



# Five years of leadership in life insurance

February 2007

# Agenda

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Indian life insurance opportunity

Organisational overview

Performance highlights

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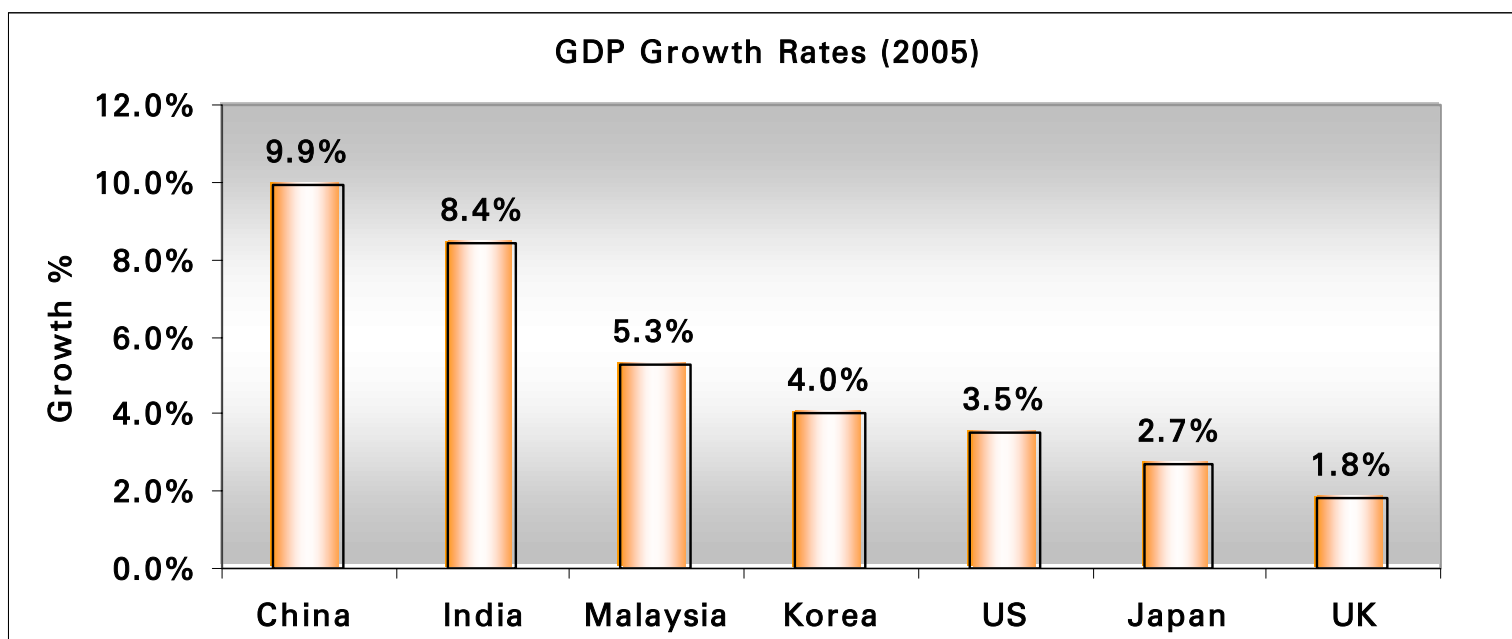
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# One of the fastest growing economies

GDP growth in FY 07 estimated at 9%

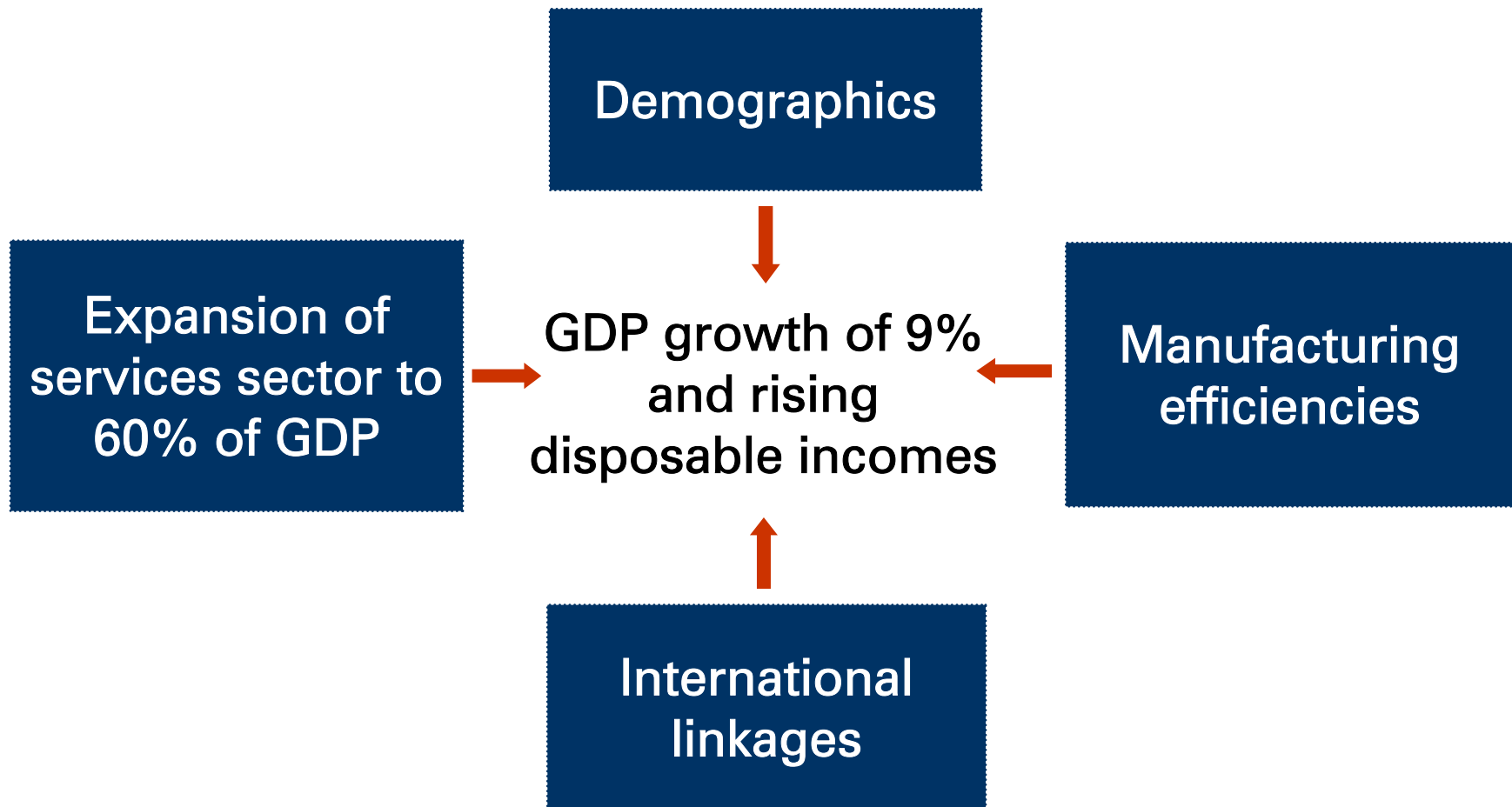


India: FY 2006, others: calendar 2005

Source : RBI

# Indian economy: Key drivers of growth

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# Income growth

	(households in million)		
	FY1996	FY2002	FY2010 Estimate
Middle income	33	50	98
High income	1	3	10

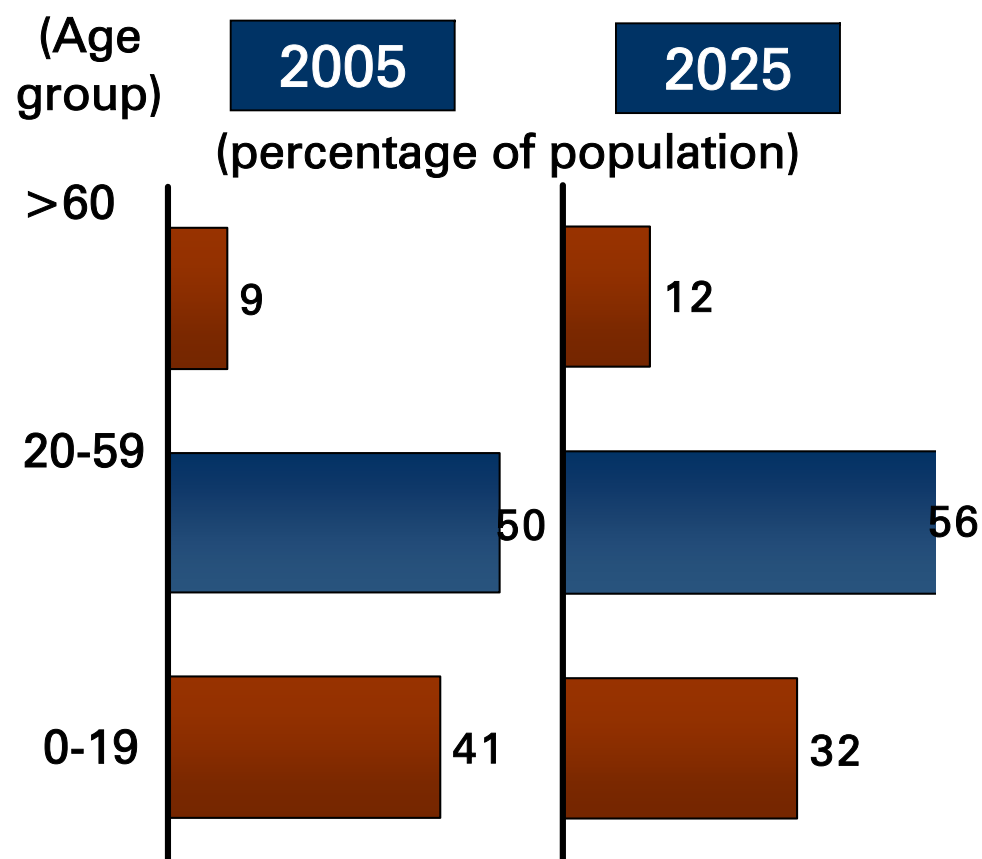
Growing consuming class: Migration to higher income levels growing at >40% p.a.<sup>1</sup>

Middle income Rs. 90,000-5,00,000 per household p.a.

High income > Rs. 5,00,000 per household p.a.

1. NCAER data for top 24 cities in India

# Increasing proportion of working population

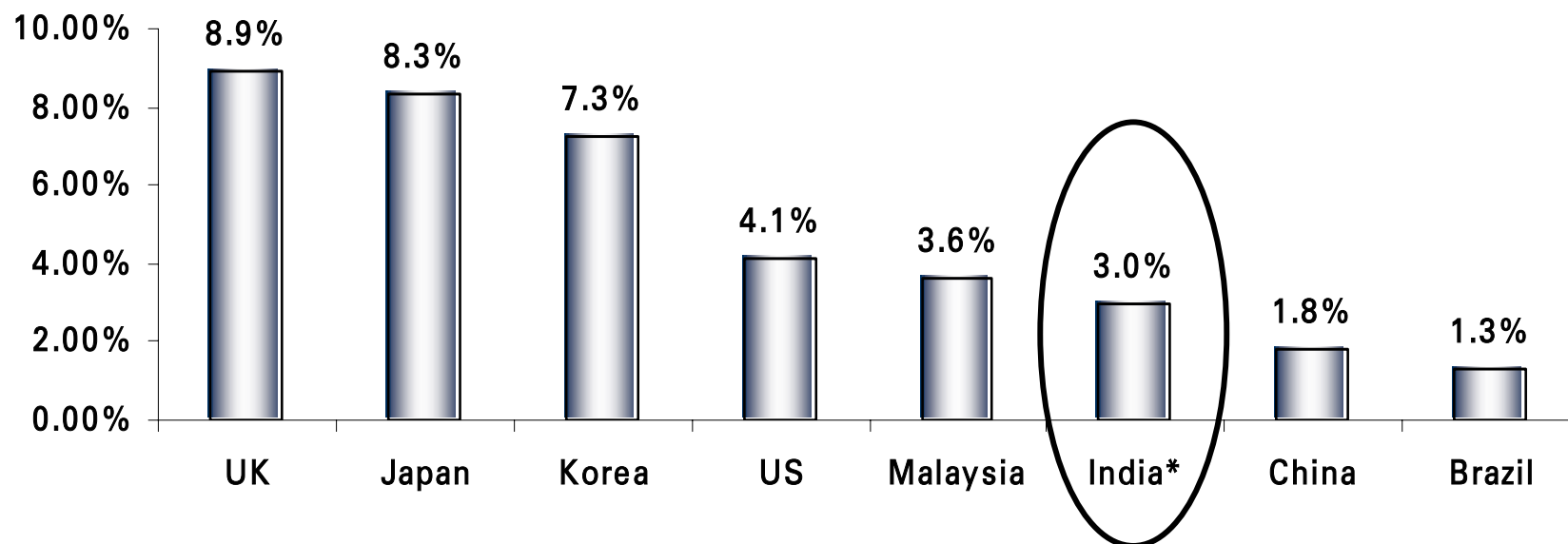


- To further fuel India's growth and rising disposable income levels
- Shift towards nuclear families
  - Increased savings and protection needs

# India life insurance opportunity

Only a third of the target population of 400 mn is insured

Life insurance penetration a % of GDP (2005)



Source : Swiss Re

\* Internal estimate for FY 06



# India life Insurance: An overview

## Country

Population	1,080m
Insurance penetration *	~3%



## Industry Characteristics

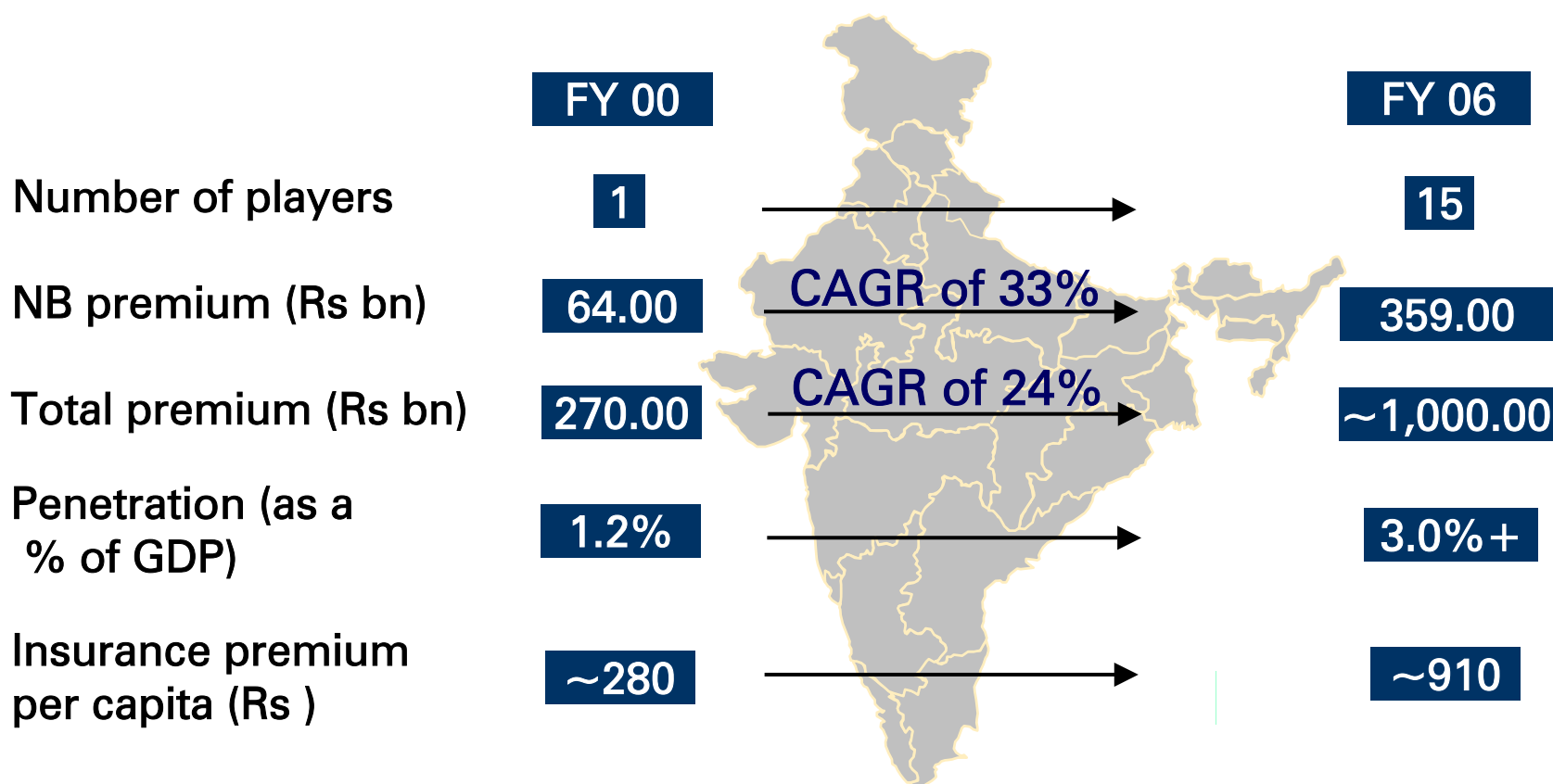
Pre-2000 : Public monopoly  
Market deregulated in 2000  
ICICI entered in 2000 through joint venture with Prudential

## Pre-liberalisation Era

Public monopoly  
Distribution through agency only  
2000 offices ; 800,000 agents  
“Push” sales approach – tax saving objective  
Traditional product offerings  
Pensions: small part of offerings

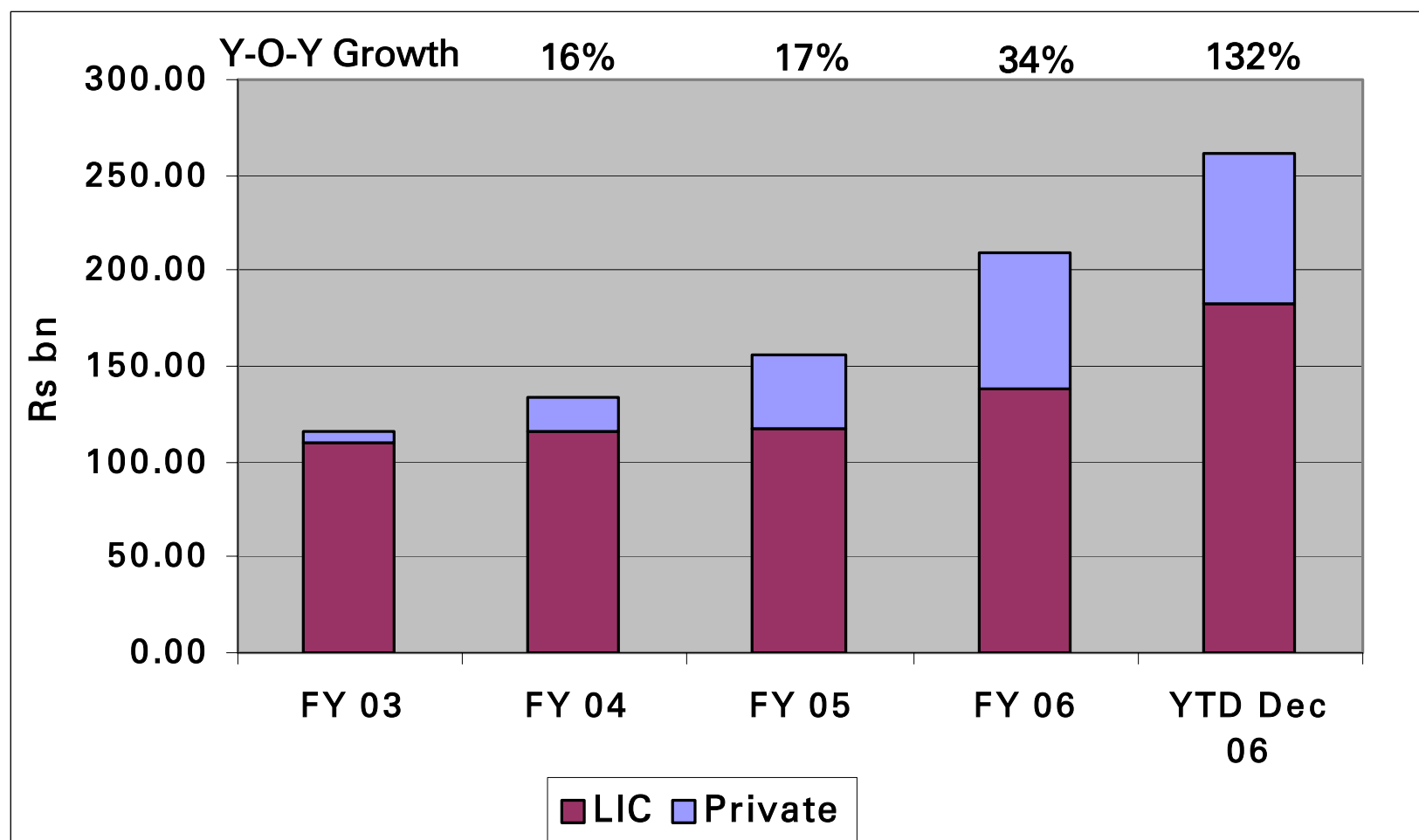
\* Insurance Premiums as % of GDP (estimated)

# Evolution of industry since liberalisation



Source: IRDA, Swiss Re

# Accelerated growth since liberalisation



Source : IRDA, Weighted New Business Premiums for individual business

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# Robust joint venture platform

Brand strength

Reputation

Infrastructure

Insurance expertise

Customer base

Product

Market innovators

Distribution

Local knowledge

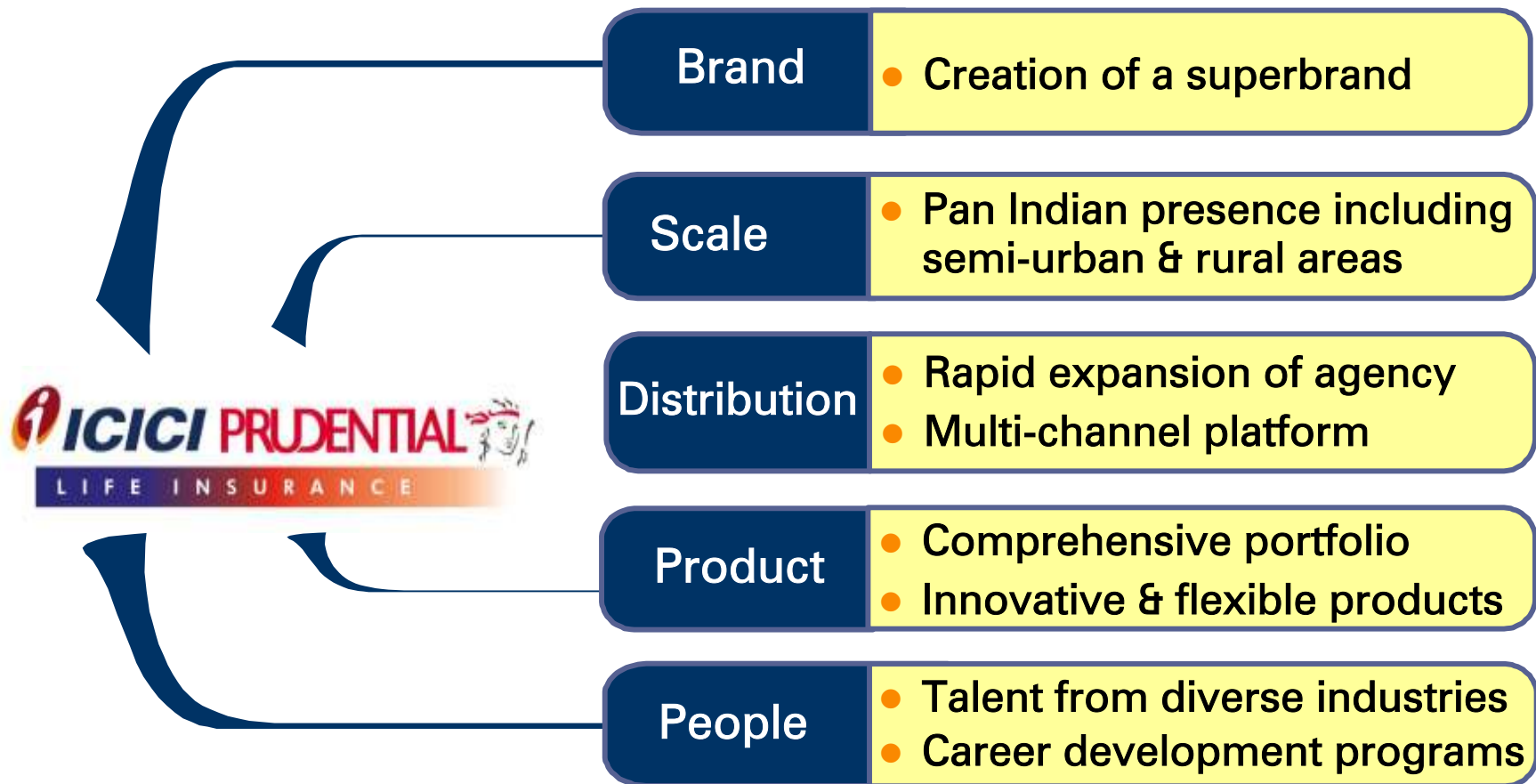
Operation

Launched operations  
in Dec 2000


























Aggregate capital infusion of Rs.18.15 bn (USD 400 mn)

# Key strategic elements

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# Sustained private market leadership

	FY 2003	FY 2004	FY 2005	FY 2006	YTD Dec
1					
2					
3					
4					
5					

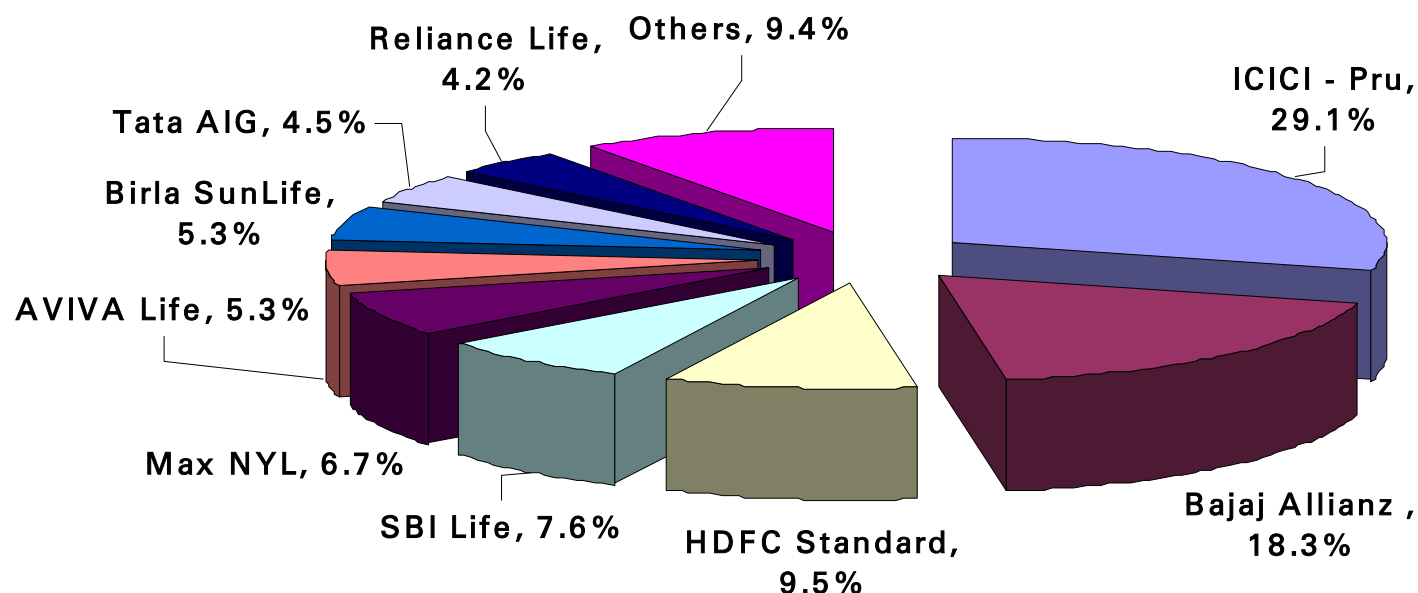
Based on Retail weighted premium



# Market share: Private retail market

ICICI Prudential continues to be No. 1 in a highly competitive private market with 15 insurers

YTD Dec 06



Pvt mkt: Rs. 79.08 bn

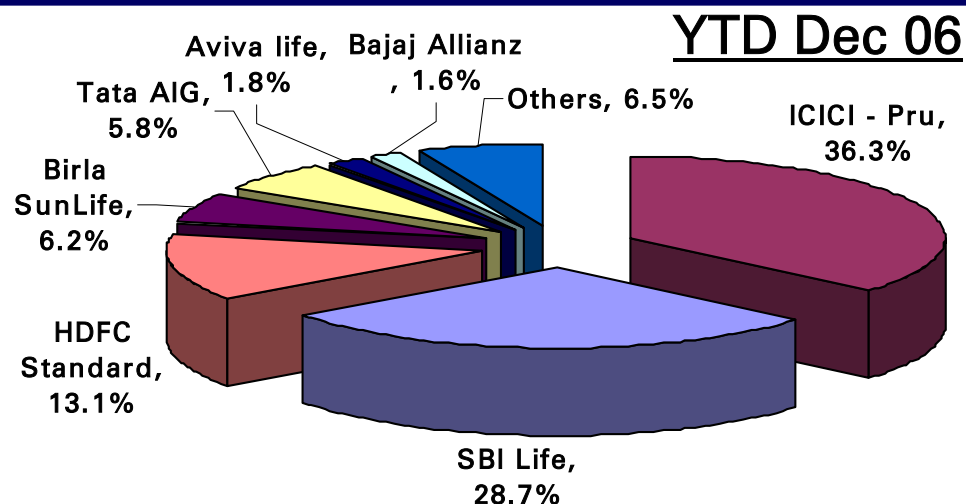
(USD 1.75 bn)

Y-0-Y Growth – 102%

Source : IRDA , Weighted New Business Premiums for individual business

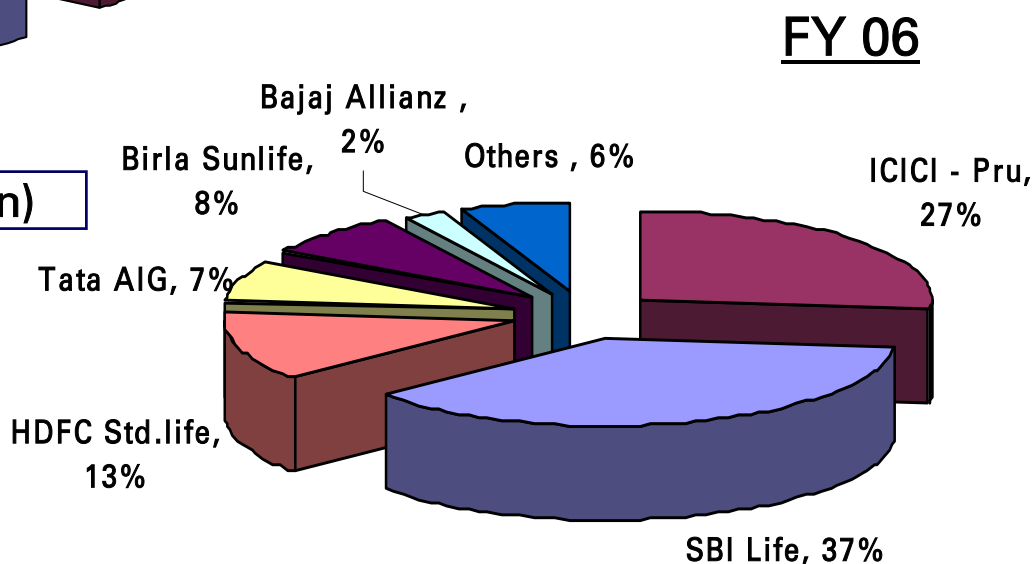


# Market share: Private group market



*Beginning FY07 with #1 position*

Pvt mkt : Rs 11.56 bn (USD 257mn)

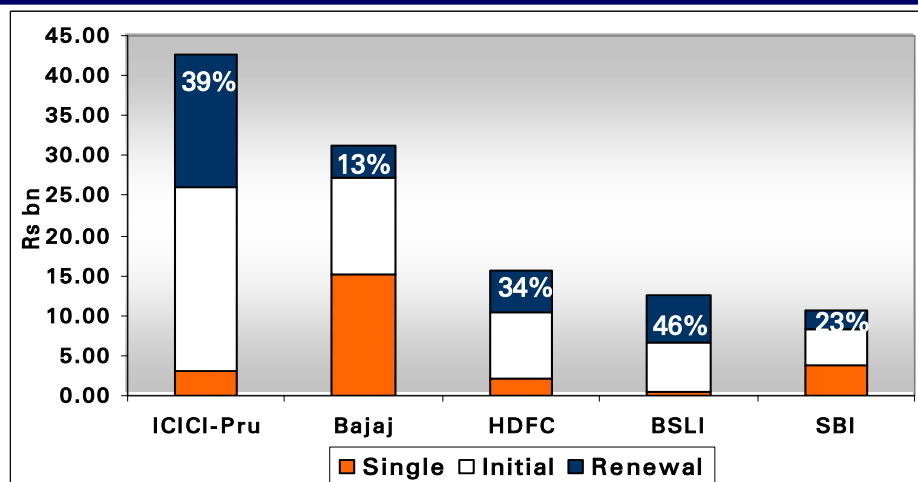


Pvt mkt : Rs 10.64 bn (USD 236 m)

Source : IRDA

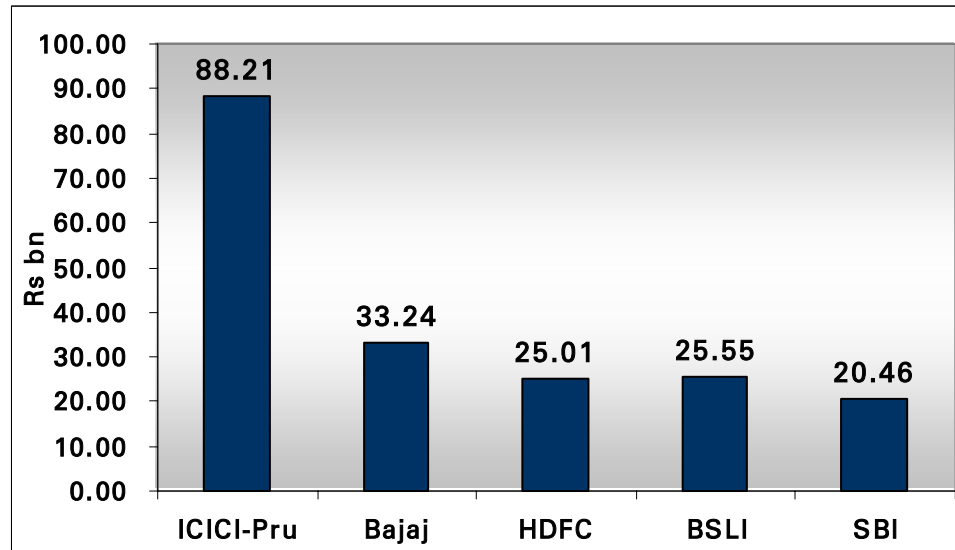


# Leadership on other parameters



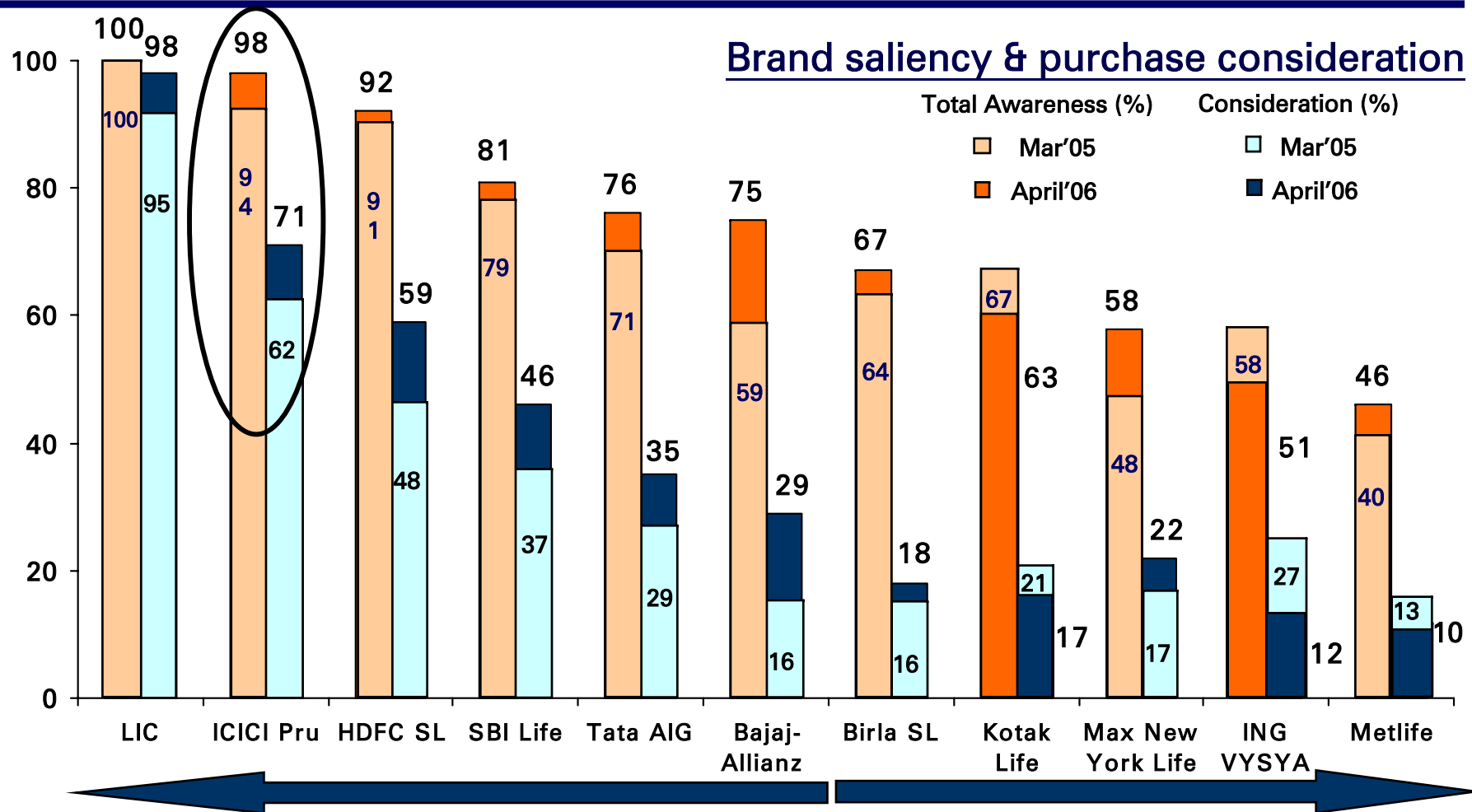
Total Premium

Estimated Assets Held



Source : Company Annual Reports 2005-06

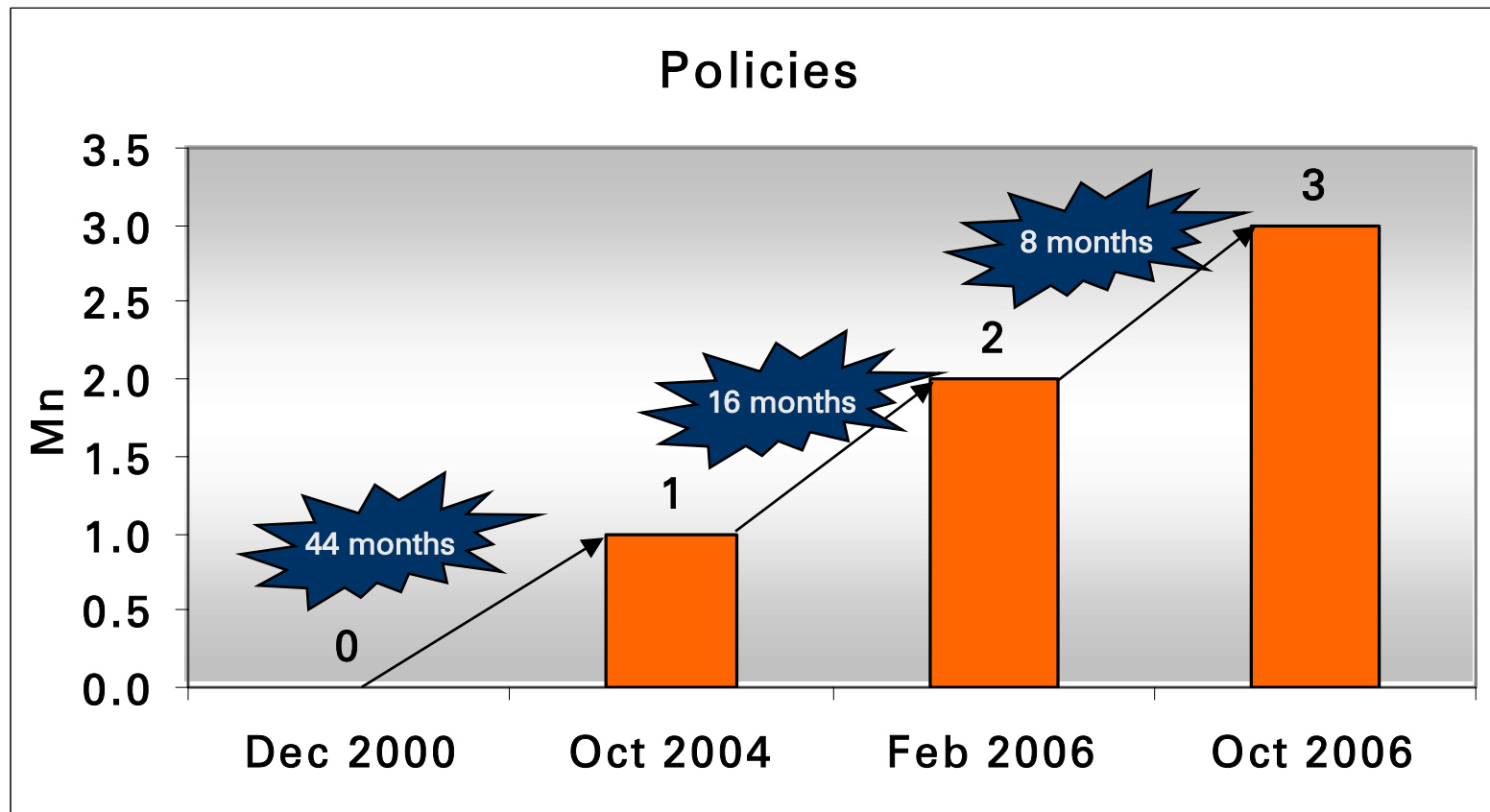
# Rapidly gained significant consumer mindshare



Source : ACNielsen ORG-MARG Life Insured Brand Health Monitor (April '06)



# Customer base



# Rapid distribution ramp-up

We continue to create a nationwide agency network, complemented by increased focus on non-agency distribution

	FY 05	FY 06	Jan 07
Locations	74	132	383
Branches	107	177	500
Staff	5,100	7,700	15,800
Advisors	57,000	72,000	200,000
Non agency share	30%	37%	41%

# Summary of market development

We continue to develop the market through new segments and products

- First to build scale in unit linked products
- Pioneers in non-agency distribution
- Launch of Annuity Card
  - First of its kind debit card in Asia for annuitants
- Building significant share in the Mortgage Space
  - Leveraging multiple Bank relationships
- First to introduce innovative health product for diabetics



# Agenda

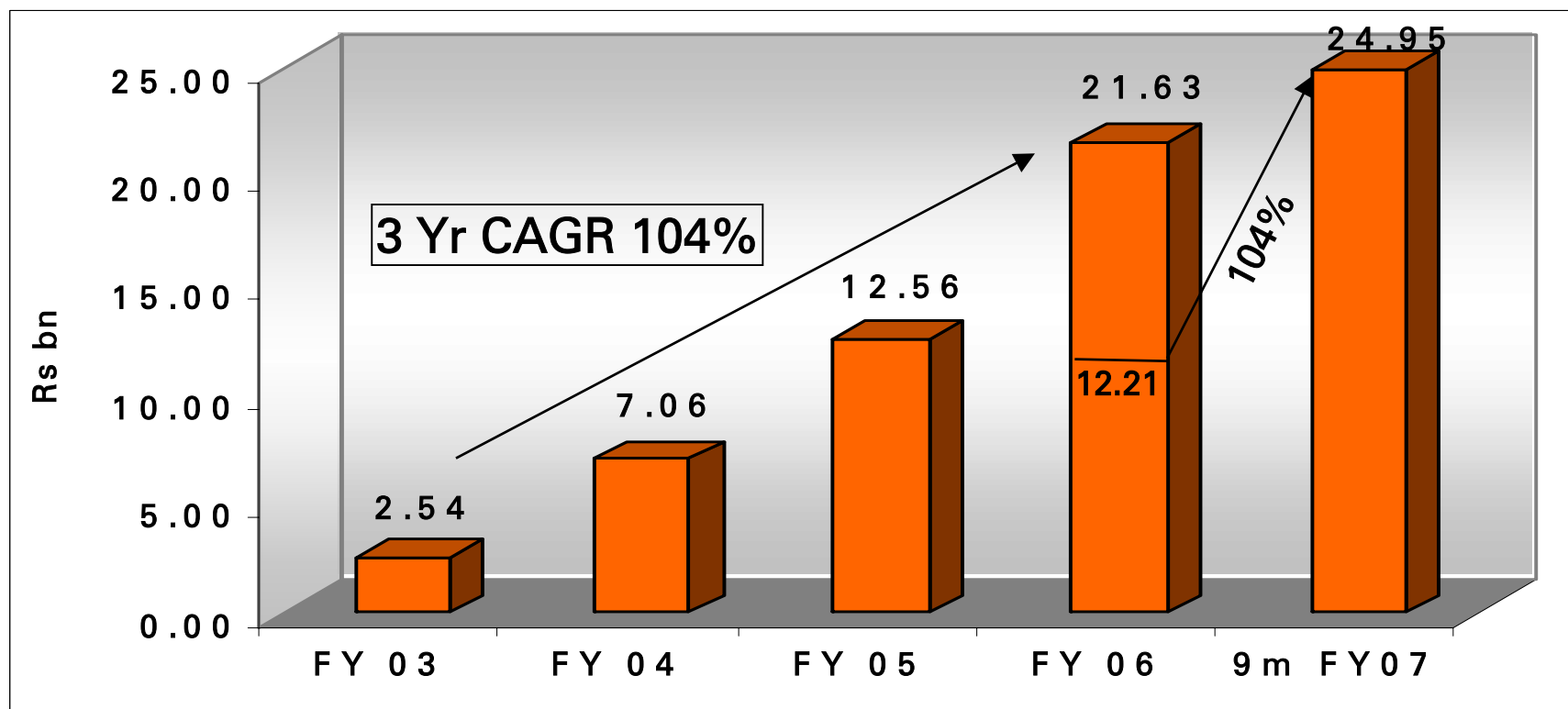
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# Robust growth in new business : APE

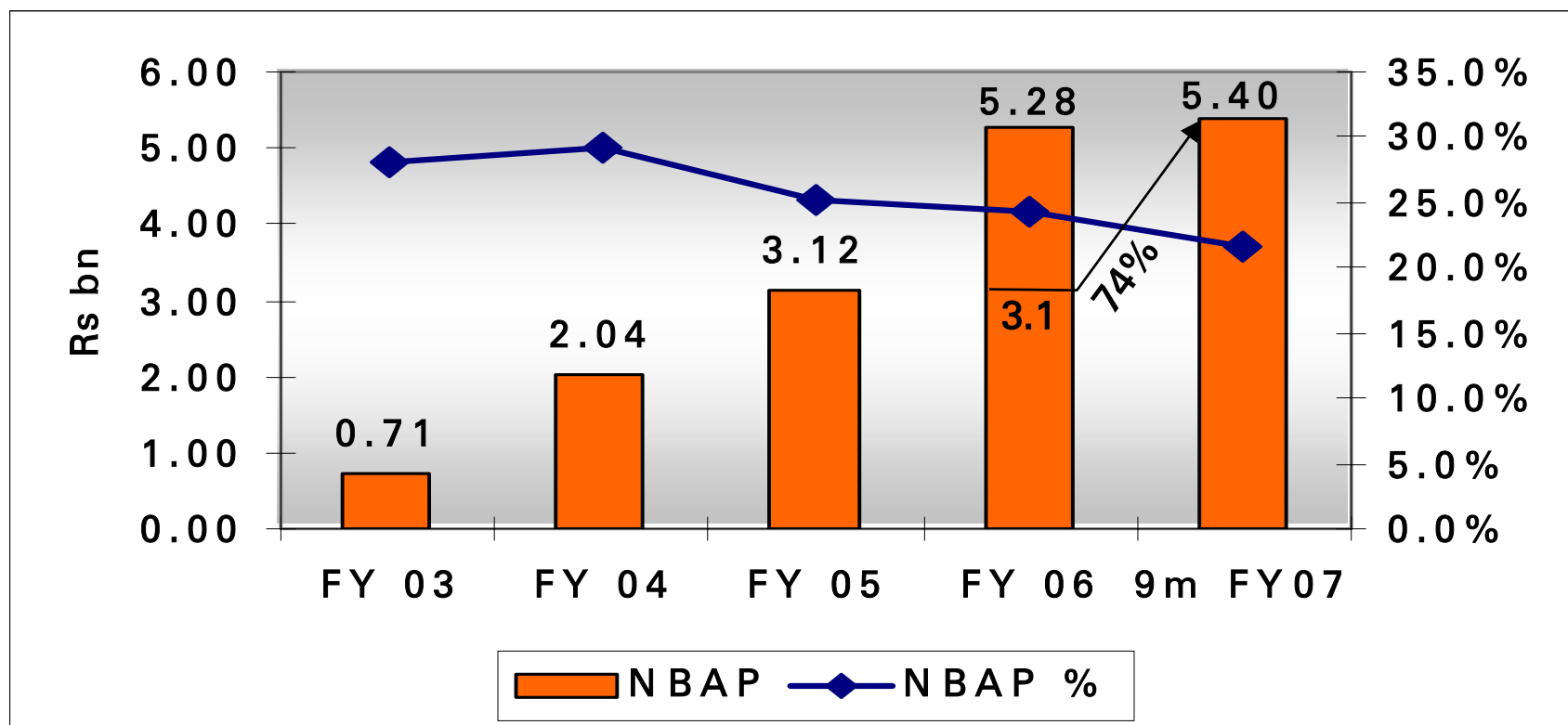


104% Y-O-Y growth in new business APE\* in 9m FY07, partially driven by changes in ULIP guidelines

\*Annualised Premium Equivalent



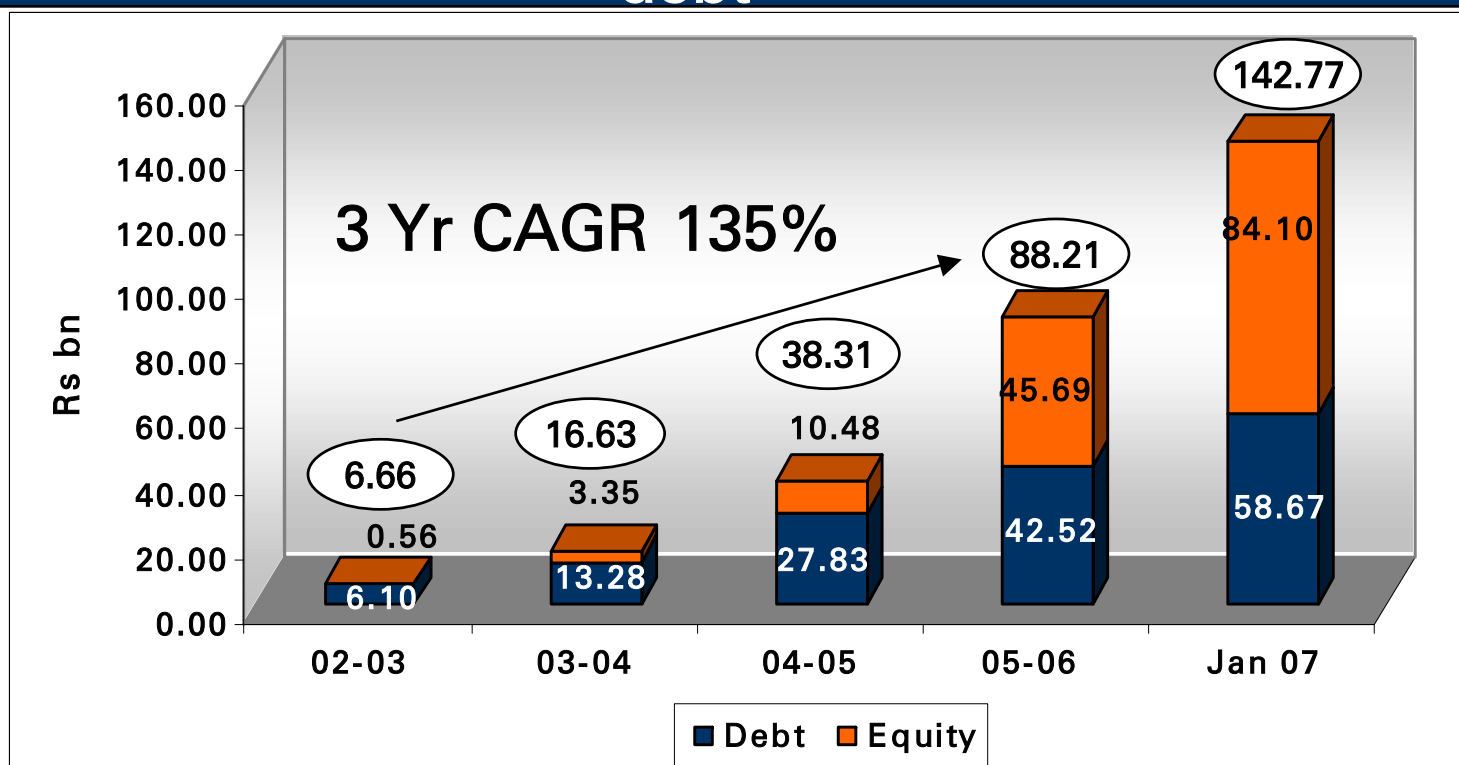
# Value creation: NBAP



**74% Y-O-Y growth in NBAP in 9m FY07**

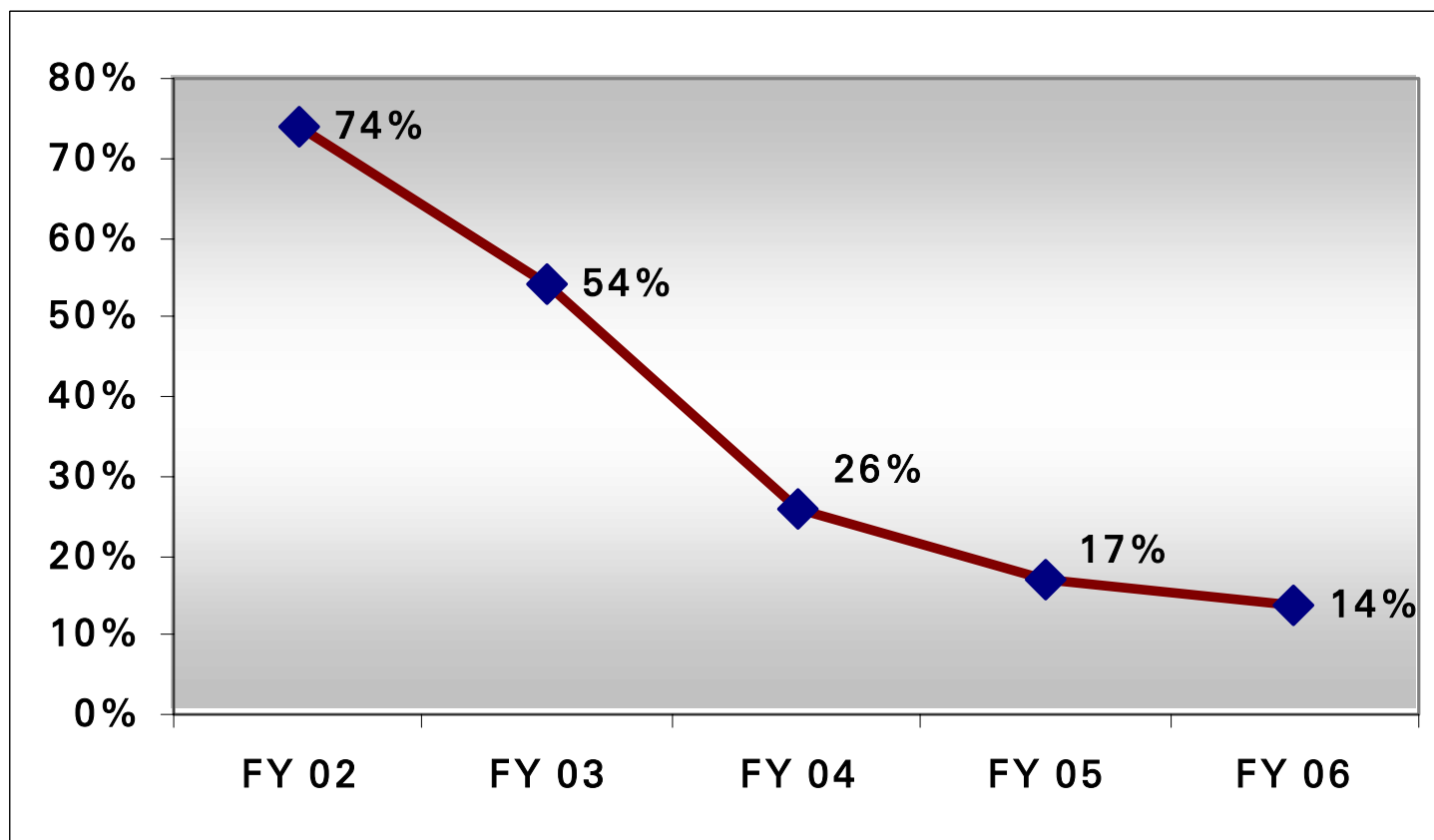
# Robust growth in assets held

Growth in equity continues to be significantly higher than debt



Linked funds constitute 83% of total assets held

# Volumes driving down expense ratios



Expense ratio: Operating Expenses/(Total Premiums less 90% of Single Premium & 50% of Limited Pay products)

# Summary of key achievements

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Largest private life insurance company

Total premiums of Rs.43.74 bn (USD 972 mn) in 9m FY07

Assets held Rs.142.77 bn (USD 3 bn) as of Jan 07

More than 3 million policies sold

NBAP of Rs.5.40 bn (USD 120 mn) in 9m FY07

Fitch rating of 'AAA (Ind)'

Sustained private market leadership: 5 years in a row

Most trusted private life insurer: 3 years in a row

# Going forward

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## Distribution & Scale

- Enhance presence: continue to expand to smaller towns to take advantage of market size and increased affluence
- Strengthen partnership distribution model
- Leverage technology to match scale

## Profitability

- Reduce expense ratios through increased efficiency and economies of scale

## Customer

- Customer centric product offerings
  - Focus on pensions and health

## Disclosure

- Enhanced business and financial reporting

# Safe harbor

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Except for the historical information contained herein, statements in this Release which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' 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 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 growth and expansion in business, the impact of any acquisitions, technological implementation and changes, the actual growth in demand for insurance products and services, investment income, cash flow projections, our exposure to market risks, policies and actions of regulatory authorities; impact of competition; experience with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the impact of changes in capital , solvency or accounting standards , tax and other legislations and regulations in the jurisdictions as well as other risks detailed in the reports filed by ICICI Bank Limited, our holding company, with the United States Securities and Exchange Commission. ICICI Bank and we undertake no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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Thank you