



ICICI Bank: Strategy and Performance

DSP Merrill Lynch Conference
February 2004

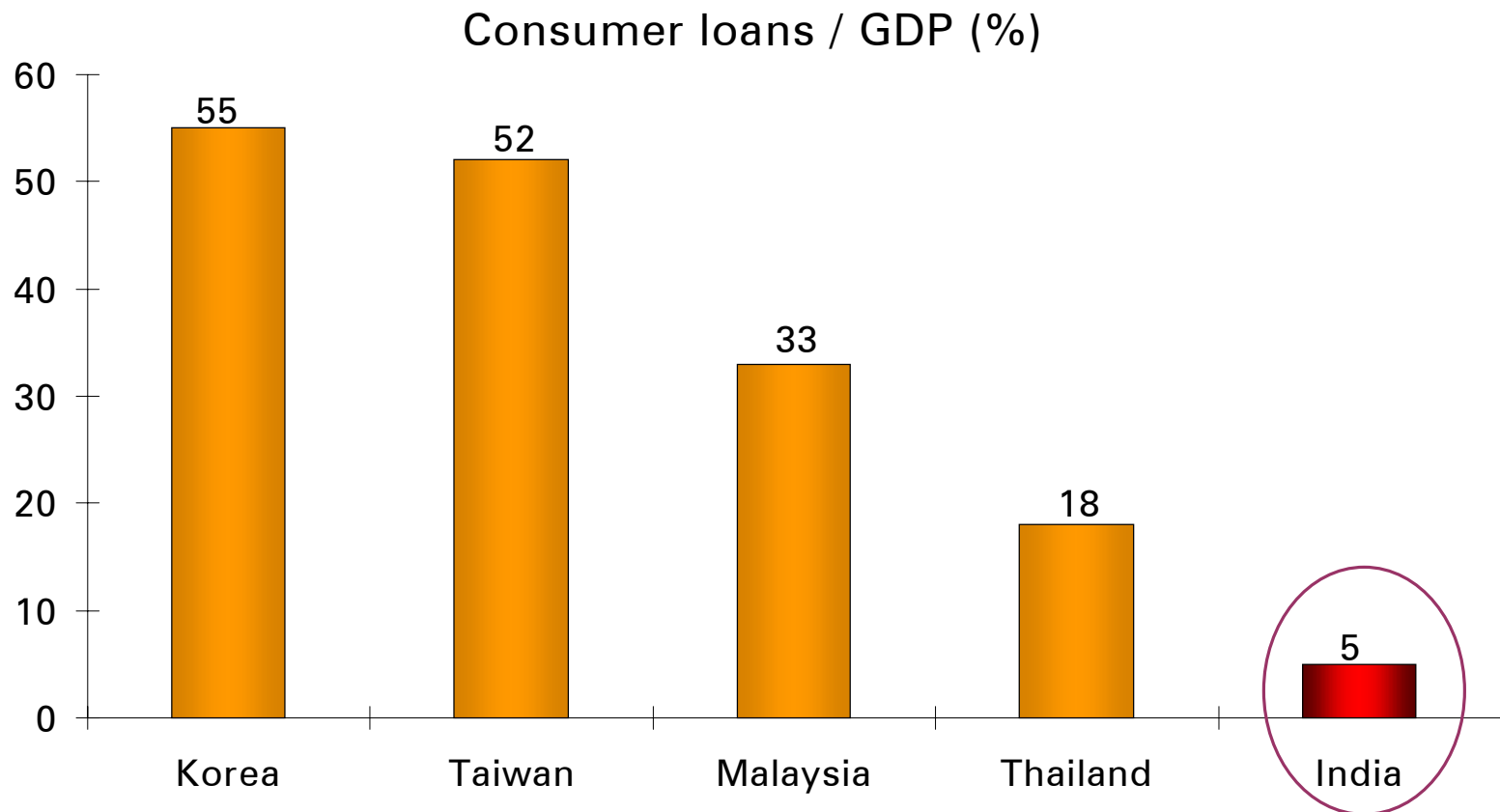
Agenda

The India opportunity

ICICI Bank



Consumer finance opportunity



..penetration currently low, with growth driven by strong fundamentals...



Strong drivers of consumer credit growth

- Robust economic growth
- Changing demographic profile
 - 69% of the population under 35 years
- Declining retail loan interest rates
 - Interest rates on residential mortgages have reduced by 7% (i.e. by half) over last 4 years
- Increasing convenience in access to credit
 - Entry of banks and use of technology enhancing reach and accessibility

...a US\$ 20 bn market, growing at over 30% annually

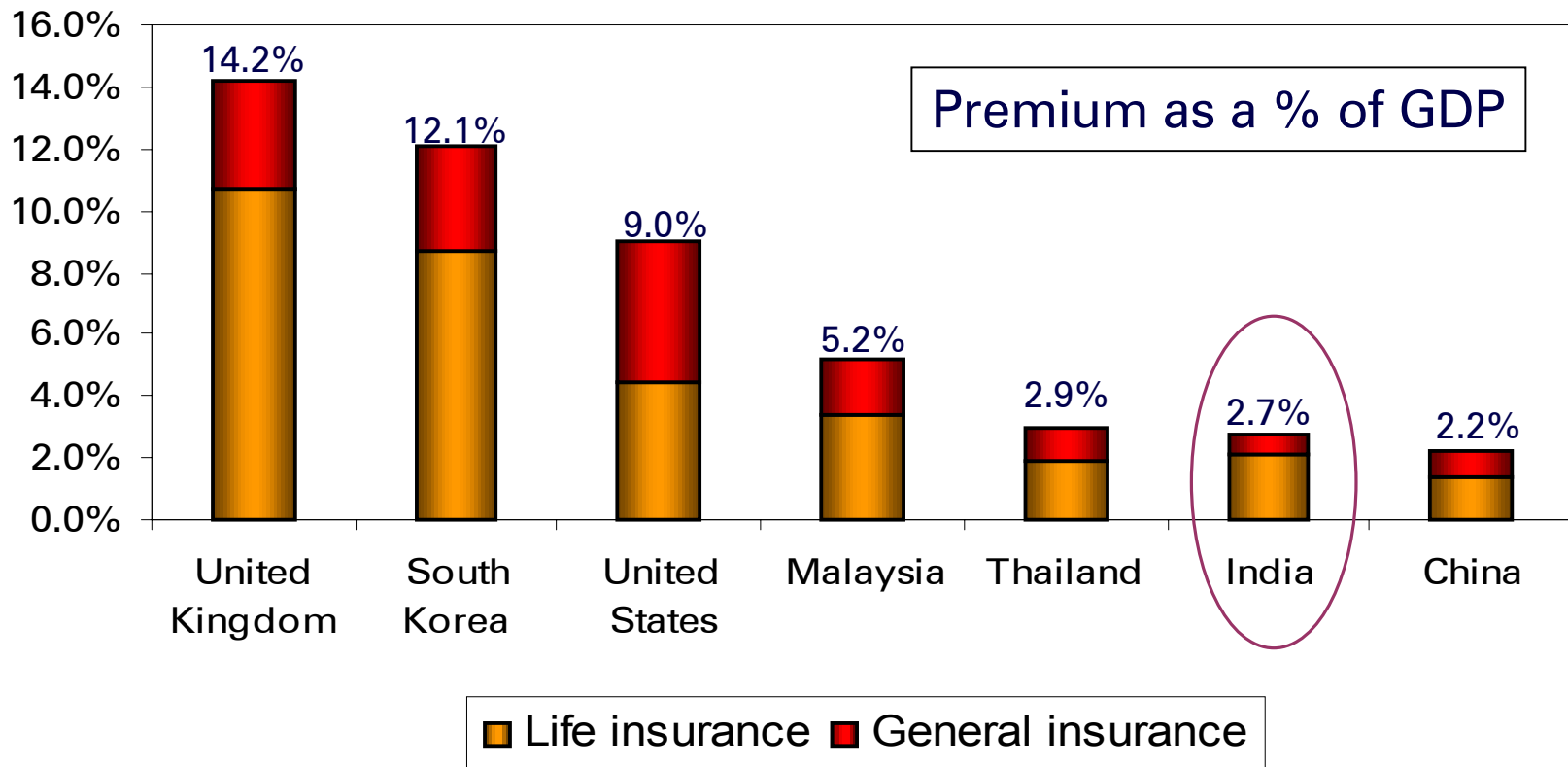


Corporate banking opportunity

- Robust growth in services sector
- Competitive manufacturing sector emerging from a prolonged period of restructuring and repositioning
 - Focus on better asset utilisation and financial management
- Renewed focus on infrastructure development
- Several opportunities for banks
 - Technology-driven fee-based services
 - Treasury and risk management products
 - Debt syndication, structured finance and market-making
 - Investment banking



Insurance opportunity

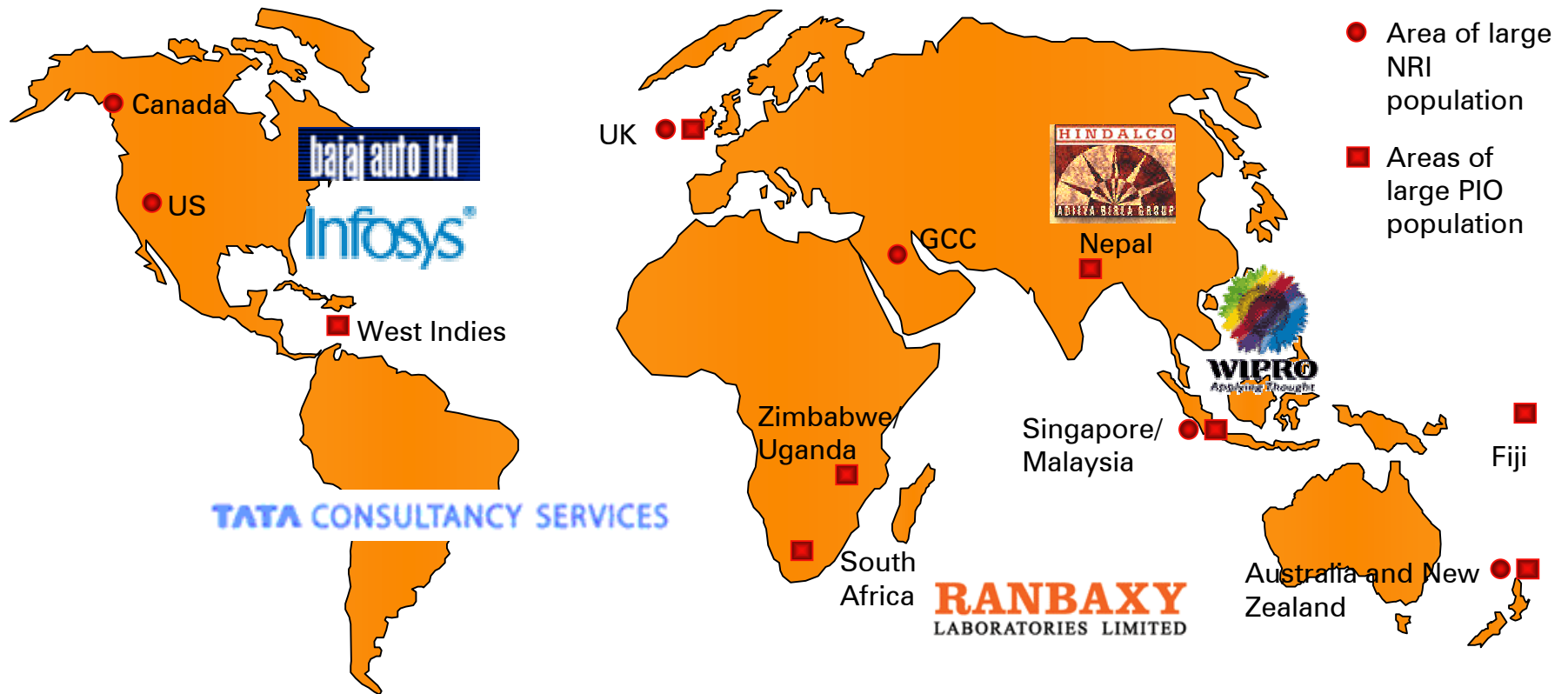


Source: Swiss Re, Economic Research & Consulting (June 2002)

...the opening up of the sector provides a major opportunity for financial services players



International opportunity



- Vast Indian diaspora - US\$ 10 bn annual remittances
- Emergence of Indian multinationals



Agenda

The India opportunity

ICICI Bank



ICICI Bank today...

India's largest private sector bank

Investment grade international credit rating

Market leader in retail finance

Technology leader

Present across the spectrum of financial services

Strong financial performance



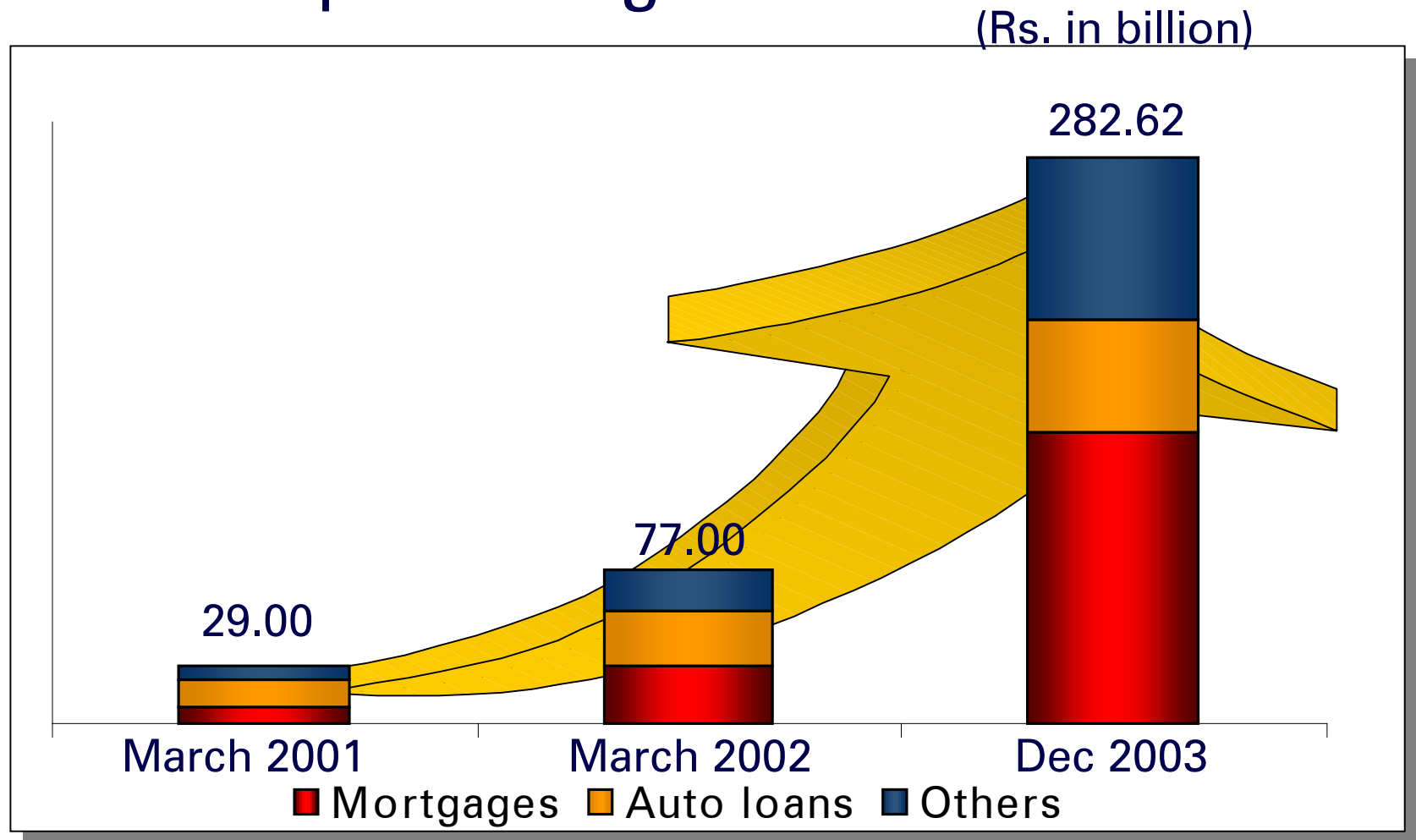
Market leadership in retail credit...

Product	ICICI Bank's market share	Market share of nearest competitor
Auto & two-wheeler	34%	15%
Mortgage	30%	30%
Commercial vehicles	25%	18%
Personal loans	22%	19%
Total	30%	

Source: ICICI Bank estimates



...robust portfolio growth...



...retail now 49% of loans



Technology leadership

- Pioneer in technology in the Indian banking sector
 - Driving and leveraging customer acceptance and usage of technology
- Technology-agnostic approach
 - Avoiding legacy traps: no mainframes
 - Wider choice: multiple vendor options
 - Higher flexibility: ease of modification, portability across platforms, lower vendor lock-in
- On open systems, the world's most heavily transacted database and largest banking site

...annual technology operating expense per customer estimated to be 5-10% of international banks



Low transaction costs on online channels

	Volumes	Pricing
Remittances	<ul style="list-style-type: none">• 15% share• 100,000 trans/mth	<ul style="list-style-type: none">• 93% lower than leading international player
Online trading	<ul style="list-style-type: none">• 70% share• 90,000 orders/day	<ul style="list-style-type: none">• 95% lower than leading US brokerage
Electronic bill payment	<ul style="list-style-type: none">• ~ 80% share• 200,000 trans/mth	<ul style="list-style-type: none">• 46% lower than leading US provider



Transforming channel usage...

Channel	Share of transactions in March 2000	Share of transactions in December 2003
Branches	94%	30%
ATMs	3%	46%
Internet & mobile	2%	13%
Call centre	1%	11%

...scaling up to handle rapid volume growth



Growing customer base & transactions

Channel	March 2001	March 2002	December 2003
Retail customer accounts (mn)	1.9	3.0	9.8
Internet customers (mn)	0.5	1.1	5.5
ATM transactions (mn/ day)	0.1	0.2	0.5
Call centre contacts (mn/ day)	0.02	0.05	0.12



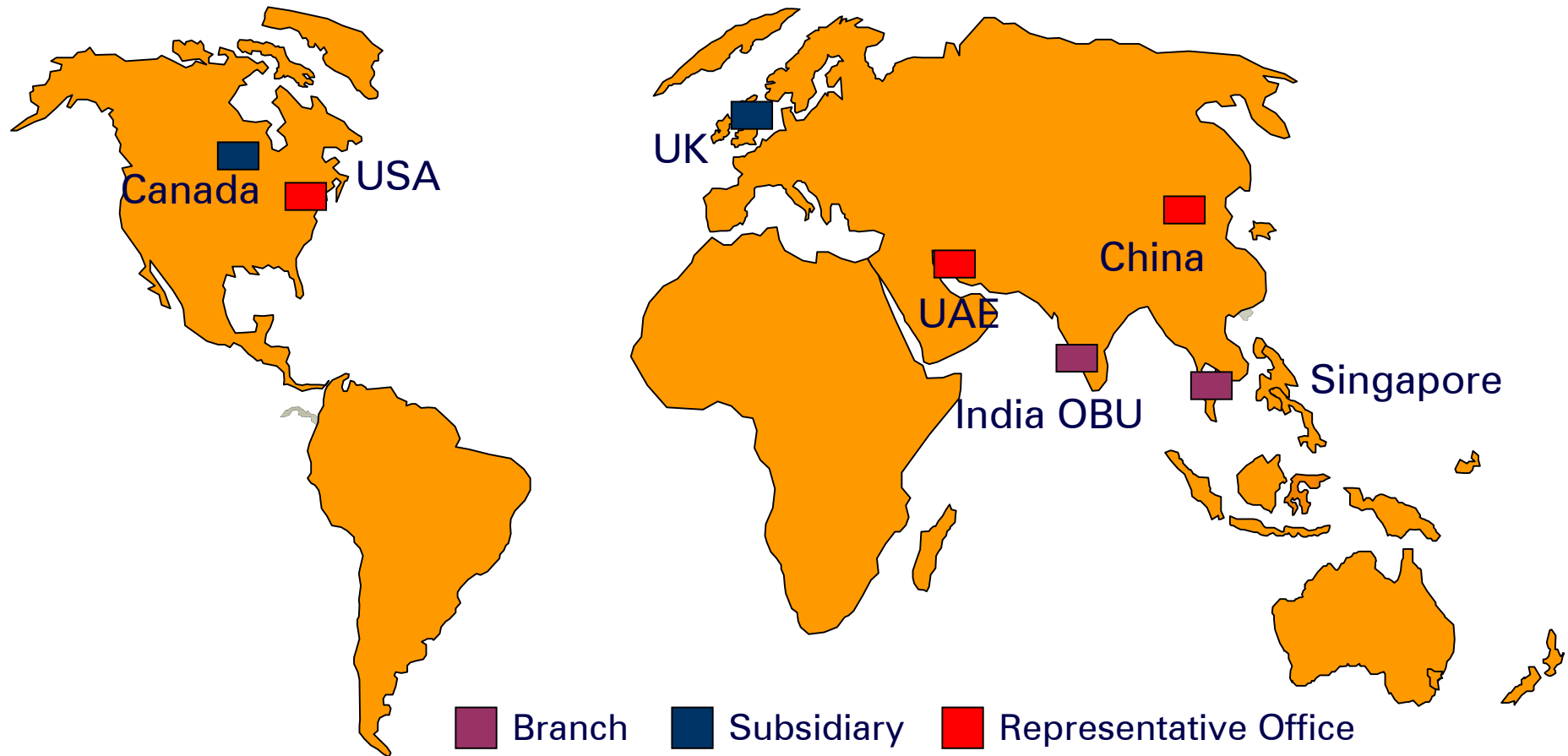
Corporate banking

Term loans	Working capital	Fee-based services	Treasury & market making
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- Shift from “lender” to “banker”
- Use of technology to offer superior delivery capabilities in transaction banking
- Capitalising on market linkages to offer integrated credit and markets solutions
- Strong focus on client profitability and proactive portfolio management



International initiative



- Permission received for presence in Bahrain and Bangladesh



Building international alliances

Singapore	Alliance with DBS for remittances
UK	Linked accounts with Lloyds Bank
US	Alliance with Wells Fargo for remittances
Canada	Alliance with Bank of Montreal for remittances
Middle-east	Linked accounts with Emirates Bank and Commercial Bank of Qatar



Life insurance

Market share

- Maintained leadership in private sector
- Retail market share of 37% during 9M-2004

Reach

- Presence in 47 locations
- About 29,000 agents
- 12 bancassurance partners

Portfolio mix

- Linked products constituted 80% of Annual Premium Equivalent in 9M-2004

Financial performance

- New business achieved profits (NBAP) of Rs. 1.28 bn in 9M-2004 compared to Rs. 0.71 bn in FY2003



General insurance

Market share

- Among the top two players in the private sector during 9M-2004

Reach

- Presence in 62 locations, up from 35 in March 2003

Portfolio mix

- Profitable, low-risk fire & engineering segment about 66% of portfolio

Financial performance

- Underwriting profit of Rs. 36.4 million in 9M-2004
- PAT of Rs. 159.2 million in 9M-2004



Financial highlights

	FY2003	Q1-2004	Q2-2004	Q3-2004	9M-2004
PAT (Rs. bn)	12.06	3.40	4.02	4.40	11.82
RoA (%)	1.15	1.24	1.45	1.55	1.41
RoE (%)	18.3	19.2	21.7	22.8	21.1
EPS (Rs.)	19.7	22.2	26.2	28.6	25.7
NIM (%)	1.4	1.7	1.8	1.9	1.8



In summary

- ICICI Bank has
 - A domestic opportunity
 - Driven by strong economic growth and favourable demographics
 - An international opportunity
 - Driven by the global positioning of Indian companies and the Indian diaspora
 - A demonstrated platform for achieving leadership in growth areas
 - Technology a core element of strategy
 - The ability to leverage this platform to capitalise on new opportunities



Safe Harbour

Except for the historical information contained herein, statements in this presentation which contain words or phrases such as 'will', 'would', 'indicating', 'expected to', 'potential', 'prospects', 'growth', 'opportunity', 'believes', etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results, opportunities and growth potential 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, our ability to take advantage of the expected opportunities, future levels of non-performing loans, our growth and expansion in business, the adequacy of our allowance for credit losses, technological implementation and changes, the actual growth in demand for banking products and services, investment income, cash flow projections, our exposure to market risks as well as other risks detailed in the reports filed by us with the United States Securities and Exchange Commission. ICICI Bank undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.





Thank you

