

News Release
December 11, 2003
Public Issue of ICICI Bank Bonds Opens on December 19, 2003
Public Issue of ICICI Bank Bonds – December 2003

Under the Umbrella Prospectus approved by the Securities and Exchange Board of India (SEBI), ICICI Bank is launching the sixth (third in the current fiscal) public offering of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 100 crore with a right to retain oversubscription of up to Rs. 100 crore ("ICICI Bank Bonds – December 2003"). **The issue will open for subscription on December 19, 2003 and will close on January 6, 2004.**

Two premier credit rating agencies have assigned AAA ratings for the bonds: - **"LAAA"** by ICRA and **"CARE AAA"** by CARE. The ratings signify highest safety with regard to timely payment of principal and interest¹.

The Issue offers various options under **Tax Saving Bond**.

NRIs are also eligible to invest in these bonds on both repatriable and non-repatriable basis.

Tax Saving Bond

The investor may choose any of the following options in respect of the Tax Saving Bond:

	I	II	III	IV
Tax Benefit Available	Sec 88	Sec 88	Sec 88	Sec 88
Issue Price (Rs.)	5000/-	5000/-	5000/-	5000/-
Redemption Period	3 years	3 years 6 months	5 years	5 years 6 months
Face Value	5000/-	6025/-	5000/-	6700/-
Interest Rate (%) p.a. *	5.50	Deep Discount Bond	5.50	Deep Discount Bond
Frequency of interest payment	Annual	N.A.	Annual	N.A.
YTM (%) *# \$ (with tax benefits)	11.7	10.5	9.4	8.6
Minimum Application	1 Bond	1 Bond	1 Bond	1 Bond
Maximum Application	20 Bonds	20 Bonds	20 Bonds	20 Bonds

¹ The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The Rating agencies have a right to suspend, withdraw the rating at any time on the basis of new information etc. Please refer prospectus for details

* Subject to TDS as per the then prevailing tax laws

Rounded off to the nearest multiple of 0.1

\$ The yield has been calculated assuming that a tax rebate of 15% is available to the eligible investors and that no surcharge is payable in case of all the options.

In terms of the Prospectus (and subject to the applicable provisions of law), full and firm allotment is assured for all valid applications for the Tax Saving Bond.

As per the Finance Act 2002, the maximum limit for availing the benefit of tax rebate under Section 88 of the Income Tax Act, 1961 ('Act') is fixed at Rs.1,00,000/-. Out of this, Rs.30,000/- can be invested only in eligible issue of capital, the proceeds of which are to be utilised in infrastructure projects. Tax Saving Bonds offered by ICICI Bank is one such eligible investment for this purpose.

This means that out of the overall limit of Rs.1,00,000/-, Rs. 30,000/- can be invested only in such issues like the Tax Saving Bonds offered by ICICI Bank. Further to Rs. 30,000/- one can also invest the balance Rs. 70,000/- in these Bonds to avail the benefit under Section 88 of the Act. Thus it may be noted that the investors may invest the entire amount of Rs. 1,00,000/- in these bonds for availing benefit of rebate under section 88 of the Act.

Option III & IV of the Tax Saving Bond is designed to serve the dual purpose of tax benefit as well as Investment. The tenure of the bond is 5 years & 5 years 6 months, respectively and offers a good yield of 9.4% & 8.6%, respectively including tax benefits.

The Bonds are available in Demat mode too.

For the investors who are investing for long term, holding the investment has been made more convenient as the same can now be held in dematerialized mode. All the Bonds will be listed on VSE, BSE and NSE, and are freely transferable before maturity.

The ICICI Bank Bonds – December 2003 issue provides the investors another opportunity to save at market rates of interest and offers various redemption periods and options to choose from. **ICICI Bank Tax Saving Bonds offers an excellent opportunity to save taxes. Further the ICICI Bank Bonds issue-December 2003 is the last offering of Infrastructure Bonds by ICICI Bank in the current calendar year.**

ICICI Bank is the first bank to launch a public issue of bonds offering tax benefits under section 88 of the Act.

Disclaimer:

Except for the historical information contained herein, statement in this release which contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions may constitute "forward-looking statement". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion, the adequacy of our allowance for credit losses, technological changes, investment income, cash flow projections, our exposure to market risks as well as other risks detailed in the reports filed by ICICI Bank Limited with the Securities and Exchange Commission of the United States. ICICI Bank undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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