasize Conservative Risk Management Practices and Enhance Asset Quality: We believe that conservative credit risk management policies and procedures are critical to maintain competitive advantages in our business, and we continue to build on our credit risk management tools, and aim to mitigate credit risk by adopting various measures.

Use Technology for Competitive Advantage: We seek to be at the forefront of technology usage in the financial services sector. Technology is a strategic tool for our business operations to gain competitive advantage and to improve overall productivity and efficiency of the organisation.

Attract and Retain Talented Professionals: We have been successful in building a team of talented professionals with relevant experience. We believe a key to our success will be our ability to continue to maintain and grow a pool of strong and experienced professionals. We intend to continuously develop our management and organizational structure to allow us to respond effectively to changes in the business environment and enhance our overall performance.

Our principal executive offices are located at ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400051, India; our telephone number is (91) 22-2653-1414 and our web site address is www.icicibank.com. Our registered agent in the United States is Mr. Madhav Kalyan, Joint General Manager, ICICI Bank, New York Representative Office, 500 Fifth Avenue, Suite 2830, New York, New York 10110. The information on our website is not a part of this prospectus.

The Offering

ADSs offered by the selling shareholders	ADSs representing equity shares, constituting approximately % of our issued and outstanding equity

	shares.
Over-allotment option granted by the selling shareholders	The selling shareholders have granted the underwriters an option exercisable within seven days from the date of this prospectus to purchase up to an aggregate of an additional ADSs, representing an additional equity shares, from them at the initial price to the public, less the underwriting discounts and commission.
Selling shareholders	See Principal and Selling Shareholders for more information on the selling shareholders in this offering. Included among the selling shareholders may be certain officers, directors and shareholders who beneficially own 5% or more of our equity shares.
The ADSs	Each offered ADS represents two equity shares par value Rs. 10 per share. The offered ADSs are evidenced by American Depositary Receipts, or ADRs. See Description of American Depositary Shares and Description of Equity Shares.
ADSs to be outstanding after this offering	(assumes no exercise of the underwriters over-allotment option to purchase additional ADSs).
Equity shares to be outstanding after this offering	736,325,176 (based on number of equity shares outstanding at March 4, 2005).
Offering price	The offered ADSs are being offered at a price of US$ per ADS.
Depositary	Deutsche Bank Trust Company Americas.
Use of proceeds	We will not receive any of the proceeds from the sale of these ADSs.
Listing	We are listing the offered ADSs on the New York Stock Exchange. Our outstanding equity shares are principally traded in India on The Stock Exchange, Mumbai and the National Stock Exchange of India Limited.
New York Stock Exchange symbol for ADSs	IBN
Dividends	The declaration, amount and payment of dividends are subject to the recommendation of our board of directors and the approval of our shareholders. Under Indian regulations currently in force, the declaration of dividends by banks is subject to certain additional conditions. If we comply with such conditions, we are allowed to declare a dividend but only up to a certain percentage of our profits. For any dividends beyond

	such percentage, we are required to obtain permission from the Reserve Bank of India. Holders of equity shares and ADSs will be entitled to dividends paid, if any. In fiscal year 2005, we paid a dividend of Rs. 7.50 per equity share. See also "Dividends."
Voting rights	The ADSs will have no voting rights. Under the deposit agreement, the depositary will vote the equity shares deposited with it as directed by our board of directors. See "Description of American Depositary Shares" in this prospectus and "Recent Developments — Restriction on Foreign Ownership of Indian Securities."
Taxation	Dividends you receive on the ADSs or equity shares, other than certain pro rata distributions of ADSs or equity shares or rights to acquire ADSs or equity shares, will generally constitute foreign-source dividend income for US federal income tax purposes. You will generally recognize US-source capital gain or loss for US federal income tax purposes on the sale or other disposition of ADSs or equity shares. Under certain circumstances, you may be subject to Indian tax upon the disposition of equity shares. For a more detailed description of the material tax consequences to investors in ADSs and equity shares, see "Taxation."

The Indian Invitation to Participate

We prepared and distributed in India an invitation to participate dated February 26, 2005 which invited holders of our equity shares to offer their equity shares for sale in this offering, pursuant to Indian regulations in this regard. Our invitation to participate was mailed only to holders of our equity shares to their addresses of record in India. Holders of ADSs are not eligible to participate in the transactions contemplated by the invitation to participate. Under Indian law, an issuer in India such as us can sponsor the issue of ADSs through an overseas depositary against underlying equity shares accepted from holders of its equity shares in India. Sponsorship does not mean we are purchasing or causing the purchase of the equity shares directly or indirectly or recommending that holders participate in the offering. We are not purchasing any equity shares in this transaction. Equity shares will solely be purchased by the underwriters from the selling shareholders for sale in this offering. We have obtained the approval of the Foreign Investment Promotion Board as required by Indian regulations.

Under the terms of the invitation to participate, the related letter of transmittal, letter of renunciation, escrow agreement and other documents, the shares to be sold by the selling shareholders are being held in escrow by The Western India Trustee & Executor Company Limited, as escrow agent, until such time as they are required to be deposited with us, as custodian on behalf of Deutsche Bank Trust Company Americas, the depositary, against the issuance of ADSs representing such shares and to be delivered to the underwriters under the terms of the underwriting agreement entered into by us, the underwriters and the selling shareholders. The successful completion of these transactions by us, the selling shareholders and the escrow agent is a condition precedent to the underwriters' obligation to purchase any ADSs in this offering.

Summary Financial and Operating Data

The following tables set forth our summary financial and operating data on a consolidated basis. The summary data for the annual periods contained herein have been derived from our audited consolidated financial statements as of and for each of the five years ended March 31, 2004. The summary data for the nine months ended and at December 31, 2004 and December 31, 2003 have been derived from our unaudited consolidated financial statements, prepared in accordance with generally accepted accounting principles applicable in the United States, or US GAAP, and included in this prospectus. Our consolidated financial statements for fiscal 2004 and fiscal 2003 including our consolidated statement of operations, consolidated statement of cash flows and consolidated statement of stockholders equity and other comprehensive income for the year ended March 31, 2002, included in our annual report on Form 20-F for the fiscal year ended March 31, 2004 were audited by KPMG LLP, UK, an independent registered public accounting firm and are incorporated by reference into this prospectus together with the reports of KPMG LLP, UK.

You should read the following data with the more detailed information contained in ''Operating and Financial Review and Prospects included elsewhere in this prospectus and our consolidated financial statements and the related notes included elsewhere and incorporated by reference in this prospectus. Historical results do not necessarily predict the results in the future.

	Year ended March 31,					Nine months ended December 31,		
	2000	**2001**	**2002**	**2003**	**2004**	**2003**	**2004**	**2004(1)**
						(Unaudited)		
	(in millions, except per common share data)							
Selected income statement data:								
Interest income	Rs. 79,296	Rs. 79,759	Rs. 78,600	Rs. 97,714	Rs. 90,688	Rs. 67,619	Rs. 66,576	US$ 1,539
Interest expense	(67,492)	(67,893)	(69,520)	(83,208)	(72,375)	(54,720)	(49,742)	(1,150)
Net interest income	11,804	11,866	9,080	14,506	18,313	12,899	16,834	389
Dividends	1,502	345	267	389	431	271	237	5
Net interest income, including dividends	13,306	12,211	9,347	14,895	18,744	13,170	17,071	394
Provisions for loan losses	(6,363)	(9,892)	(9,743)	(19,649)	(20,055)	(15,289)	(8,504)	(197)
Net interest income/(loss), including dividends, after provisions for loan losses	6,943	2,319	(396)	(4,754)	(1,311)	(2,119)	8,567	197
Non-interest income	9,815	9,243	8,148	13,253	36,678	25,637	23,493	543
Net revenue	16,758	11,562	7,752	8,499	35,367	23,518	32,060	740

Non-interest expense	(5,302)	(5,479)	(7,596)	(18,609)	(27,101)	(20,138)	(23,895)	(552)
Equity in earnings/(loss) of affiliates	20	735	294	(958)	(1,437)	(336)	(1,254)	(29)
Minority interest	(361)	1	83	24	28	10	(2)	—
Income/(loss) before income taxes and cumulative effect of accounting changes	11,115	6,819	533	(11,044)	6,857	3,054	6,909	159
Income tax (expense)/benefit	(2,033)	(189)	(251)	3,061	(1,638)	(730)	(1,658)	(38)
Income /(loss) before cumulative effect of accounting changes, net of tax	9,082	6,630	282	(7,983)	5,219	2,324	5,251	121
Cumulative effect of accounting changes, net of tax(2)	249	—	1,265	—	—	—	—	—
Net income/ (loss)	Rs. 9,331	Rs. 6,630	Rs. 1,547	Rs. (7,983)	Rs. 5,219	Rs. 2,324	Rs. 5,251	US$ 121
Per common share(3)								
Net income/(loss) from continuing operations - Basic(4)	Rs. 28.90	Rs. 16.88	Rs. 3.94	Rs. (14.18)	Rs. 8.50	Rs. 3.79	Rs. 7.24	US$ 0.17
Net income/(loss) from continuing operations - Diluted(5)	27.54	16.81	3.94	(14.18)	Rs. 8.43	Rs. 3.76	7.19	0.17
Dividends(6)	11.00	11.00	22.00	-	7.50	7.50	7.50	0.17
Book value	180.58	193.35	181.70	150.42	153.35	151.97	166.76	3.85
Common shares outstanding at end of period (in millions of common shares)	393	393	393	613	616	615	736	—

	Year ended March 31,					Nine months ended December 31,		
	2000	**2001**	**2002**	**2003**	**2004**	**2003**	**2004**	**2004(1)**

								(Unaudited)
	(in millions, except per common share data)							
Selected income statement data:								
Weighted average common shares outstanding - Basic (in millions of common shares)	323	393	393	563	614	614	725	—
Weighted average common shares outstanding - Diluted (in millions of common shares)	344	393	393	563	619	619	731	—

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(1) Rupee amounts for the nine months ended December 31, 2004 have been translated into US dollars using the noon buying rate of Rs. 43.27 = US$ 1.00 in effect on December 31, 2004.

(2) In June 2001, the FASB issued SFAS No. 141, which requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. The excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed shall be recognized as goodwill. SFAS No. 141 specifies that intangible assets acquired in a purchase method business combination must be recognized and reported apart from goodwill, noting that any purchase price allocated to an assembled workforce need not be accounted separately. The excess of the fair value of the net assets over the cost of acquired entity is allocated pro rata to specified non-financial assets and remaining excess, if any, is recognized as an extraordinary gain. As of April 1, 2001, ICICI had an unamortized deferred credit of Rs. 1.3 billion (US$ 29 million) relating to the excess of the fair value of assets acquired over the cost of acquisition of ICICI. As required by SFAS No. 141, in conjunction with the early adoption of SFAS No. 142, the unamortized deferred credit as of April 1, 2001, was written-off and recognized as the effect of a change in the accounting principle.

(3) For fiscal years 2000, 2001 and 2002, based on the exchange ratio of 1:2 in which the shareholders of ICICI were issued shares of ICICI Bank, number of shares has been adjusted by dividing by two. Hence, these numbers are different from the numbers reported in the annual report on Form 20-F for fiscal 2002.

(4) Represents net income/(loss) before dilutive impact.

(5) Represents net income/(loss) adjusted for full dilution. All convertible instruments are assumed to be converted to common shares at the beginning of the year, at prices that are most advantageous to the holders of these instruments. For the purpose of calculating diluted earnings per share, the net income was adjusted for interest (after tax) on convertible instruments only for fiscal 2000, as the convertible bonds were almost entirely converted/redeemed in fiscal 2001. Shares assumed to be issued have been weighted for the period the convertible instruments are outstanding. Options to purchase 2,546,675, 7,015,800, 12,610,275 and 1,098,225 equity shares granted to employees at a weighted average exercise price of Rs. 226.0, Rs. 81.3, Rs. 154.7 and Rs. 266.6 were outstanding in fiscal 2001, 2002, 2003 and 2004, respectively, but were not included in the computation of diluted earnings per share because the exercise price of the options was greater than the average market price of the equity shares during the period. In fiscal 2003, we reported a net loss and accordingly all outstanding options at year-end fiscal 2003 are anti-dilutive. Options to purchase 1,189,450 and 7,271,375 equity shares granted to employees at a weighted average exercise price of Rs. 266.58 and Rs. 300.1 were outstanding in the nine months ended December 31, 2003 and 2004, respectively, but were not included in the computation of diluted earnings per share because the exercise price of the options was greater than the average market price of the equity shares during the period.

(6) We declared a dividend of Rs. 7.50 per equity share for fiscal 2003, which was paid in August 2003, i.e. in the nine months ended December 31, 2003. We declared a dividend of Rs. 7.50 per equity share for fiscal 2004, which was paid out in September 2004, i.e. in the nine months ended December 31, 2004. The dividend per equity share shown above is based on the total amount of dividends paid out on the equity shares during the year, exclusive of dividend tax. This was different from the dividend declared for the year. In US dollars, dividend was US$ 0.17 per equity share in fiscal 2004.

(7) Certain reclassifications have been made in the financial statements of prior years to conform to classifications used in the current year. These changes have no impact on previously reported results of operations or stockholders equity.

The following table sets forth, for the periods indicated, selected income statement data expressed as a percentage of average total assets for the respective period (percentages for the nine months ended December 31, 2003 and December 31, 2004 are annualized).

	Year ended March 31,					Nine months ended December 31,	
	2000	**2001**	**2002**	**2003**	**2004**	**2003**	**2004**
						(Unaudited)	
Selected income statement data:							
Interest income	11.23%	11.29%	10.53%	8.63%	7.14%	7.28%	6.08%
Interest expense	(9.56)	(9.61)	(9.31)	(7.35)	(5.70)	(5.89)	(4.54)
Net interest income	1.67	1.68	1.22	1.28	1.44	1.39	1.54
Dividends	0.21	0.05	0.04	0.03	0.03	0.03	0.02
Net interest income, including dividends	1.88	1.73	1.25	1.32	1.48	1.42	1.56
Provisions for loan losses	(0.90)	(1.40)	(1.31)	(1.73)	(1.58)	(1.65)	(0.78)
Net interest income/(loss), including dividends, after provisions for loan losses	0.98	0.33	(0.05)	(0.42)	(0.10)	(0.23)	0.78
Non-interest income	1.39	1.31	1.09	1.17	2.89	2.76	2.14
Net revenue	2.37	1.64	1.04	0.75	2.79	2.53	2.92
Non-interest expense	(0.75)	(0.78)	(1.02)	(1.64)	(2.13)	(2.17)	(2.18)
Equity in earnings/(loss) of affiliates	0.00	0.10	0.04	(0.08)	(0.11)	(0.04)	(0.11)
Minority interest	(0.05)	0.00	0.01	0.00	0.00	0.00	0.00
Income/(loss) before income taxes and cumulative effect of accounting changes	1.57	0.97	0.07	(0.98)	0.54	0.32	0.63
Income tax (expense)/benefit	(0.29)	(0.03)	(0.03)	0.27	(0.13)	(0.08)	(0.15)

Income/(loss) before cumulative effect of							
accounting changes, net of tax	1.28	0.94	0.04	(0.70)	0.41	0.24	0.48
Cumulative effect of accounting changes,							
net of tax	0.04	—	0.17	—	—	—	—
Net income/(loss)	1.32%	0.94%	0.21%	(0.70)%	0.41%	0.24%	0.48%

	At March 31,					Nine months ended December 31,		
	2000	**2001**	**2002**	**2003**	**2004**	**2003**	**2004**	**2004(1)**
							(Unaudited)	
				(in millions, except percentages)				
Selected balance sheet data:								
Total assets	Rs. 774,279	Rs. 739,892	Rs. 743,362	Rs. 1,180,263	Rs. 1,409,131	Rs. 1,287,802	Rs. 1,634,697	US$ 37,780
Securities	18,871	18,861	60,046	280,621	310,368	317,512	358,973	8,296
Loans, net(2)	561,448	602,023	523,601	630,421	728,520	660,159	856,597	19,797
Troubled debt restructuring restructured loans), net	10,795	32,309	77,366	122,659	121,417	153,275	102,940	2,379
Other impaired loans, net	24,240	20,081	33,187	55,319	28,764	36,847	20,430	472
Total liabilities	699,073	663,829	671,754	1,087,926	1,313,556	1,193,550	1,510,872	34,919
Long-term debt	436,320	492,882	511,458	400,812	373,449	373,854	353,600	8,172
Deposits	96,682	6,072	7,380	491,290	684,955	613,047	828,898	19,156
Redeemable preferred								
stock(3)	10,207	698	772	853	944	921	1,019	24
Stockholders' equity	70,908	75,927	71,348	92,213	94,525	93,494	122,723	2,836
Common stock	3,916	3,924	3,922	6,127	6,164	6,153	7,359	170
Period average(4)**:**								
Total assets	706,066	706,343	746,330	1,132,638	1,269,638	1,233,134	1,454,166	33,607
Interest-earning assets	612,452	615,164	641,141	924,573	1,017,009	988,968	1,143,372	26,424
Loans, net(2)	513,421	570,989	591,398	606,496	662,752	644,223	767,248	17,732
Total liabilities(5)	650,794	631,324	670,750	1,038,377	1,173,961	1,138,784	1,333,794	30,825
Interest-bearing liabilities	583,609	576,474	613,401	905,226	977,941	955,463	1,074,317	24,828
Long-term debt	436,718	462,916	504,103	455,347	382,674	384,922	373,637	8,635
Stockholders' equity	Rs. 55,272	Rs. 75,019	Rs. 75,580	Rs. 94,261	Rs. 95,678	Rs. 94,350	Rs. 120,372	US$ 2,782
Profitability(6)**:**								
Net income/(loss) as a								

	At March 31,					Nine months ended December 31,		
	2000	**2001**	**2002**	**2003**	**2004**	**2003**	**2004**	**2004(1)**
							(Unaudited)	
	(in millions, except percentages)							
percentage of:								
Average total assets	1.32%	0.94%	0.21%	(0.70)%	0.41%	0.25%	0.48%	□
Average stockholders□ equity	16.88	8.84	2.05	(8.47)	5.45	3.27	5.79	□
Average stockholders□ equity (including redeemable preferred stock(7)	15.95	8.89	2.12	(8.31)	5.50	3.33	5.83	□
Dividend payout ratio(8)	28.3	52.90	635.20	-	88.10	197.87	104.89	□
Spread(9)	1.38	1.19	0.93	1.38	1.52	1.47	1.58	□
Net interest margin(10)	1.93	1.93	1.42	1.57	1.80	1.73	1.95	□
Cost-to-income ratio(11)	22.93	25.54	43.42	66.11	48.90	51.89	58.91	□
Cost-to-average assets ratio(12)	0.75	0.78	1.02	1.64	2.13	2.17	2.18	□
Capital:								□
Average shareholders□ equity as a percentage of average total assets	7.83	10.62	10.13	8.32	7.54	7.65	8.28	□
Average stockholders□ equity (including redeemable preferred stock) as a percentage of average total assets(13)	9.30	10.95	10.23	8.39	7.61	7.72	8.35	□

	At or for the year ended March 31,					At or for the nine months ended December 31,
	2000	**2001**	**2002**	**2003**	**2004**	**2004(14)**
						(Unaudited)
	(in percentages)					
Asset quality:						
Net restructured loans as a percentage of net loans	1.92%	5.37%	14.78%	19.45%	16.67%	12.02%

Net other impaired loans as a percentage of net loans	4.32	3.34	6.34	8.77	3.95	2.39
Allowance for loan losses on restructured loans as a percentage of gross restructured loans	41.79	26.03	18.64	16.78	25.23	32.42
Allowance for loan losses on other impaired loans as a percentage of gross impaired loans	52.07	51.89	34.61	33.48	42.74	47.52
Allowance for loan losses as a percentage of gross loans	5.72	5.20	6.54	7.92	8.40	7.92

(1) Rupee amounts at December 31, 2004 have been translated into US dollars using the noon buying rate of Rs. 43.27 = US$ 1.00 in effect at December 31, 2004.

(2) Net of allowance for loan losses, security deposits and unearned income in respect of restructured and other impaired loans and allowances for loans not specifically identified as restructured or other impaired loan.

(3) ICICI had issued preferred stock redeemable at face value after 20 years. Banks in India are not currently allowed to issue preferred stock. However, we are currently exempt from this restriction.

(4) For the nine months ended December 31, 2003 the average balances are the average of quarterly balances outstanding at the end of March of the previous fiscal year, June, September and December of that fiscal year. For the nine months ended December 31, 2004, the average balances (except for deposits and government of India securities) are the average of quarterly balances outstanding at the end of March of the previous fiscal year, June, September, and December of that year. The average balances of deposits and government of India securities are the average of the daily balances outstanding during the period. For fiscal years 2000, 2002, 2003 and 2004, the average balances are the average of quarterly balances outstanding at the end of March of the previous fiscal year, June, September, December and March of that fiscal year. For

fiscal 2001, due to deconsolidation of ICICI Bank, the average balances are calculated as the average of quarterly balances outstanding at the end of June, September, December and March of that fiscal year.

(5) Represents the average of the quarterly balance of total liabilities and minority interest.

(6) Profitability data for the nine months ended December 31, 2003 and December 31, 2004 is annualized.

(7) Represents the ratio of net income plus dividend on redeemable preferred stock to the sum of average stockholders' equity and average redeemable preferred stock. Under Indian tax laws, dividend on preferred stock is not tax deductible.

(8) Represents the ratio of total dividends paid on common stock, exclusive of dividend distribution tax, as a percentage of net income.

(9) Represents the difference between yield on average interest-earning assets and cost of average interest-bearing liabilities. Yield on average interest-earning assets is the ratio of interest income to

average interest-earning assets. Cost of average interest-bearing liabilities is the ratio of interest expense to average interest-bearing liabilities.

(10) Represents the ratio of net interest income to average interest-earning assets. The difference in net interest margin and spread arises due to the difference in the amount of average interest-earning assets and average interest-bearing liabilities. If average interest-earning assets exceed average interest-bearing liabilities, net interest margin is greater than spread, and if average interest-bearing liabilities exceed average interest-earning assets, net interest margin is less than spread.

(11) Represents the ratio of non-interest expense to the sum of net interest income, dividend and non-interest income.

(12) Represents the ratio of non-interest expense to average total assets.

(13) ICICI Bank's capital adequacy is computed in accordance with the Reserve Bank of India's guidelines and is based on unconsolidated financial statements prepared in accordance with Indian GAAP. At December 31, 2004, ICICI Bank's total capital adequacy ratio was 13.50% with a Tier 1 capital adequacy ratio of 8.62% and a Tier 2 capital adequacy ratio of 4.88%.

(14) Percentages for the nine months ended December 31, 2004 are not annualized.

RISK FACTORS

Investing in the securities offered using this prospectus involves risk. You should consider carefully the risks described below, together with the risks described in the documents incorporated by reference into this prospectus before you decide to buy our securities. If any of these risks actually occur you may lose all or part of your investment.

Risks Relating to Our Business

Our business is particularly vulnerable to interest rate risk and volatility in interest rates could cause our net interest margin, the value of our fixed income portfolio and our income from treasury operations to decline and adversely affect our financial performance.

As an Indian bank, we are, as a result of the Indian reserve requirements more structurally exposed to interest rate risk than banks in many other countries. Under the regulations of the Reserve Bank of India, our liabilities are subject to the statutory liquidity ratio requirement which requires that a minimum specified percentage, currently 25.0%, of a bank's demand and time liabilities be invested in government of India securities and other approved securities. Pursuant to the amalgamation, the statutory liquidity ratio requirement was imposed on the liabilities acquired from ICICI. We earn interest on such government of India securities at rates which are less favorable than those which we typically receive in respect of our retail and corporate loan portfolio. The statutory liquidity ratio generally has a negative impact on net interest income and net interest margin since it requires us to invest in lower interest-earning securities. In a rising interest rate environment, especially if the rise is sudden or sharp, we are materially adversely affected by the decline in market value of our government securities portfolio and other fixed income securities. Our income from treasury operations is particularly vulnerable to interest rate volatility and an increasing interest rate environment adversely affects the income from our treasury operations. During fiscal 2005, the secondary market yields on government of India securities have been volatile due to a tightening of monetary policy and an increase in interest rates as a result of global trends, particularly in the United States, rising oil prices and their impact on inflation in India and an increase in credit demand in India. The yield on 10-year government of India securities increased from 5.1% at March 31, 2004 to a high of

7.3% at November 8, 2004 before declining to 6.6% at March 4, 2005. The Reserve Bank of India has increased the cash reserve ratio (i.e., the percentage of a bank's demand and time liabilities that it must maintain in the form of cash balances with the Reserve Bank of India) from 4.5% to 4.75% effective September 18, 2004 and 5.0% effective October 2, 2004. Several banks, including us, have increased interest rates on both loans and deposits. If the yield on our interest-earning assets does not increase at the same time and to the same extent as our cost of funds, our net interest margins would be adversely impacted. Our subsidiary ICICI Securities is a primary dealer in government of India securities and its net income in fiscal 2004 had a high proportion of fixed income securities trading gains, and the rise in interest rates has adversely impacted its income. A sharp and sustained rise in interest rates could adversely affect our business, our future financial performance, our stockholders' equity and the price of our equity shares and our ADSs.

A large proportion of ICICI's loans comprised project finance assistance, a substantial portion of which was particularly vulnerable to completion risk.

Long-term project finance assistance was a significant proportion of ICICI's asset portfolio. Although retail loans have significantly increased in our balance sheet, long-term project finance continues to be a significant proportion of our loan portfolio. The viability of these projects depends upon a number of factors, including completion risk, market demand, government policies and the overall economic environment in India and international markets. We cannot be sure that these projects will perform as anticipated. Over the last several years, we and ICICI experienced a high level of impaired loans in our project finance loan portfolio to industrial companies as a result of the downturn in certain global commodity markets and increased competition in India. In addition, a significant portion of infrastructure and other projects financed by us are still under implementation and present risks, including delays in the commencement of operations and breach of contractual obligations by counterparties that could impact the project's ability to generate revenues. We cannot assure you that future credit losses on account of such loans would not have a materially adverse effect on our profitability. If a substantial portion of these loans were to become impaired, the quality of our loan portfolio could be adversely affected which

could in turn adversely affect our business, our future financial performance, our stockholders' equity and the price of our equity shares and our ADSs.

We have high concentrations of loans to certain customers and to certain sectors and if a substantial portion of these loans were to become impaired, the quality of our loan portfolio could be adversely affected.

At December 31, 2004, our 20 largest borrowers, based on gross outstanding balances, totaled approximately Rs. 130.3 billion (US$ 3.0 billion), which represented approximately 13.9% of our total gross loans outstanding (gross of unearned income and security deposits). Our largest single borrower by outstanding balance at that date was approximately Rs. 18.3 billion (US$ 423 million), which represented approximately 2.0% of our total gross loans outstanding. The largest borrower group of companies under the same management control accounted for approximately 3.6% of our total gross loans outstanding. Credit losses on these large single borrower and group exposures could adversely affect our business, our financial performance, our stockholders' equity and the price of our equity shares and our ADSs.

At December 31, 2004, we had extended loans to several industrial sectors in India. At that date, approximately 37.2% of our gross restructured loan portfolio was concentrated in three sectors: iron and steel (13.4%), crude petroleum and refining (12.4%) and telecommunications (11.4%) . At that date, approximately 50.0% of our gross other impaired loan portfolio was concentrated in three industrial sectors: power (34.9%), petrochemicals (10.5%) and basic chemicals (4.6%) . Our total loan portfolio also had a significant concentration of loans in these sectors. These sectors have been adversely affected by economic conditions over the last few years in varying degrees. Although our loan portfolio contains loans to a wide variety of businesses, financial difficulties in these sectors could increase our level of impaired loans and adversely affect our business, our future financial performance, our stockholders equity and the price of our equity shares and our ADSs.

If we are not able to control or reduce the level of impaired loans in our portfolio, our business will suffer.

Our gross restructured loans represented 16.4% of our gross loan portfolio at December 31, 2004, 20.4% of our gross loan portfolio at year-end fiscal 2004 and 21.5% of our gross loan portfolio at year-end fiscal 2003. Our gross other impaired loans represented 4.2% of our gross loan portfolio at December 31, 2004, 6.3% of our gross loan portfolio at year-end fiscal 2004 and 12.2% of our gross loan portfolio at year-end fiscal 2003. Our net restructured loans represented 12.0% of our net loans at December 31, 2004, 16.7% of our net loans at year-end fiscal 2004 and 19.5% of our net loans at year-end fiscal 2003. Our net other impaired loans represented 2.4% of our net loans at December 31, 2004, 4.0% of our net loans at year-end fiscal 2004 and 8.8% of our net loans at year-end fiscal 2003.

In absolute terms, our total gross restructured and other impaired loans declined by 7.8% in fiscal 2004 over fiscal 2003 and by 10.1% at December 31, 2004 over year-end fiscal 2004. In fiscal 2003, our total gross restructured and other impaired loans increased by 58.1% over the total combined gross impaired loans of ICICI and ICICI Bank at year-end fiscal 2002.

The level of our and ICICIs gross restructured and other impaired loans can be attributed to several factors, including increased competition arising from economic liberalization in India, variable industrial growth, the high level of debt in the financing of projects and capital structures of companies in India and the high interest rates in the Indian economy during the period in which a large number of projects contracted their borrowings, which reduced the profitability for certain borrowers, and the resultant restructuring of certain Indian companies. The decline in our total gross restructured and other impaired loans is primarily due to recoveries and reclassification of loans as unimpaired based on satisfactory performance of the borrowers accounts, including payment as per the contractual terms. This was offset, in part, by the continuing process of restructuring of loans to corporations in several sectors as well as classification of additional loans as impaired based on default in payment.

Further, we have experienced rapid growth in our retail loan portfolio. Our gross consumer loans and credit card receivables increased from Rs. 188.3 billion (US$ 4.3 billion), constituting 27.5% of our gross loans at year-end fiscal 2003 to Rs. 311.9 billion (US$ 7.2 billion), constituting 39.2% of our gross loans at year-end fiscal 2004 and Rs. 443.6 billion (US$ 10.3 billion), constituting 47.7% of our gross loans at December 31, 2004. We cannot assure you that there will be no additional impaired loans on account of these retail loans and that such impaired loans will not have a materially adverse impact on the quality of our loan portfolio. The factors that could cause impaired loans

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in our retail loan portfolio to increase are substantially similar to those factors relevant in developed countries which include rise in unemployment, prolonged recessionary conditions and a sharp and sustained rise in interest rates.

The directed lending norms of the Reserve Bank of India require that every bank should extend 40.0% of its net bank credit to certain eligible sectors, which are categorized as priority sectors. Priority sectors are specific sectors such as agriculture and small-scale industries, and also include housing finance loans up to certain limits. Considering that the advances of ICICI were not subject to the requirement applicable to banks in respect of priority sector lending, the Reserve Bank of India directed us to maintain an additional 10.0% over and above the requirement of 40.0%, i.e., a total of 50.0% of our net bank credit on the residual portion of our advances (i.e., the portion of our total advances excluding advances of ICICI at year-end fiscal 2002) in the form of priority sector loans. This additional 10.0% priority sector lending requirement will apply until such time as our aggregate priority sector advances reach a level of 40.0% of our total net bank credit. We may experience a significant increase in impaired loans in our directed lending portfolio, particularly loans to the agriculture sector and small-scale industries, since economic difficulties are likely to affect those borrowers more severely and we would be less able to control the quality of this portfolio.

A number of factors will affect our ability to control and reduce impaired loans. Some of these, including developments in the Indian economy, movements in global commodity markets, global competition, interest rates and exchange rates, are not within our control. There can be no assurance that troubled debt restructuring approved by us will be successful and the borrowers will meet their obligations under the restructured terms. Although we are increasing our efforts to improve collections and to foreclose on existing impaired loans, we cannot assure you that we will be successful in our efforts or that the overall quality of our loan portfolio will not deteriorate in the future. If we are not able to control and reduce our impaired loans, or if there is a significant increase in our impaired loans, our business, our future financial performance, our stockholders’ equity and the price of our equity shares and our ADSs could be adversely affected.

If there is a further deterioration in our impaired loan portfolio and we are not able to improve our allowance for loan losses as a percentage of impaired loans, the price of our equity shares and our ADSs could go down.

Although we believe that our allowance for loan losses is adequate to cover all known losses in our portfolio of assets, the level of our impaired loans is significantly higher than the average percentage of impaired loans in the portfolios of banks in more developed countries.

At December 31, 2004, our allowance for loan losses on restructured loans represented 32.4% of gross restructured loans and our allowance for loan losses on other impaired loans represented 47.5% of gross other impaired loans. At year-end fiscal 2004, our allowance for loan losses on restructured loans represented 25.2% of gross restructured loans and our allowance for loan losses on other impaired loans represented 42.7% of gross other impaired loans. At year-end fiscal 2003, our allowance for loan losses on restructured loans represented 16.8% of gross restructured loans and our allowance for loan losses on other impaired loans represented 33.5% of gross other impaired loans.

Although we believe that our allowances for loan losses will be adequate to cover all known losses in our asset portfolio, we cannot assure you that there will be no deterioration in the allowance for loan losses as a percentage of gross impaired loans or otherwise or that the percentage of impaired loans that we will be able to recover will be similar to our and ICICI’s past experience of recoveries of impaired loans. In the event of any further deterioration in our impaired loan portfolio, there could be an adverse impact on our business, our future financial performance, our stockholders’ equity and the price of our equity shares and our ADSs.

We have experienced recent and rapid growth in our retail loan portfolio and our business strategy supports continued growth in this area. Our inability to grow further or succeed in retail products and services may adversely affect our business.

We are a relatively new entrant into the retail loan business and have achieved significant growth in this sector since the amalgamation. At December 31, 2004, consumer loans and credit card receivables represented 47.7% of our gross loans outstanding as compared to 39.2% of our gross loans outstanding at year-end fiscal 2004 and 27.5% of our gross loans outstanding at year-end fiscal 2003. Our present business strategy reflects continued focus on

further growth in this sector. While we anticipate continued significant demand in this area, we cannot assure you that our retail portfolio will continue to grow as expected. Our inability to grow further or succeed in retail products and services may adversely affect our business, our future financial performance, our stockholders’ equity and the price of our equity shares and our ADSs.

Retail products and services could expose us to the risk of financial irregularities by various intermediaries and customers. We cannot assure you that our skills and management information systems will be adequate to successfully manage these retail products and services. See System failures could adversely impact our business. Our retail loans are relatively new and there is no assurance that there will be no additional impaired loans on account of these loans and that such impaired loans will not have a materially adverse impact on the quality of our loan portfolio.

We may experience delays in enforcing our collateral when borrowers default on their obligations to us which may result in failure to recover the expected value of collateral security exposing us to a potential loss.

A substantial portion of our loans to corporate customers, primarily comprising loans made by ICICI, is secured by real assets, including property, plant and equipment. Our loans to corporate customers also include working capital credit facilities that are typically secured by a first lien on inventory, receivables and other current assets. In some cases, we may have taken further security of a first or second lien on fixed assets, a pledge of financial assets such as marketable securities, corporate guarantees and personal guarantees. A substantial portion of our loans to retail customers is also secured by the assets financed, predominantly property and vehicles. Although in general our loans are over-collateralized, an economic downturn could result in a fall in relevant collateral values.

In India, foreclosure on collateral generally requires a written petition to an Indian court or tribunal. An application, when made, may be subject to delays and administrative requirements that may result, or be accompanied by, a decrease in the value of the collateral. In the event a corporate borrower makes a reference to a specialized quasi-judicial authority called the Board for Industrial and Financial Reconstruction, foreclosure and enforceability of collateral is stayed. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, passed by the Indian Parliament in 2002 and subsequently amended by an order of the Supreme Court of India and an ordinance issued by the President of India, has strengthened the ability of lenders to resolve non-performing assets by granting them greater rights as to enforcement of security and recovery of dues from corporate borrowers. There can be no assurance that the legislation will have a favorable impact on our efforts to resolve non-performing assets. We cannot guarantee that we will be able to realize the full value on our collateral, as a result of, among other factors, delays in bankruptcy and foreclosure proceedings, defects in the perfection of collateral and fraudulent transfers by borrowers. A failure to recover the expected value of collateral security could expose us to a potential loss. Any unexpected losses could adversely affect our business, our future financial performance, our stockholders equity and the price of our equity shares and our ADSs.

We face greater credit risks than banks in developed countries.

Our principal business is to provide financing to our clients, a predominant number of whom are based in India. At December 31, 2004, loans outside India constituted only 5.9% of our gross loans. In the past, ICICI focused its activities on financing large-scale projects. Increasingly, we are focusing on lending to individuals, as well as large corporate customers, many of who have strong credit ratings, as well as select small and middle market companies. Our loans to small and middle market companies can be expected to be more severely affected by adverse developments in the Indian economy than loans to large corporations. In all of these cases, we are subject to the credit risk that our borrowers may not pay in a timely fashion or may not pay at all. The credit risk of all our borrowers is higher than that in more developed countries due to the higher uncertainty in the Indian regulatory, political, economic and industrial environment and difficulties that many of our borrowers face in adapting to instability in world markets and technological advances taking place across the world. Unlike several developed countries, India does not have a fully operational nationwide credit bureau that may affect the quality of information available to us about the credit history of our borrowers, especially individuals and small businesses. In addition, increased competition arising from economic liberalization in India, variable industrial growth, a sharp decline in commodity prices, the high level of debt in the financing of projects and capital structures of companies in India and the high interest rates in the Indian economy during the period in which a large number of projects contracted their borrowings has reduced the profitability of certain of our borrowers which in turn could adversely affect our loan portfolio and accordingly our business.

Our funding is primarily short-term and if depositors do not roll over deposited funds upon maturity our business could be adversely affected.

Most of our incremental funding requirements, including replacement of maturing liabilities of ICICI which generally had longer maturities, are met through short-term funding sources, primarily in the form of deposits including inter-bank deposits. However, a large portion of our assets, primarily the assets of ICICI and our home loan portfolio, have medium or long-term maturities, creating a potential for funding mismatches. Our customer deposits are generally of less than one year maturity. If a substantial number of our depositors do not roll over deposited funds upon maturity, our liquidity position could be adversely affected. The failure to obtain rollover of customer deposits upon maturity or to replace them with fresh deposits could have a material adverse effect on our business, our future financial performance, our stockholders’ equity and the price of our equity shares and our ADSs.

In April 2003, unsubstantiated rumours believed to have originated in Gujarat, a state in India, alleged that we were facing liquidity problems, although our liquidity position was sound. We witnessed higher than normal deposit withdrawals during the period from April 11 through April 13, 2003, on account of these unsubstantiated rumours. We successfully controlled the situation, but if such situations were to arise in the future, any failure to control such situations could result in large deposit withdrawals, which would adversely impact our liquidity position.

Material changes in the regulations which govern us could cause our business to suffer and the price of our equity shares and our ADSs to go down.

Banks in India operate in a highly regulated environment. The Reserve Bank of India extensively supervises and regulates banks. In addition, banks are subject generally to changes in Indian law, as well as to changes in regulation and government policies, income tax laws and accounting principles. See “Supervision and Regulation” included elsewhere in this prospectus. For example, on September 11, 2004, the Reserve Bank of India increased the cash reserve ratio from 4.5% to 4.75% effective September 18, 2004 and 5.0% effective October 2, 2004 and reduced the rate of interest that it pays on the eligible cash reserve ratio balances from the bank rate (currently 6.0%) to 3.5% . This will have a negative impact on our net interest income in fiscal 2005. The laws and regulations governing the banking sector could change in the future and any such changes could adversely affect our business, our future financial performance, our stockholders’ equity and the price of our equity shares and our ADSs.

A determination against us in respect of disputed tax assessments may adversely impact our financial performance.

As at December 31, 2004, the government of India’s tax authorities had assessed an aggregate of Rs. 22.6 billion (US$ 523 million) in excess of the provision made in our accounts, in income tax, interest tax, wealth tax and sales tax demands. We have appealed each of these tax demands. While we expect that no additional liability will arise out of these disputed demands, there can be no assurance that these matters will be settled in our favor, and that no further liability will arise out of these demands. Any additional tax liability may adversely impact our financial performance and the price of our equity shares and our ADSs.

We are involved in various litigations and any final judgment awarding material damages against us could have a material adverse impact on our future financial performance, our stockholders’ equity and the price of our equity shares and our ADSs.

We are often involved in litigations for a variety of reasons, which generally arise because we seek to recover our dues from borrowers or because customers seek claims against us. We believe, based on the facts of the cases and consultation with counsel, that these cases generally do not involve the risk of a material adverse impact on our financial performance or stockholders’ equity. The vast majority of these cases arise in the normal course and do not involve the risk of a material adverse impact on our financial performance or stockholders’ equity. Where we assess that the risk of loss is greater than remote, it is our policy to make provisions for the loss or make disclosure in our financial statements. We have not made any provisions nor made any disclosure in our financial statements for a suit filed by Mardia Chemicals against ICICI Bank, Mr. K.V. Kamath, Managing Director and CEO and Ms. Lalita D. Gupte, Joint Managing Director, for an amount of Rs. 56.3 billion (US$ 1.3 billion) on the grounds that Mardia Chemicals had allegedly suffered financial losses on account of ICICIs failure to provide adequate financial facilities, ICICIs recall of the advanced amount and ICICIs filing of a recovery action against it. We cannot guarantee that the judgment in this suit would be favorable to us and should our assessment of the risk change, our view on provisions will also change. We have also not made any provisions for nor made any disclosure in our financial statements of an arbitration proceeding in London, brought against us and other Indian lenders by certain foreign lenders in relation to a dispute under an inter-creditor agreement in connection with a power project, the principal sponsor of which has filed for bankruptcy in the United States, claiming damages against us and other Indian lenders in an aggregate amount of US$ 534 million. As a result of their guarantee to certain foreign lenders under the power purchase agreement, the government of India and the government of the state of Maharashtra are also involved in this matter. Any final judgment awarding material damages against us in this arbitration proceeding could, however, have a material adverse impact on our future financial performance, our stockholders equity and the price of our equity shares and our ADSs. We cannot guarantee that the arbitration will be concluded in a manner favorable to us and should our assessment of the risk change, our view on provisions will also change.

If we are not able to succeed in our new business areas, we may not be able to meet our projected earnings and growth targets.

ICICI entered the life insurance business in fiscal 2001 and the non-life insurance business in fiscal 2002 through its majority-owned joint ventures, which are now majority-owned joint ventures of ICICI Bank. We are also seeking to expand internationally by leveraging on our home country links and technology competencies in financial services. We are a new entrant in the international business and the skills required for this business could be different from those for our domestic businesses. The life insurance business and the international business are expected to require substantial capital. We cannot be certain that these new businesses will perform as anticipated. Our inability to grow or succeed in new business areas may adversely affect our business, our future financial performance, our stockholders equity and the price of our equity shares and our ADSs.

We are exposed to fluctuation in foreign exchange rates.

As a financial intermediary we are exposed to exchange rate risk. We comply with regulatory limits on our unhedged foreign currency exposure by making foreign currency loans on terms that are generally similar to our foreign currency borrowings and thereby transferring the foreign exchange risk to the borrower or through active use of cross-currency swaps and forwards to generally match the currencies of our assets and liabilities. However, we are exposed to fluctuation in foreign currency rates for our unhedged exposure. Adverse movements in foreign exchange rates may also impact our borrowers negatively which may in turn impact the quality of our exposure to these borrowers. Volatility in foreign exchange rates could adversely affect our business, our future financial performance, our shareholders funds and the price of our equity shares and our ADSs.

Our business is very competitive and our growth strategy depends on our ability to compete effectively.

We face intense competition from Indian and foreign commercial banks in all our products and services. Additionally, the Indian financial sector may experience further consolidation, resulting in fewer banks and financial institutions, some of which may have greater resources than us. Recently, the government of India has indicated its support for consolidation among government-owned banks. Pursuant to the policy decisions announced by the government of India in March 2004, the Reserve Bank of India in February 2005 issued a roadmap for the presence of foreign banks in India permitting foreign banks to establish wholly owned subsidiaries (including conversion of existing branch operations into subsidiaries and acquiring controlling stakes in a phased manner in private sector banks identified for restructuring by the Reserve Bank of India). Due to competitive pressures, we may be unable to successfully execute our growth strategy and offer products and services at reasonable returns and this may adversely impact our business, our future financial performance, our stockholders equity and the price of our equity shares and our ADSs.

Significant security breaches in our computer system and network infrastructure and frauds could adversely impact our business.

We seek to protect our computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems caused by our increased use of the Internet. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and network infrastructure. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and

establish operational procedures to prevent break-ins, damage and failures, there can be no assurance that these security measures will be successful. A significant failure in security measures could have a material adverse effect on our business, our future financial performance and the price of our equity shares and our ADSs. Our business operations are based on a high volume of transactions. Although we take adequate measures to safeguard against system related and other frauds, there can be no assurance that we would be able to prevent frauds. Our reputation could be adversely affected by significant frauds committed by employees, customers or outsiders.

System failures could adversely impact our business.

Given the increasing share of retail products and services and transaction banking services in our total business, the importance of systems technology to our business has increased significantly. Our principal delivery channels include ATMs, call centers and the Internet. Any failure in our systems, particularly for retail products and services and transaction banking, could significantly affect our operations and the quality of customer service and could result in business and financial losses and adversely affect the price of our equity shares and our ADSs.

Any inability to attract and retain talented professionals may impact our business.

Attracting and retaining talented professionals is a key element of our strategy and we believe it to be a significant source of competitive advantage. An inability to attract and retain talented professionals or the resignation or loss of key management personnel may have an adverse impact on our business, our future financial performance and the price of our equity shares and our ADSs.

Risks Relating to India

A slowdown in economic growth in India could cause our business to suffer.

The Indian economy has shown sustained growth over the last few years with real GDP growing at 8.2% in fiscal 2004, 4.0% in fiscal 2003 and 5.8% in fiscal 2002. GDP grew by 7.0% during the first six months of fiscal 2005. The Index of Industrial Production grew at 8.3% in the first eight months of fiscal 2005 compared to 6.9% in fiscal 2004, 5.8% in fiscal 2003 and 2.7% in fiscal 2002. Any slowdown in the Indian economy or volatility of global commodity prices, in particular oil and steel prices, could adversely affect our borrowers and contractual counterparties. With the increasing importance of retail loans to our business, any slowdown in the growth of sectors such as housing and automobiles could adversely impact our performance. Further, with the increasing importance of the agricultural sector in our business, any slowdown in the growth of the agricultural sector could also adversely impact our performance. Growth in the agricultural sector in India has been variable and dependent on climatic conditions, primarily the level and timing of rainfall. The agricultural sector grew by 1.5%

during the first half of fiscal 2005 compared to a growth of 9.1% in fiscal 2004 and a decline of 5.2% during fiscal 2003. Any slowdown could adversely affect our business, including our ability to grow our asset portfolio, the quality of our assets, our financial performance, our stockholders equity, our ability to implement our strategy and the price of our equity shares and our ADSs.

A significant increase in the price of crude oil could adversely affect the Indian economy, which could adversely affect our business.

India imports approximately 70.0% of its requirements of crude oil, which were approximately 26.7% of total imports in fiscal 2004. The sharp increase in global crude oil prices during fiscal 2001 adversely affected the Indian economy in terms of volatile interest and exchange rates. This adversely affected the overall state of liquidity in the banking system leading to intervention by the Reserve Bank of India. Crude oil prices declined in fiscal 2002 due to weaker demand. During fiscal 2003, crude oil prices initially rose as a result of Middle-East tensions and in particular the US-led military action in Iraq before declining on account of the relatively short duration of the war. Conditions remain volatile in the Middle-East where most of the worlds oil production facilities are located. There has been a sharp increase in global crude oil prices over the past few months (due to increased international oil demand and tensions in the Middle East), which has contributed to a rise in inflation, higher market interest rates in the Indian economy and a higher trade deficit. While oil prices have moderated recently, any significant increase or volatility in oil prices, due to continuing or further tensions or hostilities or otherwise, could affect the Indian economy and the Indian banking and financial system, in particular through its impact on inflation, interest rates and

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the trade deficit. This could adversely affect our business including our ability to grow, the quality of our assets, our financial performance, our stockholders equity, our ability to implement our strategy and the price of our equity shares and our ADSs.

A significant change in the Indian government's economic liberalization and deregulation policies could disrupt our business and cause the price of our equity shares and our ADSs to go down.

Our assets and customers are predominantly located in India. The Indian government has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. Its economic policies have had and could continue to have a significant effect on private sector entities, including us, and on market conditions and prices of Indian securities, including our equity shares and our ADSs.

The most recent parliamentary elections were completed in May 2004. A coalition government led by the Indian National Congress party has been formed with Dr. Manmohan Singh as the Prime Minister of India. A significant change in the government's policies could adversely affect business and economic conditions in India and could also adversely affect our business, our future financial performance, our stockholders equity and the price of our equity shares and our ADSs.

Financial instability in other countries, particularly emerging market countries, could disrupt our business and cause the price of our equity shares and our ADSs to go down.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, Latin America, Russia and elsewhere in the world in the past years has affected the Indian economy even though India was relatively unaffected by the financial and liquidity crises experienced elsewhere. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. This in turn could negatively impact the movement of exchange rates and interest rates in India, which could adversely affect the Indian financial sector, including us. Any financial disruption could have an adverse effect on our business, our future financial performance, our stockholders equity and the price of our equity shares and our ADSs.

If regional hostilities, terrorist attacks or social unrest in some parts of the country increase, our business could suffer and the price of our equity shares and our ADSs could go down.

India has from time to time experienced social and civil unrest and hostilities both internally and with neighboring countries. In recent years, there have been military confrontations between India and Pakistan in the Kashmir region and present relations between India and Pakistan continue to be tense on the issues of terrorism, armament and Kashmir. India has also experienced terrorist attacks in some parts of the country. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on our business, our future financial performance and the price of our equity shares and our ADSs. For example, the terrorist attacks in the United States on September 11, 2001 and subsequent military action in Afghanistan and Iraq affected markets all over the world. The United States continuing battle against terrorism could lengthen these regional hostilities and tensions. Further, India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country leading to overall political and economic instability, it could have an adverse effect on our business, our future financial performance and the price of our equity shares and our ADSs.

Trade deficits could cause our business to suffer and the price of our equity shares and our ADSs to go down.

India's trade relationships with other countries can also influence Indian economic conditions. In fiscal 2004, India experienced a trade deficit of Rs. 628.7 billion (US$ 14.4 billion), an increase of Rs. 268.7 billion (US$ 6.2 billion) from fiscal 2003. In fiscal 2005 (through December 2004), the trade deficit increased significantly to Rs. 914.7 billion (US$ 21.1 billion) as compared to Rs. 543.6 billion (US$ 12.6 billion) in the corresponding period of the previous year, mainly due to the rise in global crude oil prices. International crude oil prices increased from US$ 35.75 per barrel at March 31, 2004 to a peak of US$ 56.17 per barrel at October 22, 2004 and were at US$ 53.78 per

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barrel at March 4, 2005. If trade deficits increase or are no longer manageable, the Indian economy, and therefore our business, our financial performance, our stockholders equity and the price of our equity shares and our ADSs, could be adversely affected.

Natural calamities could have a negative impact on the Indian economy and could cause our business to suffer and the price of our equity shares and our ADSs to go down.

India has experienced natural calamities such as earthquakes, floods and drought in the past few years. The extent and severity of these natural disasters determine their impact on the Indian economy. In fiscal 2003, many parts of India received significantly less than normal rainfall. As a result of the drought conditions in the economy during fiscal 2003, the agricultural sector recorded a negative growth of 5.2% . According to the India Meteorological Department, rainfall for the period June 1, 2004 to September 30, 2004 has been 87.0% of the normal level. The erratic progress of the monsoon in 2004 has adversely affected sowing operations for certain crops. We currently expect that the Tsunami wave which hit the South-eastern coast of India on December 26, 2004, though horrible in its human and emotional consequences, will not have a material adverse impact on our financial results and operations. However, we cannot be sure of its impact on the Indian economy and its future growth, which could have a significant effect on our business. Natural calamities and disasters or further prolonged spells of below normal rainfall in the country could have a negative impact on the Indian economy, affecting our business and causing the price of our equity shares and our ADSs to go down.

Financial difficulty and other problems in certain financial institutions in India could cause our business to suffer and the price of our equity shares and our ADSs to go down.

As an Indian bank, we are exposed to the risks of the Indian financial system which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. See “Overview of the Indian Financial Sector” in our annual report on Form 20-F for the fiscal year ended March 31, 2004, which is incorporated by reference in this prospectus. As an emerging market system, the Indian financial system faces risks of a nature and extent not typically faced in developing countries, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme. For example, in April 2003, unsubstantiated rumours, believed to have originated in Gujarat, a state in India, alleged that we were facing liquidity problems, although our liquidity position was sound. We witnessed higher than normal deposit withdrawals from April 11 through April 13, 2003 on account of these unsubstantiated rumours. We successfully controlled the situation, but if such situations were to arise in future, any failure to control such situations could result in large deposit withdrawals which would adversely impact our liquidity position.

In addition, certain Indian financial institutions have experienced difficulties in recent years. In July 2004, on an application by the Reserve Bank of India, the Indian government issued an order of moratorium on Global Trust Bank, a new private sector bank, and restricted withdrawals by depositors. The Reserve Bank of India subsequently announced a merger of Global Trust Bank with Oriental Bank of Commerce, a public sector bank. Some cooperative banks have also faced serious financial and liquidity crises. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could adversely affect our business, our future financial performance, our shareholders' funds and the price of our equity shares and our ADSs.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy which could adversely impact us.

India's foreign exchange reserves increased 47.5% during fiscal 2004 and 23.0% during fiscal 2005 (through February 25, 2005) to US$ 129.4 billion. A decline in these reserves could result in reduced liquidity and higher interest rates in the Indian economy. Reduced liquidity or an increase in interest rates in the economy following a decline in foreign exchange reserves could adversely affect our business, our future financial performance, our stockholders' equity and the price of our equity shares and our ADSs. See also “— Risks Relating to Our Business.”

Any downgrading of India's debt rating by an international rating agency could cause our business to suffer and the price of our equity shares and our ADSs to go down.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our business, our future financial performance, our stockholders' equity and the price of our equity shares and our ADSs.

Risks Relating to the ADSs and Equity Shares

You will not be able to vote your ADSs.

ADS holders have no voting rights unlike holders of the equity shares who have voting rights. The depositary will exercise its right to vote on the equity shares represented by the ADSs as directed by our board of directors. However, under the Banking Regulation Act, no person holding shares in a banking company can exercise more than 10.0% of the total voting power. This means that the depositary, which owned approximately 21.7% of our equity shares as of January 20, 2005, could vote only 10.0% of our equity shares. If you wish, you may withdraw the equity shares underlying the ADSs and seek to vote the equity shares you obtain from the withdrawal. However, for foreign investors, this withdrawal process may be subject to delays. For a discussion of the legal restrictions triggered by a withdrawal of the equity shares from the depositary facility upon surrender of ADSs, see ''Restriction on Foreign Ownership of Indian Securities'' in our annual report on Form 20-F for the fiscal year ended March 31, 2004, which is incorporated by reference in this prospectus.

US investors will be subject to special tax rules, including the possible imposition of interest charges, if ICICI Bank is considered to be a passive foreign investment company.

Based upon certain proposed Treasury regulations, which are proposed to be effective for taxable years beginning after December 31, 1994, and upon certain management estimates, ICICI Bank does not expect to be a passive foreign investment company (a PFIC) for its current taxable year or in the foreseeable future. ICICI Bank has based the expectation that it is currently not a PFIC on, among other things, provisions in the proposed Treasury regulations that provide that certain restricted reserves (including cash and securities) of banks are assets used in connection with banking activities and are not passive assets, as well as the composition of ICICI Banks income and assets from time to time. Since there can be no assurance that the proposed Treasury regulations will be finalized in their current form, the manner of the application of the proposed regulations is not entirely clear, and the composition of ICICI Banks income and assets will vary over time, there can be no assurance that ICICI Bank will not be considered a PFIC for any taxable year. If ICICI Bank is a PFIC for any taxable year during which a US investor holds equity shares or ADSs, the US investor would be subject to special tax rules, including the possible imposition of interest charges. See Taxation United States Taxation.

Your ability to withdraw equity shares from the depositary facility is uncertain and may be subject to delays.

India's restrictions on foreign ownership of Indian companies limit the number of shares that may be owned by foreign investors and generally require government approval for foreign ownership. Investors who withdraw equity shares from the depositary facility will be subject to Indian regulatory restrictions on foreign ownership upon withdrawal. It is possible that this withdrawal process may be subject to delays. For a discussion of the legal restrictions triggered by a withdrawal of equity shares from the depositary facility upon surrender of ADSs, see Restriction on Foreign Ownership of Indian Securities in our annual report on Form 20-F for the fiscal year ended March 31, 2004, which is incorporated by reference in this prospectus.

Your ability to sell in India any equity shares withdrawn from the depositary facility may be subject to delays if specific approval of the Reserve Bank of India is required.

The Reserve Bank of India has given general permission to effect sales of existing shares (including equity shares underlying ADSs) or convertible debentures of an Indian company by a non-resident to a resident, subject to certain conditions, including conditions regarding the price at which the shares may be sold. Additionally, except under certain limited circumstances, if an investor seeks to convert the rupee proceeds from a sale of equity shares in India into a foreign currency and then repatriate that foreign currency from India, the investor will have to obtain

Reserve Bank of India approval for each such transaction. The required approval from the Reserve Bank of India or any other government agency may not be obtained on terms favorable to a non-resident investor or at all. Because of possible delays in obtaining the requisite approvals, investors in equity shares may be prevented from realizing gains during periods of price increases or limiting losses during periods of price declines.

Restrictions on withdrawal of ADSs from the depositary facility and redeposit of equity shares in the depositary facility could adversely affect the price of our ADSs.

Under current Indian regulations, an ADS holder who surrenders an ADS and withdraws equity shares may not be able to redeposit those equity shares in the depositary facility in exchange for ADSs. An investor who has purchased equity shares in the Indian market is permitted to deposit them in the ADS program. However, the deposit of equity shares may be limited by securities law restrictions and will be restricted so that the cumulative aggregate number of equity shares that can be deposited as of any time cannot exceed the cumulative aggregate number represented by ADSs converted into underlying equity shares as of such time. An investor who has purchased equity shares in the Indian market could, therefore, face restrictions in depositing them in the ADS program. This increases the risk that the market price of the ADSs will be below that of the equity shares. For a discussion of the legal restrictions triggered by withdrawal of ADSs from the depositary facility and redeposit of equity shares in the depositary facility, see Recent Developments Restriction on Foreign Ownership of Indian Securities.

Certain shareholders own a large percentage of our equity shares. Their actions could adversely affect the price of our equity shares and our ADSs.

Life Insurance Corporation of India, General Insurance Corporation of India and government-owned general insurance companies, each of which is directly or indirectly controlled by the Indian government, are among our principal shareholders. At March 4, 2005, government-controlled entities owned approximately 15.8% of our outstanding equity shares. Deutsche Bank Trust Company Americas holds the equity shares represented by 80.0 million ADSs outstanding and equivalent to 21.7% of our outstanding equity shares, as depositary on behalf of the holders of the ADSs. The ADSs are listed on the New York Stock Exchange. Our other large equity shareholders include Allamanda Investments Pte. Limited (a subsidiary of Temasek Holdings Pte Limited), the Government of Singapore, HWIC Asia Fund, an affiliate of Fairfax Financial Holdings Limited and Bajaj Auto Limited, an Indian private sector company. Any substantial sale of our equity shares by these or other large shareholders could adversely affect the price of our equity shares and our ADSs.

Conditions in the Indian securities market may affect the price or liquidity of our equity shares and our ADSs.

The Indian securities markets are smaller and more volatile than securities markets in developed economies. The Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities.

Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. The Stock Exchange, Mumbai, or the BSE, was closed for three days in March 1995 following a default by a broker. In March 2001, the BSE dropped 667 points or 15.6% and there were also rumors of insider trading in the BSE leading to the resignation of the BSE president and several other members of the governing board. In the same month, the Kolkata Stock Exchange, formerly known as the Calcutta Stock Exchange, suffered a payment crisis when several brokers defaulted and the exchange invoked guarantees provided by various Indian banks. In April 2003, the decline in the price of the equity shares of a leading Indian software company created volatility in the Indian stock markets and created temporary concerns regarding our exposure to the equity markets. On May 17, 2004, the BSE Sensex fell by 565 points from 5,070 to 4,505, creating temporary concerns regarding our exposure to the equity markets. Both the BSE and the National Stock Exchange of India Limited halted trading on the exchanges on May 17, 2004 in view of the sharp fall in prices of securities. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Further, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment. In recent years, there have been changes in laws and regulations for the taxation of dividend income, which have impacted the Indian equity capital markets. See Dividends. Similar problems or changes could occur in the future and, if they did, they could affect the market price and liquidity of our equity shares and our ADSs.

An active or liquid trading market for our ADSs is not assured.

Although our ADSs are listed and traded on the New York Stock Exchange and this offering increases the number of ADSs publicly trading in the United States, we cannot be certain that an active, liquid market for our ADSs will be sustained, or that the present price will correspond to the future price at which our ADSs will trade in the public market. Indian legal restrictions may also limit the supply of ADSs. Loss of liquidity could increase the price volatility of our ADSs. The only way to add to the supply of ADSs would be through an additional issuance.

Settlement of trades of equity shares on Indian stock exchanges may be subject to delays.

The equity shares represented by the ADSs are currently listed on the Stock Exchange, Mumbai and the National Stock Exchange of India Limited. Settlement on those stock exchanges may be subject to delays and an investor in equity shares withdrawn from the depositary facility upon surrender of ADSs may not be able to settle trades on such stock exchanges in a timely manner.

As a result of changes in Indian government regulation of foreign ownership, changes in investor preferences or an increase in the number of ADSs outstanding, the price of our ADSs could go down.

Foreign ownership of Indian securities is heavily regulated and is generally restricted. ADSs issued by companies in certain emerging markets, including India, may trade at a discount or premium to the underlying equity shares, in part because of the restrictions on foreign ownership of the underlying equity shares. See “Recent Developments — Restriction on Foreign Ownership of Indian Securities,” Historically, our ADSs have traded at a premium to the trading prices of our underlying equity shares on the Indian stock exchanges. See “Market Price Information” for the underlying data. We believe that this price premium has resulted from the limited portion of our market capitalization represented by ADSs, restrictions imposed by Indian law on the conversion of equity shares into ADSs and an apparent preference for some investors to trade dollar-denominated securities. The offering described in this prospectus will increase the number of ADS we have outstanding and we may conduct similar transactions in the future. Also, over time, some of the restrictions on the issuance of ADSs imposed by Indian law have been relaxed and we expect that other restrictions may be relaxed in the future. As a result, any premium enjoyed by the ADSs as compared to the equity shares may be reduced or eliminated as a result of this offering, or similar transactions in the future, or due to a change in Indian law permitting further conversion of equity shares into ADSs or a change in investor preferences.

Your holdings may be diluted by additional issuances of equity and any dilution may adversely affect the market price of our equity shares and ADSs.

Subsequent to year-end fiscal 2004, we issued 115,920,758 new equity shares, representing 18.8% of our outstanding equity shares at year-end fiscal 2004. In addition, up to 5.0% of our issued equity shares may be issued in accordance with our employee stock option scheme to eligible employees. At December 31, 2004, ICICI Bank had granted a total of 28,956,975 stock options, of which 7,068,790 had been exercised, 4,412,687 had vested but had not been exercised and 2,780,540 had lapsed or been forfeited at that date. At December 31, 2004, the total stock options granted, less options lapsed or forfeited, were 3.6% of our issued equity shares. There is a risk that growth in our business, including in our international operations and our insurance business, could require us to fund this growth through additional equity offerings. Any future issuance of equity shares would dilute the positions of investors in the ADSs and equity shares, and could adversely affect the market price of our equity shares and our ADSs.

You may be unable to exercise preemptive rights available to other shareholders.

A company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless these rights have been waived by at least 75.0% of the company's shareholders present and voting at a shareholders' general meeting. US investors in ADSs may be unable to exercise preemptive rights for

equity shares underlying ADSs unless a registration statement under the Securities Act of 1933, as amended (the Securities Act) is effective with respect to such rights or an exemption from the registration requirements of the Securities Act is available. Our decision to file a registration statement will depend on the costs and potential liabilities associated with any such registration statement as well as the perceived benefits of enabling US investors in ADSs to exercise their preemptive rights and any other factors we consider appropriate at the time. We do not commit that we would file a registration statement under these circumstances. If ICICI Bank issues any such securities in the future, such securities may be issued to the depositary, which may sell such securities in the securities markets in India for the benefit of the investors in the ADSs. There can be no assurance as to the value, if any, the depositary would receive upon the sale of these securities. To the extent that investors in ADSs are unable to exercise preemptive rights, their proportional interests in ICICI Bank would be reduced.

Because the equity shares underlying the ADSs are quoted in rupees in India, you may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of rupee proceeds into foreign currency.

Investors that purchase ADSs are required to pay for the ADSs in US dollars. Investors are subject to currency fluctuation risk and convertibility risks since the equity shares are quoted in rupees on the Indian stock exchanges on which they are listed. Dividends on the equity shares will also be paid in rupees, and then converted into US dollars for distribution to ADS investors. Investors that seek to convert the rupee proceeds of a sale of equity shares withdrawn upon surrender of ADSs into foreign currency and export the foreign currency will need to obtain the approval of the Reserve Bank of India for each such transaction. In addition, investors that seek to sell equity shares withdrawn from the depositary facility will have to obtain approval from the Reserve Bank of India, unless the sale is made on a stock exchange or in connection with an offer made under the regulations regarding takeovers. Holders of rupees in India also generally may not purchase foreign currency without general or special approval from the Reserve Bank of India. However, dividends received by the depositary in rupees and, subject to approval by the Reserve Bank of India, rupee proceeds arising from the sale on an Indian stock exchange of equity shares, which have been withdrawn from the depositary facility, may be converted into US dollars at the market rate.

On an average annual basis, the rupee has declined against the US dollar since 1980. The rupee has depreciated against the dollar by 0.4% during fiscal 2005 (through February 28, 2005). In addition, in the past, the Indian economy has experienced severe foreign exchange shortages.

You may be subject to Indian taxes arising out of capital gains.

Generally, capital gains, whether short-term or long-term, arising on the sale of the underlying equity shares are subject to Indian capital gains tax. For the purpose of computing the amount of capital gains subject to tax, Indian law specifies that the cost of acquisition of the equity shares received upon redemption of ADSs will be the share price prevailing on The Stock Exchange, Mumbai or the National Stock Exchange of India Limited on the date the depositary advises the custodian to redeem receipts in exchange for underlying equity shares. The holding period of such equity shares, for determining whether the gain is long-term or short-term, commences on the date such notice is given by the depositary to the custodian. The Finance (No. 2) Act, 2004 introduced a securities transaction tax effective October 1, 2004, which is levied at the rate of 0.075% on the value of sales of equity shares on a recognized stock exchange in India settled by actual delivery or transfer, and is payable by both the seller and the buyer. Where the securities transaction tax is applicable, the long-term capital gains are exempt from tax and short-term capital gains are taxed at a lower rate. Investors are advised to consult their own tax advisers and to consider carefully the potential tax consequences of an investment in the ADSs. See “Taxation - Indian Tax.”

There may be less company information available in Indian securities markets than securities markets in developed countries.

There is a difference between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of markets in the United States and other developed countries. The Securities and Exchange Board of India is responsible for improving disclosure and other regulatory standards for the Indian securities markets. The Securities and Exchange Board of India has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly

available information about Indian companies than is regularly made available by public companies in developed countries.

RECENT DEVELOPMENTS

Restriction on Foreign Ownership of Indian Securities

Restrictions on transfers of shares of Indian companies between residents and non-residents were relaxed significantly as of October 2004. As a result, the transfer of shares from a non-resident to a resident, in the case of shares of a banking company, and any transfer of shares between a resident and a non- resident, in the case of any other company, can be made without the approval of the Reserve Bank of India or the government of India. This is subject to compliance with applicable pricing guidelines, takeover regulations and foreign ownership restrictions. See “Restriction on Foreign Ownership of Indian Securities” in our annual report on Form 20-F for the fiscal year ended March 31, 2004, which is incorporated by reference in this prospectus.

FORWARD-LOOKING STATEMENTS

We have included statements in this prospectus or documents incorporated by reference herein which contain words or phrases such as “will”, “would”, “aim”, “aimed”, “will likely result”, “is likely”, “are likely”, “believe”, “expect to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “estimating”, “intend”, “plan”, “contemplate”, “seek to”, “trying to”, “target”, “propose to”, “future”, “objective”, “goal”, “project”, “should”, “can”, “could”, “may”, “will pursu and similar expressions or variations of such expressions, that are “forward-looking statements.” These statements are intended as “Forward-Looking Statements” under the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with our expectations with respect to, but not limited to, the actual growth in demand for banking and other financial products and services, our ability to successfully implement our strategy, our ability to integrate recent or future mergers or acquisitions into our operations, future levels of impaired loans, our growth and expansion, the adequacy of our allowance for credit and investment losses, technological changes, investment income, our ability to market new products, cash flow projections, the outcome of any legal or regulatory proceedings we are or become a party to, the future impact of new accounting standards, our ability to implement our dividend policy, the impact of Indian banking regulations on us, which includes the assets and liabilities of ICICI, a former financial institution not subject to Indian banking regulations, our ability to roll over our short-term funding sources, our exposure to market risks and the market acceptance of and demand for Internet banking services. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result,

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actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated.

In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this prospectus or documents incorporated by reference herein include, but are not limited to, general economic and political conditions in India, southeast Asia, and the other countries which have an impact on our business activities or investments, political or financial instability in India or any other country caused by any factor including any terrorist attacks in India, the United States or elsewhere, any anti-terrorist or other attacks by the United States, a United States-led coalition or any other country or any other acts of terrorism worldwide, the monetary and interest rate policies of India, political or financial instability in India or any other country caused by political uncertainty, tensions between India and Pakistan related to the Kashmir region or military armament or social unrest in any part of India, inflation, deflation, unanticipated turbulence in interest rates, changes in the value of the rupee, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets and level of Internet penetration in India and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environment in India and regional or general changes in asset valuations. For a further discussion on the factors that could cause actual results to differ, see the discussion under "Risk Factors" included elsewhere in this prospectus.

The forward-looking statements made in this prospectus speak only as of the date of this prospectus. We do not intend to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this prospectus, and we do not assume any responsibility to do so.

ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES

ICICI Bank is a limited liability company under the laws of India. Substantially all of our directors and executive officers and certain experts named in this prospectus reside outside the United States, and a substantial portion of our assets and the assets of such persons are located outside the United States. As a result, it may be difficult for investors to effect service of process upon such persons within the United States or to enforce against us or such persons in US courts judgments obtained in US courts, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. We have been advised by our Indian legal counsel, Amarchand & Mangaldas & Suresh A. Shroff & Co., that in India the statutory basis for recognition of foreign judgments is found in Section 13 of the Indian Code of Civil Procedure 1908, or the Civil Code, which provides that a foreign judgment shall be conclusive as to any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where the judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law in force in India. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a court in any country or territory outside India which the government of India has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. The United States has not been declared by the government of India to be a reciprocating territory for purposes of Section 44A. Accordingly, a judgment of a court in the United States may be enforced in India only by a suit upon the judgment, not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain approval from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 to execute such a judgment or to repatriate any amount recovered. We have also been advised by our Indian counsel that a party may

file suit in India against us, our directors or our executive officers as an original action predicated upon the provisions of the federal securities laws of the United States.

USE OF PROCEEDS

All ADSs sold in the offering will be sold on behalf of the selling shareholders. We will not receive any of the proceeds from the sale of these ADSs.

DIVIDENDS

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the annual general meeting of shareholders held within six months of the end of each fiscal year. The shareholders have the right to decrease but not increase the dividend amount recommended by the board of directors. Under Indian regulations currently in force, the declaration of dividends by banks is subject to certain additional conditions. If we comply with such conditions, we are allowed to declare a dividend but only up to a certain percentage of our profits. For any dividends beyond such percentage, we are required to obtain permission from the Reserve Bank of India.

The following table sets forth, for the periods indicated, the dividend per equity share and the total amount of dividends paid out on the equity shares during the fiscal year by ICICI Bank, each exclusive of dividend tax. This may be different from the dividend declared for the year.

	Dividend per equity share	Total amount of dividends paid
		(in millions)
Dividend paid during the fiscal year		
2001	Rs. 1.50	Rs. 247

2002(1)	4.00(1)	881
2003		
2004	7.50	4,598
2005	7.50	5,440

(1) Includes dividend of Rs. 2.00 per share declared for each of the fiscal years 2001 and 2002.

The government of Indias budget for fiscal 2004 exempted dividend income from being taxable in the hands of the investors. Until March 31, 2005, we are required to pay a 13.1% tax (including surcharge) on distributed profits. For a description of the tax consequences of dividends paid to shareholders, see Taxation.

Future dividends will depend upon our revenues, cash flow, financial condition, the regulations of the Reserve Bank of India and other factors. Owners of ADSs will be entitled to receive dividends payable in respect of the equity shares represented by such ADSs. The equity shares represented by ADSs rank *pari passu* with existing equity shares.

See also Dividends in our annual report on Form 20-F for the fiscal year ended March 31, 2004, which is incorporated by reference in this prospectus.

MARKET PRICE INFORMATION

Equity Shares

Our outstanding equity shares are currently listed and traded on The Stock Exchange, Mumbai or the BSE and on the National Stock Exchange of India Limited or the NSE. For information regarding conditions in the Indian securities markets, see Risk Factors Risks Relating to the ADSs and Equity Shares Conditions in the Indian securities markets may affect the price or liquidity of our equity shares and our ADSs.

At February 28, 2005, 736 million equity shares were outstanding. The prices for equity shares as quoted in the official list of each of the Indian stock exchanges are in Indian rupees.

The following table shows:

- the reported high and low closing prices quoted in rupees for our equity shares on the NSE; and
- the reported high and low closing prices for our equity shares, translated into US dollars, based on the noon buying rate on the last business day of each period presented.

	Price per equity share(1)			
	High	**Low**	**High**	**Low**
Annual prices:				
Fiscal 2000	Rs. 267.05	Rs. 23.35	US$ 6.12	US$ 0.53

Fiscal 2001	247.45	109.20	5.28	2.33
Fiscal 2002	188.35	67.95	3.86	1.39
Fiscal 2003	161.75	110.55	3.40	2.32
Fiscal 2004	348.25	120.80	8.02	2.78
Quarterly prices:				
Fiscal 2003:				
First Quarter	161.75	111.70	3.31	2.27
Second Quarter	154.50	132.30	3.19	2.73
Third Quarter	149.50	110.55	3.11	2.30
Fourth Quarter	149.95	132.65	3.15	2.79
Fiscal 2004:				
First Quarter	150.15	120.80	3.24	2.60
Second Quarter	204.50	145.10	4.47	3.17
Third Quarter	302.20	204.40	6.63	4.49
Fourth Quarter	348.25	267.75	8.02	6.17
Fiscal 2005:				
First Quarter	319.35	230.40	6.94	5.01
Second Quarter	295.35	234.40	6.43	5.11
Third Quarter	374.00	285.35	8.64	6.59
Fourth Quarter (through March 8, 2005)	399.30	337.50	9.16	7.74
Monthly prices:				
August 2004	279.10	265.00	6.02	5.72
September 2004	295.35	262.45	6.43	5.72
October 2004	299.05	285.35	6.60	6.30
November 2004	339.75	296.30	7.64	6.66
December 2004	374.00	339.75	8.64	7.85
January 2005	373.90	337.50	8.58	7.74
February 2005	383.15	361.10	8.79	8.29
March 2005 (through March 8, 2005)	399.30	372.25	9.16	8.54

(1) Data from the NSE. The prices quoted on the BSE and other stock exchanges may be different.

At March 8, 2005, the closing price of equity shares on the NSE was Rs. 398.95 equivalent to US$ 9.15 per equity share (US$ 18.31 per ADS on an imputed basis) translated at the noon buying rate of Rs. 43.58 per US$ 1.00 on March 8, 2005.

At February 28, 2005, there were approximately 456,006 holders of record of equity shares, of which 106 had registered addresses in the United States and held an aggregate of approximately 102,490 equity shares.

ADSs

Our ADSs, each representing two equity shares, were originally issued in March 2000 in a public offering and are listed and traded on the New York Stock Exchange under the symbol IBN. The equity shares underlying the ADSs are currently listed on The Stock Exchange, Mumbai and the National Stock Exchange of India Limited.

At February 28, 2005, we had approximately 80 million ADSs, equivalent to 160 million equity shares, outstanding. At this date, there were 87 record holders of our ADSs, 85 of which have registered addresses in the United States.

The following table sets forth, for the periods indicated, the reported high and low closing prices on the New York Stock Exchange for our outstanding ADSs traded under the symbol IBN.

	Price per ADS	
	High	**Low**
Fourth Quarter (from March 28, 2000)	US$ 15.38	US$ 14.38
Annual prices:		
Fiscal 2001	18.75	4.62
Fiscal 2002	7.50	2.70
Fiscal 2003	8.26	4.84
Fiscal 2004	18.33	5.27
Quarterly prices:		
Fiscal 2003:		
First Quarter	8.26	4.99
Second Quarter	7.34	5.50
Third Quarter	7.00	4.84
Fourth Quarter	7.13	6.10
Fiscal 2004:		
First Quarter	7.27	5.27
Second Quarter	10.56	7.23
Third Quarter	17.91	10.90
Fourth Quarter	18.33	13.50
Fiscal 2005:		
First Quarter	17.25	11.57
Second Quarter	13.91	11.25
Third Quarter	20.45	13.76
Fourth Quarter (through March 8, 2005)	22.65	18.27
Monthly prices:		
July 2004	13.02	11.25
August 2004	13.55	11.99
September 2004	13.91	12.20
October 2004	15.76	13.76
November 2004	18.85	15.55
December 2004	20.45	18.61
January 2005	19.77	18.27
February 2005	22.65	20.20
March 2005 (through March 8, 2005)	22.50	20.88

CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2004 prepared in accordance with US GAAP in Indian rupees and, for convenience, in US dollars:

	As of December 31, 2004	
	(Rupees in millions)	(US dollars in millions)
Indebtedness:		
Short-term liabilities(1)		
Deposits (2)	Rs. 710,867	US$ 16,429
Short-term borrowings	98,375	2,274
Long-term debt maturing within one year	71,527	1,653
Total short-term liabilities	880,769	20,356
Long-term liabilities		
Deposits	118,031	2,728
Long-term debt, net of current maturities	282,073	6,519
Total long-term liabilities	400,104	9,247
Total indebtedness	1,280,873	29,602
Stockholders' equity:		
Common stock(3)	7,359	170
Additional paid-in capital	96,686	2,234
Retained earnings	17,302	400
Deferred compensation	(74)	(2)
Other comprehensive income(4)	1,450	34
Total stockholders' equity	122,723	2,836
Total capitalization	Rs. 1,403,596	US$ 32,438

(1) Short-term liabilities have residual maturity of less than one year while long-term liabilities have residual maturity of one year and more.

(2) Includes current and savings deposits that have no contractual maturity.

(3) Common stock at Rs. 10 par value; 1,550,000,000 shares authorized as of December 31, 2004; 735,928,149 shares issued and outstanding as of December 31, 2004.

(4) Represents unrealized gains and losses on marketable equity securities and debt securities available for sale.

EXCHANGE RATES

Fluctuations in the exchange rate between the Indian rupee and the US dollar will affect the US dollar equivalent of the Indian rupee price of the equity shares on the Indian stock exchanges and, as a result, will affect the market price of our ADSs in the United States. These fluctuations will also affect the conversion into US dollars by the depositary of any cash dividends paid in Indian rupees on our equity shares represented by ADSs.

During fiscal 2005 (through March 8, 2005), the rupee has depreciated against the dollar by 0.4%. The following table sets forth, for the periods indicated, certain information concerning the exchange rates between Indian rupees and US dollars based on the noon buying rate.

Fiscal Year	**Period End(1)**	**Average(1)(2)**
1999	42.50	42.27
2000	43.65	43.46
2001	46.85	45.88
2002	48.83	47.81
2003	47.53	48.36
2004	43.40	45.78
2005 (through March 8, 2005)	43.58	44.87

Month	**High**	**Low**
July 2004	46.45	45.66
August 2004	46.40	46.21
September 2004	46.35	45.81
October 2004	45.87	45.30
November 2004	45.40	44.47
December 2004	44.52	43.27
January 2005	43.82	43.35
February 2005	43.73	43.28
March 2005 (through March 8, 2005)	43.64	43.58

(1) The noon buying rate at each period end and the average rate for each period differed from the exchange rates used in the preparation of our financial statements.

(2) Represents the average of the noon buying rate on the last day of each month during the period.

See also the section “Exchange Rates” in our annual report on Form 20-F for the fiscal year ended March 31, 2004 which is incorporated by reference into this prospectus.

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

The following tables set forth our summary financial and operating data on a consolidated basis. The summary date for the annual periods contained herein have been derived from our audited consolidated financial statements as of and for each of the five years ended March 31, 2004. The summary data for the nine months ended and at December 31, 2004 and December 31, 2003 have been derived from our unaudited consolidated financial statements, prepared in accordance with generally accepted accounting principles applicable in the United States, or US GAAP, and included in this prospectus. Our consolidated financial statements for fiscal 2004 and fiscal 2003 including our consolidated statement of operations, consolidated statement of cash flows and consolidated statement of stockholders’ equity and other comprehensive income for the year ended March 31, 2002, included in our annual report on Form 20-F for the fiscal year ended March 31, 2004 were audited by KPMG LLP, UK, an independent registered public accounting firm and are incorporated by reference into this prospectus together with the reports of KPMG LLP, UK.

You should read the following data with the more detailed information contained in ''Operating and Financial Review and Prospects’’ included elsewhere in this prospectus and our consolidated financial statements and the related notes included elsewhere and incorporated by reference in this prospectus. Historical results do not necessarily predict the results in the future.

	Year ended March 31,					Nine months ended December 31,		
	2000	2001	2002	2003	2004	2003	2004	2004 (1)
							(Unaudited)	
	(in millions, except per common share data)							
Selected income statement data:								
Interest income	Rs. 79,296	Rs. 79,759	Rs. 78,600	Rs 97,714.	Rs. 90,688	Rs. 67,619	Rs. 66,576	US$ 1,539
Interest expense	(67,492)	(67,893)	(69,520)	(83,208)	(72,375)	(54,720)	(49,742)	1,150
Net interest income	11,804	11,866	9,080	14,506	18,313	12,899	16,834	389
Dividends	1,502	345	267	389	431	271	237	5
Net interest income, including dividends	13,306	12,211	9,347	14,895	18,744	13,170	17,071	394
Provisions for loan losses	(6,363)	(9,892)	(9,743)	(19,649)	(20,055)	(15,289)	(8,504)	(197)
Net interest income/(loss), including dividends, after provisions for loan losses	6,943	2,319	(396)	(4,754)	(1,311)	(2,119)	8,567	197
Non-interest income	9,815	9,243	8,148	13,253	36,678	25,637	23,493	543
Net revenue	16,758	11,562	7,752	8,499	35,367	23,518	32,060	740

Non-interest expense	(5,302)	(5,479)	(7,596)	(18,609)	(27,101)	(20,138)	(23,895)	(552)
Equity in earnings/(loss) of affiliates	20	735	294	(958)	(1,437)	(336)	(1,254)	(29)
Minority interest	(361)	1	83	24	28	10	(2)	—
Income/(loss) before income taxes and cumulative effect of accounting changes	11,115	6,819	533	(11,044)	6,857	3,054	6,909	159
Income tax (expense)/benefit	(2,033)	(189)	(251)	3,061	(1,638)	(730)	(1,658)	(38)
Income /(loss) before cumulative effect of accounting changes, net of tax	9,082	6,630	282	(7,983)	5,219	2,324	5,251	121
Cumulative effect of accounting changes, net of tax(2)	249	—	1,265	—	—	—	—	—
Net income/ (loss)	Rs. 9,331	Rs. 6,630	Rs. 1,547	Rs. (7,983)	Rs. 5,219	Rs. 2,324	Rs. 5,251	US$ 121
Per common share(3)								
Net income/(loss) from continuing operations - Basic(4)	Rs. 28.90	Rs. 16.88	Rs. 3.94	Rs. (14.18)	Rs. 8.50	Rs. 3.79	Rs. 7.24	US$ 0.17
Net income/(loss) from continuing operations - Diluted(5)	27.54	16.81	3.94	(14.18)	Rs. 8.43	Rs. 3.76	7.19	0.17
Dividends(6)	11.00	11.00	22.00	-	7.50	7.50	7.50	0.17
Book value	180.58	193.35	181.70	150.42	153.35	151.97	166.76	3.85
Common shares outstanding at end of period (in millions of common shares)	393	393	393	613	616	615	736	—
Weighted average common shares	323	393	393	563	614	614	725	—

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	Year ended March 31,	Nine months ended December 31,

	2000	2001	2002	2003	2004	2003	2004	2004(1)
							(Unaudited)	
	(in millions, except per common share data)							
Selected income statement data:								
outstanding - Basic (in millions of common shares)								
Weighted average common shares outstanding - Diluted (in millions of common shares)	344	393	393	563	619	619	731	

(1) Rupee amounts for the nine months ended December 31, 2004 have been translated into US dollars using the noon buying rate of Rs. 43.27 = US$ 1.00 in effect on December 31, 2004.

(2) In June 2001, the FASB issued SFAS No. 141, which requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. The excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed shall be recognized as goodwill. SFAS No. 141 specifies that intangible assets acquired in a purchase method business combination must be recognized and reported apart from goodwill, noting that any purchase price allocated to an assembled workforce need not be accounted separately. The excess of the fair value of the net assets over the cost of acquired entity is allocated pro rata to specified non-financial assets and remaining excess, if any, is recognized as an extraordinary gain. As of April 1, 2001, ICICI had an unamortized deferred credit of Rs. 1.3 billion (US$ 29 million) relating to the excess of the fair value of assets acquired over the cost of acquisition of ICICI. As required by SFAS No. 141, in conjunction with the early adoption of SFAS No. 142, the unamortized deferred credit as of April 1, 2001, was written-off and recognized as the effect of a change in the accounting principle.

(3) For fiscal years 2000, 2001 and 2002, based on the exchange ratio of 1:2 in which the shareholders of ICICI were issued shares of ICICI Bank, number of shares has been adjusted by dividing by two. Hence, these numbers are different from the numbers reported in the annual report on Form 20-F for fiscal 2002.

(4) Represents net income/(loss) before dilutive impact.

(5) Represents net income/(loss) adjusted for full dilution. All convertible instruments are assumed to be converted to common shares at the beginning of the year, at prices that are most advantageous to the holders of these instruments. For the purpose of calculating diluted earnings per share, the net income was adjusted for interest (after tax) on convertible instruments only for fiscal 2000, as the convertible bonds were almost entirely converted/redeemed in fiscal 2001. Shares assumed to be issued have been weighted for the period the convertible instruments are outstanding. Options to purchase 2,546,675, 7,015,800, 12,610,275 and 1,098,225 equity shares granted to employees at a weighted average exercise price of Rs. 226.0, Rs. 81.3, Rs. 154.7 and Rs. 266.6 were outstanding in fiscal 2001, 2002, 2003 and 2004, respectively, but were not included in the computation of diluted earnings per share because the exercise price of the options was greater than the average market price of the equity shares during the period. In fiscal 2003, we reported a net loss and accordingly all outstanding options at year-end fiscal 2003 are anti-dilutive. Options to purchase 1,189,450 and 7,271,375 equity shares granted to employees at a weighted average exercise price of Rs. 266.58 and Rs. 300.1 were outstanding in the nine months ended December 31, 2003 and 2004, respectively, but were not included in the computation of diluted earnings per share because the exercise price of the options was greater than the average market price of the equity shares during the period.

(6) We declared a dividend of Rs. 7.50 per equity share for fiscal 2003, which was paid in August 2003, i.e. in the nine months ended December 31, 2003. We declared a dividend of Rs. 7.50 per equity share for

fiscal 2004, which was paid out in September 2004, i.e. in the nine months ended December 31, 2004. The dividend per equity share shown above is based on the total amount of dividends paid out on the equity shares during the year, exclusive of dividend tax. This was different from the dividend declared for the year. In US dollars, dividend was US$ 0.17 per equity share in fiscal 2004.

(7) Certain reclassifications have been made in the financial statements of prior years to conform to classifications used in the current year. These changes have no impact on previously reported results of operations or stockholders equity.

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The following table sets forth, for the periods indicated, selected income statement data expressed as a percentage of average total assets for the respective period (percentages for the nine months ended December 31, 2003 and December 31, 2004 are annualized).

	Year ended March 31,					Nine months ended December 31,	
	2000	**2001**	**2002**	**2003**	**2004**	**2003**	**2004**
							(Unaudited)
Selected income statement data:							
Interest income	11.23%	11.29%	10.53%	8.63%	7.14%	7.28%	6.08%
Interest expense	(9.56)	(9.61)	(9.31)	(7.35)	(5.70)	(5.89)	(4.54)
Net interest income	1.67	1.68	1.22	1.28	1.44	1.39	1.54
Dividends	0.21	0.05	0.04	0.03	0.03	0.03	0.02
Net interest income, including dividends	1.88	1.73	1.25	1.32	1.48	1.42	1.56
Provisions for loan losses	(0.90)	(1.40)	(1.31)	(1.73)	(1.58)	(1.65)	(0.78)
Net interest income/(loss), including dividends, after provisions for loan losses	0.98	0.33	(0.05)	(0.42)	(0.10)	(0.23)	0.78
Non-interest income	1.39	1.31	1.09	1.17	2.89	2.76	2.14
Net revenue	2.37	1.64	1.04	0.75	2.79	2.53	2.92
Non-interest expense	(0.75)	(0.78)	(1.02)	(1.64)	(2.13)	(2.17)	(2.18)
Equity in earnings/(loss) of affiliates	0.00	0.10	0.04	(0.08)	(0.11)	(0.04)	(0.11)
Minority interest	(0.05)	0.00	0.01	0.00	0.00	0.00	0.00
Income/(loss) before income taxes and cumulative effect of accounting changes	1.57	0.97	0.07	(0.98)	0.54	0.32	0.63

Income tax (expense)/benefit	(0.29)	(0.03)	(0.03)	0.27	(0.13)	(0.08)	(0.15)
Income/(loss) before cumulative effect of accounting changes, net of tax	1.28	0.94	0.04	(0.70)	0.41	0.24	0.48
Cumulative effect of accounting changes, net of tax	0.04	—	0.17	—	—	—	—
Net income/(loss)	1.32%	0.94%	0.21%	(0.70)%	0.41%	0.24%	0.48%

	At March 31,					Nine months ended December 31,		
	2000	2001	2002	2003	2004	2003	2004	2004 (1)
							(Unaudited)	
	(in millions, except per common share data)							
Selected balance sheet data:								
Total assets	Rs. 774,279	Rs. 739,892	Rs. 743,362	Rs. 1,180,263	Rs. 1,409,131	Rs. 1,287,802	Rs. 1,634,697	US$ 37,780
Securities	18,871	18,861	60,046	280,621	310,368	317,512	358,973	8,296
Loans, net(2)	561,448	602,023	523,601	630,421	728,520	660,159	856,597	19,797
Troubled debt restructuring restructured loans), net	10,795	32,309	77,366	122,659	121,417	153,275	102,940	2,379
Other impaired loans, net	24,240	20,081	33,187	55,319	28,764	36,847	20,430	472
Total liabilities	699,073	663,829	671,754	1,087,926	1,313,556	1,193,550	1,510,872	34,919
Long-term debt	436,320	492,882	511,458	400,812	373,449	373,854	353,600	8,172
Deposits	96,682	6,072	7,380	491,290	684,955	613,047	828,898	19,156
Redeemable preferred stock(3)	10,207	698	772	853	944	921	1,019	24
Stockholders' equity	70,908	75,927	71,348	92,213	94,525	93,494	122,723	2,836
Common stock	3,916	3,924	3,922	6,127	6,164	6,153	7,359	170
Period average(4):								
Total assets	706,066	706,343	746,330	1,132,638	1,269,638	1,233,134	1,454,166	33,607
Interest-earning assets	612,452	615,164	641,141	924,573	1,017,009	988,968	1,143,372	26,424
Loans, net(2)	513,421	570,989	591,398	606,496	662,752	644,223	767,248	17,732
Total liabilities(5)	650,794	631,324	670,750	1,038,377	1,173,961	1,138,784	1,333,794	30,825
Interest-bearing liabilities	583,609	576,474	613,401	905,226	977,941	955,463	1,074,317	24,828
Long-term debt	436,718	462,916	504,103	455,347	382,674	384,922	373,637	8,635
Stockholders' equity	Rs. 55,272	Rs. 75,019	Rs. 75,580	Rs. 94,261	Rs. 95,678	94,350	120,372	2,782
Profitability (6):								
Net income/(loss) as a								

	At March 31,					Nine months ended December 31,		
	2000	2001	2002	2003	2004	2003	2004	2004 (1)
							(Unaudited)	
	(in millions, except per common share data)							
percentage of:								
Average total assets	1.32%	0.94%	0.21%	(0.70)%	0.41%	0.25%	0.48%	
Average stockholders’ equity	16.88	8.84	2.05	(8.47)	5.45	3.27	5.79	
Average stockholders’ equity (including redeemable preferred stock(7)	15.95	8.89	2.12	(8.31)	5.50	3.33	5.83	
Dividend payout ratio(8)	28.3	52.90	635.20	-	88.10	197.87	104.89	
Spread(9)	1.38	1.19	0.93	1.38	1.52	1.47	1.58	
Net interest margin(10)	1.93	1.93	1.42	1.57	1.80	1.73	1.95	
Cost-to-income ratio(11)	22.93	25.54	43.42	66.11	48.90	51.89	58.91	
Cost-to-average assets ratio(12)	0.75	0.78	1.02	1.64	2.13	2.17	2.18	
Capital:								
Average shareholders’ equity as a percentage of average total assets	7.83	10.62	10.13	8.32	7.54	7.65	8.28	
Average stockholders’ equity (including redeemable preferred stock) as a percentage of average total assets(13)	9.30	10.95	10.23	8.39	7.61	7.72	8.35	

At or for the year ended March 31,

	2000	2001	2002	2003	2004	At or for the nine months ended December 31, 2004(14)
						(Unaudited)
			(in percentages)			
Asset quality:						
Net restructured loans as a percentage of net loans	1.92%	5.37%	14.78%	19.45%	16.67%	12.02%
Net other impaired loans as a percentage of net loans	4.32	3.34	6.34	8.77	3.95	2.39
Allowance for loan losses on restructured loans as a percentage of gross restructured loans	41.79	26.03	18.64	16.78	25.23	32.42
Allowance for loan losses on other impaired loans as a percentage of gross impaired loans	52.07	51.89	34.61	33.48	42.74	47.52
Allowance for loan losses as a percentage of gross loans	5.72	5.20	6.54	7.92	8.40	7.92

(1) Rupee amounts at December 31, 2004 have been translated into US dollars using the noon buying rate of Rs. 43.27 = US$ 1.00 in effect at December 31, 2004.

(2) Net of allowance for loan losses, security deposits and unearned income in respect of restructured and other impaired loans and allowances for loans not specifically identified as restructured or other impaired loan.

(3) ICICI had issued preferred stock redeemable at face value after 20 years. Banks in India are not currently allowed to issue preferred stock. However, we are currently exempt from this restriction.

(4) For the nine months ended December 31, 2003, the average balances are the average of quarterly balances outstanding at the end of March of the previous fiscal year, June, September and December of that year. For the nine months ended December 31, 2004, the average balances (except for deposits and government of India securities) are the average of quarterly balances outstanding at the end of March of the previous fiscal year, June, September, and December of that year. The average balances of deposits and government of India securities are the average of the daily balances outstanding during the period. For fiscal years 2000, 2002, 2003 and 2004, the average balances are the average of quarterly balances outstanding at the end of March of the previous fiscal year, June, September, December and March of that fiscal year. For fiscal 2001, due to

deconsolidation of ICICI Bank, the average balances are calculated as the average of quarterly balances outstanding at the end of June, September, December and March of that fiscal year.

(5) Represents the average of the quarterly balance of total liabilities and minority interest.

(6) Profitability data for the nine months ended December 31, 2003 and December 31, 2004 is annualized.

(7) Represents the ratio of net income plus dividend on redeemable preferred stock to the sum of average stockholders' equity and average redeemable preferred stock. Under Indian tax laws, dividend on preferred stock is not tax deductible.

(8) Represents the ratio of total dividends paid on common stock, exclusive of dividend distribution tax, as a percentage of net income.

(9) Represents the difference between yield on average interest-earning assets and cost of average interest-bearing liabilities. Yield on average interest-earning assets is the ratio of interest income to average interest-earning assets. Cost of average interest-bearing liabilities is the ratio of interest expense to average interest-bearing liabilities.

(10) Represents the ratio of net interest income to average interest-earning assets. The difference in net interest margin and spread arises due to the difference in the amount of average interest-earning assets and average interest-bearing liabilities. If average interest-earning assets exceed average interest-bearing liabilities, net interest margin is greater than spread, and if average interest-bearing liabilities exceed average interest-earning assets, net interest margin is less than spread.

(11) Represents the ratio of non-interest expense to the sum of net interest income, dividend and non-interest income.

(12) Represents the ratio of non-interest expense to average total assets.

(13) ICICI Bank's capital adequacy is computed in accordance with the Reserve Bank of India's guidelines and is based on unconsolidated financial statements prepared in accordance with Indian GAAP. At December 31, 2004, ICICI Bank's total capital adequacy ratio was 13.50% with a Tier 1 capital adequacy ratio of 8.62% and a Tier 2 capital adequacy ratio of 4.88%.

(14) Percentages for the nine months ended December 31, 2004 are not annualized.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited interim consolidated financial statements included elsewhere in this prospectus and *our audited consolidated financial statements in our annual report on Form 20-F for the fiscal year ended March 31, 2004, which is incorporated by reference in this prospectus. The following discussion is based on our unaudited interim financial statements and our audited financial statements and accompanying notes, which have been prepared in accordance with US GAAP.*

Indian Economy and Banking Sector

The rate of GDP growth was 7.0% in the first six months of fiscal 2005. In the same period, industry and services sectors grew by 8.2% and 8.4% respectively while agriculture grew by 1.5% .

During fiscal 2005 to date, there has been an increase in inflationary trends in India, with the average annual rate of inflation measured by the Wholesale Price Index rising significantly during the second quarter before moderating more recently. The average annual rate of inflation measured by the Wholesale Price Index was 6.7% in fiscal 2005 (through February 19, 2005), with the year-on-year rate of inflation peaking at 8.74% for the week ended August 28, 2004. The year-on-year rate of inflation for the week ended February 19, 2005 was 4.8%. These inflationary trends were primarily due to the increase in international crude oil prices as well as prices of certain commodities. Given that India imports approximately 70.0% of its requirements of crude oil which constituted approximately 26.7% of total imports in fiscal 2004 and 29.2% of total imports from April through December 2004, an increase in international crude oil prices affects the Indian economy. The average annual rate of inflation measured by the Consumer Price Index for industrial workers was 4.2% for November 2004. In addition, during fiscal 2005 (through January 24, 2005), the rupee depreciated against the US dollar by 0.8% . Foreign exchange reserves were US$ 129.4 billion at January 14, 2005.

The impact of these and other factors and the overall growth in industry, agriculture and services will affect the performance of the banking sector as it will affect the level of credit disbursed by banks, and the overall growth prospects of our business, including our ability to grow, the quality of our assets, the value of our investment portfolio and our ability to implement our strategy.

During fiscal 2005 (through February 18, 2005), deposits of scheduled commercial banks grew by 11.9% and bank credit of scheduled commercial banks grew by 21.7% (not including the impact of the conversion of Industrial Development Bank of India into a scheduled commercial bank in October 2004).

In September 2004, the Reserve Bank of India indicated a tightening of monetary policy through an increase in the cash reserve ratio, in response to an increase in the rate of inflation. In October 2004, in its mid-term review of the annual policy statement for fiscal 2005, the Reserve Bank of India increased the reverse repo rate (i.e., the annualized interest earned by the lender in a repurchase transaction or between a bank and the Reserve Bank of India) by 0.25% to 4.75% . The bank rate, however, was kept unchanged at 6.0% . The Reserve Bank of India also increased the risk weight for housing loans from 50.0% to 75.0% and for consumer credit, including personal loans and credit cards, from 100.0% to 125.0%, as a temporary counter-cyclical measure given the rapid growth in these segments. The inflationary trends in fiscal 2005 have resulted in an increase in benchmark secondary market yields on government securities and an increase in lending and deposit rates of banks. The yield on 10-year government of India securities increased from 5.1% at March 31, 2004 to a high of 7.3% at November 8, 2004 before declining to 6.6% at March 4, 2005.

Results of Operations

From fiscal 2002, we have experienced major changes and developments in our business and strategy. An understanding of these events and developments is necessary for an understanding of the discussion and analysis that follows. These changes are reflected in our financial statements in connection with or since the amalgamation of ICICI Limited into ICICI Bank. The first change reflects the impact of our history upon our average cost of funds. ICICI was a non-bank financial institution which funded itself primarily in the wholesale debt markets and had a higher cost of funding relative to banks in India. Consequent to the amalgamation, the businesses formerly conducted by ICICI became subject for the first time to various regulations applicable to banks. These include the prudential reserve and liquidity requirements, namely the statutory liquidity ratio under Section 24 of the Indian Banking Regulation Act, 1949 and the cash reserve ratio under Section 42 of the Reserve Bank of India Act, 1934. The statutory liquidity ratio is required to be maintained in the form of government of India securities and other approved securities, currently a minimum of 25.0% of our net demand and time liabilities. The cash reserve ratio has to be maintained in the form of cash balances with the Reserve Bank of India, which has increased the cash reserve ratio from 4.50% to 4.75% of our net demand and time liabilities, excluding inter-bank deposits, effective September 18, 2004 and to 5.00% effective October 2, 2004. While we have benefited from the lower cost of funding as a bank as compared to ICICI as a non-bank financial institution, the imposition of the statutory liquidity ratio and the cash reserve ratio on the higher cost liabilities of ICICI (which were not originally subject to these requirements) have impacted our spread. As the average yield on investments in government of India securities and cash balances maintained with the Reserve Bank of India is typically lower than the yield on other interest-earning assets, our net interest margin has been adversely impacted. As a result, our net interest margin has been and is expected to continue to be lower than other banks in India until we repay the borrowings of ICICI. We are expanding our deposit base and changing the mix of our liabilities away from the legacy ICICI liabilities towards the lower average cost deposits. The increase in investment in government securities has substantially increased our exposure to market risk. In a declining interest rate environment, we made gains on sale of government securities. A rise in interest rates would cause the value of our fixed income portfolio to decline and adversely affect the income from our treasury operations.

Another key change reflects the implementation of our strategy to grow our retail loan portfolio. The results of our implementation of this strategy can be seen in the rapid growth in the retail loan portfolio. While we cannot guarantee that growth will continue at the same rate, we see continued significant demand for retail loans.

Long-term project finance was a major proportion of ICICI's asset portfolio and continues to be a significant portion of our loan portfolio, though we have diversified our lending towards retail loans and working capital financing. Over the past several years, we and ICICI experienced a high level of impaired loans in our loan portfolio as a result of downturn in certain global commodity markets, increased competition in India, the high level of debt in the financing of projects and capital structures of Indian companies and high interest rates in the Indian economy during the period in which a large number of projects contracted their borrowings, as well as delays experienced in enforcement of collateral when borrowers defaulted on their obligations to us. Our loan portfolio includes loans to projects under implementation and there are risks and uncertainties associated with the timely completion and viability of these projects. Our retail loans have grown rapidly and the level of impaired loans in our retail portfolio could increase if there is a rise in unemployment, prolonged recessionary conditions and a sharp and sustained rise in interest rates in India.

In addition to the above, the directed lending norms of Reserve Bank of India require commercial banks to lend 40.0% of their net bank credit to specific sectors (known as priority sectors), such as agriculture, small-scale industry, small businesses and housing finance. Prior to the amalgamation, the advances of ICICI were not subject to the requirement applicable to banks in respect of priority sector lending. Pursuant to the terms of Reserve Bank of India's approval to the amalgamation, we are required to maintain a total of 50.0% of our net bank credit on the residual portion of our advances (i.e., the portion of our total advances excluding advances of ICICI at year-end fiscal 2002) in the form of priority sector advances. This additional requirement of 10.0% by way of priority sector advances will apply until such time as the aggregate priority sector advances reach a level of 40.0% of our net bank credit. The Reserve Bank of India's existing instructions on sub-targets under priority sector lending and eligibility of certain types of investments and funds for reckoning as priority sector advances also apply to us. See "Supervision and Regulation - Directed Lending - Priority Sector Lending" included elsewhere in this prospectus and "Business - Loan Portfolio - Directed Lending - Priority Sector Lending" in our annual report on Form 20-F for the fiscal year ended March 31, 2004, which is incorporated by reference in this prospectus.

Consequences of Tsunami

The Tsunami wave which hit the east coast of India on December 26, 2004, while horrible in its human and emotional consequences, is not expected to have a material adverse impact on our results and financial operations as our operations are concentrated in other areas of the country and in other sectors of the Indian economy. See also "Risk Factors — Risks Relating to India — Natural calamities could have a negative impact on the

Indian economy and could cause our business to suffer and the price of our equity shares and our ADSs to go down. In response to the crisis, we decided to facilitate contributions to the relief effort through our branches and other channels,

including by waiving transaction charges, and we donated Rs. 50 million to the Fund. In addition, our employees have made donations out of their salaries to aid the relief and rehabilitation efforts.

Average Balance Sheet

For the nine months ended December 31, 2003, the average balances are the average of quarterly balances outstanding at the end of March of the previous fiscal year, June, September and December of that year. For the nine months ended December 31, 2004, the average balances (except for deposits and government of India securities) are the average of quarterly balances outstanding at the end of March of the previous fiscal year, June, September, and December of that year. The average balances of deposits and government of India securities are the average of the daily balances outstanding during the period. The average yield on average interest-earning assets is the ratio of interest income to average interest-earning assets. The amortized portion of loan origination fees (net of loan origination costs) was included in interest income on loans, representing an adjustment to the yield. The average cost on average interest-bearing liabilities is the ratio of interest expense to average interest-bearing liabilities. The average balances of loans include impaired loans and are net of allowance for loan losses. We did not recalculate tax-exempt income on a tax-equivalent basis because we believed that the effect of doing so would not be significant. Total interest income also includes other interest income, which is primarily interest on refund of income tax.

The following table sets forth, for the periods indicated, the average balances of the assets and liabilities outstanding, which are major components of interest income, interest expense and net interest income. The average balances of loans include impaired loans and are net of allowance for loan losses.

	Nine months ended December 31,					
	2003			2004		
	Average Balance	Interest income/expense	Average yield/cost(1)	Average balance	Interest/income expense	Average yield/cost(1)
Assets:						
Cash, cash equivalents and trading assets:						

Rupee	Rs. 59,843	Rs. 3,048	6.76%	Rs. 56,159	2,448	5.79%
Foreign currency	9,072	112	1.63	32,071	294	1.22
Total cash, cash equivalents and trading assets	68,915	3,160	6.09	88,230	2,742	4.12
Securities—debt:						
Rupee	275,544	12,032	5.80	287,692	11,045	5.10
Foreign currency	286	2	0.97	202	3	1.54
Total securities—debt	275,830	12,034	5.79	287,894	11,048	5.09
Loans, net:						
Rupee	574,092	48,293	11.17	668,193	47,104	9.36
Foreign currency	70,131	3,143	5.95	99,055	4,395	5.89
Total loans, net	644,223	51,436	10.60	767,248	51,499	8.91
Other interest income	-	989			1,287	
Interest-earning assets:						
Rupee	909,479	64,362	9.39	1,012,044	61,884	8.12
Foreign currency	79,489	3,257	5.44	131,328	4,692	4.74
Total interest-earning assets	988,968	67,619	9.07	1,143,372	66,576	7.73
Securities—equity:						
Rupee	26,924	271	1.34	26,762	237	1.18
Foreign currency	—	—	—	—	—	—
Total securities—equity	26,924	271	1.34	26,762	237	1.18
Earning assets:						
Rupee	936,403	64,633	9.16	1,038,806	62,121	7.94
Foreign currency	79,489	3,257	5.44	131,328	4,692	4.74
Total earning assets	1,015,892	67,890	8.87	1,170,134	66,813	7.58
Cash and cash equivalents	52,779	—		70,460		
Acceptances	47,098	—		84,252		
Property and equipment	21,973	—		22,826		
Other assets	95,392	—		106,494		
Total non-earning assets	217,242	—		284,032		
Total assets	Rs. 1,233,134	Rs. 67,890		Rs. 1,454,166	Rs. 66,813	

	Nine months ended December 31,					
	2003			2004		
	Average Balance	**Interest income/expense**	**Average yield/cost(1)**	**Average balance**	**Interest income/expense**	**Average yield/cost(1)**
Savings account deposits:						
Rupee	Rs. 50,144	Rs. 902	2.39%	Rs. 86,174	1,536	2.37%
Foreign currency	69	—	0.48	107	—	0.11
Total savings account deposits	50,213	902	2.38	86,281	1,536	2.36
Time deposits:						
Rupee	437,307	21,410	6.50	498,783	20,902	5.56
Foreign currency	12,946	280	2.87	30,200	737	3.24
Total time deposits	450,253	21,690	6.39	528,983	21,639	5.43
Long-term debt:						
Rupee	335,307	28,003	11.08	308,619	21,415	9.21
Foreign currency	49,615	1,333	3.57	65,018	2,130	4.35
Total long-term debt	384,922	29,336	10.12	373,637	23,545	8.36
Redeemable preferred stock	887	68	10.17	982	75	10.14
Trading account and other liabilities:						
Rupee	51,406	2,504	6.47	52,824	2,572	6.46
Foreign currency	17,782	220	1.64	31,610	375	1.58
Total trading account and other liabilities	69,188	2,724	5.23	84,434	2,947	4.63
Interest-bearing liabilities:						
Rupee	875,051	52,887	8.02	947,382	46,500	6.51
Foreign currency	80,412	1,833	3.03	126,935	3,242	3.39
	955,463	54,720	7.60	1,074,317	49,742	6.15

Total interest-bearing liabilities				
Non-interest-bearing deposits:				
Rupee	48,805	—	81,771	
Foreign currency	7	—	90	
Total non-interest-bearing deposits	48,812	—	81,861	
Other liabilities	134,509	—	177,616	
Total non-interest-bearing liabilities	183,321	—	259,477	
Total liabilities	Rs. 1,138,784	Rs. 54,720	1,333,794	
Stockholders' equity	Rs. 94,350	—	120,372	
Total liabilities and stockholders' equity	Rs. 1,233,134	Rs. 54,720	Rs. 1,454,166	Rs. 49,742

(1) Average yield and average cost for the nine months ended December 31, 2003 and 2004 are annualized.

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Analysis of changes in interest income and interest expense volume and rate analysis

The following table sets forth, for the periods indicated, the changes in the components of net interest income. The changes in net interest income between periods have been reflected as attributed either to volume or rate changes. For the purpose of this table, changes, which are due to both volume and rate, have been allocated solely to volume.

	Nine months ended December 31, 2004 vs. Nine months ended December 31, 2003		
	Increase (decrease) due to		
	Net change	**Change in average volume**	**Change in average rate**
	(in millions)		
Interest Income :			
Cash, cash equivalents and trading assets:			
Rupee	Rs. (600)	Rs. (160)	Rs. (440)

Foreign currency	182	211	(29)
Total cash, cash equivalents and trading Assets	(418)	51	(469)
Securities:			
Rupee	(987)	466	(1,453)
Foreign currency	1	(1)	2
Total securities	(986)	465	(1,451)
Loans:			
Rupee	(1,189)	6,634	(7,823)
Foreign currency	1,252	1,284	(32)
Total loans	63	7,918	(7,855)
Other interest income	298	298	—
Total interest income:			
Rupee	(2478)	7,238	(9,716)
Foreign currency	1,435	1,494	(59)
Total interest income	Rs. (1,043)	Rs. 8,732	Rs. (9,775)
Interest expense:			
Savings account deposits:			
Rupee	Rs. 634	Rs. 642	(8)
Foreign currency	—	—	—
Total savings account deposits	Rs. 634	Rs. 642	Rs. (8)
Time deposits:			
Rupee	(508)	2,577	(3,085)
Foreign currency	457	421	36
Total time deposits	(51)	2,998	(3,049)
Long-term debt:			
Rupee	(6,588)	(1,853)	(4,735)
Foreign currency	797	505	292
Total long-term debt	(5,791)	(1,348)	(4,443)
Redeemable preferred stock(1)	7	7	—
Trading account and other liabilities:			
Rupee	68	69	(1)
Foreign currency	155	163	(8)
Total trading account and other liabilities	223	232	(9)
Total interest expense:			
Rupee	(6,387)	1,442	(7,829)
Foreign currency	1,409	1,089	320
Total interest expense	Rs. (4,978)	Rs. 2,531	Rs. (7,509)
Net interest income:			

	Nine months ended December 31, 2004 vs. Nine months ended December 31, 2003		
	Increase (decrease) due to		
	Net change	Change in average volume	Change in average rate
	(in millions)		
Rupee	3,909	5,796	(1,887)
Foreign currency	26	405	(379)
Total net interest income	Rs. 3,935	Rs. 6,201	Rs. (2,266)

(1) Banks in India are not allowed to issue preferred stock. However, we have been currently exempted from this restriction.

Yields, Spreads and Margins

The following table sets forth, for the periods indicated, the yields, spreads and net interest margins on interest-earning assets.

	Year Ended March 31			Nine months ended December 31	
	2002	2003	2004	2003	2004
Interest income	Rs. 78,600	Rs. 97,714	Rs. 90,688	67,619	66,576
Average interest-earning assets	641,141	924,573	1,017,009	988,968	1,143,372
Interest expense	69,520	83,208	72,375	54,720	49,742
Average interest-bearing liabilities	613,401	905,226	977,941	955,463	1,074,317
Average total assets	746,330	1,132,638	1,269,638	1,233,134	1,454,166
Average interest-earning assets as a percentage of average total assets	85.91%	81.63%	80.10%	80.20%	78.63%
Average interest-bearing liabilities as a percentage of average total assets	82.19	79.92	77.03	77.48	73.88
Average interest-earning assets as a percentage of average interest-bearing liabilities	104.52	102.14	103.99	103.51	106.43
Yield(1)	12.26	10.57	8.92	9.07	7.73

Rupee	12.98	11.06	9.19	9.39	8.12
Foreign currency	7.17	5.42	5.73	5.44	4.74
Cost of funds(1)	11.33	9.19	7.40	7.60	6.15
Rupee	12.26	9.82	7.83	8.02	6.51
Foreign currency	6.34	3.59	3.03	3.03	3.39
Spread (1) (2)	0.93	1.38	1.52	1.47	1.58
Rupee	0.72	1.24	1.36	1.37	1.61
Foreign currency	0.84	1.84	2.69	2.41	1.35
Net interest margin (1) (3)	1.42	1.57	1.80	1.73	1.95
Rupee	1.69	1.59	1.74	1.67	2.02
Foreign currency	-0.48	1.35	2.45	2.38	1.46

(1) Yield, cost of funds, spread and net interest margin are annualized for the nine months ended December 31, 2003 and 2004.

(2) Spread is the difference between yield on average interest-earning assets and cost of average interest-bearing liabilities. Yield on average interest-earning assets is the ratio of interest income to average interest-earning assets. Cost of average interest-bearing liabilities is the ratio of interest expense to average interest-bearing liabilities.

(3) Net interest margin is the ratio of net interest income to average interest-earning assets. The difference in net interest margin and spread arises due to the difference in amount of average interest-earning assets and average interest-bearing liabilities. If average interest-earning assets exceed average interest-bearing liabilities, net interest margin is greater than the spread and if average interest-bearing liabilities exceed average interest-earning assets, net interest margin is less than the spread.

Summary for the nine months ended December 31, 2004, compared to the nine months ended December 31, 2003

Net income amounted to Rs. 5.3 billion (US$ 121 million) for the nine months ended December 31, 2004 compared to Rs. 2.3 billion (US$ 54 million) for the nine months ended December 31, 2003, primarily due to a

30.5% increase in net interest income (excluding dividends) before provisions for loan losses to Rs. 16.8 billion (US$ 389 million) for the nine months ended December 31, 2004 from Rs. 12.9 billion (US$ 298 million) for the nine months ended December 31, 2003 and a 44.4% decrease in provisions for loan losses to Rs. 8.5 billion (US$ 197 million) for the nine months ended December 31, 2004 from Rs. 15.3 billion (US$ 353 million) for the nine months ended December 31, 2003.

- Net interest income (excluding dividends) before provisions for loan losses increased 30.5% to Rs. 16.8 billion (US$ 389 million) for the nine months ended December 31, 2004 from Rs. 12.9 billion (US$ 298 million) for the nine months ended December 31, 2003, reflecting an increase of 15.6% in the average volume of interest-earning assets and increase in net interest margin by 22 basis points.
- Non-interest income decreased by 8.4% for the nine months ended December 31, 2004 to Rs. 23.5 billion

(US$ 543 million) from Rs. 25.6 billion (US$ 592 million) for the nine months ended December 31, 2003, primarily due to decrease in trading account revenue and decrease in gains from securities transactions offset by an increase in income from fees, commission and brokerage.

- Non-interest expense increased 18.7% for the nine months ended December 31, 2004 to Rs. 23.9 billion (US$ 552 million) from Rs. 20.1 billion (US$ 465 million) for the nine months ended December 31, 2003, primarily due to 39.3% increase in salary expenses and 36.5% increase in administration expenses.
- Provisions for loan losses decreased 44.4% to Rs. 8.5 billion (US$ 197 million) for the nine months ended December 31, 2004 from Rs. 15.3 billion (US$ 353 million) for the nine months ended December 31, 2003 primarily due to lower additions to gross restructured and other impaired loans.
- Gross restructured loans decreased 6.2% to Rs. 152.3 billion (US$ 3.5 billion) at December 31, 2004 from Rs. 162.4 billion (US$ 3.8 billion) at year-end fiscal 2004. Gross other impaired loans decreased 22.5% to Rs. 38.9 billion (US$ 900 million) at December 31, 2004 from Rs. 50.2 billion (US$ 1.2 billion) at year-end fiscal 2004.
- Total assets increased 16.0% to Rs. 1,634.7 billion (US$ 37.8 billion) at December 31, 2004 compared to Rs. 1,409.1 billion (US$ 32.6 billion) at year-end fiscal 2004.

Net Interest Income

The following table sets forth, for the periods indicated, the principal components of net interest income, excluding income from dividends.

	Nine months ended December 31,			
	2003	2004	2004	2004/2003 % change
	(in millions, except percentages)			
Interest income	Rs. 67,619	Rs. 66,576	US$ 1,539	(1.5)%
Interest expense	(54,720)	(49,742)	(1,150)	(9.1)
Net interest income, excluding income from dividends	Rs. 12,899	Rs. 16,834	US$ 389	30.5%

Net interest income increased 30.5% to Rs. 16.8 billion (US$ 389 million) for the nine months ended December 31, 2004 from Rs. 12.9 billion (US$ 298 million) for the nine months ended December 31, 2003 reflecting mainly the following:

- an increase of Rs. 102.6 billion (US$ 2.4 billion) or 11.3% in the average volume of interest-earning rupee assets;
- an increase of Rs. 51.8 billion (US$ 1.2 billion) or 65.2% in the average volume of interest-earning foreign currency assets;
- an increase of 35 basis points in rupee net interest margin to 2.0% for the nine months ended December 31, 2004 from 1.7% for the nine months ended December 31, 2003; and

- a decrease of 92 basis points in foreign currency net interest margin to 1.5% for the nine months ended December 31, 2004 from 2.4% for the nine months ended December 31, 2003.

The average volume of interest-earning rupee assets increased by 11.3% or Rs. 102.6 billion (US$ 2.4 billion) to Rs. 1,012.0 billion (US$ 23.4 billion) for the nine months ended December 31, 2004 from Rs. 909.5 billion (US$ 21.0 billion) for the nine months ended December 31, 2003, primarily due to the increase in the volume of loans. The average volume of loans increased by 19.1% to Rs. 767.2 billion (US$ 17.7 billion) for the nine months ended December 31, 2004 from Rs. 644.2 billion (US$ 14.9 billion) for the nine months ended December 31, 2003. The average volume of rupee loans increased by 16.4% or Rs. 94.1 billion (US$ 2.2 billion) to Rs. 668.2 billion (US$ 15.4 billion) for the nine months ended December 31, 2004 from Rs. 574.1 billion (US$ 13.3 billion) for the nine months ended December 31, 2003. This increase in average loans was primarily due to increased disbursements of retail finance loans offset, in part, by sell-down/securitization and repayments of loans. The average volume of foreign currency loans increased 41.2% to Rs. 99.1 billion (US$ 2.3 billion) for the nine months ended December 31, 2004 from Rs. 70.1 billion (US$ 1.6 billion) for the nine months ended December 31, 2003.

Our gross loans increased 17.0% to Rs. 930.3 billion (US$ 21.5 billion) at December 31, 2004, from Rs. 795.3 billion (US$ 18.4 billion) at year-end fiscal 2004, primarily due to the increase in gross consumer loans and credit card receivables. Gross rupee loans at December 31, 2004 increased 14.7% to Rs. 809.6 billion (US$ 18.7 billion) compared to Rs. 705.7 billion (US$ 16.3 billion) at year-end fiscal 2004. Gross consumer loans and credit card receivables at December 31, 2004 increased 42.2% to Rs. 443.6 billion (US$ 10.3 billion) from Rs. 311.9 billion (US$ 7.2 billion) at year-end fiscal 2004, driven by the growth in the consumer credit market and our continued strategic focus on this area. Our project and corporate finance and working capital finance loans increased 9.5% to Rs. 438.2 billion (US$ 10.1 billion) at December 31, 2004 compared to Rs. 400.2 billion (US$ 9.2 billion) at year-end fiscal 2004, in view of repayments of the existing project finance portfolio and limited new lending to corporate clients. Gross foreign currency loans at December 31, 2004 increased 34.7% to Rs. 120.7 billion (US$ 2.8 billion) compared to Rs. 89.6 billion (US$ 2.1 billion) at year-end fiscal 2004 primarily due to increase in loans outstanding at our branch in Singapore and subsidiary in the United Kingdom.

The average volume of cash, cash equivalents and trading account assets increased by 28.0% to Rs. 88.2 billion (US$ 2.0 billion) for the nine months ended December 31, 2004 from Rs. 68.9 billion (US$ 1.6 billion) for the nine months ended December 31, 2003. Trading account assets decreased by Rs. 59.9 billion (US$ 1.4 billion) to Rs. 15.3 billion (US$ 353 million) at December 31, 2004, from Rs. 75.2 billion (US$ 1.7 billion) at year-end fiscal 2004 primarily due to reduction in trading activity due to unfavorable conditions in the fixed income markets.

Total interest income (excluding dividend) decreased 1.5 % to Rs. 66.6 billion (US$ 1.5 billion) for the nine months ended December 31, 2004 from Rs. 67.6 billion (US$ 1.6 billion) for the nine months ended December 31, 2003 primarily due to a decline of 127 basis points in the yield on interest-earning rupee assets, off-set, in part, by an increase of 11.3% in the average interest- earning rupee assets to Rs. 1,012.0 billion (US$ 23.4 billion) for the nine months ended December 31, 2004 from Rs. 909.5 billion (US$ 21.0 billion) for the nine months ended December 31, 2003. The yield on interest-earning rupee assets decreased 127 basis points to 8.1% for the nine months ended December 31, 2004 from 9.4% for the nine months ended December 31, 2003 primarily due to a decline in the yield on loans. There was a decline of 169 basis points in the yield on loans from 10.6% for the nine months ended December 31, 2003 to 8.9% for the nine months ended December 31, 2004 primarily due to origination of new loans at lower rates and the decline in our cost of funding, and a reduction in higher yield loans.

Total interest expense decreased 9.1% to Rs. 49.7 billion (US$ 1.2 billion) for the nine months ended December 31, 2004 from Rs. 54.7 billion (US$ 1.3 billion) for the nine months ended December 31, 2003 primarily due to a decline of 145 basis points in the cost of liabilities off-set, in part by 12.4% increase in average interest bearing liabilities to Rs. 1,074.3 billion (US$ 24.8 billion) for the nine months ended December 31, 2004 from Rs. 955.5 billion (US$ 22.1 billion) for the nine months ended December 31, 2003. The average cost of rupee liabilities decreased 151 basis points to 6.5% for the nine months ended December 31, 2004 from 8.0% for the nine months ended December 31, 2003 primarily due to repayment of high cost borrowings. Average deposits, with an average cost of 4.4% for the nine months ended December 31, 2004, constituted 64.9% of total average interest-bearing liabilities compared to 57.5% of the total average interest-bearing liabilities with an average cost of 5.5% for the nine months ended December 31, 2003. While the average cost of long-term rupee debt decreased to

9.2% from 11.1%, the average cost of short-term rupee borrowings remained at the same level of 6.5% for the nine months ended December 31, 2004 compared to the nine months ended December 31, 2003. The average cost of foreign currency liabilities increased to 3.4% for the nine months ended December 31, 2004 from 3.0% for the nine months ended December 31, 2004. The foreign currency spread decreased 106 basis points to 1.4% for the nine months ended December 31, 2004 from 2.4% for the nine months ended December 31, 2003. The yield on the Company's interest-earning foreign currency assets decreased to 4.7% for the nine months ended December 31, 2004 from 5.4% for the nine months ended December 31, 2003.

The net interest margin increased by 22 basis points to 2.0% for the nine months ended December 31, 2004 from 1.7% for the nine months ended December 31, 2003 as rupee net interest margin increased by 35 basis points and foreign currency net interest margin decreased by 92 basis points. A 1.5% decline in the cost of funds was offset, in part, by a 1.3% decline in the yield on average interest-earning assets. While our margin has increased, it still continues to be lower than that of other banks in India primarily due to maintenance of statutory liquidity ratio and cash reserve ratio on ICICI's liabilities, which were not subject to these ratios prior to the amalgamation. The average cost of our total deposits, including non-interest bearing deposits, was 4.4% for the nine months ended December 31, 2004 compared to 5.5% for the nine months ended December 31, 2003. While our cost of deposits is in line with the cost of deposits of other banks in India, our total cost of funding is higher compared to other banks in India as a result of the higher-cost borrowings of ICICI.

Non-Interest Income

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

	Nine months ended December 31,			
	2003	**2004**	**2004**	**2004/2003 % change**
	(in millions, except percentages)			
Fees, commission and brokerage	Rs. 6,024	Rs. 12,086	US$ 279	100.6%
Trading account revenue (1)	3,783	(1,119)	(26)	(129.6)
Securities transactions (2)	8,696	3,413	79	(60.8)
Foreign exchange transactions (3)	1,244	1,611	37	29.5
Gain on sale of loans	3,370	3,841	89	14.0
Software development and services	753	1,094	25	45.3
Profit on sale of certain premises and equipment	338	(63)	(1)	(118.6)
Other income	1,429	2,630	61	84.0
Total non-interest income	Rs. 25,637	Rs. 23,493	US$ 543	(8.4)

(1) Primarily reflects income from trading in government of India securities and corporate debt securities.

(2) Primarily reflects capital gains/(losses) realized on the sale of securities, including fixed income and equity, venture capital investments and revenues from investment banking subsidiary less other than temporary diminution.

(3) Arises primarily from purchase and sale of foreign exchange on behalf of corporate clients and revaluation of foreign currency assets and liabilities and outstanding forward contracts.

Non-interest income decreased by 8.4% for the nine months ended December 31, 2004 to Rs. 23.5 billion (US$ 543 million), from Rs. 25.6 billion (US$ 592 million) for the nine months ended December 31, 2003 primarily due to decrease in trading account revenue and income on securities transactions, offset by an increase in income from fees, commission and brokerage.

Fees, commission and brokerage increased 100.6% to Rs. 12.1 billion (US$ 279 million) for the nine months ended December 31, 2004 from Rs. 6.0 billion (US$ 139 million) for the nine months ended December 31, 2003 with growth across all our fee generating businesses. The large increase was primarily due to growth in retail liability product income such as account servicing charges, and transaction banking fee income from small enterprises, as well as an increase in transaction banking and other fee income from corporate banking. During this period we increased charges and introduced fresh charges for some of the services that we offer to our deposit

customers. During this period there was a significant increase in business volumes of transaction banking services such as bankers acceptances, bank guarantees and cash management services.

Trading account revenue and gain on securities transactions decreased 81.6% to Rs. 2.3 billion (US$ 53 million) for the nine months ended December 31, 2004 from Rs. 12.5 billion (US$ 288 million) for the nine months ended December 31, 2003 as the interest rates increased during this period. The yield on 10-year government of India securities increased by 1.43% to 6.60% during the nine months ended December 31, 2004. During the nine months ended December 31, 2003, the yield on 10-year government of India securities had declined by 106 basis points as compared to March 31, 2003 and we had capitalized on this decline to realize a high level of trading account revenue and gains on fixed income securities. The level of trading account revenue and gain on securities transactions is volatile as it depends on specific market conditions which may or may not be favorable.

In the nine months ended December 31, 2004, gain on the sale of loans (including credit substitutes) increased by 14.0% to Rs. 3.8 billion (US$ 89 million) from Rs. 3.4 billion (US$ 78 million) in the nine months ended December 31, 2003. We view securitization and sell-down of corporate and retail loans as a key element of our business strategy, seeking to leverage our strong origination capabilities to meet the investment requirements of other financial intermediaries that have access to funding but relatively limited origination capabilities.

Income from software development and services increased 45.3% to Rs. 1.1 billion (US$ 25 million) for the nine months ended December 31, 2004 from Rs. 753 million (US$ 17 million) for the nine months ended December 31, 2003 primarily due to addition of new clients and increased sale of software products by 3i Infotech Limited (formerly ICICI Infotech Limited).

Other income has increased on account of increase in income from transaction processing services, earned by ICICI OneSource Limited to Rs. 2.2 billion (US$ 51 million) for the nine months ended December 31, 2004 from Rs. 1.2 billion (US$ 28 million) for the nine months ended December 31, 2003.

Non-Interest Expense

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

	Nine months ended December 31,			
	2003	**2004**	**2004**	**2004/2003 % change**
	(in millions, except percentages)			
Employee expense:				
Salaries	Rs. 5,145	Rs. 7,165	US$ 166	39.3%
Employee benefits	2,698	1,009	23	(62.6)
Total employee expense	7,843	8,174	189	4.2
Premises and equipment expense	4,511	5,265	122	16.7
Administration and other expense	7,329	10,003	231	36.5
Amortization of goodwill and intangible assets	455	453	10	(0.4)
Total non-interest expense	Rs.20,138	Rs. 23,895	US$ 552	18.7%

Non-interest expense increased by 18.7% for the nine months ended December 31, 2004 to Rs. 23.9 billion (US$ 552 million) from Rs. 20.1 billion (US$ 465 million) for the nine months ended December 31, 2003 primarily due to an increase in administration expense and salary expenses.

Total employee expense for the nine months ended December 31, 2003, included an amount of Rs. 1.9 billion (US$ 44 million) on account of payments under the Early Retirement Option Scheme in which 1,495 had availed the option in July 2003. Excluding the payments under the Early Retirement Option Scheme, employee expenses increased 37.8% to Rs. 8.2 billion (US$ 189 million) for the nine months ended December 31, 2004 from Rs. 5.9 billion (US$ 137 million) for the nine months ended December 31, 2003, primarily due to increase in the number of employees in ICICI Bank to 17,024 employees at December 31, 2004 from 12,475 employees at December 31, 2003. The increase in employees is commensurate with the growth in our retail business.

Premises and equipment expense increased 16.7% to Rs. 5.3 billion (US$ 122 million) for the nine months ended December 31, 2004 from Rs. 4.5 billion (US$ 104 million) for the nine months ended December 31, 2003, primarily due to increased maintenance and depreciation expenses on premises, branches, ATMs, computers and computer software. Our number of ATMs increased from 1,758 at December 31, 2003 to 1,850 at December 31, 2004 and the number of branches and extension counters increased from 455 at December 31, 2003 to 505 at December 31, 2004.

Administrative and other expenses increased 36.5% to Rs. 10.0 billion (US$ 231 million) for the nine months ended December 31, 2004 from Rs. 7.3 billion (US$ 169 million) for the nine months ended December 31, 2003, primarily due to an increase in advertisement expense, repairs and maintenance and retail business expenses in line with increase in business volumes and increased expenses of Internet-based brokering services subsidiary and business process outsourcing subsidiary.

Provisions for Loan Losses

The following table set forth, at the dates indicated, certain information regarding restructured and other impaired loans.

	March 31, 2004	December 31, 2004	December 31, 2004	December/March % change
	(in millions, except percentages)			
Gross restructured loans	Rs. 162,398	Rs. 152,329	US$ 3,520	(6.2)%
Allowance for loan losses on restructured loans	(40,981)	(49,389)	(1,141)	20.5
Net restructured loans	121,417	102,940	2,379	(15.2)
Gross other impaired loans	50,238	38,931	900	(22.5)
Allowance for loan losses on other impaired loans	(21,474)	(18,501)	(428)	(13.8)
Net other impaired loans	28,764	20,430	472	(29.0)
Gross restructured and other impaired loans	212,636	191,260	4,420	(10.1)
Allowance for loan losses(1)	(62,455)	(67,890)	(1,569)	8.7
Net restructured and other impaired loans	150,181	123,370	2,851	(17.9)
Gross total loans	795,287	930,313	21,500	17.0
Net total loans	728,520	856,597	19,797	17.6
Gross restructured loans as a percentage of gross loans(2)	20.42%	16.37%		
Gross other impaired loans as a percentage of gross loans(2)	6.32	4.18		
Net restructured loans as a percentage of net loans(2)	16.67	12.02		
Net other impaired loans as a percentage of net loans(2)	3.95	2.39		
Allowance for loans losses on restructured loans as a percentage of gross restructured loans(2)	25.23	32.42		

Allowance for loan losses on other impaired loans as a percentage of gross other impaired loans(2)	42.74	47.52
Allowance on loan losses as a percentage of gross loans(2)	8.40	7.92

(1) Does not include provisions on loans not specifically identified as restructured or other impaired loans.

(2) Percentages for the nine months ended December 31, 2004 are not annualized.

The following table sets forth, for the periods indicated, certain information regarding provisions for loan losses.

	Nine months ended December 31,			
	2003	**2004**	**2004**	**% change**
	(in millions, except percentages)			
Total provisions for the year	Rs. 15,289	Rs. 8,504	US$ 197	(44.4)%
Provision for loans losses as a percentage of net loans	2.32%	0.99%		

Gross restructured loans decreased 6.2% to Rs. 152.3 billion (US$ 3.5 billion) at December 31, 2004 from Rs. 162.4 billion (US$ 3.8 billion) at year-end fiscal 2004 primarily due to reclassification of certain loans as unimpaired based on satisfactory performance of the borrower accounts, offset in part, by restructuring of loans to certain companies in the telecom and automobile industries and reclassification of other impaired loans that were restructured or transferred to an asset reconstruction company during the year. Gross other impaired loans decreased 22.5% to Rs. 38.9 billion (US$ 900 million) at December 31, 2004 from Rs. 50.2 billion (US$ 1.2 billion) at year-end fiscal 2004 primarily due to reclassification of other impaired loans that were restructured or transferred to an asset reconstruction company during the year, as restructured loans, and reclassification of certain loans as unimpaired based on satisfactory performance of the borrower accounts. As a percentage of net loans, net restructured loans were 12.0% at December 31, 2004 and 16.7% at year-end fiscal 2004 and net other impaired loans were 2.4% at December 31, 2004 and 3.9% at year-end fiscal 2004. During the nine months ended December 31, 2004, we transferred impaired loans of Rs. 11.0 billion (US$ 255 million) to Asset Reconstruction Company (India) Limited. However, none of this amount was recognized as a sale in our US GAAP financial statements and all of this amount is included in our restructured loans.

Provisions for loan losses for the nine months ended December 31, 2004 decreased 44.4% to Rs. 8.5 billion (US$ 197 million) from Rs. 15.3 billion (US$ 353 million) for the nine months ended December 31, 2003 primarily due to lower additions to gross restructured and other impaired loans. The coverage ratio on gross restructured loans increased to 32.4% at December 31, 2004 from 25.2% at year-end fiscal 2004 primarily due to reclassification of certain loans as unimpaired based on satisfactory performance of the borrower accounts, offset in part, by restructuring of loans to certain companies in the telecom and automobile industries and reclassification of other impaired loans that were restructured. The coverage ratio on other impaired loans increased to 47.5% at December 31, 2004 from 42.7% at year-end fiscal 2004.

Income Tax Expense

Income tax expense amounted to Rs. 1.7 billion (US$ 38 million) for the nine months ended December 31, 2004 compared to income tax expense of Rs. 730 million (US$ 17 million) for the nine months ended December 31, 2003. The effective rate of tax expense was 24.0% for the nine months ended December 31, 2004 compared to effective tax expense of 23.9% for the nine months ended December 31, 2003. The effective tax rate of 24.0% for the nine months ended December 31, 2004 was lower compared to statutory tax rate of 36.6% primarily due to exempt interest and dividend income and the charging of certain income at rates other than statutory tax rate.

Financial Condition

Assets

The following table sets forth, at the dates indicated, the principal components of assets.

	March 31, 2004	December 31, 2004	December 31, 2004	December/March % change
	(in millions, except percentages)			
Cash and cash equivalents	Rs. 98,985	Rs. 138,284	US$ 3,196	39.7%
Trading account assets (1)	75,155	15,281	353	(79.7)
Securities, excluding venture capital investments (2)	305,226	355,485	8,215	16.5
Venture capital investments	5,142	3,488	81	(32.2)
Investments in affiliates	3,619	3,307	76	(8.6)

	March 31, 2004	December 31, 2004	December 31, 2004	December/March % change
	(in millions, except percentages)			
Loans, net:				
Rupee	705,685	809,591	18,710	14.7
Foreign currency	89,602	120,722	2,790	34.7
Less: Allowances	(66,767)	(73,716)	(1,703)	10.4
Total loans, net	728,520	856,597	19,797	17.6
Acceptances	65,142	95,735	2,213	47.0
Property and equipment	23,183	23,805	550	2.7
Other assets	104,159	142,715	3,299	37.0
Total assets	Rs. 1,409,131	Rs. 1,634,697	US$ 37,780	16.0%

(1) Primarily includes government of India securities and corporate debt securities.

(2) Primarily includes government of India securities and to a much smaller extent, corporate debt securities and equity securities.

Our total assets increased 16.0% to Rs. 1,634.7 billion (US$ 37.8 billion) at December 31, 2004 compared to Rs. 1,409.1 billion (US$ 32.6 billion) at year-end fiscal 2004, primarily due to an increase in loans, securities and other assets.

Our net loans increased 17.6% to Rs. 856.6 billion (US$ 19.8 billion) at December 31, 2004 compared to Rs. 728.5 billion (US$ 16.8 billion) at year-end fiscal 2004. Gross consumer loans and credit card receivables increased 42.2% to Rs. 443.6 billion (US$ 10.3 billion) at December 31, 2004 from Rs. 311.9 billion (US$ 7.2 billion) at year-end fiscal 2004 in accordance with our strategy to grow our retail asset portfolio.

Securities, excluding venture capital investment increased 16.5% to Rs. 355.5 billion (US$ 8.2 billion) at December 31, 2004 from Rs. 305.2 billion (US$ 7.1 billion) at year-end fiscal 2004. Venture capital investments declined 32.2% to Rs. 3.5 billion (US$ 81 million) at December 31, 2004 compared to year-end fiscal 2004 primarily due to sale of investments. Cash, cash equivalents and trading account assets decreased 11.8% to Rs. 153.6 billion (US$ 3.5 billion) at December 31, 2004 from Rs. 174.1 billion (US$ 4.0 billion) at year-end fiscal 2004.

Investment in affiliates decreased to Rs. 3.3 billion (US$ 76 million) at December 31, 2004 from Rs. 3.6 billion (US$ 84 million) at year-end fiscal 2004. Acceptances increased 47.0% to Rs. 95.7 billion (US$ 2.2 billion) at December 31, 2004 from Rs. 65.1 billion (US$ 1.5 billion) at year-end fiscal 2004 reflecting our focus on increasing revenues from non-fund based businesses. Property and equipment increased to Rs. 23.8 billion (US$ 550 million) at December 31, 2004 from Rs. 23.2 billion (US$ 536 million) at year-end fiscal 2004.

Other assets increased 37.0% to Rs. 142.7 billion (US$ 3.3 billion) at December 31, 2004 from Rs. 104.2 billion (US$ 2.4 billion) at year-end fiscal 2004. At December 31, 2004, other assets included deferred tax asset of Rs. 11.8 billion (US$ 273 million), intangible assets (including goodwill) of Rs. 10.9 billion (US$ 251 million) and Rs. 5.6 billion (US$ 129 million) of assets held for sale, which were primarily acquired through foreclosure of loans.

Liabilities and Stockholders' Equity

The following table sets forth, at the dates indicated, the principal components of liabilities and stockholders' equity.

	March 31, 2004	December 31, 2004	December 31, 2004	December/March % change
	(in millions, except percentages)			
Deposits	Rs. 684,955	Rs. 828,898	US$ 19,156	21.0%
Trading account liabilities	26,079	40,051	926	53.6
Short-term borrowings	57,364	58,324	1,348	1.7
Acceptances	65,142	95,735	2,213	47.0
Long-term debt:				

Rupee	311,668	286,663	6,625	(8.0)
Foreign currency	61,781	66,937	1,547	8.3
Total long-term debt	373,449	353,600	8,172	(5.3)
Other liabilities	85,443	112,515	2,601	31.7
Taxes and dividends payable	20,180	20,730	479	2.7
Redeemable preferred stock (1)	944	1,019	24	7.9
Total liabilities	1,313,556	1,510,872	34,919	15.0
Minority interest	1,050	1,102	25	5.0
Stockholders' equity	94,525	122,723	2,836	29.8
Total liabilities and stockholders equity	Rs. 1,409,131	Rs. 1,634,697	US$ 37,780	16.0%

(1) In line with the existing regulatory requirements in India, preferred stock issued by ICICI needed to be compulsorily redeemed within a specified time period. Accordingly, all series of preferred stock issued by ICICI were redeemable in accordance with the terms of the issue.

Deposits increased by 21.0% to Rs. 828.9 billion (US$ 19.2 billion) at December 31, 2004 from Rs. 685.0 billion (US$ 15.8 million) at year-end fiscal 2004. This significant growth in deposits was primarily achieved through increased focus on retail and corporate customers by offering a wide range of products designed to meet varied individual and corporate needs and leveraging on our network of branches, extension counters and ATMs. Our long-term debt decreased 5.3% to Rs. 353.6 billion (US$ 8.2 billion) at December 31, 2004 from Rs. 373.4 billion (US$ 8.6 billion) at year-end fiscal 2004 on account of 8.0% decrease in long-term rupee debt and 8.3% increase in long-term foreign currency debt. Our short-term borrowings increased 1.7% to Rs. 58.3 billion (US$ 1.3 billion) at December 31, 2004 compared to Rs. 57.4 billion (US$ 1.3 billion) at year-end fiscal 2004. Trading account liabilities increased to Rs. 40.1 billion (US$ 926 million) at December 31, 2004 compared to Rs. 26.1 billion (US$ 603 million) at year-end fiscal 2004. Taxes and dividends payable increased 2.7% to Rs. 20.7 billion (US$ 479 million) at December 31, 2004 from Rs. 20.2 billion (US$ 466 million) at year-end fiscal 2004. The carrying amount of redeemable preferred stock increased to Rs. 1,019 million (US$ 24 million) at December 31, 2004 from Rs. 944 million (US$ 22 million) at year-end fiscal 2004. Minority interest increased to Rs. 1,102 million (US$ 25 million) at December 31, 2004 from Rs. 1,050 million (US$ 24 million) at year-end fiscal 2004. Stockholders equity increased 29.8% at December 31, 2004 to Rs. 122.7 billion (US$ 2.8 billion) from Rs. 94.5 billion (US$ 2.2 billion) at year-end fiscal 2004.

Off Balance Sheet Items, Commitments and Contingencies

Foreign Exchange and Derivative Contracts

We enter into foreign exchange forwards, options, swaps and other derivative products to enable customers to transfer, modify or reduce their foreign exchange and interest rate risks and to manage our own interest rate and foreign exchange positions. These instruments are used to manage foreign exchange and interest rate risk relating to specific groups of on-balance sheet assets and liabilities. Since adoption of SFAS No. 133 and SFAS No. 138 effective April 1, 2001, all derivatives have been recorded as assets or liabilities on the balance sheet at their respective fair values with unrealized gains or losses recorded either in accumulated other comprehensive income or in the statement of income, depending on the purpose for which the derivative is held. Derivatives that do not meet the criteria for designation as a hedge under SFAS No. 133 at inception, or fail to meet the criteria thereafter, are accounted for in Other assets with changes in fair value recorded in the statement of income.

The following table sets forth, at the dates indicated, the notional amount of derivative contracts.

	Notional principal amounts				**Balance sheet credit exposure(1)**			
	At March 31		**At December 31**		**At March 31**		**At December 31**	
	2003	**2004**	**2004**	**2004**	**2003**	**2004**	**2004**	**2004**
				(in millions)				
Interest rate products:								
Swap agreements	Rs. 324,893	Rs. 1,456,182	Rs 1,243,749	US$ 28,744	Rs. 137	Rs. 1,552	Rs. 398	US$ 9
Others	-	43,073	740,549	17,115	—	43	(175)	(4)
Total interest rate products	Rs. 324,893	Rs. 1,499,255	Rs. 1,984,298	US$ 45,859	Rs. 137	Rs. 1,595	Rs. 223	US$ 5
Foreign exchange products:								
Forward contracts	Rs. 277,280	Rs. 620,415	Rs. 615,267	US$ 14,219	Rs. (116)	Rs. 398	Rs. 1,518	US$ 35
Swap agreements	14,611	46,724	131,436	3,038	539	263	(172)	(4)
Others	—	44,401	76,139	1,760	—	(345)	(79)	(2)
Total foreign exchange products	Rs. 291,891	Rs. 711,540	Rs. 822,842	US$ 19,017	Rs. 423	Rs. 316	Rs. 1,267	US$ 29

(1) Denotes the mark-to-market impact of the derivative and foreign exchange products on the reporting date.

The notional principal amount of interest rate products increased to Rs. 1,984.3 billion (US$ 45.9 billion) at December 31, 2004 compared to Rs. 1,499.3 billion (US$ 34.6 billion) at year-end fiscal 2004. The notional principal amount of foreign exchange products increased to Rs. 822.8 billion (US$ 19.0 billion) at December 31, 2004 compared to Rs. 711.5 billion (US$ 16.4 billion) at year-end fiscal 2004. This significant increase in the volumes of interest rates swaps and foreign exchange forward contracts was primarily due to increased transactions carried out by us on behalf of our customers and growth in the market for such products. Market volumes have also increased significantly during this period. As an active player and market-maker in swap and forward exchange contract markets and due to the fact that reduction in positions is generally achieved by entering into offsetting transactions rather than termination/cancellation of existing transactions, we have seen a substantial increase in the notional principal of our swap portfolio during this period.

An interest rate swap does not entail exchange of notional principal and the cash flow arises on account of the difference between the interest rate pay and receive legs of the swap which is generally much lower than the notional principal of the swap. A large proportion of interest rate swaps, currency swaps and forward exchange contracts are on account of market making which involves providing regular two-way prices to customers or inter-bank counter-parties. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio. For example, if a transaction entered into with a customer is covered by an exactly opposite transaction entered into with another counter-party, the net market risk of the two transactions will be zero whereas, the notional principle of the portfolio will be the sum of both transactions.

Securitization

We primarily securitize commercial loans through pass-through securitizations. In the nine months ended December 31, 2004, we securitized loans and credit substitutes which resulted in gains of Rs. 3.8 billion (US$ 89 million) in the nine months ended December 31, 2004 compared to Rs. 3.4 billion (US$ 78 million) in the nine months ended December 31, 2003. The gains are reported as a component of gain on sale of loans and credit substitutes. After the securitization, we generally continue to maintain customer account relationships and service loans transferred to the securitization trust. The securitizations are either with or without recourse. In certain cases, we may enter into derivative transactions such as written put options and interest rate swaps with the transferees.

In certain cases, we write put options, which require us to purchase, upon request of the holders, securities issued in certain securitization transactions. The put options seek to provide liquidity to holders of such instruments. If exercised, we are obligated to purchase the securities at the pre-determined exercise price. At December 31, 2004, we had sold loans and credit substitutes with an aggregate put option exercise price of Rs. 80.1 billion (US$ 1.9 billion) compared to Rs. 38.3 billion (US$ 885 million) at year ended fiscal 2004.

Variable Interest Entities

During the year, we transferred certain impaired loans to borrower specific funds/trusts managed by an asset reconstruction company set up under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and guidelines issued by the Reserve Bank of India. The trusts/funds (which are separate legal entities) issued security receipts to us and other transferors as consideration for the transaction. Certain transfers did not qualify for sale accounting under SFAS No. 140 and continue to be reflected as loans on our balance sheet. Other transfers qualified for sale accounting but were impacted by FIN 46/FIN 46R. We have consolidated entities in which we are the prime beneficiary at December 31, 2004. Funds/trusts which are VIEs but in which we are not the prime beneficiary have not been consolidated.

Our venture capital subsidiary is accounted for pursuant to specialized industry guidance applicable to investment companies. Pursuant to this guidance investment holdings are accounted for at estimated fair value irrespective of the level of equity ownership. Some of these investment holdings may be deemed to be VIEs as defined in FIN 46R. The FASB permitted non-registered investment companies to defer consolidation of VIEs in which they are involved until the proposed Statement of Position on the clarification of the scope of the Investment Company Audit Guide is finalized. Following issuance of the Statement of Position, the FASB will consider further modification to FIN 46R to provide an exception for companies that qualify to apply the revised Audit Guide. We applied this deferral provision and did not consolidate additional assets in potential VIEs in which we are involved at December 31, 2004. Following issuance of the revised Audit Guide and further modification, if any, to FIN 46R, we will assess the effect of such guidance on our venture capital subsidiary.

Loan Commitments

We have outstanding undrawn commitments to provide loans and financing to customers. These loan commitments aggregated Rs. 59.9 billion (US$ 1.4 billion) at December 31, 2004. The interest rate on these commitments is dependent on the lending rates on the date of the loan disbursement. Further, the commitments have fixed expiration dates and are contingent upon the borrower's ability to maintain specific credit standards.

Capital Commitments

We are obligated under a number of capital contracts. Capital contracts are job orders of a capital nature, which have been committed. Estimated amounts of contracts remaining to be executed on capital account aggregated Rs. 449 million (US$ 10.4 million) at December 31, 2004 compared to Rs. 294 million (US$ 6.8 million) at year-end fiscal 2004 signifying the unpaid amount for acquisition of fixed assets as per contracts entered into with suppliers.

Operating Lease Commitments

We have commitments under long-term operating leases principally for premises. The following table sets forth, a summary of future minimum lease rental commitments at December 31, 2004, for non-cancelable leases.

Lease rental commitments for period/year ended March 31,	(in millions)	
2005	Rs.	184
2006		744
2007		716
2008		698
2009		688
2010		588
Thereafter		2,970
Total minimum lease commitments	Rs.	6,588

Guarantees

As a part of our financing activities, we issue guarantees to enhance the credit standing of our customers. The guarantees are generally for a period not exceeding 10 years. The credit risk associated with these products, as well

as the operating risks, are similar to those relating to other types of financial instruments. We have the same appraisal process for guarantees as that for any other loan product. Guarantees increased by 21.8% to Rs. 149.0 billion (US$ 3.4 billion) at December 31, 2004 from Rs. 122.3 billion (US$ 2.8 billion) at year-end fiscal 2004.

The following table sets forth, at the dates indicated, guarantees outstanding.

March 31, 2004	At December 31, 2004	At December 31, 2004	Mar/Dec % change

	(in millions, except percentages)						
Financial guarantees(1)	Rs.	57,344	Rs.	63,794	US$	1,474	11.2%
Performance guarantees(2)		65,000		85,177		1,969	31.0
Total guarantees	Rs.	122,344	Rs.	148,971	US$	3,443	21.8%

(1) Consists of instruments guaranteeing the timely contractual payment of loan obligations, primarily to foreign lenders on behalf of project companies.

(2) Consists of instruments guaranteeing the performance by a company of an obligation, such as exports.

The following table sets forth contractual obligations on long-term debt and operating lease at December 31, 2004.

	Payments due by period				
Contractual Obligations	**Total**	**Up to March 2005**	**Between April 2005 and March 2008**	**Between April 2008 and March 2010**	**From April 2008 onwards**
			(in millions)		
Long term debt obligations	Rs. 354,179	Rs. 30,689	Rs. 179,112	Rs. 76,800	Rs. 67,578
Operating lease obligations	6,588	184	2,158	1,276	2,970
Total	Rs. 360,767	Rs. 30,873	Rs. 181,270	Rs. 78,076	Rs. 70,548

The following table sets forth contractual obligations on guarantees at the nine months ended December 31, 2004.

	Payments due by period				
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
			(in millions)		
Guarantees					
Financial guarantees	63,794	34,588	9,818	9,314	10,074
Performance guarantees	85,177	32,792	31,283	18,213	2,889
Total	Rs. 148,971	Rs. 67,380	Rs. 41,101	Rs. 27,527	Rs. 12,963

Capital Resources

ICICI Bank is subject to the capital adequacy requirements of the Reserve Bank of India, which are primarily based on the capital adequacy accord reached by the Basel Committee of Banking Supervision, Bank of International Settlements in 1988. ICICI Bank is required to maintain a minimum ratio of total capital to risk adjusted assets of 9.0%, at least half of which must be Tier 1 capital.

At December 31, 2004, ICICI Bank's capital adequacy ratio calculated in accordance with the Reserve Bank of India guidelines and based on its unconsolidated financial statements prepared in accordance with Indian GAAP was 13.5%. Using the same basis of calculation, at December 31, 2004, ICICI Bank's Tier 1 capital adequacy ratio was 8.6% and its Tier 2 capital adequacy ratio was 4.9%.

ICICI Bank has raised additional Tier 1 capital through a public issue of equity shares aggregating to Rs. 32.5 billion (US$ 750 million), after year-end fiscal 2004.

The following table sets forth, at the dates indicated, risk-based capital, risk-weighted assets and risk-based capital adequacy ratios computed in accordance with the applicable Reserve Bank of India guidelines and based on ICICI Bank's unconsolidated financial statements prepared in accordance with Indian GAAP.

	At December 31, 2004			
	(in millions)			
Tier 1 capital	Rs.	101,251	US$	2,340
Tier 2 capital		57,346		1,325
Total capital	Rs.	158,597	US$	3,665
On- balance sheet risk weighted assets	Rs.	930,465	US$	21,504
Off-balance sheet risk weighted assets		244,172		5,643
Total risk weighted assets	Rs.	1,174,637	US$	27,147
Tier 1 capital adequacy ratio		8.6%		
Tier 2 capital adequacy ratio		4.9		
Total capital adequacy ratio		13.5%		

The principal off-balance sheet items for ICICI Bank were loan commitments, guarantees, put options and lease and capital commitments. ICICI Bank entered into these arrangements for normal business purposes. See "Operating and Financial Review and Prospects — Off Balance Sheet Items, Commitments and Contingencies" included elsewhere in this prospectus. Capital was provided for these items based on the existing capital adequacy guidelines of the Reserve Bank of India. See "Supervision and Regulation — Capital Adequacy Requirements" included elsewhere in this prospectus. Lease commitments were not expected to materially affect capital requirements. ICICI Bank provides capital on the put options outstanding and forward contracts and derivatives contracts outstanding at December 31, 2004 as per existing capital adequacy guidelines of the Reserve Bank of India. From time to time, we may access the capital markets through additional equity or debt offerings to increase our capital resources.

In particular, in the near future we expect to offer senior debt securities in the international markets to fund the growth of our international operations. The aggregate amount of such offering is expected to be consistent with the aggregate amount of our international debt offerings over the last year. Any plans to raise debt, and the size of any potential offering, are subject to market and interest rate conditions and our plans may change at any time.

Capital Expenditure

The following tables set forth, for the periods indicated, certain information related to capital expenditure by category of fixed assets.

	Nine months ended December 31, 2004					
	Cost at March 31, 2004	Additions/ transfers	Deletions/ transfers	Depreciation	Net assets at December 31, 2004	
	(in millions)					
Land	Rs. 1,526	Rs. 187	Rs. (65)	Rs. 268	Rs. 1,380	US$ 32
Buildings	12,313	568	(21)	1,636	11,224	259
Equipment, furniture and others (1)	16,399	2,590	(172)	8,869	9,948	230
Construction in progress	988	415	(143)	7	1,253	29
Total	Rs. 31,226	Rs. 3,760	Rs. (401)	Rs. 10,780	Rs. 23,805	US$ 550

(1) Includes equipment and furniture, and others category as specified in Note 14 to our consolidated financial statements.

Our capital expenditure on property and equipment was Rs. 3.8 billion (US$ 87 million) for the nine months ended December 31, 2004. Capital expenditure of Rs. 2.6 billion (US$ 60 million) on equipment, furniture and others included Rs. 766 million (US$ 18 million) on computers and software.

Significant Changes

Except as stated in this prospectus, no significant changes have occurred to our business since the date of the interim consolidated financial statements as of December 31, 2004, contained in this prospectus.

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Segment Revenues and Assets

Subsequent to the amalgamation, the composition of our operating segments has changed. Our operations are now classified into the following segments: commercial banking segment, investment banking segment and others. Segment data for previous periods has been reclassified on a comparable basis.

The commercial banking segment provides medium-term and long-term project and infrastructure financing, securitization, factoring, lease financing, working capital finance and foreign exchange services to clients. Further, it provides deposit and loan products to retail customers. The investment banking segment includes ICICI Bank's treasury operations and the operations of ICICI Securities, and deals in the debt, equity and money markets and provides corporate advisory products such as mergers and acquisition advice, loan syndication advice and issue management services. Others consist of various operating segments that do not meet the requirements to be reported as an individual reportable segment as defined in SFAS No. 131 on Disclosure about Segments of an Enterprise and Related Information.

Operating segments are defined as components of an enterprise for which separate financial information is available that is regularly evaluated by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The chief operating decision maker evaluates performance and allocates resources based on an analysis of various performance indicators for each of the above reportable segments. Components of profit and loss are evaluated for commercial banking and investment banking segments. Further, the chief operating decision maker specifically reviews assets of our retail loan operations, which are part of the commercial banking segment.

The results of ICICI Bank were reported under the equity method of accounting for fiscal 2002. However, for management reporting, the entire results of ICICI Bank continue to be reported as if the business were a consolidated entity. The segment-wise information presented below is consistent with the management reporting.

Commercial Banking Segment

Net income of the commercial banking segment was Rs. 4.2 billion (US$ 98 million) for the nine months ended December 31, 2004 as compared to a net loss of Rs. 3.2 billion (US$ 75 million) for the nine months ended December 31, 2003, primarily due to lower provisions for loan losses of Rs. 8.5 billion (US$ 197 million) for the nine months ended December 31, 2004 compared to Rs. 15.3 billion (US$ 353 million) for the nine months ended December 31, 2003 and an increase in net interest income by Rs. 1.7 billion (US$ 39 million) and non-interest income by Rs. 3.3 billion (US$ 75 million) for the nine months ended December 31, 2004 as compared to the nine months ended December 31, 2003.

Provisions for loan losses decreased 44.4% to Rs. 8.5 billion (US$ 197 million) for the nine months ended December 31, 2004 from Rs. 15.3 billion (US$ 354 million) for the nine months ended December 31, 2003 primarily due to lower additions to gross restructured and other impaired loans. Non-interest income increased 26.5% to Rs. 15.6 billion (US$ 360 million) for the nine months ended December 31, 2004 from Rs. 12.3 billion (US$ 284 million) for the nine months ended December 31, 2003 primarily due to an increase in non interest income from both corporate and retail customers to Rs. 15.3 billion (US$ 354 million) for the nine months ended December 31, 2004 from Rs. 10.8 billion (US$ 251 million) for the nine months ended December 31, 2003. The large increase was primarily due to growth in retail liability product income like account servicing charges and transaction banking fee income from small enterprises, as well as an increase in transaction banking and other fee income from corporate banking. During this period we increased charges and introduced new charges for some of the services that we offer to our deposit customers. During this period there was a significant increase in business volume of transaction banking services like bankers acceptances, bank guarantees and cash management services. Net interest income, including dividends, increased 11.6% to Rs. 16.4 billion (US$ 380 million) for the nine months ended December 31, 2004 from Rs. 14.7 billion (US$ 341 million) for the nine months ended December 31, 2003. Non-interest expense increased 14.6% to Rs. 18.2 billion (US$ 421 million) for the nine months ended December 31, 2004 from Rs. 15.9 billion (US$ 367 million) for the nine months ended December 31, 2003 primarily due to an increase in salary and other administration expenses.

Investment Banking Segment

Net income for the investment banking segment decreased 62.9% to Rs. 2.2 billion (US$ 51 million) for the nine months ended December 31, 2004 compared to Rs. 6.0 billion (US$ 138 million) for the nine months ended December 31, 2003, primarily due to a decrease in trading account revenue and a decrease in gains from securities transactions offset by an increase in net interest income. Trading account revenue and gains on securities transactions decreased 81.6% to Rs. 2.3 billion (US$ 53 million) for the nine months ended December 31, 2004 from Rs. 12.5 billion (US$ 288 million) for the nine months ended December 31, 2003 as the interest rates increased during this period. The yield on 10-year government of India securities increased by 1.44% to 6.60% during the nine months ended December 31, 2004.

Net interest income, including dividends, increased to Rs. 807 million (US$ 19 million) for the nine months ended December 31, 2004 from a loss of Rs. 1.5 billion (US$ 34 million) for the nine months ended December 31, 2003 primarily due to a reduction in interest expense on long term debt and trading account liabilities to Rs. 13.2 billion (US$ 305 million) for the nine months ended December 31, 2004 from Rs. 16.6 billion (US$ 383 million) for the nine months ended December 31, 2003. Non-interest expense decreased 24.3% to Rs. 2.7 billion (US$ 61 million) for the nine months ended December 31, 2004 from Rs. 3.5 billion (US$ 81 million) for the nine months ended December 31, 2003.

Related Party Transactions

We conduct transactions with our affiliates and directors and employees. The following represent the significant transactions between us and such related parties:

Insurance Services

During the nine months ended December 31, 2004, we paid insurance premium to our insurance subsidiaries amounting to Rs. 152 million (US$ 4 million) compared to Rs. 121 million (US$ 3 million) for the nine months ended December 31, 2003.

Referral Fees

During the nine months ended December 31, 2004 we received referral fees amounting to Rs. 128 million (US$ 3 million) from ICICI Prudential Life Insurance Company compared to Rs. 23 million (US$ 531,546) for the nine months ended December 31, 2003 and Rs. 115 million (US$ 3 million) from ICICI Lombard General Insurance Company compared to Rs. nil for the nine months ended December 31, 2003.

Lease of Premises and Facilities

During the nine months ended December 31, 2004, we received Rs. 153 million (US$ 4 million) for lease of premises, facilities and other administrative costs from ICICI Prudential Life Insurance Company compared to Rs. 116 million (US$ 3 million) for the nine months ended December 31, 2003, and Rs. 11 million (US$ 254,218) from Prudential ICICI Asset Management Company compared to Rs. 3 million (US$ 69,332) for the nine months ended December 31, 2003, and Rs. 137 million (US$ 3 million) from ICICI Lombard General Insurance Company compared to Rs. 40 million (US$ 924,428) for the nine months ended December 31, 2003.

Secondment of Employees

During the nine months ended December 31, 2004, we received Rs. 0.42 million (US$ 9,706) for seconded employees from ICICI Prudential Life Insurance Company compared to Rs. 0.36 million (US$ 8,320) for the nine months ended December 31, 2003, Rs. 7 million (US$ 161,775) from ICICI Lombard General Insurance Company compared to Rs. 11 million (US$ 254,218) for the nine months ended December 31, 2003.

Asset Management Services

During the nine months ended December 31, 2004, we provided asset management services to TCW and earned fees of Rs. 3 million (US$ 69,332) compared to Rs. 6 million (US$ 129,420) for the nine months ended December 31, 2003.

Deposits and Borrowings

During the nine months ended December 31, 2004, we paid interest on bonds/deposits/call borrowings to its affiliated companies, Rs. 3 million (US$ 69,332) compared to Rs. 18 million (US$ 421,308) for the nine months ended December 31, 2003.

Interest and Dividend

During the nine months ended December 31, 2004, we received interest on car loans from its affiliated companies, amounting to Rs. 0.29 million (US$ 6,702) compared to Rs. 0.13 million (US$ 3,004) for the nine months ended December 31, 2003 and dividend of Rs. 136 million (US$ 3 million) compared to Rs. 42 million (US$ 1 million) for the nine months ended December 31, 2003.

Employee Loans

We have advanced housing, vehicle and general purpose loans to our employees, bearing interest ranging from 2.5% to 6%. The tenure of these loans range from five years to 25 years. The loans are generally secured by the assets acquired by the employees. Employee loan balances outstanding as of December 31, 2004, of Rs. 4,329 million (US$ 100 million) are included in other assets.

Related Party Balances

The following balances payable to/receivable from related parties are included in the balance sheet:

	As of December 31,2004			
	(in millions)			
Other assets	Rs.	125	US$	3
Deposits		639		15
Other liabilities		14		0.3

Critical Accounting Policies

In order to understand our financial condition and results of operations, it is important to understand our significant accounting policies and the extent to which we use judgments and estimates in applying those policies. Our accounting and reporting policies are in accordance with US GAAP and conform to standard accounting practices relevant to our products and services and the businesses in which we operate. US GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported income and expenses during the reported period. Accordingly, we use a significant amount of judgment and estimates based on assumptions for which the actual results are uncertain when we make the estimation.

We have identified three critical accounting policies, based on the judgments and estimates required in the application of these policies. These include valuation of securities and accounting for derivative transactions and hedging activities, allowance for loan losses and accounting for securitization transactions. Additional information about these policies can be found in Note 1 to our consolidated financial statements. The statements below contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act. See Forward-Looking Statements.

Allowance for Loan Losses

The allowance for loan losses represents management’s estimate of probable losses inherent in the portfolio. We have developed appropriate policies and procedures for assessing the adequacy of the allowance for loan losses that reflect our careful evaluation of credit risk considering all information available to us. In developing this assessment, we must rely on estimates and exercise judgment regarding matters where the ultimate outcome is unknown, such as economic factors, developments affecting companies in specific industries and issues with respect to single borrowers. Depending on changes in circumstances, future assessments of credit risk may yield materially different results, which may require an increase or a decrease in the allowance for loan losses.

Larger balance, non-homogenous exposures representing significant individual credit exposures are evaluated based upon the borrower’s overall financial condition, resources and payment record and the realizable value of any collateral. Loans identified as trouble debt restructuring or other impaired with a balance of Rs. 100 million and above are individually reviewed and an allowance is determined based on the difference between the loan’s carrying value and the loan’s fair value. Fair value is based on either the present value of expected future cash flows discounted at the loan’s effective interest rate, the loan’s observable market price or the fair value of the collateral, less disposal costs, if the loan is collateral dependent. No other allowance is provided on impaired loans that are individually reviewed.

Each portfolio of smaller-balance, homogenous loans, including consumer loans and credit card receivables, is evaluated for impairment. The allowance for loan losses attributed to these loans is established by a process that includes an estimate of probable losses inherent in the portfolio. These include historical delinquency and credit loss experience and current trends and conditions.

These evaluation processes are subject to numerous estimates and judgments. The use of different estimates or assumptions could produce different results. We regularly monitor qualitative and quantitative trends in the loan portfolio, including changes in the levels of restructured loans and other impaired loans. The distribution of the allowance as described above does not diminish the fact that the entire allowance is available to absorb credit losses in the loan portfolio. Our principal focus, therefore, is on the adequacy of the total allowance for loan losses.

Valuation of Securities and Accounting for Derivatives Transactions and Hedging Activities

Our securities are classified into available for sale securities, trading securities, venture capital investments and non-readily marketable securities. The classification into available for sale and trading securities is based on management’s intention at the time of purchase. We no longer classify investments in debt securities as held to maturity, due to sale of certain held to maturity securities in fiscal 2002 by ICICI for reasons other than those specified in SFAS No. 115. Further, we offer derivative products to our customers to transfer, modify or reduce their foreign exchange and interest rate risks and to manage our own interest rate and foreign exchange positions. The derivatives market in India is evolving and our derivative volumes have increased significantly since the amalgamation.

The fair values of quoted securities are determined based on market prices. The fair value of securities for which quoted market prices are not available is estimated as follows:

- The fair value of unquoted government of India securities is estimated based on the yields to maturity of these securities published by certain agencies approved by the Reserve Bank of India.
- The fair value of other unquoted securities and preference shares is computed based on the mark-up, based on the credit rating of the issuer by a credit rating agency, over the yields to maturity for government of India securities, as published by certain agencies approved by the Reserve Bank of India.
- The fair values of investments in unquoted mutual fund units are estimated based on the latest repurchase price declared by the mutual fund in respect of each particular scheme. If the repurchase price is not available, the fair value is estimated based on the net asset values of the respective mutual fund scheme.

- The fair values of certain derivative contracts are derived from pricing models that consider market and contractual prices for the underlying financial instruments, as well as the time value of money, the yield curve and any other volatility factors underlying the positions.

Changes in values of available-for-sale securities are recognized net of taxes as a component of stockholders equity, unless the value is impaired and the impairment is not considered to be temporary. Impairment losses that are not considered temporary are recognized in the income statement. We conduct regular reviews to assess whether other-than-temporary impairment exists. Changes in the fair values of trading account assets are recognized in the income statement.

Equity securities, forming part of our securities portfolio, are considered as publicly traded if they have been traded on a securities exchange within six months prior to the relevant fiscal year-end. The fair value of such securities is the last quoted price. Non-readily marketable equity securities are recorded at cost and a provision is made for other than temporary diminution. Equity securities acquired by conversion of loans in a troubled debt restructuring are stated at their fair values and accounted for in the same manner as equity investments acquired for cash.

The fair values of publicly traded venture capital investments are generally based upon quoted market prices. In certain situations, including thinly traded securities, large block holdings, restricted shares or other special situations, the quoted market price is adjusted to produce an estimate of the attainable fair value for the securities. For securities that are not publicly traded, fair value is determined in good faith pursuant to procedures established by the board of directors of the venture capital subsidiary. In determining the fair value of these securities, consideration is given to the financial conditions, operating results and prospects of the underlying companies, and any other factors deemed relevant. Since the valuations are inherently uncertain, these estimated values may differ significantly from the values that would have been used had a ready market for the investments existed. Changes in fair values of venture capital investments are recognized in the income statement.

SFAS No. 133 and SFAS No. 138 require that all derivative instruments be recorded on the balance sheet at their respective fair values with unrealized gains and losses recorded either in accumulated other comprehensive income or in the statement of income, depending on the purpose for which the derivative was held.

We provide forward contracts to our customers for hedging their short-term exchange rate risk on foreign currency denominated receivables and payables. We generally provide this facility for a term of up to six months and occasionally up to 12 months. We also offer interest rate and currency swaps to our customers for hedging their medium and long-term risks due to interest rate and currency exchange rate movements. We offer these swaps for a period ranging from three to 10 years. We also hedge our own exchange rate risk related to our foreign currency trading portfolio with products from banking counterparties.

At the inception of a hedge transaction, we formally document the hedge relationship and the risk management objective and strategy for undertaking the hedge. This process includes identification of the hedging instrument, hedged item, risk being hedged and the methodology for measuring effectiveness of the hedge. In addition, we assess both at the inception of the hedge and on an ongoing basis, whether the derivative used in the hedging transaction has been highly effective in offsetting changes in fair value or cash flows of the hedged item, and whether the derivative is expected to continue to be highly effective. Derivatives that do not meet the criteria for designation as a hedge under SFAS No. 133 at inception, or fail to meet the criteria thereafter, are accounted for in other assets with changes in fair value recorded in the statement of income.

We discontinue hedge accounting prospectively when it is either determined that the derivative is no longer highly effective in offsetting changes in the fair value or cash flows of a hedged item; the derivative expires or is sold, terminated or exercised; the derivative is de-designated because it is unlikely that a forecasted transaction would occur; or management determines that designation of the derivative as a hedging instrument is no longer appropriate.

Changes in the fixed income, equity, foreign exchange markets would impact our estimate of fair value in the future, potentially affecting principal trading revenues. Similarly, pricing models and their underlying assumptions

impact the amount and timing of unrealized gains and losses recognized, and the use of different pricing models or assumptions could produce different financial results.

Securitization

We primarily securitize commercial loans through pass-through securitizations. After the securitization, we generally continue to maintain customer account relationships and service loans transferred to the securitization trust. Transfers that do not meet the criteria for a sale under SFAS No. 140, are required to be recorded as secured borrowings with a pledge of collateral, and such secured borrowings are required to be reported as a component of other borrowings. Recourse and servicing obligations and put options written are recorded as proceeds of the sale.

Retained beneficial interests in the loans and servicing rights are measured by allocating the carrying value of the loans between the assets sold and the retained interest, based on the relative fair value at the date of the securitization. The fair values are determined using financial models or quoted market prices or sale value of similar assets.

Financial models and their underlying assumptions relating to delinquency, prepayments, servicing costs and conversions from floating rate loans to fixed rate loans, impact the amount and timing of gains and losses recognized and the valuation of retained interests, and the use of different financial models or assumptions could produce different financial results.

Recently Issued Accounting Standards

Share Based Payment

On December 16, 2004, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 123 (revised 2004), Share-Based Payment, which is a revision of FASB Statement No. 123, Accounting for Stock-Based Compensation. Statement 123(R) supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees, and amends FASB Statement No. 95, Statement of Cash Flows. Generally, the approach in Statement 123(R) is similar to the approach described in Statement 123. However, Statement 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair value. SFAS No. 123(R) would be applicable to all awards granted, modified or settled in the first reporting period under US GAAP that begins after June 15, 2005.

Statement 123(R) permits public companies to adopt its requirements using one of two methods:

- A modified prospective method in which compensation cost is recognized beginning with the effective date (a) based on the requirements of Statement 123(R) for all share-based payments granted after the effective date and (b) based on the requirements of Statement 123 for all awards granted to employees prior to the effective date of Statement 123(R) that remain unvested on the effective date.

- A modified retrospective method which includes the requirements of the modified prospective method described above, but also permits entities to restate based on the amounts previously recognized under Statement 123 for purposes of pro forma disclosures either (a) for all prior periods presented or (b) for prior interim periods of the year of adoption.

We plan to adopt Statement 123 using the modified-prospective method. As permitted by Statement 123, we currently account for share-based payments to employees using Opinion 25s intrinsic value method and, as such, generally recognize no compensation cost for employee stock options. The impact of adoption of Statement 123(R) cannot be predicted at this time because it will depend on levels of share-based payments granted in the future. However, had we adopted Statement 123(R) in prior periods, the impact of that standard would have approximated the impact of Statement 123 as described in the disclosure of pro forma net income and earnings per share in our consolidated financial statements. Statement 123(R) also requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow, rather than as an operating cash flow as required under current literature. This requirement will reduce net operating cash flows and increase net financing cash flows in periods after adoption.

Other-than-temporary Impairments of Securities

In November 2003, FASB ratified a consensus on the disclosure provisions of Emerging Issues Task Force (EITF) Issue 03-1, The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments. In March 2004, the FASB reached a consensus regarding the application of a three-step impairment model to determine whether investments accounted for in accordance with SFAS No. 115, Accounting for Certain Investments in Debt and Equity Securities, and other cost method investments are other-than-temporarily impaired. However, with the issuance of FASB Staff Position EITF 03-1-1, the provisions of the consensus relating to the measurement and recognition of other-than-temporary impairments have been deferred pending reassessment by the FASB.

The remaining provisions of this standard, which primarily relate to disclosure, have been applied to all investments accounted for in accordance with SFAS No. 115 and other cost method investments. We cannot determine the impact of EITF 03-1 until after FASB completes its reassessment.

Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equities

In May 2003, FASB issued SFAS No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equities. SFAS No. 150 requires issuers to classify as liabilities (or assets in some circumstances) three classes of freestanding financial instruments that embody obligations for the issuer. Generally, SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003 and is otherwise effective at the beginning of the first interim period beginning after June 15, 2003. Adoption of SFAS No. 150 did not have a material impact on our consolidated financial statements.

Derivative Instruments and Hedging Activities

In April 2003, FASB issued SFAS No. 149, Amendment of Statement No. 133 on Derivative Instruments and Hedging Activities. SFAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS No. 133. SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. Adoption of SFAS No. 149 did not have a material impact on our consolidated financial statements.

Consolidation of Variable Interest Entities

In January 2003, FASB issued FIN No. 46, Consolidation of Variable Interest Entities which is an interpretation of Accounting Research Bulletin No. 51. FIN No. 46 is applicable to all variable interest entities created after January 31, 2003. In respect of variable interest entities created before February 1, 2003, FIN No. 46 will be applicable from fiscal periods beginning after June 15, 2003. There are no variable interest entities that require disclosure under FIN 46. Further, in December 2003, the FASB issued a revision to FIN No. 46 to clarify some of the provisions of FIN No. 46 and to exempt certain entities from its requirements. We have transferred certain impaired loans to borrower specific funds/trusts managed by an asset reconstruction company which are VIEs within the definition contained in FIN 46/ FIN 46R. Accordingly, we have consolidated these entities at year-end fiscal 2004 and December 31, 2004. There is no significant impact on the financial statements of previous years as a result of adoption of FIN 46 / FIN 46R as the transfers to the trusts created by an asset reconstruction company were made in fiscal 2004, which was also the year of adoption of FIN 46 / FIN 46R.

SELECTED STATISTICAL DATA

You should read the following discussion and selected statistical data together with our unaudited interim consolidated financial statements included elsewhere in this prospectus and our audited consolidated financial statements and the section Business in our annual report on Form 20-F for the fiscal year ended March 31, 2004, which is incorporated by reference in this prospectus. The following discussion is based on our unaudited interim financial statements and our audited financial statements and accompanying notes, which have been prepared in accordance with US GAAP.

Funding

Our funding operations are designed to ensure stability of funding, minimize funding costs and effectively manage liquidity. Subsequent to the amalgamation, our primary source of funding is deposits raised from both retail and corporate customers. We also raise funds through short-term rupee borrowings and domestic and overseas bond issuances pursuant to specific regulatory approvals. As a financial institution, ICICI was not allowed to raise banking deposits and so its primary sources of funding, prior to the amalgamation, were rupee borrowings from a wide range of institutional investors, and retail bonds. ICICI also obtained funds through foreign currency borrowings from multilateral institutions such as the Asian Development Bank and the World Bank, which were guaranteed by the government of India, as well as through commercial foreign currency borrowings.

Our deposits constituted 54.9% of our total liabilities at December 31, 2004, compared to 52.1% of our total liabilities at year-end fiscal 2004. Our borrowings constituted 29.9% of out total liabilities at December 31, 2004, compared to 34.8% of our total liabilities at year-end fiscal 2004. Our long-term debt decreased 5.3% to Rs. 353.6 billion (US$ 8.2 billion) compared to Rs. 373.4 billion (US$ 8.6 billion) at year-end fiscal 2004 in line with scheduled maturities, offset, in part, by new borrowings made by us. Going forward, we will continue to repay our borrowings in accordance with their scheduled maturities and raise new funds primarily in the form of lower-cost deposits.

Our deposits increased 21.0% to Rs. 828.9 billion (US$ 19.2 billion) compared to Rs. 685.0 billion (US$ 15.8 billion) at year-end fiscal 2004. This significant growth in deposits was achieved primarily through increased focus on retail and corporate customers by offering a wide range of products designed to meet varied individual and corporate needs and leveraging on our network of branches, extension counters and ATMs.

The following table sets forth, for the periods indicated, the average volume and average cost of deposits by type of deposit.

	Nine months ended December 31, (1)				
	2003		2004		
	Amount	Cost (2)	Amount	Amount	Cost (2)
	(in millions, except percentages)				
Interest-bearing deposits:					
Savings deposits	Rs. 50,213	2.38%	Rs. 86,281	US$ 1,994	2.36%
Time deposits	450,253	6.39	528,983	12,225	5.43
Non-interest-bearing deposits:					
Demand deposits	48,812	-	81,861	1,892	-
Total deposits	Rs. 549,278	5.46%	Rs. 697,125	US$ 16,111	4.41%

(1) Average of quarterly balances at the end of March of the previous fiscal year and June, September and December for each of the nine months ended December 31, 2003 and average of the daily outstanding balances during the period for the nine months ended December 31, 2004. The average cost for each of the nine months ended December 31, 2003 and December 31, 2004 is annualized.

(2) Represents interest expense divided by the average of quarterly balances.

Our average deposits for the nine months ended December 31, 2004 were Rs. 697.1 billion (US$ 16.1 billion) at an average cost of 4.4% compared to average deposits of Rs. 549.3 billion (US$ 12.7 billion) at an average cost of 5.5% for the nine months ended December 2003. Our average time deposits for the nine months ended December 31, 2004 were Rs. 529.0 billion (US$ 12.2 billion) at an average cost of 5.4% compared to average deposits of Rs. 450.3 billion (US$ 10.4 billion) at an average cost of 6.4% for the nine months ended December 2003.

The following table sets forth, at the date indicated, the maturity profile of time deposits.

At December 31, 2004			
Up to one year	After one year and within three years	After three years	Total

	(in millions)			
Time deposits	38,441	484,092	107,948	630,481

(1) There is no contractual maturity for savings and demand deposits.

The following table sets forth, for the periods indicated, average outstanding rupee borrowings based on quarterly balance sheets and by category of borrowing and the percentage composition by category of borrowing. The average cost (interest expense divided by average of quarterly balances) for each category of borrowings is provided in the footnotes. The average cost for the nine months ended December 31, 2003 and December 31, 2004 is annualized.

	Nine months ended December 31,(1)				
	2003		2004		
	(in millions, except percentages)				
	Amount	% to total	Amount	Amount	% to total
SLR bonds(2)	Rs. 14,815	3.8%	Rs. 14,815	US$ 342	4.1%
Borrowings from Indian Government(3)	5,835	1.5	4,804	111	1.3
Other borrowings(4)(5)	366,063	94.7	341,824	7,900	94.6
Total(6)	Rs. 386,713	100.0%	Rs. 361,443	US$ 8,353	100.0%

(1) Average of quarterly balances at the end of March of the previous fiscal year and June, September and December for each of the nine months ended December 31, 2003 and 2004 .

(2) With an average cost of 11.24% for the nine months ended December 31, 2003 and 11.33% for the nine months ended December 31, 2004.

(3) With an average cost of 10.11% for the nine months ended December 31, 2003 and 10.32% for the nine months ended December 31, 2004.

(4) With an average cost of 8.05% for the nine months ended December 31, 2003 and 8.68% for the nine months ended December 31, 2004.

(5) Includes publicly and privately placed bonds, borrowings from institutions and wholesale deposits such as inter- corporate deposits certificate of deposits and call borrowings.

The following table sets forth, at the date indicated, the maturity profile of our rupee term deposits of Rs. 10 million (US$ 231,107) or more

	At December 31,		
	2004		% of total deposits
	(in millions, except percentages)		
Less than three months	Rs. 144,885	US$ 3,348	17.5%
Above three months and less than six months	56,527	1,306	6.8
Above six months and less than 12 months	89,898	2,078	10.8
More than 12 months	52,828	1,221	6.4

Total deposits of Rs. 10 million and more	Rs.	344,138	US$	7,953	41.5%

The following table sets forth, at the dates indicated, certain information related to short-term rupee borrowings, which consist of certificates of deposits, inter-corporate deposits and borrowings from government-owned companies, known commonly as public sector units.

	At December 31,(1)			
	2003		2004	
	(in millions, except percentages)			
Period-end balance	Rs.	39,092	Rs.	48,977
Average balance during the period (2)		51,406		52,824
Maximum quarter-end balance		53,714		57,787
Average interest rate during the period (3)		6.47%		6.46%
Average interest rate at period-end (4)		4.85%		5.05%

(1) Short-term borrowings include trading liabilities, such as borrowings in the call market and repurchase agreements.

(2) Average of quarterly balances at the end of March of the previous fiscal year, June, September and December for each of the nine months ended December 31, 2003 and 2004.

(3) Represents the ratio of interest expense on short-term borrowings to the average of quarterly balances of short- term borrowings. The average interest rate for the nine months ended December 31, 2003 and December 31, 2004 is annualized.

(4) Represents the weighted average rate of the short-term borrowings outstanding at period end.

The following table sets forth, at the dates indicated, average outstanding volume of foreign currency borrowings based on quarterly balance sheets by source and the percentage composition by source. The average cost (interest expense divided by average of quarterly balances) for each source of borrowings is provided in the footnotes. The average cost for the nine months ended December 31, 2003 and December 31, 2004 is annualized.

	Nine months ended December 31, (1)							
	2003			2004				
	Amount		% to total	Amount		Amount		% to total
	(in millions, except percentages)							
Commercial borrowings (2)	Rs.	42,157	62.6%	Rs.	71,516	US$	1,653	74.0%
Multilateral borrowings (3)	Rs.	25,240	37.4		25,112		580	26.0
Total	Rs.	67,397	100.0%	Rs.	96,628	US$	2,233	100.0%

(1) Average of quarterly balances at the end of March of the previous fiscal year, June, September and December for each of the nine months period ended December 31, 2003 and 2004.

(2) With an average cost of 3.1% for the nine months period ended December 31, 2003 and 3.6% for the nine months period ended December 31, 2004.

(3) With an average cost of 3.1% for nine months period ended December 31, 2003 and 3.1% for the nine months period ended December 31, 2004.

Risk Management

Quantitative and Qualitative Disclosures About Market Risk

Market risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices. The prime source of market risk for us is the interest rate risk we are exposed to as a financial intermediary, which arises on account of our asset liability management activities. In addition to interest rate risk, we are exposed to other elements of market risk such as liquidity or funding risk, price risk on trading portfolios, and exchange rate risk on foreign currency positions. See “Risk Management — Quantitative and Qualitative Disclosures About Market Risk” in our annual report on Form 20-F for the fiscal year ended March 31, 2004, which is incorporated by reference in this prospectus, for a description of our market risk management procedures and our approach towards managing interest rate risk.

The following table sets forth, at the date indicated, our asset-liability gap position.

	At December 31, 2004(1)-(4)			
	Less than or equal to one year	**Greater than one year and up to five years**	**Greater than five years**	**Total**
	(in millions)			
Loans, net	Rs. 459,630	Rs. 271,771	Rs. 125,196	Rs. 856,597
Securities	183,916	122,213	71,433	377,562
Fixed assets	3,018	17,222	15,937	36,177
Other assets(5)	92,162	41,540	230,659	364,362
Total assets	**738,726**	**452,747**	**443,224**	**1,634,697**
Stockholders' equity	-	-	122,725	122,725
Debt(5)	803,274	270,473	167,075	1,240,822
Other liabilities	23,076	28,607	219,467	271,150
Total liabilities	**826,350**	**299,080**	**509,267**	**1,634,697**
Total gap before risk management positions	(87,624)	153,666	(66,042)	—
Risk management positions	(44,543)	47,905	(3,362)	—

Total gap after risk management positions	**Rs. (132,167)**	**Rs. 201,571**	**Rs. (69,404)**	**Rs.**

(1) Assets and liabilities are classified into the applicable categories, based on residual maturity or re-pricing whichever is earlier. Classification methodologies are generally based on Asset Liability Management Guidelines issued by the Reserve Bank of India, effective from April 1, 2000.

(2) Items that neither mature nor re-price are included in the greater than five years category. This includes equity share capital and a substantial part of fixed assets.

(3) Impaired loans of residual maturity less than three years are classified in the greater than one year and up to five years category and impaired loans of residual maturity between three to five years are classified in the greater than five years category.

(4) The risk management positions comprise foreign currency and rupee swaps.

(5) The categorization for these items is different from that reported in the financial statements.

The following table sets forth, at the date indicated, the amount of our loans with residual maturities greater than one year that had fixed and variable interest rates.

	At December 31, 2004		
	Fixed rate loans	**Variable rate loans**	**Total**
		(in millions)	
Loans	Rs. 363,232	Rs. 202,885	Rs. 566,117

Price Risk (Banking book)

The following table sets forth, using the balance sheet at December 31, 2004 as the base, one possible prediction of the impact of adverse changes in interest rates on net interest income for the next one year assuming a parallel shift in yield curve at December 31, 2004.

	At December 31, 2004			
	Change in interest rates (in basis points)			
	(100)	**(50)**	**50**	**100**
	(in millions, except percentages)			
Rupee portfolio	Rs. 303	Rs. 151	Rs. (151)	Rs. (303)
Foreign currency portfolio	42	21	(21)	(42)
Total	**Rs. 344**	**Rs. 172**	**Rs. (172)**	**Rs. (344)**

Based on our asset and liability position at December 31, 2004, the sensitivity model shows that net interest income from the banking book for the next one year would fall by Rs. 344 million (US$ 8 million) if interest rates increased by 100 basis points during the next one year. Conversely, the sensitivity model shows that if interest rates decreased by 100 basis points during the next one year, net interest income for the next one year would rise by an equivalent amount of Rs. 344 million (US$ 8 million). Interest rate risk numbers at December 31, 2004 are low primarily due to the low duration of government securities portfolio maintained by us and the large proportion of floating rate loans in the housing loans.

Sensitivity analysis, which is based upon a static interest rate risk profile of assets and liabilities, is used for risk management purposes only and the model above assumes that during the course of the year no other changes are made in the respective portfolios. Actual changes in net interest income will vary from the model.

Price Risk (Trading book)

We undertake trading activities to enhance earnings through profitable trading for our own account. ICICI Securities, our investment-banking subsidiary, is a primary dealer in government of India securities, and a significant proportion of its portfolio consists of government of India securities.

The following tables sets forth, using the fixed income portfolio at December 31, 2004 as the base, one possible prediction of the impact of changes in interest rates on the value of our rupee fixed income trading portfolio for the next one year, assuming a parallel shift in yield curve.

	At December 31, 2004 Change in interest rates (in basis points)				
	Portfolio Size	**(100)**	**(50)**	**50**	**100**
	(in millions)				
Government of India securities	Rs. 8,863	Rs. 504	Rs. 255	Rs. (206)	Rs. (420)
Corporate debt securities	1,141	53	26	(25)	(50)
Total	**Rs. 10,004**	**Rs. 557**	**Rs. 281**	**Rs. (232)**	**Rs. (470)**

At December 31, 2004, the total value of our rupee fixed income portfolio was Rs. 10.0 billion (US$ 231 million). The sensitivity model shows that if interest rates increase by 100 basis points during the next one year, the value of the trading portfolio, would fall by Rs. 470 million (US$ 11 million). Conversely, if interest rates fell by 100 basis points during the next one year, under the model, the value of this portfolio would rise by Rs. 557 million (US$ 13 million).

As noted above, sensitivity analysis is used for risk management purposes only and the model used above assumes that during the course of the year no other changes are made in the respective portfolios. Actual changes in the value of the fixed income portfolio will vary from the model above.

We revalue our trading portfolio on a daily basis and recognize aggregate re-valuation losses in our profit and loss account. The asset liability management policy stipulates an interest rate risk limit which seeks to cap the risk on account of the mark-to-market impact on the mark-to-market book (under the Indian GAAP classification which is different from the US GAAP classification - see □Supervision and Regulation □ Banks□ Investment Classification and Valuation Norms□ included elsewhere in this prospectus and the earnings at risk on the banking book, based on a sensitivity analysis of a 100 basis points parallel and immediate shift in interest rates.

In addition, the Risk Management Group stipulates risk limits including position limits and stop loss limits for the trading book. These limits are monitored on a daily basis and reviewed periodically. In addition to risk limits, we also have risk monitoring tools such as Value-at-Risk models for measuring market risk in our trading portfolio.

ICICI Bank is required to invest a specified percentage, currently 25.0%, of its liabilities in government of India securities to meet the statutory ratio requirement prescribed by the Reserve Bank of India. As a result, we have a

very large portfolio of government of India securities and these are primarily classified as available for sale securities. Our available for sale securities included Rs. 295.5 billion (US$ 6.8 billion) of government of India securities at December 31, 2004. These are not included in the trading book analysis presented above.

Loan Portfolio

Our gross loan portfolio, which includes loans structured as debentures and preferred stock, was Rs. 930.3 billion (US$ 21.5 billion) at December 31, 2004, an increase of 17.0% over gross loan portfolio of Rs. 795.3 billion (US$ 18.4 billion), at year-end fiscal 2004. At year-end fiscal 2004, our gross loan portfolio increased 16.2% to Rs. 795.3 billion (US$ 18.4 billion) as compared to our gross loan portfolio of Rs. 684.6 billion (US$ 15.8 billion) at year-end fiscal 2003. Approximately 87.0% of our gross loans were rupee loans at December 31, 2004. At December 31, 2004, our balance outstanding in respect of loans to corporates outside India was Rs. 54.7 billion (US$ 1.3 billion), representing approximately 5.9 % of our total gross loan portfolio.

Loan Portfolio by Categories

The following table sets forth, at the dates indicated our gross rupee and foreign currency loans by business category.

	At March 31,		At December 31,	
	2003	2004	2004	
	(in millions)			
Wholesale banking (1)	Rs. 385,143	Rs. 316,801	Rs. 319,558	US$ 7,385
Rupee	297,030	244,668	251,594	5,814
Foreign currency	88,113	72,133	67,964	1,571
Working capital finance	74,422	80,505	116,640	2,695
Rupee	70,092	63,268	70,497	1,629
Foreign currency	4,330	17,237	46,143	1,066
Leasing and related activities (2)	17,862	16,015	12,250	283
Rupee	17,862	16,015	12,250	283
Foreign currency	□	□	□	□

Consumer loans and credit card receivables	188,254	311,907	443,641	10,253
Rupee	188,254	311,690	442,790	10,233
Foreign currency	-	217	851	20
Other(3)	18,959	70,059	38,224	883
Rupee	18,959	70,044	32,460	750
Foreign currency	—	15	5,764	133
Gross loans				
Rupee	592,197	705,685	809,591	18,710
Foreign currency	92,443	89,602	120,722	2,790
Total gross loans	684,640	795,287	930,313	21,500
Allowance for loan losses	(54,219)	(66,767)	(73,716)	(1,704)
Net loans	Rs. 630,421	Rs. 728,520	Rs. 856,597	US$ 19,796

(1) Wholesale banking includes project finance, corporate finance and receivable financing but excludes leasing and related activities.

(2) Leasing and related activities includes leasing and hire purchase.

(3) Other includes bills discounted and inter-corporate deposits.

Loan Concentration

We follow a policy of portfolio diversification and evaluate our total financing exposure in a particular industry in light of our forecasts of growth and profitability for that industry. ICICI Bank's Risk Management Group monitors all major sectors of the economy and specifically follows industries in which ICICI Bank has credit exposures. We seek to respond to any economic weakness in an industrial segment by restricting new credits to that

industry segment and any growth in an industrial segment by increasing new credits to that industry segment, resulting in active portfolio management. ICICI Bank's policy was to limit its loan portfolio to any particular industry (other than retail loans) to 15.0% . With effect from June 1, 2004, this limit has been revised to 12.0% .

Pursuant to the guidelines of the Reserve Bank of India, ICICI Bank's credit exposure to individual borrowers must not exceed 15.0% (20.0% including infrastructure financing) of its capital funds comprising Tier 1 and Tier 2 capital, calculated pursuant to the guidelines of the Reserve Bank of India, under Indian GAAP. ICICI Bank's exposure to a group of companies under the same management control must not exceed 40.0% (50.0% including infrastructure financing) of its capital funds. With effect from June 1, 2004, banks may, in exceptional circumstances, enhance the exposure by 5.0% of capital funds with approvals from their board and making appropriate disclosures in their annual reports. Pursuant to the Reserve Bank of India guidelines, exposure for funded facilities is calculated as the total approved limit or the outstanding funded amount, whichever is higher (for term loans, as undisbursed commitments plus the outstanding amount). Exposure for non-funded facilities is calculated as 100.0% of the approved amount or the outstanding non-funded amount whichever is higher. At December 31, 2004, ICICI Bank is in compliance with these guidelines.

The following table sets forth, at the dates indicated, our gross loans outstanding, including loans structured as debentures and preferred stock, by the borrower's industry or economic activity.

	At March 31,						At December 31,				
	2003			2004			2004				
	(in millions, except percentages)										
Consumer loans and credit card receivables	Rs.	188,254	27.5%	Rs.	311,907	39.2 .%	Rs	443,641	US$	10,253	47.7%
Iron and steel		72,473	10.6		62,354	7.8		58,681		1,356	6.3
Power		56,091	8.2		45,199	5.7		38,640		893	4.1
Services		45,443	6.6		33,435	4.2		33,264		769	3.6
Crude petroleum and petroleum refining		24,556	3.6		20,807	2.6		29,618		684	3.2
Telecom		27,458	4.0		27,919	3.5		28,341		655	3.0
Textiles		40,279	5.9		29,941	3.8		27,516		636	3.0
Electronics		20,722	3.0		18,239	2.3		14,684		339	1.6
Transport Equipment		12,872	1.9		13,068	1.6		13,799		319	1.5
Metal products		9,094	1.3		15,716	2.0		13,034		301	1.4
Other(1)		187,398	27.4		216,702	27.3		229,095		5,295	24.6
Gross loans	Rs.	684,640	100.0%	Rs.	795,287	100.0%	Rs.	930,313	US$	21,500	100.0%
Allowance for loan losses		(54,219)			(66,767)			(73,716)		(1,704)	
Net loans	Rs.	630,421		Rs.	728,520		Rs	856,597	US$	19,796	

(1) Other principally includes shipping, agriculture, construction, printing, mineral products, glass and glass products, watches, healthcare, gems and jewelry, leather and wood products industries.

Our gross loan portfolio at December 31, 2004 increased by 17.0% compared to the gross loan portfolio at year-end fiscal 2004. The largest increase was in consumer loans and credit card receivables, which constituted 47.7% of gross loans at December 31, 2004 compared to 39.2% at year-end fiscal 2004. Our gross loans to the iron and steel sector as a percentage of gross loans decreased to 6.3% at December 31, 2004 compared to 7.8% at year-end fiscal 2004. Our gross loans to the power sector as a percentage of gross loans decreased to 4.1% at December 31, 2004 compared to 5.7% at year-end fiscal 2004. Consumer loans and credit card receivables accounted for 13.6% of our gross other impaired loans at December 31, 2004. The iron and steel sector accounted for 13.4% of our gross restructured loans and 3.7% of our gross other impaired loans at December 31, 2004. The power sector accounted for 0.8% of our gross restructured loans and 34.9% of our gross other impaired loans at December 31, 2004. See also -Impaired Loans.

At December 31, 2004, our 20 largest borrowers accounted for approximately 13.9% of our gross loan portfolio (gross of unearned income and security deposits), with the largest borrower accounting for approximately 2.0% of our gross loan portfolio. The largest group of companies under the same management control accounted for approximately 3.6% of our gross loan portfolio.

Geographic Diversity

Except as described below, our portfolios were geographically diversified throughout India, primarily reflecting the location of our corporate borrowers. The state of Maharashtra, being the most industrialized state in India, accounted for the largest proportion of our gross loans outstanding at December 31, 2004.

Directed Lending

The Reserve Bank of India requires banks to lend to certain sectors of the economy. Such directed lending is comprised of priority sector lending, export credit and housing finance.

Priority Sector Lending

The Reserve Bank of India has established guidelines requiring banks to lend 40.0% of their net bank credit (total domestic loans less marketable debt instruments and certain exemptions permitted by the Reserve Bank of India from time to time) to certain specified sectors called priority sectors. Priority sectors include small-scale industries, the agricultural sector, food and agri-based industries, small businesses and housing finance up to certain limits. Out of the 40.0%, banks are required to lend a minimum of 18.0% of their net bank credit to the agriculture sector and the balance to certain specified sectors, including small scale industries (defined as manufacturing, processing and services businesses with a limit on investment in plant and machinery of Rs. 10 million), small businesses, including retail merchants, professional and other self employed persons and road and water transport operators, housing loans up to certain limits and to specified state financial corporations and state industrial development corporations.

While granting its approval for the amalgamation, the Reserve Bank of India stipulated that since ICICIs loans transferred to us were not subject to the priority sector lending requirement, we are required to maintain priority sector lending of 50.0% of our net bank credit on the residual portion of our advances (i.e. the portion of our total advances excluding advances of ICICI at year-end fiscal, 2002, henceforth referred to as residual net bank credit). This additional 10.0% priority sector lending requirement will apply until such time as our aggregate priority sector advances reach a level of 40.0% of our total net bank credit. The Reserve Bank of Indias existing instructions on sub-targets under priority sector lending and eligibility of certain types of investments/ funds for qualification as priority sector advances apply to us.

We are required to comply with the priority sector lending requirements at the end of each fiscal year. Any shortfall in the amount required to be lent to the priority sectors may be required to be deposited with government sponsored Indian development banks such as the National Bank for Agriculture and Rural Development and the Small Industries Development Bank of India. These deposits have a maturity of up to five years and carry interest rates lower than market rates.

At December 24, 2004, our priority sector loans were Rs. 157.5 billion (US$ 3.6 billion), constituting 57.7% of our residual net bank credit against the requirement of 50.0% . The following table sets forth our priority sector loans, at December 24, 2004, broken down by the type of borrower.

	At December 24, 2004	2004	a% of residual net bank credit at December 24, 2004
	(in millions, except percentages)		
Small scale industries	Rs. 2,346	US$ 54	0.9%
Others including small businesses	117,502	2,716	43.0
Agricultural sector	37,689	871	13.8

Total	Rs. 157,537	US$ 3,641	57.7%

Export Credit

As part of directed lending, the Reserve Bank of India also requires banks to make loans to exporters at concessional rates of interest. Export credit is provided for pre-shipment and post-shipment requirements of exporter borrowers in rupees and foreign currencies. At the end of the fiscal year, 12.0% of a bank's net bank credit is required to be in the form of export credit. This requirement is in addition to the priority sector lending requirement but credits extended to exporters that are small scale industries or small businesses may also meet part of the priority sector lending requirement. The Reserve Bank of India provides export refinancing for an eligible portion of total outstanding export loans at the bank rate prevailing in India from time to time. The interest income earned on export credits is supplemented through fees and commissions earned from these exporter customers from other fee-based products and services taken by them from us, such as foreign exchange products and bill handling. At December 31, 2004 our export credit was Rs. 5.9 billion (US$ 137 million), constituting 2.2% of our residual net bank credit.

Housing Finance

The Reserve Bank of India requires banks to lend up to 3.0% of their incremental deposits in the previous fiscal year for housing finance. This can be in the form of home loans to individuals or investments in the debentures and bonds of the National Housing Bank and housing development institutions recognized by the government of India. Housing finance also qualifies as priority sector lending. At December 24, 2004, our housing finance qualifying as priority sector advances was Rs. 108.1 billion (US$ 2.5 billion).

Impaired Loans

The following discussion on impaired loans is based on US GAAP. For classification of impaired loans under Indian regulatory requirements, see "Supervision and Regulation — Loan Loss Provisions and Non-Performing Assets" included elsewhere in this prospectus.

Impact of Economic Environment on the Industrial Sector

In 1991, India commenced a program of industrial liberalization involving, among other things, the abolition of industrial licensing, reduction in import tariff barriers and greater access for foreign companies to the Indian markets. In the period following the opening up of the economy, a number of Indian companies commenced large projects in expectation of growth in demand in India. These projects generally had relatively high levels of debt relative to equity, given inadequate depth in the equity capital markets in India at that time. However, the negative trends in the global marketplace in the late 1990s, particularly the South-east Asian economic crisis, a downturn in the commodities markets and recessionary conditions in various economies, impaired the operating environment for the Indian industrial sector. The manufacturing sector was also impacted by increased competition arising from economic liberalization in India and volatility in industrial demand and growth. These factors led to stress on the operating performance of Indian corporations in certain sectors and the impairment of a significant amount of loan assets in the financial system, including loan assets of ICICI and ICICI Bank. Certain Indian corporations have come to terms with this new competitive reality through a process of restructuring and repositioning, including rationalization of capital structures and production capacities. The increase in commodity prices since fiscal 2003 has had a favorable impact on the operations of corporations in several sectors.

Recognition of Impaired Loans

We identify a loan as impaired when it is probable that we will be unable to collect the scheduled payments of principal and interest due under the contractual terms of the loan agreement. Until year-end fiscal 2003, a loan was considered to be impaired if interest or principal was overdue for more than 180 days. From fiscal 2004, an asset is classified as impaired when principal or interest has remained overdue for more than 90 days, except in case of certain categories of agricultural loans where on extended period of 180 days, linked to agricultural production cycle, is stipulated by the Reserve Bank of India. In addition, delays or shortfalls in loan repayments are evaluated along with other factors to determine if a loan should be placed on non-accrual status. Generally, loans with delinquencies below 90 days are placed on non-accrual status only if specific conditions indicate that impairment is probable. The decision to place a loan on non-accrual status is also based on an evaluation of the borrower's financial condition, collateral, liquidation value, and other factors that affect the borrower's ability to repay the loan

in accordance with the contractual terms. Generally, when a loan is placed on non-accrual status, interest accrued and uncollected on the loan in the current fiscal year is reversed from income, and interest accrued and uncollected from the prior year is charged off against the allowance for loan losses. Thereafter, interest on non-accrual loans is recognized as interest income only to the extent that cash is received and future collection of principal is not in doubt. When borrowers demonstrate over an extended period the ability to repay a loan in accordance with the contractual terms of a loan, which we had classified as non-accrual, the loan is returned to accrual status.

We classify a loan as a troubled debt restructuring where we have made concessionary modifications, that we would not otherwise consider, to the contractual terms of the loan to a borrower experiencing financial difficulties. Such loans are placed on a non-accrual status. For these loans, cash receipts are normally applied to principal and interest in accordance with the terms of the restructured loan agreement. With respect to restructured loans, performance prior to the restructuring or significant events that coincide with the restructuring are evaluated in assessing whether the borrower can meet the rescheduled terms and may result in the loan being returned to accrual status after a performance period.

Consumer loans are generally identified as impaired when principal or interest has remained overdue for more than 90 days. Consumer loans when identified as impaired are placed on non-accrual status.

The value of impaired loans is measured as the present value of expected future cash flows discounted at the loan's effective interest rate, at the loan's observable market price, or the fair value of the collateral if the recovery of the loan is solely collateral dependent. If the value of the impaired loan is less than the recorded investment in the loan, we recognize this impairment by creating a valuation allowance with a corresponding charge to the provision for loan losses.

Our gross restructured loans decreased 6.2% during the nine months ended December 31, 2004 to Rs. 152.3 billion (US$ 3.5 billion) from Rs. 162.4 billion (US$ 3.7 billion) at year-end fiscal 2004. This was primarily due to reclassification of certain loans as unimpaired based on satisfactory performance of the borrower accounts, offset in part, by restructuring of certain loans to companies in the telecom and automobile industries and reclassification of other impaired loans that were restructured or transferred to an asset reconstruction company during the year. Gross other impaired loans decreased 22.5% during the nine months ended December 31, 2004 to Rs. 38.9 billion (US$ 0.9 billion) from Rs. 50.2 billion (US$ 1.2 billion) at year-end fiscal 2004. This was primarily due to reclassification of other impaired loans that were restructured or transferred to an asset reconstruction company during the year, as restructured loans, and reclassification of certain loans as unimpaired based on satisfactory performance of the borrower accounts. As a percentage of net loans, net restructured loans were 12.0% at December 31, 2004 compared to 16.7% at year-end fiscal 2004 and net other impaired loans were 2.4% at December 31, 2004 compared to 3.9% at year-end fiscal 2004. During the nine months ended December 31, 2004, we transferred impaired loans of Rs. 11.0 billion (US$ 255 million) to Asset

Reconstruction Company (India) Limited, none of which was recognized as a sale in our US GAAP financial statements. These loans are included in our restructured loans.

The following table sets forth, at the dates indicated, our gross restructured rupee and foreign currency loan portfolio by business category.

	March 31, 2004	December 31, 2004	
	(in millions, except percentages		
Wholesale banking(1)	Rs. 149,724	Rs. 144,354	US$ 3,336
Rupee	115,262	125,554	2,902
Foreign currency	34,462	18,800	434
Working capital finance	11,525	7,652	177
Rupee	11,525	7,652	177
Foreign currency	—	—	—
Leasing and related activities(2)	1,149	324	7
Rupee	1,149	324	7
Foreign currency	—	—	-
Consumer loans and credit card and others	—	—	-
Rupee	—	—	-

	March 31, 2004	December 31, 2004	
	(in millions, except percentages		
Foreign currency	—	—	-
Total restructured loans			
Rupee	127,937	133,529	3,086
Foreign currency	34,462	18,800	434
Gross restructured loans	162,398	152,329	3,520
Allowance for loan losses	(40,981)	(49,389)	(1,141)
Net restructured loans	Rs. 121,417	Rs. 102,940	US$ 2,379
Gross loan assets	Rs. 795,287	Rs. 930,313	US$ 21,500
Net loan assets(3)	728,520	856,597	19,797
Gross restructured loans as a percentage of gross loan assets	20.42%	16.37%	
Net restructured loans as a percentage of net loan assets	16.67%	12.02%	

(1) Includes project finance, corporate finance and receivables financing, excluding leasing and related activities.

(2) Includes leasing and hire purchase.

(3) Net of provisions including unallocated provisions on lending assets not specifically identified as restructured loans or other impaired loans.

The following table sets forth, at the dates indicated, our gross other impaired rupee and foreign currency loan portfolio by business category.

	March 31, 2004	**December 31, 2004**	
	(in millions, except percentages)		
Wholesale banking(1)	Rs. 42,842	Rs. 31,331	US$ 724
Rupee	34,945	25,624	592
Foreign currency	7,897	5,707	132
Working capital finance	2,978	1,755	41
Rupee	2,978	1,755	41
Foreign currency	—	—	—
Leasing and related activities(2)	746	453	10
Rupee	746	453	10
Foreign currency	—	—	—
Consumer loans and credit card receivables and others	3,672	5,392	125
Rupee	3,672	5,392	125
Foreign currency	—	—	—
Total other impaired loans			
Rupee	42,341	33,224	768
Foreign currency	7,897	5,707	132
Gross other impaired loans	50,238	38,931	900
Allowance for loan losses	(21,474)	(18,501)	(428)
Net other impaired loans	Rs. 28,764	Rs. 20,430	US$ 472
Gross loan assets	Rs. 795,287	Rs. 930,313	US$ 21,500
Net loan assets(3)	728,520	856,597	19,797
Gross other impaired loans as a percentage of gross loan assets	6.32%	4.18%	
Net other impaired loans as a percentage of net loan assets	3.95%	2.39%	

(1) Includes project finance, corporate finance and receivables financing, excluding leasing and related activities

(2) Includes leasing and hire purchase.

(3) Net of provisions including unallocated provisions on lending assets not specifically identified as restructured loans or other impaired loans.

The following table sets forth, at the dates indicated, gross restructured loans by borrowers' industry or economic activity and as a percentage of total gross restructured loans.

	March 31, 2004			December 31, 2004				
	(in millions, except percentages)							
Iron and steel	Rs.	31,839	19.6%	Rs.	20,385	US$	471	13.4%
Crude petroleum/refining		17,462	10.8		18,956		438	12.4
Telecommunications		8,674	5.3		17,414		402	11.4
Textiles		16,356	10.1		15,344		355	10.1
Transport equipment		7,282	4.5		8,533		197	5.6
Cement		7,447	4.6		6,964		161	4.6
Metal products		6,210	3.8		6,435		149	4.2
Fertilizers and pesticides		6,308	3.9		6,223		144	4.1
Electronics		5,855	3.6		5,375		124	3.5
Machinery		3,674	2.3		3,809		88	2.5
Plastics		3,471	2.1		3,705		86	2.4
Man-made fibers		4,297	2.6		3,616		84	2.4
Sugar		4,678	2.9		3,405		79	2.2
Services		2,915	1.8		2,901		67	1.9
Electrical equipment		1,957	1.2		2,512		58	1.6
Basic chemicals		2,886	1.8		2,362		54	1.6
Drugs		2,276	1.4		2,189		50	1.4
Paper and paper products		6,971	4.3		1,965		45	1.3
Power		1,284	0.8		1,151		27	0.8
Non-ferrous metals		1,144	0.7		1,132		26	0.7
Construction		-	-		1,016		23	0.7
Tea		951	0.6		774		18	0.5
Petrochemicals		2,685	1.7		557		13	0.4
Rubber and rubber products		500	0.3		507		12	0.3
Food products		589	0.4		434		10	0.3
Other chemicals		-	-		7		-	-
Other(1)		14,687	9.0		14,659		339	9.6
Total gross restructured loans	Rs.	162,398	100.0%	Rs.	152,329	US$	3,520	100.0%

(1) Others principally includes shipping, real estate, wood, non-bank finance companies, glass, computer software, agriculture, vegetable oil, fishing, printing, floriculture and leather.

The following table sets forth, at the dates indicated, gross other impaired loans by borrowers' industry or economic activity and as a percentage of total gross other impaired loans.

	March 31, 2004		December 31, 2004		
	(in millions, except percentages)				
Power	Rs. 11,890	23.7%	Rs. 13,584	US$ 314	34.9%
Consumer loans and credit card receivables	3,672	7.3	5,159	119	13.3
Petrochemicals	3,651	7.3	4,097	95	10.5
Basic chemicals	3,021	6.0	1,784	41	4.6
Iron and steel	5,632	11.2	1,456	34	3.7
Services	1,873	3.7	1,374	32	3.5
Electrical equipment	1,873	3.7	1,195	28	3.1
Textiles	2,351	4.7	1,063	25	2.7
Electronics	1,456	2.9	902	21	2.3
Food products	1,126	2.2	886	20	2.3
Transport equipment	1,784	3.6	721	17	1.9
Man-made fibers	884	1.8	677	16	1.7
Construction	1,160	2.3	543	13	1.4
Paper and paper products	950	1.9	535	12	1.4
Metal products	1,124	2.2	473	11	1.2
Plastics	684	1.4	403	9	1.0
Drugs	412	0.8	258	6	0.7
Rubber and rubber products	288	0.6	251	6	0.6
Other chemicals	259	0.5	249	6	0.6
Non-ferrous metals	253	0.5	242	6	0.6
Machinery	1,235	2.5	230	5	0.6
Cement	870	1.7	229	5	0.6
Fertilizers and pesticides	71	0.1	50	1	0.1
Sugar	70	0.1	11	—	—
Crude petroleum/refining	—	—	9	—	—
Other(1)	3,649	7.3	2,550	58	6.7
Total gross other impaired loans	Rs. 50,238	100.0%	Rs. 38,931	US$ 900	100.0%

(1) Includes non-bank finance companies, shipping, vegetable oil, health care, printing, computer software, road, wood, mineral product, glass, agriculture, fishing, trade, leather, gems and jewelry and mining.

The largest proportion of our restructured and other impaired loans was to the power, iron and steel, crude petroleum/refining, telecommunications and textiles industries. There is a risk that restructured and other impaired loans in each of these and other sectors could increase if Indian economic conditions deteriorate, there is a negative trend in global commodity prices or projects under implementation are unable to achieve profitable commercial operations.

Power. At December 31, 2004, we classified 3.0% of our total loans to the power sector as restructured loans and 35.1% as other impaired loans. Other impaired loans primarily include loans to a large private sector power generation project in the state of Maharashtra, the implementation of which is currently suspended on account of a dispute between the power project and the purchaser, the state electricity board. The matter is currently pending before the Indian courts, while parallel efforts are continuing for an out of court settlement, including re-negotiation of the power tariff. The principal sponsor of the project has filed for bankruptcy in the United States. The assets of the project are in the possession of a receiver appointed by the High Court of Judicature at Bombay on a plea by the lenders to the project, including us. Efforts are continuing to sell the project to new sponsors.

Iron and steel. Until fiscal 2003, a persistent downward trend in international steel prices to historic lows had a significant impact on companies in this sector. In addition, a significant reduction in import tariffs in India led to price competition from certain countries, significantly reducing domestic prices. In fiscal 2004, the sector witnessed an increase in prices as well as an increase in exports resulting in overall improved performance. While most of the projects for which we have loans outstanding have now been completed, a part of these loans is for projects still under implementation. At December 31, 2004, we had classified 34.7% of our gross loans in this sector as restructured loans and 2.5% as other impaired loans.

Crude petroleum and refining. At December 31, 2004, we had classified 64.0% of our total loans to the crude petroleum and refining sector as restructured loans. Restructured loans include loans to a large private sector refinery project, the implementation of which was delayed due to natural calamities and other factors, resulting in an overrun in the cost of the project compared to the original appraised cost. The Corporate Debt Restructuring Forum has approved the restructuring of this project. See “Overview of the Indian Financial Sector — Corporate Debt Restructuring Forum” in our annual report on Form 20-F for the fiscal year ended March 31, 2004, which is incorporated by reference in this prospectus.

Telecommunications. At December 31, 2004, we had classified 61.4% of our gross loans in this sector as restructured loans. Our restructured loans in this sector mainly include loans to a specific group of companies that have been restructured under the Corporate Debt Restructuring Forum.

Textiles. Over the last few years, the textiles sector was adversely affected by the impact of erratic monsoons on cotton production, the South-east Asian economic crisis, the small economic size and unviable capacity of several textile units and competitive pressures from other low cost textile producing countries. A substantial portion of our loans to this sector has been classified as impaired. At December 31, 2004, we had classified 55.8% of our gross loans in this sector as restructured loans and 3.9% as other impaired loans.

Interest Foregone

The amount of interest foregone by us in respect of loans on which accrual of interest was suspended at December 31, 2004, was Rs. 7.6 billion (US$ 176 million).

Allowance for Loan Losses

The following table sets forth, at the dates indicated, movements in our allowances for loan losses.

	December 31, 2003		**March 31, 2004**		**December 31, 2004**			
	(in millions)							
Aggregate allowance for loan losses at the beginning of the year	Rs.	54,219	Rs.	54,219	Rs.	66,767	US$	1,543
Add: Provisions for loan losses								

Wholesale banking(1)	14,675	18,940	6,974	161
Working capital finance	(401)	77	(97)	(2)
Leasing and related activities (2)	49	(48)	(98)	(2)
Others (3)	965	1,086	1,725	40
Total provisions for loan losses	Rs. 15,289	Rs. 20,055	8,504	US$ 197
Write offs	(1,555)	(7,507)	(1,555)	(36)
Aggregate allowance for loan losses at the end of the year	Rs. 67,953	Rs. 66,767	Rs. 73,716	US$ 1,704
Ratio of net provisions for loan losses during the period to average loans outstanding(4)	2.4%	3.0%	1.5%	

(1) Includes project finance, corporate finance and receivables financing, excluding leasing and related activities. Provisions include unallocated provisions on lending assets not specifically identified as restructured loans or other impaired loans.

(2) Includes leasing and hire purchase.

(3) Includes consumer loans and credit card receivables and bills discounted.

(4) Annualised for the nine months ended December 31, 2004.

We conduct a comprehensive analysis of our loan portfolio on a periodic basis. The analysis considers both qualitative and quantitative criteria including, among others, the account conduct, future prospects, repayment history and financial performance. This comprehensive analysis includes an account by account analysis of the entire loan portfolio, and an allowance is made for any probable loss on each account. In estimating the allowance, we consider the net realizable value on a present value basis by discounting the future cash flows over the expected period of recovery. Further, we also consider past history of loan losses and value of underlying collateral. For further discussions on allowances for loan losses, see “Operating and Financial Review and Prospects — Summary for the nine months ended December 31, 2004, compared to the nine months ended December 31, 2003 — Provisions for Loan Losses” and “ — Critical Accounting Policies — Allowance for Loan Losses.”

Under US GAAP, the analysis of the provisions for restructured and other impaired loans requires that we take into account the time delay in our ability to foreclose upon and sell collateral. The net present value of a restructured and other impaired loan includes the net present value of the underlying collateral, if any. As a result, even though our loans are generally over-collateralized, additional allowances are required under US GAAP because US GAAP takes into account the time value of money.

Each portfolio of smaller-balance, homogenous loans, including consumer mortgage, instalment, revolving credit and most other consumer loans, is individually evaluated for impairment. The allowance for loan losses attributed to these loans is established via a process that includes an estimate of probable losses inherent in the portfolio, based upon various statistical analysis. These include migration analysis, in which historical delinquency and credit loss experience is applied to the current ageing of the portfolio, together with an analysis that reflects current trends and conditions. The use of different estimates or assumptions could produce different provisions for smaller balance homogeneous loan losses.

For restructured and other impaired loans in excess of Rs. 100 million (US$ 2 million), which were 89.8% of our gross restructured and other impaired loan portfolio at December 31, 2004, we followed a detailed process for each account to determine the allowance for loan losses to be provided. For the balance of smaller loans in the restructured and other impaired loan portfolio, we follow the classification detailed below for determining the allowance for loan losses.

Settlement Cases

In settlement cases allowances are calculated as per the scheme of settlement on an individual basis.

Enforcement Cases

Enforcement cases are those cases (excluding cases referred to the Board for Industrial and Financial Reconstruction or BIFR) in which we have commenced litigation. We expect that only the secured portion of these loans is recoverable, after a specified number of years from the date the loan is recalled. The realizable value of these loans on a present value basis is determined by discounting the estimated cash flow at the end of the specified number of years from the date of the recall by the average interest implicit in these loans.

Non-Enforcement BIFR Cases

Non-enforcement BIFR cases include cases which have been referred to the Board for Industrial and Financial Reconstruction, which are further categorized into accounts where the plant is under operation and accounts where the plant is closed. We expect that in accounts where the plant is operational, the secured portion of the loan is recoverable over specified annual payments. In respect of those accounts where the plant is closed, we expect that the secured portion of the loan will be recoverable at the end of a specified number of years based upon historical experience.

Non-Enforcement Non-BIFR Cases and other loans

Non-enforcement non-BIFR cases include cases, which are neither under litigation nor referred to the Board for Industrial and Financial Reconstruction. This category is also divided into accounts where the plant is under operation and accounts where the plant is closed. We expect that in those accounts where the plant is operational, the secured portion of the loan is recoverable over specified annual payments together with a recovery in interest due at a specified rate. In respect of those loans where the plant is closed, we expect that the secured portion of the loan will be recoverable over specified annual payments.

The following table sets forth, for the period indicated, the results of our restructured and other impaired loan classification scheme.

	At December 31, 2004		
	Gross impaired loans	Percentage expected to be realized on a net present value basis	Impaired loans, net of allowance for loan losses
	(in millions, except percentages)		
Gross principal greater than Rs. 100 million	Rs. 171,780	66.4%	Rs. 114,050
Settlement cases	612	70.4	431

Enforcement cases	3,872	66.7	2,582
Non-enforcement BIFR cases	1,772	38.8	687
Non-enforcement non-BIFR cases	13,223	42.5	5,620
Total	Rs. 191,259	64.5%	Rs. 123,370

We believe that the process for ascertaining allowance for loan losses described above adequately captures the known losses on our entire loan portfolio. We believe that our allowance for loan losses is adequate to cover all known losses in our portfolio.

BUSINESS

Overview

You should read the following summary together with the section "Business" in our annual report on Form 20-F for the fiscal year ended March 31, 2004, which is incorporated by reference in this prospectus.

We offer a wide range of banking products and services to corporate and retail customers through a variety of delivery channels. In the nine-month period ended December 31, 2004, we made a net profit of Rs. 5.25 billion (US$ 121 million) compared to a net profit of Rs. 2.32 billion (US$ 54 million) in the nine-month period ended December 31, 2003. In fiscal 2004, we made a net profit of Rs. 5.2 billion (US$ 120 million) compared to a net loss of Rs. 8.0 billion (US$ 184 million) in fiscal 2003. At December 31, 2004, we had assets of Rs. 1,634.7 billion (US$ 37.8 billion) and stockholders' equity of Rs. 122.7 billion (US$ 2.8 billion).

We were organized under the laws of India as a private sector commercial bank in 1994. We were an affiliate company of ICICI. ICICI was organized under the laws of India in 1955 and together with its subsidiaries and affiliates was a diversified financial services group. In April 2002, ICICI and two of its subsidiaries, ICICI Personal Financial Services and ICICI Capital Services merged with and into us in an all-stock amalgamation.

We offer products and services in the areas of commercial banking to corporate and retail customers, both domestic and international, investment banking and other products including insurance.

Our commercial banking products and services for retail customers include both retail loans and retail liability products and services. We offer a wide range of retail credit products including home loans, automobile loans, commercial vehicle loans, two wheeler loans, dealer financing, personal loans, credit cards, loans against time deposits and loans against shares. We also offer loans and fee-based services to small enterprises, which include suppliers and dealers of large corporations, and clusters of small enterprises that have a homogeneous profile. We take rupee and foreign currency deposits from customers in India as well as non-resident Indians. Our deposit products include checking accounts and time deposits, with specific products for customers in various segments, such as student accounts, payroll accounts, accounts for small businesses and non-resident Indian accounts. We also offer retail bond products. Our other retail products and services include private banking, debit cards, fund transfer facilities and utility bill payment services. We also distribute third party investment products, including government of India Relief Bonds, mutual funds and insurance policies issued by our joint ventures, ICICI Prudential Life Insurance Company and ICICI Lomb