

TERMS OF THE BONDS AND THE ISSUE

We are offering for public subscription unsecured Bonds through this tranche aggregating a total of Rs.5,000 million with an option to retain oversubscription up to Rs.5,000 million.

The Bonds being offered as part of the Issue are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of ICICI Bank, the terms of this Prospectus, Application Form and other terms and conditions as may be incorporated in the Trustee Agreement, letter(s) of allotment and/or Bond certificate(s). In addition, the Bonds shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI/the Government of India, RBI and/or other authorities and other documents that may be executed in respect of the Bonds.

ICICI Bank is permitted to issue subordinated debt instruments eligible for inclusion as Tier II Capital in compliance with the guidelines issued by RBI vide DBOD No. BPBC 4/21.01.002/2007-2008 dated July 2, 2007 in the form of the Master Circular on Prudential Norms on Capital Adequacy.

NATURE OF THE BONDS

We are offering Regular Income Bonds in the nature of debentures eligible for inclusion as Tier II capital.

These Bonds shall have a fixed rate of interest. Interest on the Bonds shall be payable on an annual or monthly basis depending on the option selected by the Bondholder as provided below.

Regular Income Bonds – Tier II Capital

The investors can avail of any/all of the following options as described in the table below:

Option A:

	Option A - 1	Option A - 2
Capital treatment	Tier II Capital	Tier II Capital
Tenure	5 Years 3 Months	5 Years 3 Months
Interest payment	Annual	Monthly
Face Value	Rs. 10,000	Rs. 10,000
Coupon rate (%)*	9.80 % p.a.	9.39 % p.a.
Annualised Yield (%)	9.80 % p.a.	9.80% p.a.
Minimum Application	1 (one) Bond and in multiples of 1 (one) Bond thereafter	10 (ten) Bonds and in multiples of 1 (one) Bond thereafter

* Subject to TDS as per the prevailing tax laws.

Please read "Terms of the Bonds and the Issue" on page 300 for details.

Please refer to the section "Statement of Tax Benefits" on page 37 of the Prospectus for tax benefits.

Option B:

	Option B - 1 ✓	Option B - 2 ✓
Capital treatment	Tier II Capital	Tier II Capital
Tenure	10 Years	10 Years
Interest payment	Annual	Monthly
Face Value	Rs. 10,000	Rs. 10,000
Coupon rate (%)*	10.00 % p.a.	9.57% p.a.
Annualised Yield (%)	10.00% p.a.	10.00% p.a.
Minimum Application	1 (one) Bond and in multiples of 1(one) Bond thereafter	10 (ten) Bonds and in multiples of 1 (one) Bond thereafter

* Subject to TDS as per the prevailing tax laws.

INE090A08MT3-B1
INE090A08M01-B2 Sep. 2007



13/1
13/2

Please read "Terms of the Bonds and the Issue" on page 300 for details.

Please refer to the section "Statement of Tax Benefits" on page 37 of the Prospectus for tax benefits.

See also "Common Features in Relation to the Terms and Conditions of the Bonds")

Tax Benefits:

Please refer to the section "Statement of Tax Benefits" on page 37 of the Prospectus.

Monthly Payment of Interest

For Bonds subscribed under Option A-2 and Option B-2, interest will be paid on the last day of each month except the first interest payment. The first interest payment for the period commencing from Deemed Date of Allotment till November 30, 2007 will be paid on November 30, 2007 and subsequent interest payments shall be made on the last day of each succeeding month. The last interest payment will be made at the time of redemption of the Bond on a *pro rata* basis. If redemption of the Bonds does not occur on the date of maturity due to non-receipt of permission from the RBI, then the last interest payment for each of the Bonds shall be made on the date of maturity of the respective Bonds.

Annual Payment of Interest

For Bonds subscribed under Option A-1 and Option B-1, interest will be paid on November 11 every year. The first interest payment will be made on November 11, 2008 for the period commencing from the Deemed Date of Allotment until such date of payment of interest. The last interest payment will be made at the time of Redemption of the Bond on a *pro rata* basis. If redemption of the Bonds does not occur on the date of maturity due to non-receipt of permission from the RBI, then the last interest payment for each of the Bonds shall be made on the date of maturity of the respective Bonds.

For Payment of Interest / Refund / Redemption refer page 303

Maturity

The Bonds issued pursuant to this Prospectus have a fixed maturity date. The date of maturity of the Bonds under Option A-1 and Option A-2 shall be February 10, 2013. The date of maturity of the Bonds subscribed under Option B-1 and Option B-2 shall be November 10, 2017

COMMON FEATURES IN RELATION TO THE TERMS AND CONDITIONS OF THE BONDS

Redemption

The Bonds are not redeemable at the option of the Bondholders or without the consent of the RBI.

Interest

Interest on the Bonds cannot be more than 200 basis points above the yield on Government of India securities of equal residual maturity at the time of issuing such Bonds. The annualised yield on Government of India securities of five year maturity on September 20, 2007 was 7.82%. The annualised yield on Government of India securities of ten year maturity on September 25, 2007 was 8.07%.

Interest on Application Money

We shall pay interest on Application money to any Investor from the value date (i.e. three working days after the date of receipt of application form by the collecting bank) till the Deemed Date of Allotment at the applicable coupon rate. The interest warrant will be despatched alongwith the Letter(s) of Allotment/Bond Certificate at the sole risk of the applicant, to the sole/first applicant. However, in case interest on application money is less than or equal to Rs. 100, then the same would be paid alongwith the first interest payment, depending upon the instrument chosen at the sole risk of the applicant, to the original sole/first applicant/bond holder only.

Deemed Date of Allotment

The Deemed Date of Allotment for the issue has been fixed as 30 days from the date of closure of the Issue or date of utilisation of proceeds, whichever is earlier. All benefits relating to the Bonds, to the extent permitted by law, will be available to the investors from the Deemed Date of Allotment. The actual allotment may occur on a date other than the Deemed Date of Allotment.

Market Lot

The market lot will be one Bond ("Market Lot").

Application Size

Applications should be for a minimum of one Bond and multiples thereof for Option A1 and Option B1 and should be for minimum of ten bonds and multiples of one Bond thereafter for Option A2 and Option B2.