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Bulletin:

ICICI Bank's Credit Fundamentals Continue To Remain Sound

Primary Credit Analyst:

Ritesh Maheshwari, Singapore (65) 6239-6308; ritesh_maheshwari@standardandpoors.com

Secondary Credit Analyst:

Deepali Seth, Mumbai (91) 22-4097-8337; deepali_seth@standardandpoors.com

SINGAPORE (Standard & Poor's) Oct. 13, 2008--Standard & Poor's Ratings Services said today that credit fundamentals of ICICI Bank Ltd. (ICICI; foreign currency counterparty credit rating BBB-/Stable/A-3) continue to be sound, backed by strong market position in the domestic banking industry, adequate financial profile, which is supported by its healthy capitalization, satisfactory loan quality, and diversification.

The overseas loan and credit derivative portfolio of the bank, including its overseas subsidiaries, is predominantly to Indian companies for their Indian and overseas operations and hence its quality is largely dependent on corporate credit quality and economic conditions in India. Given expectation of continued strong growth in India's economy, despite some moderation in growth in the near term, credit losses in this portfolio are not expected to be significant, at this moment. The bank--through its subsidiary ICICI Bank U.K. Ltd.--also has a sizeable US\$3.5 billion investment portfolio. This includes about US\$80 million exposure to Lehman Brothers. The depressed market conditions, including widening of credit spreads and eroded valuations, could prompt the bank to report marked-to-market losses on this portfolio. In our view, likely credit or marked-to-market losses on its overseas exposure can be easily absorbed within its financial profile, considering the size of its balance sheet of about US\$100 billion and capital base of about US\$10 billion.

In addition, Standard & Poor's believes the Indian banking industry's regulatory environment and institutional framework is supportive. We also consider ICICI Bank to be systemically important and hence is expected to receive extraordinary systemic support in the event of any financial distress. However, the existing credit rating on the bank does not incorporate this support and is entirely based on its stand-alone credit profile.

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