



ICICI Bank Limited.
ICICI Bank Towers
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News Release

February 21, 2005

PUBLIC ISSUE OF ICICI BANK BONDS – FEBRUARY 2005

Under the Umbrella Prospectus approved by the Securities and Exchange Board of India (SEBI), ICICI Bank is launching the second public offering of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs.400 crore with a right to retain oversubscription of up to Rs.400 crore ("ICICI Bank Bonds – February 2005"). The issue will open for subscription on February 28, 2005 and will close on March 9, 2005.

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 interest.

The Issue offers various options under three types of bonds – Tax Saving Bond, Regular Income Bond and Children Growth Bond.

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

1. Tax Saving Bond

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

	I	II
Tax Benefit Available	Sec 88	Sec 88
Issue Price (Rs.)	5000/-	5000/-
Redemption Period	5 years	5 years
Face Value	5000/-	6700/-
Interest Rate (%) p.a.*	6.00	Deep Discount Bond (YTM 6.00)
Frequency of interest payment	Annual	N.A.
YTM (%)*# > (with tax benefits)	10.0	9.6
Minimum Application	1 Bond	1 Bond

* 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 a surcharge of nil% and education cess of 2% of tax is payable in case of all the options.**

Full and firm allotment is assured for all valid applications for the Tax Saving Bond.

Currently the maximum limit for taking benefit of the rebate under Section 88 of the Income Tax Act is fixed at Rs.1,00,000/-. Out of this, Rs.30,000/- can be invested only in such 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. Further to the Rs. 30,000/- one can also invest the balance Rs. 70,000/- in these Bonds to avail the benefit under Section 88. Thus it may be noted that the investors may invest the entire amount of Rs. 1,00,000/- in these bonds for taking benefit of rebate under section 88.

2. REGULAR INCOME BOND

	I	II	III
Issue Price/ Face Value (Rs.)	5000/-	5000/-	5000/-
Redemption Period	5 years	7 years	10 years
Interest Rate (%) p.a.*	6.75	7.00	7.25
Frequency of interest payment	Annual	Annual	Annual
YTM(%) p.a. *#	6.8	7.0	7.3
Minimum Application	3 Bonds	3 Bonds	3 Bonds

* Subject to TDS as per the then prevailing tax laws

Rounded off to the nearest multiple of 0.1

Under the Regular Income Bond, an investor can invest for 5 years or 7 years or 10 years and earn regular income on an annual basis.

3. CHILDREN GROWTH BOND

	I	II
Issue Price (Rs.)	5000/-	5000/-
Redemption Period	7 years	10 years
Face Value (Rs.)	8000/-	10000/-
YTM(%) p.a. *#	6.9	7.2
Minimum Application	2 Bonds	2 Bonds

* Subject to TDS as per the then prevailing tax laws

Rounded off to the nearest multiple of 0.1

All 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.

The investors have the option of availing the Electronic Clearing Facility (ECS) for receiving their interest and redemption amount. This would obviate the need for issuing and handling paper instruments.

All the Bonds will be listed on BSE and NSE and are freely transferable before maturity.

The ICICI Bank Bonds – February 2005 issue provides the investors another opportunity to save at market interest rates and offers various redemption periods and options to choose from. The investor can opt for regular income or deep discount bonds or invest in the Tax Saving Bond to help him plan his taxes as ICICI Bank Tax Saving Bonds offers an opportunity to save taxes. Further the ICICI Bank Bonds issue - February 2005 is the second offering of Infrastructure Bonds by ICICI Bank in the current fiscal to enable saving of taxes under Section 88.

ICICI Bank is the first bank to launch a public issue of bonds offering tax benefits under section 88 of the Income-tax 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 Limited with the Securities and Exchange Commission of the United States. ICICI undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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