

A Partner in India's Long-Term Growth

An Interview with Chanda D. Kochhar,
Managing Director and Chief Executive Officer, ICICI Bank Ltd.

EDITORS' NOTE Chanda Kochhar assumed her current post in May 2009. She began her career with ICICI as a Management Trainee in 1984. In 1993, when ICICI decided to enter commercial banking, she was deputed to ICICI Bank as a part of the core team to set up the bank. In April 2006, she was appointed to Deputy Managing Director of ICICI Bank, and from October 2006 to October 2007, she handled the International and Corporate businesses for the bank.



Chanda D. Kochhar

In October 2007, she was appointed as the Joint Managing Director and CFO. Kochhar has been 20th in the 2009 Forbes list of Most Powerful Women in the World. She received a B.A. from Jaibind College, and after graduating in 1982, completed her M.B.A. in Cost Accountancy. She obtained her Masters in Management Studies (Finance) from the Jamnalal Bajaj Institute of Management Studies, Mumbai and received the Wockhardt Gold Medal for Excellence in Management Studies.

COMPANY BRIEF As India's second-largest bank, ICICI Bank (www.icicibank.com) has a network of 1,547 branches and about 4,816 ATMs in India, as well as a presence in 18 countries. ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries and affiliates in the areas of investment banking, life and non-life insurance, venture capital, and asset management. The bank currently has subsidiaries in the United Kingdom, Russia, and Canada; branches in the United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar, and Dubai International Finance Centre; and representative offices in United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia, and Indonesia. Their U.K. subsidiary has established branches in Belgium and Germany. ICICI was formed in 1955 at the initiative of the World Bank, the Government of India, and representatives of Indian industry. In 1999, ICICI became the first Indian company and the first bank or financial institution from non-Japan Asia to be listed on the NYSE.

What impact has the global economic crisis had on the India market, and what is your outlook for the market for 2010?

India has been fairly well insulated from the financial crisis. The crisis impacted us mainly through the external sector. However, our regulatory responses to the crisis had been timely and on an appropriate scale to help us navigate these challenges. In addition, our domestic consumption continued to remain healthy and acted as a support to the overall economic activity. In addition, India was always in a relatively stronger position to face the downturn. Our long-term economic fundamentals remain strong,

and we have a large domestic market to support our growth. The fact that our growth has been around 7 percent, even as the industrialized world faced sharp economic contraction, is indicative of the strength of our economy.

We are already witnessing a revival in both economic as well as corporate sector performance. In the second quarter of fiscal 2010, GDP growth improved to 7.9 percent compared to 6.1 percent in the first quarter of fiscal 2010. Growth in industrial production for August 2009 has been recorded at 10.4 percent with the core sector growing by 7.1 percent. This was followed by a 9.2 percent growth in industrial production in September 2009, indicating that recovery was indeed of a durable nature.

The equity markets picked up significantly during the first half of fiscal 2010 with the benchmark index BSE SENSEX increasing by 76.4 percent between April 2009 and September 2009. FII investments revived with net inflows of \$14.6 billion from April to September 2009 compared to net outflows in fiscal 2009. The initial signs of recovery are therefore strong and indicative of a very positive outlook for the Indian economy.

Would you provide an overview of ICICI's business and your growth strategy for the brand?

Our aim is to be a partner in India's long-term growth process, and we would like to utilize the opportunities presented by sustained economic activity. This would cover the entire spectrum of banking products and services. We believe that the fundamental features of our economy, like demographics, increasing incomes, and changing lifestyle of the masses will continue to provide opportunities in retail credit.

On the corporate front, Indian corporates

are not only looking at expanding domestically to cater to the large demand opportunity but are also now competitive at a global level. Simultaneously, there is a greater focus on increasing investment expenditure, especially in areas such as infrastructure. As a multi-specialist financial institution, we are very well placed to cater to these opportunities.

What advice would you provide for international companies looking to invest and do business in India?

Today, India is a land of opportunities. India's economic outlook is very positive, and our growth process is likely to be sustained for a considerable period of time. Similar to developments in the economy, corporate sector performance is also picking up. In addition, the funding options for corporates have also increased significantly, adding to expectations of further recovery in corporate performance.

In fact, there are indications that corporates are now restarting several of their investment projects, which had been put on the back burner due to the global slowdown. On the retail side, given fundamental factors like a young population and increasing aspirations, there will continue to be opportunities for businesses linked to the retail sector.

Given such an outlook, India should prove to be a very attractive investment destination.

ICICI has been a leader in corporate responsibility and the community. How critical is this work to the culture of the company?

We realize that as a responsible corporate citizen, we have the opportunity and the all-round resources to contribute to society in ways other than through our commercial operations. As such, corporate social responsibility has been a strong area of focus for us. Adopting a more focused approach to CSR, the ICICI Group has facilitated the creation of the ICICI Foundation for Inclusive Growth.

The ICICI Group provides a part of its annual profits to the foundation and works with it closely to help achieve its mission of improving social, economic, and human development outcomes at the national level. The key focus areas for the foundation include health care, education, increasing access to finance, and strengthening civil society. The foundation seeks to focus on the above by actively mentoring institutions that work in these areas. ●