ICICI BANK LTD
Form 424B4
March 18, 2005

Filed pursuant to Rule 424(b)(4)

Registration No. 333-121664

ICICI BANK LIMITED

19,206,825 American Depositary Shares

Representing 38,413,650 Equity Shares

19,206,825 American Depositary Shares, or ADSs, representing 38,413,650 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 15, 2005 was US$ 20.77 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 15, 2005 was US$ 8.80 assuming an exchange rate of Rs. 43.46 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$ 21.1100	US$ 405,456,076

Underwriting Discounts and Commissions	US$	0.4222	US$	8,109,122
Proceeds to Selling Shareholders, Before Expenses	US$	20.6878	US$	397,346,954

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 2,881,025 ADSs, representing up to an additional 5,762,050 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 23, 2005.

Investors in our shares are subject to restrictions imposed by the Reserve Bank and the government of India. See Recent Developments Restriction on Foreign Ownership of Indian Securities and Supervision and Regulation for information on such restrictions.

Joint Global Coordinators and Joint Bookrunners

(listed alphabetically)

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

Prospectus dated March 17, 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 an 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 are 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.

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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: According to a World Bank study, domestic credit to the Indian private sector as a percentage of India s GDP in 2002 was 32.6%, which is lower than comparable data for China and certain South-east Asian countries such as Malaysia and Thailand. 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-

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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 website 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.

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The Offering

ADSs offered by the selling shareholders	19,206,825 ADSs representing 38,413,650 equity shares, constituting approximately 5.2% 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 2,881,025 ADSs, representing an additional 5,762,050 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	99,219,484 (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$ 21.1100 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

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	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.

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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)
	9,082	6,630	282	(7,983)	5,219	2,324	5,251	121

Income/(loss) before cumulative effect of accounting changes, net of tax																
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

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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:								
Common shares outstanding at end of period (in millions of common shares)	393	393	393	613	616	615	736	
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	

(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 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

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	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:								
Profitability(6):								
Net income/(loss) as a 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.

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(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.

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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

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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 ICICI s 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.

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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 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

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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.

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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.

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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 ICICI s failure to provide adequate financial facilities, ICICI s recall of the advanced amount and ICICI s 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

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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.

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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 8.5% 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. Industrial growth of 8.4% during the first nine months of fiscal 2005 was the highest recorded growth after fiscal 1996. 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 world s 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 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.

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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$ 53.88 per 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

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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 co-operative 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.

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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 Bank s 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 Bank s 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.

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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

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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