ICICI BANK UK LIMITED

3RD ANNUAL REPORT AND ACCOUNTS 2005-2006

Directors
K. V. Kamath, *Chairman*
Lalita D. Gupte
Bhargav Dasgupta
W. Michael T. Fowle
Richard M.J. Orgill
M.L. Kaul
Sonjoy Chatterjee, *MD & Chief Executive Officer*
Martin Errington, *Director & Company Secretary*

Auditors
KPMG Audit Plc

Registered Office
21 Knightsbridge
London SW1X 7LY
United Kingdom

directors' report

to the members

The Directors of ICICI Bank UK Limited ("the Company") take pleasure in presenting their third annual report, together with the financial statements and auditors' report, for the year ended March 31, 2006.

Principal activities

ICICI Bank UK Limited is a full service United Kingdom (UK) incorporated bank offering both retail and commercial banking services and is authorised and regulated by the Financial Services Authority (FSA). The Company is a member of the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000 and is a wholly owned subsidiary of ICICI Bank Limited ICICI Bank Limited has an asset base of over Rs. 2,091 billion as at December 31, 2005, and is India's largest bank in terms of market capitalization. The Company has a high standing among the Asian retail and business community in the UK and focuses on three key business areas which include retail and private banking, corporate and investment banking and trade finance in support of the trade flow between the UK and India. ICICI Bank UK Limited's retail banking portfolio covers a full product suite including current accounts, savings accounts, internet banking, debit and credit cards. The Company is also a full service corporate bank offering loans, overdrafts, working capital facilities, investment banking and advisory services and has strongly focused on cross-border merger and acquisition deals.

Business review

Retail banking is a key element of the Company's growth strategy in the UK, with retail liabilities having grown from Rs. 16,881 million to Rs. 46,865 million over the year. The Company launched its two-pronged retail strategy this year. The first was a focus on direct banking through a low cost operating platform, allowing the offering of a competitive rate in the market place, while the second was a branch driven offering for the Asian community in the UK. The direct banking initiative was launched through the introduction of an internet savings account which contributed to rapid retail liability growth. This offering will be augmented through an on-line personal loan offering this year as well as a full suite of internet based liability savings products. The focus on the Asian community was further enhanced through the opening of new branches in the key Asian regions of Leicester, Manchester, Southall and Wembley. The Company has built a strong brand image and substantially increased its customer base across all segments in the UK. It is well placed to continue the further expansion of its product portfolio in the marketplace.

The corporate and investment banking business saw continued growth in income levels both from higher net interest income and associated fee income. The most significant achievement of the year was to establish the Company's investment banking business in the area of acquisition advisory services and financing of cross-border India-UK deals and also grow the business to a level where it is one of the largest contributors to the Bank's income. In addition to developing a strong fee source for the Bank in the UK, this also established the ICICI Bank Group as a serious player in the cross-border mergers and acquisitions business. The Company has also been a key player in financing the trade flows between UK and India. This expansion in activity is set to continue with the opening of a branch in Antwerp, Belgium during early May of 2006.

Private banking activities have commenced during the year and the Company has been successful in capturing a large segment of the Asian high net-worth community through the offering of India-linked products in the areas of real estate and private equity. This activity will be a key revenue driver and an integral component of the Company's diversification during the coming year. The principal focus areas will include a greater emphasis on onshore products, coupled with expansion of the existing sales structure, as well as the development of alternative distribution channels.

Treasury activity during the year has continued to focus principally upon efficient liquidity management and increasing and diversifying the availability of lines of credit. The Company has also gradually increased trading activity during the year, driven by a growth in client based transactions, accompanied by a continually enhanced risk management control and reporting framework.

Financial instruments

Financial instruments are used by the Company for proprietary trading purposes and for hedging its structural balance sheet positions. The risk management of the Company includes operating a policy for hedge accounting of financial instruments entered into for hedging purposes. Guidelines for monitoring credit, interest rate, market and liquidity risks associated with financial instruments are stipulated as a part of the credit and treasury policies of the Company. The risk management framework and the Company's exposure to major risks have been covered in the notes to accounts (see note 23).

Financial results

The financial statements for the reporting year ended 31 March 2006 are shown on pages 146 to 154. The profit after taxation and before dividend payments for the year amounts to Rs. 646,070,000 (2005 – profit of Rs. 99,017,000).

The Directors declared and paid an interim preference dividend of Rs. 183,480,000 during the year on preference share capital of Rs. 2,224,000,000 (2005: Nil).

Directors and Company Secretary

The names of the Directors and Company Secretary as at the date of this report and those who served during the year are as follows:

K V Kamath (Chairman of the Board)
S Chatterjee (Managing Director and CEO)
Lalita D. Gupte
W M T Fowle
R M J Orgill
M Kaul
B Dasgupta
M R Errington (Director and Company Secretary)

There were no appointments or resignations during the year.

Directors' interests

None of the Directors who held office at the end of the financial year had any disclosable interest in the shares of the Company at that date.

Continued

Share capital

On December 12, 2005, the Company issued 15,000,000 ordinary shares of USD1 each and on 29 March 2006, the Company issued 20,000,000 ordinary shares of USD 1 each. As at the reporting date, the issued Share Capital, fully paid, amounted to USD 185,000,000 and £2.

Political and charitable contributions

The Company made charitable contributions of Rs. 1,112,000 during the year (2005: Rs. 1,570,000). Of this amount, approximately Rs. 934,000 was paid to educational trusts. The Company made no political contributions during the year (2005: Nil).

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the board

M. R. ERRINGTON
Director & Company Secretary

London, April 20, 2006

Independent auditors' report

to ICICI Bank UK Limited

In accordance with the terms of our engagement letter dated June 27, 2006, we have carried out specific agreed procedures in respect of the non-statutory financial statements for the year ended March 31, 2006 ('the financial statements') on pages 146 to 154 which have been prepared by, and are the sole responsibility of, the directors of 'the Company'. Our responsibility, under the terms of our engagement letter, is to form an opinion, on the basis of the work performed, and report our opinion to the Company.

These financial statements are based on the statutory accounts of ICICI Bank UK Limited for the year ended March 31, 2006 on which we have reported as auditors and have been translated into Indian Rupees for presentation purposes only at the rate of USD 1:Rs. 44.48

Our report has been prepared for the Company solely in connection with the terms of our engagement letter. It has been released to the Company on the basis that our report shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

Our report was designed to meet the agreed requirements of the Company determined by the Company's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG Audit Plc will accept no responsibility or liability in respect of our report to any other party.

The procedures we have performed do not constitute an audit and have the limited scope described below. This report has been prepared solely in accordance with practice established in the United Kingdom.

We report as follows:

1. We confirm that the information in the financial statements for the year ended March 31, 2006 has been accurately extracted from the statutory accounts for the year ended March 31, 2006;

2. We have recalculated the translation into Indian Rupees of the financial information in the financial statements at the rate of USD 1: INR 44.48 and confirm that the calculations are arithmetically correct.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

June 27, 2006

profit and loss account

ICICI Bank

for the year ended March 31, 2006

	Note	(Rs. in '000s)	*Year ended March 31, 2005*
Interest receivable:			
Interest receivable and similar income arising on debt securities		**569,833**	*155,680*
Other interest receivable and similar income		**2,244,861**	*476,854*
Interest payable		**(2,127,879)**	*(412,078)*
Net interest income		**686,815**	*220,456*
Fees and commissions receivable	2	**983,542**	*287,979*
Dealing profits	3	**110,577**	*15,572*
Other operating income	4	**112,223**	*63,380*
Operating income		**1,893,157**	*587,387*
Administrative expenses	5	**(708,211)**	*(394,238)*
Depreciation		**(40,388)**	*(22,159)*
Provisions for bad and doubtful debts:			
General provisions	12	**(44,302)**	*(47,110)*
Profit /(loss) on sale of debt securities		**(153,056)**	*—*
Profit on ordinary activities before tax		**947,200**	*123,880*
Tax on profit on ordinary activities	7	**(301,130)**	*(24,863)*
Profit on ordinary activities after tax		**646,070**	*99,017*
Preference dividend paid during the year		**(183,480)**	*—*
Profit on ordinary activities after tax and dividend		**462,590**	*99,017*

There are no recognised gains and losses other than the profit for the year as reported above.

There is no difference between the retained profit for the year and the retained profit on an historical cost basis.

The result for the year is derived entirely from continuing activities.

The notes on pages 147 to 154 form part of these financial statements.

balance sheet

as at March 31, 2006

	Note	(Rs. in '000s)	*March 31, 2005*
Assets			
Cash		**17,570**	*3,795*
Treasury bills and other eligible bills	9	**8,314,468**	*—*
Loans and advances to banks	10	**26,127,152**	*19,016,662*
Loans and advances to customers	11	**32,296,795**	*17,445,645*
Debt securities	13	**22,857,738**	*7,344,736*
Tangible fixed assets	14	**173,072**	*92,431*
Other assets	15	**134,152**	*69,138*
Prepayments and accrued income		**783,382**	*465,949*
Total assets		**90,704,329**	*44,438,356*
Liabilities			
Deposits by banks	16	**33,245,153**	*20,475,752*
Customer accounts	17	**46,865,107**	*16,884,125*
Other liabilities	18	**1,074,014**	*256,835*
Accruals and deferred income		**827,640**	*277,641*
Shareholders' funds:			
Equity share capital	19	**6,004,800**	*4,362,000*
Non equity share capital	19	**2,224,000**	*2,181,000*
Profit and loss account		**463,615**	*1,003*
		8,692,415	*6,544,003*
Total liabilities		**90,704,329**	*44,438,356*
		INR 000s	*INR 000s*
Memorandum items			
Contingent liabilities:			
Guarantees	21	**341,606**	*—*
Commitments:			
Other commitments	21	**3,194,465**	*3,557,822*
		3,536,071	*3,557,822*

These financial statements were approved by the board of directors on April 20, 2006 and were signed on its behalf by:

M. R. ERRINGTON
Director & Company Secretary

The notes on pages 147 to 154 form part of these financial statements.

reconciliation of movements in shareholders' funds

for the year ended March 31, 2006

	Issued Share Capital (Rs. in '000s)	**Profit & loss Account (Rs. in '000s)**	**March 31, 2006 Total (Rs. in '000s)**
As at April 1, 2005	**6,672,000**	**1,025**	**6,673,025**
Ordinary shares issued during the year	**1,556,800**	**—**	**1,556,800**
Preference shares issued during the year	**—**	**—**	**—**
Profit on ordinary activities after tax	**—**	**646,070**	**646,070**
Preference dividend paid during the year	**—**	**(183,480)**	**(183,480)**
Closing shareholders' funds	**8,228,800**	**463,615**	**8,692,415**

The notes on pages 147 to 154 form part of these financial statements.

forming part of the Financial Statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements wherever required:

(a) Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the special provisions of Part VII, Chapter II of the Companies Act 1985 relating to banking companies, applicable accounting standards and the British Bankers' Association Statements of Recommended Accounting Practice (SORPs) relating to:

- Advances
- Securities
- Derivatives
- Contingent liabilities and commitments

(b) New accounting standards

In these financial statements the following new standards have been adopted for the first time:

- FRS 17 'Retirement Benefits';
- FRS 21 'Events after the balance sheet date';
- the presentation requirements of FRS 25 'Financial instruments: presentation and disclosure';
- FRS 28 'Corresponding amounts'.

FRS 28 'Corresponding amounts' has had no effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

There are no impacts arising from the adoption of FRS 17, FRS 21 and FRS 25 on the current year's result which need separate disclosure.

(c) Cash flow statement

As a wholly owned subsidiary whose parent produces publicly available accounts (see note 27), the Company has taken advantage of the exemption available within FRS 1 (revised), "Cash Flow Statements", and does not produce a cash flow statement.

(d) Loans and advances

Loans and advances are stated at cost after deduction of amounts which in the opinion of the directors are required as specific or general provisions. Where loans have been acquired at a premium or discount, these premiums and discounts are amortised through the profit and loss account from the date of acquisition to the date of maturity on a straight line basis.

Loans are designated as non-performing as soon as management has doubts as to the ultimate collectibility of the principal or interest. Loans are also considered to be non-performing if principal or interest is 90 days overdue. When a loan is designated as non-performing, interest will be suspended and a specific provision raised, if required.

Specific provisions

Specific provisions represent the quantification of the actual or expected losses from identified accounts and are deducted from loans and advances on the balance sheet. The amount of the specific provision raised is assessed on a case by case basis. The amount of specific provision raised is the Company's conservative estimate of the amount needed to reduce the carrying value of the asset to its expected net realisable value.

General provisions

General provisions augment specific provisions and provide cover for loans which are impaired at the balance sheet date but which will not be identified as such until some time in the future. The general provision is determined by taking into account the structure and risk of the Company's loan portfolio. General provisions are deducted from loans and advances in the balance sheet.

(e) Treasury bills and debt securities

Where dated investment securities intended to be held on a continuous basis have been purchased at a premium or discount, these premiums and discounts are amortised on an effective interest rate basis through the profit and loss account over the period to maturity. If the maturity is at the borrowers' option within a specified range of years, the maturity date which gives the more conservative result is adopted. These securities are included in the balance sheet at cost less provision for impairment in value and adjusted for the amortisation of premiums and discounts arising on acquisition. The amortisation of premiums and discounts is included in interest income. Any profit or loss on realisation of these securities is recognised in the profit and loss account as it arises and included in 'Profit/(loss) on sale of debt securities'.

Other treasury bills and debt securities are included in the balance sheet at market value. Changes in the market value of such assets and liabilities are recognised in the profit and loss account as dealing profits as they arise. For liquid portfolios, securities are valued by reference to bid or offer prices as appropriate.

(f) Foreign currencies

The financial statements are prepared in US Dollars, which represents the currency of the primary economic environment in which the Company operates since a significant proportion of the banking assets and liabilities, revenues and expenses are transacted in US Dollars.

Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the exchange rates ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account. Income and expenses denominated in foreign currencies are converted into US Dollars at the rate of exchange ruling at the date of the transaction. Forward foreign exchange contracts are valued at the market rates applicable to their respective maturities at the balance sheet date, and the resulting profits or losses included in the profit and loss account for the year.

(g) Depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets on a straight-line basis over their estimated useful economic lives as follows:

Leasehold improvements	Over the lease period
Office equipment	6 – 7 years
Furniture, fixtures and fittings	6 – 7 years
Computer hardware and software	3 – 4 years

(h) Derivatives

Transactions are undertaken in derivative financial instruments (derivatives), which include interest rate swaps, futures, forward rate agreements, currency swaps, options and similar instruments, for trading and non-trading purposes.

Derivatives may be used to hedge interest rate and exchange rate risks arising on transactions entered into in the normal course of business. Instruments used for hedging purposes include interest rate and currency swaps. Derivatives entered into for trading purposes include swaps, futures and options.

Derivatives classified as trading are held for portfolio management purposes within the Company's trading book. Trading book activity is the buying and selling of financial instruments in order to take advantage of short term changes in market prices. Trading book derivatives are carried at fair value in the balance sheet within 'Other assets' and 'Other liabilities'. Positive and negative fair values of trading derivatives are offset where contracts have been entered into under master netting agreements or other arrangements that represent a legally enforceable right of set-off which will survive the liquidation of either party. Gains and losses are taken directly to the profit and loss account and reported within 'Dealing profits'.

Off-balance sheet financial derivatives are entered into by the Company for hedging purposes to reduce the risks arising on transactions entered into in the normal course of business. The income and expense arising from off-balance sheet financial derivatives entered into for hedging purposes is recognised in the accounts in accordance with the accounting treatment of the underlying transactions or transactions being hedged. All off-balance sheet financial derivatives are held for the period in which the underlying hedge matures. To qualify as a hedge, a derivative must effectively reduce the price or interest rate risk of the asset, liability or anticipated transaction to which it is linked and be designated as a hedge at inception of the derivative contract. Accordingly, changes in the market value of the derivative must be highly correlated with changes in the market value of the underlying hedged item at inception of the hedge and over the life of the hedge contract.

(i) Interest receivable and payable

Interest receivable and payable is accrued over the period of the related loans, securities and deposits.

(j) Fees and commissions receivable

Fees and commissions are taken to income once the related service has been provided and the right to receive the associated fees has been established.

(k) Fees and commissions payable on borrowing

Fees paid on borrowings are amortised over the period of borrowing on an effective interest rate basis and are included in interest expense.

(l) Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and for accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 "Deferred Tax". Deferred tax assets are recognised to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

(m) Pension costs

The Company operates a stakeholder defined contribution pension scheme. Contributions to the scheme are charged to the profit and loss account when paid (see note 20).

(n) Related party transactions

The Company has taken advantage, under FRS 8, "Related Party Disclosures", of the exemption not to disclose related party transactions with group companies, as it is a wholly owned subsidiary of ICICI Bank Limited (see note 27).

(o) Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

2 Fees and commissions receivable

This amount principally consists of non-refundable arrangement, advisory and other fees earned by the Company on credit facilities granted during the year. In accordance with the accounting policy, these fees have been recognised up-front.

3 Dealing profits

Dealing profits mainly consist of net profits or losses on transactions in securities which are not held as investment securities, net profit or loss on exchange rate activities, and net profits or losses on other dealing operations involving financial instruments. Dealing profits are analysed below:

Instruments	**Year ended March 31, 2006 (Rs. in 000s)**	*Year ended March 31, 2005 (Rs. in 000s)*
Treasury bills and other eligible bills	**890**	*—*
Debt securities	**3,069**	*—*
Exchange rate contracts	**93,897**	*15,572*
Interest rate contracts	**12,721**	*—*
Total	**110,577**	*15,572*

Debt securities include bonds, certificates of deposit and credit linked notes. Exchange rate contracts include currency spots, forwards and options and interest rate contracts include swaps and futures.

4 Other operating income

Other operating income principally consists of amounts receivable from the parent company in respect of a revenue sharing agreement on remittances originated by the Company or through an alliance with a third party, amounts receivable in respect of relationship management services, and amounts receivable in respect of private banking services.

5 Administrative expenses

	Year ended March 31, 2006 (Rs. in 000s)	*Year ended March 31, 2005 (Rs. in 000s)*
Staff costs (including directors' emoluments):		
Wages and salaries	**318,255**	*191,187*
Social security costs	**26,999**	*17,622*
Other administrative expenses	**362,957**	*185,429*
Total	**708,211**	*394,238*

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	Year ended March 31, 2006 Number of employees	*Year ended March 31, 2005 Number of employees*
Management	**6**	*6*
Non Management	**100**	*45*
Total	**106**	*51*

6 Profit on ordinary activities before tax

	Year ended March 31, 2006 (Rs. in 000s)	*Year ended March 31, 2005 (Rs. in 000s)*
(a) is stated after charging		
Auditors' remuneration:		
Audit	**6,316**	*5,496*
Other services – fees paid to the auditor and its associates	**1,423**	*916*
Depreciation on tangible fixed assets	**40,388**	*22,159*
Operating lease rental in respect of leasehold premises	**20,461**	*9,291*

(b) Segmental reporting

The Company has one class of business and all other services provided are ancillary to this. All business is conducted from the United Kingdom.

7 Taxation

	Year ended March 31, 2006 (Rs. in 000s)	*Year ended March 31, 2005 (Rs. in 000s)*
(a) Analysis of charge in the year		
Current tax:		
UK Corporation tax at 30% (2005: 30%) on the taxable profits for the year	**301,130**	*24,863*
Tax on profits on ordinary activities	**301,130**	*24,863*

(b) Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2005: lower) than the standard rate of corporation tax in the UK (30% (2005: 30%)). The differences are explained below.

	Year ended March 31, 2006 (Rs. in 000s)	*Year ended March 31, 2005 (Rs. in 000s)*
Current tax reconciliation		
Profits on ordinary activities before tax	**947,200**	*123,880*
Current tax at 30%	**284,138**	*37,164*
Add/(Less) effects of:		
Expenses not deductible for tax purposes	**2,802**	*2,748*
Losses utilised	**—**	*(27,568)*
Timing difference on movement of general provision for bad and doubtful debts	**13,300**	*14,133*
Other timing differences	**890**	*(1,614)*
Total current tax charge (see 7 (a) above)	**301,130**	*24,863*

As at March 31, 2006, there were net deferred tax assets of Rs. 25,354,000 in respect of general provision for bad and doubtful debts (2005: Rs. 12,519,000 in respect of general provision for bad and doubtful debts). The Directors have considered it prudent not to recognise these assets given the relatively short time the Company has been operating.

(c) Factors that may affect future tax charges

The directors of the Company are not aware of any factors which will have a material effect upon future tax charges.

8 Emoluments of directors

	Year ended March 31, 2006 (Rs. in '000s)	*Year ended March 31, 2005 (Rs. in '000s)*
Directors' fees and emoluments (including pension and other benefits)	**31,092**	*27,917*

The emoluments of the highest paid director were Rs.16,586,000 (2005: Rs. 13,287,175). Contributions on behalf of directors under a money purchase pension scheme amounted to Rs. 611,000 (2005: Rs. 329,549). The number of directors to whom retirement benefits accrue under a defined contribution pension scheme is 2 (2005: 1).

9 Treasury bills and other eligible bills

	March 31, 2006 (Rs. in '000s)	*March 31, 2005 (Rs. in '000s)*
Analysed by issuer:		
Issued by public bodies		
Government (non trading)-UK	**4,476,512**	—
Government (trading)-UK	**3,837,956**	—
Tax on profits on ordinary activities	**8,314,468**	—

Of the total treasury and other eligible bills, Rs. 4,476,512,000 (2005: Nil) are non trading book investment securities. These comprise UK Treasury bills which are short term in nature and analysed below:

	March 31, 2006			*March 31, 2005*
	(Rs. in '000s) Nominal	(Rs. in '000s) Net discount	(Rs. in '000s) Net book value	*(Rs. in '000s) Net book value*
Opening balance	—	—	—	—
Purchases	4,482,962	(11,565)	4,471,397	—
Accretion	—	5,115	5,115	—
Closing balance	4,482,961	(6,450)	4,476,512	—

10 Loans and advances to banks

(a) Residual maturity

	March 31, 2006 (Rs. in '000s)	*March 31, 2005 (Rs. in '000s)*
Banks		
Repayable on demand	**108,131**	*34,373*
Other loans and advances		
Remaining maturity:		
5 years or less but over 1 year	**3,731,872**	*2,182,047*
1 year or less but over 3 months	**3,180,142**	*2,772,574*
3 months or less	**18,613,768**	*13,784,661*
	25,633,913	*18,773,655*
Parent company		
Repayable on demand	**48,439**	*6,848*
Other loans and advances		
Remaining maturity:		
1 year or less but over 3 months	**285,784**	*128,156*
3 months or less	**159,016**	*108,003*
	493,239	*243,007*
Total	**26,127,152**	*19,016,662*

(b) Concentrations of exposure

The Company has the following concentrations of loans and advances to banks:

	March 31, 2006 (Rs. in '000s)	*March 31, 2005 (Rs. in '000s)*
Total gross advances to banks located in:		
Europe and North America	**23,610,785**	*12,605,395*
India	**163,597**	*1,697,995*
Rest of the World	**2,352,770**	*4,713,272*
Total	**26,127,152**	*19,016,662*

11 Loans and advances to customers

(a) Residual maturity

	March 31, 2006 (Rs. in '000s)	*March 31, 2005 (Rs. in '000s)*
Repayable on demand or at short notice	**1,803,130**	*458,403*
Other loans and advances		
Remaining maturity:		
Over 5 years	**2,443,108**	*436,200*
5 years or less but over 1 year	**14,113,815**	*6,106,800*
1 year or less but over 3 months	**5,155,410**	*5,016,300*
3 months or less	**8,876,208**	*5,477,538*
Sub-total	**32,391,671**	*17,495,241*
Bad and doubtful debt provision – general (note 12)	**(94,876)**	*(49,596)*
Total	**32,296,795**	*17,445,645*

(b) Concentrations of exposure

The Company has the following concentrations of loans and advances to customers:

	March 31, 2006 (Rs. in '000s)	*March 31, 2005 (Rs. in '000s)*
Total gross advances to customers located in:		
Europe and North America	**15,289,689**	*4,399,077*
India	**14,113,371**	*9,067,246*
Rest of the World	**2,988,611**	*4,028,918*
Total	**32,391,671**	*17,495,241*

12 Provisions for bad and doubtful debts

Movements on provisions for bad and doubtful debts:

	March 31, 2006			*March 31, 2005*		
	Specific (Rs.in '000s)	General (Rs.in '000s)	Total (Rs.in '000s)	*Specific (Rs.in '000s)*	*General (Rs.in '000s)*	*Total (Rs.in '000s)*
Opening balance	—	50,574	50,574	—	2,486	2,486
New provisions	—	44,302	44,302	—	47,110	47,110
Closing balance	—	94,876	94,876	—	49,596	49,596

13 Debt securities

	March 31, 2006 (Rs. in '000s)	*March 31, 2005 (Rs. in '000s)*
Analysed by issuer:		
Non trading book		
Issued by public bodies	**2,233,563**	—
Issued by other issuers	**15,880,561**	*5,299,088*
Bank certificates of deposit	**1,078,017**	*2,132,495*
Trading book		
Issued by public bodies	**44,480**	—
Issued by other issuers	**3,674,137**	—
	22,910,758	*7,431,583*
Less: Unamortised discounts	**(53,020)**	*(86,847)*
Total	**22,857,738**	*7,344,736*
Analysed by listing status:		
Non trading book		
Unlisted	**7,550,258**	*7,431,583*
Listed	**11,641,884**	—
Trading book		
Unlisted	**110,800**	—
Listed	**3,607,816**	—
Total	**22,910,758**	*7,431,583*
Analysed by maturity:		
Due within 1 year	**1,078,017**	*2,699,555*
Due 1 year and over	**21,832,741**	*4,732,028*
Total	**22,910,758**	*7,431,583*

Movement of debt securities (non trading book):

	March 31, 2006			March 31, 2005
	(Rs. in '000s Nominal	(Rs. in '000s) Net discount	(Rs. in '000s) Net book value	(Rs. in '000s) Net book value
Opening balance	7,578,102	(88,560)	7,489,542	—
Purchases	27,827,667	(65,875)	27,761,792	16,984,581
Maturities	(6,486,607)	—	(6,486,607)	(7,558,081)
Sales	(5,284,446)	5,604	(5,278,842)	(557,376)
Redemptions	(4,381,280)	—	(4,381,280)	(1,526,700)
Accretion (Amortisation)	—	34,516	34,516	2,312
Closing balance	19,253,436	(114,315)	19,139,121	7,344,736

14 Tangible fixed assets

	Leasehold improvements INR 000s	Other assets INR 000s	Total INR 000s
Cost			
At April 1, 2005	26,021	100,436	126,457
Additions	78,774	40,432	119,206
At March 31, 2006	**104,795**	**140,868**	**245,663**
Depreciation			
At April 1, 2005	3,069	29,134	32,203
Charge for year	8,585	31,803	40,388
At March 31, 2006	**11,654**	**60,937**	**72,591**
Net book value			
At March 31. 2006	**93,141**	**79,931**	**173,072**
At March 31, 2005	22,509	69,922	92,431

15 Other assets

	31 March 2006 INR 000s	31 March 2005 INR 000s
Cheques in clearing	66,275	12,606
Deposits receivable	52,175	1,963
Forward foreign exchange contracts	—	11,603
Other debtors	15,702	42,966
Total	**134,152**	69,138

16 Deposits by banks

	31 March 2006 INR 000s	31 March 2005 INR 000s
With agreed maturity dates or periods of notice, by remaining maturity:		
Banks		
5 years or less but over 1 year	16,902,400	3,271,500
1 year or less but over 3 months	3,336,000	3,533,220
3 months or less but not repayable on demand	5,667,553	5,256,210
	25,905,953	12,060,930
Parent and group companies		
5 years or less but over 1 year	1,556,800	820,580
1 year or less but over 3 months	—	6,630,240
3 months or less but not repayable on demand	5,782,400	959,640
	7,339,200	8,410,460
Repayable on demand	—	4,362
	7,339,200	8,414,822
Total	**33,245,153**	20,475,752

17 Customer accounts

	March 31, 2006 (Rs. in '000s)	March 31, 2005 (Rs. in '000s)
With agreed maturity dates or periods of notice, by remaining maturity:		
5 years or less but over 1 year	3,330,974	5,576,686
1 year or less but over 3 months	6,681,830	4,593,186
3 months or less but not repayable on demand	12,419,172	6,077,488
	22,431,976	16,247,360
Repayable on demand	24,433,131	636,765
Total	**46,865,107**	16,884,125

18 Other liabilities

	March 31, 2006 (Rs. in '000s)	March 31, 2005 (Rs. in '000s)
Amounts in clearing	257,673	189,093
Corporation tax payable	183,080	24,863
Forward foreign exchange contracts	95,499	—
Other creditors	137,799	42,879
Unsettled securities	399,963	—
Total	**1,074,014**	256,835

19 Called up share capital

	March 31, 2006 (Rs. in '000s)	March 31, 2005 (Rs. in '000s)
Authorised		
Ordinary shares of £1 each (equity)	100,000,000	100,000,000
Ordinary shares of USD1 each (equity)	450,000,000	450,000,000
Ordinary shares of EUR1 each (equity)	500,000,000	500,000,000
Non-cumulative perpetual callable preference shares of USD 1 each (non equity)	50,000,000	50,000,000
Allotted, called up and fully paid		
135 million ordinary shares of USD1 each (equity)	135,000,000	100,000,000
50 million non-cumulative perpetual callable preference shares of USD1 each (non equity)	50,000,000	50,000,000
2 ordinary shares of £1 each (equity)	2	2

During the year, the Company allotted 35,000,000 ordinary shares of USD 1 each for a cash consideration of USD 35,000,000.

20 Pension scheme

During the year, the Company made a contribution of Rs. 3,471,000 (2005: Rs. 2,895,365) to the pension scheme. Out of this amount, INR 210,000 was accrued at the year end (2005: Rs. 405,797).

21 Contingent liabilities and commitments

	March 31, 2006 (Rs. in '000s)	March 31, 2005 (Rs. in '000s)
(a) Other commitments		
Contingent liabilities		
Guarantees	341,606	—
Commitments		
Undrawn formal standby facilities, credit lines and other commitments to lend maturing in:		
Less than 1 year	3,194,465	3,557,822
(Assets of INR 712 million (2005: Rs. 1,039 million) have been lodged as security against the above commitments)		

(b) Significant concentrations of contingent liabilities and commitments

Approximately 67% (2005: 32%) of total contingent liabilities and commitments relate to counterparties in India.

(c) Foreign exchange contracts

In addition to the commitments disclosed above, there are outstanding foreign exchange contracts for purchases of Rs. 18,541,577,000 (2005: Rs. 1,869,785,956) and sales of Rs. 18,541,577,000 (2005: Rs. 1,869,785,956).

22 Operating lease commitments

As at March 31, 2006, the Company has the following non cancellable annual operating lease commitments:

	March 31, 2006 (Rs. in '000s) Land and buildings	*March 31, 2005 (Rs. in '000s) Land and buildings*
Operating leases which expire:		
Between 1 and 5 years	**6,405**	*3,446*
More than 5 years	**23,041**	*10,556*
Total	**29,446**	*14,002*

23 Risk Management Framework

Through its banking services the Company is exposed to a range of risks. The Company's goal in risk management is to ensure that it understands, measures and monitors the various risks that arise and that the Company adheres to the policies and procedures which are established to address these issues. As a Bank, the Company is primarily exposed to credit risk, interest rate risk, market risk, liquidity risk, foreign exchange risk and operational risk. Committees of the Board of Directors have been constituted to oversee risk management. Additionally, the Board of Directors has delegated authority to the Chief Executive Officer, who is assisted by executive management committees and a risk function which is independent from the Company's business operations. In turn, this is supplemented by internal audit.

Major risks

Credit risk

Credit risk arises principally on the lending activities of the Company. Credit risk policies are applied by the Executive Credit Committee which operates within the authority granted to it by the Board Risk and Credit Committee. Country and counterparty limits are established and monitored on a daily basis, with a detailed review at least once a year. Management receives regular reports on the utilisation of these limits.

Interest rate risk

Interest rate risk primarily arises on the mismatching of the Company's assets with its funding. This is monitored daily and is managed by the Asset and Liability Committee.

Price risk (Trading book)

The Company undertakes proprietary trading activities to enhance earnings. The Trading Book Policy statement provides direction to the trading activities of the Bank and covers all positions in financial instruments held by the Company for the purposes of trading.

The impact of an increase in interest rates on the trading book fixed income (fixed and floating rate) investments as at March 31, 2006 assuming a parallel shift in yield curve has been set out in the following table:

(Rs. '000s)

Particulars	**Portfolio size**	**Increase in interest rates (in bps)**	
		100	**200**
Impact on value of Trading book fixed income investments	**7,556,573**	**(11,965)**	**(23,930)**

Interest rate risk (impact on interest earnings)

Volatility in interest rates has an impact on an entity's interest earnings. The impact of an increase in interest rates on the Bank's net interest income as at March 31, 2006 assuming a parallel shift in the yield curve has been set out in the following table:

(Rs. in '000s)

Particulars	**Increase in interest rates (in bps)**	
	100	**200**
Impact on Net Interest Income over a one year horizon	**89,049**	**178,053**

The positive impact as a result of an increase in interest rates is due to positive near term Balance Sheet re-pricing gaps (the interest rate re-pricing schedules as at March 31, 2006 and March 31, 2005 have been set out in the following tables).

The combined impact of the price risk associated with an increase of 100 bps in interest rates on the trading book assets, coupled with the impact on the net interest income viewed over a one year horizon is measured against a limit of 10% of the unimpaired Tier I & II capital base of the Bank as at the end of the immediately preceding financial year.

Short term debtors and creditors have been included in all of the following disclosures, when applicable.

Interest rate re-pricing schedule

The interest rate re-pricing schedule as at March 31, 2006 is set out below:

(Rs. in '000s)

	Less than 3 months	More than 3 months but not more than 6 months	More than 6 months but not more than one year	More than one year but not more than 5 years	More than 5 years	Non interest bearing	Trading book	Total
Assets								
Cash	—	—	—	—	—	17,570	—	17,570
Treasury bills and other eligible bills	4,476,512	—	—	—	—	—	3,837,956	8,314,468
Loans and advances to banks	24,610,339	911,351	448,892	—	—	156,570	—	26,127,152
Loans and advances to customers	26,639,829	5,479,046	177,920	—	—	—	—	32,296,795
Debt securities	15,345,911	2,377,100	—	1,273,196	142,914	—	3,718,617	22,857,738
Tangible fixed assets	—	—	—	—	—	173,072	—	173,072
Other assets	—	—	—	—	—	134,152	—	134,152
Prepayments and accrued income	—	—	—	—	—	783,382	—	783,382
Total assets	71,072,591	8,767,497	626,812	1,273,196	142,914	1,264,746	7,556,573	90,704,329
Liabilities								
Deposits by banks	32,133,153	1,112,000	—	—	—	—	—	33,245,153
Customer accounts	34,601,349	4,192,462	2,489,368	3,287,828	—	2,294,100	—	46,865,107
Other liabilities	512,899	—	—	—	—	561,115	—	1,074,014
Accruals and deferred income	—	—	—	—	—	827,640	—	827,640
Shareholders' funds	—	—	—	—	—	8,692,415	—	8,692,415
Total liabilities	67,247,401	5,304,462	2,489,368	3,287,828	—	12,375,270	—	90,704,329
Derivatives								
IRS	(2,045,769)	222,400	—	1,956,809	(133,440)	—	—	—
Gap	1,779,421	3,685,435	(1,862,556)	(57,823)	9,474	(11,110,524)	7,556,573	—
Cumulative	1,779,421	5,464,856	3,602,300	3,544,477	3,553,951	(7,556,573)	—	—

The figures above do not demonstrate the exposure of the Company to particular interest rates as the assets and liabilities have been consolidated across all currencies.

The interest rate re-pricing schedule as at March 31, 2005 is set out below:

(Rs. in '000s)

	Less than 3 months	*More than 3 months but not more than 6 months*	*More than 6 months but not more than one year*	*More than one year but not more than 5 years*	*More than 5 years*	*Non interest bearing*	*Total*
Assets							
Cash	—	—	—	—	—	3,795	3,795
Loans and advances to banks	16,249,365	2,307,629	449,548	10,120	—	—	19,016,662
Loans and advances to customers	11,774,696	3,026,923	2,520,625	123,401	—	—	17,445,645
Debt securities	5,948,896	1,395,840	—	—	—	—	7,344,736
Tangible fixed assets	—	—	—	—	—	92,431	92,43
Other assets	—	—	—	—	—	69,138	69,138
Prepayments and accrued income	—	—	—	—	—	465,949	465,949
Total assets	33,972,957	6,730,392	2,970,173	133,521	—	631,313	44,438,356
Liabilities							
Deposits by banks	7,310,713	10,198,879	2,966,160	—	—	—	20,475,752
Customer accounts	6,407,779	1,093,423	3,265,262	5,576,686	540,975	—	16,884,125
Other liabilities	—	—	—	—	—	256,835	256,835
Accruals and deferred income	—	—	—	—	—	277,641	277,641
Shareholders' funds	—	—	—	—	—	6,544,003	6,544,003
Total liabilities	13,718,492	11,292,302	6,231,422	5,576,686	-	7,619,454	44,438,356
Derivatives							
IRS	(4,796,455)	2,181,000	1,308,600	1,306,855	—	—	—
FRA	—	872,400	(872,400)	—	—	—	—
Gap	15,458,010	(1,508,510)	(2,825,049)	(4,136,310)	—	(6,988,141)	—
Cumulative	15,458,010	13,949,500	11,124,451	6,988,141	6,988,141	—	—

The figures above do not demonstrate the exposure of the Company to particular interest rates as the assets and liabilities have been consolidated across all currencies.

Market risk

The Company uses a value at risk ('VAR') measure as the primary mechanism for controlling market risk. Market risk arises mainly from uncertainty about future prices of financial and other instruments used in the Bank's business. It represents the potential loss the Bank might suffer through adverse changes in interest rates and foreign exchange rates. The Bank's trading activities principally comprise trading in foreign exchange derivative financial instruments which include forwards, swaps and options. Positions in such instruments are reported at fair value.

VAR is the potential loss in value of the Company's trading positions, which might arise due to adverse movements in markets over a defined time horizon with a specified confidence level.

The Company's VAR, is calculated using a parametric approach at a 99% confidence level over a one day holding period.

The VAR for the Company's trading book as at March 31, 2006 was Rs. 3,247,000 (2005: Rs. 349,000) and the average, highest and lowest VARs during the year from 1 April 2005 to 31 March 2006 were Rs. 2,669,000 (2005: Rs. 393,000), Rs. 5,960,000 (2005: Rs. 654,000) and Rs. 445,000 (2005: Rs. 174,000) respectively. These figures are purely indicative as they are simply based on a month-end time series.

The modelling of the risk characteristics of the Company's trading positions involves a number of assumptions and approximations. While management believes that these assumptions and approximations are reasonable, there is no uniform industry method for estimating VAR and different assumptions and/or approximations could produce materially different VAR estimates. The VAR figures disclosed above, for example, have the following main limitationss:

The Company uses data for the last year to estimate its VAR and, given this reliance on historical data, VAR is most effective in estimating risk exposures in markets in which there are no sudden fundamental changes or shifts in market conditions. An inherent limitation of VAR is that past changes in market risk factors may not produce accurate predictions of future market risk.

The VAR estimates the risk for a one-day time horizon. It does not capture the market risk of positions over a longer holding period.

Focusing on the maximum loss that is expected to be incurred 99% of the time says little about the size of the losses in excess of the VAR that are expected to be incurred 1% of the time.

The VAR calculation is based on certain assumptions (log-normal distribution) on the distribution of market price movements that might not hold in practice.

The assumption of correlation or independence between risk types may be incorrect and therefore result in VAR not fully capturing market risk.

VAR is calculated at the close of business with intra-day exposures not being subject to intra-day VAR calculations.

Liquidity risk

Liquidity risk arises on the mis-matching of the residual maturity of the Company's assets and funding. This is also monitored daily, and is managed by the Asset and Liability Committee.

Foreign exchange risk

Foreign exchange risk is managed within the Treasury function. Policies and procedures are detailed in an operational procedures manual. This incorporates FSA agreed limits where necessary, and other regulatory bodies requirements and best practices. It is subject to periodic review by Internal Audit, and is approved by the Board. Senior management also regularly monitors the positions taken on a daily basis.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal process, people and systems or from external events. The Company's operational risk framework is subject to procedural policies and best practice standards, with senior management being responsible for their implementation and maintenance. Adherence to these policies is also subject to periodic review by Internal Audit.

24 Fair values of financial assets and financial liabilities

Set out below is a comparison by category of book values and fair values of all of the Company's trading and non trading financial assets and financial liabilities as at March 31, 2006:

	2006 Fair value (Rs. in '000s)	2006 Book value (Rs. in '000s)	*2005 Fair value (Rs. in '000s)*	*2005 Book value (Rs. in '000s)*
Non trading book financial assets and liabilities				
Assets:				
Cash	**17,570**	**17,570**	*3,795*	*3,795*
Treasury bills and other eligible bills	**4,477,401**	**4,476,512**	—	—
Loans & advances to banks	**26,127,152**	**26,127,152**	*19,016,662*	*19,016,662*
Loans & advances to customers	**32,296,795**	**32,296,795**	*17,445,645*	*17,445,645*
Debt securities	**18,925,662**	**19,139,121**	7,328,079	7,344,736
Liabilities:				
Deposits by banks & customer accounts	**80,110,260**	**80,110,260**	37,359,877	37,359,877
Trading book financial assets and liabilities				
Treasury bills and other eligible bills	**3,837,956**	**3,837,956**	—	—
Debt securities	**3,718,617**	**3,718,617**	—	—

Market values have been used to determine the fair values of all treasury bills and debt securities (other than credit linked notes). The fair values of credit linked notes have been calculated by discounting expected future cash flows at prevailing interest rates. The fair value of loans is assumed to be the same as book value because the interest rates on a significant portion of the portfolio are floating in nature, with interest rates reset not extending beyond a three month period. The fair value of liabilities is assumed to be the same as book value because the interest rates on a significant portion are floating in nature, with interest rates not extending beyond a three month period.

25 Derivative financial instruments

The Company enters into various financial instruments for proprietary trading and for hedging its interest rate and foreign exchange risks.

Interest related contracts include swaps, futures and forward rate agreements. Interest rate swap transactions generally involve the exchange of fixed and floating interest payment obligations without the exchange of the underlying principal amounts. Forward rate agreements are contracts under which two counterparties agree on the interest to be paid on a notional deposit of a specified maturity at a specific future settlement date; there is no exchange of principal.

Exchange rate related contracts include spot, currency swaps, options and forward transactions. The Company's currency swap transactions generally involve an exchange of currencies and an agreement to re-exchange the currency at a future date where the swaps relate to assets and liabilities denominated in different currencies.

The Company enters into over-the-counter Credit Default Swaps for portfolio management purposes and enhancing returns.

The contract or notional principal amounts of these instruments are not indicative of the amounts at risk which are smaller amounts payable under the terms of these instruments and upon the basis of the contract or notional principal amount. Derivatives contracts in the non-trading book are used for hedging purposes only and are accounted for on this basis and are executed with bank counterparties for whom volume and settlement limits have been approved. Group limits are approved for connected exposures.

At March 31, 2006, the principal amounts of the instruments were:

Instruments	Non Trading	Trading		
	Notional Principal (Rs. in '000s)	Notional Principal (Rs. in '000s)	Gross positive fair values (Rs. in '000s)	Gross negative fair values (Rs. in '000s)
Exchange rate contracts	**14,462,628**	**4,078,949**	**37,408**	**(36,963)**
Interest rate contracts	**11,629,296**	**2,674,449**	**12,677**	**(1,913)**
Credit Derivatives	**222,400**	**—**	**—**	**—**

At March 31, 2005, the principal amounts of the instruments were:

Instruments	*Non Trading*	*Trading*		
	Notional Principal (Rs. in '000s)	*Notional Principal (Rs. in '000s)*	*Gross positive fair values (Rs. in '000s)*	*Gross negative fair values (Rs. in '000s)*
Exchange rate contracts	1,869,786	—	—	—
Interest rate contracts	5,882,593	—	—	—

Credit Risk Disclosure:

***Residual maturity of fair value of derivatives*:**

The residual maturity and the location of all exposures arising from over the counter (OTC) and non margined exchange traded derivative contracts is set out below.

At 31 March 2006, residual maturities of the net fair values of derivatives were:

Instruments	1 year or less (Rs. in '000s)	More than one year but not more than 5 (Rs. in '000s)	More than 5 years (Rs. in '000s)	Total (Rs. in '000s)
Non trading book				
Financial Institutions	**63,606**	**20,683**	**20,505**	**104,794**
Trading book				
Financial Institutions	**(1,201)**	**2,446**	**—**	**1,245**
Other	**10,186**	**(222)**	**—**	**9,964**

At 31 March 2005, residual maturities of the net fair values of derivatives were:

Instruments	*1 year or less (Rs. in '000s)*	*More than one year but not more than 5 (Rs. in '000s)*	*More than 5 years (Rs. in '000s)*	*Total (Rs. in '000s)*
Non trading book				
Financial Institutions	*32,148*	*(6,674)*	*—*	*25,474*

Risk weighted amounts:

The risk weighted amounts and positive fair values have been calculated based on the Financial Services Authority's requirements. The positive fair values represent the claims that the Company would have if all the counterparties to which it was exposed defaulted at once and the Company were to replace the contracts.

At March 31, 2006, the risk weighted amounts and positive fair values of derivatives were:

Counterparty locations	Notional Amounts (Rs. in '000s)	Risk weighted amounts (Rs. in '000s)	Positive fair values (Rs. in '000s)
Financial Institutions			
Europe and North America	**20,757,526**	**110,088**	**101,993**
India	**3,950,447**	**12,232**	**10,008**
Singapore	**5,229,603**	**4,448**	**3,425**
Other			
Europe and North America	**3,130,147**	**12,410**	**10,408**

At 31 March 2005, the risk weighted amounts and positive fair values of derivatives were:

Counterparty locations	*Notional Amounts (Rs. in 000s)*	*Risk weighted amounts (Rs. in 000s)*	*Positive fair values (Rs. in 000s)*
Financial Institutions			
Europe and North America	*1,869,786*	*13,915*	*51,166*
Singapore	*5,882,593*	*6,194*	*—*

26 Assets and liabilities denominated in foreign currency

	March 31, 2006 (Rs. in '000s)	*March 31, 2005 (Rs. in '000s)*
Denominated in US Dollars	**49,350,783**	*34,425,690*
Denominated in Sterling	**29,784,165**	*3,599,392*
Denominated in other currencies	**11,569,381**	*6,413,274*
Total assets	**90,704,329**	*44,438,356*
Denominated in US Dollars	**49,725,839**	*34,066,349*
Denominated in Sterling	**29,521,421**	*4,566,447*
Denominated in other currencies	**11,457,069**	*5,805,560*
Total liabilities	**90,704,329**	*44,438,356*

The above should not be considered to demonstrate the Company's exposure to foreign exchange risk due to the existence of compensating exchange rate contracts as discussed in Note 25 which are held for hedging purposes.

27 Ultimate parent company and parent undertaking of larger group of which the Company is a member

The Company is a wholly owned subsidiary of ICICI Bank Limited. The parent company is incorporated in India. Copies of the group accounts for ICICI Bank Limited can be obtained from the Secretarial Department, ICICI Bank Limited, ICICI Bank Towers, Bandra-Kurla Complex, Mumbai -400 051, India.