



ICICI Group:

Performance & Strategy

February 2016

Certain statements in these slides are forward-looking statements. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors. More information about these factors is contained in ICICI Bank's filings with the US Securities and Exchange Commission.

All financial and other information in these slides, other than financial and other information for specific subsidiaries where specifically mentioned, is on an unconsolidated basis for ICICI Bank Limited only unless specifically stated to be on a consolidated basis for ICICI Bank Limited and its subsidiaries. Please also refer to the statement of unconsolidated, consolidated and segmental results required by Indian regulations that has, along with these slides, been filed with the stock exchanges in India where ICICI Bank's equity shares are listed and with the New York Stock Exchange and the US Securities and Exchange Commission, and is available on our website www.icicibank.com

Indian economy & banking sector

Key drivers of growth

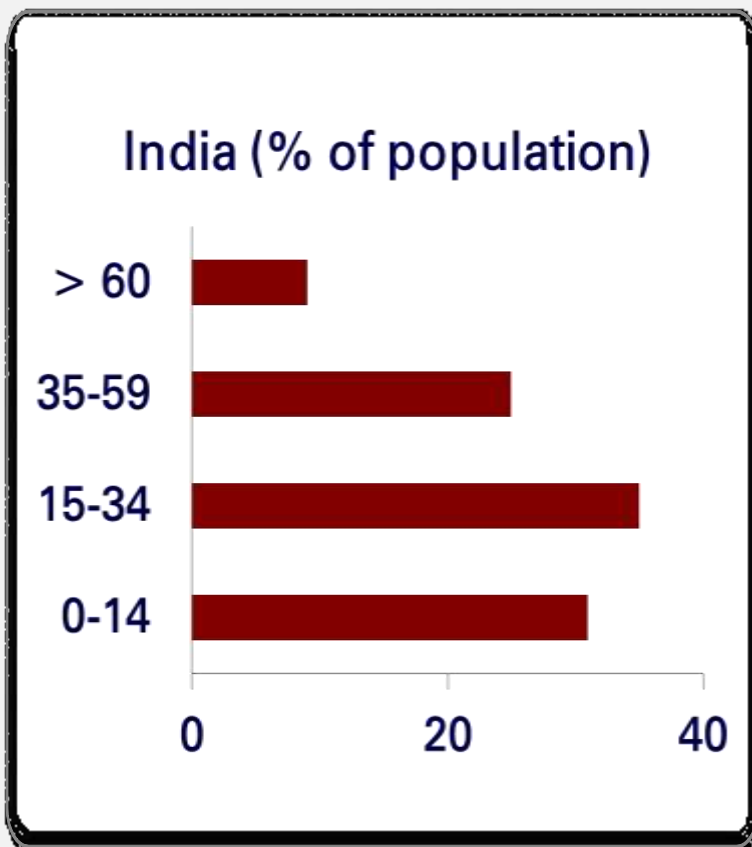
Favourable demographics

Healthy savings & investment rates

Rising per capita income

High potential for infrastructure development

Favorable demographic profile



A young population with median age of 25 years

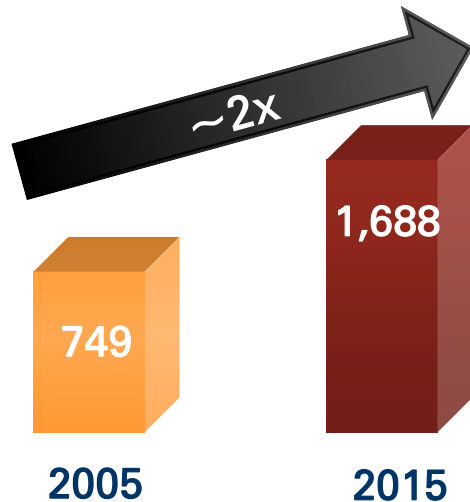
Rising share of working age population

- Addition of around 12 million to the workforce every year for next five years
- Working age population exceeds 50% of total population

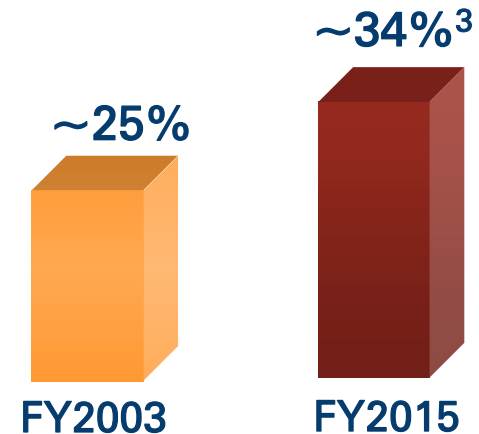
Dependency ratios to remain low till 2040

Healthy savings & investment rate

Per Capita GDP (USD)¹



Investment rate²



Domestic consumption and investments driven by favourable demographics and rising income levels

1. Source: IMF

2. Source: Ministry of Statistics and Programme Implementation, Government of India

3. Based on new GDP series

Under penetrated sector

Growth potential

- Bank credit / GDP: ~59%
- Retail credit / GDP: ~10%
- Mortgage / GDP: ~5%

Funding profile

- High proportion of deposit funding
- Conservative equity to assets

Asset profile

- 21.5% of net demand and time liabilities (NDTL) invested in government securities
- 4.00% of NDTL as cash reserve ratio with RBI
- Domestic oriented balance sheets

Conservative regulatory framework

Capital adequacy

- Average capital adequacy for the system 12.7%¹
- Implementation of Basel III in FY2014
 - Capital requirements 1% higher as compared to BCBS

Asset classification

- From April 1, 2015 loan restructurings lead to the asset being classified as non-performing, other than for project loans

1. Source: Reserve Bank of India

ICICI Bank: an overview

Largest private sector bank in India in terms of total assets

Tier I capital adequacy of 12.76% at December 31, 2015¹ as per RBI's guidelines on Basel III norms

Diversified loan portfolio

Large customer base

Global presence in 17 countries (including India)

Investment grade ratings from Moody's and S&P

1. Including profits for 9M-2016

ICICI Bank: focus & objectives

Balance sheet strength

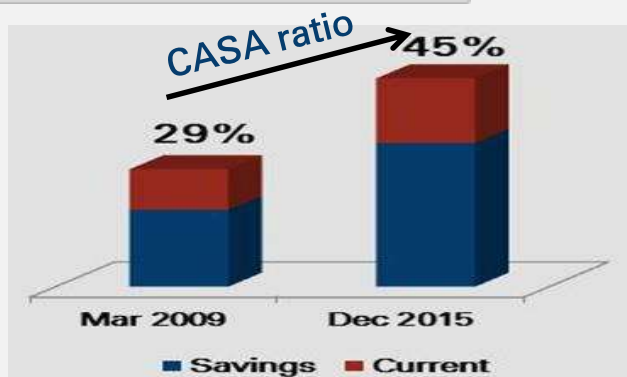
- Robust funding profile
- Diversified loan mix with increasing share of retail
- Leverage capital for growth

Profitability improvement

- Granular & stable income streams
- Efficiency of operations

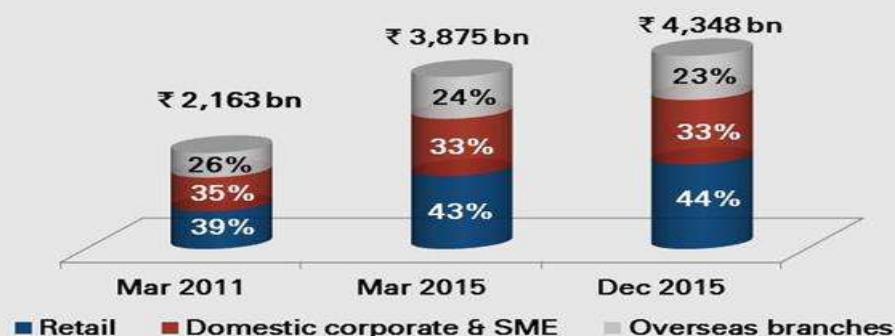
Healthy balance sheet growth

Robust funding profile



- ~17% CAGR in CASA deposits since Mar 2009
- Retail deposits as % of domestic deposits increased from ~50% at Mar 2009 to ~76% at Dec 2015

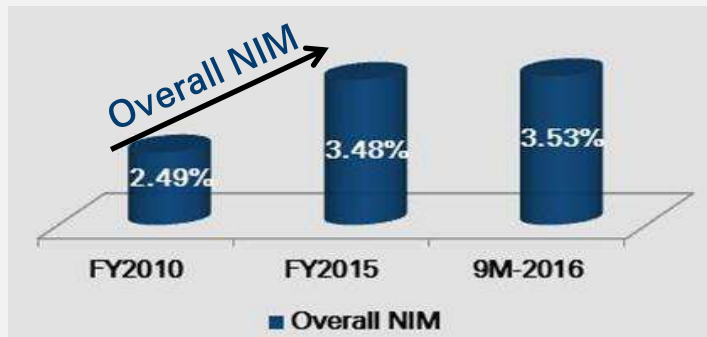
Diversified loan mix



- ~17% CAGR in domestic loans since Mar 2011
 - ~21% CAGR in retail loans since Mar 2012

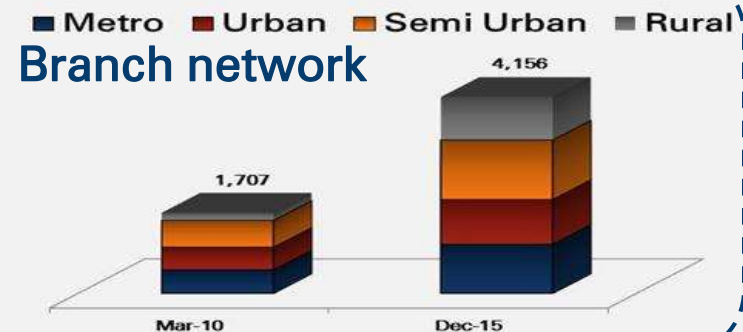
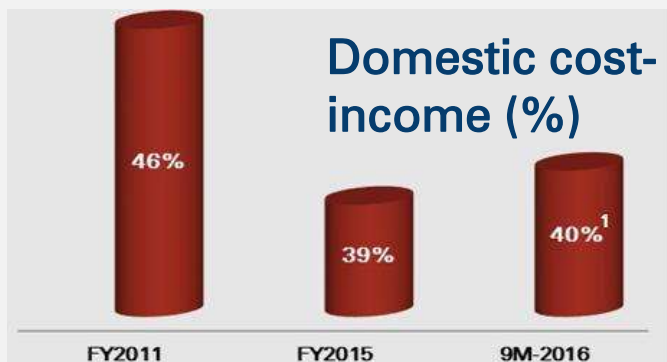
Strong core operating performance

Granular revenue streams



- Margin improvement driven by focus across businesses
 - Domestic margins improved by ~90 bps since FY2010
 - Overseas margins improved from 0.41% in FY2010 to 1.94% in 9M-2016

Improvement in operating efficiency



1. Income excludes ₹ 12.43 billion of profit on sale of 4% shareholding in ICICI Life in Q3-2016

Sustained improvement in return ratios



- About 90 bps improvement in standalone RoA over FY2009
- Consolidated RoE improved from less than 8% in FY2009 to 14.6% in 9M-2016

Growth driven by retail lending

Growth in domestic loans improved to 20.4% y-o-y at December 31, 2015 from 17.0% y-o-y at September 30, 2015; retail loan growth at 24.0%

Share of retail loans in total loans increased from 40.9% at December 31, 2014 to 43.8% at December 31, 2015

14.9% y-o-y growth in corporate portfolio driven by lending to higher rated corporates including public sector entities

Healthy funding profile maintained: average CASA ratio at 40.7% in Q3-2016



Balance sheet

Operating performance remained healthy

NII grew by 13%

**Non-interest income
grew by 36.4%**

- NIM improved by 7 bps y-o-y to 3.53%
- Retail fee growth remained healthy
- Demonstrated value in insurance subsidiaries; concluded sale of 4% shareholding in ICICI Life

Operating efficiency

- Cost-to-income ratio at 37.4%¹ in 9M-2016 compared to 37.1% in 9M-2015

1. Income excludes ₹ 12.43 billion of profit on sale of 4% shareholding in ICICI Life in Q3-2016



Profit & loss statement



Key ratios

Asset quality trends

₹ billion	FY2014	FY2015	9M-2016
Restructuring additions (A)	66.33	53.94	23.06
Gross NPA additions (B)	45.40	80.78	102.46
<i>Of which: slippages from restructured loans (C)</i>	<i>7.27</i>	<i>45.29</i>	<i>25.41</i>
Net fresh additions (A+B-C)	104.46	89.43	100.11

NPA additions of ₹ 65.44 bn in Q3-2016; about 2/3rd on account of cases highlighted by RBI in line with its objective of early and conservative recognition of stress and provisioning

- Additional loans aggregating to a similar amount may slip into NPA in Q4-2016 from the cases highlighted by RBI**

Asset quality trends

₹ billion	Dec 31, 2014	Dec 31, 2015
Gross non-performing assets (A)	132.31	213.56
Gross restructured loans (B)	131.05	120.37
Total (A+B)	263.36	333.93
Total as a % of gross customer assets	5.97%	6.58%

Asset quality trends

₹ billion	Dec 31, 2014	Dec 31, 2015
Net non-performing assets (A)	48.31	100.14
Net restructured loans (B)	120.52	112.94
Total (A+B)	168.83	213.08
Total as a % of net customer assets	3.91%	4.31%

Looking ahead

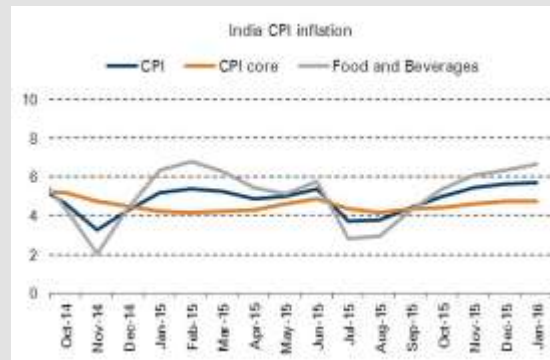
Renewed optimism regarding India's growth prospects

Signs of improvement in economic indicators

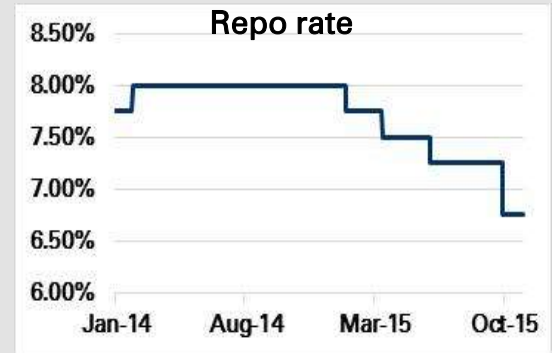
GDP growth



- However, positive trends in private sector cash flows & investments yet to be seen



- CPI inflation at 5.7% in January 2016; core CPI¹ inflation at 4.7%



- RBI cut repo rate by 125 bps since January 2015

1. Excluding food and fuel

Revival in economic growth will present several opportunities

Focus on manufacturing, infrastructure & urbanisation

Opportunities across all financial services businesses

Rising incomes & positive demographics

Continued opportunities for retail financial services

Buoyancy in markets & capital flows into India

Opportunities for insurance, asset management, securities & private equity



Spanning the spectrum of financial services

Strong franchise across business segments



- Strong and growing retail franchise
- Well established corporate franchise along with overseas presence



- Sustained private sector market leadership
- RoE > 30%



- Sustained private sector market leadership
- RoE ~ 16%



- India's second largest AMC
- Strong fund performance



- Strong franchises; market-linked businesses
- Focus on profitability

Strong retail franchise

**Sustained
growth in
granular
deposits**

**Robust
loan
portfolio
growth**

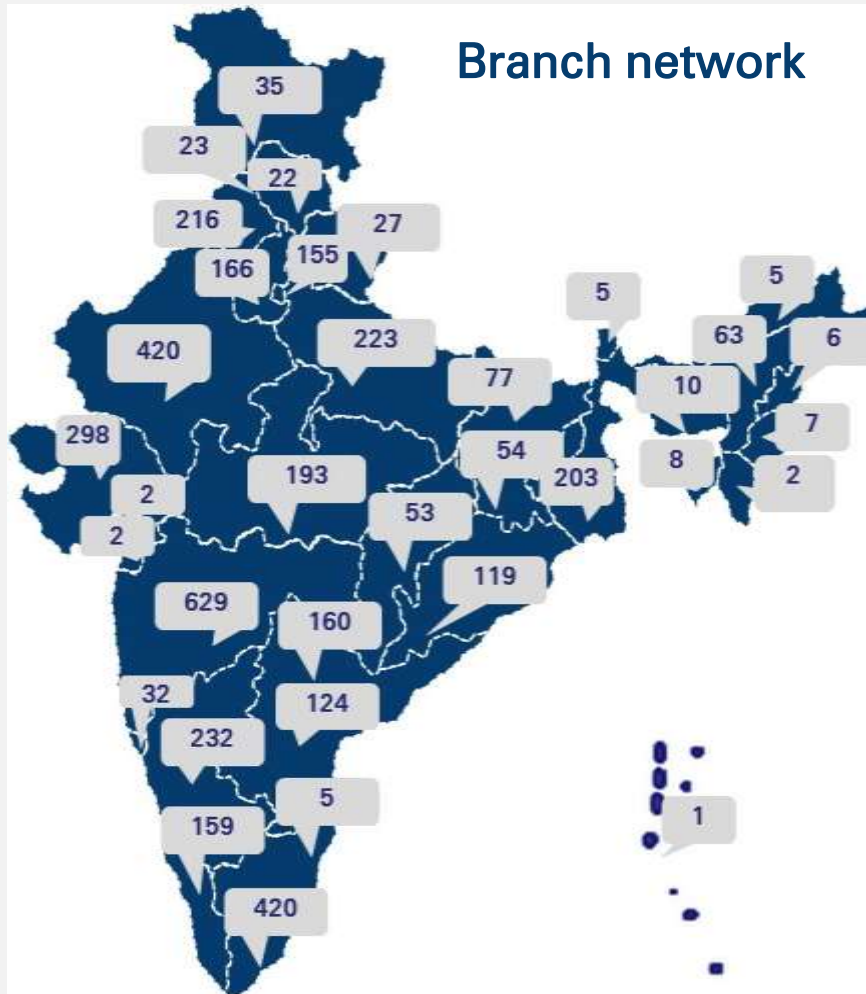
**Healthy
growth in
fee
income**

**Stable
asset
quality
trends**

The Bank continues to scale up its retail business and invest in strengthening the franchise and distribution infrastructure

Leveraging digitization & mobility to strengthen franchise & improve performance

Significant investments made in distribution



~52% of branches in semi-urban and rural areas

Supplemented by
13,372 ATMs

Focus on cross-sell along
with customer service at
branches

Leadership in technology

Key initiatives: focus on customer experience



24*7 Touch Banking branches



Refreshed & intuitive internet banking website



Rich mobile banking app



India's First Digital Bank

e-wallet for all - whether customer or not



Banking on Social media

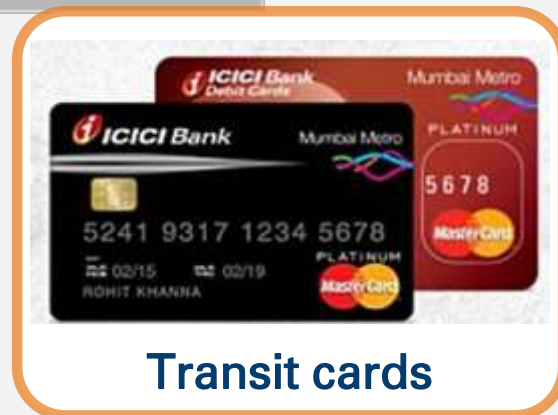


Leadership in technology

Key initiatives: focus on payments



Contactless cards



Transit cards



i-Bizz

Trade online

FX online



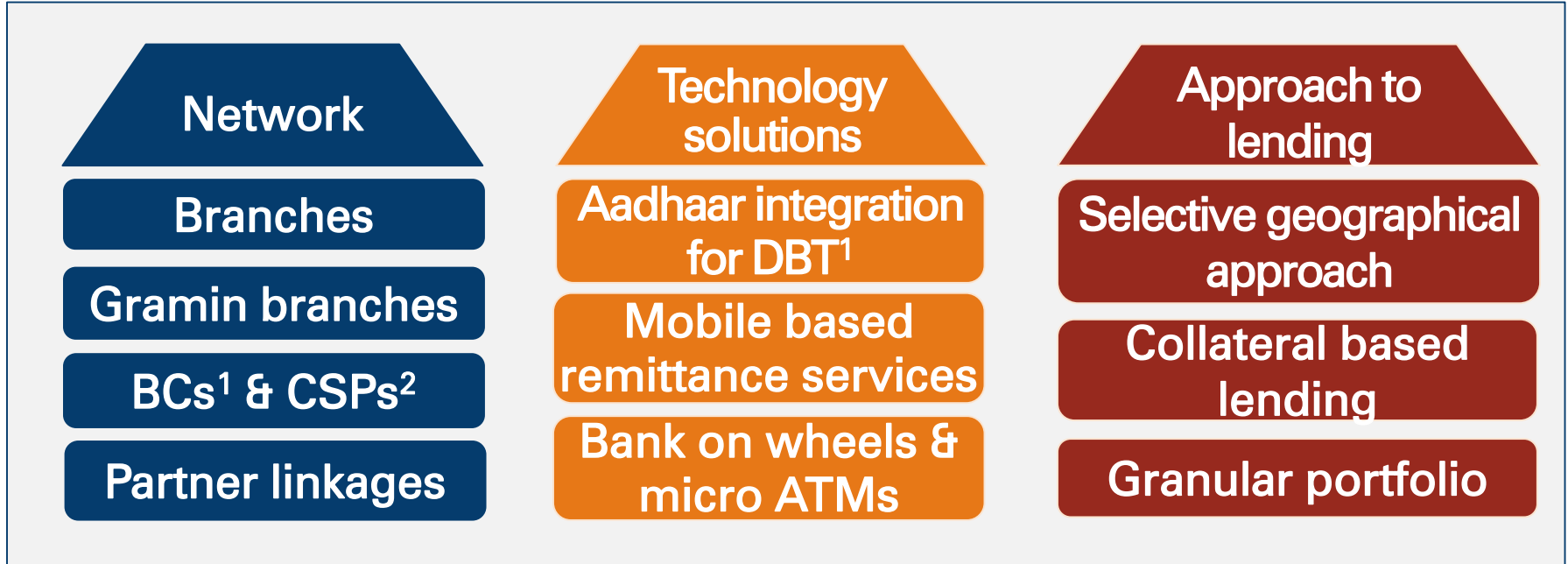
Corporate clients

Dedicated solutions for government clients

e-Auction

Our positioning & strengths

Significant presence in rural & semi-urban markets



2,169 branches in rural & semi-urban markets

1. BCs: Business correspondents
2. CSPs: Customer service points

Rural lending: diverse product suite & granular lending

Key products include loans against gold jewelry, farm equipment loans, kisan credit card, agri term loans and loans to Self Help Groups (SHG)

Portfolio contributes ~14%
to retail loans

~25% y-o-y growth at
December 31, 2015

Focus on growth to continue while monitoring risks

Retail & rural business: sustain strong franchise and performance



Continue to expand branch and ATM network



Focus on maintaining technology leadership



Drive operating efficiency & productivity across businesses

Maintaining robust growth in the retail portfolio while monitoring risks

Corporate business: selective approach to incremental business

Key measures

Limits on single borrower/group exposures significantly lower than the regulatory limit for lower rated companies/groups

Increase in proportion of higher rated exposures in portfolio

Limits on project finance exposures

Negative list of groups/ sponsors

Formation of separate credit administration group within business; independent of relationship team

Growth in corporate loans (including international) to be limited to about 10% y-o-y

International business: focus on profitability and returns

Branches

Lending primarily to Indian corporates

- Growth calibrated to global funding markets & Indian corporate credit demand
- Focus on commercial banking, including working capital lines for Indian companies abroad & MNCs engaged in trade with India
- Non-resident Indians a key customer segment

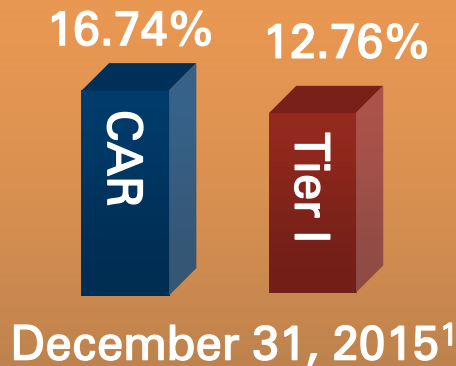
Subsidiaries

Investments reduced to ~5% of net worth

- Continued focus on optimising capital
- Focus on working capital lines, trade & transaction banking products to MNCs, select local market corporates & Indian companies abroad

Capital ratios significantly higher than regulatory requirements

Standalone capital



Consolidated Basel III total capital adequacy ratio at 16.75%, Tier 1 ratio at 12.73% at December 31, 2015¹

Excess Tier-1 ratio of 5.76% over the minimum requirement of 7.00% as per current RBI guidelines

Maintaining Tier-1 ratio at 10.00% indicates surplus capital of about ₹ 160.00 billion at Dec 31, 2015

1. Basel III capital ratios include profits for the nine months ended December 31, 2015

Treatment of deferred tax assets (DTA)



Aligning RBI norms to BCBS would increase Tier-1 capital by ~₹ 25.00 bn at Dec 31, 2015

ICICI Bank's Tier-1 capital is composed almost entirely of core equity capital; considerable headroom to raise additional Tier-1 capital

Significant value in subsidiaries

Life & general insurance

Aggregate value of shareholding post announced transactions at ~₹ 330 bn; assuming retention of majority stake, further pre-tax gains of ~ ₹ 70 bn

ICICI AMC

Second largest asset management company in India

ICICI Securities

Largest online retail broking platform

ICICI Bank Canada, ICICI Bank UK and ICICI HFC

Opportunity for reallocating capital

Sustained focus on strengthening franchise

Achieved significant improvement in balance sheet & operating parameters

2009 onwards

Driving structural improvements

Scaled up retail business; continued investments in distribution & technology

2011 onwards

Focus on growth; enhancing franchise

Key strengths

- Strong capital position supported by healthy operating earnings
- Significant value in subsidiaries; demonstrated with recent transactions in insurance business

Focus areas

- Growth to be driven by strong retail and rural franchise
- Focus on resolution of corporate exposures and selective fresh lending

Thank you