

ICICI BANK LTD
Form 424B2
June 14, 2007

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The information in this prospectus supplement is not complete and may be changed. This prospectus supplement is not an offer to sell securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed pursuant to Rule 424(b)(2)
Registration No. 333-143711

SUBJECT TO COMPLETION, DATED JUNE 14, 2007**Prospectus Supplement
(To Prospectus dated June 13, 2007)****ICICI BANK LIMITED
American Depositary Shares****Representing Equity Shares**

We are offering equity shares in the form of American Depositary Shares, or ADSs. Each ADS offered represents two equity shares of ICICI Bank Limited. The number of ADSs to be sold is expected to equal the number that will result in gross proceeds of approximately US\$2.14 billion (or US\$2.46 billion assuming full exercise of the underwriters' over-allotment option), assuming a public offering price determined by reference to the prevailing market price and market conditions at the time of pricing.

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 June 13, 2007 was US\$46.50 per ADS. Our equity shares are traded in India on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The closing price for our equity shares on the Bombay Stock Exchange Limited on June 13, 2007 was US\$22.23 assuming an exchange rate of Rs.40.93 per dollar.

Investing in our ADSs involve certain risks, see Risk Factors beginning on page S-13.

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

	Per ADS	Total
Initial Price to Public	US\$	US\$
Underwriting Discounts and Commissions	US\$	US\$
Proceeds to us, before Expenses	US\$	US\$

We have granted the underwriters an option exercisable within 30 days from the date of this prospectus supplement to purchase up to an aggregate of an additional ADSs, representing up to an additional equity shares, 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 a delayed basis. **The exact time of delivery will be agreed among the Joint Global Coordinators and us and is subject to certain regulatory approvals in India, which may be obtained only after pricing. The time of delivery is expected to occur no later than the tenth business day after the date of pricing, subject to these regulatory approvals. We will notify you of the time of delivery through a press release which we will post on our website at www.icicibank.com. Prospective investors should be aware that the notification of the exact time of delivery may not occur until two or three business days before such time of delivery.**

Investors in our shares are subject to restrictions imposed by the Reserve Bank and the government of India. See *Restriction on Foreign Ownership of Indian Securities* in this prospectus supplement and *Supervision and Regulation* in our annual report on Form 20-F for the fiscal year ended March 31, 2007 filed on June 11, 2007, as amended by Form 20-F/A filed on June 13, 2007, which is incorporated by reference in the accompanying prospectus, for information on such restrictions.

Joint Global Coordinators and Joint Bookrunners

(in alphabetical order)

Goldman Sachs International

Merrill Lynch International

Joint Bookrunner

JPMorgan

Joint Lead Manager

CLSA Asia-Pacific Markets

Prospectus Supplement dated June , 2007

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You should read this prospectus supplement along with the prospectus that follows. Both documents contain information you should consider when making your investment decision. You should rely on the information contained in or incorporated by reference into this prospectus supplement and the attached prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone does provide you with different or inconsistent information, you may not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the attached prospectus is accurate only as of the date on the bottom of the front cover of this prospectus supplement. Our business, financial condition, results of operations and prospects may have changed since that date.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement contains the terms for this offering of American Depositary Shares. This prospectus supplement, or the information incorporated by reference in this prospectus supplement, may add, update or change information in the attached prospectus. If information in this prospectus supplement, or the information incorporated by reference in this prospectus supplement, is inconsistent with the information in the accompanying prospectus, then the information in this prospectus supplement, or incorporated by reference in this prospectus supplement, will apply and will supersede that information in, or incorporated by reference into, the accompanying prospectus. Capitalized terms used but not defined in this prospectus supplement have the meanings given to those terms in the accompanying prospectus.

It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents we have referred you to under **Where You Can Find More Information About Us** in the attached prospectus.

Pursuant to the issuance and listing of our securities in the United States under registration statements filed with the United States Securities Exchange Commission, we file annual reports on Form 20-F which must include financial statements prepared under generally accepted accounting principles in the United States (US GAAP) or financial statements prepared according to a comprehensive body of accounting principles with a reconciliation of net income and stockholders' equity to US GAAP. When we first listed our securities in the United States, Indian GAAP was not considered a comprehensive body of accounting principles under US securities laws and regulations. Accordingly, our annual reports on Form 20-F for fiscal years 2000 through 2005 have included US GAAP financial statements. However, pursuant to a significant expansion of Indian accounting standards, Indian GAAP constitutes a comprehensive body of accounting principles. Accordingly, we have included consolidated financial statements prepared according to Indian GAAP, with a reconciliation of net income and stockholders' equity to US GAAP and a description of significant differences between Indian GAAP and US GAAP, in our annual reports for fiscal 2006 and fiscal 2007.

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

In this prospectus supplement, 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 supplement, all translations from Indian rupees to US dollars are based on the noon buying rate in the City of New York on March 30, 2007, for cable transfers in Indian rupees as certified for customs purposes by the Federal Reserve Bank of New York which was Rs. 43.10 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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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 supplement or incorporated by reference.

Overview

We offer products and services in the areas of commercial banking to retail and corporate customers (both domestic and international), treasury and investment banking and other products like insurance and asset management. In fiscal 2007, we made a net profit of Rs. 27.6 billion (US\$640 million) compared to a net profit of Rs. 24.2 billion (US\$562 million) in fiscal 2006. At year-end fiscal 2007, we had assets of Rs. 3,943.3 billion (US\$91.5 billion) and a net worth of Rs. 239.6 billion (US\$5.6 billion). At year-end fiscal 2007, ICICI Bank was the second-largest bank in India and the largest bank in the private sector in terms of total assets. At May 15, 2007, ICICI Bank had the largest market capitalisation among all banks in India.

Our commercial banking operations for retail customers consist of retail lending and deposits, private banking, distribution of third party investment products and other fee-based products and services, as well as issuance of unsecured redeemable bonds. We provide a range of commercial banking and project finance products and services, including loan products, fee and commission-based products and services, deposits and foreign exchange and derivatives products to India's leading corporations, growth-oriented middle market companies and small and medium enterprises. In addition to foreign exchange and derivatives products for our customers, our treasury operations include maintenance and management of regulatory reserves and proprietary trading in equity and fixed income. We also offer agricultural and rural banking products. ICICI Securities and ICICI Securities Primary Dealership are engaged in equity underwriting and brokerage and primary dealership in government securities respectively. ICICI Securities owns ICICIDirect.com, an online brokerage platform. Our venture capital and private equity fund management subsidiary, ICICI Venture Funds Management Company manages funds. We provide a wide range of life and general insurance and asset management products and services, respectively, through our subsidiaries ICICI Prudential Life Insurance Company Limited, ICICI Lombard General Insurance Company Limited and ICICI Prudential Asset Management Company Limited. According to data published by the Insurance Regulatory and Development Authority of India, ICICI Prudential Life Insurance Company had a retail market share of about 28% in new business written (on weighted received premium basis) by private sector life insurance companies and about 9.9% in new business written (on weighted received premium basis) by all life insurance companies in India during fiscal 2007. According to data published by the Insurance Regulatory and Development Authority of India, ICICI Lombard General Insurance Company Limited had a market share of about 34% in gross written premium among the private sector general insurance companies and 12% among all general insurance companies in India during fiscal 2007. ICICI Prudential Life Insurance Company and ICICI Lombard General Insurance Company were the market leaders among private sector life and general insurance companies respectively in fiscal 2007. According to data published by the Association of Mutual Funds in India, ICICI Prudential Asset Management Company Limited was among the top two mutual funds in India in terms of total funds under management at April 30, 2007 with a market share of over 12%. We cross-sell the products of our insurance and asset management subsidiaries to our customers.

We believe that the international markets present a growth opportunity and have, therefore, expanded the range of our commercial banking products to international customers. We currently have subsidiaries in the United Kingdom, Canada and Russia, branches in Singapore, Dubai, Sri Lanka, Hong Kong, Bahrain and Qatar and representative offices in the United States, China, United Arab Emirates, Bangladesh, South Africa, Malaysia, Thailand and Indonesia. Our subsidiary in the United Kingdom has established a branch in Antwerp, Belgium and has received regulatory approvals to establish a branch in Frankfurt, Germany.

We deliver our products and services through a variety of channels, ranging from bank branches and ATMs to call centers and the Internet. At year-end fiscal 2007, we had a network of 710 branches, 45 extension counters and 3,271 ATMs across several Indian states. The Sangli Bank Limited, an unlisted private sector bank with over 190 branches and extension counters merged with us effective April 19, 2007.

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Strategy

Our objective is to enhance our position as a premier 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 by:

maintaining and enhancing our strong retail franchise;

maintaining and enhancing our strong corporate franchise;

building an international presence;

building a rural banking franchise; and

strengthening our insurance and asset management businesses;
emphasize conservative risk management practices and enhance asset quality;

use technology for competitive advantage; and

attract and retain talented professionals.

ICICI Bank's legal name is ICICI Bank Limited but we are known commercially as ICICI Bank. ICICI Bank was incorporated on January 5, 1994 under the laws of India as a limited liability corporation. The duration of ICICI Bank is unlimited. Our principal corporate office is 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 agent for service of process in the United States is Mr. G.V.S Ramesh, Joint General Manager, ICICI Bank Limited, 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 supplement.

Recent Developments

Our board of directors has, subject to the receipt of all regulatory approvals, approved the transfer of our equity shareholding in ICICI Prudential Life Insurance Company Limited, ICICI Lombard General Insurance Company Limited, ICICI Prudential Asset Management Company Limited and ICICI Prudential Trust Limited to a proposed new subsidiary. ICICI Bank proposes to transfer its aggregate investment in these companies of Rs. 22.28 billion at year-end fiscal 2007 and any further investments that may be made by us prior to such transfer, to the proposed new subsidiary at the book value of these investments in our books on the date of transfer. The proposed new subsidiary proposes to raise equity capital through private placements or an initial public offering to meet the future capital requirements of the insurance subsidiaries. Pursuant to initiation of discussions with potential investors for investment in the proposed new subsidiary, we have received definitive offers from investors for subscription to equity shares of the proposed new subsidiary and for entering into definitive agreements for this purpose. The subscription amount is Rs. 26.50 billion towards fresh issue of shares by the proposed new subsidiary, and the investors would thereby acquire a collective stake of 5.9% in the proposed new subsidiary, valuing it at Rs. 446.00 billion on a post-issue basis. The arrangement is subject to receipt of regulatory and other approvals including that of the Reserve Bank of India, the Insurance Regulatory & Development Authority and the Foreign Investment Promotion Board, and would terminate failing receipt of such approvals within a mutually agreed date. An affiliate of Goldman Sachs International, one of the underwriters for this ADS Offering, has presented a definitive offer to subscribe for shares constituting 2.02% of the post-issue equity capital of the proposed new subsidiary. Naturally, any such implied valuation may vary over time depending upon the business of the proposed new subsidiary, the nature of the financing round and other elements. See Risk Factors Risks Relating to Our Business We have proposed a reorganization of our holdings in our insurance and asset management subsidiaries and our inability to implement this reorganization as well as the

significant additional capital required by these businesses may adversely impact our business and the price of our Equity Shares .

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THE OFFERING

ADSs offered	<p>ADSs representing _____ equity shares, constituting approximately _____ % of our issued and outstanding equity shares upon completion of both the Indian public offering and this ADS offering (assuming no exercise of the underwriters over-allotment option in either offering). This ADS offering is conditional upon the completion of the Indian public offering described below, which condition may be waived by mutual agreement of the underwriters and ourselves, provided that all relevant Indian regulations are complied with. The Indian public offering is subject to customary conditions and there is no assurance that the Indian public offering will close.</p> <p>The number of ADSs to be sold is expected to equal the number that will result in gross proceeds of approximately US\$2.14 billion (or US\$2.46 billion assuming full exercise of the underwriters over-allotment option), assuming a public offering price determined by reference to the prevailing market price and market conditions at the time of pricing.</p>
Over-allotment option granted by us	<p>We have granted the underwriters an option exercisable within 30 days from the date of this prospectus to purchase up to an aggregate of an additional _____ ADSs, representing an additional equity shares, at the initial price to the public, less the underwriting discount.</p>
The ADSs	<p>Each offered ADS represents two equity shares of par value Rs. 10 per share. The offered ADSs are evidenced by American Depositary Receipts.</p>
ADSs to be outstanding after this offering	<p>(assuming no exercise of the underwriters over-allotment option to purchase additional ADSs).</p>
Equity shares to be outstanding after this offering	<p>(assuming no exercise of the underwriters over-allotment option in either the Indian public offering or the ADS offering).</p>
Offering price	<p>The offered ADSs are being offered at a price of \$ _____ per ADS.</p>
Depository	<p>Deutsche Bank Trust Company Americas.</p>
Use of proceeds	<p>We intend to use the net proceeds of this offering for future asset growth and compliance with regulatory requirements. The objects of the offering are to augment our capital base to meet the capital requirements arising out of growth in our assets, primarily our loan and investment portfolio due to the growth of the Indian economy, compliance with regulatory requirements and for other general corporate purposes including meeting the expenses of the ADS offering.</p>
Listing	<p>We are listing the offered ADSs on the New York Stock Exchange. Our outstanding equity shares are principally traded in India on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.</p>

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New York Stock Exchange
symbol for ADSs

IBN

Dividends

The declaration, amount and payment of dividends are subject to the recommendation of our board of directors and the approval of our shareholders. Under Indian regulations currently in force, the declaration of dividends by banks is subject to certain additional conditions. If we comply with such conditions, we are allowed to declare a dividend but only up to a certain percentage of our profits. For any dividends beyond such percentage, we are required to obtain permission from the Reserve Bank of India. Holders of equity shares and ADSs will be entitled to dividends paid, if any. For fiscal 2005, we paid a dividend, excluding dividend tax, of Rs. 7.50 per equity share. For fiscal 2006, in addition to the dividend, excluding dividend tax, of Rs. 7.50 per equity share for the year, we paid a special dividend, excluding dividend tax, of Rs. 1.00 per equity share. For fiscal 2007, we have proposed a dividend, excluding dividend tax, of Rs. 8.50 per equity share, which is subject to the approval of our shareholders. See also Dividends .

Voting rights

The ADSs will have no voting rights. Under the deposit agreement, the depository will vote the equity shares deposited with it as directed by our board of directors. See Restriction on Foreign Ownership of Indian Securities .

Delivery and Settlement

It is expected that delivery of the ADSs to the underwriters will be made against payment on a delayed basis. **The exact time of delivery will be agreed among the Joint Global Coordinators and us and is subject to certain regulatory approvals in India, which may be obtained only after pricing. The time of delivery is expected to occur no later than the tenth business day after the date of pricing, subject to these regulatory approvals. We will notify you of the time of delivery through a press release which we will post on our website at www.icicibank.com. Prospective investors should be aware that the notification of the exact time of delivery may not occur until two or three business days before such time of delivery.** Rule 15c6-1 under the Securities Exchange Act of 1934, as amended, generally requires that securities trades in the secondary market settle in three business days, unless the parties to the trade expressly agree otherwise. Accordingly, purchasers who wish to trade ADSs on any day prior to the third business day before the delivery of the ADSs will be required, by virtue of the fact that the ADSs initially will settle on a delayed basis, to specify an alternate settlement cycle at the time of any such trade, or to make any necessary arrangements to ensure that ADSs are available on the third business day after trading for settlement, to prevent a failed settlement. Purchasers of ADSs who wish to make such trades should consult their own advisors. **Purchasers who are not able to borrow ADSs or make any other necessary arrangements to prevent a failed settlement may not be able to make any trades of ADSs prior to the third business day before the delivery of the ADSs to the underwriters.**

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Public Offering in India

We have obtained the approval of our shareholders through postal ballot to issue equity shares up to an aggregate par value of Rs. 3,187.5 million, including equity shares issued pursuant to over-allotment options granted to the underwriters, which represents 25.0% of our authorized equity share capital. Part of the equity shares will be offered in India and other jurisdictions outside the US, where permitted, under an Indian prospectus filed with the Registrar of Companies, or the RoC, in India (the Indian public offering). Another part of the equity shares will be offered as ADSs representing equity shares to the public in the United States under this prospectus. equity shares are expected to be sold in the Indian public offering, with an over-allotment option of equity shares. The issue price of the equity shares will be Rs. (\$) per equity share, with a portion of the equity shares being sold at a % discount to retail investors. The allocation between the retail investors and other investors is expected to result in gross proceeds from the Indian public offering of approximately Rs. 87.5 billion (or \$2.14 billion) (or approximately Rs. 100.6 billion (or \$2.46 billion) assuming the over-allotment option is fully exercised). The ADS offering is conditional on the completion of the Indian public offering but not vice versa, which condition may be waived by mutual agreement of the underwriters and ourselves, provided that all relevant Indian regulations are complied with. The Indian public offering is subject to customary conditions and there is no assurance that the Indian public offering will close. We, in our discretion, may decide to withdraw the ADS offering at any time.

The prospectus used for the Indian public offering may not be distributed or made available in the United States. The prospectus may also not be distributed in any other jurisdiction outside India where such distribution would be unlawful.

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Pursuant to the issuance and listing of our securities in the United States under registration statements filed with the United States Securities Exchange Commission, we file annual reports on Form 20-F which must include financial statements prepared under generally accepted accounting principles in the United States (US GAAP) or financial statements prepared according to a comprehensive body of accounting principles with a reconciliation of net income and stockholders' equity to US GAAP. When we first listed our securities in the United States, Indian GAAP was not considered a comprehensive body of accounting principles under US securities laws and regulations. Accordingly, our annual reports on Form 20-F for fiscal years 2000 through 2005 have included US GAAP financial statements. However, pursuant to a significant expansion of Indian accounting standards, Indian GAAP has subsequently been considered to constitute a comprehensive body of accounting principles. Accordingly, beginning fiscal 2006, we have included in our annual report on Form 20-F, consolidated financial statements prepared according to Indian GAAP, which varies in certain respects from US GAAP. For a reconciliation of net income and stockholders' equity to US GAAP, a description of significant differences between Indian GAAP and US GAAP and certain additional information required under US GAAP, see notes 21 and 22 to our consolidated financial statements included in our annual report on Form 20-F for the fiscal year ended March 31, 2007 filed on June 11, 2007, as amended by Form 20-F/A filed on June 13, 2007, which is incorporated by reference in the accompanying prospectus. For selected financial data in accordance with US GAAP see Selected Financial Data in accordance with US GAAP.

The following tables set forth our summary financial and operating data on a consolidated basis. The summary data for fiscal 2003 through fiscal 2007 have been derived from our consolidated financial statements. Certain reclassifications have been made in the financial statements of prior years to conform to classifications used in the current year. These changes have no impact on previously reported results of operations or stockholders' equity. The accounting and reporting policies used in the preparation of our financial statements reflect general industry practices and conform with Indian GAAP, including the Accounting Standards issued by the Institute of Chartered Accountants of India, guidelines issued by the Reserve Bank of India, the Insurance Regulatory and Development Authority and the National Housing Bank as applicable to ICICI Bank and specific subsidiaries and joint ventures. The following discussion is based on our audited consolidated financial statements and accompanying notes prepared in accordance with Indian GAAP.

The consolidated financial statements for fiscal 2003 were jointly audited by N.M. Raiji & Co., Chartered Accountants and S.R. Batliboi & Co., Chartered Accountants, for fiscal 2004, 2005 and 2006 by S.R. Batliboi & Co., Chartered Accountants, and for fiscal 2007 by BSR & Co. Chartered Accountants, under auditing standards issued by the Institute of Chartered Accountants of India. The financial position as of March 31, 2006 and 2007 and the related consolidated profit and loss account and the consolidated cash flows for each of the years in the three-year period ended March 31, 2007 have also been audited by KPMG India, an independent registered public accounting firm, in accordance with the standards of the U.S. Public Company Accounting Oversight Board.

Our annual report prepared and distributed to our shareholders under Indian law and regulations and our red herring prospectus filed with the Securities & Exchange Board of India for issue of equity shares in India include unconsolidated Indian GAAP financial statements and analysis of our results or operations and financial condition based on unconsolidated Indian GAAP financial statements.

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You should read the following data with the more detailed information contained in Operating and Financial Review and Prospects and our consolidated financial statements. Historical results do not necessarily predict our results in the future.

Operating Results Data

The following table sets forth, for the periods indicated, our operating results data.

	Year Ended March 31,					
	2003	2004	2005	2006	2007	2007⁽¹⁾
	(In millions, except per common share data)					
Selected income statement data:						
Interest income ⁽²⁾⁽³⁾	Rs. 98,477	Rs. 96,589	Rs. 102,029	Rs. 151,358	Rs. 250,013	US\$ 5,801
Interest expense	(81,268)	(71,677)	(68,044)	(101,015)	(176,757)	(4,101)
Net interest income	17,209	24,912	33,985	50,343	73,256	1,700
Non-interest income ⁽⁴⁾	22,671	41,758	62,530	94,797	163,625	3,796
Profit on sale of shares of ICICI Bank held by ICICI	11,911					
Total income	51,791	66,670	96,515	145,140	236,881	5,496
Non-interest expenses:						
Operating expenses ⁽⁵⁾	(18,442)	(24,149)	(32,776)	(47,626)	(79,289)	(1,840)
Direct marketing agency expenses	(3,232)	(6,154)	(8,755)	(11,911)	(15,602)	(362)
Depreciation on leased assets	(3,167)	(2,805)	(2,975)	(2,771)	(1,883)	(44)
Expenses pertaining to insurance business ⁽⁶⁾	(3,006)	(9,200)	(26,361)	(43,389)	(83,358)	(1,934)
Total non-interest expenses	(27,847)	(42,308)	(70,867)	(105,697)	(180,132)	(4,180)
Operating profit before provisions	23,944	24,362	25,648	39,443	56,749	1,316
Provisions and contingencies	(15,967)	(5,168)	(1,864)	(8,455)	(22,774)	(528)
Profit before tax	7,977	19,194	23,784	30,988	33,975	788
Provision for tax	3,539	(3,398)	(5,684)	(6,998)	(7,641)	(177)
Profit after tax	11,516	15,796	18,100	23,990	26,334	611
Minority interest	4	8	423	211	1,272	30
Net profit	11,520	15,804	18,523	24,201	27,606	641

Per common share:

Earnings per share-basic ⁽⁷⁾	Rs. 18.79	Rs. 25.73	Rs. 25.45	Rs. 30.96	Rs. 30.92	US\$ 0.72
Earnings per share-diluted ⁽⁸⁾	18.77	25.52	25.25	30.64	30.75	0.71
Dividends per share ⁽⁹⁾	7.50	7.50	8.50	8.50	10.00	0.23
Book value	100.58	115.16	162.63	242.75	256.72	5.95
Equity shares outstanding at the end of the period (in millions of equity shares)	613	616	737	890	899	
Weighted average equity shares outstanding basic (in millions of equity shares)	613	614	728	782	893	
Weighted average equity shares outstanding diluted (in millions of equity shares)	614	619	734	790	898	

- (1) Rupee amounts for fiscal 2007 have been translated into US dollars using the noon buying rate of Rs. 43.10 = US\$1.00 in effect on March 30, 2007.
- (2) Interest on advances represents interest on rupee and foreign currency loans and advances (including bills) and hire purchase receivables and gains on sell-down of loans. Commission paid to direct marketing agents/ dealers for origination of retail automobile loans which was being reduced from Interest Income up to fiscal 2006 has been reclassified to Direct marketing agency expenses .
- (3) Interest income includes gains on the sell-down of loans. In February 2006, the Reserve Bank of India issued guidelines on accounting for securitization of standard assets. In accordance with these guidelines, with effect from February 1, 2006, we account for any loss arising on securitization immediately at the time of sale and the profit/premium arising on account of securitization is

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amortized over the life of the asset. Prior to February 1, 2006, profit arising on account of securitization was recorded at the time of sale.

- (4) As required by the Reserve Bank of India's circular no. DBOD.BP.BC.87/21.04.141/2006-07 dated April 20, 2007, we have deducted the amortization of premium on government securities, which was earlier included in Provisions and contingencies, from Non interest income. Prior period figures have been reclassified to conform to the current classification.
- (5) Operating expenses for fiscal 2003 includes Rs. 256 million (US\$6 million) and operating expenses for fiscal years 2004, 2005, 2006 and 2007 include Rs. 384 million (US\$9 million) in each year on account of amortization of expenses related to our early retirement option scheme over a period of five years as approved by the Reserve Bank of India.
- (6) The amount of premium ceded on re-insurance has been reclassified from expenses pertaining to insurance business and netted off from non-interest income.
- (7) Represents net profit/(loss) before dilutive impact.
- (8) Represents net profit/(loss) adjusted for full dilution. Options to purchase 12,610,275, 1,098,225, 5,000 and 123,500 equity shares granted to employees at a weighted average exercise price of Rs. 154.7, Rs. 266.6, Rs. 569.6 and Rs. 849.2 were outstanding in fiscal 2003, 2004, 2006 and 2007 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.
- (9) In India, dividends for a fiscal year are normally declared and paid in the following year. We declared a dividend of Rs. 7.50 per equity share for each of fiscal 2003 and fiscal 2004, which was paid out in August 2003 and in September 2004, i.e., in fiscal 2004 and in fiscal 2005 respectively. We declared a dividend of Rs. 8.50 per equity share for each of fiscal 2005 and fiscal 2006, which was paid out in August 2005 and in July 2006 respectively i.e., in fiscal 2006 and in fiscal 2007. The dividend per equity share shown above is based on the total amount of dividends declared for the year. In US dollars, the dividend was US\$0.23 per equity share for fiscal 2007. We have declared a dividend of Rs. 10.00 per equity share for fiscal 2007 which is subject to the approval of shareholders. 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.

	Year Ended March 31,				
	2003	2004	2005	2006	2007
Selected income statement data:					
Interest income	9.39%	8.22%	6.94%	6.99%	7.69%
Interest expense	(7.75)	(6.10)	(4.63)	(4.66)	(5.44)
Net interest income	1.64	2.12	2.31	2.33	2.25
Non-interest income	3.30 ⁽¹⁾	3.56	4.26	4.37	5.03
Total income	4.93	5.68	6.57	6.70	7.28
Operating expenses	(1.76)	(2.06)	(2.24)	(2.20)	(2.44)
Direct marketing agency expenses	(0.31)	(0.52)	(0.60)	(0.56)	(0.48)

