ICICI Securities

Strategy and Performance

January 7, 2008

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Till March 31, 2007

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- Corporate finance
- Institutional equities
- Fixed income

Now

ICICI Securities

- Corporate finance
- Institutional equities
- Retail brokerage
- Distribution

ICICI Securities Primary Dealership

- Fixed income

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Agenda

- Retail business – ICICI Direct
  - Opportunity spectrum
  - Leadership position
  - Way forward
- Corporate Business

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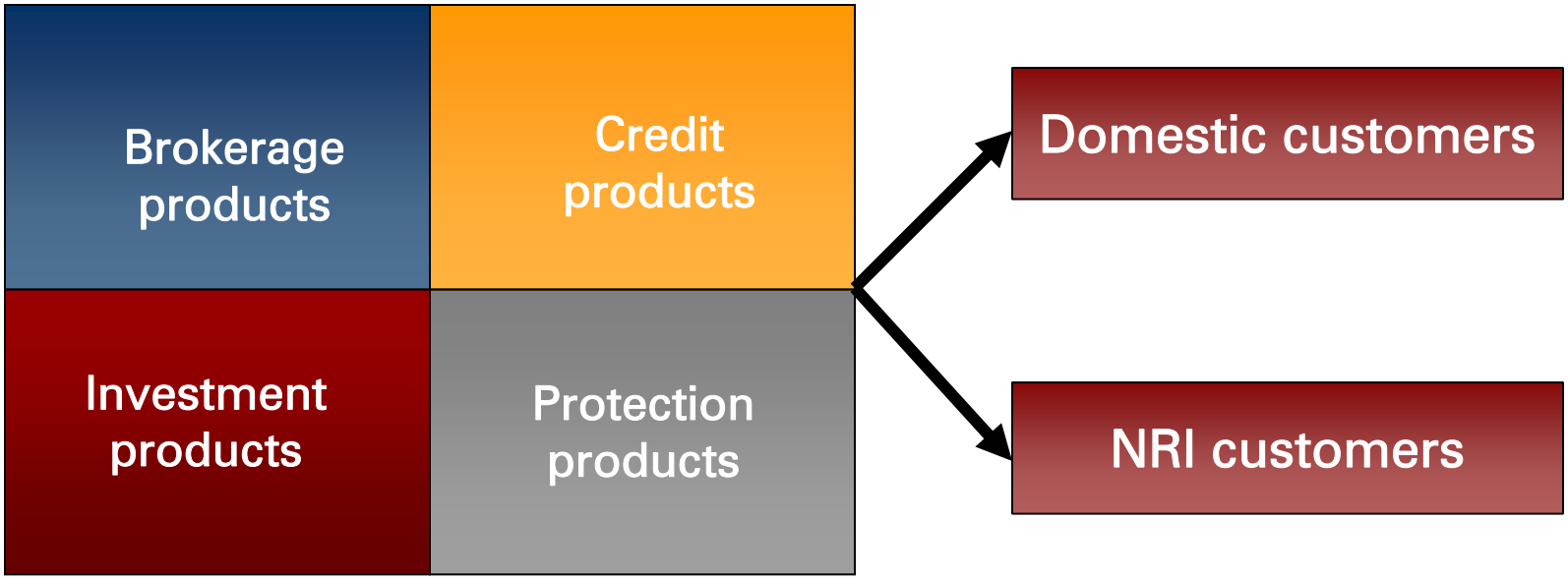
ICICI Direct: The trusted financial advisor



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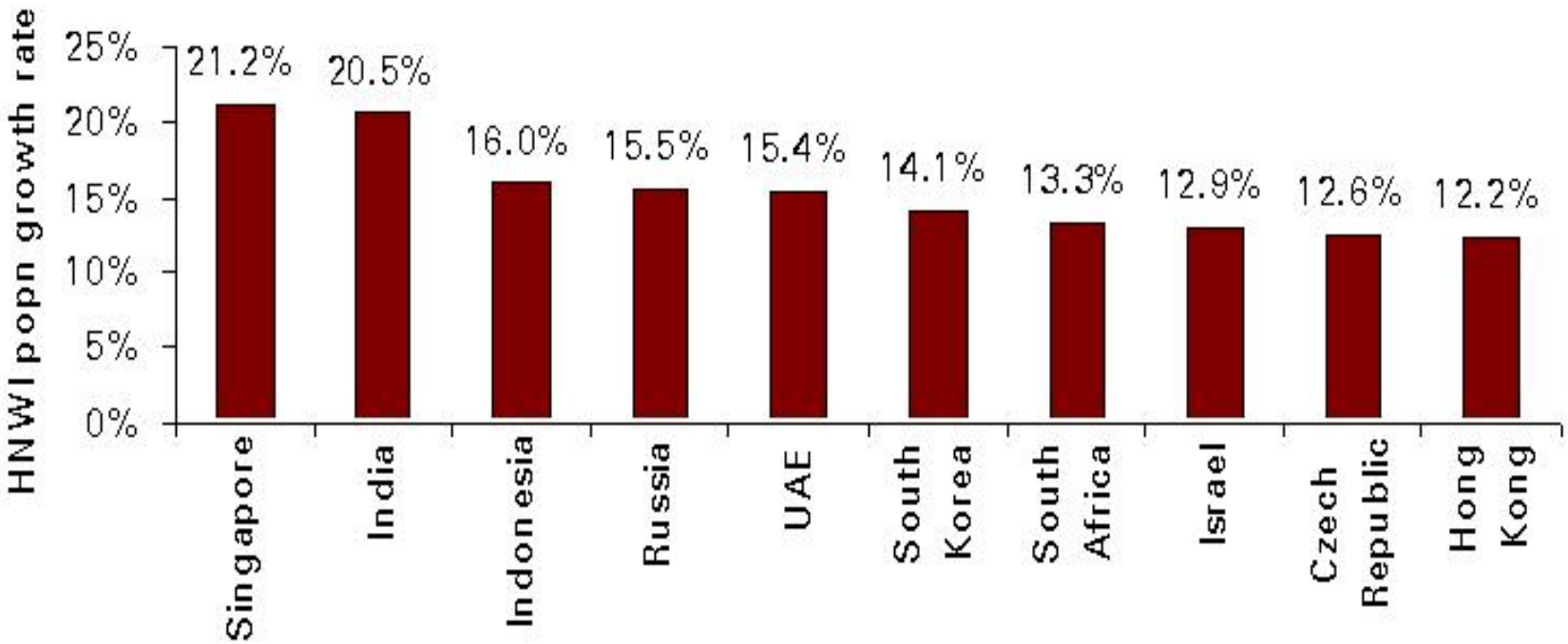
Increasing affluence: new opportunities



- Among the highest growth rate of HNWI population in developing world, with HNWI wealth growing at 6.8% YoY
- Increased awareness and acceptability for non-deposit products among retail customers

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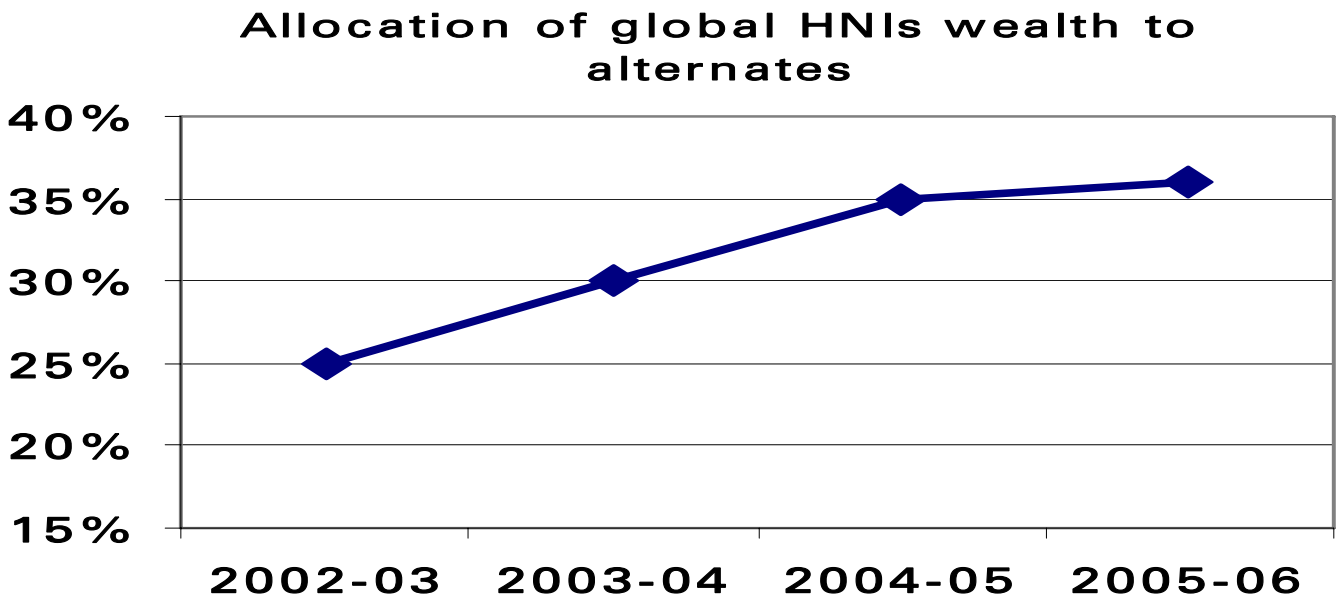
Increasingly sophisticated investors



- Investors need more breadth in the proposition, while preferring single-house service provider
- Further innovations still to be factored in: Art, commodities, futures, freight/shipping, water, alternative energy
- ICICI Group: Robust business in alternative products - hedge funds, real estate, private equity, structured products, gold

Source: Merrill Lynch & Cap Gemini World Wealth reports

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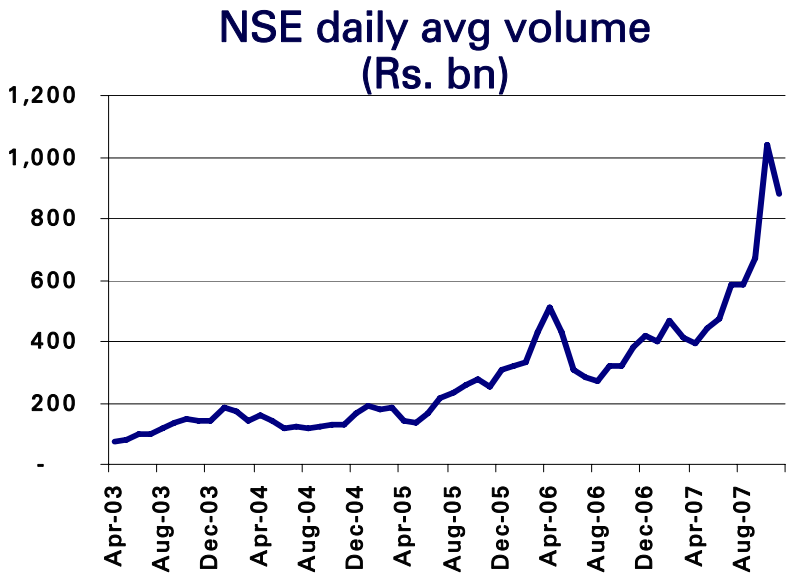
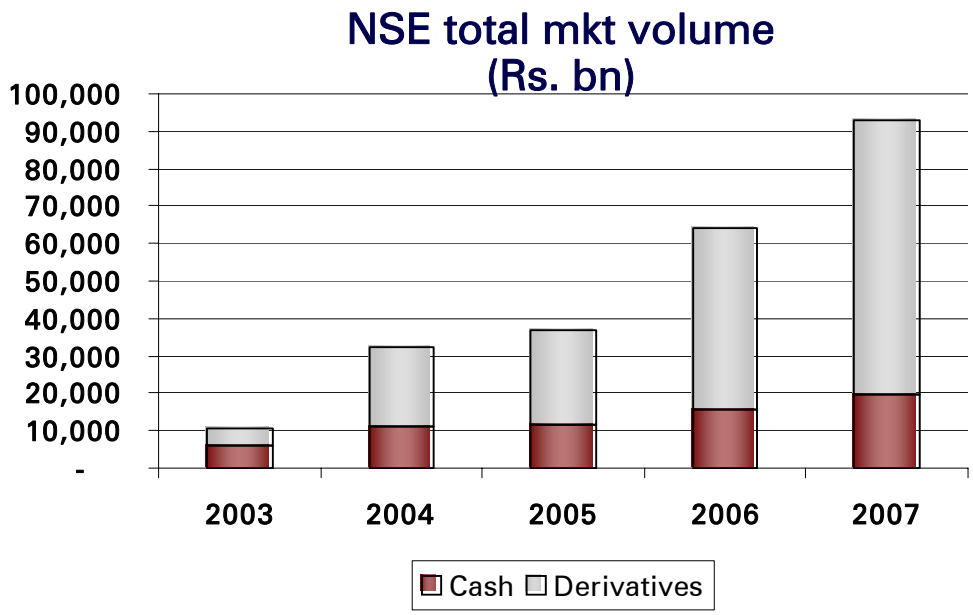
Retail brokerage opportunity





- Stock market turnover has increased at a CAGR of 60% over the last five years
- Average daily volume has increased from US$ 1.5 bn four years ago to US$ 24 bn currently
- Online trading growing significantly faster than offline (current share of online trading estimated at about 15%)
  - Increasing trend towards online trading around the world

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Retail brokerage opportunity

- Highly fragmented industry: market share of top five players estimated at only about 15%
  - Presenting opportunities for organised players

- Entry of organised players also expected to expand the market
  - Trusted brand names
  - Wide distribution
  - Standardised services
  - Cost efficiencies due to economies of scale leading to better pricing for clients
  - Opportunity for cross sell

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ICICI Direct: leading player with a strong proposition for retail clients

Products

- 360-degree financial services provider
- Added value in mass products: full product suite, convenience, research, portfolio solutions
- Bringing exotic products for discerning investors: structured products, private equity, real estate, commodities

Delivery platforms

- Largest online platform
- Alternate platforms: Tele-based, GPRS
- Physical presence: Targeting extensive network in India through centers and partners

Power Brand

- Top of mind recall in domestic and NRI segment
- Strong brand that communicates a clear promise and a culture of excellence

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ICICI Direct: leadership position in online brokerage

- Started in April 2000
- Currently India's largest online trading platform
  - More than 1.4 million customers
  - Over 350,000 average trades per day

- Widest category of products offered
  - Online trading on NSE and BSE
  - Equity research
  - Mutual funds, life and general insurance online
  - Online IPO applications
  - Overseas trading
  - Equity and MF offerings for NRIs
  - Small savings scheme

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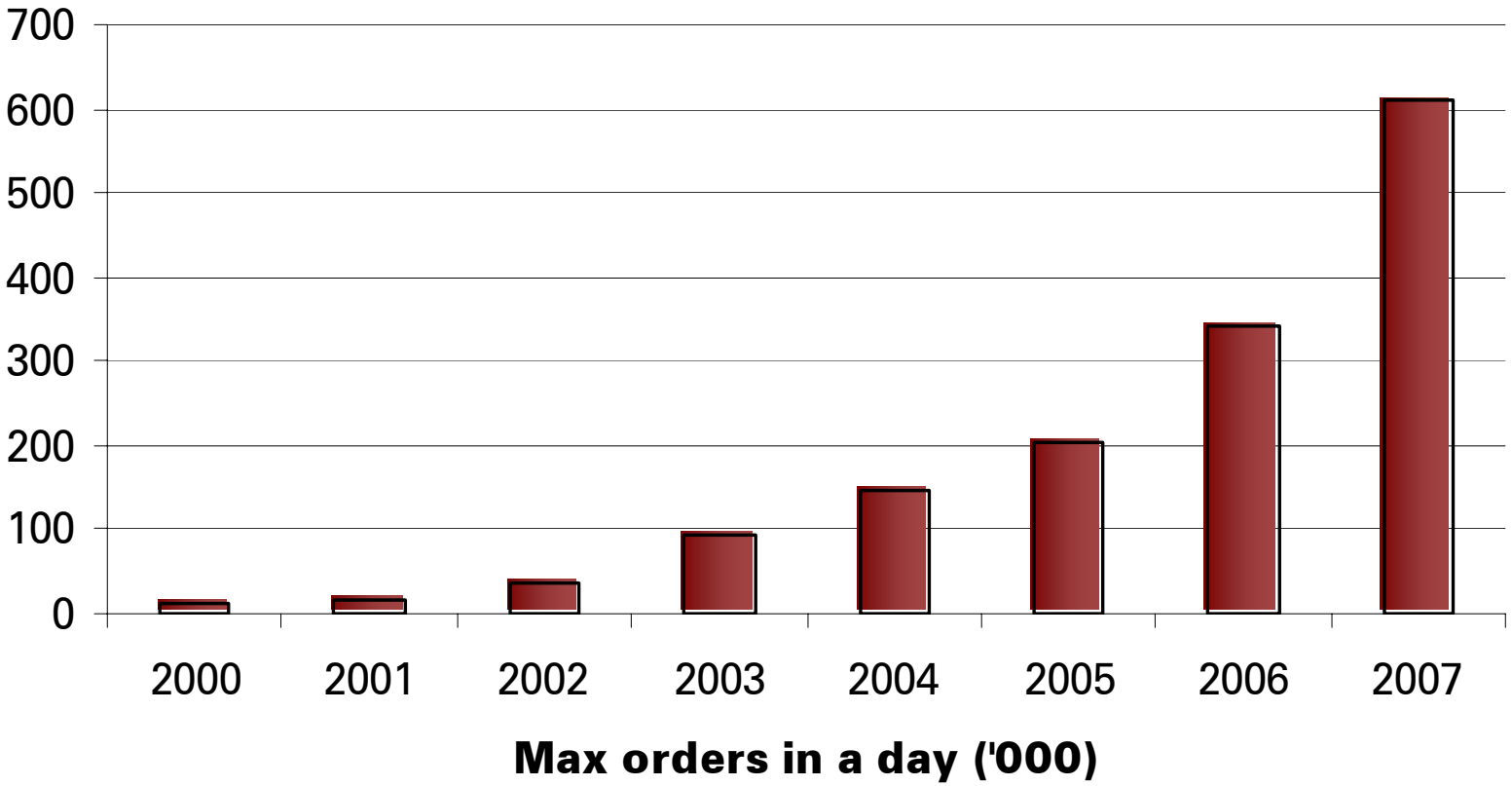
Scalable platform



One of the top trading websites in the world based on number of transactions

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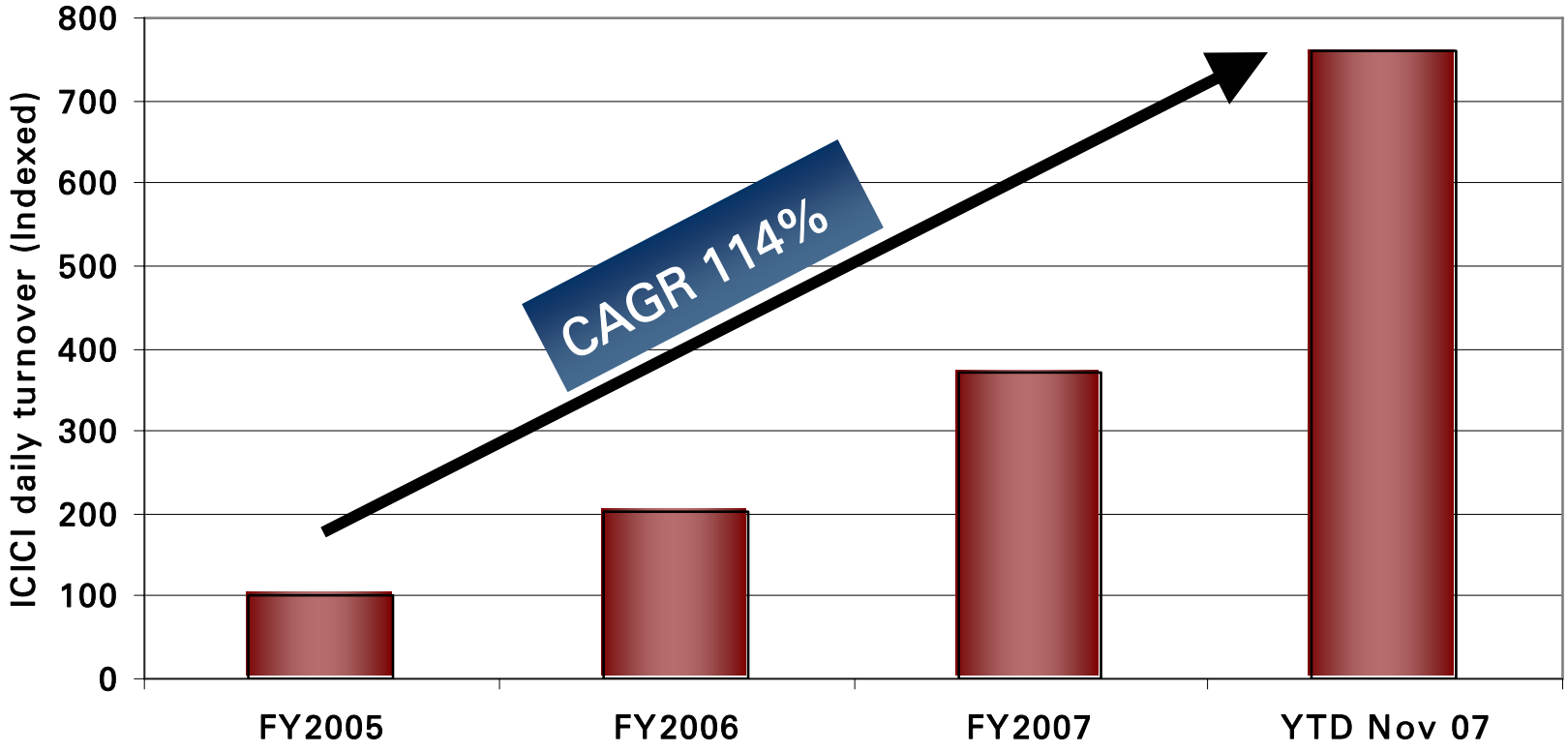
Increasing market share in a growing market



Market share in total turnover during April-Dec 2007 at 2.7%

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Distribution: key strategic drivers

Exhaustive Product Basket

Core Products

Mutual funds, equities, insurance, credit

Alternate Investments

Global funds, Real estate, commodities, structured products

Client Segmentation

Solutions for unique set of needs of different client categories

Catchment area strategies

Theme-based strategies for centres, based on types of clients in service area

Targeting significant market share in distribution of ICICI Group products

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Brokerage: key strategic drivers

Ramp up customer acquisition

- Build offline distribution network: centers, agents, sub-brokers, ICICI Bank
- Enhance online proposition for client segments

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Increase transactions

- Differentiated products and channels
- Using statistical tools to leverage existing customer base

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Extend current leadership in online space to industry leadership

Targeting customer base of over 2.5 million by March 2009

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Customer acquisition: online tools

Retail Customers

- Enhancing the appeal of platform
  - One-stop shop: IPOs, mutual funds, insurance, commodities and derivatives
  - New products: Overseas trading
  - New channels: Launching GPRS trading

Active Traders

- Direct link: Access to customizable and multi featured trading platform featuring advanced technical tools, analysis and charting facilities
- Specialized inputs and research: Research including daily trading and intra day calls on Equity and F&O

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Customer acquisition: offline network

	Current	Plan March 2009
Centers	285	1,000
Sub-brokers	950	2,000
Points of presence	1,235	3,000

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India's leading fund mobiliser

Performance of merchant banks in capital market: CY 2007

Rank	Merchant Banker	# Issues	Total Amount (Rs. bn)
1	ICICI Securities	15	282.7
2	DSP ML	9	259.1
3	Enam	21	229.6
4	Kotak	19	228.8
5	Citigroup	10	184.6

Amongst the top brokers in retail procurement in CY2007

Source : Primedatabase

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Consistent performance in public issues

ICICI Securities has a continuous tradition of excellence in public issues		
Year	Amount (Rs. bn)	# deals
2002	8.37	3
2003	11.58	3
2004	112.42	7
2005	140.27	16
2006	74.21	14
2007	282.67	15

Market share of 62% in CY2007

Source : Primedatabase

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Institutional equities

- Broking relationships with over 250 institutions
- Offices in all the key financial centers
  - New York
  - London
  - Singapore
- Among top 5 brokers in derivatives trading
- A competitive research team size of 30
  - Target of covering 200 companies

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Thought leadership

- Flagship 'India Unlimited' conferences
  - New York conference in October 2007 addressed by Finance Minister

- Theme driven events
  - Insurance Conference : December 2007
  - Mid cap IT conference : Sep 2007
  - Metals Conference: August 2007
  - Agri-vision : June 2007

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Safe harbour

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 our products and services, our exposure to market risks, policies and actions of regulatory authorities; impact of competition; the impact of changes in 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

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