ICICI Group:

Performance & Strategy

September 2017

Agenda

- **Indian economy and banking sector**
- ICICI Group

India: strong long term fundamentals

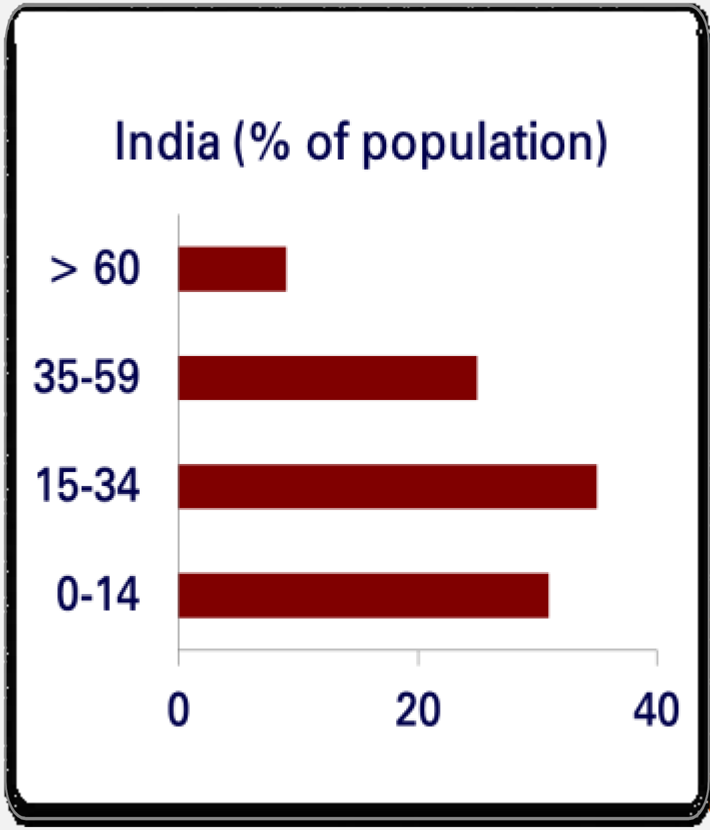
Key drivers of growth

- Favourable demographics
- Healthy savings rate
- Rising per capita income
- Strong potential for investment

India: strong long-term fundamentals

ICICI Bank

Favourable 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

Recent trends in the Indian economy

ICICI Bank

Inflation at 3.4% in August 2017; aggregate rate cut of 200 bps since January 2015

Strong external sector trends

- Current account deficit at 0.7% of GDP in FY2017
- Stable currency vis-à-vis other emerging markets
- Foreign exchange reserves of ~ US$ 400 billion; import cover of ~ 11 months

Focus on fiscal consolidation

- Fiscal deficit at 3.5% of GDP in FY2017; target of 3.2% for FY2018

Slowdown in economic growth transitory

- Growth strong at 7.1% in FY2017; slowdown in GDP growth to 5.7% in Q1-2018 reflecting alignment to structural reforms
- India amongst the fastest growing large economies

Significant structural reforms

- Domestic consumption and investments driven by favourable demographics and rising income levels
  - Per capita GDP[1] crossed USD 1,700
- Government policies laying the foundation for sustainable growth
  - Government spending supporting growth while maintaining fiscal prudence
  - Goods & Services Tax
  - Focus on affordable housing
  - Focus on digitisation
  - Enhanced ease of doing business

1. Source: IMF data for CY2016

Key challenges

- Subdued private sector investments
- Industrial sector impacted by weak demand
- High leverage in certain sectors

Banking sector

Banking sector framework

Growth potential

- Bank credit / GDP[1]: ~58%
- Retail credit / GDP[1]: ~10%
- Mortgage / GDP[1]: ~5%

Funding profile

- High proportion of deposit funding
- Conservative equity to assets

Asset profile

- 20.0% 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

1. Source: Reserve Bank of India

Banking sector framework

ICICI Bank

Capital adequacy

- Average capital adequacy for the system at 13.6%[1]
- Implementation of Basel III in FY2014
  - Capital requirements 1% higher compared to BCBS
  - Higher risk weights on certain secured loan categories e.g. consumer loans

Focus on asset resolution

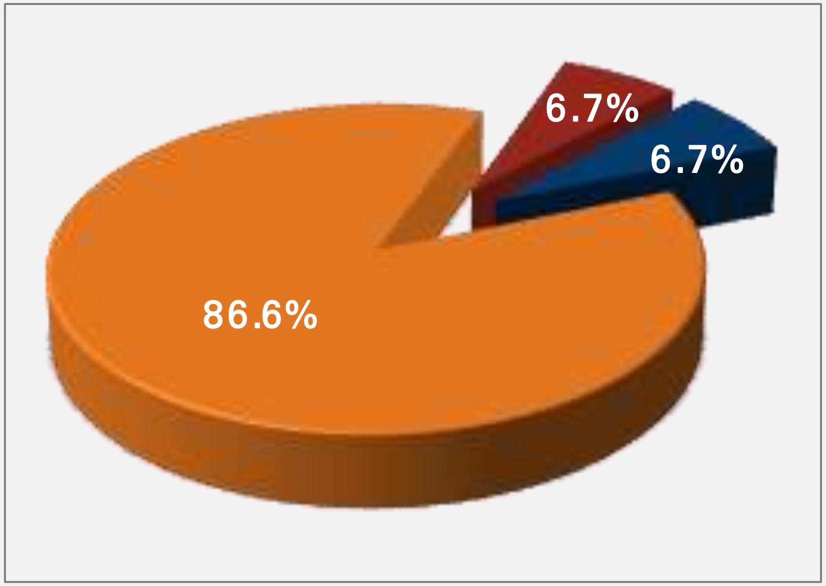
- Tools such as flexible restructuring under 5/25 scheme, SDR[2] and S4A[3] provided by RBI
- Amendments to the Banking Regulation Act to facilitate resolution
- Cases referred to the NCLT[4] under Insolvency and Bankruptcy Code

Change in accounting regime; banks expected to shift to Ind AS from April 1, 2018

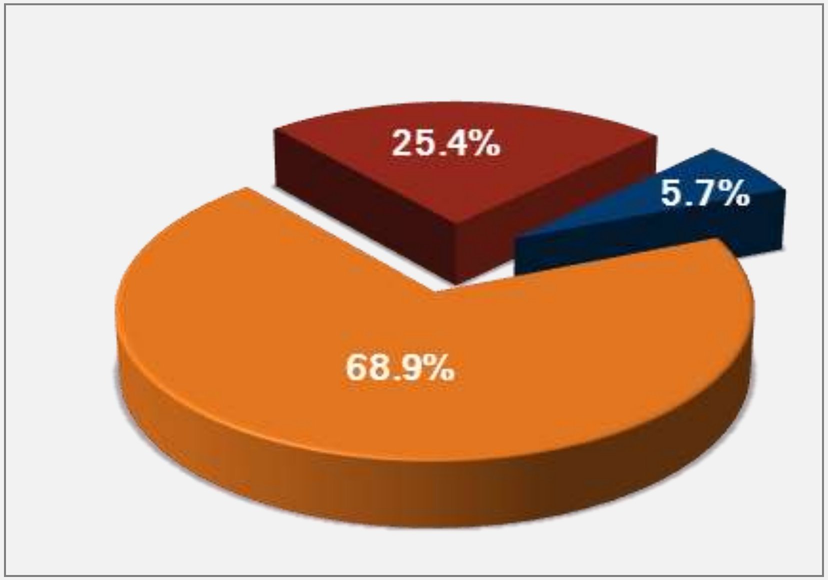
1. Source: Reserve Bank of India
2. Strategic Debt Restructuring
3. Scheme for Sustainable Structuring of Stressed Assets
4. National Company Law Tribunal

Private sector banks gaining market share[1,2]

March 1995



March 2017



Public sector banks | Private sector banks | Foreign banks

1. Based on total assets
2. Source: Reserve Bank of India

Trends impacting the financial sector

ICICI Bank

A growing savings pool

Growing adoption of digital trends

Under-penetration of financial services

Rising formalisation of economy

Healthy growth opportunities for the financial sector

Agenda

- Indian economy and banking sector
- ICICI Group

ICICI Group

Spanning the spectrum of financial services

Leadership across financial sector

Life Insurance	▪ Market capitalisation of ~ ₹ 594 billion[1] ▪ Private sector market leader
General Insurance	▪ Private sector market leader ▪ First non-life insurer to seek listing through an IPO[2]
AMC	▪ Sustained position of largest mutual fund in the country
Securities broking	▪ Largest online retail broking platform ▪ Ranked #1 in league tables for IPO/ FPO[3]
Primarily dealership	▪ Leading fixed income player

1. At Sep 19, 2017
2. IPO: Initial Public Offering
3. Source: Prime database; for Q1-2018

ICICI Bank

Largest private sector bank in India in terms of total assets[1]

Tier I capital adequacy of 14.80%[2] at June 30, 2017 as per RBI's guidelines on Basel III norms

Diversified loan portfolio

Largest branch and ATM network among private sector banks

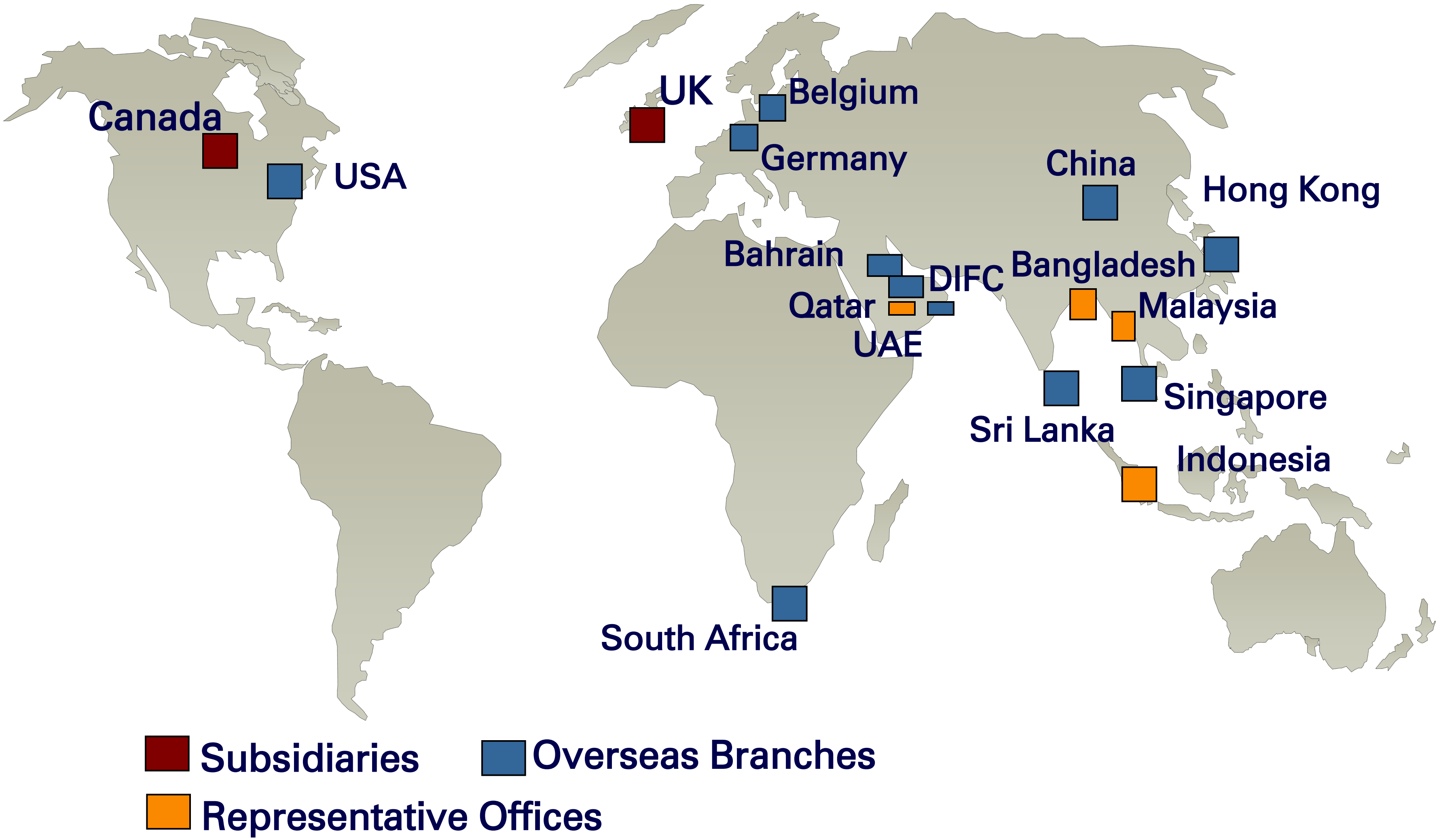
Leadership in technology

Global presence in 17 countries (including India)

Investment grade ratings from Moody's and S&P

1. Based on consolidated assets
2. On standalone basis; including profits for Q1-2018

Global presence



Performance highlights

Continued healthy retail loan growth

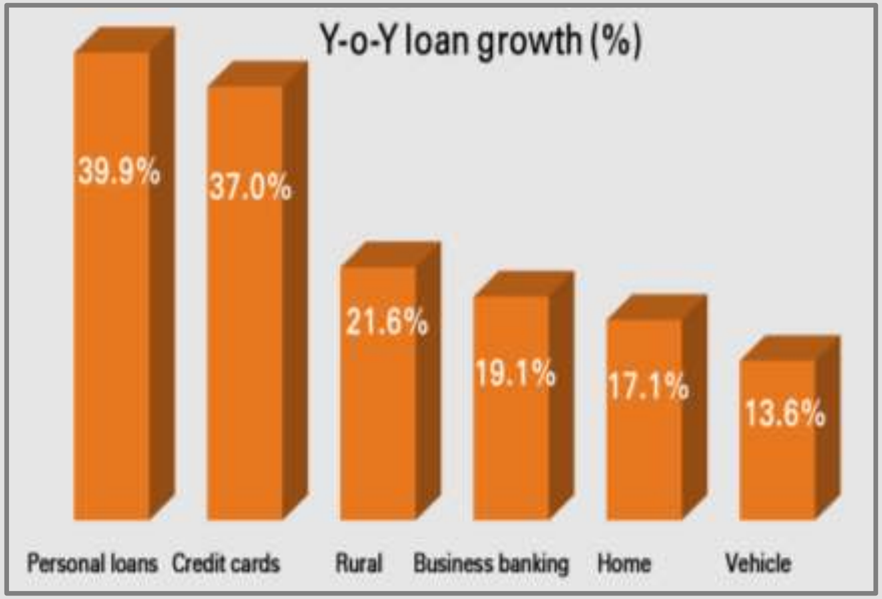
Loan portfolio	Y-o-Y growth (%)
Total domestic	10.9%
Retail	18.6%
SME	18.4%
Corporate	(2.8)%
Overseas[1]	(25.0)%

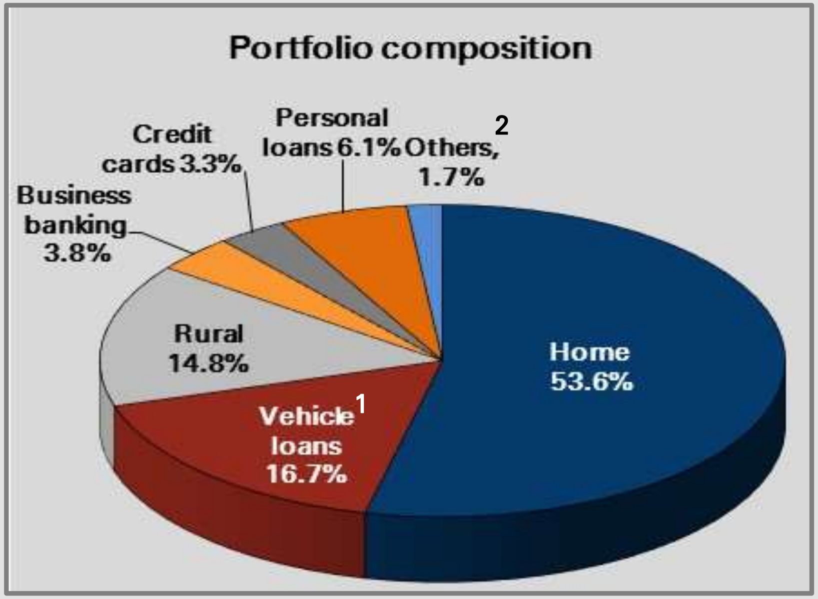
Total loans of ₹ 4,640.75 billion at June 30, 2017

1. Overseas portfolio decreased by 22.0% y-o-y in US$ terms

Balance sheet (assets): slide 37

Growth trends for retail segments





Retail loan growth at 18.6% y-o-y

Total retail loans at ₹ 2,475 billion at Jun 30, 2017

1. Vehicle loans include auto loans: 10.6%, commercial business: 6.0% and two-wheeler loans: 0.1%
2. Others include dealer funding: 1.0% and loan against securities: 0.7%

Corporate business: focus on selective lending

Continued focus on lending to higher rated corporates

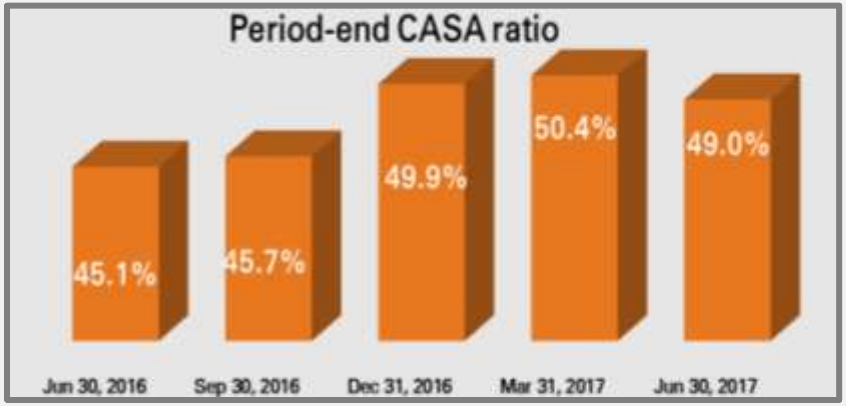
Domestic corporate portfolio declined by 2.8% y-o-y; excluding non-performing loans, restructured loans and loans to companies included in drilldown exposures, there was a growth in the domestic corporate portfolio

Robust increase in deposits

Total deposit growth healthy at 14.7% y-o-y

CASA deposits increased by 24.4% y-o-y at Jun 30, 2017; period-end CASA ratio at 49.0%

25.4% y-o-y growth in average CASA deposits in Q1-2018



Balance sheet (liabilities): slide 38

Leadership in technology

Leadership in technology

ICICI Bank

Highest rated[1]

Internet and mobile banking in India

500

'ICICI Digital Villages' in FY2018

85%

Paperless capability for branch transactions

Over 41.5 million

Debit & credit cards

Over a million automated transactions daily

SOFTWARE ROBOTICS

~85%

New savings accounts opened through tab banking

Large scale initiatives spanning customer activities and internal processes

1. In Benchmark Studies 2017 conducted by Forrester

Leadership in digital platforms

Ranked amongst top 20 banks globally in mobile banking[1]

Over 250 services across internet and mobile banking

- Digital wallet
- Over 6.5 million downloads; significant interest from non-ICICI Bank users

Launched ‘Mera iMobile’: India’s first mobile banking application for rural customers in 11 different languages

1. Benchmark studies conducted by Forrester, 2017

Adoption of digital offerings

Over 95% of financial and non-financial transactions of our savings account customers are now done outside the branches

Share of digital channels like internet & mobile banking, POS and call centre in total savings account transactions[1] increased to 81% in Q1-2018

1. Financial and non-financial

Leadership in digital payments

- Over 3.3 mn VPAs[1] have been created using ‘iMobile’ and ‘Pockets’
- Enabled both online and offline acceptance for merchants

- Single mobile-based application for merchants to collect payments using several options
- Over 130,000 merchants added

Touch & Pay: Mobile based NFC[2] payments

Enabled Bharat QR and Aadhaar Pay on both iMobile and Pockets

1. VPA: Virtual payment address 2. NFC: Near Field Communication

Credit quality

NPA and restructuring trends

₹ billion	June 30, 2016	March 31, 2017	June 30, 2017
Net NPAs (A)	153.08	254.51	253.06
Net restructured loans (B)	72.41	42.65	23.70
Total (A+B)	225.49	297.16	276.76
Total as a % of net customer assets	4.44%	5.70%	5.31%

- Asset quality in corporate sector impacted by challenging operating environment
- Retail asset quality continues to remain healthy across segments

Provisioning coverage ratio at 55.2% including cumulative technical/ prudential write-offs

Asset quality trends: slide 39

Proceedings under IBC[1]

- RBI advised banks to initiate insolvency resolution process in respect of 12 accounts under the provisions of IBC, 2016 and also required banks to make higher provisions for these accounts during the year
- The Bank, at June 30, 2017, had loans outstanding to nine borrowers amounting to ₹ 68.89 billion and non-fund outstanding amounting to ₹ 3.51 billion
  - About 97% of the outstanding was secured at June 30, 2017

- Provision coverage of 41% at June 30, 2017 in respect of loans to these borrowers
- Additional provision of ₹ 6.47 billion required over the next three quarters as advised by RBI, in addition to the provisions to be made as per the existing RBI guidelines

1. Insolvency and Bankruptcy Code

Improving core income & expense trends

- 8.4% y-o-y growth in net interest income
- 10.3% y-o-y growth in fee income
- Growth in operating expenses reduced to 12.5% y-o-y, compared to a growth of 16.3% in FY2017
- The standalone PAT at ₹ 20.49 billion in Q1-2018 compared to ₹ 20.25 billion in Q4-2017 and ₹ 22.32 billion in Q1-2017[1]
- 25.1% sequential growth in consolidated PAT

1. Non-interest income in Q1-2017 included exchange rate gain related to overseas operations of ₹ 2.06 billion, which is no longer permitted to be accounted as income following the RBI guideline issued in April 2017, and quarterly dividend of ₹ 2.04 billion from ICICI Life, which has moved to dividend payments on a half-yearly basis following its IPO in Sep 2016

Profit & loss statement: slide 46 Key ratios: slide 48

Significant value in subsidiaries (1/3)

FY2016

The Bank sold 4.0% shareholding in ICICI Life to Hasham Traders (Premji Investments) and 2.0% to Temasek

The Bank sold 9.0% shareholding in ICICI General to Fairfax Financial Holdings

Significant value in subsidiaries (2/3)

FY2017

Completed initial public offer of ICICI Life in Q2-2017

The Bank sold 12.63% stake in an IPO at ₹ 334 per share; shareholding of 54.9% after the sale

ICICI Life had market capitalisation of ₹ 593.70 billion on Sep 19, 2017; among eleven largest financial services companies[1] in India based on market capitalisation

1. Listed on NSE

Significant value in subsidiaries (3/3)

FY2018

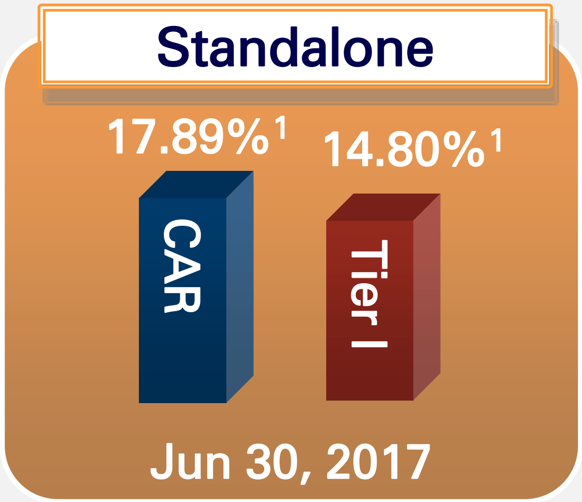
IPO of ICICI General underway

First non-life insurance IPO in India; issue size of ~₹ 57 bn

Company valuation at ~₹ 300 bn

ICICI Bank continues to own ~55.9% shareholding in the company after the IPO

Strong capital position



- Capital ratios significantly higher than regulatory requirements
- Tier-1 capital is composed almost entirely of core equity capital
- Substantial scope to raise Additional Tier-1 and Tier-2 capital

Excess Tier-1 ratio of 6.45% over the minimum requirement of 8.35% as per current RBI guidelines

Risk weighted assets declined by 0.9% y-o-y compared to 4.6% y-o-y growth in total assets

1. Including profits for Q1-2018

Way forward: 4x4 agenda

Portfolio quality	Monitoring focus	Improvement in portfolio mix
	Concentration risk reduction	Resolution of stress cases
Enhancing franchise	Robust funding profile	Digital leadership & strong customer franchise
	Continued cost efficiency	Focus on capital efficiency including value unlocking

Thank you

Balance sheet: assets

₹ billion	June 30, 2016	March 31, 2017	June 30, 2017	Y-o-Y growth
Cash & bank balances	387.31	757.13	425.10	9.8%
Investments	1,683.22	1,615.07	1,854.08	10.2%
- SLR investments	*1,184.59*	*1,085.40*	*1,327.39*	*12.1%*
- Equity investment in subsidiaries	*107.63*	*103.23*	*103.23*	*(4.1)%*
Advances	4,494.27	4,642.32	4,640.75	3.3%
Fixed & other assets	707.43	703.39	689.23	(2.6)%
- RIDF [1] and related	*269.45*	*241.13*	*236.67*	*(12.2)%*
Total assets	**7,272.23**	**7,717.91**	**7,609.16**	**4.6%**

Net investment in security receipts of asset reconstruction companies was ₹ 34.05 billion at June 30, 2017 (March 31, 2017: ₹ 32.86 billion)

1. Rural Infrastructure Development Fund

Loan growth: slide 19

Balance sheet: liabilities

₹ billion	June 30, 2016	March 31, 2017	June 30, 2017	Y-o-Y growth
Net worth	919.50	999.51	1,006.24[1]	9.4%
- Equity capital	*11.64*	*11.65*	*12.83*	*10.2%*
- Reserves	*907.86*	*987.86*	*993.42*	*9.4%*
Deposits	4,240.86	4,900.39	4,862.54	14.7%
- Savings	*1,382.15*	*1,718.38*	*1,699.50*	*23.0%*
- Current	*531.33*	*749.83*	*680.73*	*28.1%*
Borrowings[2,3]	1,740.95	1,475.56	1,414.60	(18.7)%
Other liabilities	370.92	342.45	325.78	(12.2)%
Total liabilities	**7,272.23**	**7,717.91**	**7,609.16**	**4.6%**

Credit/deposit ratio of 81.8% on the domestic balance sheet at June 30, 2017

1. Capital and reserves at June 30, 2017 reflect the change due to bonus shares issued by the Bank. Further, the reserves were also adjusted for the dividend paid.
2. Borrowings include preference shares amounting to 3.50 billion
3. Including impact of exchange rate movement

Funding profile: slide 22

Asset quality trends (1/2)

Movement of NPA

₹ billion	FY2017	Q3-2017	Q4-2017	Q1-2018
Opening gross NPA	267.21	325.48	380.85	425.52
Add: gross additions	335.44	70.37	112.89	49.76
- of which: slippages from restructured assets	*45.20*	*2.39*	*18.03*	*14.76*
- of which: Slippages from exposure to 'below investment grade' companies in key sectors reported	*194.95*	*29.43*	*79.57*	*3.59*
- Existing NPA non-fund devolvement[1]	*17.99*	*17.99*	*-*	*1.24*
Less: recoveries & upgrades	25.38	6.25	14.13	27.75
Net additions	310.06	64.12	98.76	22.01
Less: write-offs & sale	151.75	8.75	54.09	16.05
Closing gross NPAs	425.52	380.85	425.52	431.48
Gross NPA ratio	7.89%	7.20%	7.89%	7.99%

1. Relating to accounts classified as non-performing in prior periods
2. Based on customer assets

Asset quality trends (2/2)

NPA and restructuring trends

₹ billion	June 30, 2016	March 31, 2017	June 30, 2017
Gross NPAs	275.63	425.52	431.48
Less: cumulative provisions	122.55	171.01	178.42
Net NPAs	153.08	254.51	253.06
Net NPA ratio	3.01%	4.89%	4.86%

Retail NPAs (₹ billion)	June 30, 2016	March 31, 2017	June 30, 2017
Gross retail NPAs	41.47	36.67	41.40
- as a % of gross retail advances	*1.96%*	*1.51%*	*1.65%*
Net retail NPAs	13.55	12.47	15.66
- as a % of net retail advances	*0.65%*	*0.52%*	*0.63%*

Provisioning coverage ratio at 55.2% including cumulative technical/ prudential write-offs

Sector-wise exposures

ICICI Bank

Top 10 sectors[1]: % of total exposure of the Bank	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	June 30, 2017
Retail finance	18.9%	22.4%	24.7%	27.1%	31.9%	32.5%
Electronics & engineering	8.3%	8.2%	7.6%	7.3%	6.9%	7.0%
Services – finance	6.0%	4.9%	4.2%	4.9%	6.2%	6.3%
Banks	8.8%	8.6%	7.8%	8.0%	6.0%	5.7%
Crude petroleum/refining & petrochemicals	6.6%	6.2%	7.0%	5.7%	5.5%	5.5%
Road, port, telecom, urban development & other infra	6.0%	6.0%	5.9%	5.8%	5.3%	5.1%
Power	6.4%	5.9%	5.5%	5.4%	5.1%	4.8%
Services - non finance	5.1%	5.2%	5.0%	4.9%	4.0%	3.9%
Iron/steel & products	5.1%	5.0%	4.8%	4.5%	3.6%	3.6%
Construction	4.2%	4.4%	4.0%	3.4%	3.1%	3.0%
Total (₹ billion)	**7,585**	**7,828**	**8,535**	**9,428**	**9,372**	**9,424**

1. Top 10 based on position at June 30, 2017

Aggregate exposure to key sectors

% of total exposure of the Bank	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	June 30, 2017
Power	7.3%	6.4%	5.9%	5.5%	5.4%	5.1%	4.8%
Iron/steel	5.2%	5.1%	5.0%	4.8%	4.5%	3.6%	3.6%
Mining	2.0%	1.7%	1.7%	1.5%	1.6%	1.8%	1.8%
Cement	1.2%	1.4%	1.4%	1.5%	1.2%	1.1%	1.1%
Rigs	0.5%	0.5%	0.8%	0.5%	0.6%	0.4%	0.4%
Total exposure of the Bank to key sectors	**16.2%**	**15.1%**	**14.8%**	**13.8%**	**13.3%**	**12.0%**	**11.7%**

Further drilldown: approach

1. All internally 'below investment grade' rated companies in key sectors across domestic corporate, SME and international branches portfolios
2. Promoter entities internally 'below investment grade' where the underlying is partly linked to the key sectors
3. Fund-based limits and non-fund based outstanding to above categories considered
4. SDR and 5/25 refinancing[1] relating to key sectors included
5. Loans already classified as restructured and non-performing excluded

1. Excludes central public sector owned undertaking

Further drilldown: sector-wise details

	At March 31, 2017		At June 30, 2017	
₹ billion	Exposure [1,2,3,5]	% of total exposure	Exposure [1,2,3,5]	% of total exposure
Power	62.31	0.7%	70.76	0.8%
Mining	52.33	0.6%	55.90	0.6%
Iron/steel	39.73	0.4%	39.93	0.4%
Cement	2.94	0.0%	3.23	0.0%
Rigs	0.43	0.0%	0.42	0.0%
Promoter entities[4]	32.66	0.3%	33.34	0.4%

1. Aggregate fund based limits and non-fund based outstanding
2. Excludes net exposure of ₹ 4.55 bn to central public sector owned undertaking
3. Includes investment exposure
4. Includes promoter entities where underlying is partly linked to the key sectors
5. Includes non-fund based outstanding in respect of accounts included in the drilldown exposure where the fund based outstanding has been classified as non-performing during earlier periods
6. In addition to above, the non-fund based outstanding to borrowers classified as non-performing was ₹ 21.35 bn at June 30, 2017

Further drilldown: movement

₹ billion

Aggregate exposure[1,2,3,4,6]	Q1-2018
Opening balance	190.39
Net increase in exposure	2.59
Upgrades to 'investment grade'	-
Downgrades to 'below investment grade'	14.20
Classified as non-performing[5]	(3.59)
Closing balance	203.58

1. Aggregate fund based limits and non-fund based outstanding
2. Excludes net exposure of ₹ 4.55 bn to central public sector owned undertaking
3. Includes investment exposure
4. Includes promoter entities where underlying is partly linked to the key sectors
5. Includes investment exposure relating to accounts classified as non-performing
6. Includes non-fund based outstanding in respect of accounts included in the drilldown exposure where the fund based outstanding has been classified as non-performing during earlier periods
7. In addition to above, the non-fund based outstanding to borrowers classified as non-performing was ₹ 21.35 bn at June 30, 2017

Profit & loss statement (1/2)

₹ billion	FY 2017	Q1-2017	Q4-2017	Q1-2018	Q1-o-Q1 growth
NII	217.37	51.59	59.62	55.90	8.4%
Non-interest income	195.05	34.29	30.17	33.88	(1.2)%
- Fee income	*94.52*	*21.56*	*24.46*	*23.77*	10.3%
- Other income[1]	*14.76*	*5.05*	*0.68*	*1.53*	*(69.7)%*
- Treasury income	*85.77*[2]	*7.68*	*5.03*	*8.58*	*11.7%*
Total income	**412.42**	**85.88**	**89.79**	**89.78**	**4.5%**
Operating expenses	147.55	33.73	38.67	37.94	12.5%
Operating profit	**264.87**	**52.15**	**51.12**	**51.84**	**(0.6)%**

1. As per the RBI guidelines dated April 18, 2017, banks are not permitted to recognise proportionate exchange gains or losses held in the FCTR in the P&L account. The Bank has therefore reversed foreign exchange gain amounting to ₹ 2.88 bn in Q4-2017, which was recognised as other income in 9M-2017. Accordingly, other income includes net foreign exchange gain relating to overseas operations amounting to ₹ 2.06 bn in Q1-2017, nil in FY2017 and nil in Q1-2018
2. Includes profit on sale of shareholding in ICICI Life of ₹ 56.82 bn in FY2017

Profit & loss statement (2/2)

₹ billion	FY 2017	Q1-2017	Q4-2017	Q1-2018	Q1-o-Q1 growth
Operating profit	**264.87**	**52.15**	**51.12**	**51.84**	**(0.6)%**
Provisions[1,2]	152.08	25.15	28.98	26.09	3.7%
Profit before tax	**112.79**	**27.00**	**22.14**	**25.75**	**(4.6)%**
Tax	14.78	4.68	1.89	5.26	12.4%
Profit after tax	**98.01**	**22.32**	**20.25**	**20.49**	**(8.2)%**

1. Drawdown from the collective contingency & related reserve of ₹ 8.65 bn in Q1-2017, ₹ 15.28 bn in Q4-2017 and ₹ 36.00 bn in FY2017
2. Floating provisions of ₹ 15.15 billion utilised in Q4-2017

Operating performance: slide 30

Key ratios

Percent	FY 2017	Q1-2017	Q4-2017	Q1-2018
Return on average networth[1,2]	10.3	9.9	8.3	8.2
Return on average assets[1]	1.35	1.27	1.10	1.09
Weighted average EPS[1,3]	15.3	14.0	12.8	12.8
Book value[3] (₹)	156[2]	144	156	157
Fee to income	22.9	25.1	27.2	26.5
Cost to income	35.8[4]	39.3	43.1	42.3
Average CASA ratio	43.7	41.7	46.5	45.4

1. Annualised for all interim periods
2. According to the revised AS 4 – 'Contingencies and events occurring after the balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, the Bank has not accounted for proposed dividend (including dividend distribution tax) as a liability for FY2017. However, the Bank has reduced proposed dividend for determining capital funds for computing capital adequacy ratio at March 31, 2017
3. Shareholders of the Bank approved the issue of bonus shares in ratio of 1:10 through postal ballot on June 12, 2017. Prior period numbers have been restated.
4. Includes gain on sale of stake in insurance subsidiaries

Operating performance: slide 30